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The Statist.

LONDON, SATURDAY, JULY 3, 1920.

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The Money Market.

Friday, July 2, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)...	5½	(Apr. 15, 20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills —	—	6½	—	—
Bank Bills —	6½	6⅝–1⅛	6¾–1⅛	7–7⅛
Trade Bills —	—	7–7½	7⅛–⅜	7⅛

As was only to be expected at the end of the half year and at the beginning of the holiday season, the note issue expanded during the week ended on Wednesday last. The net expansion was over 3½ millions, bringing the total outstanding to nearly 357.4 millions—the largest for the current year. As we pointed out in these columns last week the present tendencies both immediate and more remote are all in the direction of currency expansion, and it therefore is becoming increasingly urgent for the Government to reconsider, as we have frequently insisted, the question of the maximum fiduciary issue. The present amount of the fiduciary issue is nearly 315½ millions, leaving a margin of expansion of only £5,144,207. The maximum would have been exceeded weeks ago but for the questionable expedient of placing Bank of England notes in the reserve week by week. It is evident that we cannot expect to carry on the business of the country with less legal tender than we had at the end of last year, seeing that both prices and wages have risen substantially in the meantime, and that the tendency for production of commodities is towards an increase. Yet the Government, though unable to restrict the supply of legal tender, apparently try, ostrich-like, to conceal from themselves the real position of affairs by making desperate efforts to keep the *fiduciary issue* within a maximum arbitrarily fixed without any relation whatever to the factors which determine the volume of the currency. Even if the putting of an artificial limit to the volume of legal tender were

an effective method of remedying our financial disorders, a view which few would support, the end would not be secured by merely controlling the fiduciary issue while leaving the total issue to take care of itself. But were the Government to go no further than keeping the uncovered issue below £320,600,000 this policy is in itself harmful, for it involves the weakening of the position of the Bank of England by placing Bank of England notes in the currency notes reserve. This expedient does not alter the ratio of reserve to the combined note issue, but, as we have said, and as may be seen below from this week's Bank return, it lowers the reserve ratio of the Bank, which is a much more serious matter than lowering the currency notes reserve.

As was anticipated, the turn of the half-year saw stringent conditions in the Money market, a feature that was accentuated by the rather large calls falling due during the week. On Monday and Tuesday interest centred chiefly in loans over the end of the month, and while day-to-day money was comparatively easy at from 5% down to 4%, weekly fixtures could not be renewed under 6%, and 6½% was asked for new money. On Wednesday 7½% was paid for loans over the holiday to avoid borrowing at the Bank, and though seven-day loans were not in such request the rates remained at 6% to 6½%. Large amounts were borrowed from the Bank for a week at 7½%, and some discounting at the official rate was reported. Easier rates after the turn of the month were anticipated in the discount market, and bills were not offered freely in the early part of the week. Two months' paper was quoted 6½% and three months' maturities 6⅝%, though a little business was done in the latter at 6½% on Wednesday. Full six months' paper was called 6⅛%.

On to-day quieter conditions were again restored with an abundance of floating credits. Day-to-day money ranged from 5% to 4½%, and weekly fixtures were quoted 5½%, while rates generally were easier in the discount market.

Francs and lire show a further improvement on the week though they weakened in the early part of the week. Paris cheques were quoted 47.12½ to-day against 48.12½ on Tuesday and Wednesday. Brussels cheques show the most remarkable improvement to 44.75. German marks were firm to-day at 149, but Finnish marks displayed a weak tendency. In spite of the state of the New York Money market the dollar exchange was firm on expectations of further gold shipments. By Tuesday it had weakened to 3.95½, but it improved steadily since then and was quoted to-day with a net advance on the week at 3.97¼. The South American group moved adversely. Of European neutrals Switzerland and Spain went in our favour, the latter being called 24.10 to-day.

For the quarter just ended the total revenue was nearly 315 millions, as compared with 185.8 millions for the corresponding period of last year. The increase is chiefly due to "special (miscellaneous) receipts," which for the expired quarter totalled 98.3 millions. On the expenditure side there is a balance of 116½ millions in favour of the current year, for ordinary expenditure reached 401.2 millions, including 285.4 for supply services for the first quarter of the past fiscal year, whereas for the first quarter of the current year the expenditure was 284.7 millions, including 174.9 for supply services. The total difference to the national finances on comparing the two periods is, therefore, 245.7 millions in favour of the present year. This must be to some extent discounted by the fact that for current fiscal year expenditure has hitherto been small as compared with the estimate, whereas revenue has been up to expectations, and has, moreover, been swelled by the inclusion of over 98⅓ millions from the sales of war assets, but after due allowance is made for these considerations it must still be admitted that we have got our national finances into a much healthier condition than they were a year ago. The following table shows the position at a glance:—

	April 1 to June 30, 1920	April 1 to June 30, 1919	Estimates for Year 1920-21
	£	£	£
Revenue	314,585,452	185,795,762	1,418,306,000
Expenditure	284,728,238	401,199,060	1,184,102,000†
Surplus available for debt redemption	30,258,214	*215,403,318*	234,198,000

* Revenue deficit. † Exclusive of sinking fund.

The movements in the floating debt during the quarter resulted in a net reduction in the total of £18,424,000. Unfortunately, however, this does not include a decrease, but was in spite of an increase of 38.8 millions in the indebtedness under Ways and Means Advances. Total repayments of Treasury bills were 914.8 millions, being 57.4 millions in excess of sales and renewals combined. At all events, we have fared better with the floating debt during the three months just elapsed than during the corresponding months of 1919. During the similar period of last year the amount of Treasury bills outstanding was reduced by 160 millions, but, on the other hand, Ways and Means Advances were increased by 319.2 millions, making a net increase of 159.2 millions in the total. The following table affords a comparison of the movements:—

(000's omitted).

	Ways and Means Advances outstanding.			
	Advances by Issue Department of Bank of England.	Advances by Public Departments.	Treasury Bills Outstanding	Total.
[illegible]	529,000	245,247	796,150	1,570,387
[illegible]				
April 1	+319,245		- 160,940	+ 159,245
[illegible]	69,750	173,941	1,050,090	1,293,781
[illegible]				
April 1	- 38,804		—57,383	- 18,424
Increase (+) or decrease (—) during [illegible]	159,250	+ 1,250	+ 253,940	+ 276,606

Between June 19 and June 30 the floating debt was increased by £2,467,000 net. Treasury Bills outstanding were reduced by £27,907,000, but 30¼ millions net were borrowed from the Bank on Ways and Means Advances, and £124,000 from Public Departments.

BANK OF ENGLAND.

Whilst the market was fully prepared for an unfavourable Bank Return this week, it is doubtful whether its anticipations came anywhere near the reality. At the outset it must be recognised that the Bank had to face a variety of adverse circumstances, cumulative in their effect. The end of the half-year found the market anxiously seeking accommodation, and with a general scarcity of funds, recourse was had, as is always the case in like conditions, to the

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BANK OF ATHENS

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Bank. Accordingly the return discloses an increase of £23,045,000 in other securities, thereby raising the total to £103,188,000. Moreover, as the quarterly official return of income and expenditure reveals, receipts from Treasury Bills fell short of the amount required to meet maturities by over £34,000,000, whilst ordinary revenue was not sufficient to defray ordinary expenditure. This, again, necessitated another drain on the Bank in the shape of Ways and Means advances. The increase in Government securities during the week from £53,003,000 to £90,078,000, affords a measure of the extent to which the Government increased its indebtedness to the Bank in this undesirable manner. Similarly it is recorded that the balance due to the Bank in respect of Ways and Means Advances rose in the short interval between June 26 and June 30 from £43,500,000 to £69,750,000. The other aspect of these movements is reflected in the decline in public deposits by £2,121,000 to £15,748,000; whilst other deposits are swelled by the influx of £57,493,000 to £175,967,000. This big addition is responsible for raising the total liabilities from £136,358,000 to £191,729,000. It is unfortunate that the position in which the Bank thus finds itself should be complicated by an extraneous factor. The holiday demand for currency became pronounced, and during the week the currency notes issued exceeded those cancelled by over £3,300,000. To redress the narrow margin between the maximum fiduciary issue of £320,600,000 and the actual fiduciary issue, which, as a result of this increase, amounted to £318,455,794, it was considered advisable to transfer £3,000,000 Bank of England notes to the Currency Note Redemption Account, thereby reducing the fiduciary issue to £315,455,794. Turning to the Bank return, we find an expansion of the note circulation by £4,818,000 to £120,058,000. This constitutes a record figure for movements in the circulation. But, as indicated above, £3,000,000 have been earmarked for the Currency Note Redemption Account. As the total bullion increased during the week by only £67,000 to £117,882,000, the net result has been to reduce the amount of the reserve to the extraordinary low level of £16,274,000. On only two occasions during the last decade has a lower reserve been returned. And these, as might have been expected, are contained in the historic returns for the weeks ended August 5 and August 12 of 1914, when the amounts were respectively £9,967,000 and £15,530,000. With a reserve abnormally low in amount and liabilities abnormally expanded during the week, the ratio of the reserve to the liabilities fell from 15.4% to 8.5%. The memorable return of August 5, 1914, recorded a reserve of 14.6%, and not until February 7, 1917, was a level of 13.3% reached. This constituted a record until the return for the close of 1919, when a ratio of 9.2% was attained. It is very unlikely that the present record of 8.5% will be challenged. Not often does the Bank find itself face-to-face in one week with such a group of unfavourable circumstances.

NEW YORK.

A TRIFLING expansion in loans, a decline of $78,030,000 in the deposits liable to the reserve regulations, and a further addition of 26.8 millions to U.S. deposits as a result of revenue collections, is shown in the average weekly statement issued on the 26th inst. of the New York City Banks and Trust Companies associated with the New York Clearing House. At the end of the previous week there was an actual reserve deficit of 3.9 millions under legal requirements. This is doubtless the reason for the rather low average excess reserve of 16.9 millions shown in the statement, the average aggregate reserve being 566.6 millions, as compared with 593 millions in the preceding week.

The combined statement of the Federal Reserve Banks presented on the 28th inst. shows movements in the nature of a violent reaction as compared with the movements of the preceding two weeks, and indicates that the 7% rate, including the sliding scale of rates for loans beyond a fixed sum as recently authorised, has not proved sufficient to check the demands of member banks. The holdings of member banks' paper, which during the preceding fortnight had been reduced by over 268 million dollars, has during the last week increased by 135.7 millions, bringing the total up to 2,431.8 millions. The total bill holdings now stand at 2,831 millions. Gross deposits, excluding Government deposits, which are lower on the week, expanded by 146.8 millions to 1,708 millions, as compared with a decline of 208.8 millions during the previous fortnight. The Federal Reserve note circulation expanded by 11.9 millions net to 3,116.7 millions. Considering these movements, it is not surprising that the reserve ratio declined to 43.6% as compared with 44.5% last week. The ratio during the corresponding week last year was 52.1%.

Too much importance must not be attached to those violent movements shown in the bank statements, as they are for the most part of a temporary nature, being the result of the half-year-end settlements and Government interest disbursements.

The Call-money market was firmer, 9% being the ruling rate, while up to 15% was paid. Prime mercantile paper advanced sharply to 7¾%-8%. In the Stock markets there was a disposition to sit on the fence till the Democratic Convention is finished on July 4.

INDIA

THE weakness in the rupee exchange, which continued during the week till a quotation of 1*s.* 8¾*d.* was reached to-day, calls for special attention in view of the recent report of the Indian Currency Committee. We have always been accustomed to look on India as a country which has a constant trade balance in her favour, and with whom we have generally to support an adverse exchange. Yet at the quotation above given the rupee is worth only 1*s.* 5*d.* in gold, making [illegible] the recommended ratio of one sovereign = Rs. 10. Taking this par of 10 rupees to the sovereign, to-day's open market price places the rupee at a discount of 29.3%, whereas last year the pound sterling was at a discount varying from 20% to 43%—that is to say, taking the old par of 1*s.* 4*d.* This clearly shows that the Government has not so great a control over the exchange as it has been accustomed to believe, and, indeed, at the present time, as for some time past, any arbitrary attempt on the part of the Government of India to keep up the rate can only be at the expense of the Indian taxpayer. Nevertheless, the understanding that the Government is more or less pledged to support the exchange, even though the expediency of doing so or the means by which it is attempted may be called into question, is sufficient at all times to make a good market for rupees. Thus any fall below the level of rates ruling in the open market during the past week would bring new buyers into the market. Of course, a great deal depends on the outcome of the monsoon, but as regards this, even if abundant rains come now, no certain forecast of the crops can be made until the autumn. Another factor which depresses the exchange at present is the financial and industrial uncertainty here making a bad market for Indian exports. This is a state of affairs which is likely to continue, and during the summer months at any rate it will operate to keep the rupee exchange depressed, and may, indeed, pull the rate below the present low level. In the autumn at any rate a decided improvement may be looked for, for there appears to be a world-wide shortage in those foodstuffs which India produces, and her crops will not only find a ready market, but will command a premium in relation to other products.

Stock Exchange.

The result of the New South Wales 6½% issue, of which only 45% was taken up, shows that investors are looking for a higher Bank rate, or are expecting that the future will see sound securities offered on more favourable terms. Indeed, at the present moment, there are all sorts of rumours flying round the Stock Exchange as to attractive issues contemplated by various Governments. Under these ircumstances, and especially when one considers the huge flood of new issues which have taken place during the past six months, it is not surprising that there is so little disposition to pick up investment securities in the House.

Speculative descriptions are still overshadowed by the 60% excess profits duty, and strong movements are rendered very difficult by the stringency in the Money market. The result is that business is very small; in the absence of buyers jobbers are not keen on taking stock on to their books, and prices sag in consequence. Such is the description of the markets during the past week, when, apart from the holiday, the volume of business was exceedingly small. Towards the end a little brightness developed, chiefly on expectations of easier money conditions after the turn of the half-year, and also on an anticipation, which is pretty widely shared, but which seems to be without foundation, that the additional 20% excess profits duty would not be enforced.

The Gilt-edged market was irregular, but the general tendency was firmer. War Loan Fives show an improvement on the week at 84⅜. Consols were also bid up to 47. Local Loans and Irish Land Stock declined, and Indians were again weak. Colonials were steady to firm.

The spurt in Home Rails which marked the close of last week was not continued over the week-end. Up to the publication of the Government's statement practically no business was done, and prices held. On Wednesday, however, when the White Paper had been read, a general decline began, though there was by no means a rush to sell. There is still a disposition to hold stock in the event of further developments.

Perhaps the general inaction was more pronounced in the Industrial section, where the volume of buying and selling was so small and so evenly balanced that prices generally remained unchanged. As is customary, Friday saw a more cheerful feeling, but still no active support for the market is forthcoming. There were, nevertheless, a few interesting movements. Though the shipping group generally displayed no better tone, Indo-Chinas jumped on Monday from 40 to 50 on fresh rumours of absorption by the P. & O. Later, however, they relapsed to 45⅞. P. & O. Deferreds were also a firm spot. Textiles were uninteresting, but Fine Spinners and Calico Printers improved. Courtaulds were dull. Marconis exhibited further weakness as the result of a report that the Company's new wireless scheme would not be put through. Nitrates were not as bright as might be expected, but Alianzas were a good feature, with a rise from 22 to 23¼.

The Oil section was no exception to the general trend of the markets, and much irregularity was displayed. In the beginning of the week prices sagged with very few exceptions, but later on a general rally occurred. Paris selling of Mexican Eagles was again reported, and, as little support was forthcoming from this side, the prices relapsed on Monday to 8¾ for the Common and 8⅝ for the Preference. Though the other descriptions were helped on Friday by a feeling that the additional 20% excess profits duty would be dropped, Mexican Eagles shared in the general improvement, notwithstanding that this Company is unaffected by excess profits duty, and the respective quotations at the close yesterday afternoon were 9xd and 8⅛xd.

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Mining Topics.

Paris liquidation, especially of De Beers, which lost £1 on the day to 19¼, was mainly responsible for the weakness of the market at the opening. Outside a few minor reactions amongst Kaffirs there was very little activity. By Wednesday, however, Continental selling had not only disappeared, but Paris support was forthcoming for several of the leading descriptions, particularly Central Mining and Rand Mines. Chartered constituted another promising feature, moving up from 15*s.* 6*d.* to 16*s.* 4½*d.*, in the hope of a favourable outcome of the Cave Commission. Thus the half-year closed on a cheerful tone. The holiday on Thursday induced not a few to suspend operations over the week-end. Consequently, little business was transacted. The gold output of Southern Rhodesia for May is announced to be 46,266 ounces. The value is returned at £403,255, in contrast with £208,934 for April. This remarkable increase in value is due, however, to the inclusion of £197,043 representing the total of the gold premium accruing during the period October 1919 to January 1920. A cable from the Randfontein Central Gold Mining Company states that the West Reef has been struck at a depth of 4,130 feet in the south vertical shaft. Samples from ten sections revealed ore averaging 12.1 dwt. over 48 inches. From Hampton Properties comes the news that in reserved lease block 45 ore averaging 14½ dwt. has been exposed in the first costeen and ore averaging 17 dwt. in the second costeen.

Tin shares have been overshadowed during the week, not only by the prevailing low price of the metal, which is still below £250 a ton, but also by the general belief that no Government aid will be forthcoming. Miners from Dolcoath and Greville are all under final notice. The relapse of tin shares and especially Cornish descriptions is but a logical sequence. The definite declaration in the House of Commons on Thursday that the Government do not intend to provide the necessary financial assistance must inevitably cause further reactions. The decision is all the more regrettable, since money is yet being lavishly expended in directions neither so meritorious nor productive.

IVANHOE GOLD CORPORATION.

Year to Dec. 31	Ore treated Tons (2,000 lbs.)	Gold Revenue per ton milled	Working Costs, Development and Plant per ton milled	Working Profit Amount	Working Profit per ton milled	Net Profit	Dividend Amount	Dividend %
				£	£ s. d.	£	£	
1916	240,050	31 9 56	21 9 87	119,750	9 11 69	119,279	105,000	10½
1917	233,719	33 2 69	22 9 97	121,146	10 4 72	106,092	105,000	10½
1918	208,428	33 2 65	25 7 89	78,217	7 6 76	79,419	75,000	7½
1919	116,228	33 9 14*	30 0 51	27,370††	3 9 29	71,410†	75,000	7½

* Excluding premium on gold equivalent to 5*s.* 7½*d.* per ton milled.
† Including £41,221 in connection with the gold premium.

The report of this West Australian gold mine for the year ended December 31, 1919, cannot, with truth, be

described as a very encouraging document. The decline in the quantity of ore treated from 208,428 tons in 1918 to 146,228 tons in 1919, serious as it has been, cannot be said to have been unexpected. At the general meeting in May 1919 the Chairman dwelt at length upon the necessity of treating a lesser tonnage of ore of a higher grade if the profit was to be maintained in face of the rising costs. Thus it will be seen in the above table that the grade of the ore was higher, as the gold revenue per ton milled, calculating gold at the par value for the purpose of comparison, amounted for 1919 to almost 33*s.* 9½*d.*, as against 33*s.* 2*d.* in the previous year. Working costs, however, advanced more rapidly even than had been anticipated. Apart from the increase which was the inevitable outcome of the reduction in tonnage, came the advance in wages and in the prices of the essential stores and materials. The position was furthermore complicated by the presence of strikes. To crown the situation, the labour supply during the year was neither adequate in numbers nor efficient in quality. Consequently the actual working cost, including the outlay involved in the re-treatment of slimes, rose from 23*s.* 0½*d.* per ton in 1918 to 26*s.* 2½*d.* per ton. Adding the expenditure on development and on buildings, plant, and machinery, the total outlay for the year under review worked out at 30*s.* 0½*d.* per ton, as compared with 25*s.* 8*d.* per ton in 1918. Thus the working profit fell from £78,217 to £27,370, corresponding to a decline in the profit per ton treated from 7*s.* 6*d.* to 3*s.* 9*d.* However, the results of the year were rendered more profitable by the existence of the premium on gold which came into being after July 25, 1919. This brought in an additional revenue of £41,221, with the result that the gold yield per ton was increased by 5*s.* 7½*d.* to 39*s.* 5*d.* per ton, and the working profit to £68,591, or, 9*s.* 4½*d.* per ton. In this manner the net profit of the year was only £8,000 less than 1918, with its total of £71,410. Shareholders received in dividends £75,000, corresponding to a rate of 7½%, the same as was paid in 1918. The balance carried forward, however, was reduced from £12,276 to £8,686.

There are a variety of adverse factors at work which render the outlook for the current year rather uncertain. On the favourable side may be quoted the strong financial position of the Company as disclosed in the balance sheet at the end of 1919. Including the final dividend of £30,000, liabilities do not exceed £42,287, and these are amply covered by £45,354, representing the total of cash and sundry debtors. In addition the Company holds investments entered in the balance sheet at £171,192, and which were estimated to be worth £168,344. It is pursuing the sound financial policy of writing off the bulk of its expenditure on development work, buildings, and equipment. During the year under review it wrote off the total of its outlay, amounting to £28,169, in this connection. Development work for 1919 was of a satisfactory character, especially in the East Branch Lode. A drive south for 245 feet at the 600-foot level in sections 12 to 14 revealed ore [illegible] width of 5 feet, with an average value of 52*s.* 6*d.* per ton. A further drive south for 80 feet at the 707-foot level in sections 13 and 14 exposed ore of an average value of 39*s.* 11*d.* per ton over a width of 5 feet. The 28 feet ore averaging 63*s.* 2*d.* per ton over 4 feet in width was secured by a rise started in East Branch Lode in section 12 at 145 feet south of west cross-cut in section 11. At the 1,970-foot level an advance of 14 feet in the north drive in section 4 exposed ore valued at 43*s.* 11*d.* per ton over an average width of 4 feet. The position of the ore reserves over the period is as follows:—

Dec. 31	Tons	Value per ton
1916	[illegible]	[illegible]
1917	1,608,874	34*s.* 1*d.*
1918	1,000,000	[illegible]
1919	97,787	33*s.* 9*d.*

It is freely admitted that the reduction in quantity and value would [illegible] for the good values disclosed in the development of the East Branch Lode. These figures, however, have an important significance for the current year. The development of the Hampton field has attracted the best workers from the mines, with the result that, in view of the grade of the ore reserves and the rising costs, it is no longer possible to work at a profit in the absence of the premium on gold. Allowing 4*s.* 2*d.* per ton for loss in residues, the gold yield per ton on the average value of 33*s.* 9*d.* of the ore reserves works out at 29*s.* 7*d.*, whereas in the opinion of the General Manager there is no reasonable prospect of working below a total cost of 31*s.* 6*d.* per ton. Thus at the par value of gold working operations in the current year would result in a loss of 1*s.* 11*d.* per ton assuming that 15,300 tons are treated monthly. Furthermore, existing conditions would not permit of handling a larger tonnage. At the general meeting the Chairman stated that, working ore of the average grade, they would earn a small profit so long as they secured a premium of 15*s.* an ounce. This means that so long as the price of gold is 100*s.* an ounce the mine will work at a profit. The price of gold since the opening of the current year shows that it is unlikely that a loss will be incurred. Whilst gold soared above 120*s.* in February, it has [illegible] to oscillate around 105*s.* latterly. There is no reason to believe that it will fall below 100*s.* before the autumn, and after that date it should rise again with the swing back of the American exchange [illegible] movement of the corn and cotton crops. The Chairman pointed out how, by excluding ore from the reserves with a value under 29*s.* 10*d.*, in order to allow for the loss in residues, they would be able to maintain their average monthly profit on the assumption of a 20% premium on gold. On the other hand, this would reduce the tonnage to 603,923 tons, which would lessen the life of the mine to 3½ years, on the basis of treating 15,000 tons a month. Development of high-grade ore will, of course, improve the situation. But recent work has in the main exposed ore of a lower grade. The East Branch Lode still continues to prove an exception. In January of the current year ore of average value of 40*s.* 3*d.* per ton was found for 7 feet by a winze in section 12 at the 600-foot level. During February an extension of 27 feet of the north drive in section 6 at the 1,200-foot level exposed ore worth 35*s.* 5*d.* per ton over a width of 6 feet; whilst a further extension of 20 feet in March gave ore of a width of 6 feet and averaging 54*s.* a ton. However, the main relief must come, if at all, not from the gold premium or from better development results, but from a permanent reduction in the cost of working. The estimated working profits for the first quarter of 1920 are returned at £13,500, which, if continued at the same rate, would [illegible] a total for the year of £54,000. In the market the 5*s.* shares are quoted at 25*s.* 7½*d.*, and afford at this price, upon the assumption [illegible] dividend, a return of [illegible] 20%.

GURUM RIVER (NIGERIA) TIN.

Year	Tin Value	Working Profit	Net Profit	Dividends
Sept.	Tons	£	£	£
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible] of 104 Shares in 1914 [illegible]

[illegible] 18/- [illegible]

C

reached £16,986 in comparison with £18,280. In addition, working costs amounted to £13,306, or nearly £3,300 more than the corresponding expenditure for 1917-18. Thus the working profit declined in consequence from £8,256 to £3,680. To explain this situation is not a task of any great difficulty. In common with copper and other base metals, the price of tin fell considerably after the Armistice. Meanwhile the prices of stores and materials continued to rise, and labour had to be remunerated on a higher scale. But whilst the working profit fell below 50% of that for 1917-18, the net profit was nearly 150% greater, amounting to £17,451 in contrast with £7,057. The increase was due almost entirely to the successful disposal of shares and mining interests—in particular the interest in properties held jointly with the Rayfield (Nigeria) Tin Fields, Limited—which produced an additional revenue of £16,282. Dividends on investments brought in £390, whilst £85 was received in respect of transfer fees. Taking into consideration the sum of £5,358 brought forward from the last accounts, this left available for distribution a total of £22,809. Out of this shareholders, who had received nothing for some years past, obtained a dividend of 15%, which absorbed £17,596, leaving £5,213 to be carried forward to the next accounts.

The outlook for the current year may be said to be at least as favourable. Were it not for the presence of the 60% excess profits duty the outlook might well have been described as distinctly more favourable. That burden, in conjunction with the rather depressed condition of the Tin market during the last month or two, must inevitably curtail the amount of profit available for the shareholders. In so far as the actual working is concerned, indications all point to a successful year. During 1918-19 considerable attention was devoted to prospecting and development work, with great advantage. Substantial additions were made to the area worked by the Company. Prospecting licences and mining rights were acquired to an extent of 6.8 square miles and 5 lineal miles respectively. Part of these purchases are already producing tin concentrates, with the result that the output for the first six months of the current year reaches 92 tons, as compared with 57 tons for the corresponding period of 1918-19. So promising is the outlook that an interim dividend of 7½% in respect of the current year was declared in May. Moreover, the Company was adequately supplied with labour, whilst its proximity to the railway gave it considerable advantages in marketing its output. At the general meeting the Chairman stated that this great increase in their holdings placed the Company in a very strong position, lengthening its life for many years. The financial position as seen in the balance sheet dated September 30, 1919, is satisfactory. Liquid assets, including shareholdings in other companies valued at £15,855, amount to £47,860, whereas liabilities, including the final dividend of £8,798, do not exceed £40,819. In the market the 10s. shares are quoted at 6s. 6d. Assuming a final dividend of 7½% for the current year, making the total dividend 15% again, the yield at this price for the current year would be 11½%, and, for a full year in which the investor received a 15% dividend, 23%.

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F. C. SALTER, *European Traffic Manager.*

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 30, 1920.

Issue Department.

Notes Issued	£135,187,270	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	116,737,270
	£135,187,270		£135,187,270

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£90,078,431
Rest	3,958,426	Other Securities	103,188,431
Public Deposits	15,749,193	Notes	15,129,430
Other Deposits	175,968,968	Gold and Silver Coin	1,144,771
Seven-day and other Bills	13,470		
	£209,541,063		£209,541,063

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
June 30	120.0	117.8	15.7	175.9	90.0	103.1	16.2	8 5	7	6½
June 23	115.2	117.8	17.8	119.4	53.0	84.1	20.9	15·4	7	6⅝
June 16	114.1	117.8	21.2	132.5	70.8	78.8	21.9	14·3	7	6¾
June 9	114.3	116.7	19.4	136.8	74.4	78.7	20.7	13 3	7	6¾
June 2	113.8	114.4	21.2	127.3	66.6	80.5	19.0	12 9	7	6¾
J'v22,'14	28.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 6%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	July 2, 1920	July 2, 1919	July 3, 1918	July 4, 1917	July 1, 1910
Circulation	£120.0	£79.9	£54.3	£43.2	£28.7
Public Deposits	15.7	24.5	38.2	41.7	24.7
Other Deposits	175.9	166.9	152.1	130.6	50.5
Government Securities	90.0	93.7	66.2	45.5	18.0
Other Securities	103.1	84.5	112.9	111.1	42.8
Reserve	16.2	27.1	28.9	33.5	32.1
Ratio to Liabilities	8·5%	14 13%	15·18%	19·44%	42.77%
Coin and Bullion	117.8	88.6	85.3	55.2	42.4
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅞%	3⅝%	3½-3⅝%	4%	1½-1⅝%
Exchanges:					
Paris Cheque	47.10	29·92½	27·15¾	27·43	25·19
New York 60 days	3·90½	4·52	4·72¼	4·72½	4·84
Bombay Telegraphic Transfers	1/8¼	1/7½	1/6⅜	1/4⅜	1/3½
Prices:					
Consols 2½% Cash	47½	53	56	55½	82⅝
French Rentes 3% Money	51·00	81 82½	60·90	60·20	89·10
Silver, London spot	58¼d.	53½d.	48⅝d.	39½d.	24½d.
Wheat, (*Gazette* average	qr. 79/9	73/1	44/8	78/3	29/4
Cotton, Mid Upland	lb. 29 31d.	19 04d.	22·29d.	19 10d.	7·85d.
Iron, Scotch pig	ton 223 6	166/0	101/0	93/6	54/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
June 30, '20	11,284,843	7,921,449	357,355,793	28,500,000	13,400,000	11·7
June 23, '20	7,097,631	7,176,159	354,042,399	28,500,000	10,400,000	11·0
July 2, '19	9,477,047	8,834,668	342,952,150	28,500,000	—	8·3
July 3, '18	8,513,401	5,198,329	256,227,516	28,500,000	—	11·1
July 4, '17	5,573,032	3,286,743	163,391,965	28,500,000	—	17·4
July 5, '16	5,041,128	3,323,041	123,817,364	28,500,000	—	23·0

Balance Sheet, June 30, 1920.

Notes outstanding—	£	Advances—	£
One Pound	289,433,677	Other Bankers ...	—
Ten Shilling ...	43,342,116	Trustee Savings Banks	190,000
Certificates outstanding ...	33,580,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	357,355,793	Bank of England Notes...	13,400,000
Investments Reserve A/c ...	16,699,517	Government Securities ...	331,689,117
		Balance at Bank of England	305,193
Total	374,055,310	Total	374,055,310

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
June 30§	£8,645	£12,609	£5,964	£55,639	£50,348	—£5,291	£2,623
June 26	15,251	12,096	[illegible]	183,753	183,497	4,744	3,297
June 19	13,618	8,117	11,501‡	51,348	65,065	—10,717	3,875
91dys. '20-21	314,988	284,728	20,258‡	1,251,744	1,291,371	—39,627	— 6,746
91days '19-20	185,790	401,199	215,403	1,584,777	1,376,533	208,244	— 7,159
Fr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—234,198	—
Yr. '19-20	1,339,571	1,865,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,679,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue—Customs & Excise	Revenue—Income Tax, &c.	Revenue—Profits Duties, &c.	Revenue—Other Revenue	Expenditure—Int., &c., on Debt	Expenditure—Misc. Expend.	Expenditure—Supply Services
June 30§	£1,581	£2,630	£749	£1,685	£2,165	£182	£10,262
June 26	5,167	1,790	4,874	4,470	1,564	1,002	8,422
June 19	11,097	1,080	4,317	3,144	2,597	80	5,500
91days'20-21	71,408	53,718	56,363	133,494	108,432	3 419	174,857
91days'19-20	55,660	39,114	63,791	27,231	114,249	1-530	285,419
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,188	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,989

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
June 30, 1920 ...	£1,150,050	£243,681	£1,393,731	£1,745,720
June 26, 1920 ...	1,064,826	213,324	1,278,150	1,745,720
June 19, 1920 ...	1,077,997	213,317	1,291,314	1,745,720
June 12, 1920 ...	1,077,203	223,817	1,301,020	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Budget estimates. † Highest. ‡ Excess of revenue. § 4 days.

FOREIGN BANKS.

[In £'s Sterling:—000's omitted.]

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
May 31, '14 ...	£10,977	£633	£11,610	£41,925	£61,800	£6,003
June 17, '20 ...	10,659	1,050	11,701	71,214	205,726	31,967
June 24, '20 ...	10,659	1,049	11,708	†25,057	206,055	31,106

	Claim on Austro-Hungr. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State-Notes)	Deposits
CZECHO-SLOVAKIA *						
May 31, '20...	£387.928	£98.854	£31.498	£81.116	£344 529	£55.769
June 7, '20...	383.559	88.923	32.899	67.293	345.089	63.673
June 15, '20...	392.166	88.923	32.123	63.132	348.438	88.442

	Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4.100	£341	£4.441	£6.197	£786	£8.693	£47
Apr. 29, '20 ...	12.588	164	12.752	17.531	981	28.982	1,542
May 31, '20 ...	12.838	164	12.792	15.468	1.933	28.647	2.113
May 31, '19 ...	10.355	138	10.493	4.399	3.563	24.109	950
May 31, '18 ...	10.228	136	10.364	3.004	3.703	19.163	888

	Gold—In Bank	Gold—Abroad	Total Cash Incl'g Silver	Other Notes	Bills	Circulation	Deposits—Public	Deposits—Private
FRANCE.								
July 30, '14 ...	—£165.854—		£190.667	£97.788	£267.327	£15.302	£37.903	
June 24, '20 ...	144.394	78.131	233.149	77.440	1.501.756	3.072	143.121	
July 1, '20 ...	144.396	79.131	233.202	80.960	1.510.508	1.793	148.250	

	Gold	Silver	Total	Cash	Treasury Notes	Loans & Other Discounts	Circulation	Deposits
GERMANY.								
July 23, '14...	£67.843	£18.727	£94.570	£5.279	£40.055	£94.545		£47.198
June 15, '20...	64.585	160	64.745	809.552	2.032.832	2.549.433		765.630
June 23, '20...	64.583	175	64.758	824.777	1.858.425	2.582.839		578.989
June 23, '19...	55.890	985	56.875	437.943	1.440.332	1.455.393		481.063
June 22, '18...	117.303	6.037	123.340	81.621	741.841	802.376		405.908

	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13.496	£249	£13.745	£13.422	£10.332	£35.880	£1.437
June 21, '20 ...	63.002	1.124	64.126	16.326	25.893	83.146	13.123
June 28, '20 ...	63.025	1.158	64.183	13.913	25.885	83.835	111.978
June 28, '19 ...	54.810	884	55.494	11.207	18.765	84.839	5.823
June 28, '18 ...	59.798	841	60.437	4.297	10.174	77.439	4.051

	Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	—£48,458—		£25.017	£89.204	£8.887
Apr. 10, '20 ...	£32.190	£3.005	35.195	21.381	158.138	486.741	74.083
Apr. 30, '20 ...	32.190	3.003	35.193	19.852	180.782	501.813	74.704
Apr. 30, '19 ...	32.718	2.955	35.671	25.792	59.928	375.584	59.792
Apr. 30, '18 ...	33.449	3.142	36.591	6.422	54.922	290.108	59.650

	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
JAPAN.						
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
May 8, '20 ...	91.695	42.063	36.971	123.152	118.786	12.114
May 15, '20 ...	91.653	36.805	35.440	118.056	117.788	11.954
May 17, '19 ...	70.326	3.078	39.739	78.222	116.637	2.993
May 18, '18 ...	65.897	2.022	19.892	61.614	67.237	3.852

	Cash Own Vaults	Loans, Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89.886	£411.239	—	—	£387.165	£1.720
June 19, '20 ...	£19.2001	118.898	1.028.486	£845.468	£50.878	913.280	6.750
June 28, '20 ...	19.098†	113.320	1.028.716	829.862	51.424	903.554	3.388
June 28, '19 ...	19.454†	112.510	985.586	798.726	31.208	901.522	6.626
June 28, '18 ...	19.718†	128.760	883.780	741.186	31.734	835.168	28.376

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2.980	£1.678	£493	£4.868	£6.752	£793
June 7, '20 ...	8.121	3.701	579	22.869	23.397	7.867
June 15, '20 ...	8.120	3.575	579	22.991	23.326	7.756
June 14, '19 ...	8.182	4.125	678	18.679	23.520	4.257

	Gold	Silver	Total	Discounts & Loans	Note Circulation	Deposits
PORTUGAL.						
Mar. 31, '20 ...	£1.906	£3.921	£5.827	£17.689	£88.898	£6.722
Apr. 7, '20 ...	1.906	3.921	5.827	17.696	91.129	5.884
Apr. 8, '19 ...	1.905	3.883	5.788	8.826	64.505	3.497
Apr. 10, '18 ...	1.905	3.191	5.096	7.818	45.502	1.575

	Gold	Silver	Total	Discounts	Advances	Total	Circulation
RUMANIA.							
Apr. 17, '20 ...	£60.809	£8.458	£2.642	£11.100	£180.955		
Apr. 24, '20 ...	60.809	8.616	2.853	11.469	181.620		
May 1, '20 ...	60.809	9.031	3.074	12.105	181.292		
May 3, '19 ...	38.781	7.480	1.705	9.185	109.312		

	Gold—In Bank	Gold—Abroad	Total Cash Incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 29, '17...	129.523	230.885	378.205	1.869.559	1.836.217	15.783	345.550

	Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21.804	£29.187	£50.991	£40.572	£13.778	£77.567	£18.955
June 19, '20 ...	98.101	24.703	122.804	84.594	13.779	155.286	45.540
June 26, '20 ...	98.102	24.822	122.924	84.314	13.779	154.836	46.536
June 27, '18 ...	90.849	26.261	117.110	95.260	13.778	140.660	38.900
June 28, '18 ...	84.098	28.169	112.217	85.045	13.777	116.453	43.913

	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.					
Aug. 1, '14 ...	£5.717	£6.150	£1.555	£7.495	£13.432	£3.903
June 12, '20 ...	14.499	4.548	2.562	35.418	38.127	15.011
June 19, '20 ...	14.498	4.862	2.519	37.776	38.620	17.716
June 21, '19 ...	16.077	7.339	2.921	20.332	38.450	6.747
June 22, '18 ...	14.342	7.996	5.353	12.430	35.005	7.218

	Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 25, '14 ...	£7.202	£768	£7.960	£4.817	£10.716	£2.026
June 15, '20 ...	21.327	3.453	24.780	13.002	35.833	9.047
June 23, '20 ...	21.324	3.466	24.790	14.620	35.349	4.775
June 21, '19 ...	18.682	2.744	21.606	17.594	35.243	5.472
June 22, '18 ...	15.380	2.327	17.707	14.263	26.926	5.497

* Converted at 24 crowns to £1.
† Not reserve. ‡ Converted at par rate of exchange approximately.

	Gold Held by Banks	Gold With Agents	Total Cash	Bills Discount'd	Bills Acceptances.	Deposits—Govt.	Deposits—Net.	Circulation
U. STATES FED. RES. BANKS.								
June 21, '20 ...	—£392,461—		£420,180	£450,923	£74,718	£11,272	£323,552	£370,962
June 28, '20 ...	—393,876—		421,722	488,358	79,838	2,838	344,444	623,344
June 28, '19 ...	182,238	247,320	413,256	263,603	6,902	14,722	359,138	439,838
June 28, '18 ...	185,522	204,282	401,240	173,834	14,473	18,406	345,941	344,444

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	6	June 16,'20	Petrograd ...	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	5	June 5,'19	Stockholm ...	7	Mar. 18,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	June 2, '20	June 25, '20	June 18, '20	July 1, '20
Berlin ..... Cable	149m.	147m.	151m.	157m.
Brussels ..... Cheques	44fr. 75c.	45fr. 45c.	43fr. 25c.	43fr. 37c.
Denmark ..... Cheques	24kr. 00	23kr. 81	23kr. 70	23kr. 49
Holland..... do.	11d. 17s.	10d. 07s.	11d. 03s.	10d. 91c.
Italy ..... do.	65fr. 25	64fr. 50	65fr. 50	70fr. 25
Lisbon and Oporto do.	11¼d.	11¾d.	11¼d.	13d.
New York ..... do.	$3 93½	$3 97	$3 97½	$3 95½
— ..... Cheques	$3 97½	$3 93	$3 93	$3 96
Norway ..... Cable	23kr. 95	23kr. 03	22kr. 70	22kr. 10
Paris ..... 3 mos.	47fr. 87c.	47fr. 05c.	47fr. 05c.	52fr. 93c.
— ..... Cable	47fr. 12c.	47fr. 70c.	47fr. 90c.	51fr. 93c.
Spain (Bank places) 3 mos.	43¼d.	43¼d.	43¼d.	43¼d.
— ..... Cable	24p. 10	23p. 77	23p. 91	23p. 95
Sweden ..... do.	17kr. 93	18kr. 07	18kr. 18	18kr. 10
Switzerland ..... 3 mos.	22 r. 29c.	22fr. 25c.	22fr. 37c.	22fr. 20c.
— ..... Cable	21fr. 84c.	21fr. 80c.	21fr. 92c.	21fr. 79c.
ON LONDON—	June 2, '20	June 25, '20	June 18, '20	July 1, '20
Alexandria ..... Sight	97¼pl.	97¼pl.	97¼pl.	97¼pl.
Amsterdam ..... Cheques	11d. 16c.	11d. 07c.	11d. 03c.	12d.07c.
Athens ..... Cable	31dr. 77	32dr. 10	33dr. 15	25dr. 22½
Bombay ..... Transfers	1s. 9¾d.	1s. 10¼d.	1s. 9¾d.	2s.*
Brussels ..... Cheques	44f. 82c.	45f. 47c.	47f. 95c.	25f. 22½c
Buenos Ayres ..... Transfers	57¾d.	57¼d.	57¼d.	47.58d.
Calcutta ..... do.	1s. 9¾d.	1s. 10d.	1s. 10¼d.	2s.*
Christiania ..... Sight	23kr. 84	23kr. 07	22kr. 82	18.159kr.
Copenhagen ..... do.	24kr. 05	23kr. 85	23kr. 65	18.159kr.
Helsingfors ..... do.	94m.	87¾m.	87¾m.	25m. 22½
Hong Kong ..... Transfers	3s. 8¾d.	3s. 7½d.	3s. 10½d.	—
Italy ..... Sight	65fr. 37c.	64fr. 25c.	65fr. 25c.	25f. 22½c
Lisbon ..... do.	11¼d.	11¾d.	11¼d.	53¼d.
Madras ..... do.	1s. 9¾d.	1s. 10¼d.	1s. 10¼d.	2s.*
Madrid ..... do.	24p. 10	23p. 77	23p. 8	25p. 22½
Montevideo ..... Transfers	56½	60¾	59¼d.	51d.
Montreal ..... Cable	$4 52	$4 54	$4 54	$4 83½
New York..... Sight	$3 94½	$3 96¼	$3 91	—
— ..... 60 days	$3 90½	$3 94	$3 89½	—
— ..... Cable	$3 95½	$3 97	$3 97½	$4 88½
Paris ..... Cheques	47f. 10c	47f. 75c.	49f. 87½c.	25f. 22½c
Rio de Janeiro ... 90 days	14½d.	14¾d.	14¼d.	16d.
Shanghai ..... Transfers	5s. 1d.	4s. 10d.	5s. 0d.	—
Singapore ..... Sight	2s. 3¼d.	2s. 3¼d.	2s. 3¼d.	—
Stockholm ..... do.	17kr. 93	18kr. 08	18kr. 18½	18.159kr.
Switzerland ..... do.	21f. 84c.	21f. 77c.	21f. 87½c.	25f. 22½c.
Valparaiso ..... 90 days	13d.	12¾d.	11¾d.	18d.
Yokohama ..... Sight	2s. 7½d.	2s. 6¾d.	2s. 6¾d.	24.594.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* June 2, '20	Rate Current* June 25, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	39·40c.	39·60c.	40.20c. for 1 guilder	40·25c.
Bombay, cheques ...	35·25c.	34·50c.	48·89c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	105·70	105	—	—
Christiania, cheques ...	16·25c.	17·25c.	26·80c. for 1 kroner	26·85c.
Copenhagen, cheques ...	16·25c.	16·35c.	26·80c. for 1 kroner	
Greece, cheques ...	12·75c.	12·25c.	19·25c. for 1 drachma	
Hongkong, cheques ...	73c.	75c.	74·59c. for Mex. $1	43·40c.
Italy, sight ...	16·85l.	16·20l.	5 13⅛ lire for $1	5·17l.
Lima, cheques	4·99c.	4·93c.	4·8355 $ for 1 libra	—
Manila, cheques... ...	49·80c.	49·60c.	50c. for 1 peso	49·80c.
Montreal	12·375%disc.	12·25%disc.	Premium per $100	Par
Paris, sight	12·18fr.	12·15fr.	5·184 francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	43·50c.	43·10c.	32·42c. for 1 milreis	—
Shanghai, cheques ...	101c.	103c.	52·98c. for 1 tael	93·00c.
Singapore, cheques ...	51·50c.	51·50c.	56·77c. for $1	57·12c.
Spain, cheques	18·55c.	18·65c.	19·31c. for 1 pesata	—
Stockholm, cheques ...	22·05c.	21·85c.	26·80c. for 1 krones	—
Switzerland, cheques ...	5·50fr.	5·49fr.	5·184 francs for $1	5·18fr.
Valparaiso, cheques ...	19·00c.	19·00c.	20·61c. for 1 peso	—
Yokohama, cheques ...	51·50c.	51·50c.	49·83c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Agg.	Inc. or Dec.*
	1920	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	June 26	£3,003	£188	£97 033	+ £31 952 + 49·2
BRISTOL	„ 26	1,665	8	35 318	+ 11 916 + 50·9
DUBLIN	„ 26	7,089	236	238	+ 84 + 54·7
LEEDS	„ 26	1,404	91	46 855	+ 17 [illegible] + 57·4
LEICESTER	„ 26	1,047	201	35 644	+ 12 [illegible] + 52·3
LIVERPOOL	„ 26	15 411	276	443 [illegible]	+ 139 [illegible] + 52·3
MANCHESTER ...	„ 26	27,841	10,561	823 [illegible]	+ 4 [illegible] + 113·3
NEWCASTLE	„ 26	2,553	78	81 [illegible]	+ 31 [illegible] + 61·8
NOTTINGHAM ...	„ 26	904	276	30 [illegible]	+ 13 [illegible] + 94·3
SHEFFIELD	„ 26	1,114	55	35 [illegible]	+ 11 [illegible] + 37·4
LONDON—	1920.				
TOWN	June 30	670,418 +	233,282	16,033,411 +	7,031,179 + 78·5
METROPOLITAN ...	„ 30	30,986 +	6,326	[illegible] +	1,141 + 28·1
COUNTRY	„ 30	70,485 +	14,833	[illegible] +	517,301 + 33·4
TOTAL	„ 30	781,889 +	241,445	[illegible] +	[illegible] + 63·8

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 June 2	1920 June 25	1913 July 4	HOMEWARDS.—*Cont.*	1920 June 2	1920 June 25	1913 July 4
				Calcutta (rice) ...	—	—	42·0
				Saigon (rice) ...	10·0	—	—
Alex. to U.K. ...	—	40·0	—	U.S. to U.K. ...	13·6	13·6	—
Aust. to U.K. ...	—	175·0	32·0	Gulf [illegible] to Cont.	—	—	—
Azof to L.H.A.R.	—	—	9·4	[illegible] to Cont.	15·6	15·6	12·0
Bombay to p.p.	—	4.w.100	04.w.50	OUTWARDS—or Hf to			
Burman to U.K. ...	—	—	25·0	Aden	—	—	—
Calcut. to p.p.(jute)	—	—	22·3	Colombo	—	—	12·0
Danube to U.K. ...	—	—	—	Port Said ...	50·0	50·0	9·0
Odessa to L.H.A.R.	—	—	8·6	River Plate ...	37·5	—	19·0
R. Plate to U.K.	73/0	100/0	15 6	St. Vincent ...	30·0	32·6	9·0

VI.—WHOLESALE PRICES OF COMMODITIES.

	JULY 2, 1920.	JULY 4, 1919.	JUNE 30, 1914.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	223/6	166/0	57/0
— Middlesbro' warrants ...ton	217/6	160/0	51/0
— Hematite warrants ...ton	260/0	200/0 205/0	61/0
— Staffordshire bars, London ...ton	£33 10	£20 10	£6 10
— Common bars ...ton	£50	£20 10	£6 15
Steel Rails ...ton	£22	£15	£6 2/6
Galvanised Sheets ...ton	£54–£56	£38	£16 17/0
Copper—Standard ...ton	190 £31 10	£91 15	£66
Tin—English Ingots ...cwt	£258	£240	£142 15
— Straits ...ton	£270 £275nom.	£243	£139 10
Tinplates, I.C. Coke, S. Wales...box	37/6	32/6 £33/0	11/101—12/0
Lead—Soft Foreign ...ton	£25 5—£25 15	£22 10 £22 15	£8 16
Spelter—Ord. Foreign ...ton	£43 15—£45	£39 15—£40	£21 7/9
Quicksilver (75lb.) ...bott.	£21—£21 10	£21	£7
Aluminium ...ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£52	£44	£27 10
— English ...ton	£40	£45	—
Coal (Best Yorkshire) ...ton	37/0—39/0	22/0—22/6	17/6
— Steam Coal, Newcastle ...ton	50/2—55/2	30/0	14/6
CHEMICALS, OILS, &c.			
Nitrate of Soda—Ordinary ...cwt	15/7	9/3	7/4
Soda—Crystals ex wharf ...ton	110/	129/0—130/0	42/6—45/0
Soda—Modified Solvay ...ton	£47 10	£28 £23 15—£24	7/6
Gambier—Good marks ...cwt	49/0	50/0	16/10/6
Indigo—Bengal, good to fine ...lb	13/0—16/6	9/0—10/6	3/2—3/9
Linseed Oil—Raw ...ton	£96	£105	£25 5
Linseed—Calcutta ...qr	£37	£55	£13 16/9
— Cakes, U.K. made, ex-mill ...ton	£20	£19	£7 17/6–£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£16 10 £57	£86	£31 10
Petroleum—American ...gall	2/1	1/4½	7¾d.
Rape Oil—Refined English ...ton	£85	£108	£32
Soya Oil—Refined ...ton	£96	£89	£24 10
Tallow—Imported ...cwt	68/0—78/0	90/0—100/0	29/3—33/3
Turpentine—American ...cwt	14/0	90/0	33/7½
Rape Seed—Toria ...ton	£34	£47 10	£13 5
Rubber—Para, fine ...lb	1/10½	2/5½	2/9½
— Fine plantation sheet ...lb	1/11	1/8	2/2
— World's Production, May ...tons	33,650	25,930	8,467
Shellac—T.N. Orange, fair ...cwt	680/0	387/6	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	28 31d.	19 04d.	7 53d.
— Egyptian, good fair ...lb	51 50d.	26 84d.	9 75d.
— Pernambuco fair ...lb	29 91d.	21 74d.	7 73d.
— Midland Dist. New York ...lb	38 75c.	34 35c.	13 25c.
— Stock, Liverpool, June 25 ...bls.	1,091,890	534,300	934,600
Flax—Petrograd, Yarnpol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£66	£51	£25 10
— Manila, Fine ...ton	£59	£55	£26 10
Jute—First Marks ...ton	£48	£58	£26 15
— Red SCC ...ton	£40	—	£24 15
Silk—Blue Elephant ...lb	32/0	27/0	11/3—11/6
Wool—Port Philip new skirted ...lb	40	34 4d.	11½d.—1/0
— Lincoln Half Blood ...lb	1 8	1 10 nom.	1/0½
Hides—Buenos Ayres, 70 lb. ...kg	174d.	—	74d.
Leather—Bends, Hides ...lb	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	41,268,000	25,160,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	305/	237/c.	67/c.
—English Gazette, aver. 480lb. ...qr	48 9	73 3	34/3
Flour—G.B. ...280lb.	63 6	44/3	28 6
Barley—Eng. Grs., aver. 400lb. ...qr	37 2	63 4	25/4
Oats—Eng. Grs., aver. 312 lb. ...qr	44 7	49 1	20/0
Maize—N.Y. prompt (c.i.f.) 56lb. ...bush.	208/	206/	76/c.
— Amer. mixed, Liverpool ...480lb.	nom.	nom.	32/4
— La Plata ...480lb.	70 6	60 0	25 9
Potatoes—Good English ...ton	341 0	196 8	70/0—75/0
Rice—Rangoon ...cwt	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt	54 6	54 0	14/0—17/8
Hay—best ...2,016lb. load	—	—	82/6
Hops—English ...cwt	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hindqrs. ...lb	6/8	8/7	3/8—3/10
— Scotch sides ...lb	10/0	8/6	4/6—5/0
— English ...lb	10/0	8/6	4 2—4/5
Mutton—Scotch, wethers ...lb	10/6	9/0	5/8—6/0
— English wethers ...lb	10/6	9/0	4/6—5/4
— New Zealand frozen ...lb	10/6	7/8	2/4—3/2
Pork—English and Irish ...lb	10 0—16	10 8	3/6—4/0
Bacon—Irish, delivered ...cwt	230/0—240/0	190/6	60/0—74/0
— Danish ...cwt	192/0	—	68/0—68/0
— Canadian, ex Port ...cwt	187/0	190/0	—
— American, ex Port ...cwt	187/0	184/0—186/0	72/0—74/0
Hams—Amer. long cut, ex Port ...cwt	184/0	190/0—192/0	75/0—78/0
— Short cut, ex Port ...cwt	194/0	188/0—190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt	158/6	170/0—194/0	51/9—52/9
Butter—Danish ...cwt	266/0		117/0—120/0
— French ...cwt	266/0	Controlled	96/0—98/0
— Australian ...cwt	266/0	252/0	98/0—110/0
— New Zealand ...cwt	266/0		108/0—114/0
Cheese—Canadian ...cwt	162/0—166/0	160/0—164/0	66/0—68/0
— United States ...cwt	—	144 8	—
— Dutch ...cwt	184/0—168/0	144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31 ...cwt	13,538,508	13,177,854	19,777,254
— Home consump'n to May 31 ...cwt	10,513,551	12,367,703	17,272,000
— In Bond May 31 ...cwt	9,093,000	7,393,000	6,306,000
— Price, Java, 96° Pol. ...cwt	17/0/0	36/0	10/3
— Yellow crystals ...cwt	17/2/0	57/9	12/6—14/0
— — Tate's cubes, No. 1 ...cwt	21/6/0	64/9	18/0
Coffee—Imports to May 31 ...cwt	396,892	583,219	720,360
— Home consumpt'n to May 31 ...cwt	123,860	134,725	141,410
— Exports to May 31 ...cwt	187,576	107,671	240,950
— In Bond May 31 ...cwt	815,000	959,000	484,000
— Price, Costa Rica gd. to fine ...cwt	135/0—160/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt	100/0-105/0nom.	65/9	41/6
Tea—Imports to May 31 ...lb	180,586,841	186,141,577	123,230,277
— Home consump'n to May 31 ...lb	152,173,279	144,914,149	155,447,972
— Exports to May 31 ...lb	18,758,377	10,870,350	26,561,765
— In Bond May 31 ...lb	221,471,000	151,589,000	76,292,000
— Price, Indian, Pek. Soug. gd. ...lb	7d	1 4	8½d
— — Ceylon, Pek. Soug. Ord. ...lb	6½d.	1/4	8½d
— — Common Congou ...lb	—	1 4	5½d.
Cocoa—In Bond May 31 ...cwt	1,305,000	1,119,000	309,000
— Grenada good to fine ...cwt	112 0 115 0	85 0	52/6—56/

* Estimated. † Controlled ‡ Decontrolled: Price Ex. Factory. § N.w.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	May	$16,460,000	+2,89 ,000	$4,195,000	+ $164,000
	5 mos. to May	75,577,000	+ 1,43,000	8,733,000	— 393,000
Grand Trunk	May	£1,208,000	+ £124,700	£68,100	— £69,300
	5 mos. to May	5,512,600	+ 451,000	Dr.87,400	— 342,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
INDIAN.							
Assam Benga	May	993	R2,10,739	+ 25,790	8	14,48,480	+ 63,073
Barsi Light ...	May	118	3,700	+ 4,800	9	2,59,400	— 4,900
Bengal & N.W.	May	2,061	5,64,081	— 29,203	12	39,63,810	— 5,14,320
Beng. Dooars	May	158	27,46	— 2,694	8	2,14,243	+ 1,979
Beng. Nagpur	May	2,695	12,99,000	+ 55,000	7	94,65,000	— 5,23,559
Bomb. Baroda	June	2,871	17,50,000	— 1,24,000	12	2,27,50,000	+ 8,12,000
Burma	May	1,342	5,56,140	— 5,007	6	38,96,140	— 80,062
Del Um. Kalk	June	238	83,000	— 29,478	12	10,51,814	+ 21,123
East Indian ...	June	2,771	27,35,000	+ 2,26,000	13	3,53,37,000	+ 12,17,000
Gt. India Pen.	June	1,911	24,51,500	— 4,09,000	12	3,13,63,700	— 8,10,889
Madras & S.M.	May	1,959	12,75,000	— 64,469	8	1,03,25,000	+ 3,02,182
Nizam's Guar	May	2,900	3,09,078	+ 12,604	8	25,35,950	+ 1,68,301
Rohi. & Kumm	May	576	1,33,532	+ 75,525	8	9,27,573	+ 63,378
South Indian	May	1,852	8,43,510	+ 50,467	8	59,09,637	+ 1,82,565
South Punjab	Feb.	716	7,78,004	+ 20,338	5m	38,90,025	+ 1,30,701
COLONIAL							
Can. Northern	June 21	9,704	$1,038,300	+ 407,600	24	25,330,725	+ 3,924,174
Can. Pacific ...	June 21	13,388	3,578,000	+ 664,000	24	88,135,000	+ 13,947,000
Grand Trunk	June 21	3,616	£312,262	+ 71,760	24	6,619,393	+ 647,545
Mashonaland	Apr.	810	90,107	+ 27,405	7m	481,284	+ 131,03
Mid. W. Aust.	Apr.	277	10,966	+ 761	10m	110,15	+ 15,21
NewCapeCent.	June 5	205	2,453	— 688	23	71,496	+ 12,545
Rhodesia Rlys.	Apr.	1,397	122,123	+ 25,505	7m	—	—
Temiscouata...	Oct.	—	$30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass & Yuk	Aug.	122	—	—	8m	$968,676	+ 31,021
FOREIGN.							
Argentine.							
Arg. N. East ...	June 26	752	£ 12,610	+ 400	52	619,900	+ 91,100
Arg. Transcont.	June 26	111	£ 1,680	+ 1,330	52	159,781	— 37,619
B. A. & Pacific	June 26	3,536	£ 173,000	+ 28,000	52	8,078,000	+ 1,963,000
B.A.Gt. South	June 26	3,792	£ 177,000	+ 6,000	52	9,440,000	+ 2,162,000
Do.	June 26	Net	£ 37,000	+ 5,000	52	3,132,000	+ 1,522,000
B. A. Western	June 27	1,882	£ 103,000	+ 15,000	52	5,225,000	+ 1,528,000
Do.	June 27	Net	£ 31,000	+ 10,000	52	1,749,000	+ 801,000
B. A. Central	May	190	£ 52,265	+ 11,817	11m	525,68	+ 78,268
Cent. Argent.	June 26	3,305	£ 217,000	+ 74,900	52	9,577,000	+ 2,659,300
	Net	£ 72,000	+ 33,900	52	3,111,000	+ 2,065,700
Cord. Central	June 26	1,205	£ 62,000	+ 10,000	52	3,106,100	+ 788,790
Entre Rios ...	June 26	811	£ 23,930	+ 3,900	52	1,254,000	+ 196,300
Brazilian.							
BrazilGt.South	May	110	M 48,500	— 10,300	5m	252,500	+ 5,769
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	June 26	1,010	£ 16,600	+ 2,200	26	614,800	+ 112,900
Leopoldina ...	June 26	1,831	£ 74,08	+ 7,758	52	1,37,7	+ 509,762
Minas ...	Dec.	1,180	M 1,581,000	+ 956,49	12m	22,267,000	— 2,474,651
Paulista ...	Dec.	766	M 2,850,000	— 806,038	12m	32,479,000	— 1,225,892
San Paulo ...	June 27	153	£ 44,539	+ 7,8	52	1,162,195	+ 349,586
Sorocabana ...	Dec	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,692
Sod Bahias, W.	May	52	M 78,000	+ 32,000	5m	365,000	+ 35,000
Chilean and Peruvian.							
Antofagasta ...	June 27	838	£ 25,970	— 315	26	1,232,685	+ 358,000
Arauco ...	Apr.	844	£ 11,000	+ 1,200	4m	52,000	+ 9,700
Nitrate(2 wks.)	June 15	390	£ 58,737	+ 14,137	22	493,398	+ 250,405
Peruvian Corp.	May	1,140	S 1,287,070	+ 227,920	11m	13,274,884	+ 1,968,778
Talcal ...	May	180	£ 27,045	+ 18,405	11m	284,705	+ 106,586
Cuban.							
Cuban Central	June 26	382	£ 29,982	+ 10,585	52	1,468,947	+ 285,169
Havana Cent.	June 19	70	£ 15,733	+ 3,807	51	8,8,390	+ 113,941
C. of Havana	June 26	681	£ 5,945	+ 5,945	54	3,674,695	+ 534,235
W. of Havana	June 26	155	£ 19,596	+ 6,143	52	951,208	+ 110,053
Uruguayan.							
Cent. Uruguay	June 19	273	£ 21,631	— 125	51	1,178,131	+ 66,689
,, (E. Ext.)	June 19	311	£ 6,459	— 689	51	323,803	+ 34,566
,, (N. Ext.)	June 19	185	£ 3,448	— 506	51	196,383	— 8
,, (W. Ext.)	June 19	211	£ 2,803	+ 103	51	144,865	+ 10,306
Mid. Uruguay	May	319	$ 21,277	+ 2,407	11m	223,945	+ 29,392
N.W. Uruguay	May	113	$ 6,057	— 543	11m	73,560	+ 4,194
Trans. Northn.	May	73	£ 1,894	— 72	11m	26,280	+ 3,458
Miscellaneous							
Alava & Gandia	June 26	33	Ps. 20,000	+ 5,000	25	321,900	+ 65,500
Bilbao ...	May	15	£ 2,191	— 602	5m	17,911	+ 6,795
Bolivar ...	May	136	£ 13,435	+ 492	5m	56,898	— 9,538
Colomb. Natnl.	May	86	£ 20,340	+ 6,263	5m	86,616	+ 28,398
Costa Rica ...	Apr.	189	£ 28,872	+ 6,589	10m	280,059	+ 37,179
Mont. & Mex.	June 10	70	£ 2,500	+ 2,500	5m	77,000	+ 33,700
Egyptian Delta	June 10	5591	£ 10,605	+ 3,791	10	82,296	+ 57,51
Gt. Sthrn of Spain	June 19	104	Ps. 82,8 6	— 31,866	25	2,1 ,537	+ 713,73
La Guaira&Ca.	May	221	£ 13,630	+ 4,570	5m	71,830	+ 29,791
Ottoman Ry.	June 12	379	£ 7,295	— —	—	—	—
Paraguay Cent.	June 12	255	£ 4,640	+ 20	50	239,530	+ 28,89
Puerto Cabello	May	34	£ 5,000	— 300	7m	28,000	+ 3,07
Salvador ...	June 26	100	£ 5,521	+ 2,991	52	238,312	+ 97,54
Santa Fe Prov.							
French Rys.	May	1,181	£ 171,160	+ 4,646	5m	818,312	+ 6,36
S'thn&S'thEast	May	80	£ 18,810	+ 845	5m	72,443	+ 22,69
Zafra & Huelva	May	112	£ 10,048	— 36	5m	61,240	+ 10,33
TRAMS.							
Anglo-Argent.	June 24	400	£ 78,361	— 22,216	25	1,880,675	+ 511,12
Auckland Elec.	June 30	27	—	—	52	292,502	+ 2,08
Bombay Elec.	May	39	R. 8,14,937	+ 1,02,230	4m	31,36,,87	+ 4,74,85
Brazilian Trac.	May	378	M.10,985000	+ 1,423,000	5m	50,168,000,	+ 5,372,00
Brisbane Elec.	May	404	£ 46,550	+ 12,325	5m	223,500	+ 37,96
Brit. Columbia	Apr.	334	$ 749,081	+ 117,09	11m	7,306,918	+ 1,284,81
B. A. Lacroze	May	51	£ 54,563	+ 7,246	11m	561,679	+ 80,17
Calcutta ...	June 26	354	R 94,652	+ 7,377	26	22,80,721	+ 1,88,45
Cape Electric	Apr.	424	£ 31,391	+ 3,251	10m	278,844	+ 34,71
Carth. & Herr.	May	1	£ 5,313	+ 2,087	5m	23,934	+ 9,62
Chatham&Dist.	June 17	15	£ 1,821	— 2,30	24	38,295	+ 4,95
Havana Elect.	Mar.	86	$ 927,785	+ 270,530	3m	2,675,342	+ 588,57
Isle of Thane	June 23	204	£ 1,664	+ 274	39	28,343	+ 8,36
Kalgoorlie ...	Mar.	204	£ 3,142	+ 529	3m	8,332	— 1,62
Lanarkshire ...	June 17	284	£ 4,394	+ 425	24	99,168	+ 18,97
Lima Light ..	Apr.	85	£ 57,415	+ 7,435	4m	234,375	+ 40,18
London & Co.	June 30	141	£ 26,08	+ 3,937	13	1,098,922	+ 38,16
Madrid (2 Cos.)	June 15	15	Rs. 1,42,1	— 2,30	24	32,58,3	+ 1,79,85
Manila Electric	May	55	$ 280,145	+ 77,696	5m	1,234,825	+ 298,03
Pernambuco..	June 27	59	£ 6,08	+ 729	26	188,734	+ 48,45
Provincial ...	June 19	214	£ 3,61	— 33	38	116,816	+ 13,49
Rangoon Elec.	May	25	£ 7,933	+ 1,400	5m	38,622	+ 7,27
Shanghai Elec.	May	26M	x. $156,000	+ 23,600	5m	713,934	+ 103,98
Singapore Elec.	May	22	$ 23,057	+ 8,968	21	471,560	+ 144,63
Uruguay Montevid.	May	80	£ 42,401	+ 5,019	7m	307,299	+ 42,09

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The Statist.

LONDON, SATURDAY, JULY 3, 1920.

THE NELSON ELECTION.

The trades unionists are to be congratulated on their success in retaining their seat at Nelson and Colne by even a larger majority than they acquired at the General Election. Nevertheless, we should like to see greater energy and enterprise on their part, for they do not appear to the great public to be at all as active as they were before Mr. Asquith came forward at Paisley. We do not mean, of course, that there is any understanding between the leaders of the trades unionists and Mr. Asquith, though it is quite probable that at first it will be in the formation of a coalition with the Liberals that the trades unionists will be able to bring to bear upon the United Kingdom the influence which it is extremely necessary they should exercise without further delay. Happily, we are glad to see that the dissatisfaction with the existing Government is growing, growing everywhere, even in quarters where one would not naturally be prepared to find it. Still, the idle rich, we must never forget, are the patrons of every abuse in the country. Consequently, they will have a large support until the abuses are materially reduced; and so an impression is created that abuses which are natural under an aristocratic system must cease to exist wherever a really genuine democratic party arises. Just now the need for an exceedingly strong democratic party is as great as it is likely to be for many a long year. It is getting on now towards two years since the German rank and file threw away their arms and refused to fight any longer. Then the Kaiser had to take to flight, and lastly, the condition of Europe, not to speak of the condition of the world outside of Europe, is well calculated to excite the most serious apprehensions. We do not think that Mr. Asquith is capable of leading a Government the real motive force of which is to reside amongst the trades unionists. Mr. Asquith, no doubt, has many qualities which make him popular with his colleagues in the Government. But he is woefully he seems to us to be not quite sincere in his pro- Irish Home Rule Bill, which everybody now admits is hopelessly incapable of being put into action, showed either that he was so woefully deficient in statesmanship that it would be folly to give him real power again, or else that he wished to play more or less with the Nationalist party.

Mr. Asquith, then, is not qualified to be the leader of the great democratic party we are so anxious to see in authority, and we look in vain through the whole list of the once important Liberal party in search of are obliged to say, therefore, that the Liberal party is not capable of furnishing a real Prime Minister of England. That being so, the Prime Minister must come from the trades unionists; and, therefore, there is a certain risk—we are not in the least afraid to admit it—that the party at first will not be as stable, either in its policy or in its power of resistance, as we should like it to be. But then we are not very young men, and a long experience teaches us that all the good things in this world are found only by long search and by such rewards as make it worth the while of the really capable to [illegible] not doubt in the least that a competent trades unionist Prime Minister will be found. We do not mean to say—Heaven forbid, indeed!—that he will be anything like a Lord Palmerston, for, although Lord Palmerston conducted himself with surprising ability, he was not such as we should like to see in our time Prime Minister of the United Kingdom. A man, however, will be found. He may be a budding Gladstone, or he may be some kind of rising genius of which English politics have never up to the present given us a sample. When there is a party in power actually controlling the House of Commons it will, from the nature of things, be the Government of the United Kingdom; and unless we are incapable—and we do not suppose anybody will go able to make sure that they can have at their head a man in whom they do not in all particulars fully trust, but who from other points of view is, perhaps, the most promising the nation can look forward to getting.

THE DEMOCRATIC CONVENTION.

The Democratic Convention is finding it difficult to select a satisfactory candidate for the Presidency as did a few weeks ago the Republican. It is evidence, the two great parties. Many of the best-known men are clearly not desirous of putting themselves forward, and others who might be willing know that they would win, although, of course, nobody can foresee how seems extremely improbable. The journalists who are discussing for the benefit of this country what is

flict almost as rashly as do the delegates themselves. Probably the real explanation is that a very great change is taking place in American, as well as in European, opinion, and that, quite unknown either to the reporting journalists or to the various sections, we are about to see a remarkable alteration in American sentiment and American policy. Our readers will remember that, so far as it is possible now to ascertain the political conduct and feelings of nations in the remote past, every nation consisted of one or more great clans. The clan in the very beginning, presumably, was a single body. But as time passed there was necessarily a tendency for clans to split up, and so the homogeneousness which was desirable gradually diminished. So far as modern research has enabled us to judge the period immediately preceding the rise of Hellas, it was at Athens that not only did the clan lose its hold upon the people, but that a very large portion of the ablest and best thinkers were in favour of setting aside the clan system altogether. It would take us entirely too far out of our way to cite evidence in favour of this view. It ought to be enough to say that Athens in the great war with Sparta, which sealed her fate, attempted to form a kind of maritime empire. Sparta was strong enough to insist upon retaining the old form, and we need hardly add that Athens went down. Rome was a newer State, a decidedly newer State, than Athens, and she apparently retained a certain liking for the clan system, so far as it could be retained in existence as time passed. But she mingled with the clan system that modern imperialist system which has survived to our own day.

Now anybody who has really followed the development of political opinion in Europe since, let us say, the discovery of the mariner's compass, will remember that the compass altered in a wonderfully great degree the condition of the world. Yet the compass did not introduce any real change in national organisation. To this day every nationality has a Government which assumes powers that do not belong to it; and, furthermore, takes for granted that it has a natural right not only to act beyond the authority vested in it, but to powers which seem to be the very nullification of all human freedom. That a great political and moral change has been forming very few real thinkers doubt. But it is only lately that it became so very evident that the United States is at the present moment more deeply indoctrinated with the new views than is Europe. In reality this is by no means singular, for it is to be recollected that the United States consist of a large number of sovereign States, and, therefore, there are very sharp, and sometimes very inconvenient, difficulties opposed to movements which the public desire. We are inclined to think, therefore, that the great revolution which has been expected almost since the resumption of invention in the Middle Ages, will make itself manifest first in the United States, and will further produce results absolutely unanticipated up to the present. The United States, being a congeries of sovereign republics, has desired to settle a very large proportion of those who left Europe to secure for themselves the advantages of American freedom; and, therefore, the farmers, as they are called, are an exceedingly powerful, as well as an exceedingly numerous, body. On the other hand, there is not anything like as large a number proportionately of mere wage-earners as there is, for example, in the United Kingdom. We must modify that statement by reminding our readers that until the great Civil War between the South and the North the negroes were not regarded as American citizens. They became American citizens when slavery was abolished; but the North failed to ensure to them that security of property which one would have expected when millions of men, women, and children who had been imported by force into the United States were deprived of the security for, at all events, life which hitherto existed; and, consequently, the negroes have not that stake in the land which is so highly valued by a very large proportion of the European citizens. If we were to include the coloured people with the descendants of Europeans who have settled in the United States it is quite possible that there is not so great a difference between the number of mere wage-earners as is sometimes assumed. That, however, will be made clear very soon now; and we need not, consequently, take up time in examining it. But if we put aside the coloured men and confine ourselves to those who are descended from Europeans, it is certain that the wage-earning class is not as large in the United States as might have been expected, and, consequently, has far less power to compel employers to yield to it.

One result of all this seems likely to be a greater intensity of hostility between the wage-earners and the employers in the United States than exists in Europe. If the anticipation proves to be correct, the feeling in the United States will spread to Europe, and it is quite conceivable that we shall have a more serious revolution than people now anticipate because of the way in which the United States has been built up. America, by her State system, has secured for herself wonderful advantages. But it looks now as if in the immediate future the State system will be a source of formidable danger to the great Republic. To make the view here put forward quite intelligible to our readers would require much more space than we can take up to-day. It is not either so urgent or so apparently inevitable as to make it desirable that we should postpone other important questions to the prospects in the United States. But, at the same time, we would remind our readers that the European public has never given that proper consideration to the clan system to which it is so eminently entitled. The European nations practically have continued a system of education which was invented by very able and powerful ecclesiastics of the Roman Catholic Church for the purpose of providing that Church with guides and teachers in a time that threatened to become very difficult. The Protestant parties have been so narrow-minded, so incapable of looking beyond their own noses, that they have, if possible, made more unsatisfactory the great systems which were introduced by the Roman Catholic bishops. In reality, those systems were strikingly able. They secured to Europe advantages that it would be difficult to exaggerate for a considerable time. But their Protestant successors have not had any trace of the great educational ambition which the powerful and far-seeing Roman Catholic bishops entertained. Modern Europe ought to get rid of its educational system almost altogether. What was retained from Roman Catholic times has been injured so much that its value has disappeared, while the great and new questions which ought to have attracted the world's attention have been completely passed over. Men, it is true, have not neglected invention altogether; and in spite of the disgraceful indolence of Governments, universities, and the like, we have not missed altogether the advantages of modern discovery. But the advantages we have attained are very small compared with what they ought to have been; and, furthermore, it looks at the present time as if the United States would antedate Europe and secure for herself advantages which we shall have to endeavour to acquire at a later, and probably at a more inconvenient, season.

OUR PARTY GOVERNMENT.

In some respects the dangers with which we have been threatened have not accumulated as largely and as fully as most of us anticipated. On the contrary, there seems to have sprung up an appreciation, previously lacking amongst reasonable people of all classes and all creeds, that real danger should be avoided, and that a settlement of some kind must be attained. Now we observe this more reasonable spirit even in

the Irish Government, which heretofore has been so utterly dead to every consideration that ought to have influenced those entrusted with the securing of the lives and the fortunes of a great people. We see at present greater moderation than we have witnessed for some years past; and we hope most sincerely that the feeling will grow, and that a settlement at home will be established which, of course, is sure to be objectionable in many respects, but which, at all events, will prevent the horrors that seemed so likely a short time ago. The merits of the change we attribute almost entirely to the best-minded in the United States and to the leading classes in our Dominions. They have been scandalised as well as shocked by the manner in which our present Government has acted for some years past; and they have taken care to make the fact known in such a way that even the most reckless are submitting to control. The Press has failed ignominiously in reporting the proceedings of the two Great Conventions at Chicago and San Francisco. One would think that the reporters went to both for the express purpose of encouraging in every possible way party spirit. Our leading contemporaries, for example, are at present reporting the San Francisco meeting in a manner that one cannot for any length of time continue to read. The real feeling of the great conventions is, and has been, above everything to secure the genuine interests of the United States. Every man sent to both Conventions must, we may reasonably assume, have been more or less of a politician; and, therefore, everyone had preferences for Mr. This, or Mr. That, or Mr. Some Other person. But while there was a certain proportion of political feeling and incessant temptation to indulge in log-rolling, yet the real feeling everywhere was to secure for the United States a Government for the next four years which would be capable of acting loyally up to the wants of the country.

There have been divisions among parties which have led many capable men to refuse to put themselves in nomination. There was a bitter quarrel, it will be recollected, when the name of Mr. Roosevelt was last attempted to be imposed upon the Republican party. There has been reunion; and, no doubt, if the Republicans are successful, the new man will be properly supported, and we make no doubt the same will prove to be true if a Democrat is chosen. But it is to be recollected that the present time is an anxious time. Europe has ceased to control the world. Practically, there are only two really great military and naval Powers upon the earth, and those have such friends that it is not easy to say offhand which would be the most formidable. Anyhow, it is quite clear that beyond the Atlantic the United States is out of all proportion stronger than any other existing country. The United States is just now apprehensive of political troubles. And the United States, owing to the unfortunate breakdown of the health of Mr. Wilson, has not been able to put that touch to the peace that followed the late War which was anticipated. There is a great deal still to be done, even from the point of view of Americans; while if we turn to Europe, almost everything needs to be taken in hand, more or less. What makes matters still more difficult is that the United States is not confronted by any army capable of bringing a real danger against it, or even against army and navy. On the American continent every State except the United States is weak. If the United States could find a really capable general, it is hardly too much to say that she could march from the north to the south of the continent, and drive before her everybody who dared to oppose her. Consequently, within certain limits, the power of the United States is irresistible, but few people would think of seriously opposing it. Happily, the people of the United States are not an aggressive people. They have given proof of that at innumerable times. We need only point at the present moment to the attitude of the people of Mexico. And, therefore, we may be sure that the United States will [illegible] was expected from, let us say, Germany and Austria-Hungary [illegible] nevertheless, that the restraint of the United States is simply the restraint the United States wishes to impose upon itself. There is no really powerful State in America, and [illegible] of really great States which at the present moment could undertake a war, let us say, of three or four [illegible] the figures on paper. Therefore, we have one great Power in the world at the present time, which, in America, has a population of over 100 millions, and judging from what she has done, say, in the last 140 years, she ought to be able to multiply at least once before the present century expires.

In addition to what we have just said, the United States has a great many problems of very high importance. She has built, mainly for her own advantage, the Panama Canal; and now American people in large numbers are urging that, as America built the Canal at her own expense, America should take the main advantages. Whether there would be war if such a claim were put forward in earnest we need not stop to ask. What we wish to bring before the reader is that America is so inordinately more powerful than all the rest of the peoples on the American-continent that she need not think very seriously of her immediate neighbours. And, so far as Europe is concerned, does anybody seriously doubt that, if the United States wished to enter upon a European policy quite different from any she has ever hitherto shown any inclination towards adopting, she would not be able to acquire very considerable allies? In another article we have called attention to a state of things which seems to us fraught with very anxious consequences. We have been looking for an evolution—military, aërial, and oceanic. Apparently, that cannot be long postponed now, and if it is brought into vogue what would be the result upon the existing world? Are we about to see not merely wars greater than any we have ever hitherto had to face, but are we to look for wars which will mean ambitions to raise questions of the most serious character that touch every aspect of human life? Such being the existing state of things, one is amazed that the trades unionists have been so lethargic during the past three or four months. They were active before Mr. Asquith put himself forward for Paisley. But since his return they have not by any means been as ready to incur risks as one would have anticipated. Yet no time has ever existed which seemed so favourable to the trades unionists; and certainly, if the trades unionists hope to take a great place amongst the governing bodies of Europe, they will have to throw away their present lackadaisicalness and to fight with all their vigour for a commanding place.

The state of the British Empire at the present time is as unsatisfactory as it is possible to conceive. Taking Ireland, in the first place, we have a people sunk in so much poverty that we wonder they have [illegible] We [illegible] that a large proportion of the landowners have been [illegible] in Ireland is in the possession of what used to be [illegible] the great [illegible] idle rich. Now, if that is the result of the present [illegible] end of our difficulties in that island. We are not even within sight of the end. It is to be recollected [illegible] say, Chicago and San Francisco are very often utterly

incompetent. They are, furthermore, frequently without knowledge of the country which they visit; and, lastly, they not seldom are opposed to the real interests of the future of the world. Newspaper activity is excellent in its way. It is excellent so far as it gives honest reports on what it sees and what it can master. But newspaper reports tinged by party spirit are the very reverse of useful. They are mischievous in every way, and they will lead us into serious trouble. The great chiefs of the biggest newspapers are not themselves journalists; do not themselves understand the rare combination of qualities required to make up a genuine journalist. Therefore, they are much more likely to mislead the public than to guide it. And in so far as they mislead they are doing inexpressible injury. The trades unionists have attained to a power at the present time which enables them to play a very useful and, moreover, a very beneficial part. They ought to watch events carefully, to make up their minds as to what the real interests of the great public require, and to fight for that come what may. But there are sections of the trade-union body at present which, one is inclined to say, are more hostile to really good government than to the kind of system that used to prevail just a few years before the War. That kind of thing must go, and if the trades unionists will not bestir themselves, and will not acquire the power to give us really good government, then we shall be compelled to dispense with the trades unionists and to look elsewhere for the materials out of which is to be formed a really good Government.

THE FRENCH SILK TRADE.

(From Our Special Commissioner.)

Lyon: July 1, 1920.

The districts interested in silk production in France were fortunate in not being directly affected by the invasion. Lyon remains, as always, the centre of the industry, though there has been a marked decentralisation since the introduction of the power-loom. This movement, however, corresponded with one of expansion in the trade as a whole, and on balance the southern city has strengthened its position. At the present time it bears the same relation to silk as Manchester does to cotton. It commands a world-wide market, and all Europe and the United States come to it for finished goods as well as for supplies of the raw material. In 1913 the value of the silken tissues exported from France was 337 million francs, and of this total the United Kingdom took 63%, the United States 14%, Belgium 10%, Switzerland 5½%, and Germany 2½%. Silk yarn or thread to the extent of 1,360 tons was also shipped in 1913. The home consumption of silk cloth and yarn, though uncertain, is known to be enormous, and to supply the extensive production necessary to meet both the domestic and the export trade France in 1913 contributed only 500 tons of raw silk, or less than 2% of the world's output. French consumption can scarcely be less than 5,000 tons, and, if we take this figure as a basis, France provided just 10% of her requirements of the raw material. The balance came from Italy, where the raw silk production in 1913 was 44 thousand tons, and from the Far East. Japan and China are the largest exporters of raw silk in the world, and continue to supply European countries as well as the United States with much of their requirements. France worked up practically one-third of the world's raw output in 1913, and thus her pre-eminence in the silk industry is unquestionable. The material used practically all goes through the Bureau de Conditionnement at Lyon, and before the War the amount annually dried averaged over 8,000 tons. The buying and selling of silk and silk goods have shown no tendency to remove from the city, though the earlier processes, such as spinning and weaving, have extended into Villeurbanne, which is practically one with Lyon, or into other parts of the Department of the Rhône, of which Lyon is the capital. In the search for cheap land and labour and good water, manufacturers have recently gone even further afield, and the whole south-east of France, including the Departments of the Isère, the Loire, the Saône et Loire, Gard, Drôme, and Ardèche, is now interested in the industry. All this group of contiguous Departments is, however, known to the silk trade as "la région lyonnaise," and in 1912, out of a total French production of silken fabrics of 420 million francs, it was responsible for more than 400 millions. Silk schappe, or floss and waste, are worked up in Picardy in the north. At Reims, too, some progress had been made in the industry, but a promising commencement was unfortunately cut short by the War. The later processes, such as dyeing, printing, and finishing, are still practically all carried on at Lyon or in the neighbouring town of Villeurbanne. The financing of imports and exports is handled exclusively from the former city, which contains the headquarters of practically all the large firms interested in the industry.

The price of the raw material rose during the War on account of the reduced European production, the closing of many selling markets in Asia, the expense and risk of transport from the Far East, and the almost continuous movement of the Eastern exchanges against France. The average price of raw silk at Lyon rose to two and three times the pre-War level, and supplies were difficult to get, despite the need of the fabric for aeroplanes and balloons. Latterly a distinct falling off has been noticeable in prices, and the fall came so rapidly and unexpectedly that many houses were caught with forward positions, which had been obtained at a substantial premium in the hope of a further upward movement. The decline is in part attributable to increased hopes centred round the making of artificial silk. This industry, which owes its origin to M. de Chardonnet, a Frenchman, has attained considerable importance in France. Out of an average European production of 10,000 tons in 1912 and 1913, France produced 1,600 tons, or 16%. Artificial silk lacks the natural brightness and gloss of the animal product, and is, besides, more fragile, a thread with a cross-section of one square millimètre being able to stand a tension of only 15 to 20 kilograms, compared with 50 kilograms for natural silk. Despite these disadvantages it is extensively used, as its large-scale production testifies, and the improvement in methods of manufacture has ensured for it a growing popularity. Besides "Chardonnet silk," "copper silk" and "viscose silk" are other artificial varieties, which have received their names according to the process of manufacture followed. In the making of viscose silk wood-cellulose is employed, and the cheapness of this article has kindled hopes of a substantial reduction in prices all round. The enormous silk ribbon industry, which is located at St. Etienne, in the Department of the Loire, and gives employment to thousands of men and women, utilises artificial silk mainly, together with the floss and waste of natural silk. As in other branches of the industry, cotton is also used, though sparingly, as its presence is naturally not regarded with favour by buyers.

The termination of the War marked the reopening of the luxury trades, which are an important source of support for the silk industry. The export demand has revived, and, on the whole, the outlook is distinctly promising. Goods of a high grade are now being sought where formerly cheaper lines sufficed, and the better-class trade affords an opportunity of bigger profits to manufacturers.

At a board meeting of the Swiss Bank Corporation held at Basle on June 28, Mr. Leopold Dubois, hitherto Managing Director, was elected President of the Corporation, and Mr. Charles Schlumberger second Vice-President. Mr. F. Zahn-Geigy continues to act as first Vice-President.

THE INDUSTRIAL LOSS OF FRANCE.

(From Our Special Commissioner).

In recent articles statistics have been given of the loss suffered by individual Departments in the war area. These statistics may now be grouped together, and in the following table the number of industrial establishments affected, employing at least twenty persons, is contrasted for the different Departments, together with the number and percentage of those that have resumed business:—

Industrial Establishments.

Department	No. of Establishments included in Official Census	Business resumed	Proportion of Establishments in which Business is resumed
Nord	1,951	1,508	77·31
Ardennes	396	294	74·20
Aisne	535	345	64·50
Somme	236	151	63·90
Pas-de-Calais	166	117	70·40
Meurthe et Moselle	158	127	80·30
Oise	101	90	89·09
Marne	87	57	65·50
Meuse	55	33	60·00
Vosges	47	35	74·40
Totals	3,505	2,027	74·80

The figures here shown represent the position as on May 1. The losses in the Nord were easily the heaviest, and fortunately the work of reconstruction is there well advanced. In general, practically three-fourths of the industrial group has resumed operations, but very few concerns are at present able to transact business on the pre-War scale. The work of destruction was so complete and the difficulties surrounding the rebuilding of factories, the purchase of machinery and raw materials, and the engagement of suitable staffs are so great that many ambitious plans for re-starting have been held up. Moreover, there has at times been a considerable amount of delay in securing advances from the Government, but these cases are not at all as numerous as one might expect. The Office of Industrial Reconstruction is on the whole discharging its somewhat onerous functions with considerable skill and expedition. It cannot, however, create out of nothing, and confronted with a world-wide shortage of industrial machinery, materials and labour it must be content to do the best with the resources it can command for the service of France. For this reason the number of workmen employed in what might be called the directly reproductive industries does not by any means bear the same proportion to the peace figure as does the number of establishments that have resumed business. Even including those engaged in clearing up the aftermath of War, the proportion is less than 40%, as compared with 74.8% given in the above table. The returns for the different Departments, in the order in which they have already been mentioned, may be set forth as follows:—

Pre-War and Present Personnel of Industrial Establishments Affected by the War.

Department	Personnel in 1914	Personnel now employed	Proportion now employed	Personnel now employed	Proportion now employed
		Reconstruction		Total	
Nord	381,661	42,533	11·1	212,532	55·7
Ardennes	42,069	5,585	14,184	19,769	33·2
Aisne	48,672	5,281	9,965	15,246	29·5
Somme	30,674	1,515	1,282	2,797	9·1
Pas-de-Calais	68,326	15,199	6,884	22,083	32·3
Meurthe et Moselle	20,042	10,011	2,536	12,547	37·7
Oise	14,169	720	5,018	5,738	40·4
Marne	13,253	2,151	1,187	3,338	25·8
Meuse	4,593	715	1,455	2,170	47·3
Vosges	14,256	768	6,853	7,621	53·6
Totals	659,148	84,148	265,854	413,002	62·7

From the point of view of workpeople positively employed the Pas-de-Calais ranks lowest, followed by the Aisne, the Meuse and the Ardennes. The Ardennes figure of 33.2% contrasts with 74.2% in the earlier table, but in some districts the task of dealing with the wreckage of war occupies the greater portion of the reduced labour force.

While these details are satisfactory as far as they go, and give an idea of the progress of the clearing and of the work of reconstruction in the different Departments, they do not indicate the comparative rate of progress in the different industries. In the adjoining table this is set out, so far as it can be obtained from the census of industrial establishments in the War area made by the Office of Industrial Reconstruction on May 1:—

Pre-War and Present Personnel of Industrial Establishments.

Industry	Pre-War Personnel	Present Personnel	Percentage of Pre-War Personnel
Clothing	101,000	169,868	47·5
Totals	1,000,000	413,000	41·3

The clothing industry, including ready-made and tailor-made garments, comes first, and the textile industry as a whole is also high up in the list. The least favourably situated is the group comprising mines and quarries, but as the figure of those engaged on improvement work is large production will probably be more rapidly resumed within the next 12 months. Many mines are, however, so hopelessly damaged that it will take years before they attain the pre-War standard of efficiency. Metallurgy, wood-working, and the chemical industries are also finding the work of coming back to the peace standard somewhat arduous. On the whole, however, the figures display a record of much useful work accomplished, and show the earnestness with which the French nation, though compassed with many other cares, has attacked a very vital problem. With a small measure of financial support from outside and a little preference in regard to raw material and machinery the task so worthily undertaken might be more quickly brought to a successful close.

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CHILI.

IMPENDING CHANGE.

As we write, the actual results of the Presidential election in Chili are unknown, although the latest reports, and they are merely reports, indicate that Don Borgoño has won by a very narrow majority. It is reported, however, at the same time that martial law has been proclaimed in Santiago. Don Borgoño's opponent is Don Arturo Alessandri, an ex-Prime Minister, a member of the Senate, and lately a distinguished ornament of the Santiago Bar. The opinion in London has been general that Don Borgoño, formerly Minister for Foreign Affairs, and also a lawyer of distinction, would be the victor. Chili, like the rest of the world, is suffering from a wave of discontent, a general feeling of unrest, and an uncertain, vague feeling that changes are impending. It is coming more and more to be realised that it is exceedingly doubtful if the War and its economic effects has had a result of fomenting the general unrest, or whether the general unrest was not the contributing cause that led to the War. The feeling is growing that it is a neck-and-neck race between the unrestful feelings which prevail at the present time, and an attempt on the part of the great armed Powers to secure a period of tranquility by obtaining territorial aggrandisement. No one who is old enough to remember the period that preceded the outbreak of the recent War will deny that what we call unrest prevailed throughout every country in the world. The War has settled nothing; there is the gravest apprehension everywhere of how long peace will be maintained; there is already renewed fighting in various parts of the world, notably in Persia and the Near East; the great armed Powers have failed to obtain the expansion for their energies which they hoped for; and, in the net result, all the great belligerent countries are loaded with debt, and are threatened more or less with disaster.

Chili was not a belligerent. The one great product which she had to sell in large quantities was in demand, and in demand to an extent which she had never known in the whole course of her history. In a sense, she is enjoying a period of remarkable prosperity. But in Chili, as elsewhere, there is a feeling of unrest. The unrest, however, in Chili, as elsewhere, at the present time, extends to all classes of the population. The highly-intelligent and socially well-placed classes feel that different methods will require to be adopted if organised society is to continue to exist; and this feeling is as strong in the non-belligerent countries in the recent War as it is amongst the belligerent countries. The mass of the people, who in Chili are mainly peasants, like the mass of people in all countries, have a vague feeling that change is going to benefit them; but they have no well-defined feeling of what that change is likely to be like, and in what sense it can reasonably be expected to benefit them, or anyone else.

It must be admitted that, from the point of view of the highly-patriotic—and there are no more patriotic people in South America than the Chilians—and intelligent Chilian, conditions are very far from being what he could desire. He is a citizen of a country which stretches almost from the Torrid Zone to the Antarctic regions, although, of course, at the 58th Parallel he is still some 1,800 miles from the Antarctic sea. Chili, as those who know the country are aware, is a long, narrow country, really of very great extent, but of a breadth in the north of only a little over 200 miles, decreasing as it goes south to the Straits of Magellan, and occupying seven-eighths of the island of Tierra del Fuego. The total population is barely four millions in this enormous country. Chili is unique in many ways, and it is unique in the fact that it is like no other country in South America. It lies west of the Andes, but, in spite of this, it is totally different from any of the other republics which also lie west of the Andes. It is equally unlike the vast countries which are situated on the eastern, or Atlantic, side of the Andes. In a sense, it is potentially one of the richest countries in the world. In another sense, its fertility compares very unfavourably with almost any other country on the South American continent. The casual traveller to South America, either on pleasure or on business, asked, on his return, what is the great characteristic feature of the continent compared as a whole, say, to Europe or to the United States or wherever he may come from, would say at once, "Oh, the characteristic of South America is its great fertility. It is by far the most fertile continent in the world." This is perfectly true if one speaks of the continent taken as a whole, and it is true if one speaks of any of the nine republics of which the continent is composed. And we may include the three Guianas, respectively the possessions of Great Britain, France, and Holland. But it is not true in the same sense of Chili. Very nearly half the whole of this rich land is in appearance a desert. A comparatively small part is really intensely fertile. But even this very fertile part requires the assistance of irrigation to enable it to display its real fertility and to produce crops to anything like the extent of which it is capable. At the present time very little even of the most fertile part is irrigated as it should be and, no doubt, will be as the population grows and sufficient labour is available. Then there is the extremely long, narrow south. This is forest-clad for the most part, possessing extraordinarily valuable timber. This southern zone is wind-swept, and is subject to torrential rains during a very large part of the year. It is open to the greatest ocean in the world. It faces 60 million square miles of open sea. Consequently, as we have said, it is subject to the prevailing south-westerly winds, and also to a degree of precipitation that one only associates, in other parts of the world, with the Tropics. In the result the vegetation for the degree of latitude is extraordinarily prolific. Some of the most magnificent forests in the world are to be found between the Andes and the coasts of Southern Chili. Below this great forest region are the sheep runs, stretching into the island of Tierra del Fuego. Gradually Chili is becoming an important source of supply of the world's wool. Her area suitable for sheep-raising, however, is relatively small compared with the great sheep runs of the various sheep-raising countries of the world. But, as we have said, she is becoming an important source of supply for wool, and during the War period she did, and no doubt will continue to do, export a very appreciable supply of mutton. Nevertheless, it does not seem probable that she will ever take her place as a great producer, either of wool or of mutton.

As we have said above, very nearly half Northern Chili is in appearance a desert, but in fact this desert region produces the one great export which has made Chili rich, and affords her at the present time an enormous trade balance in her favour, which she has built up during the period of the recent War and since the Armistice. We will return to this question in a closing paragraph. But meanwhile it may be said with little fear of contradiction that Chili, from the 18th to the 58th Parallel south of the Equator, is one vast mine. It was because of her mineral wealth that she was originally coveted by her Spanish conquerors. It is her great mineral wealth that seems likely in the future to enable Chili to develop the great potentialities which are latent in the country, and which will require to be developed if Chili is to hold the position politically and economically to which she is entitled in the coming intensely keen competition for markets and for economic existence which the world appears to be about to witness. Already, in addition to the great source of wealth to which we have already referred, and with which we propose to deal in more detail later, she is the second greatest copper producer in the world. In the Andean region, which forms the back-

Some of the republic. Chili possesses nearly every mineral valued by man. She already has developed a very important coal industry in the south. But, in fact, it can hardly be said that her coal seams have been seriously worked in the sense that collieries are worked in England and in the United States. At present, although she produces large quantities of coal for home consumption, for her shipping, for bunkering purposes, and to serve other needs, in addition to being a relatively important coal exporter, very little beyond the surface coal is worked. The coal in Chili, as in various parts of South America, comes practically right up to the surface, and coal engineers who have examined the mines are of opinion that there is an enormous reserve of coal, which, at depth, it will be possible to work for many generations to come. Meanwhile, as we have said, she is already the second largest world producer of copper, and the Andes possesses within the Chilian territory the various supplies of minerals to which we have referred. Her real difficulty at present is that she has neither the accumulated capital nor the population which would enable her to work this vast region. At present there is always a shortage of labour. In addition to her enormous mineral wealth, which it will be inferred is so little worked, she has a source of power which should enable her, when she has an adequate population for the purpose, to develop a mining industry upon a relatively lower economic basis than has been practicable for any other country with which we are acquainted. Chili, as those who know it are aware, and as the reader will readily infer from the brief description we have given, is a country sloping from the Andes to the Pacific Ocean. Owing to the steep gradients, and owing to her climate, very few of her rivers are of much importance from the point of view of the navigator. Possessing, however, as she does, a great snow-clad range as the backbone of her territory, at certain seasons of the year something like 27 different streams become raging torrents. Even the bed of the principal river running through the capital is at certain seasons of the year filled up with a vast volume of water travelling at a great speed, and at other periods it becomes a very small stream. This is characteristic of all the rivers of Chili. Hence, with sufficient accumulated resources and a sufficient number of men to do the work, she could erect hydro-electric plant for the development of her mineral resources, as we have said, upon a relatively very low economic basis. When we work a mine in this country, for example, whether it be a tin mine in Cornwall or a coal mine in South Wales or elsewhere, we have to use coal itself for power. We have no other source of power. But in Chili water power is there already available. All that is necessary is to incur the cost of the erection of hydro-electric plant. Once this is done the means are available for opening up copper mines, silver mines, gold mines, and the various other mineral resources which exist nearly all along the Andes. This, of course, means large expenditure of capital and the employment of a very much larger population than Chili has at present. But its accomplishment will be essential if Chili is in the future to realise the potentialities which her present highly intelligent population expect.

At present Chili enjoys one great economic advantage. But it is accompanied by a corresponding very serious drawback. She is what is known as a mono-exporting country. That is to say, she is dependent for practically 80% of her exports on the well-known nitrate of soda which we have so often described in these columns when writing upon Chili in particular and South America in general. We explained last week what a great disadvantage this is by reason of the fluctuations in the Chilian exchange, which are utterly unreasonable in the actual economic position of Chili in regard to other countries. The wealth of Chili does not fluctuate to the extent that the movements in exchange would indicate. She is not at one period in an alarming economic position, pouring out treasure in order to pay for some necessity, and at another period exporting valuable materials for which the rest of the world is clamouring. We made no charges last week, and we make no charges to-day. But it is evident that there is something wrong in the variations of an exchange which are contrary to the known facts of the economic position of the country. The real facts are that up to the outbreak of the recent War, Chili exported quantities of nitrate of soda for fertilising purposes; and this enabled her to pay for all her imports and to pay the interest upon her foreign debt. During the War there was a still greater demand for nitrate of soda as it contains an essential constituent for the making of various kinds of munitions of war, and it also contains an ingredient which was used throughout the War in the hospitals for healing the sick and the wounded. As a result Chili has built up a very large trade balance, as it is called, in her favour; and this she will be able to employ in any way she deems fit when the general economic position of the world becomes normal; and she is able to obtain commodities for the opening up of her transportation facilities and for the general development of her economic resources upon a reasonable economic basis. The drawback, however, is that she is dependent upon one great export. It would be impossible to speculate in the exchange to the extent that has been the case in the last few months if Chili were constantly exporting a regular series of commodities. Nitrate of soda one week, copper another week, gold some other time, silver, iron ore, of which she possesses enormous quantities which are wholly undeveloped, wool, even feeding stuffs, because she is with her present population capable of producing very much more food than she needs for her own consumption, wines, at present prices provided freight was available, Chili is capable of raising more wine than is required for the consumption of her present or early prospective population. Lastly, she has in the south the great wealth of timber to which we have already referred. In all reasonable probability when Chili seriously sets to work to develop her great resources upon a considerable scale she will adapt herself, not, perhaps, to manufacturing in our sense of the term. We have in these regions a congested population out of all proportion to our area. In South America, taken as a whole, and in Chili in particular, the population is by no means adequate to do the necessary work. But inasmuch as Chili, if her population grows, will probably require to import considerable quantities of raw material and large quantities of food, the probability is that she will devote herself to preparing her raw materials up to a certain stage for the needs of her manufacturing customers. She will not be content with exporting any of her products in the raw state, but will subject them to the preliminary stages of manufacture.

THE ALSATIAN COTTON INDUSTRY.

[From Our Special Correspondent.]

Before the War Alsace [illegible] workpeople distributed over several thousand establishments. Various textiles were produced, principally jute, woollen and cotton fabrics. The annual production [illegible] figures it will be seen that the cotton industry was of [illegible] Here spinning, weaving, bleaching, dyeing, and printing are all extensively practised. The number of

spindles and looms in Alsace is estimated at nearly 1,800,000 and 45,000 respectively, and the famous D.M.C. yarn, manufactured by a well-known Mulhouse firm, is probably known in every cotton mill in the United Kingdom.

According to French estimates the pre-War number of spindles and looms in France was 7,576,000 and 140,300, including 30,000 hand looms, and their strength is now augmented by 26% and 30% respectively. This welcome addition will lead to an increased consumption of raw cotton, and the 1913 and post-War figures may be estimated to show the following variations:—

Consumption of Cotton in France.

	1913 Tons	New Estimate Tons
Imports	329,537	390,000
Exports	58,000	58,000
Consumption	271,537	332,000

The calculation set forth here contains an allowance for the new factories that have been built and presupposes the normal working of establishments in the area devastated by the War. In ordinary times the United States furnished 78% of the cotton consumed in France, Egypt 8%, and British India 7%, while 2% consisted of receipts from the United Kingdom. Of the 58,000 tons of raw cotton exported by France fully one-half went to Germany, and it is doubtful whether this trade will speedily revive. The cotton market at Havre, which is one of the principal on the Continent, has shown great activity since the reopening of full communications with the United States, and it is probable that its old trade connections even with Russia will eventually be restored, while Belgium, which took 20% of the exports, may henceforth be a bigger customer. It is idle to forecast the eventual position which will, in any case, be determined as much by considerations of supply as of demand.

The cotton industry in France is not localised to the same extent as in Great Britain. In the north Lille, Roubaix, and Tourcoing, in the west Rouen, and in the east the Vosges, together with Alsace, are all centres of importance. The spindles and power-looms are shared amongst the different regions as follows:—

Cotton Spindles and Looms in France.

District	Spindles Number	Looms Number
Northern District	3,100,000	16,000
Western ,, ...	1,500,000	18,800
Eastern ,, ...	2,976,000	60,700
Alsace ,, ...	1,800,000	45,000
Rest of France	—	15,000
Total	9,376,000	155,300

In all districts there is at the moment a common fear, springing largely from recent reports as to the low condition of the American crop, that a period of acute scarcity of raw material is at hand. The world's demand for cotton was steadily increasing before the War, and the supply also tended to rise, though not in proportion. The pre-War tendency to an annual increase in the acreage has been checked by the high cost of cultivation, and supplies are now beginning to show a deficiency. This deficiency will be augmented as the spindles put out of action during the War resume operations. Moreover, the United States and India, the chief cotton-growing countries, are themselves absorbing a larger share of the crops, thereby reducing the exportable surplus. While France, as well as the United Kingdom, is to some extent helpless in the face of such a situation, the French Colonies offer some possibilities as growers of cotton, possibilities that deserve thorough exploitation in view of the unsatisfactory outlook in the raw material market. A Colonial Cotton Association is already in existence, and in the course of its work in French West Africa it has encouraged the growth of native varieties, distributing seed, and advising as to the ground suitable for cotton-raising. It received a Government subvention of nearly £8,000 in 1919, and has already set up ginning establishments where they are most needed.

The production of ginned cotton in 1918 and 1919 in the various localities is set out in the following table:—

Cotton Production in French Africa.
Ginned Cotton.

Locality	1918 Tons	1919 Tons
Upper Senegal and Niger	354	600
Ivory Coast	300	360
Dahomey	200	200
Total	854	1,160

The 1919 output showed a satisfactory increase of 300 tons, but the total production is still less than one-half of 1% of French consumption, besides being very often of a coarse variety unsuited to French spindles. The long-staple Egyptian cotton, for example, which is used mainly in the pneumatic-tyre trade, could not be suitably replaced by a French Colonial product. The main difficulty to be overcome is lack of experienced agriculturists willing to take the time and trouble necessary to produce high-grade fibre.

In French Indo-China efforts have also been made to promote cotton cultivation. In Cambodia there are many acres of red land suited to the plant, and the initial attempts to produce marketable fibre have been attended with such success that influential interests in the cotton industry are promoting an ambitious scheme for extending the plantations. Though such developments are encouraging and deserve every support, it is vain to expect any substantial measure of relief from the Colonies for many years. In this respect the situation in France resembles that in the United Kingdom, where the possibility of replacing American-grown cotton by supplies from British Possessions, especially Egypt, the Soudan, and India, is being vigorously canvassed. Arrangements for large-scale production are, indeed, in a more forward state in British Colonies, owing to the early propaganda of the Imperial Institute, but this is only to be expected as the consumption of cotton in the United Kingdom is three times greater than in France.

The Alsatian cotton manufacturers will, it is expected, prove to be ardent supporters of the crusade for raising cotton in French possessions abroad. They are fully alive to the dangers of the present position, and to the need for lessening French dependence on the United States and Egypt in respect of raw material. The difficulties to be overcome are not insuperable, and the prize, if attained, will prove worth the winning.

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XX.

DAIRYING AND EDUCATION.

THE experiment of winter dairying has been tried by Mr. Laffan, Vice-Chairman of the Limerick Farmers' Union, but without much success. It had involved much labour, and, furthermore, a large quantity of winter milk was required to produce one pound of butter. The creamery which he attended was quite willing to lose money for a few months in order to encourage the practice of winter dairying, and in this case the creamery had lost money on every gallon of milk supplied to it from November to January or February. Apart from the question of butter production, winter milk, of course, fetched an increased price, but the drawback was that there seemed to be no market for fresh milk in Ireland; while at the time the Irish papers spoke of a milk shortage he could say from practical experience that there was no milk shortage in Limerick.

As regards the quality of dairy cows in Limerick, it was quite possible to find cows in the county with an average of 600 gallons of milk per annum, and 20% of the cows give an average of 300 to 400 gallons of milk per annum. All these cows are potentially capable of yielding 800 gallons, but their yielding capacity was not taken advantage of. More cows are

now carried to the acre than is formerly, and as a result the animal has decreased in size. He did not think, however, that this decrease was a direct factor in the decrease in the milk production per head.

Attention should be directed to the education of the farmer. The Department of Agriculture had not raised this but apparently [illegible] should be found to acquaint Irish farmers with the progress made in foreign countries where agriculture is scientifically developed. The farmer was not inclined to adopt new ideas and new methods unless he had seen them successfully weather the tests of actual working. Lack of capital constituted another handicap to the development of the agricultural industry in Ireland. In County Limerick several creameries were nearly ruined because this disability prevented them from taking up cheese-making. Without sufficient capital the creameries were not readily able to embark on new ventures. A remedy should be provided, as the manufacture of condensed milk and dried milk might soon have to be undertaken. The provision of cold storage for creameries was another problem. They had now very few facilities in this line, and, even if they had greater facilities the shareholders could not wait five or six months for their payments. More adequate finance would have to be provided, and he looked to the Irish banks to do their share. He would not care to offer an opinion on the advisability of asking a Government Department to subsidise cow-testing associations. These associations in his district had not been very successful, and this was not remarkable, considering all the circumstances that interfere with their successful working. The danger in developing the milk yield of cows was that they became more delicate and more liable to disease. Small farmers are in a position to keep heavy-milking cows, but, in his opinion, large farmers who are dependent on outside help never will. Rather than aim at heavy yields of milk, he would prefer to grade up its quality.

He agreed that since the organisation of the dairying industry in Holland and Denmark and the establishment of cow-testing associations the yield of milk had been increased by fully 50%. This improvement was not due to the fact that these countries possessed any special advantages for dairying. The probability was that Ireland was better suited for this purpose owing to its mild and equable climate and the advantages it possessed for growing grass. The adoption of the Continental system of grading up cattle would probably give equally successful results in Ireland. It must be remembered, however, that a considerable amount of damage had been done to herds in the South of Ireland by the introduction of the shorthorn. Then, too, a cow yielding up to 700 or 800 gallons of milk was liable to become very delicate. Still, the average production of milk from the Irish cow—370 gallons—was low and could easily be brought up to 450 gallons per annum without any deleterious effects on the breed.

Strong views were expressed by Mr. P. K. Walsh on the system of primary education prevailing in Ireland. The National Schools were of no assistance to the farmer, gave the people no aim, left them without ambition, and kept them in a groove. The pre-War salary of a school teacher was, he believed, less than that of a policeman. There were few outlets in Ireland for young men or women unprovided with means, and the result was that those gifted with great intelligence drifted into teaching. The failure of the National Schools to recognise that there was an industry in Ireland such as agriculture explained the difficulty now experienced in inducing farmers to adopt some method of eliminating useless members from cattle herds. Much of the matter in the school text-books ought obviously to deal with such subjects as fruit, vegetables, &c., which come within the scope of Nature-study. An essential to a proper scheme of educational development would be the payment of higher salaries to school teachers. Another requirement was that all [illegible] could progress freely on natural and business-like lines in agriculture and industry a thorough overhauling of the present educational system was absolutely necessary.

THE GLASS INDUSTRY.

Previous to the War it must be admitted that the glass industry clung rather tenaciously to methods sanctioned by tradition, and was somewhat inclined to ignore the progress made in the United States and the Continent in the direction of achieving a larger output, especially in certain lines, by the introduction of mechanical devices. For the lethargic conditions that prevailed the manufacturer cannot readily acquit himself of the full share of responsibility. At the same time, it must be remembered that the attitude adopted by some labour sections in restricting arbitrarily the number of glass apprentices, and thereby attempting to maintain wages at a certain level, operated detrimentally to the best interests of the industry. Under this dual burden glass-making in this country was considerably handicapped, all the more so as our foreign competitors had easy access to certain deposits of sands of high silica content and other raw materials employed in the manufacture of the better qualities of glass, which we are obliged to import. The United States, of which the pre-War glass production was estimated at over $60,000,000 per annum, or £12,375,000 at par of exchange, possesses many suitable sand deposits, and the industry is carried on in 25 States, Pennsylvania producing about two-fifths of the entire output. Vigorous application of labour-saving machinery and detailed study with a view to eliminating all waste movements in glass-making processes have enabled the Americans to attain much success in many branches of glass manufacture. Processes for making open or solid vessels have approached automatic perfection, and window-glass, hitherto blown, is being successfully made by machines. A large output of plate- and sheet-glass from the works situated in Liége, in Belgium, has been encouraged by the existence of suitable sands, while Pilsen and Eger, with resources of potash, silica, and "colouring metals," have specialised in turning out large quantities of the well-known Bohemian glass. Venetian glass is associated with Italy, and the commercial exploitation of the results of scientific research was energetically pursued by glassworks in Germany in pre-War days. It can scarcely be claimed that there are sand deposits in the United Kingdom as pure as those of Fontainebleau, near Paris, or Lippe, in Germany, which are extensively utilised for the production of optical glass, flint glass, and the whitest sheet glass, as well as the best kind of Bohemian glass. These sands are distinguished by their high silica content, their low percentage of iron, and their freedom from impurities such as alumina, lime, or alkali. We are more fortunately placed, however, so far as the possession of sands of lower quality is concerned: those of Lynn and Leighton are well known, and in Norfolk and elsewhere we are steadily developing our own resources. Sand does not, of course, [illegible] of salt-cake where such as sheet- and plate-glass, for example, are contemplated. The quality and the [illegible] Germany [illegible] possess a silver [illegible] making world, and place an industry, transformed under the pressure of war, at a serious disadvantage. As an alternative source of [illegible] to supply that substance the dust from blast-furnace [illegible] all varieties of [illegible]

and a large proportion of pressed and blown glass, lime is an important factor, while lead is an essential ingredient of all flint glass. Other metallic oxides are also used, the maker's choice being dictated by the special properties of the glass required.

The structure of the glass industry has been considerably enlarged during the past few years. A ready answer has been given to the appeals made for additional capital, and the amalgamation of old interests and the introduction of new have proceeded apace. A strong element of vitality has been infused into the industry, and an ambitious programme framed with the idea of reducing our dependence on outside countries for supplies of glass-ware by stimulating home production and exploiting native sources of raw materials to the fullest possible extent. The quantity and value of these imports in 1913 and 1919 are set out in the first table. Table 2 shows the corresponding exports.

TABLE 1.

Glass Imports into United Kingdom in 1913 *and* 1919, (*re-exports deducted*).

	1913		1919 (not stated)	
	Quantity	Value £	Quantity	Value £
Window and Ornamental Sheet				
(cwt.)	1,220,741	667,189	271,669	865,351
Plate (cwt.)	154,472	309,157	76,578	290,921
Bottles and manufactures of				
flint glass (cwt.)	983,142	1,339,559	266,182	1,378,939
Lustres (gross)	1,853,916	774,955	916,016	285,660
Manufactures not specified				
(cwt.)	1,462	3,394	175	1,518
Total	2,018,737 (cwt.) 1,853,916 (gross)	3,345,234	1,520,078 (cwt.) 916,016 (gross)	2,142,389

TABLE 2.

Exports of Glass from United Kingdom in 1913 *and* 1919.

	1913		1919	
	Quantity	Value £	Quantity	Value £
Plate (cwt.)	237,641	599,925	81,198	309,284
Bottles and manufactures of				
flint glass (cwt.)	82,885	315,000	31,925	135,012
Lustres (gross)	974,465	232,847	288,281	232,397
Manufactures not specified				
(cwt.)	614,100	144,...	257,195	5...857
Total	935,086 (cwt.) 974,465 (gross)	1,8...,...	...,... (cwt.) ...,... (gross)	1,...,...

The marked decline in the supplies of glass received from foreign countries will be evident from a glance at Table 1. Apart from the efforts made by British makers to meet the needs of the home market, the explanation is to be found in the fact that the glassworks of Belgium, Germany, Czecho-Slovakia, and other countries are confronted with difficulties in the way of assembling raw materials, securing the necessary equipment and labour, and financing their trade. Even where these problems have been solved the respective home markets are only too eager to ... [illegible] ... glass famine which prevails throughout the world has only been partially alleviated by the efforts of the past year. Nevertheless, the exports from these quarters, though still far below the 1913 standard, indicate a recovery that is, to some extent, unexpected. Underlying this recovery the appreciation of the British pound in Europe held out strong inducements to Continental exporters to establish a claim on England which could be negotiated at a high value in the native currency. The recent relaxation of certain import restrictions and the failure to pass the anti-dumping Bill have not been welcomed with any enthusiasm by British glass manufacturers. They observe that the industry is, in some respects, a new one, brought into being directly by the stress of war, that the steps taken to lay its foundations firmly in this country by the introduction of the latest technical appliances and methods of working have not been given sufficient time to mature; and that the best interests of a young industry, and the country generally, would be served if it were given time to consolidate itself and meet on fair terms the competition of long-established Continental concerns. Coupling this with the severe incidence of the excess profits duty, glassmakers feel they have legitimate cause for complaint.

Stocks of glass in the United Kingdom were depleted to vanishing-point during the War, and it is little wonder that the quantity exported during 1919 makes no attempt to rival the figures for 1913. Before the War no insignificant portion of the home production was exported. The value of the home output of glass, and manufactures thereof, excluding the amounts received for bevelling, silvering and polishing glass, which branches constitute a distinct industry, came to £4,899,000 in 1907, according to the particulars given in the Census of Production. Assuming a corresponding value for the 1913 output—and this, it must be admitted, is an unlikely contingency—£1,813,765, or 37% of the home production, was exported in that year. The value f.o.b. of the exports of glass and glass manufactures in 1913 amounted to about 30% of the works value of the glass made in the United Kingdom. Export orders of the 1913 proportion can scarcely be undertaken until the momentum of the home demand has been appreciably arrested.

From a spectacular standpoint, the most noteworthy event in the recent development of the industry has been the introduction of completely automatic machinery for the manufacture of glass bottles, jars, carboys and other descriptions of hollow glassware. An enormous increase in output is thus facilitated, and in one concern the production of bottles, containers, jars and tumblers is estimated at 170 millions per annum. Impressive as this figure is, it is confidently expected that it will be multiplied by three when the projected programme is completed. Equipped with the latest technical appliances, the outlook for this branch of the industry is bright, and in the future competition with the products of America and Europe will be conducted under more favourable auspices than in the past.

Continuity of the present energetic policy and careful attention to marketing organisation are, however, highly desirable. The activity of foreign glass producers is steadily growing. In Czecho-Slovakia, one of our most important competitors, 130 works are reckoned to be in operation, and an increase of 50% in output is promised when 60 new establishments are fully equipped.

The report of the National Bank of South Africa, Limited, made up to the end of March last, states that after making provision for bad and doubtful debts and applying £50,000 in reduction of bank premises account, the net profits for the year amount to £538,684, inclusive of a balance brought forward of £23,206. A dividend of 7% and bonus of 1% absorbs £235,484; £200,000 is placed to reserve; £60,000 is allotted to the pension fund, and £43,200 is carried forward. On the last day of 1909 the number of branches and sub-branches was only 66; at the end of March last these numbered 510. The deposits at the end of 1909 stood at £8,549,725; at the end of March last they reached £61,323,019. The note circulation at the earlier date stood at £250,373, and at the later date at £4,327,011. Loans and discounts advanced from £2,823,520 to £32,961,033.

According to the interesting quarterly circular issued by the British Bank of South America, Limited, which contains reports regarding conditions existing in Brazil, Argentina, Uruguay and Chili, considerable interest has been aroused in Brazil by a project of the Government to reorganise the Banco do Brazil and transform it into a bank of issue. The proposal was brought forward by the present Brazilian Finance Minister when he was President of the Bank in 1917, and has since been strongly supported in commercial circles. The advocates of the scheme argue that the issue of notes by the Bank will lead to a more elastic monetary system, reducing the risk of crises caused by the failure of crops, &c., and, at the same time, obviate any necessity for further issues of paper money by the Government.

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Financial Notes.

THERE has been the usual keen demand for money inevitable at this season of the year. It has necessitated the market going to the Bank of England upon more than one occasion. Rates, however, have not been affected to any very great extent. It has to be remembered, however, that the London market is still a wholly artificial one. The Bank has ceased to be in a position to control it upon economic principles, as it was able to do before the War. We have a floating debt of practically 1,300 millions, although it has been reduced to some extent even during the past week. Still worse, we have still to look forward to the repayment, and shall continue to do so for another year, of a loan to the United States almost as big as the floating debt.

The revenue for the first quarter of the financial year amounted to £314,986,152, being an increase of over 120 millions sterling. This would appear to be a highly satisfactory statement, but, unfortunately, nearly 98½ millions of this amount has been derived mainly from the sales of Government stock accumulated during the War, and, of course, purchased at very much higher prices than those which it was possible to obtain when selling it upon a commercial basis. Of course, the Chancellor of the Exchequer has been criticised, and criticised rather severely, for including under the heading of what are called Miscellaneous Receipts these sales of Government stock, which were purchased out of public loans, as part of the current revenue of the year. Strictly, as a matter of bookkeeping and of sound financial policy, there is no answer to the critics, and we do not imagine that the Chancellor would attempt to make one.

We do not, however, associate ourselves with this criticism. It has to be borne in mind, what the critics are never tired of pointing out, and what is, in fact, perfectly true, that [illegible] is at present enormously heavy. Granted that it should be curtailed by means of reducing Government expenditure, such admission in no way lessens the difficulties of the Chancellor of the Exchequer in the meantime. This immense expenditure has been agreed to by the Government and authorised by Parliament. And the [illegible] to find the money in the best way he can. Probably, [illegible] account. It is not, of course, sound finance, but it would be probably worse finance to increase the various imposts which are already pressing so heavily upon the country. The only real remedy, which the Chancellor of the Exchequer has himself admitted again and again, and which, in principle, although unfortunately not in practice, the members of the Government individually and the Government in its collective [illegible] well within the tax revenue collected.

Under the heading of "American Topics," which will be found in another column, we contrast the position of the British and American railway systems, with special reference to the new proposals of the Ministry of Transport. The proposals, which, no doubt, the reader has fully studied, as they have been published by nearly all our daily contemporaries, are exceedingly drastic. The Ministry endeavours to safeguard itself and to protect the interests of the taxpayer by proposing a clause whereby the Government shall not be responsible for giving financial assistance to the railways. We had not space in the article to discuss this aspect of the question, but it is an exceedingly important one. The question at once arises, Is it practicable for the Government to make such a proviso and to continue to adhere to the principle? While a Department of the Board of Trade was content to give a general superintendence in the interests of the community to the working of the railways, which in a sense were monopolies always, it was quite simple for the Government to maintain, and to maintain consistently, that, inasmuch as it did not work the lines, it could not, and would not, be responsible for the success or otherwise of the lines as commercial undertakings. When, however, it is proposed to group these lines in zones, and insist that they must be worked in a specified manner imposed by the Government upon those responsible for working them, the consequences may lead to very serious difficulties. In fact, such a proposal, if it is finally adopted, takes the control of the lines completely out of the hands of those who are responsible for working them.

We do not, of course, pretend to say what the result will be. But neither is the Ministry of Transport in a position to foresee all the consequences. If the effect is to increase rather than to lessen the difficulties under which the railways are operated at the present time, has not the Government assumed responsibilities which it will be impossible to avoid in the future? It would be difficult enough to raise increased capital for the railways in their present condition. And if the zone system fails to achieve the success hoped for, it is evident that the managers will be faced with still [illegible] order to maintain the lines in even moderately efficient working order. We say in the article referred to that the raising of passenger fares and freight rates for goods is only practicable up to a certain point. We have already seen during the War, and during the period while the railways have been under Government control, that such control does not make either for [illegible] those who are engaged in the various serv[illegible] [illegible] tion before assuming that it has in reality relieved itself of financial liability.

A deputation [illegible] Chancellor of the Exchequer. The deputation was headed by Mr. Peter W. Rylands, who acted as Presi-

dent, and among the members was Sir Richard Vassar-Smith, the chairman of Lloyd's Bank, Limited. The deputation pointed out the injurious effect of the excess profits duty upon trade. It is, of course, a heavy impost, and as traders engage in business for profit it has ultimately to be paid by the consumer in some form or another. The Chancellor of the Exchequer, while admitting the onerous nature of the tax upon traders, pleads not unnaturally the exigencies of his position. The Chancellor's case was at the time he made his Budget speech, has been ever since, and is still, that the tax yields in a clear year 100 millions sterling, and on the basis of the present rate of national expenditure he says he and his advisers are quite unable to devise any other tax which would be less onerous either upon the trading community or upon the body of tax-payers taken as a whole.

The real difficulty, of course, is that the national expenditure is itself extravagantly high. A committee is understood to be considering what recommendations, if any, it will make with a view to reducing the enormous cost which the Government is at present imposing upon the country taken as a whole. During the War a vast number of new departments were created, the expenses of some of which have been greatly reduced, although, unfortunately, few of them have been wholly disbanded. On the other hand, new departments have been created, intended, no doubt, to promote objects excellent in themselves, if the departments are able to achieve the objects aimed at. It has to be remembered, however, that even if an object is good in itself it is quite possible to pay too much for it. If we are straining the resources of the country in maintaining this vast corps of officials, we may find in the sequel that we are paying too dearly for the objects which it is sought to attain.

The real difficulty is that it is neither the interest of the Government nor the interest of Members of the House of Commons to cut down expenditure with the drastic hand that would be done by the manager of a private business whose general well-being, not to say solvency, was at stake. The Government and Members of the House of Commons not unnaturally find it convenient to keep various sections in the constituencies in good humour, and these sections are really the people who have to find the money immediately to meet the demands of these various departments. Ultimately, if trade and industry are seriously affected, as there is reason to fear will be the case, by the present heavy expenditure of the Government all classes in the community and in the country taken as a whole will suffer.

We have received this week the monthly circular of the London Joint City and Midland Bank, Limited, giving a report of the recent speech of the Chairman, the Rt. Hon. R. McKenna, before the National Union of Manufacturers at a banquet held in the middle of the month at the Savoy Hotel in London. We commented on the speech at the time, and it is of interest to note that in the opinion of the chairman of one of our greatest banks the present taxation of the country is excessive. In connection with the excess profits duty it is of interest to note that Mr. McKenna stated that traders, when faced with the demand note to pay their excess profit duties, have in various instances which have come under his notice, had to borrow the money from their bankers. Taxation so heavy that it is necessary to go to one's bankers to pay the taxes, if the experience of the Chairman of the London Joint City and Midland Bank, Limited, is at all general, would certainly appear to be approaching the danger line.

Incidentally, Mr. McKenna was naturally struck by a point that would appeal at once to a banker. One of the ways that credit is created, and one of the principal ways, is by obtaining loans from bankers; and if it be at all a general practice for traders to borrow the money from the banks to pay their taxes, this means a creation of credit which, to the extent that it is created, tends to increase the cost of production; to increase purchasing power; and, consequently, to raise prices. It will be remembered that during the recent War, as the means did not exist of paying either out of income or out of realised assets the demands of the War, credits were created upon an enormous scale. But the result has been to land us with the greatest debt which this country has known.

SOUTH AND CENTRAL AMERICA.

PROMISE FOR THE TROPICS.

Readers will have noticed in our daily contemporaries a report from Paris that a means has been discovered at the Pasteur Institute of using a preparation of powdered formalin, very much as petroleum is now used, for spraying stagnant waters in tropical areas for the purpose of destroying the breeding-grounds of the mosquito. Naturally, very great interest is attached to the report of the great potentialities which it appears to open up. Of course, there are objections to the use of formalin, as there are objections to the use of petroleum. But it is exceedingly encouraging to find that the world's scientists are devoting themselves to the very important question of improving the conditions of life in the tropical areas of the world. Of course, it has to be remembered that we have already achieved, perhaps, the most satisfactory result in the knowledge that the Tropics themselves are in no sense inherently injurious to man. On the contrary, they are by far the most favoured parts of the Earth's surface. The difficulties which they have hitherto presented are sanitary, as distinct from natural. As far as our present knowledge goes, it does not appear possible for man to live permanently on an ice-clad plateau, say, at an elevation of 10,000 feet above the sea. But we do know now that it is possible for man, white or coloured, to live and to thrive and prosper, and prosper exceedingly, in the rich areas of the Tropics between the 20th parallel north and south of the Line. The discovery that yellow fever and malaria were both due to separate and distinct species of mosquitos, and that these nuisances breed in stagnant water, was an achievement of the first magnitude in the potentialities of man's well-being over the richest part of the earth's surface. Hitherto, man has been more or less confined to what are called the temperate regions of the earth, and he has left the most extensive regions territorially considered, and the richest, estimated from a fertile point of view, to the jungle, to the wild animal, and to the less progressive of our species. It is not, and never has been, true that the malarial swamps of the Tropics are quite healthy and suitable places for the coloured man. As a matter of fact, one of the real reasons that the coloured man in the tropical jungles does not prosper, does not become efficient, and makes so little use of the lands he inhabits, is that he is never really well. He suffers more or less, from the cradle to the grave, from what in this country we should call a form of ague, and he is never a really energetic and capable person in the sense that a ship's commander would like to see his crew healthy.

Until within a few years of the beginning of the present century, we were in total ignorance as to what were the causes of tropical diseases. It was customary to say "climate." But the intelligent doctor came to doubt this, and doubted it on very good and sufficient grounds. Certain regions of the Tropics, or semi-tropics, happened to possess no swamps. And as doctors were appointed, sometimes military doctors and sometimes civilian to various settlements, they discovered that in certain regions, notably the island of Barbadoes in the West Indies, there was neither yellow fever nor malaria. Now the thoughtful gradu-

ally observed an absence of swamps. What was it that in certain areas, where there were stagnant waters, huts, swampy fen country, and houses old utensils about the yards constantly full of water, malaria or yellow fever, and generally both, were prevalent, particularly in the neighbourhood of homesteads, and, of course, in towns, and anything in the nature of cities? Ultimately, through the untiring labours of distinguished doctors, it was found that yellow fever and malaria were simply due to a parasite which inhabited the body of two specific kinds of mosquitos; and that, in order to enable these animals to breed, the presence of stagnant water, even in small quantities—and apparently small quantities were more favourable—was required in any specific area. Consequently, if it was desired to eradicate yellow fever or malaria from any given homestead, village, or town, regulations must be drawn up whereby the inhabitants were forbidden to keep any kind of stagnant water in the neighbourhood of their dwellings. The water-but must be cleansed constantly. The little jars containing rain-water from last night's rain must be emptied. No gullies must be allowed to contain any kind of liquid for more than 24 hours. This was done in various countries in different parts of the world. Particularly, it was done by the United States Government in the Island of Cuba, by our own municipal authorities in Georgetown, in British Guiana, and by certain authorities in different parts of India, and elsewhere in the British Empire.

All this we have discussed many times before, in pointing out the advantages which the tropical areas have derived from this discovery that the so-called tropical diseases were not indigenous to the Tropics; had hardly anything at all to do, and never primarily with climate; and were due to causes which could be readily removed. In fact, it was a question of sanitation, and nothing but sanitation. Those of our readers who are acquainted with the London Bills of Mortality from, we will say, the time of Queen Elizabeth to the beginning of the nineteenth century will remember that the London population died out in the course of two or three generations. The reason of this was the unsanitary condition of London. The popular idea of the time, and the idea of many doctors who had given the matter proper consideration, was that in towns life degenerated, and that life in a city tended to prove fatal to man. Towns were a necessary evil, and they could only hope to exist by being constantly recruited from the country. As a matter of fact, in those days there was a very high birth-rate. But, whereas the birth-rate in London was 39 per thousand, so far as we are able to estimate on the basis of Bills of Mortality published some years ago by the Historical Manuscripts Commission, the death-rate soared to the handsome figure of 45, or three times the present figure. Consequently, the birth-rate, handsome as it was, was quite inadequate to keep up with the terrible tolls of the various forms of disease awaiting the unwary Londoner. Of course, the Bills of Mortality do not go far west. But late in the eighteenth century, what we now know as the Dip in Piccadilly was, and, of course, still is, the bed of a river; and it was crossed by a bridge. This river gradually became unsanitary, and was covered up in comparatively recent times. If these were the conditions prevailing in the far west of London, outside the Bills of Mortality, and far beyond the district subject to the authority of the Lord Mayor of London, what were the conditions in the City itself? In the centre of Fleet Street there appears to have been, from the exhibition shown in the London Museum at Lancaster House before the War, an open sewer. Certain it is that what we now call Farringdon Street and Ludgate Circus, their existed, first, the Fleet River, and, ultimately, the Fleet Ditch. And the unsanitary exhalations from this Fleet Ditch none of the doctors of the time doubted did contribute a large quota to the high death-rate of London in those days. We now know that there is nothing inherently unhealthy in cities. On the contrary, the death-rate in the well-to-do quarters of London compares favourably with that of any county council area in any part of the country. [illegible] London of the Tudor period, although, of course, not in the eighteenth century, has a death-rate lower, perhaps, than that of any area of England for which we have returns. And it has to be remembered that even Brighton still has its poor quarters, which contribute to raising the death-rate very much above what it would be if it were possible to house the whole of her population under the conditions that prevail in the more opulent quarters of that most favoured Sussex town. Now what was true of London, of Paris, and of Vienna, in the comparatively recent past, is true of Calcutta to-day, and of many other cities. It is also true of the tropical regions of the earth. Sanitate the Tropics, and you have the richest parts of the earth available for settlement for the white man and the coloured man as well. Settlement in the Tropics, provided its swamps were drained and its wash-pots cleaned out, could be settled under far more favourable economic conditions than prevail at present in these regions. Those of us who live in these countries require expensive clothes for protection from the weather. In the Tropics clothes are merely a question of propriety. This means that a large part of our time must be occupied in obtaining the means whereby we can clothe ourselves. Owing to the cold we require fires, which are not merely a waste of coal, but means that we must occupy a good deal of our energy in order to obtain the means of buying coal at present prices. Finally, during nine months of the year our bodies are giving out heat into an atmosphere many degrees colder than we are; and, consequently, we require what we call fats, or heat-producing foods, to replace the heat which we are continually giving out; and, consequently, a large part of our time must be devoted to obtaining those heat-giving properties in our food. In other words, we have to spend a very large part of our time in order to clothe ourselves, and feed ourselves, and get sufficient heat from our food. Now in the Tropics the temperature of the body in most parts of the year is about 10 degrees higher than that of the atmosphere. Consequently, the man living in the Tropics does not require a great deal of heat-producing food. His clothes, as already said, are a matter of propriety. Now in housing, we have to build expensive houses and, as the Housing Bonds prove, extravagantly expensive houses; whereas in the Tropics the most modest shelter is sufficient; and, in fact, a great house, such as a wealthy man would select in London, would be almost intolerable to live in on the banks of the Amazon.

Lastly, although the major part of the earth's surface is far removed from the Tropics, nevertheless, a very appreciable part is within those regions. In addition, that part at present is almost wholly unoccupied. Finally, a very large part of that region is within the confines of the British Empire. And if Great Britain can gradually reduce her national expenditure, and allow her citizens to accumulate capital, even in modest amounts, and gradually save year by year sufficient to develop the tropical regions owing allegiance to the British Crown, an immense sum of money might be raised towards liquidating our debt [illegible] great economic prosperity.

The directors of the Ocean Accident and Guarantee Corporation, Limited, have appointed Mr. William [illegible] who has held the position of Assistant Manager for the past ten years, to be Manager and Secretary. Mr. William [illegible] Davies to be Assistant Manager, and Mr. [illegible] Evans to be Assistant Secretary, as from July 1.

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American Topics.

THE PENNSYLVANIA RAILROAD.

We have before us a record of the transportation line of the Pennsylvania Railroad compiled by the official staff for the year ending December 31 last. It deals purely with the physical side of this great system, which is one of the most important of all the American railroad systems. It serves a vast area. It serves perhaps the most highly developed manufacturing area of the United States, has a very large agricultural traffic, and, in addition, an exceedingly large mineral traffic. If we were considering the line from the point of view of its earning power, it is a very good barometer of the state of trade and industry in the United States taken as a whole. Particularly, if we were in possession of the figures of the earnings of the line, and especially the source of traffic, for the month just ended we should have a very fair appreciation of the trade of the United States taken as a whole. Especially if we had the information which the Company is able to supply of the source of its traffic during the past month of June, we should probably see a remarkable and illuminating contrast with the conditions which prevailed in the United States when that country was engaged in furnishing with materials the munition factories of the world. We are not, however, considering the Pennsylvanian system from the point of view of its earning capacity or as a barometer of United States trade. We have not sufficiently late information to enable us to do so. The information, moreover, supplied by the document before us has nothing to do with American trade. It relates really to the physical condition of this vast system, which extends in all for some 28,000 miles of track, if we include the whole mileage east and west of Pittsburg and the various subsidiaries more or less controlled by the Pennsylvania Company, and included in what is commonly known as the Pennsylvanian System. From a very early period in the history of this system it has been the practice to divide the line for purposes of administration and for purposes of finance into two parts. There are the lines east of Pittsburg and the lines west of Pittsburg. The total track is, as we have said, nearly 28,000 miles long, but the railway mileage, if we exclude double tracking, extends to about 12,000 miles. Even yet the major part of the mileage is situated in the State of Pennsylvania, although the whole system controls interests which extend into 14 States. These are the great State of Pennsylvania itself (the premier so far as this line is concerned), Delaware, District of Columbia, the State of Illinois, the States of Indiana, Kentucky, Maryland, Michigan, Missouri, New Jersey, New York, Ohio, and Virginia. The original line was constructed so long ago as 1846. The lines now running east of Pittsburg comprise no less than 25 separate and distinct corporations, which the Pennsylvania System has gradually come to control, or has obtained such an important interest in that it is now enabled to direct the working. The system west of Pittsburg is likewise composed of an immense number of separate corporations. There are in all some 27 of them, which are controlled more or less and practically wholly worked by the Pennsylvania Company. The list we have given only comprises important corporations which the Pennsylvania Company has gradually come to control. In these lines are comprised a vast variety of systems started at varying periods, and which during the past 60 years have from time to time been absorbed either by the Pennsylvania System itself or by one of the subsidiary lines controlled by this great system.

Railway working and railways as a form of transportation are more or less on their trial at the present time. The Pennsylvania System, like the whole of the American railroad system, suffered, and suffered severely, during the period of Federal control. The United States Government has profited by the lessons learned during the period of control upon the working of the railroads of the United States and has wholly abandoned the system of Federal control.

The difference between the American railroad system and that of this country is very striking. The new Ministry of Transport will be well advised to consider its somewhat extravagant scheme for control before putting it into operation. We do not, of course, pretend, for the sake of making a point in an argument, that the prosperity of the American railroads is due to the American system. Economic conditions in the United States and in Europe are so different that no really useful comparison is possible. The United States is, roughly, in extent three-quarters the size of Europe, while it has not one-quarter the population. Nevertheless, while we have no desire to push an advantage in contrasting the position of the American railroads, in spite of the severe handling they have received during the period of Federal control, with our own, there are certain sound economic principles which experience in ancient and modern times have shown may not be departed from with impunity. While the Government has decided against the principle of nationalisation, is it providing any real protection against the alleged danger of such a position? Even if we admit that control without responsibility must inevitably lead to extravagance and such a state of inefficiency that the whole system will ultimately break down, what protection does the Government scheme afford against these dangers? Dividing our railway system into zones creates what amounts for the time being into an absolute and unassailable monopoly under bureaucratic control. It seems to combine a very large proportion of the worst elements in the system of administration without any real protection for the interests capable of sustaining the railways as a transportation unit of the country.

In the scheme as proposed the Government does not contemplate giving financial assistance to the railways. This is excellent so far as it goes, if it were practicable that the Government could in real fact adhere to such a principle. In forming a Ministry of Transport, in which the control of the railways is included by the action of authority, the Government really incurs very grave responsibilities. It is, of course, evident that the railways cannot indefinitely be run at a loss. The alternative is to raise fares and increase freight rates. This again, however, cannot be done indefinitely. The English railway system was the pioneer of the whole world. Our railways were really built by our manufacturers and traders for the specific purpose primarily of conveying commodities from the scene of production to the ports and to various centres of distribution. They are not well adapted to meet the economic demands of trans-

portation is that exist at present. To vastly improve our transportation facilities would under existing conditions apparently lead to an expense that could hardly be expected to yield an adequate return. The growing cost of transportation, on the other hand, threatens our general economic well-being. As things are we appear to be tending to exist for the benefit of our transportation facilities rather than those facilities existing to serve our needs.

It was with much regret that banking circles in the City recently learned of the intention to retire "in the interests of promotion" of Mr. Thomas Henderson Whitehead, after having spent 46 years in the service of the Chartered Bank of India, Australia and China, 16 of those years as the Bank's manager. Not a little of the marked success of that institution has undoubtedly been due to the ability and wide knowledge of Eastern finance which Mr. Whitehead possessed. In 1873, when Mr. Whitehead joined the staff, the Bank had a capital of £800,000 and the dividend paid was 5%, there being no reserve, provident, or pension fund. In 1904, when he took over the management on the retirement of Mr. Howard Gwyther, the capital was still £800,000, while the reserve stood at £875,000, and the dividend paid was 11%. The last balance sheet, made up to December 1919, shows the paid-up capital at £2,000,000, the reserve fund stands at £3,000,000, and for the year the dividend and bonus amount to 20½% free of income tax. Mr. Whitehead retires enjoying the best of health and vigour, and in spite of the fact that he is on the threshold of threescore years and ten he is about to start on a big-game shooting expedition in British East Africa. His vast circle of friends will heartily wish him a continuance of his robust health and a full measure of happiness in his retirement.

Coast Lines, Limited, notify their shippers and consignees that, as the withdrawal of the shipping subsidy scheme will materially reduce the amount of cargo offering for coastwise shipment by their steamers, they will be compelled to reduce sailings accordingly. Any restriction in the service which they may find it necessary to make will be announced later.

We have received a revised edition of the excellent map published by our contemporary, *South Africa*, of Central and South Africa. It is drawn to a scale of about 300 miles to four inches, and extends from the extreme south of the continent right away up to the Cameroons, and considerably above Victoria Nyanza. Copies can be obtained from the offices of *South Africa* at the following post-free prices: 1*s.* 8*d.*, 3*s.* 4*d.*, and 13*s.*, also on rollers, 14*s.* 6*d.*

The Council of the League of Nations has decided that the International Financial Conference shall meet in Brussels on July 23. It will be necessary that the results of the negotiations to be conducted at Spa concerning the fixing of the indemnity owed by Germany and the manner in which it is to be paid, shall be communicated to the Council of the League of Nations before the meeting of the International Financial Conference, so that the latter can discuss with advantage the different problems concerning the issue of an international loan and the reorganisation of credit circulation, the settlement of the exchange question, &c.

An interesting recent event in the City is the opening of the Guildhall Rooms, 20 and 22 Wool Exchange, E.C. (close to the Basinghall Street entrance), for the sale of antique furniture. The proprietor, Mr. Arthur Meakes, wishes it known that his object is to provide in a part of London hitherto neglected a place of interest for lovers of the antique, and he also points out that, owing to the high price of modern furniture, it is possible to obtain genuine old pieces which compare favourably in price with those of modern make. Among many attractive things is a fine oyster walnut chest, a Georgian dining table from Baker's Circ. House, a Sheraton side table, and a genuine period Adam's mirror. The rooms are situated centrally, a stone's throw from the Guildhall, and a visit there would well repay collectors.—Advt.

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Rubber Topics.

WHATEVER may have been the cause—whether it was the close of the half-year or the holiday on Thursday—the fact remains that very little business was transacted in the Rubber market this week. The tenders were inclined to react at the opening, but in most cases recovered the ground lost by Wednesday. Thus the end of the half-year witnessed a slightly better tone. The Malacca Rubber Plantations have declared for 1919 a dividend of 30%, free of tax, as compared with 10% for 1918 and 20% for 1917. Castlefield (Klang) Rubber propose to pay for the year ended June 30, 1920, an interim dividend of 12½%. The annual report will be ready in August. This Company is again back in the list of dividend-payers, having paid nothing for the previous two years. The statement in the current issue of the Bulletin of the Imperial Institute that the kernels of Para rubber seeds are now being turned into oil on a commercial basis should prove of interest to rubber planters in these days of growing costs. Research work at the Imperial Institute shows that oil similar in properties to linseed oil can thus be secured, and can be utilised with advantage for paint-making and for other purposes for which linseed oil is employed, whilst the residue of cake provides an excellent feeding-stuff for live-stock.

ANNUAL REPORTS ANALYSED.

CEYLON PARA.

Issued Capital: £70,000 in 2/- Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915 ...	2,561½	2,561	682,675	267	2/-	1/4½	[illegible]	[illegible]	40
1916 ...	3,179½	2,562	868,567	337	2/8½	1/4½	[illegible]	[illegible]	40
1917 ...	[illegible]	2,743½	1,009,981	368	2/6½	1/6	47,511	[illegible]	[illegible]
1918 ...	3,261½	—	861,482	—	1/10½	1/6½	[illegible]	[illegible]	55½
1919 ...	3,375	—	1,118,212	—	2/4½	1/5½*	48,961	38,969	55

* Including [illegible] per lb. for [illegible].

Price of Shares, 9/6½. Market Capitalisation per planted acre, £99.

THE report of this Indian rubber Company for the year ended December 31, 1919, is distinctly satisfactory. In 1918 the crop was unduly low; owing to participation in the scheme of voluntary restriction of output, [illegible] of 1,169,000 lb., with which the crop actually [illegible] 1,118,212 lb. The deficiency was due entirely to [illegible] ing with the collection of the latex. What this meant [illegible] put averaged 440 lb. per acre of rubber. Kiribatgalla, which experienced the heaviest rainfall since 1916 of 175 inches, only yielded a return of 383 lb. Comparisons of working costs are rendered very [illegible] the exchange position. The Company [illegible]

of rice, heavier freights, and warehouse charges. Thus for the year under review the scarcity of rice caused a loss of £3,200. On the other hand, as the conversion rate of 2*s.* per rupee was adopted, in place of the old standard of 1*s.* 4*d.*, a profit of £2,876 was obtained, since the actual average of the rates was below this level. Taking all items of expense into consideration, the "all-in" cost, mainly owing to the larger crop, fell a little to 1*s.* 5¾*d.* per lb. Meanwhile the crop was disposed of to better advantage, realising 2*s.* 3½*d.* per lb., as against 1*s.* 10⅝*d.* per lb. in 1918. Thus the net profit rose from £18,303 to £44,854. After deducting £4,391 for income tax and £1,000 for bonus to the European staff, shareholders received a dividend of 40%, in comparison with 27½% for 1918. There is carried forward to the next accounts, subject to excess-profits duty, a balance of £15,267.

The outlook for the coming year is rather promising. To quote the Colombo agents: "The Company's estates may, we think, be regarded as in the front rank of Ceylon rubber estates in point of efficiency, in management, and healthy appearance of the trees." The estimated crop for the year amounts to 1,245,000 lb., whilst the actual returns for the first five months reach 440,281 lb., as compared with 364,674 lb. for the same period of 1919. The labour supply is adequate, but the rice problem is still acute. Furthermore, the crop is, as was evidenced in the Kiribatgalla division for 1919, largely determined by weather conditions. The exchange situation is also a vital factor. Whilst the rate has gone up above 2*s.* 6*d.* per rupee in the previous months, it has again fallen below 2*s.* Consequently it is difficult yet to determine whether the small profit from the current rate will last long enough to offset the loss from the larger rate in force earlier in the year. Again, it is admitted that the 60% excess-profits duty will hit the estate fairly heavily, as less than one-third of its present area was in bearing in 1913. Thus it has a low datum line. Already, with a subscribed capital of £70,000, it has paid in excess-profits duty between 1914 and 1919 no less than £80,000. A more glaring case of the inequity of the tax would be difficult to discover. A very strong financial position is disclosed in the balance sheet dated December 31, 1919. Liabilities, including the final dividend of £19,250, do not exceed £41,720, and are more than amply covered by liquid assets amounting to £66,618. The estate account stands at £96,488, whereas the capital account amounts only to £70,000. The discrepancy is suggestive of a reorganisation of the capital account to redress the balance. Any scheme involving the issue of bonus shares can be readily carried through, since, in addition to the reserve account of £11,000, there is a share premium account of £25,119. Bearing this likelihood in mind, as well as the general prospects of the Company, the market quotes the 2*s.* shares at 9*s.* 6¾*d.* Assuming the continuance of the 1919 dividend—and it were not wise to anticipate a greater rate—the shares yield at this price a return of 5¼%, approximately.

KAJANG (SELANGOR).

Issued Capital: £75,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit† £	Dividend Amt. £	Dividend %
1916 ...	1,562		262,579	—	2/6	1/2	17,000	9,375	12½
1917 ...	1,576	1,228	390,706	318	2/2·85	1/3·2	20,942	8,437	15
1918 ...	1,576	946	307,600	325	1/9·42	1/0·56	9,512	5,343	10
1919 ...	1,661	1,316	444,899	341	2/1·07	1/2·10	17,349	10,500	20

* After deduction of income tax. † Before deduction of income tax.

Price of Shares, 47/6. Market Capitalisation per planted acre, £107.

For this rubber Company 1919 has been a year of satisfactory progress. According to its report, with the return to more normal conditions and the disappearance of the restrictions on output the crop harvested increased from 307,600 lb. in 1918 to 444,899 lb. With 1,316 acres in bearing instead of 946 the yield per bearing acre was increased slightly from 325 lb. to 341 lb. With efficient management and the great increase in the output the crop was secured at a lower expenditure. From 1*s.* 0.01*d.* per lb. in 1918 the f.o.b. cost declined to 11.10*d.* per lb. But owing to an increase in the charges for freight, insurance, brokerage and remuneration of London agents from 1.65*d.* per lb. in the previous year to 2.26*d.* per lb. in the year under review the "all-in" cost was only 0.46*d.* lower at 1*s.* 2.10*d.* per lb. On the other hand, there was a marked improvement in the price realised by the sale of the output, the average gross price per lb. being 2*s.* 1.07*d.*, as against 1*s.* 9.42*d.* in 1918. Thus according to the above table the net profit before deduction of income tax amounted to £17,349 in comparison with £9,512 for 1918. However, the net profit for the year under review would be more accurately stated at £21,907, as the creation of a special reserve of £4,558 to meet any liability in respect of excess profits duty for 1919 should not be really charged before arriving at the net profit, but set aside as a distinct allocation out of it. This net profit benefited by a refund of £1,058 in connection with the excess profits duty, owing to the low profit of 1918, whilst interest and dividends received accounted for £465. After creating this special reserve for liability for the excess profits duty for the year under review, a sum of £4,500 was set aside for the reserve fund, thereby increasing the total to £18,000. A dividend of 20%, less tax, was then paid to shareholders in comparison with 10% in 1918 and 15% in 1917. This absorbed £10,500, leaving to be carried forward to the next account a balance of £5,347, as against £7,374 brought forward from 1918.

As this is, comparatively speaking, a young rubber Company, the increase in the excess profits duty to 60% for the current year will encroach unduly on its profits. This fact renders it somewhat difficult to forecast the outlook. The estimated crop amounts to 505,000 lb., but unless the production of the remaining half of the year is considerably increased there seems little probability of this estimate being realised. The actual output for the first five months is returned at 162,310 lb., as compared with 172,070 lb. for the corresponding period of 1919. The financial position of the Company as seen in the balance sheet dated December 31, 1919, is very strong. Adding the dividend of £10,500, liabilities do not exceed £13,000, and are more than amply covered by £14,173, representing liquid assets in the form of sundry debtors, cash, and National War Bonds. In addition there is a stock of rubber valued at £17,397. In the market the £1 shares of the Company stand at 47*s.* 6*d.*, and afford at this price, assuming the continuance of a dividend of 20%—and all indications seem to point to this as a maximum for the current year—a return of almost 8½%.

KEPONG (MALAY).

Issued Capital: £50,000 in 2/0 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915 ...	1,220	666	275,004	445	2/4·8	–/11.6	20,072	18,750	75
1916 ...	1,265	709	299,950	423	2/8·4	1/0	25,363	21,250	85
1917 ...	1,255	769	335,586*	436	2/8*	1/0	21,860	15,000	60
1918 ...	1,255	951	276,085	290	1/7¼*	–/11¼	9,933	10,000	40
1919 ...	1,255	1,161	412,320	355	2/1·86	1/0·97	30,158	32,500	65

* Large proportion sold f.o.b.

Price of Shares, 10/1½. Market Capitalisation per planted acre, £202.

From the point of view of the shareholders the report of this rubber Company for the year ended December 31, 1919, must be regarded as eminently satisfactory. In the absence of the artificial restriction on output it was possible not merely to exceed the outputs prior to 1918, but even to exceed the estimate of 400,000 lb. With 1,161 acres in bearing the record crop of 412,320 lb. corresponds, however, only to an average yield of 355 lb. per bearing acre, as compared with the minimum of 423 lb. for the years 1915-17. But it is necessary to take into consideration the fact that during the year under review over 200 acres were tapped for the first time. Consequently, whilst from

one field of 230 acres an average of over 600 lb. was secured and another of 211 acres yielded nearly 500 lb. an acre, the return from a new field of 137 acres was as small as 47 lb. Owing to the rise in wages and the advance in the cost of stores and materials, notably the increased expenditure on foodstuffs because of the scarcity of rice, the f.o.b. cost per lb. worked out, despite the great increase in the crop, at 9.36*d.*, as compared with 8.27*d.* for the previous year. Similarly the "all-in" cost moved up from 11¼*d.* per lb. in 1918 to 1*s.* 0.97*d.* per lb. in 1919. On the other hand, the average price realised by the sale of the crop improved considerably to 2*s.* 1.86*d.* per lb. The actual returns show that, whilst 278,959 lb. sold in London brought in 2*s.* 1.75*d.* per lb., 133,361 lb. disposed of in Singapore where a saving of 1½*d.* per lb. in freight and other charges was thus effected—fetched an average price of 2*s.* 2.17*d.* per lb. Were this difference in price to continue, it were evident that Singapore would seriously challenge the position of London or any other centre as the Rubber market of the world. With a large crop and a larger profit per lb. the profit secured by the sale of the rubber worked out at £24,872 in 1919, as against £9,938 in 1918. But, in addition, a windfall was secured, owing to the sharp decline in the 1918 profit, in the form of a return in respect of excess profits duty and income tax, to the amount of £8,017. Consequently, the net profit reached £30,158. Dividends paid to shareholders absorbed £32,500, leaving a balance of £2,099 to be carried forward to the next accounts, subject to excess profits duty. On the issued capital of £50,000 this was equivalent to a rate of 65%, as compared with 40% in 1918. But as the capital was doubled in 1919 by the issue of bonus shares, the dividend on the capital of 1918 was really at the rate of 130%.

In estimating the outlook for the current year, it is advisable to bear in mind the increase in the excess profits duty to 60%, which will hit this Company a fairly heavy blow. Nevertheless, the prospects are on the whole promising. Of their planted acreage, 200 acres have only been tapped for the first time and 100 acres had not yet been touched. Moreover, 100 acres more were in course of planting, and they had yet 205 acres of reserve land. The report of the visiting agent showed the estate to be in excellent condition. For 1920 the estimated crop was returned at 485,000 lb. The crop harvested for the first five months reached 175,500 lb., as compared with 152,000 lb. for the corresponding period of 1919. Of this crop forward sales had been arranged covering 60 tons at a price of 2*s.* 3½*d.* per lb. godown Singapore. Furthermore, a similar quantity of the 1921 crop had been disposed of under like conditions at 2*s.* 6*d.* per lb. It is no small claim to be able to state that the bulk of the output ranks as first-class rubber. In 1919 no less than 87% of the crop belonged to this category. Again, it was agreed at the general meeting to acquire the adjoining Bajong estate for £100,000. Of this amount, £25,850 was to be paid in cash and the balance by the allotment of 148,300 Kepong 2*s.* shares at the rate of 10*s.* per share. Thus the actual increase in the capital would be only £14,830, representing £74,150 of the purchase price. Consequently, it was decided to increase the authorised capital of Kepong to £72,500. It was estimated that an issue of shares of the nominal value of £20,000 would practically meet the entire purchase price. The balance of the shares authorised would provide ample funds for the development of the joint estates. By acquiring this estate, the planted acreage of Kepong is increased to 2,055 acres, of which 1,987 acres would be in bearing. Taking this new purchase into consideration, it is easy to perceive that a prosperous future lies before this rubber Company as soon as the inequitable burden of the excess profits duty is removed. In the market the 2*s.* shares are quoted at 10*s.* 1½*d.*, and at this price, assuming the continuance of a dividend of 65%, they would afford a return of over 12½%.

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Insurance Notes.

PHŒNIX ASSURANCE COMPANY, LIMITED.

One of the great [illegible] months has been the arrangement made for the fusion of the Norwich Union Fire Insurance Society with the above Company, under the chairmanship of Sir Gerald Ryan, Bart., and the general managership of Mr. R. Y. Sketch. The terms of the fusion were set forth in THE STATIST of December 27, 1919. They are briefly as follows:—The Phœnix Company purchases the shares of the Norwich Union Fire Office, which are to be exchanged into Phœnix shares in the proportion of ten Phœnix shares of £1 each, fully paid, for each Norwich Union Fire share of £25 with £1 paid. The Phœnix shareholders concurrently are to be allotted amongst them, proportionately to their existing holdings, 17,145 shares (nearly equivalent to an extra share for each 25 shares held by them), and thereafter the paid-up capital of both the Phœnix and Norwich Union Fire Companies will be of similar total amount, viz. £440,000 in each case.

The report and accounts of the Phœnix Company for the year 1919 are now available, and form the subject of the following notes:—

In its life department the Company seems to have fully shared in the great revival of business following the termination of hostilities. New life policies were issued for £2,325,439, of which £162,815 was reassured, the net amount retained at the Company's sole risk thus being £2,162,624, as compared with £1,420,418 in the previous year, representing an increase of over 50%. The total net life premium income was increased by £42,628 to £804,969, apart from a sum of £88,586 received as consideration for new annuities granted. The expense ratio, comparing life assurance expenses with life premium income, was about 16%, as compared with but 14.5% in 1918. The increase indicated is by no means excessive considering the greater volume of the new transactions and the enhanced cost of administrative and clerical labour and materials owing to post-War conditions. The amount of the claims by death—£631,150—is stated to have been "within the normal expectation." A further sum of £200,657 was paid in respect of matured endowment assurances. The income of the life department was £1,326,847, and the outgoings, including £189,667 written off securities, were £1,302,556. The life assurance fund as [illegible] the year's operations (including a transfer of £2,779 from the sinking fund and [illegible]) were increased by £24,291, amounting on December 31, 1919, to £11,177,177. The average rate of interest earned thereon was £3 18s. 9d. per cent. [illegible]

deduction of income tax, as compared with the rate of 3% assumed at the last quinquennial valuation on December 31, 1915. The next quinquennial valuation of direct Phœnix life policies will be made at the close of the present year, when the relative securities will fall to be revalued and adjusted. The depreciation above referred to as having been given effect to in the 1919 account arose from the revaluation of securities at the end of last year in connection with the quinquennial valuation of the acquired business of the Law Life Assurance Society. That valuation, on the basis prescribed in the agreement for the sale of the business to the Phœnix, disclosed an available surplus of £179,333, of which £30,867 falls to be transferred to the Phœnix as the shareholders' proportion, and £148,466 has been applied in providing bonuses to participating Law Life policyholders.

The revenue account of the Phœnix fire department for 1919 shows considerable development in this section and an enhanced trading profit. The fire premium income, increased by £269,884, amounted to £2,264,039, and, after deduction of claims and expenses and the adjustment of the reserve for unexpired risks at the end of 1918 and 1919 on a 40% of the premiums basis, the surplus amounts to £326,377, which was transferred to profit and loss account. This surplus represents 15.3% of the premiums (as compared with 12.2% in 1918), which must be considered a very satisfactory proportion, even in a year in which the experience of the fire companies was generally favourable. The fire funds at the close of 1919, after this transfer, but inclusive of the reserve for unexpired risks, amounted to £2,293,000, thus exceeding the total departmental premium income.

In the marine department the premiums amounted to £839,534. This is little more than one-third of the Company's marine premium income in 1917, and is only about two-thirds that of its corresponding income in 1918. A large reduction, however, was natural under the circumstances. After transfer of a sum of £300,000 to profit and loss account, the marine fund at the close of 1919 amounted to £765,893. It may be said in parenthesis that it must not be supposed that the large transfer from the departmental accounts to profit and loss represent net profits, for, as will be shown hereunder, they are subject to very heavy deductions for taxation.

The accident revenue account, including employers' liability and miscellaneous insurance business, shows a premium income (increased by £50,008) amounting to £164,350. The amount of trading surplus, after giving effect to the year's operations and to the adjustment of the reserve for unexpired risks, is £10,259, or about 6.2% of the premiums, and the departmental funds at the close of the year thereafter amounted to £140,763, exclusive of £46,866 representing liability on outstanding claims.

In the sinking fund and capital redemption department the premium income in 1919 (increased by £14,828) amounted to £43,602, and, after the transfer of £2,779 to the life funds as already referred to, the relative departmental fund was increased through the year's operations by £28,590 to £486,878.

The Company's profit and loss account for 1919 is credited with interest earnings of £187,600 and with transfer fees of £312. As it is debited with £35,783 for interest (less tax) paid on Debenture stocks of £1,277,950, the net interest receipts for the year may be taken as £151,817. This account is also debited with the enormous sum of £438,260 for "income, excess profits, and other taxes in respect of profits earned up to December 31, 1919," as well as with bad debts of £1,752.

The Company's net profits in 1919, apart from the sum of £30,867 already referred to as accruing to shareholders from the quinquennial valuation of the Law Life Society at the close of that year, which will apparently be credited in the 1920 profit and loss account, appear to have been as follows:—

Department or Account	Profit from Trading £	Net Interest Earnings £
Fire	326,377	—
Marine	300,000	—
Accident	10,259	—
Profit and Loss	312	151,817
	636,948	
Less charged to Profit and Loss—		
Taxes	£438,260	
Bad debts	1,752	
	440,012	
	196,936	151,817
	£348,753	

As against this the following payments and provisions were made in 1919:—

Dividends paid during the year at the rate of 11*s.* per share on Phœnix shares, of which 422,855 were in force on December 31, 1919 (309,755 being for £10 with £1 paid and 113,100 for £1 fully paid), less income tax, shown in the accounts as	£165,706
Written off office premises	25,000
Written off securities	170,977
	£361,683
The balance of profit and loss account was accordingly decreased in 1919 by	12,930
	£348,753

The balance of profit and loss account at the close of the year after these adjustments amounted to £335,375. A dividend of 12*s.* per share, less tax, is announced as payable to shareholders in two equal instalments on April 30 and October 31, 1920. Through the fusion with the Norwich Union Fire Insurance Society, which took effect as from January 1920, the capital of the Phœnix has been increased by the creation of 457,145 fully-paid shares of £1 each, of which 440,000 are called Phœnix (Norwich Union Fire) shares, and the remaining 17,145 are called Phœnix (Pelican) shares. It was arranged that the holders of Phœnix (Norwich Union Fire) shares should receive on May 1, 1920, a proportionate amount of 4*s.* per share instead of 6*s.* per share, less tax.

The total assets as shown in the Phœnix balance sheet on December 31, 1919, amounted to £19,680,760.

The directors of Alexanders Discount Company, Limited, have declared an interim dividend for the half-year ended June 30 last at the rate of 14% per annum on the Ordinary shares.

"Popular Chemical Dictionary." By C. T. Kingzett, F.I.C., F.C.S. Illustrated. Price 15*s.* (London: Baillière, Tindall and Cox). In this volume the author condenses into a single volume in simple language, brief, but concise and up-to-date, accounts of the subject of chemistry, its laws and processes, the chemical elements, the more important inorganic and organic substances, and the methods of their preparation or manufacture. Apart from its value to chemists, produce brokers, and dealers in chemical goods, it should prove useful as a popular educational treatise.

Messrs. Harrison and Sons, St. Martin's Lane, W.C. 2, have just published, at the price of 7*s.* 6*d.*, net, a volume entitled "Currencies After the War: A Survey of Conditions in Various Countries." It has been compiled under the auspices of the International Secretariat of the League of Nations. Although some of the information collected now partakes of the historical, for those interested in the subject the volume contains much that is useful and informative. For the purpose of collecting the information the assistance of a large number of experts of different nationalities was obtained, and the currencies of 19 European, four American, and three Asiatic countries are dealt with. The work should prove interesting to Government officials, financiers, and others, as well as to the much wider public which has an interest in currency and exchange problems.

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Commercial.

FLAX.

IN PROCESS OF SOLUTION.

One of the results of great wars, as well of the varied disasters to which we are subjected, is to induce the world to take stock of our belongings. During the long period the War continued first one thing and then another which we had been accustomed to regard as indispensable became unprocurable. In the end, owing, no doubt, to the ill-advised policy of Government, we were rationed in our supplies of food and clothing as well as of light and heat. In that way we have been forced to take stock of the various articles we have been accustomed to consume since our childhood. Things that appeared indispensable are now realised to have been merely acquisitions of a recent past. Our ancestors wore neither linen nor cotton fabrics. They had neither tea nor coffee nor sugar, nor even beer in the sense that we know that beverage. Probably no man in active business at the beginning of 1914 realised the extremities to which the War was about to reduce us. It has shown us that none of our possessions is to be relied upon, and if we look for them substitutes can be found for any of them. The railway, which seems to most men now in active business to have come down to us from the time of Noah's Ark, is already threatening to check, if not to strangle, our economic development. Far from being an assistance in the period of reconstruction, the hopeless chaos of our system of transportation is such that it is hampering the efforts of those who are trying to improve our trade and stimulate our manufacturing industry. A very expensive Transportation Board is being set up, which is at present on its trial. It may assist us in restoring order out of chaos in our transportation system, but the experience of the legion of new Government departments which have been set up in connection with the recent War and since the Armistice is not encouraging.

One of the results of the War has been that, while cotton has become extravagantly dear, flax for making linen is almost unprocurable, except at prices that only a relatively small proportion of the population can afford to pay. A great responsibility for this country is responsible for the present position of the flax industry. It is, however, to those who are engaged in it menacing to the last degree. An industry which has ceased to be able to procure its supplies of raw material upon a sound economic basis is an industry that is doomed. The future of the linseed plant in the form that we know as a producer of the raw materials of that fabric we call linen depends upon whether the market can obtain or cannot obtain adequate supplies of raw materials upon a reasonable economic basis. At present it is not doing so, and there is no reasonable prospect, so far as we are aware, that it will be able to do so in the immediate future. The British linen trade, as, indeed, the linen industry in Europe generally, had come to depend almost wholly for its supplies of raw material essential for the carrying on of the industry upon those regions of Northern Russia, the port of export of which is Riga. It will be remembered that we estimated, when writing on this subject some time ago, that the total supply of the linseed plant in its form as a cattle-feeder and in its form as a producer of the raw material from which linen is made amounted all told in the various sources of supply known to the international markets of the world at a little over 2,000,000 tons. Considerably less than three-quarters of a million tons were produced in the form which rendered it suitable for manufacture into any kind of textile fabrics. If we estimate, as we did on that occasion, the world's total production of the raw material suitable for making linen at something between 600,000 and 700,000 tons, Russia was responsible for the production of between 400,000 and 500,000 tons. It will be seen that the collapse of Russia meant the beginning of the end so far as the flax industry was concerned, unless new sources of supply for the raw material could be found. Now it is by no means easy to find a source of supply which will satisfy the requirements of the world's traders in this commodity if it is to be produced in a satisfactory condition and on the basis of a moderate economic value. The reader may not unnaturally ask, Is it only possible to grow linseed on a few particular soils situated in specified areas of the earth's surface? On the contrary, it is quite feasible, although an exhausting crop, to grow it on any fairly good land over the greater part of the temperate zone either in the Northern or Southern hemisphere. While Russia was the principal source of supply of the raw material for making this textile in the form that we know as flax, the Argentine Republic, in South America, was and is the principal source of supply of that variety of plant that we know as linseed, and which is intended primarily for making various feeding-stuffs for fattening cattle. The real difficulty in growing the plant in the form of flax is not the amount of land available, but that it requires certain economic conditions in order to produce it at a low price which are fulfilled in only [illegible] generally a poor man. It happens that the flax harvest [illegible] with other forms of agriculture. Consequently, [illegible] flax harvest. Flax requires [illegible] is planted, and still less during the period of growth;

but at the time it is gathered, and for about three or four weeks after that period, it demands a great deal of labour. In order to prepare the flax plant in a suitable condition for making linen it needs to be subjected to various processes, the principal of which is a form of steeping, technically known as "retting."

It has long been thought that this process could be and ought to be performed by mechanical means. Various inventions have been made with the object of providing some form of labour-saving appliance which would relieve the growers of the necessity of collecting a large number of labourers at the time of harvest. Incidentally, if and when such labour-saving appliances are available, it would throw open vast areas of the earth suitable for growing flax. Meanwhile, although inventions, as we have said, have been made, none of them has proved really satisfactory in actual practice, and the necessary work has so far had to be done by hand. As a result, although over immense areas in various parts of the world, in North America, in South America, on the high plateau of Eastern Africa, within the confines of the British Empire, excellent land suitable for growing flax is available, the necessary labour is lacking. Until and unless some mechanical device is forthcoming which will obviate the necessity of relying upon casual labour at the time of harvest, the only parts of the world which appear to fulfil the economic conditions required are certain of the hill States in Northern India and certain localities in Northern China. At present neither of these places produce flax in anything like the quantities required if the needs of manufacturers are to be supplied upon the scale that was the case up to the middle of 1914.

In order to ascertain what prospects existed for the development of flax substitutes in the British Empire, the President of the Board of Trade appointed a Committee whose Report is before us. It cannot be said that the Report is altogether satisfactory, still less can it be said that a substitute for flax has been found. The Committee, however, has collected a large amount of valuable information which will be exceedingly useful. As we shall show, the most promising fibre is ramie. Here, again, however, the very difficulty that makes flax-growing upon a great scale so great in the absence of suitable labour presents itself. Ramie, as we propose to show, itself requires to be submitted to a process requiring a great deal of labour, for which no mechanical appliance, so far at any rate as the Report shows, is readily available. It should not, of course, be inferred, however, that the Committee has not done useful work. It has inquired within the terms of its reference into the subject. As we have said, it has collected a great deal of useful information. Such Committees cannot be expected to perform miracles, and the inquiries should result in much good. It is, in fact, only by careful inquiry undertaken by competent persons, whether appointed by the Government or acting in the interests of the particular trade affected, that it is possible to acquire the necessary information and ultimately attain the object aimed at. At the present time the world is very much in need of flax. Most of us use it in some form or other, and we are apt to get impatient that neither the Government or the trade can discover means either of supplying us with flax from other places if it cannot be obtained from Russia, or at least find us a suitable substitute. We are apt to be somewhat unreasonable, but it is all to the good. The consumers' impatience, the trade's necessity, and inquiries like that recently initiated by the Board of Trade should in due course either discover some way whereby flax can be produced in adequate quantities upon a reasonable economic basis or provide us with a substitute.

The fibre known as ramie is produced in China and in India under the name of rhea. The plant is also grown in Malay. The Malayan plant shows marked differences from the Chinese and Indian type and is often regarded as a different variety. The fibre ramie is well known for its use in the manufacture of gas-mantle fabrics, for which it is the most suitable material yet found. Ramie, which is also called China grass, is grown in enormous quantities in China and in India as we have already said, and practically throughout the whole of Equatorial Africa. Chinese ramie is usually considered to be the finest quality. It grows wild in large quantities in China, and in addition is cultivated by the peasants. Possibly the African and Indian product could be greatly improved by cultivation. So far as the actual supply of the plant is concerned the quantity according to the Report appears to be far in excess of any probable requirements for a very long time to come. As said above, the difficulty is the preparation of the fibre for spinning. This is a long and complicated process. The outer bark requires to be removed. This is known as the decorticating process which is entirely a hand process, and is in the hands mainly of the Chinese. Then there is what is known as the degumming process. One of the principal difficulties in preparing ramie for spinning is the elimination of the gum which holds the fibres together. For years the discovery of a satisfactory process for eliminating this gum has puzzled textile investigators. Germany before the War had, however, attained a large measure of success in this direction. Large quantities of ramie yarns were in fact produced in certain factories in Germany.

The process is a secret one, but some of our manufacturers and spinners are in possession of it, and ramie yarns of good quality are already being produced in this country, notably in Yorkshire and elsewhere. The output so far has been almost entirely devoted to the making of gas-mantle fabrics. A system of degumming has been discovered by an Italian professor, but the actual commercial results have yet to be tested. The decorticating process or removal of the bark is a very laborious process. The stems are soaked in water and the bark is scraped off by Chinese natives with their fingers. It is in this state that ramie is imported into this country. This is not unlike the "retting" process to which flax has to be subjected. Except in countries like China and India, where labour is very plentiful and therefore exceedingly cheap, it would be wholly unpracticable. In this country, for example, where wages are high, it would be wholly out of the question unless some means were discovered whereby the outer bark could be removed by mechanical means. Assuming that some means were discovered whereby these preliminary processes could be performed by mechanical means ramie appears to possess properties which might make it a real flax substitute. As a fibre it has great tensile strength, and possesses the advantage of not rotting when exposed to the weather or immersed in water. It can be bleached to a pure white and takes dyes readily. So far, however, it tends to lose its colour quickly when dyed, but this difficulty can no doubt be overcome by further experiments provided that the preliminary difficulties were overcome. Ramie can and has been spun to very fine counts. Here, again, however, there is a difficulty. So far as experiments have gone the fibre appears to lack elasticity and consequently breaks easily when used in the warp. Further experiments will certainly be needed. There appears reason for the belief that it is already used in the textile factories mixed with other fibre to a greater extent than is generally supposed. There appears, moreover, to be conclusive evidence that one reason why the Germans before the War were able to place such large quantities of underclothing upon the market at a very low price, was due to the fact that ramie was used to a very large extent with other fibres in their manufacture.

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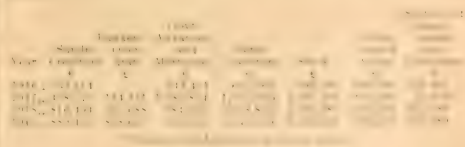
AUSTIN MOTOR COMPANY.

Year	Net Profit	Reserve Fund	Sundry Adjustments	Preference Dividend	Ordinary Dividend—Amount	Ordinary Dividend—Rate	Carried Forward
	£	£	£	£	£	%	£
1916..	227,177			17,498	40,000	10	175,125
1917 ..	262,642			17,560	40,000	10	380,207
1918...	358,272†	15,500	20,000	18,958†	65,000†	15	591,081
1919...	237,857	125,000	123,304	66,648‡	200,000§	50	13,995

* Subject to excess profits duty.
† For 15 months to December 31, 1918, owing to change in financial year.
‡ Including £49,148 in respect of issue of 1,000,000 6% Preference shares.
§ Payable by issue of bonus shares only.

WITH the appearance of the long-delayed balance sheets for 1916, 1917, and 1918—delayed owing to the difficulty of determining the amounts to be paid under the Munitions of War and the Finance Acts—it is now possible to review the trading operations of this well-known firm of motor, tractor, and lorry manufacturers. Whilst the figures for 1916, 1917, and 1918 are of interest to shareholders, it is important to realise that they represent the earnings of the concern mainly as manufacturing munitions. Consequently, no useful purpose can be served by establishing any comparison between the profits of these periods and that of the year 1919, during which the Company reverted to the production of motor cars, motor lorries, and motor tractors. As far as the three earlier years are concerned we confine ourselves to stating that profits were sufficient to justify dividends of 10% on the Ordinary shares for 1916 and 1917, and to permit of a transference in 1918 of £43,500 to the reserve fund, of £20,000 being written off in respect of the preliminary expenses outstanding, and of paying a dividend of 15% on the Ordinary capital. With the cessation of war, the problem of reorganisation had to be tackled. Here, in the words of the report, the task "was rendered all the more difficult because the munition contracts were so entirely different to the Company's programme for post-War manufacture, and also because of the delay in obtaining the special materials required for car and tractor manufacture." Yet those difficulties were overcome and the transformation successfully effected during the early part of 1919. Then, when the machine was functioning smoothly and the firm had every reason to be pleased with their progress, the insidious strike began. The disastrous effects of that strike so unduly prolonged are now too widely known to require exposition. Suffice it to say that the iron and steel industries in general were brought to a standstill. The motor-car industry suffered no less severely: during the four months for which this strike lasted deliveries were well-nigh stopped. Original estimates were falsified: and future estimates were rendered impossible. Thus, during this transitionary period the Austin Motor Company had not only to encounter all the obstacles involved in the change over from war to peace production, but was compelled to face a period of comparative inactivity at the moment when it had solved its own internal troubles. When these circumstances are taken fully into account and no chosen critic can afford to disregard them—it can be freely admitted that the financial results for 1919 are more satisfactory than might have been anticipated. The net profit for the year of £237,857 represents in reality the earnings of a business in its initial stages, handicapped severely by extraneous circumstances over which it had no control. With the addition of the large sum of £591,081 brought forward from previous years, this left available for distribution a sum of £828,947. The expenses involved in the issue of the B Preference shares, amounting to £88,304, were written off and £35,000 were written off the cost of flying ground. Dividends on Preference shares absorbed £66,648, of which £49,148 represented the dividend due to date on the B Preference shares. A general reserve of £425,000 was created to meet the liability to the Inland Revenue Authorities, notably in repect of excess profits duty. Ordinary shareholders, who, in the absence of definite amounts during the War, were compelled to be contented with modest dividends, now receive a dividend of 50%. But as the firm, in common with so many other concerns nowadays, are obliged to lock up so much of their liquid capital in stocks, the distribution is effected not in cash but by the issue of bonus shares in the ratio of one bonus share for every two held. The result will be to increase the Ordinary capital to £600,000. The balance carried forward to the next accounts is reduced to £13,995.

Bearing in mind not only the successful manner in which this Company survived the trials of the year under review, but also the reputation which its cars and tractors have secured in the markets of the world, it is not difficult to realise that the outlook for the future is distinctly favourable. The present scarcity of food in relation to the demand is the best guarantee that the output of agricultural tractors will continue for some time to come to find a profitable market. Organised scientifically for mass production, this firm is in a position to supply efficient cars, lorries, and tractors at reasonable prices. Now that the effects of the moulders' strike are beginning to wear off, the output is increasing systematically. The Company expects to be able to turn out in the near future 200 chassis and bodies, 60 tractors, 60 lorries, and 100 lighting sets per week, and to increase this quantity as conditions become more favourable. The quality of their workmanship is such that their products can be easily marketed abroad. The foreign markets alone would freely absorb their present output of tractors, some 2,600 of which have been sold in centres as far apart as Palestine and Norway, China and Africa, India and South America. To safeguard this market, the Company have wisely decided to reserve a definite proportion of the output for export, as much as 50% of their cars being earmarked for foreign countries. At the same time this task of reorganisation requires much liquid capital. In these days the high prices of stores and materials and the uncertainty of the market, which renders it imperative to keep in hand a large stock of the essential materials, call for the employment of a much greater capital than would have been necessary on a pre-War basis. How these factors affect the position of the Austin Motor Company can be best seen in the following table:—



valued at £2,050,156 out of a total of £2,203,148 is primarily due to the abnormal conditions of the year under review. Realising the undesirability of relying on borrowed capital for financing the business, the firm issued in February 1,500,000 10% Preferred Ordinary shares of £1 each. As the issue was fully underwritten, the fact that the general public did not respond so fully, owing to the uneasiness engendered by the effects of the moulders' strike, did not affect the position of the concern. The funds thus available were utilised to reduce considerably the bank overdraft and to clear off the bulk of the liability to sundry creditors. It was agreed also in February to increase the authorised capital to £5,000,000. This left unissued 1,850,000 Ordinary shares. Of these, 200,000 are now being availed of in connection with the payment of the dividend for 1919. Negotiations, with a view to amalgamation with a large American combine, have been in progress for some time, and, should these prove successful, it is intended to issue the remaining 1,650,000 Ordinary shares at par to provide funds for the great expansion which the contemplated amalgamation would render possible. Thus the necessary steps have been taken to increase the more liquid assets of the Company. Furthermore, the heavy capital expenditure necessitated by the transformation effected during 1919 is practically completed. Thus there is good reason to anticipate that the next balance sheet will reveal a considerable improvement in the position of the Company in this respect. We confess, too, that we should like to see the goodwill written off, and are confident that the directors will take this matter into consideration as soon as more normal conditions are experienced. The market quotation and yields of the various securities of this concern are supplied in the following table:—

	7% Cum. 1st Pf. Shares	6% (tax free) Cum. B Pref. Shares	10% Pref. Ord.	Ord.
Price	17/3	125	93	18/0
Yield	£9 18s. 0d.	10%	£21 2s. 0d.	£11 11s. 0d.

In view of the fact that the issued Preference and Preferred Ordinary capital now amounts to £2,750,000, and requires a net profit of £227,500 to meet a full year's dividend, the yield on the Ordinary shares—of which the amount issued, including the bonus shares, now reaches £600,000—is based on a dividend of 10%. That in such a difficult year as 1919 the Company earned a net profit more than sufficient to defray the Preference and Preferred Ordinary dividends is, perhaps, the best evidence that can be adduced in favour of the fact that this dividend on the Ordinary shares is a reasonable estimate for the current year.

ROYAL MAIL STEAM PACKET COMPANY.

Issued Capital: £5,000,000, in 5% Preference Stock £900,000 and Ordinary Stock, £4,100,000.

Debenture Stock: £4,500,000, in 5% Debentures £3,100,000 and in 4½% Debentures £1,400,000.

Year to Dec. 31	Trading Profit*	Miscellaneous Receipts	Total Income	Reserve Fund	Int. on Debs. & Loans	Dividend on Sundry Stocks Allocated	Pref. Amount	Ordinary — Stocks	%	Carried Forward
	£	£	£	£	£	£	£	£		£
1914...	91,446	206,786	298,232		61,843	241,367	—	—		18,021
1915...	803,313	5,418	808,731	200,000	99,497	273,436	198,000	6		46,719
1916...	737,972	53,125	791,097	200,000	57,679	274,359	273,536	7		52,502
1917...	724,902	39,544	764,446	200,000	25,000	263,000	287,000	7		52,069
1918...	579,400	127,072	706,472	150,000	10,000	263,000	287,000	7		18,541
1919...	774,905	178,695	953,600	350,000	10,000	263,000	328,000	8		51,141

* Including dividends on shares in other companies and after allowing for depreciation.

† Including £200,000 transferred from the reserve fund.

The report of this celebrated Shipping Company for the year ended December 31, 1919, shows that the trading results of the year were much more satisfactory than those of 1918. The trading profit alone rose from £579,400—the lowest level reached with the exception of the first year of the War—to £774,905, which compares favourably with the record of £803,313 in 1915. To the disappearance of the liner requisition scheme and the return of more normal conditions this improvement is in the main attributable. Thus during the year through the release of the *Almanzora*, *Andes*, and *Avon* the Company was able to reopen passenger service from Southampton and the Peninsula to Brazil and the River Plate. The termination of the War witnessed the revival of the demand for passenger and emigrant traffic. However, in view of the increased cost of working, as evidenced in the higher prices that had to be paid for fuel, for stores, and for labour, passenger fares had to be increased; but the addition made thereto did not coincide with the full rise in the cost of working. Cargo services have been restored, however, more completely. The export trade of the United Kingdom continued to expand, but much ground has yet to be recovered, as many of the Company's steamers were obliged to leave with an inadequate cargo and occasionally in ballast. This reliance upon homeward cargoes as a main source of revenue, whilst a necessary evil at the moment, is by no means a desirable feature of the shipping trade. Consequently the Chairman at the general meeting dwelt advisedly upon the necessity of industrial peace as an essential stimulus to increased production and increased exports. Despite these drawbacks, so characteristic of such a transitionary period as 1919, it must be admitted that the Company has done well on the year's trading, especially when the general rise in the prices of stores and materials is borne in mind. With a large increase in the receipts from interest and discount, which amounted to £143,370 in 1919, as against £93,821 in the previous year, the total income of the Company reached the record figure of £953,600, as compared with the former record of £808,731 in 1915 and £706,472 in 1918. With a desire to promote the welfare of their employees, a sum of £10,000 is again added to the superannuation fund. To the reserve fund there is allocated no less than £350,000, which amounts in consequence to £1,250,000, or 25% of the issued capital at the end of 1919. Interest on Debenture and Preference stocks absorbs £263,000. The dividend paid to Ordinary shareholders is increased by 1% to 8%, and in amount from £287,000 to £328,000. The balance carried forward to the next account amounts to £51,141.

The outlook for the current year is in part dependent upon the course of shipping freights. In well-informed circles it is generally believed that these are bound to fall, and at present it must be admitted that this tendency is beginning to make itself felt slowly. However, when the depression sets in, companies like the Royal Mail Steam Packet are in a position to face it with equanimity. Not only has it maintained a policy of conservatism in dividends during the War period, but it is preparing to extend the range of its activities as widely as possible. Reference has already been made to the reserve of £1,250,000 accumulated mainly during the War, and available therefore for the equalisation of dividends in the throes of the depression, should the necessity arise. On the constructive side, the revival of the South American passenger and mail traffic during the year under review, the addition of seven new ships to the Company's fleet, and the completion for the use of a subsidiary line of two vessels specially adapted for the conveyance of frozen meat afford no less substantial evidence. In addition, the *Arlanza* and the *Araguaya*, which are being reconditioned in Belfast, should be ready for service during the current year. Realising the vast potentialities of the South American continent, the Company propose

to devote special attention to the provision of adequate cargo and passenger facilities for this area. It has been agreed too with the Canadian Government to continue the service between Canada and the West Indies for another year. Despite the lapse of the contract for the passenger and mail service between the United Kingdom and the West Indies, this service has been maintained on a smaller scale by the Company. But in view of the heavier working costs, especially the outlay on coal, the loss incurred is becoming too serious, and in the absence of a subsidy it may become necessary to discontinue this important service. It is to be hoped that the Government will provide the necessary assistance in this respect. Lavish expenditure is being incurred on much less productive services. But this does not represent all that has been or is being done by this well-known firm. Alive to the importance, not only from the standpoint of its own shareholders, but from the more vital point of view of the economic well-being of the United Kingdom, of regaining the pre-War position of the British mercantile marine, the Company is rapidly making good all the losses incurred during the submarine campaign. The gross tonnage of its own fleet increased from 266,644 tons in May 1919 to 331,825 tons in May 1920. Including the tonnage of closely affiliated companies, the joint fleets afforded on May 14, 1920, a total tonnage of 1,897,640 tons, as compared with 1,386,704 tons on May 27, 1919. According to the Chairman, it appears that the loss of the mercantile marine has now been more than made good, and the building of new vessels is proceeding apace. "I am convinced that British shipping can and will, provided it is not hampered by any undue interference and control on the part of the various Government departments, continue to hold its own in face of any fair competition." The foresight and initiative that have marked the policy of the leading shipping firms of this country afford perhaps the best justification for this encouraging opinion of the Chairman. His own Company provides an excellent illustration of this in the arrangement entered into with the famous Belfast shipbuilders, Messrs. Harland and Wolff, whereby the latter have erected large workshops at Southampton with all the necessary facilities for repairing the vessels of the Company.

A survey of the balance sheet shows that this Company is suffering from the same defect that is noticeable in these days in the case of many firms in all departments of trade and manufacture. Liabilities, including the final dividends on the Preference and Ordinary stock, amounted on December 31, 1919, to £5,010,356, whereas liquid assets did not exceed £4,316,613. Thus there is an excess of £693,733 of liabilities, whereas in the previous balance sheet there was a surplus of liquid assets to the extent of £1,300,000. It is not difficult to account for this. With the high level of prices prevailing, the capital required not merely to replace the ships lost during the War but also to provide for the normal expansion of trade is very large. Thus during the year the book value of the fleet and of investments in associated companies and in war securities rose from £8,911,812 to £11,214,793. This abnormal—though none the less necessary—outlay would quickly absorb all the available liquid capital. To redress the balance the Company obtained a supplemental charter allowing it to increase its capital from £6,500,000 to £11,000,000. Early in June there was offered to the public an issue of £900,000 Ordinary stock at £110 per cent. and of £900,000 6½% Cumulative Preference stock at par. It was subsequently announced that there was allotted £600,000 of the Cumulative Preference stock and the whole issue of the Ordinary stock. The following table gives the prices of the different stocks of the Company and the yield they afford at the rate of interest or dividend paid in 1919:—

	4½% Deb. Stock	5% Deb. Stock	5% Non-cum. Pref. Stock	6% Cum. Pref. Stock	Ordinary Stock
Price ...	70	74½	48	90	114
Yield ...	6.43%	6.71%	7.38%	7.20%	6.71%

New Issues.

HARGREAVES BROTHERS AND CO., LIMITED.

Hargreaves Brothers and Co., Limited, which was established as a joint-stock company in 1900, is inviting subscriptions for a further issue of capital to the extent of 200,000 8% Cumulative Preference shares of £1 each at par. Hargreaves Brothers were originally established in Hull in 1868. They are, of course, well known in the North of England, and at least as well-known to most of our London readers, particularly those who, for their sins, have to travel daily on the Underground Railway, the advertisements of this firm's Gipsy black-lead staring them in the face both in the carriages and on the various stations. The Company, which produces various allied polishes in addition to the Gipsy black-lead, has an authorised capital of a million sterling, of which £322,000 has been issued and fully paid up.

Low Temperature Carbonisation, Limited, has been formed with a capital of £1,200,000, divided into 600,000 7% Participating Preference shares and 600,000 Ordinary shares, both of £1 each. The Company now invites subscriptions for 250,000 Ordinary shares at par. Its principal object is the erection and operation of works for the carbonisation or conversion of raw coal by the special process of the Company into valuable and urgently needed commodities. These are chiefly motor spirit, fuel oil, smokeless fuel, sulphate of ammonia, and gas.

The quarterly Bulletin of the Imperial Institute just issued contains a second instalment of an interesting article on the Agriculture of Cyprus, by Mr. W. Bevan, Director of Agriculture in the island. The subjects dealt with include live-stock, dairy produce, cereals, fruits, nuts and vegetables. The new part deals with the various fodders and feeding stuffs grown in Cyprus. The possibilities in the way of agriculture are very great for the island, but at present the methods of cultivation are somewhat primitive. The old wooden plough is still used, whilst the threshing floors are practically identical with those of biblical times.

Particulars of the new issue of 312,500 Ordinary shares at par, which have been offered to the shareholders of Crossley Motors, Limited, in the proportion of one new share for each two shares held, with rights of renunciation attached, have been posted to the shareholders. No part of this issue has been underwritten. After the shares have been allotted both the present shareholders and those who subscribe for the new shares will obtain free of cost one new fully-paid Ordinary share for every five held. Dividend warrants for the interim dividend on the old shares at the rate of 10% per annum for the six months to April 30, 1920, have been posted.

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MEETINGS
OF PUBLIC COMPANIES.

THE NATIONAL BANK OF SOUTH AFRICA, LIMITED.

THE annual general meeting of this Bank was held at Pretoria on June 23, J. Emrys Evans, Esq., C.M.G. (Vice-Chairman of the board) presiding, in the absence of the Hon. Hugh Crawford.

Reviewing the balance-sheet figures of March 31, 1920, the Chairman stated that the paid-up capital now amounts to £2,965,000, deposits £61,323,000, notes in circulation £4,327,000, cash assets £13,761,000, investments £12,185,000 (all gilt-edged and written down to or below market quotations), bills of exchange £14,429,000, while the liquid assets amount to £40,375,000, representing 58% of the Bank's liabilities to the public. Bills discounted, loans, &c., amount to £32,961,000.

The Chairman referred to the very substantial increases shown in all departments, and stated that the net available profit, including the amount brought forward, was £538,683, after allocating £50,000 in reduction of bank premises, which now stand at £768,000, and making full provision for bad and doubtful debts.

The board recommended a dividend of 7% and a bonus of 1%, absorbing, with the interim dividend already paid, £235,433, and also recommended the allocation of £60,000 to officers' pension fund and £200,000 to reserve fund (making the latter £1,250,000), leaving £43,200 to be carried forward.

All these recommendations were adopted, and the capital and reserve fund now amount to over £4,200,000.

The Chairman, in the course of his remarks, surveyed the mining, farming, and commercial industries, making particular reference to the continued progress of the latter, and also spoke hopefully of the country's advancement, notwithstanding a possible temporary set back.

ANTOFAGASTA (CHILI) AND BOLIVIA RAILWAY COMPANY, LIMITED.

THE thirty-second ordinary general meeting of this Company was held on June 29 at Winchester House, Old Broad Street, London, E.C., the Hon. Charles N. Lawrence, Chairman of the Company, presiding.

The Managing Director and Secretary (Mr. A. W. Bolden) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that the opinion as to the results of the year expressed by him at the last meeting had been borne out by the results shown in the report. It seemed looking back for a considerable time when one stroke of the Armistice, but it was from that period that their traffics fell off so greatly by reason of nitrate not being taken for war purposes. Large stocks existed outside Chile, and, until these had been reduced, it was only to be expected that shipments from Chile would be on a reduced scale. In fact, it was not until October last year that there was any real revival, so that for nine months out of the 12 of 1919 they were not only contending with poor traffics, but with even higher costs of materials, and labour also became very insistent in its demands. The year culminated in the lowest net profits since 1907. Everything had been done to economise in working, but, despite all efforts, it had been a very poor year. The gross receipts from the combined undertaking of railway and water works were £1,346,592, a decrease of £1,023,608, or just over 43%. As they were aware in a large railway such as theirs, there were many standing expenses which could not be cut down immediately. Train services had to be largely retained, and in various ways expenses did not quickly come down in the same ratio as the receipts; in fact, many of the standing charges, as they would quite understand, could not be reduced at all. To have reduced working expenses from £1,482,287 to £881,715 was a very creditable performance, having regard to the conditions under which a large railway was worked.

Having given details of the traffic receipts and the working expenses, the Chairman summarised the year's results by remarking that they were left with a balance of £858,221, including the amount brought forward from 1918. After meeting Debenture interest, the dividends on the Cumulative Preference and Preferred Ordinary stocks and a 2½% dividend on the Deferred Ordinary stock, the board were able to recommend a final dividend of 6½% on the Deferred Ordinary stock, making 9% for the year. They would then have a balance of £273,663 to be carried forward to the year 1920. He thought they would agree that that was all that could reasonably be done.

Increases in Tariffs.

Dealing with matters of general importance to the Company, the Chairman said that as the result of application to the Chilean Government for permission to increase the rates on their lines in that country, whence the bulk of their traffic was derived, in June last they were granted an increase of 15% on all rates except second-class passengers, where the increase was 5%. Those new tariffs came into force on September 10 last, except in the case of nitrate and second-class passenger tariffs, which ruled only from January 1.

The increase in tariffs granted last year was to compensate for increased expenditure generally, and had no reference to the cost of settling the strike which came towards the end of the year, and another application had been made for a further increase to meet the extra wages bill. Opposition had been encountered from the nitrate industry, despite the fact that their tariffs were still very moderate and lower than those of any of the other nitrate-carrying railways; but he hoped the railway's clients would see that they could not expect a first-class service without paying tariffs to cover expenditure and give a reasonable return on capital. That they had not been charging their customers unduly high tariffs was evidenced by the fact that they had not been called on to pay excess profits duty.

The Chilean Northern Longitudinal Railway.

Referring to the acquisition of a controlling interest in Chilean Northern Longitudinal Railway, the Chairman expressed the opinion that traffics would develop considerably in time, as there was a new nitrate district which that railway was tapping. They had laid a third rail outside their existing 2 ft. 6 in. lines between Antofagasta and Baquedano in order to have through-metre gauge connection.

As to the current year, they had an increase of gross receipts, compared with last year, of £558,515, and of £62,280 compared with 1918. He was afraid, however, that the rate of working expenses would not be much reduced. Still, he would be extremely disappointed if, when they met this time next year, there was not a very much better showing to put before the meeting. In conclusion, the Chairman dealt with the problem of through railway connection between the North-West Province of the Argentine and the northern part of Chile. His feeling now was that railway construction for some time to come must be largely a matter for Government.

Sir Robert Harvey seconded the motion, and it was carried unanimously.

A resolution increasing the directors' fees from £4,500 to £7,000 per annum was unanimously agreed to, and the resolutions passed at the extraordinary meeting of June 8, relating to the capitalisation of part of the reserves, the consolidation of the Preferred Ordinary stock and Deferred Ordinary stock, and the authorisation of new articles of association were unanimously confirmed.

ANGLO-ARGENTINE TRAMWAYS COMPANY, LTD.

THE thirty-sixth ordinary general meeting of this Company was held on June 29 at Winchester House, Old Broad Street, London, E.C., Sir George Touche, Bart. (the Chairman) presiding.

The Chairman, after voicing the regret of the board and the proprietors at the death of Mr. Concanon, his predecessor in office, and referring to other changes in the personnel of the board, said: I am glad to say that while our dividends are still heavily in arrear, our position is not nearly so deplorable as it was a year ago, and there is every promise that a reasonable prosperity, without which we cannot hope to give the best service, awaits us in the early future. The abnormal conditions under which we had been working for some years continued to press hardly upon us during the past twelve months, but I need not remind you that the adverse conditions were entirely beyond the control of the management. The main factors were the excessive cost of electric energy caused by the dearness of fuel and freights, the need for increased wages to meet the higher cost of living, and the reduction in the number of hours of work.

In addition to these adverse factors, we suffered from the general upheaval in the labour world. Our employees, with whom our relations had hitherto been singularly harmonious, were coerced for a time into using the strike weapon, but it was only for a short time. There had been much labour agitation in the Argentine during the years 1917 and 1918. Many industries were involved, and the movement culminated in a revolutionary strike in the city of Buenos Aires in January of last year. Our men showed their confidence in the administration by standing by us loyally, but we suffered loss in traffics, and several of our cars were destroyed. After this experience the agitators apparently determined to concentrate their efforts on our Company, so as to compel our men to fall into line. What happened is explained in passages in the report of the General

Manager, which accompanies the report of the directors. After a strike lasting for 20 days in May and June, during which we were able to reestablish our services, practically all our men came back to work. When the strike lasted we received protection from the authorities, for it was recognised that ours was a common cause with that of ordered government. (Hear, hear.)

The redeeming feature of the year's operations was the continued and steady increase in the traffic receipts, notwithstanding [illegible] troubles. This indicates a great revival of business activity in Buenos Aires. The number of passengers carried the record total of 370,754,465, an increase of 6.13 per cent., while the car mileage was greater by only 1%. The population of the city being 1,658,269, it follows that we carried the inhabitants 224 times over in the year. There could be no clearer evidence of the immense value of our services to the public.

A striking comparison.

The magnitude of the Company's operations will be better understood when I mention that its system consists of 747 miles of single track. This compares with a route mileage of 348 in the London Metropolitan area. There are 387 miles of surface lines, constructed on the overhead system. The remaining 69 miles of single track are underground. Our subway cars pass through four miles of underground route, coming to the surface at Caballito, where they continue the journey three miles to Velez Sarsfield. Last year we carried 937,383 passengers per mile of route. The average fare paid was 2.01 pence per passenger, seven passengers being carried per mile run. The seating capacity of the cars is 32, and trailers are employed.

The unpleasant feature of the year's operations is revealed when we turn to the operating expenses. Owing to the increasing costs of all stores and materials and the heavier wages bill, these continued to rise and reached the high level of 78% of the gross receipts. The total expenditure for the year amounted to £2,573,742, being an increase of £198,178, or 8.35% over the working costs in 1918. Traffic expenses, in which the chief item is wages and salaries, were £825,974, an advance of £103,600. This advance is mainly represented by increased wages (£58,000) and strike expenses (£35,737).

Under the head of maintenance £276,882 has been expended, principally on rolling-stock, against £243,403 in 1918, although every economy compatible with efficient working has been exercised. There are now in service 1,684 motors and 869 trailer cars. In view of the delays and difficulties in obtaining deliveries of new rolling-stock from Europe, the Manager is now constructing cars in our own workshops from native woods.

General rates and taxes, at £512,516, show an increase of £25,551. This is accounted for by the greater amount of taxes paid to the Municipality corresponding to the increased receipts.

Profit Results.

The new capital expenditure during the year was £139,332. The net profit for the year was £92,467, and is arrived at after providing £97,070 transferred to renewals reserve, the annuity of £7,000 to the City of Buenos Ayres Tramways Company, and interest, amounting to £539,239, on the three series of Debenture stocks, the 4, 4½ and 5% respectively. Other amounts charged before arriving at the net profit are: For the redemption of Debenture stock, £48,581; for the redemption of Preference and Ordinary share capital, £7,014. The total stock redeemed and cancelled in this way is £55,595 to date. The sinking fund for the redemption of the share capital is £84,620. To the year's profit of £92,467 there is to be added an undistributed balance of £83,042 from previous years, making a total of £175,509.

Dividends on First Preference Shares resumed.

The holders of the First Preference shares have not received any dividend since June 30, 1917, the arrears to December 31 last being £440,000 gross. The directors now recommend the payment of a dividend on these shares, less income tax, in satisfaction of the arrears for twelve months to June 30, 1918, absorbing £123,200. A full year's interest at 5½% would, of course, be £176,000. The difference of £52,800 is deducted from the shareholders to pay income tax. I doubt if our friends in Buenos Ayres realise how heavily this burden falls upon our shareholders. It is one of the increased burdens to which the passengers who use our services in Buenos Aires make no contribution whatever. Although the amount brought into revenue from 1918 will be reduced by this payment from £83,042 to £52,309 the directors were of opinion it would be your wish that the payment of arrears should be dealt with as promptly as prudence would allow. (Hear, hear.)

To-day is the last day but one of the current half-year; and, although we have received the figures for the first five months only, they encourage the hope that it may be possible to make increasing payments on account of arrears, and so ultimately to resume the regular payment of current dividends. (Applause.) The estimated figures show that the current dividend on the First Preference shares has been [illegible] encourage our confident expectation that we may be able to pay off another year's arrears of dividend on the First Preference shares before very long. (Applause.) On the [illegible] December 31, 1915. There are thus four years of arrears, amounting to £550,000. It would be unwise to forecast any date when the payment of these arrears is likely to be commenced, but, if labour conditions remain tranquil, the further demands on the sorely tried patience of the shareholders may not be excessive.

The unfortunate Ordinary shareholders have had no return on their invested capital for six years. The sufferers in that respect are, as you know, the Société Générale at Brussels, who control our Ordinary share capital and whose patience certainly deserves to be rewarded, for during all that time they have never grumbled, but have always done everything they could to strengthen the Company and support the hands of the directors in following a careful and conservative financial policy. (Applause.) When it is remembered that in the year 1913 a dividend of 6¾% was paid on £3,250,000 Ordinary share capital, while the average of the two previous years was 8%, you will realise how far we have fallen from pre-War prosperity, and how irresistible was the [illegible] tariffs.

Case for Increased Fares substantiated.

You know [illegible] from the [illegible] impoverished the Company. Its continuation would have meant great inconvenience and discomfort to the public also. The best service is always given by a strong company. In [illegible] interests of the men. Without it a permanent rise in wages was impossible. They had been hit very hard by high [illegible] it could not be provided out of fares fixed under totally [illegible] an increase in tariffs. No transfer of ownership could improve the position, certainly no public ownership, for that always means dearer working. (Hear, hear.) The authorities, in a spirit of judicial fairness, recognised the justice of the plea that new burdens should be accompanied by new tariffs. The general principle was accepted, but both for their satisfaction and that of the public the measure of the need had to be demonstrated.

Three municipal accountants were appointed. Their [illegible] A further study was made by the [illegible] Municipal Council. His investigation dispelled any lingering doubt. The question was entirely economic, and not political. Nevertheless, the authority to increase our tariffs was not granted without opposition. In every public body there [illegible] It was therefore not without a struggle that the Ordinance necessary for increasing the tariff was authorised. It was [illegible]

The staff of 9,000 to 10,000 recognised the absolute need for it in their own interests. None rejoiced more when it was granted than our guards and motormen. They saw that a minimum wage was secured as a result of what was essentially a workers' fight.

I do not claim that we have got all we wanted or all that was desirable even in the public interest. The settlement was necessarily a matter of compromise. The essential provision is that a tariff of 12 cents is to be applicable everywhere—on the surface lines and in the subways—where previously we charged 10 cents. Even with this increase tramway travel is still one of the cheapest of all commodities in Buenos Aires. There are certain stipulations as to the payment of [illegible] working day of eight hours, an increase on present salaries, and contributions towards pension funds. These increases in pay are only just, and fulfilled the expressed desires and [illegible] of the board.

The increase of 2 cents [illegible] increase should be authorised for three years only, after which the position may again be reviewed. But that cuts both ways. It leaves it open to the Company to make fresh representations in the light of the then existing conditions, which the present increase may be inadequate to meet. If [illegible] out of social legislation, will have diminished three years hence.

Provision for future adjustments.

The article containing the limitation provides that, in the event of the tariff being hereafter reduced, the Municipality is to come to an understanding [illegible] charges are otherwise to be met. This recognition of principle is important and very fair. There is a further clause restricting the net profit to 8% per annum on the capital invested [illegible] by [illegible]

on capital unless profits are excessive. It involves fixing the amount of capital to be recognised, but the management are confident that the Municipality will act fairly in this respect.

There is also an obligation to build 30 kilos. of new tracks within the term of three years. This is certainly a bad time for new construction, as materials are dear. But new lines are urgently required. Districts are clamouring for them. The congestion is great. Where before there was stagnation there is now much activity. Things are changing quickly. It is impossible to stand still when serving a great city like Buenos Aires. There is no enthusiasm at present for the construction of subways, but even on that subject it would be wise to keep an open mind. There are streets where it is impossible to increase the surface service, yet the volume of traffic is growing all the time.

The 12-cent rate was inaugurated on April 10. The new tariff is now working smoothly, and the effect on the receipts is already noticeable. We are trusting to the increase in fares to enable us to meet the heavy additional burdens which we now have to bear, but we look chiefly to the growth of traffic for an improvement in the margin of profit.

Great Britain and the Argentine Economic Relations.

When I again remind you that the track mileage exceeds that in the London Metropolitan area it will help you to realise what British capital has done in the way of providing Buenos Aires with travel facilities. Britain and the Argentine are linked by very old economic bonds. In the early days of the Republic Britain gave the lead in providing funds to supply its needs, and has done more than any other country in the world to provide capital for the development of its great resources.

In these days of short memories, when parties have arisen who are disposed to ignore the benefits derived from foreign capital and treat those who provided it with scant consideration, it is reassuring to know that the Argentine possesses statesmen whose memories are not short, and whose economic policy is not swayed by uninstructed clamour. Especially do we welcome the message from the President of the Republic, Dr. Hipolito Yrigoyen, conveyed by Senor Tornquist on his recent visit to London on a commercial mission from the Argentine Government. In that message the President of the Republic stated, in most friendly and unqualified terms, that he welcomed British capital in the Argentine, and would afford it the greatest possible protection.

Although the trade balances in favour of the Republic have brought large accretions of wealth to that country in recent years, at which we, as her oldest friends, rejoice, there is still abundant opportunity for a continuation of the close economic relations which have united Great Britain and the Argentine for a hundred years. The advantage of these relations is reciprocal. It has been demonstrated lately, on the one side in the credit to Britain under the Grain Purchase Convention with Argentina, and, on the other side, in the British credit placed at the disposal of the Argentine Government to meet Argentine loans which matured in New York last month. It is the hope of all of us that the "perpetual friendship" between the two nations, to quote the expression of a treaty now nearly a century old, may never be darkened by any shadow of misunderstanding.

I now move: "That the report of the directors and the audited accounts for the year to December 31, 1919, be and the same are hereby received and adopted, and that a dividend on the Cumulative First Preference shares at the rate of 5½% per annum, less income tax at 6s. in the £, be and is hereby declared, payable on July 1, 1920, in satisfaction of 12 months' arrears to June 30, 1918." (Applause.)

Mr. W. F. Hamilton, K.C., seconded the motion.

The resolution was carried unanimously.

The appointment of Mr. Maurice Despret, Sir Philip Lloyd-Greame, Major J. E. Dunning, and Mr. J. Pedrali to fill casual vacancies on the board was unanimously confirmed.

The retiring directors were re-elected and the auditors reappointed.

BARCLAY, PERKINS AND CO., LIMITED.

THE twenty-fifth ordinary general meeting of this Company was held on June 23 at the Cannon Street Hotel, London, E.C. Mr. Edward Walter Giffard (Chairman and Managing Director of the Company) presided.

The Chairman, in moving the adoption of the report and accounts for the year ended March 31, said: We have had a most successful year, and for the first time since 1911 the directors meet you with nothing but congratulations. All the arrears of dividend are paid off (as we foretold, given time, they would be), and our financial position is most satisfactory. We have to regret the retirement of Mr. Somers Somerset, but I must congratulate the shareholders on the acquisition to the board of Admiral Hall, who has for many years taken a keen interest in all social reform questions. One of the great problems ahead of us now is the remodelling of the public-house to bring it up to modern requirements. In this direction lies the solution of the great question of drink, and if the Government permit our Trade Bill, which has been introduced into the House of Commons, to become law it will go a long way to promote temperance and towards defeating the American prohibition campaign.

Changes in Nine Years.

In our report of 1911 there was a paragraph which read: "The board regret that they cannot recommend the payment of any Preference dividend. They consider it necessary to so husband the cash resources that the Company may arrive at an entirely sound financial basis, and they hope that they will have the approval of the shareholders in this policy." In 1911 the Company was faced with liabilities on mortgages and publicans' deposits, together with arrears of Preference dividends, amounting to £818,550, against which the cash on hand and investments amounted to £205,711.

Now contrast the position to-day. All arrears of Preference dividend are paid. Liabilities on mortgages, publicans' deposits, and 5% Debenture stock only amount to £276,575, while cash and investments amount to £613,628. In the four years previous to the War—that is, up to March 1915—the improvement in the financial position amounted to approximately £450,000. The result goes to show that our belief that all arrears of dividend would have been paid off, war or no war, was justified.

The year's profits, after making full provision for bad and doubtful debts, depreciation, and other reserves, have amounted to £395,511, which, added to the balance brought forward from last year (less the additional remuneration paid to the directors of £5,000), namely, £199,972, makes a total of £595,483. Out of this sum interest on the 3½% and the 5% Debenture stock has been paid, also interim dividends on the Preference and Ordinary share capital, making in all a payment of £148,868, which leaves a sum of £446,615, from which the directors recommend payment of the following dividends: 4s. per share on the Preference share capital, and £6 per share (free of tax) on the Ordinary share capital, leaving a balance of £349,415. Out of this sum the directors propose to transfer £250,000 to the general reserve fund, leaving a balance of £99,415 to carry forward to the next year's accounts.

You will notice that the gross profit on trading is increased by £75,918; interest on investments is increased by £7,359, and the net profit brought out amounts, as per the profit and loss account, to £339,043, an increase of £29,027 over last year. Some of the Press comments I have seen refer to the large Ordinary dividend we are proposing. In truth it is a moderate one, being, with the interim distribution, only 8% on the original Ordinary share capital employed in the business.

The Outlook.

With regard to the future of our business, we cannot hope to continue to make such large profits as we have done this last year. This year's Budget has imposed a further tax of 30s. per barrel, which raises the total to £5, as against 7s. 9d. before the War. It is true the retail price has also advanced 1d. per pint, but this has had the obvious result of reducing consumption. There is a point beyond which even the working man will not drink so much as he would probably like to do. The total amount in duty which this Company will collect for the Government in the current year will approximate £1,500,000—that is, 13 times what we collected before the War. The prices of materials have been, I believe, the highest ever recorded. Malt, which is the chief item, touched 150s. a quarter. I am glad to say, however, that by prudent buying we did not have to pay so much as this. The controlled price of hops has ranged from £17 10s. to £22, whereas before the War we used to pay about £6.

I daresay some of you noticed what took place at the Labour Party's Congress at Scarborough on Friday. You will have seen that the motion advocating prohibition was lost by a very large majority, the voting being 2,600,000 against and 472,000 in favour. I think the working man is not at present prepared for prohibition.

Mr. A. F. Perkins seconded the motion.

Rear-Admiral Sir Wm. Reginald Hall, G.C.M.G., C.B., M.P., in supporting the motion, referred to the position of Barclay, Perkins and Company as the pioneer Company in the reconstruction programme of the reform public-house as his reason for joining the board.

The motion was carried unanimously. The dividends as recommended were approved, and the auditors were reappointed.

It was also unanimously resolved: "That a further sum of £3,500 be paid to the directors by way of additional remuneration for the past year pursuant to the provisions of Article 96 of the Company's articles of association."

J. G. WHITE AND COMPANY, LIMITED.

THE twenty-first ordinary general meeting of this Company was held on June 29 at 9 Cloak Lane, London, E.C., Mr. George M. Booth (the Chairman) presiding.

The Chairman, in the course of his speech, said: We are satisfied that the results are as good as can be expected, and are glad to be able to report that our general position for future business is entirely satisfactory. Having regard to commercial conditions in general, the board are determined to pursue a policy of extreme care, and are doing everything possible to consolidate our position and our resources. Consequently, the year's trading has been quiet

and our profits moderate and the year in front of us is likely to find us less aggressive, and satisfied if we hold our own without loss. You directors are convinced that it would be a mistake at this juncture to attempt on any large enterprise about the completion of which we can feel all grounds, they do not feel entirely confident of Money market conditions. The period of readjustment after the War has begun. It will certainly last some years, and in the earlier stages some acute moments of distress are, I believe, bound to occur, and as my opinion the year 1921 is bound to contain perhaps the most acute of these crises. The best we can look forward to is that we shall emerge from the storm stronger and fitter by reason of the hard work we are doing, endeavouring to improve our technique and our organisation and our purchasing of the tools that will be most useful to us when more normal times can be allowed freer scope.

Apart from new work, the year has been valuable. The distant properties which we manage have been visited. Mr. Julius has been able to report extremely favourably as to the upkeep and maintenance and general efficiency he found prevailing everywhere. Plans have been made for additions and improvements, which are being gradually carried out, and we can, I think, congratulate ourselves on having come through the war period with conspicuous success. The general trading business, which we now conduct under the name of J. G. White Commercial Company, has been working under particularly difficult conditions. We are progressing satisfactorily. As with the engineering business, we are pursuing a conservative course; and, while every month shows handsome increases in our turnover, we could grow much more rapidly if we were ready to do so, but strictly conservative finance necessitates the turning down of quite a number of orders. Our new branch offices are gaining in experience, and we have great confidence in the organisation. The result of the amalgamation of our own construction department with that of Messrs. Dick Kerr and Company, Limited, is entirely satisfactory.

The report was unanimously adopted, and the dividends recommended were declared.

J. C. AND J. FIELD, LIMITED.

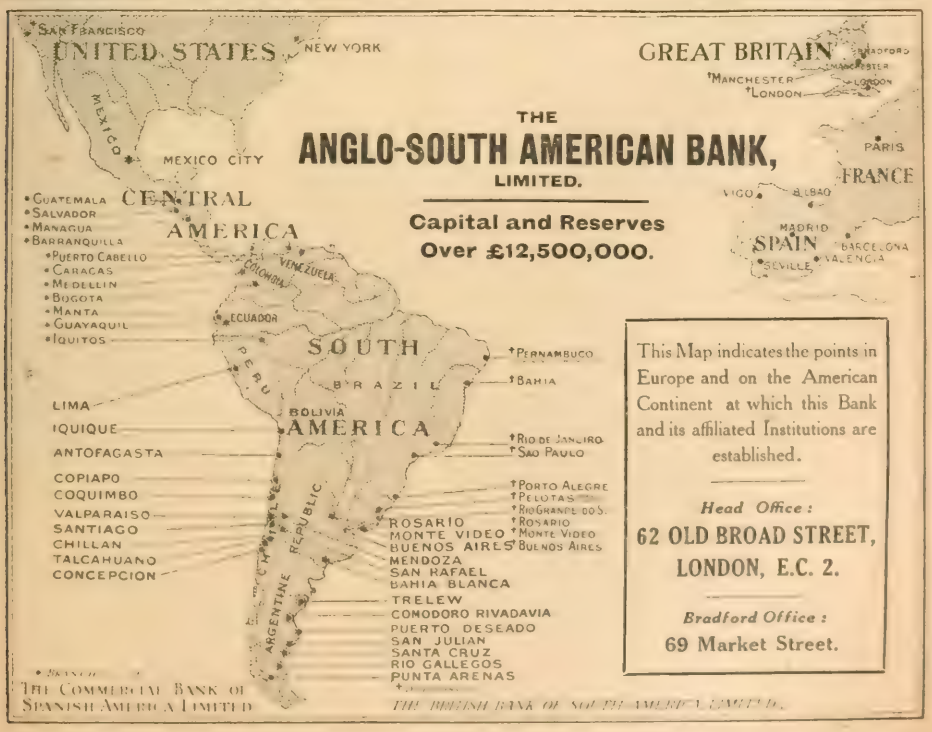
Record Profit and Dividend: Redemption of Income Bonds.

THE ordinary general meeting of this Company was held on Wednesday, June 30, at Winchester House, Old Broad Street, London, E.C., the Right Hon. Sir Harry S. Samuel, M.P., the Chairman of the Company, presiding.

Mr. J. J. [illegible] convening the meeting and the auditors' report.

The Chairman said: Gentlemen, It [illegible] before you a balance sheet which is far the best that has ever been presented at an annual meeting of this Company in its history. (Hear, hear.)

The balance sheet speaks for itself, and, of course, it has certain outstanding features. The first is a record profit; the second, the removal of the contingent liability on the balance sheet—namely, the redemption of the funded income bonds, amounting to £[illegible] by [illegible] the record dividend on the Ordinary shares recommended by us of 15%. You will also naturally remark on the very large sum we carry forward. This, of course, is rendered necessary by the continuance and, I am afraid, increase, of the excess profits duty. After the speech of the Chancellor of the Exchequer last year on the introduction of the Budget we had every reason to believe that this unjust and unreasonable tax would cease. I do not think it is fair to say that the Chancellor gave a promise, as has been stated. What he did was to use such language in referring to this tax that we could arrive at no other conclusion than that he would feel himself perfectly unjustified in continuing it. We—in common, I think, with all the other business firms—were quite right in deducing that the excess profits tax would not be continued. We cheerfully paid it because it was officially declared to be a war tax and a war tax only. It renders the carrying [illegible] business as ours a very difficult matter, because the excess profits duty has to be paid in cash; but as the business increases the floating capital naturally decreases, and the raw material and manufactured stock grow larger, and the money owed us by customers also grows larger. Consequently we are faced in industry generally with having to carry on a large and increasing business with a decreasing liquid capital. Constant inroads are being made on that capital from time to time in order to pay this tax; and this very moment, which is the most unfortunate moment one could possibly imagine, the Chancellor seizes to raise the price of money, and, in addition, to induce the banks to lessen and even withdraw their customary credit in many cases. The effect on trade is very serious. I do not think I am betraying any secrets when I say that members of Parliament [illegible] representing constituents interested in very large commercial undertakings, feel that it is our duty to endeavour to put before the Chancellor by every means in our power the difficulties he is creating for businesses to expand, which he is very desirous to see.



THE

ANGLO-SOUTH AMERICAN BANK,

LIMITED.

Capital and Reserves Over £12,500,000.

This Map indicates the points in Europe and on the American Continent at which this Bank and its affiliated Institutions are established.

Head Office:

62 OLD BROAD STREET, LONDON, E.C. 2.

Bradford Office:

69 Market Street.

THE COMMERCIAL BANK OF SPANISH AMERICA LIMITED

THE BRITISH BANK OF SOUTH AMERICA LIMITED.

Financial Retrospect.

In order that you may fully understand the position of your Company and the action your directors have taken when confronted by many difficult financial and legal problems, I must take you back to March 15, 1911, when, at an extraordinary general meeting of the Company, you agreed to its reconstruction. Your Ordinary shares stood then at about 2*s*., and your Preference shares at about 8*s*. to 9*s*. Dividends on all classes of the shares had been passed for several years, and the Preference shareholders were owed no less than £37,869. Of course, under the scheme no issue of fresh capital was possible except the unissued shares already authorised. No dividend beyond 5% could be paid on the Ordinary shares till the funded income bonds were redeemed out of profits, and no fresh capital could be issued. As you know, the position of your Company steadily improved, and yearly payments were made, as far as the excess profits duty would allow, towards the redemption of these bonds. On the formation of the Company £50,000 mortgage Debenture bonds were created, and from time to time attempts were made to get the holders to renew the bonds, which expired in 1917; but, all attempts failing, we were faced in the middle of the Great War by the necessity of the repayment of these Debentures. It was, of course, impossible to float new ones, and therefore the directors induced their bankers to advance £50,000 on fresh Debentures, the loan to last till six months after the ratification of peace. Your directors last year were therefore faced with the necessity of beginning to pay off the Debenture loan to the bank. The Ordinary shares then stood at about 7*s*. or 7*s*. 6*d*. to 10*s*. There were at that time 45,000 Ordinary shares unissued, but, unfortunately, the shares were below par, and could not be issued at a discount. The directors were, however, fortunate enough to induce our colleague, Mr. Campbell, to come to our assistance and take the issue at par, which he consented to do, provided we gave him the option of taking up any fresh issue of shares. The money received, £22,500, was immediately applied to the reduction of the Debenture loan, which now stands at £27,500, instead of £50,000. This is a very satisfactory financial transaction for the Company.

How the need for further Capital was met.

As the business continued to increase, again we were confronted with the necessity of raising fresh capital. We held cabinet council after cabinet council, if I may use the term. We could not make enough profit to pay off the funded certificates in order that the Ordinary shareholders might come into their own. The only possible way was to get further capital, and we came to the conclusion that it might be possible that a premium on shares would be looked upon as profits. We therefore asked our solicitor to examine the matter. He took counsel's opinion, which was that the profits on an issue of further capital could be looked upon as profits, and that the funded income bonds could be paid off out of them. We therefore called an extraordinary general meeting on April 29 and asked the shareholders to give us power to create 125,000 new Ordinary 10*s*. shares. When I was asked what I proposed to do, and how I proposed to issue them, I was bound to say that I could only make one promise, and that was that in no circumstances would I issue them unless every single shareholder in the Company was to reap a great benefit by this transaction. Naturally our minds turned again to the option which we had given to Mr. Campbell, and we wondered whether he would be prepared to help us again, and to do what could not be done by anybody who did not trust us absolutely, and who did not know the business—namely, that he should say, "I will give you a premium sufficiently large to pay off the whole of the income bonds if you will allot me those shares." We had to have money to pay off the funded income bonds, however, before we could make an issue. We were therefore faced with a most difficult problem. We decided that the thing to do was to accept the premium and make the issue. We did that accordingly.

From that transaction what benefit accrues to the shareholders? First of all, the holders of the income bonds, who were mainly Preference shareholders who were owed a very large amount of back dividend, were paid off in full, and the whole of our liability to them disappears. We felt then that we should recommend the shareholders—and we sincerely hope that they will agree to do so—to put the Preference shareholders back on a 7% basis instead of 5½%. We think that is only fair, taking into consideration how they allowed their interest to be lessened for the benefit of the whole of the Company. Now that the Company is in a better position than it was even in its most successful days, we think that the shareholders ought to reinstate the Preference shareholders in their old position. In the third place, we are able to recommend that the Ordinary shareholders at last, after all the vicissitudes which they and the Company have been through, should be offered a dividend of 15%. I may say that we can do that without straining our resources; it has been well earned. You are entitled to take it, and I can only say that we have done everything necessary in a most liberal manner, so that you need have no hesitation in accepting that dividend.

Assets written down: Independence maintained.

The action of the directors therefore results in a most appreciable advantage to every class of shareholder, and, moreover, vastly improves the position of the Company and its balance sheet. It shows your assets written down with a liberal hand, although we have added new machinery and freehold buildings at Lambeth, instead of adopting the fatal policy, in my opinion, of appreciating them, as is being done in some cases. We have brought out new lines of business, which are going well, and, in spite of the difficult times in which we live, we are fully satisfied with our volume of business, with our profits, and with our prospects. We have a very valuable business and one of the oldest—perhaps the oldest—in London, with an ever-growing trade and splendid credit, and we still retain our independence, being, I think, the last business left in the trade which does. Covetous eyes are cast upon it by many, but the directors are fully alive to the importance and monetary value of the undertaking which they have the honour to direct, and this has been strongly borne in upon them of late by tentative suggestions which have not so far fructified. The shareholders may rest assured that their interests will be guarded by the directors with jealous care. (Applause.)

The Chairman concluded by moving the adoption of the report and accounts, and this was seconded by Mr. John D. Campbell and carried unanimously.

The proposed dividends were approved, and the retiring director, the Right Hon. Sir Harry S. Samuel, M.P., was re-elected.

The auditors, Messrs. Smallfield, Rawlins, and Co., were reappointed, and a vote of thanks was accorded to the Chairman, directors, and staff. A sum of £1,000, free of tax, was voted to the board as extra remuneration for their services during the past year.

Interest on Preference Shares restored to Seven per cent.

At a subsequent extraordinary general meeting a resolution was unanimously approved restoring the Preference shareholders to their previous position of receiving interest at 7%, but having no right to attend meetings or to vote unless their interest was in arrear.

JOHN BROWN AND COMPANY, LIMITED.

The annual meeting of this Company was held at Sheffield on June 29. Lord Aberconway presided, and moved the adoption of the report.

The Chairman said that, although peace had been signed, they still were engaged in a war—a war of economics. No less than 6,000 employees of the firm joined the Forces of the Crown during the War, and of that number 300 lost their lives. During the five years of the War the Company's resources were placed at the disposal of the Government, and they did practically no civil work. In Sheffield they turned out steel products in a variety of forms, including a large quantity of alloy steel for making aeroplanes. They prided themselves on being the pioneers of alloy steel for aeroplanes. They armoured three great battleships—the *Barham*, the *Repulse*, and the *Tiger*—all of which were built at Clydebank, and in addition to that they also built at Clydebank the great super-battleship, the *Hood*. They also turned out a great quantity of steel forgings, for all manner of purposes, and they dealt with marine engines of no less than five million horse-power during the War. At the moment there was no further use for the armour department, and they had placed that at the disposal of the Government. The slackness of the armour department was revealed in the balance sheet that day.

The allied firm of Thomas Firth and Co. had also done good service during the War in the manufacture of high-explosive shells, of which they produced over three million. At the Coventry Ordnance Works, in which they owned half the capital before the War, the output was extraordinarily good. They turned out a great deal of naval and military equipment, including tanks, aeroplanes, and howitzer guns, as well as other forms of artillery. At Clydebank they held the record of having built the largest battleship, the largest battle cruiser, and the largest British passenger ship afloat. He was glad to see that the *Aquitania* had made successful trials under oil fuel.

Labour Difficulties.

Going on to speak of the very large amount of labour that the firm employed, the Chairman said that their wages bill showed an average of nearer £4 than £3 a week per man. Much as he recognised the difficulty that big wages entailed, he was sanguine enough to believe that the traders would be able to support those increased charges if the men would give the firms their support. Another difficulty was the very great increase in the cost of materials, which meant that in a big business like theirs they had to have three or four times the amount of floating capital at their disposal than was necessary before the War. During the year they had three strikes—the moulders' strike, the railway strike, and the coal strike. The result of those strikes was to some extent reflected in the balance sheet, and the figures were not so favourable as they were last year. They had not, however, had a serious effect on the finances of the firm, although they had caused incalculable loss to the country. The relations between the workers and the firm were still good, and he

hoped that they would soon settle down to natural conditions. Unless they had some settled condition of affairs in regard to the cost of materials and wages, they could not take orders with a reasonable prospect of carrying them out with any satisfaction.

Dealing with the Company's collieries, Lord Aberconway said that the year's results had been disappointing. Coal was of first interest to the country, yet they had men who were deliberately absenting themselves, working short time, and doing everything to prevent the proper development of the collieries, and the chief sufferer was the working class itself. He had been informed that very morning that only 20,000,000 tons per year were to be exported as from the Bristol Channel, whereas it used to be an export of 40,000,000. That work had employed thousands of men at the docks, and now it would be necessary to cut down the number of employees.

The works were now more valuable and extensive than they had ever been. Only the day previously they had heard that a great development had taken place in their collieries. The drive from the Aldwarke Colliery to the Silverwood Colliery, in order to open out approved Parkgate coal, had reached coal, exactly where they expected to find it. The coal was of excellent quality and thickness and had a good roof. It was hoped that within a few years they would increase their output from that colliery a thousand tons a day. It would mean an expenditure of probably £200,000 before the pit could be said to be thoroughly equipped. This would increase the life of the collieries by about thirty years.

Foreign Competition.

Ships now cost something like four times the pre-war price. In the steel industry Germany was becoming a competitor in shafting, and America was always in a position to compete. America was constructing a large mercantile navy, and she was going to put navigation laws into force which would heavily handicap our ships in competition with her. She had cancelled 500,000 tons of steel which she wanted for shipping construction. Further, the Government were this week selling all those German commercial vessels, and he was afraid it would restrict orders of new ships given to shipbuilders by British shipowners. The high price of coal was becoming a most serious evil, and he hoped that the importance of not restricting output would be realised.

Sir Charles Ellis seconded the adoption of the report, which was carried unanimously.

By resolution of the meeting a dividend of 12½% on the Ordinary shares was declared, payable on June 30.

HOVIS, LIMITED.

THE ordinary general meeting of Hovis, Limited, was held on Wednesday, June 30, at Caxton Hall, London, S.W. Mr. J. Browne-Martin (Chairman of the Company) was present, but, not being well, requested Mr. A. H. Dence to conduct the meeting.

Mr. Dence said that the accounts referred to the year ended March 31, 1919, and the directors' report was in respect of the year ended March 31, 1920. The reason for the delay in the accounts was that they were still controlled by the Food Controller. They continued to conduct their business in the ordinary way, so far as the regulations of the Food Controller would permit, but, instead of making a profit, they were paid a remuneration by the Ministry of Food based on their pre-War standard of profit, in like manner as calculated for the purpose of excess profits duty. Such remuneration was not adequate, seeing that the value of money was now only one-third what it had been in the pre-War period. The millers, through their association, had applied for an increase. The matter was being put before the authorities, and the directors awaited their decision with interest, as it did not seem probable that it would be practicable for mills to be decontrolled at an early date, in view of the situation of wheat throughout the world. As an example of the way in which control was affecting them, the amount which they spent on general advertising every year had been reduced by an order of the Ministry to 50% of the average in pre-War periods.

They had, therefore, met with difficulty in maintaining the name of Hovis before the public as it should be. When the final day of reckoning came with the Ministry of Food, that was a matter which would require their most careful attention, because the State, whose duty it was to treat all with the same degree of equity, ought not to penalise one trade more than another. The additions to capital during the year included the purchase of a mill at Andover, from which they trusted that when the control was over they would reap due benefit. Allowance for depreciation was about the same as usual, and was on the conservative side. They would remember that when last they met they had devoted the sum of £4,500 to paying the final dividend for the year ended March 31, 1919, placed £10,000 to reserve and carried forward £19,660. With regard to the report, the directors felt that an increase in the rate of dividend was justified, but that it was their duty to adopt a conservative attitude with regard to finance as the best means of maintaining and strengthening their position and making provision for the time when control would be finished with.

The report and accounts were unanimously adopted.

CROSSLEY MOTORS, LIMITED.

SIR KENNETH CROSSLEY, Bart. (the Chairman of Crossley Motors, Limited) presided on June 29 over an extraordinary general meeting of the shareholders of the Company, held at the Memorial Hall, Manchester, for the purpose of increasing the share capital from £600,000 to £1,250,000, and to authorise the capitalisation of a portion of the reserve funds, with a view (*inter alia*) to the distribution thereof as bonus in £1 new Ordinary shares. This necessitated the submission of proposals for amending the Company's articles of association.

The Chairman said: Ladies and Gentlemen,—Although the notice convening this meeting and the circular letter in reference to it explain in more or less legal language the resolutions which your directors submit for your approval, you will no doubt wish me to emphasise the particular reasons why we consider it necessary to make a further increase in the capital of the Company and to alter the articles of association.

Call for further Capital.

Regarding the first point, your Company was originally formed in 1910 as an off-shoot from Crossley Brothers, Limited, with a nominal capital of only £140,000—increased in 1917 to £300,000 and again in 1919 to £600,000—and we now want you to agree to raise the nominal capital to £1,250,000. Against this increase of capital the turnover has risen regularly from £101,201 in 1912 to £2,489,700 in 1919; and as a further comparison the actual value of the works, machinery, stock, book debts, and other assets, less current liabilities, shows a proportionate increase.

You will realise that to carry on a big manufacturing business nowadays with all the difficulties in obtaining raw materials, railway transport, fuel, and so on, it is absolutely essential to keep large stocks, so as to ensure continuity of production. And perhaps the greatest difficulty we have encountered has been to provide a number of motor-car bodies sufficient to meet our production in chassis. Up till now we have always depended on outside sources for our body work, but I regret to say that many of our contractors have dismally failed in their promised deliveries.

A few months ago it became evident that the only safe course was to provide facilities for the manufacture of our own body work, and, mainly with this object in view, we acquired a controlling interest in A. V. Roe and Company, Limited, who have excellent factories, both in Manchester and at Hamble, near Southampton; their Manchester works could hardly be better suited for our purpose, but naturally they will require a considerable working capital in order to produce the best results. (Hear, hear.)

Aeroplane Manufacture and Government Aid.

I should like to make it clear in this connection that we are most anxious not to hamper in any way the future development of aeroplane manufacture in this country. Commercial aviation is certain to come on a large scale sooner or later; and no one in Great Britain did more valuable work as a pioneer, both before and during the War, than Mr. A. V. Roe. (Applause.) His was actually the first machine to fly in England, and ever since those early days this firm has been in the front rank both in the design and manufacture of the safest and most reliable types. All we say at the moment is that we cannot afford to run the aeroplane business as a philanthropic institution. (Hear, hear.) There are special difficulties, owing to the enclosed nature of our small islands, which put us on a footing very different as compared with America and France, and which necessitate a far more efficient organisation in the way of landing grounds and other facilities for safe transit in bad weather; but for these very reasons it would seem essential to the ordinary lay mind that we should obtain every possible help and encouragement from the Government. Surely, in future our superiority in the air will be just as essential a safeguard as our supremacy at sea. (Applause.)

In the meantime, until the Government has made up its mind as to how it is going to act, the provision of a large quantity of what we hope and expect will be profitable work for the Roe Company will enable it to retain the best of its labour and to improve still further its staff and organisation. (Hear, hear.)

Then, again, at our last meeting of Crossley Motors many of the shareholders seemed to feel that they ought to receive some direct benefit from the profit on capital account which your Company made out of the sale of the magnificent works at Heaton Chapel to Willys Overland Crossley, Limited, and on further consideration your directors came to the conclusion that it was only reasonable that this should be arranged. (Hear, hear.) This Overland Company, by the way, is doing very well and a large portion of the Deferred Ordinary shares, has made an excellent start, and is already turning out from 26 to 30 cars per day, which number we are to average 35 per 17 minutes during working hours.

Partial Capitalisation of Reserves: Bonus Shares Issue.

In order to carry out these [illegible] proposed first of all to amend the Articles of Association so that the [illegible] must have held

sanction; and, secondly, out of the increase in capital when agreed upon :—

1. To allot 25,000 Ordinary shares in Crossley Motors, Limited, to those shareholders in A. V. Roe and Company, Limited, who have agreed to accept them.

2. To issue at par to our own shareholders, with rights of renunciation attached, one new Ordinary share for every two shares now held, which will mean 312,500 new shares (and, incidentally, provide us with £312,500 further cash capital), and

3. After the above allotments to issue to all the Company's shareholders one new Ordinary share fully-paid for every five shares then held, which will absorb a further 187,500 shares, by capitalising part of the Company's reserve.

I want to make it very clear that both the present shareholders and those who subscribe for the new shares will obtain, free of cost, one new fully-paid Ordinary share for every five held. (Hear, hear.)

After these transactions have been completed there will remain an additional 125,000 Ordinary shares unissued.

There is no need to enter into any details regarding the actual alterations in the articles, as it is merely a matter of bringing them up to date to correspond with the present intricacies of common law. The one point concerning which I feel some diffidence is the suggested increase in the directors' fees; but, as the old articles only provided £200 a year, free of income tax, to each director, including the Chairman, and as the present responsibilities are certainly ten times as great as when the Company was first formed, you will probably not think the proposed new scale an unreasonable one.

Dividend Prospects.

Reviewing the whole position, I expect the question you most desire to ask is: Whether we shall be able to do as well for you on the increased capital as we did before? And my answer to this would be that not only is the increase necessary to enable us to make the best out of present manufacturing conditions, but, also, we do hope still further to improve the actual yield on the total amount of capital invested. Naturally, I must be guarded in expressing an opinion, because we depend chiefly on three main conditions, all variable :—

1. The prospects of trade, which in our own case appear to be excellent. (Applause.)

2. Labour, with regard to which I am perhaps more optimistic than most people, because I still have some confidence in the common sense of my fellow human beings, and think that the majority of our own workpeople realise that they are extremely well off, compared with any other class, and in far better circumstances than they would be if they had matters in their own hands, and you so-called "capitalists" were either not willing or not able to find them the means to use their energy and skill; and,

3. Taxation, which is, of course, deplorable. Obviously, the money must be found; but it seems to me extraordinary that all the experts at Whitehall cannot invent some method fairer than the excess profits tax, which is doing (and is likely to do) more harm to efficient business management and enterprise than almost anything else that could be conceived. (Hear, hear.)

Demand for Company's Cars exceeds Maximum Output.

Subject to these qualifications, which are common to most companies and to almost every form of investment, our position is sound in every way. The 25-30 R.F.C. model car is in great demand, not only in England, but in all the various countries in which it became so well known during the War; in fact, for many months to come, we can sell more than we can possibly manufacture—even at the rate of 250 per month, which is the present output. You may have heard rumours that we are discontinuing this model; but I can assure you that this is not the case. On the contrary, the R.F.C. car has been so popular and successful that we intend to continue making it for a long time ahead, putting good quality above everything, although we are not losing sight of other branches of the motor industry.

I might further mention that we concluded arrangements last week by which we have purchased a large number of the Crossley vehicles supplied to the Government during the War, and we have bought them on terms which will enable us to reconstruct them and send them out in good condition with our own six-months' guarantee, and at a price which cannot fail to be attractive to those requiring light commercial vehicles carrying from one ton to 30 cwt. (Hear, hear.)

In short, ladies and gentlemen, the prospective future of your Company appears to be a very bright one, in spite of all difficulties, even in spite of the Chancellor of the Exchequer, and I have no hesitation in recommending you to take up your individual proportions of the new issue, which you have the opportunity of acquiring on such favourable terms.

The Chairman then formally proposed : "That the articles of association of the Company be and the same are hereby altered in accordance with the circular notice of which you have all had copies."

"That the Company hereby sanctions the increase of the capital of the Company, which now stands at £600,000, divided into 600,000 Ordinary shares of £1 each, all of which are issued and outstanding, to £1,250,000, by the creation of 650,000 new shares of £1 each, ranking for dividend and in all other respects *pari passu* with the existing shares of the Company, such new shares to be issued at such time or times and on such terms and conditions as the directors may determine."

Both resolutions were carried unanimously.

CONSOLIDATED LONDON PROPERTIES, LIMITED.

The ordinary annual general meeting of the Consolidated London Properties, Limited, was held on June 29 at Cannon Street Hotel, London, E.C., Mr. J. H. Podmore (Chairman and Managing Director) presiding.

The Chairman, in the course of moving the adoption of the report and accounts, said : The policy of your directors has been to prepare for emergencies and give the Company power of resistance. The wisdom of this has been demonstrated this year in a matter going beyond our wildest anticipation. I refer to the Corporation of London (Rating of Reclaimed Land) Bill. A few years ago the Corporation tried to rate our property exempt from rates under an Act of George III. We joined forces with others interested, fought, and won. To secure a working arrangement we agreed that all questions of policy should be decided by the majority—an arrangement which worked satisfactorily. Recently the Corporation, under pressure from the London County Council, decided to make another attempt to rate the property, this time by an Act of Parliament to get over the legal position, and do away with the rights granted by the old Act. A gentleman from the Corporation called at my office wishing to serve notices. I asked if costs could not be avoided and an arrangement made, but I was told, "No." Our friends were called together, and the old committee reformed with the same arrangement as to control. The Bill came before the House of Lords last April. To me it seemed impossible for the Bill to pass without an amendment providing for compensation, but the Corporation in evidence refused any suggestion of compensation. Counsel for the Corporation, in his opening remarks, said the Corporation was in a "somewhat equivocal position"; but there are more ways than one of dealing with threats from the London County Council. A suicide may start by murdering his family, but it is not a necessary preliminary. Counsel said, "Parliament never could have had in their minds in 1767 that the effect was going to be such as it turned out to be. Why should these people be given for all time such an exemption if it was known and understood at the time what was likely to be the enormous value of the exemption? Is it right and fair?" "Now," it might be said, "but Parliament did it, and, having done it, Parliament ought to be tied to it for ever." "But why?" "Surely that is not what Parliament does. Parliament is making changes every day and Parliament is bringing matters up to date." Then, anticipating the question, "Do the facts justify the new Bill?" his answer is a new creed for a European country—of vital importance, not only to the business world, but, I think, to the League of Nations. He said, "If Parliament, when they gave that exemption, had in mind that the annual value was to become anything like this, I agree—otherwise, no." Foreign nations are thus told that an Act of Parliament is only binding if its effects do not exceed those anticipated when the Act is passed. If it costs a few thousand pounds more it is to become a "scrap of paper." Surely the German view was more creditable—it at least claimed the national welfare, not money, as its justification for tearing up an agreement.

The House of Lords and Parliamentary Enactments.

The claim, as I understand it, accepted by the House of Lords is that a bargain can be repudiated if the benefits exceed what was anticipated at the time it was made, even when, after a lapse of 150 years, business transactions have taken place on the resulting position, and that it is "right and fair" for Parliament to cancel the contract, and leave the present-day owners to bear the whole loss without compensation. Was it weakness on our part to tell the Corporation we were willing to make substantial sacrifices to meet them after having proved our legal rights to the full benefit of the bargain? It was fruitless, for the Corporation stood firm, and the limit of concession was a short postponement of the Bill. Our rights were old, they had existed "long enough"—it was never anticipated that they would be so valuable; so do away with them. The House of Lords said "Yes."

The House of Commons : Agreement under duress.

The next step was the House of Commons, and here we come to the tragedy. At a consultation just before the case was to come before the Committee counsel advised an offer to settle. If the Lords accepted the principle of the Bill, what could be hoped from the Commons? The objectors to the Bill were like drowning men threatened with destruction—ignored by one line, and asking for help from the last. Personally I declared a determination to fight it out, but the others bartered their rights for a short lease of further

exemption "postpone the Bill for five years and I accept." So the Committee passed the Bill by consent with that amendment. Thanks to you, Members of Parliament had promised to fight the Bill if it passed the Committee, but, passed by consent, what could they do? We have 5½ years to consider it. The Bill will cost this Company probably £1,000 per annum—about ½% on the share capital. The money you paid 20 years ago—trusting to the binding nature of an Act of Parliament—is confiscated, for the sole reason that people who lived 150 years ago made a good bargain, and this at the request of the Corporation of London, which, having purchased the land, had leased it on long building agreements at a ground rent secured on the claim that the land came under the exemption granted by the Act of George III. We, the lessees, are to be bound by our bargain to pay the rent, including the value of the exemption, while Parliament cancels our rights under the Act and makes us pay the rates, so that, in fact, we pay the rates in part twice over.

My position is difficult, but it seems to me that the laws of this country do not recognise a consent obtained under threats. It was only after the Lords had passed the Bill that consent was given. Has the claim of the Japanese Government—following the revision of the treaties—that it could cancel similar concessions granted on land in Yokohama been forgotten? Did not Foreign Ministers protest and carry the case to arbitration at The Hague. Can the English Government do what was proved at The Hague to be contrary to national law? Can Parliament shelter itself under a "Private Bill"? Will the House of Lords confirm a decision which this country has proved improper for Japan? Surely it is in honour bound to correct its mistake and insert a clause for compensation.

A possible way out.

The Bill has still to obtain Royal Assent perhaps still to be passed in its amended form by the House of Lords. It is the passing of the Bill by the Lords which creates the precedent. The subsequent consent cannot correct it, for it is impossible to ignore the conditions under which it was obtained. This Bill will stand as evidence against the value of an Act of Parliament, and be quoted by foreign nations perhaps in matters of great importance. Even now the Corporation of London could obtain general approval if it declined to retain money paid for an exemption which, under pressure, it has caused to be removed, and join with its lessees in sharing the lose. Let us hope that even at this late hour justice will be done.

Mr. H. C. Card seconded the resolution, which was carried unanimously, and the dividend as recommended was approved.

The retiring director (Mr. Wm. Warren) and the auditors (Messrs. Singleton, Fabian and Co.) were re-elected, and the proceedings terminated with a vote of thanks to the Chairman and directors.

MARCONI'S WIRELESS TELEGRAPH COMPANY, LTD.

THE twenty-third ordinary general meeting of this Company was held on June 29 at the Connaught Rooms, Great Queen Street, London, W.C., Senatore G. Marconi, G.C.V.O., LL.D., D.Sc. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—It is with great pleasure that I take the chair at this meeting for the first time since the general meeting of 1915, my absence having been due to circumstances caused by the War. That great upheaval, which absorbed so many activities, made it my duty to place my services unreservedly at the disposal of my country. I hope, now that I am relieved from rather important responsibilities at the Peace Conference, to be able to take up once more my active co-operation with the Company, especially in regard to my technical work. (Applause.) The authorised capital has become £5,000,000 by the increase in Ordinary shares of 1,500,000 of £1 each, which in December were offered share for share to the existing shareholders at the price of £3 per share. The issue was well applied for by shareholders, and of the 1,473,000 odd shares offered nearly 1,400,000 have been allotted. The whole of this new share capital ranks for dividend for the period commencing January 1 of this year.

The reserve account shows the increase of £150,000 which you authorised. This item will be very largely increased by the transfer in due course of the premium received in respect of the new issue. The item in the balance sheet, "Shares in associated companies and patents," is treated in the same way as usual; that is to say, both shares and patents figure in our account at cost, and in the note is given their par value; except in cases where there is no capital denomination; in such cases no sum is added to the figure given in the note. The cost of shares is increased by reason of our having taken our proportion, representing a considerable amount, in the increase of the capital of companies abroad in which we have considerable interests, and of our acquiring shares in other companies. In addition, we purchased very valuable patents, to which we referred at our last meeting.

Profit and Dividends.

Turning to the [illegible] contracts, sales, traffic, and trading accounts amounts to £946,997, which is approximately £180,000 over and above the preceding year's figures. There is, of course, added to this the sum of £590,000, which was received as damages for breach of contract. There remains a balance to be carried forward to the balance sheet of £1,220,739. This sum, added to the balance from the previous year, results in the very substantial sum of £1,684,526.

On the debit side of the appropriation account there appears £17,500, representing the 7% dividend paid on the Preference shares on February 2, and £122,364, the interim dividend of 10% paid on the Ordinary shares on the same date, and we propose to pay a final dividend of 15% on the Ordinary shares, which will absorb £183,547, a final dividend on the Preference shares at the rate of 15%, which will absorb £37,500, and a bonus on both Preference and Ordinary shares of 5s. per share, in this case without deduction of income tax, requiring £368,412. There would thus remain a balance to be carried forward of £955,202. I have no doubt these figures will be regarded by you as highly satisfactory—(hear, hear)—and indicative of the continuous extension of our business.

Progress of Associated Companies.

Our affiliated companies and [illegible] interests are also making progress. The Marconi International Marine Communication Company, Limited, has declared a dividend of 15% for the year ended December 31, 1919. The Amalgamated Wireless (Australasia), Limited, paid a dividend for the year ended June 30, 1919, at the rate of 5%, being the same as that for the preceding year. The capital of the Wireless Press, Limited, has been increased to £50,000, and a dividend of 6% paid for last year. We are, of course, still in a position of uncertainty as regards our interests in Russia.

The reconstruction of the Canadian Company has been completed, and it is now in a financially sound position. I hope when we meet this time next year it may be possible to include that Company with the many others which have entered the list of dividend-paying companies. It is not expedient for me to speak in much detail of the many interests which we hold abroad and the negotiations which are pending. You will, perhaps, be satisfied if I tell you that progress is being made each year, our interests enlarged and our organisation extended. The same remark applies to a considerable extent to many of our interests in the British Empire, and accounts in substantial part for the increase in cost to which I have previously referred at the

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item in our balance sheet, "Shares in associated companies and patents."

Claims against Government Departments.

There having been no settlement with any of the Government Departments in respect of any of the Company's claims arising out of the War or for services rendered during the War, no sum in respect of any of these claims figures in the year's accounts. The arbitration which has been agreed with the Admiralty in respect of the Lodge patent is practically concluded, but Lord Moulton, who has acted as arbitrator, has not yet delivered his judgment. We may, however, confidently expect to have this very shortly, and we think there should then be no reason for any further delay in coming to an amicable settlement of our claims against the Admiralty, the War Office, and the Air Ministry.

With regard to the services rendered in respect of which we have a claim pending against the Post Office, we are still hoping that this also may be settled ere long in an amicable way. In this hope we have stayed our proceedings under the Petition of Right. We offered, in December last, failing an agreement with the Postmaster-General, that we would be satisfied to submit to any member of the Cabinet an agreed statement of the services which we have rendered and the costs incurred in connection with them, and accept the sum which he would award. We were well advised by the Postmaster-General on May 14 last that the matter was still under the consideration of the Government, but that he hoped a decision would be arrived at shortly.

The Company's Service.

Our wireless telegraph service has been extended in many parts of the world, and messages can now be received by us for transmission to United States of America, Italy, Canada, Newfoundland, Honolulu, Antigua, Jamaica, Trinidad, Barbadoes, Montserrat, Turks Island, Bermuda, St. Kitts, Porto Rico, British Guiana, St. Lucia, St. Croix, Dominica, St. Vincent, St. Thomas, Grenada, Tobago, Cuba, British Honduras, Bahamas, Admiralty Island, Australia, Tasmania, British New Guinea, Cook or Hervey Island, Fanning Island, Fiji Islands, Marshall Islands, New Hebrides, New Ireland, New Zealand, Norfolk Island, Ocean Island, Samoa, Tonga Island, Flinders Island, King Island, Woodlark Island, Solomon Islands, Tahiti, Panama, Colombia, Venezuela, Peru, Ecuador, Chile, Bolivia, Argentine, Paraguay, Uruguay, Mexico, Spain, Balearic Islands, and Canary Islands.

It must not be supposed, however, that these messages are handled entirely by wireless; it is only so in part, but our service arrangements enable us to receive and transmit messages to any of these parts of the world. We hope that the day is not far distant when the whole service will be conducted by wireless telegraphy. We trust also soon to be able to announce many other countries to which wireless messages can be sent through our system. In this respect also, however, there are matters upon which we depend upon Government decisions, but we are very much hoping that, as soon as we are able to proceed to a settlement with the many Government Departments to which I have already referred, the facilities for which we are waiting will also be forthcoming. You may then look to very rapid development in a practical commercial way of both wireless telegraphy and telephony.

The Imperial Wireless Cha n.

In November last the Secretary of State for the Colonies, as Chairman of the Imperial Communications Committee, appointed a Committee to prepare a complete scheme of Imperial wireless communications, in the light of modern wireless science and Imperial needs. The Committee was composed of a number of technical gentlemen, with Sir Henry Norman as Chairman. I may safely claim that no Company in the world, or Government, possesses as much knowledge or experience of matters such as the Committee were asked to consider as does this Company. We were, therefore, most regretfully obliged to decline to give evidence before this Committee so long as Sir Henry Norman was Chairman of it. We could, I think, have taken no other course, having regard to the correspondence which you will no doubt remember, some of which has been published, which Sir Henry Norman conducted right up to the outbreak of War with a German competitor. This correspondence could leave no possible doubt that Sir Henry Norman was biassed against the Marconi Company.

The Marconi Scheme: One Quarter Profits for the State.

We shall probably hear more of these matters ere long, for the report of this Committee has now been published. The question will soon be before Parliament, and meantime no doubt it is receiving the consideration of the Cabinet, together with the proposal which this Company has submitted. We have put forward a scheme under which we are prepared to erect for our own account, and at our own cost, a very complete chain of wireless stations throughout the whole Empire, which will not cost the country a single penny. Not only that, but we have offered that 25 per cent. of the profits derived from the service, after making proper provision for interest on capital and amortisation, shall belong to the State. In the hands of private enterprise this 25 per cent. should represent a very considerable sum indeed. (Applause.)

With reference to technical progress, I can say that very considerable advances have been made by Captain H. J. Round, one of the technical assistants of the Company, in the practical application of what are termed Ionic valves, especially in regard to long-distance transmission, and also in the efficiency of the general arrangements employed at our high-power stations. Many new patents which I consider of value have been taken out or applied for, and a new device with which I first carried out tests on ships of the Italian Navy has been considerably developed by Mr. C. S. Franklin. By means of this arrangement the electric waves are propagated in a beam in any desired direction only instead of being allowed to spread out in all directions. The advantages of this system are obvious.

Great progress has also been made not only in wireless telegraphy, but in wireless telephony, which must soon be turned to very considerable commercial account. By our arrangements we benefit by the principal wireless organisations of America, France, and Germany. We are in close touch with their research work and have the right of use of their patent in most parts of the world and a sole licence for the whole of the British Empire. Before concluding, I wish to express the appreciation not only of myself, but of the board of directors, to Mr. Godfrey Isaacs (the managing director)—(applause)—whose hard and untiring work and whose zeal for the interests of the Marconi Companies, which he has so ably managed for a number of years, have been unsurpassable.

Mr. Isaacs on the Committee's Report.

Mr. Godfrey C. Isaacs (Deputy-Chairman and managing director), in seconding the motion, said: Just as I was coming to the meeting I had a copy of the Committee's report placed in my hands. The report, in my view, apart from the technical information which it gives—which is very interesting and is highly satisfactory to the Marconi Company—is one which is obviously guided by the very clever hand of an experienced Chairman of Parliamentary Committees, and I do not think we want a very great stretch of imagination to know how easy it would be to obtain the unanimous support of a number of technical gentlemen to the views so cleverly put forward in this report, particularly when you bear in mind that all the substance which this report contains, so far as the commercial side of the question is concerned, is founded upon figures and information supplied by an assistant secretary of the Post Office, Mr. F. J. Brown. I think you will agree that the evidence and the immense information which Mr. Brown put before the Court in July 1919 necessarily committed him to the evidence and informations which he would give to this Committee. Reams of paper containing figures were put forward to belittle the Marconi claim before Mr. Justice Lawrence last year, and these figures showed, according to Mr. Brown, that the possible services of the Imperial stations, had they been constructed, would have resulted in such a small number of words transmitted, and such small gross receipts, that the total value of the whole contract would not have exceeded £47,000. (Laughter.) The Judge did not accept Mr. Brown's view; in fact, instead of estimating the value of the contract at £47,500, he, if I remember rightly, put it approximately at £1,200,000, which, reduced to present-day value, brought it down to some £590,000. I mention those figures only to indicate upon what sort of material this report is based.

The Poulsen Arc and the Thermionic Valve.

The technical side of the report is very interesting. I will quote from a morning newspaper: "The three chief factors of a satisfactory commercial service are reliability, speed, and cheapness. For this reason the system of the thermionic valve, which has revolutionised wireless practices in the last five years, is recommended." If any of you follow what took place a year ago you will remember that the Post Office declared in Court before Mr. Justice Lawrence that the Poulsen arcs which they were then erecting were a most efficient and up-to-date service, that they would do all that was required, and they required no patent. No Marconi patents were required. Our evidence was to the effect that the best arcs belonged to the Marconi Company, but that they were obsolete, that wireless telegraphy had made great strides, and that the thermionic or ionic arc valve had superseded the Poulsen arc. It is therefore some satisfaction to know to-day that the committee of experts who have inquired into this matter declare that great strides have been made during the past five years by reason of this thermionic valve. I have seen sufficient of this report to know that they had very little information of an up-to-date character before them, and it is perfectly natural, for the only people who have that knowledge are ourselves. (Hear, hear.)

There is one thing more I want to say upon that point. Notwithstanding that it did not come within the terms of their reference, the Committee make quite a strong point of placing before the Government the great advantages that would accrue if Imperial wireless communication were

State owned and controlled by the Post Office. Let me assume for a moment that the stations are going to be built, worked, and owned by the State. What is our position? They must have the thermionic valve; the Technical Committee says so. The thermionic valve is controlled by a number of very important master patents. Most of them are taken out by gentlemen in the Marconi Company; some of them very important ones are taken out by very able people in America, and there are others equally important which belonged to the Germans. I do not care which form of thermionic valve is used, whether American, German, or English, because every one of these master patents is the property for the whole of the British Empire of the Marconi Wireless Telegraph Company.

That being so, where in this report and in the estimate of costs does the Committee deal with the 10% of the gross receipts to which the Marconi Company would be entitled? If we do not build these stations we shall be entitled to a very substantial royalty. You may be perfectly certain that we shall not sit still. (Applause.)

The report was unanimously adopted.

LIEBIG'S EXTRACT OF MEAT COMPANY, LIMITED.

THE fifty-fifth ordinary general meeting of this Company was held at Cannon Street Hotel, London, on Thursday, July 1, Mr. Maurice G. C. Glyn presiding.

The accounts showed a balance profit, including the amount brought forward, of £575,083. A final dividend of 10% (making 20% for the year) and a bonus of 5*s.* per share, both free of income tax, were declared.

The Chairman explained that Mr. C. E. Gunther, the Chairman and Managing Director, was at present on a visit to South America, along with Mr. Follett Holt, with the object of inspecting the Company's properties, and looking into the business generally.

Dealing with the past year's working, he stated that notwithstanding the disturbed conditions which had to be met in the change over to peace conditions, the directors were able to show a successful result. The killings at the Company's River Plate factories, while on a smaller scale than those of the war years, were more or less normal compared with the immediate pre-War standard. Both the factories, which had been working without intermission during the four preceding years, had been subjected to a thorough overhaul, all necessary repairs and renewals being effected.

The prices realised for their hides, tallow and other by-products were satisfactory. The shipping position, although at times rather difficult, was not such as to affect seriously the movement of the Company's produce, and now showed signs of becoming easier.

The River Plate estancias had once more enjoyed a good year and showed favourable results. The period was one of steadily rising cattle prices, although some reaction had since set in, particularly for cattle suitable for canning, the demand for which had, for the time being, fallen off. The sale of pure-bred bulls had been developed until it was now a most important and remunerative part of the estancia business, affording a valuable source of revenue. The Company's interests in Paraguay were being developed in a manner that augured well for the future, although progress there must necessarily be slow.

In Rhodesia further section camps had been established to deal with the increasing stocks of cattle, and there were now nine section camps besides the main camp. Satisfactory prices were realised for the surplus cattle.

The Company's properties in South West Africa had been recently placed under new management, and the work of reorganisation was actively proceeding. It was hoped that, as the country settled down and development proceeded, competition for cattle would become keener, and that prices would tend to improve.

The sales in the United Kingdom had been well maintained, and they had been able gradually to resume business in some of the Continental countries, where they were regaining markets which could not be adequately supplied during the War.

One of the most important matters engaging the attention of the Chairman of the Company and Mr. Follett Holt at the present time in the River Plate was the question of refrigeration, the object of which was to utilise to the best advantage the good supplies of cattle which they now had available, and which were fully up to refrigeration standard. If it were decided to proceed with this undertaking, which would entail considerable fresh plant, it would be necessary to raise additional capital.

The report and accounts were unanimously adopted.

THE DINNINGTON MAIN COAL COMPANY, LIMITED.

THE annual general meeting of this Company was held at Sheffield on Monday last, June 28, Mr. Maurice Deacon presiding.

The Chairman moved the adoption of the report, and referred to the fact that, in consequence of the difficulty of ascertaining the liabilities as between the Coal Mines Department and the Company, no balance sheet was presented. The directors and auditors were satisfied, however, from such figures as were available that [illegible] to declare a dividend of 7, making a total of 12½ [illegible] for the year could be paid.

During the past 12 months they had been [illegible] great difficulties. Large advances on account had been given to the men, without any consultation with the coal-owners, and control of the sale of coal had been entirely taken out of their hands. [illegible] the Company sent a large proportion of its output to Liverpool for bunkering purposes, but that had been stopped by the Coal Controller, and Liverpool shipowners were paying twice as much for coal from South Wales as they would have to pay from Dinnington.

Discussing the new Mines Bill, the Chairman explained the system of Committees proposed to be set up, and asked, With such a prospect before them, how could they expect to manage their pits properly? It would be impossible for the directors to have any real control at all, and it would rob the people who are most interested in the management of any decided voice in the carrying on of the pits belonging to them. The matter was most deplorable, because it would mean that, under such a *régime*, nothing but delay, increased cost, and lack of economy would result, and, in the end, the public would have to pay.

The report was adopted.

The retiring directors, Mr. W. D. Gainsford, Mr. W. H. McConnel, and Mr. A. Wightman, were re-elected, and the auditors, Messrs. Alfred Tongue and Company, of Manchester, were reappointed.

THE MALTBY MAIN COLLIERY COMPANY, LIMITED.

THE annual general meeting of this Company was held at Sheffield on June 28, Mr. Maurice Deacon presiding.

The Chairman, in moving the adoption of the report, referred to the impossibility of preparing a balance sheet for the past twelve months, until the figures had been agreed with the Coal Controller. It was, however, sufficiently clear that a dividend of 7½% could be paid, and this was recommended by the directors.

In spite of the difficulties of the past year the output had increased by 46,000 tons. It was still necessary to proceed with the building of houses, in order to obtain men, and thereby increase the output of the colliery. Unfortunately, the increased wages had in some cases had the effect of reducing the regularity of the men's attendance at work.

The Chairman referred to the Ministry of Mines Bill now before the House of Commons, and protested strongly against the system of Committees proposed, which in his opinion would lead to great confusion, and deprive colliery owners of the power to manage their own properties.

The dividend was approved, and the report adopted.

The retiring directors—the Right Hon. Lord Aberconway, P.C., and Mr. W. B. M. Jackson—were re-elected, and Messrs. Alfred Tongue and Co., of Manchester, were reappointed auditors to the Company.

MALACCA RUBBER PLANTATIONS, LIMITED.

THE fourteenth annual general meeting of this Company was held on June 29 at Winchester House, Old Broad Street, London, E.C., Mr. George B. Dodwell (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The whole way through 1918 we were, as you are aware, working under the scheme for restricting output formulated by the Rubber Growers' Association, and, generally speaking, at almost every possible disadvantage. The results of the year are evidenced by the dividend which we think it prudent to recommend, and no useful purpose would be served by a comparison of crop costs or profits with the year 1918. It is, however, interesting to note that our Debenture indebtedness is now within measurable distance of £200,000. You will note also that the output for the year considerably exceeded the estimate, and it would seem that our current year's estimate of 4,500,000 lb. is a reasonably conservative one, as we have harvested 1,577,382 lb. to the end of May, and have the most fruitful months of the year before us.

We have disposed on very favourable terms of an outlying block of rubber which it was found very difficult to control and administer because of its remoteness from the estate to which it was nominally attached, but we have since purchased land which is conveniently situated between the Umbei and Serkam estates, and the planted area remains approximately the same as when I last addressed you.

The position in Malacca is considerably easier than it was a year ago. The European staff is almost up to strength again, and the problem of adequate supervision is now ceasing to cause anxiety. I think I may assure you that, as a result the condition of your plantations is improving, and will continue to improve. As to native labour, we, like other undertakings of a similar nature, find considerable difficulty in obtaining and maintaining an adequate force. The shortage of rice and the question of the Indian exchange have, as all of you know, given us considerable anxiety, but the recent and rapid fall in the price of silver has afforded the employers of Indian labour in the Malay Peninsula appreciable relief. One could wish that the problem presented by the shortage of rice were as susceptible to treatment by Govern-

ment as that of the rupee exchange, but better crops alone will help us, and those it is beyond the province or capacity of Government to provide.

Whereas everything we have to buy has advanced in price, there has been no compensating rise in the price of the commodity which we market. I am not sure but what this may turn to our advantage in the long run, because a large volume of cheap rubber means that it is put to uses for which, were it priced higher, it might not be employed.

The motion was carried unanimously, as was one for the declaration of a dividend of 30%, free of income tax, on all Ordinary and Preference shares.

RUBBER ESTATES OF KRIAN, LIMITED.

THE annual general meeting of this Company was held on June 29 at the registered offices, 7 Martin's Lane, Cannon Street, London, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman said: Gentlemen,—I move: "That the directors' report and statement of accounts for the year ended December 31, 1919, as presented to this meeting, be and they are hereby received and adopted, and that a dividend of 12½% for the year, less tax, be declared and paid." The net profits for the year amount to £17,440, as compared with £6,122 last year, this satisfactory improvement being due in the first place to an increase of 80,000 lb. in the output of rubber, and in the second place to the better price realised, which was just over 2½*d.* per lb. higher than for the 1918 crop.

On this occasion we are able to recommend payment of a dividend at the rate of 12½%, as compared with 5% last year, and to transfer £5,000 to reserve account, in addition to carrying forward a substantial sum. The dividend and appropriation to reserve account amount together to more than the actual profits earned during the year, but we are confidently able to make this recommendation, as the amount available for allocation is increased by the substantial sum of £8,207 recovered on account of excess profits duty. It would have been possible to recommend a slightly larger distribution without unduly taxing the Company's financial resources, but in view of the low prices now ruling for the commodity and the uncertainty of the immediate future in the Rubber market, it is undoubtedly a sound policy to strengthen the financial position of the Company as much as possible.

You will observe that the estimated output for the current year is slightly less than the crop actually obtained during 1919. It has been considered advisable to revert to alternate day tapping on the older portion of the property, and the Manager is confident that this temporary sacrifice of immediate results will be to the ultimate benefit of the property. The reduced estimate is also partially due to the reduction in the number of tappable trees, due to the damage caused by the recent whirlwind which swept over the estate in April last.

The motion was unanimously adopted.

KUALA PERGAU RUBBER PLANTATIONS, LIMITED.

THE ninth ordinary general meeting of the shareholders of Kuala Pergau Rubber Plantations, Limited, was held at the registered offices of the Company, London House, New London Street, London, E.C., on June 30, Mr. Francis O. Streeten (Chairman of the Company) presiding.

Mr. John Owler, A.C.I.S., representing the Secretaries (Messrs. Paterson, Simons and Co., Ltd.), having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I presume that you will take the report and accounts as read. It is a great satisfaction to the directors to be able to present to the shareholders what, I think, we may all consider is the most satisfactory statement that we have been able to submit since the Company was formed. We are also glad that we have been able to send out the report at a somewhat earlier date than in the previous year, and we hope we shall be able to continue this practice in the future.

Crop Increase over previous year.

Perhaps the most satisfactory feature of the report is that our output—which last year, you will recollect, was somewhat lower than the estimate—is for the year under review above the estimate, and some 70,000 lb. better than the crop of the previous year. In spite of higher prices we have had to pay for materials we have managed to keep costs at almost exactly the same figure as last year. The profit has gone up by about 8*d.* per lb., which represents the increased price we were able to obtain in Singapore for our rubber. The acreage of the estate remains the same as it was in the previous report, but by the time we circulate our next report we hope we shall be able to state that we have a further planted area.

The condition of the estate, I am glad to be able to report, is thoroughly satisfactory. The directors have had the advantage of being in close touch with the Manager of the estate, Mr. J. Fitzgerald Day, during a considerable portion of the past year, and have gone very carefully into all matters of detail with him prior to his departure for the estate a few weeks ago. During his absence Mr. Owen, the Acting Manager, has done extremely well, and the Visiting Agent has reported to us that he deserves great credit for the way in which he has carried on in somewhat difficult circumstances.

The Labour Position.

On previous occasions you have been told that the question of labour is a difficult one for Kuala Pergau, but we have managed to get through during the past year, and at the present time we are sending up to the estate a considerable amount of Javanese labour, which seems to be working quite satisfactorily. We hear from the other side that the railway is making progress, and, although we do not expect to have a station on, or near, our estate until about 1922, I think we may look forward to the labour situation being very considerably eased when the railway is once in working order. For the time being we are, of course, almost entirely dependent on our launches, but I am glad to say that there have been very few breakdowns; both of them have worked very well during the past year.

Future Policy: Reserve for Extension.

As outlined in the report, our policy for the future is to continue gradually extending the planted area of our estate. For that purpose it is necessary for us to be in a strong financial position, and, although you will see that we have the large sum of £22,900 odd to the credit of profit and loss account, our suggestion to you is that on the present occasion you should place £7,500 of that amount to reserve, and pay what, perhaps, you will consider a satisfactory dividend of 15%. There has been some criticism of rubber companies generally for not distributing a sufficient proportion of their profits, but your directors are quite certain that in the case of a company like ours a conservative policy is the wisest one in the long run. I have much pleasure in proposing: "That the report and statement of accounts as presented be and the same are hereby received and adopted," and I will ask Mr. Darbishire if he will kindly second that. Any questions that any shareholder would like to ask I shall be pleased to answer after the resolution has been seconded.

Mr. Charles William Darbishire seconded the resolution, and, no questions being asked, it was put to the meeting, and carried unanimously.

The Chairman next moved: "That a final dividend of 10%, less income tax, be paid, making, with the interim dividend paid on March 27 last, a total distribution for the year of 15%, less income tax."

Mr. W. Patchitt seconded the motion, which was unanimously agreed to.

The Chairman also moved the re-election of Mr. W. Patchitt, the retiring director, and the motion was seconded by Mr. Darbishire and passed unanimously.

The auditors (Messrs. Price, Waterhouse and Company) were reappointed, on the motion of Mr. C. D. Mayley, seconded by Mr. L. Welstead.

The Chairman proposed a vote of thanks to the Company's agents in the East, the visiting agent, and the management and staff. The visiting agent, Mr. Mansergh, he said, had not been on the estate for six years, having been on War service, and it was a great gratification to the directors to know that when he returned he found the decided improvement in the condition of the property which he had anticipated.

Mr. Welstead seconded the motion, which was passed unanimously.

The proceedings then terminated.

GEDULD PROPRIETARY MINES, LIMITED.

(Registered under the Limited Liability Laws of the Transvaal.)

THE nineteenth ordinary general meeting of shareholders of this Company was held in the Board Room, Consolidated Building, Johannesburg, on May 19. Mr. H. Newhouse (Chairman of the Company) presiding.

The Chairman said: Gentlemen,—The results obtained by your Company in its operations during the past year showed but little variation from those of the previous year, if the influence of the new arrangements for the disposal of gold is left out of account. The quantity of ore treated in the mill was further increased by 2,800 tons to 516,000 tons, and this was accompanied by an improvement in grade of 10½*d.* per ton to 30*s.*, but the benefit of these advances was off-set to the extent of 7*d.* per ton through an increase in the working costs to 20*s.* 7*d.* per ton, with the net result that the profit on working was £9,178 higher at £243,420. Economies in working were effected in many directions. The comparatively small increase in the working costs is in itself evidence of this, when it is remembered that the higher compensation charges payable under the new Miners' Phthisis Act alone added nearly 6*d.* per ton from August, and that the remuneration of the employees was gradually increased. The gross profit for the year was £335,342, which was over £90,000 more than that for 1918, this result being, of course, mainly the outcome of the receipt of an amount of £77,757 by way of net premium on the gold produced from July 25 onwards.

Of the amount of £335,342, development in excess of the amount charged to working costs absorbed £24,528, and donations and provision for taxation £43,261, leaving £267,553

available for appropriation, *plus* the net balance of £3,129 brought forward from 1918, or a total of £270,632. Out of this amount, £187,397 were required to meet Dividend No. 10, which took the form of two of the purchased enemy shares for every 25 shares held, £75,000 were appropriated for capital expenditure, and two small items brought the total appropriated to £266,959, leaving £3,723 to be carried forward to the current year's account.

The total expenditure on capital account for the year was £113,667, of which £38,667 were debited to working capital account and the balance of £75,000 was appropriated from working profits, as I have just mentioned. Of this expenditure, £74,781 were in connection with the new No. 7 Shaft, and £37,970 were spent on underground work at the other shafts and equipment.

Ore Reserves Increased.

In addition, the active development policy—which has been a foremost plank in your Company's programme for several years past—entailed the expenditure already mentioned of £24,528 over and above the amount provided by the charge to working costs of 2*s.* 9*d.* per ton milled. The total of 18,698 feet accomplished was 1,355 in excess of the 1918 figure, and, as the result of this work, the ore reserves at the end of the year showed an increase of 70,000 tons for the year, and stood at 2,580,000 tons of an average of 7.4 dwt. over a stoping width of 61 inches. These calculations were made on exactly the same basis as in former years, no allowance being made for the enhanced price now being realised for gold.

In an extensive property like ours, the distances to be traversed from the shafts to the working places naturally become considerable as the work progresses, and, with the object of attaining increased efficiency through accelerating the distribution of men and materials, arrangements have been taken in hand to gradually instal electric traction.

The new No. 7 Shaft had attained a depth of 442 feet at the end of last month. After a period of delays in execution of equipment, caused through difficulties in obtaining skilled labour and supplies, sinking was hampered by the tapping of a fair quantity of water in the Dolomite. It is hoped the shaft will reach the reef in the early part of next year.

The cementation of water-bearing fissures was continued, and resulted in a further diminution of 35 million gallons in the quantity of water pumped and baled, excluding that from the new shaft. A comparison with the year preceding the adoption of this process shows that a reduction of over 45% has been effected in the quantity of water handled.

Purchase of Enemy Holdings.

An important undertaking during the past year was the purchase from the Union Custodian of the whole of the shares in the company formerly held by our recent enemies which were vested in him. The total so purchased was 250,076, and these were disposed of partly by way of offer to the non-enemy shareholders at the purchase price and partly by way of distribution as dividend in the proportion of two shares for every 25 held. A further 56,651 shares are vested in the Custodian for England and Wales, and the dividends in respect of these are being paid over to him as they accrue.

During the first four months of the current year a marked advance in working costs is noticeable, due mainly to the further substantial increase in pay and privileges granted to all European employees, as well as higher rates of pay to the native labourers. The combined effect of these has been to send working costs up 2*s.* 10*d.* per ton to 23*s.* 5*d.* The working profit for the four months totals £62,131, to which net premium is estimated to add £54,681 and sundry revenue, less sundry expenditure, £4,706, making a total of £121,518. £48,773 have been expended on capital account, and £9,334 on excess development. As regards the current year's development work, the total footage accomplished at the end of last month was 5,861, of which 3,435 feet were sampled and disclosed 1,250 feet of payable reef having an average assay value of 20.1 dwt. over a width of 35 inches.

The features of this year's work have been the serious decrease in the net premium and the heavy increase in costs already referred to. The fall in the net premium—that is, the London premium on gold, less the Johannesburg-London exchange—is, of course, due to the fall in the London price of gold, accompanied by the rise in our exchange. The benefit of the net premium to us has already decreased very largely on account of the increase in costs. I will only add that it is incumbent on us to make sure that economy reigns supreme and to avoid any increase in standing charges such as the present Vaal River Water Scheme involves.

I now beg to move: "That the directors' report and audited statements of account, as laid on the table, be approved and adopted, and that all matters and things undertaken and discharged by the directors on behalf of the Company be and they are hereby confirmed."

Mr. M. L. Pessen seconded the motion, which was carried unanimously.

The appointment of Mr. Isaac Lewis as a director in place of the late Senator S. Marks was confirmed.

The retiring directors were re-elected unanimously.

The remuneration of the retiring auditors, Mr. Chas. Stuart and Messrs. F. W. Diamond and English, was fixed at 150 guineas each for the past audit. Messrs. Chas. Stuart and F. E. Roberts and Messrs. F. W. Diamond and English were appointed auditors for the ensuing year.

THE MODDERFONTEIN DEEP LEVELS, LIMITED.

(Registered under the Companies Consolidation and Limited Liability Laws of the Transvaal.)

The nineteenth ordinary general meeting of shareholders of this Company was held in the Board Room, Consolidated Building, Johannesburg, on May 19, Mr. H. Newhouse (Chairman of the Company) presiding.

The Chairman said: Gentlemen,—At each annual meeting since the inception of this Company it has been my fortune to review a year of progress, and you will have seen from the reports before you that the past year was no exception to its predecessors. Dealing first with the working results, the chief feature was a gratifying increase in the yield per ton crushed, which, at 43*s.* 9*d.*, taken on the basis of the standard price of gold, was 2*s.* 10*d.* better than in 1918. Two factors contributed to this improvement—firstly, the higher grade ore developed in recent years became available for stoping, and, secondly, sorting was considerably increased during the past year. I would also like to call your attention to the efficiency attained in the mill. You will see from the report of the Manager that the duty per stamp per day averaged the very high figure of 24.1 tons—a record for the mine—and that this enabled 1,100 more tons to be handled than in 1918, in spite of the running time being affected by the additional holidays granted.

Increases in Working Profit, Sundry Revenue, and Carry-Forward.

Though the improvement in the grade was off-set to the extent of nearly 1*s.* per ton by an increase in the working costs to 18*s.* 5*d.* per ton crushed, due mainly to the heavier burdens imposed since August by the new Miners' Phthisis Act, which increased the charge to be borne by your Company under this head from £3,100 to £21,000 per annum, the net result of the year's operations was an increased working profit of £49,586, the total being £643,437. Adding to this an amount of £113,013 received in respect of the premium resulting from the new arrangements under which the product of these fields since July 25 last has been sold in the open market, sundry revenue, chiefly interest, £6,883, and a small adjustment in respect of the 1918 gold, the total is brought to £764,426, or £161,550 in excess of the 1918 total. Of this, taxation absorbed £124,259, or about one-sixth, and donations, depreciation written off and expenses in connection with the sub-division of the shares accounted for £35,706, leaving £604,461 to be added to the balance of £136,101 standing to the credit of appropriation account and bringing the total amount at credit in that account to £740,562. Dividends Nos. 9 and 10, of 50%, and 65% respectively, together with two small items, absorbed £578,939 of this, leaving an unappropriated balance of £161,623, which was £25,522 more than the net amount brought forward from 1918. You will, therefore, agree with me, I think, that your Company's finances are on a particularly sound footing. You will no doubt have noticed that, as in 1918, there was no charge to capital account—all expenditure, including buildings, as well as additions to, and renewals of, machinery and plant, having been charged to working costs.

Of the tonnage crushed during the year, 2,770 tons came from the surface dump, reducing this to 182,600 tons.

BARCLAYS BANK LIMITED.

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

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Special attention is given to the financing of produce in transit.

Foreign Branch:

168 FENCHURCH STREET, E.C. 3.

Growth of Ore Reserves.

Another feature of the year's operations was the development work accomplished. The total of 7,134 feet was an increase of 1,709 feet over the 1918 footage, and the values disclosed were highly satisfactory. As the result of this work, the ore reserves, on recalculation at the end of the year, showed an increase for the year of 325,000 tons, the total of 3,775,000 tons being equivalent to a mill supply of about seven years, while the average value of 9.1 dwt. was about one-third dwt. higher than the average of the previous year and the width an inch less. I would point out that the calculations were made on exactly the same basis as in previous years, no allowance being made for the premium on gold.

The policy of gradually reducing the stock of stores carried until a normal quantity is reached has been continued throughout the year. The process has of necessity to be a slow one. The reduction for the year amounted to £10,730, and at the end of the year your directors deemed it prudent to write off an amount of £15,526, leaving the book value of the stock on hand at £47,809.

The native labour supply available was sufficient for all requirements throughout the year, and the health of the natives continued to be satisfactory. Attention is at present being directed towards improving the arrangements for lowering and hoisting the natives, with the object of accomplishing this operation more quickly.

Current Year's Working.

As regards the operations during the first four months of the current year, the yield per ton crushed, based on the standard price of gold, I would repeat, has averaged 45*s.* 4*d.*, a further increase of 1*s.* 7*d.*; but working costs, as the result chiefly of the increased pay granted to employees, both European and native, have risen by more than double this amount, to 21*s.* 9*d.* Hence the profit per ton, at 23*s.* 7*d.*, is 1*s.* 9*d.* below last year's average, and totals £198,756 for the four months. The definite amount to be added to this in respect of net premium on gold—*i.e.*, premium obtained in London, less Johannesburg-London exchange—cannot be ascertained until all the gold has been sold, but the estimated figure of £77,840 may be taken as a close approximation. The development results for this period have been a total of 2,406 feet accomplished, of which 1,170 feet have been sampled, the payable portion of this footage—765 feet—having an average assay value of 15.9 dwt. over 49 inches.

Two important operations of a financial nature were brought to a successful issue last year—the £1 shares were sub-divided into four and the shares formerly held by our recent enemies were bought by the Company, in so far as they were vested in the Union Custodian, and distributed to shareholders either at the purchase price or by way of dividend. 44,513 5*s.* shares are vested in the Custodian for England and Wales, and the dividends accruing on these are still being paid to him.

I now beg to move: "That the directors' report and audited statements of accounts, as laid on the table, be approved and adopted, and that all matters and things undertaken and discharged by the directors on behalf of the Company be, and they are, hereby confirmed."

Mr. F. R. Lynch seconded the motion, which was carried unanimously.

The Chairman stated, in reply to Mr. D. C. Greig, that over half the capital of the Company was held in South Africa.

The retiring directors were unanimously re-elected.

The remuneration of the retiring auditors, Mr. Charles Stuart and Messrs. F. W. Diamond and English, was fixed at 150 guineas each for the past audit. Messrs. Charles Stuart and F. E. Roberts and Messrs. F. W. Diamond and English were appointed auditors for the ensuing year.

DJEMBER RUBBER ESTATES, LIMITED.

The eleventh ordinary general meeting of this Company was held on July 2 at Winchester House, London, E.C., Mr. H. C. Hadfield (the Chairman) presiding.

The Chairman, in moving the adoption of the report, said there had been a considerable increase in the realisation of products—viz., £66,938, as compared with £28,172 in the previous year. To a great extent that was due to the high prices they had obtained for their coffee. The profits had gone up from £1,814 in 1918 to £36,185 in 1919. The report stated that there were 1,641 acres of rubber in production, but on a considerable part of that area a percentage only of their trees was being tapped. As a matter of fact, only one-half of their trees were yet in bearing, and they were producing half a million pounds of rubber; so that their ultimate output from the old estates was likely to be doubled in the course of time. The board recommended a dividend of 25%, less tax, making 32½% for the year, carrying forward £32,610, out of which provision had to be made for taxes.

Mr. W. O. Burt, in seconding the motion, said that he had just returned from Java, where he had thoroughly inspected the Company's estates. He congratulated the shareholders on the possesion of such a fine property, in such first-rate condition. The soil was a fine sandy loam of great depth, and at no part of the estate could he find any trace of poor soil. The upkeep of the field was all that could be desired. With regard to terracing, he could witness to the thoroughness of the work done. While he was on the estate they had had nearly 10 inches of rain in one night, and only three out of the hundreds of terraces had given way. The growth of the trees, even at the high altitude, was as good as anything he had seen in Java, even on estates where no coffee was grown, while both the thickness of the original bark and the bark renewal were quite satisfactory. He had measured five-year-old renewed bark to be half an inch thick. No doubt both growth and renewal of bark were due to wide planting and to the fact that the coffee had never been allowed to smother the rubber. He did not think the tapping on Djember estates could be beaten. There was not a more skilled tapping force to be found anywhere; 30 cuts to the inch, without any wounding worth mentioning, was a record which wanted some beating, and he had looked in vain for a tree where more than 12 inches of bark had been removed in a year. That was the result of years of careful training and constant supervision.

The resolution was carried unanimously, and the dividend recommended was declared.

THE BRITISH ELECTRIC TRACTION COMPANY, LIMITED.

The twenty-fourth ordinary general meeting of this Company was held on July 2 at the Holborn Restaurant, Mr. Emile Garcke, M.I.E.E., the Chairman, presiding.

The Chairman, in the course of his speech, said: On previous occasions I have spoken of the restrictive legislative conditions under which the electrical industry in this country has developed. I am glad on this occasion to be able to say that during the past year Parliament has passed two Acts with a view to the amelioration of the adverse conditions.

The Electricity Bill, as introduced by Government and passed by the House of Commons last year, was not a suitable prescription for a growing but impeded industry. As a result, however, of the strenuous opposition offered by the industry, aided to some extent by the commercial community, and more especially by the independent judgment of the House of Lords, the Bill was modified by the deletion of all the controversial clauses and was passed in the form which we suggested the Bill should take. As passed the Act of 1919 has been correctly described as "The Great Charter of Electricity." The Act does not remove all our grievances, but it authorises the appointment of Commissioners whose functions, we understand, are to examine the conditions and to legislate for the varying circumstances of particular cases consistently with general policy. That is the form of regulated freedom for which we petitioned. The Government has given us this measure of freedom, but it has made the reservation that it will enact the objectionable clauses which the House of Lords deleted. It is to be hoped that the Government will announce at an early date its abandonment of this policy, for it is undoubtedly true that further uncertainty has a serious deterrent effect on enterprise in this important key industry.

The other Act—The Tramways (Temporary Increase of Charges) Act, 1920—is of importance to the electrical tramway industry. It has been passed in consequence of the inability of tramway undertakings to charge such fares under their statutory powers as would, having regard to the great increase in the cost of working, enable them to maintain financial equilibrium

Growth of Expenditure exceeds that of Revenue.

Dealing with the results of the Company's operations during the past year, and referring first to those achieved by the Federated Companies in which they were largely interested, he said that, taking the public utility undertakings only, and excluding the London companies, the receipts showed an increase of £245,000, but the expenses were higher by £339,000, so that the working balance was £94,000 less. The London undertakings had produced even worse results, and the falling away of the profit on these had told heavily against the Company. The Ministry of Transport had, under the new Act, authorised the Metropolitan and the London United Tramways Companies to charge increased fares; but the employees had at the same time obtained a further increase of wages, although it was not yet known what was likely to be the continued result of the increased fares.

Dividend Raised

The total revenue for the year was £246,000, compared with £250,000 in the preceding year, and the directors recommended a dividend of 4% on the Ordinary stock (as compared with 3%), carrying forward £150,000. The net average yield of all their investments was 5.28%, compared with 5.08% for 1918. The balance sheet showed a strong financial position.

General Policy: Spreading of Risks.

Proceeding, he said: I would now like to say a few words in regard to our general policy. This Company has

initiated many important services of public utility and necessity, and has built up an exceptional organisation for the promotion, development and operation of such enterprises. Tramway and electric-lighting investments are sound propositions on the level of the reduced market valuations, but the political environment of these industries, the increasing labour troubles and the difficulties of making adequate charges to cover the costs of the services are discouraging to new adventures. We have come to the conclusion, therefore, that it will be more profitable to the stockholders in this Company to extend the sphere of our operations into other departments of enterprise and to spread our risks still further by holding a smaller amount in each undertaking. I gave you an intimation of this view at our last meeting, and said that the board would take steps to direct a larger share of the Company's energies and resources to financial and general industrial developments. In pursuance of this policy we have acquired an interest in a company formed in association with Sir Oswald Stoll to produce kinematograph pictures, an enterprise which is consistent with the technical work for which we are organised. Furthermore, with a view to adding financial strength to the board, we have invited Mr. J. S. Austen who, as you know, is associated with influential and important financial organisations, to join the board. The gradual realisation by sales to local authorities of some of our undertakings as the dates of purchase approach, and the reinvestment of the capital thus released will, I hope, afford us scope for profitable financial operations in various industrial spheres.

In conclusion, the Chairman announced that, after 25 years of service with the Company, he was about to retire from the chairmanship, in which he would be succeeded by Mr. Austen. He would, however, be willing to remain a member of the board and to continue to act as President of the British Electrical Federation.

The report was unanimously adopted.

The following telegram has been received from the India Revenue and Agriculture Department:—"Rainfall. Fair: Upper Burma, Chota Nagpur, Bihar, Kashmir, Gujarat, Central Provinces West and Madras South-East. Normal: Bay Islands, Bengal and Punjab East and North. Excess: Lower Burma, Assam, United Provinces, Rajputana, Central India West, Mysore, and Malabar. Scanty elsewhere. Monsoon rainfall up to date defective nearly everywhere, but distribution satisfactory. Rain needed in Bihar, Western Bengal, and Deccan. Both monsoons weak at present."

It is satisfactory to learn that according to cables received in the City, exceptionally heavy rains have fallen fairly generally all over the State of New South Wales. One message states that the past month has been the third wettest month experienced in the whole history of the State, so that the season's prospects may be considered bright.

Aurora West United.—Authorised capital £300,000, in 600,000 10s. shares; issued, 212,705 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting	Revenue Amt.	Revenue Pr. ton	Expenses Amt.	Expenses Pr. ton	Profit Amt.	Profit Pr. ton	Price end of Period
			%	£	£	£	£	£	£	
1917 ...	80	177,250	13	212,739	24/0	168,165	19·0	44,574	5/0	12·3
1918 ...	78av.	158,560	8½	178,462	22/6	176,083	22/2	2,409	–/4	10/6
1919	80	160,800	8·98	167,573	20/9	193,236	24/1	25,663*	3/4*	7/6
1920.										
Mar. qr.	—	40,100	—	48,276	24/2	52,950	26/5	4,561*	2/3*	1½
April ...	—	12,800	—	14,796†	23/1	17,216	27/0	2,419*	3/11*	¼
May ...	—	10,240	—	13,081‡	25/7	13,075	25/9	6	–/2*	4/6

* Loss. † Gold calculated at 102/6 per fine oz.
‡ Gold calculated at 105/0 per fine oz.

East Rand Proprietary Mines.—Capital issued, £2,445,897, in £1 shares; £835,620 Convertible Five per Cent Debentures in issue. Twenty-five tube mills.

Year ends Dec. 31	Stps.	Tons Milled	Sorting	Revenue Amt.	Revenue Pr. ton	Expenses Amt.	Expenses Pr. ton	Profit Amt.	Profit Pr. ton	Price end of Period
			%	£	£	£	£	£	£	
1916 ...	820	1,939,200	9½	2,365,107	24/4	1,867,943	19/3	497,164	5/1	12/3
1917 ...	820	1,741,000	7½	1,885,648	21/7	1,721,451	19/8	164,197	1/11	5/9
1918 ...	600	1,372,300	10	1,597,075	23/2	1,544,160	22/6	52,915	–/8	4/10
1919 ...	440	1,409,500	8·73	1,765,031	25/1	1,655,858	23/7	109,203	1/6	11/9
1920.										
Mar. qr.	—	365,000	—	449,958	28/3	487,419	27/8	12,439	/7	11/9
April ...	—	128,000	—	162,455	30/4	175,181	27/4	12,718*	2/0*	9/0
May ...	—	124,000	—	167,011†	28/11	174,290	28/1	7,279*	1/2*	7/9

* Loss. † Gold calculated at 105/0 per fine oz.

Consolidated Langlaagte.—£950,000, in £1 shares. £100,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sorting	Revenue Amt.	Revenue Pr. ton	Expenses Amt.	Expenses Pr. ton	Profit Amt.	Profit Pr. ton	Price end of Period
			%	£	£	£	£	£	£	
1917 ...	100	555,555	½	729,938	24/11	5 1,365	17/1	231,226	7/11	2/6
1918 ...	100	503,300	—	635,853	25/2	478,113	19/0	157,740	6/2	20/0
1919 ...	100	507,800	—	638,304	25/2	518,562	20/6	119,742	4/8	1⅞
1920.										
Mar. qr.	—	122,900	—	18,122	5/1	146,686	24/10	33,446	5/3	1⅜
April ...	—	43,700	—	66,649*	30/6	57,470	26/5	9,179	4/1	1½
May ...	—	44,500	—	66,053†	29/11	57,731	25/1	8,157	3/8	1

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.
1919, June 5; Dec., 7½ per cent.

Government Areas.—Capital £1,400,000, in £1 shares. 200 stamps, 20 tube mills; 5 tube mills being added to increase mill capacity to 135,000 tons a month. The returns include sundry revenue.

Year ends Dec. 31	Stps.	Tons Milled	Sorting	Revenue Amt.	Revenue Per ton	Expenses Amt.	Expenses Per ton	Profit Amt.	Profit Pr. ton	Price end of Period
			%	£	£	£	£	£	£	
1918 ...110		744,000	12½	1,008,779	27/1	804,091	21/7	216,400	5/10	51/3
1917 ...186		1,298,000	8	1,930,657	29/9	1,236,741	19/0	700,439	10/10	3½
1918 ...189		1,303,500	10¼	2,159,642	33/1	1,282,226	19/8	877,416	13/5	4½
1919...187		1,361,000	13.48	2,418,582	35/7	1,425,036	21/0	995,546	14/7	5⅛
1920.										
Mar. qr.	—	345,000	—	742,419	43/5	403,959	23/10	338,460	19/7	4⅜
April	—	125,000	—	251,468*	40/3	142,544	22/11	108,924	17/4	4⅛
May	—	122,500	—	247,384†	42/0	156,684	25/9	100,700	16/3	4¼

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105/0 per fine oz.

Langlaagte Estate. — Capital £950,000; issued, 856,300 £1 shares. 200 stamps; five tubes. No sorting.

Year to Dec. 31	Tons Milled	Revenue Amt.	Revenue Pr. ton	Expenses Amt.	Expenses Pr. ton	Profit Amt.	Profit Pr. ton	Price end of Period
		£	£	£	£	£	£	
	[Profits include estate, &c., revenue.]							
1917 ...	539,618	622,491	23/0	503,030	18/7	119,461	4/5	15/0
1918 ...	533,690	647,999	24/2	508,916	19/0	139,083	5/2	20/6
1919 ...	475,480	590,781	24/10	512,950	21/4	87,831	3/6	20/6
1920.								
Mar. qr....	102,350	151,661	30/1	140,830	28/8	10,831	1/5	18/–
April ...	39,000	60,142*	30/10	54,643	28/1	5,499	2/9	15/6
May ...	42,000	65,331†	31/1	56,440	27/0	8,891	4/1	14/6

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 7½ per cent.
1919, June, 7½ per cent.

Van Ryn.—£500,000, in £1 shares. Batteries, 160 stamps. Six tube mills. Present capacity about 550,000 tons a year.

Year to June 30	Stps.	Tons Milled	Sorting	Revenue Amt.	Revenue Per ton	Expenses Amt.	Expenses Per ton	Profit Amt.	Profit Pr. ton	Price end of Period
			%	£	£	£	£	£	£	
1916-17 ...	140	456,450	6½	553,430	24/3	341,166	15/0	212,264	9/3	18⅝
1917-18 ...	140	410,300	—	460,749	22/5	335,741	16/4	124,988	6/1	5½
1918-19 ...	140	400,860	3·57	402,776	20/1	317,626	16/10	84,850	3/3	3⅝
1919-20.										
Sept. qr. ...	140	94,400	1.42	98,353	20/11	84,051	18/1	14,300	2/10	¾
Dec. qr. ...	140	94,960	0·82	95,461	20/1	85,040	18/1	10,276	2/0	1½
Mar. qr. ...	—	106,780	—	133,334	25/1	106,286	20/4	26,049	4/9	1¼
April ...	—	38,000	—	48,470*	22/10	35,493	19/4	6,978	3/6	⅝
May ...	—	37,760	—	42,271	22/5*	37,218	19/11	5,053	2/8	⅝

* Gold calculated at 102/6 per fine oz.

Dividends—1916-17, Dec., 17½; June, 17½ per cent.
1917-18, Dec., 12½; June, 5 per cent.
1918-19, Dec., 7½ per cent.

Van Ryn Deep.—Capital, £1,196,892, in £1 shares. 90 stamps, 9 tube mills, started 1913, 10 stamps and a tube mill being added. Profits include sundry revenue.

Year to Dec. 31	Tons Milled	Sorting	Revenue Amt.	Revenue Per ton	Expenses Amt.	Expenses Per ton	Profit Amt.	Profit Per ton	Price end of Period
		%	£	£	£	£	£	£	
1917 ...	617,870	20	1,129,892	43/7	505,901	19/6	637,964	24/7	38½
1918 ...	550,800	21	1,165,405	43/9	545,421	20/7	619,983	23/2	3⅛
1919 ...	568,400	20.38	1,282,583	44/4	693,143	23/4	588,441	20/–	5⅝
1920.									
Mar. qr	151,500	—	405,308	66/3	153,864	24/1	251,444	41/–	4¼
April ...	46,500	—	127,181*	55/3	64,437	28/1	62,744	27/–	3⅝
May ...	46,500	—	132,892†	57/3	66,811	28/1	66,081	27/1	4½

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 20; Dec., 22½ per cent.
1918, June, 22½; Dec., 22½ per cent.
1919, June, 20; Dec., 25 per cent.

BANK OF MONTREAL

Established in 1817.

Capital Paid up, $20,000,000.
Reserve Fund, $20,000,000.
Undivided Profits, $2,090,440.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq.

Head Office: Montreal.

General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:

47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE)
17 Place Vendome, Paris.

London Committee: Sir Thomas Skinner, Bart.
Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

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Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

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THE ROYAL BANK OF CANADA

ESTABLISHED 1869

Capital Paid up	$17,000,000
Reserve Funds	$18,000,000
Total Assets	$550,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President.* E. L. PEASE, *Vice-President & Managing Director.*
C. E. NEILL, *General Manager.*

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ARGENTINE ... ... Buenos Aires.
BRAZIL ... ... Rio de Janeiro, Santos.
URUGUAY ... ... Montevideo. São Paulo
BARCELONA, SPAIN ... Plaza de Cataluna 6.
NEW YORK AGENCY ... 68 William Street.
LONDON OFFICE ... Princes Street, E.C. 2.

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE).
PARIS—28 Rue du Quatre Septembre.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	£4,000,000
Reserve Fund	3,275,000
Reserve Liability of Proprietors	4,000,000
	£11,275,000

Aggregate Assets, 30th Sept., 1919 $67,036,249

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business. H. MELDRUM, Assistant Manager.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital	£250,000 0 0
	(25,000 Shares of £10 each)
Reserve Fund	£700,000 0 0
Reserved Profits ...	£38,508 0 0
Reserve Liability of Shareholders,	£250,000.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,
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UNION DE BANQUES SUISSES

(SWISS BANKING ASSOCIATION)

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Capital & Reserves, Fr.85,000,000

Special facilities afforded to Anglo-Swiss Trade.

The Merchants Bank of Canada.

ESTABLISHED 1864. HEAD OFFICE: MONTREAL.

Paid up Capital $8,400,000
Reserve Fund & Undivided Profits $8,660,774
Total Deposits (April 30, 1920) $163,000,000
Total Assets (April 30, 1920) $197,000,000

391 BRANCHES IN CANADA.

Foreign Department at Montreal gives Manufacturers and Merchants opening up in Canada all information regarding Water Power, Sites, Tariffs, &c.

Interest paid on Savings Bank Deposits.

LONDON OFFICE: 53 CORNHILL.

J. B. DONELLY, D.S.O., *Manager.*

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL, £1,800,000.
PAID UP, £600,000. RESERVE FUND, £720,000

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BANKERS: The Bank of England; The London Joint City and Midland Bank, Limited.

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clements Lane, Lombard Street, E.C. 4.

Kansallis-Osake-Pankki.

NATIONAL JOINT-STOCK BANK.
Head Office: Helsinki (Helsingfors) Finland.
Branches: 120 all over Finland.

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Reserve Funds ..	„ 55,000,000

Every kind of Banking and Exchange Business Transacted.

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London Agents: London Joint City & Midland Bank.

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HEAD OFFICE:
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BRANCHES:

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Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam	Tanganyika Territory.	
	Tanga		

SUBSCRIBED CAPITAL	£3,000,000
PAID-UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Paid-up Capital	£765,242
Reserve Liability of Shareholders	£1,197,468
Reserve Fund	£220,000

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD SASSOON, BART.,
SIR JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G.,
JAMES H. BATTY, ESQ., G. BROMLEY-MARTIN, ESQ.,
EMILE FRANQUI, ESQ., J. S. HASKELL, ESQ.

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F. H. SUTTON, *Manager.*

THE UNION DISCOUNT COMPANY OF LONDON, LIMITED.

Telegrams: "Udisco, London." 39 CORNHILL, LONDON, E.C. 3. *Telephones:* 514 Avenue (3 lines).

CAPITAL AUTHORISED & SUBSCRIBED	£2,000,000
CAPITAL PAID UP - - - - - -	£1,000,000
RESERVE FUND - - - - - - -	£1,000,000

Rates of Interest now allowed for Money on Deposit as follows:

At Call - - - - - - - - - 5 %
At 7 and 14 days' or longer notice - - 5½%

The Company discounts approved Bank and Mercantile acceptances, effects Purchases and Sales of Government Stocks, Treasury Bills, Shares and other Securities on the usual terms, and grants loans on approved securities at rates which can be ascertained on application at the office.

15th April, 1920.

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C. A. FREEMAN, Manager & Secretary.
Telephone: LONDON WALL 5306 (4 lines).

REFUGE ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.
Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON, SATURDAY, JULY 10, 1920.

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The Money Market.

Friday, July 9, 1920.

	Current Rate — Fixed		Previous Rate — Fixed	
	%		%	
Bank of England Rate	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	6½	—	—
Bank Bills	6¼	6¼–⅜	6¼	7
Trade Bills	—	7–7½	7¼–½	7½

[illegible] of the Government and those which are proposed for the future are open to severe criticism, and therefore, in so far as the universal attention and sharp censure which this subject has called forth of late is aimed at helping the Chancellor of the Exchequer to extricate us from the difficult financial situation in which we are placed, such attention and censure is to be welcomed, as it tends to inspire a greater feeling of confidence. Especially is this true when criticism is pointed at the enormous expenditure proposed for the current fiscal year and at the raising of the excess profits duty rate from 40% to 60%. As regards the former, it is open to grave doubt whether the greatly increased estimates and the proposed reduction of debt of over 234 millions, involving an expenditure of 1,184.1 millions, is not more than the country is able to bear in the present delicate stage of reconstruction. As for the 60% excess profits duty, it is frankly admitted to be an evil whose only excuse is the necessity for raising money by whatever means; but it is our considered opinion that the extra revenue [illegible] profits duty, by restricting the expansion of industry, as it inevitably will, and by adding a greatly increased burden to the consumer, is totally insufficient to counterbalance the economic sacrifice it entails for the country. It would be better even if the money were to be raised by fresh borrowing; much better if part of the proposed reduction of 234 millions in the Debt were postponed till we are better able to achieve it; and, finally, even if the money has to be raised somehow, a flat-rate tax on profits would not only be more acceptable to industry than a 60% excess profits duty, but would also be much more tolerable in its incidence to the country in general.

Let us repeat, when criticism is constructive and is aimed at these two aspects of the national finances, such criticism is healthy, but when, arising out of such criticism, it is attempted to generate a feeling of insecurity and to impair confidence in the national credit, a grave disservice is [illegible] when it is considered that with outside countries, especially the United States, so much depends at present [illegible] ment." That this is so, we have had a striking illustration recently in the phenomenal rise in the dollar-sterling exchange, which occurred immediately on the [illegible]

position will be approaching nearer and nearer to the normal. Our recovery since the Armistice has been remarkable; we have at last come to the position of raising all our expenditure from taxation, we have seen the last of Governmental borrowing, and, despite labour unrest, production has made rapid strides towards recuperation. At the moment the upward rise in prices is at last beginning to break, and the position of the pound sterling is everywhere improving.

As it may be taken that we have now reached the culminating point of national indebtedness, the following table showing the position of the National Debt at various dates before and since the War will be especially interesting:—

(*Millions of £'s.*)

	1920.	1919	1918	1914
	March 31	March 31	Nov. 9	Mar. 31
Funded Debt	714,955	317,629	317,787	580,718
Terminable annuities	19,314	20,645	24,045	23,552
Unfunded debt ...	7,500,764	7,096,675	6,728,223*	35,000
(Floating Debt) ..	(1,312,205)	(1,411,971)	(1,490,189)	(13)
Total dead weight debt .	7,835,030	7,434,949	7,070,055	651,270
Other capital liabilities ...	46,863	46,101	47,623†	56,384
Total debt	**7,881,893**	**7,481,150**	**7,117,678**	**707,654**

* Includes only the British portion of the $500,000,000 joint and several liability of the Governments of the United Kingdom and the Republic of France which matures on October 15, 1920.
† Approximate.

The effect of the repayment of the market's indebtedness to the central institution which was in progress throughout the week was counterbalanced in the earlier part of the week by the Consols interest distribution, but latterly affected supplies of funds sufficiently to produce a hardening of rates. On Monday and Tuesday day-to-day money was renewed at 4½%, with new money offering at 5%, and afternoon balances at 4%, but thereafter, except towards the close of business each day, not less than 5% was asked for both old and new money, and occasionally business was done over 5%. Seven-day loans were steady at 5% to 5½%. The week opened in the Discount market with a rather strong demand for short-dated paper, and a moderate amount of bills offering. July paper was taken at 5%, August paper at 5⅝-¾%, and September maturities at about 6%. The necessity for repaying the Bank, however, coupled with a slackening in the demand for near dates, had the effect of raising the quotations from Wednesday onwards, and 5¼-½% was asked for July maturities, 5¾% for August bills, while two-months paper commanded 6-⅛%. October maturities were called 6⅝%, four-months' bills 6¾%, and full six-months' paper was quoted 6⅞%.

The French franc displayed a weak tendency during the week, doubtless on the unsettling news from Spa, till a quotation of 47.70 was reached yesterday. To-day there was a recovery to 46.75. Brussels cheques, after a similar movement, were called 43.85 to-day. Lire are higher on the week at 65.50. New York cables were weaker to-day at 3.95¼, but the South American group was firm. Of neutrals the Dutch rate improved to 11.17, Switzerland moved in our favour, and Madrid, after many fluctuations, closed lower on the week. The Scandinavian group moved favourably. Of Eastern exchanges the Shanghai tael hardened to 5*s.* 1*d.*, the rupee, after rising to 1*s.* 11½*d.* yesterday, weakened to 1*s.* 10*d.* to-day, and the Hong-Kong dollar was steady at 3*s.* 8*d.*

It was not to be expected, of course, that the ease which quickly manifested itself in Lombard Street after the stringency consequent on the turn of the half-year would have any effect in abating the expansion of the note circulation, and, in fact, the issue of currency notes increased by £2,766,437 during the week ending on Wednesday last. As we have more than once pointed out, there is no reason to look on this as a merely temporary movement, and, therefore, if the fixed fiduciary maximum of £320,600,000 is not to be exceeded it will involve a continuous weakening of the position of the Bank of England by the placing of Bank of England notes in the Redemption Account, without, of course, strengthening in any way the metallic backing of the combined note issues.

NEW YORK.

The latest statement of the New York City Banks and Trust Companies associated with the New York Clearing-house shows a remarkable improvement after the exhaustion of the banks' loaning power incidental to the turn of the half-year. Notwithstanding a rise of 27.3 millions in demand deposits coincident with an expansion of 28 millions in loans, the reserves were strengthened by 14½ millions, making an aggregate reserve of 581, and leaving an excess reserve of nearly 28 millions. As was the case last week, the increase in the strength of the banks seems to be a steady movement; at the end of the week there was an actual excess reserve of $53,430,000, but, in view of the expansion in liabilities, it is hardly to be expected that this strong position can long be maintained.

The features of recent returns of the Federal Reserve Banks are repeated more markedly in the return issued on Monday last. The improved gold situation, to which we make brief reference below, is reflected in a further addition of $2,320,000 to the gold holdings (though the New York centre gained over 31.4), bringing the total up to 1,971.7 millions—the highest since the week ending February 16 last. Since the first week of May the net gain to the gold stock has been nearly 39 millions, and the movements in other items of the returns show that, in spite of the efforts of the Federal Reserve Board, this has been used as a basis for further credit expansion. Rediscounts, which were increased by 113.4 millions during the week, now stand at 2,545.2 millions, a total surpassed only by the figure of 2,564.3 on June 7. Federal Reserve notes, of course, also expanded, and the total circulation is now $3,168,810,000—the highest ever reported. Deposits also expanded, but, on account of the strengthening of reserves above mentioned, the reserve ratio declined only slightly to 42.8%, as compared with 50.8% a year ago.

Though the present position of the American banks cannot be described as anything but abnormal, still the nature of the movements described above are of common experience in the early part of July, and there is no reason why a reaction should not set in by the end of the month.

At present the American Money market is dominated by two factors: the freight tie-up, and the fall in commodity prices As regards the former, it is notorious that enormous sums are locked up in goods which are awaiting means of transport at the railway and shipping centres. In the south-west, for instance, the supply of cars is very much below the amount required to move the crops, and if the situation is not remedied before the autumn, when another large harvest will be ready for transport, very serious results must follow. A fundamental reorganisation of the railroads necessitating a large infusion of new capital is necessary, as well as a settlement of the labour troubles. Now there is no lack of investment funds in the United States, but unfortunately the railroads' profits have sunk to so low a level that they are unable to attract an adequate amount of capital. It only remains, then, to be seen how the valuations made by the Interstate Commerce Commission will work out, and judging by the results up to date, the outcome will be favourable for the lines. On the whole there are good reasons for believing that the railroads will soon begin to function normally, and indeed, if report speaks

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only, the improvement in the freight situation is already under way. The effects of such an improvement are obvious: the enormous stocks lying at the various depots will begin to move; orders will be filled more readily; the amount of time required to finance a transaction will be considerably reduced, and thus the huge blocks of "frozen credit" will begin to thaw.

Turning to the second of the factors mentioned above, it must be said that the recent fall in retail prices in America cannot be taken as the beginning of a general downward movement in prices. For on looking back it can readily be seen that the prices of those commodities in which the break occurred had been raised artificially by speculative holding-up, and the collapse was brought about by a turn of the financial screw. The conditions of production do not warrant a further fall in prices. On the contrary, a reaction to higher prices is predicted, though as regards this latter it is more than probable that the American consumer will refuse to pay higher prices. Finally, the fall occurred only in the textile and boot trades, and was not shared by foodstuffs and minerals. But, though the price-cuts in the departmental stores do not herald a general decline in the price level, they have at least brought temporary ease to the pressure for banking accommodation, and have, by the rush for buying which they precipitated, liberated some of the large supplies of floating funds hitherto held in the pocket of the consumer.

Lastly, the gold situation has been improved by the swing of the exchanges with the East and with Latin-America in favour of the United States. New York cannot congratulate itself on its handling of the Argentine $50,000,000 loan recently matured and renewed by our Government at the low rate of 5%, but at any rate the outcome has been a much needed strengthening of the gold holdings of the Federal Reserve Banks.

In conclusion then, let it be said that what the near future holds for the American money market will depend chiefly on the developments in the freight situation and on the course of commodity prices. Judging by the present trend of events we are inclined to look for a temporary ease in the coming month followed by renewed and more acute stringency in the autumn.

BULLION.

A MODERATE amount of gold came into the market during the week and was taken on United States account. The price kept steady in sympathy with the dollar exchange, and to-day's quotation was 104*s.* 1*d.* per ounce fine.

Business in the Silver market was on an exceedingly small scale. Very limited offerings from Continental sources were forthcoming, while on the demand side both India and China held aloof, the buying being chiefly in the nature of local "bear" covering. The spot price fluctuated between 51½*d.* and 52½*d.*, which was quoted on Wednesday. On Thursday it jumped 1½*d.*, but reacted to 52½*d.* per ounce to-day. To-day's forward discount was 1¼*d.*

On Saturday last the Government of India announced the removal of the restrictions on the export of silver coin and bullion from India, which had been in force since September 1917.

Stock Exchange.

THE wonted dulness of the Stock markets gave way this week to a tone of decided cheerfulness, which is taken by some to herald a general recovery in stocks. It would be unwise, however, to ignore the fact that general conditions do not support a hopeful outlook, though for the moment buyers may be bidding up stocks with comparative freedom. In other words, the causes which led to this week's activity are of a passing nature, and, though they may buoy up confidence for a week or two more, the position beyond that is clouded by the uncertainty of two overshadowing factors—the monetary policy of the Government and the decision of Parliament on the excess profits duty proposals. The influences which dissipate the gloom for the moment are not far to seek. After the turn of the half-year conditions in Lombard Street became decidedly easier, the previous stringency being quickly followed by a plenitude of funds. Thus operations should be carried out on the markets with greater freedom, and the fear of further forced liquidation was for the time in abeyance. Then, again, the temporary dulness of trade and of the Commodity markets helped a reinvestment movement, induced in the first place by the rather large dividend and interest distributions, and thus dealers quickly perceived that there was a good market for high-class investment stocks, and were able to start an upward movement in prices. Finally, the widespread national attention which has quite recently been brought to bear on Governmental expenditure, combined with the strong campaign against the 60% excess profits duty, seemed to augur well for the future conduct of the national finances, and, at all events, so helped sentiment in the Stock markets that buyers preponderated during the week.

A good lead was set to the other markets by the Gilt-edged section, which early assumed an appearance of strength; nor did the prospect of impending issues seem to unsettle sentiment as it did during the past few weeks. The outstanding feature was the 5% War Loan, which advanced under the support of the Government broker. Following the rather strong absorption in the early part of the week, a shortage of stock became evident later on, and further helped prices. Opening at 84¾ on Monday, it closed last evening at 86.

A rather better feeling was in evidence towards the recent investment issues, and fractional gains were recorded in most of the stocks. Those on the look-out for good investment propositions could do worse than examine the subjoined table showing the essential particulars of recent trustee issues and the yields according to the prices ruling on Wednesday. In the case of the London County Five-and-Three-Quarters it should be noted that up to September 30 next holders have the right to purchase £117 of the London County 5% stock with every £100 of the new issue, and £115 stock thereafter until the end of the current fiscal year.

	Amount on Millions of Pounds)	Issued at	Present Price	Yield £ s.	% p.a. Discounting Bonus on Red. £ s.	d.
Bradford 6%, 1936-46 ...	2	96½	94¾	6 6	6	
Cardiff 6%, 1936-46 ...	1½	96½	94¾	6 6	6	
Croydon 6%, 1936-46 ...	1	96½	95¾	6 6	2	
Essex 6%, 1940-60 ...	1½	96½	96	6 4	0	
Kent 6%, 1940-60 ...	1½	96½	95¾	6 5	2	11
Middlesex 6%, 1940-60 ...	2	96½	95¾	6 5	3	
Birmingham 6%, 1936-46 ...	3	98	96¾	6 0	9	
Bristol 6%, 1930-40 ...	¾	Par	101	5 18	10	
Hertfordshire 6%, 1940-60 ...	2	98	97½xd	6 2	11	
Liverpool 6%, 1930-50 ...	¼	Par	101	5 18	10	
London County 5¾%, 1930 ...	7	96	97¾	5 17	6	
Sheffield 6%, 1930-40 ...	¾	Par	101	5 18	10	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		

Colonials were steady, and the Foreign market was again an interesting section. French issues were helped by the exchange up till Thursday, when the rate reacted to a higher figure. German Threes were rather weaker. Mexicans were not disturbed by the news from Mexico. The Fives of 1899 rose 3 to 48 on Tuesday, but lost a point on the following day; the 6% Treasury Bonds were bid up to 57½. Guatemala Fours gained two points to 44 [illegible] were firm, and Venezuelan Diplomatics were again marked up. Brazilian and Japanese issues were inquired for.

Home rails were generally neglected in the early part of the week, and fractional losses were recorded in almost all lines. Nevertheless, the prospect of increased rates had a [illegible]

the way for a reaction which began on Thursday. The leaders were not prominent in the reaction, attention being chiefly centred in the smaller lines. This is doubtless due to a feeling that the Government's proposed scheme will, if put into operation, be more helpful to the smaller lines than to the "heavies."

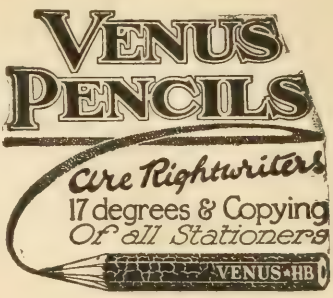
The results of the Underground Electric Company for the half-year ended June 30, 1920, give point to the Company's plea for a higher scale of rates as a sequel to the increase in working costs. After providing for the full interest on the 6% First Cumulative Income Debenture stock, the profits for the half-year amount to only £42, allowing for no payment on the Income bonds. This residue, together with the preceding half-year's carry-forward of £22,938, has been carried to the special reserve for the equalisation of interest. A year ago the Income bonds received a payment of 3%, which was followed by 1% in the latter half of 1919. In face of these results it is not surprising that one of the combined companies—the London General Omnibus Company—have to announce their inability to declare an interim dividend on the shares.

Of the 6% Income bonds the amount outstanding at present is £6,330,050. The interest is non-cumulative, and ranks next after that on the Income Debenture stock. In 1918 5% was distributed, and for the first half of 1919 3%. To-day's marking for the bonds was 56½, as compared with 81½—the lowest—for 1919. The shares fell to 1⅝ to-day.

Evidently the hopeful results of the Argentine railways is attracting the attention which the lines merit, for, after some wavering in the beginning of the week, the stocks advanced uniformly towards the end. The volume of the traffic receipts of Argentine Rails is dependent to a considerable extent on Chilean nitrate, and the favourable outlook for this industry should prove a "bull" point for Argentine descriptions. Mexican Railway stocks receded. Canadian Pacifics were marked up.

The Industrial section shared in the better tendency of the markets as a whole, and though the volume of activity was not very great, yet buyers are becoming more numerous and there is a tendency for business to expand. It was noticeable that the speculative descriptions were not by any means the centre of attention, and investors seemed to predominate among the buyers. Textiles were a bright spot, especially Amalgamated Cotton Mills, for which there was a strong inquiry. The directors of Courtaulds have declared an interim dividend of 3*s.* 6*d.* per share free of income tax, or 17½%. Last year the interim distribution was 20% free of income tax, and for 1918 the interim was 15%, which, with a final distribution of 17½% tax free, made 32½% for the year. Iron and Steel shares were firm. Vickers were at first in demand, but were subject to selling later. Marconis and Dunlops recovered fractionally. Of Shipping descriptions, P. & O. Deferred were still in request, and as a result of the week's dealings they show a rise of 35 points to 470. Banking stock was inquired for when the favourable half-year results were recognised.

Perhaps the only market where speculative stocks were in strong prominence was the Oil market. A strong wave of buying which began early in the week was helped by Sir Marcus Samuel's speech at the Shell meeting. His optimistic comments on the subsidiary companies had a good effect, while his references to Venezuela produced a demand for Venezuelan descriptions. Shells themselves were not supported as much as might be expected, and the chief centre of interest was Mexican Eagles, which advanced to ⅝ for the Common and 9⅜ for the Preference. Shells advanced from 6½xr to 7⅜xr, and Scottish-Americans from 31*s.* 3*d.* to 32*s.* 7½*d.* Burmahs were marked up to 16¼, while Tankers (15*s.* paid) gained 3*d.* to 13*s.* 9*d.*. Trinidad descriptions were quiet.



Mining Topics.

At the opening the market was distinctly on the quiet side. Kaffirs were idle, whilst De Beers reacted ¼ to 19¼. The outstanding feature was provided by Chartered, which were dealt in extensively, and, despite some profit-taking, finished the day 3*d.* to the good at 17*s.* 6*d.* After the middle of the week Paris support was forthcoming for Kaffirs, and Rand Mines moved up from 2⅛ on Tuesday to 2⅛ on Thursday, whilst Central Mining put on ⅛ on Thursday to 8⅜, and Gold Fields ⅛ to 1⅜. Interest also revived in De Beers, which closed firm on Thursday at 20¼. There was a large turnover in Chartered, which closed somewhat lower at 17*s.* 4½*d.* on Thursday, no doubt in view of the statement that no payment would be made by the Government without the sanction of the House of Commons.

The June returns are, on the whole, of such a nature as to prove a bull point. Although gold is reckoned at £5 2*s.* 6*d.* per ounce, as against £5 5*s.* per ounce in May, the Johnnies group record a profit of £204,330, in comparison with £172,965 for May. Government Areas is responsible for more than half, with a return of £106,086. Van Ryn Deep is a good second with its profit of £61,051. The salient feature is provided by Randfontein Central, which is credited with a profit of £5,460, whereas in May a loss of £23,957 was registered, owing to Block "A" shaft being out of commission. The information supplied by the Rand Mines coterie includes the pertinent fact that realisation charges were only 7*s.* an ounce, as against 8*s.* 9*d.* an ounce in May. This reduction reflects admirably the result of the improvement in the South African exchange rate. It will be noticed, however, that whilst the fall in the gold premium caused a loss of 2*s.* 6*d.* per ounce as compared with May, the saving effected owing to the lower realisation charge was only 1*s.* 9*d.* per ounce. It is of interest to note that the realisation charge appears to differ for different companies. With Springs Mines it reached 7*s.* 8*d.* per ounce, whilst Brakpan recorded a charge of 7*s.* 7*d.* per ounce. New Modderfontein contributes the largest profit to the Rand Mines group, with a total of £111,382, and Crown Mines follows on with a profit of £61,041. City Deep, having conquered the initial difficulties connected with the taking over of the City and Suburban Mine, worked on a larger tonnage of better grade ore at a lower working cost. Consequently it lays claim to a profit of £38,202. It was an increase in the tonnage also that enabled Geldenhuis Deep to return a profit of £840. Modderfontein East has begun to earn a profit. In June it crushed 21,000 tons at a profit of £3,300. But this profit has not been charged with any expense in connection with development, head office, and general expenses. The profit of £21,071 for Springs Mines was £7,958 below the profit in May, and the loss was due to the sectional strike, with the conse-

quent suspension of operations for nearly five days. The profit recorded by Modderfontein Deep Levels is almost unaltered, reaching £57,243. With Geduld Proprietary there is a reduction of 500 tons in the quantity of ore treated, and the profit is reduced from £23,088 to £21,448. A slight increase in the tonnage crushed by Brakpan adds £404 to the May profit, the return for June being £21,475. East Rand Proprietary, which reported a loss of £7,079 for May, now records a profit of £2,697. In announcing its interim dividend of 1*s.* 6*d.* per share in respect of 1920, the Ivanhoe Gold Corporation dwells upon the difficulties experienced in treating the estimated tonnage monthly and in maintaining the grade of ore treated. Shareholders are informed that in view of these obstacles it may be necessary to depart from the procedure of declining quarterly dividends, and that in all probability the dividend for the second quarter may have to be deferred. Robinson Deep have declared a dividend of 2*s.* per share on the "A" shares.

CONSOLIDATED LANGLAAGTE.

Issued Capital: £950,000, in £1 Shares.

Year to Dec. 31	Ore Milled	Gold Yield per Ton	Working Costs per Ton	Working Profit* Amount	Working Profit* Per Ton	Net Profit†	Dividends Amount	Dividends %
	Tons	£ s. d.	£ s. d.	£	£ s. d.	£	£	
1917...	588,650	24/10½	17/1½	228,017	7/9½	126,705	166,250	17½
1918...	503,300	25/1½	18/11	156,702	6/2½	133,767	47,500	5
1919...	507,800	26/1½	20/6½	117,554	4/7½	147,243§	118,750	12½

* Excluding small profit from treatment of accumulated slimes amounting in 1919 to £1,243.

† After writing off all expenses and taxes, including Debenture interest.

‡ Excluding premium on gold amounting to £65,650, equivalent to 2*s.* 7*d.* per ton milled.

§ Including the gold premium.

According to the report of this South African gold mine for the year ended December 31, 1919, there was only a slight improvement in the quantity of ore milled, the return of 507,800 tons being only 4,500 tons in excess of the low figure of 1918. Calculating gold at 85*s.* per oz. in order to compare the results effectively with those of previous years, the gold revenue per ton works out at 25*s.* 1*d.*, slightly lower than the yield of 1918. On the other hand, in common with the other gold mines, the working costs increased considerably during the year, mainly owing to the higher cost of stores, to heavy contributions under the miners' phthisis legislation, and to higher war bonuses paid to the employees. Thus was produced a working cost of 20*s.* 5½*d.* per ton, or 1*s.* 6½*d.* per ton more than in 1918. Thus, at the par value of gold, a working profit of £117,554 was earned, as against £156,702 in 1918, corresponding to 4*s.* 7½*d.* per ton, or more than 2*s.* 6*d.* per ton less than that of the previous year. However, owing to the premium on gold prevailing after July 24, there accrued on the gold realised between that date and the close of the year an additional profit of £65,650, equivalent to 2*s.* 7*d.* per ton milled. Taking this into account, the actual gold revenue per ton amounted to 27*s.* 8*d.* and the working profit per ton to 7*s.* 2½*d.* Thus the net profit amounted to £147,243, as against £133,767 in 1918. Dividends paid to shareholders absorbed £118,750, equivalent to a rate of 12½%, as against 5% in 1918. There was carried forward to the next accounts a balance of £71,083.

It is not easy to estimate the outlook for the current year. The rosy prospects to which the high premium on gold gave birth in the early months have now assumed a darker hue. For not only has the gold premium declined sharply, but working costs have risen more than proportionately, whilst realisation charges are still at a high level. The development work during the year under review exceeded that of 1918 by 2,431 feet. Reports, however, still dwell on the fact that the South Reef is becoming poorer in depth. At the same time good values were exposed on the Main Reef Leader. The total development work amounted to 16,245 feet, and of this as many as 14,651 feet were on reef. On sampling 12,313 feet, it was found that 41.69% was payable, the ore averaging 44.85 dwt. over 12.33 inches. This compares with 46.27% payable in 1918, with ore of 39.27 dwt. over 14 inches. The position of the ore reserves during the last three years is as follows:—

	Tons	Ore Value per Ton	Ore Stoping Width
1917	2,132,778	29/6	48
1918	2,150,000	29/1	51
1919	2,000,000	26/6	55

Thus, whilst there has been a small decline in the tonnage, the ore has increased in value from 6.2 dwt. to 6.25 dwt., whilst the stoping width has improved to 55 inches. Returns for the first quarter of 1920 show that the gold revenue (including the large premium on gold during February) averaged 29*s.* 8*d.* per ton crushed. Working costs registered a substantial rise to 24*s.* 4*d.* per ton, leaving only a working profit of 5*s.* 4*d.* per ton. In the April return, with a further advance in working costs to 26*s.* 5*d.* per ton, the working profit is down to 4*s.* 1*d.* per ton. The May output was secured at a reduced cost of 25*s.* 11*d.* per ton, but owing to the decline in the gold premium and the growth of realisation charges the working profit again declined to 4*s.* per ton. Development work during the first quarter shows that of 2,530 feet sampled, 590 feet proved payable with ore averaging 44.6 dwt. over 10.7 inches of reef. These returns would seem to indicate that unless the situation improves for the remainder of the year shareholders would be wise to build on a smaller dividend than that of 1919. Wisdom counsels, too, that such improvement must come rather from a reduction in the working costs than from any further advance in the gold premium. However, the interim dividend just declared of 5%, or 1*s.* per share, is the same as the interim dividend of 1919. Meanwhile the financial position of the Company as disclosed in the balance sheet dated December 31, 1919, is strong. The further redemption of £25,000 reduces the outstanding liability on Debentures to £75,000. Liquid assets amount to £149,142 and are more than sufficient to cover the liabilities, which reach £127,996. In the market the £1 shares are quoted at 14*s.* 7½*d.* Upon the basis of a 10% dividend the yield at this price amounts to over 13½%, but if the 1919 dividend is maintained the yield would be increased correspondingly to a little over 17%.

MONGU (NIGERIA) TIN.

Year to Dec. 31	Tin Output Tons	Value of Product* £	Net Profits £	Excess Profits Tax £	Dividends £	Dividends %	Carried Forward £
1915 ...	490	47,835	17,258	—	15,437	12½	2,592
1916 ...	557	54,357	17,705	—	17,275	15	4,294
1917 ...	571	84,228	37,978	14,526	21,012	22½	6,933
1918 ...	476	109,030	55,488	29,762	23,812	25	8,907
1919 ...	552	76,103	25,302	6,000‡	20,152	25	8,057

* A portion of a year's production sold in the succeeding year.

† After providing for depreciation and royalty.

‡ Estimated.

At first sight it might appear from the above table that the operations of this Nigerian tin-mining Company for the year ended December 31, 1919, did not compare favourably with those of the preceding year. But if the actual circumstances of the working of the Company are borne in mind, as well as the adverse factors in force during the year, it becomes easier to grasp the Chairman's description of the results as "the most satisfactory [illegible] have been other than satisfactory." [illegible] according to the above table, whilst the tin output increased during the year from 476 tons to 552 tons, the value of the produce was only £76,103, in comparison with £109,030 in 1918. But whilst this greater quantity of tin was sold, a smaller quantity was disposed of, and that at much lower price levels than those prevailing in 1918. [illegible] were sold as against 440 tons in the previous year. Similarly, whilst the average price for tin in 1918 reached £329 a ton, the average for 1919 was only £257 a ton. Moreover, in accordance with the conservative policy of the concern, the stock at the

end of the year was only taken into account at cost price, and this stock stood at 267 tons at the end of 1919, as compared with 164 tons at the close of 1918. Consequently, with a smaller quantity disposed of at lower prices and a large stock estimated at cost price, the decline in the value of the produce to £76,103 becomes readily intelligible. As with all other companies, a greater expenditure had to be incurred in face of the rise in prices of stores and materials and of the advances in wages that had to be granted to secure an adequate supply of native labour. Thus the net profit fell to £25,322, as against £59,788 in the previous year. On the other hand, the amount required to meet the charge in respect of excess profits duty is estimated at £6,000 only in contrast with £29,762 for 1918. Hence it was possible to give to shareholders a dividend of 25% less tax, as in 1918. After meeting this dividend and providing for excess profits duty a balance of £6,387 is carried forward to the next accounts.

The prospects for the current year are very encouraging. Three new mining areas, covering in all 20 square miles, have been purchased during 1919, and preliminary investigations show that the area promises well. Mining leases over 609 acres have been taken up in a region known to contain payable tin. Fifteen applications have been made for mining rights over a length of 14 miles. But the most valuable acquisition of all has been that for which £17,500 in fully-paid shares of 10*s.* at par were paid to the Anglo-Continental Mines Company. Exclusive prospective licences over six areas for 22½ square miles have thus been obtained, in addition to three mining rights of about one mile each within those areas. These areas are for the most part contiguous to the rich tin-bearing property of Ropp Tin. Portion of the area has already been proved to contain 200 tons of 70% concentrate in 13 acres. The effect of all these acquisitions will undoubtedly be to extend the life of the Company considerably. Meanwhile, the outlook as regards the current year is bright despite the recent relapse in the price of tin. The output for the first four months has been 200 tons, or 10 tons less than the output for the corresponding period of 1919. But as during that period tin continued to command a high price, the financial results were much more favourable. Again, the large stock of 267 tons which was in hand at the end of 1919 has been realised also at much higher prices than those prevailing now. From that point of view alone the Chairman held that a 25% dividend for 1920 was assured despite the increase in the excess profits duty to 60%. The position as revealed in the balance sheet dated December 31, 1919, is financially strong. Liquid assets exceed £31,105, whereas liabilities, including the final dividend of £10,076, do not amount to £16,815. The market quotes the 10*s.* shares at 16*s.* 6¾*d.*, and they yield at this price upon the basis of a 25% dividend a return of over 15%.

Springs Mines.—Issued capital £1,211,736 in £1 shares; £130,000 6% Debentures. Capital being increased to £1,500,000. Plant capacity 40,000 tons per month. Trial crushings started January 1917:—

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	313,065	13½	610,440	39/0	345,998	22/1	264,442	16/11	3½
1918 ...	427,610	18·7	905,777	42/4	475,222	22/3	430,555	20/1	3½
1919 ...	434,610	18-11	829,286	38/2	578,719	26/8	250,567	11/6	2½
1920.									
Mar. qr.	115,400	—	210,412	36/5	171,041	29/9	39,371*	6/8	2⅝
April ...	39,600	—	76,916	38/10	58,728	29/8	18,188†	9/2	2⅛
May ...	38,000	—	76,952	40/0	56,990	29/11	19,062‡	10/1	2⅛

* Excluding gold premium, £47,766.
† Excluding gold premium, £8,832.
‡ Excluding gold premium, £9,967.

Development charge raised 2*s.* 6*d.* per ton milled from July 1, 1919.

Dividend—1918, June (Springs West shares); Dec., 12½ per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, July 7, 1920.

Issue Department.

Notes Issued	£137,935,475	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	119,485,475
	£137,935,475		£137,935,475

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£52,424,853
Rest	3,274,474	Other Securities	83,894,614
Public Deposits	17,886,048	Notes	15,191,680
Other Deposits	117,035,455	Gold and Silver Coin	1,252,227
Seven-day and other Bills	14,377		
	£152,763,354		£152,763,354

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1920.	£	£	£	£	£	£	£	%	%	%
July 7	122,7	120,7	17,8	117,0	52,4	83,8	16,4	12·2	7	6⅛
June 30	120,0	117,8	15,7	175,9	90,0	103,1	18,3	8·6	7	6⅛
June 23	115,2	117,8	17,8	118,4	53,0	80,1	20,3	15·4	7	6⅛
June 16	114,1	117,3	21,2	132,5	70,8	78,8	21,9	14·3	7	6⅛
June 9	114,3	116,7	19,4	136,8	74 4	78,7	20,7	13 3	7	6⅛
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920. 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	July 9, 1920	July 9, 1919	July 10, 1918	July 11, 1917	July 8 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£122,7	£79.6	£55.1	£39.9	£28.9
Public Deposits	17.8	24.8	38.3	42.1	21.5
Other Deposits	117.0	205.2	140.4	126.1	45.4
Government Securities	52.4	136.9	57.4	45.5	18.0
Other Securities	83.8	83.3	109.9	108.8	35.9
Reserve	16.4	27.5	29.3	31.9	31.1
Ratio to Liabilities	12·2%	11.98%	16·40%	19·00%	46 40%
Coin and Bullion	120.7	88.7	86.0	63.4	41.5
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛-⅛%	3%	3⅛-⅜%	4⅛%	2⅝%
Exchanges:					
Paris Cheque	46·67	30·67½	27·15½	27·42	25·21
New York 60 days	3 89‡	4·48	4·72½	4·72½	4·83½
Bombay Telegraphic Transfers	1/10	1/7⅛	1/5⅝	1/4½	1/3⅛
Prices:					
Consols 2½% Cash	47	52⅛	56	55½	82⅛
French Rentes 3% Money	55·30	61·50	61·80	60·50	97 40
Silver, London spot os.	52¼d.	43¼d.	48⅞d.	41d.	25¾d.
Wheat, *Gazette* average qr.	83/10	73/4	74/4	78/1	29/9
Cotton, Mid Upland lb.	23·33d.	20·07d.	22·14d.	19·00d.	7·89d.
Iron, Scotch pig ton	223/6	166/0	101/0	98/6	55/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
July 7, '20	8,110,095	5,343,658	360,122,230	28,500,000	16,100,000	12·4
June 30, '20	11,284,843	7,941,449	357,355,793	28,500,000	13,400,000	11·7
July 8, '19	6,303,608	6,273,228	342,982,729	28,500,000	—	8·3
July 10, '18	6,606,522	3,921,280	258,911,783	28,500,000	—	11·0
July 11, '17	5,000,182	4,253,767	164,728,380	28,500,000	—	17·3
July 12, '16	4,234,770	3,372,024	124,880,110	28,500,000	—	22·8

Balance Sheet, July 7, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	282,803,363	Other Bankers ...	—
Ten Shilling	43,468,867	Trustee Savings Banks	190,500
Certificates outstanding ...	33,850,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	360,122,230	Bank of England Notes...	16,100,000
Investments Reserve A/c ...	16,768,059	Government Securities ...	331,847,618
		Balance at Bank of England	252,671
Total	376,890,289	Total	376,890,289

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c. Cr.	Loans, Advances, &c. Dr.	Loans, Advances, &c. Net +	Cash Balance
June 30§	£8,845	£12,609	£5,964	£55,839	£50,348	−£5,291	£2,823
June 26	16,251	12,086	4,165†	183,753	188,497	— 4,744	3,297
June 19	13,618	8,117	11,501‡	54,348	65,065	—10,717	3,875
91dys. '20-21	314,986	284,728	30,258‡	1,251,744	1,291,371	—39,627	— 6,748
91days '19-20	185,796	401,199	215,403	1,584,777	1,376,533	208,244	— 7,169
*Yr. '20-21**	1,418,300	1,184,102	234,198‡	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	8,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,749
Yr. '17-18	707,234	2,896,221	1,988,987	7,499,604	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
June 30§	£1,581	£2,650	£749	£1,835	£2,185	£182	£10,262
June 26	5,187	1,790	4,824	4,470	1,682	1,002	9,422
June 19	11,097	1,060	5,317	3,144	2,537	60	5,500
91days'20-21	71,408	53,718	56,368	133,492	108,452	3,419	174,857
91days'19-20	55,660	39,114	63,791	27,231	114,249	1,530	285,419
*Yr. '20-21**	348,650	385,800	220,000	463,850	345,000	31,193	807,904
Yr. '19-20	283.023	359.099	290.045	407.404	332.034	16.171	1,317.568
Yr. '18-19	162.220	291.186	285.028	150.557	269.964	11.380	2,297.868
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	2,494.968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rqts.
June 30, 1920 ...	£1,050,080	£243,691	£1,293,781	£1,745,720
June 26, 1920 ...	1,069,628	218,324	1,287,950	1,745,720
June 19, 1920 ...	1,077,997	213,317	1,291,314	1,745,720
June 12, 1920 ...	1,077,203	223,817	1,301,020	1,745,720
June 30, 1919 ...	796,160	774,237	1,570,397†	1,732,021

* Budget estimates. † Highest. ‡ Excess of revenue. § days.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

		Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6 '14	...	£10,977	£833	£11,810	£41,925	£91,900	£8,283
June 24, '20	...	10.659	1.049	11.709	25.057	208.955	81.106
July 1, '20	...	10.659	1.055	11.714	24.802	211.379	76.954

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *							
June 7, '20	..	£388,559	£88,023	£32,893	£87,293	£345,089	£83,673
June 15, '20	..	392.186	88.923	32.193	89.132	346 438	68 442
June 23, '20	..	396.948	88.923	34.618	89.020	350 493	69.980

		Gold	Cash— Silver	Total	Dis-counts	Balance Abroad	Circula-tion	Deposits
DENMARK.								
July 31, '14	...	£4.100	£341	£4.441	£6.197	£786	£8.893	£47
May 31, '20	...	12.838	154	12.792	15.486	1.933	26.847	2.113
June 30, '20	...	12.668	147	12.815	14.428	1.885	29.370	2.403
June 30, '19	...	10.432	143	10,575	4.593	2.755	24.222	1.181
June 29, '18	...	10.493	131	10.624	3.475	3.669	20.891	1.214

		Gold— In Bank	Abroad	Total Cash incl'e Silver	Bills	Circula-tion	Deposits— Public	Private
FRANCE.								
July 30, '14	...	£185.654—		£190.687	£97.788	£267.327	£15.302	£37.903
July 1, '20	...	144.395	79.131	233.202	80.980	1.510.508	1.793	148.260
July 8, '20	...	144.409	78.131	233.438	72.913	1.520.485	2.091	138.324
July 10, '19	...	143.111	79.131	234.322	34.997	1.400.313	2.947	127.439
July 11, '18	...	134.541	82.484	227.899	45.387	1.163.616	1.595	158.793

		Gold	Cash— Silver	Total	Treasury & Other Notes	Loans & Discounts	Circula-tion	De-posits
GERMANY.								
July 23, '14	..	£67.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.199
June 15, '20	..	54.585	160	54.745	809.552	2.032.992	2.540.433	785.830
June 23, '20	..	54.583	175	54.758	824.777	1.858.425	2.582.829	578.989
June 23, '19	..	55.890	985	56.875	437.943	1.440.222	1.455.393	481.087
June 22, '18	..	117.303	6.037	123.340	81.621	741.841	802.378	405.908

		Gold	Cash— Silver	Total	Dis-counts	Ad-vances	Circula-tion	De-posits
HOLLAND.								
Aug. 1, '14	...	£13.498	£249	£13.745	£13.422	£10.332	£35.860	£1.437
June 28, '20	...	63.095	1.168	64.183	13.913	25.885	83.895	†11.978
July 5, '20	...	63.026	1.178	64.203	12.700	28.179	86.863	10.500
July 5, '19	...	54.809	625	55.434	11.548	18.093	85.410	4.798
July 6, '18	...	59.793	641	60.434	4.232	9.920	77.347	4.853

		Gold	Cash— Silver	Total	Other Cash	Loans & Discounts	Circula-tion	Deposits
ITALY.								
July 31, '14	...	—	—	£48,456 —		£25.017	£69.204	£8.897
April 30, '20	...	£32.190	£3.003	35.193	19.852	180.782	501.813	74.704
May 31, '20	...	32.191	2.999	35.190	16.322	180.502	517.128	70.783
May 31, '19	...	32.622	2.970	35.592	25.698	57.148	372.375	60.528
May 30, '18	...	33.480	3.145	36.625	8.514	55.057	297.598	57.484

		Gold	Cash Silver	Total	Advances	Notes	Deposits— Public	Private
JAPAN.								
Aug. 1, '14	...	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521	
May 22, '20	...	91.680	31.835	35.974	115.480	115.410	11.736	
May 29, '20	...	92.092	39.385	37.373	130.594	112.364	8.512	
May 24, '19	...	70.592	3.128	39.627	80.429	117.113	3.749	
May 25, '18	...	65.638	1.751	19.327	82.851	68.988	4.841	

		Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest.,&c.	Demand	Net Deposits— Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89.888	£411.239	—	—	£387.185	£1.720
June 28, '20	...	£19.098†	113.320	1.028.716	£829.862	£51.424	903.554	3.388
July 3, '20	...	18.4821	116.210	1.034.324	835.326	51.028	904.060	5.590
July 5, '19	...	18.764†	116.288	998.608	818.554	33.070	915.730	8.058
July 6, '18	...	19.986†	109.850	877.088	729.536	32.136	819.382	13.138

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circula-tion	Deposits
NORWAY.							
July 31, '14	...	£2.980	£1.678	£493	£4.888	£6.753	£793
June 22, '20	...	8.120	3.362	579	22.693	23.478	7.083
June 30, '20	...	8.120	3.193	579	23.611	24.280	6.908
June 23, '19	...	8.180	4.132	678	18.426	23.351	4.226

		Gold	Silver	Total	Discounts & Advances	Note Circu-lation	Deposits
PORTUGAL.							
May 28, '20	...	£1.908	£3.921	£5.827	£20.777	£91.309	£8.205
June 2, '20	...	1.908	3.921	5.827	20.406	90.438	10.635
June 4, '19	...	1.905	13.938	5.843	8.152	65.125	2.965
June 5, '18	...	1.905	3.464	5.369	8.822	48.495	2.085

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Apr. 17, '20	...	£60.809	£8.458	£2.642	£11.100	£180.955
Apr. 24, '20	...	60.809	9.616	2.853	11.469	181.620
May 1, '20	...	60.809	9.031	3.074	12.105	181.292
May 3, '19	...	36.781	7.480	1.705	9.185	109.312

		Gold— In Bank	Abroad	Total Cash Incl'e Silver	Loans & Discts	Circula-tion	Notes in Reserve	Total Deposits
RUSSIA.								
July 31, '14	..	£160.114	£14.395	£181.892	£76.081	£183.411	£8.589	£109.911
Oct. 28, '17	..	128.623	230.885	378.205	1.869.559	1.836.217	15.783	345.550

		Gold	Cash— Silver	Total	Loans, &c.	Spanish 4%	Circula-tion	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21.804	£23.197	£50.991	£40.572	£13.778	£77.557	£18.955
June 28, '20	...	86.102	34.822	122.324	84.314	13.779	154.886	46.398
July 3, '20	...	86.102	34.581	122.683	86.979	13.779	156.435	41.020
July 5, '19	...	90.888	25.996	116.884	92.885	13.778	143.192	39.400
July 6, '18	...	84.599	27.847	112.446	52.041	13.777	117.988	42.717

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circula-tion	Deposits
SWEDEN.							
Aug. 1, '14	...	£6.717	£6.150	£1.555	£7.495	£13.432	£3.903
June 18, '20	...	14.498	4.852	2.519	37.776	38 690	17.716
June 28, '20	...	14.503	4.928	2.534	35.753	37.591	15.385
June 28, '19	...	16.102	7.217	2.921	21.776	38.884	6.829
June 28, '18	...	14.333	7.654	5.359	13.079	37.034	6.480

		Gold	Cash Silver	Total	Discounts & Advances	Circula-tion	Deposits
SWITZER-LAND.							
July 23, '14	...	£7.202	£758	£7.960	£4.817	£10.716	£2.026
June 23, '20	...	21.324	3.466	24.790	12.620	39.949	4.774
June 30, '20	...	21.325	3.484	24.809	14.434	38.440	4.243
June 30, '19	...	18.857	2.758	21.812	19.329	37.454	4.593
June 29, '18	...	15.378	2.278	17.652	15.903	28.816	6.160

* Converted at 24 crowns to £1.
† Net reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold— Held by Banks	With Agents	Total Cash	Bills Dis-counted	Accept-ances.	Deposits— Govt.	Total Net.	Circula-tion.
June 28.'20 ...	—£393.876—		£421.752	£426.353	£70.838	£6.838	£344 444	697 344
July 5.'20 ...	—394.340—		421.902	509.038	78.018	4.340	350.978	633.762
July 5,'19 ...	189.448	256.344	439.072	379.008	68.138	27.986	354.400	510 470
July 5,'18 ...	182.500	199.322	403.032	215.356	42.390	25.890	294 788	358.314

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed			%	Date Fixed
Amsterdam	...	4½	July 1,'15	Lisbon	...	5½	Jan. 15,'14
Berlin	...	6	Dec. 23,'14	Madrid	...	5	Nov.10,'19
Berne	...	5	Aug. 21,'19	Paris	...	6	Apr. 8,'20
Bombay	...	6	June 16,'20	Petrograd	...	8	July 29,'14
Brussels	...	5½	Apr. 28,'20	Rome	...	6	May 12,'20
Calcutta	...	5	June 5,'19	Stockholm	...	7	Mar. 18,'20
Christiania	...	7	June 25,'20	Tokio	...	8·03	Nov. 18,'18
Copenhagen	...	7	Apr. 16,'20	Vienna	...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		July 9, '20	July 2, '20	June 25, '20	June 18, '20
Berlin	Cable	150m.	149m.	147m.	154m.
Brussels	Cheques	43fr. 85c.	44fr. 75c	45fr. 45c.	48fr. 25c.
Denmark	Cable	23kr. 85	24kr. 00	23kr. 80	23kr. 70
Holland	do.	11fl. 17c	11fl. 17c.	10fl. 07c.	11fl. 03c.
Italy	do.	65fr. 50	65fr. 25	64fr. 50	65fr. 50
Lisbon and Oporto	do.	110¼	110¼	110¼	111¼
New York	do.	$3 98	$3 98½	$3 97	$3 97½
—	Cheques	$3 97½	$3 97½	$3 93	$3 99
Norway	Cable	23kr.80	23kr. 95	23kr. 03	22kr. 70
Paris	3 mos.	47fr. 75c.	47fr. 87c.	47fr. 95c.	50fr. 90c.
—	Cable	46fr. 75c.	47fr. 12c.	47fr. 70c.	49fr. 90c.
Spain (Bank places)	3 mos.	55¼	49⅞	49⅞	43⅞
—	Cable	24p. 35	24p. 10	23p. 77	23p. 91
Sweden	do.	17kr. 85	17kr. 93	18kr. 07	18kr. 18
Switzerland	3 mos.	22fr. 45c.	22fr. 29c.	22fr. 25c.	22fr. 37c.
—	Cable	22fr. 00c.	21fr. 84c.	21fr. 80c.	21fr. 87c.
ON LONDON—		July 9, '20	July 2, '20	June 25, '20	[illegible]
Alexandria	Sight	97¼pl.	97¼pl.	97¼pl.	97¼pl.
Amsterdam	Cheques	11fl. 17c.	11fl. 16c.	11fl. 07c.	12.107d.
Athens	Cable	31dr. 37	31dr. 77	32dr. 10	25dr. 22½
Bombay	Transfers	1s. 9 1-16d.	1s. 9¼d.	1s. 10d.	2s.*
Brussels	Cheques	43fr. 87c	44fr. 83c.	45fr. 47c.	48fr. 22½
Buenos Ayres	Transfers	56.1.	57.8.1.	57.8.1.	47.59d.
Calcutta	do.	1s. 10 7-16d.	1s. 9 7-16d.	1s. 10d.	2s.*
Christiania	Sight	23kr. 82	23kr. 84	23kr. 07	18.159kr.
Copenhagen	do.	23kr. 83	24kr. 05	23kr. 85	18.159kr.
Helsingfors	Cable	93¼m.	94m.	87¼m.	25m. 22½
Hong Kong	Transfers	3s. 8½d.	3s. 8½d.	3s. 7d.	—
Italy	Sight	65fr. 45c.	65fr. 37c.	64fr. 25c.	25fr. 22½c.
Lisbon	do.	110¼	110¼	110¼	53½d.
Madrid	do.	1s. 10 7-16d.	1s. 9½d.	1s. 10d.	2s.*
Madrid	do.	24p. 36	24p. 10	23p. 77	25p. 22½
Montevideo	Transfers	58½d.	58½	60½	51d.
Montreal	Cable	$4 49½	$4 53	$4 53	$4 33⅛
New York	Sight	$3 94	$3 94½	$3 98½	—
—	60 days	$3 83½	$3 90½	$3 94	—
—	Cable	$3 95½	$3 95½	$3 97	$4 33⅛
Paris	Cheques	46fr. 87c.	47fr. 10c	47fr. 75c.	25fr. 22½c.
Rio de Janeiro	90 days	14⅛d.	14⅛d.	14⅛d.	19d.
Shanghai	Transfers	5s. 1½d.	5s. 1d.	4s. 10d.	—
Singapore	Sight	2s. 4d.	2s. 3½d.	2s. 3½d.	—
Stockholm	do.	17kr. 84	17kr. 93	18kr. 08	18.159kr.
Switzerland	do.	22fr. 01c.	21fr. 84c.	21fr. 77c.	25fr. 22½c.
Valparaiso	90 days	12⅛d.	13⅛d.	—	18d.
Yokohama	Sight	2s. 7½d.	2s. 7½d.	2s. 6¼d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920

NEW YORK ON—		Rate Current— July 9, '20	July 2, '20	Par as usually Quoted	Rate July 3
Amsterdam, sight	...	35.35c.	35.40c.	40.20c. for 1 guilder	40.25c.
Bombay, cheques	...	37.90c.	33.25c.	48 68c. for 1 rupee	33 00c.
Buenos Aires, cheques	...	108.70	105.70		
Christiania, cheques	...	18.45c	18.25c.	26.80c. for 1 krone	26.85c.
Copenhagen, cheques	...	18.55c.	18.25c.	26.80c. for 1 kroner	26.85c.
Greece, cheques	...	12.72c.	12.75c.	19.295c. for 1 drachma	
Hongkong, cheques	...	72c.	73c.	74.59c. for Mex. $1	48.4c.
Italy, sight	...	16.55l.	16.85l.	5.13½ lire for $1	5.17l.
Lima, cheques	...	4.99l.	4.99l.	4.8665 $ for 1 libra	
Manila, cheques	...	49.80c.	49.80c.	50c. for 1 peso	49.8c.
Montreal	...	12 125/32dis.	12 375/32dis.	Premium par $100	Par
Paris, sight	...	11.97fr.	12.18fr.	5.18½ francs for $1	5.18fr.
Petrograd, sight	...	—	—	51.46c. for 1 rouble	51.37c.
Rio de Janeiro, cheques	...	43.20c.	43.50c.	32.42c. for 1 milreis	
Shanghai, cheques	...	101c.	101c.	52.98c. for 1 tael	83 00c.
Singapore, cheques	...	51.375c.	51.50c.	56.77c. for $1	57.12c.
Spain, cheques	...	18.30c.	18.55c.	19.30c. for 1 peseta	
Stockholm, cheques	...	22.15c.	22.09c.	26.80c. for 1 krone	
Switzerland, cheques	...	5.57fr.	5.50fr.	5.18½ francs for $1	5.18½fr.
Valparaiso, cheques	...	19.00c.	19.00c.	20.61c. for 1 peso	
Yokohama, cheques	...	51.375c.	51.50c.	49.84c. for 1 yen	49.90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Aggr.	Inc. or Dec.*
	1920	(In £'s sterling 000's omitted.)			%
BIRMINGHAM ...	July 3	£5.045 +	£296	£102.034 +	£12.233 + 46·3
BRISTOL ...	,, 3	1.840 —	12	43.186 +	11.813 + 32·5
DUBLIN ...	,, 3	7.704 —	330	235.717 +	49.203 + 25·7
LEEDS ...	,, 3	2.706 +	802	49.671 +	18.108 + 57·4
LEICESTER ...	,, 3	1.326 —	79	36.861 +	12.917 + 53·7
LIVERPOOL ...	,, 3	15.520 +	3.988	459.085 +	158.226 + 51·6
MANCHESTER ...	,, 3	30.999 +	10.851	851.183 +	448.335 + 109·5
NEWCASTLE ...	,, 2	2.753 +	78	86.219 +	32.839 + 61·7
NOTTINGHAM ...	,, 3	1.314 +	189	31.583 +	14.068 + 80·3
SHEFFIELD ...	,, 3	3.060 +	657	44.397 +	12.012 + 37·1
LONDON —	1920.				
TOWN ...	July 7	658 473 +	138 939	17.647.984 +	7.221.039 + 69·3
METROPOLITAN†	,, 7	47.258 —	4.416	1.141.[illegible] +	[illegible] + 36·8
COUNTRY† ...	,, 7	94.170 —	5.111	2.184.363 +	522.590 + 31·5
TOTAL† ...	,, 7	799.899 +	127.411	20.973.441 +	7.[illegible].[illegible] + 61·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Anger and Co

HOMEWARDS.	1920 July 9	1920 July 2	1913 July [illegible]	HOMEWARDS.	1920	1920	1913
				[illegible]	[illegible]	[illegible]	[illegible]
Alex. to U.K. ...	40/0	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Aust. to U.K. ...	175/0	—	31/0	[illegible]	[illegible]	[illegible]	[illegible]
Azoff to L.H.A.R.	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Bombay to p.p. d.w.	90/0	—	d.w.50/0	OUTWARDS—Cardiff to			
Barrana to U.K. ...	—	—	25/0	[illegible]	—	—	—
Calcutta to p.p.(nom)	—	—	31/3	[illegible]	—	—	12/0
Danube to U.K. ...	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Odessa to L.H.A.R.	—	—	8/6	[illegible]	[illegible]	[illegible]	[illegible]
R. Plate to U.K.	85/0	70/0	18/0	St. Vincent ...	30/0	30/0	9/9

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JULY 9, 1920.	JULY 11, 1919	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	223/6	168/0	57/0
— Middlesbro' warrants ...ton	217/6	160/0	51/0
— Hematite warrants ...ton	260/0	200/0—205/0	61/0
— Staffordshire bars, London ...ton	£33 10	£23	£12 10
— Common bars ...ton	£30	£23	£6 16
Steel Rails ...ton	£23	£15	£6 2/6
Galvanised Sheets ...ton	£53—£55	£28	£16 17/1
Copper—Standard ...ton	£90	£94 15—£95	£66
Tin—English Ingots ...ton	£260	£244	£142 15
— Straits ...ton	£278	£246 10	£139 10
Tinplates, I.C., Coke, S. Wales...box	71/6	32/6—33/0	11/101—12/0
Lead—Soft Foreign ...ton	£33 15—£35 10	£23 15 £24 7 6	£19
Spelter—Ord. Foreign ...ton	£42—£43 10	£41 10—£42 5	£21 7/9
Quicksilver (75lb.) ...bottle	£21—£21 10	£21	£7
Aluminium ...ton	£185	£150	£82
Antimony—Regulus Foreign ...ton	£50	£42—£43	£27 10
— English ...ton	£58—£60	£45	—
Coal—(best) Yorkshire ...ton	37/2—38/2	22/0—22/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, perquinta	15/7‡	9/3	7/4
Soda—Crystals ex wharf ...ton	110/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£46 15	£58 10 £23 15—£24	7/6
Gambier—Good marks ...cwt.	49/0	50/0	16/10‡
Indigo—Bengal good to fine ...lb	13/0—16/6	9/0—10/6	3/2—3/6
Linseed Oil—Raw ...ton	£80‡	£126	£25 5
Linseed—Calcutta, spot ...ton	£35 5	£52 10	£13 16/9
— Cakes, U.K. made, ex mill. ton	£20—£20 10	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom	£49 10
Palm Oil—Lagos ...ton	£64	£87	£31 10
Petroleum—American ...gallon	2/1‡	1/4‡	7½d.
Rape Oil—Refined English ...ton	£92	£100	£32
Soya Oil—Refined ...ton	£90	£89	£24 10
Tallow—Imported ...cwt.	69/0—75/0	97/6—102/6	29/3—33/3
Turpentine—American ...cwt.	155/0	88/6	33/7½
Rape Seed—Toria ...ton	£31	£49	£13 5
Rubber—Para, spot ...lb.	2/0‡	2/5	2/9½
— Fine plantation (stnd.crepe) lb.	1/11‡	1/10‡	2/2
— World's Production* May tons	33,650	25,839	8,467
Shellac—T.N. Orange, fair ...cwt.	670/0—680/0	387/6	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	28 33d.	20·07d.	7·53d.
— Egyptian, good fair ...lb.	51·06d	28·84d.	8·75d.
— Pernambuco fair ...lb.	29·33d.	22·77d.	7·73d.
— Midland Upl. New York ...lb.	41·00c	34·66c.	13·25c
— Stock, Liverpool (July 2)...bale	1,058,480	505,230	934,600
Flax—Petrograd, Yarapol ...ton	—	nom	£28
Hemp—New Zealand ...ton	£55	£51	£25 10
— Manilla, Fair ...ton	£80	£56—£56 5	£26 10
Jute—First Marks ...ton	£50 10	£51	£28 15
— Red SCC ...ton	£39	—	£24 15
Silk—Blue Elephant ...lb.	32/0	27/0	11/3—11/8
Wool—Pt. Philip unwashed av. lb.	4/6	3/5‡	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/8‡	1/10nom.	1/0‡
Hides—Eng. Ox, best, 70 lb. up lb.	17½d.	—	7½d.
Leather—Dressing Hides ...lb.	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	36,622,000	21,884,000	34,840,000
— Red, price, N.Y. 60lb...bushel	310c.	237½c.	67½c.
—English Gazette, aver. 480lb. qr.	83/10	73/4	34/3
Flour—G.R. ...280lb	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	95/4	62/4	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	65/0	49/0	20/0
Maize—N.Y. (new bushel)...56lb.	nom.	212½c.	72½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480lb. qr.	61/6	60/0	25/9
Potatoes—Good English ...ton	$45/0	—	70/0—75/0
Rice—Bassein ...cwt.	48/6	25/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	32/6	50/6	14/0—17/8
Hay—best ...2,018lb...load	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/8	6/0—8/6	3/8—3/10
— Scotch Sides ...8lb.	11/0	8/6	4/6—5/0
— English ...8lb.	11/0	8/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	11/2	9/0	5/8—6/0
— English wethers ...8lb.	11/2	9/0	4/6—5/4
— New Zealand frozen ...8lb.	11/2	7/0	2/4—3/2
Pork—English and Irish ...8lb.	13/8	10/8	4/—3/0
Bacon—Irish, delivered ...cwt.	1240/0	190/8	60/0—74/0
— Danish ...cwt.	1192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	1187/0 ... 194 0	196/0	—
— American ex Port ...cwt.	1187/0	186/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	1184/0 ... 190/0	192/0	75/0—79/0
— — short cut, ex Port ...cwt.	1184/0 ... 188/0	190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	1168/6 ... 170/0	186/0	51/9—52/9
Butter—Danish ...cwt.	266/0		119/0—120/0
— French ...cwt.	266/0	Controlled	96/0—108/0
— Australian ...cwt.	266/0	252/0	98/0—110/0
— New Zealand ...cwt.	266/0		108/0—114/0
Cheese—Canadian ...cwt.	162/0—166/0	160/0—164/0	66/0—68/0
— United States ...cwt.	—	144/8	—
— Dutch ...cwt.	184/0—168/0	144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to June 30 ...cwt.	16,128,752	17,217,435	19,777,254
— Home consump'n.toJune30 cwt	17,587,208	15,205,177	17,272,000
— In Bond June 30 ...cwt.	9,324,000	8,392,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	120/0	36/0	10/3
— — Yellow crystals ...cwt.	122/0	67/9	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	116/0	64/9	19/0
Coffee—Imports to June 30 ...cwt.	488,101	684,331	220,360
— Home consump'n.toJune30cwt.	153,262	153,412	141,410
— Exports to June 30 ...cwt.	271,216	149,380	340,250
— In Bond June 30 ...cwt.	789,000	992,000	484,000
— Price, Costa Rica gd. to fine cwt.	132/0—155/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	100/0-105/0nom.	65/9	41/6
Tea—Imports to June 30 ...lb.	217,539,336	237,280,706	123,230,277
— Home consump'n.to June 30 lb.	183,467,408	179,804,320	155,447,972
— Exports to June 30 ...lb.	21,629,305	12,912,228	26,561,765
— In Bond June 30 ...lb.	224,102,000	161,561,000	78,292,000
— Price, Indian, Pek. Soug. gd lb.	7d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	6½d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond June 20 ...cwt.	1,423,000	1,313,000	309,000
—Grenada good to fine ...cwt.	110/0-115/0	85/0	52/6—56/0

* Estimated. † Controlled ‡ Decontrolled: Price Ex. Factory. § New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	May	$16,480,000	+2,891,000	$3,193,000 +	$164,000
	5 mos. to May	75,577,000	+12432000	8,798,000 —	398,000
Grand Trunk	May	£1,208,000	+£124.700	£68,100 —	£89,300
	5 mos.,to May	5,512,600	+ 451,000	Dr.87,400 —	342,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	May	1,041	R1,97,263	— 7,867	9	18,45,743	+ 55,408
Barsi Light ...	June	118	26,100	+ 2,200	9	2,85,500	— 2,700
Bengal &N.W.	May	2,067	5,05,940	— 70,549	9	44,69,750	+ 5,84,989
Beng. Dooars	May	158	27,461	+ 2,694	8	2,14,343	+ 7,974
Beng. Nagpur	May	2,695	12,40,000	— 18,000	8	1,07,05,000	— 5,41,139
Bomb. Baroda	June	2,871	15,58,000	— 17,000	13	—	—
Burma ...	June	1,342	5,58,140	+ 5,407	6	36,86,146	— 80,062
Del Um. Kalk	June	239	87,700	— 20,060	13	11,59,514	+ 1,063
East Indian ..	July	3,771	27,92,000	+ 91,000	14	3 80,59,000	+ 13,08 000
Gt. Indian Pen	June	3,121‡	29,52,200	— 18,600	13	3,43,36,386	— 7,77,897
Madras & S.M	June	3,152	12,80,000	— 80,755	9	1,15,25,000	+ 3,32,947
Nizam's Guar.	June	900	2,92,371	+ 491	10	31,37,494	+ 1,30,508
Rob. & Kumn	May	576	1,50,634	+ 13,709	8	10,58,257	+ 77,087
South Indian	May	1,852‡	8,21,450	+ 15,714	9	67,30,987	+ 1,98,279
South Punjab	Feb.	716	7,78,004	+ 20,338	5m	38,90,025	+ 1,30,701
COLONIAL							
Can. Northern	June	30	$1,280,700	+ 396 200	26	26,611,423	+ 4,320,374
Can. Pacific ...	June	30	5,080,000	+ 1,083,000	26	91,494,000	+ 14,772,000
Grand Trunk	June	30	£458,967	+ 153,074	26	6 878,951	+ 800,822
Mashonaland	Apr.		90,103	+ 27,403	7m	481,884	+ 131,031
Mid. W. Aust.	Apr.		277	+ 208	10m	110,153	+ 15,212
NewCapeCent.	June	12	2,459	+ 491	24	73,955	+ 15,041
Rhodesia Rlys.	Apr.	1,397	122,123	+ 25,505	7m	—	—
Temiscouata..	Oct.	—	¥30,562	+ 2,154	10m	304,661	+ 22,504
W. Pass.&Yuk	Aug.	122	—	—	8m	¥968,676	+ 31,021
FOREIGN.							
Argentine							
Arg. N. East	June	26	752 £ 12,800	+ 400	52	619,900	+ 91,100
Arg. Transand	July	3	111 £ 1 080	+ 600	1	—	—
B. A. & Pacific	July	3	3,536 £ 170,000	+ 49,000	1	—	—
B.A.Gt. South	June	26	3,792 £ 177,000	+ 5,000	52	9,440,000	+ 2,152,000
Do.	June	26	Net £ 32,000	+ 5,000	1	3,132,000	+ 1,522,000
B. A. Western	July	3	1,882 £ 85,000	+ 5,000	1	—	—
Do.	May	3	Net £ 25,000	+ 10,000	1	—	—
B. A. Central	July	3	190 £ 52,265	+ 11,617	11m	625,662	+ 78,288
Cent. Argent.	June	26	3,305 £ 225,000	+ 87 700	1	—	—
Do.	June	26	Net £ 72,000	+ 33,900	52	3,111,100	+ 2,065,700
Cord. Central	July	5	1,205 £ 64 100	+ 12,100	1	—	—
Entre Rios ...	June	26	811 £ 23,900	+ 3,900	52	1,252,000	+ 196,300
Brazilian.							
BrazilGt.South	May		110 M 46,500	— 10,300	5m	252,500	+ 5,760
Brazil Railway	Dec.		3,530 M4,859,000	— 141,271	12m	57-772,000	+ 7,819,243
Gt. W. Brazil	July	3	1,010 £ 15,300	— 3,200	27	630,100	+ 109,700
Leopoldina ...	June	26	1,831 £ 54,083	+ 7,258	52	1,370,725	+ 509,762
Mogyana	Dec.		1,180 M 1,581,000	— 956,490	12m	22,267,000	— 2,474,851
Paulista	Dec.		766 M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	July	4	1534 £ 99,814	— 1,870	27	1,202,009	+ 351,458
Sorocebana ..	Dec		1,003 M 1,749,000	— 240,168	12m	21,953,000	+ 976,682
S.of BahiaS.W	May		62 M 78.000	+ 32,000	5m	365,000	+ 35,000
Chilean and Peruvian							
Antofagasta ..	July	4	838 £ 24,850	+ 2,795	27	1,257,535	+ 560,995
Arauco	Apr.		844 £ 11,000	+ 1,200	4m	52,000	+ 9,700
Nitrate(2wks.)	June	30	390 £ 13,218	+ 1,268	24	497,574	+ 251,673
Peruvian Corp.	June		1,140 ¥ 1,210,650	+ 99,560	12m	14,485,534	+ 2,686,363
Taltal	May		180 £ 27,045	+ 18,405	11m	284,705	+ 106,566
Cuban.							
Cuban Central	June	26	362 £ 29,982	+ 10,585	52	1,468,947	+ 285,169
Havana Cent.	June	26	70 £ 15,105	+ 3,295	52	632,495	+ 117,236
U. of Havana	July	3	681 £ 72,060	+ 14,756	1	—	—
W. of Havana	June	26	155 £ 19,596	+ 6,149	52	601,208	+ 110,053
Uruguayan.							
Cent. Uruguay	June	26	273 £ 22,249	— 2,173	52	1,200,380	+ 64,496
,, (E. Ext.)	June	26	311 £ 5,396	— 678	52	329,299	+ 33,887
,, (N. Ext.)	June	26	185 £ 2,850	— 1,615	52	199,233	+ 1,619
,, (W.Ext.)	June	26	211 £ 2,501	— 120	52	147,116	+ 10,188
Mid. Uruguay	May		319 £ 21,277	+ 2,407	11m	223,942	+ 29,382
N.W. Uruguay	May		113 $ 5,857	— 548	11m	73,560	+ 3,194
Urug. Northn.	May		73 £ 1,894	— 72	11m	26,280	+ 3,458
Miscellaneous							
Alcoy& Gandia	June	26	33 Pa. 20.000	+ 5,000	25	321,900	+ 85,500
Bilbao	June		15 £ 2,805	+ 1,357	6m	20,716	+ 7,154
Bolivar	June		136 £ 11,486	+ 954	6m	68,437	+ 8,531
Colomo, Natnl.	May		86 £ 20,340	+ 6,260	5m	86,616	+ 28,598
Costa Rica ...	Apr.		189 £ 28,672	+ 6,589	10m	260,059	+ 37,104
Dorada Ext....	May		70 £ 23,500	+ 10,500	5m	77,000	+ 33,700
Egyptian Delta	June	20	5594 £ 10,525	+ 3,484	11	92,821	+ 60,978
Gt. S. of Spain	June	26	104 Pa. 90,786	+ 44,263	26	2,818,323	+ 757,986
La Guaira&Ca.	June		223 £ 13,240	+ 5,180	6m	85,070	+ 34,970
Ottoman Ry...	June	19	379 £ 6,622	—	—	—	—
Paraguay Cent.	June	26	255 £ 5,020	— 400	52	249,200	+ 25,800
Puerto Cabello	June		34 £ 5,250	+ 1,500	5m	33,250	+ 4,625
Salvador	July	3	100 £ 2,300	— 689	1	—	—
Santa Fe Prov.							
French Rys.	May		1,181 £ 171,180	+ 4,646	5m	818,312	+ 6,367
S'm'nas&S'ti'go	May		80 £ 18,810	+ 843	5m	72,443	+ 22,894
Zafra & Huelva	May		112 £ 10,048	— 36	5m	61,240	+ 10,331
TRAMS.							
Anglo-Argent.	July	1	400 £ 73.865	+ 20.847	26	1,954,540	+ 531,971
Auckland Elec.	June	30	27 —	—	52	292,502	— 2,063
Bombay Elec.	Apr.		39 R. 8,14,937	+ 1,02,830	4m	31,36,743	+ 4,74,661
Brazilian Trac.	May		3781 M10,985,000	+ 1,423,000	5m	50,166,000	+ 5,372,000
Brisbane Elec.	May		404 £ 46,550	+ 12,325	5m	223,300	+ 37,985
British Columbia	Apr.		334 $ 749-081	+ 117,095	11m	7,306,918	+ 1,284,811
B. A. Lacroze	June		51 £ 50.635	+ 10.721	12m	612,315	+ 69,456
Calcutta	July	3	351 R 88.651	+ 8.847	27	23,79,372	+ 1,47,302
Cape Electric	Apr.		424 £ 31,391	+ 3,251	10m	275,844	+ 33,710
Carth. & Herr.	June		9 £ 5,582	+ 2,189	5m	25,606	+ 11,811
Chatham&Dist	June	24	15 £ 4,541	+ 443	25	103,711	+ 19,361
Havana Elect.	Mar.		98 $ 920,145	+ 270,530	3m	2,675,342	+ 588,573
Isle of Thanet	June	30	204 £ 1,814	+ 354	40	30,157	+ 8,715
Kalgoorlie ...	Mar.		204 £ 3,142	+ 529	3m	8,392	+ 1,832
Lanarkshire ...	June	17	284 £ 4,494	+ 425	24	93,168	+ 18,921
Lima Light ...	Apr.		85 £ 57,415	+ 7,435	4m	232,375	+ 40,168
London C.O. ...	July	7	1413 £ 35,976	+ 3,522	14	574,174	+ 121,13
Madras (2wks.	June	30	154 R. 48,311	+ 3,682	24	1,354,825	+ 239,03
Manila Electric	May		55 $ 280,145	+ 77,696	5m	1,183,089	+ 484,998
Pernambuco...	July	4	59 £ 6,042	+ 544	27	194,834	+ 48,998
Provincial ...	June	19	214 £ 3,614	— 33	38	110,816	+ 13,442
Rangoon Elec.	May		25 £ 7,933	+ 1,400	5m	39,622	+ 7,277
Shanghai Elec.	June		264m ¥.151,260	+ 32,260	5m	885,254	+ 136,25
SingaporeElec.	May	29	264 $ 21,592	+ 7,727	22	492,162	+ 152,38
U.of Montevid.	June		902 $ 39,989	+ 5,339	3m	347,288	+ 47,35

DEATH OF MR. THOMAS LLOYD.

We have to record the decease, after a short illness, of Mr. Thomas Lloyd, at his residence, 98 Cornwall Gardens, S.W. 7. For nearly half a century Mr. Lloyd had been Editor of The Statist, which he, in conjunction with the late Sir Robert Giffen, founded. By birth Mr. Lloyd was an Irishman, and, like many other famous Irishmen, he was a graduate of Trinity College. The reputation he won as an economist is best judged by the high standing of The Statist in the City. He threw himself vigorously and with success into the complex financial problems of the day, and his acute intellect quickly detected the specious nature of the arguments of those who sought to erect economic structures upon foundations of sand. In this spirit he joined issue in the late 'nineties with those who advocated bimetallism, and the City will recollect the important part he played in dealing the death-blow to this movement. Whilst continuing actively to discharge his duties as Editor, he found time to devote to the study of vital economic problems, and his reflections on these are nowhere more cogently expressed than in his celebrated book on "The Theory of Distribution and Consumption." The advance of years found him still in the editorial chair, ably directing the destiny of the paper of which he was one of the founders. At the ripe old age of 87 he could still discuss and write upon the vital economic questions of reconstruction, and he was still in harness when his last illness was contracted. With his death journalism has lost one of its oldest and ablest exponents, and The Statist has been deprived of a chief whose talent and genius brought it to its pinnacle of fame; whilst the staff is bereft of a chief one whose genial qualities commanded universal respect and admiration.

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THE Guaranty Trust Company of New York announces the opening of an additional office at No. 50 Pall Mall. The facilities of its international banking organization will be as completely available in the new Pall Mall Office as in the London City Office.

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The Statist.

LONDON, SATURDAY, JULY 10, 1920

THE SPA CONFERENCE.

We hope sincerely that the results may result from the deliberations of the Ministers representing the Great Powers at the Spa Conference. It is, however, to [illegible] in our opinion, that the Prime Ministers and those associated with him as representing the [illegible] Allies, should [illegible] served by prolonging these endless Conferences, which, from the [illegible] enormous expense incurred, both direct and indirect; which, after all, the members of the Conference may

expected to be possible—it may not be practicable—in the immediate future to attain even a moderately sound economic basis. But it must be evident to everybody now that these eternal Conferences do nothing to improve the general condition of Europe. For practically two whole years we have had Conference after Conference, which may be interesting to Prime Ministers and those who surround them, and exceedingly entertaining to the junior satellites who spend their time in Paris, Versailles, Spa, and all those various places where the Conferences have been held; but no practical result is attained, and, from the nature of the case, none can be attained. The very nature of the War and the way it was concluded practically precludes anything in the nature of a satisfactory peace, however many Conferences may be held. Had the War been conducted with a reasonable regard to the military and economic condition of the various Allied Powers it would probably have been possible to achieve some definite end. But as things are, the sooner these Conferences are dropped the better.

At present the aim of the Conference is to induce Germany to restrict her military force to a certain given number. This would be excellent if there was any reasonable prospect of its being attained. But is there any reasonable prospect, if we transfer the Spa Conference back to Paris, or to any other city, and continue it all through the present summer and long into next year, of attaining such an object? It has to be remembered that the late War has not proved a decisive war in any sense. The great Napoleon after the battle of Jena determined upon very much the same plan which is now being prepared by the Spa Conference—namely, to restrict the armed forces at the disposal of the then Sovereign of Prussia. Readers of THE STATIST do not require to be reminded that, in the result, although the Prussian King was compelled—and compelled by a power far greater than that controlled by the Conference at present, for presumably it is not the desire of the Allied Powers to have another four years' war—to keep down his army to the number specified, he drafted each year a certain proportion of fresh men into the various reserves. And the result was that whereas the Prussian King was reduced to the maintenance of a small army, in reality the great bulk of the Prussian young men were more or less trained soldiers. It was thus that the system of universal liability to military service was recognised in modern Europe. Now, as we have said above, Napoleon imposed his will as a victor after the battle of Jena. There was no question of Prussia obeying or threatening to disobey. The conqueror was present in person at the head of his legions, and it was simply a question of what decision he proposed to arrive at. The Prussians, however, got over the difficulty by astute diplomacy when they were quite incapable of resisting the overwhelming force which Napoleon brought against them. Now the plenipotentiaries assembled at Spa are in a totally different position from that in which Napoleon found himself when he issued the edict restricting the Prussian army to a force of 25,000 men. They are a Conference instead of a great general, which naturally places them in any case at a great disadvantage. Secondly, they represent nothing that really defeated Germany as distinct from Napoleon at the head of his army actually dictating peace terms at the gates of Berlin. In reality, as we all know now, the War was brought to an end by the prolonged pressure of the blockade by land and sea—not merely by the fleet, but by land and sea. The German armies could not obtain sufficient economic support to sustain them, and the result was that they had to surrender. But there was nothing in the sense that a boxer gives his opponent a knock-out blow in the late War. The Allied Armies were never in a position to march straight upon Berlin, seize the Government, seize anything they chose to seize, sack the capital itself if they desired, and impose any terms that they might wish; consequently, the Allied Governments are reduced now to the futile process of Conference after Conference, which is not merely wearisome but injurious to all the countries, including Germany itself, which is expected to pay an enormous indemnity and which is not in a position, while these endless Conferences are going on, to settle down to endeavour to meet the obligations imposed by the Allies. It is perfectly natural that the various Allied Governments, having found Germany in general, but Prussia in particular, so formidable, should be very desirous of cutting her claws to the full extent of their ability. Unfortunately, they are delaying the period of recuperation for all of us without any reasonable prospect of attaining their end. The Versailles Conference is not yet two years old, and yet the map of South-Eastern Europe is already being torn up. Practically, what was supposed to be achieved by that Conference has now dissolved into thin air, and the various contending forces are once more struggling for mastery as heretofore. Unfortunately, our rulers are making precisely the same mistake that they made during the War. Germany was threatening to become too strong in Europe, just as Napoleon had been a century before, and as the Emperor Charles the Fifth and Phillip the Second had been in their days. But there is a right and a wrong way of going about achieving any object. For political reasons, into which we do not propose to enter to-day, both the British and the French Cabinets had entirely neglected to make preparations. Consequently, when the War broke out neither England nor France was ready. France had already a system of conscription in existence; and, moreover, inasmuch as she was actually invaded in her own territory, France had really no option.

It soon became evident that we should be required to finance and munition our Allies, and to do the bulk of the work of policing the seas, and continuing our business as public carriers. It was evident, therefore, as was pointed out at the time in this Journal, in Parliament, and by every economic speaker of any authority, that it was imperative for us to conserve our resources to enable us to use our power to the fullest extent instead of frittering it away by making wild thrusts in every direction like a fighter who kicks with his legs, butts out with his head, and works his body into such a state that he is never able to give a really effective blow. We had a very small army at the beginning of the War. We had neither officers nor non-commissioned officers capable of training a great army. Nor had we the means of training our officers and non-commissioned officers. Consequently, it was not possible to bring into existence a great army capable of achieving anything commensurate to the sacrifices demanded. In the result, the losses on our side were out of all proportion to what we were able to achieve. Added to this mistake was the prolonged strain on our economic resources which has resulted in leaving us heavily in debt. It was desirable to beat the enemy as soon as practicable, always bearing in mind that it is never desirable to achieve an object at the price of one's own exhaustion. It was equally desirable to beat revolutionary France a century ago. But our rulers in those days had the good sense to conserve our resources, and only to accomplish each year as much as our means both in men and in material justified. The result was that the War took twenty-three years. But we came out of it with the trade of the East and of the West in our hands, and the creditors of nearly all the world.

In the objects aimed at probably the Government and its critics are in complete agreement. But, unfortunately, in the method by which those objects should be attained there is a great gulf fixed. Probably there is not an economist either in Europe, or out of it, who would not agree in principle with what we have just said above. Having strained the resources of the British Empire out of all proportion

to the benefits attained as a result of the recent War, the Government has spent the first two years of peace in a series of Conferences which have really achieved little or nothing, and which from the nature of the case could not be expected to do so. A Conference, in reality, does very little more and very often a good deal less—than register what has already been achieved on the field of battle. A conqueror who actually holds the capital of an enemy city in his hands, to do exactly as he likes with, can dictate terms provided he knows his own mind and dictates them at once. This is not possible for a Conference sitting months after the event, and which, moreover, has no army readily available to crush any possibility of resistance should any signs of such be manifested. Ministers will probably reply that they are only too anxious to get this wretched Conference through as quickly as possible, and will then devote themselves to economic reconstruction. If that be their programme we applaud their intentions, but we doubt, even then, if we should be in complete accord with the measures they propose to adopt for re-establishing our economic well-being. In the intervals of the Conferences they have engaged in the dangerous pastime of creating enormously expensive departments for the purpose of reconstructing this, that and something else. The effective force which these departments are likely to exercise is exceedingly problematical, while the enormous cost upon the producing classes of the country is certain. The economic position which England has so long enjoyed was not built up by Control Boards. We have owed nothing, unless it be obstruction, to the State in the past for our system of transportation such as it has been. And it is certain that the State has contributed nothing to the, on the whole, excellent supply of food and raw materials which we enjoyed during the generation that immediately preceded the outbreak of the recent War. If the Government can be induced to finish off its Conferences as soon as possible, to reduce the enormous expenditure particularly on civilian or Civil Service objects, and to allow British traders and British manufacturers as free a hand as possible, there seems very little doubt that the country is capable of recovering from the effects of the recent well-nigh disastrous War.

RETRENCHMENT.

Lord Midleton's speech in the House of Lords on Wednesday night shifted the scene of our economic position from the debate on the Finance Act which had taken place in the House of Commons the preceding evening. Lord Midleton moved: "That it is incumbent on the Government to reduce the present undue strain on the resources of the country, and to appoint Special Commissioners, with power to wind up existing Departments for special war services, and to reduce other inflated establishments to a normal level." In his speech he said it was now universally admitted that the Government Departments were being run on an extravagant scale, and the Government itself seemed to have no power to check extravagance. They had no doubt of the academic desire of the Government in that particular; but the members of the Government, and especially the members of the Cabinet, were so overworked, and so occupied with other affairs, that their control over expenditure had been absolutely abandoned. The appointment of Committees simply to investigate Departmental expenditure was wholly inadequate and would produce nothing. The speaker added that the reaction in the general artificial prosperity of the country which Lord Inchcape had foretold two years ago had already set in. That our expenditure is extravagant practically everybody from the Government down admits. At the present time we are spending nearly 1,400 millions sterling, and even in what the Chancellor of the Exchequer calls a normal year it is proposed to still spend a thousand millions. Before the War it was estimated that roughly one-twelfth of the income of the nation was spent by the Government. Now it is [illegible] increase that seems to [illegible] Before the War the taxation in the United Kingdom was £3 10s. per head of population, now [illegible] In fact, we are the most heavily taxed people of any of the civilised nations of the world. Lord Midleton stated in his speech that in the last three months of 1919 the [illegible] millions, that in the three months ended [illegible] £115 millions. [illegible] is an increase on the [illegible] period of [illegible] tion taken as a whole is decreasing. It is common knowledge that stocks are accumulating, and accumulating at a great rate, in the hands of our manufacturers and great merchants; while the retail distributing agencies are finding it increasingly difficult to dispose of their stocks which were ordered at extravagantly high prices [illegible] Lord Inchcape [illegible] Lord Midleton [illegible] speakers [illegible] admitted, and admitted frankly, that it is impossible to say what would be the effect of the present heavy taxation to which we are being subjected until we are in possession of actual experience. Nevertheless, it may equally frankly be admitted that the signs are ominous. The exchanges of the neutral countries, and of one of the great belligerents, continue very much against us. Practically the [illegible] countries, in addition to the ordinary cost of production, profits, and so on, there is an excess of from 25 to 33% which has to be paid in difference of exchange which, in other words, is because our credit is not what it was. This question of exchanges between nations is very much the same as the difficulty an individual experiences in raising money at the high rates demanded from him if he insists upon continuing his expenditure above his actual income. The departmental cost [illegible] was £264,000 in 1913. It is over four millions in 1920. Education cost the National Exchequer, as distinct from the rates, 18 millions in 1913. It now costs 55 millions, and in a normal year it is expected to cost 73 millions. The Ministry of Shipping had a turnover this year of 26½ millions as against 148 millions last year. On the other hand, the staff which last year numbered close upon 200,000 had been increased by 18,000, notwithstanding that the work done was reduced to only about one-sixth. The Munitions Department was still costing about 27 millions a year. Dumps were deteriorating all over the country by thousands of pounds daily, [illegible] Government insisted upon keeping them instead of clearing them out and relieving themselves of the expense which, [illegible] six months, amounted to more than the value of the articles. Lord Midleton argued in conclusion that it was quite practicable, and would be a [illegible] to the country, to reduce the establishment of our Civil Service by at least 50,000 men. If this were done, those persons now being maintained by the taxpayers would have to seek employment of a more or less productive character.

In a famous speech made now more than half a century ago by the late Mr. Gladstone, the speaker pleaded for peace, retrenchment, and reform. We have had a great deal of reform lately, the advantages of which are more or less doubtful. But it is certain that we are eagerly agreed [illegible] peace, and to practise retrenchment in every possible [illegible] A Conference exists [illegible] the purpose of [illegible] fulfil the obligations into which we have entered in various parts of the world, and notably in the Near East, our military establishment is quite inadequate. Whether [illegible] will [illegible] [illegible] the State [illegible]

expense. Unfortunately, the question is no longer susceptible of a settlement by opinion. We have, in fact, incurred these liabilities. And, as far as one can see, it seems impossible that we can get out of them without incurring a very large expenditure. If that contention be admitted, it follows that the only possible means of retrenchment open to us is to reduce the extravagant cost of our civil establishments. It may be that we are unduly anxious. But it is better to face the facts as we see them than to wait until such time as the Chancellor has to acknowledge that the taxes imposed no longer yield the revenue expected. As we have said, the signs are ominous. The exchanges are against us, and there are evident signs that people here at home are either unable, or unwilling, to spend upon the extravagant scale which they did in the first year succeeding the Armistice. It may be that our great extravagance in national expenditure is merely expressed in money values. It is evident that we are not producing per head in commodity values upon the scale which we did before the War. Even if this proves to be true, it will merely mean that very high prices will continue, and that the restoration of the exchanges will be indefinitely postponed. Such a postponement will necessarily militate against the restoration of our credit. And although in that case the revenue might continue to come in quite up to the level of expectation, we shall, in fact, be postponing our recovery and enjoying a much reduced measure of consumption as expressed in commodity values.

No one doubts the desire of the Government, and the desire even of the House of Commons, to reduce expenditure. In fact, no reasonable person would deny that every Government desires, if it can, to keep its expenditure well within its revenue. Every Government, however composed, is sensible that it is jeopardising its popularity by increasing taxation, and thereby pressing unduly upon the economic resources of its nationals. The position, as we see it at present, is that a wholly undue proportion of the population are living upon the taxpayers, while the drain upon the producing classes of the community is excessive.

GOVERNOR COX CHOSEN.

As is frequently the case in choosing a candidate for the Presidency of the United States the result is quite different from what had generally been expected. After 44 ballots Governor Cox emerged victorious, defeating all the better-known candidates.

It is a remarkable fact that both the new Democratic candidate and Senator Harding, the Republican candidate, are newspaper owners, and each of them belongs to the State of Ohio. It is equally remarkable that in the drawing up of their programme, or what the Americans call their platforms, each Convention appeared to be anxious to avoid coming complications as far as possible. On the whole, it may be said that each Convention drew up its programme upon as conservative a basis as was admitted by the circumstances in which they found themselves. It is, of course, exceedingly difficult for foreigners writing at a great distance from the scene of the Convention to form a reliable opinion upon the probable course of events. As far as we can judge, however, it would appear that the aim of both Conventions was to assist their candidates as far as possible in avoiding foreign entanglements. Of course, the future of events may defeat these excellent intentions. But looked at from the outside it would appear that the new President, whichever is elected, will have quite enough to do in considering the economic conditions likely to prevail in the United States during his term of office. The United States has come out of the War in a more satisfactory condition, from an economic point of view, than any of the other belligerents. At the same time, although it may be contended, and contended with a measure of justice, that the United States has benefited as a result of the War, if one carefully examines what has actually happened, it will be seen that the advantages attained have been purchased at the price of very serious drawbacks. It had been contended that the Civil War, now nearly 60 years ago, in the sequel benefited the United States. The benefits, such as they have been, however, have been purchased at the price of very largely reproducing some of the worst economic features which are felt to be serious economic drawbacks in the congested areas of Europe. Whereas before the War the preponderating proportion of the population of the United States was a country population, depending upon agriculture and the products of agriculture for its well-being, the post-Civil War population has come to be, to an increasing extent, a town-dwelling population, divorced from the land and dependent for its prosperity upon what we have come to call for convenience industrial conditions. In other words, the wage-earning populations of the great cities have multiplied out of all proportion to the farmers in the interior. This is, of course, ancient history, but it has, at the same time, a very material bearing upon present and prospective conditions in the United States.

In the pre-War period the United States was accustomed to attract each year nearly a million of immigrants from the surplus populations of Europe. In addition, she received very large sums of money at relatively low rates of interest for the development of her natural resources. Measured by the standard of economic development to which the greater industrial countries of the world have attained, the United States is a very big country with a very small population. During the War, and since the Armistice, she has enjoyed the advantage, if it be an advantage, of an enormous export trade. But she has disposed of commodities for which she has not yet been paid, particularly in the form in which that payment would have been advantageous to her economic development. In so far as she has been paid at all, it has been mainly by her customers obtaining credit and returning to her securities which they had previously purchased in the United States with a view to the opening up and development of that country. Doubtless she obtained those securities on relatively highly favourable terms. That is to say, whereas they were placed abroad on the basis of low commodity values, they were re-purchased in the United States on the basis of very high commodity values. This would have been an enormous advantage provided they were purchases made out of the savings of the wealthy of the United States, who had accumulated their fortunes by furnishing Europe, or anywhere else, with commodities upon a sound economic basis. On the contrary, they were practically taken because the purchasers had nothing else to offer. The embarrassed position of so many of her best customers makes it difficult for the United States to sell her commodities abroad. Accompanying this difficulty of disposing of her surplus products in foreign lands, she is faced, as all the belligerent countries are, with the necessity of reconstructing a great deal of her plant, which was allowed to a large extent to depreciate during the period of the War. Particularly, it is necessary for her to increase and improve her transportation facilities. Nearly all the railways complain that the stipulated amount paid for compensation does not, in fact, cover the cost of renewal of plant as a result of wastage during the period of Federal control. In nearly every instance the Government at Washington has been willing to increase the amount paid. But this money necessarily comes from the taxpayers of the various States of the Union. In the pre-War period this money would have come from America's wealthy customers, and the interest upon it could readily have been paid out of her surplus agricultural products.

THE WINES OF BORDEAUX.

[From Our Special Commissioner.]

Bordeaux: July 8, 1920.

Despite France's position as the leading wine-producing country in the world its importations of wine annually exceed the exports by nearly 200,000,000 gallons. The imports, which were 181,702,000 gallons in 1913, rose to 270,000,000 gallons in 1917, owing to the fact that home production in 1915 had fallen to one-half of the 1913 figure. Output has since improved, but imports are still extensive, the chief countries of origin being Algeria and Spain. As the most southerly of the French Atlantic ports Bordeaux handles these imports to a large extent, though tariff charges have in recent years tended to reduce Spanish supplies, while Algerian wines are being shipped more extensively to Marseilles. The imports, being usually of a lighter alcoholic strength than the wines locally produced, are used mainly for blending purposes.

Bordeaux is also the centre of an important agricultural district where the vine is widely cultivated, and an increased productivity on the part of its vineyards has in favourable years tended to lead to a diminution in imports. In the Department of the Gironde, of which Bordeaux is the capital, the area normally planted with vines is over 330,000 acres, which annually yield more than 90,000,000 gallons of wine. The greater portion of this huge output is plain or bourgeois wine, and the reputation of the Bordelais, as the wine-raising district around Bordeaux is called, rests on a comparatively small vintage of "Grands Vins." These Bordeaux wines together with the chosen products of Champagne and Bourgogne constitute the three brightest jewels in the vinous crown of France.

The "Grands Vins de Bordeaux" comprise the fine wines of the Médoc, Graves, Sauternes, and Emilion districts, each being called by the name of some "château" or estate with which its production is particularly identified. In this respect they differ as a class from Champagnes and Burgundies, the former being essentially a blend of growths from a number of different holdings, the latter being called after vineyards the ownership of which is frequently divided between several interests. It thus happens that two Burgundies, though having the same name, may be at opposite poles as regards quality.

In the region of the Bordelais Médoc is the most important of the vinous districts. In appearance it is somewhat unimpressive, being little more than a monotonous plain stretching between the river Garonne and the Bay of Biscay, and protected by a chain of large sand dunes from the Atlantic seas that here break heavily upon the coast. By the banks of the Garonne the land is mainly swampy or recently reclaimed, and on the sea side the ground is taken up by dunes and, towards the south, by the forest of the Landes, thus leaving only the intervening strip of land available for the cultivation of vines. In the communes of the Médoc are the famous "châteaux," or estates whose products are famous all over the world. Thus the Commune of Pauillac contains the Château Lafitte and the Château Latour, and the Commune of Margaux the Château Margaux, these three being recognised as the "premiers crûs," or foremost in quality amongst the wines of the Bordelais. The appellation "Médoc" by itself carries with it no claim to distinction, as any vineyard within the geographical boundaries of the district is free to use it, but with the name of the château as a distinctive mark the wine may be readily classified as to quality and value. The châteaux are, indeed, somewhat numerous, and when we are told that after the three "premiers Crûs" come 10 "deuxièmes crûs," 13 "troisièmes crûs," 10 "quatrièmes crûs," and 17 "cinquièmes crûs," each and every one of which is called after some castle or other, the [illegible] remembering, outside the higher grades, except by one directly interested in the trade.

Next in importance to Médoc comes the Graves district, immediately to the south-west of Bordeaux. Here both white and red wines of excellent quality are made, and as the area is small the number of varieties produced is not extensive. The third chief district in the Bordelais, Sauternes, is famous mainly for its white wines, the most renowned being those of Château-Yquem, known as the "crû supérieur," and ranked [illegible] Blanche, Peyraguey, Vigneau, and Suduisant. The fourth and last district, St. Emilion, has a large number of small vineyards, the output of which is extremely limited, though very choice. Its renown dates back to Roman times, when the poet Ausonius was the first to sing the praises of its wines, and the Château Ausone, which is the foremost of its "crûs," can thus lay claim to a somewhat unique eminence.

Attempts have again and again been made by using slips from French vines and by adopting French methods of cultivation to produce wines similar in body and bouquet to those of Bordeaux. The experiments have been carried out in places as far apart as the Caucasus and Argentina, the Crimea and Chili, but though the experimenters were at first buoyed up by hopes of attaining some measure of success, they had at length to confess themselves completely defeated. Results such as these show the incomparable quality of French wines, and demonstrate the unique value of the asset which France has in her vineyards. It is unfortunate that all sorts of artificial barriers abroad, such as prohibition and heavy tariffs, prevent her from utilising this advantage to the utmost, but the largely increased consumption of wines in recent years indicates that no difficulty will be experienced in disposing of future outputs, despite the closing or restriction of certain markets. A feeling of confidence is thus engendered, notwithstanding the high and almost prohibitive costs of production, and the good name of the "Grands Vins de Bordeaux" will certainly not be sacrificed through lack of zeal on the part of the "vignerons" and shippers of the district.

THE RAW SILK OUTLOOK.

[From Our Special Commissioner.]

Lyon: July 6, 1920.

The European silk industry has come more and more to look for supplies of raw material to the Far East. Sericulture involves the extensive use of manual labour, and the increased scarcity and dearness of this commodity in Europe have given an opportunity to others of practically monopolising the raw silk market, an opportunity of which Orientals have not been slow to avail [illegible] with an annual increase in the silk harvest has been able to clinch her hold on the world's markets in decisive fashion, besides promoting an important textile industry at home. In 1919 Japanese exports of raw material and finished goods attained the record value of 761 million yen, or 76 million pounds, being divided as follows:—

[illegible]

Our raw silk [illegible] 275,000 piculs, compared with 133,000 piculs in 1913, at a value of 600 million yen, or five times the 1913 [illegible]

rose to par owing to the shipment of gold from New York, and the consequent decline in the price of silk at Yokohama encouraged further purchases. Speculation, at all times a familiar element in the Japanese silk market, played its part in the general activity, and the weight and average value of raw silk exported from Japan surpassed all previous levels, as the following table shows:—

Japanese Raw Silk Exports.

Year.	Quantity. Kin.	Average Price on Yokohama per 100 Kin, plume steam 14 denier. Yen.
1913	29,228,000	895
1914	17,118,000	884
1915	17,814,000	850
1916	21,741,000	1,171
1917	25,825,000	1,305
1918	24,344,000	1,478
1919	28,422,000	2,097

(Kin = 1.322 lb.)

Operators, however, overreached themselves in silk, as in other markets, and the result was a decrease in the American demand, due, to some extent, to congestion arising from accumulated supplies. The feeling of nervousness to which the cessation of buying orders from America gave rise came finally to a head on March 15 last, when prices dramatically collapsed at Tokio. This event proved in reality a benefit, though not an unmixed one, for Europe, and particularly for France, as buying in the raw material had become very difficult in face of American bidding and a heavily depreciated exchange. Prices, which had risen to as much as 3,280 yen per picul through feverish buying from the United States, fell over 30%, and France was able to acquire raw material on more reasonable terms. Conditions in both Japan and the United States have latterly improved, and signs of a restoration of confidence are not wanting. The silk market, however, continues somewhat weak. Buyers are as far as possible limiting their purchases of the raw material to the requirements of the moment, in the hope of a further fall, and the liquidation of speculative commitments still imparts an uneasy tone. Finished goods have not shown a similar weakness in price, as the numerous other elements in the cost of production remain unaffected. Buyers in this section, too, are holding off. Inquiries are, indeed, numerous, but offers rule too low for business. It may be anticipated, however, that the present scantiness of stocks will before long force dealers into the market. A cause of some disquiet to merchants and manufacturers at Lyon has been the attempts to cancel contracts made at the older and higher level of prices, but such evasions are normally incident to a serious break in any market.

Despite the severe shake-out at Tokio and Yokohama, the intervention of the Japanese Government to stem the economic crisis, and the partial renewal of inquiries from America have, on the whole, induced a better sentiment. Still, conditions will not be absolutely healthy until the aftermath of the long period of over-trading is cleared away. Speculators have been taught a severe lesson; but it is their nature, as optimists, to forget, and doubtless they will soon be quietly promoting another boom. It is probable that a few months will in the ordinary course be required to restore trading confidence, but the time of recuperation may be prolonged by any untoward event of general significance in the economic world. The French trade is particularly interested in the future course of affairs in Germany. Before the War the German consumption of silk was very high, nearly four million kilos, as against five millions for France. Part of her textile plant reverts to France with the cession of Alsace-Lorraine, but still a large amount of raw material will be needed for the remainder. Again, Austria-Hungary and Russia between them consumed 2¼ million kilos and produced only 800,000 kilos. The conclusion of some arrangement for supplying Central and Eastern Europe with raw material would, doubtless, stiffen prices all round. In the meantime, both in France and Switzerland manufacturers are booked up on the average for six months ahead, and their continuous demand for raw material will introduce into the market an element of stability, the influence of which cannot be overlooked. As the largest consumers of raw silk in the world after the United States, the French are vitally interested in discouraging speculation, and the consequent violent fluctuations that have of late characterised the silk market.

PERU.

PROGRESS AND ITS DRAWBACKS.

It will be remembered that some time ago it was arranged that greater attention than formerly should be paid by our various Embassies abroad, as well as by our Consular Service, to furnishing our traders, manufacturers and those intending to make investments or settlements abroad, with greater information than had formerly been supplied in their Consular reports. To some extent this has been done, but there is still plenty of room for more extended information. The object aimed at, if we rightly understand the position, is—and in any case in our opinion should be—to give our traders as full information as is practicable on the part of our commercial attachés of the actual trade conditions existing in the various countries to which their chiefs are accredited; to explain in their reports the conditions under which trade is carried on in the particular country; what are the kind of goods for which there is a demand; under what conditions the traders of the locality are able and willing to receive them; and the conditions as to packing and so on in which they are most acceptable. Attention might with advantage be paid to the question of the credits demanded, and the means by which the particular country can most conveniently pay for the goods imported. Equally valuable would be information as to the products of the country; what the particular district is able to export; and what assistance is required, financially or otherwise, to enable British traders to obtain supplies upon a sounder economic basis than exists at the present time. Those officially accredited to any particular country have great advantages in obtaining information on various species of commodities which are not accessible to the foreign trader; and there must be in the various countries with which we have diplomatic relations vast quantities of various commodities which our traders would be anxious to receive, and which at present they obtain either in inadequate amounts, or upon a far less satisfactory economic basis than they could be obtained from some other district. Lastly, England has been accustomed for a very long time to invest large sums abroad. Unfortunately, at the present time we are not in a position to invest upon anything like the scale to which we were accustomed in the pre-War period. Nevertheless, we are already showing signs that, so far as our trade at least is concerned, our exports of the various commodities and the various services we are able to render more than meet the charges upon us for the import of commodities, and tend to reduce the very heavy debts which we have incurred abroad. Moreover, there is a certain surplus which we are able to spare after having paid for our means of living and for the renewal of our home plant. Provided, therefore, a particularly favourable opportunity for improving our supplies of any particular commodity is shown to exist in Peru, and in any other part of South America, or in any country, for that matter, in which we have diplomatic representatives accredited, the means will be forthcoming whereby this particular commodity could be obtained. If it were necessary to open up a country by means of a railway, and a few millions would suffice for the purpose, doubtless it would enable us to carry on trade on a more satisfactory basis than heretofore. Finally, there is the question of emigration from this country, and immigration into any other country. There are signs that the rush of business which immediately

followed the Armistice is receiving a check, if it is not, in fact, about to come to a temporary or partial end. If this proves to be the case, there will probably be a considerable measure of unemployment, which should naturally lead to a considerable emigration from these shores. South America is not, of course, a favourable field for emigration for British subjects. The conditions which exist in most of the South American countries are hardly favourable for British immigrants into those countries. The language is different; the customs are different; and, speaking generally, the conditions under which the labouring population live in the various Republics of South America are not such as would commend themselves to those finding it desirable to seek new homes when leaving our shores. Nevertheless, it is eminently desirable that our attachés at the various Legations should afford information of the conditions which offer for employment abroad. Even in South America, although, as we have said, it is not, speaking generally, a promising field of emigration for the ordinary British emigrant, nevertheless, there are excellent openings for various classes of employees. Engineers, people with commercial training, experts in various departments of commerce and industry, can, and, in fact, do, find exceedingly remunerative employment in various enterprises, engineering and otherwise, in different parts of that vast continent. Mining enterprises are constantly being opened up. And inasmuch as the number of trained mining engineers in South America is quite inadequate for the work to be done, those who have had a training in working in mines could in many cases find exceedingly remunerative employment in various parts of the continent, as well, of course, as in other countries.

We have before us an exceedingly interesting report on the finance, trade, and industry of Peru, brought up to the end of last year, and compiled by Mr. F. W. Manners, Commercial Secretary to the British Legation at Lima. Incidentally, Mr. Manners informs us that, owing to the large trade balance in favour of Peru, as compared with this country, the British pound sterling is at a discount of about 20%. Consequently, while we are buying at a great disadvantage in purchasing goods from Peru, Peru has bought largely from this country—in fact, has only purchased from other countries, notably from the United States, such goods as we were not able to supply owing mainly to the fact that all goods were relatively cheaper to the extent of 20%, due to the unfavourable exchange, as it is called, between London and Lima. As illustrating the expected increase of trade between Peru and various foreign countries, it may not be without interest to note that the Anglo-South American Bank, of London, and the National City Bank, of New York, quite recently opened branches in Lima. There was already in existence the Banco Mercantil Americano del Peru, a North American institution, and, of course, the well-known Banco del Peru y Londres. Formerly it was the custom to give long credits, extending often to 120 days; but so prosperous has Peru been as a result of the demand for its products during the War that importers have been quite willing to pay cash in order to save the heavy charges naturally incidental to long credits. Practically, Peru, like all new countries, is an exporter of food and raw materials, and an importer of manufactured goods, although she does manufacture a certain amount of cotton and a still smaller quantity of wool. These, however, are all of the coarser counts, and are notably intended mainly for the use of the poorer classes, or peons as they are called, and very largely, even so, of the rural districts. The principal agricultural products of Peru are sugar, cotton, wool, hides, and skins. Sugar is grown in the irrigated valleys of the coastal belt of the country, and the estates are almost entirely owned by Peruvian capitalists and by British and American firms. Formerly Chinese indentured labour was employed on the plantations; but now the labour is almost entirely derived from native sources. Sugar, as we say, is grown in the irrigated parts of the coastal lands because, it will be remembered, in these coastal parts of Peru there is practically no rain at any period of the year. From this follow two results: a soil subject to heavy rainfall for its fertility loses part of its fertility as a result of the heavy precipitation carrying off part of the constituents to the rivers and elsewhere. Consequently, there are great advantages in cultivating irrigated lands where sufficient water is available. Another advantage of cultivating irrigated land is that a crop can be grown practically at any time to suit the convenience of the grower. This is done on the irrigated lands of the coastal region of Peru, with the result that various parts of the plantations are ready for cutting, while other parts are still growing; and, consequently, the sugar mills can be, and in fact are in Peru, kept continuously employed, and shipments of sugar are going on continuously throughout the year, as distinct from the end of the season, as is common in countries which depend mainly for their fertility upon heavy seasonal rains. Before the War sugar was about 10s. per quintal shipped from a Peruvian port. At the outbreak of the War there was a fall in price, as there was a fall in the price of nearly every commodity throughout the world, for a short time. But, as the reader will remember, there was a rapid recovery and a keen demand for sugar all through the War. Again there was a temporary setback at the period of the Armistice; but since then prices have steadily advanced, and at the beginning of the present year sugar was being shipped from Peruvian ports on the basis of £2 10s. per quintal. Cotton is also a product of the irrigated coastal lands. And the area planted has increased considerably during recent years, due to the high prices which cotton has commanded in the international markets of the world owing to general world shortage and to extravagant use. Most of the Peruvian cotton is of very high quality. The variety known as Metafifi is regarded as equal to the finest Egyptian cotton, and, consequently, commands a correspondingly high price in the Liverpool market in England. Formerly nearly 80% of Peruvian cotton was, in fact, sent to Liverpool, but for some months now the United States has been a keen competitor with us, and a larger proportion than formerly has found its way to New Orleans. As we have said, the very best quality of Peruvian cotton commands amongst the highest prices obtained for this textile in any part of the world; but naturally Peruvian cotton, like all other crops, varies, and the whole produce shipped is not necessarily of the finest quality. Unfortunately, Peruvian shippers do not appear to grade their various bales with the care that is shown by the Americans and the Egyptians. The result is that it is not always possible to estimate the value of any particular bale; and, consequently, Peruvian cotton does not command always in the international markets the high price to which its generally high quality entitles it.

Ever since Spanish colonial times the llama and its wool, as well as that of the alpaca, have been products of the highlands of Peru. The European sheep was long ago introduced to these districts. But the industry even yet has not advanced to any great extent, and there is [illegible] development. Why this is so is not clear, because the highlands of Peru offer very considerable advantages for breeding sheep upon a quite extensive scale. As we have said, the llama and the [illegible] bred on these highlands apparently for thousands of years. [illegible] Europeans first visited those shores, as they are at the present day. [illegible] one-half of the [illegible] Peruvian ports.

Sheep's wool is exported; but, as no figures have been indicated, not to a great extent, like the Merino might be expected. There should be no great difficulty in increasing the flocks, because, although the highlands are exceedingly difficult of access for ordinary traffic, the sheep is naturally a very good climber. And it would appear that if a comparatively small number of sheep were imported and driven up the hills to the high plateaus to the east of Lima, with a view to increasing the existing flocks, there should ere long be a large increase in the sheep population and in the annual wool clip. At present the centre of the sheep industry is around Arequipa, the well-known City of Churches founded by one of Pizarro's lieutenants. Peru is potentially very rich in minerals, and there can be no reasonable doubt that whenever transportation facilities are improved there will be an enormous increase in production. The principal minerals now produced in Peru are copper, petroleum, silver, coal, gold, vanadium—a mineral used for strengthening steel, particularly in connection with the motor industry—lead, tungsten, molybdenum, antimony, bismuth, mercury, common salt, and, of course, the famous borax. Before the War Peru produced about 25,000 tons of copper. During the War this quantity greatly increased until it gradually doubled, but the total production of copper last year was barely 40,000 tons. The principal producer in the country is the American Cerro de Pasco Copper Company and the Backus and Johnston Copper Company, which is closely allied with it. Although indications of petroleum are found in various districts in Peru, notably in the Montana district and in the region around Lake Titicaca, only one field is actually exploited, and that is close to the frontier of Ecuador. The principal companies are the International Petroleum Company, which is a Canadian concern, and the much smaller Lobitos Oilfields, Limited, which is British. There is, in addition, one small native company. There are indications of very extensive coalfields in Peru; but at present the only important mines worked are those belonging to the Cerro de Pasco Mining Company above referred to. These produce over 300,000 tons a year. The coal is used very largely in the Company's smelting works, although it is by no means particularly suitable for this purpose. It is bituminous coal, and one would think more suitable for domestic purposes than for use in the furnaces. This great Company produces about 75% [illegible] consumed in the Republic.

SILK PRODUCTION IN FRANCE.

(FROM OUR SPECIAL COMMISSIONER.)

Lyon: July 6, 1920.

The silk harvest just closed in France has not, judging from reports to hand, turned out to be particularly impressive as regards either quality or quantity. Similar accounts have come through from Italy, where the sanguine estimates formed in the early part of the season have not been realised. A system of bounties on sericulture is in operation in France, but, despite the attractions held out to agriculturists, the industry has passed slowly eastwards to countries around the Levant, especially the Balkan States, and is in process of passing even further east, to Japan and China. The French silk crop, such as it is, satisfying only 10% of the home requirements, comes principally from the Cévennes district, which stretches along the range of mountains of that name in a south-westerly direction from Lyon almost to the Spanish border. The growing insufficiency of the crop has been in part responsible for the increase in the relative importance of the Bureau de Conditionnement at Milan, which competes with Lyon as the principal silk market in [illegible] the premacy of [illegible] London, in the heyday of the British silk industry. For a variety of reasons we lost the position after 1860, and Lyon became the chief mart for Asiatic silks. The opening of the Suez Canal and the establishment of the Compagnie des Messageries Maritimes, with its excellent services to the East, no doubt helped the French city, which was also aided by its historical connection with the silk industry, Francis I. having introduced it as far back as 1536. St. Etienne, in the Department of the Loire, has also a Bureau de Conditionnement, which should properly be included in reckoning the amount of silk dried in the Lyonnais. Similarly Turin should be included with Milan; while for Switzerland, Bale and Zurich, and for Germany Crefeld and Elberfeld, should be taken into account. The relative importance of the various centres may be gathered from the following table, which gives figures of the amounts handled, so far as they are available, between 1912 and 1918:—

Movements of Dried Silk from Various Centres.

Year	Kil.	Kil.	Kil.	Kil.	Kil.	Kil.	Kil.	Kil.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	772,760	2,825,150	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1914	5,134,814	730,240	536,800	1,168,725	352,680	384,541	6,992,710	240,613
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5,559,065	147,615
[illegible]	[illegible]	685,158	[illegible]	[illegible]	[illegible]	[illegible]	7,081,847	387,044
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7,288,250	265,221
[illegible]	[illegible]	760,071	[illegible]	[illegible]	[illegible]	[illegible]	1,186,888	755,511

It will be seen that all markets suffered a heavy diminution in supplies after the outbreak of war, and of the foremost Lyon was more severely hit than Milan. In 1918, however, the French city ranked first, a position it had not occupied since 1894.

It would be out of place here to examine the reasons underlying the growth of the Milan market, but that it has become Lyon's most powerful rival is evident from the table. One obvious reason is the importance of the Italian silk harvest, on which France draws extensively for its raw materials. The Italian production of raw silk is ten times greater than the French. Yet the Cévennes district is excellently suited to sericulture, and it annually supplies seed to India and other countries where cocoons of good quality are sought. French silk is strong in the thread, and is, moreover, regular and well-reeled, and Cévennes qualities command as high a price in the market as Italian, save the very best quality from Piedmont. Fortunately for France the consumption of silk in Italy is far below production, and a large surplus is thus available for export. Such a condition of affairs may not last always, and the permanency of this surplus cannot be relied on. France should take steps to safeguard supplies of the raw material by extending home production.

Statistics of the world's silk harvest in 1919 are not yet complete, but the Union des Marchands de Soie at Lyon have made an interesting estimate, which we reproduce here, giving also the 1918 figures for purposes of comparison:—

Production of Raw Silk.

Country.	Year 1918 Kil.	Year 1919 Kil.
[illegible]	245,000	180,000
[illegible]	2,800,000	1,855,000
[illegible]	[illegible]	70,000
[illegible]	150,000	150,000
[illegible]	[illegible]	[illegible]
[illegible] Total	3,165,000	2,235,000
Levant and Central Asia Total ...	1,040,000	1,040,000
[illegible]	1,887,000	5,550,000
China—exports from Canton ...	1,685,000	3,170,000
[illegible] exports from Yokohama	11,055,000	15,450,000
[illegible]	[illegible]	[illegible]
[illegible] exports from Saigon	[illegible]	[illegible]
[illegible]	110,000	120,000
[illegible]	5,000	15,000
Far East Total	24,737,000	24,015,000
[illegible] Total	29,942,000	27,290,000

The production of Austria-Hungary and the Levant is not known, and the figures given in each case are those of 1915. With these reservations the table shows an increase of 1¾ million kilos in 1919, as compared with 1918, and is the best harvest since 1913, when the yield was 27,320,000 kilos. There is an appreciable deficiency in the output in Western Europe, French production being down by 65,000 kilos, or 28%; Italian by 860,000 kilos, or 34%; and Spanish by 5,000 kilos, or 7%. Increased exports from Japan

...nd Clare have remedied the shortage, and it is probable that while European crops suffer from climatic decline, in Asia the output has been steadily increasing for many years. There has, it is true, been a rise in the production of the Levant, but in the aggregate this represents only a small proportion of the world's consumption. Sericulture has been urged in French African and Eastern possessions, but suitable climatic and other conditions are difficult to find. In France, Italy, China, and Japan, to mention the leading silk-producing countries, the best fibre is grown on the hills, that produced in the plains being lacking in tensile strength. The cocoons are very liable to disease, against which the most rigorous precautions must be taken. After [illegible] place, and this is an important operation, for which skilled labour is required. It is difficult to secure a combination of the physical and other advantages that a silk-growing country must enjoy, though the suitability of various districts in the French Colonies has been affirmed. The cocoons need not, of course, be reeled in the country of production, but could be exported, as Turkish, Russian, and Indian cocoons sometimes are, to Europe to be reeled. Before expensive, and perhaps useless, experiments abroad are undertaken it would be well, however, to exploit a district such as the Cévennes, where silk of acknowledged superiority is produced, where a farming community already skilled in sericulture is at hand, and where factories for working up the raw material exist in profusion.

IRISH RAILWAY DISPUTE AND TRADE.

...present anticipations, based as they [illegible] solid foundation of fact, are realised the outlook before the Irish import and export trade in the immediate future is a gloomy one. The railways, the vital arteries of the nation, are now in a fair way to a complete stoppage as a result of the quarrel between the operating staff and the Government. This dispute was originally precipitated about six or seven weeks ago by the refusal of the dock workers employed in Dublin by the London and North Western Railway Company to unload munitions from incoming vessels. To relieve the deadlock the Government entrusted the discharge of this variety of cargo to the military. Events then moved rapidly. The distribution of munitions throughout the country depended on the railways, and the railwaymen refused point blank to handle munitions, which were, as they stated, intended for use against their own countrymen. Later they extended their programme by declining to drive trains carrying armed soldiers or police. Following what appears to be a set policy, the Government by the utilisation of a system of motor transport for the conveyance of [illegible] have not so far seriously taken up the challenge on the former point, but they have not hesitated to take up the issue on the latter. As a consequence many engine-drivers, firemen and guards have already been dismissed, and their numbers have been depleted to such an extent that the passenger-train service has, in no small degree, been provided with. Mails are held up and the business community is seriously inconvenienced. The tourist traffic has always been a profitable source of revenue to Ireland, and the failure of the annual influx of visitors to materialise would spell ruin for the numerous holiday resorts in Ireland, which have been practically deserted since 1914.

The Government have announced that they will close down the Irish railways if necessary, and they are steadily pursuing this objective. The loading of goods wagons with munitions will be the next step, the train crew will refuse to serve, and their dismissal will follow as a matter of course. Up to the present the service has been maintained at a fairly high level of efficiency, but, doubtless, this will not last for long. Unless a settlement is reached in the immediate future [illegible] Irish route mileage. For the greater part of the [illegible] under a similar disability so far as the distribution of goods inland is concerned. The probable distress [illegible] paralysis of the railway system be any way complete may be measured by the values of £126,018,000 and £152,903,000 registered for Irish imports and exports respectively in 1918. The year under review was, of course, abnormal, but it is the latest for which complete figures are available. Normally it is estimated that one-fifth of Irish exports go to colonial and foreign countries, the other four-fifths remaining in Great Britain; about one-third of the imports are presumed to be of foreign and colonial origin, the remaining two-thirds being the produce of Great Britain. In all likelihood the vast bulk of the trade for 1918 [illegible] countries participating in a very minute degree owing to the circumstances of that year. Analysing the Irish exports we find that farm produce, food and drink occupy a very important position, and the indebtedness of the British market on this score cannot fall far short of the value given for "exports from Ireland" in the subjoined table. By way of comparison the imports of these commodities into the United Kingdom from the principal foreign sources of supply are also shown. While the essential accuracy of these figures is unimpaired, the Department of Agriculture points out that exports from Ireland are valued free on board ship at the Irish ports and do not include insurance or freight, whereas the cost of insurance and freight is included in the values of exports set out for the other countries. These items included, the value of the Irish exports would, of course, be augmented. In counterbalance, the figures for Ireland should be reduced by the values of the Irish produce consumed abroad. The figures for other countries should also be reduced by the values of the goods consumed in Ireland which are included in the import totals for the United Kingdom. The allowance that should be made for these corrections would in any case be small, and has but little effect on the validity of the comparison.

[illegible]

	1913	1918
[illegible]	£	£
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

which they would have some difficulty in disposing of. This difficulty would be accentuated if the fall in the prices of various commodities showed any signs of permanency or became more widespread.

In 1913 approximately 31,000,000 passengers and over 6,000,000 tons of goods were carried on *all* Irish railways, and the receipts from all traffic sources were put at £4,867,216 (£4,964,497 in 1916). Any large diminution in the number of passengers and the quantity of goods conveyed will naturally reduce the profits available for distribution to Debenture and Ordinary and Preference shareholders. Will the Government make good any deficiency arising in this way by guaranteeing the payment of the pre-War rate of interest on the substantial capital, over £39,000,000, sunk in Irish railways?

One statement credits the Government with having already prepared an elaborate plan for the utilisation of motor transport should the worst fears be realised. The employment of this alternative will scarcely go far to solve the problem, as the numbers of motor vehicles at the disposal of Government or private services in Ireland cannot be very imposing. As an additional means of transport, the waterways can be called upon to shoulder a part of the burden, but their condition leaves much to be desired. On their side the Sinn Feiners have not been inactive, and local committees are being set up all over the country charged with the duty of regulating food supplies.

The question at issue will be reviewed by a Special Trades Union Congress on the 13th inst., and it is to be hoped that some scheme of accommodating the rival interests will be evolved. A complete rupture would be provocative of the most harmful results to the trade of both countries, and other relations; to quote one example, the supply of Irish labour for saving the British harvest would be similarly disturbed.

AGRICULTURAL CONDITIONS IN IRELAND.

The troubled political atmosphere of Ireland would, it might be thought, have a prejudicial reflex action on the operation of agriculture, the principal industry of the country. Such a conclusion would, however, be a mistaken one. The incidents daily reported in the Press with such attention to detail, and sometimes to picturesque exaggeration, have, up to the present, but slightly interfered with the normal channels of economic activity. Newspaper reports have unfortunately been allowed to obscure the vision of certain English firms which ordinarily maintain business connections with Ireland. Letters conveying a refusal to trade with the latter country have been accompanied by platitudinous political homilies, which might very well be divorced from the conduct of business. The aim of a business man is to sell goods or services, and, provided he is well secured as to payment, the opinions entertained by his customer should be a matter of indifference to him. Happily, this state of affairs is not reciprocal, and, fortunately, it is confined to but few English concerns. Most traders are aware that supply will not for ever lag behind demand, and that in the lean days to come the policy of keeping every home customer on their books will be amply justified by results. In 1918 the exports from Ireland were valued at £152,903,000 and imports at £126,018,000, the balance in her favour amounting to £26,885,000. It might be remarked that this trade in both branches is almost exclusively confined to Great Britain and Ireland. Taking such items as freight and insurance into account, which are largely debited to Ireland, it is certain that there still remains a substantial net balance in its favour. Common-sense would advise the liquidation of this indebtedness by means of a return of British goods and services. It should not be forgotten that the breakfast- and dinner-tables of Great Britain would present a very meagre appearance were it not for the supplies of farm produce obtained from Ireland. Irish exports under the heading of farm produce, food, and drink, sent for the most part to Great Britain, calculated at £78,254,000 in 1918, exceed in value those obtained from any individual country in the world except the United States.

The acreage, yield, and exports of certain Irish crops in 1919 are set out below:—

	Acres	Yield Tons	Exports Tons
Wheat	69,643	65,678	...
Oats	1,442,458	1,222,066	140,638
Barley and bere	186,625	171,107	...
Potatoes	588,802	2,746,588	84,779
Hay	2,520,096	4,809,615	25,350

It is difficult to say whether these returns are likely to be duplicated or exceeded this year. In a sense the climatic conditions of both years are not dissimilar. The months of March and April in 1919 were cold and harsh and little seeding was done until the opening week of May. The drought experienced in that month was not, however, repeated this year. Except for minor disturbances, friendly relations have so far been maintained between employers and labour, but the harvest season last year was marked by a widespread strike in Leinster. Wages have nevertheless advanced, and this item will, of course, add to the costs of production of all crops. As to the probable extent of the area laid down under the above crops, we have been unable to obtain any information from a central source, having knowledge of the general conditions prevailing in Irish counties, but inquiries we have made appear to substantiate the conclusion that the acreage under each particular crop will not be less than that of last year. During the months of February, March, April, and May heavy rains fell, low-lying districts were flooded, and the large areas bordering the Shannon, Barrow, and Bann, though exposed to considerable damage, were not so hard hit as in the previous year. Ploughing was consequently delayed, but in the latter end of February a spell of favourable weather encouraged the making up of arrears. It is, however, safe to say that there is every prospect of a late harvest. Main-crop potatoes were about a month late in planting, although many farmers who boxed their potatoes waited deliberately for good weather conditions before planting. Corn-sowing was also seriously retarded by the wet weather. The outlook for winter wheat, which is steadily growing in favour amongst Irish farmers, looked very promising up to April, but it lost some of its colour in that month, especially in low-lying grounds, owing to the continual rains. Wheat, as shown in the above table, is one of the least important of the Irish cereal crops; the dampness of the climate is not conducive to the yield of a high quality flour from the grain. On May 1 the Department of Agriculture reported "that in practically all parts of the country, except in very favourable areas, a fair amount of corn still remained to be

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sown. The crops which were sown during the dry days around March 21 have generally germinated satisfactorily, and there are good plants, but there has been great need of more soil. . . Up to the time of writing it cannot be said that this need has been satisfied, and, judging by a later report, the general prospect of the oats crop can only be described as fair and barley about average. Or has it come to be that the prospects are satisfactory; and, consequently, there is a likelihood of a good supply being available for winter keep.

Touching the livestock and provision trade, it is of interest to note that the Department on June 1, the latest date permitting of a general review of agricultural conditions, state that pastures were looking well and had a good covering, but heat was wanted to put quality into the grass." Stock were in fairly good condition, although they were feeling the effect of the continued wet, cold weather, and the supplies of hay and roots were well conserved. A plentiful supply of pasturage promotes the movement of finished stock, and by stimulating the production of milk encourages the export of butter and cheese. The assurance that weather influences during May and June have, on the whole, assisted the growth of grass is all the more welcome, as at this season supplies of roots and hay used for stall-feeding are practically exhausted.

The following table shows the quantity of livestock, pig products, and dairy produce exported during the first four months of the present year, and enables a comparison to be drawn with the corresponding periods of last year and the average of the years 1909-1913:—

	5 Months ending May 1920	5 Months ending May 1919	5 Months ending May Average of 1909-13
Cattle (No.)	312,717	289,107	312,210
Sheep and lambs (No.)	55,926	84,207	126,144
Pigs (No.)	91,288	93,068	133,117
Bacon and Hams (Cwts.)	14,341	12,075	22,274
Butter (Cwts.)	14,070	24,151	14,061
Cheese (Cwts.)	17,561	8,819	388

Comparing the similar period of the present year and the pre-War basis only two items reveal an increase—cattle and cheese. Butter has shown a remarkable decline, but symptoms of a return to favour are noticeable in the latest returns. The export in March, 66 tons, jumped to 647 tons in April and to 2,130 tons in May. A return to normal conditions generally is signified by the satisfactory relations of the 1920 and 1919 figures where cattle and, in lesser degree, bacon and hams are concerned.

In considering the probable dimensions of the agricultural export trade this year two factors have to be taken into account. The first is the increased consumption in Ireland of crops and foodstuffs as a result of the augmentation in the numbers of the Army, and the second and more weighty factor is the gradual paralysis of the railway system of the country, which must eventually occasion a serious economic crisis.

BOARD OF TRADE RETURNS.

It was, perhaps, hardly to be expected that the great improvement in our export trade shown in the Board of Trade returns for May would attain a further record. Still, the returns issued this week may be considered as not unsatisfactory. As the tables below show, our exports for the month reached nearly 116½ millions, a decrease compared with the month of May of just under 3 millions, while compared with June of last year there is an increase shown of over 51⅞ millions. On the other hand, the imports compared with the preceding month are up to the extent of nearly 4¼ millions, while compared with June of last year the increase is over 47 millions. Our exports of textiles show little different from those of the preceding month; while pottery mostly in the small items . . . of coal, the value of the raw materials sent abroad has declined about 2 millions. Exports of manufactures have risen, and there is a credit of just over a million sterling, goods, and nearly half a million of steel. There was during the month over 2½ millions' worth of raw materials imported. Wool imports show a decline of about a million; cotton, half a million; and other textiles nearly 1¾ million. Considerable increases, however, are shown in timber, and paper-making materials. Food and drink imported show an increase of about 2½ millions. Imports of manufactured goods are up about 4 millions.

Course of Foreign Trade.
(000's omitted.)

	Month of May			Five Months ending May		
	Amount.	1919.	1913.	Amount.	1919.	1913.
	£	£	£	£	£	£
Imports ...	159,861	+47,817	+119,183	[illegible]	+319,547	[illegible]
Re-exports ...	[illegible]	−11,564	136,893	[illegible]	[illegible]	[illegible]
Net imports ...	150,487	+59,381	[illegible]	897,444	+236,090	+577,749
Exports ...	116,352	+41,790	+ 73,515	[illegible]	[illegible]	[illegible]
Excess of imports	34,015	+17,591	[illegible]	260,977	+60,621	+197,1[illegible]

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,[illegible]
Feb. ...	61,946,000	55,039,000	57,[illegible]	24,668,000	22,470,000
Mar. ...	45,918,000	43,715,000	68,042,000	29,465,000	39,707,000
April ...	40,495,000	40,382,000	77,621,000	40,244,000	30,805,000
May ...	26,755,000	59,318,000	77,516,000	27,852,000	25,786,000
June ...	34,015,000	16,[illegible]	64,176,000	35,[illegible]	30,780,000
July ...	—	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	—	58,748,000	64,435,000	46,220,000	29,[illegible]
Sept. ...	—	66,[illegible]	56,094,000	39,870,000	28,[illegible]
Oct. ...	—	54,[illegible]	72,768,000	28,[illegible]	28,[illegible]
Nov. ...	—	30,[illegible]	70,722,000	62,621,000	56,[illegible]
Dec. ...	—	52,717,000	74,797,000	44,450,000	29,434,000

External Trade of the U.K. since 1914.
(000's omitted.)

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
June ...	170,491	20,124	150,367	116,352	34,015
May ...	166,334	20,[illegible]	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,[illegible]	147,910	[illegible]	61,946
Jan. ...	183,498	25,464	158,034	105,880	52,154
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669 207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,306	37,566	[illegible]	[illegible]	811,[illegible]
1915 ...	851,483	39,092	[illegible]	[illegible]	772,[illegible]
1914 ...	696,635	35,474	661,161	456,721	17,440

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Financial Notes.

At their meeting on Thursday the Bank of England directors again made no change in their official rate of discount. As will be seen from our Tabular Appendix the figures of the Bank return are an improvement upon those of last week. As we explained on Saturday last, the return appeared more unfavourable than the actual financial situation of the Money market warranted. It happened to be issued on an unfortunate day for the purpose of making a good showing. These purely seasonal movements have, in fact, largely righted themselves. The position of the Money market, however, is very far from being satisfactory. Whether wisely or unwisely, the Government decided, on the recommendation of the Currency Commission, to fix the amount of the currency note issue. In reality it is exceedingly doubtful whether it is practicable to fix the amount of the currency note issue. Costs of production have increased, prices have advanced, and wages have risen in nearly every department of industry. Consequently, large employers of labour week by week require abnormal amounts of currency in some form for the purpose of paying their weekly expenditures.

At present the custom is for the banks to obtain what currency notes they require from the Treasury on satisfying that department that the demands are justified. If they were refused it would be necessary either for the Bank of England to pay out gold or to pay out bank-notes. If the amount of bank-notes paid out was abnormally large it might lead to very serious embarrassments. Meanwhile, as we say, the Treasury note issue has again increased substantially, with the result that the Bank of England has been required to find a corresponding amount of notes to add to the reserve. A little gold has come in, but in the present state of the exchanges we cannot expect this to continue for any considerable time. That the Treasury notes should be reduced in the interests of sound economy everybody admits. But there is a very great difference between saying that much and admitting that the Government would be well advised to restrict the issue to some arbitrary figure whatever might be the demands of the trade.

It is desirable that the reduction in the Treasury-note issue should come about as a natural economic operation, and not be imposed upon the market to the restriction of the trade of the country by arbitrary authority. The real remedy is, of course, as we advocate in another column, a reduction of expenditure. The reader may say, "You are preaching to the converted. Everybody admits that." Quite so! In theory we all admit it. But in practice the Government primarily, and the public secondarily, are not exercising that virtue to anything like the extent which is required in the present economic conditions. There was a time, now nearly a quarter of a century ago, when many economists urged extravagance, on the ground that we had invested so largely in the newer countries of the world that it was desirous that the immense amounts of credits being raised every year should be consumed, or at any rate the bulk of them, to prevent those countries falling into a state of economic disaster. During the past 25 years a complete change has come over the economic world, not merely in this country, but in every country on the globe. There is an abnormal amount of credit, but credit which is unfortunately depreciated, accompanied by an almost universal shortage of commodities.

Fortunately—we use the word in the economic sense, as distinct from the individual—there are evident signs that the demobilised public, now forced to earn its living more or less upon an economic basis, are unwilling to pay the extravagant prices which have recently been asked for commodities, with the result that there is a noticeable falling off in demands. Stocks are accumulating, as we say elsewhere, in all the great producing centres, and even the distributing retail houses are finding it as much as they can do to attract buyers. If, however, a real reduction is to take place in the currency note issue it must primarily come from a reduction in the Government expenditure, and, apparently, it can only come in reduction of the expenditure on the civil side.

On the subject of the new Ministry of Transport in its relation to railways, a correspondent writes us that, unlike any other civilised country, England before the War had no well-recognised tariff for the carriage of goods. There were various schedules, not merely charged by the different companies, but charged on different sections of the same system. In reality the great customers of the different lines arranged their goods rates with the local traffic managers upon certain special terms, the published schedules being only enforced to a very small extent for those who only had occasional dealings with the railways in despatching goods over the various systems. We do not propose to reproduce all that our correspondent says, but he calls attention to a very important fact in showing that to meet the increased charges it will be necessary to very nearly double the revenue which the railways were accustomed to earn in the pre-War period.

A point, moreover, which should be borne in mind is the immense capital which will be involved in the different zones which it is proposed the Transport Ministry will take over. The railways were built originally as competitors, and were not intended as complements to one another. The zone system will involve a complete reversal of this scheme. It will, presumably, be necessary to make connections between the various component parts which will compose each separate zone. It may be necessary in the interests of economy to suppress certain sections altogether, and, particularly, to close some of the stations. All this will involve expenditure. If the Government is not to incur financial liability, who is to find the money? The railway companies in their present condition could only hope to issue new stock upon the most onerous terms. It is difficult to see whose interest it will be to find the means of linking up existing facilities, particularly if it is proposed to suppress some of those which now exist. Unless the Department has carefully thought out the financial prospects before it the taxpayer may find himself landed with the most serious liabilities for which no adequate provision has been made.

Mr. C. M. Blunt, the Secretary of the London Fur Trade Association (Incorporated), writes us on the question of the prices of furs recently sold in London. We have not space for his letter, but we hope in a brief note to incorporate its principal features. The letter states that there are three auction sales of fur skins held in London in the months of February, May, and October, attended by buyers from all parts of the world. In the last two years prices have risen enormously owing to the shortage of supplies, and reached their highest in the sales in February this year. The very high prices at this auction were caused, partly by speculators for a further rise, and partly by large American purchases induced by the high rate of exchange between Great Britain and the United States. Few or no purchases were made by London houses at these high figures. In the May sale the speculator and the American buyer dropped out, and consequently prices fell, but were still above those realised in October. The manufactured article sold to-day is made from the raw skins sold in the auctions at the last October, and even the previous May, sales. Practically none of the skins bought in February—at the highest prices ever known—are yet on sale as garments. The letter adds that France,

Belgium, Italy, and Germany have practically no stocks of skins, not having been able to buy owing to the high rate of exchange. The probable drop in this latter will bring them in as large customers.

We have before us a White Paper on Raw Materials issued by the Ministry of Munitions. This comprises the trading accounts, with reports thereon, to March 31, 1919, of the raw materials controlled during the War by the Surveyor-General of Supply at the War Office, and subsequently transferred to the Ministry of Munitions. The Director-General of Raw Materials states that the directorate was set up in July 1917 by the Surveyor-General of Supply to take over from the Director of Army Contracts the responsibility for the provision of supplies of textile. For those who want full information on the subject, in addition to the report before us, it would be advisable to obtain White Paper C.D. 8447, which gives an account of the arrangements which have been made up to March 31, 1917.

Accounts and statements are published in the report to which we have referred, giving figures which are grouped so as to include the totals of the entire trading period extending from 1916 or 1917 to March 31, 1919. The sales up to March 31, 1919, amounted in value to £221,687,505, and they were comprised of something over 33½ millions for Home wool; 133½ millions for Colonial wool; various comparatively small sums for raw hides, tanning materials, and leather; £15,357,440 for flax and flax seed; over 9½ millions for jute; and 5½ millions for Manilla hemp. The profits on these sales up to March 31, 1919, amounted to £38,720,525, while the administration expenses were only £739,126. The value of the stocks on hand at the end of March 1919 amounted to £111,414,458. The big item is the sale of Colonial wool, which amounted in value to over 86¾ millions sterling. Given the conditions under which the Director-General was authorised to carry out his operations, the figures must be admitted, in all fairness, to be quite satisfactory. The low cost of administrative expenses is, in fact, highly creditable.

From a broader point of view, however, as affecting the policy of the Government provided we were prepared to criticise the report at length, we should be compelled to give a very different verdict. In the earlier part of the War, says the report, there appeared to be very little risk of any scarcity of raw materials. The British Fleet commanded the seas, and the closure of the German ports diverted to England supplies of commodities which would in the ordinary course have gone to Germany. Our imports of wool in 1915 were, for instance, by far the greatest on record. The Director-General then enters upon a nexplanation of the causes of the scarcity of these raw materials. In the earlier part of the War, as we have just quoted, there was no probability of scarcity of materials, nor would there have been had the War been conducted with due regard to our economic position, the demands upon this country in the various spheres of activity in which it was called upon to act, and the state of utter unpreparedness in which the War found us.

"The Royal Mail War Book." By H. W. Leslie (with a foreword by Sir Owen Philipps, G.C.M.G., M.P.). Demy 8vo, 212 pages, and 40 illustrations, whole blue cloth, lettered in gold back and side. 10*s.* 6*d.* net. Further, to his recent notice Mr. Heinemann announces the immediate publication of the above book, containing many interesting stories and much information not hitherto published, such as "German Espionage and Propaganda Warfare," which gives an interesting insight into Germany's subtle efforts to damage, by propaganda and sabotage, both the prestige and ships of the British Merchant Marine.

SOUTH AND CENTRAL AMERICA.

THE BUILDER OF PANAMA.

While [illegible] the Pasteur Institute in Paris dealing with tropical diseases was passing through the Press one of the greatest figures that has fought, and fought with success, those terrible diseases was dying at the Military Hospital at Milbank. Surgeon-General William Crawford Gorgas will be long remembered in connection with his sanitary work previous to, and in connection with, the Panama Canal. Without Gorgas and those who worked long with him it is exceedingly difficult to see how the Panama Canal ever could have been built. The French company under Ferdinand de Lesseps, which had built the Suez Canal, tried for years to build a canal half its length across the Isthmus of Panama, and failed miserably after losing millions of money. When Gorgas was appointed the position appeared desperate, and would have been desperate but for the fact that by the time this distinguished man was made Director-General of Sanitation we all knew what he had accomplished in Cuba. Since he had been able to make Havana, which for two centuries had been famous as the home of yellow fever, healthy and sanitary, it was highly probable that he would meet with equal success on the Isthmus of Darien, and enable the engineers to complete the construction of the Canal, which they were confident of being able to do provided their workpeople did not die by hundreds and thousands around them.

Illustrious as was the name which the late Surgeon-General Gorgas made for himself as a result of his brilliant administration, it should not be assumed, and he would have been the last to claim such an assumption, that he was the discoverer of the bacillus which caused yellow fever. As a matter of fact, there were many distinguished, and a still larger number of comparatively obscure, surgeons and doctors, assisted by sanitary officers of various kinds, who contributed to the discovery. Amongst the best-known, perhaps the earliest was Dr. Finlay, of Havana, whose theory was somewhat different from the one ultimately accepted, but nevertheless pointed the way to the discovery that it was from the mosquito that yellow fever was injected into the blood of a human being, and that without the intervention of this particular mosquito there was not, and could not be, any danger of yellow fever. Yellow fever was not a monster stalking about in the air that impregnated thousands of human beings at a time. It had to be specifically introduced into the blood by a mosquito which itself was impregnated with the disease. Working on the same lines, and contributing to the same end, although he is really distinguished as the discoverer of the malarial bacillus, was the distinguished British surgeon, Sir Ronald Ross, still happily with us; and, and on the American side, was Dr. Reed of the United States Medical Service. At that time there was, as, of course, there is still, very close intercourse between New Orleans and Havana, which lies on the north-west coast of the island of Cuba. A band of advanced medical scholars in the former city were all working on the theory that both yellow fever and malaria were due to a bacillus; and, as we explained when writing on very much the same subject, the overwhelming amount of evidence pointed to the conclusion that this bacillus was in some way associated with water. Two observations led to [illegible] specified seasons of the year; that those [illegible] great deal of stagnant water [illegible] the streets, refuse in and about dwelling-houses, and swamps in the neighbourhood. It was observed that those regions, although within the tropical or semi-tropical [illegible] and where there was little or no stagnant water, were exempt from the particular mosquito which carried

yellow fever. Consequently, it remained for the doctors to discover what it was, or was it not, true that these mosquitos were found in stagnant-water receptacles and swampy areas? As a result, as soon as the question was studied it was found that mosquitos did breed, and breed in large quantities, only in those particular receptacles and in the swampy areas. With this discovery it became evident that tropical disease, as something inherently inevitable in tropical conditions, was a myth pure and simple. The question to be solved was a sanitary one, and a sanitary one, as the Americans say, first and last, and all the time.

As we have been saying, there was a considerable band of advanced medical scholars in New Orleans, and a smaller band in Havana, who had practically evolved the theory which has now been so generally accepted. But, in the nature of the case, they could not enforce their theories without the assistance of the authorities, either in New Orleans, which, of course, then, as now, was an American city, and still less in Havana, which in Finlay's days formed part of the dominions of the Spanish Crown. Nevertheless, even the most obscure of this band of medical scholars, many of whose names have been consigned to an oblivion from which they are little likely to emerge, prepared the way for the great work of international importance which the late Surgeon-General Gorgas was about to achieve. The obscure student worked in the laboratory to discover what were the causes of yellow fever and of malaria, while the administrator worked under the powerful rays of the searchlight in the glare which accompanied the conclusion of the Spanish-American War. It is as an administrator, and a brilliant administrator at that, that Surgeon-General William Crawford Gorgas will be remembered, rather than as the discoverer of the causes of yellow fever.

It had come to the knowledge of the United States Government, not merely that yellow fever prevailed in its new possessions, but that there were great and distinguished men of science, citizens of the United States, who believed that means existed whereby yellow fever could be stamped out of the newly acquired island of Cuba. Acting upon this knowledge, the United States Government appointed a Commission for the purpose of studying and reporting to what extent these theories were based upon fact. Having satisfied themselves, to their great credit—for it has to be remembered that the United States Government was a pioneer in this question, and Governments all over the world in all times shrink from anything in the nature of pioneer work, perhaps not unnaturally—certain it is that the United States Government appointed Surgeon-General Gorgas to free Havana from yellow fever, with the results that are well known to nearly everybody, even in the most obscure villages in the remotest parts of the civilised world.

With such a reputation the appointing of Surgeon-General Gorgas to look after sanitary affairs at Panama attracted widespread attention. Everyone felt a confident hope that, difficult as the enterprise was, it would be successful. The engineers were confident in their assertion that, in spite of the magnitude of the task with which they were faced, they could readily solve the problems submitted to them, provided that the medical officers could make Panama a possible place to work in. From a death-rate which included nearly half the working population, perhaps Gorgas' best monument is the fact that that death-rate has been reduced to 21 per thousand. With the Panama Canal as a great engineering achievement, or even with its importance as a linking waterway between the two greatest oceans of the world, we are not here at the moment concerned. The point that is of greatest importance at the time when the world is regretting the death of Surgeon-General Gorgas is that his labours have laid the foundation for making tropical regions healthy and habitable, and rendering it possible for great cities to be built up, agriculture to be practised, and all the industries which are associated with the rest of the world to be cultivated actually upon the lines of the Equator itself, even where it runs through the most dreaded malarial swamps known to man. The causes of the whole of what are commonly known as tropical diseases—which are about nine in number—are not fully appreciated even yet, but the two most deadly were, and are, yellow fever and malaria, and how to deal with them has been conclusively established. This is the great work which a band of scholars belonging to a generation which is now passing away has accomplished, a band of which Gorgas was one of the most distinguished ornaments, but a band to each member of which the present generation is, and the future, we hope, in an increasing measure, will long be indebted.

It is a somewhat remarkable fact that in the present state of the earth's crust the preponderating aggregation of land is in the northern hemisphere, much of it in regions that are so cold that a very large part of man's labour has to be spent in endeavouring to feed himself and trying to keep himself warm. As a result, the tropical regions form only a relatively small part of the land surface of the earth. Nevertheless, they form potentially the richest part. The broadest part of the African continent, and by far the richest part of the South American continent, are situated in these favoured regions. Only a small part of the continent of Asia can justly be claimed as within the tropics. We are not, of course, now restricting ourselves to the accurate astronomical definition, but are taking the term to include the very warm parts of the earth, say, any district within 35 degrees of the Equator either way. It will be seen, therefore, that we have an area capable of development which exceeds twice that of the whole of Europe—a region of extraordinary fertility and practically wholly unknown potentialities. As we have pointed out again and again in these columns when writing on the tropics, it may be said with truth that there is no such thing as yet as tropical agriculture. There is no tropical population. The tropics have never been cleared. No one has had the experience, say, which the farmer or the peasant of Kent has had of what it is possible to do in regions like the banks of the Amazon; and we must remember that if we include the sub-tropical areas we have got to include the greater part of a country so extensive as that of the United States of Brazil. In the tropical or sub-tropical area is included the major part of the continent of Africa, and a very large part of Southern Asia, if we admit that a large part of India is within the tropics, although technically it is not. Those who know India well will readily admit that in truth and in fact a very large part of India is under the influence of tropical conditions. In the tropics are to be found minerals just as in the temperate zone. Whether tropical minerals differ in any way from those found under the rest of the earth's surface we have very little information. But it is perfectly well known that agricultural conditions are incomparably more prolific in the tropical areas than they are outside. At present, as we have said, there is practically no tropical agriculture. A lady wrote a letter some time ago to a daily contemporary and pointed out—and pointed out with truth—in connection with the present sugar shortage, that the sugar-cane does, in fact, constitute a crop in the sense that wheat is a crop; but it is one of the few tropical growths which can properly be described as agriculture as distinct from a purely plantation industry.

A funeral service was held at St. Paul's Cathedral yesterday in memory of the late Major-General William Crawford Gorgas. The service was attended by the American Ambassador and Mrs. Davis, accompanied by General Noble and other friends of the family.

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OFFICES IN ALL THE CHIEF COMMERCIAL CENTRES.

American Topics.

SOUTHERN PACIFIC COMPANY.

It will be remembered that in August last, when commenting upon the report of the Southern Pacific Company, which had then been recently issued, we said that the Southern Pacific, as well as its proprietary lines, had been under the control of the Federal Government since the end of 1917. We publish elsewhere a full report of the operations of this great Company during the year 1919, when the various systems it controls were still in the hands of the Federal Government. The report explains that the United States Government took over the control of the railroad and steamship lines of the Southern Pacific and retained that control during the whole of the year under review. As will be seen from the report, the Company publishes an exceedingly interesting table showing the working of its various systems under Federal control contrasted with the method of working when the owners operated the lines on their own account. It is a remarkable illustration of the effect of Government control in the working of a great transportation system. By analogy, reading the report of this great Company it is easy to see how the railway systems of this country have got into the very serious condition in which we find them. Fortunately for stockholders in American railways the United States Government, although it took over the control of the lines during the War period, realises that there is possibly a better system than that followed during the period of control. With us the Government is proposing to assume very grave responsibilities, although it does not admit that this will entail financial liabilities. Only experience can show what the actual result will be. It is evident, however, that with the adoption of the zone system the control of the lines is entirely taken out of the hands of the owners of the various properties. In the event of failure it is difficult to see how the Government can, in fact, relieve itself of its very serious liabilities.

It will be seen from the table to which we refer above that, [illegible] ment with Federal control, the ratio of operating expenses to [illegible] to 78%. The operating revenue itself increased to $ [illegible] the operating expenses by [illegible] The report says that in 1919 under Federal control, [illegible] expenses of operating the various lines [illegible] revenue only 22 [illegible] management were 28 points in excess of the last year previous to Federal control. Comparing 1919 with 1918, the increase in operating revenue of 8% resulted mainly from the fact that passenger and freight rates were not increased until [illegible] has power to make contracts and agreements which enable it to maintain and operate railroads, public [illegible] main track. To a large extent it controls the system between San Francisco and New Orleans, while it is an important ship-owning Company.

THE CHESAPEAKE AND OHIO RAILWAY.

Elsewhere will be found a report of the working of this important system during the year 1919. Readers who will carefully study the report will be struck by two features—the almost immediate effect of the cessation of hostilities upon the revenue and the general well-being of the line, and the relatively modest amount of compensation which the railways, taken as a whole, have been able to obtain as a result of working. It will be remembered that the Chesapeake and Ohio, in common with all the railways of the United States, was taken over by the Federal Government, under a proclamation of the President, in 1917. The result was that during the whole period covered by the report the Company was entirely under Federal control. On the whole, it may be said in fairness that the American railways have escaped with far less injury, and generally on better terms, than has been the case with our own lines. Moreover, they are not faced with the difficulties which menace our lines under the new Transport Act.—Practically, under the new Act, if it finally comes into operation, our railway system has been divided into a series of zones. No one can say with any degree of certainty what will be the effect of such a division. But it is clear, in any case, that they are faced with the formidable difficulty of being under the more or less autocratic control of the Government, which, on the other hand, takes no real responsibility for their working, and proclaims that it will not be responsible for their maintenance. Whether it will permanently be possible to maintain such an attitude, or whether it is the beginning of the end of the usefulness of railways in this country, remains to be seen. But it is perfectly evident, as things are, that our railway traffic is congested to a degree. Traffic which should have been, and was before the War, carried by water is now being diverted to these already over-worked lines. The difficulties with which they are menaced threaten to add to the burdens already borne by them, and will accentuate the arduous problem already before the management whenever they find it necessary to raise new capital. It is manifest as things are that the railways [illegible] them pay; and, consequently, those responsible for their management seem reasonably likely to be faced with increasing difficulty whenever they have to appeal

property they acquire, either temporarily or for permanent purposes. Every single line of the United States whose reports we have seen complains, and complains bitterly, of the inadequate nature of the compensation paid by the Government. Amongst others, the Chesapeake and Ohio found itself very inadequately compensated. As will be seen from the report, the justice of its contention has been admitted by the Federal Government, which has awarded it a very appreciable increase in compensation. Against this award of compensation the Federal Government, during its period of control, made certain renewals of rolling-stock and also renewals in the permanent way, which in American language is called "betterments." Inasmuch as the Federal Government was working the line very severely, there were certain grounds for contending that the betterments were very far from restoring the line to its position at the time it was taken over by the Government. However this may be, the Federal Government have agreed that the Company shall fund this indebtedness and pay interest to the Government until such time as this is liquidated. On the whole, the management appear fairly satisfied with the results they have been able to obtain, and accordingly recommend their acceptance by the proprietors.

The other feature that will attract the immediate attention of the reader is the heavy falling off in revenue and in traffics as an almost immediate result of the Armistice. This is due largely to the peculiar nature of this Company's traffic. Nearly all the lines are suffering more or less from the difficulty of exporting goods to Europe owing to the adverse exchange. But this line has suffered with particular severity, and its loss of the abnormal traffic it enjoyed during the War period commenced almost immediately owing to its peculiar nature. The Chesapeake and Ohio, like most of the American lines, is essentially a freight-carrier, as distinct from a passenger line, and of this freight nearly a quarter of the whole is mineral traffic. It need not be said that the demand for minerals with the cessation of hostilities fell off enormously, and the inability to obtain freightage accommodation made it practically impossible to export coal to anything like the extent which had occurred during the period of the War.

The Japanese Boom was suspended on the 20th of last month, when the Finance Minister announced that the Government, through the Bank of Japan, had decided to give the necessary assistance to those institutions which had engaged in non-speculative business, but which had found themselves in difficulties owing to the heavy demands made upon them. We learn that the industry of the country is now working at about half its capacity after the recent collapse. The seasonal demands for money for the silk industry are smaller than was expected, owing to diminished production of cocoons, while producers are refraining from selling their crops at present prices. In view of this condition of things money requirements in connection with the half-yearly settlement were small, and the Money market passed the end of the month quite smoothly. The note circulation and the advances of the Bank of Japan on the last day of June were 1,349 million yen and 660 million yen respectively. The rate for call money was quoted 5½% and the discount rate at 10%. At one time there was a revival of buying in the Yokohama Silk market, but the demand fell off later and the market became quiet. The general tendency of the Stock markets at the close of the settlement was rather good.

The R.M.S.P. Company has recently issued an attractive calendar in colours, covering the 12 months July 1920 to June 1921, and consisting of 12 sketches by Fred. Taylor, R.I. Six views are devoted to South American scenes, and six to interior views of the Company's popular South American liner *Almanzora*, the largest steamer in the South American trade.

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Rubber Topics.

With the absence of business at the opening of the market there was very little to test the tone. However, as the week wore on the demand began to grow perceptibly, and the market assumed a firm tone. Especially after Wednesday the leaders began to move up. Anglo-Dutch finished strong on Thursday at 47*s.*, whilst Rubber Trusts were a firm spot at 35*s.* 3*d.* The Vallambrosa Rubber Company announce a final dividend of 1*s.* 9*d.* per share for the year ended March 31, 1920, thus making a total distribution of 125% for the year, in comparison with 62½% for 1918-19. Sapong Rubber and Tobacco Estates declare a dividend of 15% for 1919, as against 10% in 1918 and 15% in 1916. A final dividend of 25% by the London Asiatic Rubber and Produce Company makes a total for 1919 of 35%, in contrast with 25% in 1918. Returns of crops for June again indicate satisfactory yields. Malacca Rubber Plantations keep up their record with a crop of 303,600 lb. Bukit Sembawang nearly doubles the June return of 1919 with its output of 144,000 lb.

ANNUAL REPORTS ANALYSED.

AYER KUNING (F.M.S.).

Issued Capital: £139,260 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price "All-in" Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...1,040	1,034	426,119	270	2/2½	1/3	31,609	—	—
1916...1,936	1,856	724,457	390	2/5½	1/0¾	61,095	28,817	20
1917...1,965	1,931	825,085	434	2/4½	1/0⅜	57,008	28,878	20
1918...2,322	—	609,700	—	2/1	1/3½	33,184	19,409	15
1919...2,322	1,931	960,175	497	2/0¾	1/3·29	58,386	38,817	30

Price of Shares, 57/6. Market Capitalisation per planted acre, £172.

SHAREHOLDERS in this well-known rubber company have every reason to congratulate themselves heartily on the excellent report presented for the year ended December 31, 1919. Against an estimated crop of 805,700 lb., as compared with the restricted crop of 609,360 lb. in 1918, there was harvested the record crop of 960,175 lb. Considering that there were 1,931 acres in bearing, the average yield for the estate worked out as high as 497 lb. per acre, in contrast with 434 lb. per acre in the previous normal year 1917. With a bearing area of 975 acres, the yield from Bukit Jelutong was as much as 538 lb. per acre, whilst the 956 acres of the Rasak division produced 477 lb. per acre. Managed with a high degree of efficiency, the estate turned out this large output at the remarkably low f.o.b. cost of 7.17*d.* per lb., as compared with 11.17*d.* per lb. for 1918. Whilst the Rasak portion was obtained at 8.15*d.* per lb., the contribution from Bukit Jelutong was secured at as low as 6.34*d.* per lb. Similarly, the "all-in" cost per lb. declined from 15.62*d.* in 1918 to 9.29*d.* in the year under review. On the other hand, the gross price realised by the sale

£ the crop fell from 2s. 4d. per lb. in 1918 to 2s. 0¾d. per lb. This is due to the fact that, about 40% of the crop in 1919 was disposed of at an average of 1s. 10d. per lb., no less than two-thirds of the 1918 crop fetched 2s. 7d. per lb. c.i.f. New York. Nevertheless, owing to the greater reduction in the cost of production, in conjunction with the larger [illegible] profit rose from £33,181 to £58,385. Dividends paid to shareholders absorbed £48,817, equivalent to a rate of 30% in contrast with 15% for 1918. The balance carried forward to the next accounts stands at £28,548, and is subject to deduction in connection with the extra remuneration of the directors and the liability in respect of excess profits duty [illegible] estimated at £17,000.

The outlook for the current year is very favourable. The estate is reported to be in excellent order and condition, and tapping is being done on a very conservative system. The 327 acres planted in 1918 are developing so well that it is expected to be [illegible] this area after 4½ years' growth. Arrangements have also been made to plant another 375 acres during the current year. The estimated crop is put as high as 1,000,000 lb., and as the yield for the first five months amounts to 416,900 lb., there is good reason to believe that the estimate will be exceeded. At the same time, further reductions in the cost of production will be rendered more difficult by the continual rise in the cost of stores and of labour, as well as by the acute position of the food problem. More serious still in its financial results is the increase in the excess profits duty to 60%. Here is another Company which did not begin to pay dividends until this tax had come into being. Since 1916, including the £17,000 provided for in respect of 1919, the Company has paid under this tax a sum of £77,900 to the State, or more than 55% of its present capital. It would be difficult to conceive a tax more inequitable in its incidence, and at the same time so prejudicial to the industrial and commercial development of the nation. The financial position of the Company as disclosed in its balance sheet at the end of 1919 is very strong. Liabilities, including the final dividend of £25,878, do not exceed £40,562, whereas liquid assets are available to a total of £85,175. During the year the capital has been increased to £139,260 by the issue of shares at a premium of £1 each, and the proceeds were applied in part to pay off the loan of £10,000 from the Highlands and Lowlands Rubber Company. In the market the £1 shares are quoted at 57s. 6d., and, assuming the dividend for the current year to remain at 30%, afford at this price a return of nearly 10½%.

GOLCONDA MALAY.

Issued Capital : £88,000 in £1 Shares.

	Results for Years to December 31:							
	As Yield							
	Total Area in Bearing	Rubber Tapped	Total Crop	Per Acre Yield	Price "Allen" Rubber	Cost of Production	Net Profit	Ordinary Dividend Amt.
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£
1915...	1,261	1,000	172,063	295	2s. 9¾d.	1s. 11·85d.	13,010	5,200
1916...	1,261	1,080	385,175	348	2s. 0¾d.	1s. 10½d.	50,146	30,800
1917	1,261	1,261	300,264	340	2s. 2d.	1s. 11½d.	30,041	26,400
1918	1,704		455,044		1s. 9d.	1s. 8·61d.	17,308	17,600
1919...	1,701		535,932		1s. 1·35d.	1s. 1·43d.	58,385	48,817

Price of Shares, 59 4½. Market Capitalisation per planted acre, £153.

The report of this rubber Company for the year ended December 31, 1919, reflects the disappearance of the restrictions on output that were in force during the previous year. Consequently, the crop of rubber harvested reached 535,932 lb., in comparison with 455,044 lb. in 1918. It was thus some 5,900 lb. in excess of the estimate. The most satisfactory feature in the report is undoubtedly the further decrease in the cost of production. Estate expenditure, including depreciation, worked out in 1919 at 1s. 1·43d. per lb., as against 8.61d. per lb. in 1918. Freight, selling charges, and marine insurance involved an outlay of 1·89d. per lb., an increase of 0·1d. in the year. Owing to the disappearance of war-risk insurance, sundry charges fell from 0·87d. per lb. in 1918 to 0·37d. per lb. The [illegible] per lb., the [illegible] did not exceed 10⅞d. per lb. Such a result bears eloquent testimony to the efficiency with which the [illegible] that this low figure was attained after allowing for the [illegible] provision of rice. Taking into consideration sundry receipts, including interest and transfer fees, the net [illegible] parison with 10.42d. Meanwhile the crop was disposed of to better advantage, the gross proceeds, including the unsold crop, which was valued at 1s. 9d. per lb., being equivalent to 1s. 11.35d. per lb. in 1919, [illegible] 1s. 1.43d. per lb. was secured in contrast with 9.13d. per lb. for the previous year. Consequently, a net profit of £17,308 in 1918 was replaced by one of £30,000 in 1919. Moreover, owing to the fact that the profit for 1918 had fallen considerably below the datum line, the income for the year under review [illegible] connection with the excess profits duty. Hence, [illegible] £5,268 brought forward from 1918, there was available [illegible] this there had already been paid an interim dividend of 10%, absorbing £8,800. From the balance, after setting aside £1,429 to cover the directors' remuneration, £750 to meet the amalgamation expenses in connection with the acquisition of the Kuala-Klang estate, and £375 as bonus to the staff, the shareholders received a final dividend of £22,000, which, with the interim dividend of 10%, represented a total of 35% for the year, in comparison with 28% for 1918. After meeting these charges there is carried forward to the [illegible]

According to the Chairman, it is difficult to ascertain clearly the outlook for the current year in view of the shortage of rice and the unfavourable exchange situation. Furthermore, towards the close of 1919 the Kuala-Klang estate was acquired in exchange for 25,000 fully-paid £1 shares. This estate consisted of 510 planted acres, thereby raising the total planted [illegible] acres for the current year. Yet, despite this increase, the estimated crop only amounts to 594,060 lb. This is due not merely to the difficulty of securing an adequate labour supply, but also to the adoption, upon the recommendation of the visiting agent, of a more conservative tapping system during the current year with a view to secure more advantageous yields later on. Present returns confirm this restriction. The actual crop from both estates for the first five months of 1920 only reaches 271,120 lb., as against 277,212 lb. from the Golconda Malay property alone for the corresponding period of 1919. However, this [illegible] reason to reduce the f.o.b. cost on the joint properties [illegible] can, therefore, be administered more economically, this figure is easily capable of realisation. The position [illegible] ber 31, 1919, is financially strong. To meet liabilities, including the final dividend of £22,000, which amounts [illegible] of £61,283. Owing to the absorption of the Kuala-Klang property certain changes have taken place. In accordance with the terms of the agreement, Kuala-[illegible]

CALEDONIAN
INSURANCE COMPANY.

FIRE. LIFE. EMPLOYERS' LIABILITY.
PERSONAL ACCIDENT AND ILLNESS. BURGLARY.
MOTOR. MARINE. GENERAL.

HEAD OFFICE—19 GEORGE STREET, EDINBURGH.
LONDON OFFICES 82 KING WILLIAM STREET, E.C.
14 WATERLOO PLACE, PALL MALL, S.W.

MARINE DEPARTMENT.
2 THREADNEEDLE STREET, E.C.

FOREIGN FIRE DEPARTMENT.
3 BUCKLERSBURY, E.C.

Insurance Notes.

EXCESS INSURANCE COMPANY, LIMITED.

WITHIN a comparatively short period, on the foundation of a very modest capital, this Company, which is under the direction of a small board of Lloyd's underwriters, with Mr. Cuthbert E. Heath as Chairman, has built up a flourishing business of huge dimensions, together with exceptionally strong reserves. During the War it took big risks, but it had the advantage of being under the guidance of experts of great and proved capacity, and the results have proved very profitable. Nothing but praise can be given for the manner in which the Company's finances have been handled. To limit dividend distributions to an amount within interest earnings is considered a sound course in the case of a young insurance company, and as almost a counsel of perfection in the case of an old one. But the Excess has improved upon this practice. Indeed, its net interest earnings in 1919 were in themselves more than treble the amount declared as distributable in dividends. Thus the greater part of these earnings, as well as a much larger amount of trading profits, was left free for addition to the reserves after provision for income tax and excess profits duty, and for depreciation in securities and other contingencies. In adopting a course of this kind the directors have followed their practice during the whole of the trying and uncertain period of the War. Yet the dividends in themselves have been far from unsatisfactory. Ten per cent. was declared in respect of the years 1911, 1912, and 1913; 15% in respect of 1914 and 1915; 20% in respect of 1916; 25% in respect of 1917; 35% in respect of 1918; and 45% was announced last spring as the distribution in respect of 1919. Large as the last-mentioned dividend appears to be, it is less than 3% of the amount represented by the capital plus the accumulated reserves at the close of last year, apart from those carried forward for the winding up of underwriting accounts. The reserve fund amounted on December 31, 1919, to £800,000, out of which £200,000 was added from profits realised during the year, and the total assets on the same date stood at £2,430,722, after deducting a reserve of £175,000 for depreciation. This indicates a position of enormous strength in comparison with the figures of premium income as shown in the accounts. About 60% of the net assets was invested in British Government securities.

The Company in its methods of accountancy follows the usual Lloyd's plan of keeping each year's underwriting accounts in separate sections. Thus, against the premiums received in a year, less expenses, the claims arising on the relative policies are entered, and it is not until the expiration of three full years that a balance of profit and loss on that year's underwriting is struck. Underwriting accounts, therefore, for three years (1917, 1918, and 1919) are presented with the annual report for 1919. The account for 1917 is the only one that is closed. That year was a phenomenal one in marine insurance business, and this Company, like most other British concerns engaged in this sphere, was able to report a premium income of extraordinary, and till then unprecedented, magnitude. The premium income of the Excess Company in 1917 amounted to £2,451,644. If we consider the terrible conditions prevailing during that year, when the submarine menace reached its zenith, we can imperfectly realise the tremendous risks which were run. Fortunately, the Company has got home very comfortably on the right side from this vast and perilous adventure. The closure of the account at the end of 1919 permitted a transfer of £423,103 to profit and loss account. But nothing like this startling total can be regarded as profit. Indeed, against it has to be placed a total sum of £261,188 for taxes, expenses, depreciation in securities, and other provisions. On the other hand, the year's net interest earnings amounted to £80,848.

The 1918 underwriting account shows an underwriting balance of £785,577 carried forward to 1920, against which will fall to be placed in the course of the present year third-year settlements, expenses, &c. The premium income in 1918 amounted to £1,599,549.

The underwriting account for 1919 shows a premium income of £931,880, of which first year's settlements and fire brigade tax (£105) absorbed £270,108. Accordingly a sum of £661,772 is carried forward to 1920. The first year's settlements absorbed under 29% of the premiums, compared with 35% in 1918 and 49% in 1917. The ratio of first year's settlements to premium income in 1919 was lower than in any year in the Company's experience since the commencement of the War. So far as ordinary canons are applied to this business (although it should be remembered that they are not altogether reliable, owing to varying circumstances), it may be anticipated that the outcome of the underwriting accounts for both 1918 and 1919 will be highly satisfactory to shareholders.

The Chairman of the Company, at the annual meeting held on March 23, 1920, made some interesting references to new schemes which it has adopted. These include insurance in relation to industrial disputes. It might be supposed that these were of a very speculative character, but under the conditions imposed the risk is largely reduced. In the special instances of business already done it has had to be made clear to the Company that the arrangement was a fair one to both sides in the dispute, so that an employer acting unfairly would not recover damages, while, on the other hand, his hands would be strengthened against unjustifiable demands. It appears that this branch of insurance was in existence in some Continental countries before the War, especially in Germany, and the Chairman is in hopes that it may develop into a useful system. He also referred to the difficult question of credit insurance, which he thinks has a great future before it, if properly worked in connection, not with speculation, but with the *bona-fide* trade of the country. This business is being done in harmony with the Trade Indemnity Company, Limited (an offshoot of the British Trade Corporation), over which the Chairman of the Excess Company also presides. The two companies are endeavouring to enlist the co-operation of first-class insurance companies in other countries, and of institutions in those places whose equipments are suitable. Alliances have been made with such institutions who, as regards credit on bills drawn by their compatriots, will advise as to security and share in the risks. On these lines the Chairman of the Excess at the annual meeting expressed the hope that the Company would build up a perfectly sound business, and at the same time help British trade to a very large degree. It will be interesting to watch the development of this very enterprising experiment, and it is satisfactory to know that its strong financial position, so clearly demonstrated in the report for 1919, will enable the Company to embark upon it without anxiety or apprehension.

New Issues.

GOVERNMENT OF VICTORIA 6½% CONVERSION LOAN, 1923-1925.

The Victorian Government are offering to the holders of £5,949,700 outstanding 4% Stock, due October 1, 1920, conversion at par to the extent of £2,725,000 into 6½% Inscribed Stock. The three months' interest due on October 1 next on the 4% Stock will be duly paid on that date. The Victorian Government are only approached the London market for new money on three occasions in the past 17 years. Last year £1,000,000 was absolutely redeemed, and the total liability in respect of the loan now maturing is being reduced by £550,000. The State's indebtedness to this country has been reduced by over a million since 1901.

HARRIS (CALNE) AND GENERAL PRODUCE COMPANY, LIMITED.

The prospectus will be advertised on Monday of the above-named Company, which has been formed to take over nine bacon and produce businesses—some of them very old-established, one, indeed, having been established as long ago as 1748—in Bristol, Cornwall, London, and Glasgow. The authorised capital of the new Company is £1,750,000 in Ordinary shares of £1 each, of which £850,000 are now being issued, and £750,000 8% Convertible 6-Year Notes of which £600,000 are now being issued. 418,500 Ordinary shares and £100,000 of Notes are being subscribed at the issue price by certain members of the firms and shareholders in the companies owning the businesses to be acquired by the Company. The directors and their friends have agreed to subscribe on underwriting terms for £210,000 of Notes and 94,500 Ordinary shares of the Comany. The vendors to the Company are taking 50,000 Ordinary shares, credited as fully paid, in part payment of the purchase price.

An issue is made of £3,500,000 CORPORATION OF LONDON 5½% BONDS of 1928 in bearer bonds of £50, £100, £500, and £1,000 at the price of 94½. Allowing for redemption the bonds yield nearly 6½%. An option is given to purchasers for one year only to convert their holdings into Corporation of London 5% Stock, 1945-65. Purchasers surrendering their holdings on or before January 1 next may exchange at the rate of £116 for each £100. After that date, but before July 1, 1921, the rate will be £114 for each £100.

DUBILIER, LIMITED, has been formed with a capital of £300,000 in £1 shares, of which 185,558 have been or are to be issued in full satisfaction of the purchase consideration. Applications are now invited for 112,000 shares at par. The directors and their friends are subscribing for 31,200 shares, and guarantee a total subscription of 51,700 shares. The businesses acquired are those of Dubilier, Limited, Metal Manufacturers, Limited, and Crysilco, Limited, all engaged in the manufacture of electric lamps by the tungsten or molybdenum processes.

SIR W. G. ARMSTRONG, WHITWORTH AND COMPANY, LIMITED, with an issued capital of £10,012,000 and £2,500,000 4% Mortgage Debenture Stock, is now offering £2,000,000 Second Mortgage Debenture Stock at the price of 95, carrying interest at 6½% and redeemable on or before January 1, 1946.

THE BEKOH CONSOLIDATED RUBBER ESTATES, LIMITED, acquires the Bekoh Rubber Estates, Limited, and the Lunuh Group Rubber Estates, Limited. It has a capital of £350,000 divided into 3,500,000 shares of 2 each. The present issue is of 3,000,000 shares, of which 2,825,000 are to be issued as fully paid up in payment of the purchase consideration, and 175,000 shares of 2 each are now offered for cash subscription at par. The properties are partly situated in Malacca and partly in the Mauldin district of Johore.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
ST. SWITHIN'S HOUSE, ST. SWITHIN'S LANE, LONDON, E.C.4.
Manager: J. HERBERT E. LANE.

Registered Office and Life Department.
9 FLEET STREET, LONDON, E.C. 4.
Actuary and Secretary: CHAS. WINDETT

Commercial.

EMPIRE FLAX.

According to the *Bulletin* of the Imperial Institute experiments are being made at the Institute with samples of flax actually grown in various parts of the British Empire. Samples have been received from India grown in Bihar, Bengal, the United Provinces, and Assam. These experiments seem to prove that there are real possibilities that these Provinces of India are capable of producing flax upon a great scale and upon a sound commercial basis. For the sake of showing the reader what is actually being done we will quote from the information before us the results of an analysis of certain samples examined in London but grown in Assam. We will prefix our remarks by saying that the material, which had been scutched by hand, was a brownish-green fibre of a very fair lustre. The fibre was, however, towy, and a large proportion of gum had to be extracted. The length was fairly good, including straw ranging from a foot and a-half to two and a-half feet. Flax is valued for its cellulose content. Standard flax, that is flax approved by the international markets, has a very high content of cellulose, the amount contained being 84½%. The Indian sample examined contained only 72%. Fat or wax was present to the extent of 3%, which should be eliminated. The loss by acid purification was double what it should be when compared with the standard staple, being as high as 6%. The moisture content was 2% higher than should be the case according to standard. The ash content was 24%. The fibre as grown has to be submitted to various processes for purification. The total loss from these various processes should be less than one-third, whereas in the samples examined in London the loss was practically one-half. A sample examined grown in the East Africa Protectorate gave better results, the cellulose content being actually higher than that present in the standard staple. The loss, moreover, from the various processes of purification was lower. The only unfavourable feature was a slightly greater content of moisture. It has been suggested for a long time that the [illegible] Africa offer remarkable potentialities for the growing of flax upon a really [illegible] scale. [illegible] of these samples recently in London fully confirms the favourable opinion entertained locally regarding the prospects of the crop. Of course, it has to be [illegible] on this subject, that the suitability of the soil and climate in no [illegible] the question of [illegible] supply [illegible] [illegible] [illegible]

preceded the outbreak of the recent War was able to attain such a preponderating position in supplying the raw material for the flax markets of the world was that she possessed in those days a large supply of labour, which was available upon an exceptionally low economic basis at a period of the year when the flax harvest occurred.

There were in that part of Russia in which flax was so largely grown before the War a great number of peasants engaged throughout the year in various agricultural pursuits. They were for the most part poor people, and were anxious to earn wages whenever an opportunity occurred. They had other occupations during the greater part of the year, but their services were available, and were readily obtained, during the brief period of the flax harvest. On the high plateaux of East Africa, although, as the result of the analysis given above amply demonstrates, the soil and climate are eminently suitable—in fact, apparently highly favourable for the growth of flax upon a large scale—the conditions regarding labour are wholly different from those which prevailed in North-West Russia in the period before the War. There is a population in East Africa, but it is very far from being adequate for the needs of an extensive flax growth. Moreover, it is practically wholly untrained. No doubt it would be possible to attract immigrants, particularly from the East. If it were necessary, however, to employ those immigrants wholly in the cultivation of flax, it remains to be seen whether it would be possible to produce flax in the quantities that were formerly produced in Russia at anything like the same price. There is, of course, no reasonable doubt that under the conditions which prevail at present, assuming there is an adequate supply of the type of Indian flax, the analysis of a sample of which we have discussed above, there would be a ready market—a ready market, moreover, at an extravagant price. The market, however, will not be satisfied, if it can help itself, with an inadequate supply of relatively inferior flax sold at extravagant prices. What those responsible for supplying the market are aiming at obtaining is a flax of at least as good quality —and this was not the best grown—as was that produced in Russia before the War. Moreover, the market seeks a flax that can be sold upon a relatively low economic basis. It may not be possible, although we doubt it, to obtain flax at the price at which it was formerly produced in Russia, but at any rate produced upon a far more reasonable economic basis than is the case at the present time. As we have said above, the principal features militating against the flax samples from Assam examined recently in London is primarily, of course, the low proportion of cellulose. This relatively unfavourable feature is very materially increased by the high percentage of loss on hydrolysis and on acid purification. This, however, is not necessarily a feature of Assam-grown flax. The defects found in the samples examined may be due quite as much to the fact that the samples had neither been properly cleaned nor properly retted. It seems not unreasonable to assume that these samples had not been properly treated in any way, because the ends were very uneven, which would justify the assumption that very little care had been taken in the scutching. Altogether, the verdict of the experts and of those in close touch with the market for flax was that the fibre should be classified as of medium quality. There can, of course, be no reasonable doubt, as said above, that such would find a ready market under present conditions, and had it been available in sufficient quantities during the War it would have commanded wholly extravagant prices.

No doubt the reader is aware that flax was at one time extensively grown in Egypt. There can have been but few crops which it is possible to grow within the limits of the warm temperate or sub-tropical regions which have not at some time or other been grown in Egypt. Agriculture enjoys extraordinary advantages in a country so peculiarly situated as Egypt. In reality Egypt, from the agricultural point of view, is very like a model world supplied to a child for his instruction, with the storms and floods and hurricanes with which less favoured mortals are familiar wholly eliminated. Egypt is more like a country out of a toyshop than any other agricultural area, even including the orange groves of California, with which we are acquainted. The drawback to agricultural pursuits in Egypt is that they are necessarily limited to the quantity of water available from the Nile. The reader will recollect that that part of the great African desert which we call Egypt is only habitable because the river Nile runs through it. It is cultivable for only about half a mile on both banks, and sometimes less, during the whole length of its course. As a result, cultivation can be actually regulated, so many regularly irrigated acres growing a specified amount of produce. There is no rain, no hurricanes, and there are no floods. The crop is assured provided certain well-known conditions are fulfilled. Moreover, the quality of the crop is almost equally certain. Neither an unwelcome drought nor an equally unwelcome deluge is to be feared at some particularly inopportune moment. Consequently, the natural fertility of the soil is constantly maintained. There is, of course, the difficulty indicated above that an irrigated land depending for its fertility wholly upon one great river is necessarily very limited in area. Nevertheless, it is by no means certain that the present policy in Egypt of depending almost wholly upon cotton is a desirable one, or sound from any economic point of view. Egypt not merely fed herself in the later Roman period, but she played to the Imperial Government very much the part that Canada does to us. She was one of the great sources of wheat supply within the Empire. Cotton-growing in Egypt to the extravagant extent that it has been developed of late is quite a new idea, owing its origin to the American Civil War, now something more than half a century ago. The then Khedive of Egypt saw the opportunity which the Civil War in America offered; and financially it has undoubtedly been a very great success, although the policy, as we have said, is economically unsound.

A few thousand acres have actually been planted under flax. Samples have been examined at South Kensington; but it is hardly a question of examining samples of Egyptian flax, because it is perfectly well-known that if certain requirements are fulfilled very excellent flax can be grown in Egypt. Experiments have been made at Guemmeiza, the well-known experimental Government farm. The samples grown were four, one a French type of flax, one a Belgian, one Russian, and one native variety. The result has produced flax, including straw, varying from 30 to 40 inches in length. An acre yielded of the various varieties tried or experimented upon from 15 to 22 bushels of seed and from 1 to 1½ tons of straw.

Experiments were made at the Imperial Institute with a view to ascertaining the yields. On the whole, experience shows that these fibres were of a soft, fine, lustrous character and of fairly good colour. These experiments appear to indicate that there is no real difficulty in growing large quantities in Egypt.



Industrial Companies.

BURMAH OIL.

Year to Dec. 31	Trading Profit*	Sundry Revenue	Gross Profit	Depreciation	Excess Profits	Reserves	Fire Insurance Fund	Pref. Dividends	Ord. Dividends	Div. on tax free
	£	£	£	£	£	£	£	£	£	
1915	1,525,472	47,[illegible]	1,572,112	590,[illegible]	90,[illegible]	2[illegible]	[illegible]	[illegible]	421,[illegible]	22½
1916	1,946,548	74,[illegible]	2,021,352	592,[illegible]	344,[illegible]	3[illegible]	[illegible]	[illegible]	471,[illegible]	3[illegible]
1917	2,778,463	[illegible]	2,826,343	477,[illegible]	1,28[illegible]	[illegible]	[illegible]	[illegible]	14,125	2½
1918	3,240,124	254,691	3,494,815	481,[illegible]	1,[illegible]	[illegible]	[illegible]	[illegible]	807,[illegible]	3[illegible]
1919	4,843,325	287,149	5,130,474	498,856	1,300,000‡	1,358,669	42,000	1,428,750	50	

* Before deducting depreciation. † After deducting income tax.
‡ For 1-14 and 1915. § Estimated.

In analysing the [illegible] general meetings it is [illegible] inevitable human tendency to [illegible] future through coloured glasses: to resort to the century-old device so excellently summarised in that pertinent phrase: "There is nothing like leather." That is the salutary rule. But all rules have their exceptions, and in this instance perhaps the most notable is furnished by the case of the Burmah Oil Company. "For a number of years now," declared the Chairman at the recent general meeting, "I have, with a regularity which has almost become monotonous, been able to point out that each successive year marked a fresh record in the unbroken prosperity of the Company, and to-day I am in the happy position of submitting a statement of accounts which puts all previous records completely in the shade." No language of exaggeration this, but a frank statement of the cold reality. Even the most carping critic must admit that the trading record of this celebrated oil Company for the year ended December 31, 1919, is of such a nature as to merit this description. With the cessation of the world war the belligerent nations sought to return as quickly as possible to productive enterprise. The demand for fuel became urgent at a moment when the shortage of coal was beginning to make itself felt. Transport and manufacture alike were unable to secure adequate supplies of coal. Consequently the demand for oil exceeded all expectations, outran all estimates. Experience, culled in the costly school of war, had thrown much valuable light on the possibilities of oil as fuel. South American railways rapidly began to adapt themselves to the changed conditions, and their annual reports dwelt almost *ad nauseam* upon arrangements made for utilising oil on a larger scale. Likewise, shipowners realised that oil fuel, whilst absorbing for storage less cargo space than coal, gave results at least no less satisfactory. Similarly the great development of motor traffic again gave birth to an increased demand for oil. And this demand was world-wide in its range. "It is no exaggeration to say," declared the Chairman, "that many hundreds of thousands of tons of new business all over the world have had to be turned down owing to insufficiency of oil or of the means of transporting it."

With [illegible] restricted supply, it is not difficult to realise that for oil [illegible] profits. In this case great profits were earned, but not [illegible] extent. [illegible] volume of their products, continued to be sold at prices [illegible] the Indian [illegible] the shortage of [illegible] British Burmah Petroleum Company to supply such quantities of foreign kerosene as will enable the full demand of India to be met. This control of the Indian [illegible] levels. According to the Chairman, India thus secures for £11,000,000 [illegible] price, would cost her to-day £25,000,000. Similarly the price of petrol in India is less than that paid by the American motorist in the States. The output of larger volume of foreign lubricants. The small quantity of candles and waxes is sold in the world's markets at prices determined by the prevailing economic forces.

It will be recollected that soon after the Armistice there was a general tendency for prices to fall, and for a short time oil and its associated products followed the general movement. But the revival of the intense demand, as soon as the shortage of coal became recognised, curbed this tendency. Accordingly, with a record volume of trade at favourable price levels the Burmah Oil Company could register a trading profit of £4,843,325 for 1919, or more than £1,500,000 in excess of the satisfactory figure of 1918. The profit is again due almost entirely to the direct trading activities of the Company itself. Sundry revenue only accounts for £287,149, and this comes, in the main, from the dividend of 8% free of tax on its holding of Anglo-Persian Oil shares. It may be noticed in passing that the exact extent of this holding amounts to 1,899,728 fully-paid shares, which stand in the books at the cost price of 11*s.* 3*d.* per share, and of 474,932 shares issued at par, on which only 1*s.* per share has been paid. Profits derived in the course of trading were increased during the year under review by improved methods of marketing the kerosene, by reduced fuel consumption, and by improvements in refining operations. But there was another and an extraneous factor which was responsible for a substantial addition to the profits. This was the phenomenal rise in the Indian exchange rate in the latter half of 1919. Generally speaking, the value of the rupee oscillated between 1*s.* 6*d.* and 1*s.* 8*d.* in the first six months, whereas in the last six months it ranged from 1*s.* 8*d.* to 2*s.* 4½*d.* Out of the great profit thus secured a sum of £498,856 was written off in respect of depreciation. It is of interest to remark in this connection that by adopting such a liberal policy of depreciation the fields block account now only stands at £100,000, and that the directors intend to keep it at that low figure by debiting the annual expenditure in the fields against the annual profits. The allocations to reserves reach £1,358,669, or more than the combined allocations of the four previous years. Of this the general reserve absorbs £1,291,000. This large sum was set aside to defray the heavy capital expenditure involved in the electrification of the oilfields and in the other development schemes which the Company has in view. After meeting the Preference dividends, amounting to £42,000, there is paid to Ordinary shareholders a sum [illegible] comparison with 30% for 1918. There is carried forward to the next accounts a balance of £1,536,994, in which is included £1,300,000, the estimated liability in respect of excess profits duty.

Satisfactory as was this cash dividend of 50% free of tax, it did not represent all that the Ordinary shareholders received. Compelled, in view of their large capital expenditure referred to above, to keep in hand [illegible]

HARRISONS & CROSFIELD, LTD.

ISSUED CAPITAL ... £1,852,[illegible]

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

West

BRANCHES and AFFILIATED COMPANIES in

America [illegible] Morocco
Burma [illegible]
Canada [illegible]
Ceylon Malaya U. S. A.
China

The Company acts as Agents for the storage, shipment and sale of produce.

profits of the year through the medium of a bonus issue. With this end in view the authorised capital was increased at the general meeting to £7,000,000 by the creation of 1,000,000 Ordinary shares of £1 each. This left the Company with 3,142,500 Ordinary shares unissued. It was proposed to issue 2,286,000 of such shares to existing shareholders as a bonus in the ratio of four fully-paid shares to every five shares held. As a result of this the Ordinary share capital after July 8 will amount to £5,143,500. Taking the market value of these shares towards the end of June at 17, this meant a very substantial gift to existing shareholders.

The great financial strength of the Company is clearly seen in the following position as taken from its balance sheets:—

Balance-Sheet Analysis.

Dr.				*Cr.*				
Dec. 31	Issued Capital	Reserves and Carry-forward	Total	Value of Fixed and Permanent Assets*	Value of Stocks†	Investments	Excess of Debtors and Cash over Current Liabilities	Total
	£	£	£	£	£	£	£	£
1915	2,905,000	2,594,276	5,499,276	2,592,318	1,558,669	1,123,459	224,791	5,499,276
1916	2,905,000	2,933,660	5,838,660	2,507,760	1,651,470	1,582,324	197,106	5,838,660
1917	2,905,000	3,378,221	6,283,221	2,458,432	2,064,113	2,122,536	361,860‡	6,283,221
1918	3,857,500	2,787,558	6,645,058	2,255,010	1,981,073	2,870,043	461,068‡	6,645,058
1919	3,857,500	4,352,716	8,210,216	2,242,064	2,729,721	3,204,391	34,040	8,210,216

* Including refineries, oil wells, pipe lines, lands, tanks, machinery, tank steamers, &c.
† Including stocks of plant and stores.
‡ Deficiency.

At the close of 1919 cash and sundry debtors amounted to a total of £3,861,478, whereas liabilities, including excess profits duty and the final dividends, did not exceed £3,827,438. Thus an excess of more liquid assets to the amount of £34,040 compares with a deficiency of £461,068 in 1918. And this position has been attained thanks to the wisdom of the Company in retaining its more liquid capital and in spite of an increase in the value of stocks to £2,729,721. Further purchases of War Loans and of Anglo-Persian shares account for the growth in investments from £2,870,043 in 1918 to £3,204,391 in 1919. The outlook for the current year is very favourable. All the factors which tended to increase in the profits in 1919 will be again in operation. During the first five months the Indian exchange remained at a very high level, the rupee rising above 2*s*. 9*d*. and not falling below 2*s*. 3*d*. It is only recently, since the adoption of the report of the Indian Currency Committee, that the rate has begun to fall, and even yet it is quoted above 1*s*. 9*d*. Arrangements have been made to increase the fleet of tankers to meet the growth in the demand for oil. Furthermore, a tinplate manufacturing industry has been started in India, the control of the management residing in the hands of the Burmah Oil Company. On the other hand must be encountered the rise in the cost of production with the advance in wages and materials. More vital still is the increased levy that will have to be met under new taxation in India, as well as in the United Kingdom. The profit of 1919 subjected to taxation on the scale in force for the current year—that is including the Corporation tax and the 60% excess profits duty—would be reduced by an additional amount of £750,000. It should not need the salutary warning of the Chairman to realise that, under such circumstances, to count on a profit of 50% free of tax on the capital, increased so extensively for the current year in view of the bonus issue, would be to expect the impossible. Nevertheless, the results of the current year have been favourable enough to justify an interim dividend of 7½% free of tax—equivalent to 10½% subject to tax—which was declared on June 15 to shareholders on the books of the Company on June 28. As the bonus issue takes effect only from July 8, this dividend has reference only to an Ordinary share capital of £2,857,500. In the market the Ordinary shares of the Company are quoted at 16¼, but this price includes the bonus.

THE NATIONAL BANK OF SOUTH AFRICA, LIMITED.

At a farewell banquet at Pretoria, on the 17th ulto., the Governor General took a sanguine view of the country's future. In his peroration he referred to the great potentialities of the territory, and he held that it lay with the citizens of the Union to secure for their country a splendid future.

The Minister of Mines, in opening the annual convention of the South African Federated Chamber of Industries, stated that the review of the position clearly showed that the Union is equipped with the primary products, initiative and enterprise, to carry on manufacturing industries; and calling attention to the key industries, instanced, iron smelting, steel, and chemical fertiliser works. The President of the above body, quoting list of mining industries successfully established in recent years, referred to the possibility of the local manufacture of paper, white lead, and of the great achievement the country's industries have made by increasing the exclusive mineral output 50% during the past four years' operations. Though at present there is little direct evidence of the efforts of the economy leagues, the volume of up-country business transacted is lower than usual. There is a noticeable falling off in Johannesburg auctions. The furniture trade is less brisk, merchants are disinclined to buy, especially soft goods. Timber, building materials continue in demand, also thin steel plates, bar iron, and steel. Freer consignments of electrical goods, ceiling roses, and counter weights are unobtainable. Lamps advanced to 28*s*. a dozen. Importers consider there will be a drop in prices shortly.

There is semi-official information of the closing of mines, but without disposing of the power plants, spares, and shop tools, these will be used in opening base-metal propositions. Stores of modern steel drills and parts will be absorbed by producing mines, which doubtless accounts for the paucity in the latter's buying. There is considerable inquiry from the alluvial diamond diggings for second-hand engines and boilers, also rails are scarce at £27 10*s*. per ton. Tools are also scarce and dear.

Business in Johannesburg on the Commercial Exchange is indifferent, owing to the absence of speculation, but merchants are optimistic in spite of the closing of some of the mines.

Coastal soft-goods merchants report decline in inland orders, but maintain the opinion that the slackness in trade is only temporary. Job lots of soft goods neglected at auctions. Decided slump in medium and inferior footwear, buyers clamour for cancellations.

Paper position acute, especially in printings. Cream-coated arts and imitation parchment lines nearly exhausted, higher graded writing banks and hand-mades hardly better. Importers are restricting orders in view of high prices.

Johannesburg grocery, even everyday lines, quiet, what were formerly considered necessaries are now luxuries. Large shipments of cheaper rice early expected.

The Minister of Finance in Parliament, on the 13th ulto., made a reassuring statement, that arrangements had been made to buy ten thousand tons Canadian flour. The Government has decided to buy further twenty thousand tons, but, pending arrival of the same, bread prices are rising. Under the Profiteering Act the Government has appointed a Board of Control to manage the whole matter of supply prices. The exchange with Australia of maize for wheat and with the Argentine of maize for coal is suggested.

Crops.—Growing stock Union maize is 20% below normal, the estimate for the season is 10,000,000 bags. Markets in Durban are sagging, Johannesburg is active, especially for forwards, and new consignments, which are arriving very wet, are fetching 22*s*. per bag. At a conference at Potchefstroom yesterday farmers in four large Transvaal producing districts decided to fix maximum of 20*s*. per bag. Kaffir corn estimated at 1,132,500 bags, market hardening, buyers are fixing forward contracts at 26*s*. 6*d*. per bag.

Agricultural Department estimate losses 1919 drought, wheat 762,800 bags, oats 468,300 bags, maize 5,123,760 bags, Kaffir corn 586,000 bags, tobacco 1,972,800 pounds.

Feather Market.—Medium common wings in steady demand, prices a trifle better. Superiors unwanted.

Wool and Hides.—Wool easier, hides and skins stagnant. Competition a shade keener and prices improved 10% to 15 on previous week.

Minerals.—May, gold 700,496 ozs., value £2,975,519; silver, 75,155 ozs., value £18,789; diamonds, 222,479 carats, value £1,298,563; coal, sales 957,221 tons, value £372,372; copper, nil; tin, 73 tons, value £14,603.

COMPANY MEETING.

HAYES, CANDY AND CO., LIMITED,

An extraordinary general meeting of the Company was held on July 9 at Winchester House, Old Broad Street, London, E.C., for the purpose of considering resolutions for increasing the capital of the Company to £2,000,000 by the creation of 100,000 "B" Preference shares of £1 each and 100,000 Ordinary shares of £1 each and for making alterations in the Articles of Association, including provision for the capitalisation of reserves. Mr. W. M. Candy (Chairman and Managing-Director) presided.

The Secretary (Mr. A. Mackenzie Lavie) read the notice convening the meeting and the resolutions.

The Chairman said: Ladies and Gentlemen,—As we have already given you to understand, the board has for some time had under its very serious consideration the expediency, if not the absolute necessity, of a reorganisation of the Company's capital. The capital arrangements made at the time of the Company's incorporation in January 1900, provided for the Company no more than £110,000 cash capital. Since that date our annual turnover has increased about four times, and our profits so far this year are well in excess of any previous year for the same period. The stocks naturally have also increased, not only in quantity, but much more so in relative value, and, although we have excellent banking facilities, we think the position warrants our asking for more capital. We have every reason to be satisfied with the extraordinary growth of our business, the records of the last few years showing a uniformly continuous and consistent increase in the volume of our trading; therefore, if this is to continue, it is essential that we should increase the cash resources at our own absolute command.

It will, of course, be obvious to you that it is not possible, with money at its present price, to issue Preference shares carrying the same rate of interest as our existing Preference share capital, and the proposal which is now engaging the consideration of the board is to authorise an issue of 100,000 "B" Preference shares carrying a fixed minimum cumulative Preference dividend of 7½% per annum, with the right, in years when the Ordinary shares receive dividends exceeding 10%, to share in the prosperity of the Company to the extent of receiving an additional ½% for every 1% over 10% paid on the Ordinary shares, until the new Preference shares shall have received in any year a maximum of 10%. We propose to make an early issue of £80,000 of this new "B" Preference share capital, and we think we have seen our way to secure a subscription of these shares on satisfactory terms. We further propose to make one of the attractions of the issue an offer to applicants of the right to ask for an allotment at a small premium of an amount of Ordinary share capital equal to one-fourth of the Preference share capital allotted to them. When this issue is made we propose to give to our existing shareholders and also to our customers preferential consideration on allotment. If, as we anticipate, this right is taken advantage of, the issue proposed will give to the Company a sum in cash of about £100,000, of which we expect to be able to make advantageous use.

At the same time, we think that the present Ordinary shareholders may fairly expect something more than they have already received out of the past satisfactory earnings of the Company, if this can be fairly given them without unduly encroaching upon the Company's cash resources. We accordingly propose, in addition to at once paying an interim dividend at the rate of 15% per annum in respect of the first six months of the current year, to capitalise undistributed profits of the Company to the extent of £40,000, to apply this sum in paying up in full Ordinary shares for that amount, and to distribute these fully-paid Ordinary shares amongst the existing Ordinary shareholders in the proportion of one new Ordinary share for every two Ordinary shares now held.

To enable the directors to give effect to the proposals which I have outlined, we are to-day submitting to you the resolutions which you have heard read in the notice of to-day's meeting. You will find included among the resolutions a resolution increasing the ordinary fixed remuneration of the board. The directors [illegible] will agree with them that the present fixed remuneration of £100 per annum each is hardly commensurate with the importance of your undertaking, and they are confident that the increase proposed will commend itself to you also. You will also find resolutions modifying the provisions of the existing Articles of Association in regard to the [illegible]. We think that the new provisions [illegible] restrictions on dividends or [illegible] protection of the Preference shareholders, tend to simplicity and give to your directors [illegible] on occasion allow the amounts carried to reserve [illegible] to move the first resolution [illegible] the meeting [illegible] That the capital of the Company be increased to £2,200,000 by the creation of 100,000 "B" Preference shares of £1 each, such shares to carry to the holders the rights and privileges specified in the [illegible] Articles of Association as altered by the next following resolution), and 100,000 Ordinary shares of £1 each, ranking *pari passu* in all respects with the Ordinary shares in the [illegible] authorised to increase the capital accordingly and that all the [illegible] grant options over or otherwise dispose of the same to such [illegible] beneficial to the Company."

Mr. William B. White, in seconding the resolution, said there was no occasion for him to add anything to the Chairman's lucid explanation, but he might say that the board had given the whole matter very careful consideration, and [illegible] on increasing its trade, as it had been doing, it was necessary to have more capital.

The Chairman then invited questions.

Mr. J. J. [illegible] said [illegible] shares, he would like to express his disappointment that some consideration was not being shown to this class of share. It seemed to be the common practice nowadays, in connection with the issue of fresh capital, for companies to increase the dividend on their Preference shares. He would also like to suggest that the £1 Preference shares should be divided into shares of £1 each.

The Chairman [illegible] said that Mr. White and himself were in the same boat as the last speaker, both of them being large holders of the 5½% Preference shares, and Mrs. Hayes was the largest holder of them. They themselves made an effort some eight months ago to get a bigger dividend for those shares, but they were advised by the Company's solicitors that this could not be done without going to the Court, and, even if the Court permitted it, it would be necessary to obtain the consent of every Ordinary shareholder in the Company. They did not, therefore, proceed with the matter. He believed their own memorandum of association was drawn up in a different way from those of some other companies. He would remind Preference shareholders that if they took up some of the new shares, as he was going to do, they would thereby obtain a better average return.

Mr. Watson Slack remarked that he was also a Preference shareholder, and he had written to the board on the subject of increasing the dividend. In their reply the directors had expressed their sympathy, and he would like to point out that as they were altering the articles of association provision might have been made for a higher rate to be paid.

The Solicitor (Mr. Martin) said that Mr. Slack was under a misapprehension. It was not a question of altering the articles, but of altering the memorandum of association, which fixed the amount of the dividend on the Preference shares and their participation in the assets of the Company in the event of winding-up. The Ordinary shareholders took up their shares having regard to the prior rights of the Preference shareholders, and, if the advantage which the latter received were increased, the Ordinary shareholders would have ground for complaint. There were two difficulties to be faced: the first was insurmountable without going to the Court and obtaining an alteration in the memorandum, and the second was that they would never get the Ordinary shareholders to consent.

A shareholder said he thought the scheme submitted was conceived absolutely in the interests of the Ordinary shareholders. The Preference shareholders were left with the same dividend, but it was proposed to take the reserves and distribute them among the Ordinary shareholders. The Preference shareholders subscribed their capital on the understanding that there should be a reserve built up and invested outside the business.

The Chairman said that the statement just made was not quite correct. The Company was bound to keep £40,000 always in reserve. Should it be reduced below that amount only 5% could be paid on the Ordinary shares, unless [illegible] capital to any excess over 5% [illegible] to reserve.

Mr. B. moved [illegible] importance to justify the board in going to the Court for [illegible] would be the opposition on the part of the Ordinary shareholders [illegible]

The Chairman having promised that the board would give their consideration to the suggestions that had been made, the resolution was carried with four dissentients.

On the motion of the Chairman, seconded by Mr. White, [illegible] articles of association, including power for the capitalisation of profits, was unanimously passed.

Mr. W. [illegible] believed it would make them more marketable. He remarked [illegible] those shares. They owned also one fourth of the Ordinary [illegible]

Mr. [illegible] A. [illegible] day of the Company [illegible]

The vote was [illegible]

SOUTHERN PACIFIC COMPANY
AND PROPRIETARY COMPANIES.

THIRTY-SIXTH REPORT OF THE BOARD OF DIRECTORS—FOR THE YEAR TO DECEMBER 31, 1919.

To the Stockholders of the Southern Pacific Company:

NEW YORK, N. Y., June 17, 1920.

Your board of directors submits this report of the operations and affairs of the Southern Pacific Company and of its Proprietary Companies for the fiscal year ended December 31, 1919.

The Federal Government, which took over the railroad and steamship lines of your Company on December 28, 1917, as explained in last year's report, continued, during the year 1919, in the possession and control of your Company's properties.

The following table shows the results of Federal operation of your Company's lines during 1919 compared with the results of Federal operation during 1918:—

	Calendar Year 1919	Calendar Year 1918	+ Inc. − Dec.	Per Cent.
1 Aver. miles of road operated	11,043.11	11,101.51	−58.40	−.53
Railway Oper. Revenues	$	$	$	
2 Freight	163,011,650.07	151,079,622.80	+11,932,027.27	7.90
3 Passenger	59,371,140.37	53,247,921.76	+ 6,123,218.61	11.50
4 Mail and express	7,838,257.82	7,839,380.77	− 1,122.95	.01
5 All other transportation	2,116,116.63	3,548,305.77	− 1,102,189.14	31.06
6 Incidental	6,886,646.60	5,851,254.45	+ 1,035,392.15	17.69
7 Joint facility Credit	128,388.29	83,207.66	+ 45,180.63	54.02
8 Joint facility Debit	24,496.17	12,479.36	+ 12,079.17	35.98
9 Total railway operating revenues	239,657,272.35	221,611,206.21	+18,046,066.14	8.14
Railway Oper. Expenses				
10 Maint. of way and structures	34,799,542.71	25,824,725.78	+ 8,974,816.93	34.75
11 Maint. of equipment	47,969,373.75	40,747,884.97	+ 7,221,488.78	17.72
12 Total maintenance	82,768,916.46	66,572,560.75	+16,196,355.71	24.33
13 Traffic	2,162,186.46	2,249,360.43	− 87,173.97	3.88
14 Transportation	99,371,666.66	83,081,837.92	+ 7,189,768.71	8.35
15 Misc. operations	4,231,200.21	3,330,398.66	+ 900,867.55	27.05
16 General	4,883,888.38	4,925,247.01	− 41,364.63	.90
17 Transportation for investment—Credit	299,175.23	449,092.93	+ 49,657.30	11.28
18 Total railway operating expenses	185,027,782.51	162,729,771.84	+22,295,130.67	11.88
19 Net rev. from railway operations	52,729,789.84	58,888,834.37	− 6,159,044.53	10.46
20 Railway tax accruals	9,178,376.72	9,398,681.08	+ 79,695.64	.85
21 Uncollectible railway revenues	51,604.91	59,675.69	− 7,980.78	13.37
22 Railway operating income	43,199,718.21	49,430,477.60	− 6,230,759.39	12.61
23 Equipment rents (Net credit)	378,081.20	3,661,808.59	− 3,283,727.39	89.68
24 Joint facility rent (Net credit)	*6,422.00	195,989.66	− 202,513.56	1.03
25 Net of items 22, 23, and 24	43,568,375.51	53,288,275.85	− 9,719,900.34	18.24
26 Misc. income	1,000.00	1,011,001.62	+ 311,004.97	209.75
27 Expenses in excess of revenues prior to January 1, 1918, included in above but charge against the corporation	§ 2,000,377.51	2,353,000.15	− 2,000,377.64	100.01
28 Net income from Federal operations	43,910,341.59	55,925,277.60	− 12,014,935.61	21.48
29 Standard return	48,241,640.05	48,167,342.56	+ 77,317.47	.16
30 Standard return in excess of Federal income for 1919	4,331,298.46	—	—	—
31 Federal income for 1918, in excess of standard return	—	7,757,935.04	—	—

* Debit. § Represents revenues in excess of expenses prior to January 1, 1918, included in above statement, but credited to the corporation. ‡ Represents the annual compensation payable by U.S. Government for use of Southern Pacific Transportation Systems, as fixed in the agreement with the Director General of Railroads.

Following is a summary of operating revenues, operating expenses, and net revenue from railway operations for years 1919 and 1918 under Federal control; also for comparative purposes, for the year 1917—the last year of private operation preceding Government control:—

	1919	1918	1919 Compared with 1918 +Increase −Decrease	1917
Oper. rev.	$239,657,272 35	$221,611,206 21	+$18,046,066 14	$118,193,971,489 54
Oper. exp.	186,927,482 61	162,722,371 84	+24,205,110 67	14.88 120,601,822 82
Net rev. from rlwy. opers.	52,729,789 84	58,888,834 37	−6,159,044 53	10.46 73,369,666 72
Oper. ratio, Pct.	78 00	73 43	+ 4 57	6.22 62 18

The above table illustrates the disproportionate increase in expenses compared with revenues and the fall in net despite higher gross. In 1919, after paying expenses of operating, there was left out of each dollar of revenue only 22 cents, compared with 38 cents remaining in the last year previous to Federal control.

Comparing 1919 with 1918, the increase in operating revenue of $18,046,066.14, or 8.14%, resulted principally from the fact that passenger and freight rates were not increased until June of 1918 and the beneficial effect of this increase was felt in only half of that year.

There was a decrease of 6.52% in ton miles of revenue freight, attributable chiefly to the diversion of traffic from your lines during the whole of 1919, which was practised during only a part of 1918. This diversion of traffic during the operation of your lines by the Government resulted from the closing of traffic agencies, the disturbance of relationship of both rates and service, and arbitrary routing of freight by Government agencies.

The revenue passengers carried one mile increased 7.28% which partially offset the decrease in the volume of freight business, and was due to the transportation of discharged and furloughed soldiers and to the general prosperity of the people of the country.

The increase of $24,205,110.67, or 14.88%, in operating expenses, compared with a decrease of 5.71% in train mileage, was due principally to additional increases in wages and prices of material, the effect of these increases over previous year being:—

Increased wages	$11,429,000
Increase in price of fuel	2,534,500
Increase in prices of other materials	1,879,000
Total increase in wages and material prices	$18,883,500

The annual report showed increases in 1918 over 1917 from these causes amounting to $34,338,000, the total increase in wages and material prices in the two years of Federal control, therefore, being $53,171,000, which increased operating expenses substantially 40%.

There was an increase of $5,371,611 in operating expenses in 1919 over 1918 not accounted for by increased wages or prices.

Considerable improvement due principally to reduction in speed and to superheating was effected in fuel consumption in 1919 over 1918, which year had fallen below the record of the year previous. The gross ton miles moved per pound of coal (oil equated to coal on basis of four barrels of oil to one ton of coal) were:

	Passenger Service	Freight Service
1919	5.08	6.67
1918	5.45	6.96
1917	5.30	6.11

Other transportation results for the year 1919 were as follows:—

	Revenue Passenger Carried One Mile	Tons All Freight per Train Mile	Passengers per Train Mile
1919	2,542,054,342	611.41	81.76
1918	2,369,028,701	711.02	73.27
1917	2,284,514,701	752.14	102.08
1916	2,284,514,701	752.14	102.08
1915	2,284,514,701	752.14	62.82

PROPERTIES AND MILEAGE.

The transportation lines of the Southern Pacific Company, and of certain affiliated companies herein referred to as "Proprietary Companies," constituting the Southern Pacific system, operated by the Government at December 31, 1919, were as follows:—

Division	First Main Track	Additional Main Track	Sidings	Ferries	Water Lines
A.—Mileage of lines owned by or leased to Southern Pacific Co.					
1 Owned by Southern Pacific Co.	5.50	15.35	202.53	—	4,400.00
2 Leased from Proprietary companies:					
(a) Central Pacific Railway	2,283.00	431.42	931.62	9.90	125.00
(b) Oregon & California RR.	701.38	4.57	185.53	—	—
(c) Southern Pacific Railroad	3,475.74	208.16	1,510.20	5.00	—
(d) South Pacific Coast Ry.	146.79	23.46	49.25	5.00	—
B.—Mileage of lines owned by or leased to the following Proprietary Companies:					
1 Arizona Eastern RR. Co.	377.74	—	78.86	—	—
2 Houston & Texas Central RR. Co.	850.57	12.94	265.52	—	—
3 Galveston, Harrisburg & San Antonio Ry. Co.	1,381.90	40.87	385.11	—	—
4 Texas & New Orleans RR. Co.	469.65	8.78	220.37	—	—
5 Houston, East & West Texas Ry. Co.	199.94	—	57.93	—	—
6 Houston & Shreveport RR. Co.	40.72	9.0	7.42	—	—
7 Morgan's Louisiana & Texas R.R. & S.S. Co.	400.67	58.35	250.56	5.00	—
8 Louisiana Western RR. Co.	207.74	—	82.98	—	—
9 Lake Charles & Northern RR. Co.	72.66	—	11.32	—	—
10 Pecos & Northern Texas Ry. Co.	21.11	—	10.95	—	—
11 Southern Pacific Terminal Co.	—	—	25.68	—	—
Total	11,120.91	801.50	1,279.33	18.90	4,525.00
Less mileage used in connection with property of two or more of above companies and included in mileage of each	31.23	29.99	50.53	—	—
Total miles of road operated by Government at Dec. 31, 1919	11,089.68	771.69	1,249.0	18.90	4,525.00
Total miles of road operated by Company at December 31, 1918	11,085.57	763.6	1,235.85	18.90	4,525.00
Increase	4.06	7.98	13.12	—	—
Average miles of road operated by Government during year 1919	11,043.11	771.13	—	—	—

* Includes 2.48 miles owned jointly with other companies, 4.57 miles leased from other companies, and 79.27 miles operated under trackage rights; and excludes 41.34 miles of owned lines leased to other companies.

† Excludes .19 miles of sidings at Maricopa, Arizona, owned jointly by Arizona Eastern R.R. Co. and Southern Pacific R.R. Co. which was duplicated in last year's report.

In addition to the mileage above tabulated, the Southern Pacific Company owns entire (through ownership of the [illegible] capital stock, 865.39 miles of affiliated companies and 1,24[illegible].52 miles of the Southern Pacific RR. Company of Mexico, and partly controls (through ownership of capital [illegible] equal proportions with the Atchison Topeka and Santa Fe Railway Company) 523.46 miles of the North-Western Pacific Railroad and 39.6[illegible] miles of the Sunset Railway, a grand total of 13,777.21 miles.

INCOME ACCOUNT.

SOUTHERN PACIFIC COMPANY AND PROPRIETARY COMPANIES (Excluding subsidiary companies).

	1919.	1920.	Increase.	Decrease.
	$	$	$	$
1 Standard return	18,[illegible]	18,[illegible]	[illegible]	317,[illegible]
OPERATING INCOME.				
2 Rec. from operations	14[illegible]	[illegible]	[illegible]	[illegible]
3 Expenses of operations	[illegible]	[illegible]	[illegible]	[illegible]
4 Net revenue from operations	6,167,852 79	8,[illegible]	[illegible]	[illegible]
5 Taxes on operations	2[illegible]	[illegible]	[illegible]	[illegible]
6 Misc. operations income	6,241,111 21	4,315,[illegible]	[illegible]	[illegible]
7 Total of items [illegible]	54,[illegible]	52,[illegible]	[illegible]	[illegible]
NON-OPERATING INCOME.				
8 Income from sales of fuel	[illegible]	[illegible]	[illegible]	[illegible]
9 Misc. rent income	731,015 97	[illegible]	[illegible]	[illegible]
10 Misc. income from physical property	[illegible]	[illegible]	[illegible]	[illegible]
11 Separately operated properties—Profit	24,909 16	[illegible]	[illegible]	[illegible]
12 Dividend income	[illegible]	[illegible]	[illegible]	[illegible]
13 Inc. from unfunded securities, funded and non-Affiliated and other companies	[illegible]	[illegible]	[illegible]	[illegible]
14 Inc. from funded securities, Investments in Affiliated companies	[illegible]	[illegible]	[illegible]	[illegible]
15 Inc. from unfunded securities and accounts	[illegible]	[illegible]	[illegible]	[illegible]
16 Inc. from Sinking and other reserve funds	732,[illegible]	714,439 71	+ [illegible]	[illegible]
17 Misc. income	[illegible]	102,839 25	+ [illegible]	[illegible]
18 Rev. prior to January 1, 1918	[illegible]	[illegible]	[illegible]	[illegible]
19 Total non-operating income	[illegible]	[illegible]	1,129,190 88	[illegible]
20 Gross income	61,349,327 68	60,474,281 21	+ [illegible]	[illegible]
DEDUCTIONS FROM GROSS INCOME.				
21 Rent for leased roads	267,019 89	[illegible]	[illegible]	[illegible]
22 Miscellaneous rents	[illegible]	590,107 88	+ [illegible]	[illegible]
23 Misc. tax accruals	[illegible]	681,160 70	+ [illegible]	[illegible]
24 Rail. tax accruals—War taxes	[illegible]	[illegible]	[illegible]	[illegible]
25 Interest on funded debt—Bonds & notes	[illegible]	[illegible]	[illegible]	[illegible]
26 Interest on funded debt—Non-negotiable debt to affiliated companies	[illegible]	[illegible]	[illegible]	[illegible]
27 Int. on unfunded debt	[illegible]	146,352 61	+ [illegible]	[illegible]
28 Amortization of discount on funded debt	[illegible]	286,965 82	+ 5,165 45	[illegible]
29 Corporate operating expenses	1,489,844 83	726,191 58	+ [illegible]	[illegible]
30 Misc. [illegible]	[illegible]	[illegible]	36,440 13	[illegible]
31 Exp. prior to January 1, 1918	[illegible]	[illegible]	2,780,180 22	[illegible]
32 Total deductions from gross income	[illegible]	31,789,365 03	— 1,988,644 41	[illegible]
33 Net income	[illegible]	28,684,916 18	— [illegible]	[illegible]
DISPOSITION OF NET INCOME.				
34 Income applied to sinking and other reserve funds	[illegible]	[illegible]	[illegible]	[illegible]
35 Div. appropriations of income	17,478,459 12	16,404,509 25	+ [illegible]	[illegible]
36 Total appropriations	[illegible]	[illegible]	[illegible]	[illegible]
37 Inc. balance transferred to credit of profit and loss	[illegible]	[illegible]	[illegible]	[illegible]
38 Per cent. earned on the [illegible] of Southern Pacific Company	[illegible]	[illegible]	[illegible]	[illegible]

* Represents the [illegible] use of Southern Pacific Company.
The Director General [illegible]
† This [illegible]
‡ Represents [illegible]

The increase of $77,317.47 in Standard Return (line No. 1) is due to the fact that the amount of tax accruals reported by the Southern Pacific Terminal Company [illegible] and used in this report was based on the compensation for [illegible] operated by the Director General; while the figures for this year [illegible] properties leased to the public, as well as for those operated by the Director General, were based [illegible] included in the agreement with the Director General executed January 10, 1920. This increase is partially offset by a decrease of $38,303.12 in Miscellaneous Rent Income, repre[illegible] to the Company.

We [illegible] tion of interest on the accounts with the Government, or for the computation of the additional compensation payable to the Company for use of additions and betterments, new equipment, and road extensions completed during Federal control, the income statement does not include any amount representing such interest or such additional compensation. It is estimated, however, that the interest due the Company is in excess of that due to the Government; and that a considerable amount of additional compensation is due to the Company under the terms of our contract with the Director General.

OPERATING INCOME.

Operating Income (line No. 6) $1,925,629.63 represents the increase in the net operating income of the California Fuel Oil Department, the result, principally, of an increase of 1,418,000 barrels, or 20%, in sales of produced oil, and of an increase of 15.85 cents in the average price per barrel due to an advance of 25 cents per barrel in the price of produced oil which went into effect in May 1918. The decrease in gross revenues from, and in expenses of, Miscellaneous Operations (lines Nos. 2 and 3), is due to the fact that [illegible] the year 1918 the Federal Administration [illegible] from the Fuel Oil Department only a [illegible] and other than that [illegible] the Company's [illegible], with the result that the Fuel Oil Department's dealings in purchased oil decreased 6,529,000 barrels, or about 79%.

The increase of $47,293.75 in Miscellaneous Rent Income (line No. 9) is the result, principally, of an increase of about $90,000 in rent received for use of property not required for railway operations, caused by an increase in the rental rate, less the decrease of $38,303.12 on account of rental for last year from properties of the Southern Pacific Terminal Company, which was dealt with in last year's report as accruing to the Company instead of to the Director General, as explained above.

The decrease of $60,612.43 in Miscellaneous Non-operating Physical Property (line No. 10) is due, principally, to a decrease [illegible] Pacific Railway Company, and pledged under that Company's 5% Mortgage.

The decrease of $25,266.78 in Separately Operated Properties—Profit (line No. 11) represents this Company's proportion of the decrease in profits from operation of Pintsch [illegible] at Huntington and Portland.

The increase of $145,407.27 in Income from Funded Securities—Investment Advances (line No. 14) is the result, principally, of crediting to income this year interest on investment advances which were repaid during the year.

The decrease of $200,529.66 in Income from Unfunded Securities and Accounts (line No. 15) is due, principally, to a decrease in the interest earned on bank balances.

The increase of $104,498.47 in Miscellaneous Income (line No. 17) represents, principally, the [illegible] in exchange on funds remitted to Paris in payment of interest on Central Pacific Railway Company 4% 35-Year European Loan bonds.

The credits to Revenues Prior to January 1, 1918 (line No. 18), and the debits to Expenses Prior to January 1, 1918 (line No. 31), represent [illegible] the credit and payment during the year, through the Federal Administration, of revenues and expenses, commonly called "lap-over" items, applicable to the period prior to January 1, 1918. For [illegible] last year a [illegible] debits to income, as required by the Interstate Commerce Commission, has had the effect of understating the income for last year by $2,533,007.13, and of overstating the income for this year by $76,977.51.

DEDUCTIONS FROM GROSS INCOME.

The [illegible] Rents (line No. [illegible] result, principally, of a rental payment made last year, covering [illegible] and several [illegible].

The increase of $127,284.60 in Miscellaneous Rents (line No. [illegible] [illegible] Company [illegible] Company [illegible] Railroad Company [illegible] Company [illegible] Company [illegible]

January 1, 1918, up to the time of the appointment of Federal Managers, in the latter part of June 1918, were borne by the Federal Administration.

The increase of $1,073,949.87 in Dividend Appropriations of Income (line No. 35) is due to the issue of Common stock against Southern Pacific Company 4% and 5% Convertible Bonds surrendered and cancelled.

On December 31, 1919, the principal of advances to the Southern Pacific Railroad Company of Mexico amounted to $39,546,127.19. Interest accruing on these advances has not been taken into the income of the Southern Pacific Company.

CAPITAL STOCK.

The capital stock of the Southern Pacific Company outstanding at the beginning of the year amounted to		$276,142,905 64
Issued during the year:		
Common stock issued at 150 in exchange for $26,657,150 00, par value, Four per Cent. Twenty-Year Convertible Gold Bonds and Scrip, at par, surrendered and cancelled	$20,505,500 00	
Common stock issued in exchange for a like amount of Five per Cent. Twenty-Year Convertible Gold Bonds surrendered and cancelled	5,676,500 00	27,582,000 00
Amount of Southern Pacific Company capital stock outstanding December 31, 1919		$302,024,905 64
There was no change during the year in the capital stocks of the Proprietary Companies.		
The amount outstanding December 31, 1919, was as follows:		
Preferred stock ...	$ 29,400,000 00	
Common stock ...	317,432,400 00	
		$346,832,400 00
Capital stocks of Proprietary Companies outstanding December 31, 1919, were held as follows:		
In hands of public		76,100 00
Owned by Southern Pacific Company	$346,456,300 00	
Owned by Morgan's Louisiana and Texas Railroad and Steamship Company	300,000 00	
		346,756,300 00
		$346,832,400 00

FUNDED DEBT.

The funded and other fixed interest-bearing debt of the Southern Pacific Company and of its Proprietary Companies outstanding December 31, 1918, was as follows:

Southern Pacific Company	$201,189,710 00	
Proprietary Companies	445,298,789 78	
Total outstanding December 31, 1918		$646,488,499 78
Retired during the year:		
Southern Pacific Company.		
Four per Cent. Twenty-Year Convertible Gold Bonds:		
Retired at par in exchange for $20,505,500.00, par value, common stock issued at 130 ...	$26,657,150 00	
San Francisco Terminal First Mortgage Four per Cent. Bonds:		
Purchased from payments to sinking fund ...	6,500 00	
Five per Cent. Twenty-Year Convertible Gold Bonds:		
Retired in exchange for a like amount of common stock issued ...	5,676,500 00	
Equipment Trust Certificates:		
Series A, Due March 1, 1919, paid off ...	$1,012,000 00	
Series B, Due September 1, 1919, paid off ...	201,000 00	
Series C, Due December 1, 1919, paid off ...	117,000 00	
Series D, Due May 1, 1919, paid off ...	511,000 00	1,841,000 00
Central Pacific Railway Company		
First Refunding Mortgage Four per Cent. Bonds:		
Purchased from payments to sinking fund	$31,000 00	
Three and One-half per Cent. Mortgage Gold Bonds:		
Purchased from proceeds of sale of lands, $377,000 00.		
Purchased from payments to sinking fund, $29,000 00 ...	$406,000 00	437,000 00
Oregon & California Railroad Company		
First Mortgage Four per Cent. Bonds:		
Purchased from payments to sinking fund	140,000 00	
South Pacific Coast Railway Company		
First Mortgage Four per Cent. Bonds:		
Purchased from payments to sinking fund	25,000 00	
Southern Pacific Railroad Company		
First Refunding Mortgage Four per Cent. Gold Bonds:		
Purchased from payments to sinking fund	15,000 00	
Texas and New Orleans Railroad Company.		
Payment to State of Texas account of School Fund Debt	1,888 05	
Total retired during the year ...		31,530,858 05
Amount of funded and other fixed interest-bearing debt of the Southern Pacific Company and of its Proprietary Companies outstanding December 31, 1919 ...		$612,957,641 73
The outstanding securities are held as follows:		
In hands of public		$509,765,115 31
Owned by Southern Pacific Company ...	$87,119,216 42	
Owned by Proprietary Companies ...	2,337,000 00	
Held in sinking funds of Proprietary Companies	12,867,000 00	
		102,323,216 42
Total		$612,088,661 73

As a result of protracted negotiations, your Company has entered into an agreement, dated January 15, 1920, with the Director-General of Railroads providing that payment for the 1,000 box cars, which the Company was compelled to take over from the Director-General, as explained on page 10 of last year's report, is to be made in fifteen equal annual instalments, evidenced by Equipment Trust Notes, dated January 15, 1920, divided into fifteen series, each for an aggregate principal amount equal to one-fifteenth of the total purchase price of the equipment, maturing, respectively, on January 15 in each of the years 1921 to 1935, both inclusive, with interest at 6% per annum, payable semi-annually on January 15 and July 15 in each year. The agreement stipulates that while the precise purchase price of the 1,000 cars has not been finally computed it shall not be less than $2,815,000 nor more than $3,072,450. The minimum purchase price of $2,815,000 has been paid by the execution of notes aggregating $2,814,000, and the payment of $1,000 in cash; and upon the delivery of a certificate of the Director-General and the manufacturers of the equipment, on or before August 1, 1920, specifying the total purchase price of such equipment, additional notes are to be executed and delivered to an aggregate amount equal to the difference between the total purchase price, as specified in such certificate, and the minimum purchase price. The aggregate amount of all notes to be executed and delivered under the agreement shall not, however, in any event, exceed the maximum purchase price of $3,072,450.

ROAD AND EQUIPMENT.

To replace equipment vacated and to provide for increased requirements your Company has placed orders with outside concerns for 42 locomotives, 50 passenger-train cars, 750 freight-train cars, and 130 electric cars; and is building at Company shops 30 locomotives and 4,065 freight-train cars. Orders have been placed, also, for three ocean-going freight steamers (*El Estero*, *El Isleo*, and *El Lago*) of 7,825 tons displacement each, and one ocean-going tank steamer (*Tamihua*) of 22,900 tons displacement. The cost of this new rolling-stock and floating equipment will be approximately $29,700,000, all of which, except the cost of the steamers, it is proposed to provide by means of an equipment trust.

THE SUIT INVOLVING THE RIGHT OF THE SOUTHERN PACIFIC COMPANY TO OWN THE STOCK OF THE CENTRAL PACIFIC RAILWAY COMPANY.

On March 9, 1917, the United States District Court at Salt Lake City, composed of three Circuit Judges, decided this suit in favour of the Southern Pacific Company. From this decision the Government took an appeal to the Supreme Court of the United States. Before the appeal could be fixed for hearing the railroads were taken over by the United States under the Federal Control Act of March 21, 1918. Thereupon the Attorney-General applied for and obtained orders of continuance for the purpose of postponing hearing upon the appeal during the period of Federal control. Such control having now ended by the return of the railroads to their owners, it is expected that the appeal will be pressed for hearing. Hence the probabilities are that the case will be argued and submitted early in the October Term, 1920.

CONTROVERSY ARISING OUT OF THE OREGON AND CALIFORNIA RAILROAD'S LAND GRANT.

This is an accounting suit brought in 1917 by the United States seeking to offset against the compensation of $2.50 per acre, due the Company for the unsold lands, moneys received by the Company, in excess of $2.50 per acre, by reason of past sales, leases and otherwise, as well as taxes levied since the forfeiture decision in 1913 and voluntarily paid by the Federal Government to the State of Oregon. The preparation for the trial of this case has involved an extensive examination and comparison of the records of the Company and of the Federal Land Department, local and at Washington. This preparatory work is now about completed, and it is believed that the case will be heard in the United States District Court of Oregon some time during 1920.

THE SUITS INVOLVING TITLE TO THE OIL LANDS.

These suits may be divided into two classes—one involving lands alleged by the Government to be valuable oil lands, but not proven or regarded as such by the Southern Pacific Company; and the other involving the Company's productive and valuable oil lands. Both classes of suits have now been disposed of by final judgments of Court, the Government winning the suit for the non-productive oil lands and the Company winning the suits covering its productive and valuable oil lands.

The suit involving non-productive oil lands was known as the Elk Hills Case. It was brought to cancel a patent for 6,109.17 acres which was issued to the Company by the Government in December 1904, long subsequent to the patents involved in the other suits described in the paragraph below. This case was decided in favour of the Company by the United States Circuit Court of Appeals, but on November 17, 1919, the Supreme Court of the United States, reversing the Circuit Court of Appeals, directed the entry of a final decree in favour of the United States.

The suits involving our productive and valuable oil lands, six in number and embracing 161,000 acres, were decided in

favour of the Company by Judge Bledsoe of the United States District Court for the Southern District of California. The date of this decision and the decree in accordance therewith was August 28, 1919. The law applicable to such cases gave the Government six months within which to appeal. The result of failure to appeal within the time limit is to make the decree final and conclusive. The review of the evidence in the opinion of Judge Bledsoe clearly showed the absence of any fraud or bad faith in connection with the patents to the lands in question. The decision of the Supreme Court in the Elk Hills Case showed that without clear proof of fraud or bad faith the Government could not win the case. The Attorney-General, accordingly, on December 5, 1919, publicly announced that the United States would take no appeal from Judge Bledsoe's decision. Six months have elapsed from the date of the decision and, no appeal having been taken, the decrees in favour of the Company in the six cases are now final and conclusive.

TERMINATION OF FEDERAL CONTROL.

The Federal Control Act of March 21, 1916, under the terms of which your Company's railroads and steamship lines have been operated by the Federal Government since December 28, 1917, provides, in Section 16, "that this Act is expressly declared to be emergency legislation enacted to meet conditions growing out of war . . ."; and in Section 14, that the "President may relinquish all railroads and systems of transportation under Federal control at any time he shall deem such action needful or desirable." In accordance with these provisions the President of the United States, on December 24, 1919, issued a proclamation relinquishing control of all railroads and steamship lines at 12.01 A.M. March 1, 1920. The terms and conditions under which the properties are returned to their owners are set forth in the Act of Congress approved February 28, 1920, known as the "Transportation Act, 1920."

Under the terms of the Transportation Act each railroad company is given the option of accepting or refusing a guaranty by the Government to the effect that the Company's railway operating income for the six months' period beginning March 1, 1920, as a whole, in the case of railroads with which a contract has been made fixing the amount of annual compensation under the Federal Control Act, shall be not less than one-half of its annual compensation as fixed in such contract, including additional compensation for use of additions and betterments, with the proviso that, in event of the acceptance of such guaranty, if the railway operating income for such guaranty period shall exceed the amount of the guaranty, the Company shall pay such excess to the Government. Your Company accepted this guaranty for itself and all its system lines.

The Transportation Act provides that all transportation rates in effect on February 29, 1920, shall continue in effect until changed by Federal or State authority, and that prior to September 1, 1920 (the end of the guaranty period) no such rate shall be reduced except upon authority of the Interstate Commerce Commission. The Commission is directed to establish rates which will be adequate to provide the railroads as a whole (or as a whole in each of such rate groups or territories as the Commission may designate) with a fair return upon the value, as fixed by the Commission, of the railroad property held for and used in transportation service: *Provided* that during the two years beginning March 1, 1920, the Commission shall take as such fair return a sum equal to 5½ of such value, but may add thereto a sum equal to one-half of 1% of such value to provide for a return upon expenditures for additions and betterments chargeable to capital account. If, however, any railroad, or system of railroad under common control, shall receive for any year a net railway operating income in excess of 6% of the value of its transportation property, one-half of such excess must be placed in a reserve fund to be established by the railroad, and the remaining one-half paid over to the Interstate Commerce Commission to establish a railroad contingent fund. This fund to be used by the Commission either (1) in making loans to railroads to meet expenditures chargeable to capital account or to refund maturing securities originally issued for capital account, or (2) in purchasing transportation equipment and facilities to be leased to the railroads. If, for any year the net railway operating income is less than 6% of the value of the transportation property the reserve fund maintained by the railroad may be drawn upon by it to the extent of such deficit for the purpose of paying dividends on stock, interest on bonds, and other securities, and rent for leased roads, but for no other purpose. This reserve fund is required to be accumulated until it reaches a maximum sum equal to 5% of the value of the transportation property; and thereafter the portion of its excess income retained by the railroad which is not required to maintain the reserve fund at such maximum sum may be used for any lawful purpose.

In connection with the provisions of the Act limiting the return which a railroad may earn on the value of its transportation property, attention is called to the statement given below showing the per cent. earned by Southern Pacific System on the book value of its transportation property during the years 1909 to 1919, both inclusive, after deducting from net railway operating income the [illegible] interchange [illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Dec. 31, 1916	5.25
[illegible]	[illegible]
[illegible]	[illegible]

As stated in [illegible] diate supervision of the maintenance and operation of your Company's lines at the time such lines were taken over by the Government, continued, as a rule, as Federal appointees, to supervise the maintenance and operation of your properties under Federal control. Substantially all such officers were elected to their former positions effective with the termination of Federal control.

GENERAL

Dividends [illegible] declared during the year [illegible]

1½ per cent. [illegible]	[illegible]
1½ per cent. [illegible]	[illegible]
1½ per cent. [illegible]	[illegible]
1½ per cent. [illegible]	[illegible]
	[illegible]

There has been no material change in the conditions along the line of the Southern Pacific Railroad of Mexico from those reported last year. The average miles of road operated during the year was 1,003 miles, but only such maintenance work was done as was necessary to make possible the operation of trains over those portions of the line open for traffic. The Company, during the year, has been unable to make any collection on account of its claims against the Mexican Government. A revised estimate places the cost of property destroyed from the beginning of the Madero Revolution, in 1910, to December 31, 1919, at 4,898,700 pesos, equivalent to $2,449,350, and the amount due the Company for freight and passenger service performed, for rental of road and equipment, and for material furnished, to or confiscated by the various military authorities, at 8,947,000 pesos.

In addition to the completed lines of railway reported under Properties and Mileage, and the still incompleted line of the Southern Pacific Railroad Company of Mexico, construction is progressing on the lines of the following companies, viz. :—

	Length of Projected Line.	Track Completed.	Grading Completed.	Grading Incomplete.
	Miles.	Miles.	Miles.	Miles.
SOUTHERN PACIFIC RAILROAD:				
Kern Junction to Sweet, Cal.	11.00	7.15	3.85	
SOUTHERN PACIFIC COMPANY:				
Silver Basin Branch, New Knoxville Landing to Tassajara, Cal.	19.24	16.14	3.10	
HOUSTON & TEXAS CENTRAL RAILROAD:				
Dallas, Texas, Belt Line around city	13.54	3.00	10.54	
Line will not be opened to public for traffic until [illegible]				
1.258 miles opened to public for traffic August 9, 1920.				

With the completion of the 12 miles of the San Diego and Arizona Railway in Carriso Gorge, and the placing in operation, on December 1, 1919, of the last section of the line between Campo and El Centro, Cal., the entire line between San Diego and El Centro was opened to the public for traffic. This line, which is owned jointly by your Company and Messrs. John D. and A. B. Spreckels, will enable your Company to serve San Diego with the shortest line from the middle West.

To provide for the purchase of 4,000 new refrigerator cars, for new icing stations, and for the payment of its existing indebtedness to the parent companies, the Pacific Fruit Express Company, which is owned jointly by your Company and the Union Pacific Railroad Company, and which furnishes refrigerator cars to, and operates icing stations for, the Southern Pacific and Union Pacific Systems, has issued and sold $25,000,000, par value, seven per cent. equipment trust certificates dated June 1, 1920, and maturing, serially, on June 1 in each year from 1925 to 1935, both inclusive. All such certificates have been guaranteed jointly and severally by the Southern Pacific Company and the Union Pacific Railroad Company.

The status of the accounts of your Company and its Proprietary Companies with the United States Government in connection with the control and operation of your properties is shown in the [illegible] $55,634,214.01 due from the Government [illegible] accounts, is made up as follows :—

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

For the [illegible] stated [illegible] Income Account [illegible]

due from or to the Government, or the additional compensation due from the Government for use of additions and betterments.

In the annual report for 1917 attention was called to the fact that the physical condition of your Company's property at the time it was taken over by the Government on January 1, 1918, had reached a higher standard than was ever before attained. As an inspection indicates that the Federal Railroad Administration has not maintained your property, especially the lines in Louisiana and Texas, at this high standard, a special investigation of undermaintenance during Federal control is now being made. Whilst definite figures are not yet available, some idea of the extent to which the lines in Louisiana and Texas have been undermaintained during Federal control may be obtained from the following comparison of the average quantities of rail and ties per year used in repairs and renewals on such lines during the two years ended December 31, 1919, with similar averages for the test period, viz. :—

	Average per year for the two years ended Dec. 31, 1919.	Average per year for the Test period.	+ Increase. – Decrease.	Per Cent.
New rail (Tons)	21,035	23,527	— 2,491	10.60
Ties ...	1,182,419	[1,565,183	—382,764	24.45

By order of the Board of Directors,

JULIUS KRUTTSCHNITT,
Chairman of the Executive Committee.

BALANCE SHEET.

Southern Pacific Company and Proprietary Companies Combined.

ASSETS—DECEMBER 31, 1919, COMPARED WITH DECEMBER 31, 1918, EXCLUDING OFFSETTING ACCOUNTS.

INVESTMENTS.	Dec. 31, 1919. $	Dec. 31 1918. $	Inc. or Dec. $
Investment in road and equipment	1,007,167,713 16	996,741,568 97	+ 10,726,144 19
Improvements on leased railway property ...	4,181,212 60	1,116,086 78	+ 3,765,125 82
Sinking funds	15,072,997 66	14,597,652 09	+ 475,345 57
Deposits in lieu of mortgaged property sold ...	954 09	935 30	+ 18 79
Misc. physical property*	32,550,029 13	31,805,766 84	+ 744,262 29
Investments in affiliated companies :			
Stocks	276,077,877 61	273,317,127 61	+ 2,760,750 00
Bonds	132,891,570 60	134,690,024 70	+ 8,201,545 90
Stocks (Cost in Bonds (separate)	11,917,751 70	12,192 301 70	— 274,550 00
Notes	1,208,529 17	873,654 99	+ 334,874 18
Advances	107,990,144 96	107,667,866 75	+ 322,278 21
Other Investments :			
Stocks	156,710 29	156,710 29	—
Bonds	15,649,092 14	16,282,632 34	— 633,729 50
Notes	2,028,227 78	6,436,716 11	— 4,108,488 33
Advances	381,240 98	454,063 50	— 72,822 52
Miscellaneous ...	2,115,678 98	1,847,845 29	+ 267,833 69
Total	1,619,990,541 45	1,598,460,953 06	+ 21,529,588 39
CURRENT ASSETS.			
Cash	12,281,633 76	10,264,657 88	+ 2,016,977 88
Special deposits ...	37,876 78	59,287 52	— 21,410 74
Loans and bills receivable	144,580 05	3,351,520 52	— 3,156,930 47
Traffic and car-service balances receivable ...	183,563 95	267,880 32	— 84,516 37
Misc. accounts receivable	3,256,128 77	3,503,017 08	— 246,888 31
Material and supplies† ...	1,555,151 07	1,692,207 19	— 137,056 12
Interest and dividends receivable	2,230,709 00	2,239,583 11	— 8,874 11
Rents receivable ...	1,221,141 82	1,667,116 12	— 445,974 30
Other current assets ...	23,726 95	46,824 40	— 23,097 45
Total	20,984,324 15	23,092,094 14	— 2,107,769 99
ACCOUNTS WITH U.S. GOVERNMENT.			
Standard return	96,489,320 06	48,167,342 56	+ 48,321,977 50
Less received on account	61,625,000 00	16,000,000 00	+ 45,625,000 00
Balance due from U.S. Government ...	34,864,320 06	32,167,342 56	+ 2,696,977 50
Cash and agents' and conductors' balances taken over January 1, 1918, and other corporate assets collected, etc.	37,775,606 19	36,435,380 91	+ 1,340,225 28
Material and supplies, December 31, 1917 ...	23,468,891 60	23,581,109 84	— 112,578 18
Depreciation and other reserves	8,673,321 83	4,038,073 23	+ 4,612,248 60
Road and equipment retired and not replaced	1,257,102 56	431,432 86	+ 825,669 70
Total ...	106,035,882 30	96,653,339 40	+ 9,382,542 90
DEFERRED ASSETS.			
Working fund advances	43,028 18	46,928 08	— 3,899 90
Insurance and other Funds	16,360 00		16,360 00
Other deferred assets ...	7,177,875 07	5,493,027 77	+ 1,684,847 25
Total	7,237,263 25	5,539,955 85	+ 1,697,287 35
UNADJUSTED DEBITS.			
Rents and insurance premiums paid in advance	90,285 70	122,184 72	— 31,898 93
Discount on capital stock	3,988,600 00	3,988,600 00	—
Discount on funded debt	3,939,679 78	3,331,811 05	+ 292,131 27
Other unadjusted debits	3,581,020 73	5,121,547 86	— 1,540,527 10
Securities issued or assumed—unpledged‡ ..	5,924,675 00	5,849,425 00	— 75,250 00
Securities issued or assumed—pledged‡ ..	156,500 00	231,750 00	— 75,250 00
Total	10,699,586 33	12,564,143 63	— 1,864,557 30
Total assets ...	1,764,947,577 43	1,736,330,486 08	+ 28,617,091 35

* The value of the unsold Central Pacific Railway Company lands in Oregon and California Railroad Company land grant lands is not included in the above statement of assets.

† Represents material and supplies of California Fuel Oil Department.

‡ Excluded from total assets and a corresponding amount excluded from outstanding funded debt in accordance with regulations of Interstate Commerce Commission.

LIABILITIES—DECEMBER 31, 1919, COMPARED WITH DECEMBER 31, 1918, EXCLUDING OFFSETTING ACCOUNTS.

STOCK.	Dec 31, 1919. $	Dec. 31, 1918. $	Inc. or Dec. $
Capital stock of Southern Pacific Company ..	302,024,905 64	276,442,905 64	+ 25,582,000 00
Capital stock of Proprietary Companies* ...	346,832,400 00	346,832,400 00	—
Total stock outstanding	648,857,305 64	623,275,305 64	+ 25,582,000 00
Premium on capital stock of Southern Pacific Company	6,304,440 00	—	+ 6,304,440 00
Total	655,161,745 64	623,275,305 64	+ 31,886,440 00
LONG-TERM DEBT.			—
Funded debt unmatured :			
Book liability	618,169,836 73	652,569,674 78	— 34,399,838 05
Less held by or for Company	6,081,175 00	6,081,175 00	—
Actually outstanding.			
Southern Pacific Company	167,608,760 00	201,189,710 00	— 33,580,950 00
Proprietary Companies*	444,479,901 73	445,298,789 78	— 818,888 05
Total funded debt	612,088,661 73	646,488,499 78	— 34,399,838 05
Non-negotiable debt to affiliated companies :			
Open accounts ...	5,482,434 97	3,227,258 81	+ 2,255,176 16
Total ...	617,571,096 70	649,715,758 59	— 32,144,661 89
CURRENT LIABILITIES.			
Loans and bills payable†	—	6,050,000 00	— 6,050,000 00
Traffic and car-service balances payable ...	82,354 41	94,553 40	— 11,998 99
Audited accounts and wages payable ...	1,134,611 16	1,142,662 12	— 8,050 96
Misc. accounts payable	1,654,755 42	1,517,148 30	+ 137,286 72
Interest matured unpaid	5,030,633 14	6,296,515 21	— 1,265,882 07
Dividends matured unpaid	4,022,175 76	4,274,988 62	+ 347,187 14
Funded debt matured unpaid	62,213 92	127,213 92	— 65,000 00
Unmatured int. accrued	4,813,872 14	5,261,940 89	— 448,068 75
Unmatured rents accrued	288,393 77	247,446 18	+ 40,947 59
Other current liabilities...	51,492 17	81,287 83	— 29,795 66
Total	17,770,121 49	25,093,856 47	— 7,323,434 98
ACCOUNTS WITH U.S. GOVERNMENT.			
Advances for additions and betterments ...	24,592,885 48	13,855,161 98	+ 10,737,673 50
Advances for expenses prior to January 1, 1918, and other corporate liabilities paid, etc.	47,811,802 81	45,951,353 23	+ 1,860,449 58
Total	72,404,688 29	59,806,515 21	+ 12,598,123 08
DEFERRED LIABILITIES.			
Other deferred liabilities	53,476 61	57,331 47	— 3,854 86
UNADJUSTED CREDITS.			
Tax liability	4,166,294 49	4,266,757 28	— 100,462 79
Insurance and casualty reserves	3,309,723 29	3,264,555 78	+ 45,167 51
Accrued depreciation—Road††	1,322,017 17	1,165,281 37	+ 156,735 80
Accrued depreciation—Equipment	51,348,247 38	47,597,739 57	+ 3,750,507 81
Accrued depreciation—Misc. physical property‡	8,541,207 84	7,650,520 81	+ 890,687 03
Other unadjusted credits§	58,439,936 81	50,639,151 63	+ 7,800,785 18
Total	127,127,426 98	114,684,006 44	+ 12,543,420 54
CORPORATE SURPLUS.			
Additions to property through income and surplus	1,404,504 31	1,271,691 65	+ 132,812 66
Funded debt retired through income and surplus ...	22,302,877 20	21,566,803 76	+ 736,073 44
Sinking fund reserves ...	11,177,796 69	10,337,920 61	+ 839,876 08
Appropriated surplus not specifically invested ...	3,818,177 83	3,818,177 83	—
Total appropriated surplus...	38,703,356 03	36,994,593 85	+ 1,708,762 18
Profit and loss—Balance	236,185,415 69	226,805,118 41	+ 9,382,297 28
Total corporate surplus	274,888,771 72	263,797,712 26	+ 11,091,059 46
Total liabilities ...	1,764,947,577 43	1,736,330,486 08	+ 28,617,091 25

* The outstanding capital stock and funded debt include capital stock and funded debt of Proprietary Companies of the par value of $346,756,300 and $102,323,216.42 respectively, a total of $449,079,516.42, which securities are owned by the Southern Pacific Company or by Proprietary Companies, or are held in sinking funds of Proprietary Companies. The cost of these securities is included in the investments shown above. Of the said amount, stocks of the par value of $219,553,161, which stand charged on the books at $232,932,667.41, are pledged against the issue of Southern Pacific Company stock and bonds.

†† Represents accrued depreciation on electric power plants and substations, general office building at San Francisco, wood preserving works, Sacramento rolling mill, oil storage plants, elevators, and similar facilities.

‡ Represents accrued depreciation on oil lands and improvements acquired from Kern Trading and Oil Company.

§ Represents, principally, interest on construction advances which have not been repaid.

† Represents notes, issued in connection with the purchase of Liberty Loan Bonds, paid off during the year.

CHESAPEAKE AND OHIO RAILWAY.

FORTY-SECOND ANNUAL REPORT FOR THE FISCAL YEAR TO DECEMBER 31, 1919.

RICHMOND, VA., April 15, 1920.

To the Stockholders:

The forty-second annual report of the Board of Directors for the fiscal year ended December 31, 1919, is respectfully submitted.

The average mileage operated during the year by the United States Railroad Administration, including the Chesapeake and Ohio Lines, was 2,496 miles, an increase over the previous year of 26.3 miles. The mileage at the end of the year was 2,515.9 miles, an increase of 22.1 miles over mileage on December 31, 1918. See second column, page 12.

RESULTS FOR THE YEAR.

	$
Compensation under contract with Director-General, Article IV, par. 2a, 1920	[illegible]
(Decrease $6,[illegible], or [illegible]%)	
Expenses of Maintenance [illegible]	[illegible]
Net Operating Income (Decrease $1,295,[illegible], or 7.50%)	[illegible]
Federal Income Taxes Accrued (Decrease $ 8,[illegible], or [illegible]%)	[illegible]
Net Income, Taxes deducted (Decrease $1,[illegible], or $10.47%)	[illegible]
Miscellaneous Income ... (Increase $97,415.38, or 8.71%)	1,215,8[illegible]
Total Corporate Income	15,9[illegible]
Rentals and Other Payments ... (Decrease $150,[illegible], or [illegible]%)	[illegible]
Income for the year available for reserve (Decrease $973,[illegible], or 7.22%)	[illegible]
Interest (60.73% of amount accrued ... (Decrease $1,[illegible], or [illegible]%)	[illegible]
Net Income for the year, equivalent to 9.19% on capital stock outstanding ... ... (Decrease $866,[illegible], or [illegible]%)	5,774,168 71
Dividends paid during year: Two [illegible] per cent. each ...	2,511,[illegible]
Remainder, devoted to improvement of physical [illegible] assets	[illegible]

* Includes besides additional allowance made by the Director-General of Railroads for years 1918 and 1919 on account of the expenditures of the Company during the three-year test period ending June 30, 1917, the Standard Return as finally settled by the Interstate Commerce Commission. The term "Standard Return" as used in this report means "average annual net operating income for the three years ended June 30, 1917, as defined by the Federal Control Act of March 21, 1918," as supplemented and amended to June 30, 1919, or one-half of war taxes for that year, and the amount of adjustment of wages under the Adamson Law, for the period prior to June 30, 1917, and paid subsequently to that date.

† By reason of the [illegible] Railroads the company is [illegible] to be paid for the [illegible] the [illegible] expenses of the [illegible] years ended June 30, 1917, and [illegible] Standard Return.

‡ Rentals and Other Payments include $542,902.64, representing the difference between the amount of $295,108.71 credited account of Revenues prior to January 1, 1918, and the amount of $838,000 [illegible] expenses prior to January 1, 1918.

RETURN ON PROPERTY.

The following table shows the amount of return to your Company, including subsidiary companies, from transportation operations only, upon its investment in road and equipment at the termination of each year of the five-year period ended December 31, 1919, and the average for the five years :—

Year ended	Property Investment. $	Total Operating Income. $	Percentage of Return.
[illegible]December 31, 1919	257,8[illegible]83 63	14,725,856 85	4.75
[illegible]December 31, 1918	256,0[illegible]14 76	12,871,959 40	4.77
December 31, 1917	254,[illegible]068 57	14,871,459 45	5.61
December 31, 1916	252,[illegible]998 55	15,359,715 04	6.14
December 31, 1915	244,[illegible]226 60	12,465,058 24	5.11
Yearly average for five years ended December 31 [illegible]	[illegible]	[illegible]	[illegible]

§ The total income [illegible] Railroad Administration [illegible] for the year 1919, [illegible] Return, [illegible] State [illegible] Return. [illegible] Return. In these [illegible] deducted [illegible] Return.

FINANCIAL.

Your Company undertook no new financing during the year. Since January 1, 1920, arrangements have been made with the Director-General of Railroads to fund the indebtedness of your Company to the United States Government for equipment acquired during Federal control through Equipment Trust Notes, bearing interest at 6%, and maturing serially over a period of 15 years. The aggregate principal amount of these notes issued to date is $11,[illegible]. Delivery will be somewhat protracted when the final [illegible] of the equipment has been ascertained. All, or substantially all, of the indebtedness of your Company to the United States Government for other additions and betterments made during Federal control, aggregating approximately $10,289,212.81, your directors hope to fund, under the provisions of the Transportation Act of 1920, hereinafter mentioned, for a period of 15 years at 6%, with the option to your Company to pay all or any part before maturity.

Notwithstanding adverse financial conditions now [illegible] ing your Company must secure during the coming year [illegible] new equipment and for other additions and betterments im[illegible] revolving fund established by the Transportation Act.

The changes in funded debt in the hands of the public during the year were as follows :—

	$
[illegible]	[illegible]
[illegible]	21,000 00
[illegible]	5,000 00
[illegible]	[illegible]
[illegible]	[illegible]
Increase ..	[illegible]

Other changes in obligations shown under funded debt on balance sheet of December 31, 1919, were as follows :—

	$	$
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]		[illegible]
Net [illegible]		[illegible]

The 5% First Lien and Improvement Mortgage Bonds were issued during the year for additions and betterments and other capital purposes and were pledged as collateral for various loans. The 4½% General Mortgage Bonds were issued to reimburse the Company for outlays made for double-track purposes and remain in your Company's treasury.

During the past year your Company acquired at par an additional $500,000.00 par amount of coupon notes of the Western Pocahontas Fuel Company, a corporation owning the Dorothy and Sarita coal properties in West Virginia, to which corporation reference was made in the report for 1917.

Your Company also acquired, during the year, nine shares of the Preferred stock of the Lexington Union Station Company.

During the past 11 years your Company's increase in capital liabilities in hands of the public, its principal acquisitions of stocks and bonds of other companies, and its expenditures for equipment, branch line construction, second track and other additions and betterments, have been as follows :—

	$	$
[illegible]	[illegible]	
[illegible]	[illegible]	
General Funding and Improvement Mtge.5% Bonds	11,000,000 00	
[illegible]	[illegible]	
[illegible]	[illegible]	
Three-Year 4½% Collateral Trust Notes	[illegible]	
[illegible]	[illegible]	
[illegible]	33,000,000 00	
[illegible]	40,180,000 00	
[illegible]	[illegible]	
Raleigh and S.-W. Ry. Co. First Mtge. 4% Bonds	[illegible]	
Big Sandy Ry. Co. First Mortgage 4% Bonds ...	[illegible]	
[illegible]	[illegible]	
Kanawha Bridge and Terminal Co. 5% Bonds ...	[illegible]	
[illegible]	[illegible]	
Equipment Trust Certificates Series "O"	3,160,000 00	
[illegible]	[illegible]	
Equipment Trust Certificates Series "R"	3,780,000 00	
Equipment Contracts, Various	4,809,390 00	
	172,2[illegible]	
[illegible]		[illegible]
[illegible]	[illegible]	
[illegible]	[illegible]	
Collateral Gold 6% Notes	2,500,000 00	
[illegible]	[illegible]	
[illegible]	[illegible]	
General Funding and Improvement Mtge.5% Bonds	7,302,000 00	
Greenbrier Railway Co. First Mortgage 4% Bonds [illegible]	2,000 00	
Three-Year 4½% Collateral Trust Notes ...	25,000,000 00	
One-Year 5% Collateral Trust Notes	3,500,000 00	
Five-Year 5% Secured Gold Notes	33,000,000 00	
Kinnon Coal Co. First Mortgage 5% Bonds	200,000 00	
[illegible]	13,407,000 00	
[illegible]	[illegible]	
[illegible]	[illegible]	
Coal River Railway Co. First M[illegible]	[illegible]	
Greenbrier Railway Co. First M[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[

	$
Brought forward	25,481,341 89
	Par Value.
Bonds and Notes of :	$
The C.&O. Railway Co. of Indiana First Mtge. 5%	7,270,000 00
Elkhorn and Beaver Valley Ry. Co. First Mtge. 5%	1,014,000 00
Western Pocahontas Fuel Co. Coupon Notes 5%	1,500,000 00
Miscellaneous	382,500 00
	10,163,500 00
Costing	8,654,096 74
Properties of :	
Coal River Railway Co.	2,304,359 88
Raleigh and Southwestern Railway Co. ...	816,562 42
Virginia Air Line Railway Co. ...	1,071,947 12
Pond Fork Railway Co. ...	329,668 06
Gauley and Meadow River Railroad Co. ...	110,767 98
Kanawha Boom and Lumber Co. ...	629,512 41
Logan and Southern Railway Co. ...	306,105 73
Piney River and Paint Creek Railroad Co. ...	270,000 00
	5,844,923 60
Costing	5,844,925 60
Construction of :	
Extension of Branch Lines, costing ...	3,388,075 35
Second Track (24·71 miles) and Additions and Betterments, costing ...	27,819,482 27
(Excluding $2,680,955·25 expended on Chicago Line to October 31, 1917, for which securities have been acquired.)	31,217,557 62
Equipment :	
*Additional equipment acquired (less retirals) ...	15,187,845 19
(Excluding -Credit $27,819·93 included in Statement of Expenditures on Chicago Line to Oct. 31, 1917, for which securities have been acquired.)	
Costing	114,385,765 04

*Includes approximate cost of equipment allocated during Federal control by the Government and less equipment contracted for during Federal control by your Company, the cost of which has been financed by the Government.

GENERAL REMARKS.

Branch line extensions during the year have been as follows : Beech Creek Branch from Sharples, W. Va., to Ardrossan, W. Va., 2.84 miles. Sycamore Branch of Cabin Creek Branch, east from M. P. 30 to M. P. 31, 1.15 miles. Seth, W. Va., to Whitesville, W. Va., 13.50 miles. Elk Run Branch, Elk Run Junction, W. Va., to Eudrom, W. Va., 3.77 miles. Marsh Fork Branch, from Little Marsh to Hazy Creek, W. Va., .63 mile. Brush Creek Branch, east from M. P. 10 Big Coal Branch to M. P. 4 Brush Creek, 4 miles. Buffalo Creek Branch, from M. P. 12 to M. P. 15, 3.07 miles. From Ward, Ky., to Alka, Ky., 3.14 miles, making a total increase in branch lines put into operation during the year of 32.10 miles.

The equipment inventory as of December 31, 1919, was as follows :—

		Inc. or Dec.
Locomotives owned	665	—
Locomotives leased	208	—
Locomotives contracted for by Company after January 1, 1918, title taken in 1920	25	— 32
Locomotives allocated by Director General of Railroads	25	
Total	923	— 32
Passenger-train cars owned	333	
Passenger-train cars leased	62	
Total	395	—
Freight-train and miscellaneous cars owned	34,324	+ 1,751
Freight-train cars leased	15,000	2,000
Freight-train cars allocated by Director-General of Railroads	3,000	+ 3,000
Total	52,324	+ 2,751

Included in the above are 15 Mallet type locomotives and 10 switchers contracted for by your Company during Federal control, the payment for which the Director-General agreed to assume, and five Mountain type and 20 Mallet type locomotives, 1,000 50-ton box cars and 2,000 55-ton hopper bottom gondola cars, which were allocated to your Company by the Director-General. All of this equipment has, subsequent to January 1, 1920, been financed by the Director-General through 15-year equipment trusts amounting to a minimum of $11,205,000.00, with interest at 6%.

The changes during the year in the accrued depreciation of equipment account were as follows :—

Balance to credit of account, December 31, 1918 ...		... $8,840,294 81
Amount credited during year ended December 31, 1919, by charges to U.S. Government	$1,716,517 01	
Charged to account, for :		
Accrued depreciation on equipment retired during year 1 passenger-train car and 356 freight-train and work cars	38,605 00	
		1,677,712 01
Balance to credit of account, December 31, 1919 ...		... $10,518,006 82

Operation by United States Railroad Administration.

In the annual report for the year 1918 you were advised that the President of the United States, by proclamation dated December 26, 1917, took possession and assumed control of the railroad systems of the country, appointing a Director-General of Railroads, through whom the operation of such transportation systems was to be conducted. Under this proclamation and under Act of Congress of March 21, 1918 (generally known as the Federal Control Act), the railroad of your Company was during the entire year 1919 operated by the United States Government through Walker D. Hines, Director-General of Railroads. The operating and traffic statistics contained in this report relate to the operation of your property by the Director-General.

	1919.	1918.	Inc. or Dec.
Operating revenues were	$71,475,015 88	$73,720,796 08	— $2,245,780 20
*Net operating revenues were	10,596,494 29	13,503,449 82	— 2,906,955 53
Operating ratio	85·2%	75·5%	+ 11·7%
Tons of revenue freight carried one mile ...	9,635,548,642	10,729,366,446	— 1,093,817,804
Revenue train loads, tons	1,091	1,099	— 8
Revenue tons per loaded car	37·7	38·2	— ·5

*After deducting expense of maintaining Corporate Organisation amounting to $202,018·58.

The result of operations for the year was unsatisfactory as compared with the previous year. This was due in a considerable degree to falling off in tonnage during the early months of the year following the Armistice and to interruptions in traffic due to strikes of shopmen and coal miners in the latter part of the year. Advances in wages paid to all classes of labour and in the cost of fuel and other materials and supplies resulted in increased operating expenses throughout the year.

The revenue coal and coke tonnage was 25,471,475, a decrease of 8.5%; other freight tonnage was 10,126,881, a decrease of 18.4%. Total revenue tonnage was 35,598,356 tons, a decrease of 11.5%. Freight revenue was $53,073,001.73, a decrease of 4.8%. Freight train mileage was 8,830,930 miles, a decrease of 9.5%. Revenue ton miles were 9,633,548,642, a decrease of 10.2%. Ton mile revenue was 5.51 mills, an increase of 6.2%. Revenue per freight train mile was $6.01.0, an increase of 5.3%. Revenue tonnage per train mile was 1.091 tons, a decrease of 0.7%; including Company's freight the tonnage per train mile was 1.151 tons, a decrease of 0.4%. Tonnage per locomotive, including Company's freight, was 1,093 tons, an increase of 2.7%. Revenue tonnage per loaded car was 37.7 tons, a decrease of 1.3%. Tons of revenue freight carried one mile per mile of road was 3,844,193, a decrease of 11.2%.

There were 8,559,602 passengers carried, an increase of 1.6%. The number carried one mile was 501,637,254, an increase of 3.2%. Passenger revenue was $14,158,153.29, an increase of 3.9%. Revenue per passenger per mile was 2.822 cents, an increase of 0.6%. Number of passengers carried one mile per mile of road was 200,174, an increase of 2.1%. Passenger train mileage was 5,507,727, an increase of 8.6%. Passenger revenue per train mile was $2.571, a decrease of 4.4%. Including mail and express it was $2.810, a decrease of 5.0%. Passenger service train revenue per train mile was $2.847, a decrease of 5.1%.

There were 31,642.4 tons of new rail (1,554.9 tons 130 lb., 12.3 tons 125 lb., 25,591.3 tons 100 lb., 3,992.9 tons 90 lb., 491 tons 67½ lb.), equal to 204 miles of track used in renewal of existing track.

There were 1,095,627 cross ties used in maintaining existing tracks, a decrease of 52,434.

There were 910,582 yards of ballast (534,495 yards stone) used in maintaining existing tracks, an increase of 224,359 yards.

The average amount expended for repairs per locomotive was $6,227.43; per passenger train car $1,859.85; per freight train car $164.99.

Compensation Contract.

As pointed out in the annual report for 1918, the Standard Return of your Company and its railroad subsidiaries under the Federal Control Act for the three-year test period ended June 30, 1917, as tentatively certified by the Interstate Commerce Commission, was $13,226,983.23. Your directors, being of opinion that the sum named was inequitable as a fair measure of just compensation, in July 1919 applied to the Director-General of Railroads for a contract providing for compensation in addition to the Standard Return in the aggregate sum of $1,047,408.57. After several hearings and the submission of additional data the Director-General offered your Company a contract providing for compensation, in addition to the Standard Return, in the annual sum of $258,374.50 per annum, being 5% upon the cost of the Chesapeake and Ohio Northern Railway. Your Company was also awarded by the Director-General, for the use of its Eunice Mine, interest at 6% upon the investment plus 15 cents per ton of coal delivered to the Director-General for depletion and depreciation. In its final certificate, dated February 10, 1920, by reason of certain adjustments in your operating expenses for the test period, the Interstate Commerce Commission increased the amount of the Standard Return to $13,630,044.26. Your directors, after consideration, approved the execution of a contract for the aggregate compensation awarded by the Director-General and the contract was signed and delivered by the Director-General on February 28, 1920.

The corporate income figures in this report are based upon the contract compensation, including the additional income resulting from the final certificate of the Commission and from the additional compensation awarded by the contract.

Transportation Act 1920.

The above Act was approved by the President and became effective on February 28, 1920. It represents an earnest and public-spirited effort by Congress to deal constructively with the railroad problem. It is impracticable within the scope

of this report to analyse the Act [illegible] its provisions [illegible] the provisions.

[illegible] Company [illegible] by the Act, May 25, 1920, [illegible] per annum [illegible] 1920, at a net railway operating [illegible] in accordance with the Federal Control Act [illegible] of the return provided by your compensation contract.

[illegible] Federal control, particularly for additional facilities, and establishing a revolving fund of $300,000,000 for [illegible] and certain other purposes.

(d) Requiring the Interstate Commerce Commission to so adjust rates as to allow to the carriers as a whole, or in regional groups fixed by the Commission, an annual net operating income equal as nearly as practicable to [illegible] per annum upon the value of their operating property as fixed by the Commission, with an additional amount in the discretion of the Commission of one-half of 1% per annum to provide in whole or in part for additions and betterments.

Your directors voted to accept the guaranty provided by the Act for the six months ending September 1, 1920. This [illegible] 5½% upon the value of its operating property, as the earn- [illegible] ably confident that a rate adjustment on the foregoing basis [illegible] average return allowed by the Act to the carriers in its [illegible] the value of your property must be paid into a general contingent fund to be administered by the Interstate Commerce Commission and the remainder may be retained by your Company in a reserve fund to meet interest and dividends in years when the return upon your property does not equal 6%. After your reserve fund reaches 5% upon the value of your property, one-half of the excess over 6% per annum may be used by your Company for any of its lawful purposes.

[illegible] page 4 of this report indicates that an adjustment of rates on the foregoing basis should afford your Company on the whole a slightly better average return upon its property [illegible] is on the assumption that the Commission accepts your property investment accounts as fixing the property value on which a return is to be allowed. The return allowed by the Act, however, on any additions to your property hereafter made, is not sufficient under present conditions to provide for the charges which your Company must meet upon [illegible] Your

GENERAL BALANCE SHEET, DECEMBER 31, 1919.

[illegible]

ASSETS

Cost of Road ...		$[illegible]
[illegible]		[illegible]
		$[illegible]
[illegible]		$[illegible]
[illegible]		5,510,407 01
		$[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
		$[illegible]
[illegible]		$[illegible]
		$[illegible]
[illegible]		$[illegible]
[illegible]		[illegible]
		$[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
		$[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
		$[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[

directors, therefore, feel that while additions and betterments to existing facilities reasonably necessary to take care of your traffic must be made, it is undesirable to extend any of your lines into new territory or to encourage the further development of the coalfields now reached by them. One difficulty facing your Company is the fact that during the War, as a result of pressure by the Government for maximum coal production, the number of mines tributary to your lines was increased from 375 to 625.

Labour conditions, not only those affecting railroad employees, but those existing generally throughout the country, are unsettled, and your Company must doubtless expect further increases in its cost of operation due both to the necessity of meeting further demands for increased wages and to the difficulty of obtaining a sufficient number of competent and experienced employees. The Transportation Act of 1920 contains provisions for dealing with labour controversies affecting railroads, the workability of which has yet to be determined. It is the clear intention of the Act that increases in expenses due to increased wages and improved working conditions, adopted with the sanction of the labour adjustment tribunals established by the Act, shall be adequately provided for in the rate adjustments to be made from time to time by the Interstate Commerce Commission. The responsibilities of the Commission to the railroads, their employees and to the public, under the Act, are very great, but your directors have confidence that they are appreciated by the Commission and that it will measure up to them.

Your directors regret to report the death on September 21, 1919, of Mr. Theodore P. Shonts, a director of your Company.

Mr. Frank Trumbull, for many years Chairman of your Board of Directors and President of your Company from July 1, 1918, resigned effective December 31, 1919. His resignation was accepted with regret, and resolutions were adopted by your directors expressing their appreciation of his long and valuable service to your Company and their gratification at his willingness to continue as a member of your board.

Effective March 1, 1920, George W. Stevens was elected President of your Company and also a director to succeed Mr. Shonts. Effective the same date G. B. Wall was elected a director of your Company to succeed Charles B. Seger, resigned.

Your directors acknowledge with appreciation the faithful and efficient service of officers and employees.

By order of the Board of Directors,

GEO. W. STEVENS, *President.*
H. E. HUNTINGTON, *Chairman.*

GENERAL INCOME ACCOUNT (CORPORATE).*

For Year ended Dec. 31, 1919, and Comparison with Year ended Dec. 31, 1918.

	1919.	1918.	Inc. or Dec.	%
	$	$	$	
Compensation for property held under control of the Secretary of the Treasury and Ohio River & Western Railway Co. dated May 28, 1920	14,588,578 75	13,226,985 23	+ 1,361,593 52	+ 10.3
Miscellaneous expenses (net)	202,948 58	137,809 58	+ 66,238 80	+ 48.8
Federal Income Tax Accruals	519,998 50	558,184 43	- 38,185 93	- 10.7
	14,066,531 85	12,752,989 22	+ 1,333,542 63	+ 10.5
Income from other Sources				
Income from investments and accounts	1,067,567 98	930,890 57	+ 136,677 41	+ 14.9
Miscellaneous	148,261 86	181,327 89	- 33,262 03	- 18.3
	1,215,829 84	1,118,414 16	+ 97,415 38	+ 8.7
Gross income	15,282,361 69	13,871,103 38	+ 1,430,958 01	+ 10.3
Deductions from Gross Income				
Interest expense	8,377,843 40	8,330,900 49	+ 46,942 91	+ .5
Rental leased roads and equipment	98,172 08	98,260 21	- 88 13	- .1
Loss on C. & O. grain elevator	20,866 26	23,859 01	- 2,992 81	- 12.5
Miscellaneous	615,511 27	104,271 39	+ 511,039 88	+ 281.5
Total deductions	9,108,192 98	9,013,897 13	+ 494,295 85	+ 5.5
Net income	6,174,168 71	4,857,206 25	+ 936,662 16	+ 19.4
Amount to credit of profit and loss Dec. 31, 1918				$8,765,729 52
Amount of net income for year ended Dec. 31, 1919, transferred to profit and loss	$6,774,168 71			
Sundry adjustments	32,786 27			
				6,806,954 98
				$14,572,684 50
Deduct:				
Dividend 38 paid June 30, 1919	$1,255,652 00			
Dividend 39 paid Dec. 31, 1919	1,255,652 00			
				2,511,304 00
				$11,861,417 50
Appropriation of surplus to provide for equipment retirements				15,000 00
Balance to credit of profit and loss Dec. 31, 1919				$11,846,417 50

[illegible] accounts and reports of companies [illegible] have been made to [illegible] Commission, and [illegible] Accounts and Returns for the years 1918 and 1919, and those [illegible] for the year 1918 [illegible] Interstate Commerce Commission for the years 1918 and 1919, and [illegible] of the Corporation.

[illegible] Federal Control Railroads have been reported [illegible] Company, although the corresponding expenses of the Railroads during the [illegible] were deducted in determining the net operating income as reported in the Standard Return.

* Includes $8,42[illegible] representing the difference between the amount of Separate Income Account of Receivers paid to January 1, 1918, and the amount ($8,8[illegible]) carried to Income Account of Receivers paid to January 1, 1[illegible].

MEETINGS
OF PUBLIC COMPANIES.

NATIONAL BANK OF NEW ZEALAND, LIMITED.

THE forty-eighth ordinary general meeting of this Bank was held on July 7 at 17 Moorgate Street, London, E.C., the Hon. W. Pember Reeves (the Chairman) presiding.

The Chairman said: When I last had the pleasure of addressing you I went fully into the reasons which had determined your directors to make a new issue of capital, and I have now only to say that the new issue of shares made in July last was fully subscribed, and that we are already reaping the fruits of our closer alliance with our friends of Lloyds Bank Limited. Our paid-up capital has been increased from £750,000 to £1,000,000. Our reserve fund last year was £730,000. It is now £1,000,000 equal to the paid up capital—and if you approve of the recommendations the further transfer of £20,000 will increase the fund to £1,020,000. Notes in circulation are down £349,000. Our liabilities on deposit and current accounts now stand at £8,856,000, an increase of £2,374,000, almost entirely in current accounts at call. The growth of free deposits is well distributed. Bills payable and other liabilities, at £1,720,000, show an increase of £769,000. On the assets side coin, bullion, cash at bankers, and money at call show a slight reduction of £213,000. Investments have gone up from £1,413,000 to £3,596,000. Bills discounted, bills receivable, and other advances show collectively an increase of £1,374,000.

We aim, of course, at keeping our resources as liquid as possible. It is no part of the Bank's policy to tie up depositors' funds in what are called "brick and mortar propositions" of any magnitude. As far as possible our resources are made available for the true sphere of the banker—trade. Sympathetic consideration is given to all applications for advances when the funds are to be employed in increasing the production of the country, especially in the cases of the small farmer, the small manufacturer, and the small trader.

Growth of Profits: Bonus Doubled.

Our net profits [illegible] £256,000, an increase of £70,000, or, including the carry-forward, £321,000, an increase of £90,000 over last year's figures, and this after paying a bonus of £21,600 to the staff. You will remember that those shareholders who paid up in full received a half-year's dividend on their new shares, the terms of issue giving them a bonus of three months' dividend. The growth in our profits is, of course, satisfactory and encouraging, and you may rest assured that it is not in any way the result of overtrading or any reckless anxiety to push business. You will observe that, though the dividend remains the same, we propose that the bonus of 1 which you have received for some years shall this year be doubled. The position quite warrants our paying the extra sum involved, although with a still unsettled outlook everywhere we thought it better to increase the bonus rather than add definitely to the dividend. Some of you indeed may ask why, in view of the marked and continuous increase of our business, the shareholders are not receiving more than we now recommend. The answer is found almost entirely in three items in your balance sheet. The first is the amount now paid in taxes: the second and third the sums set aside against depreciation of securities and for premises. These, taken together, amount this year to something not far short of £200,000. The taxes are a very heavy charge, and I may remind you that we continue to pay our dividend and bonus free of income tax, and that this amounts virtually to a substantial increase in the dividend.

We are setting aside £65,000 against depreciation of securities. Much the greater part of it is put aside to balance falls in the prices of first-class Government securities [illegible] fixed dates, and can reasonably be regarded as [illegible] worse than a special contingent fund. We propose, as you see, to set aside £30,000 for expenditure on premises. Owing to the impossibility of carrying out building operations and finding staffs for new branches during the War, we have arrears to make up in these directions. Lastly, we

propose to carry forward the sum of £69,573, practically a full half year's dividend and bonus.

Revision of Staff Salaries.

We have this year endeavoured to settle the difficult question of granting adequate permanent increases to the salaries of our staffs in New Zealand and London. The balance to presents an honest attempt on our part to meet a justifiable feeling on the part of the staff that the time had come for something less temporary than a mere grant of War bonus.

Trade returns plainly attest the Dominion's prosperity. The excess of exports over imports for the year was no less than £22,265,000, which in itself fully explains the growth of deposits.

"I have now to move: That the report and accounts be adopted and entered on the minutes; that a dividend at the rate of 12% per annum for the six months ended March 31 last be now declared, together with a bonus of 2% for the year, both free of income tax; that the sum of £20,000 be placed to reserve fund; £5,000 to officers' pension and gratuity funds; and that the balance of profit and loss account, amounting to £69,573, be carried forward." (Applause.)

Mr. Robert Logan seconded the motion, which was carried unanimously.

GRESHAM LIFE ASSURANCE SOCIETY, LIMITED.

THE seventy-first ordinary general meeting of the Gresham Life Assurance Society, Limited, was held on June 30 at the chief office, St. Mildred's House, Poultry, London, E.C., Sir Charles A. Hanson, Bt., M.P. (the Chairman), presiding.

The General Manager and Secretary (Mr. Alexander Lawson) read the notice convening the meeting and the certificate of the auditors.

The Chairman said: Gentlemen,—My colleagues and I extend to you a very hearty welcome to this, our seventy-first annual meeting, which marks not only the close of the seventy-first year of our life, but the close of another quinquennial period. The reports and accounts—dealing as they do with both the year and the quinquennium—are necessarily extensive, covering much ground and many features of our corporate life. With your permission, therefore, and in order to save your time, I propose at once, without preface, to refer to the report and accounts for the year ending December 31 last. I may say at once it has been a satisfactory year, progress, growth, and added strength being the chief characteristics of the year's work.

New Assurances nearly doubled.

Probably the most remarkable feature of the year to us is the extraordinary growth of new business secured both at home and abroad, and when I say abroad I refer, of course, to friendly countries only, all enemy countries being for this purpose eliminated. The total number of policies issued during the year amounted to 6,029, as compared with 3,149 in the previous year, and the sum assured, after deducting reassurances, amounted to £3,324,367, as compared with £1,700,704 in the previous year. These figures are very large, especially when it is borne in mind that we have ceased to take any new business whatever in enemy countries where in pre-War days we had large and successful branches, especially in Austria and in Hungary.

The premiums for new assurances completed amounted to £162,777, as compared with £82,468, so that the new premium income for the year has increased by practically 100%, or £80,309. This remarkable feature of insurance experience is not by any means confined to the "Gresham," but is shared, I understand, by nearly all our large British life offices, and not only so, but likewise by insurance companies in other parts of the world. I do not pretend to suggest the reasons or motives which have secured this phenomenally large increase in life assurance, but obviously it suggests a growing appreciation on the part of the public of life assurance, first, as a great protection against death, and, secondly, as a safe and remunerative investment.

Claims by Death: Deferred Notifications.

With reference to the death claims, this year presents a somewhat exceptional record, in that we have had brought into the year a number of deaths which have occurred in previous years, but the notification of which had been deferred owing to the War. I need hardly say that owing to war conditions it was inevitable that notifications should be withheld, and that claims should have arisen which from year to year were unknown, and therefore unassessable. Now, however, that we are in complete communication with all our branches the work of inquiry and investigation has been going on as exhaustively as possible, and we have reason to believe that all, or nearly all, of any such claims that can arise became known to us during the year, and are included in the year's returns. The deaths which actually occurred in the year, and for which ordinarily the year would be responsible, are within the actuarial expectation, but the excess number of exceptional claims, such as I have referred to, amount to a considerable sum of money, and the total claims which we have thus had to bring into the year are in excess of the actuarial estimate.

The claims on endowments, on the other hand, have been very much less than our records and premiums had led us to expect, and the sum stated in this year's accounts—namely, £516,070 represents the total amount of [illegible] means that a very considerable number of policyholders have, so far as their endowments are concerned, outlived their period of maturity and have had the full benefit of the assurances which they had effected. The sum, as you will notice, is large, and it means a large amount on the one hand of liability written off, and on the other hand of premiums receivable.

Assets scheduled at market value.

The results as shown by the Revenue Account [illegible] £20,000 [illegible] decrease of assets of about £430,000, but this diminution is explained by the fact that we have applied the accumulated investment reserve of £399,353, and the contingencies reserve of £80,000, which sums stood in the liability side last year, in the writing down of various investments and other assets of the Society, a writing down rendered unfortunately necessary by market depreciation in values over which the Society has no influence or control whatever. The result is that the reserves disappear altogether, and the investments and other assets at our disposal have thereby and with other appropriations been written down to their market and true values as represented at December 31 last. It affords the directors, as also the management, a very great sense of relief to be able to make this statement with every degree of confidence.

Bearing of New Business activity on Expenditure.

I cannot omit here a reference to the next paragraph of the report—namely, that relating to the life expenses, which have increased very materially, and which, in spite of everything we have been able to do, have reached a higher ratio than has been known by this Society for many years. Of course, I need hardly point out to you that this is accounted for by the material increase in the cost of labour and material and to the exceptionally large rise in the ratio of new business to the total premium income—namely, 13.23%, compared with 7.25% in 1918, so that the ratio of new to total business has in 1919 nearly doubled the similar figure for 1918. Had the ratio not exceeded that for 1918 a material reduction in the gross expense ratio would have been the result. The tendency of increased cost is constantly upward, not only indeed in this country, but equally all over the world, or at any rate in every country in which this Society is doing business, and therefore, although we much regret this abnormal expense ratio, and are doing everything in our power to limit it, yet with the best intentions in the world it cannot altogether be checked, and is attributable largely to conditions and economic laws of which we are the servants rather than the masters.

Interest Revenue and Income Tax.

The net rate of interest realised by the funds, that is, after deduction of income tax, is £4 1s. 5d. per cent., as compared with £4 1s. 1d.—a slight increase. It is true, of course, that recent investments have been obtainable to yield a much higher gross rate, but it must always be borne in mind that a Society like our own can only take advantage of these higher interest rates as existing securities mature or are paid off, or as surplus funds may be available, so that the higher current rate recently, and now, obtainable can only apply to a small percentage of an assurance society's funds and has to be averaged with the larger percentage of investments made when 3% Consols stood at 112, for example, and when all sound investments yielded a much lower rate of interest. Income tax also is, I need hardly point out, a growing factor of grave importance, as at the present rate it constitutes a very serious charge indeed upon your revenue and therefore upon your profits. This, however, in some form or other is a charge with which inevitably we shall be face to face for many years to come. The National Debt, owing to the frightful war from which we have just emerged, has grown to inconceivably large dimensions and the fixed charges thereupon, both interest and sinking fund, the country is bound to provide for. This can only be done by taxation, direct or indirect, or both, and although we may differ, and do differ, very widely concerning the best means to be adopted to accomplish this purpose of liquidation, yet the fact itself remains that the charge is there and must be provided for. I venture to think [illegible] proposed Budget, as submitted by the Chancellor is a very heroic effort in this direction. Whether it is in all respects a wise effort, a too pretentious effort, and whether the charges imposed and to be imposed are [illegible] be reasonably at the present [illegible] question upon which differences of opinion may justly prevail, and concerning which I prefer not, in an assembly like this, to dogmatise.

Quinquennial Valuation: Quarter Million Surplus for Division.

I think I may [illegible] report of the actuary [illegible] ties and assets of the Society, and the re[illegible] made by the [illegible] we have found it [illegible] your authorisation. As I understand it, an actuarial quinquennial valuation [illegible] calculation of the liabilities and assets of the Society at a

given period, the period in this case being December 31 last, and the difference between the two totals—namely, of liabilities and assets, represents either a deficit or a surplus as the case may be. In this case the actuary, as the result of his investigation, certifies a surplus amounting to £266,140 10*s.* 3*d.*, which is the net trading profit of the quinquennium, and this surplus my colleagues and I have decided must be distributed in accordance with the rules and regulations of the Society. A sum of £5,594 10*s.* must, therefore, be set aside to provide for the payment of interest to the shareholders at 5% per annum during the next five years, leaving a sum of £260,000 for division between the shareholders and the participating policyholders in the proportion of 1-10th to the shareholders and 9-10ths to the participating policyholders, in complete accordance with our rules and regulations. The surplus is not a vast sum. We should indeed like it to have been much greater, but we have been passing through years of exceptional difficulty known to all of you, and known indeed to the world at large—years of exceptional difficulty not only as applied to this Company and to this country, but equally to all similar companies and to all countries, and having regard to the enormous complexities we have been called upon to contend with, the interruption of all normal activities, the appalling loss of human life, the colossal expenditure of wealth in unproductive directions, and for death and destruction rather than for life and production, I think we may congratulate ourselves upon the results we are able to show. (Cheers.) It may be said indeed that under all these circumstances it would be better not to divide any portion of this surplus, but to retain it for the strengthening of the resources of the Company. There is force in that argument. I fully admit it, but the claims of present policyholders, and the smaller but equally just claims of shareholders, constitute an appeal which cannot be justly ignored, and in view of the assurances we have received from the actuary and the management concerning the present position and future prospects of the Society we have no doubt that the decision which has been reached is a right one. In connection with this valuation the actuary's report is couched in lucid terms, and such as you will be able to fully understand.

Foreign Business : Separate Valuations in each Currency.

I think, therefore, I need not refer to it further except to deal for a few moments with one point only—namely, that of our assets in foreign countries. As you know, we have been doing business for many years in France, Belgium, Holland, Italy, Spain, Austria, Hungary, Greece, Argentina, Egypt, Scandinavia, as also, of course, in India, Canada, and South Africa, and, up to a few years ago, in Germany. This has involved the investment of capital to a considerable extent in a number of the countries concerned, and investments necessarily made in the currencies of the countries affected. For reasons which will be apparent to most of you, our accounts and records relating to business in foreign currencies have hitherto always been converted into sterling at a fixed standard rate of exchange, and as this plan has been applied to assets and liabilities alike, and further, as it has been the general practice of the Society to maintain in most countries investments roughly equal to the local liabilities, the net result of this method of calculation was in pre-War times almost the same as if actual current exchange rates had been used, and, if it occurred that any difference was found to exist, then such difference was allowed for in our quinquennial valuations. In view, however, of the very abnormal rates of exchange which have prevailed in many countries during and since the War, it was obvious that this plan would necessarily involve special difficulties on the present occasion. On the other hand, it was quite impracticable to present our accounts and particularly the actuarial valuation figures, at current rates of exchange, while, on the other hand, it was impossible to ignore the enormous variations which were shown in some of the currencies. The matter was a difficult one, and I need hardly assure you we have spared no pains in dealing with the question in such a manner as to exhibit an accurate view of the real position of the Society and of the reliable character of the profit shown. We are, therefore, on the advice of our officers, and with the approval of our auditors, presenting our report, revenue account, and balance sheet in the usual form—foreign currencies being calculated at their pre-War exchange rates; but, in addition, as you will have seen from the actuary's report, a complete valuation of both assets and liabilities has been made in each separate currency—a very laborious undertaking—and the results have been converted into sterling at the current exchange rates ruling at December 31 last. It is on the basis of this valuation that our surplus has been arrived at. I need only add that we believe our calculations have been made on safe and prudent lines, and that had we been able for the valuation to adhere to pre-War exchange rates, a larger surplus would have been shown.

Liquidation of Business in Germany, Austria, and Hungary.

Concerning the future, I can only say that we are hopeful and confident. The position of the Society we believe to be stronger to-day than it has ever been. Business continues to come our way in unprecedented volume, and we are looking forward to the quinquennium upon which we have now entered as one of great prosperity. (Cheers.) The German business, which has been in liquidation for some years, is pursuing a perfectly natural course, and will in a comparatively short time be finally wound up. So far as we are aware, no serious difficulties have been put in our way, and I am pleased to say that justice has been meted out to us in one of the higher Courts of Germany to which we took on appeal a case which in the lower Court had been decided against us. We have given very careful consideration to the question of continuing business in Austria and Hungary, where for many years we have worked in harmony with the people and with great success, but we have reluctantly come to the conclusion that, so far as we are at present advised, the best interests of the Society will be served by withdrawing from those countries, and arrangements are, therefore, being made for the liquidation of our business both in Vienna and in Budapest. In this connection, it is, I think, but right I should say that during the period of the War our local Advisory Committee in Budapest, composed of Count Geza Andrassy, Count Batthyanny, and Dr. Von Gerenday, have not been unmindful of our interests, and we are greatly indebted to them for the just and impartial manner in which they have sought to do what they consistently could for the protection of Gresham interests. I feel that our thanks are especially due to these gentlemen for their attitude in very trying conditions. I desire now publicly to give expression to that sense of obligation, in addition to a formal resolution of acknowledgment, which has been adopted by the board and has already been forwarded to the gentlemen whose names I have mentioned. In closing, I should like to say how glad and thankful we are that all our staff have been demobilised, that they have returned to us, that they have been reinstated, that they are discharging their duties with fidelity as of old, and that we are once more a reunited board, management, and staff. We realise fully that we are charged with grave responsibilities to policyholders, shareholders, and the management and staff of the Company, and I am glad to be able to acknowledge with gratitude the sympathetic and happy manner in which the staff also have realised their obligations and are working together with us, a united body, for the purpose of building up the interests of the Society. (Cheers.) Gentlemen, I will not detain you longer, and I now move, "That the directors' and auditors' reports be approved and adopted."

The Deputy-Chairman (Sir Reginald MacLeod, K.C.B.), in seconding the resolution, said : The old Gresham Society had passed through the stormy times of the last five years, and had come out not only uninjured, but in a fit condition for fresh and prosperous voyages. (Hear, hear.)

No questions being asked, the resolution was put to the meeting and unanimously carried.

The Right Hon. Lord Monk Bretton, C.B., in proposing a vote of thanks to the Chairman for presiding, said that during the difficulties and anxieties of the past few years it was the Chairman who had had to bear the burden and heat of the day. In looking at their assets set out in the balance sheet, they must never leave out of account that one of the greatest assets of the "Gresham" was the Chairman, Sir Charles Hanson. (Cheers.)

The vote was unanimously accorded.

EXPLOSIVE STRADES, LIMITED.

The first annual general meeting of this Company was held on July 6 at Winchester House, London, E.C., Sir Harry McGowan, K.B.E. (Chairman and managing director), presiding.

The Chairman, in the course of his address, said : About three years ago it forcibly struck the management of the principal companies now forming part of Explosives Trades, Limited, that it was necessary to secure a financial identity of interests if the problems which would arise at the termination of the War were to be handled in a scientific manner. Various foreign manufacturers of explosives and kindred commodities, notably in Germany, had formed themselves into powerful combinations, and it was felt that British interests must be similarly consolidated if they were to maintain and improve their position in the future. The negotiations extended over a somewhat protracted period, but the task of merging was duly accomplished, and Explosives Trades, Limited, was incorporated on November 29, 1918, with effect, so far as the shares were concerned, at January 1 of that year. Thus to-day we meet you to give a record of two years' results of the trading operations.

Progressive Dividends : Extinction of Preliminary Expenses.

The sums received by us as dividends from our constituent companies out of their trading results for the two years 1918 and 1919, after deduction of income tax, give us a net balance from our profit and loss account of £1,655,241. A dividend of 9% was paid on the Ordinary shares in July of last year out of the dividends received for the year 1918, and, after meeting the dividend charge upon the Preference shares for 1919, we are able in respect of the trading of 1919 to propose a dividend of 10% on the Ordinary shares, and one of 5% on the Deferred shares. If you authorise these dividends and also the writing off of the whole of the preliminary expenses, we then carry forward £231,472 to the next account.

During the years under review our expert committees have been exploring the possibilities of our factories on comparative lines, with the object of carrying out a definite policy for remedying the old entirely fortuitous distribution of manufacture by instituting a system of concentration in the most suitable factories. In pursuance of this policy it has been found possible to bring together, in the places most advantageous for the purposes of manufacture and distribution, the production of various commodities, and to eliminate waste and the burden of excessive overhead charges. By concentration of our manufacture and selling policy we have already accomplished much of what we set out to do—namely, that our products be offered to consumers under such conditions as to enable the Company, their employees, and their customers to benefit by this amalgamation of interests.

New Enterprises.

You will appreciate that our problem did not consist solely of the ordinary one of re-establishing our peaceful pre-War industries, but it was complicated by the necessity to find new outlets and fields of employment for the capital rendered unproductive by the War's termination, and for stabilising our business as a whole. We studied the transport industry, and as the result of our deliberations [illegible] ordered two [illegible] about two years ago [illegible] by acquiring a substantial [illegible] Rubber Company [illegible] had every reason to be pleased with [illegible] vestment. In addition, we also took a substantial holding in the Tyre Investment Trust Company [illegible] shareholders in the Dunlop Rubber Co. [illegible] the Dunlop Far East, but which [illegible] tion with the English company. Some time ago an American Dunlop Company was formed, in which we are also financially interested, and, after a close study of the conditions surrounding the tyre trade, it was decided to erect a factory at Buffalo, U.S.A. These works are now being installed under the direction of the technical experts of the Dunlop Company, and it is expected that early next year the factory will start operating. As the American Company are working to the Dunlop Company's formulæ, they should avoid the usual experimental difficulties, and the tyres produced by that factory should at once compare favourably with the latest tyres produced in England, of course giving due regard to the special needs of the American market.

Still dealing with the transport industry, some time ago we entered [illegible]

ESTABLISHED 1810

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OF THE CITY OF NEW YORK

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To extend their facilities in the interest of their customers The Mechanics & Metals National Bank and the New York Produce Exchange National Bank have consolidated under the title of The Mechanics & Metals National Bank of the City of New York.

With its increased capital and improved facilities this Bank is equipped to extend the very best possible service to all those who entrust their business to it, and welcomes this opportunity to enlarge its usefulness to the business community and increase its service in the interest of trade and industry.

OFFICERS:

GATES W. McGARRAH	*President*	JOSEPH S. HOUSE	*Cashier*
JOHN McHUGH	*Vice-President*	JOHN ROBINSON	*Assistant Cashier*
FRANK O. ROE	*Vice-President*	ERNEST W. DAVENPORT	*Assistant Cashier*
WALTER F. ALBERTSEN	*Vice-President*	ARTHUR M. AIKEN	*Assistant Cashier*
HARRY H. POND	*Vice-President*	WILLIAM E. LAKE	*Assistant Cashier*
SAMUEL S. CAMPBELL	*Vice-President*	ARTHUR W. McKAY	*Assistant Cashier*
NORTH McLEAN	*Vice-President*	ALEXANDER F. BRYAN	*Auditor*

LONDON CORRESPONDENTS:

London Joint City and Midland Bank, Ltd.

London County Westminster and Parr's Bank, Ltd.

Barclays Bank Ltd.

Company, the results of which, I am glad to say, have already been of a most satisfactory character. There has for some time been a considerable output of cycles from Kynoch, Limited, which are now finding wider markets than hitherto, and during the past year we have acquired John Marston, Limited, the manufacturers of the world-famous "Sunbeam" Cycle and of the Motor-cycle, which continues to achieve remarkable records in open competition with every description of motor-cycle.

Your board have also given considerable thought to the question of motor-car production. Four years ago the Dupont Company of America, which corresponds in the States to your own Company in this country, and with which we have had pleasant business relations for many years, decided to become partners on a substantial scale in the General Motors Corporation, Limited, of America, the premier motor-manufacturing concern in the world, having a total capital approaching £100,000,000 sterling. As a result of exhaustive inquiries and personal visits to the factories of the General Motors Corporation in America, negotiations were concluded about two months ago by which we also became partners to the extent of, approximately, 25,000,000 dollars, on very favourable terms, which, even on to-day's revenue of the Company, without increased capital, will be highly remunerative.

Mass Production in Motor-Car Industry.

Our personal investigations of the factories of the General Motors Corporation disclosed an extraordinarily high state of efficiency, and we saw there scientific mass production in its most advanced form. There is no question that the output per man in those factories is greater than that at similar factories in this country—a result which, I feel sure, is not due to the superiority of the American workman, for I thoroughly believe that the British workman is in many ways superior to the American workmen. The American workmen obviously have more freedom of action there than here—I mean freedom of action as regards output—and until that freedom of action is gained in this country I cannot see that English manufacturers can hope to compete successfully with their American competitors. When I tell you that the estimated output this year of motor-cars in the various factories belonging to the General Motors Corporation is, approximately, 650,000 passenger cars and 170,000 industrial vehicles, tractors, &c., this will give you some idea of the gigantic nature of the business. They are manufacturing now a tractor made to suit the American market, called the "Sampson," and we understand that if they were manufacturing at the rate of 1,000 per day they could not begin to satisfy the demand. The General Motors Corporation management hold that the agricultural industry will be revolutionised by the rapid introduction of mechanical vehicles, and they are equipping themselves to meet the demand.

The General Motors Corporation have already established large factories in Canada for the requirements of that market, and they realise that the transport industry in connection with the British Empire cannot be developed simply as an American trade, and this is one of the reasons why they approached us to become partners and to secure the advantage of our worldwide organisation. It is their intention to come to England one day and establish works here which will be a centre for the development of trade in the Empire, and a source of strength in the export markets, as well as giving employment to thousands of people. I am convinced that, in deciding to become allied with them in this great industry, we have come to the right decision for your Company, and this view is confirmed by the fact that a fortnight ago the great house of Pierpoint Morgan decided to take a large interest in the same Company.

We are also substantially interested in the British Dyestuffs Corporation and the British Cellulose Company, in both of which concerns the Government are also shareholders. Here, again, I think the prospects are good. For some years past one of our companies has been a minority shareholder in the British Pluviusin Company of Manchester, a concern making artificial leather of high quality, and recently we acquired the whole of the shares of that company. The prospects of artificial leather are almost illimitable. Not only is this material being used to-day in the covering of motor-cars, but its use for household purposes is extending rapidly.

Our range of activities is, and will be, of such a character that we are confident that, if any particular branch has a set-back, the other lines in which we are engaged will ensure the stability of our undertaking. The capital outlay on reorganising the factories and in connection with the newly-acquired businesses since the merger was formed, amounting, apart from the General Motors' arrangement, to over £2,000,000 sterling, has been financed for the time being out of our own resources, and its permanent treatment is now receiving consideration on the part of the board.

Change of Title contemplated.

In further remarks, the Chairman said that, as the present title of the Company was too limited in its scope, the directors had under consideration the desirability of changing it, and they anticipated that the name of Nobel, known throughout the world, would appear in some form in the new title. Referring to practical results which had followed from the merger, he said that, had it not been brought about, the prices of their products could not have been so low as they were at the present time. This had only been possible by closing down the factories where the cost of production was excessive, and concentrating on those works where efficiency was on the highest scale. He was confident that, when the shareholders met 12 months hence, the directors would have an equally satisfactory record to present.

The report was unanimously adopted, and the dividends recommended were declared.

BALDWINS, LIMITED.

THE annual meeting of this Company was held at the Grand Hotel, Birmingham, on July 7. The Chairman (Colonel Sir John Roper Wright, Bart.) presided.

The dividends for the year ended June 30, 1919, had, the Chairman said, already been paid, and it was not intended to suggest that any further dividends should be paid. The ordinary share capital was increased from 3,080,654 to 3,526,644, being an increase of 445,990 shares. The majority of these shares had been issued in exchange for shares in subsidiary companies for the solidifying of the Company's position as regarded raw materials. The cash share capital had, however, increased by £1,544,907, which included, in addition to the new shares issued during the year—namely, 445,990—the 15*s.* per share outstanding on 1,529,832 shares as per balance sheet for the financial year ending June 1918. There was a total reserve of £404,460, in addition to which there were the premiums received on the issue of the Ordinary shares, which had been increased this year from £479,615 to £597,363. It would be seen from the accounts that the directors were quite justified in paying the dividend free of income tax for the year, as after dealing with the accounts they carried forward £285,799, being a little more than last year.

I may perhaps be now permitted to refer to a matter which interests, if it does not directly concern, all the shareholders present. Early in this year overtures were made to my son, one of the managing directors, by Sir E. Mackay Edgar, a partner in the firm of Sperling and Co., for the acquisition of Ordinary shares in your Company, and on February 17 I received a letter from Sperling and Co.'s office, signed by Sir E. Mackay Edgar, confirming an offer to purchase all or any part of the Ordinary shares in the Company at 60*s.* per share, subject to acceptance by the holders of 51% of the Ordinary shares. In that offer it is stated "that the sole reason we are purchasing is to ensure our steel position for our different shipyards, and that we are purchasing on behalf of that combination, but our desire and intention will be to develop the Baldwin position to the fullest extent possible in the interests of the Baldwin Company."

My first meeting with Sir Edward on the subject was on the date of the letter, the 17th of last February, when Sir Richard Vassar-Smith, your two managing directors and I met Sir Edward and his solicitor and talked matters over. It being agreed that the offer should be exclusive of the interim dividend, 2½%, but completion delayed until June 30, it was arranged that the matter should be laid before your board. This was done on February 20, when the directors present expressed their willingness to accept the offer and to recommend its acceptance to the shareholders.

The Company's solicitors had in the meantime prepared in outline the form of agreement usual in such cases, and had left it with Sir Edward's solicitor, Mr. Philpotts. Arrangements were made for the further discussion of outstanding points, and another meeting was held on February 26, when Sir Edward Edgar and his solicitor, Mr. Philpotts, attended, and the points were settled. The solicitors met that night and settled the agreement on the lines discussed during the day, and it was prepared for signature and signed by most of the directors on the following day.

Circulars, which you all no doubt received, were then prepared by the solicitors of Messrs. Sperling in conjunction with the Company's solicitors, and a formal offer was through your board made to the holders of Ordinary shares to purchase those shares on the terms stated. Forms of acceptance addressed to Messrs. Sperling were enclosed, and for convenience these forms, with the accompanying certificates, were sent to the Company's office. Before the prescribed date, viz. April 15, holders of not only 51%, but of approximately 97%, of the Ordinary shares had assented.

The business took its ordinary course, and on April 19, when the Budget proposals were laid before the House, it was disclosed that the excess profits duty would be increased from 40% to 60% and that a Corporation tax of 5% would be imposed. The effects of these proposals on financial issues are known probably to all of you. On May 25 Sir Edward and Mr. Workman saw my son and intimated their inability to carry out the original proposal. This interview was followed by a letter with an alternative proposal, which your board could not recommend.

From that time down to within a few days of the completion date—June 30—the board, chiefly through its solicitors, were in communication with the other side with a view of seeing whether some alternative proposal could be put up which your board would feel able to recommend to the shareholders. Although the main lines of such an offer were in fact agreed, the proposal ultimately broke down because your

directors were unable to obtain the security for the payment which was to be made.

It became evident in May that Messrs. Sperling refused to recognise any personal liability on the contract of February, and their reasons for so doing appear to be: (1) That they entered into the contract as agents for a disclosed principal, viz. the Northumberland Shipbuilding Company, Limited; (2) that the continuation and increase of the excess profits duty relieved the purchasers (whoever they may be) from any liability.

On the question of agency, it is of course common knowledge that Workman, Clark and Co. were and are our very good business friends, and that it was no doubt through them that Messrs. Sperling became interested in the present negotiations. We recognise that the motive underlying the negotiations was, in the terms of Sir Edward's letter of February 17, "to ensure their steel position for their different shipyards." But at no time was it suggested to the board or to their solicitors that Sperling and Co. were only purchasing as agents for the Northumberland Shipbuilding Company.

On the second point, Messrs. Sperling no doubt did hope that, when the Budget arrangements for the financial year were disclosed, relief would be obtained in regard to excess profits duty. But we entirely repudiate any suggestion that such relief formed a condition, actual or implied, of the contract entered into. On both these points we have been advised by our solicitors and by counsel that they are untenable.

Before the date for completion an action was commenced in the name of the Northumberland Shipbuilding Company against the directors who signed the contract of February last, claiming rescission of that contract. Acting under the advice of our counsel, action has also been commenced by the directors on the contract, claiming specific performance and/or damages, and independent action has, I understand, been taken by other shareholders, whose position, in the opinion of the Company's solicitors and counsel, is that they are in separate contract with Sperlings in relation to their separate holding.

I understand that some of the shareholders think they have reason to complain of the action or inaction of their board. Looking back even in the light of subsequent events, I fail to see what different course the board could have taken at the critical moments. The contract, I submit, fully disclosed the position, and was the subject as far as each shareholder was concerned of his separate confirmation. Nothing has [illegible] the board [illegible] the Company to vary the position of any shareholder.

Mr. Roger [illegible] the motion.

In replying to questions Mr. Pringle, the Company's solicitor, stated that if any [illegible] in regard to the directors' action the directors would insist that that [illegible] shareholders.

The report was adopted and the retiring directors were re-elected.

WELSBACH LIGHT COMPANY, LIMITED.

An ordinary general meeting of the Company was held on July 7 at Worcester House, Old Broad Street, London, E.C., Mr. J. R. Yates (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts and the declaration of a dividend and bonus, said: I reminded you last year that alterations and extensions at the factory were overdue and were then in hand. Long before this time they should normally have been completed, but, owing to the extraordinary difficulty in building operations to-day, they are only now approaching completion. Notwithstanding these and other hindrances, we have managed to maintain our mantle business—the Welsbach mantle still holds its pre-eminence—while in other directions we have expanded our trade in lighting and heating accessories, thus producing the improved results reflected in the accounts. I need not now labour the point as to the right of mantle manufacture to be considered a "key" industry. Before the War the industry was dominated from abroad, and, if we are again to have dumped into this country mantles produced under conditions very different from those prevailing here, numbers of British workers will be thrown out of employment.

The gross profit on trading, with the income from our associated companies, including B. Cars, Limited, amounts to £94,495, against two items in last year's account which aggregated £75,47[illegible]. The net profit [illegible] is £61,688, which, added to £17,765 brought forward, makes a total of £79,453. The share capital issued at March 31 last at £256,422, of which £81,422 represents the recently issued shares. Subsequently to March 31 a further 1,503 were applied for and allotted and fully paid. We still have a balance in hand of 7,075 shares. We have decided to allow those shares to remain at the disposal of the directors, to be dealt with, if and when occasion should arise, in the best interests of the Company.



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and as such to be honoured. But for exquisiteness of fragrance and flavour, the Turkish leaf, and of this, the Macedonian crop, is paramount.
Yet without the blender's art, even that fine quality must fail of its most exquisite effect. The rarest skill in the mingling of choice leaves of varying character in a palatable harmony gives the delicate aroma and satisfying flavour of

MATINÉE
Turkish Cigarettes

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by ALLAN RAMSAY

232 Issued by The Imperial Tobacco Company (of Great Britain & Ireland), Ltd.

As regards the appropriation, the directors propose to wipe off wholly the balance of the underwriting commission of 1911 and 1916—namely, £19,859—the disappearance of which is perhaps one of the best of the improvements which we have been able to apply to the balance sheet in the last few years. We recommend again a dividend of 10% and a bonus of 5%, both less tax, on the old shares, absorbing £26,250, and leaving a balance to be carried forward of £21,343, in which connection you will have in mind that next year we shall have about 50% more share capital to carry dividend.

Mr. B. Cars (Managing Director) seconded the motion, which was carried unanimously.

HOWARD AND BULLOUGH, LIMITED.

THE twenty-sixth annual ordinary general meeting of this Company was held at Globe Works, Accrington, on July 7, Sir George Bullough, Bart. (Chairman of the Company), presiding.

In moving the adoption of the report and accounts the Chairman said: When we met 12 months ago we were in the midst of a transition period, and were confidently looking forward to carrying on the reorganisation of our textile machinery manufacture without interruption. This was not to be, for last September the unfortunate moulders' strike broke out and affected all engineering works in the country. It lasted 13 weeks, but many more weeks were afterwards involved in retrieving the position we had reached in September. It threw in arrears many of the early war contracts we still had on the books, and carried them into a period of manufacture when costs had become abnormally high through ever-increasing wages, prices of fuels and materials.

The amount disposable is £128,217. A considerable portion of this amount, it should be noted, has accrued from our investment returns. It is proposed to pay the usual 10% dividend on the Ordinary shares, and after payment of the Preference dividends and Debenture interest there remains a balance of £57,207, which we propose to carry forward to next year's account.

In order to cope with the ever-increasing demand for our machinery, and also to compensate for the present reduced output capacity caused by the shorter working weeks, additional holidays, and other labour conditions, your directors have felt it incumbent upon them to undertake considerable extensions to the works. For this purpose the entire timber storage and drying plant has been removed to a convenient plot of land owned by us in proximity to our Charter Street works, and close to the railway. The large space thus rendered vacant will henceforth be occupied by a four-storeyed building now in course of erection. When completed, this and an additional foundry to be erected on land owned by us and situated opposite the Charter Street works will constitute one of the most important extensions ever undertaken by your firm. It will enable us to get back to our pre-War production, for which our present buildings and plant are no longer adequate, owing to the circumstances already referred to. It will also afford provision for much additional labour, enhance our output capacity very materially, and place us in a position to meet the constant offers of business which have now to be declined in consequence of an overburdened order-book. In conclusion, I may add that your directors look forward with every confidence to the coming year, so as we may have regular continuity of working.

Mr. A. Haworth seconded, and the resolution was carried.

Mr. R. W. Bugler moved that a dividend be paid for the half-year ending May 31, 1920, at the rate of 6% per annum, less income tax, on the Preference shares; and a fourth quarterly dividend of 2½%, less income tax, on the Ordinary shares, making, with the interim dividends already paid, 10% for the year on the Ordinary shares.

Rev. R. H. Lyall seconded, and the resolution was carried.

KELLY'S DIRECTORIES, LIMITED.

THE twenty-third ordinary general meeting of this Company was held on July 5, at the offices of the Company, 182-4 High Holborn, London, W.C., Mr. E. Festus Kelly (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The directors came to the conclusion that it would be desirable to capitalise part of the reserve fund, and to issue bonus shares for the amount. 80,634 £1 shares were so issued, being one new share for every three held, excluding fractions. The principal reason for so doing was the purchase of the Strand premises of Messrs. W. H. Smith and Sons. The item which mostly interests shareholders is the profit and loss account, which shows the very splendid increase of £28,675. Three factors have combined to produce this result—renewed efforts on the part of the staff and directors, the return to business of many professional and business men, who have, to re-establish their position, found it necessary not merely to purchase books but to advertise, and the third factor is that we were fortunate enough—or prudent enough—to purchase the paper required for the production of books published during the year represented by the accounts much earlier than usual, and so those books have had the advantage of paper purchased at a far lower rate than that now prevailing, or, as far as one can see, likely to prevail for a long time to come.

In the short space of time which has elapsed since these accounts were made up there have been two increases of wages in the printing trade, and, in common with all other publishers, we have a great struggle to keep ahead of these increases. Rightly or wrongly, the directors have held the view that the price of the books must not be increased in the same ratio as the cost, and up to the present that policy has been justified by the results; but to provide the vastly increased revenue required further attention must be devoted to the advertisement side of the business, and with that view the directors have been considering the appointment of a director who should specially devote his attention to new methods. The main publications of the Company have fully maintained and even increased their returns.

The purchase of the Strand premises—of what I consider, for this business, to be the very finest position in London, will afford an opportunity for developments long contemplated. One—and not the least important—of these is the institution of a Service Bureau for the benefit of our advertisers. We have been able to regain some of the foreign business lost during the War. The "Merchants' and Manufacturers' Directory" continues to meet with increased approval from our foreign customers.

Mr. Arthur L. Kelly seconded the motion, which was carried unanimously.

P. & O. BANKING CORPORATION, LIMITED.

THE statutory meeting of this Corporation was held at 122 Leadenhall Street, London, E.C., on July 8, the Right Hon. Lord Inchcape, G.C.M.G., K.C.S.I., K.C.I.E., the Chairman, presiding.

The Chairman said that the issued capital of the Company was £2,500,000, and it had all been paid up with the exception of some £40,000. They had begun business, having secured premises in the P. & O. offices in Leadenhall Street. All their friends had rallied round them, and they had already opened a very satisfactory number of accounts. They had secured a very efficient staff. He had known the Secretary, Mr. Rolt, for many years, and had complete confidence in his ability and zeal. Mr. James Mackenzie was their managing director, and they had a board consisting of business men. It was intended to open branches in Calcutta, Bombay, Madras, and Karachi so soon as staffs could be

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THREE NUNS —a milder blend

Both are sold everywhere at 1/1 per oz.
Tins: 2-oz. 2/2—4-oz. 4/4

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6/8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Co. (of Great Britain & Ireland), Limited, 36 St. Andrew Square, Glasgow

(675)

organised. They had already done a good deal of business in one way and another, and it had been decided that their first financial period should terminate on September 30, 1921, which would make it some 15 months. They thought that was desirable, as they had only commenced business within the last fortnight.

The decision to form the P. & O. Banking Corporation was come to in January of the present year. The prospectus was prepared and they were ready to commence business, but the Chancellor of the Exchequer requested those who intended to bring out new issues to postpone them until the Exchequer Bonds were out of the way. The directors at once fell in with that proposal, and announced that they had decided to postpone the issue of the Corporation until about April. In the meantime it was proposed in the financial resolution to increase the stamp duty on new issues from 5*s.* per cent. to 20*s.* per cent., and that resolution would hold good unless upset by the Finance Bill. He had written to the Chancellor pointing out that it was hard on the Corporation to be saddled with 20*s.* per cent. instead of the 5*s.* per cent. which they would have had to pay had the issue been made at the time arranged. The Chancellor had replied sympathetically, stating, however, that it would be very difficult to help them in the matter. He (the Chairman) still hoped that relief would be given in such cases in the Finance Bill. If they had to pay 20*s.* per cent. it would represent something like an additional £37,500. Their relations with other banks were of the most cordial character.

Sir Richard V. Vassar-Smith, Bart., D.L., seconded the adoption of the statutory report, and it was unanimously carried.

The Chairman expressed the hope that when they met again, probably in about 16 months' time, the directors might be able to present a report which, though it might not announce the payment of a big dividend, would at any rate recommend one which would be fairly satisfactory.

DALKEITH (CEYLON) RUBBER ESTATES, LIMITED.

THE tenth ordinary general meeting of this Company was held on July 5 at the offices of the Rubber Growers' Association, 38 Eastcheap, London, Mr. J. H. Renton, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts said: Gentlemen,—I am pleased that we are able on this occasion to present a more favourable report than we did last year. The favourable features are, first, that we have paid off the whole of our outstanding Debentures —£6,000 at the close of our financial year and £4,000 at the end of January of the current year. As the interest on these Debentures was at the rate of 7½%, free of income tax, the Company has thereby effected a considerable saving. Secondly, we have secured a return of excess profits duty and income tax amounting to £9,192 from the Revenue authorities. Thirdly, our crop exceeded our estimate by some 17,000 lb., and our gross selling price is some 5*d.* per lb. above the previous year's rate; and, fourthly, we are able to pay you a moderate dividend, to place £6,000 to reserve and carry forward the substantial sum of £12,705. There is one unfavourable feature in the report, and that is that our "all in" cost was 1*s.* 7.09*d.*, or nearly 1¾*d.* above the previous year's cost. This is attributable entirely to the rise in exchange and the loss on rice.

As regards the rice question Ceylon has, during the past year, been entirely dependent on Burmah for its rice supply, as the other parts of India did not produce sufficient for their own needs. This was not only the case with India, but with all other Eastern countries other than Burmah. Such being the position, the Indian Government seem to have been unable to resist the temptation to go in for profiteering on a big scale. I think that, if not for 1920, at any rate in 1921, we may look forward to a much improved condition so far as rice supplies are concerned.

Our capital is now fully issued, and stands at £140,000, making the issued capital, plus the sum of £6,000 to be placed to reserve, £146,000 in all, which is the exact book cost of the estates, buildings, and machinery. After providing for the forward contracts and sales already made, we shall have about 400,000 lb. of rubber available for sale, and all we want is an improvement in the price of the commodity to set off against the loss on exchange and enable us to pay good dividends. I look forward with confidence to a better market in the autumn, when America again becomes a buyer.

Commander A. J. Farquharson, R.N., seconded the motion, which was unanimously adopted, as was one for the payment of a dividend of 10 per annum, less income tax, and the placing of £6,000 to a general reserve.

RAND SELECTION CORPORATION, LIMITED.

(Incorporated in the Transvaal.)

THE twenty-eighth ordinary general meeting of this Company was held in Johannesburg on May 27.

The Chairman, Mr. F. R. Lynch, in moving the adoption of the report and accounts for the year 1919, said: Gentlemen,—At December 31, 1918, the capital of your Corporation was £550,000, in fully paid £1 shares, and the Consolidated Mines Selection Company had an option over the remaining 450,000 shares up to June 23, 1920, at £2 per share, at any time up to June 23, 1921. During 1919 24,500 of the shares under option were taken up, and since then a further 25,500 have been subscribed for, so that the capital of the Corporation has now been increased to £600,000.

The mining activities in the Far East Rand have continued to be reflected in the sale of stands at Brakpan Township and Springs Township. During the year the Government granted your Corporation the right to lay out a new township on the Farm Rietfontein as a further extension of the existing Springs Township. The extension comprises 57 business, 33 industrial, and 238 residential stands, in addition to Government and municipal endowment stands.

Interests in other undertakings.

The interests held by your Corporation in other concerns are fully set out in the balance sheet. During the year Brakpan Mines, Limited, called upon the Consolidated Mines Selection Company, in terms of its guarantee, to provide funds to exploit the lease area, to take up 32,500 new shares, at £5 each, of which this Corporation took up 11,855 shares. Since the end of the year the balance of the shares has been called up, and our liability under the guarantee will be extinguished. Your Corporation's holding in Brakpan Mines will thereby be increased to 277,000 shares. We are still liable to be called upon to provide £62,500 as our share of a loan of £250,000 if Brakpan Mines should find it necessary to borrow this sum for the completion of the scheme of development outlined in the mineral lease.

Our interest in Springs Mines, Limited, has been increased to 279,743 shares by subscribing for 7,949 new shares at £3 each in terms of the arrangements made for providing the funds required for the Springs Mines lease area, and by the receipt of 1,500 shares from the New Geduld Deep, Limited, by way of dividend. The Corporation's interest in Daggafontein Mines, Limited, has been increased from 71,276 shares to 85,445 shares by the exercising of certain options and by the exchange of our holding of 600 shares in the Daggafontein Gold Mining Company. Our holding of fully-paid shares in West Springs, Limited, has been reduced by sales from 37,751 to 3,495, and we still retain 100,000 shares, on which 2*s.* each is paid up.

The premium on the price of gold has apparently been to our advantage, but the increase in the cost of production, due to the constantly advancing cost of wages, stores, exchange, &c., has been so great that it has absorbed a large portion of the gold premium. But to-day's position cannot be continued indefinitely. The gold mines in which

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we are interested are either comparatively new or in the developing stage, and have long lives before them.

Your directors have adopted a carefully prepared scheme for extensive tree planting on selected portions of the Farm Weltevreden and Rietfontein. The gold mines consume a large amount of timber, and, in due course, we shall have no difficulty in disposing of our plantations, which should prove a considerable source of revenue.

The revenue of the Corporation for the year amounted to £159,605, and was less by £61,811 than that for 1918, when £221,416 was received. The falling off is entirely due to a reduction in the sums received by way of dividends on our investments, which totalled only £73,641 in 1919, as against £144,153 in 1918, the actual shortfall being £70,512. All other sources of revenue show an increase, with the exception of township profits and underwriters' commission; in both cases the decrease is negligible. The expenditure for the year, amounting to £13,463, shows a small increase of £572.

Profits realised and distributed.

The profit for the year amounted to £146,141, which, added to the unappropriated balance at the end of 1918, gave a total sum available of £232,503. This amount has been dealt with as follows: Government taxes absorbed £10,717. The dividend distribution of eight shares per 100, which absorbed £133,270, and the cash distribution of £57,450, at the end of the year together amounted to a cash distribution of £190,725 for the year, equivalent to 39.4%. But the value of the dividend distributed was actually greater, because the enemy shares were purchased from the Custodian of Enemy Property for 73*s.* 6*d.* each, and on the day they were distributed there were firm buyers at 79*s.* The unappropriated profit at the end of 1919 was £22,020, as against £86,361 at the end of 1918, the reduction being due to the distribution of the enemy shares. The number of shares purchased from the Custodian was 121,198, and of these 36,264 were distributed as a dividend, while the balance of 84,934 were offered to shareholders at the cost price of 73*s.* 6*d.* each, and were all taken up.

Before concluding, I must refer to the merger of the interests of this Corporation with those of the Anglo-American Corporation. The assets owned by each of the Corporations are almost identical, and, in addition, the Anglo-American Corporation is largely interested in your Corporation, both by way of firm stock and options. Such being the case, it was felt that there was no necessity to continue as separate entities, and that it would be to the advantage of both to join together in order mutually to obtain greater stability, extended power, and reduced expenses. Eventually it was decided that the interests of the joint Corporations would best be served by the Anglo-American Corporation being the survivor. Before the extraordinary general meeting of the Anglo-American Corporation was held to authorise the necessary increase in capital, over 220,000 Rand Selection shares had been surrendered in exchange for Anglo-American shares. The final returns from London have not yet been received. According to our last advices, however, a total of 502,458 shares has been surrendered. This can only be regarded as a clear indication that the terms have the approval of shareholders.

Mr. C. Marx seconded the motion, which was carried unanimously, as was one for the declaration of dividends in enemy shares and cash

CROMPTON AND CO., LIMITED.

THE seventh annual general meeting of this Company was held on July 8 at Winchester House, London, E.C., Mr. A. A. C. Swinton, F.R.S. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that the past year had been in many respects abnormal. The demand for goods of the Company's manufacture had been quite unprecedented, and they had been obliged to decline a good deal of business which, had the capacity of their works been larger, they would have been glad to undertake. The orders booked during the year showed an increase on the previous year of 80%, and the unexecuted orders in hand at the close of the financial year represented a very large amount. The demand for electrical machinery had been equally brisk at home and abroad, and, although in some quarters there was a falling off in home trade, he was inclined to think that manufacturers of electrical machinery were likely to feel the effects less than most other trades, as the high cost of labour and material rendered the extended use of electrical machinery an absolute necessity in many industries. The Company's ability to secure business at the present time was only limited by their capacity to turn out the work, and he did not anticipate any alteration in that position for some time to come.

In view of the increasing demand on their manufacturing capacity, they had been obliged to extend their original programme for the new buildings at Chelmsford. Unfortunately, the difficulty in obtaining material and labour had delayed the execution of these works, and he was afraid it would be some time yet before they secured the full benefit of the expenditure they were incurring. The effects of the moulders' strike had not yet entirely passed away, and the holding up of work in hand and the extra expenses entailed upon the Company in their endeavour to minimise the inconvenience to customers had had a very material effect upon the profit for the year. It was, therefore, with a considerable amount of satisfaction that the Board were able to submit accounts showing a net available profit of £52,878—an increase of approximately 37% on last year. So far as the current year was concerned, their trouble was not to get orders, but to avoid offending customers by their inability to supply them with all they wanted. This being the position, he thought shareholders would agree that the Board were justified in looking forward to a successful year.

Mr. Saxton W. A. Noble seconded the motion, which was carried unanimously, and a dividend of 10% on the Ordinary shares was declared.

A resolution was afterwards passed providing that the limitation of the borrowing powers of the directors provided by Article 80 should no longer apply.

SMITHFIELD AND ARGENTINE MEAT CO., LTD.

THE eighteenth ordinary general meeting of the Smithfield and Argentine Meat Company, Limited, was held at Winchester House, Old Broad Street, London, E.C., on July 8, Mr. P. J. Poels (Chairman of the Company) presiding.

The Secretary (Mr. F. A. Dawnay) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—I presume you will take the report and accounts as read. The balance standing to the credit of profit and loss account, in addition to the carry-forward from the previous year of £9,664 11*s.* 10*d.*, amounts to £116,470 16*s.* 8*d.* From this sum has to be deducted interim dividend at the rate of 10% per annum, free of income tax up to 5*s.* in the £, paid in October last, amounting to £31,250, also Preference dividend at December 31 last, amounting to £25,183 12*s.* 11*d.*, leaving an available balance of £60,037 3*s.* 9*d.* It is proposed to make the following appropriations: To put to general reserve £20,000, and to pay a final dividend of 2½%, being at the rate of 5% per annum, less income tax at 6*s.* in the £. This absorbs £15,625, and leaves a balance to be carried forward of £24,412 3*s.* 9*d.*

Canned Meats: Continental Sales affected by Exchange.

The profits earned by the Company on the frozen-meat business for the year were satisfactory. As you are aware, during the period of the War this Company developed a large business in canned meats. There was a fall towards the end of the year in the market prices of these goods, in which the Company had done a very substantial business and is holding considerable stocks. It had been generally thought that a large trade would develop with the Continent in meat products generally, and there is no question that this would have been the case but for the fact of the fall in the values of the exchanges in the Continental countries, also the corresponding difficulty of these countries to find sterling with which to pay for the goods they so urgently required. However, several large transactions were carried out to meet the Continental requirements, the bulk of these sales being made for cash, and in others terms of credit having been arranged, and the credit risk has been largely covered by insurance. Since the date of the balance sheet the current market prices for canned meats have been further reduced, and, although there has been a considerable amount of inquiry for them, sales have been disappointing. It is principally on account of the canned-meat position that the directors have felt it advisable to propose the smaller final dividend on the Ordinary shares of the Company.

Cattle prices in the Argentine have held fairly steady throughout the year, although at a high figure. There seems a tendency at the present time towards slightly lower cattle prices. The camps in the Argentine are in good condition, and there appears to be no lack of animals of prime quality suitable for our purposes. Mr. Lambe, who has been works manager for the Company since it was formed, retired in January last, and carried with him the good wishes of all those who have worked with him for so many years, including your directors, Mr. McCann, a gentleman who has had many years' experience of the pastoral and freezing industry in Australia, has taken up the position vacated by Mr. Lambe, and the directors have every reason to think that he will prove to be a capable and efficient person for that position.

New Trade Interest Acquired.

The Company has, since the date of the last meeting, taken an interest in a freezing works at Punta Arenas, in Patagonia. Mutton is the principal item shipped from that part of the world, and the output of frozen mutton and lamb from these works for the present year has been purchased by His Majesty's Government. During the year Mr. Miller paid a visit to South America and inspected your Company's interests there, and had the advantage of discussing all matters of interest with the local committee and management.

You are probably aware that the Government control has been taken off English meat as and from the 5th of this month. So far as Argentine meat is concerned, this has been decontrolled for some time, except in so far as the existence

of a maximum price is concerned. The Company's frozen meats have realised throughout the maximum prices allowed, and have continued to give every satisfaction. The trading results for the present year have been satisfactory, so far as frozen and chilled meat are concerned, but the sales of canned meat have not been satisfactory. We hope, however, that, with the many millions of people on the Continent undoubtedly extremely short of food, we may see an improvement in the demand at any time. I now beg to move: "That the report of the directors produced, together with the annexed accounts for the year ended December 31, 1919, duly audited, be received, approved, and adopted." I will call upon Mr Kaye to second the motion, and if any shareholder would like to ask any questions I should be very pleased to answer them.

Mr. F. Kaye seconded the resolution.

Questions and Answers.

Mr. Ganz asked the Chairman for an explanation of the difference of £84,000 between the amounts standing in the balance sheets for the year under review and the previous year respectively against the item "Freeholds, leaseholdings, plant, machinery, twin-screw vessel 'El Zarate,' &c." "Plant and general stores at works, &c.," showed a fall of £399,000, and the amount put down for office fittings had doubled. War Loan investments, £179,000, no longer appeared in the balance sheet.

Mrs. Thomson Price expressed the opinion that the year had been an exceedingly disappointing one for the shareholders, who received a diminished dividend, while other companies of a like character were doing well. She desired to know what had become of the £179,431 which figured in the balance sheet last year as having been invested in War Loan, and expressed the hope that no companies would go in for that kind of investment until the Government was pledged to a policy of economy instead of excessive and criminal waste. She thought that if the directors received any commission in addition to their fees the amount should be shown in the balance sheet.

Mr. H. T. Miller (Managing Director), in reply to the questions, said that a great part of the difference of £84,000 was due to additional expenditure on, and equipment of, works, &c. Part of this was for fire-prevention appliances, which considerably reduced insurance premiums. The reduction in the item of plant and general stores at works was in respect of materials used during the year. During the War they were, perhaps, the largest contractors to the Government for canned meats, and had necessarily to hold very large stocks of material. The increase in office furniture and fittings was due to assets in the Argentine. The War Loan investment was sold in March last year before the heavy fall which had since taken place, and there was practically no depreciation. The money received for it had been utilised in the ordinary way of business. As to the prospect of improved results from the increased capital, the directors were all doing their best in the interest of the Company, but it had to be remembered that the business was a speculative one.

The Chairman pointed out that at the close of the War it was hoped that the Company would do a large business with various European countries, which, having little or no cold storage, required canned meats. Those countries were in dire need, but the rate of exchange was so adverse, and they had not the money to pay for the goods.

Mrs. Thomson Price expressed dissatisfaction with the reply she had received to her questions, and suggested the appointment of a consultative committee.

Mr. John C. Gibson deprecated this course as being quite unnecessary. No one could have foreseen that the countries of Europe would have been so exhausted after the War, or that the great factor of exchange would play such an important part in regard to commerce generally. He had known the Company from its earliest days, and he thought that after the explanations of the Chairman and the Managing Director the shareholders should support the board. (Hear, hear.)

Mrs. Thomson Price then withdrew her proposal, and the motion was carried unanimously.

A resolution was passed declaring a final dividend of 2½, being at the rate of 5% per annum free of tax at 6s in the £1 for the year to December 31 last.

The retiring director (Mr. T. Lloyd) was re-elected, the auditors (Messrs. Deloitte, Plender, Griffiths and Co.) were reappointed, and the proceedings terminated.

SIAMESE TIN SYNDICATE, LIMITED.

THE thirteenth ordinary general meeting of this Company was held on July 8 at Winchester House, London, E.C., Mr. Wm. H. P. Stevens, the Chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said: The year covered by the accounts has been one of steady development, so far as production at Ngow has been concerned, and of great variation in prices realised on the sale of ore, and consequently in amounts payable and paid in royalties to the Siamese Government. The net profit amounted to £34,166; the two interim dividends of 10% each absorbed £24,000 and left a balance of £10,159, which, added to the amount carried forward from the previous year, leaves a balance of £12,912. Out of this sum the directors recommend that a final dividend of 5%, absorbing £6,000, be declared, leaving £6,912 out of which to provide for excess profits duty and for any corporation or other tax that may be imposed by the new Finance Act.

The Coconut Plantations.

On the upkeep of the coconut plantations £5,654 was spent during the year; and shareholders will have noted with interest, from Mr. Milne's report, that the trees have a healthy appearance and that he anticipates that a considerable part of the plantations will be in bearing in two years' time. Mr. H. C. Scott, the general manager, who is now on his way back to Siam, is of opinion that the time is approaching when we may be able to sell to advantage the Pak-Phra plantation, the larger of our two plantations, and it is also his opinion that it is advisable that the Company should for the present, retain the plantation at Ngow, not only because of the prospective value of its produce, but also because, for its upkeep and cultivation, there has been established there a village community from which coolie labour can be recruited for any works at Ngow or in the district for which the Company may want it.

Position of Various Tin Properties.

Since the date of the accounts the first important step has been taken towards bringing into profitable operation some of the properties that have been prospected, proved by boring and acquired in recent years. To open up and work the Bangrin property, we floated the Bangrin Tin Dredging Company, Limited, in January last, with a capital of £170,000, and this Company received as purchase price for the property the sum of £10,000 in cash and £40,000 in fully-paid shares. These shares will, it is anticipated, bring in a satisfactory revenue for many years to come.

In another case, that of the Ratroot property, for which we had contemplated the promotion of another Company under a similar arrangement, we were approached by an Australian Company already operating a dredge in adjoining ground, and we have agreed to assign to that Company our Ratroot leases in exchange for a substantial holding of fully-paid shares, that Company, on its part, undertaking within twelve months to place a second dredge on the combined properties. The property, owing to its being a small one, and remote from our other properties, can certainly be worked more economically and more rapidly as part of a whole upon which two dredges are employed than as a "one-dredge proposition," with an entirely separate organisation of its own. The Company in question is now, and has for some years past, been paying dividends, and the shares to be issued to us are to rank for dividend with the existing shares as from the date of issue.

We have another property which will require at least three dredges (referred to in Mr. Wall's report under heading "Takuapa district"), and which is ripe for immediate development. It is probable also that, after the General Manager gets back to Siam, a method for the operation of the Bandon property may be devised that will involve the promotion of a separate Company to operate that property. When, in April last, we paid an interim dividend of 20% in respect of the profits of this year 1920, we, in common with the rest of the business community, supposed that in the coming Budget the excess profits duty would be largely reduced, if not entirely abandoned; no suggestion of a corporation tax had ever been whispered, and the known demand for tin in the world's markets was such as, with the equally well-known limitation of the sources of supply, to lead us to anticipate an extended period of satisfactory prices for the metal. Shareholders must [illegible] and we intended them to think, that the largely increased dividend represented what we anticipated could be maintained; but a drop of over £150 per ton in the price of tin, accompanied by taxation such as is apparently now to be our portion, may compel us to modify our views in this respect.

I am sure that it will be interesting to you to know that the General Manager is very confident that, with the highly efficient staff he has collected round him in Siam, and with the relaxation of the restrictions to expansion imposed upon us by the War, the outlook for the future prosperity of the [illegible] before us, and because he has shown us that the money could be [illegible]

Mr. F. Corbet Smith [illegible]

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BRAKPAN MINES, LIMITED.

(Incorporated in the Transvaal.)

THE seventeenth ordinary general meeting of this Company was held in Johannesburg on May 27.

The Chairman, Mr. F. R Lynch, in moving that the report and accounts for the year 1919 be adopted, said: Gentlemen,—The issued capital of your Company on January 1, 1919, was £791,100. During the year, in terms of the Lease Agreement, the Consolidated Mines Selection Company took up a further 32,500 £1 shares at £5 each to meet capital expenditure, and at the end of the year the issued capital had been increased to £823,600. In March last your directors called up the balance of the shares guaranteed at £5 each, and the authorised capital of the Company, amounting to £850,000, will therefore shortly be fully issued.

The value of the gold won during the year, after including a credit for £9,652 on gold realisation charges and £98,773 on account of the gold premium, amounts to £1,147,796, which is an increase of £57,837 as compared with 1918. The working expenditure is practically unchanged at £724,836, compared with £723,949. This is due to the reduction of the tonnage crushed from 617,100 tons in 1918 to 544,200 tons in 1919, and to the increase in working costs from 23*s*. 5.5*d*. to 26*s*. 7.6*d*.

We recovered 250,256 oz. of gold in 1919, and, calculating on a gold premium of 20*s*. per oz., you will see that the increased costs—which, of course, include the bank exchange rate and miners' phthisis charges—has absorbed a large portion of the gold premium. The recent further increase in the bank charge for remittances from England has accentuated this position.

The unappropriated balance of £51,232 carried forward from 1918, together with the balance of general expenditure and revenue for 1919 of £424,246, gave us an available balance of £475,478. Government taxation absorbed £49,829; the participations payable to the Government under the Mineral Lease and the owners of the Schapenrust Claims increased by £5,000 to £21,705. The dividend declaration for the year amounted to £224,365, as against £257,107 in 1918, but the carry-forward was increased from £51,232 to £133,363. When the dividend declaration had to be made about the middle of December it was impossible properly to estimate the benefit to our finances of the gold premium, and your directors had no alternative but to follow a conservative policy. The amount of £46,215 appropriated to the development suspense account makes up the balance of the available working profit for the year.

The opening up of Brakpan Mines has been pushed forward with all possible despatch. During 1919 the total footage accomplished, exclusive of shaft sinking, was 19,343 feet, an increase of approximately 3,600 feet over the footage for 1918. Of this footage, 13,568 feet were on reef averaging 8.81 dwt. over 38.26 inches. The ore reserve of 2,484,000 tons, although lower by 234,000 tons than at the end of 1918, show an increase of 106,000 tons as compared with the estimate of 2,378,000 tons in June last.

For the first three months of this year 143,700 tons were crushed, which is at the rate of 574,800 tons per annum, and is a considerable improvement on last year's average tonnage. The grade equalled 35*s*. 7.7*d*. per ton, but costs advanced to an average of 30*s*. per ton. The profit earned was £93,681, including the gold premium, and the gold reserve remained unaltered at £15,640. The development footage totalled 4,202 feet, of which 2,870 feet were on reef and 1,410 feet, equivalent to 49.1%, were in payable areas, averaging 15.17 dwt. over 39.6 inches.

Mr. J. L. Jourdan seconded the motion, which was carried unanimously.

SPRINGS MINES, LIMITED.

(Incorporated in the Transvaal.)

THE eleventh ordinary general meeting of this Company was held in Johannesburg on May 27.

The Chairman, Mr. F. R. Lynch, in moving the adoption of the report and accounts for the year 1919, said: Gentlemen,—The paid-up capital of the Company was increased during 1919 to £1,196,736 by the issue of 43,236 new shares, which were taken up by the Consolidated Mines Selection Company, Limited, under the financial agreement for the provision of the funds contemplated in the Mineral Lease. At the end of the year that Company had subscribed for 196,736 shares at £3 each under the agreement, and there was a balance of 303,264 shares to be issued to them, at the same price, as and when required for the provision of further capital. Since the end of the year a further 29,000 shares have been called up, and the issued capital of the Company to-day is £1,225,736.

The value of the gold recovered, at the standard price of £4.227 per fine ounce, was £830,124, as compared with £905,777 for 1918, a reduction of £75,653. The explanation for this reduction is that the yield per ton milled fell from 42*s*. 4*d*. per ton to 38*s*. 2*d*. per ton. The tonnage crushed in both years was practically the same, viz., 427,610 in 1918 and 434,610 tons in 1919, but the mining costs increased last year by £64,182. The direct charges have increased from 12*s*. 6*d*. per ton in 1917 to 21*s*. 4*d*. in 1920.

Since last July, however, we have benefited by being able to sell our gold at a premium, and by a reduction in the gold realisation charges. It was expected that the premium on gold would greatly benefit the mines, but higher wages, increased prices for stores, and the big rise in the bank rate absorbed a considerable proportion of the gold premium. In March 1920 the costs have risen to 29*s*. 5*d*. per ton, as against an average of 26*s*. 9*d*. for 1919, and, in addition, the bank rate for remittances from London—where our gold is realised—has risen from ⅜% in 1919 to 8½%, which increases our expenses by thousands of pounds per annum; so you will see that we are now at a greater disadvantage than we were last year. The amended Miners' Phthisis Act greatly increases the expenditure of gold-mining companies on miners' phthisis compensation.

The unappropriated profit carried forward from 1918 was £209,855, and £328,522 profit was earned during 1919, making a total of £538,377. Of this amount, £379,274 has been appropriated for capital expenditure, £11,765 for Government taxes, £10,552 for Government participation in profits, and £88,212 for development suspense account, leaving a balance of £48,574 to be carried forward. It was decided to write off out of immediate profits the excess capital expenditure, instead of distributing the money as a dividend, in order to put the Company in a sound financial position. I may say that many shareholders, both here and in London, have expressed their approval of the decision come to by your directors.

Under the working agreement with West Springs, Limited, a considerable footage has been accomplished on the western side of your property. The shaft-sinking programme is being well adhered to. During the first quarter of this year 115,400 tons of ore were crushed. The working revenue was £210,412, equal to 36*s*. 5.6*d*. per ton milled; working costs totalled £171,041, equal to 29*s*. 7.72*d*. per ton milled, and the working profit £39,371, equal to 6*s*. 9.88*d*. per ton milled. To this must be added £43,507—the premium on the sale of gold—making a total estimated profit of £82,878. Only two years have passed since we tendered successfully for the Lease Area. We have had no reason to change the high opinion we then formed of our property.

Mr. W. E. Hudson seconded the motion, which was carried unanimously.

SALAR DEL CARMEN NITRATE SYNDICATE, LIMITED.

THE twenty-third annual general meeting of this Company was held on July 8 at Winchester House, Old Broad Street, London, E.C., Mr. H. W. Sillem (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts and declaration of dividends, said: At our general meeting last year I indicated that 1919 could not possibly be so prosperous a year as 1918. We could not expect it to be so, having regard, firstly, to the heavy accumulation of nitrate stocks in Chile in the period following the Armistice, and, secondly, to the Allied Government policy of refusing shipping licences for the nitrate trade, pending the disposal of Government surplus stocks. In spite of these severe drawbacks, however, we achieved last year what must be considered, under the circumstances, a satisfactory result. We had only seven months' production to deal with, which amounted to 231,240 quintals, to which has to be added the stock of 113,849 quintals brought in from 1918, making a total of 345,089 quintals, as compared with 676,000 quintals, the quantity on which profit was taken for the previous year. On this relatively small quantity, and including sales of our by-product, iodine, we have earned a gross profit of rather over £26,300, and, after deducting all expenses and making provision for income tax, there is a net profit for the year of £9,183. Adding £6,995 brought in from 1918, there is a credit on profit and loss account of £16,179, out of which the board recommend the payment of a dividend of 5%, less income tax, absorbing £7,700 net, leaving £8,479 to be carried forward. We consider the outlook for the current year sufficiently satisfactory to justify the payment of an interim dividend of 5%, less tax, and it is proposed, therefore, to post warrants to shareholders to-night for a total dividend of 10%, less tax. Although this does not compare favourably with some of our previous records in a normal year, yet it is much better than could have been expected when we met here a little over twelve months ago.

At no previous time in the 40 years of my connection with the industry has it appeared so full of promise. It is estimated that the world's requirements for the coming season will be about 2½ million tons, and sales already made by the Nitrate Producers' Association for delivery from July 1, 1920, to end of April 1921 exceed 1,600,000 tons. The average price secured for the 1,600,000 tons is rather over 16*s*. per quintal. All data so far available indicate that under normal trading conditions Chilean nitrate can be placed in consuming markets at a lower price than synthetic. It is my belief that when we meet again next year the dividend recommended to-day will be considerably improved upon.

Mr. J. Macandrew seconded the motion, which was carried unanimously.

TANAH DATAR RUBBER ESTATE, LIMITED.

The eighth annual general meeting of this Company was held at 7 Martin's Lane, London, E.C., on July 9, Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman said: Gentlemen, I move: "That the directors' report and statement of account for the year ended December 31, 1919, as presented to this meeting, be and they are hereby received and adopted, and that a dividend of 20% for the year, less income tax, be and the same is hereby declared payable on the 25rd instant." It gives me and my colleagues much pleasure to present to you a report which in some respects affords an agreeable contrast to that submitted at our last annual meeting. Our estate profit on that occasion was only about £700, which was converted into an actual adverse balance through loss on exchange and Sumatra income tax. On this occasion we have earned a record profit of £17,736, and we are consequently able to compensate shareholders to some extent for the unavoidable absence of a dividend last year by recommending the payment of 20% in respect of the year under review. Our rubber output was more than double the previous year's crop, and the average net price realised was 2s. 1d. per lb., which compares favourably with results obtained by other estates for last year's crop.

Sums totalling £660 have been reserved on account of income tax and war profits tax in Sumatra. With regard to the Company's liability for the latter tax, we are endeavouring to obtain a reduction of the original assessment. The only other item calling for reference is sundry creditors, £17,760, which includes loans received under an agreement calling for the allotment of further shares, of which I have given you particulars at previous meetings. These shares have been allotted since the date of the accounts, and the issued capital is now consequently increased by £10,000, while the premium on shares account is increased by a like sum.

For [illegible] and so far there is every indication that this figure will be comfortably reached. There would also appear little doubt but that at least 300 acres will be planted up before the end of the year, which will bring our total area under rubber up to 1,700 acres as a minimum, and by the end of 1921, if all goes well, this should be further increased to a total of 2,000 acres.

The motion was unanimously adopted.

At a meeting of the London Clearing Bankers, held on July 8, Mr. R. Holland-Martin, C.B., director of the Bank of Liverpool and Martins, Limited, was elected Chairman, and the Right Hon. Reginald McKenna, Chairman of the London Joint City and Midland Bank, Limited, Deputy-Chairman, for the ensuing year.

For the half-year ended June 30 last the directors of Williams Deacon's Bank, Limited, have declared an interim dividend on both classes of shares of 1s. 3d. per share, less income tax, being at the rate of 12½% per annum, less income tax, this being the same rate of distribution as last year.

The directors of Barclays Bank Limited have declared out of the profits for the half-year ended 30th ultimo an interim dividend at the rate of 10% per annum on the "A" shares and 14% per annum on the "B" and "C" shares respectively, subject in each case to the deduction of income tax.



Heads of Families

can lessen their responsibilities by making full use of the advantages offered by Life Assurance. Parents and guardians should take out Life Policies for themselves and Educational Policies for the Children.

The whole family can in this way be provided for to the best advantage through the Scottish Widows Fund.

Scottish Widows Fund

Founded 1815.

THE LARGEST BRITISH MUTUAL LIFE OFFICE.

Funds: 22 MILLIONS. Claims Paid: 50 MILLIONS.

Write for the Society's Booklet.

Head Office: 9, St. Andrew Square, Edinburgh. (G. J. LIDSTONE, Manager and Actuary.)
LONDON OFFICES: 28, Cornhill, E.C. 3, & 17, Waterloo Place, S.W. 1.

PARKERS BURSLEM
BREWERY LIMITED.

NOTICE IS HEREBY GIVEN that the Transfer Books of the Ordinary Shares and Preference Shares of this Company will be closed from the 14th inst. to the 23rd inst., both days inclusive.

W. A. COWLISHAW,
Secretary.

Dated Burslem, July 2nd, 1920.

Wesleyan & General Assurance Society.

Established 1841. Incorporated 1914.
PRINCIPAL OFFICE: BIRMINGHAM.
London Branch Office: 26-33 Holborn, E.C. 1.
ANNUAL INCOME EXCEEDS ... £1,350,000
CLAIMS PAID EXCEED ... £10,000,000
All classes of Life Assurance and Annuity Business transacted.
Under the latest Tables an
Annual Bonus of £3 per cent. is guaranteed.
Write for Prospectuses or quotations to meet your individual requirements.
ARTHUR L. HUNT, F.S.S., F.C.I.I.,
General Manager.

P A
If you under-insure your home and have a fire the loss falls upon yourself.
If you under-insure your life the loss falls upon your wife and family.
PROTECT YOUR FAMILY by effecting a LIFE POLICY and a FIRE POLICY
with the
PRUDENTIAL ASSURANCE CO., LTD.
C Ltd.

The National Bank of Scotland Limited

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT. **ESTABLISHED 1825**

Capital Subscribed, £5,000,000.
Paid up, £1,100,000. Uncalled, £3,900,000.
RESERVE FUND, £1,000,000.

Head Office—EDINBURGH.
WILLIAM CARNEGIE, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD STREET, E.C. 4.
T. C. RIDDELL, Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the **Collection** of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and **Circular Notes** payable in the principal Cities and Towns throughout the World; and Cable transfer of [illegible] to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or **elsewhere** abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $20,000,000.
Reserve Fund, $20,000,000.
Undivided Profits, $2,090,440.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. B. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq.
Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE)
17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. Baillon.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869

Capital Paid up	**$17,000,000**
Reserve Funds	**$18,000,000**
Total Assets	**$550,000,000**

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President.* E. L. PEASE, *Vice-President & Managing Director.* C. E. NEILL, *General Manager.*

670 Branches in Canada and Newfoundland; in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia.

IN BRITISH WEST INDIES AT:
Antigua, Barbados, Grenada, St. Kitts, Bahamas, Dominica, Jamaica, Trinidad, British Guiana, British Honduras.

ARGENTINE ... ... **Buenos Aires.**
BRAZIL ... ... **Rio de Janeiro, Santos,**
URUGUAY ... ... **Montevideo, Sao Paulo**
BARCELONA, SPAIN ... **Plaza de Cataluna 6.**
NEW YORK AGENCY ... **68 William Street.**
LONDON OFFICE ... **Princes Street, E.C. 2.**

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE).
PARIS—28 Rue du Quatre Septembre.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	**£4,000,000**
Reserve Fund	**3,275,000**
Reserve Liability of Proprietors	**4,000,000**
	£11,275,000
Aggregate Assets, 30th Sept., 1919	**£67,036,249**

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM,
Assistant Manager.

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament, 1865.)

Paid-up Capital	**£500,000**
Reserve Fund	**570,000**
	£1,070,000
Uncalled Capital	**125,000**
Reserve Liability of Proprietors	**625,000**
	£1,820,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
Sydney Office: 105 PITT STREET.
Melbourne Office: 267 COLLINS STREET.
Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.
London Office—11 LEADENHALL ST., E.C.3.
PERCY ARNOLD, O.B.E., *Manager.*

BERGENS PRIVATBANK,

Bergen and Kristiania.
Established 1855.

Capital and Funds - Kr. 69,000,000

LONDON AGENTS:
London Joint City & Midland Bank, Ltd.
C. J. Hambro & Son.
The British Bank of Northern Commerce, Ltd.
Barclays Bank Ltd.
Every description of Banking Business.

"The Bank of Swedish Commerce."

SVENSKA HANDELSBANKEN.

STOCKHOLM.

Telegraphic Address: "Handelsbank."

Own Branches:
254 throughout the whole of Sweden.

Own Funds .. .. Kr. 180,000,000

THE UNION BANK OF AUSTRALIA, Limited.

ESTABLISHED 1837. INCORPORATED 1880.

Capital Authorised and Issued, £7,500,000.

Paid-up Capital, £2,500,000	} together	£5,070,000
Reserve Fund, £2,570,000		
Reserve Liability of Proprietors ...		5,000,000
Total Capital and Reserve		£10,070,000

HEAD OFFICE: 71 CORNHILL, LONDON, E.C. 3.

DRAFTS are granted on the Bank's branches throughout the Australian States and Dominion of New Zealand.

TELEGRAPHIC REMITTANCES are also made.

BILLS are purchased or sent for collection.

DEPOSITS are received for fixed periods on terms which may be ascertained on application.

HONGKONG and SHANGHAI BANKING CORPORATION.

CAPITAL, all paid up		$15,000,000
STERLING RESERVE, held in London at Exchange of 2s. per $ =£1,500,000	$15,000,000	
SILVER RESERVE ...	23,000,000	
		$38,000,000
RESERVE LIABILITY OF PROPRIETORS		$15,000,000

Head Office—HONGKONG.
Chief Manager—N. J. STABB.

BRANCHES and AGENCIES:
Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe, Hiogo, Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yloilo, Yokohama.

COMMITTEE IN LONDON:
Sir CHARLES ADDIS, *Chairman.*
Hon. Cecil Baring. C. A. Campbell.
David Landale Sir George Sutherland.
A. M. Townsend. C. F. Whigham.
W. M. BLACKIE, *Accountant.*
9 Gracechurch Street, London, E.C.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL, £1,800,000.
PAID UP, £600,000. RESERVE FUND, £720,000

BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar, Haifa, Port Sudan.

BANKERS: The Bank of England; The London Joint City and Midland Bank, Limited.

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clements Lane, Lombard Street, E.C. 4.

NATIONAL BANK OF NEW ZEALAND.

LIMITED.

HEAD OFFICE—17 Moorgate Street, E.C. 2.

AUTHORISED CAPITAL ...	... £3,000,000
SUBSCRIBED CAPITAL ...	... 3,000,000
PAID-UP CAPITAL	... 1,000,000
RESERVE FUND	... 1,000,000
UNCALLED CAPITAL	... 2,000,000

Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application.

Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent for collection.

ARTHUR WILLIS,
Secretary & London Manager.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	**$3,000,000.00**
SHAREHOLDERS' LIABILITY	**$3,000,000.00**
SURPLUS AND PROFIT ...	**$7,500,000.00**

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States.
Correspondence Solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON JOINT CITY & MIDLAND BANK, LIMITED.
LLOYDS BANK LIMITED.
Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Oswapore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam, Tanga	Tanganyika Territory.	

SUBSCRIBED CAPITAL	£3,000,000
PAID UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C.3.	
Capital Authorised...	£3,000,000
Capital Paid-up	750,000
Reserve Fund & Undivided Profits	848,430

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA, AND PORT LOUIS, MAURITIUS.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.

Fixed Deposit Rates will be quoted upon application.

On current accounts interest is allowed at 2 per cent. per annum on daily balances.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Paid-up Capital	£765,242
Reserve Liability of Shareholders	£1,197,468
Reserve Fund	£220,000

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.
The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (*Chairman*).
SIR EDWARD SASSOON, BART.,
SIR JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G.,
JAMES H. BATTY, ESQ., G. BROMLEY-MARTIN, ESQ.,
EMILE FRANCQUI, ESQ., J. S. HASKELL, ESQ.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital	**$7,968,150**
Rest and Undivided Profits ...	$5,976,973
Total Assets	$174,989,057

The Bank has over 400 Branches in CANADA and Agents in the principal Cities in AMERICA.

Deposits received at favourable rates, which may be ascertained on application to:—

LONDON OFFICES { 6 PRINCES STREET, E.C. 2. 26 HAYMARKET, S.W. 1.

New York Agency: 49 Wall Street.

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD. at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*July* 10, 1920.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,084,450

FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £8,526,459

LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for Two Hundred Years.

ABSTAINERS AND GENERAL
INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.

Reduced Rates for Abstainers.

Fire, Burglary, Plate Glass, Personal Accident.

Forward postcard for Company's popular booklets, "Total Abstinence an Asset in Life Assurance" and "Homes and How to Own Them."

BRITANNIC ASSURANCE Co., Ltd.

(Established 1866).

Annual Income £2,100,000
Total Funds.. .. .. £5,400,000
Total Claims Paid .. £14,250,000

All classes of Life Assurance business transacted. Attractive Up-to-date Tables.

Chief Offices : Broad Street Corner, Birmingham.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £1,000,000
FUNDS exceed £2,000,000

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.

Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON: SATURDAY, JULY 17, 1920.

The Money Market.

Friday, July 16, 1920.

	CURRENT RATE. %	FIXED	PREVIOUS RATE. %	FIXED
Bank of England Rate...	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)...	5½	(Apr. 15, 20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills —	—	6¼	—	—
Bank Bills —	6	6½	6¼	7
Trade Bills —	—	7–7¼	7¼–½	7½

The War-time legacy of [illegible] which the nation as a whole was still [illegible] trade centres at the end of the past [illegible] set out in detail in a White Paper issued [illegible] week. As will be seen from the subjoined table, the total amount outstanding [illegible] compared with £1,364,850,000 as on M[illegible] 1919—making a net reduction during the last fiscal year of £86,136,000. Since the beginning of [illegible] a net reduction of over 4½ millions has been effected.

	Amount outstanding on March 31st, 1919.	Net Increase (+) or Decrease (–) during 1919-20.
	£	£
U.S.A. ...	[illegible]	[illegible]
Canada ...	[illegible]	[illegible]
Argentina ...	[illegible]	[illegible]
Straits Settlements	[illegible]	[illegible]
Japan ...	[illegible]	41,[illegible]
Loans from other Allied Governments	[illegible]	[illegible]
Various countries	[illegible]	[illegible]
Total .	[illegible]	[illegible]

Of the total amount outstanding £865,652,000 is payable on demand to the United States Government, and £37,297,000 to Canada, which constitutes a considerable [illegible] Mexico and [illegible] The sum payable on demand to the [illegible] Government was reduced last year by one big [illegible] on account of the large [illegible] which we had to meet in America, our demand indebtedness to the United States Government [illegible] by £24,580,000. The [illegible] Allied Governments [illegible] the large debts owed by the [illegible]

Despite the [illegible] Treasury bills [illegible] in Lombard Street during the week, the [illegible] was generally supposed to [illegible] Towards the end of the week the tendency was towards greater [illegible] the [illegible] quotation was raised. [illegible] at 5⅞ to 6%. [illegible] the Discount market [illegible] securities, but it was [illegible] less plentiful. The result [illegible] rates and a greater demand [illegible] Treasury bills. Fair [illegible] paper could be [illegible] to 6¼. There was little [illegible] other days. Septembers [illegible] and nine [illegible] six months' bills [illegible] The result of the week's [illegible] applications [illegible] by the issue in

Government securities in the Bank Return, is awaited with interest by the market.

In the Foreign Exchange market the outstanding feature was the decline in the New York exchange. It declined steadily during the week until a quotation of 3.89 was reached on Thursday. The decline was almost wholly due to an unsettling of sentiment in New York by the disturbing news from Spa, and it may be taken as only a temporary movement. To-day it was firmer at 3.90½. Francs and lire weakened on the week. The Dutch exchange did not continue the firmness of last week-end, and declined to 11.09 on Thursday. To-day, however, it was quoted substantially higher at 10.12½. The South American group moved adversely in sympathy with the dollar. The Canadian rate relapsed to 4.40. The Eastern exchanges were remarkably steady with a tendency towards firmness. Shanghai taels were quoted 5*s*. 2¾*d*., Hongkong dollars 3s. 8½d., and Indian rupees 1*s*. 10⅛*d*.

Though, on account of interest disbursements in connection with the permanent debt and the war debt, the ordinary expenditure was high for the 10 days to Saturday last, yet ordinary revenue amounted to nearly 29.6 millions and there was a surplus revenue of 5.1 millions. Over 2½ millions derived from the sales of war assets were included in the revenue. Treasury-bill maturities were exceptionally large at 142.3 millions, but, fortunately, this abnormal figure was exceeded by the sales and renewals, the excess being over 28.4 millions. Accordingly, it is satisfactory to note, of the recent heavy borrowing on Ways and Means Advances from the Bank of England 30¼ millions were repaid, leaving the outstanding amount at 39½ millions, while of advances by public departments 1½ millions were repaid. Thus the outcome was a net reduction of 3.2 millions in the floating debt, of which the total outstanding amounted on the 10th inst. to £1,290,620,000.

That the Treasury is still pursuing the policy of endeavouring to keep the fiduciary note circulation within a legal maximum of £320,600,000 is shown by the Currency Notes Return issued on Wednesday. Though returns from circulation were on a larger scale for the week as compared with previous weeks, yet fresh issues showed no abatement, and were £2,154,622 in excess of cancellations, thereby increasing the total outstanding to £362,276,852. Despite this expansion, the fiduciary portion of the issue was reduced by £145,378 to £315,476,852, and the reserve ratio was increased from 12.4% to 12.9%. As we indicate in our remarks on the Bank of England Return below, this result was achieved by the fallacious expedient of placing £2,200,000 Bank of England notes in the reserve to the detriment, of course, of the Bank's position.

BANK OF ENGLAND.

More than one feature of interest characterises the Bank return for the current week. A further addition of £2,141,000 has been made to the stock of gold, with the result that the total of £122,879,000 constitutes a still further record. On the other hand, there has been an expansion in the circulation of £1,494,000, creating here, again, a record with a total of £124,238,000. In this connection, however, an analysis of the Currency Note Return brings to light the pregnant fact that £2,200,000 Bank-notes have been transferred during the week to the Currency Note Redemption Account. What this constant addition to this account signifies may best be seen from the fact that at present the Currency Note Redemption Account is the resting-place of Bank notes to a total of £18,300,000, whereas the amount of these notes in the reserve of the Bank of England does not exceed £15,683,000. Moreover, the addition made during the week under review exceeds the surplus issue of currency notes, which only amounted to £2,154,622. The recorded expansion of £1,494,000 shows that no less than £706,000 of Bank-notes returned from active circulation during the week. As far as the Bank return is concerned, the net effect of these movements is to increase the amount of the reserve by £648,000 to £17,092,000. Despite the recent rush of applications for Treasury bills—the official return for the week ended July 10 shows maturities of £142,268,000 and receipts of £170,670,000—Government expenditure is evidently exceeding revenue, as public deposits are reduced by £215,000 to £17,671,000, whilst Ways and Means Advances have risen by £7,014,000. *Per contra*, the market has not only paid off the bulk of its recent indebtedness to the Bank, other securities falling during the week by £5,272,000 to £78,623,000, but it has also replenished its funds, other deposits having risen by £2,588,000 to £119,623,000. Thus the total liabilities have increased from £134,936,000 to £137,307,000. This in part has counteracted the addition to the amount of the reserve. Consequently the ratio has only improved slightly to 12 4%.

NEW YORK.

According to the average weekly statement of the 10th inst. of the New York City Banks and Trust Companies associated with the New York Clearing House, the expansion in liabilities which had been a feature of previous returns has come to a halt. Net demand deposits were reduced by 15¾ millions to $4,160,880,000. Loans, discounts, investments, &c., declined by 28.2 millions to $5,143,400,000. On the other hand, last week's unusually strong reserves were not maintained. The aggregate reserve lost 15 millions to 566 millions, and as this was more than sufficient to counterbalance the decline in liabilities, the

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average excess reserve is 12.9 millions lower at 15 millions. The actual excess reserve at the close of the week was $10,120,000.

With the exception of an expansion in the circulation and re-discounts, the unfavourable features of the previous two returns of the Federal Reserve Banks were not repeated in the return issued on the 12th inst. As we pointed out last week, the recent violent expansion in liabilities and unliquid resources was of a purely abnormal nature, incidental to the turn of the half-year, and, indeed, according to the latest return, the position is improving again. In spite of an increase of 16.4 millions in bills discounted for member banks, the total bill holdings were reduced by 1.1 million to $2,934,180. Re-discounts now amount to 2,561.6 millions, which, with the exception of the figure for the week ending June 7, is a high "record." Government paper was reduced to 300.8 millions. Deposits declined substantially, but the Federal Reserve note circulation advanced again to $3,180,940,000—the highest ever reported. Since the beginning of the third week of January last, when the position of the banks began to weaken definitely, the note circulation has expanded by $331,060,000. This figure will give an idea of the enormous demands which were made by the member banks during the past six months. It will hardly be surprising, therefore, that the figures for the note circulation reached successively no fewer than 12 high "records" since the beginning of the year. The net increase in the circulation, as compared with a month ago, is over 76.1 millions. The gold holdings are practically unchanged on the week, though the New York centre lost 20.4 millions, and, in consequence of the decline in liabilities already referred to, the reserve ratio improved to 43.1%. This ratio is only .9 of 1% above the lowest recorded; it compares with 42.8 last week and 49.8 a year ago.

The turn for the better in the position of the banks as indicated by this return of the Reserve system was responsible for easier conditions in the Money market. The rate ruled at 8%, but a revival of activity in the Stock Exchange sent the rate up to 11% for a time.

Alarming reports about a shortage of fuel and a consequent closing down of steelworks continue to disturb otherwise optimistic sentiment, but it would appear that such reports, though not without foundation, have been greatly exaggerated.

Contributing to a more cheerful outlook is the prospect of increased rates in the railroads being imposed when the valuations are completed. The shortage of cars, of course, is one of the worst features in the situation at present, and were the railroads given a reasonable chance of developing and attracting new capital, this impediment to a credit improvement would speedily be removed.

Though the general price-level still appears to be falling, it is significant that, as here, the decline is confined to articles of clothing whereas food and fuel are increasing in value. Price-cuts in departmental stores are still the rule, and it is reported that the movement is extending to articles of luxury and is affecting the automobile industry. The feeling is gaining ground, however, that the limit to the decline in the price-level has been reached, and opinion in Wall Street is inclined to accept this view.

The recent report on cereal crops indicate a normal output, though the increase in yield, according to the Government estimate, has not quite come up to expectations. The cotton crop, on the other hand, is reported to be poor.

Wall Street views the result of the nominations for the Presidential elections with favour. It is felt that the absence of highly controversial planks from both the Democratic and the Republican platforms is an augury for conservatism.

On the whole, New York bankers predict that the autumn credit requirements can be met without violent strain, though, naturally, they hold out no hope of easier conditions during the summer months. Nor is it likely that the restrictive policy of the Reserve Board will be relaxed for a long time to come. The state of the Money market is best indicated by the rate for first-class merchants' paper, which was cabled across on Thursday at 7¾% to 8%. This level is unequalled by that reached during any of the great crises which have convulsed the New York Money market.

BULLION.

The available supply [illegible] during the week. The chief demand came from India and the trade. Following the fall in the American exchange the price rose yesterday to 106*s.* 6*d.* per oz. fine. To-day's quotation was 106*s.* 6*d.* nominal.

In the Silver market China was more inclined to sell than buy on account of the weakness of the rupee exchange, and with no effective demand forthcoming from American quarters the chief support to the market was provided by buying orders for the Indian bazaars. Nevertheless, offers of melted coin from the Continent were so small that in the beginning of the week prices were firm, and by Wednesday the spot quotation had recovered to 53¾*d.* Thereafter the influences towards weakness predominated, and yesterday the spot price reacted ¼*d.* To-day's quotations were spot 52¾*d.* and forward 51¾*d.*

Stock Exchange.

A striking illustration of the thoroughness of the recent "shake-out" which the Stock Exchange has undergone and of the latent strength of the markets was afforded by the manner in which prices have borne up under adverse conditions during the week. In the first place we were informed early in the week that the increase in the excess profits duty from 40% to 60% would not be abandoned, though it will not be enforced next year, and in the second place the news from Spa during the week was anything but reassuring. As regards the latter, the markets which in these abnormal times we should expect to be affected by the entanglements of international politics were able to show bright features all during the week. This feature, which we have had occasion to record more than once, suggests that those who speculate on the recovery of the war-stricken countries have come to look far ahead, and, confident of the eventual recuperation of these countries, are content to ignore passing adverse influences. In fact, the Foreign Bond market seems to have lost the greater part of that sensitiveness to current events with which we were wont to associate it some months ago. This is but an example of a general tendency in the markets which has recently become apparent, and which has been engendered by the cloud of uncertainty we have been struggling through in the political, financial, and economic spheres—namely, a tendency for those who are more or less independent of monetary conditions to put their funds into lock-up securities. The outcome is that the number is constantly increasing of those stocks which are not subject to spasmodic selling, and for which the market is a firm one.

As regards the increase in the excess profits duty, it was apparent before now, of course, that the markets were discounting its effects, but, nevertheless, for the past few weeks there was a growing feeling among the public that it would [illegible] positions were built up on this expectation. The announcement that the [illegible] however, did not seem to [illegible] except in a few isolated instances, and [illegible] of business passing in the markets and a fresh impetus to the investment demand.

Of course, one [illegible] ment was that by the removal of the uncertainty it necessarily [illegible] with greater confidence. There are two uncertain factors still influencing the markets: one is the

financial policy of the Government, and the other is the money outlook. It cannot definitely be stated yet what the general aim of the Government is in regard to the national finances, and how they intend to pursue it, beyond the vague statement made by the Chancellor of his desire to reduce debt as much as possible before the commodity value of money increases. For the rest, though we do not anticipate any serious development in Lombard Street in the near future, the position will require careful watching between this and the end of the month.

That the demand for investment stocks shows no signs of abatement was shown by the strength of the Gilt-edged section during the week. War Loan Fives were subject to selling towards the end of the week, but as a complementary movement the definite announcement regarding excess profits duty produced a demand for National War Bonds. On Thursday, however, it must be noted that the list began to decline, the most marked weakness being shown by Indian issues and the War Loan Fives. The latter were quoted at 86⅝ on Wednesday, but lost ⅛ on the following day, finishing yesterday afternoon at 85⅞. Although about two-thirds of the new London Corporation Loan were left with the underwriters, yet the stock quickly rose to a premium of ½ and finished yesterday afternoon at ⅜ premium. Other recent Corporation and County issues were also subject to buying. It was known, of course, that in view of the abundance of new investment issues underwriters have been selling their holdings so that recently most of them have been quoted under par. This evidently accounts for the small amounts of these issues subscribed for originally, for while there is no lack of investment funds investors prefer to wait the chance of picking up stock at a discount in the markets. In any case, the result of the London issue referred to above has now turned the tables on investors. Colonials came in for attention on Thursday, and almost the whole list advanced. The recent 6½% New South Wales issue was noticed by bargain-hunters, and was quoted yesterday evening at ⅝ premium.

The first of the Home Railway dividend announcements was provided by the Lancashire and Yorkshire Railway, which is making an interim payment of 1⅜ (actual). Last year the total dividend was 4½%, the interim distribution being 1⅜%, the same as that just announced. The stock was marked down 1 on Thursday, and looks cheap at Friday's price of 60.

Yesterday the Midland Railway Company, after providing for the payment of the dividends on the Guaranteed Preference and Preferred Converted Ordinary stocks, declared an interim dividend at the rate of 4% per annum on the Deferred Converted Ordinary stock. The dividend warrants will be posted on August 6. Last year's interim distribution was at the rate of 3¼% per annum, which with a final dividend of 3⅛% (actual) made 4⅜% for the year, but the directors announce that they have declared the present dividend at an increased rate in conformity with the policy announced at the last annual general meeting of lessening the difference between the August and February payments. Yesterday the Deferred was quoted at 52, which constitutes a good decline from last year's level. The Preferred finished at 35½.

The Oil section provided the most active department of the markets, and good features were plentiful. Lobitos came in for a good deal of attention coincident on the meeting, but were subject to spasmodic profit-taking, and were quoted yesterday at 4¼. As Mexican Eagles, of course, are not subject to excess-profits duty, the Chancellor's announcement on Monday had the effect of diverting attention to this company, moreover, as the attitude of the Mexican Government appears to be favourable to the oil interests. At yesterday's quotation of 10½ the Common show a good rise on the week, and the Preference also moved up to 10⅛. Shells, Scottish Americans, and Tankers show an improvement on the week. Burmahs were uninteresting.

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Mining Topics.

With a comparative absence of business, the market opened in a rather dull and listless fashion. Cape support was forthcoming to a certain extent, and was reflected in the advance of Modder Areas to 4½, Modder Deep to 2⅜, and Springs Mines to 1⅜. Government Areas also attracted attention, putting on ⅞ to 4⅞. Chartered, however, were again victims of profit-taking, closing in consequence at 17*s*. On Tuesday Modder Areas improved to 4⅞ and Springs to 1⅞. Some selling of De Beers caused a reaction to 20, the shares losing ¼ on the day. Despite the closing of the Paris Bourse on Wednesday, the market developed a cheerful tone and displayed welcome signs of activity. The Cape was still buying Springs, which closed at 1⅜, whilst Modder B put on ⅛ to 6⅜. The movement was, however, rather short-lived, and Thursday witnessed a reversion to the old condition of apathy. Nevertheless, the tone was firm, the market being helped by the rise in the price of gold to 106*s*. 6*d*. Some attention was devoted to Central Mining, which rose ⅛ to 8⅝, and Rand Mines, which were ⅜ to the good at 2⅝. De Beers constituted a feature, recovering ½ to 20½. The growing belief that the end of the strike was at last in sight forced Broken Hills into prominence. South and North Props. alike responded to the feeling and put on ⅛ to 2⅞.

An increase of 16,916 ounces in the Transvaal output of gold for the month of June over the output for May, with its extra working day, cannot be regarded otherwise than satisfactory. Moreover, this total of 715,957 ounces of fine gold was obtained with a native labour force of 179,827, or nearly 4,900 less than that of May. Calculating gold at par, the estimated value of the output of the Ashanti Goldfields for June was £30,960. The corresponding value for May was £26,919, which, after deducting working expenses, left a profit of £2,972. It is stated that the premium on the gold disposed of between March 1 and May 25 amounted to £13,657. Lonely Reef Gold Mining Company report a profit for June of £13,243, upon the basis of a net realisation price for gold of 100*s*. per fine ounce. Brakpan record a profit of £21,475 with gold valued at 102*s*. 6*d*. per ounce, less realisation charges of 7*s*. 7*d*. per ounce. Calculating gold upon the same basis, Witwatersrand Deep suffered a loss of £2,331. In the General Mining group, Meyer and Charlton is credited with a profit of £28,899, or £2,500 more than in May. Van Ryn, with the help of £981 from revenue for the financial year, earned a profit of £6,235 in June, as compared with £5,053 in May. Aurora West replaces its nominal profit of £6 in May with a profit of £480.

With the mill closed down for the first half of the month to permit of the replacement of the main shaft rails, the Taquah Mining and Exploration Company obtained for June only a total revenue of £7,449. From Tolgus Mines comes the news that the main development tunnel was driven 165 feet during the month, to a total distance of 849 feet. Special meetings are to be held in Johannesburg in September to consider the purchase of Randfontein Deep, and, with the exception of cash in hand, by Randfontein Central upon the basis of three Randfontein Central shares for eight Randfontein Deep shares.

To-day it is announced from South Africa that the buying rates on London have been reduced to 2½% for telegraphic transfers and 3% for sight drafts. This will involve a corresponding reduction in the realisation charges, and must therefore exercise a favourable influence on the market.

Tin shares were rather neglected during the week, despite the recovery of the metal to £265. Tin Areas were in good demand, the closing price of 9s. 3d. on Thursday representing a great advance on the price of 7s. 6d. on Monday. Favourable news regarding the settlement of the strike caused Rio Tintos to move up ½ on Wednesday to 38½.

CROWN MINES.

	Ore Milled Tons	Revenue per Ton	Expenses per Ton	Working Profit— £	Working Profit— Per Ton	Net Profit* £	Dividends— Amount £	Dividends— %
1914	2,287,000	26/0	15/7	1,191,628	10/5	1,118,809	799,090	85
1915	2,497,000	25/4	16/2	1,146,552	9/2	1,099,196	611,669	65
1916	2,266,000	25/6	18/4	815,630	7/2	773 233	470,053	50
1917	2,100,000	25/9	19/4	674.034	6/6	628,898	376,042	40
1918	1,861,000	27/2	22/9	410,642	4/5	384,657	184,021	20
1919	1,945,000	27/10†	23/1	464,114†	4/3†	719,870‡	367,042	40
1920. Mar.qr.	548,000	31 0‡	22/7	231,635‡	8 5‡	—	—	—

* After deduction of miners' phthisis contribution and Debenture interest, but not taxation.

† Excluding gold premium amounting to £286,309, or 2,11 per ton.

‡ Including gold premium.

The report of this celebrated South African gold-mining Company for the year ended December 31, 1919, is a record of satisfactory progress. Handicapped by an inadequate supply of native labour—a supply which, in the words of the Consulting Engineer, "was at no time during the year sufficient to carry out the maximum scale of operations"—the crushing of 1,945,000 tons of ore, as compared with 1,861,000 tons in 1918, was a creditable achievement. Working for the purpose of continuous comparison upon the basis of the par value of gold, the gold revenue per ton reached 27*s.* 10*d.*, in contrast with 27*s.* 2*d.* in 1918. Thus whilst there was an increase in the tonnage crushed, the grade of the ore was not only maintained but improved. On the other hand, 1919 was a year of rising prices, and this was reflected not only in the increased cost of stores and materials, but also in the wages bill. Furthermore, legislation on the question of phthisis added considerably to the burden of the Company in this direction. In this manner the outlay on stores and materials rose from £689,121 in 1918, to £732,709 in the year under review; and wages accounted for £1,057,197, as compared with £973,524. Nevertheless, owing to the increase in the tonnage crushed, this additional outlay only resulted in an advance of 4*d.* per ton on the working costs to 23*s.* 1*d.* per ton. Thus a working profit of £464,114, or 4*s.* 9*d.* per ton, was secured, in comparison with £410,642, or 4*s.* 5*d.* per ton in 1918. But with the restoration of a free market for gold after July 25, 1919, there came into being the gold premium. Consequently an extra profit was earned on all gold disposed of between this date and the end of the year. In this case an average premium of 22.7% was obtained which amounted to £286,309. Taking this into account, the actual gold revenue per ton was 2*s.* 11*d.* more at 30*s.* 9*d.*, whilst the working profit per ton actually reached 7*s.* 8*d.* Thus there was secured a total working profit of £750,423, and [illegible] very satisfactory net profit of £719,870. After [illegible] all charges, including the [illegible] debentures. Out of [illegible] of 40% absorbing £376,,042, leaving a balance of £403,464 to be carried forward to the next accounts.

Development work on the whole proved satisfactory. Not only was there a [illegible] of ore developed, but the reef disclosures came up to expectations. As usual the grade of the ore exposed on the Main Reef Leader [illegible] Reef still continues patchy. Particular interest attaches to the development of the large South Rand Dyke, [illegible] Main Reef Leader [illegible] so far has been done in this new area," writes the consulting engineer, "to give any indication of what values can be expected on the south side of the dyke." [illegible] of the ore reserves can be seen in the following table:—

Total Footage Sampled on Reef	Payable Footage Feet	Payable Footage %	Main Reef Leader Dist. Exposed Feet	Main Reef Leader Width In.	Main Reef Leader Assay	Main Reef Dist. Exposed Feet	Main Reef Width In.	Main Reef Assay
1916..29,450	—	—	15,220	23	72/3	14,230	20	55/7
1917..19,270	11,270	58	8,340	32	80/0	2,930	25	84/6
1918..14,710	10,300	70	7,530	19	1 6 3	3,270	28	63 10
1919..18,470	16,130	86	11,820	24	85/10	2,060	43 10	57 9
1920. Mar.qr.	5,350	79	3,000	22	85/0	1,570	36	44/2

Ore Reserves at December 31.

1919 Tons	1919 Value per Ton	1918 Tons	1918 Value per Ton	1917 Tons	1917 Value per Ton	1916 Tons	1916 Value per Ton
8,451,400*	26/9	8,298 100	27 2	8,588,000	26/9	11,429 000	25 1

* Including 1,245,900 tons, value 31/5 per ton, in shaft and safety pillars not available for use at present.

The ore reserves, whilst fractionally lower in value, having fallen from 6.4 dwt. in 1918 to 6.3 dwt. in the year under review, have increased in quantity by 153,300 tons during the year.

The outlook for the current year is more encouraging. The year opened with a more satisfactory supply of native labour which encouraged the management to anticipate an increase in the tonnage crushed and an expansion of the development work. On the other hand, the recent rises in wages operate against the prospects, and the situation as regards working costs is still further complicated by the growth of the burden under the Miners' Phthisis Act of 1919 to nearly twice the charge under the old Act. Against these factors must be placed the premium on gold which attained a high level in the first quarter of the year; but which is now tending towards a more stable equilibrium with gold at a price of 105*s.* an ounce. The returns for the first quarter of 1920 are of a very satisfactory nature. They show an increase in the tonnage crushed to 548,000 tons, a further slight rise in the gold revenue to 31*s.* per ton, and—most gratifying of all—an actual decline in the working costs to 22*s.* 7*d.* per ton. Should this movement persist, the smaller premium on gold that has since been in force would be to some extent counterbalanced. Compensation is also provided in the recent improvement in the South African exchanges, [illegible] reflected in the reduction in the cost of realisation from 8*s.* 9*d.* per ounce in May to 7*s.* in June. It will be recollected that shareholders have already benefited to some extent from the results of the first six months, since the interim dividend of 27½% declared in the middle of June contrasts very favourably with the corresponding [illegible] financial position of the Company as disclosed in the balance sheet dated December 31, 1919, is financially strong. Liabilities do not exceed £[illegible] cash and Government securities [illegible] total of £777,562. [illegible] taking into account the fact that the interim dividend of 27½% has already been paid, the yield at this price is 12½%.

C

GOLD COAST AMALGAMATED.

Year ended March 31	Trona Royalties	Smelting Revenue	Trona Revenue	Total Revenue	Net Profit	Dividends Paid	Carried Forward
	£	£	£	£	£	£	£
1917 ...	2,4097	188	24,870	4,846	19,962	52,571 74	56,737
1918 ...	25,425	80	25,505	5,192	20,326	52,571 74	42,864
1919 ...	47,449	95	47,544	5,016	42,728	45,628 10	39,992
1920 ...	84,985	285	85,270	6,268	78,952	65,142 15	51,630

THE report of this well-known West African mining finance Corporation for the year ended March 31, 1920, is a record of further substantial progress during the year. In the previous year its revenue from loans and investments had risen from £25,428 to £47,649. The advance for the year under review is more remarkable still, the total of £84,985 being more than three times that of 1917-18. The increase is due almost entirely to profits on sales, which accounted for £45,000 in the year 1919-20, as compared with £9,000 for 1918-19. On the other hand, dividends only brought in £28,272, in contrast with £36,797 in the previous year, the decrease being due in the main to the absence of dividends from the American Trona Corporation, which had paid 21%, representing arrears of dividends, in 1917-1918. Interest yielded £5,600, as against £2,900, whilst the profit derived from the sale of manganese ore rose from £634 to £7,019. Administrative expenditure was over £1,250 more at £6,268. Nevertheless, the net profit amounted to £78,952, in contrast with £42,728 in the preceding year. Thus the dividends paid to shareholders were increased from £43,428, or 10%, to £65,142, or 15%. The balance carried forward to the next accounts stands at £51,630.

A very sound financial position is revealed by the balance sheet as on March 31, 1920. Liabilities, including the final dividend, absorbing £54,285, do not exceed £57,390, whereas the total of sundry debtors and cash alone amounts to £59,053. In addition, there lies easy to hand another liquid asset in the form of Treasury bills to the extent of £99,744. Property concessions have been written down from £66,267 to £30,000 during the year. The directors have decided to write off the remainder during the current year, as they do not believe that these properties have any mining value. The main asset of the Company consists of its investments, which stand at a total of £432,221, excluding the Treasury bills. According to the report these joint investments, in so far as market quotations are available, are worth £642,256; whilst those not quoted are estimated by the directors at £67,806. And these investments represent an issued capital of £434,282. For the current year arrangements have been made with the New Consolidated Gold Fields for office accommodation, clerical assistance, and expert advice for a payment of £3,750 a year, plus 10% of the amount distributed. In addition, the Company is entitled to an offer of an interest of 5% in any new business with certain exceptions. Negotiations have been going on for the sale of the rest of the manganese ore on their claims. Bearing in mind the wide range of their shareholdings, receipts from dividends should be no less favourable. As regards the Trona Company, indeed, improved results are confidently expected. In the market the £1 shares of Gold Coast Amalgamated are quoted at 21s. 6d., for which at this price, upon the basis of a dividend of 15%, a return of nearly 14%.

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F. C. SALTER, *European Traffic Manager.*

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, July 14, 1920.

Issue Department.

Notes Issued	£139,919,785	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,469,785
	£139,919,785		£139,919,785

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£59,438,583
Rest	3,993,203	Other Securities	78,822,562
Public Deposits	17,671,411	Notes	15,682,145
Other Deposits	119,622,526	Gold and Silver Coin	1,409,712
Seven-day and other Bills	12,862		
	£155,153,002		£155,153,002

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
July 14	124.2	122.8	17.6	119.6	59.4	78.6	12.4	12.4	7	8½
July 7	122.7	120.7	17.8	117.0	52.4	83.8	16.4	12½	7	6⅞
June 30	120.0	117.8	15.7	175.9	90.0	103.1	16.2	8·5	7	6⅞
June 23	115.2	117.8	17.8	118.4	53.0	80.1	20.9	15·4	7	6⅞
June 16	114.1	117.8	21.2	132.5	70.8	78.8	21.9	14·3	7	8½
3 Years' Ago 1917	122.14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%. July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	July 16, 1920	July 16, 1919	July 17, 1918	July 18, 1917	July 15 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£124.2	£78.9	£55.4	£39.5	£28.6
Public Deposits	17.6	24.9	38.2	47.7	19.5
Other Deposits	119.6	112.6	134.8	124.7	42.6
Government Securities	59.4	44.7	55.8	45.5	18.0
Other Securities	78.6	82.4	105.5	112.7	30.9
Reserve	17.0	28.2	29.8	32.1	31.3
Ratio to Liabilities	12·4%	20·54%	17·10%	18·62%	50·32%
Coin and Bullion	122.8	88.7	66.5	63.2	41.4
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛-⅛%	3⅛-⅜%	3⅛-⅜%	4⅜%	2%
Exchanges:					
Paris Cheque	46·77	30·95	27·15¼	27·39½	25·20
New York 60 days	3·89¼	4·30	4·77½	4·72¼	4·83½
Bombay Telegraphic Transfers	1/10	1/7⅛	1/5⅜	1/4⅝	1/3½
Prices:					
Consols 2½% Cash	46⅝	52	56	55¾	82¼
French Rentes 3% Money	58·30	61·70	61·80	60·70	97·70
Silver, London spot	52d.	54d.	48⅛d.	39⅝d.	25¾d.
Wheat, *Gazette* average qr.	84/10	73/3	74/4	78/2	30/4
Cotton, Mid Upland lb.	27·47d.	21·26d.	22·04d.	19·00d.	7·94d.
Iron, Scotch pig ton	223/6	168/0	101/0	98/2	54/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
July 14, '20	11,043,856	8,869,234	362,276,852	28,500,000	18,300,000	12·9
July 7, '20	8,110,695	5,343,658	360,122,230	28,500,000	16,100,000	12·4
July 16, '19	6,170,543	6,986,518	342,166,754	28,500,000	—	8·3
July 17, '18	6,616,178	4,671,934	260,956,002	28,500,000	—	10·9
July 18, '17	5,303,460	3,767,137	166,264,703	28,500,000	—	17·1
July 19, '16	3,570,962	3,165,966	124,965,076	28,500,000	—	22·8

Balance Sheet, July 14, 1920.

Notes outstanding—		£	Advances—		£
One Pound ...	...	283,208,750	Other Bankers ...	...	—
Ten Shilling ...	...	44,238,102	Trustee Savings Banks		185,000
Certificates outstanding	...	34,830,000	Currency Note Redemption A/c—		
			Gold Coin and Bullion		28,500,000
Total ...	...	362,276,852	Bank of England Notes		12,300,000
Investments Reserve A/c	...	16,746,577	Government Securities	...	331,679,469
			Balance at Bank of England		358,960
Total ...	..	379,023,429	Total ...	...	379,023,429

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
July 10	£29,573	£24,458	£3,114	£150,944	£185,631	—£4,687	£3,051
June 30§	6,845	12,609	5,964	55,639	50,348	— 5,291	2,623
June 26	16,251	12,086	4,166‡	183,783	188,497	— 4,744	3,297
101 days '20-21	344,559	309,186	35,373‡	1,442,687	1,487,429	—44,742	— 6,318
103 days '19-20	230,287	437,459	207,171	1,802,609	1,602,235	200,373	— 6,797
Fr. '20-21*	1,418,300	1,184,102	234,198†	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue—Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure—Int., &c., on Debt	Misc. Expend.	Supply Services.
July 10	£6,116	£9,013	£5,776	£8,663	£7,161	£340	£16,957
June 30§	1,581	2,680	749	1,835	2,165	182	10,262
June 26	5,167	1,790	4,824	4,470	1,662	1,002	9,422
101 days '20-21	77,524	62,671	62,144	142,220	113,613	3,759	191,814
103 days '19-20	63,253	54,873	74,021	38,140	120,441	1,733	315,285
Fr. '20-21*	348,650	325,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	259,059	280,645	407,404	332,034	16,171	1,317,568
Yr. '18-19	252,220	291,188	285,029	150,587	269,964	11,380	2,297,868
Yr. '17-18	110,033	239,509	220,214	137,478	189,651	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rests.
June 10, 1920 ...	£1,078,623	£211,991	£1,290,620	£1,745,720
June 30, 1920 ...	1,140,000	243,891	1,293,781	1,745,720
June 26, 1920 ...	1,068,626	218,524	1,287,950	1,745,720
June 19, 1920 ...	1,077,997	213,317	1,291,314	1,745,720
June 30, 1919 ...	796,160	774,237	1,570,397†	1,742,093

* Budget estimates. † Highest. ‡ Excess of revenue. § 4 days.

FOREIGN BANKS.

[In £'s Sterling;—000's omitted.]

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,900	£8,283
July 1, '20 ...	10.659	1.055	11.714	24.902	211.379	76.954
July 8, '20 ...	10.659	1.057	11.716	23.039	211.057	73.993

	Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *						
June 15, '20...	£392.186	£88.923	£32.193	£69.132	£346.438	£68.442
June 23, '20...	385.948	88.923	34.616	69.020	350.493	69.980
June 30, '20...	398.156	88.923	28.825	78.181	363.718	60.771

	Cash— Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£8,197	£788	£8,693	£47
May 31, '20 ...	12,638	154	12.792	15.468	1.933	28.647	2.113
June 30, '20 ...	12.668	147	12.815	14.428	1.885	29.370	2.403
June 30, '19 ...	10.432	143	10.575	4.583	2.755	24.222	1.181
June 29, '18 ...	10.493	131	10.624	3.475	3.669	20.691	1.214

	Gold— In Bank	Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits— Public	Private
FRANCE.							
July 30, '14 ...	—£165,654—		£190,667	£97,789	£267,327	£15,302	£17,901
June 3, '20 ...	144.409	79.131	233.438	72.913	1.520.485	2.091	133.124
July 15, '20 ...	144.413	79.131	233.443	73.925	1.520.439	6.737	127.772
July 17, '19 ...	143.520	79.131	234.393	33.842	1.334.083	3.807	122.404
July 18, '18 ...	135.744	81.484	228.026	45.163	1.164.444	6.895	155.865

	Cash— Gold	Silver	Total	Other Notes	Treasury & Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£67,843	£16,727	£84.570	£5,279	£40,055	£94,545	£47,199
June 23, '20...	54.583	175	54.758	824.777	1.858.425	2.582.829	578.989
June 30, '20...	54.583	166	54.749	862.681	2.548.110	2.698.759	1.170.698
June 30, '19...	55.820	897	56.817	454.923	1.664.958	1.498.418	688.482
June 29, '18...	117.310	8.039	123.349	89.331	833.831	825.518	459.064

	Cash— Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13.745	£13,422	£10,332	£35,660	£1,437
June 28, '20 ...	63.025	1.158	64.183	13.913	25.885	83.895	11.976
July 5, '20 ...	63.025	1.178	64.203	12.700	28.179	86.863	10.500
July 5, '19 ...	54.809	825	55.434	11.548	18.093	85.410	4.796
July 6, '18 ...	59.793	641	60.434	4.232	9.920	77.347	4.853

	Cash— Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	—£48,456—		£25.017	£89.204	£8.897
Apr. 30, '20 ...	£32.190	£3.003	35.193	19.852	180.782	501.813	74.704
May 31, '20 ...	32.191	2.999	35.190	16.322	180.502	517.128	70.783
May 31, '19 ...	32.622	2.970	35.592	25.696	57.448	372.375	60.528
May 30, '18 ...	33.480	3.145	36.625	8.544	55.057	297.598	57.464

	Gold	Discounts	Advances	Notes	Deposits— Public	Private
JAPAN.						
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
May 28, '20 ...	92.092	39.385	37.373	130.534	112.364	8.512
June 5, '20 ...	93.686	35.253	32.929	124.296	110.126	8.807
June 7, '19 ...	70.568	8.475	40.925	92.702	113.022	3.320
June 8, '18 ...	65.528	3.197	26.879	68.363	73.676	3.253

	Cash On Hand	Loans, Aggregate Reserve	Disc'ts, Invest., &c.	Net Deposits— Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.	Vaults						
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1.720
July 3, '20 ...	£18.4821	116.210	1.034.324	£835.326	£51.028	904.060	5.590
July 10, '20 ...	19.926†	113.200	1.028.680	832.176	50.790	889.532	3.008
July 12, '19 ...	21.046†	110.308	1.003.774	807.042	34.540	889.344	8.348
July 13, '18 ...	21.328†	106.978	883.178	727,182	32.782	838.174	10.602

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'ts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2.960	£1.678	£493	£4.868	£6.752	£793
June 30, '20 ...	8.120	3.183	579	23.611	24.280	6.906
July 7, '20 ...	8.120	3.317	578	23.709	24.684	6.733
July 7, '19 ...	8.176	4.138	678	18.635	24.805	2.899

	Gold	Silver	Total	Discounts & Note Circulation	Deposits
PORTUGAL.					
June 2, '20 ...	£1.908	£3.921	£5.827	£20.406	£30.438	£10.635
June 9, '20 ...	1.908	3.921	5.827	22.567	94.858	8.858
June 11, '19 ...	1.905	3.935	5.840	8.198	85.039	3.474
June 12, '18 ...	1.905	3.475	5.380	8.822	48.378	2.186

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
Apr. 17, '20 ...	£80.805	£8.458	£2.842	£11.100	£180.955
Apr. 24, '20 ...	60.809	8.616	2.853	11.489	181.620
May 1, '20 ...	60.809	9.031	3.074	12.105	181.292
May 3, '19 ...	36.781	7.480	1.705	9.185	109.312

	Gold— In Bank	Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 29, '17...	129.523	230.865	376.206	1.869.659	1.838.217	15.783	345.550

	Cash— Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21.804	£29.187	£50.991	£40.572	£13.778	£77,557	£18.955
July 3, '20 ...	96.102	24.581	122.683	86.979	13.779	156.235	41.020
July 10, '20 ...	98.101	24.321	122.422	88.973	13.779	157.680	39.150
July 12, '19 ...	90.888	25.940	116.828	91.260	13.778	143.656	39.634
July 13, '18 ...	84.731	27.763	112.494	54.806	13.777	119.010	43.350

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6.150	£1.555	£7.495	£13.432	£3.903
July 3, '20 ...	14.512	5.149	2.532	42.403	40.585	15.483
July 10, '20 ...	14.513	5.290	2.525	38.537	38.882	15.284
July 12, '19 ...	16.036	7.354	2.919	20.639	37.715	7.123
July 13, '18 ...	14.322	7.322	5.312	13.844	35.081	5.883

	Gold	Cash— Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
Aug. 1, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,028
June 30, '20 ...	21.325	3.484	24.809	14.234	38.140	4.238
July 7, '20 ...	21.327	3.503	24.830	13.422	37.124	3.895
July 7, '19 ...	18.778	2.763	21.547	—	36 390	4.009
July 8, '18 ...	15.344	2.237	17.581	15.199	28.276	5.973

* Converted at 24 crowns to £1.
† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold— Held by Banks	With Agents	Total Cash	Bills Discounted Accept.	Deposits— Govt.	Total Net.	Circulation
July 5,'20 ...	—£394,440—		£421,902	£509,039	£78,018	£4,310	£363,478
July 12,'20 ...	—394,262—		421,638	512,318	74,618	3,524	364,630
July 12,'19 ...	186,872	255,492	436,032	297,782	72,008	31,243	389,436
July 12,'18 ...	192,493	199,512	403,196	231,978	43,632	33,878	310,732

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay	6	June 16,'20	Petrograd ...	6	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	5	June 5,'19	Sto. Kholm ...	7	Mar. 18,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		June 16, '20	July 9, '20	July 2, '20	June 25, '20
Berlin	Cable	150·m	150·m	149·m.	147·m.
Brussels	Cheques	43fr. 85c.	43fr. 85c.	44fr. 75c	45fr. 45c.
Denmark ...	Cable	23kr. 35	23kr. 85	24kr. 00	23kr. 81
Holland.....	do.	11d. 12c.	11d. 17c.	11d. 17c.	10d. 07c.
Italy	do.	66lr. 00	65lr. 50	65lr. 25	64lr. 50
Lisbon and Oporto	do.	11d.	10¾d	11d.	11¼d.
New York	do.	$3 89½	$3 96	$3 95½	$3 97
—	Cheques	$3 89½	$3 95½	$3 95½	$3 93
Norway	Cable	23kr. 02	23kr. 60	23kr. 95	23kr. 08
Paris	3 mos.	47fr. 20c	47fr. 75c.	47fr. 87c.	47fr. 95c.
—	Cable	46fr. 45c.	46fr. 75c.	47fr. 12c.	47fr. 70c
Spain (Bank places)	3 mos.	47¼d.	55d.	49¼d.	49¼d.
—	Cable	24p. 30	24p. 35	24p. 10	23p. 77
Sweden	do.	17kr. 49	17kr. 85	17kr. 93	18kr. 07
Switzerland	3 mos.	22fr. 50c.	22fr. 45c	22fr. 29c.	22fr. 25c.
—	Cable	22fr. 00c.	22fr. 00c.	21fr. 81c.	21fr. 80c.

ON LONDON—		June 16, '20	June 23, '20	July 7, '20	Par
Alexandria	Sight	97⅛pl.	97⅛pl.	97⅛pl.	97¼pl.
Amsterdam	Cheques	11fl. 09c.	11fl. 17c.	11fl. 16c.	12·107d.
Athens	Cable	30dr. 87	31dr. 32	31dr. 77	25dr. 22½
Bombay	Transfers	1s. 10½d.	1s. 10¾d.	1s. 9¾d.	24.*
Brussels	Cheques	43f. 85c.	43f. 87c.	44f. 82c.	25f. 22½c.
Buenos Ayres	Transfers	57¾d.	58¼d	57¾d.	47·58d.
Calcutta	do.	1s. 10½d.	1s. 10¾d.	1s. 9¾d.	24.*
Christiania	Sight	23kr. 12	23kr. 82	23kr. 84	18·159kr.
Copenhagen	do.	23kr. 12	23kr. 83	24kr. 05	18·159kr.
Helsingfors	Cable	96¾m.	93¾m.	94m.	25m. 22½
Hong Kong	Transfers	3s. 9¼d.	3s. 8¼d.	3s. 8½d.	—
Italy	Sight	66lr. 25c.	65lr. 45c.	65lr. 37c.	25f. 22½c.
Lisbon	do.	11¼d.	11¼d.	11¼d.	53½d.
Madras	do.	1s. 10½d.	1s. 10¾d.	1s. 9¾d.	24.*
Madrid	do.	24p. 35	24p. 36	24p. 10	25p. 22½
Montevideo	Transfers	57¼	58¼d.	58¼d.	51½.
Montreal	Cable	$4 41	$4 49½	$4 52	$4 86⅝
New York.....	Sight	$3 89	$3 94	$3 94½	—
—	60 days	$3 89½	$3 89½	$3 90⅜	—
—	Cable	$3 89	$3 95¼	$3 95½	$4 86⅝
Paris	Cheques	46f. 77c.	46f. 67c.	47f. 10c	25f. 22½c.
Rio de Janeiro ...	90 days	14⅜d.	14¾d.	14¾d.	16d.
Shanghai	Transfers	5s. 2d.	5s. 1½d.	5s. 1d.	—
Singapore	Sight	2s. 3¾d.	2s. 3¾d.	2s. 3¾d.	—
Stockholm	do.	17kr. 59	17kr. 84	17kr. 93	18.159kr.
Switzerland	do.	21f. 97c.	22f. 01c.	21f. 84c.	25f. 22½c.
Valparaiso	90 days	—	12¾d.	13¼d.	18d.
Yokohama	Sight	2s. 7¼d.	2s. 7¼d.	2s. 7¼d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* July 16, '20	July 9, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	35·05c.	35·35c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques ...	36·50c.	37·00c.	48 66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	107·75	108·70		
Christiania, cheques ...	16·65c	16·95c.	26·80c. for 1 krones	26·85c.
Copenhagen, cheques ...	16·85c.	16·55c.	26 80c. for 1 kroner	
Greece, cheques ...	12·75c.	12·75c.	19·295c. for 1 drachma	
Hongkong, cheques ...	74·50c.	72c.	74·59c. for Mex. $1	43·4c.
Italy, sight	17·00l.	16·55l.	5 18¼ lire for $1	5·17l.
Lima, cheques	4·99l.	4·99l.	4·8865 $ for 1 libra	
Manila, cheques... ...	49·80c.	49 60c.	50c. for 1 peso	49·8c.
Montreal	12 3/8 disc.	12 1/25 % disc.	Premium per $100	Par
Paris, sight	12·14fr.	11·97fr.	5·18¼ francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·48c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	43·50c.	43·20c.	32·42c. for 1 milreis	
Shanghai, cheques ...	104·50c.	109c.	52·96c. for 1 tael	83·00c.
Singapore, cheques ...	51·50c.	51·375c.	56·77c. for $1	57·12c.
Spain, cheques	18·05c.	18·33c.	19·30c. for 1 peseta	
Stockholm, cheques ...	22·10c.	22·15c.	26 80c. for 1 krones	
Switzerland, cheques ...	5·85fr.	5·57fr.	5·18¼ francs for $1	5·18¼fr.
Valparaiso, cheques ...	19·00c.	19·03c.	20 61c. for 1 peso	
Yokohama, cheques ...	51·40c.	51·375c.	49 84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Ass.	Inc. or Dec.*
	1920		[In £'s sterling; 000's omitted.]		%
BIRMINGHAM ...	July 10	£4,086 +	£62	£106.170 +	£2.910 + 44·0
BRISTOL	,, 10	1.769 +	1	49.937 +	11.814 + 31·0
DUBLIN	,, 10	9.610 +	1.239	245.337 +	49·1 + 25·0
LEEDS	,, 10	1.517 +	161	51.188 +	13.285 + 55·0
LEICESTER	,, 10	1.113 —	195	38.073 +	12.641 + 50·0
LIVERPOOL	,, 10	15.707 +	692	474.792 +	136.1[illegible] + 40·4
MANCHESTER ...	,, 10	29.853 +	11.348	884.041 +	457.331 + 107·3
NEWCASTLE	,, 10	2.847 +	215	89.068 +	33.[illegible] + 59·5
NOTTINGHAM ...	,, 10	1.544 +	823	33.127 +	14.881 + 81·6
SHEFFIELD	,, 10	1.687 +	531	46.084 +	12.242 + 37·6
LONDON ...	1920-				
TOWN	July 14	611.230 +	124.082	18.259.214 +	7.345.171 + 67·3
METROPOLITAN ...	,, 14	43.89 +	1.544	1.186.066 +	444.[illegible] + 55·6
COUNTRY	,, 14	78.721	2.788	2.[illegible].784 +	[illegible] + 30·2
TOTAL	,, 14	733.220 +	128.424	21.703.064 +	8.113.078 + 59·7

* Compared with the corresponding week last year.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 July 16	1920 July 9	1913 July 18	HOMEWARDS.	1920 July 16	1920 July 9	1913 July 18
				U.S. Atl. Ports to U.K. (cotton, 100 lbs.)	40·0	—	30/0
Alex. to U.K. ...	37·6	40·0	—	U.S. Gulf Ports to U.K.	12·0	12·0	7·71
Aust. to U.K. ...	100·0	175·0	3·0	Gulf Ports to Continent	—	—	—
Azoff to L.H.A.R.	—	—	—	Continent to U.K.	13·0	13·0	14·6
Bombay to p.p. ...	—d.w.80·0	d.w.80·0	—	OUTWARDS—and to—			
Burmah to U.K. ...	—	—	—	Aden	—	—	—
Calcutta to p.p. ...	—	—	21·3	Colombo	—	—	12·8
Danube to U.K. ...	47·6	—	9·5	Port Said	37·6	42·6	8·6
Odessa to L.H.A.R.	—	—	9·5	River Plate ...	37·6	37·6	19·0
R. Plate to U.K. ...	80·0	85·0	19·5	St. Vincent ...	27·6	30·0	9·2

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JULY 16, 1920.	JULY 17, 1919	JUNE 30, 1914.
Iron—Scotch pig warrants ...tor	223/6	166/0	57/0
— Middlesbro' warrants ...tor	217/6	160/6	51/0
— Hematite warrants ...tor	262/6	200/6	61/0
— Staffordshire bars, London ...tor	£33 10	£20 10	£8 10
— Common bars ...tor	£30	£20 10	£6 16
Steel Rails ...tor	£24 5 £25 5	£16	£6 2/6
Galvanised Sheets ...tor	£53 £55	£36	£16 17/1
Copper—Standard ...tor	£90 £90 6	£102 10—£103	£68
Tin -English Ingots ...tor	£96	£245	£142 15
— Straits ...tor	£98	£251 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	21/6	34/0	11/101—12/0
Lead—Soft Foreign ...tor	£33 10—£34	£23 17/6—£24 10	£19
Spelter—Ord. Foreign ...tor	£40 15—£42 5	£13 10—£44 10	£21 7/9
Quicksilver (75lb.) ...bottle	£21—£21 10	£22 10	£7
Aluminium ...lb.	£155	£120	£82
Antimony—Regulus Foreign ...ton	£52	£44	£27 10
— English ...ton	£58—£60	£45	—
Coal—(best) Yorkshire ...ton	37/2—38/2	22/0—22/6	17/6
— Steam (best) Newcastle...ton	50/2—55/2	90/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, perquinta	15/7½	8/7½	7/4
Soda—Crystals ex wharf...ton	110/6	129/0—130/0	42/6—45/0
Copra—Malta and States ...ton	£47	£58 10	£23 15—£24 7/6
Gambier—Good marks ...cwt.	49/6	52/6	16/10½
Indigo -Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£80	£125	£25 5
Linseed—Calcutta, spot ...ton	£36	£54	£13 16/9
— Cakes, U.K. made, ex mill... ton	£20—£20 10	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom	nom	£49 10
Palm Oil—Lagos ...ton	£82	£80	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil -Refined English ...ton	£94	£110	£32
Soya Oil—Refined ...ton	£67	£88	£24 10
Tallow—Imported ...cwt.	64/0	82/0—115/6	29/3—33/3
Turpentine—American ...cwt.	85/0	93/6	33/7½
Rape Seed—Toria ...ton	£31 10	£49	£13 5
Rubber—Para, spot ...lb.	1/11½	2/6	2/9½
— Fine plantation (stnd.crepe) lb.	1/10½	1/10½	2/2
— World's Production* May tons	33,654	25,839	8,467
Shellac—T.N. Orange, fair ...cwt.	690/0	385/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	27 47d	21 26d	7 53d.
— Egyptian, good fair...lb	51 05d	25 17d	9 75d.
— Pernambuco fair ...lb	29 72d	23 93d	7 73d.
— Midland Upl. N.Y. York...lb	28 12c	25 35c	9 35c.
— Stock, Liverpool (July 9)...bale	1,060,080	505,230	934,600
Flax—Petrograd, Yarapol ...ton	—	nom	£28
Hemp—New Zealand ...ton	£53	£51 10	£25 10
— Manila, Fair ...ton	£83	£61	£26 10
Jute—First Marks ...ton	£47	£59	£26 15
— Red SCC ...ton	£38	—	£24 15
Silk—Bengal Filature ...lb	31/0	28/0	11/3—11/6
Wool—Ft. Philip unwashed av. lb	4/0	3/5½	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/8½	1/10nom	1/0½
Hides—Eng. Ox. best, 70 lb. up lb	17½d.	—	7½d.
Leather—Dressing Hides ...lb.	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	32,717,000	18,788,000	34,640,000
— Red, price, N.Y. 60lb...bushel	320¢	237¢	67¼c.
— English Gazette, aver. 480lb. qr.	84/10	73/3	34/3
Flour—G.B. ...sack 280lb.	63/6	44/3	28/6
Barley—Eng Gaz., aver. 400lb. qr.	90/11	63/1	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	64/9	49/11	20/0
Maize—N.Y. (new bushel)...56lb.	60/6	214¢	76¼c.
— Amer. mixed, Liverpool...480lb.	nom	63/9	32/4
— La Plata ...480lb. qr.	66/6	60/0	25/9
Potatoes—Good English ...ton	£200/0	—	70/0—75/0
Rice—Bassein ...cwt.	48/6	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	32/6	58/0	14/0—17/6
Hay—best ...2.018lb...load	—	—	82/6
Hops—English ...cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/8	6 0—6/6	3/8—3/10
— Scotch sides ...8lb.	10/10	8/6	4/6—5/0
— English ...8lb.	10/10	8/6	4/2—4/5
Mutton—Scotch wethers...8lb.	11/4	9/0	5/8—6/0
— English wethers ...8lb.	11/4	9/0	5/4—5/6
— New Zealand frozen ...8lb.	11/4	7/0	2/4—3/2
Pork—English and Irish ...8lb.	13/4	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	1240/0	190/6	60/0—74/0
— Danish ...cwt.	†192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†187/0	200/0—204/0	—
— American ex Port ...cwt.	†187/0	190/0—194/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	†184/0	192/0—196/0	75/0—78/0
— — short cut, ex Port ...cwt.	†184/0	190/0—194/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†168/6	170/0—196/0	51/9—52/9
Butter—Danish ...cwt.	266/0	Controlled	117/0—120/0
— French ...cwt.	266/0		96/0—108/0
— Australian ...cwt.	266/0	252/0	98/0—110/0
— New Zealand ...cwt.	266/0		108/0—114/0
Cheese—Canadian ...cwt.	†162/0	166/0 ... 158/0—160/0	66/0—68/0
United States ...cwt.	—	144/8	—
Dutch ...cwt.	†94/0—168/0	144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to June 30 ...cwt.	16,128,752	17,217,435	19,777,254
— Home consump'n.toJune30 cwt.	12,58?,202	15,205,177	17,272,000
— In Bond June 30 ...cwt.	9,324,000	8,392,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	120/0	36/0	10/3
— — Yellow crystals ...cwt.	122/0	57/6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	116/0	64/9	18/0
Coffee—Imports to June 30 ...cwt.	488,101	684,331	720,360
— Home consumpt'n toJune30cwt.	146,362	153,412	141,410
— Exports to June 30 ...cwt.	271,215	149,380	340,250
— In Bond June 30 ...cwt.	789,000	992,000	484,000
— Price, Costa Rica gd. to fine cwt.	134/0—146/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	95/0-100/0nom	65/9	41/6
Tea—Imports to June 30 ...lb.	217,539,336	237,280,706	123,230,277
— Home consump'n.to June 30 lb.	183,467,408	179,804,320	155,447,972
— Exports to June 30 ...lb.	21,629,300	12,912,228	26,561,765
— In Bond June 30 ...lb.	224,102,000	161,561,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	64d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	64d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	8½d.
Cocoa—In Bond June 30 ...cwt.	1,423,000	1,313,000	309,000
— Grenada good to fine ...cwt.	108 0 112 0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory. § New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	May	$16,460,000	+2,891,000	$5,198,000	+ $164,000
Grand Trunk	5 mos. to May	75,577,000	+1,242,000	8,798,000	— 398,000
	May	£1,208,600	+ £124,700	£68,100	— £69,300
	5 mos. to May	5,512,600	+ 461,000	Dr.87,400	— 342,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	June	1,041	R1,87,615	— 8,348	10	18,33,362	+ 47,060
Barsi Light ...	June	118	26,700	— 800	10	3,11,700	— 3,100
Bengal & N.W.	June	2,067	4,80,570	— 49,857	10	48,90,920	+ 6,34,736
Beng. Dooars	June	158	34,200	+ 1,453	9	2,38,636	+ 9,427
Beng. Nagpur	June	2,895	12,80,000	+ 69,000	9	1,19,65,000	— 4,52,063
Bomb. Baroda	July	2,871	17,49,000	+ 55,000	14	2,63,57,000	+ 7,40,000
Burma	May	1,342	5,76,939	— 15,450	8	48,17,438	— 1,03,887
Del Um. Kalk.	July	239	89,600	— 19,243	14	12,29,114	— 18,180
East Indian ...	July	2,776	27,48,000	+ 1,33,000	15	4,07,77,000	+ 14,40,000
Gt. Indian Pen.	June	3,121½	24,54,600	— 2,41,700	14	3,67,90,988	— 12,020
Madras & S.M	June	3,152	12,30,000	— 28,370	10	1,57,55,000	+ 4,11,317
Nizam's Guar	June	900	3,29,346	+ 64,336	11	34,66,840	+ 1,85,166
Rohi. & Tir.	June	576	1,22,407	+ 12,839	9	11,80,664	+ 89,986
South Indian	June	1,852½	8,12,421	- 2,316	10	84,10,536	+ 2,73,859
South Punjab	Feb.	716	7,78,059	+ 20,338	5m	38,90,028	+ 1,30,701
COLONIAL							
Can. Northern	July 7,	9,704	$1,168,700	+ 309,200	27	27,800,123	+ 4,629,574
Can. Pacific ...	July 7	13,388	3,773,000	+ 653,000	27	85,767,000	+ 15,425,000
Grand Trunk	July 7,	3,616	£326,137	+ 110,597	27	7,205,098	+ 911,219
Mashonaland	Apr.	810	90,103	+ 27,403	7m	481,284	+ 131,031
Mid. W. Aust.	May	277	9,614	+ 1,812	11m	119,767	+ 17,024
NewCapeCent.	June	205	2,459	+ 491	24	73,955	+ 15,041
Rhodesia Rlys.	Apr.	1,397	122,123	+ 25,505	7m	—	—
Tamisamayu	Apr.	—	$29,518	+ 2,316	4m	114,547	— 1,844
W. Pass.&Yuk	Dec.	122	1,568,526	+ 124,546	12m	1,568,626	+ 124,546
FOREIGN.							
Argentine.							
Arg. N. East...	July	752	£ 12,800	+ 2,000	1	—	—
Arg. Transand.	July	111	$ 1,540	+ 1,220	1	2,010	+ 1,340
B. A. & Pacific	July	3,536	$ 187,000	+ 55,000	1	239,000	+ 41,000
B.A.Gt. South	July	3,792	$ 171,000	+ 38,000	1	9,524,000	+ 2,210,875
Do.	July	4 Net	$ 37,000	+ 9,000	1	3,152,000	+ 1,533,000
B. A. Western	July	1,882	£ 31,000	+ 5,000	1	71,000	+ 11,000
Do.	July	10 Net	£ 16,000	— 3,000	1	27,90	— 4,000
B. A. Central	May	190	$ 52,265	+ 11,617	11m	625,682	+ 78,268
Cent. Argent.	July	3,305	$ 212,000	+ 88,000	1	277,000	+ 63,300
Do.	June	26 Net	$ 72,000	+ 33,900	52	3,111,100	+ 2,065,700
Cord. Central	July	1,205	$ 63,000	+ 9,500	1	90,500	— 100
Entre Rios ...	July	811	$ 24,500	+ 4,800	1	—	—
Brazilian.							
Brazilian South	May	110	M 48,500	— 10,300	5m	252,500	+ 5,780
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil	July	1,010	£ 15,500	— 800	28	845,800	+ 108,900
Leopoldina ...	July	1,831	£ 48,741	+ 825	1	1,424,466	+ 510,587
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,851
Paulista	Dec.	766	M 2,850,000	— 806,038	12m	32,479,000	— 1,225,892
San Paulo ...	July	153½	$ 47,065	+ $ 10,671	28	1,349,074	+ 384,127
Sorocabana ...	Dec	1,003	M 1,770,000	— 240,188	12m	21,953,000	+ 978,692
N.of Bahia&W.	May	52	M 78,000	+ 32,000	5m	385,000	+ 35,000
Chilean and Peruvian.							
Antofagasta ...	July	4 838	£ 24,850	+ 2,795	27	1,257,535	+ 560,995
Arauco	Apr.	844	£ 11,000	+ 1,200	4m	52,000	+ 9,700
Nitrate(2wks.)	June	30 390	£ 14,218	+ 1,268	24	497,574	+ 251,673
Peruvian Corp.	June	1,140	$ 1,210,650	+ 99,590	12m	14,485,531	+ 2,068,363
Taltal	June	180	£ 27,270	+ 20,460	12m	291,975	+ 127,026
Cuban.							
Cuban Central	July	3 362	£ 30,139	+ 11,633	1	—	—
Havana Cent.	July	10 70	£ 14,095	+ 2,799	1	—	—
U. of Havana	July	10 681	£ 61,322	+ 4,370	1	91,616	— 4,963
W. of Havana	July	10 155	£ 12,894	+ 4,041	1	18,186	+ 2,977
Uruguayan.							
Cent. Uruguay	July	3 273	£ 20,307	+ 2,141	1	—	—
,, (C. Ext.)	July	3 311	£ 5,694	+ 1,466	1	—	—
,, (N. Ext.)	July	3 185	£ 2,674	— 776	1	—	—
,, (W.Ext.)	July	3 211	£ 2,686	+ 186	1	—	—
Mid. Uruguay	June	319	£ 18,511	+ 173	12m	242,254	+ 29,358
N.W. Uruguay	June	113	$ 6,383	— 72	12m	80 293	+ 3,475
Urug. Northn.	June	73	£ 2,128	+ 244	12m	28,295	+ 3,589
Miscellaneous							
Alcor& Gandia	July	3 33	Pts. 20,000	—	26	311,900	+ 65,500
Bilbao	June	15	£ 9,805	+ 1,357	6m	20,716	+ 7,154
Bolivar	June	138	£ 11,488	+ 954	6m	68,437	+ 8,531
Colomb. Natnl.	May	86	£ 20,340	+ 6,260	5m	86,616	+ 28,596
Costa Rica ...	May	189	£ 34,075	+ 10,389	11m	294,134	+ 47,473
Dorada Ext...	May	70	£ 23,500	+ 10,500	5m	77,000	+ 33,700
Egyptian Delta	June	20 559	£ 10,525	+ 3,464	11	92,821	+ 60,978
Gt. S. of Spain	July	3 104	Ps. 84,611	— 25,869	27	2,304,934	— 783,865
La Guaira&Ca.	June	22½	£ 13,000	+ 5,180	6m	85,070	+ 34,970
Ottoman	July	3 379	£ 7,886	—	—	—	—
ParaguayCent.	July	10 274	£ 5,190	— 470	1	7,520	— 2,180
Puerto Cabello	June	34	£ 5,250	+ 1,550	5m	33,250	+ 4,625
Salvador	July	10 100	£ 2,345	— 574	2m	3,331	— 1,723
Santa Fe Prov.							
French Rys.	May	1,181	£ 171,160	+ 4,646	5m	818,312	+ 6,367
S'm'na&S'tiago	May	80	£ 18,810	+ 843	5m	72,443	+ 22,894
Zafra & Huelva	May	112	£ 10,048	— 36	5m	61,240	+ 10,331
TRAMS.							
Anglo-Argent.	July	8 400	£ 77,659	+ 18,446	27	2,032,199	+ 550,417
Auckland Elec.	June	30 27	—	—	52	292,502	— 2,063
Bombay Elec.	Apr.	39	R. 8,14,937	+ 1,02,230	4m	31,36,743	+ 4,74,681
Brazilian Trac.	May	378½	M10,385000	+ 1,423,000	5m	50,166,000	+ 5,372,000
Brisbane Elec.	June	40½	£ 44,340	+ 9,130	6m	267,64	+ 47,095
Brit. Columbia	Apr.	334	$ 749,081	+ 117,093	11m	7,306,918	+ 1,284,811
B. A. Lacroze	July	51	£ 50,635	+ 10,721	12m	612,315	+ 69,456
Calcutta	July	10 35½	R 1,01,224	+ 12,235	28	24,80,596	+ 2,09,537
Cape Electric	Apr.	42½	£ 31,391	+ 3,251	10m	278,644	+ 32,710
Carth. & Herr.	June	9	£ 5,562	+ 2,189	6m	28,60	+ 11,815
Chatham&Dist	June	24 15	£ 4,543	+ 443	25	103,711	+ 19,361
Havana Elect.	Mar.	86	$ 927,785	+ 270,530	3m	2,675,342	+ 588,573
Isle of Thanet	July	7 20½	£ 1,705	+ 33	41	31,856	+ 8,748
Kalgoorlie ...	June	30½	£ 3,246	+ 333	4m	11,635	— 1,324
Lanarkshire ...	July	1	£ 4,468	+ 34	25	108,177	+ 19,685
Lima Light ...	Apr.	85	£ 57,415	+ 7,435	4m	232,375	+ 40,168
London O.C. ...	July	14 141½	£ 35,343	+ 4,540	15	1,268,551	+ 46,933
Madras (2wks.)	June	30 15½	Rs. 48,311	+ 1,38	24	574,174	+ 121,131
Manila Electric	May	55	$ 280,145	+ 77,696	5m	1,354,825	+ 239 033
Pernambuco ...	July	11 59	£ 5,810	+ 488	28	200,644	+ 49,464
Provincial ...	June	19 21½	£ 3,614	— 33	38	115,816	+ 13,447
Rangoon Elec.	June	25	£ 7,849	+ 1,573	6m	47,477	+ 9,845
Shanghai Elec.	June	26½	M. $1,151,263	+ 32,260	5m	865,254	+ 136,254
SingaporeElec.	June	5 28½	$ 22,632	+ 7,387	23	514,684	+ 159,768
U.of Montevid.	June	90½	£ 39,989	+ 5,339	8m	347,288	+ 47,351

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The Statist.

LONDON, SATURDAY, JULY 17, 1920.

RUSSIA.

NECESSITY OF THE CASE.

On the whole, the Government appears to be pursuing a wise policy in reopening negotiations with Russia, with a view to the conclusion of some permanent settlement. It has long been recognised that it is no part of British policy to interfere with the form of government which any foreign State may choose to adopt. Whether Russia retains her present form of Government or decides to alter it, it is neither practicable nor expedient for us to interfere. We are not in a position to act effectively, even if we desired to do so; and, if we adopted such a policy, it would be contrary to the well-established practice of British Governments during the past century. We attempted to interfere with France at the period of the first great Revolution, with the results with which everybody is acquainted to-day.

The real question which the Government has to settle is a practical one, and it is based primarily upon two considerations. The one is purely economic, and the other the moral obligations which we owe to those of our European Allies which are urgently in need of various kinds of supplies, and particularly of food and of raw materials. The subsidiary interests result from the policy we adopted, and a mistaken policy in many of its details, as we have contended in this Journal, in the conduct of the late War. We supported the policy of the War throughout, but the methods by which it was carried out we thought then, and we think still, were mistaken. In the hope of bringing the War to a speedy conclusion, our rulers ignored the economic condition of this country, and the fact that while we had undertaken, and necessarily undertaken, very serious burdens, we were almost wholly unprepared, in a military sense, for the War. It is, however, useless now to criticise the policy adopted during the War, except for purposes of future guidance, with the object of enforcing the old lesson that it is never expedient to adopt any policy without duly considering its cost.

With this preface, we turn to the important question of the economic conditions prevailing in Europe at the present time, always bearing in mind our moral obligations to our European Allies who suffered so severely during the progress of the War. Russia, whether we regard her as a great composite State, as she existed at the outbreak of the War, or partially dismembered and more or less in a state of chaos, as she has emerged from that contest, is essentially a producer of food and raw materials. Something like 98% of the total population of what was once the Russian Empire lives by producing food and raw materials and articles of prime necessity, as distinct from the manipulation of the same, which is the occupation in which countries like England are engaged. Europe is, and has been for many generations, the great wheat-consuming continent of the world, and Europe, likewise, is, and has been for many generations, the principal source of the production of wheat. It was estimated at the period of the outbreak of the recent War that the total production of wheat throughout the world amounted to something over 4,000 million bushels, and that Europe produced something more than half of this total. In addition, she was compelled to import a few hundred million bushels from other countries of the world—notably the United States of America, various countries in South America, India, and Australasia. Practically, these were the sources from which Europe's supplies of wheat were derived. We are now nearly two years from the conclusion of the late European War, and it has been clearly demonstrated that if Europe is to continue to hold the economic position she occupied during the early years of the present century, it is essential that she should be in a position to feed herself. Even if the Government of this country had followed, as we advised at the time, and as we think she ought to have done now, a policy of carefully conserving our resources with due regard to the object of the War aimed at, and had been in a position still to advance immense sums to various of her Allies needing assistance, it is exceedingly doubtful if it would have been practicable or advantageous to those countries for us to allow them to continue to increase the burdens of their debts. In other words, would it have been practicable, even under the assumption just enunciated, to feed Europe on a sound economic basis, even supposing that a sufficient quantity of various kinds of food could have been obtained from places outside of Europe? As the reader is aware, we are not in a position to afford the financing of such an enterprise. Neither is the rest of the world in a position to supply adequate quantities of food. Consequently, it remains evident that Europe will have to depend upon herself, unless she is prepared to [illegible] standard of living than that to which she has been accustomed during the past half-century.

As said above, [illegible] the world was estimated in the early years of the present century at something over 4,000 million bushels, [illegible] She

exported varying amounts. The total value of her exports of food in the pre-War period, say during the decade that preceded 1914, varied in value between 80 and 100 millions sterling. In very rough figures it may be estimated that she exported about one-third of her total food production, which is about the usual proportion for countries having an extensive trade, and a large foreign debt; and which are wholly dependent upon the sale of articles of primary necessity. The raising of the blockade and the freeing of the Russian ports will not, of course, at once admit of her exporting upon anything like the pre-War scale, indeed not for a considerable period. Russia contributed something like 20% of our imports of wheat, for example, and it is not to be supposed that she will be immediately in a position to do anything like this in the immediate future. As the reader is aware, we really know very little of the internal condition of Russia. It was thought at one time that there were large supplies of wheat carried over from different seasons during the progress of the War. But the general opinion now appears to be that those supplies, if they exist at all, exist only to a very small extent compared with the aggregate which was accumulated in Southern Russian in the pre-War period. Most of the reports we receive from Russia seem to agree that the stocks formerly existing have been very greatly reduced. Some persons who have visited Russia, and who affect to speak with authority, say that under existing economic conditions the Russian peasant during recent seasons has been content to grow only sufficient for his immediate needs, and those of his family, as he saw no prospect of disposing of his surplus to any advantage to himself. If this be true, it is evident that a period must elapse before it would be possible for Russia to produce even wheat upon anything like the scale to which we were formerly accustomed. Those who have opposed the opening up of relations with Russia in her existing political condition have argued that Russia had, and could have under existing conditions, no surplus of food or of raw materials with which to supply the outside world. Experience affords very little basis for such an assumption. It has to be remembered that in any arrangement likely to have any sound basis which our Government would conclude with Russia there would be a resumption of international trade; that is to say, that while Europe will seek to obtain food and raw materials—for we merely take wheat as an illustration, because it happens to be the most important article of diet consumed in Europe—Russia will require to purchase from the other European countries various commodities which, in her present economic condition, she is not in a position to produce at home. Consequently, all experience shows that whatever form of Government may be adopted, economic necessity will compel the country to produce something over and above what is actually needed for the consumption of the local population. Presumably, when entering into fresh relations with Russia, some arrangement will be made for the payment at least of the interest upon the vast sums of money which we in this country during the War, and France at an earlier period, advanced to the late Imperial Government. It will not, of course, be practicable for Russia to resume the payment of interest immediately. But some form of arrangement will, we take it as a matter of common prudence both on our side and on the Russian side, be entered into. Russia has a large population, even for her extensive area, bearing in mind her modest economic development. She is urgently in need of the means of improving that economic development, and of developing her various resources. Her transportation system is almost as defective as that of the newest countries of the world. Potentially, she is capable of supplying us not merely with wheat, but with vast quantities of food in various forms—meat, cereals, and dairy produce. It will be remembered that one of the causes of the extravagant rise in the price of eggs in this country was due to the fact that, whereas before the War Russia was accustomed to send us a thousand million eggs every year, during the War this supply completely ceased, and was not supplied, and, as a matter of fact, could not immediately be supplied from any other source. In addition, Russia is exceedingly rich in minerals. Practically, until the War, the world's supply of platinum came almost entirely from Russia. Since the War the deposits in Colombia, in South America, have been developed, but so far they have not been developed to the extent that would enable them to supply anything like the quantity which Russia was accustomed to regularly supply before the War. Russia, moreover, is the greatest potential source of supply for various kinds of timber still existing in Europe. Her forests are amongst the most extensive in the world, and are far greater than those of the whole of the rest of Europe put together. As timber is, and is likely to be for a very long time to come, in urgent demand throughout the rest of Europe, there is certainly a great market in Western Europe awaiting the exploitation of the Russian forests. In addition to supplying food, minerals, and timber, Russia before the War was accustomed to supply us with various raw materials, notably flax. It will be remembered that in Northern Russia, in the neighbourhood of Riga, the greatest quantity of flax produced in the world was grown. During the War, and since the Armistice, although the supply from this source did not wholly cease, it was greatly reduced; and, in consequence, there has been such an extravagant rise in the price of linen fabrics that it has become evident that, unless we can obtain supplies from Russia or from elsewhere, some substitute for linen will have to be discovered, because on the present basis of economic values it is not possible to meet the demand. Russia in the pre-War period produced something between 400,000 and 500,000 tons, and we in this country imported about 100,000 tons, or roughly 20%, from Russia.

Lastly, in a very brief paragraph, we will direct the reader's attention to the moral obligation under which we lie to the rest of our European Allies. Those of our friends from Allied countries who have visited this country, and are well acquainted with the economic conditions prevailing here, are sensible of the sacrifices we have made in the common cause, and have expressed themselves to that effect. It cannot be denied, however, that there is a feeling amongst those who have not been in a sufficiently favourable position to acquaint themselves with existing facts that we are not fully appreciative of the real measure of suffering which is existing in many of the Allied countries. If it were practicable to obtain sufficient supplies for the feeding and restocking of the various Allied countries, we should be only too anxious to do so. In fact, it is neither possible from our point of view, nor for the real economic interests of the various Allied countries. Supplies in a consumable form do not exist to the extent required in other parts of the world, neither is there adequate freight to bring such supplies, and in the nature of the case there could not be. Lastly, the cost of such an enterprise, even if it were in any sense practicable, would be absolutely prohibitive. As said above, Europe to a very large extent must depend upon herself as a source of supply for food. A few countries situated as our own, which exports immense quantities of manufactured goods, can rely upon outside sources of supply for food and articles of primary necessity. But this is not possible for countries a large part of whose industrial activity is itself directed to the supplying of those very articles. Nevertheless, recognising the moral obligations which we owe to those who were so lately associated with us in arms against a common foe, it is our duty to do what in us lies to assist the one country in Europe which is capable, if properly directed, of producing sufficient supplies of food and raw materials.

LABOUR IN AFRICA.

CASE FOR RECONSIDERATION.

A very important debate took place in the House of Lords on Wednesday of last week on the question of the labour policy to be pursued by the Government in our various possessions in the tropical portion of East Africa. The debate, which was hardly ill-doing, covered various aspects of the question, and to a large extent entered into the economic conditions prevailing in our older possessions in Central Africa and in the newer territory recently taken over by Great Britain as a result of the recent War.

Lord Islington opened the debate by asking the Secretary of State for the Colonies what was the policy of the Government in regard to the political and status of natives of India in British East Africa and in other British Possessions in those regions. The speaker pointed out that, although British Indians in this territory outnumbered the European population by four to one and carried on more than three-quarters of the trade, they suffered disabilities and inequalities as compared with the European community. Lord Islington drew particular attention to a circular which has recently been issued in the Colony dealing with the question of forced labour largely as it affects the native-born population.

Lord Milner, the Secretary of State for the Colonies, replied for the Government. His speech was guarded to a degree, and we do not think it can be regarded as satisfactory from whatever point of view we approach the question. Lord Milner, while not promising that the circular dealing with forced labour in those territories should be wholly withdrawn, stated that it was in fact being re-considered. Lord Milner prefaced his remarks by stating that the native-born population formed by far the majority of the people of the various Protectorates now being formed into Colonies. He urged that their real welfare was the constant consideration of Government. He pointed out the extreme difficulty with which the Colonial authorities were faced in their endeavours to train a population habituated from time immemorial to slave-raiding and internecine war to habits of ordered industry. The aim of the Colonial authorities is to prepare these people for the steady prosecution of industrial pursuits mainly of an agricultural character. Lord Milner said, quite truly, that they have never in historical times been used to habits of industry, and urged in extenuation of the policy adopted, the difficulties with which the local authorities were faced if the natives were to be trained in industrial habits. The facts stated in such a purely official reply are, of course, true as far as they go. The objection to such an answer is that the methods proposed to be adopted are inconsistent with home policy, and, consequently, inconsistent with the policy which should receive a Government deriving its authority from the British Constitution. Moreover, it is an impracticable policy with our form of Government. One of the great difficulties with which peoples and Governments are faced in our time is that they do not appear to know what they really want. For various reasons a certain policy is adopted. Finding that in practice such a policy is difficult to work they endeavour to suspend its provisions whenever it may suit their convenience. Such a course of vacillation can only lead to embarrassment for those who pursue it. In the conglomeration of races and creeds which constitutes what we call the British Empire it is particularly dangerous.

We will deal first with the aspect of the question from the native point of view as we see it, and in a concluding paragraph discuss the larger question of native races, especially with regard to India, within the British Empire. Lord Milner said in his speech that it was [illegible] natives of the provinces of Equatorial Africa under British rule in orderly habits of industry. That is to say, we propose to [illegible] respects from ourselves in the way that we think they should go. A large part of those territories with which the Statement of [illegible] the British Empire as a result of the recent War. It [illegible] the masters of this country, treated the natives with cruelty. With that aspect of the question we are not concerned at present. Assuming, and it is a big assumption, that we are justified in training the natives according to our notions of the way they should go, the point at issue is: Are we, or are we not, following the traditions of British policy? Moreover, are we, or are we not, interpreting that policy in accordance with home traditions? These new Colonies have in the last resort to be ruled, governed, and defended under the authority of the home Government. It clearly follows that our rulers only court disaster unless they frame their policy in accordance with home traditions. England, as the result of experience, has adopted a definite line of policy, and unless she observes that line of policy for the whole of the Dependencies subject to her rule her Government will encounter difficulties at home and discontent in those Dependencies. As Lord Milner truly pointed out, our first care should be the native-born subjects in Africa of the British Crown. The natives of Africa are distinct in race from ourselves, and have traditions totally different from those in which we were brought up. It cannot reasonably be expected that they will be readily taught to appreciate our point of view. If we were content to go there merely as conquerors we might, for a time at least, impose our will upon the subject races as other conquerors have done before us. Experience and the traditions of British policy have proved over and over again that such a policy is impossible under our Constitution. We should endeavour, and endeavour only by degrees, to train the native, if train him we must, with as much regard as possible to native traditions and native habits.

The aim of the British Government should be, as far as possible, to put itself in the position of guardians of the native races as distinct from masters of a subject people. The natives are far from being as barbarous as the Colonial Secretary appears from his remarks to think them. The ability of the African native to adapt himself to the conditions of, and to develop, a great industry has been proved on the other side of the African continent, as the success of the cocoa plantations on the Gold Coast amply demonstrates. It is perfectly true that the natives on the East Coast have not yet got accustomed to a Government capable of maintaining order for any long period, but they, on their side, are capable of being taught. They should receive every encouragement to develop the resources of their native land by being secured in the enjoyment of the fruits of their industry. The native [illegible] vicious. In the recent past East Africa has been so disturbed by slave raiding and constant war that the native had no inducement to devote himself to any regular occupation. There will, of course, whatever is done, be idle and vicious people in the Eastern [illegible] the resources of their country, and the men [illegible] will gradually teach the rest [illegible] as said above, [illegible] countries. Until, however, we have discovered the [illegible]

cannot fairly expect to eliminate it in the Central Provinces of Equatorial Africa.

If anything in the nature of forced labour is unsatisfactory in its relations to the African natives, equally unsatisfactory is the position of our Indian fellow-subjects settled in those regions. The Colonial Secretary failed to deal with this important aspect of the question in a manner at all likely to satisfy the criticism of the policy he was attempting to defend. Now the position of our coloured fellow-subjects throughout the British Empire is an exceedingly unsatisfactory one, and if it is continued it cannot fail to lead to very serious consequences in the future. Although it is perfectly true, in a sense, to say that inasmuch as the centre of the Empire is white, therefore the British Empire is composed of the Caucasian race, it would be true in another sense to say that the British Empire is composed mainly of coloured people. More than 75% of the total population of the British Empire at the present time do not belong to the Caucasian race. They differ completely in race, in religion, in tradition, and in custom from the peoples of the dominant Power. If we were inflated merely with race pride we might for a time dictate our policy to the subject races, but the whole policy of the British Government during the past 100 years is absolutely alien to such a narrow conception of rulership. If it were not so we do not hesitate to say that there would be no real hope of the maintenance of the British Empire as a composite whole for any considerable period of time. Unfortunately, certain of our Colonies do, in fact, refuse to admit our Indian fellow-subjects on the same terms as their own nationals or other members of the white race. Clearly, the policy of such an Empire as ours should be the recognition that all subjects of the Crown, provided they comply with recognised custom, should be received as citizens in any part of the Empire. It happens that in the tropical regions there are very few white settlers. Consequently, the Government has a remarkably favourable opportunity for demonstrating its impartiality in the admission of the various peoples of the Empire upon the same terms as other citizens of the Empire. It is not reasonable to expect that over 300,000,000 of our fellow-subjects should be permanently satisfied to remain part of an Empire over a large extent of which their nationals are not received as ordinary citizens of that Empire.

ECONOMIC POSITION ON THE CONTINENT.

(From our Special Commissioner.)

Under-production on the Continent has led to an acute shortage of essential supplies, the effect of which has been emphasised by greatly increased consumption in many directions. Not only does the demand for food and essential commodities exceed the supply, but everywhere luxury goods obtain a surprisingly ready sale. Fear of increased burdens of taxation has led in many instances to a reckless dissipation of income, and even of capital, and the difficulty of the situation is increased by heavily depreciated exchanges. The fact that most foreign currencies are at a discount in all countries with any pretension to financial stability is in itself a deterrent to the granting of commercial credits to States now economically prostrate, especially as the sponsors of such advances can obtain no really effective guarantee that an earnest endeavour will be made to set in order the internal finances of the countries so favoured. The cancellation or funding of floating debts, the reduction of recurrent national expenditure within the limits of national income, the contraction in the amount of uncovered paper and the curtailment of private as well as public extravagance are necessary in any comprehensive movement of reform. These, however, may seem counsels of perfection, inapplicable to the concrete difficulties of the moment, but the road to financial salvation after the orgy of spending in the last five and a-half years must perforce be steep and narrow. No short cuts may be taken. Increased taxation is needed to provide money for the funding of short-term obligations, the limitation of note circulation, and the deflation of credit and currency. The steps taken in the United States by active co-operation between the Government and the Federal Reserve Banks furnish an example of the proper course of action to be pursued. Conditions on the Continent are at the present time much more abnormal than across the Atlantic, but as the diseases are deeper seated the remedies must accordingly be the more heroic.

It has previously been insisted in these articles that the reconstruction of the devastated areas is a matter of vital importance to the economic regeneration of Europe. The case of France in particular deserves the most sympathetic consideration, especially from Allied statesmen and financiers; but France stands not alone as a sufferer. A heavy toll has been taken of the national assets of Italy and Belgium. According to official estimates the total amount which Italy may claim as war indemnity, under the terms of the Versailles Treaty, is 66,600 million lire, a sum that includes, besides other items, war pensions and reparation for war damages. Belgian losses cannot be put at less than 12% of its pre-War wealth. The sufferings of Serbia and Rumania have not yet been the subject of accurate statistical calculations, but the total damage is considerable. It is to be hoped that some means will speedily be found whereby part of the capital sum required to repair these multifarious losses may be raised by market loans in anticipation of payments under the revised terms of the Treaty.

Optimistic forecasts as to a favourable issue of the Spa negotiations may have had much to do with recent improvements in Continental currencies, but the movement has been too general to ascribe it wholly to a single psychological consideration. It must be emphasised that the outlook in France, Belgium, and Italy has been appreciably brightened not only by Governmental recognition of the necessity of combining taxation with retrenchment, but by willingness on the part of the citizens to resume their pre-War habits of industry. Increase in exports and the stoppage of unnecessary imports have brought about a more favourable balance of trade, thereby helping the upward movement of the currencies. To some extent the change is due to the introduction of certain new factors that have influenced the position for the better. The United States, and several of the more favourably circumstanced countries abroad, have taken advantage of high quotations for their own currency to purchase interests in various industrial and commercial undertakings in Central and Eastern Europe. Substantial capital advances have been made to banks and financial houses in need of fresh money to meet the demands of an expanding trade. While the movement is symptomatic of the increased confidence necessary to a large-scale resumption of business, the possibility of complications arising from the interlocking of interests in different countries cannot be overlooked. The future is full of uncertainty, even in the most law-abiding and well-settled nations, and the assumption of economic responsibility in areas where a confused welter of racial and national aspirations still remains to be harmonised, will, perhaps, prove a not unmixed advantage. Stability is to some extent undermined by association with countries where so many conflicting elements still threaten internal peace and tend to cause embroilment with foreign neighbours.

The political and economic orientation of new States is a matter on which the future alone can throw light, but the reckless multiplication of tariff barriers and trade restrictions by these fresh entrants into the

circle of nations show an unwisdom that is perhaps pardonable in view of the abnormal conditions under which they saw the light. It will be the task of their elder *confrères* in the European polity to readjust the economic mechanism at present out of gear, and by precept and example to encourage the newcomers along the road of peaceful development. Financial help must be given where required, if at the same time ample assurance is provided that it will be turned to good account. For such aid the eyes of those abroad are turned to Great Britain and the United States, and though the British and American need of money for national purposes is great, it must be remembered that the restoration of the European mainland is necessary to ensure the permanence of the present economic order. The wise man insures against the future, and the insurance premium in this case will prove to be worth paying.

THE CANAL ZONE.

A GREAT CONTRAST.

Seated not long ago at a dinner table in London, the present writer had the advantage of meeting a lady who had just come from New Zealand through the Panama Canal. She had made her first trip through the Canal since it was opened in 1915. She expressed great surprise at the beauty of the scenery through which she had travelled during the 50 miles passage of the Canal. It was by no means her first visit to Europe, and she was struck by the contrast of the scenery in the Panama Canal with that she had witnessed when going through the 100-mile passage of the Suez Canal. What seemed to strike her most forcibly was that, except at the wharves and the entrances and exits of the locks, there was luxuriant green vegetation which came down to the water's edge. She had expected to run through a waterway with barren banks on either side. The reality witnessed was striking, impressive, and very attractive. Ladies cannot be expected to study the meteorological conditions of the various countries which they visit. But the distinction which exists between the conditions prevailing at Panama and at Suez may be expected to have in the near future a very considerable influence, greatly to the advantage of Panama. The very difficulties which were encountered from the outset in the construction of the Canal at Panama should all tell in favour of the area now that the Canal is completed and that we know the causes from which those difficulties originated. The problems which confronted those who attempted the construction of the two canals were totally different, and the conditions prevailing made the building of the Suez Canal a comparatively easy proposition with the knowledge then existing, and militated against the practicability of constructing the Canal at Panama with the then existing knowledge. It was not until the real causes of yellow fever and malaria were properly appreciated and the methods whereby they could be eliminated were demonstrated and practically applied that it was possible to construct the Panama Canal at all. Now that we are in possession of the knowledge of the causes of those diseases it has become evident that tropical disease is a question which can be dealt with, and readily dealt with, by the practice of certain well-recognised methods of sanitation. In an exceedingly interesting book just published on cocoa planting in different parts of the world, to which we refer fully elsewhere, the author quotes a recent saying of the Governor of the Gold Coast that the deadly climate of that region has proved to be purely a myth. The reputation of that

dissipated. And with our present knowledge and [illegible] why the white man or the coloured man should not work and thrive, as the success of the cocoa plantations is now amply demonstrating, as well on that coast as in any other part of the world. Equally true is [illegible] culture should not be developed over immense areas contiguous to the Panama Canal. The actual Zone itself, which extends merely for five miles inland north and south of the Canal, will in all reasonable probability be devoted to what we may call for convenience industrial enterprises. The latest issue of the Canal *Record* to hand gives a long account of the sales of liquid fuel to ships passing through the Canal. At the present time, says the *Record*, the sales are [illegible] gallons each per month, of which the greater part is sold at Cristobal. Diesel oil and gasoline are also offered for sale [illegible] Repair works and stores of the various supplies of different kinds for vessels in transit through the Canal exist, and as the number of ships passing through the Canal increases it will become increasingly necessary for a larger area to be devoted to various kinds of storage, providing ships with coal, oil fuel, as above quoted, and various necessities, including, of course, ships' stores. Consequently, it is probable that the greater part of the Canal Zone will be very much in the nature of a series of towns with their suburbs. Even such rural districts, if we may call them so, as will probably remain will be more or less devoted to places of residence for people doing business in the various towns which may be expected to grow up, including, of course, the comparatively large cities which already exist, as well as the homes of the officials actually connected with the administration of the Zone and the working of the Canal itself.

For the benefit of those readers who are very slightly acquainted with the conditions which prevail either at Panama or Suez we will briefly describe the area of the Suez Canal, and then conclude with a description in somewhat fuller detail of the conditions which prevail at Panama, and which, as far as human foresight can look into the future, point to the growth of an immense industrial and agricultural area, stretching for very great distances beyond the Canal Zone into the Panama Republic on the southern side, and far into Central America on the northern side. The reason why the late Ferdinand de Lesseps found it practicable to construct his waterway at Suez and found the enterprise at Panama so heart-breaking was that he encountered totally different conditions. It is very easy for anyone with a pen in his hand, sitting in an armchair, to criticise the mistakes of a really great man like Ferdinand de Lesseps; but, unfortunately, he did make [illegible] He entered upon his scheme of cutting a waterway through the Isthmus of Darien well knowing that there was an unexplainable factor against him, the importance and magnitude of which neither the science nor the knowledge of the time was competent to deal with. That unknown factor was the existence of malaria and yellow fever apparently endemic in the Isthmus, the causes of which were absolutely unknown, and the treatment of which had proved almost uniformly ineffective. Yellow fever and malaria were in de Lesseps' time regarded as incurable tropical diseases, due to climate, and medical science of the day was as helpless [illegible] cancer at the present time. Consequently, de Lesseps' [illegible] piercing the Isthmus of Darien is that they did not undertake the enterprise until the means of ascertain-

ing what the factor was, and how it could be dealt with with success, had been acquired. At Suez, on the contrary, Ferdinand de Lesseps' brilliant achievement in the piercing of the Suez Canal was comparatively simple because he was in a position to appreciate all the factors which he would have to deal with in the course of his enterprise. The area through which the Canal was cut has been known to civilised man for many thousands of years. We can trace civilisation in that area back for seven or eight thousand years. And it may, for anything that we know to the contrary, go back much farther. Anyhow, there is the experience of thousands of years to go upon. The conditions which prevailed, and still prevail, were as well known when the Suez Canal was projected as they are to-day. The Canal area is a sandy desert. Consequently, there are no swamps; rain never falls into any water-butt; stagnant water could not accumulate in household receptacles, partly because in those days there were no households, but equally because the atmosphere is so dry that no water would remain long enough to admit of the breeding of the mosquito, which, as we know, is the cause, and the sole cause, of both yellow fever and malaria. Consequently, the problem which de Lesseps had to solve was, Had he the engineering knowledge which would enable him to cut a canal through the Suez district? As the event proved, he had a just confidence in his ability to achieve the object at which he aimed. In Panama, as we have already said, he was aware that he was facing a factor which neither he nor anybody else in his time knew how to deal with.

Now it must not be assumed that because the Canal Zone, which, as we have said, is only in area five miles to the north and five miles to the south of the Canal, has been made perfectly sanitary and quite healthy and the death-rate reduced about to the level of that which prevails in a Lancashire cotton town, that the whole of the tropical area adjoining the Canal is already healthy. All that has yet been achieved is that we have the knowledge which will enable us to deal with yellow fever and malaria, provided that there is some constituted body—Government, company, or some other authority—which is able and willing to incur the necessary expense and to draw up certain by-laws and enforce them. Now, in London at the present time, any householder who would have an open sewer in the vicinity of his premises, or what the lawyers call his hereditaments, would quickly find himself in very serious conflict with the local authorities. In those parts of the tropics which have already been made sanitary, any householder who has stagnant water on any part of his lands, or about his house, premises, or buildings, or even a small receptacle into which rain has fallen and has been allowed to remain more than 24 hours, is liable to summary fine or imprisonment at the hands of the constituted authority. This is the case at Georgetown, in British Guiana, and it is also the case in the principal cities of Brazil—notably in Rio, Santos, and Para. The local authorities, moreover, in extreme cases take power whereby they can compel the householder who, from neglect of removing stagnant water from his premises, has actually permitted a case of yellow fever or malaria to develop, to evacuate those premises for a varying period—three weeks, six weeks, or as long as two months—if, in the opinion of the authority before whom the case is brought, this should be necessary. And the occupants of such premises must find accommodation, either at an hotel or in any place that may be available, while the sanitary authorities take possession of his premises and take the necessary proceedings for freeing them from malaria or yellow fever. We need not say that in the Panama Canal Zone, which belongs to the United States Government, these restrictions are enforced with even greater rigour than is the case in the cities to which we have already referred. Where there was a large civilian population not under the authority or in the employment of the Government, it would be exceedingly difficult to enforce regulations so strict as those which are drawn up and enforced throughout the whole of the Canal Zone. To a very large extent what we call the Panama Canal Zone is, in a sense—may we say?—a military sentiment. Those who know the area we are speaking of are, of course, aware that the employees are not soldiers. They are employed by the United States Government for the purpose of working the Canal. But if we may be permitted the expression as illustrating our meaning, they will at once appreciate, and no one better than those who have actually stayed at Panama, that the restrictions enforced are exceedingly rigid, and would, of course, be irksome were it not that to the stringency with which these regulations are enforced we owe the health of the population living in the Zone. It is to be hoped that as tropical sanitary science advances it may be possible in some measure to restrict the irksomeness of some of these regulations. On the other hand, the medical officers of the Zone employed by the United States Government may be trusted to enforce these regulations with whatever rigour is necessary until such time as, in their opinion, it would be safe in the interests of the public health to relax them to whatever extent they may deem consistent with safety. Outside the Zone, unfortunately, although certain modified restrictions do exist, they are only enforced to a limited extent, with the result that within a comparatively short distance of the Canal Zone cases both of malaria and of yellow fever do occur. The Canal *Record*, for example, is never tired of issuing instructions to its employees, and of warning residents within its jurisdiction, not to visit certain popular resorts quite close to Colon and Panama. Anyone who does visit those places, on returning to the Zone may be, and in many cases is, subjected to a period of quarantine. We mention this incident not so much for its intrinsic importance, but to show that even close to the Canal Zone the restrictions necessary for ensuring health are not rigorously enforced.

RED AND WHITE WINES OF THE GIRONDE.

[From Our Special Commissioner.]

Bordeaux: July 15, 1920.

The Department of the Gironde formed part of the ancient province of Gascony and Guyenne, and from the time of Rabelais it was known to fame for the excellence of its red and white wines. To many it will come as a surprise to learn that the Graves district, lying around the western half of Bordeaux, was the earliest in the field amongst the communes of the Gironde as a producer of fine wines. Wine brokers were, indeed, known in early days as "Graves brokers," so completely was the district identified with the trade in high-grade wine. In the eighteenth century the Médoc began to come into prominence, and to-day, thanks to the wines from this district, as well as from Graves, Sauternes, and St. Emilion, the Gironde produces more first-class red and white wines than any other Department in France. In respect of total output it ranks second to Hérault and Aude. These two Departments, fronting the Mediterranean and once comprised in the old division of Languedoc, are almost wholly given over to vine cultivation. Each year the production of Hérault is on the average equivalent to one-fourth of the total French wine crop. The fertility of the vineyards of these southerly Departments is

proverbial, and is due to a suitable terrain and a warm sunny climate, both of which favour a maximum yield of grape and juice. In 1918 Hérault was the most productive of the French wine-growing districts, yielding 560 gallons to the acre, and Aude was second with 348 gallons. Partly on account of the attention to quantity, quality is neglected, and practically all the wines made are sold for local or home consumption. In the Gironde, where the production per acre in 1917-18 was 295 gallons, quality is the prime consideration, and the care devoted to vine culture has been more than repaid by the building up of an enormous and profitable export trade. Its red wines, the famous clarets of the Médoc, loom largest in the public eye to-day, but its white wines are, in the opinion of connoisseurs, of equal distinction. Both have been the subject of a scientific classification which has stood the test of time and may be reproduced here:—

Classification of the Fine Red and White Wines of the Gironde.

MÉDOC.

Red Wines.

Name of Château	Commune of Origin
PREMIERS CRUS.	
Lafite	Pauillac.
Margaux	Margaux.
Latour	Pauillac.
Haut-Brion	Pessac.
DEUXIÈMES CRUS.	
Mouton-Rothschild	Pauillac.
Rauzan-Ségla	Margaux.
Rauzan-Gassies	Margaux.
Leoville-Lascases	St. Julien.
Leoville-Poyferre	..
Leoville-Barton	..
Durfort-Vivens	Margaux.
Lascombes	Margaux.
Gruaud-Larose-Sarget	St. Julien.
Grand-Larose-Sarget	St. Julien.
Grand-Puy-Lacoste	Pauillac.
Pichon-Longueville	Pauillac.
Pichon-Lalande	Pauillac.
Ducru-Beaucaillou	St. Julien.
Cos-d'Estournel	St. Estèphe.
Montrose	St. Estèphe.
TROISIÈMES CRUS.	
Kirwan	Cantenac.
d'Issan	Cantenac.
La Lagune	St. Julien.
Cos-d'Estournel	St. Julien.
Calon	Labarde.
Brown-Cantenac	Cantenac.
Malescot-St.-Exupery	Margaux.
Palmer	Margaux.
La Lagune	Ludon.
Desmirail	Margaux.
Cos-d'Estournel	St. Estèphe.
Ferrière	Margaux.
Marquis-d'Alesme Becker	Margaux.
QUATRIÈMES CRUS.	
St.-Pierre-Bontemps	St. Julien.
Ste.-Pierre-Sevaistre	..
Branaire-Ducru	..
Talbot	..
Duhart-Milon	Pauillac.
Pouget	Cantenac.
La Tour-Carnet	St. Laurent.
Rauzan	St. Laurent.

Name of Château	Commune of Origin
QUATRIÈMES CRUS (cont.)	
Beychevelle	St. Julien.
Le Prieuré	Cantenac.
Marquis-de-Terme	Margaux.
CINQUIÈMES CRUS.	
Pontet-Canet	Pauillac.
Batailley	..
Grand-Puy-Lacoste	..
Grand-Puy-Ducasse	..
Lynch-Bages	..
Lynch-Moussas	..
Dauzac	Labarde.
Mouton-d'Armailhacq	Pauillac.
Le Tertre	Arsac.
Haut-Bages	Pauillac.
Pedesclaux	..
Belgrave	St. Laurent.
Camensac	..
Cos-Labory	St. Estèphe.
Clerc-Milon	Pauillac.
Croizet-Bages	..
Cantemerle	Macau.

White Wines.

GRAND PREMIER CRU.

Château Yquem.

PREMIERS CRUS.

Château La Tour Blanche.
.. Peyraguey.
.. Vigneau.
.. de Suduiraut.
.. Coutet.
.. Climens.
.. Guiraud.
.. Rieussec.
.. Rayne-Vigneau.

DEUXIÈMES CRUS.

Château Myrat.
.. Doisy.
.. d'Arche.
.. Pexoutto.
.. Filhot.
.. Caillou.
.. Carbonnieux.
.. Suau.
.. de Myrat-Lur-Saluces.
.. Rioucr.
.. Lamothe.

The subdivision has been carried furthest in the case of the Médoc, but increased interest is at the present time centred in the United Kingdom on French white wines. Owing to the War, those accustomed to drink Hocks and Moselles substituted white wines from the Bordeaux area, and the substitution is likely to be permanent, as the latter are medicinally superior, and at the same time more agreeable to the palate. All the "crûs" or best growths of white wine come from Sauternes and from Barsac, with the Château Yquem occupying a position of outstanding importance, being classed even before the "premiers crûs." The processes employed in the making of white wine are different from those followed in the Médoc. The white grapes of Sauternes and Barsac are picked only when they have passed the stage of ripeness and are verging into decay, being covered with a slight layer of "pourriture." On this account the vintage is usually later than in other districts, and is accordingly subject to slightly more risks.

The list given above does not exhaust all the Grands Vins Rouges of the Gironde. It refers only to the Médoc, but outside that district many excellent red wines are made. Some may quarrel at the inclusion of Château-Haut-Brion in the table, since this château is situated in the Graves district, but for trade purposes such inclusion is undoubtedly convenient. "Les Graves" extend along the left bank of the Garonne from the southern border of the Médoc, below Bordeaux, to the northern border of Sauternes. It is remarkable that these three districts, the excellence of whose vinous output is beyond praise, are situated on the left bank of the Garonne and the Gironde, as the river is called after its junction with the Dordogne. It is difficult to attribute the quality of the best growths to any particular cause or group of causes, but the humidity along the river banks is undoubtedly a factor of importance. The nature of the soil has also to be considered, and it can easily be seen how favourable to vine bearing. The vine-slips used throughout the Gironde are all more or less of the same kind, embracing four principal varieties; yet these vines produce in the different districts wines as far apart, as regards appearance and flavour, as full-bodied clarets and fine, luscious Sauternes.

On the right bank of the Garonne, in the region lying between it and the Dordogne, and known by the appropriate name of Entre-deux-Mers, a large vintage of red and white wine is annually gathered. It is of an ordinary character, except in the district of Ste. Croix du Monde, or Loupiac, which turns out white wines that are almost as luscious, though not nearly so fine, as those of the left bank. Further north again, on the right bank of the Dordogne, are the important districts of St. Emilion and Pomerol. In contrast with the Médoc and Graves, the ground is here sharply broken, and the vines planted on the steep hillsides give the whole area a picturesque appearance. Red wines, well known in the trade, are principally made, and though these belong to the order of clarets, they are altogether different from the produce of the Médoc, having a tinge of bitterness in the flavour peculiarly their own. It is, no doubt, for this reason they have been called "les Bourgognes de la Gironde," but the accuracy of the description is somewhat questionable.

Outside the specially-drawn classifications of Médoc and white wines, which have been set forth, the wines of Graves, Pomerol, and St. Emilion have also been classified. The arrangement is not so rigid or scientific, being made originally to facilitate dealings between growers and merchants. The order of merit of the châteaux of the three districts is of

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interest, and the accepted basis of division is as follows:—

Principal Grands Crûs.

GRAVES.

Château Haut-Bailly.	Château Pape Clement.
,, Smith-Haut-Lafitte.	,, Haut-Brion-Larrivet.
,, La Mission-Haut-Brion.	,, Carbonnieux.

POMEROL.

Château l'Evangile.	Château Trotanoy.
,, Certan.	,, Le Gay.
,, La Conseillante.	,, Lacabanne.
,, Pétrus.	,, Gazin.
,, Latleur.	,, Beauregard.

SAINT-EMILION.

Haut Saint-Emilion.	Château Ausone.	Château Pavie.
	,, Bel-Air.	,, St.-Georges-Pavie.
	,, La Magdeleine.	,, Mondot-Troplong.
	,, Beausejour.	,, Couret.
	,, Canon.	,, Le Cadet-Piola.
	,, Le Tertre-Daugay	,, Pompdeaude.
	,, Les Fourtet.	,, Soutard.
Graves Saint-Emilion.	Château Cheval-Blanc.	Château Ripeau.
	,, Figeac.	,, Laroze.
	,, La Dominique.	,, Figeac-Lamarzelle.
	,, La Tour-Figeac.	,, Corbin.

VINTAGE PROSPECTS AROUND BORDEAUX.

(From Our Special Commissioner.)

Bordeaux: July 15, 1920.

Up to the middle of June hopes were entertained of a record crop in the Bordeaux district, but a change of weather has suddenly interfered with prospects. Rain has fallen somewhat abundantly, and there has been an appreciable decline in temperature, both circumstances combining to produce mildew and œdemis, the dreaded enemies of the vine-grower. *La coulure* supervened because of the cold at the end of the period of efflorescence, and to some extent the fruit dropped off the branches owing to the depredations of parasites. The second attack from fly is in course of being delivered. There are usually three distinct attacks during the year, and, while the first was safely passed, the second threatens to have more serious consequences. The damage done on the whole, though appreciable, is not so extensive as might be expected, and, given warmth and sunshine, a harvest above the average might even still be looked for The weather was very favourable for flowering. This is a distinct advantage, but a saying of the vignerons that the month of August makes or mars the wine shows that such a beneficial start may be nullified. Until the close of August the character of the vintage cannot be forecast with certainty. Grape-gathering usually commences in September, and the probable date of its opening has been put back some weeks by the recent rain and cold. Any future excess of rain will make the yield thin, crude, and watery. Mildew and similar diseases will not appreciably affect the quality as yielded by picked grapes, but will materially reduce the quantity. After the vintage, it might be explained, the wine is put into casks, but the lie, or deposit, which quickly forms must be removed. For this purpose the liquor is drawn off into a fresh cask. On the slightest sign of discoloration, or when the wine ceases to be absolutely clear, the transference ceases. Evaporation also occurs through the wood of the container, and air takes the place of the wine so lost. The presence of oxygen tends to convert the wine into vinegar, and this is an additional reason for changing casks. These changes are usually made every three months for the first year, and afterwards twice a year until the wine is sold.

The area under vines in the Gironde this year is probably 341,000 acres, an increase on previous figures, as growers have been tempted by high prices to extend their vineyards where possible. In view, however, of the fact that new vines are not in full bearing for some years after planting, or grafting, the effect of this increase in area will not be immediately felt.

Stocks in the hands of Bordeaux merchants and in the vineyards up country are so limited that a rich harvest is exceptionally desirable. During the War the consumption of wine in France reached unexampled heights because of the enormous requirements of French and Allied troops. Production fell, and the deficit had to be made up by the use of existing stocks and by importation. At the same time, despite the cutting off of many markets, the demand abroad maintained much of its old vigour. As an example, purchases for the United Kingdom had not been so brisk for 50 years as they were in 1916, 1917, and 1918. The cumulative effect of these demands was such that in 1919 the last line of reserve, the 1917 vintage, was being shipped. The shipment of the 1918 vintage has already started, though some houses are holding it over till next spring, when it will be in better condition. Before the War on the various estates one could easily taste at least the three previous vintages; but now, in the majority of cases, nothing prior to 1919 can be sampled, proving that no older wines are left unsold at the châteaux. Approximately one-half even of the last harvest is said to be disposed of, and to meet the demands that will arise on the reopening of the wine market in September, after the holiday season, supplies will be comparatively slender. For this reason we may anticipate that prices will go higher than they are at present.

Bordeaux wines are, for the most part, not sold for at least one year after the vintage, and they are generally not shipped before two years. Belgium has always been a considerable consumer of Bordeaux products, and the restocking of Belgian cellars depleted by the War is now creating a considerable demand. The disappearance of the United States market has not, up to the present, caused any anxiety, as inquiries from other sources are so brisk, but the loss of the German market, which was the most extensive of all before the War, is of more material consequence. For the period 1905 to 1913 the principal foreign markets for Bordeaux wines, and the quantities in cask and in bottle purchased by them, were as follows:—

Exports of Bordeaux Wine from France.

Destination	—Average, 1905-1913— In Cask *Thousands of Gallons*	In Bottles *Thousands of Gallons*
Germany	39,630	1,083
Belgium	21,136	660
United Kingdom	20,343	2,377
Holland	15,587	343
Argentina	15,323	158
Denmark	4,755	—
Mexico[1]	3,698	739
United States	1,373	1,215
Russia	2,166	158
Algeria	—	105
Indo-China	5,812	184
Senegal	3,698	237

The amount of old wine with growers and with the trade being small, the chances of a diminution in price are remote, and the best opinion expects a rise on the general resumption of business later in the year. "Petits vins" will, however, probably decline, and have in fact declined to some extent already. The French consumer has so far not felt the benefit, since increased taxation has kept the price at the old level. Outside the crûs, or chief growths of wine, the following qualities in the descending order of merit are generally recognised: vins bourgeois, vins d'artisan, and vins paysans; but except for the first named these have no interest for the foreign market, and accordingly such decrease in quotations as may occur in subsequent months in the Bordeaux market will not, in the ordinary course, be materially felt abroad.

The United Kingdom, though largely instrumental in developing wine production in the Gironde, continues to be more of a port- than a claret-drinking country. The clearances of French wine for British consumption in the first five months of the current year showed, however, a substantial increase on 1918, whereas the corresponding figure for port declined. The various countries contributing to this consumption are set out in the annexed table, taken from the official returns,

the 1913 figures being added for purposes of comparison:—

Wines Cleared for Consumption in the United Kingdom.

Wine in Cask and Bottle	Five Months ended May 31		
	1913	1919	1920
	Gallons	Gallons	Gallons
From Germany	3,449,826	240	51,818
,, Netherlands	24,410	89	1,932
,, France	1,246,998	2,089,755	2,434,490
,, Portugal	1,309,878	4,779,449	2,176,750
,, Madeira	9,264	104,883	49,994
,, Spain (Red)	763,295	416,311	1,072,512
,, Spain (White)	483,689	491,560	673,606
,, Italy	122,910	378,199	161,142
,, Other Foreign Countries	99,742	[illegible]	195,713
Total Foreign Countries	4,288,956	8,323,571	7,817,957
From Australia	23,852	14,911	114,495
,, Other British Possessions	113,132	[illegible]	[illegible]
Total, British Possessions	[illegible]	149,789	144,650
Grand Total	4,425,940	8,473,360	7,962,607

Since the end of May the question of duty on spirits and the difficulties over the *ad valorem* tariff have brought about a feeling of dullness in the English market, which has had its repercussion in Bordeaux. A resumption of demand is, however, anticipated in autumn, and in the meantime attention is daily fixed on the weather and on the reports from vine-growing districts. If a favourable harvest were assured a general quickening of business might speedily be looked for, and vignerons, merchants, and consumers are accordingly at one in their desire for an abundant vintage.

EAST INDIAN COTTON.

(From a Special Correspondent.)

Bombay, June 17, 1920.

So far as East Indian cotton is concerned the present season has been notably one of big figures.

When the season opened the total stock in Bombay was unusually large, amounting to just over one million bales. The subsequent arrivals during the first nine months of the season (September 1, 1919, to May 31, 1920) have been with one exception the heaviest on record, reaching a total of 2,917,942 bales, as compared with 1,965,962 bales and 1,754,393 bales in the two previous seasons. During the same period, however, the export figures have been equally remarkable, and are as follows:—

	Season 1919-20 Bales	Season 1918-19 Bales	Increase Bales
Europe	460,159	125,283	334,876
China	103,690	15,866	87,824
Japan	1,337,044	608,935	728,109
Coast Ports	14,312	5,561	8,751
Total	1,915,205	755,645	1,159,560

The shipments for the remaining three months of the season are likely to be on a smaller scale, as owing to the financial crisis in Japan our largest buyer will be entirely out of the market for a very considerable time.

Present indications point to a total export from Bombay amounting to about 2,400,000 bales, while we estimate the total arrivals as follows:—

	Bales
Oomras	1,850,000
Dholleraha	250,000
Bengal styles	675,000
Broach	275,000
Southern styles	375,000
Other sorts	25,000
	3,450,000

Presuming these figures to be correct, the total stock of cotton in Bombay (sold and unsold, and including mill stocks) is likely to be just one million bales.

	Bales	Bales
Stock on August 31, 1919	1,050,000	
Arrivals, season 1919-20	3,450,000	
		4,500,000
Exports, season 1919-20	2,400,000	
Bombay mill consumption	960,000	
Sent up-country by rail	150,000	
		3,510,000
Stock on August 31, 1920		1,000,000

It is obvious, therefore, that we shall for the second consecutive year carry over a large balance into the new season, but while a year ago our stock included a considerable proportion of dirty [illegible] this year carry forward a [illegible] stock. All over the world the principal demand has been for the better qualities, while both in America and in India the quality of the crops has been lower than usual.

Coming to the question of price, East Indian cotton to-day is probably the cheapest in the world. Since May 1 the value of the rupee has dropped from 2*s.* 3*d.* to 1*s.* 9*d.* This decline has enabled the shipper in India to reduce his prices for Europe by fully 20%, while the American shipper has only benefited by exchange to the extent of [illegible]. As prices of actual cotton both here and in America are just about where they were on May 1, our prices from a shipment point of view now look absurdly cheap. Europe, however, is not yet in a position to buy freely, and although there has been an equally big improvement in the exchange between India and Japan, that country must continue to be entirely out of action for a long time to come. All that can be said, therefore, is that in spite of our large stock prices here have reached a level from which a further appreciable decline seems extremely unlikely under the prevailing world conditions.

The Future.—The whole outlook seems to be summed up in the one word—weather. The American crop has had a very bad start, and any further unfavourable weather in the States must result in an increased off-take here with a resultant higher level of prices. Still more important is the Indian monsoon. The South-West monsoon has already arrived, but these are still early days for the prophets. So far, however, the current looks rather weaker than usual, and up to date the only outstanding feature has been the failure of the rains to penetrate inland. There has been a normal precipitation on the Coast, while Kathiawar and Gujerat have been well served by a local storm of considerable intensity. Apart from this the country has so far "gone dry." Moderate rains fell here about 10 days ago, but we have again almost clear skies. Some anxiety is being felt regarding the situation in the Oomra districts, where farming operations are already delayed by the absence of rain. Should rain not fall there for another week or ten days it is likely that the acreage under cotton will suffer a more or less considerable reduction. Moreover, a late start in those districts usually militates against a good outturn. An appreciation of these facts is already being reflected in the price of the Oomra contract here, which has shown an unwonted strength during the past two days.

THE DEVELOPMENT OF THE IRISH SEA FISHERIES.

In common with the sea fisheries of Great Britain the quantity of fish landed on the Irish coast declined steadily between 1913 and 1917. The gratifying figure of 761,000 cwt., valued at approximately £1,000,000, no unwelcome addition to the national income, is, however, recorded for 1918, and this is the highest figure attained since 1912. This is a satisfactory inclination in the right direction, but it must, nevertheless, be remembered that between 1910 and 1917 the Irish landings have, on the whole, been steadily decreasing in quantity. Higher prices for fish, stimulated by a desire to supplement [illegible] rations of animal foodstuffs, [illegible] influences encouraging a [illegible] weight must also be [illegible] big fleets of British, Belgian, and French vessels [illegible] "close season" instituted [illegible] to the testimony of practical fishermen, occasioned a great abundance of fish.

The sea-fishing [illegible] is largely in English and Scottish hands, and the

figures shown below substantially indicate Ireland's position.

Quantity and Value of Wet Fish (Salmon and Shell Fish Excepted) Landed and the Crafts of

	Quantity Cwts.	Value £
England and Wales	1,121,809	7,846,667
Scotland	[illegible],321	3,143,527
Ireland	589,995	238,435
	18,185,126	11,223,629

The [illegible] of the total quantity landed works out at only 3%, and this modest figure appears surprising when we consider that of the 95,628 men and boys employed in the sea fisheries of these islands in 1914 the Irish quota was 17,832, or 19%. The discrepancy is, in part, explained by the fact that 10,646 of the 17,832 were classified as occasionally employed. On the West Coast of Ireland many sections of the population are forced to a joint pursuit of fishing and farming in order to earn a livelihood. Exclusive attention to the former occupation is forbidden by the unprotected nature of the coast and the primitive character of the boats and gear. Rather than improve his fishing equipment—that is, if he were in a position to do so—the individual prefers to invest his money in his holding of land, and is content to wait until the movements of the fish at certain seasons of the year permit the employment of row-boat or canvas canoe with their limited voyaging range. Some of these individuals may not be inclined to abandon this intermittent mode of fishing, but, undoubtedly, there are many fishermen in Ireland who would devote their whole time to that occupation if circumstances were more favourable. Of the 4,717 boats employed in the Irish sea fisheries in 1918 no less than 1,735 were small open boats. Various Government Departments—the Department of Agriculture, the Congested Districts Board, the Board of Public Works—and other agencies are charged with the duty of supplying funds to fishermen for the purchase of more seaworthy vessels, but, though much useful work has been done in this way, the problem is still very far from solution.

The increase in the number of motor-boats from 147 in 1913 to 486 in 1918 is a satisfactory sign of the times, and, in all probability, this expansion is to be assigned primarily to the recent very pronounced desire to invest additional capital in the industry. From those who are in a position to judge we gather that in certain localities there is every prospect of an adequate return of interest on money expended in this manner. Strangely enough, co-operation has made but little progress in the fishing community, notwithstanding the fact that Irish farmers have demonstrated very clearly the value of its results. What is required in the fishing industry is the enterprise to furnish an object-lesson of the successful application of co-operative principles, and we are glad to see that the society established in the Aran Isles is deemed worthy of emulation by other centres. One thing is certain—the task of providing the fine body of seamen available on the Irish coast with motor-boats or steam trawlers will never be accomplished by mere dependence on the doles of Government departments, and it behoves those who are interested in the future expansion of the industry to recognise that fact.

The transit facilities at the disposal of many Irish fishing centres are admittedly inadequate, and the prompt disposal of the catch is a matter of difficulty. This more particularly affects the fresh-fish trade carried on with Great Britain. The British market is the mainstay of the Irish fisherman and absorbed most of the exports of 27,121 tons of fish in 1919. In several well-known fishing centres the railway does not connect with the pier and an expensive system of cartage has to be undertaken. Complaint is also made of the slowness of the railway service, which frequently prevents merchants from reaping the advantages of the high prices ruling in England at a particular moment; and results also in large quantities of fish becoming unfit for human consumption. The remedy should be found in a discussion between the various interested parties. The capital expenditure involved in running the line down to the landing-stage may not be to the taste of the railway company, despite the prospect of augmented traffic receipts; but the institution of a rapid delivery service does not present insuperable obstacles. To escape from this disability recourse has been had to "curing" in some fishing stations. It is regrettable, however, that facilities for undertaking this branch of the industry are still very scanty in Ireland. The example of Dingle might be more widely followed. Wastage is here reduced to a minimum, as curers, being well provided with sheds and keeping large stocks of barrels and salt on hand, are in a position to deal with any quantity of mackerel offered. Of another fishing station it was stated some time ago that the amount received by each fisherman in respect of a haul of 100,000 herrings was £2, instead of the £10 that would have been realised if a number of curing sheds were available. In the same place large quantities of fish are dumped over the quay from time to time when fishermen and buyers fail to arrive at a price satisfactory to both parties. By the provision of sufficient barrels the entire catch could always be salted and a great waste of food avoided. The apathy of the local business in this matter is difficult to understand.

The advanced state of the industry in some places leaves numerous outlets for local enterprise. At present the ice, for instance, sent thereto has to bear the burden of heavy railway rates. An ice-manufacturing plant, such as has been lately set up in Cahirciveen, would thus have a substantial margin in its favour. Net and twine making could also be undertaken, and a start at barrel making would promote the expansion of curing.

On the South Coast and elsewhere the chief bar to the pursuit of the industry in places in close proximity to rich fishing grounds is the lack of quick communication with good markets. Outside buyers are, consequently, not attracted, and when the local demand, which is on a small scale, is satisfied the surplus has to be disposed of to a few local buyers at very unremunerative prices. This circumstance does not encourage the adoption of modern fishing appliances, and a languishing industry can only be revived when, by an enlargement of his marketing circle, the fisherman is free from the necessity of having to submit to arbitrary price scales and is enabled to reap the advantage of the competitive prices ruling elsewhere.

AMERICAN CROPS.

(From Our Special Correspondent.)

The Government report on the condition of the spring and winter crops throughout the North-West, issued on June 8, has proved interesting, owing to the general increase in condition of the crops over the May report. However, general rains prevailed throughout Oregon, Washington, Idaho, Utah, and California during the first two weeks of June, and these have proved of exceptional benefit to the growing crops. The grains were all in need of rain, and, had the drought prevailed very much longer, the crops would have suffered severely. The July report should show even a greater improvement over the June report.

The Oregon winter wheat is estimated at 14,500,000 bushels, with a condition of 90%, as against 17,000,000 bushels with a condition of 96% in 1919. This, however, will probably be around 16,000,000 bushels on July 1, owing to the favourable weather this month. Spring wheat production is estimated at 4,215,000 bushels, as against 4,840,000 bushels in 1919. This will also show a greatly improved condition later in the season. A combined production of spring and winter wheat of at least

20,000,000 bushels is anticipated, which would be above the average production for five years, slightly less than last year. It will take exceptionally dry and unusual conditions to lower production to the extent mentioned. Reports coming to hand from the State speak highly of the condition of the crop, and a good-quality wheat is expected.

Oregon oats and barley will show larger production than last year, in spite of the reduced acreage of the latter. The acreage of oats is small, and the production will be very little above last year. The barley also will show an increased production, in spite of the reduction in acreage. The [illegible] conditions which prevailed this year have made the increased production possible.

The combined acreage of spring and winter wheat in Washington this year is estimated at 2,243,000 acres. This is considerably above the ten-year average of 2,081,000 acres. Spring wheat this year, with 1,508,000 acres, is considerably above the average for the ten years of 1,183,000 acres; while winter wheat, with 735,000 acres, is lower than the ten-year average of 898,000 acres. The total indicated crop of the State based for 1920 on June 1 condition is 42,888,000 bushels, as compared with 40,100,000 bushels in 1919 and the ten-year average of 42,266,000 bushels. Ideal weather conditions have prevailed throughout Washington this spring, and there is no doubt but a bumper crop will be the result.

The 317,000 acres planted in oats in Washington this year show a slight increase over 1919. With a condition of 94%, as reported on June 1 the crop is estimated to be 14,576,000 bushels, as compared with 12,800,000 bushels produced last year. The 127,000 acres sown to barley this year are but 92% of last year's acreage—138,000 acres—and 77% of the average acreage—164,000 acres—for the last five years. With a condition of 91% of normal on June 1 the crop is estimated to be 4,623,000 bushels. Last year's crop amounted to 4,140,000 bushels, while the average for the last five years, 1915-19, is 5,155,000 bushels. The hay crop of the State is placed at 1,749,000 tons, based on the June 1 condition of 88%, a drop of one point since May 1.

Both Idaho and Montana will have bumper crops this year, the latter having a [illegible] for the first time in three years. Of course an upset is always possible in the latter State, even at this time, and the farmer is never sure of his grain until it is harvested and put in a safe place. At the present writing the weather is ideal in Montana, and a crop prospect of from 35 to 40 million bushels of wheat is forecasted. Idaho wheat is in excellent condition. A total wheat crop of 23,134,000 bushels is in sight at the present time. Winter wheat will contribute 7,227,000 bushels of this, and the spring wheat crop will make up the remaining 15,907,000 bushels. A year ago the prospective wheat crop was 23,840,000 bushels, but continued drought made possible a harvest of only 18,705,000 bushels. Spring wheat acreage is 644,000 acres, or a decrease of 56,000 acres from last year, and the present condition is 95% of normal, against 91% a year ago. This, with the favourable weather of the past two weeks, will be even higher later in the season. The oats condition in Idaho shows up better than last year with an estimated production of 9,166,000 bushels, against 7,770,000 bushels last year.

[illegible] the Gulf, [illegible] are [illegible] 84s 1½d and 84s [illegible] loss, which [illegible] ing [illegible] that the warehouses are loaded down with wheat, and if this cannot be moved a rather peculiar situation arises. [illegible] from so doing by lack of transportation facilities. The country may be up against the same proposition as existed last year, in that it will not be able to move the new crops. This has created a very difficult situation in financing the new crops. There are still a lot of [illegible] on the old crop [illegible] hesitant on loaning on the new crop, as they have not been able to realise on the old one.

Prices throughout the Pacific North-West for new crop are quoted at $2.50 per bushel in the interior. [illegible] basis, and shipments are called for in August. No September delivery contracts have been made public, and it is doubtful if any exist. Millers are only contracting for small amounts in order to keep the mills running part of the time. The uncertainty of what the crop will bring has held back the making of contracts, and one would be foolish to contract for any considerable amount at the present time.

Possibly with the opening of the exchanges, which is reported unofficially to be July 15, there may be a stabilising influence on new-crop wheat. However, with the general economic tendencies downward it is hard to see where wheat will advance over $3 a bushel. There does not seem to be any real world shortage, and crop reports from practically all of the grain-producing countries, outside of Australia, are very favourable. The matter of price is greatly dependent upon European requirements. No shortage of wheat exists in this country, and while there is only a forecast of 781,000,000 bushels of wheat in sight—combined spring and winter—there will be a carry-over of approximately 150,000,000 bushels, which will see the country [illegible] supplied [illegible]

IRISH INDUSTRIAL COMMISSION. EVIDENCE.—XXI.

AGRICULTURE AND THE DEVELOPMENT OF THE PIG MEAT TRADE.

[illegible] a period of eleven months, Mr. Walsh emphasised the [illegible] has little interest in it thereafter. The system was an evasion of the spirit of the law, which intended that the possessor should be the owner, and was directly responsible for much bad farming and great deterioration in the quality of second- and third-class land, as a [illegible] a farm. The community in certain parts of the West was up in arms against this system and graziers had [illegible] their cattle. Co-operative grazing for dairy cows in the vicinity of large towns was sound in principle and [illegible] Connaught. In this case the co-operators had [illegible] were, however, owned individually, and the individual [illegible] industry had been reinforced [illegible] establishment of

many new factories, and all of these were doing well. Essentials to success were proper management and good railway communications. A venture of this description would probably succeed in Mayo as pigs were kept in great numbers in that county. The farmer, however, reaps the greatest profits from the pig; in comparison the bacon-curer's profit is small.

The pig supply was variable; the summer supply, as a rule, is short, and the spring supply often so. In October and November the supply was most plentiful. The pig supply of Connaught had been remodelled completely, as the result of a campaign conducted by the Limerick bacon curers, with the object of bringing about the adoption of better methods of breeding and feeding. Pigs of superior quality were supplied to the farmers at cost price, and in ten years the results were apparent.

The principal market for the products of his farm was in Ireland; a fair trade was done with Manchester, and throughout England generally the by-products had a ready sale. The disappearance of the London trade was due to the extraordinary development of the home demand. Formerly it was difficult to sell any Irish bacon in the towns, but the high prices now ruling for American bacon had led to such a considerable augmentation in the demand for the home product that the curing establishments had difficulty in meeting it. There existed at present an unlimited demand for bacon, and the Irish export trade was capable of considerable development. It is unfortunate, however, that pig-breeding, in spite of the high prices offered for pigs, tends to decline. Farmers complain that they give too much trouble. The decline in the pig population might be arrested by the formation of large breeding, feeding and fattening establishments similar to those already in existence at Cappoquin and Enniskillen. This idea was, he believed, a practical one, and could be carried out with success, especially when a good market was close at hand. In conclusion, he would like to remark that the country, as a whole, is the poorer for every live pig exported. It was calculated that the direct loss to the owner amounted to about £2 per head.

The Mechanics and Metals National Bank of the City of New York and the New York Produce Exchange National Bank have consolidated. The consolidation was approved by the Comptroller of the Currency, and became effective on June 21. The name of the consolidated institution will be the Mechanics and Metals National Bank of the City of New York. By this merger the combined capital, surplus and profits of the new Bank become $25,000,000, and the deposits exceed $200,000,000. The Mechanics and Metals National Bank was originally a National Bank without branches. The New York Produce Exchange was originally a State Bank with deposits of $30,000,000 and eight branches in addition to its main office. In order to make the consolidation possible the New York Produce Exchange Bank had to become a National Bank; that is, it had to get its charter from the Federal Government at Washington in place of the charter held from the State of New York. This is the fourth consolidation to which the Mechanics and Metals National Bank has been a party. Established in 1810, it is one of the oldest banks in America. Originally named the Mechanics Bank, it surrendered its State charter following the passage of the National Bank Act, becoming, in 1865, the Mechanics National Bank of the City of New York. In 1904 the Leather Manufacturers' National Bank was merged with the Mechanics National. The year 1910 saw a consolidation of the business of the National Copper Bank with the Mechanics National under the present title of the Mechanics and Metals National Bank, and in 1914 the Fourth National Bank was absorbed.

"List of Members of the Stock Exchange." With their addresses, offices, bankers, and stand and telephone numbers for the year ending March 25, 1921. (London: E. Couchman and Company, Limited, 23 Throgmorton Street, E.C. 2.)

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

Our index-numbers for June will be of special interest at the moment, when universal attention is being focussed on the price-level, and when there is such a conflict of opinion as to the future course of commodity prices. As may be seen in the subjoined table, the final index-number for June is 255.7, making a decrease of 4.3 points, or 1.7%, as compared with May, and bringing us back to below the February level. Compared with a year ago the cost of living has advanced 28%, and compared with six years ago it has increased by 214.9%. In other words, £1 in June 1914 would purchase as much as 49*s.* 2½*d.* a year ago, as 64*s.* 0½*d.* in May last, and as 62*s.* 11½*d.* last month. Or again: £1 in June 1919 would purchase as much as 26*s.* in May 1920 and as 25*s.* 7*d.* in June.

	Monthly Index-Nos.				+ or − % June 1920 on		
	June 30 1920	May 31 1920	June 30 1919	June 30 1914	May 1920	June 1919	June 1914
Cer. Food ...	249·5	243·4	171·0	66·5	+ 2·5	+45·9	+275·2
Animal Food ...	243·4	242·9	207·1	97·5	+ ·2	+17·5	+149·6
Sugar, Coffee & Tea ...	265·7	253·3	120·6	51·8	+ 4·9	+103·4	+412·9
Foodstuffs ...	**250·7**	**245·3**	**176·7**	**74·8**	**+ 2·2**	**+41·9**	**+235·2**
Minerals ...	297·0	301·3	201·4	96·7	− 1·4	+47·5	+207·1
Textiles ...	259·0	258·8	217·1	80·6	+ ·08	+19·3	+221·3
Sundries ...	235·7	260·0	226·3	82·5	− 9·3	+ 4·2	+185·7
Materials ...	**259·4**	**270·7**	**216·3**	**85·7**	**− 4·2**	**+19·9**	**+202·7**
Totals ...	**255·7**	**260·0**	**199·8**	**81·2**	**− 1·7**	**+28·0**	**+214·9**

During the past month might be discerned the action of two forces, one—a decrease in consumption—making for lower prices, and the other—a decrease in production—making for higher prices. In other words, we have begun to experience a contest between the consumer and the producer.

Discussing the former influence first, perhaps we should describe it, not as a decrease in consumption, but as a determination on the part of the consumer to go without many articles of consumption rather than pay the high prices asked. This influence has already put a stop to the rise in prices in other countries, and the wonder is that it has not made itself felt in the United Kingdom long before our price-level attained its present height. It represents not merely an unwillingness to pay on the part of the consumer, but in reality an inability to pay. It has featured in the United States as the now familiar "overall" movement, as the "purple armlet" movement in South Africa, and so in these countries we have come to experience the phenomenon of a staid gentleman threatening to wear loin-cloths rather than pay the high prices asked for clothes. All during the War the consumer paid practically any price that was asked; indeed, the strength of the demand often astonished even merchants themselves; but all the time the tide of prices had been rising steadily, weakening more and more the purchasing power of the great mass of the public, until the high-water mark, reached in April of this year, threatened at last to submerge the consumer and forced him to reduce drastically his standard of living. Speaking in the language of the economist, the large consumers' surplus which was made possible in pre-War days by a healthy competition and a sufficiency of production has been encroached upon more and more by the ever-rising price-level, till now, at last, it seems to have disappeared almost completely, so that the consumer has been constrained to raise his scale of marginal utilities. This tendency has, of course, existed for a long time; but it would seem that the level of wholesale prices reached in April—higher than it has ever been in our history—has proved the utmost limit which the consumer could bear. Nor must it be forgotten that the purchasing power of the consumer has also been diminished by at least one other factor besides the rise in prices—namely, the enormous increase in taxation, though this is not altogether a distinct factor. It is but a

truism to state that, as a nation, we are now much poorer than we were before the War, but the statement must be supplemented by saying that some sections of the community, largely the wealthier classes, have become richer absolutely, as well as relatively to the other sections, during the War. In other words, one result of the War has been to accentuate the pre-War inequalities in the distribution of wealth. This has been due to the huge amounts raised by internal borrowing, which have been lent for the most part by the moneyed classes, and on which the provision of interest forms so large a part of our annual national expenditure. Therefore the huge scale of war taxation has been relatively less onerous on the wealthier classes than on the poorer classes, who form the great bulk of the consuming public. It is probable, indeed, on the other hand, that some sections of wage-earners receive higher real wages now than they did before the War, but these can be ignored, as they form only a small part of the general community.

As regards the second of the influences mentioned above—namely, a decrease in production—it will be found to be the result of three main forces. In the first place, it is partly the consequence of the reduced consumption discussed above, or rather of the fall in prices which has recently occurred. The dealer, finding a falling-off in demand, and having to sell at cut prices, was forced to carry smaller stocks, and the manufacturer, in consequence, though he knows that there is nothing in the nature of over-production, is yet constrained to go warily lest he have to sell at a loss. In the second place, the decline in production has been caused by financial conditions. As is well known, the banks have had recently to adopt a policy of rationing of credits, discriminating against speculative activities. The result has been that many speculators who held accumulated stocks in anticipation of a rise have been compelled to unload, and, by thus temporarily over-supplying many markets, have retarded production. Finally, not the least powerful factor restricting industry has been the singularly vicious proposal of the Government to raise the excess profits duty from 40% to 60%. The manufacturer will naturally try to shift the tax on to the consumer, but in order to pass on the whole burden of the increase—that is, in order to recover the same net profit after the imposition of the extra 20%—he will have to increase his selling price not by 20%, but by 25%. In reality, he would have to increase it by more, for the consumer would purchase less at the increased price. This supposes that the consumer would be willing to pay the increased price, but, as we have already said, he is unable to do so. The evil is further aggravated by the fact that the increased tax enters not once, but many times, into the selling price of each commodity, for each product will have to pay the tax every time it is handled by a different productive agent in the course of its development from the extraction of the raw material to the marketing of the finished product. Thus from whatever point of view the increase in the excess profits duty is regarded, it will be seen to react both towards greater hardship on the consumer and also towards a restriction of production.

What, then, will be the outcome of this struggle between consumption and production? What will be the future course of prices? As we have seen, prices cannot rise much higher, demand being what it is; but, on the other hand, the conditions of production do not warrant a decline in the near future. Nevertheless, it will easily be perceived that it is at such a moment as the present, when the purchasing power of the consumer is so restricted, and when his patience with rising prices is exhausted, when banks are rationing credits, and when speculators are being forced to unload, that a sudden slump in prices is to be feared. A slump in prices, should it occur, would react severely on production, and could only be succeeded by another gradual rise in the price-level, and it therefore behoves all concerned to deal delicately with a delicate situation. This applies especially to financial operations. Much good undoubtedly can, and must, be done by attacking prices from the financial end, but the experience of the United States ought to warn us not to attempt anything of the kind till production has reached something like normal dimensions.

The decline in our index-number for June must again be taken with a reservation, for though the total index-number declined, yet foodstuffs, as will be seen by reference to the table, advanced by 2.2%. The mineral group declined in spite of increases in coal and iron, the textile group as a whole remained practically unchanged, and "sundry materials" declined by 9.3%. But foodstuffs have increased more than proportionately to the other categories, not alone as compared with May, but also as compared with a year ago and as compared with pre-War days. This is only natural, for, apart from the constant inherent tendency of agricultural produce to increase in relative value, food, being the most primary want and affording least scope for economy in the quantity consumed, is always in the lead of an upward movement in the price-level, and always in the van of a downward movement. Since the outbreak of the War the real wages of agricultural labour have advanced, and for the moment labour seems to shun agriculture, so that the rise in the value of foodstuffs as compared with other commodities seems likely to be retained until a more even distribution of labour is effected or agricultural machinery is still further improved.

The following table shows the price movements during the War in the more important countries:—

International Wholesale Prices.

	Index-Numbers					Expressed as a Percentage of 1913		
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	103·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11·8237	154·9	217·6	160·0	128·4	117·2	187·0
1917...	175·0	13·0385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	192·0	18·7117	259·0	392·1	225·9	203·2	195·9	339·2
1919...	206·0	18·6683	316·6	411·1	242·4	202·7	239·5	355·6
1919								
Jan....	192·1	17·6314	283·2	401·8	224·4	191·5	214·2	348·0
Feb....	187·5	17·2244	281·6	393·5	220·6	187·1	213·0	340·0
Mar....	184·7	17·2795	272·7	388·1	217·3	187·7	206·3	336·6
April	184·6	17·2376	273·2	384·0	217·2	187·2	206·6	332·0
May...	194·6	18·0900	283·7	375·8	228·9	196·5	214·6	325·1
June...	199·4	18·8964	301·6	380·0	235·0	205·2	228·1	329·0
July...	206·4	20·0017	326·8	403·0	242·8	217·2	247·2	349·0
Aug....	212·7	19·4720	332·2	401·7	250·2	211·5	251·3	347·0
Sept.	214·8	19·5215	340·5	416·2	252·7	211·9	257·6	360·0
Oct....	224·3	19·9026	352·1	441·4	264	216·4	266·3	382·0
Nov....	231·0	20·2376	376·3	468·5	272	219·0	284·6	405·0
Dec....	235·2	20·3658	381·5	479·5	276	221·1	288·6	417·0
1920								
Jan....	245·3	20·8690	397·9	502·9	288	226·6	301·1	435·3
Feb....	260·4	20·7950	414·8	601·1	306·3	225·7	313·8	520·0
Mar....	261·8	20·7124	438·2	641·0	308	224·9	331·6	554·5
April	266·1	20·7141	446·6	675·1	313·1	225·1	338·0	584·0
May...	260·0	19·8752	—	—	305·9	215·8	—	—
June...	255·7	—	—	—	300·8	—	—	—

From the above table it will be seen that prices have advanced about 200% since pre-War days. The index 85 for the year 1913 shown here is a better indication of the pre-War price-level than the figure 81.2 for June 1914 given in the previous table, for prices declined month by month during the first half of 1914, so that the index-number 81.2 is too low to be taken as an index of the general pre-War level, and, on the other hand, the figure 85 has the advantage of being the average index-number for each of the years 1912 and 1914, as well as for 1913.

The following table affords a comparison of movements of the index-number during the last century and, in greater detail, since June 1914.

Year	Index-Number		Year	Index-Number
1809 [Jevons'...	187	June '14 ... 81.2	[illegible]	... 185.1
1810 adjusted...	171	Dec. „ ... 118.4	[illegible]	... 186.2
1818 Figures]	159	Jan. '15 ... 125.6	Feb. „	...
[illegible]	... 111	Mar. „ ... 130.4	[illegible]	... 180.8
[illegible]	 88	April „ ... 134.8	[illegible]	... ...
1896 ...	... 61	Oct. „ ... 141.5	July	„ ... 192.0
1911 ...	... 80	Dec. „ ... 154.3	Aug.	„ ... ...
1912-13-14	... 85	Jan. '17 ... 159.5	Nov.	„ ... 195.3
1914 ...	... 108	Feb. „ ... 164.0	Dec.	„ ... ...
1916 ...	... 136	April „ ... 170.0	Jan. '19	... 193
1917 ...	... 175	... ... 180.4	Feb.	„ ... 197.5
1918 ...	... 192	Aug. „ ... 175.7	Mar.	„ ... 184.1
1919 ...	... 206	Oct. „ ... 188.9	May	„ ... 194.6

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Financial Notes.

AGAIN, the Bank of England directors have made no change this week in their rate of discount. Again, the unfavourable feature is the steady growth in the note circulation. We said last week that it is practically impossible for the banks, or the Government, to restrict the note circulation except at the expense of doing more harm to trade than could reasonably be done by any growth of the circulating medium that could be expected to take place upon the terms on which the notes are issued at present. Economists who know, or at least think they do, what they are talking about, get impatient at the use of terms like "inflation," and the growth of the fiduciary issue, and similar expressions which are merely useful forms of speech for the purpose of indicating certain ideas perfectly well known to those who are accustomed to use such expressions, but which in the mouths of people who have not given particular attention to economic subjects are very often extravagant expressions signifying no really concrete idea at all.

In the present serious growth of the note circulation, there is nothing in the nature of inflation if we use that term in a condemnatory sense, meaning thereby that there is a desire in certain quarters to increase the fiduciary issue for purposes other than those of legitimate trade. Whatever faults our public men of to-day may have, no one accuses them of attempting to rob the public treasury. We do accuse them, and accuse them with a large measure of justice, of being unwilling to risk unpopularity in order to save the extravagant waste which is now going on. But that is a totally different question, and has nothing whatever to do with the note circulation of the country. In the past, Governments did deliberately issue inferior currency for the purpose of robbing the public treasury. But in our day, no public man would ever think of such a thing. Consequently, it is not true to say that there is inflation in the sense that there is no genuine demand for the notes put out. On the contrary, what really happens is that bankers find certain demands from their customers coming upon them, and those customers have certain balances which are not in any sense over-drawn; and, consequently, [illegible] which they have actually lodged with their bankers. The bankers finding that their own note cases are nearly empty, apply to the Government for a fresh issue of notes, showing that they have assets which entitle them to the issue. Consequently, there is [illegible] of notes.

[illegible] bankers to honour their own customers' cheques, otherwise they would bring the customers into contempt, and finally into bankruptcy. Owing to the extraordinary rise which has taken place in prices, in wages, and in the cost of production generally the weekly bills of nearly all the producing classes have increased extravagantly, and hence they require a greater proportion of currency to do the same amount of business as was done, say, in the spring of 1914. Until such a time has elapsed as will increase the production of commodities it is practically futile to talk about the growth of the note circulation. While prices continue to rise, while wages continue to rise, and while the general charges incidental to production continue to advance there will be an increased demand for circulation. When, and not till then, the production has outstripped the demand, then there will be a steady and probably a more rapid and dramatic fall in prices than any of us are thinking of at present.

Mr. Chamberlain, speaking at a banquet at the Mansion House on Thursday night, said that to listen to some of the criticism that was aimed at the Government one would think that the expenditure at the present time was as high as it was last year, and that it was intended next year to spend as much as we are spending now. The Government had, in fact, made gigantic reductions, and he would be deeply disappointed and greatly surprised if they were not able to make further large reductions when they framed the estimates for his Budget next year. This is all very well, but although it is perfectly true that the reductions made have been colossal, they are very far from being adequate to the revenue coming in, and still less to the ratio of taxation which it is necessary to raise compared with the total income of the country. The Governor of the Bank of England followed by saying that the aim of the Bank, and, indeed, of all bankers in England, was to get back to the gold standard. This is perfectly sound and eminently desirable, but it cannot be attained until both the Government and the public reduce their expenditure to a sound economic basis; and the public cannot be expected to save until they see the example of saving on the part of the Government.

Mr. McKenna followed. It is to be remembered that he was speaking at a social gathering, but he quite wisely said that the Chancellor of the Exchequer was inclined to go too far in the matter of taxation. We mention the question of exchanges, which have fluctuated somewhat unduly this week, but for the moment we will say that the exchanges will never be right until our expenditure is so adjusted to our income and our production, and so adjusted to our needs, that [illegible] sovereign and that Treasury notes, if we decide to retain them, will be in deed and in fact a real pound, and not a piece of paper representing a certain proportion of a pound, as it does at present. The old £5 Bank of England note was, as we used to say, as good as gold, because anybody and everybody—not merely Government officials and great capitalists, but anybody—could go into the Bank of England, place a banknote on the counter, and an official of the Bank would give him five golden sovereigns in exchange. Until we get back to that position the exchanges will never be in a healthy condition, neither will it be possible to regulate the circulation.

Readers may have observed that the exchange between New York and London has fluctuated somewhat wildly during the week. Of course, it has to be remembered that we are preparing for the payment of our proportion of the loan due in October next, and also that our Ally, France, is preparing to meet her proportion. As far as we can gather, there has been no justification either in the action of our Government, the French Government, or the United States Government for the fluctuations which have taken place. They appear to have been mainly brought about by the action of speculators. On the whole, the situation between London and New York is improving in the direction of London. We are gradually liquidating a small portion of our colossal debt to the United States. Consequently, there was no economic reason why the ex-

change should have dropped to the very extent that actually took place.

Perhaps, not unnaturally, some of our Allied friends are a good deal upset that the terms imposed upon Germany have not been more severe than they are. The British Prime Minister and the British delegates have been accused of being ready to make concessions for the purpose of bringing the negotiations to an end. It is exceedingly easy to appreciate the feeling both of France and of Italy in the present position. Previous to the Great Revolution, now more than a century ago, France held the dominant position in Europe. Gradually the French population has remained stationary, while the wealth, prestige, population, and power of Germany has grown throughout the past century. Even yet, although Germany is a defeated Power, in a sense, she has had no enemy invading her territory, and there can be little reasonable doubt that if she is able to maintain internal order she will gradually recover some at least of her power, and, if not the whole, a very large part of the prestige she has lost as a result of the recent War. It cannot be surprising, therefore, that France urges her Allied friends to secure as many guarantees as possible. Anyone, whether native or foreigner, and naturally still more a native, acting as France's advocate would do the same.

So far as Italy is concerned, it is not surprising that the Italians should have no love for the Germans, who have pillaged Italy more or less ever since the early Middle Ages. Nevertheless, the Conference, taken as a whole, has got to consider that sooner or later actual terms of peace must be agreed to; sooner or later Europe must resume civil employment; and sooner or later the masses, recently at each other's throats, must divert their energies to productive employment.

Elsewhere in this issue we discuss the subject of the urgent importance of Europe to feed and clothe herself, and provide herself as far as she is able with raw materials. All our Allies are badly in need of food and raw materials at the present time. The longer these eternal Conferences are prolonged, the more distant will be the day when it will be possible for either our Allies or the other countries of Europe to obtain the food necessary for the sustenance of their people and the raw materials required for the maintenance of their industries. It is right and proper that the Conference should insist that our late enemies should observe the terms of the Treaty. But to prolong the Conference unduly while haggling over minor matters as to whether this or that particular section has been fulfilled to the letter is only prolonging the Conference indefinitely, and thereby delaying the time when it will be possible for the peoples of Europe to settle down and endeavour to reconstruct the devastated areas of the invaded countries, and to increase as far as possible the aggregate production, in order to restore prosperity to something like the conditions which prevailed in the pre-War period.

SOUTH AND CENTRAL AMERICA.

MEAT AND PROVISIONS.

Doubtless readers who are interested in the meat and provision trade will have read the report of the Smithfield and Argentine Meat Company's meeting which appeared in our issue of last Saturday. Mr. P. J. Peels, Chairman of the Company, presided, and the meeting was also addressed by Mr. H. T. Mobbs, the managing director of the Company, who was recently in the Argentine Republic in connection with the Company's business. In his speech the Chairman said that the Company during the War had developed a large business in canned meats. There was a fall towards the end of the year in the market prices of these goods in which the Company had done a very substantial business and in consequence considerable stocks. It had been generally thought that a large trade would develop with the Continent in meat products generally, and there is no question that this would have been the case but for the fact of the fall in the values of the exchanges in the Continental countries, also the corresponding difficulty of these countries to find sterling with which to pay for the goods they so urgently required. Several large transactions were carried out to meet the Continental requirements, the bulk of these sales being made for cash, and in others terms of credit having been arranged, and the credit risk has been largely covered by insurance. Since the date of the balance sheet the current market prices for canned meats have been further reduced, and although there has been a considerable amount of inquiry for them sales have been disappointing. Cattle prices in the Argentine have held fairly steady throughout the year, although at a high figure.

The experience of this Anglo-Argentine meat Company has a very wide application. So far as the Company's trade during the year under review was concerned it was disappointing. But if we take a broader view than the interests of a particular body of shareholders, and examine the facts as economists, we shall see that the experience is a natural one, and exceedingly encouraging both for the real welfare of the particular company concerned, of the meat trade taken as a whole, and of the vast consuming public of Europe. The Company has, in fact, large stocks of canned meats which it had hoped to dispose of upon the European continent. As said above, there can be no doubt whatever that the Continental people are urgently in need of food. But they have not the wherewithal to satisfy those needs. The demand is upon too large a scale to admit of its being satisfied upon any but a really sound economic basis. We have said that the experience of this Company has a wider application than the interests of one company. It extends to the meat trade taken as a whole. We might add with equal truth that it extends practically to all consumable commodities at the present time. During the War these big meat companies made large profits owing to the fact that the various belligerent Governments were purchasing supplies of food upon a colossal scale to be consumed by the armies in the field, and to enable the various belligerent Governments to feed the civil population. We have no desire here to enter into the question of the advisability, or otherwise, of the policy pursued. We propose to restrict ourselves to stating the actual facts and drawing the inevitable economic conclusion from what actually happened. In a concluding paragraph we shall hope to show the conditions which will require to be fulfilled to enable the market to establish itself once more upon a reasonable economic basis, both in the interests of producers and the interests of consumers in the great congested markets of the world.

Even before the outbreak of the recent European War it had become evident that the supply of meat generally, and particularly of meat derived from horned cattle and from pigs, threatened to be inadequate for the general demands of Europe in particular, and of some other places which required to import meat as part of their daily food. Had peace continued there can be no reasonable doubt that prices would have continued more or less without intermission during the first 14 years of the present century, would have led to the opening up of new areas for the production of meat, and to the development of existing areas. We have done more than this, for the increase of stocks which led to the great fall in prices which preceded the War, and which would have been followed by a very much greater fall in prices had the War not intervened, would certainly have led to a very much greater production of meat than would have been the case had the War not intervened. We propose to write, and would leave wholly unex-

plained the causes which have led up to our present difficulties. Moreover, we should have no space left to deal with the present condition and the prospects, as we see them, of the immediate future. Given, then, a market which was already showing signs of being unable to supply upon a relatively low economic basis the demands of the peace market, there came the outbreak of the greatest War that has been witnessed now for at least a century. Governments bought with prodigality, and the result was that prices soared to utterly extravagant levels, and it became evident that whenever peace was restored, the armies were demobilised, together with the immense number of civilians who had been embodied in non-productive occupations, there must be a fall in prices. Sooner or later, it was clear that the demand must meet the requirements not of great belligerent Governments buying on credit, but of people who were able to earn their living on a sound economic basis. Consequently, it became only too evident to careful observers, particularly those who were not personally interested in the meat trade as producers, that unless the producer was able to supply the markets upon a lower price level than that prevailing during the War there would inevitably be a glut of stocks upon his hands. In the sequel this was bound to make for sounder economic conditions. But meanwhile the consumer, unable to pay the extravagant prices demanded, and the producer unable to bring his stocks to market at a reasonable economic basis, were alike bound to suffer. Traders, who are usually optimists, took a more sanguine view of the situation. They argued that people have made large profits during the War; that the supply of cattle was very short; and that very little food had been produced during the War in the belligerent countries; while enormous quantities had been consumed. Consequently, it was a reasonable certainty that, provided supplies were forthcoming, European consumers would be only too anxious to pay extravagant prices to enable them to restock their larders. Doubtless they would have been if they had the means. All these calculations of the traders were sound, so far as they went. The demand undoubtedly did exist, and exists still. But they forgot that by the time peace was restored nearly all the belligerent Governments were in such an embarrassed financial position that they certainly were very little inclined to continue purchasing upon an extravagant basis. The people, moreover, although in a sense they had made large profits during the War, and those engaged in civilian occupations had earned large salaries and wages, were, nevertheless, not in a condition to purchase upon the level of prices which had been brought about wholly and solely by the fact that the Governments were purchasing, and purchasing on credit. One of the effects of the embarrassed position of the great and the small belligerent Governments was that they were anxious to demobilise vast numbers of people, both soldiers and civilians, whom they had had to feed for four whole years, to feed on credit, and the strain of feeding whom had affected that credit to such an extent that it was becoming exceedingly difficult for the several Governments to borrow. Meanwhile, the producer could not afford to bring meat to Europe upon anything like the economic basis which prevailed, say, during any period of the six months preceding the outbreak of the War. The actual supplies of the animals themselves had been depleted. The number of people available for the industry was less. Ships were exceedingly difficult to obtain to bring cargoes from the principal scenes of production to the great consuming markets of Europe; and even when obtained they could only be hired upon extravagant terms. So extravagant, in fact, were the terms that the various Governments, and particularly our own, felt themselves justified in establishing what was called a Shipping Control.

We will not here again go into the question of policy. The Government thought it was the best thing to do; but the very fact that the Government found it necessary to establish a Shipping Control argued that ships were practically unobtainable. Neither the Government nor anybody else can run ships indefinitely at a loss. All the Government was really able to do was to restrict profits beyond a certain level on shipments. In other words, they had practically no control over cost, which was the primary and determining factor in the situation. This difficulty was aggravated by the fact that the ships belonging to nationals of the controlling Government had not the freight space sufficient to do the work, and it was only possible, therefore, to attract neutral shipping by offering still more extravagant prices. Consequently the Governments had to advance the maximum price again and again, with the result that before it was worth the while of the trader to handle the meat at all the price already was out of all proportion to that obtainable per unit in the pre-War period. In the result there has been a great accumulation of stocks. We do not mean that the aggregate supplies in the hands of traders are actually greater than was the case before the War. As a fact stocks have been depleted. Nevertheless, those carried have become uncomfortably large. And the financial basis upon which they are carried is utterly extravagant. It will be remembered that some months ago we published a series of tables showing the estimated live-stock population of the world. In this we showed that the total number of horned cattle slightly exceeded 400 millions, as far as it was possible to estimate them from the official returns published by the various Governments. From this, however, has to be deducted more than 100 million Indian cattle, which are not available for consumption in the sense the meat trade understands the term. It will be seen, therefore, that the actual supplies available are by no means large if we consider the needs of the vast population of Europe requiring food at the present time. As a fact, the Food Controller has told us that the consumption of meat in this country, compared with the pre-War standard, has fallen in quantity by about 25%.

This experience of the cattle trade is being repeated in nearly every great industry dealing with the primary trades of the international markets of the world. While it is true, at least in a sense, to say that there is a real shortage in articles of prime necessity more or less all over the world, it is equally true to say that stocks have been collected upon such an extravagant economic basis that consumers are neither able nor willing to acquire them on the basis of prices now demanded. What is happening is that the strong companies are carrying these stocks out of the profits they made during the War period. But there can be no reasonable doubt that the weaker institutions have a very serious time before them.

We said above that we would give a brief concluding paragraph on the conditions which it is necessary to fulfil to enable the market once more to be supplied upon a reasonable economic basis. As said, the strong companies will carry their stocks out of the profits they made during the War, and gradually so dispose of them that they will obtain the reasonable profit customary in the trade to which they belong. At the same time, the great producers see that there is a real demand, likely to continue, which is urgently desirous of being satisfied, but which cannot pay the extravagant prices to which we have recently been accustomed, and will set their minds to increasing the supply of cattle, cotton, wool, sugar, or whatever the primary commodity may be. Accompanying this process we may count upon a gradual, if not a very rapid, fall in freights. Shipowners in this country, as well as in other parts of the world, will be seeking freights, and whereas it was formerly possible to obtain over 100s. per unit, it is now difficult to get 24s. A further drop in freights may confidently be predicted, accentuated by the fact that, although there is a real demand, and a very keen demand, for commodities at the present

time, wholesale houses find it exceedingly difficult to induce the consignee to accept delivery, and the distributing retailer finds it still harder to induce the shy consumer to purchase. In this way supplies will gradually increase, the cost of transportation be reduced, and within a reasonable time we hope to see the various consuming markets of the world restocked with supplies of various kinds of raw materials and consumable commodities upon such a basis as the public is able to afford.

IRISH INDUSTRIAL EXPANSION.

The Irish Industrial Commission during the comparatively short term of its existence has succeeded in accumulating a wealth of valuable information upon the industrial possibilities of the country. Lack of knowledge on these points has hitherto prevented the preparation of a programme aiming at the more intensive exploitation of local resources. The Commission from time to time proposes to issue a Report dealing with certain phases of its activity, and these Reports will merit careful attention from every Irishman. Private enterprise will thus be awakened, but, in view of the economic conditions of Ireland, we think that too much should not be left to the individual, and we are inclined to stress the necessity of giving the present Commission some form of permanency. The encouragement of the individual should be its first object, but, more particularly in the agricultural industry, the duty might involve on it of amplifying the application of those co-operative principles the fundamentals of which have already been thoroughly grasped by the farming community. This does not mean that it should make any effort to usurp the functions so ably performed by the Irish Agricultural Organisation Society and the Farmers' Union. To the former the credit of rearing up a co-operative structure costing 30 years of unremitting labour is alone due, and it has richly justified its existence. From the work of the latter, still a very young organisation, important developments in those industries deriving their raw materials from agriculture are likely to accrue. It has already rebutted the idea that the conservatism of the Irish farmer is such as to present an insuperable barrier to the cultivation of an outlook extending beyond the boundaries of his own particular farm. By close collaboration with these bodies and with the various Industrial Development Associations a permanently established Industrial Office can do much to promote the economic welfare of Ireland. The formation of a Committee carrying representatives of these various organisations would tend towards a concentration of effort, and would avoid the needless overlapping that ensues when different bodies seeking a similar end are working on independent lines. Witnesses of all shades of political thought have already appeared before the Irish Industrial Commission, and the Industrial Office would in all probability be able to count on the services of a large number of correspondents who would keep it in touch with the activities of all parts of the country.

It is certain that the present position of the dairying industry is far from secure, and that the average margin of profit is, under present circumstances, dangerously inadequate. From the evidence tendered before the Commission it is clear that the average yield of milk per annum amounts to not more than 420 gallons per cow. Taking into consideration the cost of feeding and the price of milk, it is calculated that a cow maintained on land in dairying districts must yield at least 380-400 gallons per annum in order to pay for the cost of keep. On the basis of the figure of 400 gallons of milk per annum the margin only amounts to 20 gallons, and, bearing in mind the possibility of a further increase in the price of foodstuffs and the possibility of a decrease in the price of butter, owing to larger importations from foreign sources, it is desirable that the organisations immediately connected with the industry should make a joint effort to enlarge this margin. The yield of milk per cow shows a striking disproportion, the average varying between 200 and 1,400 gallons per annum. As the milk production of a large number of cows is measured by the former figure it is obvious that the farmer is losing money by their upkeep. By increasing the average yield of milk per cow from 400 to 700 gallons in the year it is reckoned that on the present level of prices the total yearly increase in the national wealth would be in the neighbourhood of £20,000,000. To accomplish this the primary essential is the universal adoption of cow-testing associations. Some of the pet illusions of the farmer—the idea that he can judge of the milk capacity of a cow by sight, and his belief that an increase in the milk yield is followed by a decrease in the butter-fat percentage—would thereby be dispelled, and the weeding out of unprofitable cows could be undertaken. Allied with this is the necessity of grading up the quality of the stock by the institution of proper breeding studs. The reform of the dairying industry with the object of increasing the quantity of milk and milk products is overdue, and the immediate execution of a widespread scheme of propaganda work amongst farmers is one of the first needs of the moment. The machinery for this purpose cannot, however, be put successfully into operation unless there is a concerted movement on the part of all those bodies which are brought into intimate contact with the life of the agriculturist.

As the agricultural industry transcends all others in Ireland in point of importance endeavours to increase its efficiency must be the first care of the Irish reformer. The adoption of a system of continuous cropping has been ably argued by some witnesses before the Commission, but the popularising of this method of farming can scarcely be accomplished unless its advantages over other methods are conclusively demonstrated to the farmer by a series of large-scale experiments conducted throughout the country. Enterprising individuals would no doubt be induced to devote their lands to this purpose provided they were adequately secured against financial loss. By spreading these experiments over a series of years the annual monetary outlay might be kept within reasonable limits. Of more moment is the question of establishing a dead-meat trade on a sound economic basis. Ventures with this end in view start off with the advantage of an abundant supply of raw material, and when situated in a place convenient to a port should have little difficulty in disposing of their products to the best advantage. The subsidiary industries based on the offal supply are attractive considerations.

The manufacture of industrial alcohol has many enthusiastic advocates in Ireland. They have, however, to solve the difficulty of winning the farmers around to their point of view. In their favour it is pointed out that the soil and climate of the country are more suited for the growth of alcoholic crops than those of Germany. It is suggested that alcohol should be produced in Ireland in purely an agricultural way by the adoption of the co-operative system that has been found so effective in other directions. The basic idea is the establishment of an alcohol distillery in the centre of an area of land which will grow the particular alcohol crop most favoured by the soil. In addition to potatoes, other materials, such as sugar-beet, artichokes, and mangolds, would be employed. By an arrangement with the distillery the co-operative producers would guarantee to supply a certain minimum of whatever crops they were growing. The residue from the distillery, returnable to the producer, could be cheaply dried for feeding purposes, for which it has a high value, and this would naturally be of great importance in Ireland.

Vested interests, unless adequately compensated, will naturally object to the establishment of this industry, and this, together with the political obstacle of Excise restrictions, will not tend to make matters easy for its pioneers.

American Topics.

ECONOMIC CONDITIONS.

An interesting article by Mr. George Barnett, Professor of Statistics of Johns Hopkins University, appeared in Tuesday's *Times* on "Monetary Conditions in the United States." According to an estimate made by the Director of the Mint, the stock of gold in the United States in 1914 was a little over $1,800,000,000. It had expanded to over $3,000,000,000 at the time the United States entered the War as a belligerent. This increased stock of gold resulted in a growth of the circulation from $3,500,000,000 in 1914 to practically $5,000,000,000 in the spring of 1917. It is estimated that the bank deposits expanded in the same period from $13,000,000,000 to $21,000,000,000. Prices rose meanwhile by over 70%.

Until the United States entered the War the increased stock of gold, the expansion both in bank deposits and in the circulation, and the consequent rise in prices were perfectly natural, admit of a ready explanation, and were, in fact, all in favour of the country. During this period the United States was supplying the belligerent countries of Europe with very large quantities of foodstuffs and various kinds of war materials needed by the munition factories of this country as well as those of our Allies. This wealth was being wasted at a rapid rate by the belligerents of Europe, but the United States was profiting in the sense that a tradesman grows rich by the reckless extravagance of his neighbours. From an economic point of view it was not sound prosperity. The commodities were to a large extent being purchased upon borrowed money, and in any case they were being destroyed, as distinct from being employed in some methods that offered any prospect of an economic return in the future. Consequently, the more the customers purchased and destroyed the more they impoverished themselves, and it was clear to all those who had received an economic training that these purchasers must become poor customers for the United States in a not distant future. From the time that the United States itself entered the War destruction went on apace. Instead of receiving payment in some form or other, or at the worst promises to pay, from the Entente Allies, she herself engaged in expenditure upon a wholly unprecedented scale. She assisted in the financing in various ways of her Allies, and, in addition, had to bear the whole of the expense of carrying on the War on her own account.

With our present economic knowledge no country in the world has a revenue that would admit of such an expenditure. The debt of the United States expanded rapidly. In addition, she had to obtain the wherewithal to meet the daily growing charges coming upon the National Treasury. She did this, as we did it and all the Allies did, by issuing various forms of paper to the banks. In consideration of these issues the banks granted what are technically known as "credits." As said above, the funded debt rapidly expanded because the United States Government borrowed from her nationals in the market as we did. Besides this she incurred with the banks, by the methods above indicated, a floating debt estimated at the present time as something between £600,000,000 and £700,000,000. This debt, which has not been funded, is still carried by the banks of the United States, just as our own floating debt, which is nearly double this amount, is carried by our banks. This money is not available for ordinary trade purposes, and, consequently, adds to the cost of all trading transactions in the United States, as in England, to the extent of the magnitude of the floating debt, compared with the total available assets of the banks. This is one of the contributory causes of the high level of prices in both countries.

Incidentally the War has really impoverished the United States rather than enriched her. On the surface she appears to have obtained great benefits. It was stated by the Chancellor of the Exchequer in a speech in the English House of Commons that if we could obtain repayment of all the loans, as well as our dues for commodities from our various Allies during the War, our actual debts, and particularly the floating debt, would be reduced to comparatively small proportions. Everyone knows, however, that there is no reasonable prospect of our being repaid in the early future. Consequently, for some time to come we shall have to carry the major portion of these debts ourselves, probably for so long that even if they are ultimately repaid such repayment will make comparatively little difference to our economic conditions, assuming that we are able to recover from the effects of the War. Very much the same is true of the United States with certain modifications. Primarily the United States has not incurred debts to the extent that we have. On the other hand, we are in a sense a highly developed country economically. We have shown since the end of the War our ability to obtain the raw materials needed for our manufactures. Our recovery, therefore, very largely depends upon our ability to sell the products of our mills and factories abroad, as well as to render services to our foreign customers. It is truly said that the United States is a very rich country. A great part of its wealth, however, is rather potential than actually realised. She still requires a great increase in population and an immense amount of capital for the development of her natural resources. If her great trading boom during the first three years of the War had been based upon the economic demands of her customers she would have obtained economic payment. In fact, she has sold immense quantities of commodities for which she still awaits payment. In the pre-War period she was constantly attracting capital from the investing countries of the world, whereas now she has to finance herself and find the means of developing her natural resources, which cannot be expected to yield an immediate return. Her transportation system has been largely disorganised as a result of the War, and her railway companies in particular are each and all claiming from the Federal Government repayments for the depreciation of the various systems during the period of Federal control.

CANADIAN TRADE.

We have before us the figures of the trade of the Dominion of Canada for the month of March and for the 12 months ended March of the present year. The total value of the trade of Canada during the month of March, excluding the item of coin and bullion, amounted to $240,716,374. The total value of the imports was just under $142,500,000. The total value of the Canadian exports amounted to a little over $93,000,000. The exports of foreign produce amounted in value to $5,000,000. The imports are classified as vegetable products, animal products, textile and other fibres, woods, mainly hard woods, iron and steel, non-ferrous metals, non-metallic minerals, and chemicals. They amounted in value, as said above, in the March of this year to just under $142,500,000, comparing with $71,750,000 in the March of 1919. Exports of Canadian produce were valued in March last at $93,000,000, comparing with just under $100,000,000 in the March of 1919. The total value of the trade in March of the present year has already been given. This compares with $178,688,772 in March of 1919. The total value of the trade of Canada during the 12 months ended with March last, expressed in dollars, was 2,351,174,876. The value of the imports amounted, expressed in dollars, to 1,064,516,000. The total value of the exports of Canadian produce, also expressed in dollars, amounted to 1,239,492,000. The total value of the entrepôt trade, or the export of foreign produce, amounted in value, expressed in dollars, to 47,166,000.

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CORRESPONDENCE INVITED.

Rubber Topics.

THE market opened well and a considerable influx of buying orders. But as on previous occasions not many shares came on offer, with the result that price levels generally moved upwards. The leaders reflected the strong tone, Lanadron putting on ¼ to ½, whilst an addition of 6*d*. to Malaccas to 23/- and Anglo-Dutch to 18/-. Rubber Trusts were firm around 35/- 9*d*. London Asiatic constituted a strong feature, moving up to 7*s*. 6*d*. on its satisfactory report. There was a rather keen demand also for Malaccas, which caused them to close ¼ to the good at 5. The decision to retain unmodified the 60% excess profits duty failed to depress the market, and on Tuesday the floriners attracted much attention. Clearly was prominent with a rise of 3*d*. to 13/- 9*d*., and a like advance left United Serdang at 6*s*. 6*d*. and Straits Bertram at 8*s*. 6*d*. After the middle of the week a tendency to react made itself manifest. Nevertheless Anglo-Dutch were supported to 48*s*. 6*d*., whilst Kapar Para put on 1*s*. to 7/-. Selaba rose 2*s*. 6*d*. to the good at 50*s*., and Sungei Way closed with a gain of 2*s*. at 35/-. Towards the end of the week the tone became dull and irregular. Rubber Trusts reacted to 35/- 1½ on Thursday, and Cicely reacted the turn to 13*s*. 3*d*. On the other hand, Anglo-Dutch were still in favour, and rose 1*s*. to 49*s*. 6*d*. Pataling closed 1*s*. 9*d*. higher at 5/-, and a rise of 2*s*. 6*d*. Kapar Para a strong feature at 8/-.

June outputs are still coming to hand. Jugra Land and Carey report a crop of 189,926 lb., whilst the Amalgamated Rubber Estates have secured 170,700 lb. London Asiatic are over 12,000 lb. above the corresponding crop for 1919, with a yield of 139,947 lb. Anglo-Malay, on the other hand, drop 18,000 lb. to 127,545 lb. Lanadron add over 25% to the 1919 crop with a return of 119,281 lb. For Pataling the June crop amounts to 64,581 lb., whilst Seaport (Selangor) and Tenom (Borneo) secure crops of 62,000 lb. Timbang-Deli (Sumatra) report a crop of 44,941 lb. for June, and state that the total crop for the first three months of the current year amounts to 139,831 lb. Some papers are publishing figures of this company recording outputs from January last, whereas its financial year begins on April 1.

An important circular has been issued during the week by the Rubber Growers' Association. The object of the circular is to recommend [illegible] the question of the [illegible] of the pit system, and to discuss the benefits [illegible] these areas, have reached an advanced [illegible] A number of [illegible] have already adopted this system, and it is generally [illegible] the cost of production. "From this point of view," reads the circular, "there can be very little opposition to the proposed adoption of alternate-daily tapping, but this system can be further justified on the ground that the industry as a whole does not at present possess a superabundance of healthy bark in the accessible portion of the trees." Experience too has shown that in Ceylon, where this system of tapping is generally in vogue, the bark conditions are superior to those of other regions. The belief is current too that trees subjected to tapping on these lines are less liable to the disease of Brown Bast. Finally, it is urged—and this perhaps is the most interesting part of the circular—that under the present system of taxation rubber companies can only retain 26.6% of the profit they make in excess of their standard. "If such small share of extra profit is obtained by encroaching on capital—*i.e.*, using up bark more rapidly than nature can replace it—then it appears to be unjustifiable from every point of view." Undoubtedly this latter aspect will appeal very much to that multitude of young rubber companies which will be hit so heavily by the 60% excess profits duty. The other reasons are assuredly weighty enough to justify the policy advocated; but the taxation factor will give a great impetus to the movement. And realising the unsympathetic attitude of the Chancellor of the Exchequer, as reflected in the absence of any amendment dealing with the rubber industry, it is not difficult to understand the willingness of rubber companies to take this method of evading the inequity of the tax, particularly as the policy will prove of material advantage in the future. Should it be generally adopted—and we see no reason to the contrary—the first effect will be to reduce the output. In the long run, however, experience shows that estates working on this system secure finally well-nigh as large an output and at low costs. In the transition stage it is well to recollect that any increase in the cost of production will, in part at least, be counterbalanced by the higher price which a reduced supply of rubber must command.

ANNUAL REPORTS ANALYSED.

CHERSONESE (F.M.S.).

Issued Capital: £225,000 in 2/0 Shares.

	Results for Years to December 31—								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Profit £	Dividend Amt. £	Dividend %
1916	... 3,068	1,711	640,264	374	2/6	1/8	61,[illegible]	33,[illegible]	14¾
1917	... 3,041	2,[illegible]	688,[illegible]	340	2/7	1/[illegible]	[illegible],[illegible]	18,[illegible]	[illegible]
1918	... 2,[illegible]	—	554,389	—	1/[illegible]	11	28,[illegible]	28,[illegible]	12½
1919	... [illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	... [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	... [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	... [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Price of Shares, 3/10. Market Valuation per planted acre of Rubber alone, £211.

[illegible] for the year ended December 31, 1919, is an illuminating [illegible] reached 665,165 lb., as against 554,389 lb. in 1918. [illegible] and materials, but also of foodstuffs, in view of [illegible] fortunate shortage in the rice crop, the f.o.b. [illegible]

[illegible] the cost of [illegible] the latter. During the past [illegible] 1,957,197

nuts were gathered, as against 4,491,286 nuts in 1918. The bulk, as before, were converted into copra and retailed f.o.b. at an average price of £36 10*s.* 10*d.* per ton in comparison with £15 2*s.* 9*d.* per ton in 1918. But whilst the sale price was more than doubled, the cost of production, despite the decline in the quantity of the crop, was reduced from $5.36 per picul to $4.78 a picul—a record not beaten by any other company. The result was that the revenue from this second string of the Company, which amounted only to £5,640 in 1918, jumped up to £25,924 for the year under review. Thus the estate was able to show for 1919 the record working profit of £67,840, or £3,780 above the previous record of 1916. With a net profit of £67,234, as against only £28,667 in 1918, it was possible to return to the record dividend of 1915 of 20%. The balance carried forward to the next accounts is returned at £22,791, but this includes £17,500 in respect of the estimated liability for excess profits duty.

The outlook for the current year is promising. There is estimated a crop of 4,000,000 coconuts and 675,000 lb. of rubber. As regards the former, there can be little doubt of the profit resulting from it for years to come. The demand for margarine, and in consequence for coconut oil, continues pressing, and estates which because of their proximity to the sea are well adapted for this crop are bound to reap a profitable harvest. Let it be recollected that for 1919 over one-third of the net profit was earned by the coconut plantations, which cover 1,396 acres. It is hoped with the aid of additional labour to increase this to 1,574 acres in the current year. Returns of the output of rubber show that for the first five months there have been secured 258,154 lb., which would point to a realisation of the estimate. With price levels still rising some difficulty will be experienced in lowering the cost of production. But the fact that the estates were able to produce large quantities of foodstuffs in 1919 will enable them to counter any repetition of the rice shortage. The labour situation is still somewhat difficult owing to the unfavourable exchange between the Malay States and India. The most crushing burden, however, will be the 60% excess profits duty. The datum line of this Company was fixed whilst the estates were still immature, with the result that the profits for 1919 were more than three times the amount thus fixed. Moreover, so low is this datum line that, whilst other companies received refunds of excess profits duty owing to the restricted crop of 1918, this Company had to pay even in that year £3,894 in respect of this tax, whilst its liability for 1919 at 40% is estimated at £17,500. It is becoming almost monotonous to have to record the instances of rubber companies that are suffering from the inequity of this tax. The position as revealed in the balance sheet as on December 31, 1919, is very strong. To meet liabilities, including the dividend of £45,000, amounting to £60,542, liquid assets are available to a total of £93,906. One other point is worth notice: the market valuation per acre, including only the rubber plantations, works out at £211. Seeing, however, the growing value of the coconut plantations, this process requires modification. Assuming, as in a similar case previously, that five acres of coconuts may be regarded as equivalent to three acres of rubber, the total planted area (in terms of acres of rubber) would be 2,928 acres, and the market valuation £148. In the market the 2*s.* shares command 3*s.* 10*d.*, and at this price afford, upon the basis of the 1919 dividend, a return of nearly 10½%.

The directors of the London Joint City and Midland Bank, Limited, announce an interim dividend for the past half-year at the rate of 18% per annum less income tax, payable on the 15th inst. The dividend for the corresponding period last year was at the same rate.

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PAID-UP CAPITAL - - - - - - £34,500

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Insurance Notes.

ROYAL EXCHANGE ASSURANCE.

On June 22 this Company, whose operations include every kind of commercial as well as life business transacted by insurance offices, celebrated the two hundredth anniversary of its establishment. It is a vigorous veteran. During its long career it has worthily fulfilled the purposes of its founders. Many of the merchant princes of the City of London have occupied seats on its board, and under their control it has well upheld a well-deserved reputation for high and honourable dealing, in conformity with the best traditions of British trading. The conduct of its business has been successful, and although occasionally the Company has had to contend with adverse incidents and conditions, such as are bound to occur in any underwriting career of long duration, it has always emerged from such temporary troubles unscathed. Even during the trying days of the Great War its business has developed both in magnitude and in profit-earning capacity, and the dividends to its shareholders have been steadily on the up grade, while its reserves have been increased. The paid-up capital amounts to £681,219. The dividends (in each case less tax) for 1915 were at the rate of 11%; for 1916 and 1917 at 12% in each year; and for 1918 at 14%. The annual report for 1919 announces a distribution at the rate of 16%, together with a bonus dividend of 5% to celebrate the bicentenary. It will be seen from the following analysis of the figures for last year that the ordinary and bonus dividends were more than covered by the interest earnings alone, and that very large profits from trading, as well as the unappropriated balance of interest, have been applied to strengthen the Company's resources, and in other fruitful ways.

Though the Company's life business, from its nature, is not very important from a shareholder's point of view, it has none the less been very actively developed, especially during the last 15 years or so, which have seen a doubling of the relative premium income. The bonus additions to participating life policies have been at a satisfactory standard for many quinquennial periods up to the last—on December 31, 1915. Another valuation falls due at the close of the present year. Judging from the experience of other life offices, it can scarcely be expected that the adverse war conditions will fail to affect results, but the normal experience of the working of the business seems satisfactory. Great progress in this section was made in 1919. The new life policies covered assurances of £2,013,370, of which £240,500 was reassured, the net

retention at the Company's sole risk thus being £1,772,870, as compared with £806,388 in 1918, so that the Company has fully shared in the revival of life assurance activity since demobilisation. The total net life premium income of the year shows an advance of £54,506 to £177,271. Expenses of management, inclusive of commission, absorbed about 17.2% of the premiums, as compared with about 14.1% in 1918. An increase was, of course, to be expected in this respect, looking to the larger proportion of new business and to enhanced cost of clerical labour; but the ratio is still within the margin of premiums then in force which was reserved for costs and contingencies at the last valuation. Claims by death amounted to £257,788, which sum is stated to have been "only slightly in excess of that expected on the basis of the mortality tables used in the valuation, notwithstanding the amount paid for war claims." Endowment assurances matured for £113,804. Through the year's operations, after allotting £45,000 to depreciation of investments, the life assurance fund was increased by £102,586 to £4,160,950, and the average net interest yield, after deduction of income tax, seems to have been about £3 18*s.* 2*d.* per cent., as compared with the actuarial assumption that 3% would be earned.

The separate annuity account shows that a sum of £26,189 was received as consideration for new annuities, and the annuity fund at the close of 1919 amounted to £718,722. The capital redemption revenue account shows premiums of £20,785 and a relative fund of £221,257.

Turning to what may be considered the commercial departments, for which profits were taken into account in the course of last year, it will be found that the trading results, although somewhat depleted by heavy taxation, were most satisfactory. They were greatly assisted by the magnificent outcome of the marine department, which may be regarded, however, as of an exceptional character. The Company wrote very largely in this section during the War, and though in doing so it took great risks, it has reaped a bountiful harvest from its enterprise in this direction. Subject to taxation, the amount transferred from the marine to the profit and loss account in 1919 was £350,000, of which £320,869 may be regarded as gross trading profit, seeing that the departmental interest earnings amounted to £29,131. Profits in future are, of course, not likely to be nearly so large from this source, but the marine fund has been greatly strengthened. At the close of the year it amounted to £1,408,219. The marine premium income in 1919 was £955,217, as compared with £1,250,478 in 1918 and £1,799,401 in the bumper year of 1917.

The fire insurance revenue account for 1919 shows a premium income of £1,482,371, which exceeds the corresponding figure for 1918 by £206,447. After taking into account claims and expenses and adjusting the departmental reserves for unexpired risks on the usual 40% of the premiums basis, the profit on this account transferred to profit and loss amounted to £117,110, of which £94,776 seems to have represented trading surplus and £22,334 interest earnings. The fire insurance fund amounted thereafter at the close of the year to £792,948.

A large increase in business is shown by the general accident insurance account, the relative premiums having risen during 1919 from £441,471 to £610,236. The profit for the year in this sphere, after giving effect to the operations and the adjustments, seems to have amounted to £20,073, of which £11,787 is attributable to trading and £8,286 to interest. The departmental fund at the close of the year, exclusive of sums received in respect of outstanding claims, amounted to £244,094.

The trustee and executor revenue account shows the receipt of £7,424 from fees, the payment of £7,199 in expenses, and the very moderate profit of £225.

Profit and loss account is credited with a sum of £75,646 for net interest earnings not carried to other accounts, and with miscellaneous receipts for £77, in addition to the departmental earnings from trading and profits already referred to, and it is debited with £44,725 for expenses not charged to other accounts, and also with a payment on account of £60,000 for excess profits duty. Putting all the figures together, the net outcome of the whole of the year's accounts as regards profits appears to have been as follows:—

Account or Department	Profit from Trading	Net Interest Earnings
	£	£
Fire	94,776	22,334
Marine	[illegible]	29,131
General accident	11,787	8,286
Trustee and executor	225	
Profit and loss account	77	75,646
	427,734	
Less charged to profit and loss ...	104,725	
	323,009	135,397
Total net profits	£458,406	

The following allocations have been made out of the year's profits:—

	£
For dividends and bonus dividends to shareholders, less income tax	161,316
Contribution to staff pension fund	20,000
Transfer to special reserve fund	230,000
Added to balance of profit and loss account (general reserve fund) after provision for dividends	47,090
	458,406

Apart from capital, life, and annuity funds, capital redemption fund, "pension and other reserve funds" (£168,621), and special reserve fund for taxation (£440,000), and other hypothecated balances, the free reserves carried forward to 1920, after provision for dividends and bonuses to shareholders in respect of 1919, appear to be as follows:—

		£
Fire insurance fund		792,948
Marine insurance fund		1,408,219
General accident insurance fund	£432,907	
Less estimated liability in respect of outstanding claims	188,813	244,094
Balance of profit and loss account (general reserve fund)	876,547	
Less amount required for dividends and bonuses to shareholders after deduction of interim dividend paid in 1919	67,544	809,003
		3,254,264

This represents about 106% of the total net premium income in 1919 in the fire, marine, accident, and general departments, which aggregated £3,057,784. Total assets as shown by the balance sheet on December 31, 1919, £10,932,457.

LICENSES AND GENERAL INSURANCE COMPANY, LIMITED.

As the result of its operations in 1919, this Company is enabled to maintain the dividend on its Ordinary shares at the rate of 10%, free of income tax, which was declared for 1918, after a long series of annual dividends at the rate of 8%. On December 31, 1919, the subscribed capital amounted to £144,060, of which £73,850 was paid up, in 14,042 Ordinary shares of £10 with £5 paid on each, and 364 fully-paid Preference shares of £10 each. The premium income in 1919 showed considerable expansion, having risen from £160,701 to £236,728 (fire premiums, £48,636; accident premiums, £1,827; employers' liability premiums, £17,413; licences and general insurance premiums, £168,852). The balance sheet at the close of the year shows total assets of £457,199, which are certified to have been at that date, in the belief of the directors, fully of the value stated in the aggregate, together with the reserve of £77,000 for depreciation in investments. Reserves are set aside in the various departmental revenue accounts, at the rate of 45% of the relative premium incomes, in order to meet unexpired risks, exclusive of amounts reserved for outstanding claims. There are, in addition, a general reserve fund of £50,000, the reserve for depreciation [illegible] and a balance of [illegible] and loss account, after [illegible] amounting to £7,760.

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HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

Commercial.

COCOA.

MR. ARTHUR KNAPP has written an exceedingly interesting book on "Cocoa and Chocolate: their History from Plantation to Consumer." We notice the book elsewhere.

The world's total production of cocoa was recently estimated at between 250,000 and 300,000 tons. Last year the production was believed to exceed 400,000 tons. There seems no reasonable doubt that cocoa was entirely unknown to the outside world before the discovery of America. The actual origin of the plant is still a subject of dispute. Many competent authorities argue that it originally came from some district on the banks of the Amazon. This argument is based upon the fact that the cocoa plant is found growing wild over wide areas of the Amazon district. This fact, however, is by no means conclusive evidence, as the cocoa plant is found growing wild over very large areas of tropical South America, in Central America, and even in certain districts in the southern part of the North American continent. It can only grow, either in a wild state or in a cultivated form, in certain districts of the tropics. It requires very particular conditions to admit of its growing at all. It is, in fact, one of the most delicate plants in the whole vegetable kingdom, especially of those plants which contribute to the sustenance of man. It is feared that one of the rare species of this plant which grows in Venezuela, and the cocoa of which is esteemed as the finest in the world, will ultimately die out. There is a well-known picture of the cocoa plant which represents is as growing under the shade of another tree. The cocoa plant requires a warm, humid temperature. It cannot bear anything in the nature of swampy ground, but it quickly perishes if planted in land liable to dry up at all suddenly. It requires heat, but cannot bear the direct rays of the sun. It requires air, and hence there is a theory that cocoa plantations thrive best when situated near the sea. At the same time, it requires a screen or plantation to protect it from rough sea breezes, which are fatal to the plant's development. The area in which it can be grown is confined to the tropical or sub-tropical regions of the earth, as a single frost is fatal to its existence. As a corollary the altitude at which it can be grown even in the tropics is necessarily limited.

Cocoa was first introduced into Europe in the form that we know as liquid chocolate. Cortes and Pizarro found that it was consumed in very large quantities in Mexico and in Peru. It was not at first at all popular in Europe. It is doubtful if it ever would have been popular as an article of diet in the temperate regions of the earth had it not been discovered that it was capable of being blended with sugar. Chocolate as it was consumed by the natives of Mexico and of Peru at the period of the Spanish conquest was not, and is not, a palatable beverage according to European tastes. At the Court of the Emperor of Mexico as well as at the Inca Court it was consumed, and consumed in enormous quantities, but in flavour and in many of its constituents it was a totally different beverage from that which has become so highly prized in Europe, in North America, and in other countries peopled by Europeans or those of European descent. In ancient Mexico as well as in Peru it was consumed mixed with vanilla and flavoured with highly pungent spices. To European taste such a beverage would be far from attractive. The discovery that it was capable of being blended with sugar made it exceedingly popular, and the consumption in Europe since the beginning of the eighteenth century, or perhaps we might say from the end of the seventeenth century, has steadily increased. Probably the world's consumption of cocoa mixed with sugar in the form of chocolate is greater now than at any period since its discovery. It is a food as well as a beverage, and medical opinion seems to incline generally to the view that it is free from the deleterious properties present in so many other popular beverages.

Up to about a century ago the principal source of supply was that country in the north-west of South America which we now call Venezuela. There is a district in the neighbourhood of Caracas which may not inappropriately be described as being to the cocoa industry of Venezuela what the Vuelta Abajo is to the tobacco industry of Cuba. Unfortunately, the people of Venezuela have wholly neglected to take advantage of the opportunities which should make the country one of the principal sources of the world's supply of cocoa. At present Venezuela supplies, the demands of the international markets of the world only to about 5% of the total world's consumption. Very little care is taken in its cultivation, except such as is absolutely necessary to preserve the plant at all. When Venezuela ceased to be an important source of the world's supply of cocoa Ecuador took the place which the more northern Republic formerly enjoyed. Like Venezuela, Ecuador has remarkable advantages for the growth of cocoa upon a great scale. From being, however, the principal source of supply she does not at present supply quite 15% of the total amount demanded by the international markets of the world. Nearly the whole of the amount she does supply is shipped from the port of Guayaquil. Although Ecuador lives upon cocoa and her cocoa magnates are, many of them, millionaires, surprisingly little care is taken in the cultivation. The use of fertilisers is hardly practised to any appreciable extent. In many plantations the plant is allowed to grow practically in the wild state. So delicate is the plant, however, that a certain amount of cultivation is essential even in Ecuador. The soil is almost ideal for the growth of cocoa, but it usually requires a certain amount of drainage, and this has to be secured. Moreover, the cocoa plant will not grow in the presence of weeds, and consequently weeding has to be practised. In addition, the plants will not grow too close together, and consequently periodical thinning is resorted to. Speaking generally, however, the

Ecuadorian planter relies upon the excellent soil and the protection which the adjoining forest affords at nearly every instance to his very doubtful crop. He has, however, so neglected his opportunities that in spite of his extraordinary advantages he only supplies the international markets of the world to the extent above stated.

So recently as the year 1890 cocoa as a native industry was absolutely unknown on the Gold Coast of equatorial Africa. The Gold Coast Colony to-day supplies the markets of the world with more than one-third of the world's total consumption. It is, moreover, a native industry. The Colonial Government is to be congratulated for the assistance and encouragement which it has given to the natives in the growth of this plant and in the development of this industry. So recently as the beginning of the present century not 1,000 tons were produced on the whole of the Colony. In 1919, within a period of less than 20 years, more than 170,000 tons were grown in that Colony, of an estimated value of between eight and nine millions sterling.

WOOL PRICES.

In an article published on June 19 we expressed our agreement with the measures adopted by the Government to support temporarily the Raw Wool market, but this agreement was contingent upon the artificial circumstances being withdrawn as soon as the textile industry had been afforded sufficient time to study the situation and to take the necessary precautions to safeguard its position. Our readers will remember that a serious fall in prices occurred at the London auctions in June, and that the Government gave considerable relief at a very anxious time by cancelling the last week's sales and by reducing the quantities offered on the remaining days. Whilst this action was entirely commendable as a temporary expedient, we regret to note a disposition on the part of the Ministry of Munitions to continue the restriction of sale facilities.

Since October of last year we have never ceased to urge upon the whole wool trade the importance of following closely the remaining stages in the removal of Government control, and of formulating a sound policy for dealing with the situation which must arise this summer and autumn when the "free" Australasian clips appear on the markets. In a series of articles upon the "Prospective Wool Position" we dealt with the statistical aspect of the problem, and endeavoured to gauge the extent by which the Ministry of Munitions were failing to carry out their programme of shipments and disposals. Our conclusions were necessarily based partly upon incomplete data and rough estimates, but it was hoped that the Ministry would show sufficient appreciation of the difficulties of traders by assisting them at regular intervals with plain statements of the immediate situation and future prospects. In a recent article we placed the Government stocks at the end of June at "something like 1,500,000 bales"; some authorities estimate the figure at 2,000,000 bales; and others again suggest 3,000,000 bales as by no means an unlikely figure. This wide divergence upon such an important point amply demonstrates the need of regular official statements of stocks and sales. Some months ago we showed that the Government would probably not liquidate their stocks before the end of April 1921, and this forecast did not take into account any suspension of buying in the manner now obtaining. One cannot draw safe conclusions in this matter from figures based upon rough estimates over a considerable period unless these estimates are revised from time to time from the actual facts. The broad conclusions are, however, beyond doubt that an enormous accumulation of Australasian wool exists and that the Government will not [illegible] their holdings until many months, possibly a year or even more, after the "free" [illegible]

It is now necessary to recall that the very high prices to which raw wools have been forced have been largely caused by the manner in which the Ministry of Munitions have arranged their sales. We venture to predict that in a year or two's time the general trade opinion will be that the greatest mistake of the Government in dealing with this delicate problem of decontrol has been their refusal to allow sales in Australia and New Zealand. The only argument that we have seen used in support of this policy is that the private business man would be unable to ship purchases made on the other side. Our only comment is that if tonnage is available to the Government to lift their material, then at least equal space would be secured by private firms if sale facilities were provided in Australasia. The plan of restricting the main sales to London, with subsidiary auctions at Liverpool, Hull, Antwerp, and Boston has concentrated all demand for both current use and for forward contracts, and we maintain that this practice is partly responsible for the rise in price of all wools.

The stagnation which now exists in the woollen and worsted industries is caused by many factors, but by no means the least important is the fact that the rank and file of traders are really beginning to appreciate the possibilities which may result from the enormous accumulation of Colonial wool existing at the moment when control of buying comes to an end. We have not forgotten that in the autumn of 1919 the Government, by opening the London sales to foreign competition, forced a rise in prices at a moment when a fall had begun, and it now appears that they are endeavouring to maintain their present reserve prices by restricting the sales and reducing the quantities offered. This policy, we suggest, is fundamentally wrong. It is true that a certain amount of money may be wasted by showing more wool than will be sold, but a buying movement must set in eventually, and unless this is provided for we may actually see a recovery from the lower level now existing. It may be urged that the British wool fairs are showing a healthy tone, but it must be remembered that many farmers are withholding their clips, and that the peculiar properties of many types of home-grown wool render them almost indispensable for certain classes of trade. Many manufacturers feel, therefore, that they must buy British wool when it is available, and they prefer to pay slightly higher prices than run the risk of not satisfying their needs at a later date. So far as crossbred wools are concerned, the pace has been set by South America, from which sales are taking place at prices far below the Government reserves and at practically the pre-War levels. Even if some arrangements are made for supplying sufficient wool to our late enemies, it seems inevitable that a big drop in raw wool prices is inevitable in the near future, and we believe that the only sound course of action for the Government to take is that already suggested in these columns, viz., to permit prices to move gradually to a lower level. This plan can only be put into

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effect by reducing the reserve prices and by maintaining an ample, or even more than ample, supply in the sale-room.

The serious trouble caused in the industry by the movement to cancel contracts is largely attributable to the fact that merchants and clothiers are unable to gauge the extent of their possible losses, and this absence of a sound basis of values prevents further orders being placed. The urgent need of the moment is a lower level of prices of such a nature that they may be expected to remain in effect for some months at least, and as long as the Government holds such large stocks of material the responsibility is theirs of assisting the trade to move in this direction as rapidly as possible.

New Issues.

SIR W. G. ARMSTRONG, WHITWORTH AND COMPANY, LIMITED.

With an authorised capital of £11,012,500, of which £10,012,500 is issued, this well-known firm are offering to the public £2,000,000 Second Mortgage Debenture stock at 95, carrying interest at 6½% and redeemable on or before January 1, 1946. There is already in existence a similar amount of 4% Mortgage Debenture stock. The Company takes power to issue up to £3,000,000 further stock, ranking *pari passu* as regards security with the present issue, at such rate or rates of interest and on such terms and conditions as may be thought fit, but not so as to be redeemable at a higher premium than that of the present issue. £80,000 is to be applied annually in the redemption of this stock by drawings at 102½%, or by purchase in the market. The issued share capital of the Company, amounting, as above stated, to £10,012,500, ranks behind the present issue. Certified profits for the last four years for which accounts have been published, after charging depreciation and interest, show pretty even growth from £675,526 to £852,348, and in the past seven years dividends equal to 12½% per annum have been paid.

Debenhams, Limited, are offering for subscription 750,000 10% Cumulative Preferred Ordinary shares of £1 each at par. In February 1919 Debenhams acquired all the shares and the entire assets of Marshall and Snelgrove, Limited. The objects of the present issue are to replace capital expended in the acquisition last December of Harvey, Nichols and Company, Limited, and to supply working capital for the general expansion of the business. Between 1908 and 1918, the prospectus informs us, the volume of Debenhams' business has more than trebled; in 1919 it increased by 30% over the figures of the preceding year; and since the last balance sheet was made up it shows a still higher rate of increase. The profits for the past year of Debenhams and Harvey, Nichols and Company amounted to £1,149,475, while a profit of only £355,441 is necessary to provide for all prior charges, including compulsory allocation to reserve, and the dividend of £75,000 on the present issue.

A new issue of 1,800,000 7½% Cumulative Preference shares of £1 each at par was made this week by Harrods, Limited. The object of the issue was to provide funds for the repayment of a loan made by the Company's bankers in connection with the purchase of certain businesses, including the well-known firm of Swan and Edgar, Limited, and for the purchase of increased stocks held here and in Belgium, as well as for other capital. The profits of the combination of businesses for the past year were sufficient to cover the interest on the entire Preference capital, including the present issue, more than three times over.

Cadbury Brothers, Limited, with an authorised capital of £4,000,000, divided into 1,075,000 6% Cumulative Preference shares of £1 each, of which 876,889 have already been issued; 1,000,000 8% Cumulative Second Preference shares of £1 each, of which 300,446 have been issued; and 1,925,000 Ordinary shares of £1 each, of which 1,000,000 are issued, is now making an issue of 600,000 8% Cumulative Second Preference shares at par. The net assets are given as £3,687,976. Deducting the 6% Preference shares issued, there is available as cover for the total Second Preference shares £2,811,087. The directors hold £810,761 out of the million Ordinary shares in issue. An agreement was entered into last year whereby a union of interests between Cadburys and Frys was brought about, which, we are told, is proving of considerable advantage.

Applications are invited for £200,000 7% Income-tax Free Short-term Notes repayable at 105 on July 1, 1925, by Fuller's United Electric Works, Limited, manufacturers of accumulators, primary batteries, electric cables, carbons, &c. The business was originally established in 1875, but the present Company was formed in March of last year. A dividend on the first year's trading has been declared of 10% on both the Preference and the Ordinary shares after setting aside for depreciation and preliminary expenses £11,900, and carrying forward £8,040—this in spite of the fact that only about one-half of the present works was available for 10 months of the year. Without allowing for redemption at 105 in five years' time, or earlier at the Company's option, the yield on these Notes works out at about 10%, less tax. The issued capital at present is £401,507, of which 250,000 are 8% Cumulative Participating Preference shares of £1 each and 151,507 Ordinary shares of £1 each.

Brown Brothers, Limited, with an issued capital of £450,000, have offered this week for public subscription 50,000 7½% Cumulative Preference shares of £1 each at par, and 100,000 Ordinary shares of £1 each at the price of £1 2s. per share. The business is that of wholesale motor and accessory manufacturers, operating in London, Manchester, Southampton, Cardiff, and Paris.

The Bournemouth and Poole Electricity Supply Company, Limited, this week offered for subscription £150,000 7½% Seven-year Notes at par. The profits of the Company for 1920 are estimated at £45,600, sufficient to pay interest on Debenture stock and loans, and to leave a balance sufficient to cover the full year's interest on the Notes three and a-half times.

There will be offered next week 339,512 Ordinary shares of £1 each in the Brush Electrical Engineering Company, Limited. The Company is one of the pioneers of electrical progress in the United Kingdom, and the object of the issue is to extend the business and to make additions to its factories in Loughborough. We understand that every department of the brush-manufacturing concern is fully occupied with work for home and overseas customers, and that the orders booked during the first six months of the current year largely exceed in amount the whole of the contracts executed during the past year.

The recent offer of 200,000 8% Cumulative Preference shares of £1 each at par by Hargreaves Brothers and Company, "Gipsyville," Hull, makers of "Gipsy" blacklead, "Linoleo," "Glosso," and other household polishes, has been over-applied for. Letters of allotment and regret will be posted early next week.

It is officially announced that, subject to Treasury sanction, it has been arranged for the old-established banking business of Richards and Co., bankers, Llangollen, to be amalgamated with the National Provincial and Union Bank of England, Limited, with whom they have been associated for many years as their London agents. The identity of Messrs. Richards and Co. with the business will be preserved by two members of the firm, Messrs. S. C. Richards and R. W. Richards, becoming local directors.

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DIRECTORS.
The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman
Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

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BRITISH DYESTUFFS CORPORATION.

Year to Oct. 31	Net Profit	Pref. Ord. Div.	Preferred Def. Ord. Div. Amount	Def. Ord. Div.	Carried Forward	Stocks	Cash	Sundry Debtors
	£	£	£	£	£	£	£	£
1919	172,595	53,701	59,977	Nil	58,827	101,595	1,408,255	173,163

* Including Preferred Ordinary dividend.

One of the lessons taught in the hard school of the War has been undoubtedly the national importance of the dye-making industry. "I believe," said the Chairman at the recent first ordinary general meeting of the British Dyestuffs Corporation, "it is almost impossible to over-estimate the value of the German dyestuff industry to the German Government in the recent War or the power which the industry placed in the hands of our enemies to prolong the conflict." But apart from the facility of converting the industry to the manufacture of munitions and poison gas, there remains the no less vital consideration of its influence upon the textile industries. The importance of this group of industries, with its world-wide range of activities, in the export trade of the United Kingdom needs no elaboration. Yet—and this fact is not generally known—these industries are dependent to an enormous extent upon an adequate supply of dyestuffs. Thus in times of peace, as well as of war, the comparatively small industry of dye-making must be regarded as a key industry. Out of the recognition of these facts was born the British Dyestuffs Corporation a little over a year ago. With the active support of the Government, the Company was floated to secure, through the amalgamation of British Dyes and Levinstein, Limited, for the British textile industries such a supply of dyes as would render them independent of the German dye industry. As will be recollected, the Government not only subscribed £1,750,000 to the capital, but also issued a proclamation in February 1919 prohibiting the import into the United Kingdom, except by licence, of all derivatives of coal-tar capable of being used as dyestuffs and synthetic colours. The avowed object of this regulation was to protect this key industry in its initial stages from the competition of German dye-making firms, and it was announced that, for at least ten years after the War, the importation of foreign dyestuffs would be thus controlled.

The financial results of the first year's trading of this Corporation are embodied in the table at the head of this article. At the outset it is well clearly to understand that the figures cannot be taken as giving a reasonable indication of the productive capacity of the Company. A year which ended on October 31, 1919, covered a period obviously so difficult that no tangible conclusions can be derived from its results. The year had scarcely begun when the Armistice put an end to the manufacture of munitions and brought at once into being the complex problem of reorganisation. This involved a dislocation not only of employees but of the machinery. Here again came another difficulty: the requisite machinery for dye-making could not be secured. The engineering industries themselves had also to face their problems of reconstruction, and found themselves further handicapped by labour disputes, notably the moulders' strike. Finally, such results as were achieved were accomplished under a regime of [illegible] materials; whilst, owing to the laudable desire not to prejudice the prospects of the textile industries, the price of the dyes was not advanced for a considerable period. It is under all these difficulties that the net profit of £172,595 was obtained, and even that sum was earned on a comparatively small capital, for the issue of £5,000,000 in July 1919 did not come into the possession of the Company in time to influence the above trading results to any marked degree. After paying the Preference dividend of 7% and the Preferred Ordinary dividend of 8%, the balance of £58,827 is carried forward to the next accounts.

All indications point, however, to successful progress during the current year. The transformation from a war to a peace basis has made [illegible], and is expected to be completed shortly. The general expansion of the textile trade has given rise to a strong demand for a variety of dyestuffs. Alive to the vital importance of chemical research, arrangements have been made to erect premises which, with equipment, will cost £250,000; whilst during the year under review a sum of £70,000 was spent on research work. And the work has proved remunerative, resulting in the discovery at Huddersfield of cyanine green in addition to the secret of the blue dyes. A recent agreement, too, has been entered into with an American concern for the interchange of trade secrets, which should prove valuable to both parties. It is gratifying to learn that the industry now employs over 7,000 persons, that its present output of dyes exceeds the total consumption in the United Kingdom before the War, and that British-made materials and intermediate products are almost exclusively used in the process of manufacture. It is essential, however, for the Government, in view of the recent Sankey judgment on importations, to take the necessary steps to curtail, in accordance with their promises, the import of foreign dyestuffs. The position of the Company as revealed in its balance sheet dated October 31, 1919, is financially strong. Liabilities, including the Preferred Ordinary dividend, do not exceed £101,595, whereas the cash alone amounts to £1,458,235. The Corporation, as the Chairman pointed out, is merely a holding corporation. Consequently, its main asset comprises shares in and advances to associated companies, which stand in the balance sheet at a value of £6,185,122. A summary, however, is provided showing how this asset is represented by a surplus of £6,226,584 of the assets of the associated companies over their liabilities. The issued capital on October 31, 1919, amounted to £7,923,960. Preference shares, fully and partly paid, accounted for £2,939,431; Preferred Ordinary shares fully and partly paid reached £2,910,237; Deferred Ordinary shares were valued at £986,366, whilst the balance of £1,087,926 represented the excess of calls in advance over calls in arrear. In the market the prices and yields of the different securities are:—

	7% Pref. Shares	8% Pref. Ord. Stock	Def. Ord.
Price	11 11xd	12¾	[illegible]
Yield	[illegible]%	[illegible]%	[illegible]

For the current year the yield on the Deferred Ordinary shares is based on a dividend of 5%.

A cable received by the [illegible] Rio de Janeiro, June 28, [illegible] Government has submitted to the Chamber the proposed General Budget for 1921. The expenditure is estimated at 72,486 contos (gold) and 683,026 contos (paper), and the receipts at 106,039 contos (gold) and 519,886 contos (paper).

The Fruit Trade [illegible] books of the [illegible] Company will be closed from July 17 to July 31, 1920, both days inclusive, for the preparation of dividend [illegible].

MEETINGS
OF PUBLIC COMPANIES.

BANK OF NEW SOUTH WALES.

At the half yearly general meeting of the Bank of New South Wales, held at the Chief Banking House, Sydney, on Friday, May 28, the Chairman, the Hon. Sir Charles K. Mackellar, K.C.M.G., M.L.C., President of the Bank, in moving the adoption of the report, said :—

Gentlemen—Before moving the adoption of the report and balance sheet I will as usual give some explanation of the figures, comparing the present balance sheet with that of March 1919.

These figures indicate great activity in the business—the deposits are much higher, having gone up to £49,417,000—an increase of £4,480,000. This is due chiefly to two causes—the high prices prevailing for the primary products—and, secondly, the large amount of loan money available for expenditure locally, a certain proportion of which comes to the Bank in the shape of deposits. The fixed deposits have increased in a moderate degree, but the greater portion of the increase is in the current accounts. We are carefully watching the incidence of these, and until we can gauge their permanence on present levels are keeping liquid reserves against them well in hand.

The note circulation in New Zealand has decreased £487,000 and is now not much above normal. As I have said at previous half-years, the circulation of the banks in New Zealand has proved an effective and economical factor in carrying on the finance of the Dominion.

Bills payable as showing in the balance are higher by about £1,000,000, arising entirely out of transactions on the import side of the country's trading. The volume of business has been heavy in any case, but the fact that in several important cases drafts have been resorted to for remittance purposes, instead of telegraphic transfers, has naturally swollen the balance outstanding.

Increased Capital and Large Liquid Assets.

The new capital recently created has been satisfactorily taken up, and the sum to make up the £5,000,000 at the balance was only £235,000. We expect that by the end of this year the full sum will be in hand.

On the assets side the first-line item has reached the large total of £38,000,000. The actual cash holding is nearly £17,000,000, mostly on this side. Short-call money in London was £2,790,000. The short-dated Treasury bills of the British Government, having a few months' currency, £3,900,000; these are well-spread, first-class securities. The investments in British Government, Commonwealth Government, and the securities of the New Zealand Dominion, the Australian States and municipal and kindred bodies, amounted to £9,200,000, and the items in transit and the bills receivable in London amounted to £4,456,000. The increase in the deposits is largely responsible for the increase in the first-line total, and the wheat and wool schemes entered into in conjunction with the Commonwealth and British Governments has led for the time being to an accumulation of funds in London, which, though very profitable, to some extent interferes with our policy of preserving a due equilibrium between London and Australia, with a preponderance for the latter because our principal business is at this end. However, we are giving close attention to this phase of our operations and to the policy I have referred to.

There has been a large reduction in the special advances made in support of the Wool and Wheat Schemes evolved during the War, which is offset by the increase in the London funds just referred to. Ordinary advances have increased apparently only £80,000—but the net result is brought about by an increase of about £1,000,000 in direct advances by way of overdrafts and an equivalent decrease in bills discounted here and those of London on Australia.

The Bank and Agriculture.

The overdrafts have increased partly by reason of expansion of trade, but more particularly because the drought has caused our country customers to lean more heavily than usual upon us; within the limits of safety to the Bank we feel it to be our duty to extend all monetary assistance in the grave conditions which have prevailed in most of the country districts of Australia for some time past. We are assisting to preserve stock and to put in crops, feeling well assured that it is in the best interests of the Bank itself and of the Commonwealth generally to support the great primary industries in their hour of need.

The taxation to which the Bank with the rest of the community is now liable is heavy. This half we have paid altogether at various points £133,000 and for the twelve months £201,000. It was inevitable that the large charges for interest on the War Loans would impose this burden on our earnings, and as the full financial effects of the War have not yet been reached it is probable that the taxation will be heavier in the near future rather than lighter.

I have already made some reference to the severe drought which has afflicted a large portion of this continent. So far as the Bank's business is concerned it is so well spread as to locality and as to the amount at risk in individual cases that the average which we always maintain with regard to our operations is not seriously disturbed, and we continue to make large provision for contingencies. Experience has taught us what to expect, and the same experience justifies us in believing that when good seasons recur, as they always have done, the recovery will be rapid, and as a set-off for losses the prices for stock and for wool and other products are likely to remain at a high level. In other respects business generally throughout our sphere of operations is in a satisfactory position, but we are watching events very closely, for, as I have said on previous occasions, the transition financially from war conditions to normal is not an easy one, and the problems arising therefrom have to be dealt with intelligently and with a very large exercise of common-sense.

UNITED BRITISH INSURANCE COMPANY, LIMITED.

THE ordinary general meeting of this Company was held on July 14 at the Criterion Restaurant, London, W., Mr. C. H. Dodd, the Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that this was the first meeting of shareholders since the Company had been converted from a private into a public company. The Company carried on business in fire, personal accident, employers' liability, general insurance (which was mostly in connection with motors), marine insurance, and life assurance, so that it comprised pretty nearly all classes of insurance which existed. He thought the shareholders would agree from the figures before them that the result of the working of the Company was excellent.

Departmental Results.

The fire insurance account showed that the premiums for the last year had amounted to £211,349, and that there had been transferred to the credit of profit and loss account the sum of £3,305. That was after making full reserves for unexpired risks and full allowance for claims paid and outstanding. The personal accident account was at the present time of small dimensions, but the figures showed a profit, and the board had every hope that that particular class of insurance would grow into large figures before long. Employers' liability insurance also showed a profit; the premiums there were comparatively small, but it was a growing business. They were transferring to the credit of profit and loss the sum of £354. The general insurance account, which, as he had already mentioned, represented mainly motor insurance, showed premiums for the last year of £12,811. After making full reserves they had been able to transfer to the credit of profit and loss account the sum of £746. The marine insurance account naturally showed a fall in premium income as compared with the previous year, war-risk insurance having disappeared. The Company, however, had an excellent general marine insurance business, and the board had every hope that that account would continue to show good figures and a reasonable and fair profit. They had transferred to profit and loss account £59,329. As to the life insurance account, which had only recently been commenced, he need say nothing beyond that it was growing, and that, with a number of able agents all over the country, the board expected to see it attain large dimensions before many years.

Disposal of Profits and Share Premium.

The profit and loss account disclosed a balance of £147,238. The directors recommended that a final dividend of 12½%, free of income tax, should be paid, making with the interim dividend 25%, free of tax, for the year, that £60,000 be placed to tax reserve fund, and that the balance of £57,238 be carried forward. The Company worked in close co-operation with the Motor Union Insurance Company. That co-operation was very effective and very helpful to the respective companies, and the figures of this Company were to ascertain extent attributable—certainly so far as the general insurance account was concerned—to the close connection. Since the date of the last meeting the capital had been increased by the issue of a further 200,000 shares at a premium of £3 per share. At the time of the closing of the books £400,000 had been received in that connection. Of that amount £300,000 might be treated as premium, and that premium had been allocated by placing £200,000 to general reserve and £63,000 to investment reserve, and by writing off £37,000—the expenses of the new issue. In view of that it had not been considered necessary this year to place anything to reserve, other than the amount to tax

reserve fund. The receipts disclosed in the profit and loss account in respect of interest, dividends, rents &c., £65,646, were more than sufficient to cover the full amount of the dividend declared, and it had not been necessary to call on the trading profits. It was hoped to pay an interim dividend in respect of the current year sometime between now and Christmas.

Discontinuance of United States Business.

With reference to the United States branch, represented in the balance sheet by a sum of £511,544, the board, after very careful consideration, had come to the conclusion that it would be in the best interests of the Company to cease to carry on business in the U.S.A., and, therefore, had made arrangements to cease underwriting. The tendency of legislation in America was to make the business of insurance by foreign companies more difficult than ever. Some time must elapse before the account could be finally wound up, but the directors had no reason to anticipate that the Company would suffer any financial loss. His attention had been directed to certain figures, which had received publicity, which purported to show the result of the American fire business. Those figures were totally incorrect, and he asked the shareholders to pay no attention to them whatever. In conclusion, the Chairman referred to the resignation of Mr. Whitcomb from the position of General Manager, owing to calls on his time in other directions. Mr. H. F. Baker had been appointed Manager in his stead, while Mr. C. B. W. Forde and Mr. H. K. E. Ostle had been appointed sub-managers.

Sir Laurence Philipps, Bart., seconded the motion, which, after considerable discussion, was carried with one dissentient.

THE MOTOR UNION INSURANCE COMPANY, LIMITED.

The thirteenth ordinary general meeting of this Company was held on July 14 at the Criterion Restaurant, Piccadilly Circus, London, W., Mr. C. H. Dodd (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that they were exceptionally interesting, in that they represented the results of the Company's working for the first year after the War. A comparison with the accounts for 1918 would show the change in the conditions of the Company's business occasioned by the turnover from war to peace. Taking the fire insurance account, it would be noticed that premiums had risen from £134,647 in 1918 to £423,346. That was a very big rise, but the account was in a very satisfactory condition, and from it they had been able to transfer £31,414 to the credit of profit and loss. The personal accident and employers' liability accounts showed figures which were generally satisfactory. With regard to the general insurance account, which represented chiefly the motor insurances in which the Company specialised, and which had been the backbone of the business since its commencement, that account followed the course which had been fully expected. Premiums had risen from £227,878 for 1918 to £468,833 for 1919. That very large increase was due to the fact that motoring had become general again directly the Armistice was signed; but, unfortunately, though not unexpectedly, instead of a profit to transfer to the profit and loss account, there was a loss of £49,178. That loss had been fully anticipated by the directors, because it was quite obvious that pre-War premiums were absolutely inadequate to meet the additional cost of repairs and the general additional expenses of post-War conditions. Some little time had had to elapse before the various companies transacting this class of business could arrive at the proper percentage to add to the pre-War premiums in order to show anything like a reasonable profit, but since January 1 the premiums had been raised by 20%, and in April they were raised by a further 30%, and on this latter basis it was hoped that the accounts next year would show a fair and reasonable profit on that business. The marine account had also followed the lines anticipated. The premiums for the year 1918 had amounted to £1,379,662, and had fallen to £595,378 for the year under review. That was entirely due to the fact that the war risks, which had comprised a very great portion of the business, had now entirely ceased, so that the Company depended upon its very fine and well-managed general marine account for premiums in the future. Although war-time figures could not be expected now, the board certainly did expect a profitable account on the marine transactions.

Interest Revenue Suffices for Dividends.

Dealing with the profit and loss account, it would be seen that the balance at credit was £152,627, as against £245,835. The reduction was mainly due to the loss incurred on the general insurance account and the reduction in the amount transferred from the marine insurance account. Of the balance sheet it was only necessary to say that the total assets now amounted to £2,454,936, as against £2,124,883 for the previous year. With the balance available the directors proposed to deal by paying a further dividend of 10s. per share on the Ordinary shares (an interim dividend of 10s. per share having already been paid), placing £50,000 to tax reserve fund, making a grant of £5,000 to the staff pension fund, and carrying forward £20,908. It was to be noted that the dividends on both Preference and Ordinary shares were fully covered by the amount of £93,270 received as interest, dividends, and rents, so that it had not been necessary to call on the trading profits. That was a very satisfactory position.

New Capital: Share Premium placed to Reserve.

Since the closing of the accounts the balance of the Ordinary share capital—100,000 shares—had been issued at £5 premium. The amount received as premium, less the costs of the issue—had been placed to reserve, and it had, therefore, not been considered necessary to add anything on the present occasion other than the tax reserve fund. He hoped very long that it might be possible to declare an interim dividend in respect of the current year before Christmas. With the British Motor Trading Corporation, in the formation of which last summer this Company had taken a considerable interest, relations continued to be very friendly. The Corporation had given to the Motor Union Insurance Company quite a considerable amount of very useful business. Their interest in that Corporation was, however, more of a friendly than a financial character, and they held very few shares in it. Mr. Whitcomb, who had been the General Manager of the Company since its formation, and to whose skill and energy the growth and success of the Company had been very largely due, had felt compelled, by reason of other calls upon his time, to resign his post. In his place Mr. H. F. Baker, who had been Assistant General Manager for a considerable time, and knew the work of the office thoroughly, and who was a man in whom the directors had implicit trust, had been appointed, while Mr. C. B. W. Forde and Mr. H. K. E. Ostle, who had been with the Company for a considerable time as Fire Manager and in the renewal department respectively, had been appointed Sub-Managers.

Sir Laurence R. Philipps, Bart., seconded the motion, and the Chairman having replied to questions, it was carried unanimously, as was one approving of the final dividend proposed.

AFRICAN AND EASTERN TRADE CORPORATION, LIMITED.

The annual ordinary general meeting of this Corporation was held on Friday, July 9, in the banqueting hall of the Exchange Station Hotel, Tithebarn Street, Liverpool. Mr. J. H. Batty (Chairman of Directors) presided over a large attendance.

The Chairman said: Ladies and Gentlemen,—Since our last annual meeting we have assumed the name "African and Eastern Trade Corporation, Limited." The dominant reason for this was to indicate the extended sphere of the Company's operations, and the broader policy evolved to meet the purposes of the amalgamation carried through since last year.

I shall have occasion in the course of my address to refer more in detail to the various extensions of the business in other markets than West Africa.

The Chairmanship and Directorate.

After the amalgamation had been carried through, Mr. Cotterell, your Chairman, intimated his intention of retiring from the board in accordance with the purpose he expressed at our last annual meeting. Whilst accepting his resignation your directors desire to express and record their sincere regret and warm appreciation of his prolonged services to the African Association, Limited, and West Africa in particular. I feel sure that I am right in echoing these sentiments on your behalf, and in conveying to Mr. Cotterell our united good wishes for much happiness in the coming years of well-earned retirement.

I would remind you that Mr. Cotterell was one of the original directors on the formation of the African Association, Ltd., in 1889, and held the position of Chairman since 1900. A wish has been expressed by some shareholders to substantiate their regard and appreciation of his past services in the form of a cheque. An intimation of this has, therefore, been included in the directors' annual report, and will be dealt with in the form of a resolution after the report and accounts have been approved and adopted.

When accepting the chairmanship I explained to the board that, provided I was re-elected annually as laid down in the memorandum and articles of association, the appointment should be for five years, and, if specially desired, might even be extended to ten years, but I stated that I would not allow myself to be renominated again. It is so often taken for granted [illegible] appointments, and I wished to let you understand that [illegible] I had in view was to [illegible]

I also desired to explain that the active management of the business [illegible] Two—namely, Mr. A. A. Cowan and Major-General W. H. [illegible] from the [illegible] and have reports [illegible] knowledge and will [illegible] Company's [illegible] its West African activities.

It is my intention that in the future these annual addresses from the chair shall be compiled by the executive, outlining the work done and the policy carried out by your board.

Businesses Acquired or Controlled.

The amalgamation originally consisted of four firms—Miller Brothers (of Liverpool), Limited; Millers, Limited; and F. and A. Swanzy, Limited. These firms, with the African Association, Limited, were in close alliance with each other for many years past. The basis of coming together under one name was on an asset pre-War value without goodwill or premium. It might be mentioned that F. and A. Swanzy, Limited, is one of the oldest existing firms in the West African trade, having been established on the Gold Coast over 100 years, and their name is a household word among the natives.

In connection with the negotiations which eventually brought about the fusion, I should like here to acknowledge and express on behalf of the amalgamated firms their appreciation of the part taken by Colonel W. Nicholl. I do not think that I am exaggerating his services in saying that the fusion would not have been happily accomplished without his patience, resourcefulness and tact in carrying on negotiations of a very delicate nature.

Shortly after the completion of the fusion further acquisitions of West African businesses were concluded, consisting of :—

The Lagos Stores, Limited.
The African Traders, Limited.
Hatton and Cookson, Limited.
Tarquah Trading Company, Limited.
W. D. Woodin and Company, Limited.

Securing the controlling interests in these businesses has immensely strengthened the Corporation's position in Lagos, Southern Nigeria, South-West Africa, and the Congo, as well as giving them a direct interest in Liberia.

In the acquisition of manufacturing businesses the policy of your directors is on the lines of securing a market for their raw materials purchased in West Africa, and of obtaining supplies of goods to enable them to make those purchases in West Africa and other markets.

You will remember that last year you were advised of the acquisition of A. J. Caley and Son, Limited, chocolate manufacturers, of Norwich, to secure an outlet for the Company's purchases of raw cocoa. The nominal capital of that Company was £120.000, and since then it has been increased to £1,000.000. We have now in course of erection four factories, which will treble the output. It is expected that we shall be in possession of these factories towards the end of the year, and the expenditure involved, including the building, machinery, and equipment, will amount to about £500.000. Just recently there was an issue of 300,000 8% Preference shares to their existing shareholders and customers, and a copy of the prospectus of this issue was circulated among the Corporation holders, and I hope that many of our shareholders will have subscribed to this issue. I am in a position to assure you that this business is developing very satisfactorily, and hitherto we have not been able to overtake the increased business during the past year. You will be glad to know that this has proved an excellent investment, and there is every prospect of its continuing to do so.

On leaving this meeting each one present will be given a small parcel of Caley's chocolate, so that you may have some idea of their production and the quality of the goods they produce. I have no doubt that you will confirm my assertion that they aim at giving most excellent value. Our policy is to develop this business on a reputation of good quality and value.

Following the policy of securing a market for our raw materials, we purchased the controlling interest in Loder and Nucoline, Limited, and I am able again to reassure you that this purchase is more than justified by the results and will prove a most excellent adjunct to our business and resources. We have also under consideration the extension of these works, but at present there is nothing definitely decided on.

A short time ago an announcement was made of negotiations for fusion with the British Oil and Cake Mills, Limited, and ultimately you were advised that these negotiations were terminated without result. The main reason for these negotiations falling through was in connection with the appreciation of their shares. At the time when we opened negotiations with them their shares were quoted at about 36s., from which they steadily rose to 56s. We felt that this appreciation in the price resulting from these negotiations made it impossible to put forward a fair proposal, and one which the shareholders of the British Oil and Cake Mills would accept in view of the increased market value of their shares. This is a typical instance to prove how necessary it is for any such negotiations to be completed at once and before they become publicly known.

The Company have secured a desirable site at Ellesmere Port, with a considerable frontage on the Manchester Ship Canal. This position is a valuable one, and should prove an important acquisition to the Company in its developments in the near future.

As regards the protection of supplies for trade purposes in West Africa, your directors have obtained the controlling interests in several Lancashire mills known to have devoted a great portion of their output to the West African trade. In securing the first call on the output of these mills we have ensured to our businesses a supply of special cloths and designs peculiar to the West African trade. Our object is, as far as possible, to become self-supporting, both as regards goods required to meet the demands in West Africa and to secure an outlook for our produce in the United Kingdom.

Another department of the trade in West Africa which is assuming larger proportions year by year is silk handkerchiefs. The trade is developing rapidly as the natives become more wealthy and the hinterland is opened up by railways and roads. We have secured the controlling interests in a concern in Macclesfield which has hitherto devoted a great part of its time to silk productions peculiar to the West African trade.

World-wide Ramifications.

In adopting the name "African and Eastern Trade Corporation, Limited," the directors of the amalgamated firms had in view in coming together not only to consolidate their interests in West Africa, but to make use of their resources and experiences in other markets throughout the British Empire, and generally to take advantage of the developments open to British enterprise and to further British interests and prestige, a thing that it would have been impossible to do individually. During the past year operations have been extended to East Africa, with the intention to have a chain of stations right across the continent linking up East Africa with the Congo. Also the Company is now established in Morocco, Syria, Palestine, Mesopotamia, Persia, Constantinople, Roumania, Bulgaria, and Singapore. It is hoped that shortly we will have interests in Egypt and possibly China.

With reference to these extensions, the operations meantime are small, but the progress is satisfactory and the prospects most encouraging. We believe that these new markets will prove of immense value in making use to the fullest extent of our resources, and the Company will in the near future bear its fair share of furthering and developing the resources of the British Empire in extending British influence throughout the world's markets. The turnover in 1919 exceeded £22.000.000. of which about one-fourth was contributed in businesses outside West Africa.

Central Offices under construction.

Your directors are aiming at having central administrative offices, and until this is done it is not possible to perfect the organisation necessary to obtain the fullest benefit of the amalgamations. About two years before the War Messrs. Millers and Swanzys, of London, purchased the 99 years' lease of a plot of land in Kingsway and erected there a building known as "West Africa House." During the War the Government requisitioned these premises, and these companies took temporary offices in Wigmore Street, but during the past two months have again returned to West Africa House. We find that West Africa House is inadequate for our staff, and therefore we looked round for larger premises, but not being able to find anything suitable we acquired two plots in Kingsway near Great Queen Street, and towards the Holborn end. We are now erecting a fine building, which, when finished, will be the most notable building in Kingsway. It will have approximately a superficial area of 122,500 feet, and we are hoping that it will be finished towards the end of next year. The approximate cost of the building will be about £400.000. We expect to let off sufficient after retaining the accommodation we require to pay interest on the capital, allowing sufficient for redemption, and that our office accommodation will be at a nominal rent. The site is a most valuable one, and is practically an island site, with the exception of a small building at one corner known as "Hampden House," which we have also purchased. The price paid is a reasonable one, and will give a handsome return. I am advised that when the building is completed the Company should be able to sell same at a very considerable profit. You will be pleased to hear that West Africa House is valued to-day at more than two and a-half times the cost at which it stands in our books.

West African Development.

The further extension and development of the unlimited resources of West Africa is dependent on the opening up of the hinterland by railways and roads. The extensive programme of the present Governor of the Gold Coast, Major-General Guggisberg, clearly indicates that he is alive to the importance of opening up the resources of the Gold Coast Colony by extensions of railways and linking up the two lines between Accra and Sekondi by a railway running lateral to the coast, and yet so far inland as to tap the area which is now extensively under the cultivation of cocoa. In an address to the Liverpool Chamber of Commerce, on his arrival in England last month, he referred to the steps taken by the Government to start experimental farms of sisal and copra to encourage the natives in cultivating these two products, so that land which may not be suitable for cocoa-growing may be used for these purposes. In addition to the development of railways, the Secretary of State, Lord

Milner, in an address at the Colonial dinner in London, on June 22, stated that the Government had practically decided on the construction of a deep sea harbour at Takoradi Bay. This work in itself will involve an expenditure of some £6,000,000 to £7,000,000, and will probably take five to six years to complete.

With reference to Nigeria that Colony is particularly fortunate in having Sir Hugh Clifford as Governor, and the work done during his long career in Colonial service, and more particularly known to you in recent years when he was Governor of the Gold Coast, assures us that an energetic and progressive programme will be undertaken in the extension of transport facilities there, both Southern and Northern Nigeria. Among other things, the Government have under consideration completion of the railway from Lagos and Port Harcourt, which will involve a large expenditure and take a considerable number of years to complete. There is no doubt that, as the British Government are alive to the potential value and resources of our British overseas possessions, we can confidently look forward to a steady increase in the volume of trade year by year, and the outlook is in every way encouraging. Unfortunately, at the moment, owing to the delay in the delivery of railway material and rolling-stock, the trade has gone ahead of the transport facilities. However, this is only a temporary set-back, and we may with confidence look to see the position right itself gradually. Already there is some improvement.

New Share Issue.

Turning to the accounts, it will be seen that the total issue of shares to date is 300,000 "A" 6% Cumulative Preference shares, 1,748,850 "B" 6% Cumulative Preference shares, and 2,455,366 Ordinary shares. During the year two issues of shares for cash were made in January 1919 of 100,000 Preference shares at par and 150,000 Ordinary shares at 45*s.*, and in December 1919 of 714,494 Preference shares at par and 357,247 Ordinary shares at 50*s.* The premiums received on these two issues, amounting to £723,371, have been added to the general reserve fund. A further issue of 820,000 Preference and 820,000 Ordinary shares is now under offer to the existing shareholders in the proportion of one Ordinary and one Preference share for every three Ordinary shares at present held. It is calculated that this issue will give the Company about £2,645,000 additional capital, which is required to meet the present commitments, further developments, to allow the Company to pay considerably over £1,000,000 due for income tax and excess profits duty, and to provide additional capital rendered necessary owing to the increased value of goods to meet the trade requirements.

On the debit side of the balance sheet the liabilities include sundry creditors, £2,109,045. Of this amount £1,066,000 represents income tax and excess profits duty, payable on the profits of the years 1918 and 1919, the balance consisting of amounts due to employees of the Company, amounts due on deposit accounts, and debts contracted in the ordinary course of the business. The advance by bankers of £311,463 is more than covered by the cash on hand amounting to £395,982.

The reserves, including insurance fund, depreciation fund, premium on shares and general reserve, amount to £5,276,714, and to this figure there should be added the sum of £350,000, which it is proposed to transfer from the profits to reserve, and also the carry forward of £203,512, making a grand total of £5,830,226, or over two and one-third times the Ordinary share capital.

On the credit side of the balance sheet, the value of buildings, steamers, &c., £503,051, has been taken at low War values, and could not to-day be replaced at anywhere near the values shown in the accounts. The stocks of produce amounting to £9,945,451 have since been realised and sold.

Sundry debtors, £2,556,125, includes a sum of over £1,500,000 due in respect of shares allotted in 1919 and included in the balance sheet. The instalments due on all calls on these shares have been received in 1920. The balance of this item represents advances to subsidiary companies and credit given in the ordinary course of business, all of which has subsequently been collected.

The investments in shares and the allied subsidiary companies are valued at £6,759,635. If we deduct the total reserves of £5,830,226 from this amount the shares of the amalgamated businesses, including plant, stock in trade and investments, stand in the books at less than £1,000,000 sterling. We venture to suggest that there can be no greater proof than this to satisfy you that the businesses acquired have been purchased at very reasonable prices, and the Company have secured exceptional businesses at very much under their market value. The position of the Company is unique not only in its resources, but in the sound position just explained.

Conservative Profit Distribution : Bonus Shares.

The profit for the year is £1,721,618, and after allowing for excess profits duty and income tax, say £720,000, and the interim dividend on Preference shares, £6,037, we have available for distribution, including £59,295 brought forward from the previous year, £1,054,876. After declaring the Interim Dividend and the final now recommended at the rate of 30% for the year, and placing £350,000 to general reserve fund, there is a balance of £203,512 to carry forward. It may be considered that the directors have adopted a very [illegible] that these two amounts, equal to £[illegible], represent [illegible] dend on the Ordinary shares equal to 32%, less income tax. [illegible] the position of the Company, and to [illegible] the future they will favourably consider capitalising the [illegible] of the Company the year are already [illegible] shares and the new issue. Every precaution has been taken to present a conservative statement of the Company's position in spite of the considerable fluctuation in the prices of West African produce during the past year. In making this statement I have based my calculations on the whole of the Company's West African produce valued to-day being disposed of at to-day's market prices.

In addition to the cash distribution of 18%, it is recommended to give a bonus of [illegible] Ordinary shares, and for this purpose an extraordinary general meeting will be held to pass the necessary resolution at the termination of this meeting, and will require confirmation at a further meeting to be held on July 29.

Injurious Taxation.

The confidence of the country has been greatly [illegible] by the continual increase of national expenditure. It is quoted in *The Times* a few days ago that the taxation per head in the United States £10 1*s.* 5*d.*, France £17 15*s.* 10*d.*, Italy £5 6*s.* 6*d.*, and Germany £21 15*s.* 8*d.* This country is spending per annum on the present Budget estimates six times pre-War expenditure. Nothing has occurred since the War to injure the trade of the country so much as the present Budget, and unless drastic measures are taken to bring home to the Government the injury they are doing to British industries I greatly fear that before this year is out we shall have great distress and a very large increase in unemployment.

I am entirely against the continuation of the excess profits duty. It bears unfairly on all new enterprise, and from all points of view is vicious in its influence on all new commercial undertakings. The nation as a whole is becoming alive to the fact that industry will succumb unless drastic measures are taken to stop the resources of the country being drained [illegible] Government expenditure.

Fall in Prices Anticipated.

At the commencement of 1919 our chief articles of West African produce, namely, palm oil, palm kernels, groundnuts, and cocoa, were all under Government control. The fixed controlled prices at that time were :—Palm oil, £48 per ton; palm kernels, £26 per ton; ground-nuts, £32 per ton; cocoa, £65 per ton. These prices were considerably below the intrinsic value of the commodities, and when the control was removed the prices of all immediately advanced, so that palm oil reached £95 per ton, palm kernels £46 per ton, ground-nuts £50 per ton, and cocoa £160 per ton. Since the closing of our accounts on December 31 there has been a fall in prices of West African produce, and to-day's prices are palm oil £56 per ton, palm kernels £32 per ton, ground-nuts £32 per ton, and cocoa £72 per ton. To a very great extent the directors anticipated this fall in prices, and, although it cannot be denied that it will have its effect on the trade in West Africa, I am, however, in a position to assure you that we have very largely discounted this break in prices, and, therefore, with confidence feel that the Company will be able to maintain its present rate of dividend, as previously stated. Your directors consider that the present basis of prices is a much safer one for our trade than the high level which has existed until recently.

Staff at Home and Abroad.

I am glad to report that [illegible] of the staff in West Africa has been satisfactory. There was only one casualty, caused by drowning whilst bathing. Out of a number exceeding 500 there were only 15 invalided. With the improved hygienic arrangements, including good water supply, housing accommodation, and hospital facilities, the percentage of sickness is decreasing steadily year by year. [illegible] both here and abroad, for their loyal and efficient service and support throughout the past year. Your directors have given due consideration to the increase in the cost of living, both here and abroad, by suitable increases in pay. In common with the [illegible] this has been fully appreciated by all.

In [illegible] the Company [illegible] ment of [illegible] and [illegible] the [illegible] directors [illegible] the [illegible] the [illegible] the same [illegible] the Company [illegible] Nos. [illegible] 1,500,000 £1 [illegible]

dividend), making, with the interim dividend already paid, a total dividend of 50%, less income tax, for the year on the Ordinary shares of the Company (other than the shares above mentioned) entitled to participate in both of such dividends."

Mr. Robert B. Miller (Vice-Chairman) seconded, and the resolution was unanimously adopted.

The retiring directors, Messrs. G. Munro Miller and J. Pickering Jones, were re-elected, and the auditors, Messrs. Harwood Banner and Son, were reappointed.

Resolutions were unanimously adopted approving of the payment of £10,000 to Mr. H. Cotterell in recognition of his past services to the Company as director from the year 1889, and as Chairman of the board of directors from the year 1900, and that the thanks of the meeting be accorded to Mr. Cotterell for such services. It was also decided that £2,500 be granted to the Liverpool University in response to their special appeal for funds.

An extraordinary general meeting was held immediately following the general meeting, when a resolution was unanimously adopted altering the articles of association of the Company to permit of the capitalisation of reserves.

GENERAL ELECTRIC COMPANY, LIMITED.

THE annual meeting of this Company was held on July 13 at Winchester House, Old Broad Street, London, E.C., Mr. Hugo Hirst (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts for the year ended March 31, 1920, said: The General Electric Company, although a public limited Company since 1900, was originally a private business, and these private interests controlled for many years, right up to the beginning of the War, the destinies of the Company. The system of generous reserves and depreciations which has at all times been practised, and the modest dividends that have been declared during the first decade of our existence as a Company, in spite of considerable earning capacity, have contributed to give us solid foundations, of which we are now reaping the benefit. On the other hand, at the outbreak of the War it was realised how backward was the state of the electrical industry in this country, how much it depended on the foreigner as regards experience, processes, patents, and even materials. The cry to make ourselves independent in the future is, perhaps, still ringing in your ears. Private interests stepped willingly aside for the common weal, and the programme of expansion was conceived in 1916, though the conditions of the War restricted our immediate activities towards its consummation. It was only towards the end of the War, and particularly since the Armistice, that the real process of expansion commenced, and at the rate at which we are going on the process is likely to last for some years. While aiming at covering, in due course, the whole field of the electrical industry, we have up to the present concentrated our efforts mainly on strengthening the existing sections which are already represented.

Branches of the Industry developed.

You will remember we acquired some years ago the firm of Fraser and Chalmers, and their turbine department was one of their principal assets: their reputation for turbines and turbo-blowers is second to none. We have made provision for doubling the output and the work is nearly completed. We are about to extend considerably the mining machinery department, for which this firm has a great reputation. This policy brought along the necessity for increasing the output on the electrical side at Witton. Considerable additions will have to be made if, in due course, we are asked to take a share in the electrification of railways, in the development of the hydro-electric plant, the laying down of big power stations, and a more generally extended application of electricity in the industrial field. The growing scarcity of coal and its present cost of production may jeopardise the industrial life of this and other countries. One and all, they are studying the utilisation of every ounce of water-power, so that they may be made independent of so fickle a helpmate as coal has turned out to be in recent years.

Before long we hope to double our output of electric lamps, one of the staple productions of the Company. The new buildings at Hammersmith for this purpose are approaching completion; new patents, methods, and processes that have developed during the War have been studied by our experts in the States and on the Continent.

The glass works at Lemington have been largely extended in order to feed the increased lamp works. Automatic glass-blowing machines under the Westlake patents have been installed, and although these machines, each costing from £8,000 to £10,000, are not yet working efficiently, they will before long overcome all difficulties and ensure to us the much-needed increase in our output.

Our fixtures, accessories, heating, and cooking apparatus works have all suffered through conditions of war, but new buildings and equipments have been provided, and these departments—the original business of the Company—are again showing a pleasant upward curve.

The carbon works, partly through importation and partly through the arrival of the gas-filled lamp, have drifted back into their pre-War impotence, and will be a difficult problem in the future. On the other hand, the lampblack works, originally started as an accessory to the carbon works, have shown great vitality and adaptability. Great use has been found for that commodity in the rubber industry. We have studied its utility for the printing, painting, and other trades, and considerable developments are in course of progress. A similar progress can be recorded in our endeavours to produce our own moulding and insulating materials.

Considerable capital has been required for the enlargement of our various successful enterprises, which figure in our balance sheet as trade investments. The Pirelli-General Cable works have been extended and considerable additions are again in progress. The Express Lift Company promises to become a very important and successful asset.

Some 100 acres of land and some factories have been acquired at Wembley for the greater development of our general engineering works, our lamp and glass industries, and our research laboratories, buildings for which are in process of erection.

Telephone Works: Automatic Exchanges.

Finally, very big extensions are contemplated with the Peel Conner Telephone Works, which are practically owned by this Company. The whole of the telephone industry has been at a standstill throughout the War. Before the War, as far as this and other European countries were concerned, it was already a back number. The demands, in our opinion, will be as great as, or greater than, that of any section of the future electrical business. The higher wages ruling throughout the world have made automatic telephony a practical proposition. Our present works at Manchester are full up for some years, and cannot be extended. We have provided for the Peel Conner Works the necessary capital for erecting entirely new works at Coventry, alongside the Magneto Works, which are also controlled by us, and form part of our investments. Although these works could easily be filled for some years to come with contracts for central batteries, exchange equipments, and telephone apparatus for domestic use, we mean to start immediately on the construction of automatic exchanges as well, with the assistance of some of the most prominent telephone experts. We have secured a system which we have every reason to hope will meet with the approval of the authorities. We lay so much stress and importance on having our full share in the telephone business that we have decided to acquire all the shares of the Peel Conner Telephone Company which are not yet ours, and negotiations towards this end are in progress.

I might state we have also acquired a considerable interest in a French telephone company, who will use our patterns and patents for the purpose of building up a telephone business in France.

I should also refer to the fact that some £50,000 are being spent on welfare buildings and sports grounds, and to overcome the housing difficulties we are putting 100 workmen's cottages down on our own site at Witton and another 100 alongside the 50 already erected at Coventry. If only the building trades unions knew and realised how by their dilatoriness they are keeping thousands and thousands of their fellow-workers out of employment and retarding the national recovery! (Hear, hear.) I am of opinion that these works might all have been finished three, six, or eight months ago.

The State and Profits.

There are those, thinking in pre-War values, who will regard our profits as excessive. As a point of fact, to make the profits shown in the balance sheet we have had to produce no less than £7,000,000 worth of values—a real addition to the national wealth. (Hear, hear.) To me—and I may be getting old-fashioned—profits in a vast manufacturing business are an index of efficiency and a standard for measuring strength, and, above all, a means for maintaining and upholding the State and Empire. Practically all capital that exists is, I think, due to accumulation of past profits. We must not mistake the great difference between acquiring wealth and the distribution of it. There cannot be any doubt on the necessity of the former from a national point of view; I am willing to admit that better methods of distribution may have to be studied.

The State nowadays does not encourage profits; it seems so much simpler for the politician to encroach on capital. The excess profits duty, as applied to us, is nothing short of an encroachment on capital. (Hear, hear.) You know we are only allowed 9% or 10% on our capital. Can we charge our workmen a rent on the houses I have just mentioned that would yield us 9% or 10% on present prices of cottages? Does it allow us, in an ever-changing industry, enough for depreciations—not to mention expenses incurred in research work? I say no! I would rather see the State encourage profits and tax us even 15% or more by a profit tax than continue to allow industry to grope in the uncertainty of an excess profits tax. I cannot give the shareholders any information as to how much of our "carry-forward" may have to be given up.

Nobody is more anxious than we are to assure the workers better conditions of life. Nobody admits more readily the mistakes that have been committed by employers of previous generations, but, in the interests of employer and worker alike, in the interests of the country, a way must be found to stop what is commonly called the "vicious circle." We must produce cheaper and we can only produce at a lower cost by producing more in a given time. If we produce lamps, boots, clothing, and other commodities cheaply, so that the greatest number of people can avail themselves of such commodities, there will be continuous employment. If we allow prices to rise higher and higher, only the few can buy and the world's demand will be so curtailed that there will be over-production—(hear, hear)—factories and works will have to shut down, and wages will largely cease. (Hear, hear.) I am confident that, after a period of uncertainty and hesitation, the peril to which the country is exposed will be clearly seen and every Englishman will put his shoulder to the wheel of industry and by a great co-operative effort secure the future of the nation and the Empire. (Applause.)

Mr. M. F. Armstrong seconded the motion.

Mr. Harry Parson Smith asked whether the £40,000 allocated to the superannuation fund was an annual grant or one for this year only.

The Chairman: No; this is not an annual contribution. You will remember that we acquired some time ago Fraser and Chalmers and Chamberlain and Hookham. No organisation of men likes to be bartered away, and in order to keep the organisation intact your directors authorised me to promise those newcomers into our organisation that the services rendered to their former employers should count as services rendered to the General Electric Company, and in order to bring this about we had to supplement by another sum the trust fund created some years ago.

Dividend on Ordinary Shares.

The motion was then put and carried unanimously, as were others authorising dividends of 6½% and 10% on the "A" Preference and Ordinary shares respectively.

PERNAMBUCO TRAMWAYS AND POWER COMPANY, LIMITED.

THE eighth ordinary general meeting of this Company was held on July 15 at River Plate House, London, E.C., Mr. William Higgins, O.B.E., presiding.

The Chairman said that from the accounts presented shareholders would notice a perceptible increase in receipts, although they would realise that this owed something to the higher rate of exchange ruling during the year. The net result of the year's working was an increase in net revenue of approximately £21,500. The directors were placing £23,000 to renewal and general reserve account, and, after providing for amortisation, they recommended a dividend of 3½%, free of tax, on the Preference shares, carrying forward £16,909. Working expenses, of course, continued to be seriously affected by the extraordinary prices ruling for practically every item required in maintaining and running such an undertaking.

The directors were applying to the Government of the State of Pernambuco for power to raise the Company's rates. The rates fixed when the Company obtained their concession in 1912 were, due to circumstances absolutely beyond their control, totally inadequate to-day. Whereas in 1914 their coal delivered in Pernambuco cost them £1 13*s.* per ton, to-day it was costing them at least £8. There was nothing they used that had not gone up at least 100%, and many things had increased as much as 300%. Then again, Pernambuco, like every other part of the world, had felt the pinch with regard to the increased cost of living, and this had resulted in their having to give their employees an appreciable increase in wages. It was therefore reasonable to hope that the Government of the State would deal with the question of rates in a sympathetic manner.

With regard to the Company's business generally, their tramway section continued to show development. They had carried an increased number of passengers, and the increase would have been still greater had it not been for the extreme difficulty they had had in obtaining materials for renewal, owing to which they had sometimes had cars out of service for considerable periods. With regard to electric lighting and power, the directors still believed in the great possibility of this branch of their business, and were doing all they could to meet the demand that undoubtedly existed in Pernambuco. A year ago the directors reported that the first section of their lighting and power programme had been inaugurated, and he was glad to say that the expenditure incurred had proved, and continued to prove, remunerative. In fact, they were not able to cope with the requests for supply which they received from the public. Their gas undertaking had resulted in a loss for the year under review, but this was entirely due to the extraordinarily high rates for coal. The Telephone Company of Pernambuco, the bulk of the shares in which were held by this Company, continued to show an increased number of subscribers.

The report was unanimously adopted.

TAMPLIN AND SON'S BREWERY, BRIGHTON, LTD.

THE thirty-[illegible] general meeting of [illegible] was held on July 15 at the registered office of the Company, 1 Richmond Terrace, Brighton, Mr. A. Miller Hallett (Chairman of the Company) presiding.

The Chairman, in the course of his remarks, said: Our trade has kept up to the most [illegible] largely by the excellent quality of the beer. This increased trade has enabled us to cope with the heavy burdens we have to carry, including, amongst other increases, wages, coal, transport, malt, hops, and sugar. I have omitted to mention the Government duty, which has once more been increased by a further 30*s.* per barrel to the stupendous figure of 100*s.*

I think I may congratulate the shareholders on the report. The gross profit is £108,662, and, after adding our income from rents, customers, and bank interest, the total is £117,587. The working expenses have amounted to £55,382, and, after providing for depreciation and compensation charge, there is a balance of £[illegible], to which has to be added £2,612 for interest on investments and deposits. The balance brought forward from last year was £19,176. The charge for income tax, interest on loans and deposits, directors', Debenture, trustees', and auditors' fees has amounted to £15,840, and interest and dividends on Debenture stock, Preference and Ordinary shares to £21,700, leaving £37,245 to be now dealt with. Out of this we propose to pay a final dividend of 6[illegible] and a bonus of 2% on the Ordinary shares, less income tax, to carry £5,000 to the general reserve account, and to carry forward £23,565.

We are on the best possible terms with our workmen. The establishment of a joint council of an equal number of officials and men, presided over by a member of the board, and meeting monthly to discuss points of mutual interest and deal with any possible grievances, has met with the most cordial support. (Cheers.) Our staff have, as always, loyally risen to the extra work entailed upon them by the increased trade and the urgent necessity, from want of room, of moving to the new offices in which you find us to-day.

Since we last met we have acquired the business of the Southdown and East Grinstead Brewery, consisting of no less than 100 freehold licensed properties, three-quarters of which are fully licensed—not in competition with any of our own, the whole of them being outside the Brighton area; only comparatively small alteration to our existing plant will be required, and, what is more important, no fresh issue of capital.

The Chairman concluded by moving the adoption of the report and accounts for the year ended May 17, 1920, and the declaration of a final dividend of 6% (making 10% for the year), less tax, and bonus of 2%, less tax.

The resolution was unanimously adopted.

At an extraordinary general meeting subsequently held, resolutions were passed to split the shares and alter the articles of association.

ASSAM OIL COMPANY, LIMITED

THE twenty-second ordinary general meeting of this Company was held on July 14 at Winchester House, Old Broad Street, London, E.C., Lord Ribblesdale presiding.

The Chairman moved the adoption of the report, and in the course of his remarks said: I am told that some of our influential City papers do not consider the report of our operations favourable. If the point is that those who form these opinions do not think well of your property, all I can say is that I dissent from that *in toto*. I say that after having spent some weeks on your property in Assam this year, Mr. Garrett, the Company geologist, came to us with very high recommendations as to his experience and ability. He has surveyed a great deal of the property, and put us in possession of a great deal of information which we had not got before. Last week we had a report from him to which I attach very considerable importance.

Mr. Garrett's researches near our main Digboi field—the field where we are getting our oil now—have indicated to us two areas where, in all probability, drilling will be successful. He has also, in a recent note to the board, been able to give us opinions on portions of the actual Digboi field itself, which, if they are borne out, will add most considerably to the value of that portion of the field.

I will now come to the refinery. There, I think, this has been a year of great progress. We sent out two experts, Mr. Lomax and Mr. Sutton. They have given us a very thorough report, and most of the alterations suggested are comparatively simple [illegible] very great expense; and if, as I believe, these expert gentlemen are right, it will materially improve the yield of our oils and our by-products.

Our working profits, owing to increased expenses in various directions, [illegible] The total profit shown in our revenue account is just about £4,000 [illegible] the profit we made in 1919. We have decided to transfer £4,000 to depreciation [illegible] in each of the last three years, and to place £10,000 to the credit of reserve account. [illegible] directors recommend a dividend of [illegible] on the shares the same as last year, [illegible] on the Preference shares. A balance of £[illegible] to be

left to be carried forward. I feel confident that we have a fine property, which only requires energy and development to produce a very fine oil-bearing field.

Mr. Hubert S. Ashton seconded the resolution, which, after discussion, was unanimously adopted, the board's proposals as to dividends being approved.

LOBITOS OILFIELDS, LIMITED.

The twelfth annual ordinary general meeting of Lobitos Oilfields, Limited, was held on July 13 at Winchester House, Old Broad Street, London, E.C., Mr. H. W. Sillem (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts, said: In some quarters it seems to have been assumed that the resignation of Sir Archibald Williamson may be a preliminary step towards the ultimate transfer of the control of this Company to one or other of the large oil groups. I take this opportunity to say quite clearly and emphatically that this assumption is incorrect. Your board have not now, nor have they at any previous time, entered into negotiations for the sale of the Company's undertaking. Moreover, in view of the favourable prospects of the oil industry, they have no intention of recommending shareholders to dispose of the Company's very valuable assets.

The development of the Company's properties has proceeded smoothly and with satisfactory results during the year. At the beginning of 1919 we had 148 producing wells; the number at the end of last year was 153. Our output for 1919 was 91,468 tons, as compared with 85,213 tons in the previous year, while the net profit for the two years was respectively £107,264 and £74,587.

The dividend of 20% in respect of 1919 is the highest yet paid by the Company, and, taken in conjunction with the distribution to our shareholders of 160,000 fully-paid shares of the Anglo-Ecuadorian Oilfields, Limited, the yield will no doubt be regarded as eminently satisfactory. As to the balance sheet, you will have noted a number of items adjusting the position as between the Lobitos Company and the Anglo-Ecuadorian Oilfields, Limited. The latter Company is now operating as an entirely independent concern. Our Ecuadorian interests were sold to the new Company for £90,000, in 90,000 fully-paid shares of £1 each; 80,000 of these shares, together with a further 80,000 subscribed for in cash by the Lobitos Company, were distributed to our shareholders in September last.

We have entered into a contract for the sale of our total production for the three years 1921, 1922, and 1923 at prices which represent a substantial advance on similar previous engagements. The new contract has been made with the International Petroleum Company of Toronto, the Company to whom we are delivering oil under our existing contract. Under the new arrangement, which commences in January next, there is every reason to hope and expect that a satisfactory margin of profit will be earned, provided labour and material are not too costly, that production can be maintained, and that the exactions of the State here and in Peru are not increased.

In reply to a question as to whether the Company has secured an interest in a property in Colombia, the Chairman stated that they had had an expedition out there prospecting, but nothing definite had yet been done.

The report was unanimously adopted.

OROVILLE DREDGING COMPANY, LIMITED.

The ninth ordinary general meeting of this Company was held on July 14 at Winchester House, Old Broad Street, London, E.C., Mr. Fredk. W. Baker (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The items in the balance sheet under the head of "Profit and loss account" are made up as to £24,367 from the amount carried from last year's balance sheet, in addition to £69,654, being the profit of operations for the year under review. From this sum, amounting to £94,021, four dividends of 6*d*. per share have been paid, amounting to £68,654, leaving a balance, subject to excess profits tax, if any, of £25,367, which it is proposed to carry forward.

Turning to the credit side of the balance sheet, the item represented by our shareholding in Oroville Dredging, Ltd., the American company, now in liquidation, stood at £686,551, as in last year's balance sheet. From this has been deducted £36,182, cash received by us from the liquidator of the American company. This brings the capital value of our holding to £650,349. I think there is very little doubt that this is the last time when this item, as representing our shareholding in the American Oroville Dredging Company, will appear in our balance sheet. Subject to whatever view our auditors may take, I think we shall find in next year's accounts our Nechi, Pato, and Colombian Corporation holdings appearing as the assets represented by this figure.

I will now turn to the Pato Mines (Colombia). In his annual report of field operations to September 30, 1919, Mr. W. A. Prichard states that the gross value of the gold recovered was $489,953, against $266,062 for the previous year. The London accounts of the Pato Company for the year show a profit of £29,724 after providing for £26,206 depreciation. The redemption of Income notes was completed during the year. Mr. Prichard estimates the remaining undredged area at 17,279,000 cubic yards, having a gross value of just over $5,000,000.

The London accounts of the Nechi Company for the year show a net profit of £61,995. This, together with £75,453 brought forward, less dividends paid during the year 1918-1919, leaves a balance carried forward of £62,198, subject to excess profits duty (if any).

As foreshadowed at the last annual meeting, in dealing with Constancia, the board decided to form the Colombian Corporation, through which in the future all our expansion work in Colombia will be done, as we practically control the entire Ordinary share capital of the nominal value of £255,000. Since the formation of the Corporation we have established our head offices at Medellin. This important town in Colombia is the centre of the mining activities, and will from now on be our headquarters in Colombia, where we have the reputation of having the best-equipped mining camp in the country.

Mr. H. C. Porter seconded the motion, which, after Mr. W. A. Prichard, the General Manager and Consulting Engineer, had spoken on the prospects in Colombia, was carried unanimously.

HENDERSON'S TRANSVAAL ESTATES, LIMITED.

The eighth ordinary general meeting of this Company was held on July 15 at River Plate House, Finsbury Circus, London, E.C., the Right Hon. Lord Oranmore and Browne, K.P. (the Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts for the period ended March 31, 1920, said: The reserve account stands at £40,000, and we now recommend that a further £5,000 be placed to the credit of this fund, bringing it up to £45,000. The first item on the credit side of the balance sheet, "Properties," is reduced by £13,550; this sum represents the book value of the farms and portions of Klipfontein which have been disposed of in this and previous years. Advances to subsidiary companies are increased by £8,850. We are quite satisfied to make these advances, as the amounts lent bear a higher rate of interest than the money would earn otherwise. War Loan, which is unaltered at £24,469, Treasury bills £29,247, and cash in London and Johannesburg £141,488, together represent a sum of £195,204 this year, as against £175,837 at the end of March 1919.

Growing Interest Revenue.

On the year's working there is a profit of £45,892, and, while this is £3,110 less than last year, I have again the pleasure to point out that our revenue from dividends and interest, £37,162, shows an increase of £13,214 on the previous year's figures; on the other hand, the profit on shares sold is £10,642, as against £28,569. These figures, to my mind, demonstrate the very healthy state of the Company's affairs, and I confidently look forward to that future time when the income received from dividends and interest will furnish us with such a sum as will be more than sufficient to pay our dividends without any realisation of shares, which is, after all, an uncertain quantity and entirely dependent on markets, which in their turn are subject to all sorts of outside disturbing influences. After allowing for the amount required to pay the dividend of 6% which we recommend and the transfer of £5,000 to reserve, we shall carry forward £42,103, a sum equivalent to a dividend at the same rate as we are now recommending, and only a few hundred pounds less than the sum brought into the year's accounts. I admit there is nothing of a particularly sensational character in the results for the year, but there is steady progress to be looked back upon.

Interests in Other Companies.

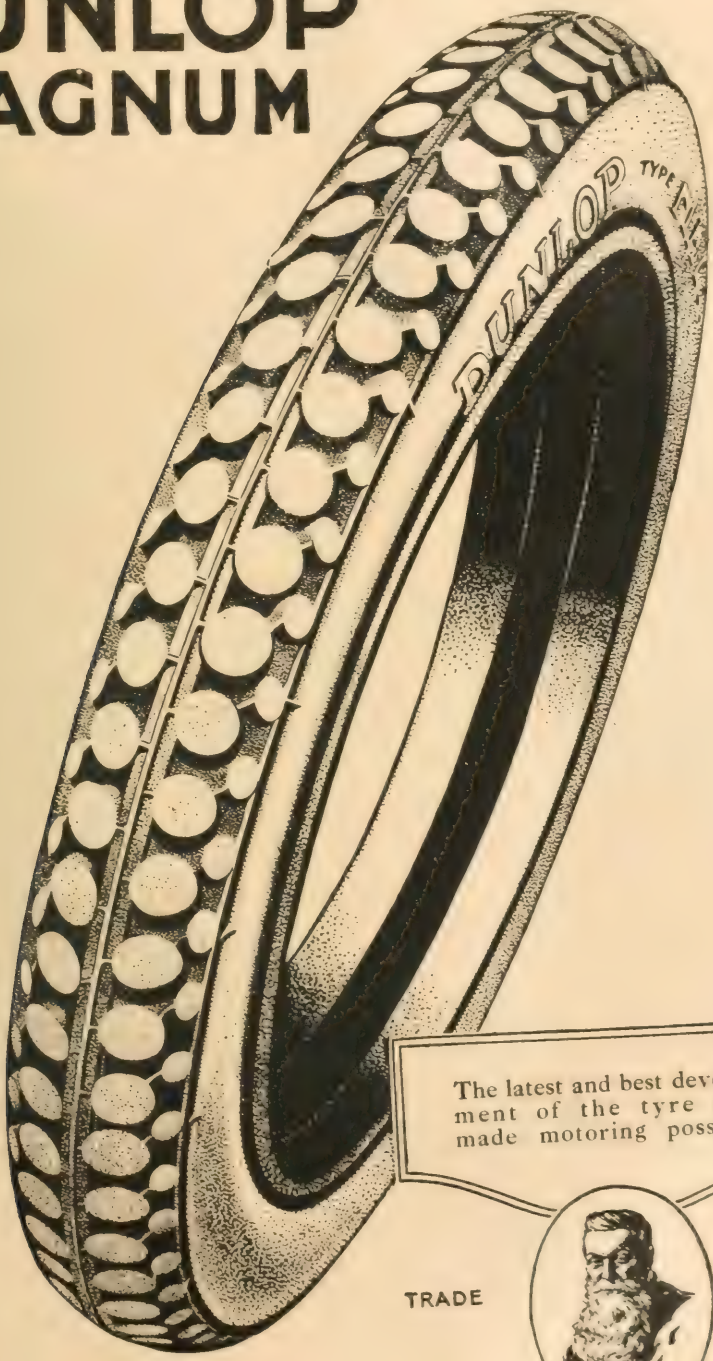
The Henderson Consolidated Corporation, Limited, has fulfilled the anticipations which I mentioned to you when last we met. It is true that the profits which have enabled it to make so substantial a distribution have been derived from the sale of part of its land; but it is now in a strong financial position and in possession of such an amount of cash as to place it in quite a different category to that in which it has been in the past. The properties remaining to the Corporation are those let to good tenants, and the rent roll will not be very seriously affected by the realisations which have taken place. The Corporation is largely interested in the Tweefontein United Collieries, Limited.

The returns from the Tweefontein Colliery, Limited, have not been on so high a scale as for previous years. Its profits depend entirely on the results shown by the Tweefontein United Company, and an improvement in the rate of dividend distributed cannot be looked for until the mines themselves recover from the adverse conditions to which reference is made in the report.

Financial arrangements are now being made for financing the development of the Daggafontein Mines from No. 2 shaft after the reef is reached.

For the year ended June 30, 1919, the Delagoa Bay Development Corporation, Limited, paid a dividend of 4%,

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but, owing to the circumstances mentioned in our report, the prospects for the current year are less favourable.

The results shown by the Tweefontein United Collieries, Limited, have caused us great disappointment, but I do not think this will come to you as a great surprise. The result of the numerous troubles which have had to be dealt with is that the cost of production has increased by no less than 2*s.* 1*d.* per ton, while it has only been possible to raise the selling price by 8½*d.* Steps are being taken to remedy the loss caused by shortening of the hours of labour, by the installation of increased mechanical appliances which have to be ordered and shipped either from this country or America.

On one point you can rest assured, and that is as to the eventual future of our coal interests in South Africa. The coal is there in unlimited quantities and can be mined at a lower price than anywhere else in the world, and the demand for it exists, not only locally in South Africa, but everywhere. The great trouble is to get the coal from the mines to the ports, where ships are waiting week after week. We see in the papers that General Smuts has been interviewed by the colliery representatives and will try to help matters.

We have received several inquiries as to the date upon which the options on shares at par expire. These continue until "twelve calendar months after the formal declaration of peace by Great Britain terminating the present European War." The option period will therefore be determined by the Order in Council determining the termination of the European War.

The report having been unanimously adopted, the Chairman moved the declaration of a dividend of 6%, less income tax, in respect of the year ended March 31, 1920.

This was unanimously agreed to.

In reply to a suggestion that it would give a little more confidence to holders of options if a definite date of expiry could be fixed, the Chairman said the board would see if it was possible. He doubted very much, however, whether it would be, as the options were issued on a certain basis.

SIALANG RUBBER ESTATES, LIMITED.

The eleventh annual ordinary general meeting of this Company was held in the Council Room of the Rubber Growers' Association (Incorporated), 38 Eastcheap, London, E.C., on July 15, Mr. Charles Heath Clark, J.P., presiding.

Mr. James M. Kemp, representing the agents and secretaries (Messrs. Harrisons and Crosfield, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—Owing to the absence of our Chairman, Mr. Croll, who has been forced to take a short rest and holiday, I have been asked to preside over the meeting to-day. I presume it will be your pleasure, as usual, to take the report and accounts as read. The issued and paid-up capital of the Company at the date of the balance sheet was £200,000, which is the same as at the end of the previous year. The amount at the credit of premiums on shares account remains at £62,633 11*s.* 6*d.*, and, if you agree to our recommendations to transfer £2,366 8*s.* 6*d.* out of last year's profits to development reserve account, the toal sum at the credit of the two accounts will amount to £100,000, which is equal to £14 11*s.* 2*d.* per planted acre. The net capital expenditure for the year amounted to £14,385 6*s.* 2*d.*, or £8 16*s.* 5*d.* per acre on the 1,294 acres which was the average immature area during the year. After deducting the amount at the credit of premiums and reserve accounts, the net book cost of the 6,869 acres planted at the end of January last was £28 13*s.* per acre.

At the end of the financial year we had a surplus on capital account of £3,212, to which will be added the £2,366 proposed to be transferred from last year's profits. There is also a net carry-forward of undistributed profits of £17,016—that is, after deducting £22,000, the estimated liability for excess profits duty. These sums together total £22,594. Against this we have to meet capital expenditure during the current year, estimated at £12,072, and if this estimate is adhered to we should finish the current financial year with a surplus on capital account of £10,522. During the year an area of 265 acres was opened and planted with rubber, bringing the total planted area at the date of the balance sheet up to 6,869 acres. This work has been carefully done and shows every prospect of proving a valuable addition to the Company's properties. A detailed acreage statement, as usual, is set out in the directors' report.

Crop well beyond estimate.

The crop of rubber harvested during the financial year amounted to 1,795,737 lb., against the Managers' estimates of 1,540,000 lb. and a previous year's total of 1,095,166 lb. The crop was harvested from an average bearing area of 5,575 acres, or about 81% of the total planted area, and the average yield per tree was 4.55 lb., as against 3.89 lb. the previous year. The cost of the crop f.o.b. at port of shipment, including depreciation and commission to staff, but excluding loss on exchange, was 11.38*d.* per lb. All the estates were maintained in a first-class weeded condition throughout the year, at an average cost, including the upkeep of terraces, of 1*s.* 0½*d.* per acre per month. The labour force numbered at the end of January last 2,670, against 2,506 at the same date the previous year. No extensive thinning-out work was necessary during the period. The work of keeping the estates in good condition is reported to be well up to date, and was satisfactory throughout the year. As regards draining and terracing, all available labour was used during the year, and good progress was made with this work, which will be proceeded with as and when labour is available. No serious cases of disease were observed during the year, and the usual regular inspection and prompt measures of treatment were successfully carried out.

Current Year's Prospects.

In his latest report the Visiting Agent states that the estates remain in first-class condition throughout. For the current financial year our managers have estimated for a crop of 2,045,000 lb., and up to the end of June last we had harvested 844,068 lb., so that, given normal conditions, the estimate ought to be fully secured. Out of the current year's crop we have sold to date, including forward sales, 665,151 lb., at an estimated average net price of 1*s.* 10.97*d.* per lb.

The net profit for the year's working amounted to £79,296 12*s.* 3*d.*, to which falls to be added £9,545 1*s.* 1*d.*, being the amount of the carry-forward from 1918-19, plus a refund of excess profits duty, less a small amount paid in respect of Netherlands Indies war profits tax. From the resulting total of £91,382 1*s.* 4*d.* we have to deduct an interim dividend of 10% paid in December 1919, leaving a balance of £71,382 1*s.* 4*d.* to be dealt with to-day. Our proposal is that a final dividend of 15%, less income tax, be paid, making 25% for the year, that the sum of £2,366 8*s.* 6*d.* be placed to reserve account, and that the balance of £39,015 12*s.* 10*d.* be carried forward. This carry-forward is subject to Netherlands Indies war profits tax, if any, and to excess profits duty for last year, estimated at £22,000.

Our thanks are due to our staff for the very good work carried out by them during the year, and I should be glad if some shareholder would show your appreciation of their services by moving a vote of thanks to them before the meeting closes. I have pleasure in moving the adoption of the report and accounts as presented to the meeting, and I will ask Mr. Tate if he will be good enough to second that. After he has done so, if there are any questions, I shall be pleased to answer them.

Mr. J. C. Tate seconded the resolution, and, no questions being asked, it was carried unanimously.

The Chairman: I now beg to move "That a final dividend of 15%, less income tax, be paid on the shares of the Company in respect of the financial year ended January 31, 1920."

The resolution was seconded by Mr. C. E. Morrison and unaimously approved.

The Chairman: It now falls to my lot to move: "That our Chairman, Mr. George Croll, be and he is hereby re-elected a director of the Company." I am sure that all of you appreciate the value of our Chairman's services to the Company, and it is not necessary for me to say anything further about that.

Dr. Maw seconded the motion, and it was carried unanimously.

On the motion of Mr. Gordon Brown, seconded by Mr. J. Woodward, the auditors, Messrs. Ford, Rhodes & Ford, were reappointed.

Colonel M. Hunt: I beg to move that a vote of thanks be passed to the directors, and also to the agents and staff in the East, for their services during the past year. I am sure the statement that the Chairman has made is eminently satisfactory, and we are indebted to them for their good work.

The vote was seconded by Mr. Strettel and unanimously accorded.

The Chairman: I shall have very great pleasure in seeing that the vote of thanks is conveyed to the staff in the East. We, who follow the business of the Company from week to week, know that it is thoroughly well deserved. I do not think any Company has a more efficient staff, or one that takes such an interest in the business of the Company.

An extraordinary general meeting of the Company was then held for the purpose of considering and, if thought fit, passing as extraordinary resolutions the following resolutions:—

1. That the Articles of Association be altered in manner following, viz.:—

That the following Article, to be numbered 123A, be inserted after Article 123, viz.:—"123A (1) The Company in general meeting may, from time to time and at any time, pass a resolution to the effect that it is desirable to capitalise any part of the undivided profits of the Company standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or of any sums received by way of premiums on the issue of shares, Debentures, or Debenture stock and standing to the credit of the premium on issue of shares, and like accounts, and that accordingly such sum be set free for distribution among the members in accordance with their rights and interests in the profits, free of income tax, and that the same be not paid in cash but be applied in payment in full of shares of the Company, and that such shares be distributed among the

members in accordance with their rights and interests in the profits. (2) When such resolution has been passed on any occasion the board may allot and issue the shares thereby referred to credited as fully paid up to the members entitled to them according to their rights and interests in the profits, and may make such provision by the issue of fractional certificates or by sale and distribution of the proceeds of such shares or otherwise as they think expedient in the case of fractions. Prior to such allotment the board may authorise any person on behalf of the members to receive such allotment, to enter into any agreement with the Company providing for the allotment to them of such shares credited as fully paid up, and any agreement made under any such authority shall be effective. (3) It shall be no objection to resolutions passed under paragraph 1 of this Article that they are passed at the meeting at which the resolution introducing this Article was confirmed as a special resolution, provided that due notice of the intention to propose such first-mentioned resolutions shall have been given prior to the confirmatory meeting aforesaid."

2. That the Articles of Association be further altered in manner following, viz. :—

That Article 90 be deleted and the following substituted therefor :—"90. The directors shall be paid out of the funds of the Company by way of remuneration for their services at the rate of £250 per annum for each director (other than the chairman) and at the rate of £550 per annum for the chairman, and the directors shall also be entitled by way of further remuneration to a sum equal to 5 per cent. on the amount by which the dividend distributed in respect of any financial year of the Company, on the Ordinary shares in the capital of the Company, shall exceed 10 per cent., but such further remuneration shall not exceed in the aggregate the sum of £1,000 in any one year. The said further remuneration shall be deemed to accrue *de die in diem*, and shall be divided by the directors in such proportions and manner as the directors may determine, and in default of such determination equally. The directors shall also be entitled to such further remuneration which shall accrue from day to day as the Company in general meeting may determine, and shall also be repaid all travelling and hotel expenses properly incurred by them in or with a view to the performance of their duties."

Mr. C. Heath Clark, J.P., again presided.

The representative of the Secretaries read the notice convening the meeting.

Proposed Issue of Bonus Shares.

The Chairman said : Ladies and Gentlemen. The first extraordinary resolution which you have in print before you provides for alterations in the Company's articles of association to permit of the issue of bonus shares. The board are of opinion that the time has come when it will be advantageous to have the issued capital of the Company more nearly representative of the amount of the fixed assets, as shown by the balance sheet. On January 31 last these fixed assets stood in the Company's books at £296,788 4s. 3d., whereas the issued and paid up capital of the Company is only £200,000. This difference will be met by the capitalisation of £100,000, which is the amount standing at the credit of premiums on issue of shares and reserve accounts, and by the subsequent distribution to the shareholders of 100,000 shares of £1 credited as fully paid. That distribution will mean that the holder of every two shares will receive one additional bonus share. If this extraordinary resolution is approved to-day it will be submitted for confirmation as a special resolution at a further extraordinary general meeting to be held on the 30th of this month, after which there will be submitted as ordinary resolutions one to increase the capital of the Company, and one to give effect to the distribution of bonus shares among the members of the Company whose names appear on the register on July 30.

Directors' Remuneration.

The second extraordinary resolution which you have before you proposes to alter the Company's articles with a view to increasing the remuneration of the directors. I might mention that since the inception of the Company in 1909 the directors' fees have been at the rate of £100 per annum, with an additional £50 per annum for the Chairman. The total cultivated acreage has meantime been doubled, and the net earnings of the Company for the past year are ten times the amount they were in 1914. We feel, and I think shareholders will agree, that these fees are totally inadequate remuneration for the work and responsibility which devolves on the directors of this Company. We propose that the fees be increased to £250 per annum, with an additional £100 per annum for the Chairman, and, further, that the directors shall be entitled to a sum equal to 5 per cent. on the amount by which the dividend distributed in respect of any financial year of the Company on the Ordinary shares in the capital of the Company shall exceed 10 per cent., but such remuneration shall not exceed in the aggregate £1,000 to be divided between the directors in any one year. I feel that you will consider the terms of this resolution fair and equitable, and that it will receive your approval. I now beg to move the first resolution as set out in the notice convening the meeting.

Mr. C. E. Mortimer seconded the proposition, and it was carried unanimously.

Dr. Charnock [illegible] Mr. [illegible] resolution and I [illegible] Mr. Tate [illegible]

Mr. J. C. Tate seconded the motion, and it was unanimously approved.

The proceedings then terminated.

THE DISTILLERS' COMPANY, LIMITED.

Strong Position of Company.

The forty-fourth ordinary general meeting of the Distillers Company, Limited, was held at their registered office, 19 Torphichen Street, Edinburgh, on July 16, when Mr. W. D. Graham Menzies, Chairman of the Company, presided.

In moving the adoption of the report, the Chairman said : Once more I am pleased to come before you with what is, on the whole, a very satisfactory report. There are disquietening features in connection with same, which will be referred to later, but for the moment you will no doubt agree with me that the profits disclosed are eminently satisfactory. I would like to run over the various items in the balance sheet, in which there appears considerable alterations on the previous year's figures. Starting with the assets, the capital accounts, represented by land and buildings and plant and utensils, show an increase of £120,000 over the previous year. This is largely due to an increase in our bonded warehouse accommodation brought about by the operation of the Immature Spirits Act, 1915, which is only now beginning to have its effect on the bonding capacity at our various distilleries. As an instance of the higher costs now ruling, I might mention that one of our warehouses in Glasgow, which was burned down in the early years of the War, costing originally £18,000, has only now been replaced of exactly the same dimensions at a figure of about £40,000. In addition to the increases in our bonding accommodation, we have also carried out alterations at several of our distilleries, with the view of making them more efficient and of reducing hand labour. Investments, which show an increased amount of £233,000 over the previous year, embrace the businesses of Preston's Liverpool Distillery Company, Limited, and of John Haig and Company, Limited, Markinch, which I referred to as having been purchased in my last annual review, and also one or two other smaller investments which have been acquired since. Sundry debtors are down by £162,000, while stocks of spirits, grain, &c., are up by no less than £847,000. The latter is due to more of our distilleries being now at work, entailing the carrying of augmented stocks of raw materials at considerably enhanced costs. There has also been the need for [illegible]



'SWAN'
FOUNTPENS

give quite a distinct pleasure in writing. It cannot be adequately described, it must be experienced. It cannot be experienced with any other pen. Get a "Swan" that suits your hand and enjoy all your writing.

Prices : 12/6, 15/-, 21/-, 25/-, 30/- upwards.
SOLD BY STATIONERS AND JEWELLERS.
[illegible]

MABIE, TODD & Co., Ltd., Swan House, 133-135 Oxford St., London, W. 1

[illegible] Cheapside, E.C.2; 95a Regent St., W.1; and at 3 Exchange St., Manchester.

depleted stocks of old whiskies used in our export business with new whiskies at over three times the original values. This fully explains the drop in the amounts represented by cash in bank and in the form of bills. "Loans to subsidiary companies" appear in the accounts for the first time, and arise through the system of financing several of these subsidiary companies during the year—in particular, the old-established and well-known business of Andrew Usher and Company, which was taken over last November.

Coming now to the liabilities side of the balance sheet, the share capital has been increased by the issue of new shares to the shareholders of Prestons Company and John Haig and Company. The reserve, fire insurance, and superannuation and provident funds have all been increased by the sums given in the report. In regard to the latter fund, it is the desire of your directors to make this fund self-supporting, and, according to actuarial advice which they have taken, they believe that the fund should now meet that condition until heavier drains are made upon it. The fund is invested in the business of the Company, who allow 5% interest thereon. Loans from subsidiary companies have increased by over £320,000, sundry creditors by £94,000, and the rather unusual item of £170,000 appears as a sum due to the Bank. The provision for carriage on customers' spirits lying in bond has had to be increased by £39,000, due in large measure to the higher railway rates.

Turning to the profit and loss account for a minute, you will see that these larger commitments have synchronised with an increased profit for the year of over £166,000, so it cannot be said that our recent investments have turned out badly. All the same, the state of the balance sheet indicates very clearly the need for fresh capital. The report draws attention to this fact, and also gives the reason for retaining such a large proportion of the profits in the business in place of paying a higher dividend. This will be referred to in greater detail at the subsequent meeting.

The Future.

As regards the prospects for the future, it is difficult for me to prophesy. With the exception of Caledonian Distillery, which should be ready to resume work in about a month's time, all our distilleries are now in operation, and the demand for the Company's products keeps fairly steady. Your directors, however, do not disguise from themselves the fact that the present demand is largely due to the need for replenishing customers' stocks which have been depleted during the War, and that as soon as these stocks again reach their normal level there will be need for the greatest caution on the part of distillers in order to prevent a serious over-production. The closing-down of certain markets, such as America, the competition from American, Canadian, and other spirits in this country and in other parts of the world, as well as sundry other causes, renders the outlook for our trade rather obscure. One of the most anxious features of the situation, however, is the enormous rate of duty which the Chancellor of the Exchequer has seen fit to impose upon a home industry.

I have only further to express, on behalf of myself and my colleagues on the board, our appreciation of the services rendered by the whole staff, and which have done so much to bring about such a successful result of the year's working.

I now have pleasure in moving the adoption of the report, which recommends a dividend of 5% per annum, less tax, on the Preference shares and a dividend of 10% per annum, free of tax, on the Ordinary shares, the final dividends in each case being payable on August 2 next, while there is carried into the current year a balance of £100,526 7s. 2d.

The Managing Director's Statement.

Mr. W. H. Ross, the managing director, seconded. After referring to the excessive taxation of spirits, and to the efforts of prohibition advocates to harass the liquor industry, he said in conclusion :—

This Company individually is in a particularly strong position to withstand any attacks made upon it. Your directors have been careful in the past to spread their risks, so that if one branch of the business failed us we would have another to fall back upon. That policy has been particularly successful in the case of our yeast business. A year ago I explained what we had done in this direction during the War, and without the distillers' help in those dark days it might have gone hard for our country.

Possibilities of Industrial Alcohol.

But yeast is only one of the many side-lines of our business. The trade in industrial spirits is a growing and important one. Of recent growth is the demand for a new motor fuel to replace, or rather to supplement, the diminishing supplies of petrol, which authorities tell us are at present giving considerable concern to that vast and comparatively new industry, the motor industry. It is many years since your directors first directed their attention to producing a cheap form of alcohol suitable for use in internal-combustion engines, but up till recently the low price and apparently inexhaustible supplies of petrol rendered our chance of success out of the question. Lately, however, the oil groups themselves admit the possibility of a shortage in petrol at no distant period, and the ruling price for that product gives support to their admission. Most authorities agree that although there are several substitutes which may be utilised, either separately or mixed with petrol—such as benzole—these by themselves would mitigate but would not satisfy the shortage which is likely to arise. The only known product which could be produced in almost illimitable quantity is alcohol. A report was published last year by a Committee appointed to consider the possible alternative fuels. The patent still distillers thereafter approached the Chancellor of the Exchequer with the view of getting some relief from the onerous restrictions by which the trade in methylated spirits has hitherto been conducted. It is gratifying to be able to state that our request was favourably and sympathetically considered, and in the present Finance Bill, as also in the Revenue Bill which will follow, we have the promise of substantial concessions which will go a long way to assist us in the development of this new trade. Just as I warned you not to be too pessimistic in regard to the trade in potable whisky, I also warn you not to be too optimistic in regard to this new trade in power methylated spirits. There is still a great deal of spade-work to be done. I think you may take it that the problem as to whether alcohol—either pure or mixed with other substances—can be used as a motor fuel has been satisfactorily solved, and that the main difficulty now remaining—which, however, is an important one—is the selecting of a raw material cheap enough and yet which will be available in sufficient quantity to meet the requirements of an industry which may grow to colossal proportions. One of our colleagues is now abroad in connection with this question, and we are also in constant touch with all the interests which are affected—our strong view being that only by the co-operation of every interest concerned can we hope to bring matters to a successful issue.

The report was adopted.

An extraordinary general meeting was held immediately after the annual general meeting, when Mr. W. D. Graham Menzies, Chairman of the Company, presided.

In proposing the resolutions increasing the capital of the Company from £2,500,000 to £4,000,000, the Managing Director, Mr. W. H. Ross, said : From the statements which have been made at the earlier meeting I don't think I need waste many words in explaining why these resolutions are necessary, and why we ask your permission to increase the capital of the Company. In spite of the conservative manner in which the finances of the Company have at all times been handled, we find our ready cash requires replenishing. Not only have values of raw materials and stocks of all kinds increased enormously, but it must be borne in mind that the directors have acquired during the past few years several valuable businesses, the prices of which were paid for in cash. This has caused a drain on our finances in two directions. Not only had the original price to be found, but extra capital is now required to carry on these businesses, all of which falls upon the parent Company. It is satisfactory to know that these recent purchases have all shown, and I hope will continue to show, an excellent return upon the investment.

New Ordinary Share Issue: Offered at par to present shareholders.

You will now want to know on what lines the directors propose to make the first issue of shares, assuming that the resolutions now submitted are approved of and confirmed by you. Your directors very carefully considered whether these shares should be offered to the present shareholders at par or at a premium, and, failing acceptance by them, that they might then be offered to the public. We also considered whether the issue should be in the form of Preference shares or in the form of Ordinary shares. The objection to an issue of Preference shares is that it would be necessary to pay a much higher rate of interest than 5% for any new issue, and we could hardly do this and leave the present issue of Preference shares at the old rate of 5%. We are very averse to raising the present rate of Preference interest, as it might involve an undue burden on the profits of the Company in years to come, when these might be less able to bear it. On the whole, therefore, I think you will agree that your directors have come to a wise conclusion to make the present issue wholly in Ordinary shares and to offer these to the present shareholders at par. It is proposed to offer two new Ordinary shares at par to the holders of every five Ordinary shares on the register at September 30 next. Also to offer one new Ordinary share at par to the holders of every five Preference shares on the register at same date. These rights will be transferable, and it is not proposed to recognise fractions of shares, but doubtless if any shareholder feels that he will be making a sacrifice by dropping a fraction, he will have ample time to even up his holding either by buying or selling before the register is closed. I hope the concession made to the Preference shareholder will be approved by his brother shareholder who is more fortunate at present in holding Ordinary shares. The concession is, perhaps, not so much as we would have liked to make, but

it is all that we felt justified in asking the Ordinary shareholders to forgo, and is a much wiser arrangement, in our opinion, than to increase permanently the rate of interest on the Preference shares. The proposed first issue should bring in over £880,000, which ought to be sufficient for our immediate needs. This will leave a balance of capital unissued, which we propose should be left in the directors' hands to issue as and when required, either for the extension or development of the business.

If you approve of the present resolutions they will be submitted for confirmation at another extraordinary meeting to be called for Friday, August 6, at the conclusion of which meeting the special resolution for the issue of these shares will be submitted. In order that shareholders may have ample notice of what they may require to provide in the way of cash, I might here mention that the first call of £5 per share will probably be due on November 15, and a final call of £5 per share on December 15. Thus it is hoped that the new shares will all be registered and fully paid before the registers require to be closed for making up the usual interim dividend payable on February 1, in which it is proposed that the new shares shall participate.

The motion, having been duly seconded, was carried unanimously.

We are informed by the Credito Italiano that a new law has been passed in Italy which makes it compulsory to convert all shares in Italian banks from bearer form to registered form, and that such shares must be deposited in Italy not later than July 31.

South Africa announces that the generosity of Sir Owen Philipps in carrying pedigree stock to South Africa free is about to bear fruit. In Holland war and disease have decimated the stock from which South Africa drew, and she is now going to stock herself from the progeny, a shipment of which is coming to Europe.

Brakpan.—Capital issued, 834,600 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Pr. ton £	Expenses Amt. £	Pr. ton £	Profit Amt. £	Pr. ton £	Price end of Period
1917 ...	110	677,500	14½	1,168,454	34/6	694,451	20/6	474,003	14/0	6⅝
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3½
1919 ...	111	544,200	14.13	1,038,585	38/2	723,259	26/7	315,436	11/7	3⅛
1920.										
Mar. qr.	—	143,700	—	256,084	35/9	215,810	20/1	40,274*	5/8	3⅜
April ...	—	38,500	—	71,146	38/6	66,505	34/7	7,641†	3/11	2⅛
May ...	—	47,200	—	82,387	35/1	72,375	30/10	10,012‡	4/3	2⅛

* Excluding gold premium, £88,795.
† Excluding gold premium, £8,732.
‡ Excluding gold premium, £10,960.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.
1919, June, 12½; Dec., 15 per cent.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10s. each; issued, 1,880,212. £573,500 Five per Cent. Debentures. Milling capacity about 230,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Pr. ton £	Expenses Amt. £	Pr. ton £	Profit Amt. £	Pr. ton £	Price end of Period
1917 ...	660	2,100,000	8½	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2⅜
1918 ...	660	1,861,000	9½	2,523,760	27/1	2,118,055	22/8	410,705	4/5	2½
1919 ...	660	1,845,000	11·15	2,702,708	27/10	2,241,943	23/2	460,765	4/8	3⅛
1920.										
Mar. qr.	—	543,000	—	849,071	31/1	617,436	22/8	231,635	8/5	3½
April...	—	182,000	—	260,677*	28/8	212,981	23/5	47,696	5/5	2⅞
May ...	—	189,000	—	280,032†	29/7	216,775	22/11	63,257	6/8	2⅝

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105s. per fine oz.
Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.
1919, June, 5; Dec., 35 per cent.

City Deep.—Capital £1,250,000, in £1 shares. 200 stamps and tube-mill accessories. Capacity 80,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Pr. ton £	Expenses Amt. £	Pr. ton £	Profit Amt. £	Pr. ton £	Price end of Period
1917 ...	154	744,100	14½	1,469,953	39/6	796,137	21/5	665,569	17/11	3⅜
1918 ...	164	670,100	9⅝	1,274,970	38/0	821,768	24/6	453,202	13/6	2½
1919 ...	154	617,900	9·84	1,186,942	38/4	899,198	29/10	287,744	10/6	3⅛
1920.										
March qr.	—	166,000	—	352,521	43/5	241,172	30/-	117,349	14/3	2½
April ...	—	60,000	—	118,836*	39/7	88,170	29/8	30,666	11/11	2⅛
May ...	—	75,400	—	144,462†	38·10	118,552	30/4	25,910	6/9	2½

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105s. per fine oz.

Dividends—1917, June, 22½; Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent.
1919, June, 10; Dec., 13½ per cent.

Geduld Proprietary.—The capital authorised is £1,500,000; issued, £1,171,229, in £1 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Pr. ton £	Expenses Amt. £	Pr. ton £	Profit Amt. £	Pr. ton £	Price end of Period
1917 ...	77	av. 425,550	7.5	631,364	29/8	418,526	19/8	212,838	10/0	38/0
1918 ...	100	513,200	10.1	747,935	29/2	513,693	20/0	234,242	9/2	1½
1919 ...	100	516,000	2.7	776,468	30/0	522,867	20/2	253,601	9/10	3⅞
1920.										
Mar. qr.	—	132,000	—	251,223	38/1	171,543	25/0	80,679	15/-	2⅝
April...	—	42,000	—	71,003*	33/10	50,011	23/10	20,992	10/0	2⅛
May ...	—	43,500	—	74,259†	34/1	51,171	24/6	23,088	10/7	2

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105s. per fine oz.
Profits include sundry revenue.

The sorting in this mine is both on surface and underground; very light on surface.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June 5; Dec., 6½ per cent.
1919, Dec., 16 per cent.

Modderfontein B.—Issued capital £700,000, in £1 shares. Plant of capacity 720,000 tons per annum.

Year to Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Pr. ton £	Expenses Amt. £	Pr. ton £	Profit Amt. £	Pr. ton £	Price end of Period
1917 ...	96	517,500	15½	1,193,650	46/2	502,535	19/5	691,115	26/9	8⅜
1918 ...	100	605,500	15½	1,253,614	41/5	596,103	19/8	657,511	21/9	7⅞
1919 ...	104	649,500	14·52	1,483,827	45/10	728,472	22/6	695,355	21/4	9⅛
1920.										
Mar. qr.	—	152,000	—	368,510	48/7	198,064	26/4	170,446	22/5	7
April ...	—	50,000	—	111,118*	44/5	67,497	26/11	43,621	17/6	6⅜
May ...	—	50,200	—	116,636†	46/5	67,600	26/11	49,036	19/6	6⅞

* Gold calculated at 102/6 per fine oz.
† Gold calculated at 105s. per fine oz.

Dividends—1917 June, 40; Dec., 45 per cent.
1918, June, 42½; Dec., 40 per cent.
1919, June, 45; Dec., 47½ per cent.

Modder Deep.—Capital £500,000, in £1 shares. Milling started December 14, 1914. Plant capacity 44,000 tons a month.

Year ends Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Pr. ton £	Expenses Amt. £	Pr. ton £	Profit Amt. £	Pr. ton £	Price end of Period
1917 ...	70	494,400	4½	964,393	39/0	403,217	16/4	561,176	22/8	7½
1918 ...	70	506,100	5½	1,031,475	40/9	441,614	17/5	589,861	23/4	7⅞
1919 ...	70	507,200	9.98	1,107,372	43/5	466,651	18/5	640,721	25/6	2⅛
1920.										
Mar. qr.	—	127,500	—	358,801	57/1	139,089	21/10	219,712	35/3	2⅜
April...	—	41,100	—	103,622*	50/5	46,488	20/2	57,134	30/3	2⅛
May ...	—	40,800	—	104,787	51/5	46,937	23/0	57,334	28/5	2⅛

* Gold calculated at 102/6 per fine oz.

Modderfontein.—Capital, £1,400,000, in 10s. shares. Fifteen tube mills in use.

Year to June 30	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Pr. ton £	Expenses Amt. £	Pr. ton £	Profit Amt. £	Pr. ton £	Price end of Period
1916-17	180	656,700	14*	1,423,500	43/4	638,483	19/5	785,017	23/11	20⅜
1917-18	195	av. 634,100	8	1,559,177	45/7	725,913	21/3	833,263	24/4	2/4
1918-19	236	923,500	10.41	2,018,901	43/10	929,102	20/2	1,089,799	23/8	26½
1919-20.										
Sept. qr.	236	218,500	11.10	486,728	44/7	235,318	21/7	251,410	23/0	28
Dec. qr.	236	230,600	8.3†	517,033	44/10	240,574	21/0	276,489	24/0	33‡
Mar. qr.	—	263,400	—	678,700	51/9	292,842	22/3	385,858	29/6	4
April ...	—	86,400	—	241,024†	49/1	99,454	23/1	141,570	32/9	5½
May ...	—	86,000	—	242,333‡	49/4	101,448	23/7	140,885	32/9	5½

* £4 shares now split into £1 shares.
† Gold calculated at 102/6 per fine oz.
‡ Gold calculated at 105s. per fine oz.
Returns include profit from accumulated slimes.

PRELIMINARY ANNOUNCEMENT.
120 BROMPTON ROAD, and Nos. 2, 4, 6, 8 MONTPELLIER STREET, S.W.
Excellent position for a Bank or Commercial House and Shops.

MESSRS. GEORGE TROLLOPE & SONS are instructed to sell the above VALUABLE FREEHOLD PROPERTY by auction in one lot, having a ground area of about 14,000 super feet, on WEDNESDAY, October 13th, 1920, at WINCHESTER HOUSE, E.C. (unless an acceptable offer be previously made). Particulars and Conditions of Sale, with Plan, of H. S. Butt, Esq., Solicitor, 4 Trafalgar Square, W.C., and of the Auctioneers, West Hoathly Street, Belgravia Square, S.W. 1, or any of their other offices.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

New York, June 9, 1920.

The Board of Directors has declared a Dividend [illegible] on the Common Stock of this Company of One Dollar and Fifty Cents (1½%) per share, payable September 1, 1920, to holders of record at the close of business on July 30, 1920.

[illegible] Common Stock will be mailed to holders [illegible] at this office.

C. K. COOPER, Assistant Treasurer.
Nassau Street, New York City.

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.

[illegible]

PERRY'S GAZETTE & LIST OF CREDITORS are published Weekly and [illegible]

TERMS [illegible] according to [illegible] further particulars on application.

Debts recovered and paid over promptly.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $20,000,000.
Reserve Fund, $20,000,000.
Undivided Profits, $...91,440.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq.

Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE)
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

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The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869

Capital Paid up	...	...	**$17,000,000**
Reserve Funds	...	...	**$18,000,000**
Total Assets	...	...	**$550,000,000**

Head Office—MONTREAL.

Sir HERBERT S. HOLT, President. E. L. PEASE, Vice-President & Managing Director. C. E. NEILL, General Manager.

670 Branches in Canada and Newfoundland; in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia.

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Antigua, Barbados, Grenada, St. Kitts, Bahamas, Dominica, Jamaica, Trinidad, British Guiana, British Honduras.

ARGENTINE	...	Buenos Aires.
BRAZIL	...	Rio de Janeiro, Santos,
URUGUAY	...	Montevideo, Sao Paulo
BARCELONA, SPAIN	...	Plaza de Cataluna 6.
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LONDON OFFICE	...	Princes Street, E.C. 2.

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PARIS—28 Rue du Quatre Septembre.

Kansallis-Osake-Pankki.

NATIONAL JOINT-STOCK BANK.
Head Office: Helsinki (Helsingfors) Finland.
Branches: 120 all over Finland.

Paid-up Capital	..	**Fmk. 90,000,000**
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Ernesto TORNQUIST & Co.

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GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

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Paid-up Capital ... $15,000,000 (£3,082,192)
Reserve Fund ... $15,000,000 (£3,082,192)
President: SIR EDMUND WALKER, C.V.O., LL.D., *General Manager*: SIR JOHN AIRD., [D.C.L. *Assistant General Manager*: H. V. F. JONES.

Over 520 Branches throughout CANADA, and in NEWFOUNDLAND, THE UNITED STATES and MEXICO.

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A general Banking Business conducted with ALL POINTS IN NORTH AMERICA.

C. CAMBIE, Manager.

The Merchants Bank of Canada.

ESTABLISHED 1864. HEAD OFFICE: MONTREAL.

Paid up Capital	$8,400,000
Reserve Fund & Undivided Profits	$8,660,774
Total Deposits (April 30, 1920)	$163,000,000
Total Assets (April 30, 1920)	$197,000,000

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Reserved Profits ...	**£38 508**	**0 0**
Reserve Liability of Shareholders,	**£250,000.**	

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Reserve Fund	... ...	**3,275,000**
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		£11,275,000
Aggregate Assets, 30th Sept., 1919		**£67 036,249**

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Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dares-Sa'aam	Tanganyika Territory.	
	Tanga		

SUBSCRIBED CAPITAL	£3,000,000
PAID UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

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Authorised Capital (200,000 Shares of £10 each) ...	**£2,000,000**
Paid-up Capital	**£765,242**
Reserve Liability of Shareholders	**£1,197,468**
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15th April, 1920.

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Chief Office: OXFORD STREET, MANCHESTER.

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Assets Exceed - - - -	**£17,300,000**
Claims Paid Exceed - - -	**£30,000,000**

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IMPORTANT NOTICE.

AUGUST HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Friday next, July 30, instead of on Saturday.

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The Statist.

LONDON: SATURDAY, JULY 24, 1920.

The Money Market.

Friday, July 23, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills ...	6–6½	6⅝–¾	6⅝–¾	6¾–7
Trade Bills ...	—	7–7⅛	7⅛–¼	7¼

At present the attention of the Money market is being focussed on the national finances, which, of course, will continue for some time to be the dominant influence in Lombard Street. Demands for reduction in expenditure and a corresponding lightening of the burden of taxation appear to have no effect on the Government, who seem determined to carry out their declared policy of making a large reduction in the Debt this year, as well as other schemes involving an expenditure which we cannot afford at the present juncture. A reduction in expenditure, of course, would provide considerable relief to the Money market, but since it seems unlikely to be effected, attention will centre on the movements in the floating debt. A glance at this week's income and expenditure shows that nearly 129 millions in Treasury bills matured during the week to Saturday last, involving a replenishment of the market's funds to the extent of nearly 13 millions. Fortunately a bumper revenue and a low expenditure for the week obviated the necessity of providing for the whole of the excess maturities of Treasury bills over sales and renewals by borrowing on Ways and Means Advances, but the fact remains that the indebtedness to the Bank of England in respect of Ways and Means Advances was increased from 39½ to 43½ millions. Such a situation may spell ease in the Money market for the time being, but must entail stringent conditions later on, and between this and the autumn the situation will require careful handling, as large amounts of Treasury bills will mature within the next few weeks, while last week's surplus of revenue is unlikely to be maintained.

Day-to-day money was in good request at the opening of the week, and the prevailing rate was 5%. Later on, however, supplies of floating credits became more plentiful, and though 5% was asked for new money, renewals were effected down to 4%, while closing balances were offered occasionally at as low as 3½%. The tone at the close of the week was rather firmer, 4½-5% being the range of rates, with the bulk of the business being done near the higher quotation. There was a good demand for seven-day money at 5½%. The Discount market was in a hesitating condition owing to the weakness in the American exchange, and the [illegible] Wednesday after the Currency notes return was published, business [illegible]

The Paris cheque-rate weakened consistently during the week, till a quotation of 49.00 for cables [illegible] movement, were called 46.50. Lire are higher on the

week at 71: New York moved against us, but recovered on Thursday. To-day's cable rate gives a further fall to 3.80. We deal more fully with this exchange in another column. The South-American group moved against us. The peseta hardened, but Lisbon remained firm at 11¼*d.* The Dutch and Scandinavian rates also weakened, with the exception of Copenhagen, which closed to-day at 23.40. Of the Eastern exchanges, the Shanghai tael rose to 5*s.* 1*d.* on Thursday, the rupee, after slight fluctuations, closed at 1.10⅛*d.* the same day, while the Hong Kong dollar moved steadily up to 3.9½*d.*

Expenditure for the week ending July 17 was at the rather low figure of 12.5 millions, as against ordinary revenue amounting to 30.4 millions, making a surplus of 17.9 millions. Treasury Bill maturities, however, totalled 128.7 millions, exceeding sales and renewals by 12.6 millions. In addition to this drain on the surplus, War Loan, Exchequer bonds, &c., tendered in payment of excess profits duty and death duties, necessitated a cancellation of 1.4 millions; foreign indebtedness was reduced by 3.4 millions, and the depreciation fund under Finance Act, 1917, absorbed one million. The net result was that, despite the high surplus revenue, Ways and Means Advances outstanding were increased by 1.15 millions net. Advances by public departments were, however, reduced on balance by over 2.8 millions, so that there appears the unsatisfactory feature of an increase of 4 millions in the indebtedness to the Bank under Ways and Means, raising the total outstanding to 43½ millions. The final result, therefore, for the floating debt was a net reduction of 11.4 millions to 1,279 millions.

Treasury bond receipts again made a very poor showing at £340,000.

The Currency notes return issued on Wednesday last shows that cancellations during the week have amounted to £14,559,622, as against fresh issues amounting to £6,964,229, thereby reducing the total outstanding by £8,595,393 to £353,681,459. This must not be taken, however, as a normal return of notes from circulation, for it includes £7,148,564 of the first and second series of Treasury notes which though not yet withdrawn, have been taken as cancelled. The result of the transaction is a widening of the margin between the fiduciary issue and the legal maximum to over 13.7 millions, a corresponding raising of the reserve percentage from 12.9 to 13.2. This indicates the reason for the Treasury's action in cancelling the notes at once, for the Bank of England is thus relieved from the necessity, at all events for some weeks to come, of providing cover for the notes outstanding in order to prevent an infringement of the £320,000,600 maximum regulation.

BANK OF ENGLAND.

The Bank return for the current week is of a rather normal character. A small addition of £125,000 raises the total of gold coin and bullion to the record figure of £123,004,000. Meanwhile the Currency Note return reveals the pleasing feature of a net decline in the circulation of nearly £8,500,000. Consequently, there was no necessity for any further drain on the Bank of England. Accordingly, the Bank return shows an actual contraction in the circulation of £139,000 to £124,099,000. This joint movement is again reflected in the improvement of the reserve by £263,000 to £17,355,000. Thanks to the growth in revenue coinciding with a rather marked decline in expenditure, the Government was not compelled to have recourse to the Bank. On the contrary, Ways and Means Advances were reduced during the week by £2,851,000, the total of Government securities falling in consequence to £56,588,000. However, as Treasury Bill maturities exceeded applications by over £12,000,000, it was not possible to add to the funds at the disposal of the Government. Indeed the Bank return records a reduction in public deposits of £1,112,000 to £16,559,000. The large influx of revenue made its influence felt also on the market. Despite the maturing of Treasury bills to a total of £128,739,000 deposits were lower by £29,000 at £119,594,000, and, in addition, the market was obliged to increase its indebtedness to the Bank by £1,458,000, other securities advancing in consequence to £80,081,000. With a decline in both public and other deposits the total liabilities fell from £137,307,000 to £136,166,000. The ratio of the reserve to liabilities improved accordingly from 12.4% to 12.7%.

NEW YORK.

The demand for call money was less pronounced, but rates kept firm at about 8%. Prime Mercantile paper also at 8% was quoted even higher than last week. The Federal Reserve Board seems to have the situation well in hand, and it is probable that the autumn will be passed without any severe "squeeze" in money. The "frozen credit" situation, brought about by the freight tie-up, is being rapidly improved, and this is the chief basis for an optimistic outlook.

The weekly return for the New York City Banks and Trust Companies associated with the New York Clearing House shows a still further contraction of liabilities as compared with last week. Net demand deposits were reduced by 19¾ millions to $4,141,110,000. The fall in the aggregate reserve in the previous week continued this week, causing the daily average to drop by 4.4 millions to 561.6 millions. The position improved at the end of the week, however, and on July 17 the actual excess reserve was 29 millions, against an average for the whole week of 13 millions.

The weekly return for the Federal Reserve Banks shows a general reduction of liabilities. The Federal Reserve note circulation fell by 45 millions to 3,135.9 millions. Deposits declined by 22.8 millions to 1,686.9 millions. On the other hand, the gold holdings remain practically unchanged and the legal-tender notes and silver reserve increased by 10 millions to 148 millions, despite the fact that the New York centre lost one million in gold and 109 millions in other reserves. The net result was that the reserve ratio rose by .8% to 43.9. Twelve months ago the figure stood at 50.9. The present ratio, however, is the second highest during the last six months of weakness.

BULLION.

The fair supply of gold in the market during the week was taken for India, the United States, and the trade. The price rose in sympathy with the appreciation of the dollar, being quoted at 108*s.* 3*d.* the fine ounce to-day.

Some violent fluctuations in the Silver market are to be noted. Offerings from the Continent were again on a reduced scale, but America became definitely a seller. The support came from India, which was a buyer both for shipment and to provide covering for "bears." The spot quotation opened at 52*d.* on Monday, rose to 52¾*d.* on the following day, and to 55¼*d.* on Wednesday. To-day's prices were 54⅜*d.* for immediate and 54*d.* for forward delivery.

The closing tone was firm on account of the diminished offerings, and much lower quotations are

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unlikely, until sufficient of the United States output is absorbed by the United States mint to fulfil the repurchase clause of the Pittman Act.

Recent movements in the Indian Currency Returns are shown below :

1920	Note Circulation Lacs	Silver In India Lacs	Silver Elsewhere Lacs	Silver Total Lacs	Gold In India Lacs	Gold Elsewhere Lacs	Metallic Ratio to Notes	Government Securities Indian Lacs	Government Securities Paper Lacs
July 7	16,209	4,602	—	4,602	4,306	234	56·4	3,780	3,238
June 30	16,434	4,555	—	4,555	4,318	249	55·7	3,585	3,727
June 22	16,655	4,329	—	4,329	4,390	354	54·5	3,555	4,027
June 15	16,731	4,227	—	4,227	4,340	132	52·0	3,555	4,477
June 7	16,663	4,167	—	4,167	4,257	207	51·8	3,555	4,477
May 31	16,692	4,137	—	4,137	4,286	74	50·9	3,118	5,077
May 23	16,729	4,028	—	4,028	4,349	142	50·9	2,833	5,377
May 15	16,991	3,987	—	3,987	4,436	100	50·2	2,491	5,977
May 7	16,930	3,920	—	3,920	4,357	147	49·8	2,357	6,127
April 30	17,074	3,937	—	3,937	4,358	95	50·2	2,377	6,127
April 22	17,703	3,909	—	3,909	4,614	94	49·8	1,959	6,727
April 15	17303	3,904	—	3,904	4,730	43	50·0	1,959	6,727
March 31	17,452	3,985	—	3,985	4,437	349	50·2	1,959	6,727
July 15	16,424	4,368	—	4,368	4,664	5	58·7	3,780	3,...

FRENCH FINANCE.

The approaching redemption of the Anglo-French Loan in the United States has aroused in certain circles in Paris an apprehension of a further decline in the value of the franc, but sufficient heed is not paid to the fact that measures to provide for repayment have already been taken by the French Ministry of Finance. These measures were in the nature of anticipatory precautions, as it was recognised that to fall on the Exchange market with an immense demand for dollars as the date of the loan maturity approached, would lead to a sudden reduction of rates, unjustifiable in itself in view of the great improvement over recent months in the economic and financial position of France. The French portion of the joint Anglo-French liability will, of course, be met to some extent by gold shipments, if no other means of settlement are at the time available. Conditions in New York, and generally throughout the United States, do not at the moment afford any hope that the arrangement of American credits in favour of European countries for the autumn season will be an easy matter. The rate for prime mercantile paper in New York is no less than 8%, and the stringency in the Money market is more likely to become acute as the harvest season advances and the crops are moved to the elevators and to the ports for shipment.

The recent large increase in French taxation has undoubtedly created a better atmosphere, from the point of view of international finance, for any proposals which the French may make with regard to their American obligations; but in many quarters in the United States it is considered that the October maturity will provide the acid test of European professions of solvency.

So far in the current financial year the monthly receipts of the French Government from taxation and other sources have been largely in excess of the estimates, and provided a wise use is made of the accruing surplus, which by the end of the twelve months should have reached a quite respectable figure, the healthiness of the position in France should be much increased. French colonial ambitions have, however, always constituted a serious drain on the home exchequer, and at the present time a large amount of money is being dissipated on expeditions into Syria, Cilicia, and on military enterprises in various quarters in the Near and Middle East. Such expenditure is, of course, mainly determined by policy, and while the French people approve the action of their Government, the leakage of revenue through this source is not likely to stop. It is, indeed, untrue to accuse the French nation of a blind or [illegible] They are but following the example set by other countries, while recognising the essential difference in their own case. They are relatively much poorer than Great Britain, and while Colonial expansion is undoubtedly desirable for France, the price that has to be paid may prove too heavy, if lavish expenditure abroad leads to stunted development at home. Again, the payment of the expenses of the Army of Occupation occasions serious anxiety as the ability, or the will, of the Germans to meet their liabilities in this, as in all other respects, is open to doubt. Again, the extraordinary expenditure on the reconstruction of the devastated areas entails a serious burden on the French Treasury, but the outlay will eventually be repaid manifold. Even at present its good effects are obvious, and the steady increase in French production is seen in the expansion of exports and the diminution of the adverse balance of trade. A factor of importance in France's favour, and one not to be overlooked even in a general financial review is the tourist traffic, which has been of great dimensions in the present year. As with Italy so with France, the amount of money spent by visitors and the corresponding claims to which this gives rise on foreign currencies have been recognised as factors with no little influence on the exchanges. Their effect was, of course, greater in pre-War days when conditions were normal, but with the load of external debt which now depreciates the currency of both countries their influence for good is now not so widely felt.

Stock Exchange.

Notwithstanding the continuous stream of new investment issues, sound securities in the markets show little signs of weakness, and, in fact, the strength of the recent corporation and county issues at present provides one of the brightest features. As was the case last week, there was again during the current week a noticeable shrinkage in the volume of business. This is one result of the excess profits duty decision, but as it is now apparent that the effects of this latter have already been discounted by the markets, prices are not inclined to give way, and the undertone is quite firm. Nevertheless, speculative descriptions are under a cloud for the moment, except in the Oil market, and there is a growing tendency for new money to find its way into investment issues. Towards the end of the week the tone became duller, the cause generally assigned being the situation in Poland. This has undoubtedly restricted business somewhat, but so far it has not induced any selling, and holders are apparently determined to wait patiently for a more cheerful market.

In the Gilt-edged section activity was confined to the new corporation and county issues and the National War Bonds. All series of these latter were in request on account of the privilege they carry of being received by the Inland Revenue in payment of excess profits duty. War Loan Fives were on offer, and lost a full point during the two days Wednesday and Thursday. Of corporation and county issues referred to, a shortage of stock was in evidence, and, with holders little inclined to sell, an all-round improvement occurred. The Bradford, Cardiff, and Croydon issues rose to a premium, and Kent Sixes were in strong demand. The table below shows Thursday's prices and the corresponding yields :—

	Amount Issued	Issued	Price	£ s. d.
Bradford 6%, 1936-46				
Cardiff 6%, 1936-46		95		
Croydon 6%, 1936-46				
[illegible]				
[illegible]				
[illegible]				6 0 9
[illegible]		Par		
[illegible]			101	
Sheffield 6%, 1936-46		Par		
[illegible]		Par		

This activity [illegible] Quadruple Corporation issue: already, indeed, the Lincoln portion has been over-subscribed

The Foreign market enjoyed a busy week. Demand was brisk abroad, but particularly for Chinese, Brazilian, Japanese, and Argentine descriptions. Japanese were bought at the beginning of the week for American account mainly. Chinese were generally slack at the beginning, chiefly because of fears of German selling. The Chinese Reorganisation Loan of 1913 jumped into sudden and continued popularity; opening at 56½ on Monday, it finished at 63 yesterday afternoon. The coupons are payable in London, Germany, France, Russia, and Japan in their respective currencies. This convenience gives a decided attractiveness to the stock, but hardly justified the unexpected spurt in demand. Argentines and Brazils were steadily absorbed. The latter were about ½ to 1 point off on Thursday, though demand did not seem to have fallen off much. Mexicans improved slightly with the more reassuring news from Mexico. Guatemala Fours and Venezuelan Diplomatics dropped 1 point. German Threes remained firm, but French Fives receded 1¼ and Fours 1 point.

Business in Home rails was very dull, the tone of the discussion on fares proving a very unfavourable influence. The formidable agitation against the proposed increases by the Government, the fear that the interests of the shareholders are of but secondary importance to the powers that be, and the apparent lack of constructive policy in responsible circles have all helped to demoralise the markets. Small but numerous declines characterised the week.

A further crop of Home Rail dividend announcements came during the week. The South-Eastern Railway Company is distributing at the rate of 1% (actual)—the same as last year—on the Undivided Ordinary stock. This permits of an interim dividend of 2% on the Preferred Ordinary stock. The South-Eastern and Chatham dividend is at the rate of 2¼% (actual) on the Arbitration Preference stock. The Great Eastern and the North Staffordshire distributions of ½% (actual) and 1¾% (actual) respectively are the same as last year's. The dividend of ½% (actual) announced by the Metropolitan Railway Company is the same as that declared a year ago, but the amount now distributed is greater, for since December 31, 1919, the £975,000 issued in exchange for Preferred and Deferred shares of the Great Northern and City Railway Company have been entitled to rank for full dividends with the Consolidated Ordinary stock. The London and South-Western interim distribution is at the rate of 2%. The North-Eastern Consols are to receive 3¼% (actual)—the same as last year's interim distribution.

News of strikes in Santa Fé reacted on Argentine rails. It is difficult, however, to find sellers at present prices, on account of the favourable prospects. Fractional set-backs occurred during the week, the volume of business transacted being small. Vague fears as to the future demands of labour were accentuated by the prevailing absence of liveliness in other markets. Canadian Pacifics were fairly busy early in the week, and on the whole remained firm.

The Industrial section was affected by the general depression. Textiles were a bright spot at the outset, but later activity was restricted and some profit-taking occurred. Iron and steel shares were fairly brisk, South Durhams attracting particular attention; but by Friday prices again showed a bad tendency to sag.

Oils were flat at the commencement of the week and received numerous set-backs day by day. Prices were irregular and losses seemed to predominate. Shell rights were bid up to 2⅞, and contributed, with Scottish-Americans, to an appreciable rally. They were the only features in an otherwise featureless market.



Mining Topics.

In the absence of shop support the market would have opened in the usual idle fashion. The demand, such as it was, originated mainly in the realisation of the benefits accruing to the industry from the recent improvement in the South African exchange rate, and was helped somewhat by the appreciation of gold to 107*s.* per ounce. The shares coming in for most of the attention included Central Mining, which put on ⅛ to 9; Rand Mines, which were 3/32 better at 2 7/32; Springs Mines, which improved 1/16 to 2 3/16; and Johnnies, which gained 6*d.* to 29*s.* 9*d.* On Tuesday the public began to wake up to the effect of the reduction in realisation charges, and strengthening the demand of the shops, caused a general advance in prices. The most notable gains were registered by Central Mining, which closed strong at 9; Rand Mines, which put on ⅛ to 2 3/32; whilst Crown Mines and Meyer and Charlton were both ¼ to the good at 2⅛ and 4⅞ respectively. Johnnies also participated with a rise of 9*s.* to 30*s.* 6*d.* Movements after Wednesday were rather irregular. On that day Modder B was in favour, moving up 1/16 to 6¾. On the other hand, Springs Mines reacted to 2⅛, and Johnnies to 30*s.* Fears of Paris realisations produced a series of reactions on Thursday; but with a gold recovery to 101*s.* 9*d.*, Paris turned buyer, and prices recovered to a certain extent. Nevertheless, Brakpan were ¼ down on the day at 2⅜, while Central Mining and Van Ryn Deep dropped ⅛ to 8⅞ and 4¼ respectively. Springs Mines lost 1/16 to 2 1/16, and Johnnies reacted to 29*s.* 6*d.* The market should receive a further impetus from the expected announcement to-day of the further decline in the South African exchange rate to ⅝% discount for telegraphic transfers and 1¼% discount for demand drafts.

Extracts from the quarterly report of West Springs show that good progress is being made in the sinking of the shafts. Shaft No. 1 is now down 2,320 feet and is in the Kimberley shale. Shaft No. 2 has been sunk to 1,491 feet, and intersected three reefs, all of which were, however, unpayable. Development work for the quarter amounted to 210 feet, of which 187 feet were on reef. The experiments conducted by the Cam and Motor Gold Mining Company, with a view to the more economical treatment of the ore, have now been concluded with success. With the necessary alterations in the plant being executed, it is expected that crushing will be started in October at the rate of 15,000 tons a month. Development work continues to reveal good values and widths, especially at the 11th level. Cablegrams from the Hampton Gold Mining Areas report ore averaging 9½ dwt. over a width of 18 inches by a cross-cutting west at 65 feet depth in Lease 192 north of Golden Hope Shaft No. 1; whilst at a depth of 78 feet ore of 5 dwt. for a width of 48 inches has been exposed. The British Platinum and Gold Corporation issue a

report of progress indicating [illegible] has been launched and is expected [illegible] about the middle of October. Preliminary investigations, it is stated, fully justify recent acquisitions. A steady reference is being [illegible] the properties of the platinum mines.

Tin shares remained comparatively unaffected by the variations in the price of tin. Tin Areas dropped sharply to 7*s.* on Thursday owing to the rumoured intention to issue convertible Debentures. Pressed by the dealers to make a statement, the directors confirmed the rumour, stating that existing shareholders would have preference in applying for the £250,000 proposed to be issued in view of transport difficulties in Nigeria and the necessity of holding up large stocks owing to the fall in prices. This did not reassure the market, and the shares were marked down further to 6*s.* 3*d.* on Thursday. The Damo Company [illegible] company report that an agreement has been [illegible] the Ida H. Mining Company [illegible] upon terms which give to the Damo Company one-third of the net profits secured.

AMALGAMATED ZINC (DE BAVAY'S).

Half-Year ended	Output of Zinc Concs. Treated Tons	Output of Lead Concs. Tons	Working Profit £	Working Costs £	Net Profit £	Dividends £	Reserves £
Dec. 31, '16	171,856	47,521	1,995	162,485	9,371	7,500	1,871
June 30, '17	148,417	42,555	1,247	136,560	12,857	7,500	5,357
Dec. 31, '17	84,296	24,487	928	71,210	13,086	7,500	5,586
June 30, '18	104,719	27,181	1,854	119,567	16,151	10,000	6,151
Dec. 31, '18	112,775	30,938	1,807	105,945	8,837	7,500	1,337
June 30, '19	81,567	22,016	1,164	114,657	24,356	20,000	4,356

The report of this Australian mining Company for the six months ended June 30, 1919, can hardly be described as of a very encouraging nature. The tonnage of tailings treated declined from 112,775 tons in the previous half-year to 81,567 tons. "Production during the earlier months of the period under review," says the report, "was curtailed [illegible] output by our principal suppliers, consequent upon shortage of labour and coal. [illegible] disputes, combined with the maritime strike, which prevented the freighting of coal, resulted in a cessation of operations in May." Consequently, the reduction in the tonnage was caused by factors outside the direct control of the Company. This reduction was, of course, reflected in the decline in the output of zinc concentrates to 22,016 tons, and of lead concentrates to 1,164 tons. Taking into consideration the fact that the mill was working only for 18 weeks, the average weekly output of 1,223 tons of zinc concentrates compared very favourably with the previous average of 1,155 tons. Despite, however, the reduction in the quantity treated by nearly 50%, the total working costs increased from £105,945 to £114,657. Nevertheless, as the stocks held at the close of the previous half-year realised much better prices than estimated, the working profit reached £39,106 in contrast with the previous figure of £34,812. Similarly owing to substantial increases in the receipts from interest and dividends, the net profit rose from £32,914 to £44,359. After providing for depreciation to the extent of £9,744, [illegible] shareholders as in the preceding half-year. The balance of £24,069 is transferred to the equalisation reserve, which with the transfer of £20,000 from the general taxation reserve, is increased to £365,255.

The financial position of the Company as disclosed in the balance sheet dated June 30, 1919, is sound. Liabilities do not exceed £61,311, whereas liquid assets, including stocks to the value of £197,633, [illegible] £214,257. With the addition of stores to the extent of £31,265, the surplus of liquid assets is increased to £184,213, as compared with £87,599 in the previous half-year. On the other hand, demands put forward by the A.M.A. as regards wages, hours, and working conditions caused a complete cessation of all productive [illegible] closed. This regrettable condition of affairs lasted all through the half-year which terminated on December 31 [illegible] value secured by the stock ore that at which it was entered in the balance sheet on June 30, 1919, a profit [illegible] costs amounted to £13,689.' The net profit was returned at £12,473, and of this £9,489 was set aside for depreciation and the balance carried forward to the next accounts, no dividend being declared. Liquid assets exceeded liabilities by £147,988, and this did not take into account 365,000 tons of tailings paid for, but not treated, nor £328,785 in respect of money paid up on sundry investments. As mentioned in an earlier article, the Company is largely interested in the Electrolytic Zinc Company in Tasmania. This concern has now passed out of the experimental stage and a large sum is being spent upon the construction of the necessary plant. It is with this end in view that the Equalisation Reserve has been built up so steadily. From the statement made by the Chairman at the meeting in November 1919, it is evident the Company is looking upon this investment as its primary consideration. Meanwhile, as the above figures indicate, the Company is in a strong financial position. The market realising that the absence of dividend is due to the strike, the end of which cannot be far distant now, quotes the £1 shares at 27*s.* 9*d.* Assuming a dividend of 15%, the shares would yield at this price a return of over 10¾%.

GREAT BOULDER PROPRIETARY MINES.

Year	Ore Treated	Yield per Ton	Working Costs per Ton	Working Profit Metals*	Per Ton	Net Profit	Dividends Amount	Dividends Per £1 Share
Dec. 31	Tons	Tons	Tons	£	Tons	£	£	%
1916 ...	175,582	0·6	27 10	2·6,155	31 0	260,750	250,000	100
1917 ...	182,065	0·5	28 5	226,941	25 0	200,942	200,000	100
1918 ...	152,196	0·5	29 0	208,000	27 1	180,862	180,775	112½
1919 ...	106,952	0·5	25 8†	114,478	23 4†	106,478†	80,250	75

* Including gold [illegible] £1 10s. 0d.

† Exclusive [illegible] 4s. 7d. per ton in 1919, 2s. 2d. per ton.

With companies such as the Great Boulder Proprietary Mines, Limited, it is obvious that a decline in the quantity of ore treated of over 45,000 tons in one year must in the main be attributed to abnormal conditions. The report of this well-known Western Australian gold-mining concern for the year ended December 31, 1919, states that the reduction in the quantity of ore treated from 152,196 tons in 1918 to 106,952 tons for the year under review was due to the fact that the mill was stopped during the year for no less than 129 days. For 98 days a succession of strikes handicapped production, whilst for 27 days sufficient men could not be got to supply the ore to the mill. The remainder of the period was accounted for by holidays and the closing down for repairs. Working on the familiar basis of the par value of gold in order to compare the results effectively with those of preceding years, the gold revenue per ton of ore amounted to 59*s.*, in contrast with 63*s.* 5*d.* in 1918, indicating that it was not found possible in face of the adverse circumstances of the year to maintain the grade of the ore. With wages and the prices of stores and materials rising during the year it was but natural to expect an increase in working costs; but the increase was accentuated by the marked decline in the quantity of ore treated. [illegible] gold, the situation was considerably ameliorated. The [illegible]

£165,396 compared more favourably than would otherwise have been possible with £220,932 for 1918. Including the balance of £7,319 brought forward from the previous year and a sum of £10,000 transferred from the reserve fund, this gave a total of £182,715. English and Australian taxes absorbed £29,962. The value of the Alaska Venture Syndicate, now in liquidation, was reduced by £12,000 to £11,960. Shareholders received a dividend of 75%, amounting to £131,250, leaving a balance of £9,503 to be carried forward to the next accounts. Considering the difficulties of the year this dividend of 75%, as against 112½% in 1918, must be regarded as rather generous.

Unable to secure adequate labour at times to work the mill it was inevitable that not as much attention could be devoted to development work during the year as could have been desired. Yet in quantity and quality the results were by no means discouraging. For 1918 the total development work reached 700 feet; for the year under review it amounted to 600 feet. In the main shaft the best results were secured at the 800-foot level by a winze in section 25 exposing for 69 feet ore averaging 13.22 dwt. for a width of 5 feet. At the 1,750-foot level ore of 10 dwt. per ton over a width of 5 feet was exposed by an intermediate drive north in stope in section 23 for 5 feet, whilst a winze in section 29 was sunk 10 feet in ore averaging 7.85 dwt. over a width of 4.2 feet. Ore assaying 8 dwt. per ton over a width of 5 feet was secured at the 2,050-foot level by a winze in section 25 for a depth of 13½ feet. In the Hamilton shaft at the 1,000-foot level a winze started in section 54 was sunk for 5 feet in ore of 12 dwt. with a width of 4 feet, whilst a winze in section 51 revealed for a like distance ore of 10 dwt. over a width of 4 feet. At a depth of 90 feet below the 1,800-foot level a winze in section 53 opened up ore of 8.74 dwt. for 15½ feet over a width of 5 feet; whilst at the same depth to the south a winze was extended 117½ feet in ore of 8.06 dwt. over an average width of 5.28 feet. Whilst no diamond drilling was done in 1918, 1,463 feet were bored during the year under review. According to the Chairman, although nothing of great importance was brought to light, there was reason for believing that there were good prospects of profit from the area treated if further operations were conducted. The position of the ore reserves is indicated in the following table:—

Dec. 31	Tons	Dwt. Gold per Ton	Value per Ton
			s. d.
1916	439,377	14 9	62 4
1917	385,311	14 11	61 4
1918	345,110	14 10	61 3
1919	325,314	14 56	61 9

The total of 325,314 tons at the end of 1919 included 60,110 tons of broken ore in stopes with an average value of 10.86 dwt.

The outlook for the current year is distinctly more promising. Advantage was taken of the stoppages due to the strikes to overhaul and repair the plant and machinery and to make arrangements to handle more economically the reduced tonnage. The absence of the usual March dividend did not create any surprise in view of the condition revealed in the diminution of the output. With the return of the men to work the prospects for the remainder of the year are brighter despite the increase in wages. The continuance of the premium on gold and the tendency for it to increase in the latter half of the year will not only add to the profit of the Company in general, but will also enable the Company to add to the life of the mine by milling ore of a lower grade. Reports of development work continue satisfactory. The financial position of the Company as revealed in the balance sheet at the end of 1919 is very strong. Including the bank overdraft of £30,000, liabilities do not exceed £83,462, whereas liquid assets in the form of sundry debtors and cash and gold exceed £138,644. In the market the 2s. shares are quoted at 7s. 6d., and afford at this price upon the basis of the 1919 dividend a return of 20%.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND—Accounts, July 21, 1920.

Issue Department.

Notes Issued	£139,920,010	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,470,010
	£139,920,010		£139,920,010

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£56,583,361
Rest	3,305,526	Other Securities	80,081,376
Public Deposits	16,559,418	Notes	15,821,185
Other Deposits	119,593,941	Gold and Silver Coin	1,534,068
Seven-day and other Bills	13,125		
	£154,025,010		£154,025,010

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1920.	£	£	£	£	£	£	£	%	%	%
July 21	124.0	139.0	16.5	119.5	56.5	80.0	17.3	12·7	7	8½
July 14	124.2	139.3	17.8	119.5	59.4	78.8	17.0	12·4	7	8½
July 7	122.7	120.7	17.8	117.0	52.4	83.8	16.4	12·2	7	6½
June 30	120.0	117.8	15.7	175.9	90.0	103.1	16.2	8 5	7	6½
June 23	115.2	117.8	17.8	118.4	53.0	80.1	20.9	15 4	7	6½
1922.14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2½

* July 30, 1914 4 to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 8, 1918, 6%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	July 23, 1920	July 23, 1919	July 24, 1918	July 25, 1917	July 23 1910
Circulation	£124.0	£78.9	£55.7	£39.7	£28.4
Public Deposits	16.5	19.7	34.7	46.6	17.6
Other Deposits	119.5	122.0	136.7	126.8	43.3
Government Securities	56.5	49.8	58.1	48.1	17.4
Other Securities	80.0	81.9	103.3	111.4	30.4
Reserve	17.3	27.9	29.8	31.9	31.5
Ratio to Liabilities	12·7%	19.67%	17·42%	18·36%	51·10 %
Coin and Bullion	123.0	88.3	67.1	53.1	41.2
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅞-⅞%	3½-3⅝%	3½-3⅝%	4½-4⅝%	2½-2¾%
Exchanges:					
Paris Cheque	49.85	31·06	27·14½	27·40	25·21
New York 60 days	3·79	4·37	4·72½	4·72½	4·83½
Bombay Telegraphic Transfers	1/10½	1/74½	1/53½	1/43/16	1/33/8
Prices:					
Consols 2½% Cash	46¼	51½	56¼	55½	81⅝
French Rentes 3% Money	59·10	81·47½	61·85	61·10	97·12
Silver, London std.	85¼d.	55 5/16d.	48 3/16d.	39½d.	25 9/16d.
Wheat, *Gazette* average qr.	85/3	73/4	74/3	78/3	31/1
Cotton, Mid Upland lb.	29·90d.	21·44d.	20·67d.	19·00d.	8·07d.
Iron, Scotch pig ton	223/6	168/0	101/0	98/6	64/10½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
July 21, '20	6,984,029	15,559,622	353,681,459	28,500,000	18,300,000	13 2
July 14, '20	11,043,856	8,889,234	362,276,852	28,500,000	18,300,000	12·9
July 23, '19	5,824,997	7,024,688	340,967,062	28,500,000	—	8·3
July 24, '18	5,085,456	5,486,146	260,495,312	28,500,000	—	10·9
July 25, '17	4,746,777	4,908,681	166,104,732	28,500,000	—	17·2
July 26, '16	4,186,183	3,684,974	125,486,280	28,500,000	—	22 7

Balance Sheet, July 21, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	279,227,523	Other Bankers ...	—
Ten Shilling	40,823,936	Trustee Savings Banks	155,000
Certificates outstanding ...	33,630,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	353,681,459	Bank of England Notes...	12,300,000
Notes called in but not yet cancelled	7,148,564	Government Securities ...	330,079,483
Investments Reserve A/c ...	16,843,827	Balance at Bank of England	639,381
Total	377,673,850	Total	377,673,850

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net + Balance
July 17	£30,434	£12,494	£17,940‡	£134,184	£151,119	—£16,935
July 10	29,573	24,458	5,115‡	190,914	195,631	— 4,687
June 30§	8,645	12,609	3,964	55,639	50,348	— 5,291
108dys. '20-21	374,993	341,680	33,313‡	1,576,866	1,639,553	—62,687
110days '19-20	248,758	456,464	207,703	2,059,126	1,858,008	201,118 — 6,585
Yr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—234,198
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	5,516,023	1,983,581

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
July 17	£9,101	£3,189	£3,814	£9,330	£4,189	—	£8,305
July 10	5,116	3,013	5,776	8,663	7,161	£340	16,957
June 30§	1,581	2,630	749	1,685	2,165	182	10,252
108days'20-21	86,825	70,920	65,958	151,490	117,831	3,780	200,119
110days'19-20	69,377	62,479	77,341	38,939	122,490	1,923	332,045
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,588
Yr. '18-19	162,220	291,188	285,028	150,587	289,964	11,380	2,297,968
Yr. '17-18	110,033	239,509	220,214	137,478	183,851	11,401	2,494,988

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
July 17, 1920 ...	£1,066,090	£213,141	£1,279,231	£1,745,720
July 10, 1920 ...	1,079,823	211,991	1,290,820	1,745,720
June 30, 1920 ...	1,050,090	243,691	1,293,781	1,745,720
June 26, 1920 ...	1,069,826	218,324	1,287,950	1,745,720
June 30, 1919 ...	796,150	774,237	1,570,387†	1,732,093

* Budget estimates. † Highest. ‡ Excess of revenue. § 4 days.

FOREIGN BANKS.

[In £'s Sterling—000's omitted.]

		Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 8, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£8,983
July 8, '20	...	10,869	1,067	11,716	21,039	211,057	23,933
July 15, '20	...	10,659	1,068	11,727	23,582	213,681	73,833

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *							
June 22, '20	...	£395,948	£88,923	£34,616	£39,020	£350,493	£30,980
June 30, '20	...	398,166	88,923	26,825	76,181	363,218	60,771
June 7, '20	...	398,313	88,923	31,369	79,629	368,313	63,454

		Cash			Discounts	Balance Abroad	Circulation	Deposits
		Gold	Silver	Total				
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£798	£8,693	£47
May 31, '20	...	12,838	154	12,792	15,486	1,933	28,647	2,113
June 30, '20	...	12,668	147	12,815	14,418	1,885	29,370	2,403
June 30, '18	...	10,432	143	10,575	4,583	2,755	24,222	1,181
June 29, '18	...	10,493	131	10,624	3,475	3,869	20,891	1,214

		Gold	Silver	In Bank Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
FRANCE.									
July 30, '14	...	—£165,864—		£190,667	£97,789	£267,327	£15,302	£37,903	
July 15, '20	...	144,413	79,131	233,443	73,925	1,520,439	6,737	177,772	
July 22, '20	...	144,424	79,131	233,456	72,300	1,510,593	5,337	126,602	
July 24, '19	...	143,566	79,131	234,397	34,133	1,337,231	4,153	118,063	
July 25, '19	...	135,777	81,484	228,319	42,981	1,185,932	5,533	153,804	

		Gold	Silver	Cash Total	Treasury & Loans & Other Notes	Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£5,279	£49,055	£91,545	£47,199
June 30, '20	...	64,583	166	64,749	883,631	2,513,110	2,818,751	1,170,698
June 7, '20	...	64,583	188	64,771	863,681	2,203,597	2,701,263	816,999
July 7, '18	...	58,726	997	56,723	450,293	1,475,410	1,490,872	457,213
July 6, '18	...	117,321	6,047	123,368	90,576	782,910	828,485	415,958

		Gold	Silver	Cash Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
June 1, '14	...	£13,498	£249	£13,745	£13,422	£10,332	£16,680	£1,437
July 15, '20	...	53,025	1,178	54,203	12,700	28,173	86,863	10,500
June 12, '20	...	53,026	1,201	54,227	12,411	29,258	85,783	12,383
July 12, '18	...	54,345	582	54,967	11,977	17,561	84,661	5,268
July 13, '18	...	59,782	645	60,427	13,577	9,935	76,851	5,234

		Gold	Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—£48,456—		£25,017	£89,204	£8,837
Apr. 30, '20	...	£32,190	£3,003	35,193	19,852	180,782	501,813	74,704
May 31, '20	...	32,191	2,999	35,190	18,322	180,502	517,128	70,783
May 31, '19	...	32,622	2,970	35,592	25,698	57,448	372,375	69,528
May 30, '18	...	33,480	3,145	36,625	8,544	55,057	297,598	57,464

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
June 5, '20	...	93,595	35,253	32,929	124,286	110,126	8,807
June 12, '20	...	95,912	30,852	30,211	120,351	110,141	8,081
June 14, '19	...	70,537	6,702	41,760	95,112	103,932	4,315
June 15, '18	...	85,509	4,923	30,555	72,524	73,900	3,357

		Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,239	—	—	£387,165	£1,720
July 10, '20	...	£19,928†	113,200	1,028,680	£832,176	£50,790	889,532	3,008
July 17, '20	...	19,924†	112,314	1,027,276	828,222	50,592	883,976	2,654
July 18, '19	...	20,556†	117,099	1,002,882	822,012	35,524	899,883	8,214
July 20, '18	...	20,644†	108,028	874,014	723,974	31,984	818,978	10,054

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Discts and & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
June 7, '20	...	8,120	3,317	578	24,709	24,684	6,733
July 15, '20	...	8,120	3,642	578	23,847	24,810	7,027
July 15, '19	...	8,174	4,117	678	18,723	24,350	3,254

		Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
PORTUGAL.							
June 2, '20	...	£1,908	£3,921	£5,827	£20,406	£90,438	£10,635
June 9, '20	...	1,908	3,921	5,827	23,567	194,858	8,858
June 11, '19	...	1,905	3,935	5,840	8,198	65,038	3,474
June 12, '18	...	1,905	3,475	5,380	8,822	48,378	2,186

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Apr. 17, '20	...	£60,809	£8,458	£2,642	£11,100	£180,955
Apr. 24, '20	...	60,808	8,616	2,853	11,469	181,620
May 1, '20	...	60,809	9,031	3,074	12,105	181,292
May 3, '18	...	36,781	7,480	1,705	9,185	109,312

		In Bank	Gold— Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 31, '14	...	£160,114	£14,385	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17	...	129,623	230,885	378,205	1,869,559	1,838,217	15,783	345,550

		Bills	Cash— Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.									
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955	
July 10, '20	...	88,101	24,321	122,422	88,873	13,779	157,880	39,150	
July 17, '20	...	88,101	24,332	122,433	87,688	13,779	157,231	38,822	
July 18, '19	...	91,612	25,992	117,604	90,088	13,778	143,350	39,320	
July 20, '18	...	84,739	27,275	112,014	85,859	13,777	118,332	45,481	

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
July 10, '20	...	14,513	5,290	2,525	36,937	38,862	15,284
July 17, '20	...	14,513	5,184	2,519	36,347	38,405	15,335
May 19, '19	...	16,032	7,321	2,918	20,103	37,031	7,343
May 20, '18	...	14,312	7,480	5,311	13,184	34,747	5,830

		Gold	Cash— Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,718	£2,036
July 7, '20	...	21,327	3,503	24,830	13,422	37,124	3,945
July 15, '20	...	21,381	3,547	24,918	12,684	36,376	4,070
July 15, '18	...	18,723	2,779	21,502	16,931	35,310	4,267
July 15, '18	...	15,332	2,236	17,553	14,476	27,528	6,191

* Converted at 24 crowns to £1.
† Note reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold— Held by Banks	With Agents	Total	Bills Discounted	Accepts.	Deposits— Govt.	Total. Net.	Circulation
June 12, '20	...	—£241,283—	241,638	£[illegible]	£[illegible]	£[illegible]	£[illegible]	£[illegible]
June 19, '20	...	—384,284—	423,810	480,030	71,444	5,440	455,500	542,179
June 19, '19	...	173,000	248,420	435,498	365,616	74,470	377,942	377,942
June 19, '18	...	210,000	194,840	406,320	244,670	42,186	293,935	293,935

II.—CURRENT BANK RATES OF DISCOUNT.

		%	Date Fixed			%	Date Fixed
Amsterdam	...	4½	July 1, '15	Lisbon	...	6½	Jan. 16, '14
Berlin	...	5	Dec. 23, '14	Madrid	...	5	Nov. 10, '13
Berne	...	5	Aug. 21, '19	Paris	...	6	Apr. 8, '20
Bombay	...	6	June 18, '20	Petrograd	...	8	July 24, '14
Brussels	...	5½	Apr. 28, '20	Rome	...	6	May 15, '19
Calcutta	...	5	June 5, '19	Stockholm	...	7	Mar. 15, '20
Christiania	...	7	June 5, '20	Tokio	...	8·03	Nov. 15, '13
Copenhagen	...	7	Apr. 16, '20	Vienna	...	5	Apr. 12, '15

III.—FOREIGN EXCHANGES.

LONDON ON—		June 24, '20	June 16, '20	July 9, '20	July 2, '20
Berlin	Cable	165m.	150m.	150m.	149m
Brussels	Cheques	46fr. 60c.	43fr. 85c.	43fr. 85c.	44fr. 75c
Denmark	Cable	23kr. 31	23kr. 35	23kr. 85	24kr. 00
Holland	do.	10d. 97c.	11d. 12c.	11d. 17c.	11d. 17c.
Italy	do.	71fr. 00	68fr. 00	65fr. 50	65fr. 25
Lisbon and Oporto	do.	11d.	11d.	10¾d.	11d.
New York	do.	$3 60	$3 93	$3 93	$3 97
—	Cheques	$3 81	$3 90	$3 95	$3 97
Norway	Cable	23kr. 20	23kr. 62	23kr. 60	23kr. 95
Paris	3 mos.	50fr. 25c.	47fr. 20c	47fr. 75c.	47fr. 87c.
—	Cable	49fr. 50c.	46fr. 45c.	46fr. 75c.	47fr. 12c.
Spain (Bank places)	3 mos.	43¾.	47¼.	45¾.	44¾.
—	Cable	24p. 15	24p. 30	24p. 35	24p. 10
Sweden	do.	17kr. 67	17kr. 49	17kr. 85	17kr. 93
Switzerland	3 mos.	22fr. 47c.	22fr. 55c.	22fr. 45c.	22fr. 73c.
—	Cable	21fr. 97c.	22fr. 01c.	22fr. 00c.	21fr. 85c.

ON LONDON—		June 24, '20	June 16, '20	July 9, '20	July 2, '20
Alexandria	Sight	97¼pl.	97 pl.	97¼pl.	97¼pl.
Amsterdam	Cheques	10d. 09c.	11d. 09c.	11d. 17c.	12.10½d.
Athens	Cable	30 fr. 63	30 fr. 87	31 fr. 32	25½-24½
Bombay	Transfers	1s. 10⅛d.	1s. 10⅛d.	1s. 10⅛d.	24.*
Brussels	Cheques	47f. 18c.	43f. 85c.	43f. 87c.	25f. 22½c.
Buenos Ayres	Transfers	57¼d.	57¼d.	58⅝d.	47.53d.
Calcutta	do.	1s. 10⅛d.	1s. 10⅛d.	1s. 10⅛d.	24.*
Christiania	Sight	23kr. 23	23kr. 12	23kr. 62	18.159kr.
Copenhagen	do.	23kr. 44	23kr. 12	23kr. 83	18.153kr.
Helsingfors	Cable	100·5m.	98·1m.	93·1m.	25m 22½
Hong Kong	Transfers	3s. 3½d.	3s. 3½d.	3s. 3½d.	—
Italy	Sight	70lr. 85c.	63lr. 25c.	65lr. 45c.	25f. 22½c.
Lisbon	do.	11⅝d.	11⅝d.	11⅝d.	53½d.
Madras	do.	1s. 10⅛d.	1s. 10⅛d.	1s. 10⅛d.	24.*
Madrid	do.	24p. 18	24p. 30	24p. 35	25p. 22½
Montevideo	Transfers	55¼d.	57½	58⅛d.	51d.
Montreal	Cable	$4 32	$4 41	$4 49½	$4 83½
New York	Sight	$3 81½	$3 89	$3 94	—
—	60 days	$3 78	$3 89½	$3 93½	—
—	Cable	$3 81½	$3 89	$3 93½	$4 86½
Paris	Cheques	49f. 87c.	46f. 77c.	46f. 67c.	25f. 22½c.
Rio de Janeiro	90 days	14d.	14d.	14⅛d.	18d.
Shanghai	Transfers	5s. 4½d.	5s. 2d.	5s. 1½d.	5d.
Singapore	Sight	2s. 3⅜d.	2s. 3½d.	2s. 4d.	—
Stockholm	do.	17kr. 31	17kr. 59	17kr. 81	18.159kr
Switzerland	do.	21f. 93c.	21f. 97c.	22f. 01c.	25f. 22½c.
Valparaiso	90 days	11d.	—	12¼d.	18d.
Yokohama	Sight	2s. 7¼d.	2s. 7¼d.	2s 7¼d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—		Rate Current— June 23, '20	June 16, '20	Par as usually Quoted	Rate July 3.
Amsterdam, sight	...	34·50c.	35·05c.	40·20c. for 1 guilder	40·26c.
Bombay, cheques	...	33·25c.	33·50c.	49·66c. for 1 rupee	33·00c.
Buenos Aires, cheques	...	113·0	107·75		
Christiania, cheques	...	18·45c.	18·65c.	26·80c. for 1 krone	
Copenhagen, cheques	...	18·41c.	18·45c.	26·8c. for 1 krone	26·85c.
Greece, cheques	...	12·60c.	12·75c.	19·23c. for 1 drachma	
Hongkong, cheques	...	72c.	71·50c.	74·59c. for Mex. $1	43·4c.
Italy, sight	...	17·75l.	17·00l.	5·14·lire for $1	5·17l.
Lima, cheques	...	4·99l.	4·93l.	4·8333 $ for 1 libra	
Manila, cheques	...	49·80c.	49·80c.	50c. for 1 peso	49·8c.
Montreal	...	12·125-9·16c.	12·9-16c.	Premium par $100	Par
Paris, sight	...	12·45fr.	12·14fr.	5·14 francs for $1	5·18fr.
Petrograd, sight	...	—	—	51·45c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	...	47·10c.	43·50c.	32·43c. for 1 milreis	
Shanghai, cheques	...	103c.	104·50c.	62·99c. for 1 tael	83·00c.
Singapore, cheques	...	51·00c.	51·50c.	56·77c. for $1	57·12c.
Spain, cheques	...	15·80c.	18·05c.	19·33c. for 1 peseta	
Stockholm, cheques	...	21·30c.	24·10c.	26·80c. for 1 krone	
Switzerland, cheques	...	5·76fr.	5·65fr.	5·18 francs for $1	5·18fr.
Valparaiso, cheques	...	19·00c.	19·00c.	20·61c. for 1 peso	
Yokohama, cheques	...	51·00c.	51·00c.	49·84c. for 1 yen	49·00c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Aver.	Inc. or Dec.*
	1920	[In £'s sterling 000's omitted.]			%
BIRMINGHAM	July 17	£3,351 +	£843	£109,534 +	£13,750 + 44·5
BRISTOL	„ 17	1,617 +	287	51,584 +	7,150 + 20·6
DUBLIN	„ 17	7,590 +	808	251,917 +	51,250 + 34·8
LEEDS	„ 17	1,853 +	833	53,041 +	13,500 + 56·3
LEICESTER	„ 17	1,439 +	589	39,512 +	11,000 + 50·5
LIVERPOOL	„ 17	13,730 +	618	483,522 +	157,536 + 47·6
MANCHESTER	„ 17	28,138 +	15,143	942,733 +	472,827 + 100·6
NEWCASTLE	„ 17	1,075 -	792	90,141 +	41,000 + 83·3
NOTTINGHAM	„ 17	1,128 +	533	34,25 +	13,473 + 64·9
SHEFFIELD	„ 17	1,470 +	531	47,554 +	19,071 + 37·—
LONDON—	1920.				
TOWN	July 21	618,877 +	170,152	18,878,00 +	7,515,323 + 66·1
METROPOLITAN	„ 21	42,484 +	8,721	1,[illegible] +	[illegible] + 15·6
COUNTRY	„ 21	80,071 +	19,956	3,31[illegible] +	[illegible] + 30·3
TOTAL	„ 21	741,417 +	198,833	23,419,431 +	8,113,931 + 53·1

* Compared with last year.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier and Co.

HOMEWARDS.	1920 July 23	1920 July 16	1913 July 26	HOMEWARDS.	1920 July 23	1920 July 16	1913 July 26
				[illegible]	[illegible]	[illegible]	36
				[illegible]	[illegible]	[illegible]	14·0
Alex. to U.K.	27/6	27/6	—	U.S. to U.K.	11·0	11·0	13
Aust. to U.K.	100·0	100·0	31·0	Gulf Ports to U.K.	—	—	—
Asoff to L.H.A.R.	—	—	16·6	Montreal to U.K.	12·0	13·0	16·0
Bombay to p.p.	d.w.90·0	d.w.90·0	—	OUTWARDS—			
Burgas to U.K.	—	—	27/6	Aden	—	—	—
Calcutta to p.p. (qte)	—	—	27/6	Colombo	—	—	12·3
Danube to U.K.	60·0	47/6	—	Port Said	35·0	37/6	9·0
Odessa to L.H.A.R.	—	—	9/6	River Plate	37/6	37/6	19·0
R. Plate to U.K.	105·0	80·0	18·3	St. Vincent	27/6	27/6	9/9

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JULY 23, 1920.	JULY 25, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	223/6	166/0	57/0
— Middlesbro' warrants ...ton	217/6	160/0	51/0
— Hematite warrants ...ton	262/6	200/0	61/0
— Staffordshire bars, London ...ton	£33 10	£20 10	£8 10
— Cornwall ...ton	£30	£20 10	£6 16
Steel Rails ...ton	£24 5—£25 5	£16	£6 2/6
Galvanised Sheets ...ton	£56—£54	£29	£16 17/1
Copper—Standard ...ton	£91 5 £91 10	£106—£106 5	£68
Tin—English, Ingots ...ton	£268 10	£257	£142 15
— Straits ...ton	£291	£260	£139 10
Tinplates, I.C. Coke, S. Wales...box	71/6	£20 10	11/10½—12/0
Lead—Soft Foreign ...ton	£37—£38 £23 15s.-£24 17 6		£19
Spelter—Ord. Foreign ...ton	£42 5—£44 0 £43 5—£43 15		£21 7/9
Quicksilver (75lb.) ...bottle	£21—£21 10	£22—£23	£7
Aluminium ...ton	£185 home	£156	£82
Antimony—Regulus Foreign ...ton	£52	£37—£38	£27 10
— English ...ton	£56—£60	£40	—
Coal—Best Yorkshire ...ton	37/2—38/2	22/0—22/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	90/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Clyde, irregular ...ton	15/7½	8/7½	7/4
Soda—Crystals ex wharf ...ton	110/0	129/0—130/0	42/6—45/0
Copra—Malay and Straits ...ton	£47 10	£58 10 £23 15-£24 7/6	
Gambier—Good marks ...cwt.	47/0	55/0	16 10/
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£76	£55	£25 5
Linseed—Calcutta, spot ...ton	£36 10	£55	£13 16/9
— Plate, U.K. trade, ex mill ...ton	£20—£20 10	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom	£49 10
Palm Oil—Lagos ...ton	£53	£92	£31 10
Petroleum—American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English ...ton	£80	£110	£32
Soya Oil—Refined ...ton	£67	£85	£24 10
Tallow—Imported ...cwt.	64/0	82/0—115/6	29/3—33/3
Turpentine—American ...cwt.	188/0	102/6	33/7½
Rape Seed Toria ...ton	£31	£49	£13 5
Rubber—Para, spot ...lb.	1/9	2/5½	2/9½
— Fine plantation (ord. here) ...lb.	1/10½	1/11½	2/2
— World's Production, May tons	33,650	25,839	8,467
Shellac—T.N. Orange, fair ...cwt.	690/0	390/0—395/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	29.80d.	21.44d.	7.53d.
— Egyptian, good fine ...lb.	56.00d	26.84d.	9.75d.
— Pernambuco fair ...lb.	50.55d.	24.24d.	7.73d.
— Midland Upl. New York ...lb.	28.55c	15.25c.	13.25c
— Stock, Liverpool (July 16) ...bls.	999,930	616,760	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£53	£50 10	£25 10
— Manila, Fair ...ton	£63	£35	£21 10
Jute—First Marks ...ton	£45	£63	£26 15
— Red S/C ...ton	£37	—	£24 15
Silk—Blue Elephant ...lb.	30/0	28/0	11/3—11/6
Wool—Pt. Philip unwashed av. ...lb.	4/0	3/5½	11½d.—1/0
— Lincoln Half Bred ...lb.	1 8	1 10 nom.	1/0½
Hides—Ener. ox, best, 70 lb. up ...lb.	17½d.	—	7½d.
Leather—Dressing Hides ...lb.	3/0—3/6	3/0—3/8	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	19,386.000	19,358.000	34,640.000
— Red, price N.Y. 60lb. ...bushel	305c	237½c.	67½c.
—English Gazette, aver. 480lb. ...qr.	85 3	73 4	34/3
Flour—G.R. ...280lb.	63/6	44 3	28/6
Barley—Eng. Gaz., aver. 400lb. ...qr.	91/11	62 9	25/4
Oats—Eng. Gaz., aver. 312 lb. ...qr.	62 6	49/11	20/0
Maize—N.Y. (new bushel) ...56lb.	60 0	218c.	76½c.
— Amer., mixed, Liverpool ...480lb.	nom.	63/9	22/4
— La Plata ...480lb.	67/6	60/0	25/9
Potatoes—Good English ...cwt.	£240 0	—	70/0—75/0
Rice—Bassein ...cwt.	48/6	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	3z 6	53/0	14/0—17/8
Hay—best ...2,016lb.	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hinders ...lb.	6 8	7/11	3/8—3/10
— Scotch sides ...lb.	11 8	8 6	4/6—5/0
— English ...lb.	11/8	8/6	4/2—4/5
Mutton—Scotch wethers ...lb.	12/0	9 0	5/8—6/0
— English wethers ...lb.	12/0	9/0	5/4—5/4
— New Zealand frozen ...lb.	4/0—6/0	7/0	3/4—3/2
Pork—English and Irish ...lb.	12/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	240/0	190.6	60/0—64/0
— Danish ...cwt.	192/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	187 0	204/0	—
— American ex Port ...cwt.	187/0 ... 180/0	—194/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	184/0 ... 182/0	—196/0	75/0—79/0
— short cut, ex Port ...cwt.	184/0 ... 180/0	—194/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	158 6 ... 154/0	—196/0	51/9—52/9
Butter—Danish ...cwt.	266/0)		117.0—120/0
— French ...cwt.	266/0)	Controlled.	96/0—108/0
— Australian ...cwt.	266 0)	252/0	98/0—110/0
— New Zealand ...cwt.	266 0)		108/0—114/0
Cheese—Canadian ...cwt.	167/0—166/0 ...	158/0—160/0	66.0—68/0
— United States ...cwt.	—	144 8	—
— Dutch ...cwt.	184 0—168/0	144 8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to June 20 ...cwt.	16.178.752	17.217.435	19.777.254
— Home consumpn. to June 20 ...cwt.	12.58.,.268	15.205.177	17.272.000
— In Bond June 20 ...cwt.	9.324.000	8.392.000	6.308.000
— Price, Java, 96° Pol. ...cwt.	120/0	36/0	10/3
— — Yellow crystals ...cwt.	112.0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	116/0	64/9	18/0
Coffee—Imports to June 30 ...cwt.	486.101	694.310	720.350
— Home consumpt'n to June 30 ...cwt.	146.352	153.412	141.410
— Exports to June 30 ...cwt.	271.715	149.380	340.250
— In Bond June 30 ...cwt.	789.000	992.000	484.000
— Price, Costa Rica gd. to fine cwt.	154/0—156/0	145/0—155/0	80/0—93/0
— Brazil (Santos) Good ...cwt.	95/0-100/0nom.	85/9	41/6
Tea—Imports to June 20 ...lb.	217.539.336	237.280.706	123.230.277
— Home consumpt'n to June 30 ...lb.	183.467.405	175.804.390	155.447.972
— Exports to June 30 ...lb.	21.6c9.330	12.912.228	26.961.765
— In Bond June 30 ...lb.	224.102.000	161.561.000	76.292.000
— Price, Indian, Pek. Soug. gd. lb.	84d.	1/4	84d.
— — Ceylon, Pek. Soug. Ord. ...lb.	84d.	1/4	84d.
— — Common Congou ...lb.	—	1/4	53d.
Cocoa—In Bond June 30 ...cwt.	1,123.000	1.313.000	309.000
— Grenada, good to fine ...cwt.	100 0 110 0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory. § New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	May	$16,460.000	+ $2.89.000	$5.193.000	+ $164.000
	5 *mos. to* May	75.577.000	+ 1,43.000	8.798.000	— 298.000
Grand Trunk	May	£1.208.000	+ £124.700	£68.100	+ £69.300
	5 *mos. to* May	5.512.600	+ 451.000	Dr.87.490	— 342.000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	June	12	1.041	B2.01.423 +	27,352	11	20.34.785 + 74.412
Barsi Light ...	June	19	118	24.500 —	2.700	12	3.36.200 — 5.800
Bengal & N.W.	June	12	2.067	4.69.160 —	52,166	11	53.59.480 — 6.86.932
Beng. Dooars	June	12	158	29.834 +	1.750	10	268,520 + 11.177
Beng. Nagpur	June	19	2.695	13.46.000 +	26.000	10	1.46.28.000 + 3.82.244
Bomb. Baroda	July	10	2.671	17.63.000 +	55.000	15	2.81.20.000 + 7.95.000
Burma ...	June	5	1.342	5.65.811 +	31.939	9	54.04.179 — 61.116
Del Tin. ...	July	10	239	91.030 —	17.879	15	13.20.114 — 36.059
East Indian ...	July	17	2.772	28.20.000 +	2.57.000	15	4.35.97.000 + 16.97.000
Gt. Indian Pen	July	10	3.121½	22.06.800 —	4.58.500	15	3.59.97.786 — 4.79.381
Madras & S.M.	June	19	3.152	12.25.000 —	52.154	11	1.42.39.868 — 2.03.603
Nizam's Guar.	June	19	900	2.85.011 —	2.926	12	37.51.851 + 1.87.991
Rob. & Kumn	June	12	576	1.17.580 +	7.410	10	12.98.644 + 97.000
South Indian	June	12	1.852½	8.12.421 —	2.310	10	84.10.534 + 2.73.629
South Punjab	Mar.		716	7.53.200 +	41,772	6m	46.56.803 — 1.72.473

COLONIAL								
Can. Northern	July	14	9.704	$1.188.200 +	282.400	28	28.988.323 +	4.911.974
Can. Pacific ...	July	14	13.388	3.854.000 +	529.000	28	99.121.000 +	15.954.000
Grand Trunk	July	14	3.616	£336.677 +	82,108	28	7.541.775 +	993.327
Mashonaland	Apr.		810	90.103 +	27.403	7m	481.284 +	131.031
Mid. W. Aust.	May		277	9.614 +	1 812	11m	119.767 +	17.024
NewCapeCent.	June	19	205	2.715 —	381	25	76.670 +	12.660
Rhodesia Rlys.	Apr.		1,397	122.123 +	25.505	7m	—	—
Temiscouata ...	Apr.		—	829.618 +	2.310	4m	114.547 —	1.844
W. Pass.&Yuk	Dec.		122	1.568.826 +	124.546	12m	1.568.826 +	124.546

FOREIGN.									
Argentine.									
Arg. N. East...	July	3	752	£	12.830 +	2.000	1	—	—
Arg. Transand.	July	17	111	£	1.520 +	1.150	2	3.530 +	2.490
B. A. & Pacific	July	11	3.536	$	158.000 +	38.000	2	397.000 +	79.000
B.A.Gt. South	July	11	3.792	$	158.000 +	46.000	1	243.000 +	25.000
Do.	July	11	Net	$	22.000 +	16.000	1	34.000 +	14.000
B. A. Western	July	17	1.882	$	75.000 +	14.000	2	195.000 —	25.000
Do.	July	17	Net	$	15.000 -	9.000	52	42.000 —	13.000
B. A. Central	May		190	£	52.265 +	11.617	11m	525.662 +	78.268
Cent. Argent.	May	17	3.305	£	210.000 +	76.100	2	487.000 —	139.400
Do.	June	26	Net	£	72.000 +	33.900	52	3.111.100 +	2.065.700
Cord. Central	July	17	1.205	£	60.300 +	2.200	2	150 800 +	2.100
Entre Rios ...	July	10	811	£	21.700 +	4.100	1	31.700 —	1.300
Brazilian.									
BrazilGt.South	May		110	M	46.500 —	10.300	5m	252.500 +	5.760
Brazil Railway	Dec.		3.530	M	4.859.000 —	141.271	12m	57.772.000 +	7.619.243
Gt. W. Brazil	July	10	1.010	£	15.500 -	800	28	645.800 +	108.900
Ipanguiana ...	July	10	1.831	£	53.303 +	3.290	1	1.477.768 +	513.877
Mogyana ...	Dec.		1.180	M	1.561.000 —	856.490	12m	22.267.000 —	2.474.651
Paulista ...	Dec.		766	M	2.650.000 —	806.038	12m	32.479.000 —	1.225.892
San Paulo ...	July	18	153½	£	40.531 +	5.256	28	1.284.655 +	367.383
Sorocabana ...	Dec.		1,003	M	1.749.000 —	240.168	12m	21.953.000 +	976.892
S.of Bahia S.W.	May		52	M	78.000 +	32.000	5m	365.000 +	35.000
Chilean and Peruvian.									
Antofagasta ...	July	11	838	£	27.239 -	7.590	28	1,284.765 +	568.585
Arauco ...	Apr.		84½	£	11.000 +	1.200	4m	8.700 +	6.700
Nitrate(2wks.)	June	15	390	£	41.244 +	28.493	26	538.818 +	280.168
Peruvian Corp.	June		1,140	S	1,210.650 +	99.540	12m	14.485.534 +	2.066.363
Talcal ...	June		180	£	27.270 +	20.460	12m	291.975 +	127.026
Cuban.									
Cuban Central	July	10	362	£	24.149 +	5.033	1	35.715 +	3.984
Havana Central	July	10	70	£	14.905 +	2.799	1	—	—
U. of Havana	July	17	681	£	74.354 +	20.447	2	165.970 +	15.484
W. of Havana	July	17	155	£	12.305 +	3.674	2	30.491 +	6.651
Uruguayan.									
Cent. Uruguay	July	10	273	£	18.953 —	1.309	1	28.767 —	5.216
,, (E. Ext.)	July	10	311	£	5.089 —	155	1	7.340 —	740
,, (N. Ext.)	July	10	185	£	3.109 —	474	1	4.590 —	1.400
,, (S. Ext.)	July	10	211	£	2.169 +	67	1	3.385 —	344
Mid. Uruguay	June		319	£	18.511 +	173	12m	242.254 +	29.336
N.W. Uruguay	June		113	$	6.383 —	72	12m	80.296 +	3.475
Uruz. Northn.	June		73	£	2.128 +	244	12m	28.295 +	3.589
Miscellaneous									
Alcoy & Gandia	July	3	33	Ps.	20.000 —	—	26	341.900 +	65.500
Bilbao ...	June		15	£	2.805 +	1.357	6m	20.716 +	7.154
Bolivar ...	June		136	£	11.486 +	954	6m	68.437 —	8.531
Costa Rica ...	May		86	£	20.340 +	6.260	5m	86.616 +	28.596
Costa Rica ...	May		189	£	34.075 +	10.369	11m	294.134 +	47.473
Dorada Ext...	May		70	£	23.500 +	10.500	5m	77.000 +	33.700
Egyptian Delta	June	30	559½	£	13.172 +	5.853	12	105.993 +	66.631
Gt. S. of Spain	July	10	104	Ps.	68.988 —	21.257	28	2.591.822 +	80.122
La Guaira&Ca.	June		22½	£	13.240 +	5.180	6m	85.070 +	34.970
Ottoman Ry...	July	3	379	£	7.886 —	—	—	—	—
ParaguayCent.	July	10	274	£	5.190 —	470	1	7.520 —	2.180
Puerto Cabello	June		14	£	5.250 +	1.500	5m	33.250 +	4.625
Salvador ...	May	17	100	£	4.066 —	48	2	7 397 —	1.771
Santa Fe Prov.									
French Rys.	May		1.181	£	171.160 +	4.646	5m	818.312 +	6.367
S'm'nades'trigo	May		80	£	18.010 +	815	5m	72.413 +	22.694
Zafra & Huelva	May		112	£	10.048 —	38	5m	61.240 +	10.331

TRAMS.									
Anglo-Argent.	July	15	400	£	64.399 +	17.575	28	2.086.598 +	557.989
Auckland Elec.	June	30	27	—	—	—	52	292.502 —	2.093
Bombay Elec.	Apr.		39	R.	8.14.937 +	1.02.230	4m	31.36.743 +	4.74.661
Brazilian Trac.	May		3783	M	10.985000 +	1,423.000	5m	50.186.000 +	5.372.000
Brisbane Elec.	June		404	£	44.340 +	9.130	6m	267.840 +	61.395
Brit. Columbia	Apr.		334	$	749.081 +	117.095	11m	7.306.918 +	1.284.811
B. A. Lacroze	June		61	$	50.635 —	10.721	4m	610.315 +	69.456
Calcutta ...	July	10	351	R	1.91.224 +	12.230	28	24.80.596 +	2.09.537
Cape Electric	Apr.		423	£	31.391 +	3.251	10m	278.644 +	34.710
Carth. & Herr.	June		9	£	5.562 +	2.183	6m	28.606 +	11.815
Chatham&Dist	June	8	15	£	1.853 +	97	26	43.933 +	4.830
Havana Elect.	Mar.		86	$	927.785 +	270.530	3m	2.675.342 +	588.573
Isle of Thanet	July	14	204	£	2.240 +	531	41	34.116 +	9.278
Kalgoorlie ...	Apr.		204	£	2.246 +	343	4m	11.638 —	1.324
Lanarkshire ...	July	8	284	£	4.494 +	3.38	26	112.671 +	19.992
Lima Light ...	Apr.		85	£	57.415 +	7.435	4m	232.375 +	40.169
London C.C. ...	July	21	1411	£	87.161 +	4.342	15	1.356.000 +	81.161
Madras (2wks.	May	15	151	R.	54.312 +	71	26	628.486 +	240
Manila Electric	May		55	$	280.140 +	77.696	5m	1.294.825 +	239.033
Pernambuco...	July	18	59	£	5.337 +	583	28	208.816 +	50.047
Provincial ...	June	19	214	£	3.818 —	33	38	115.816 +	13.447
Rangoon Elec.	June		25	£	7.849 +	1.573	6m	47.471 +	8.845
Shanghai Elec.	June		284	M	$.151.260 +	32.280	6m	865.254 +	136.254
Singapore Elec.	June	19	264	$	23.082 +	7.554	23	659.459 +	173.587
U. of Montevid.	June		901	£	39.989 +	5.339	8m	347.288 +	47.351

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AUGUST HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Friday next, July 30, instead of on Saturday.

The Statist.

LONDON, SATURDAY, JULY 24, 1920.

THE PREMIER'S SPEECH.

A DISQUIETING SITUATION.

As always, the Prime Minister made an exceedingly interesting speech in the House of Commons on Wednesday night. A very large part of the speech was taken up in his defence of the inordinate length of time which has been occupied by the various conferences which we have so often criticised, and which have been held at various periods since November 1918. The Premier's defence is exceedingly ingenious, as one might expect from a trained lawyer and a trained politician. There is, of course, a very great deal to be said for the position which the Prime Minister takes up. Having worked up the home public to patriotic fervour, it was practically impossible, the Prime Minister contends, to enter upon discussions on any reasonable lines likely to be accepted by Germany in the early days of the Versailles Conference. To let a year or so elapse while popular passion and popular feeling cooled enabled the Allied and the German delegates to meet without being disturbed by the violent polemics indulged in by the Press and by public speakers in the two countries. Finally, said the Premier, on the eve of talk with the Germans a very reasonable set-scene was set. When the Conference was opened, the Press was represented, everything said was reported, very often distorted, and, perhaps, more often still misrepresented. Consequently, it was practically impossible to come to any kind of arrangement which was likely to be binding [illegible] not say so in specific terms, the Prime Minister admits, what is perfectly true, that it is a question of negotiation. The Allies did not enter upon the Conference in the position of a kind of William the Conqueror dictating terms to vanquished subjects. On the contrary, they were negotiating with a Power that had rather been starved out than actually beaten in the field; a Power, moreover, which shows every sign of potential recovery. Whether Germany will recover depends mainly upon whether the modern Germans are capable of showing the qualities which have distinguished their forefathers in the past. If they are, there can be no reasonable doubt that they will, after a time, recover. They have had many defeats in the past, and far more disastrous defeats than that which they experienced at the hands of the Allied Governments in the recent War. History, moreover, supports the contention that under all the changing phases of government the character of the great body of a people remains but little changed. The Belgæ, says Cæsar in his "Commentaries," were an exceedingly warlike people, and were constantly engaged in battles with neighbouring tribes. The modern Belgæ in the recent War showed that, in spite of democracy, and in spite of industrialism, the martial ardour of that small people has been but little dimmed in the space of 2,000 years. It is to be hoped that these Conferences will now be brought to an end. The Prime Minister is, apparently, himself hopeful; and if this proves to be the case, the sooner we endeavour to set our house in order and reconstruct industry the better. For, as we shall show shortly, the period of reconstruction may be briefer either than we require or hope to get.

The Prime Minister's defence of the prolonged period over which the Conferences were extended was by no means the most important part of his speech. In reality it formed little more than the prelude. Unless the Premier takes an unduly pessimistic view, it is to be feared that the outlook in Eastern Europe is exceedingly grave. "In the reply we sent to Moscow," said the Premier, "we were bound to make it clear that if, notwithstanding the application of the Polish Government to the Russians for an armistice, the Russian army still marches on, we shall have to give such assistance as is in our power to the Polish Government. [illegible] urged the termination of these apparently interminable Conferences was that the Ministers of the Allied Powers appeared to be under the impression that we had just concluded a great series of victories culminating in a kind of Battle of Waterloo, and that for a long time, at least, there was no fear of the peace of Europe being disturbed. We have taken throughout a totally different view. We have contended that, far from being a Waterloo, Germany was only, in a sense, more technical than real, defeated. In reality she had to submit to the blockade by land and sea which ultimately, in the course of over four years, succeeded in starving her out. But a defeat whereby a country is brought to [illegible] a boxing referee would call points is a totally different thing [illegible] principal plaza of the capital of the defeated country. The difference is so real that it is amazing that statesmen of the ability of many of those—indeed, most [illegible] reasons for the chagrin and disappointment which is causing so much unrest all over the world is that everyone feels that their sacrifices in life, in material, in men, and in money, as well as in the prospects [illegible] portion to the magnitude of those sacrifices.

The Premier said, and said rightly, that we are bound to assist actively the Republic of Poland if she is wantonly attacked by the Russian Government. We are bound, however, to incur a further debt of 8,000,000*l.* sterling, and we are not bound to offer up nearly 900,000 half-trained conscripts in order to assist Poland or any other country.

We were bound, both morally and by treaty, to assist Belgium when she was wantonly invaded in the summer of 1914 by the armies of Germany, the most highly-trained, and, in fact, the only really efficient fighting machine existing on land at the time. We approved of the British Government of that day doing what was reasonable to fulfill the obligations which we had entered into. Serious as the consequences of war were likely to be in our then existing state of complete unpreparedness, we supported the policy of the Government while it remained reasonable. We dissented from it as soon as Ministers ceased to be able to view the situation in any reasonable perspective. When Ministers seemed to think that, provided we won a European war in the first quarter of the twentieth century, the future of the British Empire need not be considered, we totally and wholly dissented from such a view. When it was said that nothing mattered but the War, we said then, and we say now, what will be equally true whenever we are engaged in another war, that what matters most is our ability to face not merely the next war, but the one that will come after. Ministers should have borne in mind that we were undertaking a perfectly impossible task to sweep our industries of men and material, and yet to continue to find the means of fighting a highly prepared enemy until he was exhausted. We undertook, in addition to assisting in the defence of Belgium, to perform very definite obligations to our Allies. Those obligations were financial, trading, and maritime, both in the trading and in the military sense of that term. In the sequel, although we were assisted by nearly all the great civilised Powers of the world, it took us more than four years to beat Germany with ten times her aggregate population pitted against her.

SPA AND AFTER.

Now that the Allied Governments have agreed with Germany upon the matters in dispute regarding the coal question we may hope that the series of conferences, which seemed interminable, has at last come to an end. No good purpose would be served by reproaching the Allies for the time they have taken in enforcing whatever their demands may have been against our recent enemies. It is of little service now to point out that in another three months two whole years will have passed since the conclusion of the Armistice. It is equally futile to point out that in those two whole years, notwithstanding the enormous cost to the various Allied Governments, already sufficiently burdened with taxation during these long conferences, it is exceedingly difficult even for the Governments to show that anything very tangible has been accomplished. Nevertheless, provided the various Governments are satisfied that they have accomplished their task, we would welcome, and heartily welcome, a cessation of these conferences, which appear to have accomplished so little, and which are directly very expensive, and indirectly enormously costly, to the various States concerned.

Perhaps we should employ our space to the best advantage by taking stock of things exactly as they are, and in a concluding paragraph pointing out what in our opinion is the most important thing for the Government to aim at accomplishing towards the restoration of the well-being of this country in particular, and of the Allies and the world in general. As a result of the long pressure of the blockade by land and sea, the German armies in the field decided on November 11, 1918, that it was no longer possible to carry on the struggle with the enormous forces and the enormous resources at the disposal of the Allied Governments. A year and nine months after that important event we find Russia in a state of chaos, our newly acquired territory, if we can call it our territory, in Mesopotamia in a state approaching almost to active rebellion, while in Palestine, with the exception of a creditable improvement in the sanitary state of the ancient City of Jerusalem, very little real progress has been made towards the resettlement of the Holy Land. In the present state of Russia, and the disturbed condition of the new mandatory States, it is manifest that our expenses in those territories will for a long time be out of all proportion to any receipts which we can obtain from them. In other words, a year and nine months have been spent practically in marking time. With the exception to which we have referred, hardly anything has been accomplished which would justify us in feeling that the necessity for keeping large bodies of men armed and prepared for hostilities in those territories in which hostilities have recently occurred has ceased to exist. This means that we cannot with reasonable prudence reduce our military and naval expenditure to anything like the figures which would be desirable bearing in mind the state of our finances.

Coming nearer home, we find that very little in the way of restoration has been actually accomplished. Even yet we are not freed from the Food Control Board and the bread subsidy; while the railways are still in the grip of the State, and the losses upon their working are so enormous that an increase in fares and in freight rates seems inevitable, whether the public like it or whether they do not. It is perfectly evident that, owing to the way the railways have been handled since the outbreak of the War, they have long since ceased to be a commercial proposition in any proper sense of that term. At present, although they charge very considerable fares, bearing in mind the prices at which passengers and goods were accustomed to be conveyed in various parts of Europe, America, and the East, say, during the 25 years that immediately preceded the outbreak of the recent War, there seems little object in running them, except as public conveniences. It is perfectly evident that if, as the Minister of Transport points out, there is a loss of over 40 millions this year, a prospective loss of between 50 and 60 millions next year, and a still greater loss if we continue on the same basis of working in the succeeding year, sooner or later the railways will become such a burden upon the taxpayers that we shall have seriously to consider whether it is practicable to continue running them at all. The position being as we have described it, according to the official statements made in Parliament, and in consonance with the statements which have appeared in the White Paper, it is evident that we must face increased cost of travelling and increased cost of every article which is carried upon any of the railways of Great Britain. Innumerable boards and new departments of various kinds, increasing the *personnel* and enormously increasing the expenditure of the civil departments of Government, have been created during the War and since the Armistice. But in no department, so far as we are aware, have they accomplished anything which would justify us in saying, "This is real reconstructive work. It will materially assist in the national recovery." On the contrary, nearly every competent economist is alarmed at the magnitude of the debt and the very small effort which has been made to reduce it. Anyone who is at all interested in either finance or trade, and is accustomed to read the reports of speeches of the various chairmen at the meetings, not only of our great banks, but of the smallest mining companies, will have noticed that rarely has a meeting been held during the past few months without the chairman taking occasion to point out the gravity of the abnormal taxation to which the country is subjected.

We would not, of course, make out that every statement of a public character is literally true. But we should go too far if we said it was a remarkable thing that chairman after chairman of banks, insurance companies, trading companies, land companies, mining companies, each and all are agreed that the taxation to which the country is subjected at the present time is a serious handicap to the industry of the particular company in which they are interested. It cannot be that all these men, who at least have shown sufficient intelligence and ability to attain to the position of chairmen of public companies, and to be trusted with the investments of the shareholders in those several companies, are all wrong and the Government is right in steadily increasing the burdens to which we are subjected. The only real improvement that one can see, trying to look at the matter as impartially as possible, is in actual trade itself.

We have during the 20 months since the Armistice increased enormously the volume of our exports, and we have restricted, not restricted also enormously, the magnitude of our imports. This is highly satisfactory, and the British trader deserves all the credit to which he is entitled. It has to be remembered, however, on the other hand, that we must not carry this argument too far. The markets of the neutral countries of the world were so badly in need of supplies that they were very eager customers. It was hardly necessary to send round the traveller with his hat in his hand to get orders. On the contrary, orders have been pouring in, although, unfortunately, they are not pouring in at present to the same extent as they were a year ago. Moreover, it has to be remembered that as a result of the management of our finances during the War the Bradbury, as distinct from the sovereign—and the sovereign, it has to be remembered, is only obtainable in very small quantities—has depreciated to the extent of between 25% and 33%; and, consequently, all buyers of English manufactures at the present time obtain what practically amounts to a rebate, as compared with purchases which neutral countries would make from each other on the basis of a currency standing at par. Nevertheless, we would not be understood to take any of the credit from the British trader and the British manufacturer to which he is entitled. After having been subjected to the treatment which he had to endure during the War period from the Government, it was very much to his credit to do what in him lay to reconstruct his plant as quickly as possible to peace purposes, and so soon to be in a position to supply the foreign nations of the world with commodities, which has materially assisted the Government in its ability to maintain the expenditure which has been sustained.

Assuming that we have at last done with conferences; assuming that the members of the Government will no longer require to devote their principal attention to what is going on at Versailles, at Lympne, and at Spa, but will be able, while giving a reasonable measure of attention to foreign affairs, to consider what it is necessary to do to enable the comparatively small proportion of our population which is engaged in actual productive enterprise to raise such a quantity of goods as will enable us not merely to pay our way from year to year, but such a surplus as will gradually, and, indeed, as rapidly as possible, reduce the magnitude of the debt under which we are at present labouring. It has to be remembered that, as the Census of Production showed, a comparatively small part of the population are actually engaged in productive work. It has to be remembered, moreover, this it is this small proportion who really sustain the whole edifice upon which the well-being of the Empire rests. Government, in so far as it actually stunts the energies of that small portion of the population, is a misfortune instead of an advantage. It would seem to follow, therefore, that those who are engaged in the task of production [illegible] to take not as much, but as little as they can, from the producers. During the War it is estimated, even by the Government itself, that they took so much that the country is burdened by what, as we have said, the Government itself admits is a very heavy debt. Now, in order to enable the producing classes to accumulate such a surplus as would give us any prospect of reducing that debt it is desirable, and probably will ultimately prove to be imperative, that [illegible] shall be freed from the shackles of bureaucratic control. While a trader is more or less tied up in the red tape of officialdom it is evident that he cannot use his energies to the best advantage. He is engaged in a business which he knows, and which the officials, from the nature of the case, cannot know; and, consequently, every regulation that is drawn up by a bureaucracy tends to hamper the energies of the trader. Consequently, one of the first things, and, perhaps, the most essential of all, is to free the trader from the irksomeness of the numerous control boards. The trader has done exceedingly well; but he has done well under conditions that created a demand for his goods. We are closely approaching the period when that demand will be satisfied, both at home and abroad—satisfied, at any rate, upon the cost of the present economic basis of production. Consequently, when that time comes, the trader will want all his energy to devote to the prosecution of his real business, and he will have no spare energy for fighting the restrictions of the various control boards.

In conclusion, although we think, or at least incline to the opinion, that the greatest benefit the Government can confer on British trade is to remove controls as soon as possible, it is evident that, even if it frees trade as much as possible, and allows the trader to do a large business, there is naturally a limit beyond which it is desirable to take from him beyond a certain proportion of his earnings. Consequently, the second most important thing would, in our judgment, be to reduce expenditure to the utmost extent possible consistent with the safety of the Empire and the efficient working of the State. Now, no one doubts that if nearly the whole of the departments which have been created since 1914 were abolished there would be no danger to the safety of the State, nor would the general efficiency of the country be materially affected, while, on the other hand, an enormous reduction in expenditure would be attained.

THE SHIPBUILDING POSITION.

For the British shipowner and shipbuilder the pleasure afforded by a perusal of Lloyd's latest returns, which bear striking testimony to the recovery of our pre-eminence amongst the world's builders, will be somewhat dashed by the uncompromising pro-American character of recent shipping legislation in the United States. The United States Shipping Board seem determined to make their experiment in nationalised shipping a success, no matter how provocative their actions or how burdensome their operations to American exporters. The intention of the new Merchant Marine Act, which provides for the denunciation of existing treaties of contrary import, is to reserve all the coasting trade of the United States to vessels owned within the country, and to monopolise the export trade for similar vessels by granting preferential railway rates to goods for shipment on American bottoms. To ensure [illegible] discriminatory tariffs on goods arriving in foreign-owned ships. To facilitate [illegible] and regard to [illegible] American vessels [illegible] American registry, which is intended to replace the British Lloyd's.

The lesson to be drawn from these drastic innovations is that American shipping, unable to compete on equal terms with other merchant fleets, is to be hedged round with the protective devices dear to the American heart. It remains to be seen if, in the first place, the exporter and importer in the United States will be content with the confessedly unsatisfactory and incomplete service afforded by his own vessels; second, if retaliatory measures will not be taken by foreign shipowners; and, thirdly, if the wholesale denunciation of current shipping agreements with other Powers can be effected without unpleasant consequence to one of the high contracting parties. The precipitate fall in the tonnage under construction in America showed how precarious was her newly-found supremacy, and it has been to a large extent responsible for stampeding Congress, as well as public opinion, into the extreme courses embodied in the Jones Act. Lloyd's returns for the quarter ended in June display an increase of 1,654,000 gross tons under construction in the United Kingdom, as compared with the same quarter in 1919, while for a similar period the foreign figures, mainly American, declined by 1,018,000 tons. The present position is shown in the following table:—

Merchant Vessels under Construction.

Country	Steel. Gross Tonnage	Sail Gross Tonnage	Total Gross Tonnage	Percentage of Total
United Kingdom	3,527,976	194,245	3,722,221	49.6
United States ...	2,082,176	13,770	2,095,946	27.9
Other countries ...				
Germany	2,002,641	3,410	2,006,051	26.7
	7,612,793	211,425	7,824,218	104.2

In June 1914 the total under construction was 3,162,890 tons, of which 1,722,124 tons, or 54.5%, was credited to the United Kingdom. Our present percentage is not far below this figure, while absolutely the tonnage on building slips here has more than doubled.

Our British competitors may unwillingly be forced into a rate-cutting war in attempts to lighten the disabilities imposed on them by the Jones Act. The general fall in freights, apart from liner rates, makes the moment unpropitious, however, for action of this sort. Since the commencement of the year time charter rates have receded from 30*s.* 6*d.* per ton per month to nearly 20*s.*, and a further fall is promised owing to the large amount of tonnage coming monthly into commission. The vessels now afloat exceed by five million tons the pre-War figure, and, in addition, one great prop of our shipping, the coal export trade, has almost disappeared. Even with this disadvantage our operating expenses are still at a lower level than American, and rates which to them would be absolutely uneconomical might prove remunerative to us. Further, a large share of American tonnage plies between the United States and various parts of the British Empire, and, if present measures are persisted in, it can scarcely expect to receive the favoured treatment hitherto accorded.

America's maritime ambition seems to be somewhat out of proportion to the importance of her overseas trade and the size and efficiency of her merchant fleet. In 1912 the sea-borne trade of the world was valued at 3,400 million pounds, of which 510 millions, or 15%, represented British inter-Imperial trade, and 1,300 millions, or 39%, trade between the Empire and foreign countries. Thus for 54% of the world's trade one terminal or other was within the Empire, and for almost 40% one terminal was within the United Kingdom. With the practical cessation of competition from once powerful Continental countries our position has, on the whole, somewhat improved, and the disappearance of port congestion within the United Kingdom has increased the efficiency of our fleet. Though over 600 new steamships were opened up last year by American interests, their foreign connections are still very weak compared with our own, and the chances of making good their hold will be minimised if they now antagonise foreign interests. Desirous as they are of expansion they are still unable to carry the whole of the sea-borne trade even of the United States. Last year they carried less than one-third of the overseas trade of their own country, and the means now at their disposal will not enable them to cope with purely American business, much less compete for trade that lies wholly in foreign waters. It is uncertain what proportion of the world's sea-borne commerce is now being carried on British bottoms, but before the War our ships handled one-half of the global imports and exports, nine-tenths of the inter-Imperial traffic, three-fifths of the traffic between the Empire and foreign countries, and nearly one-third of the traffic between foreign countries. There is now, unfortunately, less trade in the world, but more ships to carry it, and we may suffer further, apart from deliberate rate-cutting, from the present decline in freights, which does not yet seem to have reached its limits. A resumption of economic activity in Central Europe might, however, check the downward movement, and every obstacle in the way of such revival should be removed, as continued weakness in the freight market is bound to bring depression in the shipbuilding and engineering trades, now so prosperous.

TAXATION AND INDUSTRY.

In the year 1913-14 Government expenditure in the United Kingdom amounted to 197½ million pounds, while the nation's savings were in the neighbourhood of 400 millions per annum. The total margin of income over expenditure, excluding expenditure on Government account, was, therefore 600 million pounds approximately. In a recent speech, the Chairman of the London Joint City and Midland Bank threw some valuable light on the significance of these figures under present conditions. After pointing out that the pre-War value of the £ sterling was about two and one-third times greater than its present value, he stated that the equivalent of a surplus of 600 millions in 1914 would now be 1,400 millions. If we make the assumption that the volume of goods produced and services rendered by the community has not diminished, the utmost that could possibly be spent on Government account is, therefore, this sum of 1,400 millions. The taxation burden laid this year on the citizens will not be less than 1,200 millions, leaving only a small margin of 200 millions, or less than one-half the pre-War amount to provide for depreciation in industrial capital, the foundation of new industrial enterprises and the performance of various functions necessary to the economic vitality of the nation. With the increase in money values this 200 millions would have but the purchasing power of 85 millions before the War, thus making the total available for industry merely one-fifth of the pre-War amount. This is a dark picture, and the shade is if anything deepened by the consideration that the rate of production and distribution has appreciably slowed down, and, therefore, the national income in terms of commodities and services has fallen off. The amount of the reduction is difficult to assess with accuracy, and is not definitely measurable except in a few instances. As regards coal, for example, the present rate of output is about 240 million tons per annum, compared with 287 million tons in 1913, a fall of over 16%, and the reduction has been on a somewhat similar scale throughout the whole industrial world. The burden of taxation falls more heavily on the lessened output, and moreover the diversion of money to Government purposes generally means its expenditure on unproductive objects, and has also the effect of curtailing the labour power available for more essential business. It must not, indeed, be understood that all Government outlay involves waste, though this view has found support in more than one quarter. Thus, out of an estimated expenditure chargeable against revenue of

£1,157,452,000 for the current year. The sum of £315,000,000, or 29%, of the total is allocated to National Debt Services. This sum will be available for whatever purposes the recipients may decide to apply it, and cannot be regarded as withdrawn from industry. From another standpoint it is wholly incorrect to speak of expenditure on education, public health, and similar services as unproductive, since they help, both directly and indirectly, to raise national efficiency.

General railing against every form of Government expenditure as constituting a burden on industry is, therefore, untrue as well as unprofitable, but it must be recognised that the needs of the community in regard to the provision of industrial capital for purposes of replacement and extension have grown far beyond the pre-War figure, and can scarcely be put at the present time at less than one thousand millions per annum. And here arises the central problem confronting the student of taxation: does our income, after providing for Government outlay, leave a surplus margin of the requisite amount? To answer this question a clear conception of the growth of public expenditure is necessary, and the requisite figures are set out in the following table:—

United Kingdom.

	Actual Revenue	Actual Expenditure
1913-14	198,243,000	197,195,000
1914-15	224,694,000	560,471,000
1915-16	336,767,000	1,559,158,000
1916-17	573,128,000	2,198,113,000
1917-18	707,255,000	2,696,221,000
1918-19	889,021,000	2,579,301,000
1919-20	1,339,571,000	1,665,773,000
1920-21 (estimated)	1,418,500,000	1,184,102,000 [a]

[a] Balance of £234,198,000 available for debt reduction.

Net Receipts of the Exchequer—Years 1913 *to* 1921.

	1913-14	1914-15	1915-16	1916-17	1917-18	1918-19	1919-20	1920-21 (estimated)
	£	£	£	£	£	£	£	£
Customs	...35,569	39,150	59,573	70,710	70,590	103,466	149,360	150,000
Excise	...39,658	42,419	61,208	56,488	38,578	53,663	133,663	198,650
Estate, &c., Duties	...27,165	28,543	30,933	31,192	31,736	30,420	40,924	45,000
Stamps ..	... 9,973	7,435	6,730	7,764	8,654	12,417	22,586	25,200
Land Tax and House Duty ..	2,684	—	—	—	—	—	—	2,600
Property & Inc. Tax (including super-tax)	...47,241	69,545	129,161	205,678	238,136	293,268	353,099	385,800
Excess Profits Duty, &c.	... —	—	187	141,615	223,116	283,977	293,045	220,000
Corporation Profits Tax	... —	—	—	—	—	—	—	3,000

The estimated expenditure for 1920-21 shows an increase on the figures for 1913-14, of 500%, and in view of the loss of life and the admitted deterioration in production no one can maintain that our taxable capacity has increased in proportion, though statistically the position appears to be much improved. It may be urged that we were very much under-taxed in the period before the War, and that pre-War comparisons can, therefore, furnish no idea of our real taxable capacity at present. But a glance at the second portion of the above table reveals an almost intolerable burden directly hampering productive industry in the form of excess profits duty, corporation tax and other impositions. Such a load clogs the action of the industrial machine and drives industrialists more and more to the banks for funds, at a time when these institutions, in accordance with Government instructions, are practically committed to a system of rationing credits.

In the circumstances the obligation on the Government to reduce its outlay is imperative and needs to be insisted on both in and out of Parliament. The Chancellor's various estimates as to our normal post-War expenditure betray an alarming tendency to rise on the occasion of each pronouncement made on the subject. On the introduction of last year's Budget the figure was put at 766 millions. In the latter part of the year the estimate had risen to 808 millions, and it is now swollen further to £880,900,000. Apparently no one in authority has the power, or the inclination, to set a limit to these successive increases, and the people, with or without their elected representatives, should take action. Apart altogether from the ordinary unpopularity of the tax-gatherer, the interests of the country demand a policy of retrenchment. The latest figures of revenue and expenditure for a "normal year," which are annexed, are in themselves sufficiently alarming to sharpen public apprehension and show the need for immediate

[redacted]

THE DOLLAR EXCHANGE.

In normal times we [illegible] for a weakening in the New York exchange at about this time, when we begin to pay for our imports of cotton and cereals from the United States, but the extent of the break in the exchange which has occurred during the past fortnight suggests that the buying season for dollars has started this year with an unusual rush of orders. Such violent movements in the exchanges are the rule rather than the exception in present abnormal conditions; in fact, it is this abnormality itself, combined with the very wide limits, or rather the absence of limits, to exchange fluctuations in default of an effective gold standard, that prompts the suddenness of these movements in the exchanges. For an illustration we need go no further back than the beginning of the current year. In December last the American rate fell for the first time below the four-dollar mark—a movement which would have appeared incredible six months previously—and the opinion was so prevalent that a rapid recovery would follow that those who had to remit to the United States postponed their purchases of dollars in the hope of a better rate. When, however, the month of January saw a further falling away instead of the expected rally, the demands which had previously been accumulating came suddenly on the market, with the result that by the beginning of February the unprecedented level of 3.19½ was reached. It soon became apparent that at this quotation the rate was unduly depressed, and the announcement made soon after in the House of Commons that the Anglo-French loan maturing in October next would be retired, and that large amounts of gold would be sent in payment, had the immediate effect of inducing large purchases of sterling in New York to provide "bear" covering for shorts, and the recovery in the rate which ensued was as rapid as the previous decline.

At the moment factors of a similar nature are at work. Besides the recurrent influence noted above, which in the present season makes the market for dollars a firm one, there is an exceptional but none the less powerful factor to be noted. On October 15 will be repaid to the U.S. Government the 500 million dollar joint and several liability of the Governments of the United Kingdom and France already referred to. Now, in order to provide for our portion of the loan, extensive credits in New York have yet to be [illegible] default of further gold shipments; the French Government has to make still greater efforts, and, rightly or wrongly, the opinion prevails in New York that neither Government can send more gold, and [illegible] will have to be covered by purchases of [illegible]

being placed earlier than they would in more normal circumstances. Hence the recent sharp downward turn in the rates.

These factors are further to be helped by two other important influences. In the first place, it is about this time that we have to make heavy dividend payments to United States holders of local securities which we have transferred during the War, and finally there is the strained credit situation in America, which is bound to become more acute in the autumn. At the moment the Foreign Exchange market in New York, and the Stock markets, are dependent to a great extent on the money situation, and the present deflation policy of the Federal Reserve Board, with its concomitant of a discount rate of 8% for first-class mercantile paper and a pronounced insufficiency of banking accommodation even for purely trade purposes, does not allow of any large credit extensions being made to importers on this side, who are accordingly forced to pay for their imports at the time of buying.

It is probable, then, that, for the moment at all events, we have seen the worst of the break in rates, and that the exchange with New York will be more or less stabilised at about its present level for some weeks to come. But it is equally probable that as the season progresses, and when the autumn is full upon us, we shall see the rate decline to a lower level. The possibility of a decline to February's low level can be dismissed—it would require panic conditions to bring about such a rate again. Our progress has been rapid during the last six months; our stability and inherent soundness are now at a higher estimation in America than at any time since the Armistice, in spite of the alarmist statements concerning our financial and economic position which have recently found currency, and a decline in the rate to below the 3.70 level should induce large purchases of sterling in America.

That the rate will eventually return to par nobody doubts, but it is not so generally recognised that this will not be for a long time to come. Our recovery can only be gradual. If the position depended merely on balancing current imports by current exports the £1 sterling would purchase $4.86 before this, for the present rate of our "invisible" exports, which could conservatively be estimated at 40 millions a month, is sufficient to cover our excess of imports. But unfortunately more than this is required. We must pay not alone for current imports from America, but we must also pay for the huge excess of imports which have been accumulating since the War, as well as provide for the loans we have received from the U.S. Government, and pay dividends on the securities which American investors have acquired from us during the War. As may be seen from the subjoined table the balance of the trade indebtedness of Europe to the United States now amounts to over $18,000,000,000.

Trade of the United States with Europe.

(In Thousands of Dollars.)

Year ending June 30	Imports	Exports	Excess of Exports
	$	$	
1915	614,355	1,971,435	1,357,080
1916	616,253	2,999,305	2,383,052
1917	610,471	4,324,513	3,714,042
1918	372,951	3,732,104	3,320,596
1919	372,951	4,644,933	4,271,937
1920	1,205,748	4,598,545	3,392,797
Totals ...	3,831,356	22,270,910	18,439,554

When to this total is added the $9,660,000,000 still owed by European Governments to the United States the enormity of the task before Europe can be recognised. On the other hand some deductions have to be made for securities, gold and silver coin, and bullion sent to the United States during the War. The latter can be put at $500,000,000, while the former, in the case of the United Kingdom alone, amounts to about $5,000,000,000.

In the above table the trade of the United States with the whole of Europe, including the United Kingdom, is given, but our exchange with America depends not on our position alone, but is also influenced by the condition of Europe. We cannot ourselves get back to normal conditions until the recovery of the other European countries is an accomplished fact. Our ultimate aim must be to restore the gold standard, and the dollar exchange will not return to par till this is accomplished, but we cannot hope to re-establish an effective gold standard without reference to the economic and financial position of our late Allies and enemies. Unless the recuperation of these countries were to proceed *pari passu* with ours the restoring of a free gold market in London would simply mean that our creditors could drain away our gold supply, while we in turn could not hope to get any from our debtors. It is true the under parallel circumstances the United States has, by heroic efforts, been able to maintain a free gold market, but then, far from weakening her power, the War has left the United States much stronger than she was before, both as regards her gold supply and her productive capacity.

It is well then to recognise that we cannot afford to view with indifference the state of our less fortunate European neighbours. We need to sympathise with them in their efforts at reconstruction, and to help them as far as possible by sending materials and by granting credits. As for ourselves, there can be no doubt that we are surely recovering: our production is rapidly developing, though for the moment it seems to be in a lethargic condition; we are meeting current national expenditure out of current revenue; not alone has Government borrowing ceased, but the huge accumulation of war debt is being reduced; we have passed the peak of the rise in prices and have experienced the worst of the disorders in the financial machine; and, finally, the country shows a greater disposition than at any time since the start of the War to curtail unnecessary consumption and push forward production. So the fundamental tendency for our exchange with the United States—our largest creditor—is to return nearer and nearer to par, though seasonal and temporary fluctuations are unavoidable.

BOLIVIA.

ANOTHER REVOLUTION.

In a sense it is, of course, no business of any foreigner to criticise the action of the Government of a country which forms no part of the country or empire to which that foreigner belongs. Bolivia forms no part of the British Empire, and our interests in the Republic are purely of a commercial character, using that term in the sense merely of buying from and selling to any particular country. Our interests in Bolivia, in an economic sense, are very much wider than those of merely international trade; and we believe we are right in saying that it is as much the desire of the Bolivian Government as it is of our mercantile, trading, and investing classes to develop those relations in the future. With this preface we would state our reasons for believing that recent occurrences in the Republic are greatly to be regretted.

At the moment we in this country have no large surplus available for investment abroad in the sense we were accustomed to invest in the various countries of South America, as well as elsewhere, in the period that preceded the late European War. Signs are not wanting, however, that we are already paying our way, and gradually accumulating a surplus which will enable us, we hope at no distant date, to resume our practice of investing in foreign countries, and more especially in countries, like Bolivia, which are capable of affording us supplies of food and raw materials, provided always that the country is opened up and that order and security for life and property are maintained within its territory. In our opinion, even before it will be possible for us to liquidate the heavy burden of the various debts we have accumulated in

[illegible] of enabling us ultimately to liquidate the debts which now form so heavy a burden upon this country. Of course, it will be necessary as soon as possible to liquidate that portion of the debt which is held by foreigners, and to pay for various supplies of food, munitions, and other commodities which we received during the period of the War and since the Armistice. But as soon as this can be done, and while we are preparing to reduce the home debt, it will be desirable to save at least a portion for investment in countries capable of supplying us, as said above, with those commodities which we urgently need. The real services which this country renders in an economic sense to the rest of the world are providing certain manufactured goods upon an economic basis which our plant, long experience, established custom, and international relations enable us to perform upon a sounder economic basis than most of our rivals, as has been proved by the volume and magnitude of British trade for nearly two centuries now. In addition, we are, and seem likely to remain, great public carriers. Experience alone can show whether we shall regain the position which we held before the War in the shipping world. But there seems reason to believe that we shall retain, at any rate, a very large proportion of the world's carrying trade. Moreover, in mercantile banking and insurance there are clear indications that we retain the capacity for performing these services to a large extent upon the scale which we have hitherto done. For all these reasons we are of opinion that Great Britain will at no distant period be in a position to invest, and invest largely, in the new countries of the world, and that it is, in fact, imperative for her investing classes to do so if we are to retain anything like the position we have enjoyed up to the present, and, indeed, if we are to continue as large a population as at present exists in these islands. Great Britain is situated between the 48th and the 60th parallels north of the Line. It is a very small island with a very variable climate, and a by no means naturally rich soil. As a result, it is essential for us to import the bulk of the food and the raw materials which feed the manufacturing industries of our population. During the War we had to part with something like 25% of our investments. Consequently, we are no longer entitled to the interest upon that proportion, which amounted, roughly, to something over 1,000,000,000 sterling in value. We retain, therefore, about 75% of the foreign investments with which our investing classes entered the recent War. And we are, therefore, entitled to receive the interest upon that large amount of invested capital in the form of imports. In order, however, to maintain our position it will be essential to increase our supplies of raw material upon such an economic basis as will enable us, first, to feed our people, to keep them in health, and to enable them to work; and, secondly, to obtain our supplies of raw materials for our various manufacturing industries upon such a basis as will enable us to sell them in competition with other countries in the international markets of the world. Unless we can succeed in doing this it will be no longer possible to employ the immense number of people to engage in productive industry in the great manufacturing centres of Great Britain.

It is by no means easy in London to obtain accurate information of what has actually happened during the past fortnight in Bolivia. But from the telegraphed summary of what occurred, and from information we have received from private sources, we gather that the recent proposed arrangement between the Republic and Chili has been modified in a sense which will make the relations between Bolivia and the southern Republic less satisfactory than the proposed arrangement seemed to promise. [illegible] when we are in possession of fuller information, to [illegible] acquainted with the conditions existing in the [illegible] difficulties of her development in the immediate future [illegible] of Bolivia is, it may roughly be said that she [illegible] backward mainly through the action, if we may not say the faults, of her various Governments in the past, and the unhappy revolutions through which the country has passed. Bolivia at one time was nearly twice as big as she is at present, and she had free access to the Pacific Ocean, without which it is hardly possible for the country to develop as her undoubted natural resources entitle her to develop. Had she free access to the Pacific she has the potentialities, so far as her natural resources are concerned, of being one of the great States of Western South America—that is, of the countries on the western side of the Andean chain of mountains. Thirty years ago, when Chili and Peru were engaged in [illegible] the ownership of the nitrate fields, Bolivia took the side of Peru. And as a result, without obtaining any benefit for herself, she lost her access to the Pacific. More recently she has been allowed access over a line of railway only part of which, however, is really in Bolivian territory. Some weeks ago, it will be remembered, it was reported in London that an arrangement had been arrived at whereby Bolivia had entered into an agreement with Chili which would give her a strip of territory affording her direct access to the Pacific Ocean, and the means, therefore, of carrying her produce to the sea and receiving commodities from outside practically over her own territory. Recent events reported by cable in London point practically to a complete annulment of that arrangement, and that the Bolivian Government has taken up an attitude that can hardly be expected to be regarded as satisfactory by the authorities of Santiago. Experience has shown over and over again that Chili is by far the most highly developed, the most peaceful, and the most enterprising of all the Republics on the western side of South America. And for a land-locked Republic, as Bolivia has become as a result of the war of 30 years ago, to irritate her powerful southern neighbour seems bound to adversely affect her economic development in the near future. This country in an especial degree, Europe to a great extent, and the world in general, are urgently in need at the present time of supplies of food and raw materials upon as low an economic basis as they are able to obtain them. Bolivia, provided that she gave her mind to economic development as distinct from political experiments, could supply a very appreciable proportion of these needs, and upon as sound an economic basis as that of any of her competitors. She has the advantage, for the extent of her area, of being extraordinarily rich in her possession of minerals, and in her potentialities as a producer of various forms of vegetable and animal foods, which we call agriculture. Because Bolivia has never been developed in any sound [illegible] present dependent on minerals and rubber to the extent of [illegible] than half her imports are of manufactured [illegible] She exports some [illegible] makes her the second producer in South America, coming immediately after the United States of Brazil. In minerals, [illegible] exported in 1918 [illegible] at about 10½ millions sterling. [illegible] copper, bismuth [illegible] conducive to [illegible] with the most [illegible]

Bolivia, as we have said, is [illegible] to be an

extent about three times the size of France; but she has a population of less than two millions, more than half of whom are Indians, nearly one-third of various mixed races, and, say, some 12% more or less entitled to claim pure Spanish or Spanish-Indian descent. It has to be remembered that when speaking of Bolivia we are dealing with a country which at the end of the fifteenth century and the dawn of the sixteenth was the most civilised of all the countries of the South American continent. The Indians, who seem so poor and backward now, are descended from people who were in their day expert agriculturists and expert metallurgists. Although they do not appear to have ever used what we call sailors, nevertheless, in boats that we should describe as very little better than rafts, they did, in fact, carry on a very considerable coasting trade with various ports of the extensive empire to which they belonged. Consequently, it will be seen that these poor, backward Indians are capable under favourable conditions of being trained to pursuits which would greatly benefit the industrial development of their country. Bolivia is a country of great mountains, intercepted by rich valleys; and, finally, an enormous area, mainly forest-clad, but with a very rich soil, sloping down towards the Amazon basin. Such a country with moderately good transportation facilities could supply not merely large quantities of minerals—and the mineral resources of Bolivia have as yet never been seriously exploited—she could supply, according to the altitude at which the various kinds of produce are grown, nearly all the different articles of the vegetable kingdom which we associate with the temperate, sub-tropical, and tropical zones. She does grow to some extent, but she could grow on a great scale sugar, cocoa, tobacco, and cotton in the rich tropical lands east of the Amazon. Nearly the whole of her mountain ranges are impregnated with some kind of minerals only awaiting development. On the high valleys she could grow, as we have said, nearly all the cereals and leguminous plants to which we are accustomed in the temperate regions of Europe and of North America, and, of course, of South America in the temperate latitudes. Consequently, it will be seen that as a field of investment Bolivia offers exceedingly favourable opportunities. The population is so small that there will be no question of competing with existing peoples. As a matter of fact, a settler taking up any considerable area either for agricultural or mineral development would almost require to take his own labourers with him. Little as the resources of Bolivia have been developed, there is invariably a scarcity of labour whenever any kind of enterprise, such as the building of a railway or the opening up of a mine, is attempted in that country. It will be evident to the reader that with its enormous area a population of under three millions, the present population, even if they had the opportunity of developing under the most favourable conditions, is inadequate to satisfy the economic needs of the country.

IRISH WATER-POWER.

We cannot but welcome the attention at present being paid to the question of water-power development in Ireland. A Special Committee set up some time ago by the Government has been conducting an investigation into the subject, and the Irish Industrial Commission has also received some valuable information relating thereto in the course of an inquiry embracing a much wider range. It is highly desirable that the data accumulated by both bodies should be laid before the public as speedily as possible. The high cost of imported power-fuel must continue to exercise a deterrent effect on schemes aiming at the exploitation of local resources; hence the necessity of acquainting industrial pioneers with the location of those water-powers that can most readily be utilised.

As pointed out in the pages of this Journal on several occasions, there are locations in various parts of Ireland which possess attractive possibilities. The proposal of an electric railway company operating near Dublin to supplement its steam station by drawing on the water-power of the Liffey at the Salmon Leap opens up the project of a more ambitious scheme, as the Golden Falls at Ballymore Eustace, 26 feet, and Poulaphuca, 104 feet, lend themselves to easy development, and, if electrically joined to the Salmon Leap, the total output would amount to 30 million units. No difficulty should be experienced in providing storage facilities above Poulaphuca Falls as the physical configuration of the country is favourable. Output would thereby be regulated and a uniform supply of water secured. To Dublin business men would naturally fall the task of making suitable use of these advantages. The East of Ireland is, however, but poorly endowed by Nature, as compared with the West, in respect of the distribution of water-power sites. The watershed of Loughs Mask, Carra, and Corrib has an area of 780,000 acres, the area of the three lakes is reckoned at 66,000 acres, and, according to competent engineers, ample power would be procurable the whole year round. The fall between the mean surface level of Lough Corrib and low water in Galway Bay is reckoned at 36 feet, a fall of 14 feet being given at high water. Moreover, by using the fall of 36 feet between Loughs Mask and Corrib electric power could be generated at Cong and transmitted to Galway. Distant 12 miles from Galway is the village of Spiddal, where 3,400 h.-p. per 10-hour day would be developed by regulating the series of lakes that drain into Lough Boliska. At Galway the water could be harnessed for working the serpentine and marble quarries in the neighbourhood, which at present, owing to the absence of mechanical aids and high operating costs, are restricted to a narrow market. The installation of hydro-electric plant would conduce to the efficient working of the port and give a fillip to the milling and calcium carbide industries. It is also possible that by the fixation of atmospheric nitrogen the manufacture of nitrogen products could be undertaken with success. Ambitious schemes have been promulgated for making use of the river Shannon, and it has been stated that by treating Loughs Allen, Ree, and Derg as a composite unit, and making use of them as reservoirs in the dry season, 50,000 h.-p. could be developed and light and power supplied to factories, tramways, and railways. Other engineers, however, are sceptical of this estimate and are inclined to discount heavily the resources of the river. Thorny questions, such as water and fishing rights, intrude, and there is always the danger of inundating large areas of valuable land. From the standpoint of the hydraulic engineer the falls of Killaloe are, however, favourably regarded, and it is said that 2,000 h.-p. can be developed here.

Before energy can be obtained successfully from water it is essential that the quantity should be large, the fall in a given length of the watercourse considerable, and the flow approximately constant. Viewed in this light many of the rivers issuing from the coast ranges of Donegal and Kerry possess a considerable fall and a fair volume, and might easily lend themselves to industrial application. Priority of place in this regard must be given to the former, as in the richness of its water resources it is exceeded by very few Irish counties. In all, it is reputed to possess not less than 12,000 h.-p., of which only a small proportion is utilised. From the evidence of an unused mill near the Falls of Laponta, where approximately 1,000 h.-p. is available, it was apparently intended to obtain the necessary driving power from the river, but this intention never bore fruit. Gweedore Bay is worthy of investigation. By the construction of an earthen dam the storage capacity of Lough Anure, the source of the Gweedore River, could be enlarged and the drainage of the numerous lakes in the neighbourhood conveniently collected therein. Dore, which stands at the

month of the river, could utilise the power. By building a dam and forming a reservoir, the power of the lake system of Loughs Dunbeg and Lough Lar Lower Naseng could be brought to Dore by means of an open cut and dropped into the sea with a fall of 200 feet. The execution of these schemes would probably permit of a total of 4,000 h.-p. being made available at this centre. If the storage scheme were extended to include Lough [illegible] than 810 h.-p. might be looked for at Lackagh Bridge. The generation of electricity would probably lead to an extension of the woollen and other industries in the county, and the surplus current might be transmitted to outside regions of industrial activity. It is needless to emphasise the benefits that would accrue to the North of Ireland generally from a distribution of electric energy if effected at low cost.

Numerous water-power sites exist in other parts of Ireland, and such [illegible] to them is, on the whole, fairly abundant. The impulse to enter into a practical consideration of [illegible] may arise from the difficulty of obtaining [illegible] to a partial or complete stoppage of the railway system.

THE COTTON TRADE.

In recent months activity in the cotton industry has appreciably declined from the boom conditions that prevailed early in the year. Cloth sales have been below the production of the looms, and this partial stagnation has had its effect on the spinning end of the trade, which depends mainly on the home market. The general demand from the Far East has been curtailed owing to the fall in the price of silver, and many purchasers have been seeking to evade contracts. These attempted evasions have, rightly, not been countenanced by the Manchester Chamber of Commerce, as they are destructive of commercial confidence and tend to undermine all security of dealings.

In normal times India and China between them absorb 50% of our export trade in piece-goods, but, partly for reasons connected with the exchanges, buyers have of late been sparing in their commitments, despite the fact that stocks in Eastern warehouses and bazaars are not at all heavy. At home banking credit has come to be somewhat restricted, and the consequent scarcity of funds with which to finance stocks has brought about some forced liquidation. This has, however, not materially affected quotations, as buyers have not been anxious to add to their obligations. To some extent the purchasing power of the public in foreign countries has apparently failed to keep pace with the ever-rising level of prices, and for this reason also demand fell away. While the decline in silver has led to a diminution in the volume of inquiries from China, the aggregate shipments for six months to that country, in execution of old orders, show an increase. Notwithstanding the improvement in many Continental currencies, takings have not yet assumed the expected proportions, and even countries —such as Holland and Switzerland—where sterling is at a discount have not increased their purchases. An analysis of the total export trade for the month of June and for the six months to the end of June 1913, 1919, and 1920 is given in the following table:—

Exports of Cotton Yarn and Cotton Manufactures: United Kingdom.

			Month ended June 30	Six Months ended June 30
Cotton yarn...	...	1913	Lb. 16,986,700	108,309,000
			£ 1,181,919	7,512,062
" " ...	...	1919	Lb. 13,981,300	78,117,000
			£ 2,688,391	16,319,061
" " ...	...	1920	Lb. 14,830,700	78,614,700
			£ 4,254,424	24,911,824
Cotton manufactures		1913	Yds. 615,600,000	3,852,000,000
			£ 9,687,336	58,823,400
" "		1919	Yds. 303,600,000	1,477,900,900
			£ 17,410,579	88,144,697
" "		1920	Sq. Yds. 40,800,000	2,396,800,000
			£ 32,589,476	171,623,641

[illegible] corresponding figure for 1919, 78,117,000 lb., but is still far below the 1913 level—106,409,000 lb. Spinners of Egyptian cotton have suffered more than spinners [illegible] the distinguishing feature of recent months. Margins [illegible] fall have prevented buyers from filling their requirements of weft and twist. The question of working short time has been raised by members more than once, but the Master Spinners' Federation has shown itself reluctant to apply such a drastic remedy, not considering the situation sufficiently serious. A contraction [illegible] ultimately as a justification for curtailment. The [illegible] spinners and ring spinners, as well as by weavers, has added to the difficulty of giving quotations at a sufficiently low level to attract business. As a result order-books in this section are not so well filled as was the case some months ago, when demand seemed sufficient to outrun production for a long period ahead.

Cloth manufacturers complain that business is not sufficient to absorb the full ouput of the looms, and in some districts a few weaving sheds have been closed down, apparently from lack of trade. Too much importance must not, indeed, be attached to isolated instances of this kind, as according to the trade returns the jump in the value of cloth exports has been phenomenal, the total having risen from £88,144,697 in the first half of 1919 to £171,623,641 in the first half of 1920. These shipments, however, mainly represent stocks in the hands of merchants, and do not constitute the current offtake of the looms. Reports from certain foreign importing centres indicate a congestion of goods, showing that some of the importers have over-bought. On this account requests for a postponement of deliveries have not been infrequent and have been a source of much annoyance.

Labour returns for the Lancashire area betray the effect of this, and there has been, for the first time in the year, an appreciable increase in the number of men unemployed. At bottom, however, the position is sound, since the world's output of cotton goods is less than the pre-War figure, and much less than the world's requirements. Lancashire is, perhaps, unfortunate in [illegible] from the poorer peoples of the Far East, whose reserve of purchasing power is low, and whose demand falls away rapidly in the event of a monsoon failure or other untoward event. Their economic status has, however, been materially raised by the War, though the crisis in Japan has had an adverse effect throughout the East generally. Some inquiry for export to India has, indeed, lately been noted, and it is significant

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Barclays Bank Ltd.

[illegible] Manchester, despite the sluggishness of trade over [illegible] maintained.

THE NEEDS OF THE IRISH AGRICULTURAL INDUSTRY.

For the [illegible] Irish agricultural co-operative agencies can justifiably claim no small share of the credit. The contrast offered to the [illegible] 25 years ago is particularly obvious to Irish observers. Then the farmer's outlook was practically limited to the boundaries of his own holding, and a scanty supply of capital imposed a bar on efficient farmwork. The presence of many intermediate agencies between him and the source of his raw materials and the markets in which his produce was finally disposed of, entailing, as they did, a serious curtailment of his margin of profit, operated very effectively to check a development which had already made large strides in other countries competing for the opportunity of supplying food to the British market. The change that has since taken place has enabled the agriculturist to buy directly from the manufacturer or wholesaler, to utilise through co-operation machinery and scientific inventions too expensive for the individual small farmer, and to sell directly to the market through his own agents. It has also led to a marked increase in the quality of agricultural products, and thus furthered the ability to compete on more level terms with the products of other countries.

According to an expert, the effect of the introduction of the centrifugal-separator into Ireland has been to obtain an increase of 20% in the yield of butter from milk. By the adoption of the creamery system, now counting about 437 co-operative and 218 proprietary creameries, and the consequent employment of labour-saving machinery and skilled workers, a brand of Irish butter has been turned out which has found considerable favour with the British consumer. Since the beginning of the War this butter production has, no doubt, shown a considerable decline. On the basis of the average of the five years 1909-13, 36,110 tons were exported, but in 1919 this figure had been reduced to 16,191 tons, or 55%. The corresponding figures for the cheese exports of the creameries were 301 tons and 13,870 tons respectively, an increase of 4,508%. This extraordinary increase in the cheese output was due primarily to the disparity in the prices of the two articles; but this is an exceptional circumstance, and it behoves those interested in the Irish dairying industry to reflect that the continuance of cheese manufacture will tend to reduce the number of young stock reared, as, of course, the skimmed milk available for feeding purposes is only returned to the farmer when the manufacture of butter alone is undertaken.

Whether the creameries give their attention to the production of butter or cheese is not, however, the really important point. The economic interests of the Irish dairying industry demand an increase in the production of milk, the basis of either branch. As we have already stated in these pages, the average milk production of Irish cows is not such as to allow an adequate safety margin, and, under present circumstances, there appears to be no doubt that large number of cows are carried at a loss to their owners. The average yield of milk per cow per annum has been reckoned at 420 gallons, while it is calculated that no cow giving less than 400 gallons on land in dairy districts, as distinct from land in the vicinity of cities, can be said to be self-supporting. The profits of the industry are thus measured by this narrow margin of 20 gallons. If, owing to such circumstances as an increase in the price of feeding-stuffs, or a depression in the prices of butter or cheese, the profits attendant on this margin were seriously reduced, the maintenance figure of 400 gallons would naturally have to be revised in an upward direction. Many cows in Ireland give 800 gallons, and in some cases up to 1,400 gallons are returned. Since the former yield is not uncommon, a concerted attempt to make the general average register a high figure is eminently desirable. The higher standard cannot be attained, however, unless the farmer is in a position to eliminate the non-paying members of his dairy herds; hence the first essential to any scheme of improvement is the establishment of cow-testing associations. Afterwards a general grading-up in the quality of Irish stock can be undertaken. Substantial progress on these lines has been recorded in Denmark, apparently without any deleterious results. The great increase in the milk supply due to the raising of the average animal yield from 212 gallons in 1866 to 640 gallons in 1911 was the most powerful contributory cause of the expansion of the Danish butter exports by 34% between 1901 and 1911. The annual imports of butter and cheese into the United Kingdom are on an enormous scale, and, although Irish producers have a strong position in the British market, there is little doubt that by the pursuit of an energetic policy they could still further enlarge their hold. The following table indicates the principal sources of supply of the above commodities in 1919. It will be observed that the total value of the net imports from all countries outside the United Kingdom amounts to £34,959,436. The vast proportion of the Irish exports went to Great Britain.

Imports of Butter and Cheese into the United Kingdom in 1919.

Imports from	Butter — Quantity Cwt.	Butter — Value £	Cheese — Quantity Cwt.	Cheese — Value £
New Zealand	319,872	3,910,432	1,239,553	8,455,199
Canada	34,325	417,443	647,212	4,894,733
Australia	407,538	5,127,210	312,517	823,511
Netherlands	1,641	20,812	79,217	648,249
United States	216,495	2,746,908	19,856	149,847
Denmark	230,231	3,947,835	(a)	(a)
Argentine	207,875	3,769,213	(a)	(a)
All other countries	22,335	303,041	26,360	221,594
	1,553,172	19,843,964	2,124,715	15,219,173
Deduct re-exports	1,561	28,306	7,877	75,400
Net imports into U.K. ...	1,551,611	19,815,658	2,116,838	15,143,778
Exports from Ireland ...	325,827	(b)	217,400	(b)

(a) Imports, if any, given under "All other countries."
(b) Values not yet stated.

Another matter meriting the attention of those engaged in the dairying industry is the provision of ample cold-storage accommodation. The supply of butter throughout the year is markedly uneven, and when prices are moving downward in the market the creamery is unable to hold over its stock. If the individual creamery is unable to set up a cold-storage plant the proper unit should be found in a combination of creameries in a particular area. As regards the vexed question of winter dairying, statements to the effect that in practice it has been found unprofitable have been made; but then it is open to doubt whether the accompanying advantages of additional manure and healthier calves have been fully taken into consideration. On all these points immediate action is essential, and the task of giving a lead in organising Irish agriculture on more efficient lines rests, in the first instance, on bodies such as the Irish Agricultural Organisation Society and the Farmers' Union.

A cable received this week states that the capital of the Royal Bank of Australia, Limited, is about to be increased by £250,000. This is being effected by the issue of 40,000 shares of £4 each, to be fully paid up, at a premium of £40,000, to be added to the reserve fund, and option to pay up in full without

Financial Notes.

As will be observed from the Bank of England return, the Bank [illegible] to learn that, for the moment at any rate, there has been a reduction in the amount of notes outstanding. As will be seen from our Money article in the front of the paper, the Government has decided to withdraw from the amount of notes outstanding the balance of the first and second series, which it was decided to call in last June. This of course does not necessarily mean that it may not be necessary to issue, [illegible]. Nevertheless, it is satisfactory so far as it goes in the [illegible] the most active period of the holiday season, and that, of course, will be followed by the demand for money contingent on the moving of the crops in the Northern Hemisphere. This always means a keen demand for money, even in normal times. The determining factor, however, as we point out elsewhere, will be the ability of the New York Money Market to meet the demands upon it in connection with the moving of the harvest in the United States.

So far as this country is concerned, there ought to be some decrease in the demand in the not distant future. It is notorious that most of the great branches of the manufacturing industry in this country are finding it difficult to induce their customers to take delivery of orders previously placed. It is equally notorious that the retail distributing centres, not merely in London, but in other parts of the country, are finding it at least as difficult to induce customers to purchase on anything like the scale which was the case at this time last year. We hear daily of cases of retail houses declining, at least for the present, to accept delivery of stocks previously ordered. So far there has been very little decline in the price, except in one or two specific instances. This, of course, is largely a matter of finance.

While the banks are willing to assist traders to carry stocks ordered at high prices months ago, there is no immediate necessity for a sale which would bring down prices to very great extent. The banks, however, are not likely to continue indefinitely to finance stocks for which there is no demand on the basis of present economic values. And we would urge traders, both in their own interests and in the public interest, to consider the advisability of offering stocks at a considerably lower basis of values than exists at present, in order to effect sales and avert a more serious drop in prices in the future, even if that future be deferred for some considerable time.

It is to be regretted that it has been found necessary to add still further to the heavy burden of the cost of running the Civil Departments of the country. A paper was circulated in the House of Commons on Tuesday night showing that the Treasury proposed to ask for a Supplementary Estimate of 18 millions for further expenditure on the Civil Service and Revenue Departments. It will be remembered that in the Budget provision was made for expenditure on the Civil Service and the Revenue Departments of £357,475,000 during the financial year which will end on March 31 next. It was [illegible] however, that the sum of 20 millions had been set apart for Supplementary Estimates to be presented later. As we have already stated, more than 18 millions sterling has already been applied for, and we are now only in the third week of July. We have still, therefore, the greater part of the financial year to complete before we can feel with any degree of certainty that the expenses of the Civil Service will stop even at this enormous figure.

[illegible] cipal and the service of which is weighing upon the country, not to speak of some 1,200 millions sterling [illegible] is surely time to call a halt in these ever-recurring items of expense. We comment elsewhere on the gravity of the speech made by the Prime Minister in the House of Commons on Wednesday night, pointing out that it may be necessary for us once more to enter upon an unknown amount of expenditure in connection with renewed military operations. Even if we had not within recent memory experience of Government extravagance when engaged in war, it is only fair to admit that once a country is involved in fighting it is not possible to restrict expenditure absolutely within the economic resources of the fighting country. As we have pointed out again and again, it has been evident that the recent War has settled little or nothing; and it is too probable, and has been too probable throughout, that it would only involve Europe in further difficulties. Even if we could have regarded from the period of the Armistice that we have done with military operations for at least the period of a generation, the Civil expenditure to which the country is being subjected certainly appears excessive.

Mr. McKenna not unreasonably pointed out in a recent speech that in his opinion the country was already being subjected to a greater measure of taxation than it ought to be asked to bear if the producing classes are really to be in a position to attempt to restore our economic condition to anything like the level we had attained in the pre-War period. With the danger of increased expenditure menacing the country it seems high time that drastic measures were taken for reducing the extravagant expenditure now being incurred on the Civil Service.

It is satisfactory to learn from a White Paper issued this week that while every effort is being made to reduce the staff it is proposed to wind up the Ministry of Shipping at as early a date as is practicable. The essential reason for the continuance of the Ministry has been the fact that the Government exercises control over wheat and sugar. It is stated that without control of the shipping it would have been impossible for the Government to have supplied the country with adequate quantities of these commodities during the past twelve months. Government commodities, says the White Paper, have been carried at low Government rates, very little above the actual cost. The financial staff on October 1, 1919, was 548. By June 1 last it had been reduced to 429. All the outport branches, as they are called, have been closed with the exception of that at New York, which cannot be closed until outstanding payments are dealt with for the transport of munitions and food on American railways to ports for shipment to Europe during the recent War. It is hoped that it will be possible to close this office some time in September next.

We have all along contended that but for the sugar [illegible] than we have, in fact, at the present time. It will be [illegible] started and supplies of beet-sugar ceased to come in from the Continent, one of the first places to which we turned to obtain the quantities needed by our people [illegible] veloping a native industry, the Dutch [illegible] credit, immediately increased the ac[illegible] It turned out to be one of those unfortunate instances in which foresight and enterprise failed to reap an adequate reward. The Government took control of all commodities of primary necessity, including sugar, and later decided to take control of shipping as well.

As our purchases from the United States became greater and greater, partly for financial reasons and partly for the convenience of freight, arrangements were made whereby we obtained such supplies as we were able to obtain from the island of Cuba. In the result, as the reader is aware, there has been a short supply of sugar ever since.

In our numerous articles on South America in particular, and on the tropical countries of the world in general, we have pointed out that cane-sugar is one of the few vegetable products that can properly be described as of the nature of a real crop; that is to say, the growing of cane-sugar is tropical agriculture, whereas rubber is not. Cocoa, in a sense, is, but it takes years to mature a cocoa plant. But the growth of sugar is an annual crop, very much like the growth of wheat in our own country. Consequently, if the Allied Governments could have been induced to let the sugar industry alone the various tropical countries of the world would have increased their supplies rapidly. And even if it is contended that adequate shipping would not have been available during the War period, as we are now nearly two years since the Armistice, surely it will not be contended that an annual crop could not have been produced in two whole years.

With regard to wheat, it may be urged that the position is different. We are very far from admitting the contention. It is notorious that there were enormous supplies of wheat in Australia and considerable supplies in South America, which had been bought on Government account, and which the Government refrained from shipping. One of the greatest objections to these Control Boards is that they buy certain commodities at a particular price which may, or may not, be quite justified at the moment of purchase. For example, the Government may have been perfectly justified in buying a particular commodity in the height of the submarine scare. It may have been that they had to pay a very extravagant price. But if they were convinced, after taking counsel with competent authority, that it was best in the public interest to purchase, we have no quarrel with them on that ground. But surely there is no good reason, because a Government dealing with public money has purchased a particular commodity in a period of public alarm why it should hold that commodity until it can get such a price that there will be no loss on the transaction. Surely the absence of loss to a particular department is a trifling matter compared with holding up the whole trade of the country, it may be for months, for the purpose of showing that that particular department has concluded a trading transaction without loss, or perhaps with an actual profit.

It is satisfactory to learn that the Chepstow Shipyard, consisting of the yard previously owned by Messrs. Finch and Company, and its extension known as No. 1 Shipyard, are to be sold to a well-known financial house in the City. There is believed to be a hitch in the negotiations with regard to the purchase, but provided that any adequate price can be obtained it would be desirable for the Government to get rid of the business, either to this firm or to some other, as soon as practicable. The total cost of the national shipyards as estimated in September 1919 was £6,120,000. A revised estimate dated June 7 last shows a total expenditure of £6,490,234, being an increase of £370,234. The total expenses of the Ministry for the financial year which will end with March next are estimated to be 21½ millions sterling, a decrease of considerably over 83¾ millions sterling as compared with the actual expenditure in the financial year ended with March last.

We know too little of the objects aimed at in the construction of the Shoreham towers, or "Towers of Mystery," as they were locally called, in Sussex during their period of construction to offer any really effective criticism. £1,200,000 seems, however, a very large sum to have spent upon a building, which was commenced too late in the period of the War to have any prospect of being completed during its continuance, on the Government's assumption that it was desirable to strain the resources of the country, both in men and in material, to the utmost in order to bring the War to a speedy conclusion. It is now stated that these towers are to be used for experimental purposes. It is to be hoped, of course, that the experiments will in due course bear fruit; but it is to be feared that when we are next engaged in a great war these towers will be as obsolete as the Martello towers of our youth.

SOUTH AND CENTRAL AMERICA.

GUATEMALA.

An exceedingly interesting statement has been issued by the Guatemalan Government on the recognition of recent events in that Republic by the United States of America. The statement says that "the policy of the United States with reference to the situation in Guatemala will be to deal with the Herrera Government as the constitutional successor of the Government of Estrada Cabrera. A careful study of the situation has disclosed the fact that no violent measures were used by the opponents of the former President, Estrada Cabrera. In fact, the only violence used was by the troops under the command of Estrada Cabrera, who bombarded the capital. The resignation of President Estrada Cabrera was submitted in due form and accepted by the National Assembly of Guatemala. The Assembly then proceeded to designate a provisional President, known as First Designate, entrusted with executive powers, who, pursuant to the terms of the Guatemalan constitution, has issued a proclamation calling for new elections for President to be held in August. Inasmuch as every requirement of the Guatemalan constitution has been complied with, the Government of Carlos Herrera will be regarded as the constitutional successor of the Estrada Cabrera Government." It will be remembered that Guatemala is the most northerly of the States of Central America. The statement of the Guatemalan Government is significant of the important part which the wishes of the northern Republic is playing in the affairs of Central America. Indeed, it is inevitable that it must be so. Guatemala, as we have said, is the most northerly of the States of Central America. It immediately adjoins Mexico and forms, therefore, an important link in that territory which may already be regarded more or less as an American protectorate. From the time the United States Government took up the building of the Panama Canal it became evident that Central American political affairs must largely be dominated by the wishes of the Washington Government. It is to be regretted that those Republics, and particularly Guatemala, which has shown in many directions capacity for improving its economic development, should again have drifted into what can only be described as another revolution, although, of course, by no means a serious one. The country had suffered severely by the earthquake two years ago. Nevertheless, she was really beginning to recover. And it certainly is regrettable that the unfavourable political situation should again turn the international searchlight upon the affairs of that Republic. The less stable the affairs of the Five Republics are the more certainly it will be necessary for the United States Government to take an increasing interest in their political affairs. Of course, it goes without saying that the United States Government, having spent between 80 and 100 millions sterling on the construction of the Panama Canal, which unites the two greatest oceans in the world, and the possession and control of

which may be essential for the very existence of the United States at some perhaps not distant date, should exercise a preponderating influence in the affairs of the Five Republics. Nevertheless, the Government of the United States is by no means anxious to put itself forward unduly in the affairs of either of the Governments of the Five Republics, or elsewhere; and if those Republics could be induced to act in concert, to avoid as much as possible political experiments, and devote themselves to their economic development, it would probably in the long run be to the advantage of the United States, and almost certainly to the advantage of the Five Republics and the international trade of the world. Naturally, things being as they are the tendency of Central American trade is to drift almost wholly into the hands of citizens of the United States. It is, in fact, a remarkable illustration of the difficulty which the United States experiences in performing the innumerable tasks assigned to her that, even in a territory so close to her own borders and so important as the Isthmian States, she has not long ago absorbed almost the whole of the existing trade. In fact, her position is by no means as favourable as regards Central American trade as the intelligent reader, knowing the relations between Central America and the United States, would naturally jump to the conclusion. It varies with the different Republics between 33% and 66%. But in no case can it fairly be said that the United States is practically the only foreign nation with which any one of the Five Republics is permitted to deal.

The State of Guatemala is somewhat smaller in area than England proper; but it has altogether a population of only about two millions, some two-thirds of whom are native Indians. The history of the Indians of the Isthmian States is a very curious one. There are remains in each of those States of buildings which would augur that at some remote period there was a highly civilised people inhabiting the territory which we now call the land of the Five Republics of Central America. Central America is situated between the two great civilisations which were discovered and destroyed, respectively, by Cortes in Mexico, and by Pizarro in Peru. Now ancient Peru stretched almost to the borders of what we now call Colombia, and Mexico, then, as now, stretched down to the territory which we in these times call Guatemala. Nevertheless, as far as we have been able to ascertain, the Indians of the Isthmian States were then, as now, an exceedingly backward people. These States were, at the time they were discovered, very much as they are now, low-lying, more or less malarial swamps, both on the Atlantic and on the Pacific coasts, with dense forests extending inland, and a high plateau country in the centre. They were inhabited then, as now, by a backward race of Indians—backward both politically and in the economic development of the area which we now call Central America. They were as well aware then as they are now that there were great civilisations to the north of them, and a great civilisation to the south of them. But then, as now, they do not appear to have taken any great trouble to emulate the achievements either of their northern or of their southern neighbours.

On the whole, Guatemala of to-day is amongst the most advanced of the Central American Republics. She has a railway nearly 500 miles long stretching from Puerto Barrios, on the Atlantic side, to San José, almost entirely of agricultural produce, of which coffee bananas, sugar, timber, hides, and rubber. The highlands of the interior are rich in minerals, but these are not worked to any appreciable extent. The export trade of the country, as we have already said, consists almost entirely of agricultural produce, of which coffee and bananas form the principal proportion. Coffee is the most important, and furnishes some five-sixths of the total exports of the Republic. It is estimated that over an area extending for very nearly 1,000,000 acres coffee is the principal crop. So favourable are the soil and climate and general conditions of Guatemala that there is an area available at least twice that which is actually cultivated. But the difficulty of obtaining an adequate supply of labour is so great that it is found impracticable to greatly increase the area, at any rate under existing conditions. Most of the coffee estates are situated on the Pacific slope. A very large number of these estates are owned by foreigners, many of them being more or less of German descent. Probably the reader will assume that the bulk of the coffee exported from Guatemala went to the United States of America. This, however, is very far from being the truth. As a matter of fact, it is doubtful if a quarter of the whole crop ever goes to the United States in any one year. The bulk has been for many years despatched to the European continent. And in this country we have been accustomed to take, roughly, about 10% of the Guatemalan crop. The reader, no doubt, is aware that although we are largely interested in the coffee industry from the financial side, both as merchant bankers, insurance agents, and so on, and have in the past carried the bulk of the crop produced in the various countries in British ships, we are not, in fact, great consumers of coffee in Great Britain. Of the coffee which we do consume, amounting to between 50 and 55 million lb. a year, we obtain a very large proportion from the Central American Republics, and particularly are we willing to pay an exceptionally good price for the berry coming from these districts. Of all the coffee consumed in England, probably that from the Republic of Costa Rica, which adjoins Panama, is the most favoured in our market. Next in importance to coffee as an agricultural product is the banana; and very closely following this is a kind of muscovado sugar, exported to this country in the form of a cake, and very much used in the brewing industry and for feeding cattle; at any rate, it was so before the War. The banana industry is almost exclusively American. It is practically in the hands of the United Fruit Company, of Boston, New Orleans, and New York, a very powerful Corporation with large interests in various parts of Central America, and which, in fact, is doing, and has long been doing, an exceedingly useful work in opening up the transportation facilities of these different Republics. Of course, the United Fruit Company does not pretend to be philanthropic. What they do is done for profit, and, as their dividends prove, they have made exceedingly good profits, both before the War and since the War began. Nevertheless, they are doing a very useful work. Their practice is to assist the grower, and, if necessary, to assist any promising and substantial group of producers in the country desirous of building a railway, or improving a road, or rendering similar services, with a view to increasing the transportation facilities of the various States of the Republic. Naturally, as the name implies, they are mainly interested in the production of fruit, and in these regions that term usually implies the growing of bananas upon a great scale. A promising grower enjoying good credit, and being a man of enterprise and in good repute, finds little difficulty in obtaining assistance from this Company, and when he is in a position to deliver his fruit and to repay his loan the Company is, of course, reimbursed, and is once more at liberty to perform similar services to other fruit-growers, traders, or promoters of transportation facilities in other of the States of Central America.

A Note addressed by the Guatemalan Minister of Finance and Public Credit to the Minister of Foreign Affairs on June 5, 1920, states that the interest of the two Guatemalan [illegible] Bondholders that the Government of Guatemala will duly fulfil their agreements."

American Topics.

FINANCIAL SITUATION.

It can hardly be said that the report of the Federal Reserve Board of the United States issued at Washington for the month of June last is altogether satisfactory reading. To a modified extent it discloses a position to which we have become so painfully accustomed in the finances of the various belligerent Powers recently engaged in the European War. The United States, of course, came late into the War, and consequently her sacrifices and sufferings have been relatively small compared with what the European Powers have had to submit to. We in this country have come out of the War in a far sounder economic position than any of the other European belligerents. Nevertheless, we have suffered, and suffered severely, compared, for example, with a country like the United States of America. We have, moreover, an enormous internal debt. We have, in addition, a floating debt which is indirectly adding to the cost of production in practically every industry in the country which has to seek the assistance of the banks in carrying on its operations. Worse still, we have besides a foreign debt amounting in all to something like £1,200,000,000, or measured in money as distinct from commodity values, something like twice the total of the British National Debt at the outbreak of the European War in the summer of 1914. It is the existence of this foreign debt and our inability to liquidate it which is the primary cause of the adverse exchanges with which the trade of this country is burdened. These unfavourable exchanges add something estimated at between 25% and 33% to the cost of everything which we import from those countries with whom our exchange is unfavourable. Until this foreign debt is actually paid off it will not be possible to restore the Bradbury even here at home to a gold basis. Moreover, while the trade of the country is still burdened with such a debt it will not be possible to reduce to any appreciable extent the magnitude of the circulation, which is a sign, rather than a cause, of the difference between commodity and money values when comparing the present level of prices with those which prevailed before the War.

In the United States in modified form, as said above, similar conditions prevail. In a sense, though by no means in real fact, the United States profited, particularly in the early stages of the late War. She sold enormous quantities of produce of various kinds, which at first were paid for upon a sound economic basis. Gradually as the War progressed she sold even an increasing volume of various kinds of produce, but upon a relatively decreasing advantage so far as the economic basis of her payments was concerned. Finally, when she herself became a belligerent she sold a still larger volume of produce, but sold this quantity upon credit pure and simple. As a result she, like the other belligerents, has had to finance her trade upon credit upon a steadily decreasing ratio of sound economic values. Such a course has been injurious to the United States in two ways. In the first place, she has not obtained equivalent values for an apparently active export trade. In addition, finance upon credit has upset to a large extent the whole basis upon which the economic situation in the United States rested before the War. Such finance has, in fact, checked for a period the economic development of that country. In the pre-War period she was accustomed to receive adequate equivalents from her payments abroad. Besides this, her condition of carrying on business depends very largely on her ability to borrow abroad for increasing her plant and developing her transportation facilities as circumstances might require. Whereas, therefore, before the War she obtained as a result of her trade equivalent values for her produce besides the means whereby she was in a position to renew her plant upon an advantageous basis, she has had as a reward for her enormous war trade to accept promises to pay from impoverished customers. This has meant the creation of abnormal credits, against which there are no readily realisable assets. The effect upon the United States Treasury has been most unsatisfactory, as the figures published by the Federal Reserve Board amply demonstrate. During May, says the report before us, expenses, exclusive of debt transactions, amounted to 395½ million dollars, while receipts only amounted to 257½ million dollars, leaving a deficit of very nearly 138 million dollars. On May 17 an issue of Treasury certificates of indebtedness amounting to more than 102¾ million dollars was placed on the market at 5½%. The fact that the receipts of the Department are less than expenses has been brought to the notice of Congress by the Chairman of the Ways and Means Committee. The Chairman pointed out that recent laws passed in connection with the railroads will add to the difficulty of the situation, inasmuch as they will entail an expenditure of approximately $1,000,000,000.

Speaking of the current financial situation, the Chairman of the Committee says it is no longer possible to finance the current needs of the Government by the issue of Treasury certificates, except upon very onerous terms which reflect upon the value of the Government's bonds and in fact depreciate them on the market. It is a matter of serious concern to have the Government appearing in the market every few weeks for loans. Certainly nothing ought to be done to increase the existing credit expansion that can possibly be avoided. The intensity of the demand for credit accommodation throughout the country has been reflected during May in the continuance of the large volume of paper presented for re-discount to Federal Reserve Banks. The tables published show that the figures of the total reserves are approximately the same as a month ago. The net deposits have, how-

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over, do [illegible] to some extent. The total amount of bills on hand, however, is approximately the same. The growth of demand for bank accommodation has operated to raise rates of interest both in the investment and in the commercial paper market. It is an illustration, says the report, of the natural response of interest and investment conditions affected by the fact that during the month of May Liberty bonds reached new low quotations. This fall in the quotations of bonds is attributed by numerous bankers to large realising sales, orginating with certain classes of borrowers who found this the cheapest and easiest method of obtaining funds of which they stood in need. A special report made to the Federal Reserve Bank of New York says many liquidations in the Stock market ran most of its course in the latter part of April, and since then prices have tended downward, in a series of narrow trading sessions marked by little support from the public. On the whole the tendency of prices on the Stock market has been downward. Money rates at the beginning of the season for moving crops are high, but the whole situation will be largely governed by the ability of the banks to meet the demands upon them during the next two or three months.

UNITED STATES TRADE.

According to the summary issued by the Foreign Trade Department of the United States, the total value of the imports of merchandise into the United States during the month of April amounted to 495¾ million dollars. This compares with 273 million dollars in April of last year. The bulk of the imports were crude materials for use in manufacturing. The total value of the exports was 684¼ million dollars, comparing with 714¾ million dollars in April 1919. The excess of exports over imports was, therefore, well under 200 million dollars, comparing with practically 442 million dollars in April of last year. For the 10 months ended April 1920 the total value of the imports was 4,254¾ million dollars, comparing with 2,473¾ million dollars in the 10 months ended April 1919. The total value of the exports was 6,731 million dollars, comparing with 5,760 million dollars in the 10 months ended April 1919. The excess of exports in the 10 months ended April last was 2,480 million dollars, comparing with 3,226¾ million dollars during the 10 months ended April 1919. In this connection it may be interesting to note that, according to a table compiled by the National City Bank of New York, the increase in exports of manufactures from the United States is due mainly to the growth of the export trade with Asia, as well as parts of North America. Although the figures are not available, it is anticipated that the United States exports to Asia will amount in value in the fiscal year ended June 30 last, to 730,000,000 dollars, or an increase of approximately 130,000,000 dollars compared with the financial year which ended with June 1919.

Financial conditions in Japan at the beginning of the second half of the year were stagnant. By the middle of the present month transactions on the Tokio Stock Exchange had contracted, but the marginal variation in the prices of securities was not great. There were few new transactions in the markets for commodities, while there is a tendency towards further engagement of stocks in the warehouses. The silk factors of Yokohama, who, as we stated recently, had been declining to receive delivery of consignments from producers, resumed business as usual on the 6th inst. It is feared a sudden increase in the stocks on the market will add to the weakness in the raw silk. There is great pressure of "spot" money, and discount rates have become easier. Bankers have relaxed somewhat in their attitude respecting advances.

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Rubber Topics.

With a comparative absence of week-end orders the market opened in a rather weak fashion. This dull tendency was maintained during the week, though occasional relief was furnished by certain shares which came in for a little attention. Thus on Monday, whilst Rubber Trusts dropped to 34*s.* 9*d.*, Anglo-Dutch put on 6*d.* to 49*s.* 9*d.* Tuesday, as usual, was rather a day of reactions. On Wednesday there was a demand for Anglo-Dutch, which put up the price to 49*s.* 10½*d.*, but reactions subsequently set in, and the shares closed unaltered at 49*s.* 3*d.* Support was forthcoming for Kuala Lumpur, which closed ⅛ to the good at 4; for Tebrau, which improved ⅛ to 2¾; and for Golconda, which rose ⅛ to 58*s.* 9*d.* On Thursday Rubber Trusts reacted to 34*s.* 9*d.*, and Anglo-Dutch at 49*s.* With a view to the development of Brazilian Rubber, the Brazilian Chamber, according to a cable, is considering a proposal to advance to the contractor 75% of the cost of erecting factories at Pernambuco and Para for the manufacture of tyres and other articles from Brazilian rubber. Substantial advantages are promised to the first firm to engage in this industry.

ANNUAL REPORTS ANALYSED.

BIKAM RUBBER.

Issued Capital : £80,000 in 2 - Shares.

	Total Planted Acres	Area in Bearing Acres	Results for Years to December 31 — Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,000	—	390,620	—	2·536*d.*	1·376*d.*	25,747	15,000	25
1917 ...	988	—	377,200	—	2·536*d.*	1·674*d.*	19,475	10,500	17½
1918 ...	1,116	—	341,350	—	1·844*d.*	1·561*d.*	8,000	6,000	10
1919 ...	1,116	964	416,700	432	1·204*d.*	1·274*d.*	17,345	15,300	22½

Price of Shares, 4 1½. Market Capitalisation per planted acre, £148.

With the resumption of normal tapping during 1919 the report of this rubber Company for the year ended December 31, 1919, showed results much more satisfactory than those of 1918. The estimated crop amounted to 350,000 lb.; the crop harvested proved 416,700 lb., constituting a record, as against the previous return of 390,620 lb. in 1916. With 964 acres in bearing the yield per acre was over 432 lb. The great increase in the crop brought with it a satisfactory reduction in the cost of production per unit. The f.o.b. cost worked out at 11·204*d.* per lb., as compared with 1*s.* 1·44*d.* per lb. in 1918; whilst the "all-in" cost showed a no less gratifying reduction from 1*s.* 7·61*d.* per lb. to 1*s.* 2·74*d.* per lb. Meanwhile the price realised by the sales of the crop increased from 1*s.* 4·44*d.* per lb. to 1*s.* 10·48*d.* per lb. This was reflected in the profit of £17,345, as compared with the figure recorded in 1918. The revenue account further benefited by a credit of £2,000, representing a refund of excess profits duty paid for the year 1917 of £918, consequent on the [illegible] of this a

sum of £3,500 is transferred to the income-tax reserve to meet the deficiency occasioned by the assessment on a three years' average. An allocation of £2,500 is made to supply the balance required in connection with the bonus issue. Shareholders received in dividends £13,500, equivalent to a rate of 22½%, in contrast with £6,000 and rate of 10% in 1918. A balance of £13,050 is carried forward to the next accounts, included in which is an estimated sum of £1,800 for excess profits duty.

In view of the burden of taxation at present imposed upon the rubber industry, the remarks of the Chairman at the general meeting with reference to the issue of bonus shares have a pertinent interest: "Hitherto it has been our practice," he stated, "to pursue the conservative policy of setting aside part of our profits each year to cover the cost of extensions to our planted area. We have come to the conclusion, however, that companies which have been virtuous in this respect are liable to be penalised in the future in the matter of taxation." The scheme, which was approved at the general meeting, proposed to increase the authorised capital from £60,000 to £120,000, and to capitalise £20,000 for the purpose of issuing 200,000 fully-paid bonus shares to existing shareholders in the ratio of one new share for every three already held. Thus the issued capital of the Company upon which dividends will be paid for the current year stands at £80,000. The prospects for 1920 are on the whole good. During 1919 the rice shortage was compensated with some success by foodstuffs grown on 102 acres of the estate. Consequently, any recurrence of the scarcity can be handled in a similar manner. The labour supply increased from 430 to 466 coolies; whilst, according to the reports of the visiting agent, the estate is in excellent condition. The estimated crop amounts to 400,000 lb., whilst the returns for the first five months of the year indicate a harvest so far of 168,400 lb., which is in excess of the mathematical proportion of the estimate. There is no reason to anticipate any marked rise in the cost of production, nor any marked decline in the price obtained by the sale of the crop. Forward sales have been arranged covering 100 tons at an average net price of 1*s*. 11¾*d*. per lb., whilst contracts for the sale of the 1921 crop cover 22 tons at 2*s*. 1¼*d*. per lb. net. A strong financial position is disclosed in the balance sheet at the end of 1919. Liabilities, including the final dividend of £7,500, amount to £20,102, and are amply covered by the total of £21,384 of sundry debtors, investments, and cash, in addition to which there is a stock of rubber valued at £18,036. In the market the 2*s*. shares command 4*s*. 1½*d*. Bearing in mind the corporation tax and the 60% excess profits duty, it may not be wise to count upon a larger dividend for the current year than 15% on the increased capital. Upon this basis the shares at 4*s*. 1½*d*. afford a return of nearly 7½%, and are a promising investment in view of the future prospects of the estate.

RUBBER ESTATES OF JOHORE.

Issued Capital: £125,000 in £1 Shares.

	Results for Years to December 31—								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Net Cost per lb.	Profit £	Dividend Amt. £	Dividend %
1916	1,806	1,760	722,237	410	2/6·3	1/0·9	52,688	25,000	20
1917	1,912	1,760	682,468	388	2/5½	1/3·6*	45,058	25,000	20
1918	2,044	1,760	538,532	—	1/7½	1/4·9	16,255	15,625	12½
1919	2,128	—	677,548	—	1/10	1/1·7	32,520	31,250	25

* Including 2*d*. war risk insurance.

Price of Shares, 38 1½. Market Capitalisation per planted acre, £112.

THE report of this well-known rubber Company for the year ended December 31, 1919, is a record of satisfactory achievement. With the restriction of output terminating on December 31, 1918, there was estimated a crop of 590,000 lb., as compared with the actual yield of 538,532 lb. in 1918. The crop harvested exceeded this estimate by over 87,000 lb., amounting to 677,548 lb. With this increase in the output it became possible to effect a reduction in the cost. Against an f.o.b. cost of 1*s*. 1.29*d*. per lb. in 1918, the f.o.b. cost for the year under review did not exceed 11.05*d*. per lb. Similarly, the "all-in" cost fell from 1*s*. 4.9*d*. per lb. to 1*s*. 1.7*d*. per lb. This speaks well for the efficient management of the estate, especially when it is remembered that an extra loss was incurred during the year in supplying native workers with rice at a moderate price, the loss working out at the rate of ¾*d*. per lb. of rubber. Meanwhile, the price fetched by the crop improved from 1*s*. 7¾*d*. to 1*s*. 10*d*. per lb. Thus a profit per lb. of 8.3*d*. was secured, as compared with 2.85*d*. per lb. only in 1918. Consequently, the net profit of £32,520 was more than double that of 1918. An extra source of revenue was furnished by a refund of the excess profits duty to the extent of £4,066 in connection with the restricted crop of 1918. Taking this into account, as well as the balance of £10,222 brought forward from 1918, there was available a total of £40,558, after deducting the interim dividend of £6,250. A sum of £1,000 was allocated to the income-tax reserve, whilst £3,308 was set aside to facilitate the scheme for the distribution of bonus shares. Shareholders then received a final dividend of £25,000, making, with the interim dividend, a total of £31,250, or 25%, as compared with 12½% only in 1918. There is carried forward to the next accounts a balance of £11,250, subject to excess profits duty for 1919, estimated at £4,000.

The long-anticipated scheme of capitalisation has at last matured. Power was granted at the general meeting to capitalise reserves for purposes of the distribution of bonus shares, and, with a like end in view, the authorised capital was increased from £150,000 to £200,000. The intention is to issue 62,500 bonus shares, thereby increasing the capital which will rank for dividends to £187,500. The shares are to be distributed amongst existing shareholders on the basis of one new share for every two shares held. Funds for this purpose are being derived from the development reserve account, which stands at £10,000, the reserve account, which amounts to £49,192, and the sum of £3,308 deducted from the profits of the year under review. In estimating the outlook for the current year it is advisable to bear in mind this addition of 50% to the issued capital. At the same time the advent of the corporation tax, as well as the increase in the excess profits duty to 60%, will absorb a greater proportion of the net profit available for dividends. In the light of these factors alone it is not reasonable to anticipate an equal rate of dividend to that declared for the year under review. Still, the outlook is on the whole encouraging, especially for the more distant future. By April 1920 the total acreage planted had risen to 2,408 acres, and it was expected to have 2,628 acres under rubber by the close of the year. Even this leaves a reserve for further development of over 2,000 acres. The estimated crop for 1920 amounts to 775,000 lb., and of this the returns for the first half of the year indicate that 357,408 lb. have been secured, thereby indicating that the estimate will possibly be realised. Experience shows that this further increase in the crop may well be accompanied by a reduction in the "all-in" cost. Already efforts are being made with success to reduce the rather high outlay on weeding. There is no reason to anticipate that the crop will be sold at less favourable prices than in 1919. Forward sales for 1920, indeed, indicate the contrary, 190½ tons having been disposed of at a net price exceeding 2*s*. 0¾*d*. per lb. In addition, it appears that contracts have been entered into for the sale of 77 tons of the 1921 crop at 1*s*. 11½*d*. per lb. The position of the Company as disclosed in the balance sheet dated December 31, 1919, is financially very strong. Including the final dividend of £25,000, liabilities do not exceed £39,177, whereas liquid assets are available to a total of £88,158. In the market the £1 shares are quoted at 38*s*. 1½*d*., and afford at this price, upon the basis of a dividend of 20%, a return of 10½%, approximately.

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Insurance Notes.

THE LONDON ASSURANCE CORPORATION.

Like its near neighbour, the Royal Exchange Company, this Corporation has celebrated within the last few weeks the bicentenary of its establishment. The two Companies have much in common besides antiquity and location. Their operations have covered a combination of life, fire, and marine insurance for a much longer period than any of their present contemporaries, and their large boards of directors have been uniformly drawn from the same class—the highest that distinguishes financial and commercial circles in the City of London. Both of these institutions, age notwithstanding, are still thoroughly alert and up-to-date establishments. It is rather curious to reflect that the year of their birth, 1720, saw the bursting of the South Sea Bubble. These trusty twins of insurance are certainly the toughest survivors of that feverish and fateful period. As an example of the vitality of the London Assurance Corporation it may be pointed out that it apparently holds the record for the largest sum ever disbursed by a British insurance company for losses arising from a single conflagration, the occasion having been the San Francisco fire of 1906, when it headed the list with payments of nearly a million sterling. Yet the burdens to which it was subjected have had scarcely any effect since their occurrence upon its steady and profitable progress.

The report of the Company for 1919 announces the maintenance of the Company's dividend at the rate of 24%, free of income tax, to which it was advanced from 20%, which had been paid for many years previously, in respect of the dividend for 1917. In addition a special bonus to Ordinary shareholders of 5%, also free of income tax, is announced in celebration of the bicentenary. The combined distribution is the largest which the shareholders have received for many years, and its increase is greater than appears in consequence of the enormous enhancement of the income tax as compared with pre-War days. But from an analysis of the accounts it will be found that the dividends on both Ordinary and Preference shares, together with the bonus on the Ordinary shares, are nearly covered by the net interest earnings in 1919 on the shareholders' and departmental funds, excluding the life and cognate funds, and that a much larger sum, arising from trading profits, has been applied in strengthening the Company's reserves, in providing for depreciation, and in meeting part of the cost of acquired businesses. It will, therefore, be seen that even in celebrating the occasion of a fair and notable anniversary the directors have not allowed themselves to depart from their ancient traditions of highly conservative finance. Yet it may be doubted if the Company, in its 200 years of existence, has ever been able [illegible] is reviewed hereunder.

Special attention seems to have been given to the development of the Company's life business during [illegible] the depressing influence of the War, the relative premium income has been nearly doubled. The Company's life department is attractive to new entrants, for it can show an excellent bonus record. This has been the case, at all events, up to the last quinquennial valuation on December 31, 1915. Another investigation of the kind is due at the close of the present year, and it would be only natural to expect, from the experience of life offices who have recently passed through a similar ordeal, that the result will be to some degree influenced by War claims, depreciation, and other features. To whatever extent this may prove to be the case, there is no reason to doubt that the popularity of the Company, as shown by its new business return for 1919, is well justified. Policies for £1,809,899 were issued by it in that year, of which £474,600 was reassured, the net retention, amounting to £1,335,299, being nearly twice the corresponding figure recorded for 1918, and nearly quadruple that for 1917. The total net life premium income was increased by £45,611 to £247,337, apart from a sum of £27,153 received as consideration for new annuities granted. Through the year's operations the life assurance fund was increased by £100,858 to £2,998,542, after the transfer of £15,000 as shareholders' profits to profit and loss account.

The capital and leasehold redemption revenue account for 1919 shows a premium income of £3,067 and a relative fund at the close of the year amounting to £23,501.

The results of last year in what may be described as the commercial sections of the Company's business are undernoted:—

Fire Department.—Premium income (increased by £132,584), £1,364,203. Trading surplus, after adjustment of reserve for unexpired risks on a 40% of the premiums basis, £206,417 (about 15% of the premiums, and a very good result), apart from departmental interest earnings of £36,807, giving a total profit of £243,224, of which £96,258 was transferred to profit and loss and £146,966 was added to the departmental reserves, apart from those provided for unexpired risks.

Marine Department.—Premium income (reduced by £352,963 as compared with 1918), £860,588. The transfer to profit and loss amounts to £331,540, and as the net departmental interest earnings amounted to £43,946, the gross trading profit may be assumed to have amounted to £287,594. It will, however, be seen in the analysis hereunder of the profit and loss account that the Company's profits in 1919 were subject to heavy charges for taxation, much of which must have been in connection with the marine department. The marine fund at the close of the year amounted to £1,000,000, and this looks strong in comparison with premium income.

[illegible] (increased by £24,046), £80,349. After adjustment of reserve for unexpired risks the departmental surplus seems to have amounted to £4,585, of which £2,327 is attributable to interest earnings and £2,258 to trading. Transferred to profit and loss, £4,204; added to departmental reserves, apart from those for unexpired risks, £381.

[illegible] in addition to sums transferred from the departmental accounts, with £68,619 for net interest earnings not carried to other accounts, and with £319 for transfer fees. [illegible]

Putting all the required figures together, the total profits of the Company during 1919 appear to have [illegible]:—

	Profits	Interest
[illegible]	[illegible]	[illegible]
Fire	[illegible]	[illegible]
Marine ...	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	319	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]:—

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

We are indebted to the Department for a short summary on British trade prospects in Japan, as well as commodities with which Japan is capable of furnishing the Western World. In view of the general revival of trade with the Far East, following the removal of the restrictions imposed by the War, it is thought, says the report of the Department, that information regarding overseas trade in Japan will be welcomed by firms interested in trade in the Far East. On the whole the Department report considers that the present agency system works satisfactorily. Very many of the British import houses in Japan have been established for a long time. They enjoy, therefore, the benefit of long and valuable experience regarding local conditions. Moreover, they possess a special local knowledge of the Japanese markets and the Japanese methods of trading, and, of course, in addition, are acquainted with the standing and reputation of local traders. For special goods, says the report, like machine tools, textiles, and electrical and other machinery, it is desirable that manufacturers should either possess a branch, or work through an agency in Tokio or Osaka, which are the distributing centres of these classes of goods in Japan. The chief products of Japan are rice as well as other cereals, tea, sugar, silk, and the less expensive textile manufactures. There are hundreds of millions of workable coal deposits, as well as valuable deposits of sulphur. Japan also mines and exports copper, iron, gold, and silver. Her magnificent forests occupy more than two-thirds of the total area of the country. Recently we have sold to Japan arms and ammunition, chemicals, cottons, machinery, fertilisers of various kinds, metal manufactures, and woollen goods. We have bought from Japan silk, metals, the cheaper kinds of cotton manufactures, vegetable oils, fish, beans and peas, plaited straw for hat making, and a consignment of toys.

We think it will be admitted, and there can be no reasonable doubt, that the War has afforded a remarkable opportunity for the expansion of Japanese trade. The days of cheap labour in Japan, as elsewhere, are passed at least so far as the immediate future is concerned. It was recently the privilege of the present writer to meet a Japanese gentleman of high rank and standing and to receive the benefit of this gentleman's views upon the economic conditions of Japan as they exist at the present time. What the Japanese gentleman said amounted to this. It is no longer possible for even the poorest class of coolie to live on the wages with which he was formerly content. He could in the past buy a bowl of fish and a bowl of rice for a few sen. To buy an equivalent quantity at the present day he would have to give at least half a yen. Consequently, wages have risen, and according to Japanese ideas on this question, have risen to an extravagant extent. We are familiar with this opinion in a still more expanded form in the countries of the West. In order to meet the enormously increased cost of living in Japan it would be essential, indeed imperative, for her to increase her international trade. It will be remembered that after what was called the Revolution in England in 1688 there was an enormous expansion in our home and foreign trade, and particularly in the latter. This became necessary because the national expenditure multiplied four times over, while this increase in the expenditure of Government necessarily and inevitably accompanied a corresponding expansion in the cost of living. Japan engaged in active trade operations in connection with the recent War in which she was a belligerent and a valued Ally of this country. At the time it appeared that in spite of the cost of the War to Japan she was going to realise a great fortune as a result of the War. Inasmuch, however, as she has not yet been paid for a great part of the commodities she has supplied the anticipated prosperity has never materialised. Nevertheless, the whole basis on which the economic system of the country rests has been altered as a result of the War. If she is to maintain her industrial [illegible] measure of comfort it will be essential for her to recoup from the losses she has sustained during the War and to increase her national income by the expansion of her foreign trade. To do this she is pre-eminently well fitted. No country in the world has made greater economic advances than Japan has done during the past two generations. Although it is true that economic conditions in Japan are very different from what they were even 10 years ago, it remains equally true that the cost of producing commodities is still very much less than is the case, say, in Western Europe or in America. During the War Japan proved that given suitable machinery she could produce the cheaper class of textiles on a lower basis of economic value than had been the case in Germany in the pre-War period. Germany before the War produced enormous quantities of the cheaper counts of textiles. For these she found a market amongst the poorer classes of Europe, but she found a still larger market in the Far East. Germany as a result of the War is no longer in a position to purchase expensive plants for the development of her industries upon the scale which she was accustomed to do in the years that preceded 1914. Japan is in a position to obtain such plant where she needs it out of the proceeds of various credit balances she holds abroad. Moreover, she has amongst her near neighbours and in India a great market for the manufactures she is able to produce upon a low economic value. In addition, she ought to be able to develop an enormous trade in the supply of these classes of textiles to the impoverished nations of Europe and elsewhere.

THE LEATHER TRADE.

The leather and allied trades have passed through a very critical period during the past three months, and although matters are far from satisfactory in every respect, yet it is gratifying to note that the general opinion is that the industry has passed through the period quite successfully.

The salient fact responsible for the slump that set in in May, and continued badly through June, is that the wave of public economy, observable throughout the current year, and necessitated by the high levels of prices for all commodities, caused an enforced diminution of purchases of footwear. In the meantime manufacturers were producing large quantities of boots and shoes in order to get the best economic results from their enlarged works and plant, and in the hope and belief that both home and export demands would soon account for their stocks and full future outputs. The state of foreign exchanges, and other reasons, prevented very effectually the outflow of goods for export, whilst the home demand was easily satisfied.

The next most potent factor in the restriction of production of leather goods, and therefore in the purchases of both raw material and leather, was, and still is, the officially desired restriction of credit facilities through the banks. There is probably no staple industry that has felt the effects of this order so much as the leather industry. From a comparative standpoint it is not a really wealthy trade, added to which its war-time

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profits were limited to a very small percentage and strictly controlled. Further, the bulk of these remaining profits—after taxation—were invested in plant and machinery necessary for the immense outputs of leather required by the Government, consequently the liquid assets were usually comparatively small and speedily exhausted in producing goods for stock. The result has been that a certain amount of forced selling of leather—mainly of offals and upper leathers of medium to common qualities—has taken place, and of certain grades of footwear. These sales have seen tanners and manufacturers through a trying period, and will carry them through the present "*between-seasons*" holiday time.

The Raw Hide and Skin Markets.

This important section has fluctuated in a marked manner since April 1 to July 1. At the former date, ox and heifer hides were 20*d.* per lb., seconds 19*d.* per lb.; calf skins ranged from 15*d.* per lb. for thirds to 35½*d.* per lb. for firsts, and ⅞*d.* per lb. for squares. Tanners were the first to take practical steps to adjust the high cost of production of leathers to the low and declining market values of same. They restricted their purchases of both home and imported hides—especially the latter, which were on a far higher level—thereby causing a steady drop in values to June 3, when the same hides and skins were quoted at 13¾*d.* to 14*d.* for hides, and 8½*d.* for thirds calf, and 19¼*d.* to 20½*d.* for firsts ⅞*d.* per lb. for squares. At the end of June, under the auspices of the Tanners' Federation, a 75% majority of the members agreed to further restrict their import of hides by 50% for two months—July and August. Meanwhile market hides have gained part of their recent loss, and were 16*d.* and 14*d.* per lb. on July 15. Calf, however, are lower still at 8*d.*, 17*d.*, and 17¼*d.* per lb. respectively. Imported hides declined substantially, and were recently below the parity of English market hides—a most unusual occurrence. Imports are on a large and increasing scale, as also are the re-exports—mainly for the Continent—viz., £22,132,871, against £14,584,369 for the six months ending June 1919. Re-exports were £10,381,672, against £2,948,072 for the same period of 1919.

There is no doubt that there is an ample supply of raw hides and skins in various world centres, but the present consumptive demand for leather, and trade conditions generally, do not encourage its shipment.

Our exports of English raw hides and skins are ever increasing; the figures for the six months ended June were: 1913, £1,042,084; 1919, £661,764; 1920, £3,051,856.

An interesting point in connection with imported hide supply is that the quantity of both wet and dry hides for 1920 has decreased substantially, as a result probably of curtailed demand, also woolled skins, but goat skins have arrived in larger quantities—about 25%—than for the same period of 1919.

Leathers—Heavy and Light.

The general trade has been decidedly dull, the above-mentioned reasons being mainly responsible for the quietude. There are, however, various other causes for the present state of affairs, which are really only very slightly different from those regularly experienced in pre-War times. Production—through War-time methods—is on a larger scale; consequently, on a quiet market accumulations are soon also larger.

In the heavy leather section the greatest setback in values occurred in May last in the common sole-leather made from foreign hides, which had become too unwieldy from certain tanners. With the decline in these sorts *offal* (shoulders and bellies), which quickly accumulated, was also offered, and have been mainly cleared at heavy reductions. Best-grade sole-leather has declined somewhat, but to not nearly the extent of common sorts, and in view of the small and diminishing output, has regained some of the recent fall. There is no doubt that by October and November a real shortage of best English sole-leather will be experienced, and values will by then be much higher than current favourable rates.

Dressing Leathers.—With the fall in market hides and their recent recovery, dressing leathers have fluctuated. The demand, however, has been disappointing for all sorts, even the recently much wanted motor hide has fallen very flat.

Upper Leathers, as a result of the quietude in the boot trade, have met a very slow sale. The great fact that has militated against production is the temporary stoppage of the export trade through the adverse Exchange position. Manufacturers accepted—and delivered—orders for very large quantities of box and willow sides (which were specially prepared for certain markets), only to have the goods refused and left on senders' hands, with not only added expenses, but loss of use of large sums expended in their production.

Imports have been on a heavy scale, especially of *glacé* and *patent leathers*, Germany alone sending £20,920 in glacé and £196,126 on "varnished and enamelled" leathers. The United States sent during the past half-year £3,214,972 worth of glacé. With our increased receipts of raw goat skins, there should be a very considerable supply of glacé kid in the near future.

Sheep-Leather Market.—This section has kept up very well until the past month or two, when lack of confidence in the near future, owing to the falling off in the demand for crust leathers, has checked sales.

Finally, the outlook for the leather market generally is distinctly brighter. Values have probably touched bottom, whilst the autumn season should bring increased home and export demand at the current low range of values.

The Boot and Shoe Trade.

The boot and shoe trade has experienced unusually adverse conditions throughout the present year, the earliest of these being the stoppage of the important export trade with the Continent, through unfavourable exchanges. Factory output, as a result of greatly increased capacity, proved then much too great for absorption by the home trade, consequently manufacturers have had to carry unusually heavy stocks, which have been the means of locking up their working capital to an inconvenient extent. The restriction of banking facilities at a time when they were badly needed necessitated restricted production and considerable loss of employment to operatives, which is still on an increasing scale.

Another very adverse influence on the industry has been the publicity campaign against high prices, recently inaugurated, which has frequently proved ill-informed and contrary to fact. The numerous offers, by catchy advertisements, of footwear at 17*s.* 6*d.* to 20*s.* per pair, have been eagerly accepted by the public, who will very soon realise that the goods were very dear and unsatisfactory. In the meantime, honest footwear is ignored until the cheap line proves its lack of value to owners. The practical proof of the impossibility to produce reliable, *all leather* footwear to retail at 17*s.* 6*d.* to 20*s.* per pair lies in the fact that *Standard* footwear, produced under Government auspices, with the costs carefully checked, and the profits to tanner and boot manufacturer limited to a maximum of 5%, *cannot be sold at such prices*. The effect of this wide publicity has been—and is—to check both home, Continental, and export demand, as every buyer naturally determines to hold off for still lower prices. In the meantime, boot manufacturers are wanting orders, and should the public still require a low-grade article for 20*s.*, there is no doubt the supply will be forthcoming, but it will not be to the public interest, or the public health, that the demand should arise on an increasing scale.

Our Overseas Trade has, in spite of all serious drawbacks, made good headway, and already progress

has been reported in Britain in recent years as the United States. Our Colonial markets have begun to revert to pre-War conditions, Australia, New Zealand, East Indies all recording substantial increases in purchases. France, Belgium, and "other countries" all add a considerable quota to the satisfactory six months' total, which augurs well for the remainder of the year, and onward. With reasonable industrial conditions the outlook for the leather trade, as a whole, is [illegible]

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Year to Mar. 31	Net Profit	Reserve	Deb. Int.	Pref. Div.	Ord. Div.	Carried Forward	Shares	Liquid Assets over Liabilities
	£	£	£	£	£	£	£	£
1915	146,795	7,682	11,148	49,100	121,111	32,413	2,486	510,794
1916	149,224	—	21,148	49,100	99,143	25 28,897	2,579	921,377
1917	141,855	—	21,215	49,100	71,000	29 21,500	2,487	548,...
1918	171,...	2,...	21,...	49,100	...	29 6,205	2,548	5...
1919	258,777	24,...	—	71,417	8,123	35 45,310	1,741,...	1,611,5...
1920	...,...	6,...	—	99,790	34,174	42 35,...	2,...	...,94...

* After writing off all expenses, including depreciation and interest on Debentures and mortgages.

† Inc., Ordinary stock. ‡ Balance of premium account transferred.

If the success of a business be measured by the degree not only in which it retains its annual trading record, but also by the extent to which it adds to this record—and it would not be easy to find a more reliable index—it must be freely admitted that the success of the [illegible] and Lyons and Company, Limited, is remarkable in its magnitude. Satisfactory as was the growth of the business in the previous year, the further addition during the year under review was still more gratifying. The increase in the number of customers frequenting the branches of this well-known Company may be gauged from the fact that the sales exceeded those of 1918-19 by more than 50%. With this gigantic turnover came the possibilities of an unrivalled profit. However, the continuous upward movement of price-levels during the year involved a considerable addition to the expenses of working. It is possible to afford some measure of this addition. Labour had to be compensated on a more liberal scale, and this required an extra outlay in respect of wages to the amount of close on £1,000,000. The increase in cost of transport, of repairs and renewals, and of lighting and fuel was in the neighbourhood of £400,000. With the high level of prevailing prices the replacement of china, glass, and linen became a very formidable consideration, and, for [illegible] in connection with the depreciation of the general plant. Furthermore, the cost price of foodstuffs advanced generally by about 31½% during the year. It was [illegible], with satisfactoriness in the case of production, that the price of the finished commodity to the consumer should increase [illegible] these restaurants will be the first to admit that the extra charge which they were called upon to pay for their food during the past year [illegible] unreasonable. That, indeed, the additional price paid by the consumer did not compensate the Company for the heavy increases in the cost of working and of administration finds support in the fact that the percentage of gross [illegible] the Chairman [illegible] of the premises [illegible] was." That under such circumstances the Company was able to return a record net profit is, perhaps, the best evidence that can be adduced of the progression of the business for the year under review.

After meeting all the expenses [illegible] requisite charge for interest on Debentures and Mortgages, there was left the unprecedented net profit of £396,684. Thus within two years the net profit of this Company has been more than doubled, for in 1917-18 the profit recorded reached only £174,303, whilst even in 1918-19 it had only risen to £258,077. A sum of £60,000 is transferred to the reserve, thereby raising it to £900,000, or over 26% of the total of the issued capital and Debentures at the close of the year under review. The Preference and Preferred Ordinary dividends absorbed £99,790, as compared with £51,447 in the previous year. The increase in the main was due to the proportion of interest due on the issue of 7% Preference shares. It will be recollected that in June and July 1919 1,000,000 of these shares of £1 each were offered at 21*s.*, and were promptly accepted. The interest charge for the year amounted to £43,438. Similarly, in April 1919 there was an issue of 500,000 Proportional Profit shares of £1 each to existing holders of Ordinary shares and "A" Ordinary shares. These shares are entitled to a dividend of one-fifth the amount paid on the Ordinary shares. For the year under review, thanks to the record profit, the dividend paid to the Ordinary shareholders was at the rate of 42½%, as compared with 35% in 1918-19, and absorbed £204,174. Consequently, holders of the Proportional Profit shares were entitled to and received a dividend of 8½%, which amounted to £42,500. The balance carried forward to the next accounts is reduced from £45,310 to £35,509.

The prospects for the current year are again of an encouraging nature. Let it be remembered that in the year under review only two-thirds of the money raised by the new issues referred to above was available. Every opportunity is being availed of to develop the business in the most profitable directions. New factories are being erected at Greenford for the tea, coffee, and cocoa sections of the concern, and some of them are expected to be completed during the current year. Much also is anticipated from the contemplated development of the Arundel site in the vicinity of the Trocadero. Negotiations, it is stated, are in progress for the purchase of additional premises. But in these days, more than ever, such an ambitious scheme of expansion calls for the employment of a great deal of liquid capital. With this end in view an appeal was made—with success—to the general public to supply the funds required. The result is not surprising when the nature and success of the enterprise is borne in mind. Moreover, it is not every day that investors have the opportunity of applying at par for 1,000,000 Preference shares of £1 each carrying a cumulative dividend of 8% in a concern whose average profits for the previous two years are more than sufficient to cover the dividend three times over after meeting all prior claims. It is easy to understand how, with the help of this additional capital, the Chairman looked forward with confidence to a continuance for the current year of the satisfactory progress of the year under review. The position of the Company, as seen in the balance sheet dated March 31, 1920, is financially strong. Sundry creditors amount to £1,386,124, as compared with £894,619 in the previous year. But against this increase of £491,000 has to be set the disappearance of the bank overdraft of £250,000, whilst the balance is represented in part by the growth of the business and in part by the rise in prices. The increase in fixed assets from £2,312,292 to £2,759,883 provides a measure of the acquisitions during the year, whilst the rise in sundry debtors from £268,569 to £432,896 is due to reasons similar to those which resulted in the expansion of the liabilities. The influx [illegible]

phenomenon characteristic in these days of a multitude of industrial companies. In this case the increase is in part due to the usual factor of rising prices, and in part to the necessity, in view of the rapid growth of the turnover, of carrying a large stock. Including the final dividends to the amount of £174,123, liabilities, other than Debentures and mortgages, do not exceed £1,569,347, whereas liquid assets amount to £3,680,291. Thus for the first time for some years the surplus of liquid assets over such liabilities exceeds the value of the stock. The prices and yields of the different securities of the Company, the yield in the case of the Ordinary shares being calculated on a dividend of 42½% are as follows: —

		7% Pref.	7% Pref.	6% Pref.	Ord.
[illegible]	...	13/4½	19/6	21/3½	15/-
[illegible]	...	6/5	7/2	7/7	5/7½

BOOKS RECEIVED.

In "The Triumph of Free Trade" (Macmillan and Company, Limited, 15s. net) Mr. C. F. S. Masterman has gathered together a number of essays on miscellaneous subjects, principally in defence of the doctrines of the Manchester School, and several speeches on political topics—all the work of one of the most progressive and thoughtful of Radicals, Mr. Russell Rea. In a lengthy introduction Mr. Masterman pays a tribute to the versatility of this son of a calico printer, who, besides being an authority on shipping, coal, and railways, handled political problems successfully until his death in 1916. Some of the matter in the body of the book is of ephemeral interest, but on the whole the selections have been made with care and discretion. Mr. Rea's vigorous attack on "the mathematical truths" of Protectionism shows a deep insight into various vexed problems connected with international trade, and would repay careful study on the part of business men, students, and politicians.

The nebulous idealism of generations of Socialist thinkers and writers has at last received concrete expression in a new work by Sidney and Beatrice Webb, "A Constitution for the Socialist Commonwealth of Great Britain" (Longmans, Green and Co., 12s. 6d. net). The artistic rhapsodies of William Morris and the generalisations of Edward Bellamy, though admirable in themselves, were valueless as a working basis for a State reformed according to Socialist ideas. Here we have a carefully-worked-out scheme for nationalisation and municipalisation, with workers in control. The Webbs have displayed their accustomed thoroughness, and though one may differ from their first principles and from any scheme drawn up on the basis of these principles, the value of the work, in view of the reign of more liberal ideas in industry, is undeniable.

"The World Crisis: A Suggested Remedy," by Sir George Paish (Benn Bros., Ltd., 6d.), urges the restoration of the economic fabric of Europe by means of an international loan, to be provided mainly by the United Kingdom and the United States. All indemnities in the case of Austria are to be waived, and reparation claims against other countries are not for the present to be pressed. As regards the big sums advanced by America and by ourselves during the War, it is suggested that these should be funded, the creditor Governments accepting League of Nations 42 years' bonds in exchange for the obligations they now hold.

"The International Idea in Industry," by Sir Chas. Macara, Bart., summarises the history of two important bodies—the International Cotton Federation and the International Institute of Agriculture, founded in 1904 and 1905 respectively. Sir Charles has long been prominent as an international worker, and he now urges the extension of the principle of co-operation from the economic to the political sphere, supporting his plea by well-chosen arguments based on practical experience.

The fifty-seventh issue of "The Statesman's Year Book" (Macmillan and Co., 20s. net) contains the usual store of valuable information, supplemented by much that is of interest concerning the changes brought about by the various Peace Treaties. Two maps show the rearrangements in the Near East and in Africa. Altogether an indispensable work of reference.

"Stock Exchanges' Ten-Year Record of Prices and Dividends." Compiled by Fredc. C. Mathieson and Sons. 1910-1919. Thirteenth Issue. Price 20s. (London: Fredc. C. Mathieson and Sons, 16 Copthall Avenue, E.C. 2.) This book includes transactions in the less-known shares, which are dealt in only on the provincial stock exchanges, as well as those which are officially quoted on the London Stock Exchange. It thus constitutes a supplement to the "Stock Exchange Official Intelligence" and the "Stock Exchange Year-Book."

COAL FINANCE.

The financial position of the coal industry was seriously affected by the general increase in miners' wages granted in March last. In a full year the additional burden may be reckoned at over £30,000,000 per annum, and the rise in the number of men employed in recent months has further swollen the wages bill. Unfortunately production has been on the down grade, and for the second period of thirteen weeks in 1920 the output has been only 58,313,000 tons, as compared with 62,057,000 tons in the first quarter. Were it not for the rise in export values in the later months, domestic and industrial consumers at home would have been saddled with a much heavier increase than they have so far been compelled to bear. The export position may be shown as follows:—

Coal Exports—United Kingdom.

Three months ended		Quantity Tons	Value £	Value per ton
March 31, 1920	...	8,466,000	30,486,000	72/-
June 30, 1920	...	6,066,400	21,414,400	80/6

It will be seen that, though shipments fell by no less than 2,400,000 tons, their aggregate value rose by £6,072,000, thereby demonstrating what is not clear to the miners or the public—that the export trade is the salvation of the coal industry, and constitutes the sole barrier between the consumer and ruinous fuel prices, whether for industrial or domestic purposes. The decrease in quantity is, however, alarming, and if further reductions take place, a compensatory increase in the price of exports cannot be relied on. The foreign demand continues, indeed, with great insistence, and prices may go beyond even present levels, but the possible margin of increase is small. The exports are now limited to 1,750,000 tons per month, or 5,250,000 tons per quarter, so that there is a possibility of aggregate export values falling in the present quarter. Shipments are now but one-fourth of the pre-War volume, and the diversion to home consumers is already placing a severe strain on inland transport facilities, and causing a shortage of wagons which may eventually compel some collieries to close down. At the usual export centres lack of coal for shipment is not only causing unemployment amongst tippers and dockers, but has also an ill-effect on the shipping trade, where chartering for some time past has been very quiet. Not only are visible exports thus reduced, but invisible exports, in the shape of freight, marine insurance, and commissions, are curtailed, and the net result is to jeopardise the finances of the industry while injuring our international position.

New Issues.

THE BRUSH ELECTRICAL ENGINEERING COMPANY, LIMITED.

On Tuesday next applications will be invited by this Company for an issue of [illegible] Ordinary shares of £1 each. The new capital is to provide for the extension of buildings and plant, to erect houses for the accommodation of the Company's employés, and to provide additional working capital. The dividends paid in 1918 and 1919 equalled [illegible] per cent. The year 1919 was largely occupied in the process of reorganisation from war to peace work; but in spite of the [illegible] the profits for the year reached £183,400. The amount required to pay 15% on the Ordinary capital, including the new issue, is £90,000, so that the dividend seems to be well secured.

In connection with the housing scheme, and for other purposes, loans have been made this week by the Corporations of Coventry, Lincoln, Middlesbrough and South Shields on [illegible] Redeemable Stock, the amounts, in order, being £1,000,000, £750,000, £1,250,000, and £1,000,000. All the issues are of the same class, redeemable at par in 1948, or at the option of the respective Councils on or after July 1, 1938. The price of issue in each case is 95, and a half-six months' interest will be payable on January 1 next.

Vickers Limited, with an authorised capital of 26½ millions, of which £20,679,000 are issued, while there is 4% First Mortgage Debenture stock outstanding to the amount of £3,000,000, has made an offer this week of £1,500,000 7% seven-year notes to bearer at the price of 95, repayable at par on July 1, 1927. The Company has the power to issue a further 2½ millions of similar notes, provided the rate of interest is not higher than on the present issue and the date of maturity not prior to July 1, 1927. The notes are of £100, £500, and £1,000. The Company may redeem the whole or part of the notes at any time on giving three months' notice. On December 31 last the assets of the Company exceeded the liabilities by £27,233,000. The proceeds of this week's issue will be used for the extension of the Company's business, and, in particular, of its large electrical interests.

Thomas Robinson and Son, Limited, engineers and machine manufacturers, of Rochdale and Sydney, Australia, having an authorised capital of £450,000 in 250,000 Ordinary shares of £1 each, of which 196,588 are issued and fully paid, and 200,000 7% Cumulative Preference shares of £1 each, have this week issued at par 125,000 of the latter and 25,600 of the former. There are 5½% Debentures outstanding to be redeemed in January next, and no further Debentures, Debenture stock, or other mortgage or charge on the profits and assets of the Company are to be created to rank in priority or *pari passu* with any Preference shares which may be created by the Company, unless such is sanctioned by a special meeting of the Preference shareholders. The present issue is required for extension of premises and plant and to provide for the discharge of its Debentures and its liability in respect of excess profits duty.

An issue of £800,000 7½% Guaranteed 15-year First Mortgage Debenture stock at the price of 98 was made this week by the Imperial Paper Mills, Limited. The stock forms a first charge on all the Company's properties, and is repayable at 103 by equal annual drawings commencing with December of next year and ending with December 1935. The Company has two mills at Gravesend and supplies paper for the Amalgamated Press and its allied undertakings. The profits for the past six years and six months are set out. In the first year they amounted to £68,605; while for last year the figure is £180,420. For the first six months of the present year a figure of £95,000 is given. The service of the Debenture stock for interest and repayment is amply secured; and an additional attraction is that it is guaranteed unconditionally by the Amalgamated Press.

[illegible] Limited, [illegible] seed growers and merchants, with an authorised share capital of 200,000 Ordinary shares of £1 each, are offering to the public 150,000 shares of £1 each at par and £50,000 7% Debentures at par; 70,000 of the former and £25,000 of the latter are taken by the directors and shareholders of the vendor Company. The Debentures are redeemable at par in 1945, but may be redeemed after 1925 at 102½. The business was established at Sleaford in Lincolnshire early last century, and converted into a private Company in 1894. The assets are acquired for £130,704, leaving £69,300 for working capital.

An offer has been made this week of half a million in 5% First Mortgage Convertible (Registered) Debentures of the Calcutta Electric Supply Corporation, Limited, at the price of 95. The authorised capital is £3,000,000, of which £1,100,000 are issued. Redemption at 102 is to be by annual drawings beginning with March 1922, or by purchase in the market at a lower price. Holders have the right of conversion into Ordinary shares at any time between June 30, 1922, and June 30, 1925, with adjustment for accrued interest and dividend at the rate of £150 nominal for 20 Ordinary shares of £5 each, or £7 10s. of Debentures for each £5 Ordinary share. The Debentures are a first charge on all the assets, the net amount of which at the last balance sheet stood at £1,697,500. The net revenue has regularly grown each year since 1901 from £8,646 to £237,206 in 1919. The dividend in 1901 was 6%. Last year it was 10%, plus bonus of 10% in Preference shares.

The Alliance Glassworks, Limited, with a capital of £25,000, is making an issue of 20,000 10% Cumulative Preference shares of £1 each at par and 20,000 Ordinary shares of 1s. each, also at par. The Company has been formed to manufacture glass bottles, pots, jars, and sheet-glass, and acquires freehold works in Kennington and leasehold premises in Bermondsey.

An issue is made of 250,000 8% Seven-Year Notes at 97½% by the well-known firm of Johnson Matthey and Company, Limited, bullion merchants, assayers, gold, silver, and platinum refiners, and metallurgical chemists. The issued capital of the Company is £750,000. There is outstanding £305,364 of 4% Mortgage Debenture stock due in 1948. Profits are set out in the prospectus for each year since 1910. They have fluctuated widely, dropping heavily during the War period, but show substantial recovery since. The average for the 10 years has been £102,263 per annum, sufficient to cover the annual interest on the present issue more than five times. The proceeds of this issue are to be devoted to new productive sources, including the new factory and the development of the Company's subsidiary interests. The yield, allowing for redemption, is 8½%.

The special general meeting of the shareholders of the Dominion Steel Corporation, which was called for the purpose of approving the contract providing for the sale of the Corporation to the British Empire Steel Corporation, was held at Halifax on July 15. The directors' recommendation for the approval of the contract was unanimously accepted, every share voting in favour. The statement of the British Empire Steel Corporation [illegible] the [illegible] allegations made by a few of the old directors who [illegible] their agreement with the British Empire Steel Corporation [illegible]

Dominion Steel Corporation, Limited

and Constituent Companies

ANNUAL MEETING, 1920.

Report of Board of Directors and Address of R. M. Wolvin, President.

To the Shareholders :—

Your directors have submitted the consolidated profit and loss account for the year ending March 31, 1920, and the balance sheet of the Corporation and its constituent companies as at that date.

Profit and Loss Account.

The earnings for the year, after deducting all expenses incident to operations, current repairs, taxes, administrative and selling expenses, amounted to $5,532,529.43. After setting aside the sum of $1,266,855.86 for sinking funds, the depreciation of plant and properties and $1,004,059.85 for bond interest, there remained a balance of $5,261,613.72 as net profits for the year.

During the year the regular dividends were paid on the Preference shares of the Corporation and the Preferred stocks of the Dominion Coal Company and Dominion Iron and Steel Company, amounting in all to $980,000.00. The balance of the year's earnings, $2,281,613.72, was transferred to profit and loss account. Four quarterly dividends, aggregating 6%, were paid upon the Common shares outstanding April 1, 1919, and a proportional amount upon the new shares issued in November, making a total disbursement of $2,029,629.12. The balance at credit of profit and loss account on March 31 was $8,211,236.58, an increase of $251,984.60 over the balance at the beginning of the year.

Output and Shipments.

Although every possible effort was made by your directors and the officers of the Dominion Coal Company to maintain the output of the collieries, it was somewhat less than that of last year.

The total production from all collieries for the past five years was as follows :—

	Gross tons.
Year ending March 31, 1920	3,502,069
.. .. .. 1919	3,622,644
.. .. .. 1918	3,781,615
.. .. .. 1917	4,279,772
.. .. .. 1916	5,261,198

On account of trade conditions, operation of the Steel Company's works was greatly restricted during the months of August, September, October, and November, and in consequence the year's output of steel was correspondingly reduced. During the last quarter of the fiscal year operations were gradually increased and are now upon a more satisfactory basis.

It will be noted that a new item has been added to the list of materials produced and that steel plates are now being made in quantity. The following table gives the annual production of the principal classes of iron and steel in the last two years :—

	Year ended March 31, 1920. Tons.	Year ended March 31, 1920. Tons
Pig iron	307,863	184,229
Steel ingots	341,605	219,943
Blooms and billets for sale ...	47,890	26,165
Standard rails	164,972	68,976
Light rails		3,319
Wire rods for sale	26,746	44,436
Bars	1,459	1,245
*Wire	6,043	15,542
Nails	5,508	12,386
Plates		3,252

* This includes wire used in the manufacture of nails shown on next line.

Staff.

Your directors have pleasure in expressing their appreciation of the services rendered by its officers and by the officers and employees of the constituent companies.

All of which is respectfully submitted.

For the Board of Directors,
R. M. WOLVIN, President.

President's Address.

To the Shareholders :—

As president of the Company, there devolves upon me the duty and privilege of moving the adoption of the report of the board of directors on the operations of your properties during the fiscal year ending March 31, 1920, copies of which are now before you.

Upon preliminary examination, it is probable that from a financial standpoint the year's results will be somewhat disappointing to you. You must, however, temper this judgment by a consideration of the conditions existing during the period with which the report in question deals.

The period covered by the present report followed almost upon the termination of the War. A period of adjustment had been generally expected, and although of shorter duration than anticipated, it seriously affected the results of practically the entire year. The prevalent uncertainty resulted in very greatly retarding the operations of our coal mines, and for the first six months of the fiscal year our sales were only sufficient to warrant operating some of our collieries three and four days per week. Similar conditions prevailed in the steel trade, and the steel plant was closed down from August 26 to the end of October.

We were unfortunate also during the navigation season in that we were unable to secure the return of most of the steamships which we had under long-term charters. In the autumn, however, we were successful in having delivered to us all of these boats except one, but the dates on which we were able to secure these vessels were such that your Company's earnings were very slightly augmented from this source.

Competition from States.

Our strongest competition will come from the large steel companies of the United States. During the first three years of the War, and prior to the time when the United States threw in her lot with the Allies, the American steel companies accumulated large surpluses, which were not at that time subject to abnormal taxation. This enabled them to write down the cost of existing plants, to build large extensions, thus increasing their output, and to instal every known improvement and labour-saving device tending towards increased output and lower cost. We in our Company have great advantages in our properties which I will mention later, but I wish to draw your attention to the conditions which I have just described, as they constituted one of the most potent factors which influenced your directors upon what I consider to be the most important step taken by your Company in many years.

I refer to the sale of 50,000 Common shares of the Dominion Steel Corporation, and to the appointment of a London Advisory Committee. The sale of these Common shares was a most desirable transaction, as the funds were required for the current needs of the Company, and the price obtained was a satisfactory one, in view of the conditions.

The London Advisory Committee is composed of the following gentlemen :

Colonel W. Grant Morden, M.P., Chairman.
Rt. Hon. Viscount Furness, Vice-Chairman.
Sir William Beardmore, Bart.
Major-General Hon. Sir Newton Moore, K.C.M.G., M.P.
Mr. Henry Steel.
Mr. Benjamin Talbot.
Mr. Mark Workman.

The names of these gentlemen are, no doubt, well known to you, and little comment is required. I might state, however, that Colonel Morden's financial connections in Great Britain are such that excellent facilities for future financing are made available through his co-operation. Viscount Furness is the chairman of the extensive Furness group of English Steel industrials; Mr. Benjamin Talbot is managing director of these companies; Sir William Beardmore is chairman of William Beardmore and Company, shipbuilders, of Glasgow; Major-General Sir Newton Moore is a former Prime Minister of Western Australia, director of the General Electric Company of England, and associated closely with the Australian steel industry; Mr. Henry Steel is chairman of the United Steel Companies of Great Britain, and the Bengal Iron and Steel Company of India.

These gentlemen bring to us long experience in the steel trade of the world. They provide also in the plants which they control a large potential consumer of your Company's ore, and as events progress, a purchaser of considerable quantities of pig iron and billets which will become available from the new furnaces which the future will undoubtedly see installed at Sydney.

Resources of Company.

If we briefly inventory our resources, we find that our steel plant to-day consists of a new by-product coke oven plant, consisting of 120 of the most modern apparatus in existence. We possess also a 110-inch plate mill which has just been completed and put into operation, and is equal to any mill of this character either on this continent or in Europe. Our rolling facilities also include a 28-inch rail mill, billet mill, wire rod mill and merchant bar mills, and in addition we own plant for the production of various forms of wire products, including nails, barb and galvanising wire, and so forth. We have sufficient blast-furnace capacity, but are very short of open-hearth furnace capacity, and the situation to-day is that your Company finds itself with the greatest known deposits of coal and iron ore, splendidly situated, but possessing a plant with an economical output of only 25,000

tons of ingots per month, with [illegible] capacity for [illegible] tons per month.

While many valuable additions [illegible] the past few years, and numerous [illegible] have been carried out, many [illegible] to place the plant in condition for meeting world competition. Our position as regards the possession of basic materials is, however, unequalled [illegible] nothing to prevent the growth of [illegible] strong world position.

Our most pressing need is for a new open-hearth furnace plant and for other extensions, which under present-day costs will entail a large expenditure. Given this additional capital, your Company will be [illegible] world commerce, and to make adequate returns to its shareholders. These [illegible] ing forces to become more productive than with the equipment now available, thus affording a larger return from their labours, but will ensure such profits as to enable the Company to give a fitting return to its shareholders. Without [illegible] large coal and ore deposits are assets that contribute a small [illegible]

More Favourable Conditions.

We commenced the current year under much more favourable auspices than last year. While our coal properties are [illegible] we are [illegible] the possession of our [illegible] Similar conditions prevail in the steel industry, and we have no difficulty in disposing of every ton we are able to produce. At the present time three blast-furnaces are in operation at Sydney, and we expect that a fourth unit will be put in blast [illegible] The extra output of [illegible] for the balance of the year at attractive [illegible] and we have every reason to look [illegible] our Company's prospects.

As I previously mentioned, [illegible] of our five [illegible] steamers were delivered to us late in the season of 1919. Two of these vessels have already [illegible] the present season, and we anticipate the return of two further steamships very shortly. We have made arrangements to purchase a controlling interest in the remaining vessel, in addition to which we have an option on the services of the boat for the full term of the original charter, at an attractive rate.

[illegible] directors to become associated with various other enterprises in the recently organised British Empire Steel Corporation, Limited.

The object is to unite under single control the largest known single deposits of ore and coal, operating coal and ore mines, steel works, steamships, shipbuilding and repair yards, and other complementary enterprises. It would be the greatest industrial enterprise in Canada, and promises greater economy and efficiency in the production of coal and steel, the much needed shipping facilities and organisation for the transportation of the Company's raw materials and finished products, and an outlet for its ship plates.

In addition there must be many economies to be effected in uniting the various enterprises under one management. I only mention this because of the publicity it has been given. Your directors have been carefully investigating the proposals, and as it is an important matter for the consideration of our shareholders, I hope it will soon be in shape to present to you, and when the directors so decide, a special meeting of shareholders must be called to pass thereon.

R. H. WOLVIN, President.

The personnel of the new board is now comprised of the following :—

Roy M. Wolvin, president.
Hon. Frederic Nicholls, vice-president.
Sir Henry M. Pellatt, vice-president.
J. N. Noreross, vice-president.

Viscount Furness, Hon. Sir Clifford Sifton, Sir William Mackenzie, Sir William D. Reid, Major-General Sir Newton Moore, Benjamin Talbot, Hon. C. P. Beaubien, Edmund Bristol, K.C., M.P., Stanley E. Elkin, M.P., H. B. Smith, J. F. N. Stewart.

The executive committee named at the conclusion of the shareholders' meeting is comprised of the president, the three vice-presidents, Stanley E. Elkin, M.P., H. B. Smith, and J. F. M. Stewart; C. S. Cameron continues as comptroller, secretary and treasurer, with W. A. Doig, assistant secretary-treasurer.

The London Advisory Committee was named as follows : Col. W. Grant Morden, M.P., chairman; Viscount Furness, Sir William Beardmore, Bart., Sir Newton Moore, M.P., [illegible]

MEETINGS
OF PUBLIC COMPANIES.

BANQUE INDUSTRIELLE DE CHINE.

Record Figures Successful Year.

THE ordinary general meeting was held on June 25.

The auditors, in their report, deal successively with the various chapters of the balance sheet for the financial year under review. We have no comment to add to this. We indulge the hope, gentlemen, that the results obtained will appear satisfactory to you. They are the outcome of seven years [illegible] difficulties which we have not had to contend against. We have overcome these difficulties, and among the results which we are now able to present to you, the moral strength imparted by such a beginning is by no means the least valuable.

As we already had occasion to acquaint you at our last ordinary general meeting, we have during the financial year [illegible] from 15,000,000 [illegible] to 75,000,000f. The continuous development of our operations necessarily compelled us very quickly to contemplate a second increase. With that object we called you on November 28, 1919, to an extraordinary general meeting, in order to ask you to extend from 100,000,000 to 250,000,000f. the power given by [illegible] to increase our capital during the [illegible] meeting for each increase. We then decided to increase our capital from 75,000,000f. to 150,000,000f., by the creation of 150,000 new shares. This operation was carried out at the beginning of the present financial year, and was crowned with the most complete success. We were thus able to make our arrangements in order to give satisfaction to the largest possible extent to [illegible] clients in the Far East, who were desirous of being numbered among our shareholders. Our branches [illegible] as follows: Tientsin, Chinese Public [illegible] Shanghai, Hankow, Swatow, Hankow, Chinese [illegible] Hong Kong, Yokohama, Kobe, Oriental Silver [illegible] Yokohama, Osaka, Japan [illegible] Yokohama, Tokio, Japan [illegible] Kobe, Osaka, Japan [illegible] Paris, One in State [illegible] Singapore, Batavia, France: Paris, Lyons, Marseilles. One in England: London. One in Belgium: Antwerp. One in United States: New York. Each of these agencies, situate in one of the important centres of international trade, represents for us a business element of considerable value. In their aggregate they form a structure, the strength of which we are already able to measure. We do not think we shall surprise you, however, if we add that this is only part of our programme. Other agencies are being prepared, and each one will be opened in good time. You can rely on us, gentlemen, to prosecute this [illegible] the necessary [illegible] and [illegible] indifference to malevolent criticisms of which we have already [illegible] We [illegible] feeling nothing can prevail. In China our position is strengthening steadily and surely. Chinese circles more and more realise the devoted sympathy which they are sure of finding from the agents, and, on the other hand, we have [illegible] Chinese [illegible] the Chinese Government to defer for some time the carrying [illegible] We have substantial reasons for thinking that this position [illegible] period of great prosperity. On the one hand, it meant the removal of all the restrictions entailed by the War to marine [illegible] which this country produces. Therefore the year 1919 beats [illegible] equivalent of 920 million francs. The receipts of the three

previous years, which were themselves record years, were as follows :—

	H.T.
1916	37,764,511
1917	38,189,428
1918	36,334,000

The net revenues from the salt tax were $89,636,330, against $71,589,603 in 1918 and $70,627,249 in 1917. The service loans secured on this source of revenue having only absorbed $5,423,090, a balance of $75,213,440 was handed to the Government of Pekin for administrative purposes.

The railway receipts remain practically equal to those of previous years. In this connection, it is desirable to point out that the Chinese Government is anxious to effect the unification of the plant and working methods of its railways. A Commission is at the present time engaged on the study of this question.

The Government has likewise created a special body to deal with all questions relating to the development of trade and industry in China.

On all hands and in all circles we gain the impression of intense efforts, with a view to bringing up the country to the economic level of the Western nations. It is difficult to imagine what the coming into operation of these new forces, which have hitherto remained in abeyance, may mean for the future of humanity.

All elements are on hand to justify enormous possibilities. On the one hand, a region as vast as Europe endowed with natural wealth, unexcelled by that of any country in the world; on the other hand, a population representing one-fourth of the human species, and endowed with all those qualities of intelligence, labour, and sobriety which go to make great nations.

Report of the Auditors.

Gentlemen.—In fulfilment of the mandate which you were good enough to entrust to us at your general meeting of June 20, 1919, we have proceeded to examine the accounts of your Company for the financial year ended on December 31, 1919.

We have examined the books of account, compared the balances entered in the ledger with the figures of the "balance" and the balance sheet, and have ascertained these various documents to be in perfect agreement.

Your board afforded every necessary facility for carrying out our task, and all vouchers required have been supplied to us. In addition, our work of auditing was facilitated, owing to the faultless manner in which the books are kept.

We analyse below the balance sheet and profit and loss account, and give you such explanations as were likely to interest you in connection with them.

The balance sheet presented to you, showing an increase of 709,313,829f. 32c. over the previous one, reflects the ceaseless growth of the business of your bank.

REPORT ON DECEMBER 31, 1919.

LIABILITIES.	Frs.	ASSETS.	Frs.
Capital	75,000,000	Shareholders	35,562,000
Statutory reserve fund	781,602,52	Cash in hand and at bank	77,936,981.84
Providents fund ...	2,000,000	Correspondents	105,476,782.34
Special reserve fund	900,000	Bills	235,524,203.16
Special reserve fund against depreciation of stockholdings	1,500,000	Investments and Participations ...	260,953,455.46
Fittings and depreciation fund	424,000		Frs.78,429,252.50
Current and deposit accounts	675,669,728.86	Current Accounts ..	122,535,372.63
Creditors correspondents	68,839,290.41	Loans	282,627,066.27
Bills payable	6,407,877.96	Bank premises, etc..	41,842,456.71
Acceptances	13,501,502.25	Acceptances	13,501,502.25
Sundry creditors	77,399,978.01	Sundry debtors	41,245,294.04
Loan accounts and creditors' accounts	146,781,855.10	Other assets	118,036,850.50
Bank premises amortizations account	5,269,812.60		
Profit and loss	16,240,061.33		
Total	1,089,715,759.04	Total	1,089,715,759.04

PROFIT AND LOSS ACCOUNT at December 31, 1919.

DEBIT.	Frs.	CREDIT.	Frs.
General expenses :		Brought from 1918..	1,321,977.67
Salaries, allowances and sundry allocations	8,684,294.50	Interest and commissions and profits on exchange operations	30,016,286.52
Office supplies	808,449.79		
Printing and advertising	411,592.62		
Rent and taxes...	425,112.09		
Travelling expenses and removals...	678,891.43		
Postages and telegrams	1,193,845.90		
Subscriptions and enquiries department	113,359.78		
Sundries	2,482,656.75		
Balance : Balance of profit to be distributed...	16,240,061.33		
Total	31,338,264.19	Total	31,338,264.19

ASSETS.

	Frs. c.
Shareholders	35,562,000 00

This item shows an increase of 13,593,125f., in consequence of the first increase of capital effected during the year 1919, a number of shares having in addition been fully paid up.

Cash in hand and at bank	77,936,981 84

This item shows an increase of 54,770,616f. 94c.

Debtor correspondents	105,476,782 34

This figure, distributed over a large number of banks, is higher by 38,811,330f. 93c. Owing to the large amount of the balance of operations not set off between agencies, the balances of these accounts have been separated from the heading "Debtor Correspondents," and inserted in the "Debtors' Account." The sum of 105,476,782f. 34c. consists exclusively of funds in deposit with the correspondent bankers.

Bills in hand	235,524,203 16	
Stocks and financial interests ...	25,429,252 30	
		260,953,455 46

The growth of bills in hand is due to the general development of discounting operations. It shows an increase of 170,233,447f. 87c. The stocks and financial interests exhibit a growth of 12,373,011f. 79c. It is distributed as to about 13,000,000f. in Paris and 12,000,000f. in the Far East. As in the preceding years, the stocks are put down at their purchase price. We have examined and checked the stocks and securities in Paris, and found them correct.

Debtor current account	122,535,372 63

This item is a new one, and is due to the splitting up of other items.

Sundry advances	282,627,066 27

This item, the increase of which is in proportion to the progress of the available cash funds of the bank, represents advances to private persons, merchants, or companies, guaranteed on stocks, goods, promissory notes, bills, or valuable materials. They are distributed over the whole of the agencies in France and the Far East.

Real property, fittings, and furniture	41,842,456 71

An increase of 28,816,487f. 55c. This increase is explained by the purchases which were required to instal the various agencies.

Debtors by bills	13,501,502 25

Showing a reduction of 1,492,544f. 20c.

Sundry debtors	118,036,850 50

As we have said above, this item henceforward, in addition to the usual entries appearing under this heading, comprises the balance of the agencies account.

LIABILITIES.

Capital	75,000,000 00
Statutory reserve fund	781,602 52

An increase of 271,328f. 99c.

Provident funds	3,000,000 00

An increase of 1,000,000f.

Special reserve fund	900,000 00

A new item constituted by the issue premium on the increase of capital affected in 1919.

Special reserve fund against depreciation of stockholdings	1,500,000 00

An increase of 500,000f.

Fittings and furniture depreciation fund ...	424,000 00

An increase of 187,000f.

Current and deposit accounts	675,669,728 86

An increase of 502,435,550f. 51c. Nearly half of this sum is made up of accounts deposited for long periods or requiring notice.

Creditor correspondents	68,839,290 41

An increase of 40,781,683f. 97c., which increase, like the previous one, corresponds to the rapid development of the operations of your bank.

Bills payable	6,407,877 96

Against 1,185,734f. 72c. in the previous balance sheet.

Acceptances maturing	13,501,502 25

A reduction of 1,492,544f. 20c.

Sundry creditors	77,399,978 01

The increase of 44,791,963f. 93c. is the result in particular of the growth in the accounts for collection.

Loan accounts and creditors' accounts ...	146,781,855 10

This item comprises the amount of the notes issued in China by the Bank, sundry accounts, such as "Domiciliation of coupons, transfers of current funds to the Far East," and accounts in suspense, the settlement of which will take place after the close of the financial year.

Real properties, maintenance account 1,234,362 60
Represents the amount set apart to be effected in payment of the purchase price of the premises.

PROFIT AND LOSS.

The profit and loss account shows, including the carry forward, a balance of 16,240,061 33
Your board of directors [illegible] at a sum of 7,336,762 fr. for the interest on the preferred shares, proposes to distribute a dividend of 14 francs 35c. per ordinary share, one-half paid. This distribution, with the allocations provided in the articles (founders' shares, board of directors), amounting to 6,935,078f. 80c., leaves available a sum of 2,686,062 fr. to be carried forward. We ask you, gentlemen, to approve the balance sheet and accounts submitted to you, as well as the distribution proposed to you by your board of directors.

Paris, [illegible] 1920. A. MEILHAN.
RENÉ FAVARELLE.
Honorary Members of Regency in the Councils.

Resolutions Proposed to the Ordinary General Meeting of June 25, 1920.

FIRST RESOLUTION.

The general meeting, after having heard the report of the board of directors and that of the auditors, approves in all parts the report and accounts for the financial year ending December 31, 1919, as presented by the board of directors, as well as the application of the reserve funds, and resolves to distribute the credit balance of the profit and loss account in the following manner: 5% to the statutory reserve fund, 745,904f. 18c.; allocation to provident fund, 3,000,000f.; first dividend of 6% on paid-up capital, 2,366,280f.; 10.15% to the board of directors and the management on the excess profit of the year 1919, which is 8,805,899f. 48c., namely, 893,798f. 80c.; real property reserve fund, 3,000,000f.; fixtures and furniture depreciation fund, 555,000f.; second dividend of 20f. per share to the 147,000 Ordinary shares, 2,940,000f., and 245f. to the 3,000 Founders' shares, 735,000f.—3,675,000f.; balance forward, 2,006,078f. 35c.; total, 16,240,051f. 33c.

A first distribution, which absorbed 2,366,280f., having been made to the 150,000 shares, February, 1920, the balance to be distributed amounts to 3,675,000f. Consequently the total dividend for the financial year is fixed at 35f. for Ordinary shares half-paid; 50f. for Ordinary shares fully paid; 260f. for Founders' shares half-paid; 275f. for [illegible] after June 28, 1920, at the rate of 18f. 25c. per Ordinary [illegible] fully paid; 16f. 36c. per Ordinary bearer share; 232f. per Founders' share half-paid; 231f. 25c. per Founder registered share fully paid; 230f. 11c. per bearer Founder share.

SECOND RESOLUTION.

The general meeting appoint Messrs. René Favarelle and [illegible] of the articles to proceed to the partial renewal of the board of directors, re-elects as directors for six years: Messrs. G. Ballu, R. de Cerenville, and E. Henry, retiring directors. The office of these directors will terminate at the general meeting called upon to examine the accounts for the financial year 1925.

THIRD RESOLUTION.

The general meeting appoint Messrs. René Favarelle and Albert Meilhan auditors for the financial year 1920, with [illegible] article 31 of the articles.

FOURTH RESOLUTION.

The general meeting, in so far as needful, and in conformity with article 40 of the law of July 24, 1867, gives authority to the members of the board of directors to take or retain an interest, direct or indirect, in the undertakings or contracts made with the Company or for its account.

BANK OF BRITISH WEST AFRICA, LIMITED.

The twenty-sixth annual general meeting of this Company was held on July 21 at Cannon Street Hotel, London, E.C., the Right Hon. the Earl of Selborne, K.G., G.C.M.G. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, pointed out that the paid-up capital was now £800,000, as compared with £580,000 in the previous year, and that the reserve was now half the amount of the paid-up capital—namely, £400,000, as compared with £250,000. Current accounts and deposits amounted to nearly £12,000,000, as compared with £6,500,000. The profit and loss account showed that the net profit was £125,147, as against £83,767 in the previous year. Those figures certainly indicated a very remarkable increase of business, but they were greatly affected by the inflation of values. The directors had had to improve the position of the staff at all offices



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THE fine Turkish tobaccos are mysterious enough. Crops of adjacent districts have entirely different characteristics. Of the same fine plant, even, the leaves have a different character according to their position on the plant.

The blender's art is to use his knowledge of these differences to effect such a balance of flavours as to give an entirely palatable result of quite definite (and here's the mystery akin to magic!) repeatable flavour. We maintain the fine quality of

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by ALLAN RAMSAY

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in view of the cost of living, which during the year under review had still further increased. It had been decided to bring into operation the staff profit-sharing scheme, to which he referred two years ago. Out of the profits for the past year they were taking a sum sufficient to pay to an account for each eligible employee now in the service of the bank 10% upon the salary he or she received in that year. This would take the place of a definite pension fund. The Bank's building programme was considerable, and in view of the great rise in the cost of all building operations they had reason to congratulate themselves that they carried out so much work as they did throughout the period of the War. They had a very fine hidden reserve in their various properties. West Africa was fundamentally sound and prosperous, and when the new basis of values was established statistics should disclose an increasing turnover, not based upon artificial values, but upon quantities.

An extraordinary general meeting would follow for the purpose of increasing the authorised capital. It had been their custom to issue new shares at frequent intervals, and this policy they proposed to continue, keeping pace with the Bank's needs. They proposed, therefore, that they should have powers to issue, as and when the board might elect, and upon such terms and to such allottees as the board might, in what they believed to be in the best interests of the Bank, decide, 200,000 new shares of £10 each, £4 paid, thus doubling the existing capital. The claims of existing shareholders would not be overlooked if it was thought desirable to issue new shares at a price substantially less than the current market value.

Mr. Geo. W. Neville seconded the motion, which was carried unanimously.

At an extraordinary general meeting the proposal to increase the capital of the Company was unanimously agreed to.

BRITISH EMPIRE TRUST COMPANY, LIMITED.

THE nineteenth ordinary general meeting of the shareholders of this Company was held on July 20 at Liverpool Street Hotel, London, E.C., Mr. J. Davidson (Managing Director) presiding.

The Secretary (Mr. H. Bower Clark, A.S.A.A., F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The Chairman of your Company, Mr. R. M. Horne-Payne, regrets that owing to ill-health he is unable to be present to-day. He has, however, sent me a speech which, with your permission, I shall have pleasure in reading to you.

"The year under review has been marked by a heavy and persistent decline in the market value of securities generally. Nevertheless, I am glad to say that, after writing our investments down to the lowest market values and providing in full for all depreciation, we are able to recommend you to authorise the payment of the same dividends on the Preferred and Deferred shares as last year—namely, 5% and 7% respectively.

"I think the shareholders will agree that it is satisfactory to receive these dividends and to know that the capital of the Company is intact, with a margin of over £18,000, notwithstanding the heavy fall in prices. The accounts are clearly stated, and do not, I think, call for any explanations. If you will turn to the profit and loss account you will see that the ordinary income of the Company from trusteeships, registrarships, and secretaryships, and from interest and dividends on investments is well maintained. It shows an improvement of £6,000 over that of the previous year, and, had it not been necessary to provide the item of £12,647 on the other side of the account for depreciation, the proceeds available for distribution would have amounted to over 8% on the Preferred Ordinary and 10% on the Deferred Ordinary shares.

Conservation of Resources.

"The only sound policy, however, is to provide fully for depreciation in values. The effect of so doing is, of course, to restrict, for the time being, the amount available for dividends; on the other hand, the credit of the Company, which is so important from the point of view of obtaining and carrying through future business, is maintained on an unquestionable basis. Another advantage which results from writing down of investments is that while the intrinsic value of the securities remains unimpaired, the lower values placed upon them increases the yield proportionately, thus increasing the Company's revenue. I can confidently assure the shareholders that the position of the Company is stronger to-day than it has been at any time since 1914.

"At an annual meeting some years ago I ventured to forecast that on the conclusion of hostilities there would result a tremendous demand for capital for industrial purposes, and your Company, in anticipation of this demand, decided to adopt as part of its programme the carrying on of the business of an industrial bank. My forecast has proved to be correct. During the past twelve months we have been flooded with financial proposals from industrial undertakings of many and diverse kinds. Your managing director has investigated a large number of these proposals at an immense expenditure of painstaking labour, and we have taken up and are financing those which, after careful consideration, appeared to us to offer solid ground for safe investment and future profit. This branch of our business is developing satisfactorily, but present conditions are still far from normal, and it is necessary to proceed slowly and with great caution.

Discrimination in Placing Capital.

"We find that applications for capital which come under our notice may be divided into three classes—firstly, those for the recapitalisation, frequently involving amalgamation, of existing enterprises; secondly, those for the starting of new enterprises; and thirdly, those for additional capital for existing enterprises. With regard to the first class—namely, recapitalisation and amalgamation—there are a large number of enterprises whose whole position has been changed by conditions arising out of the War, and which are justified in recapitalising, but there are a still larger number which seek recapitalisation upon the strength of large profits earned during the War, or on an increase in the value of their assets, or on the two combined. I fear much money will be lost owing to creations of capital based upon such inflated values, and that dividend expectations founded upon profits due to war conditions or exceptional opportunity can only result in disappointment.

"With regard to the second class—namely, the financing of new enterprises—our experience is that, in many cases, the estimates of anticipated profits are based upon a level of prices obtainable only in consequence of scarcity arising from restricted output consequent in some cases on the interruption of the supply of raw materials from usual sources, and in others on the dislocation of industry in other parts of the world, from which competition must sooner or later recommence. It is evident that the greatest caution is necessary in the financing of such enterprises.

"With reference to the third class—namely, the furnishing of additional capital for existing undertakings—there are many sound companies to whom further capital is an absolute necessity, on account of the higher wages they pay and the higher cost of materials, apart from extending their business. It is to this class of enterprise that your Company is devoting its attention and seeking to be of assistance, and in doing this we believe that we are making the best use of our resources in the interests of British trade. I am satisfied that for many years to come there will be no lack of opportunity of doing remunerative business of this class.

"I have no hesitation in encouraging you to look forward with confidence to the future progress and prosperity of your Company."

I now move: "That the accounts for the year ended April 30, 1920, and the reports of the directors and auditors thereon be received and adopted."

Mr. T. Blundell Brown seconded the resolution, which, in the absence of questions, was put to the meeting and carried unanimously.

Dividends Declared.

The Chairman next proposed: "That the payment of the dividends on the Five per Cent. Cumulative Perpetual Preference shares for the year be approved, and that the following dividends, namely, at the rate of 5% and 3%, making 8% per annum, on the Employees' Profit Participating shares from the date of allotment to April 30, 1920, 5% per annum on the Preferred Ordinary shares, and 7% per annum on the Deferred Ordinary shares, be and they are hereby declared in respect of the year ended April 30, 1920, payable to all shareholders on record on July 20, 1920."

Mr. N. Scott-Russell, M.Inst.C.E., M.I.E.E., seconded the resolution, which was unanimously agreed to.

The retiring directors (Sir William Mackenzie and Mr. N. Scott-Russell) and the auditors (Messrs. Robertson Hill and Company) were re-elected, and a vote of thanks to the Chairman and directors concluded the proceedings.

STATE OF BAHIA SOUTH WESTERN RAILWAY COMPANY, LIMITED.

Improved Results Reported.

THE eleventh annual general meeting of the State of Bahia South Western Railway Company, Limited, was held on Wednesday, July 21, at 8 Arthur Street, King William Street, London, E.C., Sir F. M. Crisp (the Chairman of the Company) presiding.

The Chairman said that the results of the working for 1919 showed a considerable improvement over those of the previous year. Notwithstanding the smaller cocoa crop, which showed a reduction of over 90,000 bags in the exports from the port of Ilheos and of rather more than 60,000 bags in the quantity carried by the Company during the crop season 1919-20, the gross earnings showed an increase of 142 contos of reis. This improvement was attributable chiefly to the return of more normal conditions and better shipping facilities, which resulted in an increase of imports and up-country traffic, while the revival of business activity throughout the district, consequent upon this improvement and the high prices realised for cocoa, considerably augmented the passenger traffic.

Expenses continued high, but the increase during the year

was only a moderate one, but the traffic in Brazil showed an increase of 1.5 [illegible] by [illegible] abnormal extent. The [illegible] however, 14¾*d.* per milreis, while the average rate obtained by the Company for remittances was slightly better at 14.861*d.* per milreis.

The Company and the Government.

Mr. Wm. Anthony Brown, the managing director, has recently returned from his visit to the Company's property, and during his stay in Bahia he was in active negotiation with the Government for a settlement of the Company's claims. After long delays it was finally arranged to submit the points in dispute to arbitration, and the board were now awaiting the result of such arbitration. The best legal opinion obtainable locally was in favour of the Company, and, after the results of this arbitration had been received, Mr. Brown would return to Brazil to continue the negotiations for the revision of the Company's contract with the Government.

The board again wished to record their high appreciation of the very valuable services rendered by Snr. B. B. de Oliveira, and their appreciation of the work of the local staff generally, while the Company was also very much indebted to the Government fiscal engineer, Dr. Auraio Pinho, for the sympathetic way in which he had carried out his duties and rendered valuable assistance to the Company on many occasions.

The report was unanimously adopted.

VRYHEID (NATAL) RAILWAY COAL AND IRON COMPANY, LIMITED.

THE twelfth annual general meeting of this Company was held on July 21 at Winchester House, Old Broad Street, London, E.C., Major G. H. Peake (Chairman of the Company) presiding.

The Chairman, in the course of his remarks, said: In order to explain the change that has taken place I must remind you of the early days of the Company. The promoters secured, *inter alia*, the coalfield under the Hlobane Mountain, some 17 miles from Vryheid, the terminus of the South African Railway. In 1906 an Act of Parliament was passed under which the Company was allowed to build the necessary railway, and with this concession was coupled the liability to supply any quantity of coal to the railway administration for its own purposes at 5*s.* per ton. Subsequently another Act was passed limiting the quantity to 12,000 tons a month. It is this liability, continuing up to 1931, which has proved in recent years the great stumbling block to the Company's success. Owing to the War and other causes, the cost of getting coal has risen to such an extent that the coal supplied to the Government involved a considerable loss to the Company. Then, again, other collieries in the district, using our railway, have been opened out, and these were placed under no obligation to supply coal at 5*s.* per ton. Hence it arose that we, the pioneers who had risked our money in opening up a new coalfield and in building the railway, were in a worse position than those who had followed our example and were using our railway. This was the position in the spring of 1919 when I approached Sir William Hoy, the general manager of the South African Railways. I pointed out that a revision of terms was a matter of common fairness, and also in the best interests of both the Government and the Company. Ultimately an agreement was entered into providing that the Railway Administration should buy the railway at cost—namely, £75,000, and that the Company should contract to supply over a period of three years 20,000 short tons per month of first-grade steam coal at 7*s.* per ton. This agreement was subject to confirmation by an Act of Parliament which has now been duly passed, but subject to a prolongation of the contract to supply coal to December 31, 1931, with an option to the Administration only to terminate the contract in 1926. A clause, however, was introduced providing that in the event of a rise or fall in the cost of wages and materials there shall be a corresponding rise or fall in the selling price per ton. The Company is now placed in a position when it can look forward with some confidence to reasonable prosperity. The profit for the year is £26.000, as compared with £13.800 last year.

The Chairman concluded by proposing the adoption of the report and accounts and the payment of a dividend of 5%, which motion was adopted.

ANGLO-CEYLON AND GENERAL ESTATES CO., LTD.

THE thirty-fifth annual ordinary general meeting of the Company was held on July 22 at [illegible] Hill, London, E.C., Sir Edward Rosling (Chairman of the Company) presiding.

The Chairman, in the course of his speech, said: The results obtained from our Ceylon interests during the past year have been very satisfactory, and [illegible] as far as regards our estates [illegible] The tea made from the estate leaf amounted to 3,276,673 lb., and this, although below the amount estimated, shows an increase on the previous year of 120,652 lb. The cost of production shows a material increase, partly owing to the increase in the [illegible] with about 7*d.* in the pre-War days. The net average price [illegible] again we were fortunate in our sales, the larger proportion of [illegible] 239,741 lb., as against 227,624 lb. last season, and the price [illegible]

Our Java interests have contributed nothing to our revenue. The Mandalasari factory commenced working last April, but the present price of Java tea makes it impossible to work the estate at a profit. In Mauritius our crop has been an average one, amounting to 16,386 tons of sugar from 148,876 tons of cane; this shows a slight increase on last year's figure. A year ago I explained the reasons for selling our 1919-20 crop forward, and how the market had risen considerably shortly after we had made that sale. The sale was one that caused us a great deal of anxiety, more especially in connection with our bought cane business; the purchasers, however, met us in a friendly spirit, and by passing some of our liability on to the current season we are enabled to show a satisfactory working profit.

Profits Doubled.

The profits for the year amount to £194,908, arrived at as follows:—Ceylon shows a profit of £99,159, as against £43,000 last year; Mauritius a profit of £107,000, as compared with £48,000; and sundry income from interest, dividends, &c., £22,127, as compared with £14,000. The expenditure on this side amounts to £8,095, an increase on the previous year of £1,200, and the expenditure in Ceylon and Mauritius shows an increase of £189,000. The chief factors in the increase are the price of foodstuffs and materials generally, the rise in exchange, and the enhanced price we have to pay for the bought canes. The directors propose to pay a final dividend of 20%, making 25% for the year, to place £25,000 to reserve, and to carry forward £105,511, which includes provision for excess profits duty, estimated at about £40,000.

During the past season we have been approached from more than one quarter to know if we were prepared to sell our Mauritius interests. The directors feel that our varied interests have in the past proved a source of strength to the Company, and to part with our sugar interests would in the long run prove to be a mistake; they therefore decided that they were unable to recommend the proposal for the consideration of the shareholders.

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For some years past the directors have felt the desirability of centralising the Ceylon interests by having our headquarters in Colombo, and, if it had not been for the War, arrangements would have been made before this. Believing that it would be more advantageous to link our interests with some existing agency house rather than to commence a new establishment, an agreement has been arrived at by which we have obtained an interest in Messrs. Bois Brothers and Company, Limited, Colombo, as from the first of this month. Sir Stanley Bois has been offered and accepted a seat on this board, and our General Manager, Mr. Campbell, joins the board of Messrs. Bois Brothers and Company, Limited, who will now be our Ceylon representatives.

Briefly, the current season's prospects would appear to be as follows :—A very reduced profit from Ceylon, which may possibly fall to the vanishing point, and a largely increased profit from Mauritius, which will more than offset the shortage from Ceylon, so that, if it were not for the incidence of the excess profits duty, we might reasonably look forward to a very profitable year. The Chairman concluded by moving the adoption of the report and the declaration of the dividend recommended.

Mr. Alex. W. Crichton seconded the motion, which was carried unanimously.

SOUTH-WEST AFRICA COMPANY, LIMITED.

THE annual general meeting of this Company was held on July 21, at Winchester House, Old Broad Street, London, E.C., Mr. Edmund Davis, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, to December 31, 1919, and referring to the balance sheet, said : The issued capital at £1,750,000 is the same as at December 31, 1918. Reserve against interest on investments inscribed or deposited, and on bankers' balances in Germany, at £219,207, shows the usual increase, approximately £45,000, being the amount accrued due for the year 1919. To the item of profit and loss account in the balance sheet, which in the first instance is brought in at £94,634, as per last account, has been added the balance for the year under review, £4,738, making a total of £99,372. On the other side we have cash £490,730, practically the same as in the previous accounts, and investments £1,322,580, a reduction of about £16,000, due to realisations. Debtors, at £210,706, show a considerable increase, principally due to the interest on investments inscribed or deposited in Germany and on fixed deposits with bankers, for which a corresponding amount has been reserved on the other side of the accounts. The year's operations resulted in a balance profit of £4,738, about £1,000 less than in the previous twelve months.

We have sent in to the clearing office a claim formulated under the conditions of the Peace Treaty for cash interest on loans and dividends on securities deposited with our bankers in Berlin, which at the pre-War rate of exchange amounts to about £590,000, to which must be added interest. In addition, we intend to submit a claim through another department for securities realised by the German Government during the War period. There is no reason to doubt that the whole of these claims will be met, and these amounts, with the cash we have in hand, and our securities, inscribed or deposited in London, even if realised at present prices, make our cash assets approximately £1,200,000, leaving aside the value of the whole of the assets ascribed or deposited in Germany, to say nothing of the value of the Damaraland concession itself.

As far as our property is concerned, the Union Government of South Africa has appointed a Commission, which is examining and reporting on all concessions granted or recognised by the late German Administration, and we expect our case to be heard at a very early date. We expect a satisfactory result, and as soon as this matter is settled we intend to take active steps to turn our land to account. We lately had an opportunity of dealing with our Rietfontein property—an opportunity which enabled us to rid ourselves of an embarrassing pre-War agreement—and have disposed of the farm, an area of about 31,000 acres, for £31,000.

The report was unanimously adopted, and resolutions were also passed making certain alterations in the Articles of Association.

ANGLO-SCOTTISH TRUST, LIMITED.

THE statutory meeting of the Anglo-Scottish Trust, Limited, was held on July 20 at Winchester House, Old Broad Street, London, E.C., Sir Charles John Stewart, K.B.E. (the Chairman), presiding.

The Chairman said : Gentlemen,—This is the statutory meeting of our Company, held under section 65 of the Companies Act, 1908. You will have received the statutory report of the Company, and will have observed the particulars which are given in that report. You will appreciate that the time for the formation of our Company was a unique one, in view of the opportunities which now offer themselves for the profitable employment of funds, and we are in the happy position of having these funds at our disposal. Business has been freely offered to us, and, in spite of what some consider rather depressed conditions, various attractive investments have not escaped our notice. We have already transacted an interesting amount of business incidental to financial corporations such as ours; our assets are largely in liquid form, and our commitments of comparatively short duration.

We are contemplating making two or three issues in the course of this year under conditions which, we trust, will ensure that the capital so issued will stand at a substantial premium in the near as well as the distant future, as far as caution, judgment and foresight can tell, and we shall, of course, take care that our shareholders will be afforded an opportunity of participating in these issues. We are ready and have the necessary facilities at our disposal to assist in the development of industrial enterprises where the present mode of Government taxation does not too much cripple enterprise or excessively encroach on financial resources, which are so necessary for future development and increased production. At the same time, the present basis of taxation hardly offers an inducement to us to assist new enterprises, which in particular would be so severely handicapped by the operations of the present Finance Act. Surely, gentlemen, it will appeal to you that those concerns which are now starting should be encouraged to form good reserves and become, as we hope, good taxpayers in the future. We have extended an invitation to Sir Percival Perry to join our board, and I am sure you will agree that his co-operation will be a valuable asset to our Company. Sir Percival has accepted our invitation as from September next on his return from the United States. In accordance with the Companies Act any shareholder present is entitled to discuss any matter relating to the formation of the Company or arising out of the statutory report. I now beg to move the adoption of the report.

Mr. T. M. McAlpine seconded the motion, which was carried unanimously, and a hearty vote of thanks to the Chairman and directors concluded the proceedings.

BRITISH NORTH BORNEO RUBBER TRUST, LTD.

THE eleventh ordinary general meeting of this Company was held on July 21 at Winchester House, Old Broad Street, London, E.C., the Earl of Verulam (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts for the year ended June 30, said : Your directors trust that the shareholders will consider that they make a satisfactory showing, especially as, having regard to the exceptional difficulties under which business was conducted, the result compares more favourably with former years than could have been anticipated. Our profit and loss account shows a great improvement on that of last year. The part covered by the heading "interest and dividends" may probably be maintained, or even increased, but the item "sundry commissions," which bulks so largely in the revenue receipts, is of a more fluctuating character, and it it impossible to estimate its future amount. The result of the year's work is that we are able to recommend a dividend for the past 12 months of 8%, which is 2% more than that of last year, and we carry forward a larger balance than we brought into the account. For some years, owing to War conditions, we have been unable to value our assets, but this year we have done so, and I have the pleasure of telling you that they are worth more than the amount at which they stand in the balance sheet. You will also further note with satisfaction that this position is reached without taking into the reckoning our reserve fund of £30,000 or the amount of our undistributed profits. The Government appear determined to raise an enormous revenue by taxation at a time when even by their own admission every effort is needed to rehabilitate our position after the previous trials of the Great War.

Sir Ivor Philipps, K.C.B., M.P. (Vice-Chairman), seconded the resolution.

The resolution was carried unanimously, and the dividend of 8%, less tax, formally declared.

It was also resolved that the directors' fees should be paid free of income tax.

MOUNT AUSTIN (JOHORE) RUBBER ESTATES, LTD.

THE tenth ordinary general meeting of this Company was held on July 20 at the Council Room of the Rubber Growers' Association, 38 Eastcheap, London, E.C., Sir Ernest W. Birch, K.C.M.G., presiding.

The Chairman, in moving the adoption of the report and accounts for the year ending March 31, 1920, said that the net profit was £163,399, and after paying commissions and bonus for the previous year there is a sum of £157,385 available. It is recommended that a dividend of 25%, less tax, be distributed, and that the balance of £7,385 be carried forward. Your property stands at £695,406 in the books, and the cultivated area is 10,772 acres, all of which is mature; the cost per acre is therefore about £64 10s. The gross receipts for rubber sold exceeded last year's total by £110,000, while the cost of production and selling charges came to only £10,000 more than in the previous year, which is accounted for by about two-thirds of the output being sold locally. You may congratulate yourselves, therefore, on a very satisfactory financial year, and there is no reason why it should not be repeated, as you will see if you look at the paragraph in the report which sets out the forward sales that have been made.

The crop for the year I am reviewing was 3,359,300 lb., or 40,800 lb. more than the Manager's estimate and 568,688 lb. more than last year. The estimate for the current year is 5,500,000 lb. There are 1,083,047 trees on the estates, of which 992,440 are in the tapping rounds. The system of contract tapping has been continued and is spoken of as very satisfactory. The yield per acre all over the estates was 311 lb., as compared with 256 lb. in the previous year. The growth of the trees has been in every way satisfactory, due to cultivation by ploughing. Mr. Anker (the General Manager) reports: "I am pleased to say that the expectations formed last year have been fully justified. The general condition of the estates is thoroughly promising."

Mr. J. H. Gretton seconded the motion, which was carried unanimously.

The dividend recommended was approved, as was a motion for the re-election as a director of Mr. J. H. Gretton, who had been appointed to fill the vacancy caused by the death of Mr. Metcalfe Larken in January last.

PORT DICKSON-LUKUT (F.M.S.) RUBBER ESTATES, LIMITED.

THE ninth annual meeting of this Company was held on July 21 in the Council Room of the Rubber Growers' Association, 38 Eastcheap, London, E.C., Mr. J. H. Renton, Chairman of the Company, presiding.

The Chairman said: Gentlemen,—I expressed the hope when I addressed you last year that the accounts for the year 1919-20 would give much better results, and I am pleased to say that, to a large extent, my optimism was justified. The profit and loss account shows a credit balance of £21,409, as compared with £8,209 for the previous year, and the crop amounted to 851,000 lb., against 538,000 lb. The "all-in" cost is lower at 1*s.* 5.80*d.*, as compared with 1*s.* 6.52*d.*, although we have to admit that estate costs are proportionately higher. This is chiefly due to the enhanced price of foodstuffs and material, and the fact that curing costs are about 1*d.* per lb. more owing to increase in wages and packing materials. The issued capital stands at £191,999, as compared with £174,110 in the previous balance sheet. The increase is due to the new issue of shares made during the year. Our reserve has been brought up to £45,000 by the addition of £8,503 representing premium on the new shares, and £1,496 transferred from profit and loss account.

Throughout the year the management has been handicapped by shortage of labour, particularly Chinese tappers. This shortage is felt throughout the whole of the F.M.S., and many experts have come to the conclusion that the adoption of alternate-day tapping is necessary to ease the labour position, while the opinion is held by many that alternate day tapping gives a greater degree of immunity from diseases. The Rubber Growers' Association has recently recommended its members to adopt this system.

Crop Prospects: Acquisition of New Properties.

The result of the adoption of alternate-day tapping is that the estimated output for the current year cannot be put higher than 850,000 lb. The estimate is on the conservative side, and it is expected that more rubber may actually be obtained. For the current financial year we have sold forward 318,000 lb., at an average of approximately 2*s.* 1½*d.* per lb. landed terms, and for 1921-22 150,000 lb., at approximately 2*s.* 7*d.* per lb. landed terms.

The feature in the report which will be of most interest to you is, no doubt, the acquisition of the two young properties which intersect our present estates. The Struan property adjoins Lukut, and consists of 557 acres, of which 289 are planted. Our visiting agent says: "I was very favourably impressed with this estate as a whole, and consider the Company has been extremely fortunate in acquiring an estate such as this for the price paid." The Perhentian Siput estate consists of 648 acres, 509 of which are planted. In regard to this, Mr. Ferguson says: "The Company has been extremely fortunate in securing this very fine estate at an exceptionally reasonable price. The oldest rubber in field No. 1 is somwhat irregular in growth, due to early misfortune in planting, but the trees are otherwise in good heart throughout, and the property as a whole gives promise of doing well in the years to come." The Company's total area under rubber now amounts to 4,094 acres, and with the current year's plantings added we shall have 4,500 acres planted in a very short time.

To provide the necessary funds for completing the purchase of these new properties we propose to increase the nominal capital of the Company from £200,000 to £300,000. The directors propose to issue at once 500,000 new 2*s.* shares at the price of 2*s.* 6*d.* each, and these, in the first instance, will be offered to existing shareholders in the proportion of one new share for every four now held. Details and forms of application will be posted with the dividend warrants on July 30. This issue will provide a sum of £62,500, which we anticipate will cover all our capital requirements for the next two years. The Board feel that the conditions of the time are more favourable to a policy of development designed to secure the future than to efforts at raising immediate surplus revenue. I now have pleasure in moving: "That the directors' report and accounts for the year ended March 31, 1920, be and the same are hereby adopted, and that a dividend of 10% be paid to shareholders on the register as at June 30, 1920."

Mr. R. F. McNair Scott seconded the resolution, which, after the Chairman had replied to one or two questions, was carried unanimously, as was one for the increase of the capital of the Company to £300,000 by the creation of 1,000,000 shares of 2*s.* each.

PINDENIOYA RUBBER AND TEA ESTATES COMPANY, LIMITED.

THE tenth ordinary general meeting of this Company was held on July 22 at the offices of the Rubber Growers' Association, 38 Eastcheap, London, E.C., Mr. H. B. Yuille (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts for the year ended December 31, 1919, said: The working of the year under review has enabled us to present more favourable accounts than previously, due to the higher prices which ruled on average for tea and rubber, and, although working expenses increased materially, the net profit shown on the sale of both products was larger than in 1918. A return of income tax was secured from the Revenue authorities of £2,256. We do not expect to be liable for excess profits duty on the profit earned last year. The profit for the year was £7,767, and the amount carried forward from last year was £1,816, so that there is a total of £11,839 available for distribution. Your board recommends the allocation of this amount by payment of a dividend of 10%, absorbing £6,380, to place to general reserve £5,000, and so bringing this item up to £5,000, and to carry forward the balance of £2,459.

As regards the condition of the estates, the visiting agent reports that the tea and rubber are in a healthy condition. On the Pindenioya estate 72 acres have been planted this year with rubber, and this land is reported to be as good as any on the estate. The labour force is ample and contented, and the health good. The problem of feeding the coolies was a serious one owing to the failure of the rice crops. We have to face the same conditions in the present year, but there is a possibility of the coming crops of rice being larger, and we may hope for some alleviation in 1921.

Another adverse factor which increased the cost of production was the rise in exchange. Our average cost of remittances was 1*s.* 10½*d.*, compared with 1*s.* 6*d.* in 1918. Our average rate of remittance in the current year may exceed 2*s.* But we have had compensations to place against these adverse factors. Last year was a wonderful year for tea, and our gross selling-price of 1*s.* 4¾*d.* per lb. was by far the highest reached by this Company. The average price realised for rubber, too, was satisfactory—namely, 2*s.* 1 17*d.*

The prospects for the present year are promising as regards outturns. The rubber crop, from which most of our revenue is derived, is keeping well up to estimate. Our tea crop nowadays is only a small one, which is, perhaps, fortunate, as tea at the present time is under a cloud.

Commander A. J. Farquharson, R.N., seconded the motion, which was carried unanimously, as was one for the payment of the dividend and the transfer to reserve.

W. J. BUSH AND COMPANY, LIMITED.

THE twenty third annual general meeting of this Company was held on July 22 at the Institute of Chartered Accountants, Moorgate Place, London, E.C., Mr. J. M. Bush (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts for the year ended December 31, 1919, said: In the early part of last year our turnover fell considerably, owing in a large measure to the cessation of War work, but later on a brisk demand arose for our manufactures. In many cases prices of both raw materials and manufactured products reached very high figures, and we were able to dispose of our large stocks to exceptional advantage. As a result, both our gross and net profits are the largest in the history of the business. This is the more noteworthy as our expenses were much greater, especially in respect to wages, salaries, and bonuses, which were nearly £20,000 above the previous year's figure. Our staff, therefore, has shared liberally in our

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prosperity. At the present moment the reverse process of diminishing sales and declining values is making itself manifest. The withdrawal of large sums of money for excess profits duty and income tax makes it difficult to provide adequately for this contingency, but I think you will agree that the large sums we propose adding to general reserve and to writing down goodwill show that our policy is one of prudence. Our reasons for capitalising a part of our general reserve fund were fully explained at the extraordinary general meeting held in March last.

At our last annual meeting I referred to the increase in the duty on spirits imposed by the Budget of 1918, and the consequent disadvantageous position of British essence manufacturers as compared with their competitors in other countries. The increase of 22*s.* 6*d.* per proof gallon in this year's Budget is another serious blow to this industry. The British Essence Manufactures' Association and the perfumery section of the London Chamber of Commerce are again urging the Government to give some form of relief. The principle of a differentiation of duty between alcohol used for industrial purposes and that for potable liquors has already been recognised in the case of medicinal preparations. In other departments of our business, particularly in the direction of the manufacture of synthetic perfumes and drugs, and some intermediates used in the coal-tar dye industry, we have made satisfactory progress.

The balance for disposal shown by the accounts is £109,526, out of which an interim dividend of 5% on the original Ordinary share capital has been paid. It is proposed to deal with the sum remaining by adding £30,000 to the general reserve fund, writing down goodwill by £10,115, and paying a final dividend of 10% on the increased number of Ordinary shares. (Applause.)

Sir George Hayter Chubb, Bart., seconded the resolution, which was carried, and the dividend recommended was declared.

ENGLISH SEWING COTTON COMPANY, LIMITED.

THE annual meeting of this Company was held on July 22 at Manchester, the Chairman (Mr. Herbert Morgan) presiding.

In moving the adoption of the report, the Chairman said that the year had been an eventful one for the Company in several respects. The alteration in the articles of association and the capitalisation of reserves had been duly completed. There had been several changes in the directorate. The net profit for the year showed an advance from £533,742 to £730,123, and this satisfactory increase had been assisted by several causes, the principal ones being (1) the benefits reaped from the policy the directors were compelled to follow—namely, of carrying large stocks of raw materials and stores, which were purchased on a favourable basis; (2) extension of the Company's large and profitable export business, which had been seriously interfered with during the War; (3) increased return on the Company's holding of Common stock in the American Thread Company; and (4) the continued absence of competition, which, however, would now appear to be reviving.

The difficulties and hindrances which traders generally had to suffer during the war years, and which it was hoped would gradually vanish with the return of peace, unfortunately remained to a very considerable extent to-day. He referred to the many problems affecting labour; to transport delays; to the fluctuations of exchange in many important markets, and the uncertainties due to the Government vacillation on such all-important questions as taxation. It was a matter of regret that the strenuous efforts of the large bodies of manufacturers in the principal industries of the country had been unsuccessful in inducing the Government to modify their attitude on the question of the excess profits duty. In addition to all the inequalities of its application, this tax was an incentive to extravagance.

During the period covered by the accounts the Company's trade had largely increased so far as value was concerned, and to a lesser extent in volume also; this was more especially evident in the foreign trade. During the year the workpeople at the various mills had received substantial advances to assist them to meet the continued increase in the cost of living. In the face of reduced output, due to the shorter working week, and from which the Company was still suffering, these continued advances, coupled with others made since the close of the financial year, represented a serious addition to costings, and it was important to emphasise once again the necessity for increased production. Demand for the moment was by no means as good as it had been, and if, as might easily happen, buyers continued to hold off owing to the unwillingness of consumers to purchase on present high values, then short time and unemployment would automatically follow, with all their unpleasant consequences to wage-earners.

The adoption of the report was seconded by the Vice-Chairman (Mr. Henry Harrison) and carried.

DURBAN ROODEPOORT DEEP, LIMITED.

(Incorporated in the Transvaal.)

THE twenty-third ordinary general meeting of shareholders of this Company was held in the Board Room, the Corner House, Johannesburg, on June 17, Mr. F. Raleigh in the chair.

The Chairman, in moving the adoption of the report and accounts for the year ended December 31, 1919, said: Gentlemen,—When we last met we were faced with falling profits and a heavy capital expenditure programme, and I regret to say the months which followed the holding of the annual meeting showed no improvement. As you are aware, in 1918 we embarked upon a southern shaft-sinking scheme consequent on the Consulting Engineer's advice that the existing shafts could not be relied upon to work out the mine and to the fact that their increasing maintenance cost was the greatest handicap to economical working. At our annual meeting two years ago I told you the estimated expenditure upon the new shaft and its equipment was £182,500, against which we had approximately £45,000, leaving a deficit of £137,500, which it was hoped to provide out of working profits without interfering with an annual dividend distribution of 5% to shareholders. Arrangements were made with our largest shareholders, the Central Mining and Investment Corporation, Limited, and the Rand Mines, Limited, for the financing of the proposed capital expenditure. Following this the terrible influenza epidemic broke out with disastrous results to this and other companies, causing loss of native labour and increased expenses.

At our annual meeting held about this time last year I advised you that on the basis of the then capital estimates the Company had to provide a further £100,500 out of future profits. Just after our last annual meeting heavy falls of rock and movement of ground took place in our No. 1 Shaft, which is the main hauling shaft. Extensive repairs had to be made, necessitating the shaft being out of commission for nearly a month, with the result that losses were made for June and July of last year totalling £30,857, which in view of our financial position was most discouraging. About this time the gold premium arrived, and your board was encouraged to continue its programme in the hope that the relief thus afforded would offset the additional burdens of expense in connection with labour and stores, which burdens were commencing to accumulate with alarming rapidity. New estimates were got out to show the cost of the southern shaft and its equipment; further the Consulting Engineer recommended the sinking of the shaft 400 feet deeper than originally designed, to enable it to command a greater area above, and to expedite development. The revised estimates, which include the cost of additional compressors due to the constantly recurring shortage of native labour, show that as from the commencement of this year £194,000 would have to be expended on our capital programme over the next three years. The report before you states that the Company's cash indebtedness was £22,087 at the end of last year. It is therefore evident that our financial obligations at the commencement of this year totalled £216,000.

Loss on Working: Contributory Factors.

The result of last year's working is very clearly shown in the directors' report, which states that on the basis of the standard price of gold a loss of £50,995 was made, but, by the aid of the gold premium, this loss was reduced to £15,049. Before dealing with the Company's position as it is to-day I propose to give you a few figures to illustrate how it is that the reasonable expectations formed when the shaft-sinking scheme was adopted have not eventuated. In 1917 the average monthly costs were £32,280; last year they were £35,000, or a monthly increase of £2,720; similarly, the monthly revenue in 1917 was £36,350, whereas in 1919, owing to poor native labour supply and shaft troubles, it was £33,748, a monthly decrease of £2,602. The rise in working costs between 1917 and 1919 are entirely due to increased cost of European wages and stores, which alone amount to over £40,000 per annum. You will appreciate that these increased costs are factors over which the board and management have practically no control, nor could they have been foreseen. Unfortunately, since the close of the past year, there has been a further substantial rise in white wages and in stores.

Employees Recognise Position.

During last month the management, after consultation with our employees, dispensed with over 40 Europeans. The men and their representatives fully realise that unless some profit is earned the board cannot finance the capital programme, and they have quite fairly met the management in the proposals discussed as being the only alternative to the closing of the mine. Owing to the recent decisions to close the Princess Company's mine on our Western boundary and to the Roodepoort United mine on our Eastern boundary, it is evident that we shall have sooner or later to face the pumping of water making in these two mines. This coming on the top of our shaft troubles and the increased working costs makes the Company's position more precarious than ever. We have made representations to the Government Mining Engineer that some relief should be afforded

to enable the Company to keep the only surviving mine of the Roodepoort district alive by means of an subsidy for pumping the district water, but you know how unsympathetically an appeal of this nature upon the Union Government Treasury is likely to be met, and I am very much afraid that the Roodepoort district water will be the last straw as regards our Company. The report before you indicates that if profits are not earned from April of this year it will be necessary to review the financial situation and capital programme in order to determine what steps should be taken.

Since the reports before you were written we have again had the misfortune to have a further fall of rock in our No. 1 shaft, in consequence of which eight days' milling was lost in April, which resulted in a heavy working loss for that month.

The results of operations this year to date: January, £2,107 loss; February, £1,637 loss; March, £2,308 loss; April, £11,318 loss; May, 3,404 loss; total, £20,774 loss.

The Board's Decision.

As you are aware, arrangements were in existence for financing the new programme, but they do not apply to working losses; and the board would not be justified in carrying on the programme unless there was a reasonable hope of making profits in the near future. After full consideration, your board has decided to stop the sinking of the southern vertical shaft. Ordinary mining operations will be continued in order to demonstrate whether the mine can now make a profit sufficient to justify the recommencement of the southern shaft-sinking programme. I can claim for the board that early in 1918 it adopted a progressive policy to save the future of the mine, but owing to circumstances brought about by the War it is unfortunately questionable whether this policy can be carried to a successful conclusion. .

Mr. J. Andrew Cohen seconded the motion, which was carried unanimously and without discussion.

NEW AFRICAN COMPANY, LIMITED.

The twenty-fifth ordinary general meeting of this Company was held at Winchester House, Old Broad Street, London, E.C., on July 23, Mr. Leama R. Davies (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the figures and information placed before the shareholders denoted a successful year, and after the long and depressing period of war it was a matter for congratulation that the Company's business had recovered so speedily and with such gratifying results. (Hear, hear.) There had been, with few exceptions, an all-round rise in the figures on both sides of the ledger. Speaking generally, the shareholders might take it for granted that since the accounts were closed the Company had discharged all its liabilities, and that the debts due to the Company had been paid off. The two important items in the balance sheet, however, both of which showed material improvement, were the investments and the balance of profit in hand. The receipts, as compared with the previous year, had increased more than threefold. In these circumstances he had little doubt that the shareholders would approve of the board's decision to pay a 10% dividend, or 2*s.* per share, which was twice the amount of the previous distribution. The financial Editor of one of the daily papers mentioned that the proposed dividend exceeded the profit earned for the year. All he need say on that point was that they had ample accumulated profits in hand, owing to the fact that the Company paid no dividend during the five years of war. In addition, they were receiving from the liquidators of the Ratoczyn Company an amount more than sufficient to pay both the annual and interim dividends. The directors had from time to time supplied the shareholders with all the essential facts concerning the Ratoczyn Company, which had now gone into voluntary liquidation. The New African Company was due to receive a very considerable sum from the proceeds of assets already realised, which the liquidators would be distributing at once. Judging by the favour which Galician Oil shares enjoyed in France, it was expected that the shares of the Société Française Ratoczyn, when introduced on the Paris and Lille Bourses, would go to a substantial premium. It only required the establishment of peace to assure a most prosperous future for the Galician Oilfield and industry, and it followed that whether the liquidators of the Ratoczyn Company decided to hold or to sell the shares in the French company, the result should be a very handsome return to the English shareholders generally, and to the New African Company in particular.

After dealing with the Company's various other interests, the Chairman said that the board proposed to pay an interim dividend, in addition to the dividend for 1919, making together a total distribution of 4*s.* per share, or 20%. They had had in 1919 a successful year, and if the results of the first six months of 1920 were maintained—and the outlook at present was distinctly favourable—the current year should show still better results.

The report was unanimously adopted.

ALLAGAR RUBBER ESTATES, LIMITED.

The tenth ordinary general meeting of this Company was held on July 23 at Winchester House, London, E.C., Mr. Charles Bulkeley Sutton (Chairman of the Company) presiding.

Mr. C. Meredith, representing the London Agents and Secretaries (the Planters' Stores and Agency Company, Limited), read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that labour had been difficult, and rates much higher, while the problem they had to face in the East was similar to that experienced in this country—that labour was not doing a fair day's work. They also had to contend with the rising prices of foodstuffs. Rice had risen to a figure which entailed a loss to the Company. To cope with the increasing crops they had now completed the erection of the factory and installed the new machinery. The crop secured was 359,250 lb., which was 100,000 lb. in advance of 1918, but showed a deficit on the manager's estimate, the shortage being due to the difficulty of labour and changes made in tapping. For the current year the crop was estimated at 375,000 lb., of which 166,000 lb. was obtained in the first six months. The total labour force at present on the estates was 574, against 424 for 1918 and 629 for 1917. F.O.B. costs were about 1*d.* per lb. below last year, due to the increased crop.

Since the issue of the report they had purchased a small area of about 3½ acres adjoining the new factory site. During the year Mr. H. W. Hewitt, one of the directors, paid an extended visit to the estates, and after practically going over every field had submitted a very useful and comprehensive report to the board. Including the amount brought forward, there was a disposable balance of £15,538, and they were paying a dividend of 10%, less tax. The present outlook for rubber was distinctly promising.

Directors' Report on Estate: Suggestions as to Labour.

Mr. H. W. Hewitt, in seconding the resolution, said he wished to emphasise the value of their property and at the same time sound a note of warning generally as regarded labour. The previous time he visited Allagar was just before the War, and it was pleasant to be able to endorse the optimistic remarks he then made on the estate, and even to go further. The only fly in the ointment was with regard to labour, which necessitated costs being spread over a smaller output than would otherwise be the case. In the size of the estate they had an ideal unit—namely, 1,200 acres. It must be remembered that 1,200 acres measured on a map meant a great deal less than 1,200 acres when taken on a very hilly estate such as Allagar. This to a certain extent accounted for the very large output per acre when in full tapping, which at times had been obtained. He could assure them that their property, with the exception of a small area of the new land which was bought during his visit to the estate, was practically clean and free from dead timber. In the matter of buildings the estate was distinctly well served, especially with regard to factory accommodation. Their machinery should be ample to deal with any increase in output, though the smoking accommodation might have to be slightly enlarged. The estate was very fortunate in regard to pests, since few areas had been affected by the well-known diseases, this being due to a large extent to excellent sanitary work. There was nothing to criticise in the tapping, and the finished product, especially with regard to smoked sheet, reflected great credit on the manager.

It was [illegible] note of warning to all rubber companies and shareholders, but he could not help thinking that if they all pulled together they could convince the Government of the F.M.S. that not only was it to their interest, from the point of view of revenue, to tackle the question more seriously, but that it was within their power to so regulate the industry as to do away with what could only be regarded as a most serious menace to the present position. The position might be materially improved if the Government in this part of the world, in the first place, encouraged the importation of free labour from China, and at the same time withdrew all restrictions on Tamil labour imported from India. The Malay Peninsula was in the happy position of being between the two most densely [illegible]

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namely, India and China, and yet rubber estates were suffering from a shortage of labour and consequent increase in costs in particularly one branch, namely, Chinese labour, owing to the fact that competition was being stifled with the other sources of labour from India. Scarcity of food had to a certain extent necessitated the restriction of importation, but this could not be urged as a serious difficulty at the present time. Surely it would be possible to assess each estate the quota of labour necessary for its upkeep, at the same time protecting the companies against "crimping," a very prevalent practice in which the Government itself was by no means guiltless. The Manager should then be given a free hand to obtain either Chinese or Tamil labour of the extent prescribed. The board felt the Company had great prospects, given fair treatment in the matter of labour.

The report was unanimously adopted.

Aurora West United.—Authorised capital £300,000, in 600,000 10s. shares; issued, 212,705 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1917 ...	80	177,250	13	212,739	24/0	168,165	19/0	44,574	5/0	12/3
1918 ...	78av.	158,550	8¼	178,462	22/6	176,053	22/2	2,409	–/4	10/6
1919	80	160,850	8·98	167,573	20/9	193,236	24/1	*25,663**	*3/4**	7/6
1920.										
Mar. qr.	—	40,100	—	48,276	24/2	52,950	26/5	*4,563**	*2/3**	1½
April ...	—	12 800	—	14,796†	23/1	17,215	27/0	*2,419**	*3/11**	¼
May ...	—	10,240	—	13,081‡	25/7	13,075	25/9	6	–/2*	4/6

* Loss. † Gold calculated at 102/6 per fine oz. ‡ Gold calculated at 105/0 per fine oz.

Consolidated Langlaagte.—£950,000, in £1 shares. £100,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1917 ...	100	585,650	¼	729,938	24/11	501,385	17/1	231,226	7/11	21/0
1918 ...	100	503,300	—	635,853	25/2	478,113	19/0	157,740	6/2	20/0
1919 ...	100	507,800	—	638,304	25/2	518,562	20/8	119,742	4/8	1⅞
1920.										
Mar. qr.	—	122,300	—	182,122	30/1	148,686	24/10	33,446	5/3	1⅝
April ...	—	43,700	—	66,649*	30/6	57,470	26/5	9,179	4/1	1⅜
May ...	—	44,800	—	66,838†	29/11	57,741	25/11	9,107	4/0	⅜

* Gold calculated at 102/6 per fine oz. † Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.
1919, June 5; Dec., 7½ per cent.

East Rand Proprietary Mines.—Capital issued, £2,445,897, in £1 shares; £835,620 Convertible Five per Cent Debentures in issue. Twenty-five tube mills.

Year ends Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1916 ...	820	1,939,200	9½	2,365,107	24/4	1,867,943	19/3	497,164	5/1	12/3
1917 ...	820	1,741,000	7½	1,885,648	21/7	1,721,451	19/8	164,197	1/11	5/9
1918 ...	600	1,372,300	10	1,597,075	23/2	1,544,160	22/6	52,915	–/8	4/10
1919 ...	440	1,409,500	8·73	1,765,061	25/1	1,655,858	23/7	109,203	1/6	11/9
1920.										
Mar. qr.	—	355,000	—	449,958	28/3	437,519	27/8	12,439	/7	11/9
April ...	—	128,000	—	162,433	25/4	175,151	27/4	*12,718**	*2/0**	9/0
May ...	—	124,000*	—	167,011†	26/11	174,090	28/1	*7,079**	*1/2**	7/9

* Loss. † Gold calculated at 105/0 per fine oz

Government Areas.—Capital £1,400,000, in £1 shares. 200 stamps, 20 tube mills; 5 tube mills being added to increase mill capacity to 135,000 tons a month. The returns include sundry revenue.

Year ends Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1916 ...	110	744,000	12⅔	1,008,779	27/1	804,091	21/7	216,400	5/10	51/3
1917 ...	186	1,298,000	8	1,930,657	29/9	1,236,741	19/0	700,439	10/10	3⅛
1918 ...	189	1,303,500	10½	2,159,642	33/1	1,282,226	19/8	877,416	13/5	4⅛
1919 ...	187	1,361,000	13·48	2,418,582	35/7	1,423,036	21/0	995,546	14/7	5⅛
1920.										
Mar. qr.	—	343,000	—	742,419	43/5	403,959	33/10	338,460	19/7	4⅜
April	—	125,000	—	251,468*	40/3	142,544	22/11	108,924	17/4	4⅞
May	—	122,500	—	257,384†	42/0	156,684	25/9	100,700	16/3	4⅛

* Gold calculated at 102/6 per fine oz. † Gold calculated at 105/0 per fine oz.

Meyer and Charlton.—Issued capital: £200,000, in £1 shares. 75 stamps, 2 tubes. No sorting.

Year ends June 30	Stps.	Tons Milled	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Per ton £	Price end of Period
1919...	75	165,937	479,135	57/8	196,806	24/9	272,329	32/11	5/0
1920.									
Mar. qr.	—	37,930	128,576	67/11	50,967	27/2	77,609	40/9	4⅛
April	—	13,000	40,284*	62/0	16,950	27/	23,334	35/0	4⅛
May	—	14,200	44,410†	62/7	18,063	24/7	26,347	37/0	4⅜

* Gold calculated at 102/6 per fine oz †Gold calculated at 105/0 per fine oz.

Dividends—1919, June, 50%; December, 70%.

Langlaagte Estate. — Capital £950,000; issued, 886,500 £1 shares. 200 stamps; five tubes. No sorting.

Year to Dec. 31		Tons Milled	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
			[Profits include estate, &c., revenue.]						
1917	...	539,618	622,491	23/0	503,030	18/7	119,461	4/5	15/0
1918	...	533,690	647,999	24/2	508,916	19/0	139,083	5/2	20/6
1919	...	475,480	590,781	24/10	502,950	21/4	87,831	3/6	20/6
1920.									
Mar. qr.	...	102,350	151,661	30/1	140,830	28/8	10,831	1/5	18/–
April	...	39,000	60,142*	30/10	54,643	28/1	5,499	2/9	15/6
May	...	42,000	65,331†	31/1	56,440	27/0	8,891	4/1	14/6

* Gold calculated at 102/6 per fine oz. † Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 7½ per cent.
1919, June, 7½ per cent.

Modder Deep.—Capital £500,000, in £1 shares. Milling started December 14, 1914. Plant capacity 44,000 tons a month.

Year ends Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Pr. ton £	Expenses Amt. £	Expenses Pr. ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1917 ...	70	494,400	4½	964,393	39/0	403,217	16/4	561,176	22/8	7⅞
1918 ...	70	506,100	5½	1,031,475	40/9	441,614	17/5	589,861	23/4	7⅛
1919 ...	70	507,200	9.98	1,107,372	43/5	466,551	18/5	640,721	25/6	2⅛
1920.										
Mar. qr.	—	127,500	—	358,801	57/1	139,089	21/10	219,712	35/3	2⅜
April...	—	41,100	—	103,622*	50/5	46,488	20/2	57,134	30/3	2⅛
May ...	—	40,800	—	104,471	51/5	46,937	25/0	57,534	28/5	2⅛

* Gold calculated at 102/6 per fine oz.

Dividends—1917, June, 40%; December 45%.
1918, June 47½%; December, 50%.
1919, June, 50%; December, 65%.

Randfontein Central.—Capital, £4,500,000; issued, £4,500,000 in £1 shares. £2,564,330 of 6% Debentures, repayable at rate of £150,000 per annum. Sundry revenue included in earnings.

Year ends Dec. 31	Stps.	Tons Milled	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1917...	650	av.	2,017,171	2,480,505	24/6	1,984,040	19/7	496,465	4/11	11/3
1918...	600		1,745,900	1,991,839	22/9	1,883,767	21/7	108,072	1/2	12/9
1919 ...	600		1,729,400	1,990,467	23/0	1,898,665	22/1	105,875	–/11	21/9
1920.										
Mar. qr.	—		422,500	623,642	29/7	584,720	28/0	38,922	1/7	19/0
April ...	—		130,000	163,475†	25/2	126,838	30/11	*36,637**	*5/9**	16/9
May ...	—		148,600	176,698‡	23/11	200,655	27/3	*23,957**	*3/4**	12/9

* Loss. † Gold calculated at 102/6 per fine oz. ‡ Gold calculated at 105/0 per fine oz.

Van Ryn.—£500,000, in £1 shares. Batteries, 160 stamps. Six tube mills. Present capacity about 550,000 tons a year.

Year to June 30	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Pr. ton £	Price end of Period
1916-17 ...	140	456,450	6¾	553,430	24/3	341,166	15/0	212,264	9/3	12⅝
1917-18 ...	140	410,300	—	460,749	22/5	335,741	16/4	124,988	6/1	3⅛
1918-19 ...	140	400,860	3·57	402,776	20/1	337,926	16,10	64,850	3/3	2⅜
1919-20.										
Sept. qr. ...	140	94,400	1.42	98,353	20/11	84,051	18/1	14,300	2/10	⅝
Dec. qr. ...	140	94,960	0·82	95,461	20/1	85,040	18/1	10,276	2/0	1⅜
Mar. qr. ...	—	106,580	—	133,304	25/1	106,255	20/4	26,049	4/9	1⅛
April ...	—	38,000	—	43,471*	22/10	36,493	19/4	6,978	3/6	⅛
May ...	—	37,750	—	42,271	22/5	37,218	19/11	5,053	2/6	⅛

* Gold calculated at 102/6 per fine oz.

Dividends—1916-17, Dec., 17½; June, 17½ per cent.
1917-18, Dec., 12½; June, 5 per cent.
1918-19, Dec., 7½ per cent

Van Ryn Deep.—Capital, £1,196,892, in £1 shares. 90 stamps, 9 tube mills, started 1913, 10 stamps and a tube mill being added. Profits include sundry revenue.

Year to Dec. 31	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Per ton £	Expenses Amt. £	Expenses Per ton £	Profit Amt. £	Profit Per ton £	Price end of Period
1917 ...	517,870	20	1,129,892	43/7	505,901	19/6	637,964	24/7	3⅜
1918 ...	530,550	21	1,163,005	43/9	546,921	20/7	617,084	23/2	3⅞
1919 ...	568,400	20.38	1,262,563	44/4	604,143	21/4	658,410	23/0	5⅜
1920.									
Mar. qr.	151,300	—	425,328	56/3	185,094	24/10	240,234	31/5	4¾
April ...	46,100	—	127,183*	55/2	64,037	28/1	63,146	27/1	4⅞
May ...	46,500	—	132,492†	57/0	66,417	29/1	66,075	27/11	4½

* Gold calculated at 102/6 per fine oz. † Gold calculated at 105/0 per fine oz.

Dividends—1917, June, 20; Dec., 22½ per cent.
1918, June, 22½; Dec., 22½ per cent.
1919, June, 22½; Dec., 25 per cent.

The final dividend of Bukit Mertajam for the year ended March 31, 1920, amounts to 15%. With the interim dividend of 5%, this gives a total for the year of 20%. For 1918-19 the dividend was only 12½%, whereas the record dividend in 1915-16 reached 25%.

The British Commonwealth Union have favoured us with a copy of a pamphlet dealing with the question of coal. An attempt is made, by the aid of statistics of home consumption and of exports, to forecast the future of the industry in the next six months, and the financial results that are likely to follow recent changes are outlined.

We have received a copy of a new book entitled "The Church: As it Was, Is, and Should Be," by the Rev. William A. Reid, M.A. It is written for Church people by a travelled Scotch parson. It is not an autobiography, further than that it details only incidents, descriptions, and impressions that are first-hand, and all authentic.

Interim dividends for the half-year ended June 30, 1920, on the 4½% Preference shares and the 6% Second Preference shares have been authorised by the Bournemouth and Poole Electricity Supply Company. An interim dividend at the rate of 5% has also been declared on the Ordinary shares.

The Bidor Rubber Estate announces a final dividend of 20%, making with the interim dividend a total of 35% for the year ended March 31, 1920. This compares favourably with the dividend of 20% for 1918-19, but is not quite on a level with the record dividend of 50% in 1916-17.

The Standard Bank of South Africa, Limited, announce the opening of a sub-branch at Rendezvous, near Kroonstad, in the Orange Free State.

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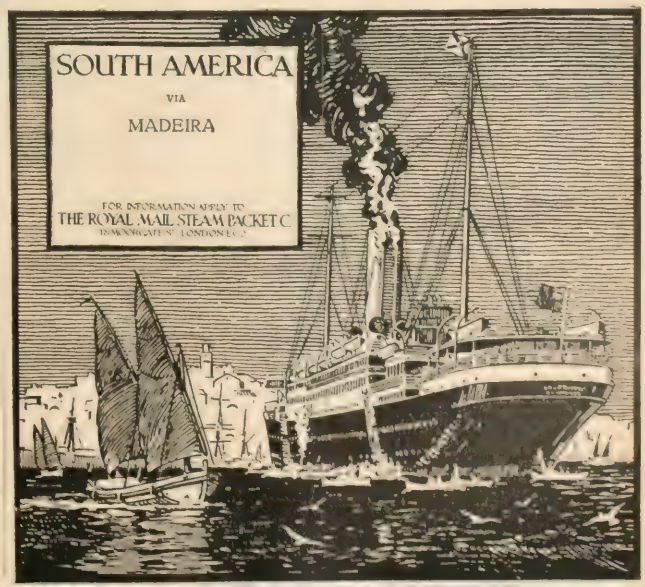
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Reserve Fund, $20,000,000.
Undivided Profits, $[illegible]340.

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PAID-UP CAPITAL	... 1,000,000
RESERVE FUND	... 1,000,000
UNCALLED CAPITAL	... 2,000,000

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ARTHUR WILLIS,
Secretary & London Manager

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(Incorporated by Act of Parliament, 1[illegible])

Paid-up Capital.....	£500,000
Reserve Fund	570,000
	£1,070,000
Uncalled Capital.....	125,000
Reserve Liability of Proprietors...	625,000
	£1,820,000

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Melbourne Office: 267 COLLINS STREET.
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The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

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27 Clements Lane, Lombard Street, E.C. 4.

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Total Assets	$174,989,057

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LONDON OFFICE: 29 Threadneedle Street, E.C.

Paid-up Capital	£4,765,730
Reserve Fund	3,225,000
Reserve Liability of Proprietors	4,765,700
	£12,856,400
Aggregate Assets, 31st March, 1920	£75,541,242

The London office issues drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Mexico Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Weld and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application, and conducts every description of Australasian Banking Business.

H. MELLORUM,
Assistant Manager.

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Karachi	Mandalay	Nakuru	
Chowpatty	Aden and	Kisumu	
Ladore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam	Tanganyika Territory.	
	Tanga		

SUBSCRIBED CAPITAL	£3,000,000
PAID UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

LONDON BANKERS—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869

Capital Paid up	$17,000,000
Reserve Funds	$18,000,000
Total Assets	$550,000,000

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PARIS—28 Rue de Quatre Septembre.

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Paid-up Capital	£765,242
Reserve Liability of Shareholders	£1,197,468
Reserve Fund	£220,000

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LONDON, SATURDAY, JULY 31

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The Money Market.

Thursday, July 29, 1920.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, 20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	6½	—	—
Bank Bills	6-6½	6⅛-⅜	6⅛	6⅜-7
Trade Bills	—	7-7½	7⅛-¼	7½

INCREASE in demand, coupled with a falling off in supply, caused a very stringent week in the Money market. Those opponents of the excess profits duty who predicted the throttling of productive enterprise were not quite justified in their outlook. There has been a marked increase in trade demands for accommodation. Supply, on the other hand, has been curtailed through various minor causes, some of the banks having called in a portion of their loans. As the inquiry for loans continued throughout the week, all rates hardened. Day-to-day loans were rarely quoted at less than 5%, and more generally tended towards 5½%. No cheap afternoon rates were obtainable. Weekly fixtures commanded 5½%. In keeping with the firmer tendency of the Short-loan market there was a steady tone in the Discount market. September maturities commanded over 6%, but eased down to 5⅞%. In spite of the fact that bills were fairly plentiful, the tone was very firm at 6⅛% to 6⅜% for either three- or four-months' maturities.

In the Foreign Exchange market, the decline in the New York rate was [illegible]. An appreciation in the sterling value of the dollar is, of course, to be expected at this time of the year. The decline was very gradual in the beginning of the week, but became rather sharp on Thursday, the rate closing at 3.76. The Montreal rate moved in sympathy with the United States rate, [illegible] Wednes-

day. Francs improved on the week, but suffered a slight relapse on Thursday. Paris cheques finished at 49.15 as compared with 48.43 on the previous day. Brussels cheques eased to 46.25. Lire, also, after an initial improvement, relapsed. To-day's quotation is 70.75. On Monday it had touched 68.1. The neutrals were steady, but moved slightly in our favour. Lisbon closed at 11¼, Spain at 24.3, and Switzerland at 21.97. Berlin made a strong improvement, but relapsed again to 161.5. Helsingfors fluctuated, but Amsterdam was firm at 10.97. The Scandinavian rates were very firm, Norway standing at 23.5, Sweden 17.675, and Denmark 23.63. The South American exchanges moved against us, in sympathy with the dollar. On Wednesday Brazil was quoted at 13⅛*d*. The Chinese and Indian quotations also turned unfavourable to this country. Hong Kong finished at 3*s*. 11½*d*., Shanghai at 5*s*. 5¼*d*., and Bombay at 1*s*. 11½*d*. Japan was fairly consistent at 2*s*. 8¼*d*.

Expenditure for the week ending July 24 was lower at £10,216,778, revenue being £19,996,000. Interest on War Debt took 2.5 millions, and supply services necessitated a disbursement of 7 millions. Payments to local taxation accounts were responsible for the bulk of the remaining expenditure. The revenue included 7 millions from Customs and Excise, 6.5 millions from property and income tax, 3.7 millions from excess profits duty, and 1 million each from estate duties and the Post Office. The surplus of 9.8 millions was strengthened by £250,000 excess of Treasury bill sales and renewals over maturities, by £150,000 (net) from War Savings Certificates, and a paltry £365,000 from Treasury bonds. The latter were specially ear-marked for the reduction of the floating debt, and have so completely failed in their mission that the Government would pursue a more dignified policy by their complete withdrawal.

The satisfactory feature of this week's return is a reduction of £7,500,000 in advances by the Bank of England, coupled with a reduction of £300,000 in advances by public departments, making a total shrinkage of £7,800,000 in Ways and Means Advances. Though smaller than last week, this figure has been arrived at by much more satisfactory means. The total floating debt outstanding is now £1,271,699,000, being lower than the previous week by £7,532,000. An interesting point in the revenue table is the absence of any entry under "Special Receipts," a fact denoting a cessation, for the moment at any rate, of the sale of surplus war assets.

In pre-War days the note circulation of the Bank of England provided the barometer for measuring the variations of the public demand for currency. In these days, however, this position has been usurped to a great extent by the currency note circulation. The Bank return still reflects the recognised ebb and flow of the tide, especially at periods of the year like the present. This week, for example, as our article on that return indicates, the customary demand for currency finds expression in the expansion of the circulation by £1,270,000. The brunt of the demand is, however, diverted to currency notes, not merely because there is in circulation nearly three times as many of these notes as there is of Bank notes, but also because they exist in denominations of £1 and 10*s*. in contrast with the minimum of £5 for the Bank of England notes. Thus an examination of the Currency Notes Return for the week ended July 28 shows that notes issued during the week exceeded those cancelled by £1,384,232. This increase, like that of the Bank notes, is due mainly to the approach of the holiday season. Moreover, seeing that the return only records transactions up to Wednesday, it is evident that a further expansion will take place before the close of the current week in view of the general exodus during the popular August week-end. So far as the current return is concerned the expansion increases the total of notes outstanding to £355,065,691. In keeping with the recommendations of the Cunliffe Committee, this extra issue of currency notes has been backed by transferring £200,000 Bank of England notes to the Currency Note Redemption Account, thereby raising the total of such notes ear-marked for this purpose to £18,500,000. The fiduciary issue has been increased in consequence from £306,881,459 to £308,065,691. Nevertheless, there still remains a margin of over £12,500,000 before the maximum fiduciary issue will have been reached. Notes of the first and second series still in circulation are only slowly coming in. During the week the balance of such notes called in, but not yet cancelled, was only reduced from £7,148,564 to £6,845,830. The outstanding advances to Trustee Savings Banks are still being reduced, the amount falling from £155,000 to £120,000.

BANK OF ENGLAND.

THE approach of the August Bank Holiday and of the favourite month of the holiday season is reflected to some extent in the Bank return of the current week. The inevitable demand for currency that arises annually at this period of the year is evidenced in the expansion of the note issue from £124,099,000 to £125,369,000. This increase of £1,270,000 has not entirely gone into actual circulation, for the contemporary Currency Note Return records an increase of £200,000 in the amount of the Bank of England notes retained in the Currency Note Redemption Account. Consequently, the active circulation during the week has risen by £1,070,000. The Bank is still adding to its stock of bullion, the influx during the week amounting to £230,000, thereby creating yet another record for the total of bullion, which stands at £123,324,000. It will be of interest to note whether this steady increase which has taken place since June will be followed shortly by an equally systematic withdrawal in connection with the forthcoming repayment of our share of the Anglo-French Loan, which is due for redemption in October. It will be remembered that early in the year the Bank collected gold steadily for a period of 10 weeks, after which some £6,000,000 was withdrawn for shipment to America—such was the accepted explanation—to provide for this redemption. On balance the reserve declined by £1,040,000 to £16,315,000. This was not offset proportionately by the reduction in the total liabilities, which only fell from £136,166,000 to £133,813,000. Consequently, the ratio of the reserve to liabilities fell 0.5%, to 12.2%, the identical figure recorded in the opening return of the year. To this decline in liabilities other deposits contributed £944,000, being this amount lower on the week, whilst public deposits were depleted to the extent of £1,410,000, being reduced in consequence to £15,149,000. On the other hand, whilst the market repaid £4,600,000 to the Bank, other securities falling to £75,481,000, the Government increased its indebtedness under Ways

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and Means Advances by £3,324,000, thereby raising the total to £59,912,000. For the explanation of this movement we must await the official return of revenue and expenditure for the week ending July 31st. The corresponding return for the previous week forecasted movements of an opposite character. Despite large maturities of Treasury bills, amounting to £127,967,000, the position of the Government was considerably improved, for receipts from Treasury bills amounted to £128,217,000, and ordinary revenue exceeded ordinary expenditure by over £9,000,000. Accordingly, Ways and Means Advances were reduced by £7,800,000, the balance due to the Bank falling from £43,500,000 on July 17 to £36,000,000 on July 24. It remains to be seen from the next official return whether the transformation that has taken place in the interval is due to a slackening in the demand for Treasury bills or to an increase in Government expenditure in connection with the close of the month.

NEW YORK.

The return of the New York City Banks and Trust Companies, showing the average daily position for the week ending July 24, discloses an unsatisfactory state of affairs. Loans, discounts, and investments increased by 17.8 millions to $5,154,140,000, while cash in vaults decreased by 4.94 millions to $94,680,000. Net demand deposits were again diminished. They now stand 29 millions lower at $4,112,110,000; but United States deposits have increased by 46 millions to $71,880,000. Despite the large reduction in the cash reserve, circulation was increased by $60,000 to $34,990,000. The aggregate reserve, of course, fell, and is less by 9 millions at $552,480,000. The key-point, however, is that the actual week-end excess reserve, which had trebled last week, and stood at 29 millions, has completely disappeared.

On the other hand, the condensed statement of the United States Federal Reserve Banks reveals a strengthened position. The total gold reserve has increased by 11.9 millions, a figure far higher than the average, and only exceeded once this year. It now reaches $1,983,270,000. Legal tender notes and silver also had a comparatively high increase, mounting by 3 millions to $150,740,000. Bills discounted for member banks increased by 69.7 millions to $2,469,910,000. Liabilities, on the whole, decreased. Government and other deposits fell by 1.3 millions to $1,685,640,000. Federal Reserve notes in actual circulation declined by $17,680,000 to $3,118,210,000. Federal Reserve bank-notes, on the other hand, increased by $690,000 to $190,070,000. All other liabilities were the greater by 3.6 millions at $308,870,000. Total liabilities were lessened by $14,740,000, while total resources were strengthened to the extent of $75,320,000. It must be borne in mind, however, that the latter figure is mainly the result of an increase of 69.8 millions in re-discounts. The ratio of total reserves to net deposit and Federal Reserve note liability combined rose 1.5% to 45.4%. This is the highest figure of the present year. It compares with 43.9% last week and 50.2% last year.

The weekly statement of the New York Federal Reserve Bank [illegible] above. In its details it does not display the slightest tendency to move in sympathy with the returns of the Federal Reserve Banks as a whole. The drain on the gold reserve continues—this week to the tune of 25.7 millions. The other reserves, however, have increased by 118.4 millions. Net deposits are lower by 34 millions to $688,620,000, and circulation has shrunk by 3.5 millions to $846,840,000.

Stock Exchange.

The approach of the holidays has, as was to be expected, sapped the energy of the markets all round. The week's record tells, however, of something more than a mere slowing down, of an actual depression. The difficulties of the political situation, domestic and foreign, have created an atmosphere wholly unfavourable to any attempt to rally the markets from the present slough of despond. The Home Rail section, suffering from adverse factors peculiarly its own, has indirectly contributed to a general marking down of values. At the beginning of the week, the Soviet agreement to an armistice with Poland removed fears that England would be directly involved, and strengthened the market slightly. The news that Russia would discuss the position in Eastern Europe at a London Conference was another bright spot. But arrangements for discussions do not necessarily mean peace; nor, apparently, do armistices in Poland connote a cessation of fighting, and buyers, in an attitude of scepticism, still hold aloof.

Consols were fairly steady, hardening on Wednesday to 46¾, while War Loan Fives fell daily. On Tuesday they strengthened slightly, but eased off later in the week to 84¾. Victory Bonds and Funding Loan obtained some support and finished high at 78-3/32 and 69⅝ respectively. In the recent Four Towns issue, the underwriters were left with the bulk of the stock. Lincoln was over subscribed early, but only 25% of Coventry and 20% of Middlesbrough and South Shields loans were taken up. The success of Lincoln must be ascribed mainly to local support. The present method of acquiring Corporation stock seems to be to wait till the underwriters offer it in the market at a discount. On Thursday, Lincoln closed at par, and Coventry, Middlesbrough and South Shields at ¾, 1¼, and ⅝ discount respectively. It is reported that Leeds, Manchester, and Nottingham contemplate a joint issue on similar lines to the Four Towns, and the results of their combined action will be watched with interest.

Colonials on the whole were firm. Australians were in demand, and both 5½% and 5½% appreciated by a point. South Africans were firmer with the increased premium on gold.

Foreign bonds were in fair demand during the week. Japanese issues were all higher by a point. Brazilians were being quietly picked up. Chinese [illegible]

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hensive, and hurried sales of the unlisted bonds from Central Europe brought prices down. Chinese 5% 1896 fell to 71, 4½% 1898 to 54, and 5% Reorganisation 1913 to 63. The 5% 1912 is still at 57½, though a price change to the Reorganisation loan. The advantage in the latter is that it is payable in Japan, and the yen stands at a high premium, making the net return, at the present price, amount to 10%. French War Fives and Fours fluctuated with the value of the franc, easing off at 52 and 40½ respectively. German Threes were steady at 8. Guatemalans, after a week-end drop, hardened at 41. Cuban Ports were higher by a point at 14. Spanish Fours, Uruguayan Fives and Venezuelan Diplomatics were unaltered. Siamese bonds closed at lower levels.

The Home Rail section was the most stagnant of all. According to the *Banker's Magazine*, the values of the Ordinary shares of 26 railway companies have declined by £92,000,000 since Government control started in 1914. The recent extraordinary fall, however, must be ascribed to something more than the usual Government control. During the last eight days practically every railway stock has depreciated, North Staffs and Underground Electrics being the only notable exceptions. Lancashire and Yorkshire had the gloomy distinction of leading the retreat, falling 6½ points to 54⅜. The Great Western, London and North Western, North Eastern, Great Eastern, Midland, and Great Northern were also prominent in the *débacle*. Dividends have been on the whole identical with last year; but they have failed to arrest the downward movement. The fares discussion has shown how uncertain are future arrangements and how strong is the opposition to an increase in railway revenue; and the administration of the Transport Ministry does not seem to excite any enthusiasm. Underground Electric "A" has been the brightest feature on the Home Rails list, with a substantial appreciation to 5*s.* 6*d.*

Among Foreign railways, Canadian Pacifics were the most prominent feature. Several strong rises during the week were counteracted by a fall of 4½ on Tuesday. Thursday's discouraging announcement *re* wages increase obscures dividend prospects. The falling rate of exchange was the principal factor in increasing their price. Argentines were generally lower. Little business was done, and the possibilities of labour troubles caused prices to favour buyers.

Eastman's, Limited, Ordinary shares were the most noticeable feature of the Industrial market. Starting at 18*s.* 6*d.*, they soared to 23*s.* Rumours of arrangements for amalgamation with Armour's were responsible for the jump. Apart from this feature the general tone of business was very dull. Though very little selling was in progress, prices as a rule closed with only small and unimportant changes. Textiles were comparatively steady, Bleachers' Ordinary and Calico Printers having slight relapses. Declines were most noticeable in engineering and iron and steel shares and shipping securities. Clayton and Shuttleworths dropped sharply to 14*s.* 9*d.* Armstrongs had several minor declines, finishing at 26*s.* 9*d.* Guest, Keens and English Electric were among the few appreciations. Furness Withy and P. & O. Deferred had several marked declines. Associated Cements suffered a rather sharp relapse on Wednesday to 26*s.* 10½*d.*

Very quiet conditions ruled in the Oil-share market. The week began fairly strong, but the approach of the holidays reduced business to meagre proportions. Changes in prices were few and mostly in a downward direction. Mexican Eagles fluctuated, finally easing to 10⅜. Shell Transport drooped to 6 19/32, and Royal Dutch were lower at 58¼. Some activity was noticeable in Lobitos.

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Mining Topics.

As far as the Mining market was concerned, the dominant influence of the week was the approaching holiday season. Despite the fact that gold remained steady at 108*s.* 9*d.* per ounce with a tendency to improve, the market remained idle. Rumours of a favourable development in the new shaft of Sub Nigel were responsible for a rise in the shares to 1⅜ on Monday. By Wednesday the rumour became more definite and the report was circulated of the discovery of ore averaging 19 dwt. over a good stoping width, and the shares were accordingly supported up to ⅞. Tuesday found Fanti Consols in good favour at 11*s.* 6*d.*; whilst Consolidated Main Reef constituted the feature on Wednesday rising to 14*s.* on rumours of good developments. De Beers showed a pronounced tendency to react, dropping from 19⅜ on Tuesday to 19 on Wednesday. Attention was directed to Daggafontein Mines by the circular issued early in the week. It is stated that negotiations are in progress for a further loan in addition to the £50,000 secured from the Consolidated Mines Selection Company. This new loan is necessary to continue the sinking of No. 2 shaft, which is expected to strike the reef during the current month. Development work sampled during the June quarter reached 745 feet, the ore averaging 27.16 dwt. over 5.55 inches. In No. 4 south drive of shaft No. 1 ore of 33.4 dwt. over 8.2 inches was exposed for 80 feet; whilst in No. 4 south-west haulage 95 feet on sampling assayed 56.4 dwt. over 6.4 inches. Calculating gold at £4 6*s.* 2*d.* per ounce, the output of Southern Rhodesian for June was valued at £194,194. Not only is this the lowest value for the current year, but the quantity is some 1,200 ounces below that of May, reaching only 45,054 ounces. It is announced by the Lomah (Rhodesia) Exploration, Limited, that in the main shaft of the Kambanje Mine at No. 3 level an extension of the west drive exposed ore averaging 30 dwt. on assaying 40 to 50 feet across 12 inches quartz. An interim dividend of 1*s.* per share is declared by the Waihi Gold Mining Company, and of 9*d.* per share by the Broken Hill Proprietary Company.

ARIZONA COPPER COMPANY.

THE report of this celebrated copper mine for the year ended September 30, 1919—the appearance of which has been delayed owing to the difficulty experienced in the condition of the market in disposing of the large stock of 10,890 tons of copper on hand at the close of the financial year—shows that it has emerged successfully from the trials of a critical period. The War had given a great impetus to the production of

copper, and plans for outputs on a large scale were too far advanced to permit of rapid adaptation to the altered circumstances of peace. Consequently, for a period of some months after the Armistice the market continued to be flooded with large quantities of copper, for which little or no demand was forthcoming or in sight. The Arizona Copper Company, in common with the other leading producers of this metal, began early in 1920 to curtail the output in order to bring it into closer relation with the slackened demand. The Coronado mine was closed down in March, and this was followed in April by the closing down of the King and Longfellow. Thus production was restricted to the output of one furnace, and even that was not working at its full capacity. Despite this the quantity of ore mined and the quantity of ore treated during the year are slightly in advance of those for 1917-18. It appears that, as compared with 1,095,568 tons mined in 1917-18, there were mined during 1918-19, 1,147,659 tons. Similarly, 1,111,522 tons of ore were treated, as against 1,049,118 tons in the previous year. The explanation of this apparent discrepancy in the light of the foregoing statements is found in the fact that the strike of 1917-18 interfered seriously with the output of 1917-18. The results of the working operations for the year under review, in comparison with those of previous years, are embodied in the following table:—

Year ended Sept. 30—	1919	1918	1917	1916	1915
Ore treated (tons)	2,000				
lbs.	1,111,522	1,049,118	1,178,087	905,186	964,673
Yield of copper (lbs.)	18,237	20,221	21,241	17,050	18,665	
" " %	1·64	1·92	1·83	1·8	1·93
Value of production	£1,473,654	£2,085,112	£2,405,927	£1,855,341	£1,205,018
" per ton of copper	£7 1s	£103 2s	£117 5s	£108 11s	£64 14s
Total costs*	£1,356,706	£1,900,455	£1,220,982	£855,693	£667,009
" per ton of ore	24s. 1d.	36s. 9d.	20s. 9d.	18s. 10d.	13s. 10d.
" " copper	£73 0s	£94 0s	£57 9s	£50 3s	£34 2s
Working profit	£133,926	£781,385	£1,183,249	£990,812	£569,697

* Includes general charges, but is after deduction of "profit on stores, rents received, &c."

Although there was an increase in the quantity of ore treated only 18,237 tons of copper were secured, in comparison with a yield of 20,221 tons in 1917-18. As might have been anticipated, the disappearance of the War demand for copper caused a slump in prices, which was excellently reflected in the reduction in the value per ton secured for the copper, which amounted only to £77 15*s.* 3*d.* for the year under review, or over £26 less per ton than in 1917-18. On the other hand, fuel and the stores and materials required in this branch of metallurgy continued to advance in price and higher wages had to be paid to the workers. Thus the cost of production mounted up, and the movement gained impetus from the reduction in the output. The total cost per ton of copper, which amounted to £64 6*s.* 9*d.* in 1917-18, now reached £73 6*s.* Financially the results of the year in contrast with those of the four preceding years were as follows:—

Year ended Sept. 30—	1919	1918	1917	1916	1915
	£	£	£	£	£
Working profit	133,926	781,385	1,183,249	990,812	569,697
Dividends on shares, loans, &c.	260,000	61,728	61,752	43,518	26,477
Total profit	133,926	843,113	1,245,001	1,034,330	596,174
American taxes	107,132	269,718	368,142	375,000	45,440
Net profit	26,794	573,395	876,859	658,330	550,734
Brought forward	60,321	13,738		141,111	21,284
Total	387,126	587,133	876,759	1,129,637	572,018
Appropriations.					
Debenture redemption			137,500	150,000	115,317
Debenture interest*	11,497	141,447	91,747	84,110	17,776
To reserve account†	216,019	120,000	375,000	120,000	50,000
Preference dividends	24,531	24,531	24,531	24,531	24,531
Ordinary dividends	113,992	227,984	300,000	300,000	112,500
					(45%)
Carried forward	20,366	60,121	13,741	141,111	251,811
	386,405	586,133	876,759	1,129,637	572,018
Capital expenditure	12,092	31,084	38,970	81,110	17,776
Debenture issue				287,500	317,500
Preference capital	486,000	316,531	344,031	344,031	321,031
Ordinary capital	379,974	379,974	379,974	379,974	379,974

* After deducting interest on debentures held by the Company.

† For depreciation of assets, including [illegible] balance.

‡ Subject to deduction of redemption of debentures for the year.

(a) Transferred to reserve for redemption of debentures.

(b) Less £92,478 from reserve for redemption of debentures.

(c) Less £82,897 from reserve for redemption of debentures, &c.

(d) Represents ordinary shares issued [illegible] at £286 8s 2d.

(e) Less £25,000 from reserve for redemption of debentures.

Readily it appears that a reserve of £781,385 was replaced by the low figure of £133,926. On the other hand, sundry revenue amounted to £299,520, as against only £61,728 in 1917-18. The increase is due entirely to the inclusion of a sum of £260,682, which is a tentative estimate of the claim of the Company for a refund of excess profits payments owing to the marked decline in the working profit of the [illegible]. £433,446 is only a little more than half the profit for the previous year. Allocations to reserve account for £216,019, of which £196,019 are earmarked against contingent liabilities. After meeting interest payments and Preference dividends Ordinary shareholders receive £113,992 in dividends, equivalent to a rate of 30%, as compared with 60% in 1917-18. Yet, making due allowance for the adverse circumstances of the year, it is a generous dividend. The balance carried forward to the next accounts is reduced to £20,366.

It was common knowledge that for months before the [illegible] acquisition of this copper mine by a group of American financiers, and rumours of all sorts were afloat, including one which asserted that an offer of £4 per share had been made. But this was categorically denied by the Chairman. The Chairman and two directors went to New York early in 1920 to discuss the proposition. It was found, however, that certain additional data of a technical nature were required which would take six months to obtain, and the conference adjourned pending the securing of the necessary information. The Chairman expressed the belief at the general meeting that there was a reasonable prospect of an agreement being reached ultimately. Assuming, however, that nothing materialises from the conference, it is easy to perceive that the outlook of this mine for the current year is at least as good as that of the year under review. The adjoining property of the Shannon Copper Company, which closed down during the year, has been acquired at a reasonable price, as it is believed that there are favourable prospects of developing valuable ore bodies. Development work has on the whole been satisfactory. The ore exposed in the lower levels of the Humboldt mine was equal in quantity and grade to that shipped to the concentrator. Up to the time of closing down the King mine a new body of ore of good values was being exposed, and this rendered it all the more regrettable to have to suspend these operations. The ore developed in the Clay and Pyramid mines is yet of low grade. Difficulty may be experienced in securing an adequate supply of efficient labour when the time comes for resuming operations in full. At the same time the price of copper improved considerably in the early part of 1920, standard copper fetching well over £100 a ton in the first quarter. Recently there has been a relapse to the neighbourhood of £80, but it is felt that the upward movement cannot long be delayed. Meanwhile important economies have been secured by substituting in the reverberatory furnaces 13 low-pressure burners for the 7 high-pressure burners hitherto in use, and by the more effective use of the heat produced. Advantages scarcely less valuable have accrued from the installation of additional plant for finer grinding and from the adoption of a new chemical process of extraction. The balance sheet as at September 30, 1919, shows the Company to be in a sound financial position. [illegible] including the final dividend of £56,996 and the loan from the bank of £40,000, amount to £1,255,587, whereas the total of liquid assets exceeds £1,617,136. And the fixed assets are [illegible] to the par value of £834,808. In the market the 5*s.* Ordinary shares [illegible] the completion of a dividend of [illegible] which on this price yields 6¾%. It is evident, however, that this price is based not merely on the future activities of the concern, but also on the possibility of a successful sale to the group of American financiers with whom negotiations have been conducted.

SUNGEI BESI TIN.

Year to Dec. 31	Area Treated Yards	Tin output Tons	Total Value	Av. Price Realised per Ton of Tin	Av. Cost per Ton of Ore	Net Profit	Divs. Amount	Divs. %	Carried Forward
			£	£	£	£	£	%	£
1916	204,195	411·6	85,656	205½	15½	14,078	5,570	5	—
1917	205,631	441·0	49,748	123½	5⅔	18,492	11,141 10	10	4,339*
1918	202,887	404·8	72,197	178½	7⅔	30,265	11,141 10	10	23,504*
1919	194,582	423·1	64,271	151½	7¼	20,385	16,711 15	15	7,897*

* Subject to excess profits duty, which is included for 1918 to £9,500.

DESPITE the adverse circumstances of the year, 1919 was for this Malayan tin-mining Company a year of prosperity. Although the area treated fell from 202,887 cubic yards to 194,582 cubic yards, it was richer in ore, as the tin output increased from 404.8 tons to 423.4 tons. However, with the decline in the price of tin during the year the total value of the produce amounted only to £64,271, as compared with £72,197 secured for the smaller output of 1918. But whilst the average price realised per ton of ore fell from £178 7*s.* 5*d.* to £151 16*s.*, rises in wages and in the cost of materials caused the working cost per ton to advance by 14*s.* to £77 15*s.* Thus there was obtained a net profit of £20,625, in comparison with £30,305 for 1918. Since the liability in respect of excess profits duty for 1918 was not so large as estimated, this net profit was increased by £13,984 brought forward from last year. Consequently, after writing off £10,000 in respect of the commission paid to vendors, shareholders received in dividends £16,711, corresponding to a rate of 15%, in comparison with 10% in 1918. This leaves a balance of £7,897 to be carried forward to the next accounts, subject to deduction for excess profits duty for the year under review.

On the whole the outlook for the current year is encouraging. Admittedly, the rise in wages, as well as in the cost of stores and materials, will continue to keep the expenses high for the present. However, as soon as the purchase of the adjoining land to the north has been completed the Company are confident of their ability to work at a reduced cost per unit over the larger area. Hitherto the necessity of boring before the arbitrator could determine the value of the 25 acres in question has delayed operations on this holding. In addition to this, 53 acres had been purchased from the Government, and a sub-lease of the Kepong mine had been secured in November 1919. Production of tin ore from this latter mine began in the current year; and, whilst much ore has been won from the shallow alluvial ground at the south end, it is held that—to quote the report—"the future possibilities of the property lie along the contact of the granite and limestone." Development work during the year under review was kept well up to requirements. The financial position as disclosed in the balance sheet dated December 31, 1919, is exceptionally strong. Liabilities, including the final dividend to the amount of £5,570, do not exceed £14,596, whereas the cash balance alone amounts to £27,632. In addition to this, other liquid assets are available to a total of £21,370. The £1 shares of the Company are quoted in the market at 41*s.* 3*d.* Recollecting the high price prevailing for tin during the first quarter of the current year, a dividend of 15% for the current year is by no means improbable. Assuming this dividend to be declared the shares yield at 41*s.* 3*d.* a return of 7¼%.

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F. C. SALTER, *European Traffic Manager.*

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, July 28, 1920.

Issue Department.

Notes Issued	£139,923,630	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,473,630
	£139,923,630		£139,923,630

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£59,912,361
Rest	3,743,292	Other Securities	75,481,209
Public Deposits	15,148,654	Notes	14,554,435
Other Deposits	118,560,249	Gold and Silver Coin	1,760,753
Seven-day and other Bills	13,633		
	£151,708,758		£151,708,758

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
June	28 125,3	123,2	15,1	118,6	59,0	75,4	16,2	12·6	7	6⅛
July	21 124,0	123,0	16,5	119,5	56,5	80,0	17,3	12·7	7	6⅛
Jn	14 124,2	122,8	17,6	119,6	59,4	78,6	17,0	12·4	7	6⅛
July	7 122,7	120,7	17,8	117,0	52,4	83,8	16,4	12·2	7	6⅛
June	30 120,0	117,8	15,7	175,9	90,0	103,1	16,2	8·5	7	6⅛
1922.'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 6%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

	July 30, 1920	July 30, 1919	July 31, 1918	Aug. 1, 1917	July 30, 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£125,3	£78.3	£56.9	£40,5	£28.6
Public Deposits	15,1	17.9	37.8	44.8	15.3
Other Deposits	118,6	116.5	138.4	128.7	44.1
Government Securities	59,0	43.1	58.6	50.4	17.4
Other Securities	75.4	81.7	106.8	110.7	29.6
Reserve	16,2	27.5	28.8	30.4	30.5
Ratio to Liabilities	12·2%	20.43%	16·36%	17·51%	51·28%
Coin and Bullion	123.2	88.4	67,3	52·5	40.7
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6¼-⅜%	3⅝%	3½-3⅝%	4%	2⅛%
Exchanges:					
Paris Cheque	49 10	31·89	27·14½	27·41½	25·20
New York 60 days	3·72	4·34	4·79½	4 72½	4·83⅝
Bombay Telegraphic Transfers	1·11½	1/7⅛	1/5⅝	1/4⅜	1/3⅛
Prices:					
Consols 2½% Cash	46¾	52	56¼	57⅞	81⅞
French Rentes 3% Money	58·90	81·30	61·85	61·05	97.30
Silver, London spot oz.	56½d.	55⅝d.	48⅝d.	40½d.	24½d.
Wheat, *Gazette* average qr.	84/10	73/4	74/3	78/3	31/11
Cotton, Mid Upland lb.	28 56d.	21·21d.	20·34d.	19·05d.	7·95d
Iron, Scotch pig ton	223/6	166/0	101/0	98/6	54/7½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
July 28, '20	8,915,364	7,531,132	355,065,891	28,500,000	18,500,000	13·2
July 21, '20	8,964,229	15,559,622	353,681,459	28,500,000	18,300,000	13·2
July 30, '19	7,498,937	9,678,912	338,787,037	28,500,000	—	8·4
July 31, '18	7,140,380	4,335,759	263,299,933	28,500,000	—	10·8
Aug. 1, '17	6,227,144	3,790,407	168,541,536	28,500,000	—	16·9
Aug. 2, '16	5,480,917	3,292,798	127,674,408	28,500,000	—	22·3

Balance Sheet, July 28, 1920.

Notes outstanding—	£	Advances—	£
One Pound	281,303,870	Other Bankers ...	—
Ten Shilling	41,061,821	Trustee Savings Banks	120.000
Certificates outstanding ...	32,700.000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500.000
Total	355,065,691	Bank of England Notes...	18,500.000
Notes called in but not yet cancelled	6,845.830	Government Securities ...	331,529.488
Investments Reserve A/c ...	17,054,535	Balance at Bank of England	316,588
Total	378,966,056	Total	378,966,056

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.— Cr.	Loans, Advances, &c.— Dr.	Net +	Cash Balance
July 24	£19,996	£10,217	£9,779‡	£139,767	£150,146	−£10,379	£3,457
July 17	30,434	12,494	17,940‡	134,184	151,119	−16,935	4,056
July 10	29,573	24,458	5,115‡	190,944	195,631	− 4,687	3,051
115dys. '20-21	394,989	331,897	63,092‡	1,716,638	1,789,099	−72,461	− 5,912
117days '19-20	268,095	468,782	200,687	2,293,778	2,100,237	193,541	− 7,145
Fr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	−234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	328,202	8,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	13,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,495,604	5,818,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
July 24	£7,186	£6,406	£3,712	£2,692	£2,449	£608	£7,160
July 17	9,101	8,169	3,814	9,330	4,189	—	8,305
July 10	5,118	9,013	5,776	5,668	7,191	340	16,927
115days '20-21	93,811	77,326	59,670	54,182	121,290	4,368	207,279
117days '19-20	74,686	87,830	85,762	41,807	123,859	2,178	342,745
Fr. '20-21*	348,850	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	185,851	11,401	2,494,988

FLOATING DEBT.	[000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
July	24, 1920 ...	£1,066,358	£205,341	£1,271,699	£1,745,720
July	17, 1920 ...	1,066.090	213,141	1,279.231	1,745,720
July	10, 1920 ...	1,078,623	211,991	1,290,620	1,745,720
June	30, 1920 ...	1,050.090	243,691	1,293.781	1,745,720
June	30, 1919 ...	796,150	774,237	1,570,387†	1,738,081

* Budget estimates. † Highest ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling; —000's omitted.]

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,203
July 15, '20 ...	10,659	1,063	11,727	23,532	213,661	73,833
July 22, '20 ...	10,659	1,058	11,715	23,281	214,198	72,037

	Claim on Austro-Hung. Bank	Contingent Liabs. on Bank Notes	Discounts	Advances	Notes	Deposits
CZECHO-SLOVAKIA *						
June 30, '20 ..	£398,166	£88,923	£28,825	£78,181	£363,718	£80,771
July 7, '20...	398,313	88,923	31,969	79,639	368,313	83,454
July 15, '20...	398,386	88,923	29,479	81,265	364,209	84,241

	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
	— Cash —				Bal. Abroad		
DENMARK.							
July 31, '14 ...	£4,100	£231	£4,441	£6,197	£786	£9,693	£47
May 31, '20 ...	12,838	154	12,792	15,466	1,933	28,847	2,113
June 30, '20 ...	12,668	147	12,815	14,498	1,985	29,370	2,403
June 30, '19 ...	10,432	143	10,575	4,531	2,755	24,222	1,181
June 29, '18 ...	10,494	131	10,624	3,476	3,660	20,841	1,214

	Gold	In Bank	Abroad	Total Cash	Silver	Bills	Circulation	Deposits	Private
FRANCE.	— Gold —								
July 30, '14 ...		£385,664	£100,667	£486,329	£36,767	£15,239	£437,903		
June 15, '20 ...	144,513	79,131	223,644	51,492	1,550,493	5,437	126,602		
June 24, '20 ...	144,514	79,131	223,645	51,491	1,550,493	5,437	126,602		
July 24, '19 ...	144,536	79,131	223,667	51,491	1,317,961	5,437	113,033		
July 26, '18 ...	136,777	81,494	222,271	51,491	1,065,493	5,538	156,333		

	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
	— Cash —						
GERMANY.							
July 23, '14...	£87,843	£16,727	£84,570	£5,370	£13,055	£61,515	£17,109
June 30, '20 ...	54,593	188	54,781	98,430	2,541,111	2,643,751	1,170,542
June 7, '20...	54,593	188	54,781	98,849	2,703,693	2,797,263	816,211
July 7, '19 ...	55,778	987	56,723	450,293	1,475,430	1,493,972	457,213
June 6, '18...	117,321	8,047	123,388	90,576	782,910	628,485	415,998

	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
	— Cash —						
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,680	£1,437
June 15, '20 ...	53,336	1,201	54,537	12,411	29,258	85,788	12,393
July 19, '20 ...	53,028	1,226	54,254	12,764	27,581	85,747	10,183
July 19, '19 ...	54,294	575	54,837	11,591	17,356	81,165	5,568
July 20, '18 ...	59,604	644	60,249	4,462	9,570	76,033	8,324

	Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
	— Cash —						
ITALY.							
July 31, '14 ...	—	—	—	£48,456–	£25,017	£69,204	£8,837
Apr. 30, '20 ...	£32,190	£3,003	35,193	19,852	180,782	501,813	74,704
May 31, '20 ...	32,191	2,999	35,190	16,322	180,502	517,128	70,783
May 31, '19 ...	32,822	2,970	35,592	25,696	57,448	372,375	60,539
May 30, '18 ...	33,480	3,145	36,825	8,544	55,057	297,598	57,464

	Gold	Discounts	Advances	Notes	Deposits — Public	Deposits — Private
JAPAN.						
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
June 12, '20 ...	85,912	30,852	30,211	120,351	110,141	8,081
June 19, '20 ...	98,999	30,530	29,383	121,055	103,427	8,003
June 21, '19 ...	70,511	7,072	42,680	95,833	103,612	3,809
June 22, '18 ...	65,490	4,797	29,035	73,291	71,420	3,066

	Cash On Hand	Vaults	Aggregate Reserve	Loans, Discts. Invest., &c.	Net Deposits — Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUST Cos.								
July 1, '14 ...	—	£19,886	£411,238	—	—	—	£387,185	£1,720
July 17, '20 ...	£19,924†	112,314	1,027,278	£828,932	£50,592	883,978	2,854	
July 24, '20 ...	18,936†	110,496	1,030,828	822,422	50,534	887,312	1,592	
July 26, '19 ...	19,876†	110,878	981,766	804,440	37,904	873,266	3,708	
July 27, '18 ...	20,196†	106,134	866,778	711,732	32,938	815,980	11,754	

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Discts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
July 15, '20 ...	8,120	3,642	578	23,947	24,810	7,027
July 22, '20 ...	8,120	3,123	578	23,337	24,678	6,159
July 22, '19 ...	8,174	4,320	678	18,388	23,940	3,553

	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.						
June 2, '20 ...	£1,908	£3,921	£5,827	£20,406	£20,436	£10,635
June 9, '20 ...	1,908	3,921	5,827	24,567	24,856	8,858
June 11, '19 ...	1,905	3,935	5,840	8,198	25,038	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	18,378	2,186

	Cash On Hand	Discounts	Advances	Total	Circulation
ROUMANIA.					
Apr. 17, '20 ...	£61,804	£8,458	£2,642	£11,100	£180,955
Apr. 24, '20 ...	58,819	8,616	2,853	11,469	181,620
May 1, '20 ...	60,809	9,031	3,074	12,105	181,292
May 3, '19 ...	36,781	7,480	1,705	9,185	109,312

	Gold — In Bank	Abroad	Total Cash	Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,539	£108,911	
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550	

	Gold	Silver	Total	Loans, &c.	Spanish Advances	Circulation	Deposits &c.
	— Cash —						
SPAIN.							
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£16,955
July 17, '20 ...	98,101	24,336	122,433	87,688	13,779	157,231	38,622
July 24, '20 ...	98,102	24,384	122,486	86,823	13,779	156,424	38,898
July 28, '19 ...	83,928	26,048	119,976	89,173	13,778	143,451	40,330
July 27, '18 ...	85,746	27,020	112,766	85,421	13,777	117,775	48,228

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
July 10, '20 ...	14,513	5,290	2,925	36,357	36,852	15,264
July 17, '20 ...	14,513	5,184	2,513	36,347	33,403	15,385
July 19, '19 ...	16,032	7,321	2,918	20,103	37,033	7,715
July 20, '18 ...	14,312	7,480	5,311	13,184	34,727	9,830

	Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
	— Cash —					
SWITZERLAND.						
July 23, '14 ...	£7,292	£758	£7,960	£4,817	£10,718	£2,026
July 15, '20 ...	21,381	3,557	24,918	14,682	36,376	4,070
July 23, '20 ...	21,826	3,656	25,081	13,573	35,429	4,871
July 23, '19 ...	18,708	2,753	21,466	17,594	34,810	3,643
July 23, '18 ...	15,306	2,241	17,547	13,893	29,155	5,372

* Converted at 24 crowns to £1.
† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Held by Banks	Held by Agents	Total Cash	Bills Discounted	Bills Accepted	Deposits — Total	Deposits — Net	Circulation
Jan 10, '20 ..	£[illegible]	—	£[illegible]	£[illegible]	£[illegible]	[illegible]	[illegible]	[illegible]
Jan 26, '20 ...	[illegible]	—	£[illegible]	£[illegible]	£[illegible]	[illegible]	[illegible]	[illegible]
June 26, '19 ...	177,468		246,804	432,204	373,560	74,112	22,[illegible]	[illegible]
June 28, '18 ...	246,681		180,156	435,836	264,120	41,054	18,823	174,[illegible]

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1, '15	Lisbon	5½	Jan. 15, '14
Berlin	5	Dec. 23, '14	Madrid	5	Nov. 15, '19
Berne	5	Aug. 7, '19	Paris	6	Aug. 3, '20
Bombay	6	June 16, '20	Petrograd ...	8	July 29, '14
Brussels	6½	Apr. 28, '20	Rome	6	May 12, '20
Calcutta	6	June 5, '19	Stockholm ...	7	Mar. 18, '20
Christiania ...	7	[illegible]	Tokio	9·03	Nov. 14, '19
Copenhagen ...	7	Apr. 18, '20	Vienna	5	Apr. 12, '15

III.—FOREIGN EXCHANGES.

LONDON ON† —	[illegible] '20	[illegible] '20	[illegible] '20
Berlin ... Cable	161m.	165m.	166m.
Brussels ... Cheques	[illegible]	43fr. 85c.	43fr. 85c.
Denmark ... Cable	23kr. 62	23kr. 1	23kr. 85
Holland ... do.	[illegible]	11[illegible]	11[illegible]
Italy ... do.	70lr. 75	71lr. 00	69lr. 50
Lisbon and Oporto do.	111d.	111d.	111d.
New York ... do.	$3 75½	$3 80	$3 93
— ... Cheques	$3 [illegible]	$3 [illegible]	$3 [illegible]
Norway ... Cable	23kr. 5	23kr. 02	23kr. 80
Paris ... 3 mos.	49fr. 25c.	49fr. 20c.	47fr. 75c.
— ... Cable	[illegible]	48fr. 45c.	46fr. 75c.
Spain (Bank places) 3 mos.	43[illegible]	47[illegible]	55fl.
— ... Cable	24p. 27	24p. 30	24p. 35
Sweden ... do.	17kr. 67	17kr. 49	17kr. 35
Switzerland ... 3 mos.	22fr. 47c.	22fr. 37c.	22fr. 00c.
— ... Cable	21fr. 87c.	21fr. 77c.	22fr. 00c.

ON LONDON —	[illegible] '20	[illegible] '20	[illegible] '20
Alexandria ... Sight	97[illegible]	97[illegible]	97[illegible]
Amsterdam ... Cheques	10d. 88[illegible]	11[illegible]	11[illegible]
Athens ... Cable	30dr. 80	30dr. 87	25dr. 22½
Bombay ... Transfers	1s 10[illegible]	1s 10[illegible]	1s 10[illegible]
Brussels ... Cheques	48fr. 18c.	43fr. 85c.	43fr. 85c.
Buenos Ayres ... Transfers	57[illegible]	57[illegible]	47 5/8d.
Calcutta ... do.	1s 11[illegible]	1s 10[illegible]	1s [illegible]
Christiania ... Sight	23kr. 48	23kr. 23	23kr. 12	18.159kr.
Copenhagen ... do.	23kr. 66	23kr. 41	23kr. 12	18.159kr.
Helsingfors ... Cable	10[illegible]	10[illegible]	[illegible]	25m. 22½
Hong Kong ... Transfers	4s. 0[illegible]	3s. 9[illegible]	3s. 9[illegible]	—
Italy ... Sight	70lr. 75c.	70lr. 87c.	63lr. 25c.	25. 22½c.
Lisbon ... do.	12[illegible]	11[illegible]	11[illegible]	53[illegible]
Madras ... do.	1s. 11[illegible]	1s. 10[illegible]	1s. 10[illegible]	2s.*
Madrid ... do.	24p. 26	24p. 18	24p. 35	25p. 22½
Montevideo ... Transfers	55d.	55[illegible]	57[illegible]	51d.
Montreal ... Cable	$4 [illegible]	$4 [illegible]	$4 41	$4 93[illegible]
New York ... Sight	$3 77[illegible]	$3 8[illegible]	$3 89	—
— ... 60 days	$3 72	$3 73	$3 93[illegible]	—
— ... Cable	$3 77[illegible]	$3 8[illegible]	$3 89	$4 96[illegible]
Paris ... Cheques	49f. 10c.	49f. 07c.	48f. 77c.	25f. 22½c.
Rio de Janeiro ... 90 days	13[illegible]	14[illegible]	14[illegible]	18d.
Shanghai ... Transfers	5s. 6[illegible]	5s. 4[illegible]	5s. 2[illegible]	—
Singapore ... Sight	2s. 3[illegible]d.	2s. 3[illegible]d.	2s. 3[illegible]d.	—
Stockholm ... do.	17kr. 67	17kr. 51	17kr. 53	18.159kr.
Switzerland ... do.	22f. 43c.	21f. 93c.	21f. 97c.	25f. 22½c.
Valparaiso ... 90 days	11[illegible]	—	—	18d.
Yokohama ... Sight	2s. 8[illegible]d.	2s. 7[illegible]d.	2s. 7[illegible]d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920

NEW YORK ON† —	Rate Current* July 30, '20	July 23, '20	Par as usually Quoted	Rate July 3, '20
Amsterdam, sight ...	34 35c.	34 30c.	40 20c. for 1 guilder	40·26c.
Bombay, cheques ...	37 5/8c.	37 5/8c.	49 66c. for 1 rupee	53·00c.
Buenos Aires, cheques ...	113 0	113 0		
Christiania, cheques ...	16·10c.	16 45c.	26·80c. for 1 krone	
Copenhagen, cheques ...	19·05c.	16 41c.	26 8 0c. for 1 kroner	26·85c.
Greece, cheques ...	12·30c.	12·60c.	19·295c. for 1 drachma	
Hongkong, cheques ...	76c.	72c.	74·59c. for Max. $1	48 4c.
Italy, sight	18·80l.	17·75l.	5 13 1/16c. for $1	5·17l.
Lima, cheques	4·99l.	4 93l.	4·9585 $ for 1 libra	
Manila, cheques... ...	48 00c.	49 00c.	50c. for 1 peso	49·0c.
Montreal	11 375 disc.	12 125 disc.	Premium per $100	Par
Paris, sight	12·95fr.	12·40fr.	5·13½ francs for $1	5·16fr.
Petrograd, sight ...	—	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	4·76 mil.	4·70 mil.	3·082 milreis for $1	
Shanghai, cheques ...	105c.	103c.	52·93c. for 1 tael	83 00c.
Singapore, cheques ...	51c.	51 0c.	56 77c. for $1	57 12c.
Spain, cheques	15·50c.	15·90c.	19 33c. for 1 peseta	
Stockholm, cheques ...	21·40c.	21·80c.	26 80c. for 1 kroner	
Switzerland, cheques ...	5 85fr.	5 75fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	19·00c.	19 00c.	20 61c. for 1 peso	
Yokohama, cheques ...	51·00c.	51·00c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York. † [illegible] rates.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Aggr.	Inc. or Dec.*
	1920		[In £'s sterling 000's omitted.]		%
BIRMINGHAM ...	July 24	£3,160 +	£132	£112,884 +	43·0
BRISTOL ...	,, 24	1,565 +	53	53,159 +	29·9
DUBLIN ...	,, 24	7,691 —	133	260,518 +	23·8
LEEDS ...	,, 24	1,529 +	23	53,570 +	54·0
LEICESTER ...	,, 24	998 —	47	40,010 +	13·4
LIVERPOOL ...	,, 24	16,442 +	2,534	504,931 +	180·070
MANCHESTER ...	,, 24	24,379 +	8,981	937,218 +	431·749
NEWCASTLE ...	,, 24	2,965 +	100	93,034 +	33·4
NOTTINGHAM ...	,, 24	942 +	302	35,197 +	79·9
SHEFFIELD ...	,, 24	1,575 +	685	49,129 +	38·9
LONDON—	1920.				
TOWN ...	July 28	576,204 —	27,256	19,454,295 +	82·6
METROPOLITAN	,, 28	38,675 +	15,130	1,267,210 +	24·4
COUNTRY ...	,, 28	70,811 +	2,088	2,413,463 +	29·3
TOTAL ...	,, 28	685,490 —	39,500	23,134,971 +	8,284,201 + 55·8

* Compared with same week in 1919.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1920 [illegible]	1920 [illegible]	1913	Homewards ...	1920 [illegible]	1920 [illegible]	1913
	[illegible]	[illegible]		[illegible]			
Alex. to U.K. ...	37 6	37 6	—	[illegible]	[illegible]	[illegible]	[illegible]
Aust. to U.K. ...	100 0	100 0	31 0	[illegible]	[illegible]	[illegible]	[illegible]
Azof to L.H.A.B.	—	—	—	[illegible]	120	120	16 0*
Bombay to p.p.	[illegible]	[illegible]	[illegible]	OUTWARDS — Rate to			
Barbados to U.K. ...	—	—	37 6	Aden	—	—	—
Calcutta to p.p. (rice)	—	—	—	Bombay	—	—	120
Demerara to U.K. ...	62 6	62 6	30 0	Colombo	37 6	37 6	30
Odessa to L.H.A.B.	—	1[illegible]	[illegible]	[illegible] ...	37 6	37 6	13 3
R. Plate to U.K. ...	100 0	100 0	50 0	St. Vincent ...	27 6	27 6	9 9

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JULY 30, 1920.	JULY 31, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	223/6	166/0	57/0
— Middlesbro' warrants ...ton	217/6	160/0	51/0
— Hematite warrants ...ton	262/6	200/0	61/0
— Staffordshire bars, London ton	£33 10	£20 10	£8 10
— Common bars ...ton	£30	£20 10	£6 16
Steel Rails ...ton	£25	£16	£6 9/6
Galvanised Sheets ...ton	£53–£54	£29	£16 17/1
Copper—Standard ...ton	£91	£102–£102 5	£68
Tin—English Ingots ...ton	£263–£264	£266	£142 15
— Straits ...ton	£264	£272	£139 10
Tinplates, I.C. Coke, S. Wales...box	71/6	34/0	11/10½–12/0
Lead—Soft Foreign ...ton	£36 7/6	£24–£24 15	£19
Spelter—Ord. Foreign ...ton	£41–£42 15	£41–£41 5	£21 7/9
Quicksilver (75lb.) ...bottle	£21–£21 10	£23–£24	£7
Aluminium ...ton	£165 home	£102–£102 5	£68
Antimony—Regulus Foreign ...ton	£50	£39	£27 10
— English ...ton	£57	£40	—
Coal—Best Yorkshire ...ton	37/2–38/2	22/0–22/6	17/6
— Steam best Newcastle ...ton	50/2–55/2	90/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—Carb. (48%, prompt) ...cwt.	15 10	9 4	7/4
Soda—Caustic (76%) ...cwt.	110/0	128/0–130/0	42/6–45/0
Copra—Ceylon ...ton	£48	£59	£23 15–£24 7/6
Gambier—Good marks ...cwt.	45/– 47/6	55/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£78 10	£128	£25 5
Linseed—Calcutta, spot ...qr.	£37 10	£55 5	£13 16/9
— Cakes, U.K. made, small ...ton	£20—£20 10	£19	£7 17/6–£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£54	£59	£23 10
Petroleum American ...gallon	2/1½	1/4½	7½d.
Rape Oil—Refined English ...ton	£80	£110	£32
Soya Oil—Refined ...ton	£88	£91	£24 10
Tallow Imported ...cwt.	60/0—65/0	80/0—115/6	29/3—33/3
Turpentine—American ...cwt.	175/0	123/6	33/7½
Rape Seed—Toria ...ton	£31 10	£60	£13 5
Rubber—Para, spot ...lb.	1 1/6	3/6	2/9½
— Fine plantation (standerope) ...lb.	1/9½	1/11½	2/2
— World's Productions' May tons	33,650	25,839	8,467
Shellac—T.N. Orange, fair ...cwt.	675/0	404/0–410/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	28 58d.	21 21d.	7 53d.
— Egyptian, good fair ...lb.	56/00d	26 94d	8 75d.
— Permambuco fair ...lb.	28 33d.	23 17d.	7 73d.
— Midland Fd. New York ...lb.	40/00c	34/00c	13/76c.
— Stock, Liverpool (July 23) bales	987,590	587,210	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£55	£50 10	£25 10
— Manilla, Fair ...ton	£64	£61	£26 10
Jute—First Marks ...ton	£46	£65	£26 15
— Red SCO ...ton	£35	—	£24 15
Silk—Japan Filature ...lb.	30/0	29/0	11/3—11/6
Wool—Ft. Philip unwashed av. lb.	4/0	3/5½	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/8½	1/10 nom.	7½d.
Hides—Eng. Ox, best, 70 lb. up lb.	17½d.	—	7½d.
Leather—Dressing Hides ...lb.	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	27,476,000	25,061,000	34,640,000
— Red, price, N.Y. 60lb...bushel	294 c.	237c.	67c.
— English Gazette, aver. 480lb. qr.	64/10	73/4	34/3
Flour—G.R. ...280lb.	63/6	44/3	28/9
Barley—Eng. Gaz., aver. 400lb. qr.	66/1	63/4	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	64/7	48/11	20/0
Maize—N.Y. (new bushels) ...56lb.	—	218c.	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480lb. qr.	68/C	63/6	25/9
Potatoes—Good English ...cwt.	$220.00	—	70/0—75/0
Rice—Bassein ...cwt.	48/6	28/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	32/6	53/0	14/0—17/6
Hay—best ...2.018lb...load	—	—	82/6
Hops—English ...cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	6/8	6 0—6 6	3/8—3/10
— Scotch sides ...8lb.	11/4	8/6	4/6—5/0
— English ...8lb.	11/4	8/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	13/8	9/0	5/6—6/0
— English wethers ...8lb.	13/8	9/0	4/6—5/4
— New Zealand frozen ...8lb.	4/0—6 0	7/0	2/4—3/2
Pork—English and Irish ...8lb.	15 4	10 8	3/6—4/0
Bacon—Irish, delivered ...cwt.	220 0	190 6	60/0—74/0
— Danish ...cwt.	200 0	—	58/0—68/0
— Canadian, ex Port ...cwt.	—	204/0	—
— American ex Port ...cwt.	180/6—187/0	190/0—194/0	72/0—74/0
Hams—American, ex Port ...cwt.	184/0	192/0—196/0	75/0—79/0
— — short cut, ex Port ...cwt.	184/0	190/0—194/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	158/6	194/0—196/0	51/9—52/9
Butter—Danish ...cwt.	266/0		117/0—120/0
— French ...cwt.	266/0	Controlled	98/0—108/0
— Australian ...cwt.	266/0	252/0	98/0—110/0
— New Zealand ...cwt.	266/0		108/0—114/0
Cheese—Canadian ...cwt.	162/0—166 0	158/0—160/0	66.0—68/0
— United States ...cwt.	—	—	—
— Dutch ...cwt.	164/0 168/0	144 8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to June 30 ...cwt.	16,128,752	17,217,435	19,777,254
— Home consumpt'n to June 30 ...cwt.	12,582,208	15,205,177	17,272,000
— In Bond June 30 ...cwt.	8,324,000	8,392,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	12/0 0	36 0	10/3
— — Yellow crystals ...cwt.	17/2 0	57 9	12/6—13/0
— — Tate's Cubes, No. 1 ...cwt.	116 0	64 9	18/0
Coffee—Imports to June 30 ...cwt.	488,101	684,331	720,360
— Home consumpt'n to June 30 ...cwt.	146,352	153,412	141,410
— Exports to June 30 ...cwt.	271,218	149,380	340,250
— In Bond June 30 ...cwt.	789,000	992,000	484,000
— Price, Costa Rica gd. to fine cwt.	136/0—150/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	95/0-100/0	65 9	41/0
Tea—Imports to June 30 ...lb.	217,539,338	237,280,706	123,230,277
— Home consumpt'n to June 30 lb.	183,467,408	179,804,320	155,447,972
— Exports to June 30 ...lb.	21,629,30?	12,912,228	26,561,765
— In Bond June 30 ...lb.	224,102,000	161,561,000	78,293,000
— Price, Indian, Pek. Souc. gd. lb.	74d.	1/4	8½d.
— — Ceylon, Pek. Souc. Ord. lb.	64d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond June 30 ...cwt.	1,423,000	1,313,000	309,000
— Grenada, good to fine ...cwt.	105 0-108 0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory. $ New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	May	$16,460,000	+ 2.89,.000	$5,198,000	+ $164,000
	5 *mos. to* May	75,577,000	+ 12432000	8,798,000	— 398,000
Grand Trunk	May	£1,208,000	+ £124,700	£68,100	— £69,300
	5 *mos. to* May	5,512,600	+ 451,000	Dr.87,400	— 342,000

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	June 19	1,044	R2,02,700 —	24,549	12	22.44.287	+ 1.05.763
Barsi Light ...	June 26	118	63.600 +	38.100	13	3.99.800	+ 32.300
Bengal & N.W.	June 12	2,067	4.68.160 —	62,166	11	53.59.480	— 6.86.902
Beng. Dooars	June 12	158	28.884 +	1.750	10	268.520	+ 11.177
Beng. Nagpur	June 19	2.895	13.46.000 +	26.000	10	1.46.29.000	— 3.82.244
Bomb. Baroda	July 17	2.871	16.98.000 —	68.000	18	2.97.59.000	+ 7.26.000
Burma	June 19	1.342	5.16.837 —	5.981	11	65.19.287	+ 33.362
Del Um. Kalk.	July 17	239	90.900 —	10.242	16	14.58.398	+ 1.083
East Indian ...	July 24	2.772	27.67.000 +	2.63.000	16	4.63.64.000	+ 19.60.000
Gt. Indian Pen	July 17	3.121½	20.55.600 —	1.54.400	16	4.10.53.388	— 7.63.667
Madras & S.M	June 26	3.152	12.30.000 —	35.875	12	1.54.69.868	— 2.39.478
Nizam's Guar.	June 26	900	2.77.083 —	27.016	13	41.00.311	+ 2.36.971
Rohilcund Kum	June 12	576	1.17.800 +	7.414	10	12.98.644	+ 97.400
South Indian	June 19	1.852½	7.82.942 —	28.337	11	91.93.681	+ 2.99.966
South Punjab.	Mar.	716	7.53.200 +	41.772	6m	46.58.803	— 1.72.473
COLONIAL							
Can. Northern	July 21	9.704	$1.177.800 +	194.300	29	30.168.123	+ 5.108.274
Can. Pacific ...	July 21	13.388	3.648.000 +	446.000	29	102.769.000	+ 16.400.000
Grand Trunk	July 21	3.616	£357.324 +	86.748	29	7.899.039	+ 1.080.075
Mashonaland	Apr.	810	90.103 +	27.403	7m	481.284	+ 132.035
Mid. W. Aust.	May	277	9 614 +	1 812	11m	119.767	+ 17.024
New Cape Cent.	July 3	205	3.256 —	757	27	83,770	+ 14.102
Rhodesia Rlys.	Apr.	1,397	122.123 +	25.505	7m		
Temiscouata...	May	—	837.611 +	6.999	5m	152.058	+ 5.155
W. Pass. & Yuk	Dec.	122	1.568.626 —	124.546	12m	1.568.626	+ 124.546
FOREIGN.							
Argentine.							
Arg. N. East...	July 17	752	£ 11.830 +	1.500	3	25.800	— 200
Arg. Transand.	July 17	111	£ 1.520 +	1.150	2	3.530	— 2.490
B. A. & Pacific	July 17	3.536	£ 158.000 +	38.000	2	397.000	+ 79.000
B.A.Gt. South	July 17	3.792	£ 131.000 -	11.000	3	374.000	+ 14.000
Do.	July 17	Net	£ 16.000 —	14.000	3	50.000	—
B. A. Western	July 24	1.982	£ 80.000 +	12.000	3	275.000	— 37.000
B. A. Central	June	190	£ 55.262 +	6.792	12m	597.238	+ 91.374
Cent. Argent.	July 24	3.305	£ 220.000 +	72.000	3	707.000	+ 211.400
Do.	June 26	Net	£ 72.000 +	33.900	52	3.111.100	+ 2.065.700
Cord. Central	July 24	1.205	£ 64.000 +	6.100	3	214.800	+ 8.200
Entre Rios ...	July 17	811	£ 20.600 —	700	2	52.300	— 2.000
Brazilian.							
Brazil Gt. South	May	110	M 48.500 —	10.300	5m	252.500	+ 5.760
Brazil Railway	Dec.	3.530	M 4.859.000 —	141.271	12m	67.772.000	+ 7.819.243
Gt. W. Brazil	July 24	1.010	£ 15.300 —	1.100	30	878.100	+ 107.400
Leopoldina ...	July 17	1.831	£ 50.698 +	69	3	1.528.467	+ 613.946
Mogyana	Dec.	1.180	M 1.561.000 +	956.490	12m	22.267.000	— 2.474.851
Paulista	Dec.	766	M 2.850.000 —	806.038	12m	32.479.000	— 1.225.892
San Paulo ...	... 25	1531	£ 48.457 +	10.633	39	1.338.112	+ 378.018
Sorocabana ...	Dec.	1,003	M 1.749.000 —	246.168	12m	21.953.000	+ 976.682
S.of Bahia ...	May	62	M 78.000 +	32.000	5m	385.000	+ 35.000
Chilean and Peruvian.							
Antofagasta ..	July 18	838	£ 22.710 —	2.925	29	1.307.475	+ 571.510
Arauco	Apr.	844	£ 11.000 +	1.200	4m	52.000	+ 9.700
Nitrate (2wks.)	July 15	390	£ 41.244 +	28.493	26	538.818	+ 280.168
Peruvian Corp.	June	1,140	$ 1.210.850 +	99.590	12m	14.485.534	+ 2.068.363
Talcal	June	180	£ 27.270 +	20.460	12m	291.975	+ 127.038
Cuban.							
Cuban Central	July 17	382	£ 23.941 +	6.951	2	59.856	+ 10.815
Havana Cent.	July 10	70	£ 14.905 +	2.799	1	—	—
U. of Havana	July 24	681	£ 68 713 +	13.204	3	234.683	+ 28.688
W. of Havana	July 17	155	£ 12.305 +	3.674	2	30.491	+ 6.651
Uruguayan.							
Cent. Uruguay	July 17	273	£ 18.454 —	2.099	2	47.221	— 7.315
,, (E. Ext.)	July 17	311	£ 4.618 —	110	2	11.958	— 864
,, (W.Ext.)	July 17	185	£ 2.529 —	149	2	8.118	+ 1.351
,, (W.Ext.)	July 17	211	£ 1.914 —	277	2	5.299	— 661
Mid. Uruguay	June	319	£ 18.511 +	173	12m	242.254	+ 29.358
N.W. Uruguay	June	113	$ 6.383 —	72	12m	80.296	+ 3.475
Urug. North'n	June	73	£ 2.128 +	244	12m	28.296	+ 2.584
Miscellaneous							
Alcoy & Gandia	July 17	33	Pa. 20.000 +	6.000	29	378.900	+ 74.500
Bilbao	June	15	2.805 +	1.357	6m	20.716	+ 7.164
Bolivar	June	136	£ 11.486 +	954	6m	68.437	+ 5.136
Colomb. Natnl.	June	86	£ 21.540 +	5.280	6m	108.150	+ 33.870
Costa Rica ...	May	189	£ 34.075 +	10.369	11m	294.134	+ 47.473
Dorada Ext....	May	70	£ 23.500 +	10.500	5m	77.000	+ 33.700
Egyptian Delta	June 30	559½	£ 13.172 +	5.853	12	105.993	+ 66.831
Gt. S. of Spain	July 17	104	Pts. 88.908 —	33.706	29	2.478.830	— 838.828
La Guaira & Cal.	June	22½	£ 13.240 +	5.180	6m	85.070	+ 34.970
Ottoman Rly.	June 10	379	£ 7.128 —	—	—	—	—
Paraguay Cent.	July 17	274	£ 4.800 —	210	3	13.320	— 2.390
Puerto Cabello	June	34	£ 5.250 +	1.550	9m	33.250	+ 4.825
Salvador	June 24	100	£ 3.409 —	567	3	10.808	— 2.338
Santa Fe Prov.							
French Rys.	May	1,181	£ 171.180 +	4.646	5m	818.312	+ 6.387
S'm'nas & Stiго	May	80	£ 18.810 +	843	5m	72.443	+ 22.684
Zafra & Huelva	June	112	£ 12.190 +	4.647	5m	73.430	+ 14.978
TRAMS.							
Anglo-Argent.	July 22	400	£ 74.255 +	14.623	29	2.170.853	+ 572.815
Auckland Elec.	June 30	27	— —	—	52	292.502	— 2.067
Bombay Elec.	Apr.	39	R. 8.14.937 +	1.02.930	4m	31.36.743	+ 4.74.68
Brazilian Trac.	May	378½	M 10.985000 +	1.423.000	5m	50.166.000	+ 5.372.000
Brisbane Elec.	June	40½	£ 44.310 +	9.130	6m	267.640	+ 47.08
Brit. Columbia	May	334	$ 720.004 +	91.157	11m	8.026.922	+ 1.375.98
B. A. Lacroze	June	51	£ 50.635 —	10.721	12m	612.315	+ 89.45
Calcutta	July 24	35½	R 92.803 +	6.600	30	28.76.487	+ 2.29.30
Cape Electric	Apr.	42½	£ 31.391 +	3.251	10m	278.844	+ 33.71
Carth. & Herr.	June	9	£ 5.562 +	2.189	6m	28.606	+ 11.81
Chathams Dist	June	15	£ 1.979 +	262	28	45.912	+ 5.08
Havana Elect.	Apr.	86	$ 965.736 +	215.931	4m	3.641.076	+ 804.56
Isle of Thanet	June 21	20½	£ 2.419 +	708	42	36.535	+ 4.53
Kalgoorlie ...	Apr.	20½	£ 3.246 +	335	4m	11.638	— 1.33
Lanarkshire ...	July 15	28½	£ 4.492 +	1.370	28	117.071	+ 20.23
Lima Light ...	May	85	£ 54.969 +	11.995	5m	287.339	+ 43.61
London C.O. ...	July 21	141½	£ 87.161 +	4.344	15	1.356.000	+ 61.16
Madras (2wks.)	July 15	15½	R. 54.312 +	71	26	628.486	+ 24
Manila Electric	May	55	$ 280.145 +	77.696	5m	1.354.825	+ 239.0
Pernambuco...	July 26	69	£ 5.723 +	4.394	29	212.364	+ 64.44
Provincial ...	July 17	21½	£ 4.356 —	658	42	131.014	+ 13.8
Rangoon Elec.	June	28	£ 7.849 +	1.575	6m	47.471	+ 8.8
Shanghai Elec.	June	26½	M x. $151.280 +	32.260	5m	865.254	+ 136.1
SingaporeElec.	June 19	28½	$ 23.082 +	7.554	23	559.459	+ 173.6
U.of Montevid.	June	90½	£ 39.989 +	5.339	8m	347.288	+ 47.3

Guaranty Trust Company of New York

LONDON OFFICES
32 Lombard Street, E.C.
50 Pall Mall, S.W.

LIVERPOOL OFFICE
27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE

Condensed Statement, June 30, 1920

ASSETS

Cash on Hand and in Banks	$88,138,913.40
Exchanges for Clearing House	81,676,791.43
Loans and Bills Purchased ...	526,548,473.89
U.S. Government Bonds and Certificates	34,669,577.05
Public Securities	25,716,143.00
Other Securities	45,009,437.83
Bonds and Mortgages ...	2,304,300.00
Foreign Exchange	19,343,394.10
Credits Granted on Acceptances	60,560,494.61
Real Estate	8,276,614.54
Accrued Interest and Accounts Receivable	14,925,317.77
	$907,169,457.62

LIABILITIES

Capital	$25,000,000.00
Surplus Fund ...	25,000,000.00
Undivided Profits	8,260,509.24
	$58,260,509.24
Notes and Bills Rediscounted with Federal Reserve Bank ...	26,000,000.00
Notes Secured by Liberty Bonds Rediscounted with Federal Reserve Bank	29,836,049.31
Due Federal Reserve Bank Against U.S. Government Obligations ...	3,000,000.00
Outstanding Dividend Cheques	991,060.50
Outstanding Treasurer's Cheques	30,377,701.67
Sundry Foreign Accounts ...	13,029,254.19
Acceptances New York Office ... ... Foreign Offices	44,795,707.61 15,764,787.00
Accrued Interest Payable and Reserves for Taxes, Expenses, etc.	10,588,535.83
Deposits	674,525,852.27
	$907,169,457.62

The Statist.

LONDON, SATURDAY, JULY 31, 1920

THE EUROPEAN SITUATION.

After the period of anxiety occasioned last week by the prospect of the outbreak of another European War, there is for the moment a period of comparative calm. Europe is, in fact, marking time. But the situation is, in reality, very grave. It calls to a large measure of wise abstinence on the part of those to whom the direction of the policy of the several States is entrusted; and, although the issue is so serious that we cannot expect that the different controversies will settle down quietly to economic development in the immediate future, as far as one may endeavour to predict, it is to be feared that there will be recurring periods of anxiety for some considerable time to come. The effect of the great War upon social processes is expected to be obliterated in short time. Economic conditions in every country are changing with startling rapidity. The populations of the different countries were worked up into a condition of fervour and were led to believe that, provided certain definite objects were obtained, extraordinary advantages to the various peoples would ensue [illegible] have never materialised. Even in countries which emerged from the War victorious economic conditions have been but little affected by the War, the populations not in a state of serious distress, which has not been the case in Europe during the past two generations. The European peoples have received a shock from which all must undoubtedly suffer, and from which they will be long in course to recover. In the generation that preceded the outbreak of the recent War Europe had been enjoying a period of prosperity unexampled in the history of the world. The populations of the European countries, as a whole, were enormous, and, speaking generally, they were better educated, had a higher standard of living, and enjoyed the advantages of applied science to an extent that no other great aggregate of peoples composing in all more than 400 millions of human beings, enjoyed in any other part of the earth's surface. Comparatively small communities in the newer countries of the world, doubtless, enjoyed relatively as great advantages. But they were nowhere highly developed in an economic sense. They had, and still have, their experiences to make. They have yet to prove whether their institutions are based upon sound lines or otherwise. While in Europe it appeared that, in spite of its enormous population, civilisation had made such progress that, even if war occurred, and it was anticipated, such a complete setback in economic development as has actually occurred was impossible. Here in England, for instance, it is doubtful if anyone would ever have admitted that, given the fact that the British Navy was able to keep the seas, it would be impossible for private citizens with adequate economic resources to buy as much food and clothing as they might desire. Yet we witnessed the fact that we were all reduced to a system of rationing, and only as much food or other necessaries as seemed good to the authorities to allot to us could be obtained by any individual or any class in the community. Such a shock throws an illuminating searchlight upon the unsound foundations upon which our civilisation actually rests. To those of this generation who have attained comparatively mature years, it was given to witness how readily a great civilisation which had been built up at enormous sacrifices could be destroyed. We of this generation came to realise in a sense that it was not possible for men of the Victorian era to realise how near we were to the brink of disaster, in spite of the apparent progress which civilisation had made during the period between Waterloo and the outbreak of the recent War in 1914.

It will be remembered that in the thirty years that immediately preceded the outbreak of the War, Europe in general, and Western Europe in particular, had enjoyed a remarkably long period of prosperity. This was due, to a very large extent, to the enterprise of England and France in particular in furnishing means for the development of the newer countries of the world between 1870 and the outbreak of the South African War. Those who lived through the later eighties and the whole of the nineties of last century witnessed a period of, perhaps, unexampled prosperity in Western Europe, as a result of the development of those newer countries. That development for a time went so far that it threatened to prove disastrous to the newer countries themselves, and, in the sequel, contributed, directly and indirectly, to bring about the great catastrophe of the late War which Europe now is so bitterly lamenting. We have in this country, as no doubt the reader is aware, a very fair picture of the economic conditions which prevailed at various periods, particularly in this country. In spite of the Wars of the Roses and of the Reformation, it is remarkable what a very large number of documents have been preserved in museums, in the libraries and archives of the great schools and universities, and in the [illegible] editorial magnates. From these industrious students have been able to throw an illuminating light upon the conditions which prevailed in various periods of our history. The records go back well into the twelfth century, consequently, [illegible] in a position to contrast the conditions which prevailed in feudal Europe with those which prevail in the industrial conditions of Europe at the present day. It cannot be denied that there was a far greater measure of security for the individual in the economic [illegible]

early in the sixteenth century. On the other hand, production was so regulated under the feudal system that nothing was produced on what we should call a low economic value. To use common language, nothing was what we should call cheap in the Middle Ages, in the sense that large quantities of produce were available to meet the requirements or desires of the consumer. The very basis on which the feudal system rested precluded the possibility of individual enterprise in the sense that we know it in the industrial system. So long did the feudal system last, and so ingrained became the notion of the rigorous subordination of classes, that for anyone not to be attached to a manor argued that he must be an undesirable person. So strong was the feeling, and so intense the prejudice against a man who could not be identified as belonging to any particular group of society, that when the feudal system itself was breaking down, and large classes of people could no longer be so identified, the authority of Parliament itself was invoked to pass laws with a view to punishing those people. As is the case with so many Parliamentary enactments, the causes which were leading to the disintegration of the feudal system proved far too strong to be regulated by Parliament.

With the establishment of the industrial system great advances were achieved in certain directions, accompanied, as is always the case in human affairs, by corresponding drawbacks. Production increased apace. Certain individuals were given far greater liberty than formerly. But, on the other hand, these advantages were accompanied by the growth of a large class of people who have never been able to fit themselves with any degree of comfort into the industrial system. Nevertheless, as we have said, production increased enormously, and probably during the generation that preceded the outbreak of the recent War there was a greater distribution of the necessaries of life amongst a very large proportion of the population of Western Europe than at any period recorded in modern history. To say that it was greater than in any previous period would not be reasonable, because we have no real record of what were the economic conditions under which the great ancient civilisations of the past existed. We may say, however, with confidence that during the period for which we have records food and clothing were never so readily obtainable for a comparatively small measure of work as during the period which we may say began with Queen Victoria's Jubilee and ended with the outbreak of the South African War—that is to say, a period of 13 years. Wheat was bought on the Baltic Exchange in London at the equivalent of about 3*d*. per lb., and cotton was sold in the various markets where it is dealt in in this country at very little over 3*d*. per lb. Even economists did not realise upon what an insecure basis the fabric rested. It was argued that with the steamship and the electric telegraph it would be always possible to obtain supplies somewhere. The harvests of Europe might be deficient. But even if that were so, there would be ample supplies of various kinds of produce either in the two Americas or in the East. No doubt there were supplies. But they were not available. We all failed to realise what would be the effect of calling up beyond a given proportion of the male population of Europe. In effect the late War to a very great extent reverted to a condition of barbarism, when every man had more or less to be a soldier. The results have, in fact, been comparable, if we do not carry the comparison too far, to the effect of the exhausting wars which lasted for more than two generations between the various communities of the Bantu race in Central Africa, and which has, in fact, left a large part of Central Africa denuded of population and available for settlement by people of other races.

Such a complete shock to our preconceived notions of the realisation that in spite of our boasted civilisation we have apparently achieved so little of a permanent or enduring character, is bound to affect the nervous system and the outlook of the various populations of Europe unless they can receive some stimulating tonic from a rapid recovery. Man is so constituted that he rapidly forgets the troubles through which he has passed, once he realises that he is at last safe in harbour. Now, in order to attain such a result, it will be necessary for the various peoples to be brought to realise that labour is worth while. At present Europe is too disturbed and the outlook is too uncertain to induce the different populations to settle down to steady toil as they were accustomed to do in the period which preceded the outbreak of the War. Until, therefore, some settlement is arrived at when fighting at least will cease in Europe, it cannot be expected that the real period of reconstruction will begin. In England, in Belgium, and to a large extent in France, it has already commenced. There are clear indications that the peoples of these three countries see a future before them, that they are anxious to do what in them lies to bring about the period of recovery as soon as possible. Our people, the French, and the Belgians are making real and successful efforts to increase production beyond the actual amount of produce consumed in the country, and if this continues it will become increasingly evident that in the comparatively near future we shall be in a position to pay off a large proportion, if not the whole, of the terrible debts which the various countries have incurred during the progress of the late War. This is excellent up to a point, so far as France, Belgium, and England are concerned. But it is not sufficient even for the well-being of France, England and Belgium. On the contrary, very much more must be attained if our three countries are to succeed in their efforts to reconstruct their economic well-being to something like the basis to which it had attained in the first decade of the present century. In order to attain that object, not only must fighting cease in Central and Eastern Europe, but those parts of the Continent which are peculiarly well-fitted for supplying the Western manufacturing countries with food and raw materials must themselves once more begin to produce upon an extensive scale. The state of the exchanges warns us, if the high prices were not in themselves sufficient, that we cannot indefinitely rely upon distant sources of supply for food and raw materials. It has been clearly demonstrated that if Europe is to recover she must feed herself and supply the great bulk of the raw materials she needs in her industries. When that is accomplished by Europe, taken as a whole, it will be once more possible for countries like England, provided we continue to increase our foreign trade, to obtain very large supplies from distant sources. But it will not, even then, be possible, because the greater part of Europe is still in that economic stage of development when she is mainly dependent upon the supply of articles of primary necessity. If Russia and the countries of Central Europe remain in the disturbed state which they are in at present, the recovery not merely of Europe as a whole, but of each individual country separately considered, will be indefinitely delayed. England and France in the early stages of the War lent large sums of money to Russia. Russia, at present, is wholly unable to repay even the interest on that money. Owing to the fact that Russia in her present state of economic development is essentially a producer of food and raw materials, she could repay upon a low basis of economic values, which would hasten not merely her own recovery, but the recovery of the whole of Europe. She would benefit, too, if she is able to do so, in two ways, and Europe itself would benefit likewise. Something like 98% of the Russian population are engaged in the production of articles of primary necessity, as distinct from their manipulation. If Russia were once more in a position, as she was before the War, to send wheat, [illegible] products, flax, eggs and butter,

her action would so materially and so rapidly reduce the cost of living in these Western countries that we should in a short time have a large surplus available beyond what we require for our own sustenance and for the renewal of our plant. Now Russia, while she is a great source of supply for raw products, is very poorly developed, and needs transportation facilities, perhaps, as much as any of the most backward countries in any part of the world. If Russia, as she is well capable of doing, was supplying us with large quantities of raw products, it would be to our interest in return to trust her to continue to do so. The evidence of that trust would be afforded by our willingness to find the means whereby she could open up her vast territory with improved means of communication. We could furnish her with the means of building great roads, of extending her railways, and of improving generally her means of communication, which, in turn, would enable her to supply Western Europe with increased quantities of raw materials, and gradually raise the rouble to the figure at which it stood at the outbreak of the late War.

ECONOMIC VALUES.

We receive from time to time inquiries from numerous readers, who ask us if the present high level of economic values, or, in common language, high prices, is likely to continue. Now the phenomenon of extravagantly high prices is by no means new in the world's history. Rises in value and falls in value have taken place at varying periods. It may interest readers who have neither the leisure nor the opportunity of studying ancient economic records to know that the conquest of Egypt by ancient Rome under Cæsar and Marc Antony resulted in a fall in money rates in Rome itself, from a level at least as high as that prevailing in India to-day to a rate about equivalent to what we should have described as 3%, say, in the period that preceded the outbreak of the recent War. It is now coming to be generally realised that neither of the two great civilisations of Greece and Rome grew up independently. As far as we are able to ascertain, the most recent theory entertained by scholars who have carefully studied the subject is that what we may call for convenience the great classical civilisations were in reality merely the concluding periods of still greater civilisations which had preceded them. There seems no reasonable doubt now, from remains which have been discovered, that the country which stretched from Syria to Babylonia was at one time at least as highly civilised, and probably more highly civilised, than either Greece or Rome were at any time, and appears, at any rate, to have enjoyed a far greater abundance of commodities and to have developed applied science to an extent that was never achieved either by the Greeks or by the Romans, who were almost throughout the period of their existence more or less engaged in war. Egypt at the time we become acquainted with her through the classical writers had long since passed her period of greatness. Five hundred years previously, her native Government had been defeated by the Persians, who appear to have played very much the *rôle* in the ancient world which the Turks have played in our own time. Even the Turk did not wholly succeed in destroying the wealth of a great city like Constantinople. Nor did the Persians wholly succeed in destroying the enormous wealth which Egypt had accumulated during the preceding four millenniums. Certain it is that the Romans, when they first went to Egypt, were struck by the accumulated wealth displayed on every hand, and by the state of what they called luxury in which the inhabitants of the various ancient cities of Egypt lived. Egypt in later times became the granary of Rome; and, as we have already said, the trade between the two countries resulted in an extraordinary fall in the value of money in Rome itself. This was due to a sound economic cause, inasmuch as great wealth, not merely in the form of money, but in the form of produce of an exchangeable value, was poured into an exceedingly poor country, as Italy was in those days.

A converse operation took place in the Europe that witnessed the change from feudalism to industrialism. It has been estimated by various economic writers of repute that economic values, say, between the period of the battle of Agincourt and the death of Queen Elizabeth, had advanced 20 times over. It is commonly said that this was brought about as a result of the discovery of the silver mines of Potosi, in South America. If one clearly understands what one means by such an expression it may pass. But, in reality, it is very far from being accurate. The mere discovery of silver mines and the pouring of silver into Europe across the Isthmus of Panama would not in itself have increased prices to anything like the extent that actually took place. What really happened was that, as a result of the discovery of America by the Spaniards under Columbus, and of the opening up of trade routes with the East by the Portuguese after the celebrated voyage of discovery of Vasco da Gama, increased supplies of really exchangeable economic value were rapidly accumulated in Europe both from the East and from the West. It has been commonly said that the Spaniards went to South America simply to get gold and silver; that they did nothing for its development; that they did not increase its trade; and that, from first to last, they left everything to be desired. Considering their great opportunities, such a tirade is well deserved. But, of course, in fact it does not in any sense resemble the truth. It was not possible for great bodies of men to go from Europe to South America, settle to some extent, and occupy, at least in a military sense, vast countries, including Mexico, Central America, what we now call Venezuela, Colombia, Ecuador, Peru, and the greater part of Chili, without creating an enormous trade. It soon became evident, for example, that if the settlers were to survive at all they must carry with them ample supplies of food. So urgent did the necessity become that the Spanish Government insisted that every ship that sailed from the port of Cadiz should carry a certain proportion of sheep and cattle on board. The result is the enormous herds which to this day exist over various parts of South America. In fact, this enactment of the Spanish king was the beginning of the meat-trade industry, which has become so enormous and has developed to such an extent in our time. In those days, of course, it was not possible to send frozen meat from Buenos Ayres to South-[illegible]. But [illegible] hides. In spite, moreover, of the restrictions imposed by the Spanish Government, there was a very considerable trade [illegible] the Isthmus of Panama. The restrictions were vexatious and injurious alike to the Spaniards [illegible] the amount [illegible] the same thing [illegible] the Spaniards did nothing but send gold and silver from Peru to Cadiz. In fact, we owe the introduction of cocoa, cane-sugar, the potato and a large number of other vegetable foods to the Spaniards during their occupation of the various South American countries in the colonial period, and in the early colonial period at that. Consequently, prices rose in those days because there was a great increase in Europe in the number of consumable commodities desired by man, and which, therefore, had an exchangeable value. [illegible] brought about by real economic causes. Whereas the European peoples were accustomed to live in great relative poverty, dependent upon flocks and herds, poorly fed, and producing crops which were cultivated by [illegible]

utmost degree primitive, they suddenly found themselves in possession of comparatively large quantities of produce gathered from the two Americas and from the East. In other words, the Europe of the beginning of the fifteenth century had been converted towards the end of the sixteenth century and the dawning years of the seventeenth century into a relatively great trading community; and, in consequence, a rise in prices had become inevitable, and rested, in fact, upon a basis which seemed likely to maintain them, and did, in fact, maintain them, in a permanent form.

After carefully studying the causes which have led to the rise in prices at present, it is difficult to see any analogy with the conditions which produced the rise in prices four centuries ago. No new continents have been discovered, no great trades have developed, and it may truly be said that, with the exception of the aeroplane, no new industry has come into being. Consequently, it would appear that a sound economic basis for a permanent rise in prices is lacking. The real cause of the apparent rise in prices at the present time is the dislocation between commodity and money values. To put the matter in a somewhat more intelligible form, there has been an extravagant destruction of commodities, and money values have been largely created by means of exchange and credits. This, as we have endeavoured to show above, was not the cause of the rise in prices when the Middle Ages merged into the industrial period. If our view be accepted, and the world gradually applies itself to increasing production, as distinct from the destoying of produce, a time must come when the aggregate amount of produce which will gradually be accumulated will approximate more nearly than it does at present to what we have called, for convenience, money values. When that period arrives it will be possible to liquidate existing credits. When, therefore, these credits are liquidated they will, of course, cease to exist. The position will be very much what takes place when a bank overdraft is paid from the proceeds of the sale of produce. With the disappearance of these credits, and with the increase in the volume of produce, it is to be assumed that trade balances will, for the most part, adjust themselves as they did before the War, and that, consequently, the amount of credits or money values needed will be comparatively small. If this takes place it is evident that there must be a fall in the prices of commodities.

BRITISH BANK REPORTS.

Before the April increase in the Bank rate to 7%, when the City was full of rumours of the impending change, we pointed out that the avowed object of the foreshadowed increase, to check speculation, was likely to be defeated, while legitimate trading interests would suffer and the Bank of England's reserve would not be improved. The new rate was in itself found insufficient to eradicate gambling from the Stock Exchange, though many holders of sound securities were forced to realise to provide themselves with funds. Not a few were, indeed, frightened out of their holdings because of the difficulty of turning a profit with money so dear, but speculators in foodstuffs and raw materials were not discouraged by having to pay an extra 1% for accommodation. The profits to be made enabled them to bear the additional burden with equanimity. Further, the issue of currency notes continued on a large scale after April, and to keep the issue within the maximum laid down for the year frequent transfers of Bank of England notes to the currency redemption account were necessary, though this was a most undesirable feature, as it weakened the central reserve.

The one undoubtedly good result following the change was that sales of Treasury bills, which had previously been somewhat sluggish, showed a material improvement. To stop speculation it was, however, found advisable to secure a general restriction of banking credit, and thus, for the latter part of the half-year at any rate, the banks were more than usually careful in their scrutiny of all applications for overdrafts. Loans and advances have not on this account declined, but the rate of increase has been appreciably checked, as is shown by the following table, which contains figures for five leading British banks:—

Name of Bank	Loans and Advances according to Balance Sheet for Half-year to— June 30, 1919	Dec. 31, 1919	June 30, 1920
	£	£	£
London Joint City & Midland	129,122,589	178,556,048	197,044,143
London County Westminster and Parr's	97,756,450	128,090,983	154,172,642
Lloyds	92,784,878	135,763,591	161,395,591
Barclays	94,496,359	130,095,257	155,868,423
National Provincial and Union	111,258,429*	140,361,887	135,882,889
Total	525,420,305	712,867,766	805,363,598

* Including bills discounted.

The aggregate increase for the half-year to June 30 last was £92½ millions in respect of loans and advances, as compared with £187½ millions in the previous half-year. The conclusion is permissible that trade has benefited more than usual from the credit creations of the banks, a conclusion supported by our trade returns. No more convincing proof could be adduced of the powerful influence of the banks on industry, and of the beneficent manner in which they have exercised their influence in the last six months. Even with a rigid insistence on security and legitimacy, funds have not been sufficient to satisfy all the needs of merchants and manufacturers, and, with money in great request and a high Bank rate, the various institutions were in a position to make substantial profits. The tightening of the purse-strings is evidenced by the adjoining tables, which set forth the amount of acceptances and the bills discounted by the leading banks at the end of the last three half-years:—

Name of Bank	Acceptances as at— June 30, 1919	Dec. 31, 1919	June 30, 1920
	£	£	£
London Joint City & Midland	16,068,206	29,014,568	21,670,652
London County Westminster and Parr's	12,279,670	23,704,366	17,623,546
Lloyds	15,708,411	32,079,843	16,285,514
Barcays	6,354,734	13,588,825	13,531,057
National Provincial and Union	3,946,003	5,968,448	5,682,829
Total	54,357,024	104,356,050	74,793,598

Name of Bank	Bills Discounted as at— June 30, 1919	Dec. 31, 1919	June 30, 1920
	£	£	£
London Joint City & Midland	34,132,652	52,889,521	32,181,578
London County Westminster and Parr's	54,537,547	49,351,485	53,157,075
Lloyds	50,879,167	57,491,864	40,716,204
Barclays	41,152,386	30,263,309	31,506,961
National Provincial and Union	(Included with Advs.)	23,943,769	32,044,506
Total	180,701,752	213,929,948	189,606,324

The total acceptances at the end of June display a falling off of nearly 30 millions as compared with the end of 1919, although from June to December last year this item had nearly doubled itself, increasing by almost exactly 50 millions. Similarly, "Bills discounted" fell away by over 24 millions, as against an increase in the previous half-year of 33 millions. These figures bear witness to the careful discrimination exercised by the banks in filling their bill cases and in accepting bills on behalf of customers.

A rise in the Bank of England rate, though it means a marked appreciation in the commodity which the banker has to sell, cash and credit, is not to him an unmixed benefit, as it depreciates what constitutes a large share of his assets, namely, investments. Banks cannot afford to take risks in regard to securities, and their funds are generally placed in stocks of undoubted standing, but bearing a fixed interest. Because of the latter feature such investments are automatically depressed by any rise in the value of money. Thus the large holding of War Loans, of corporation and county issues, and railway Debenture stock which the banks are known to possess have been making successive "low records," and to provide for this drop a big share of the extra profits made by the more advantageous employment of funds must be utilised. The depreciation may be, of course, only temporary, unless we are in for an era of perma-

nently dearer money. Whether it continues or not, we must take account of the fact that many of the War Loan stocks and other issues held by the banks are eventually redeemable at or above par, and to write them down to market level is, in effect, to set up a concealed reserve of great magnitude. Depreciation has proceeded further since the end of the banking half-year, but in the absence of untoward political developments at home and abroad a recovery before December 31 next is certain. Such a recovery will materially strengthen the position, and help to make up for the reduced ratio of cash reserves which the banks' reports generally reveal for the half-year ended in June last.

GOLD RESERVES.

The decline in gold production in recent years, accentuated as it was by the [illegible] has been instrumental in bringing up the price to an unprecedented level. The record figure of 127s. 4d. per fine oz. was reached in the first week of February, since when [illegible] Circumstances other than supply and demand have had a material influence on price, the New York and South African exchanges being dominating factors. In view of the fall in sterling that has lately taken place and the further fall that seems likely in accordance with the usual autumn movements of American crops to Europe, the price of gold will probably revive somewhat, though the record level of February will not, in the ordinary course of events, be reached, or perhaps, even approached. The improvement in the exchange [illegible] plentiful or efficient, the aggregate world output of [illegible] increase over 1919. It must be remembered, however, that the gold premium operated only for the concluding portion of last year, and its operation over a complete year should prove a much greater incentive to higher production. At the price of 84s. 11¾d. per fine oz., the world's output of gold since 1913 was as follows:—

World's Output of Gold.
(At 84s. 11¾d. per fine oz.)
(In millions of £)

Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1913	[illegible]	24	[illegible]	[illegible]	[illegible]	[illegible]
1914	[illegible]	25	[illegible]	[illegible]	[illegible]	[illegible]
1915	[illegible]	25	[illegible]	[illegible]	[illegible]	[illegible]
1916	[illegible]	25	[illegible]	[illegible]	[illegible]	[illegible]
1917	[illegible]	25	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	25	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	25	[illegible]	[illegible]	[illegible]	[illegible]

The proportion of the total output produced within the Empire has increased from 60% in 1913 to 66% in 1919. Taking the period of the War as a whole, our production exceeded that of the period immediately preceding it.

When hostilities broke out the Bank of England commandeered the British output of gold at the price of 77s. 9d. per standard oz., on the British currency basis, and it was not until the removal of this restriction in September last that gold could be imported into the United Kingdom, auctioned off at the highest price, and re-exported subject to Government authorisation. In effect New York remains the only free gold market in the world, and the reopening of the market here, as suggested by some, could only have the result of draining away our present supplies. Our gold holding, as represented by the Bank of England reserve, has expanded considerably since 1914. The aggregate increase and the increase per head are shown in the adjoining table:—

Gold Reserve of Bank of England.

December	Amount in Millions of £	Amount per Head of Pop.
	£	£ s.
1914	40.0	1 1
1915	34.3	1 —
1916	32.8	1 —
1917	32.1	1 —
1918	79.4	1 14
1919	99.2	1 19

While the position in the United Kingdom has improved, the greatest concentration of gold has taken place in the United States. The general movement of the metal during the War was westwards to America, as European countries were unable to any appreciable extent to pay for imports by countervailing exports, and had to make up for the deficiency by gold shipments. In consequence there has been a marked increase in the gold accumulation per head of population across the Atlantic. According to the returns of the Federal Reserve Banks, which had not, of course, been established in June 1914, the reserve has increased in [illegible] manner:—

Gold Reserve of the Federal Reserve Banks, including Gold in the Treasury.

Year	[illegible]	Amount per Head of Pop.
		£ s.
1913	255.2	3 2
1916	[illegible]	1 1
1917	1,294.6	— —
1918	1,949.0	18 3 14
1919	2,147.8	20 4 2

At the end of 1919 the reserve in the Federal Reserve Banks worked out at 82s. per head, as compared with 39s. in the United Kingdom. The disparity between these figures shows what a long distance we have yet to travel before London can hope to resume its place as the world's gold market, or even before we can commence to get rid of the shackles that at present impede operations. A departure from the gold standard is not readily rectified, as we are now finding to our discomfiture The rising cost of white and native labour and of stores is a familiar plaint at meetings of gold-mining companies, and prevents that expansion of output which is necessary to give us a supply adequate to our many-sided needs.

The United States, not without some expenditure of effort, have managed to keep their gold market open, but no European country, even amongst the favoured neutrals, has been able to do likewise. A considerable stock of gold has, however, been amassed in many cases, and in the following table a comparison is instituted between the position in 1913 and at the latest date in 1920, for which figures are available:—

[illegible]	1913	1920	1913	1920
	£	£	£	£
Great Britain ...	[illegible]	112,500,000	[illegible]	[illegible]
[illegible]	[illegible]	589,900,000	[illegible]	[illegible]
[illegible]	140,300,000	223,400,000	[illegible]	[illegible]
[illegible]	[illegible]	77,100,000	1·91	[illegible]
[illegible]	(b)12,300,000	14,400,000	1·65	[illegible]
[illegible]	(b)22,400,000	92,600,000	[illegible]	[illegible]
[illegible]	[illegible]	52,900,000	2·85	[illegible]
[illegible]	[illegible]	[illegible]	·96	[illegible]
[illegible]	[illegible]	[illegible]	1·08	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	(c)4,100,000	12,600,000	1·49	4·18
[illegible]	[illegible]	21,200,000	1·81	5·38
[illegible]	151,600,000	[illegible]	·91	[illegible]
[illegible]	[illegible]	[illegible]	·92	·86
[illegible]	51,700,000	9,000,000	[illegible]	[illegible]
[illegible]	(d)8,500,000	59,700,000	[illegible]	[illegible]
[illegible]	[illegible]	60,800,000	[illegible]	[illegible]
[illegible]	1,400,000	1,700,000	45	·51
[illegible]	—	1,700,000	—	·28
[illegible]	[illegible]	(e)23,900,000	1·01	[illegible]
New Zealand ...	[illegible]	[illegible]	3·15	[illegible]
[illegible]	(f)7,800,000	16,500,000	1·08	2·29
British India ...	21,300,000	[illegible]	[illegible]	[illegible]

The table shows a higher figure per head for France, the Netherlands, Spain, Switzerland, Greece, Australia, and New Zealand than for the United States, but owing to Government restrictions stocks of the precious metal are not available as before for settling international balances. Each country jealously guards its hoard and strives to add to it.

For us hopes of an increased gold production are centred in South Africa. Since the discovery of gold in the Rand in 1886, the extra production for which that area has been responsible has proved a welcome addition to the world's supply of the international

medium of exchange, especially as the world's expanding trade rendered a large supply extremely desirable. According to an estimate made in 1914, about 550 million tons of paying ore remained in the West Rand, and some considered that an equal amount was available in the East Rand. The district has thus a long and profitable life before it, and should continue to augment Imperial supplies at a time when such augmentation is, in the interests of our position in international finance, badly needed.

BRAZIL.

MARKING TIME.

All those who have for years made a careful economic study of the causes which affect the various exchanges of the world must be puzzled at the steady and persistent fall in the Brazilian exchange which has taken place during recent months. As the matter was expressed quite recently by a valued business friend who, although he does not pretend to be in any sense an exchange expert, has a good deal of practical acquaintance with the working of the various Exchange markets of the world, had practically given up the problem as insoluble. The reason people are so much puzzled by the working of the exchanges in the actual form that working takes is that they do not very often really acquaint themselves with the causes which bring about the remarkable, and, we may say, contradictory, movements in the exchanges. The broad underlying principles are quite simple, and most people are satisfied when they understand, or think they understand, the great underlying principles by which those movements are governed. But as a matter of fact, as everybody knows who has ever made any study of logic in any form, that the difficulties arise in the application of the various principles. Nearly all the great differences that have caused wars and troubles in the political and economic spheres of the world at various periods in its history have been brought about by the very question of the application of some great principle. Everybody is agreed that robbery and murder are bad things, and the broad general principle that robbery and murder should be prevented is accepted by almost all political thinkers of every school. But as to the application of the principle how to prevent robbery and murder, or what even constitutes robbery and murder, people have such diverse views that every little sect or coterie has a different and an irreconcilable version compared with that held by some opposing faction. Those of our readers who have followed our series of articles on South American subjects will remember that we went very elaborately upon two separate occasions—to rather, in fact, exceptional length, bearing in mind the pressure on our space—to explain the trade position as between Brazil and Europe in general, and this country in particular. We showed that, as a result of the War, Brazil had attained a remarkably favourable position. Although she had not wholly been paid for the supplies of munitions, food, and various forms of raw materials which she had despatched to different parts of the world, and particularly consigned to us, nevertheless, she was in the hands of perfectly sound creditors, and she knew that within a quite reasonable space of time she would be in a position to obtain the full amount of credit to which she was entitled. She has, in fact, acquired large balances in the various European capitals, and especially large credits with ourselves. We pointed out at the time that the most advantageous way that Brazil could in our opinion employ those credits would be with a view to increasing and improving her transportation facilities. Now the reader who has only made himself acquainted with the broad principles on which the exchange question is based might say, and say reasonably, If you are right in your contention that there is a large trade balance in favour of Brazil, how do you account for the fact that the exchange has gone steadily adverse for some weeks before, and practically ever since, your articles were written? Surely, the fact that Brazil was able, at any rate, if she did not do it, to take large credits from Europe should have sustained the exchange! The Exchange market, however, is not governed by broad principles any more than the rest of us. It is governed simply by their application. In the instance before us Brazil has not withdrawn any of her credits from Europe. She has done nothing which would in an way inconvenience her Allies, and, particularly ourselves; and she has taken nothing with the exception of small imports in the ordinary course of trade which have benefited rather than embarrassed those Allies. It happens that since we wrote the coffee market has been very quiet. It has not, in fact, been a season in which there are large exports of coffee either from Rio or from Santos. And, in consequence, there have been very few sterling bills needing purchasers in order to pay for the coffee or other raw material being despatched from Brazil to this side of the Atlantic.

When coffee is shipped in large quantities from Rio or Santos to London or Liverpool, as the case may be, there is naturally a great demand for sterling, as it is called. That is to say, anybody who has bills payable on the local banks at Santos or Rio will get a small premium on his bills, because the coffee importers are anxious to settle for the coffee, which they must pay for sooner or later. Whereas if there is no coffee or other commodities being shipped here to any large extent, there is no great class of people in London who want to buy bills payable within so many days—say, a month, or whatever it may be—in Rio. Consequently, there is no real demand for sterling. Seeing that there is very little coffee being exported, and seeing, moreover, that the price of coffee—we will go into that question later—has depreciated to some considerable extent since we wrote the articles on the balance of trade above referred to, speculators have sold sterling instead of buying it. Consequently, the Exchange market has been depressed. Doubtless when the active export season comes, and speculators see that there is a great demand for bills payable on demand at the great banking houses in Rio and Santos, there will be a sharp recovery in the Brazilian exchange, and, whereas the Brazilian exchange was recently 13*d.* and is now 14*d.*, it will probably recover to the comparatively high figure at which it stood in the autumn of last year. It will be seen from the quotation we have given that the recovery has apparently already begun. We have said that one of the contributory causes of the serious fall in the Brazilian exchange which recently took place, and which attracted such wide attention in the market, was the fall in the price of coffee. It will be remembered that two years before the outbreak of the recent War there was simultaneously a great fall in the price of Brazilian coffee and of raw rubber. Rubber fell from 12*s.* to 4*s.* per lb., and coffee from 84*s.* to 44*s.* per bag. Such a fall in the two principal articles which Brazil in those days exported for a time made it necessary for the Brazilian Government to pay the interest on its foreign debt in funding bonds. The rapid rise in the price of coffee which took place as a result of the War, the great expansion which took place also in the general course of Brazilian trade, and notably the opening up of the manganese ore deposits in Minas Geraes, enabled Brazil rapidly to recover, and not merely to pay the

interest upon her foreign debt, but to accumulate, as we have said, enormous balances in Europe, and particularly here and in New York. Nevertheless, it has to be borne in mind that coffee forms even still an undue proportion of the value of the exports of the United States of Brazil. The total value of the exports of Brazil, according to the official returns, was last year just over 130 millions sterling in value. Of this amount no less a sum than 72 millions sterling was [illegible] of the State of Sao Paulo. For one single export like coffee to contribute very nearly half the total value of the whole exports of the various States of the Union is an exceedingly dangerous position for any State to be in. As we have said, so recently as 1912 Brazil became temporarily, although, of course, only temporarily, embarrassed as a result of the fall in the prices of coffee and raw rubber. If she were a poor, unfertile, badly-developed country which could only export one or two commodities there would be no more to be said. On the contrary, her people would be greatly commended for finding a market for the commodities [illegible] for a country like Brazil, more extensive in area than the United States of America, and probably more fertile than any comparable area in any part of the world, there is no good reason why she should rely upon one or two sources of income; and there are sound and excellent economic reasons why it is a dangerous policy to follow. Of course, the Brazilian Government and the Brazilian financial and trading classes are at least as well aware of it, and they are making strenuous efforts to overcome the difficulty. They have developed, as we have pointed out upon various occasions when dealing with the subject since we have taken so active an interest in the affairs of South America, the export of various classes of food, various kinds of minerals, vegetables, and other products. Whereas, for example, Brazil exported only 25 tons of lard in 1913, she exported over 20,000 tons last year. Whereas she exported a negligible quantity of preserved meat in 1913, she exported 25,000 tons last year. Whereas she did not export chilled and frozen meat at all so recently as 1914, she has during the War years exported quantities varying from 30,000 tons up to 66,000 tons, and last year she exported 64,000 tons. Whereas she only exported 100,000 tons of manganese ore in the period that preceded the outbreak of the War, she exported between half a million and 600,000 tons during the War period. In vegetable products Brazil only exported 50 tons of rice before the War. She exported 30,000 tons last year. She exported no sugar, against 5,000 tons last year. Her cocoa exports have almost trebled. Her exports of mandioca flour have multiplied five times over. Her exports of beans have risen from 7 tons to 60,000 tons. Her exports of oil-seeds from 50,000 tons to 80,000 tons. Her exports of tobacco have multiplied by 50%. Her exports of *mate* tea, sometimes called Paraguayan tea, have multiplied to the extent of 33%. Her exports of timber have grown between five and six times over. Her exports [illegible] 4,000 tons; while the total quantity of her exports has increased between 50% and 75%. Nevertheless, it still remains, as we have said, that coffee forms a wholly undue proportion of Brazil's exports. There is absolutely no reason why this should be so. On the contrary, as the War has shown, Brazil is capable of developing a great trade in the exports of meat from nothing at all, a great trade in the exports of rice from nothing at all, and a great trade in the exports of sugar also from nothing at all. Practically, Brazil affords at the present time one of the most promising undeveloped fields existing in the world. She is just in that stage when she is capable of absorbing immigrants, absorbing capital, and opening up the country for economic development. She has a sufficient population, so that she can hardly be regarded as a practically empty country, consisting merely of woods [illegible] less, a very large part of her territory is practically wholly unsettled. It is so rich and so fertile that it is difficult to place any real limit upon the potentialities of growth which Brazil offers to those who will undertake her real development. She is capable of growing all the rich tropical products, such as sugar, cocoa, cotton, and, of course, rubber, of which she is the original home. Rubber does grow in other tropical countries, but it was in Brazil that the use of rubber was discovered, and it was from Brazil that the world's supplies of rubber came for an immense length of time. Whether it would be desirable to develop a great rubber industry in Brazil itself we are not at all inclined to offer a dogmatic opinion. But we do think, and a large proportion of Brazilians agree with us, that it would be eminently desirable to settle the rubber country with a population capable of developing various kinds of agriculture other than the collection of raw rubber. As the rubber industry is carried on on the Tapajoz River and in the basin of the Amazon generally—not merely in Brazil, but in countries adjoining that great Republic—it cannot be described as in any sense satisfactory either to the owners or the workers. The Brazilian rubber industry does not demand a continuous supply of labour. But it does require a great deal of labour at a particular period of the year, when the latex is collected from the trees. Consequently, the industry would be best served by a population engaged in other branches of agriculture, and the country in which the rubber trees flourish best is eminently suitable for almost any kind of tropical agriculture, and is particularly suitable for the growth of the sugar-cane upon a really extensive scale.

We have just said that the rubber country is particularly favourable for the growth of various tropical products. This is, of course, true, as anyone will admit who is at all acquainted with the country. But he will at once ask, what we are about to point out, What is the good of a fertile country if nobody can get at it? In other words, until it is practicable to obtain rapid means of ingress and egress between the high lands south-west of the Amazon basin and the great markets, either of the Amazon itself, or, better still, on the Atlantic seaboard, it is futile to talk of the possibilities, or, rather, the potentialities, of the rubber region—say, of the Tapajoz River and the surrounding 100,000 square miles suitable for the growth of the products to which we have referred. From an engineering point of view there is no great difficulty in opening up this region. But it would be very expensive. Part of it would pass through that country to which we refer in another part of this issue, which is actually inundated, not twice a year, as is the case of the country north and south of the Amazon River, but which, nevertheless, is subject to inundation during the rainy season, corresponding with the winter in the north temperate zone. It will be seen, therefore, that amongst the greatest needs of Brazil at the present time are increased transportation facilities, and a greater variety in the products which she has to offer to the international markets of the world, without having to rely too much upon one or two sources of revenue.

OUR OIL POLICY.

THE recent report of the Royal Dutch Company has again focussed attention on the question of oil supplies within the British Empire. The report bears witness to the fall in petroleum stocks throughout the world, owing to disturbed labour and political conditions, and at the same time emphasises the increased demand everywhere apparent for the commodity. This demand led to

high prices being maintained throughout 1919 for both crude and refined oil, and the resultant effect on profits has been wholly good. Since the end of December prices have continued slowly on the up-grade, and despite increased costs of production oil companies will benefit further from the rise. The quotations for American petroleum in the London market in the last Friday of each month in 1920, have been as follows:—January and February, 2*s.* 1*d.*; and March, April and May, 2*s.* 1½*d.* per gallon. This week it has registered 2*s.* 2*d.* per gallon. At the present time America controls 70% of the world's output, and though her partial monopoly is threatened by the depletion of her reserves, it is desirable that we should secure sources of supply within our own control. Our Government have been alive to the needs of the situation and in several international conferences British oil experts have been prominent. The mixture of politics and oil has, indeed, had some unsavory consequences. We received the mandate for Mesopotamia, a country in which we have long been interested for strategic reasons, as it lies across the road to India and its possession would be a safeguard against invasion from the west and north-west. According to the Covenant of the League of Nations, in reference to the Turkish Empire, the wishes of the communities "must be a principal consideration in the selection of the Mandatory," and though we were naturally destined for the latter post, yet we find it necessary to employ a large army to enforce our mandate. The situation is both annoying and anomalous, and resembles that in Syria, where the French mandate is actually being enforced by an army of 80,000 men. We have admittedly set our hearts on Mesopotamia because of oil possibilities in it and the surrounding districts, and the oil position of the British Empire is such as to counsel its retention. The Imperial consumption of oil per anum reaches six million tons, against a production of less than two millions. At the present time within the United Kingdom alone 70,000 tons of oil per month are provided as bunker fuel at our ports. According to a recent speech of Mr. Kellaway, Minister in charge of Petroleum Affairs, qualified advisers with whom he has been in consultation estimate that in ten years' time 75% of the merchant ships sailing under our flag will be burning liquid fuel instead of coal. The popularity of oil fuel in the Navy is well-known, and when these facts are taken in conjunction with the expansion in the number of motor vehicles, it is evident that oil will in the future have the same vital importance for us as coal had in the past.

What seems our indecent haste to seize oil-bearing territory has provoked some not over friendly criticism on the Continent and in the United States, and complaints are made that all concessions and exploration and development work are, as far as possible, placed in the hands of British subjects. Such a precaution is quite legitimate, especially in view of the system of "peaceful penetration" practised against us by foreign hostile interests in the period before the War. Our safety must not again be compromised by reverting to a policy that nearly proved fatal. The seaborne supplies of oil to the United Kingdom were made the object of special attack by the enemy while hostilities lasted, and in all no less than 66 tank vessels were sunk, and 295,000 tons of oil was lost. Though some productive wells have been opened up in Derbyshire, and drilling operations are being conducted in various parts of England and Scotland, our oil requirements will largely have to be satisfied from abroad. Control of supplies at the source is therefore essential to our national safety, and risks of deprivation must be reduced to a minimum.

A further consideration in favour of a vigorous policy of British oil development is that the reserves in the United States, our principal supplier, are far from inexhaustible. The Geological Survey have carefully examined the fields, and the following table, which presents in a condensed form their estimate of available supplies, may be useful to those interested in American oil undertakings:—

Oil Reserves, United States.

District	Thous. of Barrels
California	2,250,000
Mid-Continent	1,750,000
Texas and Wyoming	800,000
Gulf States	750,000
Appalachian Field	550,000
Alaska, Montana, Colorado, &c.	350,000
Illinois	175,000
North Louisiana	100,000
Other districts	10,000
Total	6,735,000

The reserves are placed at 6,735 million barrels. The production was in 1918, 335,928,000 barrels, and in 1919, 378,000,000 barrels. If in the future the annual output averages 400,000,000 barrels, the wells would be completely dry in less than seventeen years. Long before then, however, many areas would have become uneconomical to work, and outputs are accordingly bound to decline as the reserves in the ground decrease.

The world's production of oil in 1918 exceeded 500 million barrels of 42 gallons each, and although the preponderating share fell to the United States, the outputs of other countries were not insignificant. They were, however, used mainly to satisfy home consumption, and the quantity available for export was small. The statistics of crude petroleum raised in different countries are shown in the following table, the figures for British Possessions being given separately:—

Crude Petroleum Output in Barrels of 42 gallons.

	1915		1918	
	No. of Barrels	Per Cent. of Total	No. of Barrels	Per Cent. of Total
		%		%
FOREIGN COUNTRIES—				
United States	281,104,704	65·85	335,928,000	69·0
Mexico	32,910,508	7·71	63,328,000	12·4
Russia	68,548,062	16·06	40,456,000	7·8
Dutch East Indies and British Borneo	12,386,808	2·90	13,285,000	2·5
Roumania	12,029,913	2·82	8,730,000	1·7
Persia	—	—	7,200,000	1·4
Galicia	4,158,899	0·98	5,592,000	1·1
Peru	2,487,264	0·58	2,500,000	0·5
Japan and Formosa ...	3,115,464	0·73	2,448,000	0·5
Argentina	516,120	0·12	1,321,000	0·3
Germany	995,764	0·23	711,000	0·14
Venezuela	—	—	190,000	0·05
Italy	39,518	—	36,000	0·01
Other Countries	10,000	—	—	—
BRITISH POSSESSIONS—				
India	7,400,000	1·73	8,000,000*	1·5
Trinidad	750,000†	0·18	2,082,000	0·4
Burma	221,768	0·05	2,080,000	0·4
Canada	24,464	0·005	305,000	0·07
	426,892,763		514,723,000	

*Marketed production. †Estimated.

The proportion produced with the Empire was less than 2½%, though we are the world's largest consumer. The room and the need for expansion are alike obvious, and the problem can only be solved by the acquisition of oil-lands if we are to place ourselves on a more self-supporting basis.

THE GOVERNMENT AND THE RAILWAYS.

THE statement in relation to the working of the controlled railways of the United Kingdom, recently issued by the Ministry of Transport, does not make very inspiring reading. All told, the deficit on the actual working of the railways and subsidiary interests for the financial year ended March 31, 1920, amounts to £7,141,070. Taking this into account, the net liability attaching to the Government on foot of the guarantee given at the outbreak of War amounts to £41,349,530. Out of this sum, payments covering interest on capital invested in the railways are made; and the public will accordingly appreciate the point that a radical change in the present methods of operation will require to be made before a self-supporting basis is reached. As the tables from which the above figures are extracted are not yet fully authenticated, it is possible that further revision may place the accounts in a more favourable light, but it is certain that it will not do so to any appreciable extent. The

increased charges to be imposed on Government traffic, presumably in harmony with the higher-rate classification adopted last January, are not yet finally agreed upon; and, furthermore, no allowance has been made for liabilities that may attach to the Government in respect of replacement of stores and materials and under other heads. Some adjustment will also probably have to be made in respect of the estimates of cost of making up certain arrears of maintenance, as the basis adopted in calculating these costs is too low. This adjustment would, in any case, be inconsiderable, as the total amount involved on foot of these arrears is not very large. Taking the published statement as it stands, the burden on the State for 1919-20 amounts, as above stated, to £41,349,530, but presuming the continuance of the present system of working, it is calculated that the Exchequer would be called upon to provide £54,500,000 in 1920-21. On the face of it, this is an unsatisfactory state of affairs. An indirect tax is levied on the community which, like most forms of indirect taxation, is objectionable, inasmuch as the individual does not properly appreciate its incidence. It seems on the whole highly desirable that the user of the railways should be placed in a position to recognise the actual cost to him of their services. The point, too, might be pressed that some tax-payers benefit more than others from the maintenance of an artificially low scale of rates and fares; but differentiation is difficult here, as all sections of the nation are indebted in some degree or other to the means of transport. Regarded from an economic standpoint, these considerations will probably justify the contemplated change in policy of the Government, and perhaps still more so when the opinions of railway stockholders are taken into account. The nominal paid-up capital of the railways is estimated at approximately £1,350,000,000, and few people are unaware that the market value of this stock has shown an enormous depreciation since 1913. The high standing of railway securities has been undoubtedly much impaired during the War, and the task will now fall to railway managements to attempt their restoration towards former values. To pursue this course while the railways stand in such intimate relations with the Government would be a difficult matter, as there is little hesitancy as a rule on the part of employees in demanding increased wages when the State is the object of attack. The "State" is a nebulous conception to many minds, and its wealth is often assumed as illimitable. State interference with industry was consistently discouraged in the United Kingdom prior to the War, and the novelty of the rôle afterwards assumed in relation to the transport and other industries was responsible for consequences that would, in all likelihood, have been avoided if private control had been retained. The declared policy of the Government is to withdraw the railway subsidy and to endeavour to enable railways to "pay their way" as speedily as possible. With this aim the Ministry of Transport proposes to institute a "group" system of railway working and to make an immediate general advance in passenger and freight charges; and, subsequently, to set up some form of rate-fixing machinery. The railway system of England will be controlled by five or six groups, of Scotland by one group; and, eventually, a similar procedure will probably apply in Ireland. The groups will be determined on the basis of operating economy, and the amalgamation of the railways, which it is decided will constitute a group, if not carried out voluntarily in a reasonable time, will be effected compulsorily. Underlying these proposals is the desire to abolish the waste attending competition, to set up common standards, to secure economies in the use of rolling-stock and equipment, to dispense with the necessity of maintaining a number of separate boards of management, and, in a word, to secure all the advantages of more centralised executive bodies. It is an attempt in a way to apply the principles governing the [illegible] leading industries of recent years. On paper, at any rate, there is something to be said for these schemes. In connection with the running of empty and half-full goods wagons and with wagon-shunting there are ample opportunities for reform. The practice of pooling wagons, especially those adapted for general purposes, made great progress during the War, and, undoubtedly, could be further extended.

When these reforms are executed and substantial increases in existing fares and rates are imposed, it is expected, according to the Ministry of Transport, that railway companies will be enabled "to earn a net revenue substantially equivalent, on some pre-War basis to be settled in the Act, to the combined net revenue of all the companies absorbed in the group. With due care and economy it should be possible for group companies to improve on their pre-War return, but, in that event, the Government is of opinion that such surplus revenues should not accrue entirely to the companies." Provision is here made for filling the coffers of the State at the expense of the railway companies. In other words, when by dint of "due care and economy" the net profits of the group have reached a certain level the State deems itself entitled to share in the surplus revenues. This is not an attractive outlook for a management bent on progressively increasing the efficiency of the group it supervises. We should imagine that the excess profits duty afforded sufficient deterrent to enterprise without the imposition of this additional tax. Of course, it is possible that the former duty will have been abolished or greatly reduced by the time that circumstances will favour the appropriation of surplus railway revenues by the Government; but, in any case, is it wise to pay attention to any measure except it has for its object the cheapening of transport? The development of transit facilities in backward districts, such is the projected use of the Government's share of this new taxation, is very desirable, but the amount thus accruing cannot be very large unless the dividends allowed to be paid are fixed at a low level. Stockholders have been compelled to accept a low rate of interest during the past few years, and now they are asked to agree to further restrictions in the future. In particular, holders of stock purchased before the War will not be pleased with this prospect.

Light railways are excluded from this grouping arrangement. The policy of the Ministry in their regard aims at working them on the cheapest possible lines, and provides further that when a light railway is changing in character and is, in fact, becoming an ordinary railway, or is competing for main line traffic, the group company may absorb the light railway on fair terms and make it a part of its own system. Are we to understand from this that, where a light railway is worked more economically than a group railway and is consequently able to dispense the resultant advantages in cheaper rates to its customers, its absorption by the group railway will follow as a matter of course? Is it to be penalised in this way for being too efficient? The inhabitants of the district in which it operates would, in that case, have ample ground for objection.

The programme of the Ministry of Transport thus contains features which may easily prove to be of a most objectionable nature. When these proposals are embodied in a Bill and presented to Parliament an opportunity will arise for more detailed criticism; in the meanwhile, those who are concerned for the welfare of the railways would be well advised to take note of the attitude of the Ministry towards its charge.

The directors of Moss' Empires, Limited, have resolved to pay a dividend on the Ordinary shares for the half-year to June 30, 1920, at the rate of 10% per annum, less income tax, together with a bonus of 2*s*. 6*d*. per share, free of income tax.

AMERICAN COTTON CROP.

(From Our Special Correspondent.)

New Orleans: July 15, 1920.

The Cotton market during the past several weeks has been mainly a weather affair. A remarkable improvement in cotton crop conditions was recorded during the month of June, being reflected in the Government Bureau report of July 2, when the average condition on June 25 was placed at 70.7, as compared with 62.4 the previous month. The improvement of 8.3 points was due to a spell of warm, dry weather, which enabled cultivation of the crop to proceed under the most favourable conditions. On an estimated acreage of 35,500,000 acres in cultivation on May 25, the indicated yield as given by the Bureau was 11,450,000 bales. These figures compared with generally accepted private estimates of around 10,000,000 bales based upon the June Bureau figures of 62.4, and the effect upon the market was naturally quite bearish. Heavy liquidation of old purchases followed, the market displaying a downward trend which carried prices into the neighbourhood of 32 cents for October deliveries.

Since the date of the last Bureau report, there has been a further marked improvement in the condition of the crop, but reports of damage by the boll weevil are becoming more numerous as a result of the showery weather that has prevailed over the Belt during the past week. If the weather continues showery or even cloudy for another week, the damage by the boll weevil may be sufficient to influence the character of the next Bureau report, so that it may show only a moderate improvement over the conditions recorded on June 25. The last weekly weather report stated that considerable damage had already been done by the boll weevil in Georgia and Alabama, two important producing States, but also brought out the fact that the damage in Texas and other States from the boll weevil thus far was light.

Apprehension as to what might happen to the crop if weather favourable for the spread of the boll weevil should continue for several weeks served to check the bearish sentiment that had developed after the July Bureau report was issued. Within the last couple of days, there has been considerable re-buying of contracts sold out on the break that followed the Bureau report in the early part of the month. Trade interests, particularly those with Liverpool connections, have figured conspicuously on the buying side of the market, which to-day ran up in the neighbourhood of 34 cents for October deliveries, a recovery of nearly $10 per bale from the low levels recorded about a week ago.

I have talked with many prominent interior dealers and planters on the floor of the New Orleans Cotton Exchange this week, and the consensus of opinion was that, with the exception of the damage that the boll weevil and other insects might do, the outlook for the crop was favourable, indeed. Crops are now clean, the plant is fruiting well and picking has already commenced in some few localities in south-west Texas. In the early crop section of Texas the early planted cotton has reached a stage of maturity where a yield of half a bale to three-fourths of a bale to the acre is already practically assured. The late planted cotton is yet subject to boll weevil damage and shedding, which usually occurs in August. On the average, therefore, the outlook for a normal yield in south-west Texas is only fair, as boll weevils are reported to be puncturing about 75% of the fruit that the plant is now puting on. From the vicinity of Austin, in central Texas, reports of increased damage by the boll weevil are also being received. The chances are, therefore, that a boll weevil scare of serious proportions may develop within the next two weeks, and the market, anticipating some such possible development as this, gives evidence of a nervous undertone.

Considering the bearish propaganda that has been carried on to the effect that the mills were reducing their output, and that there had been many cancellations of orders for goods, the Census Bureau report on consumption for the month of June made rather a deep impression on the trade here. This report showed that the American mills during June had consumed 556,000 bales of cotton, as compared with 474,000 bales the same month last year. No falling off in consumption is indicated here, and the bearish argument in favour of lower prices has been weakened to this extent at least. There is also talk that the Continental countries of Europe will greatly increase their consumption during the coming season. French importers who have been on this side lately, making new connections for the handling of cotton, declare that France is rapidly returning to normal conditions, and that the French mills will need considerably more cotton this coming season than was the case this past season. German interests also show more activity, and all this augurs well for the future of the market from the standpoint of consumption.

EMPIRE TRADE.

The Department of Overseas Trade is organising the Dominions Touring Exhibition with the object of fostering and developing trade with the Dominions, and enabling manufacturers and merchants to bring their goods to the notice of buyers in all parts of the Empire. The Tour, which will start from England early in 1921, will occupy about two years. Special arrangements have been made with the various Governments concerned with regard to fares, freights, and exhibition halls, and as a result a unit of space in the Exhibition, or a ten feet frontage, can be offered for £210. The Tour will take in the following countries in the order mentioned: South Africa (Durban, Johannesburg, and Cape Town), Australia (Perth, Adelaide, Melbourne, Hobart, Brisbane, and Sydney), New Zealand (Christchurch, Wellington, and Auckland), and Canada (Vancouver, Winnipeg, Toronto, Montreal, and Halifax). Unlike other Exhibitions the work will not be confined to mere propaganda, as it is intended to book orders on the spot. A firm may send a salesman with its exhibit for all or part of the journey, or may share with one or more firms the cost of a joint salesman. It is understood from the Inland Revenue authorities that the cost of participating in the Tour will be treated on the same lines as advertising expenses, and admitted as such in ordinary cases for the calculation of excess profits duty.

JUGO-SLAVIA.

The disturbance to economic conditions involved in Eastern Europe by the setting up of new political boundaries and the subdivision of hitherto homogeneous territories has been intensified by petty tariff wars between various communities. A party of traders recently visited Germany and Austria to purchase goods and materials required in Jugo-Slavia, but returned empty-handed, as the export of the goods purchased was forbidden by the German and Austrian Governments. The action was justified on the ground that restrictions had been placed on the export of cereals, flour, and other foodstuffs from Jugo-Slavia. To solve the *impasse* negotiations are taking place officially, and it is hoped that a solution satisfactory to all parties will be found. The illicit trade in grain last year led to the flooding of Jugo-Slavia with valueless paper kronen, and considerably increased currency difficulties. A new issue of dinar-krone notes has been made to replace the currencies of both Serbia and the former Austrian territories, and the economic outlook for the new nation is distinctly hopeful, provided peace is assured.

Chinese Imperial Government Gold Loan of 1908.—The second drawing for redemption of bonds to the amount of £250,000 will take place at the offices of the Hong-Kong and Shanghai Banking Corporation, 9 Gracechurch Street, E.C. 3, at 11 a.m. on August 5 next.

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Financial Notes.

THERE has again this week been a somewhat theatrical movement in the exchanges, many of which have been adverse to this country, and nearly all have been adverse to the various Allied countries, other than the United States, recently engaged in the European War. One explanation offered for the rapid movements which have occurred in the exchanges during the week is the varying phases of the Polish situation. Now, if anything, the Polish situation is better this week than it was last. When we were going to press a week ago the market was under the shadow of the very grave warnings the British Prime Minister had given to all whom it might concern that we were threatened with the renewal of a great Continental war. If a great Continental war were really threatened it would mean a further collapse of all the exchanges. We are not enamoured with the way the recent War was conducted either by our own Government or any of the great Governments concerned, but it must be admitted in fairness that once a country engages in war, even a war of comparatively restricted magnitude, it is practically impossible for the home Government to fix the expenditure at any specified amount in accordance with the economic resources of the particular country concerned.

The experience in connection with the war in South Africa, now nearly 20 years ago, showed how impracticable it is to place a limit on expenditure incurred. We are not pretending that we think that campaign was well conducted. Practically every competent authority admits now that it was not. Experience proved, however, that the expenses incurred were out of all proportion to the results attained.

After such a shock as we received last week it would be reasonable to expect a sharp and rapid recovery in the foreign exchanges, but such has been far from taking place. On the contrary, the week has witnessed a further decline which, as stated above, has been adverse to this country. Now it is the demand, or absence of demand, for sterling, dollars, or whatever may be the media for exchange effected that determines the rise or fall in the exchanges. Those who have practical acquaintance with the working of the foreign exchanges not unnaturally conclude that the foreign exchange situation is determined by the relative economic positions of the two countries. This is perfectly true if one takes the course of exchange ruling, say, between New York and London over a long series of years.

If a writer 10 or 20 years hence, who was a competent economist, was dealing with the fiscal relations of Europe and America, he would be justified in saying that during the European War, towards the second decade of the twentieth century and for some years afterwards the American exchange was uniformly unfavourable to Europe owing to the magnitude of the debt which Europe had incurred to the United States. We are, however, not writing in the centuries a generation after the events chronicled have occurred, but we are concerned with the exchanges as they are affected day by day. Now while it is true that over a prolonged period the determining factor is the relative economic situation existing between the two countries, it is not true as the situation presents itself from day to day. If that explanation were true, Europe, having incurred an enormous debt to the United States, the bulk of which is owed from here, the exchanges between London and New York would have fallen to an abnormally low figure and only gradually recovered as the debt was paid off.

Although the American exchange is uniformly unfavourable to this country, nevertheless there are wide fluctuations in its rate and incidence. A story is going about the City that an individual speculator has realised what amounts to a large fortune by merely gambling in exchange. Whether the story is true or false is only of public interest in so far as it illustrates that the determining factor from day to day is the demand, or absence thereof, for sterling or dollars, giving an opportunity for actual gambling on the part of the genuine trader or even of those who are not engaged in any kind of trade at all.

There are grave complaints from the United States regarding the congestion, particularly of coal traffic, on the American railways. We understand that the situation is a difficult one, and it would be unwise to make too much of it. Moreover, the various interests concerned have put their case before the Interstate Commerce Commission and that Commission is taking what steps it can to remedy the difficulty as far as possible. It cannot, of course, create by magic freight cars capable of carrying coal, but it is doing, if we are rightly informed, all that is in the power of a Commission to do to relieve the situation to the best of its ability. As far as we are able to understand the situation the difficulty of moving coal in the United States will probably lead to an appreciable diminution in the quantity of American coal available for export, as it is urgently required for domestic and manufacturing purposes at home. The coal affected is mainly bituminous. As the result of the War an immense number of factories, particularly in the Eastern States, have grown up in various districts of the Union. In addition, there is the usual domestic demand for East and West as well as for the region served by the Great Lakes, including, of course, the North-West. These latter regions require to be provisioned with coal before the winter frosts set in. Consequently, the problem is an urgent one. The Interstate Commerce Commission is unwilling to do anything which might have the effect of checking the manufacturing enterprise in the Eastern States.

The United States, as a whole, is suffering less than are in Europe, from the cumulative influences of the exchanges. As American produce is extravagantly dear in Europe, owing to the premium on everything bought from America due to the state of the exchanges, there is a natural tendency for a setback in American trade. Consequently, the Interstate Commerce Commission is unwilling to do anything that may increase the difficulties of American traders. On the other hand, it is imperative that the Northern territories should be supplied before the winter frosts set in. Before the War, when there was a shortage of coal particularly in the Eastern States, recourse was immediately had to imports from Europe, which of course meant imports from England. Now we have so great a difficulty in transporting our own coal that we have no coal to spare for export abroad.

It is quite possible that the difficulty of obtaining delivery of coal will have a very serious influence upon the iron and steel industry of the United States. It may lead to a large accumulation of stocks, which,

accompanied by a falling off in the demand for iron and steel goods, should lead ultimately to a material reduction in the price of these articles. This should be eminently satisfactory for the ultimate good of the iron and steel trade of the world.

A remarkable expansion has taken place in the trade of Canada with Central and South America. Practically the whole of the various States in South America as well as the five Republics of Central America have greatly increased their Canadian imports. During the period since the War Canadian exports to South and Central American countries, including certain of the British West Indies, have more than trebled. Argentina, it may not surprise the reader to learn, is amongst the best customer of Canada. It is very much more surprising to find that the second best customer amongst these States is the comparatively small British Colony of British Guiana. British Guiana takes about half as much Canadian produce as does the great and wealthy Republic of Argentina. Argentina imports large quantities of timber and other building materials which are not produced in the Republic in the neighbourhood in which they are wanted. In addition, Argentina imports large quantities of food of a kind that it is not convenient to produce locally in those great centres where the consumption is large.

The large consumption of Canadian produce in British Guiana must seem surprising to the reader whose acquaintance with British Guiana is merely that of a visitor, and who has no real knowledge of the economic conditions existing in that Colony. In reality, British Guiana lives almost wholly on the production of sugar. The hinterland of the country is almost entirely undeveloped. She produces comparatively little needed for her home consumption, and she is dependent almost wholly upon imports for the needs of her people for the vast preponderance of their requirements. Nevertheless, it is remarkable that a population of about 300,000, engaged almost solely on the production of sugar, should be in a position to import so largely from the Dominion of Canada that British Guiana is able to occupy the second place, coming immediately after a great, wealthy and comparatively highly developed State like the Argentine Republic.

SOUTH AND CENTRAL AMERICA.

A REAL ADVANCE.

New laboratories for research in connection with the origin and treatment of tropical diseases were opened on Saturday last at Liverpool by Lord Leverhulme, says a paragraph in a daily contemporary. Excellent as is the school at Liverpool, which owes its origin to the late Mr. Joseph Chamberlain, it still remains a fact that yellow fever and malaria, and, indeed, every disease, must be studied in the region in which it itself works. Even more excellent than the increased accommodation and the increased facilities for research which it is proposed to provide at Liverpool, is the establishment of two great laboratories in the region where yellow fever and malaria actually find their natural home, and operate to the destruction of human life. It is announced that a real laboratory of considerable size is to be established and operated at Manaos, a thousand miles up the Amazon, the great rubber station through which the rubber gathered on the Tapajoz River and the remote regions of Western Brazil and Eastern Peru and Eastern Bolivia passes. The establishment of a laboratory, even a small laboratory, at Manaos marks an epoch in the treatment of tropical diseases, and marks a period in a real effort to make these potentially phenomenally rich regions open to the service of men. Manaos has in its day been a deadly region. It is situated right up a river surrounded by, perhaps, the densest jungle that exists in any part of the world. It is surrounded by a country subject season after season to inundations twelve and fifteen feet deep. It is practically situated upon the Equator. It is within an hour's steam of receiving the water annually poured from one of the water-sheds from the Southern Hemisphere, and those which are annually poured practically into the same receptacle at another season from the Northern Hemisphere. Consequently, it is one of the few cities, and probably the only well-known city, in the world which receives a precipitation of tropical rain two seasons in the same year. To study yellow fever and to study malaria in such a locality with properly equipped apparatus, sufficient resources and ample leisure might well be a dream of any scientific investigator. Up to the time of the late Dr. Oswaldo Cruz, Manaos was one of the plague spots of Brazil. But when that distinguished doctor, under the late ex-President Alves, had tackled yellow fever and malaria in Rio, he proceeded to Santos, and various other cities on the Atlantic littoral, and finally arrived at Manaos. Practically, yellow fever was stamped out even in Manaos. But by that time the resources which had been set aside for dealing with yellow fever and malaria had been to a large extent exhausted, and it is to be regretted that, although yellow fever has practically been stamped out in Manaos, it cannot be said that the same is true of malaria. Nevertheless, whoever is appointed to fill the post of investigator of tropical diseases in Manaos, will find ample scope for his energies because, although yellow fever has practically been eliminated from the principal part of the city, it is still sufficiently evident in outlying towns, even in outlying portions of the City of Manaos itself. Of course, it will be readily understood that a city situated as Manaos is is an exceedingly difficult proposition when one comes to deal with a disease like malaria. No doubt the reader is aware that while yellow fever is what we may call a domestic disease, malaria is a disease coming from a very wide area. The distinction comes about in this way: the principal mosquito which infects man with yellow fever is a mosquito called the stegomyia. This particular mosquito which harbours the parasite which infects with yellow fever breeds only from, or breeds, at any rate, under the most favourable conditions, in receptacles in and about habitations of some kind—the water-butt, domestic receptacles about the yards of houses, and what the lawyers call the hereditaments, the little troughs from which dogs drink, or any receptacle of any kind capable of containing water for more than 24 hours—are suitable breeding-places for this particular species of mosquito, which harbours the yellow-fever parasite. The anophylae, on the contrary, appears to thrive best when breeding in stagnant water, not necessarily near the house. A fetid pond a mile away is quite good for this type of mosquito. Great swamps miles away are also very suitable. Swamps like those of the Gran Chaco, to the north of the Argentine and south of Bolivia, are excellent breeding-places for the anophylæ of malaria.

But the yellow fever mosquito will not breed in those regions unless there is a habitation providing suitable receptacles for its accommodation. The Tropical School, it was also announced in Liverpool, has obtained from the Colonial Office a lease of premises suitable for a laboratory at Sierra Leone. As we are here mainly concerned with South America we put the Manaos experiment first, because it is situated in South America, and a great deal of research is at present going on in South America. Moreover, the practical application of what science has done has been almost wholly confined to New Orleans in the Mississippi Delta of North America, to the West Indies, to Central America, and to the great continent of South America. Very little has really been done anywhere else. We are not forgetting the services rendered by the medical authorities at Calcutta. But it cannot be said that tropical diseases in Calcutta have been tackled to anything like the extent that has been the case in Central

and South America, the Panama Canal Zone, the West Indies, and New Orleans. Speaking generally, the British tropical officers have done very little compared with what has been done in North and South America and in Central America, in connection with the elimination of this terrible scourge of humanity in the tropical regions. We are, of course, aware that no less a distinguished man than Sir Ronald Ross himself made the bulk of his experiments with the object of discovering the sources of malaria in India, and it was while he was in the service of the Indian Medical Department that he did the work; not, indeed, that the Indian Medical Department assisted him to any extent. On the contrary, as far as anyone has ever been able to gather from Sir Ronald's writings, it would appear that red tape and bureaucracy tied his hands, and tied his feet, and hampered him in almost every possible direction. Nevertheless, it was in the Indian Medical Service that he did make his discoveries; and they were made mainly in India itself. But much as we owe to Sir Ronald Ross, much as the world owes to the various scientists who discovered the sources of malaria with him, and much as we owe to distinguished Americans like Finlay and distinguished Englishmen like Sir Patrick Manson in the discovery of the stegomyia mosquito, which harbours the parasite which carries yellow fever, it is in the practical application of these wonderful discoveries that the real advantage exists. If Finlay and Manson had written books showing there were means of getting rid of yellow fever—and no society and no Government had ever taken the trouble, or even been possessed of the means, of showing how yellow fever could be extirpated, say, in New Orleans, which was the first of them all, then in Havana, and, finally, of course, in the Panama Canal—no real progress would have been made. A certain amount of knowledge would have been acquired; but whether it was, or was not, of practical application it would have been impossible to say. Consequently, South and Central America stand out pre-eminently as the great arena in which one of the most striking dramas of modern history has been enacted upon the world's stage. Within the present century we have acquired the knowledge of how to deal with yellow fever and malaria. And within the present century men of extraordinary practical ability have shown that the study of the scientists in the laboratory is of real value. He is not simply a man who spends his time speculating on theories; but he does, if successful, evolve certain theories which can be turned to practical account provided we have men of the type of the late Surgeon-General Gorgas to apply the teaching to practical ends.

Of course, we would not be understood to speak dogmatically because there is not sufficient information available. But there seems very good ground for assuming that our knowledge regarding malaria, at any rate, and by inference regarding the stegomyia, or parasite-carrier of yellow fever, was well known to the ancients. Certain it is that centuries before the beginning of the Christian era the importance of draining malarial swamps was fully recognised. Now it seems hardly possible that the great civilisations which ended with what we call the classical period in Mesopotamia, and on the banks of the Nile with cities situated almost in the tropical region, could have existed if the people were unacquainted with the importance of cleansing the breeding places of the yellow-fever carrier. It will be appreciated from what we have said above that once you know what to do, it is far easier to deal with yellow fever, deadly as it is, and terrifying as it has always been to those who are unacquainted with the methods of dealing with it in tropical countries than it is to deal with malaria. Now that we know that the yellow-fever carrier will only breed in utensils where there is stagnant water in domestic receptacles, regulations can be drawn up, and heads of households can enforce what, for convenience, we may call practises of cleanliness about the various establishments. But to deal with malaria upon a really extensive scale in a country, for example, like the regions in which Manaos is situated, is an exceedingly expensive and difficult business to undertake. Those who are well acquainted, or even slightly acquainted, with the type of country in which Manaos is situated, know that it is surrounded by enormous swamps at various seasons of the year. Nearly the whole country for miles and miles north and south and east and west of the Amazon is inundated twice every year owing to the northern and the southern rains. Consequently, the real draining of this country must necessarily be more or less a matter of time. And until the country is opened up with good transportation facilities, and more or less settled, we will not say densely peopled, but settled to some extent at all events, it seems hardly probable that it can be wholly freed from malaria because the malaria-carrying mosquito may come to a ship going down the Amazon from a district miles away, whereas if the proper precautions are taken there seems no reasonable doubt now that yellow fever can be absolutely extirpated from the neighbourhood of the city itself, and will not, of course, generate in mere swamps where there are no human habitations possible. It was not until the beginning of the present century that the distinguished American surgeons, Reed, Lazear, and Carroll, proved conclusively that the stegomyia, or yellow-fever carrier, operates by inoculating from man to man, and apparently cannot operate in any other way. Unless one is actually stung by an infected mosquito, itself in a state of disease, there appears to be no possibility of being infected with yellow fever.

While the Liverpool School of Medicine is to be congratulated on establishing a laboratory at Manaos and in Sierra Leone, we are delighted to learn that the Japanese School of Medicine at Tokio has sent out a distinguished doctor to study the problem of yellow fever and malaria, but particularly yellow fever, at the port of Guayaquil in Ecuador. Guayaquil, it will be remembered, is the port from which nearly the whole—some 90%, in fact—of the cocoa grown in Ecuador is exported. Naturally, it should be free from yellow fever. But, unfortunately, the authorities in Ecuador have failed to adopt the measures which are necessary towards attaining that end. Consequently, there is abundant opportunity for studying the operations of the yellow-fever mosquito in Guayaquil. We await with the greatest interest the report that, no doubt, in due time this eminent scientist will render to his Government.

The terror with which man has always regarded yellow fever and malaria as a form of death in the Tropics had led to an attitude of mind on these subjects which practically precludes any apprehension from any other source of disease existing in tropical regions. Although yellow fever and malaria are the two deadly diseases from which everyone instinctively shrinks in the Tropics, and although anyone interested in the Tropics feels the utmost gratitude that we are at last in a position to relieve ourselves from these terrible scourges, they are not, and never have been, the only diseases to which tropical man is subject. It has to be remembered that the real advantage of the tropics are their intense fecundity, both animal and vegetable; and it follows, therefore, that anything which flourishes in the Tropics flourishes in great exuberance. Vegetation which will grow a foot in temperate countries grows 10 feet in the Tropics. This is very satisfactory when we are dealing with the sugar-cane and such forms of vegetation. But it is unsatisfactory when we are dealing with either noxious herbs or any kind of pestilence to which man is subject. Consequently, the Tropical School at Manaos and the Tropical School at Sierra Leone, and the Liverpool School of Tropical Medicine will be established at Guayaquil, which will admit of a careful and comprehensive study of the various tropical diseases which affect the well-being of man in those potentially most favoured regions of the earth.

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American Topics.

RISE IN FREIGHTS AND FARES.

ACCORDING to a Reuter's cable message which appeared recently in the daily Press the American railroads are seeking powers from the Inter-State Commerce Commission to increase their freights and fares. It will be remembered that by a Proclamation of the President of the Republic the United States Government took over control of the American railroad system upon the entry of the United States into the War on the side of the Entente Alliance. The mode of procedure followed very much upon the lines with which we are so painfully familiar in this country. The system in the United States is different from ours. On the whole it has worked better than our system. There has been, generally speaking, less interference on the part of Government with railway management, and above all there has been greater freedom for development of the various systems themselves, as well as affording improved transportation facilities for various specified areas as they appear to need it. One important result has been that the cost of construction in the United States has been very much less than in England, where the lines constructed have been the most expensive in the world. In England when any new railway scheme was projected it was necessary at the outset to apply to Parliament, and until Parliamentary sanction was obtained no scheme could be proceeded with. In the result, as the reader is aware, the procedure was enormously costly. Ultimately, after Parliamentary sanction had been obtained and a company formed to build any particular line, that specific system enjoyed what amounted to a virtual monopoly. The object of the English Legislature was to allot specified areas to particular lines, and to prevent as far as possible competition between the various systems. As is so frequently the case with schemes depending upon Parliament the object aimed at was never more than partially attained. In a sense it was never really attained at all. Competition existed, but it was neither advantageous to the public or the railways. Parliament, however, being under the impression that it had granted the various companies what amounted to a practical monopoly, imposed in return exceedingly onerous regulations, and whereas the lines when originally projected were expected to be able, and indeed should have been able if business principles had been adopted, to earn, and earn with ease, an annual dividend of not less than 10%, no such achievement was ever attained, except in the rarest instances. In the period immediately preceding the outbreak of the recent War the English railways were earning an average return of about 3½%, which was totally inadequate for industrial undertakings, whose future was exceedingly precarious as the ultimate results have too amply demonstrated. Some railways did very much better, but some failed to earn any dividend at all upon a large part of their invested capital. So onerous were the terms imposed by Parliament, and so difficult were the obstacles encountered, that after the first flush of excitement was over the difficulty of finding the money needed for the construction of the lines steadily increased. A practice grew up of dividing the capital into various classes of securities. Certain classes were regarded as particularly well secured, and the capital was consequently raised at a low rate of interest. Certain other classes were regarded as taking greater risks, and in consequence the return offered was increased. Finally, the ordinary stock took its chance of earning a dividend at all. The system of dividing up capital into various classes of securities in imitation of the English system has been generally adopted throughout the world, largely because this country was the pioneer in railway building. Moreover, we were the pioneers in railway building over a large part of the globe outside the confines not merely of England, but of the British Empire. In addition, even where neither our engineers or contractors took any active part in the actual construction of railways in the different countries the British investor in very many cases found the means whereby it was possible to construct the lines at all. It is by no means certain that the system of issuing different classes of securities has been beneficial either to the railway companies or to the investing classes of this country. It was adopted rather as an imperative necessity when it became realised that the cost of construction was becoming very high compared with the probable earning power of the various systems. What was adopted in England as a necessity has been generally copied abroad for the reasons above stated. It is exceedingly doubtful if such a system would have ever been adopted provided it had been possible under the then existing circumstances to construct the English railways upon sound economic lines. No private business has ever been built up upon such a system. As a matter of fact the real object for which the English railways were constructed was to fill the functions of public carriers, but they have always been regarded as hardly partaking of the nature of industrial undertakings at all. They have been throughout the whole of their existence held, to use a figurative expression, in leading strings. In a sense they have been protected by the Government, but in another sense those responsible for their management have never had a free hand to develop them by the method that business men usually adopt in the development of industrial undertakings.

Both in their methods of finance and in the way they were constructed the building up of the great railroad system in the United States has differed, and differed very materially from ours. Of course, it has to be remembered, as we have pointed out so often, that it is not really possible to compare because they are not comparable industrial conditions in the United States of America with those that prevail here. No clearer illustration could be desired than that of the American and English railroad systems respectively. Practically, the English railways were built by and for the English manufacturers. Their object was to obtain means for carrying their products from the scene of production to important centres of distribution or to a port of shipment in connection with developing their foreign trade. Moreover, England at the time the railways were built was a densely peopled country for the economic conditions then existing. Lastly, they were hampered by the conditions above referred to. The American railroads, on the other hand, were built with a totally different object in view. America of the pre-railroad period was an exceedingly thinly-peopled country. She is an exceedingly thinly- peopled country still. When the railroads were originally pro-

great colony of Australia to-day. The only settled parts were the extreme Eastern States on the Atlantic seaboard. There were in those days no great manufacturers, or, indeed, magnates of any kind, with large mobilisable capital which would have made it possible for them to build such roads as now form the railroad system of the United States of America. The money originally was found nearly altogether in this country. Manufacturing industry was being developed upon a great scale in England. It became an ever pressing problem from whence we were to obtain adequate supplies of food and raw materials whereby we should be enabled to feed the great mass of our people and to feed those industries upon which that mass of people were employed. In North America were a people descended from common ancestors of ourselves. They spoke our language, were accustomed to our modes of thought, and were well acquainted with our needs. Anxious as we were to obtain food and raw materials upon as low an economic basis as we could the Americans on their side were equally anxious to open up the vast territories to the west of them, but which they were quite unable to do with the resources at their own disposal. Two kindred peoples thus situated naturally came to an agreement. England found the money and the people of the United States agreed to open up their territory with a view to supplying us with adequate quantities of food and raw materials. As it was uncertain whether railways built out into districts which as yet had no settlers would pay, a very curious system of finance came to be adopted. The railways were originally built out of what came to be called bonds, or a first charge upon the whole of the undertaking after the actual working expenses had been made. The Common stock, which ultimately came to be so valuable, was practically given away as a speculative inducement to induce subscriptions to the bonds in the event of the lines being successful. These bonds were originally very largely subscribed for by the same class of people who built our own railways, and their primary object was throughout to obtain supplies of food and raw materials. They were to a large extent comparatively indifferent to the earning capacity of the several systems, which have since become amongst the greatest railways of the world. They enjoyed from the outset a measure of freedom quite unknown to the managers of English railways. There was no expensive application to Congress for powers to construct the various lines. In most instances a local governor gave what was called a Charter to almost anyone who was able to satisfy him that he had a reasonable prospect of raising the means of constructing any particular line. The promoter usually sold a large interest in his Charter to some financial house in London, and having obtained resources proceeded to build his line as well as he could. For more than a generation there was nothing in the nature of the English monopolistic system. Some railways got into difficulties, some prospered and bought out their rivals, but all the time the territory of the Union was being opened up and supplies of various kinds of produce raised, carried over the railways, and despatched to England. This system went on until the great system of the American railroads, with which the reader is so well acquainted, was gradually completed. With a remarkably free hand, and under a series of equally remarkably able railroad Presidents, a system was built up which in course of time probably constituted the cheapest, to use a colloquial term, land carriers on any part of the earth's surface.

Gradually, as the American railroads became successful, rich, and prosperous they attracted more and more the notice of Congress. This notice was very little to the advantage of the line, for with Government interference the difficulties of working the several systems increased apace. These difficulties were met by the Presidents of the several lines by a series of amalgamations unexampled in magnitude in any part of the railroad world. Congress still continued to place a heavy hand on their working, and for some years before the outbreak of the recent European War even these great systems found it so difficult to earn an adequate return upon the capital they were constantly forced to employ that they were reduced to the expedient of issuing what came to be known as short-term notes. These were short-dated issues of capital payable within a specified time, and their issue added, and added materially, to the financial as well as other difficulties of the working of the several railroads. Then came the outbreak of the European War, the entry of the United States itself into that War in support of the Entente Alliance and the taking over of the various railroads of the United States by the Federal Government. Under Federal control the railroads were worked as our railways here in England with very little regard to their physical or financial well-being. Costs of operation grew at such a rate that they threatened to absorb the whole earning capacity of the various systems in spite of an unprecedented magnitude of traffic and in spite of increased receipts. The railroads have now been freed from Federal control, but the managers of the several companies find it so difficult to operate them at a profit that, according to the cable to which we have referred above, they are at present applying to the Inter-State Commerce Commission to sanction an increase of 20% in the ordinary passenger rate and of 50% in Pullman-car rates, to cover in part the $600,000,000 of additional expenditure in wages authorised by an award of the Railroad Labour Board. In addition, powers are asked to increase freight rates to an extent ranging from 8% to 10%. The companies, in addition, ask for power to increase their charges for carrying milk from 25% to 30%.

A comparative statement of earnings of the American Keystone Telephone Company (combined companies) for the June half-year shows an increase of $47,522 in net receipts. Increased interest charges leave only an additional $7,803 available for dividend and reserve purposes. The following table shows the position for the last two half-years:—

	Half-year to	
	June [illegible]	[illegible]
	$	$
Gross earnings	[illegible]	78,[illegible]
Operating expenses and taxes	[illegible]	55,[illegible]
Net earnings	[illegible]	[illegible]
Fixed charges	[illegible]	14,911
Balance	[illegible]	[illegible]

In the balance sheet of the Banque Industrielle de Chine, published last week in our advertisement columns, we regret that, through a printer's error, certain items on the assets side "Bills" and "Investments and Participations" were incorrectly given. The correct figures are—Bills, 235,524,203.16fr. and Investments and Participations 25,429,252.30fr., making a total of 260,953,455.46fr.

The Bank of Nova Scotia will open a branch in London at 55 Old Broad Street, E.C., on August 3, 1920. It is the second oldest bank in the Dominion of Canada, having been incorporated in 1832, and it now ranks as one of the largest, being in possession of total assets exceeding $230,000,000. The authorised capital is $15,000,000, of which $9,700,000 is paid [illegible] has now over 260 branches between the Atlantic and Pacific coasts of Canada, in addition to which there is an extensive chain of branches in Newfoundland and in Jamaica. It is also established in Cuba and Porto Rico, [illegible] the present time offices are being opened in Santo Domingo. The intention is to conduct a general [illegible] by the London Joint City and Midland Bank, Ltd., [illegible]

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Rubber Topics.

A CHEERFUL tone dominated the market at the opening, although not many week-end orders had accumulated. This confidence was reflected in the movements of the leaders. Rubber Trusts moved up 6d. to 34s. 3*d*., and Linggi were a similar amount to the good at 58*s*. 9*d*. Bonus expectations forced Anglo-Dutch up to 49*s*. 7½*d*. On Tuesday plantation crepe fell to 1*s*. 10*d*. for spot, and share prices exhibited a tendency to ease off, notably that infallible index Rubber Trusts which reacted to 33*s*. 9*d*. On Wednesday the effect of the August recess began to be felt, and little business was transacted. Plantation crepe was again lower at 1*s*. 9½*d*. for spot. Rubber Trusts responded, falling to 33*s*. 3*d*., whilst Linggi were weaker at 56*s*. 10½*d*.

ANNUAL REPORTS ANALYSED.

TELOGOREDJO UNITED PLANTATIONS.

THE report of this well-known rubber plantation Company for the year ended December 31, 1919, is from all points of view a record of satisfactory achievements. Turning to the operations of the Dutch Company which works the estate, we find that the rubber crop exceeded the final estimate of 1,150,000 lb. by 136,078 lb. With 4,317 acres in bearing, this corresponded to a yield of 298 lb. per acre, in contrast with the restricted yield of 209 lb. for 1918. The average price realised by the sale of the rubber was 1*s*. 10.95*d*. per lb., and as the cost of production was returned at the satisfactory level of 9.94*d*. per lb., there was left a profit per lb. of 1*s*. 1.01*d*. It is easy to realise how the great increase in the crop rendered possible many economies in the cost of production. In particular this is reflected in the estate cost, which only amounted to £35,718 for the greater crop of 1919, as against £27,114 for the restricted crop of 1918. No less pleasing were the results of the coffee crop which up to recent years did not come up to expectations. For 1919, however, the crop harvested reached 4,119 piculs (5,001 cwt.), as compared with the estimate of 5,000 piculs (6,071 cwt.). Since the close of the year, however, it emerges that there is a further surplus of 1,138 cwt. which will bring the total crop to 6,139 cwt. The coffee was disposed of at the satisfactory price of 84*s*. 10*d*. per cwt. Although considerably smaller in quantity than in 1918, the value of the crop is returned at the record figure of £50,909, as compared with £35,678 in 1918. The increase is due in the main to the surplus value on realisation of the large stock on hand at the close of 1918. Owing to the depressed condition of the market this crop was included in the accounts at a low level, and subsequently retailed at a much higher price. Moreover, on re-weighing a quantity of 4,865 cwt. in excess of the total held was revealed. Both these factors resulted in an extra profit on coffee amounting for the year under review to £29,757. Thus a total estate profit of £132,511 was obtained, or nearly as much as the combined profits of the three previous years. After meeting all charges, including depreciation, adding £5,000 to the income tax reserve, and £7,000 to the reserve for planting, thereby raising it to £40,000, there is transferred to the profit and loss account of the English Company, which holds all the shares of the Dutch concern, the balance of £105,075. With the addition of £1,238 from interest and transfer fees, and the deduction of administrative expenses to a total of £1,295, there is left a net profit of £105,018. To the taxation reserve account there is added £20,000. Shareholders receive in dividends £67,500, equivalent to a rate of 37½%, leaving a balance of £30,137 to be carried forward to the next accounts, subject to a charge of £7,300 in respect of bonus to the staff in the East and extra remuneration to the directors. The following table embodies these results in contrast with those of the three preceding years:—

Dutch Co.'s Results.

		Output	Value*	Estate Cost	Estate Profit	Total Estate Profit
			£	£	£	£
1916	Rubber ...	386,765 (lb.)	50,756	22,628	28,128	53,161
	Coffee ...	11,184 (piculs)	35,508	11,135	24,373	
1917	Rubber ...	855,157 (lb.)	92,692	46,379	46,223	56,329
	Coffee ...	12,988 (piculs)	25,221	13,115	10,106	
1918	Rubber ...	885,680 (lb.)	45,954	27,114	16,840	39,084
	Coffee ...	15,895 (piculs)	35,678	13,434	22,244	
1919	Rubber ...	1,286,078 (lb.)	124,081	35,718	88,363	132,511
	Coffee ...	4,119 (piculs)	50,909†	6,761	44,148	

* Including stocks. † Including £29,757 by surplus on realisation of last estimate of 1918.

English Co.'s Results.

	Revenue*	Expenses†	Deb. Charges	Net Profit	—Dividend—	
	£	£	£	£	£	%
1916 ...	36,894	1,955	2,100	32,839	26,250	17½
1917 ...	33,544	4,149	1,030	28,365	16,500	10
1918 ...	15,086	3,756	—	11,330	9,000	5
1919 ...	106,313	1,295	—	105,018	67,500	37½

* Receipts from Dutch Co. plus small sundry revenue. † Including loss on exchange.

It is not possible to dissociate the outlook for the current year from the problem of taxation. This is one of the young companies that will be heavily hit by the increase in the excess profits duty to 60% in addition to the coroporation tax. And this burden is all the more unjust as it comes at a moment when the Company is about to secure the benefits of its development policy. The estates are all reported to be in excellent condition, and no anxiety is occasioned by disease. Furthermore, there is estimated for the current year a rubber crop of 1,480,000 lb. Forward sales have already taken place of 75 tons at 2*s*. 0¼*d*. per lb. landed London, of 120 tons at Java at terms equivalent to 2*s*. 1*d*. per lb. landed London, and of 60 tons at prices equivalent to 2*s*. 5½*d*. landed London; whilst of the 1921 crop contracts have been arranged covering 120 tons at 2*s*. 10*d*. per lb. landed London. The coffee crop is gradually diminishing. For the current year the estimate is for 4,000 piculs, and it is anticipated that at the end of the harvest the area under coffee will be reduced to about 1,000 acres. With a view to further expansion there have been acquired two adjoining estates at a total price of £150,000 approximately. These estates contain 411½ acres of rubber in bearing, and 2,106 acres planted with rubber. Of this area 1,740 acres are interplanted with coffee, which will thus replace in part the area on the existing estates which is being devoted to rubber only. The new estates can easily be supervised by the existing administrative officials and should facilitate further reductions in the cost of production. In virtue of this purchase, the Company have now 7,709 acres planted with rubber, part of which is interplanted with coffee and cocoa leaves. The revised estimate for 1920 includes a rubber crop of 1,528,000 lb., of which 835,200 lb. have been secured in the first six months, a coffee crop of 9,410 cwt. and 166,000 lb. of cocoa leaves. The money to carry through this transaction and to provide funds for the necessary development was secured by increasing the authorised capital from £180,000 to £300,000, and by issuing the extra 120,000 shares of £1 each to existing shareholders in the ratio of two shares for every three held, at a price of £2 per share. With the shares quoted in the neighbourhood of £3 10*s*. at the date of this announcement,

the issue price conferred a good bonus on the shareholders which accounted for the ready acceptance of the offer. The position of the Company as seen from the balance sheet dated December 31, 1919, is financially strong. Including the dividend of £58,500, liabilities did not exceed £69,902, whereas cash and Treasury bills alone amounted to £66,602. In the market the £1 shares are quoted at 58*s.* 1½*d.*, and afford at this price upon the basis of the 1919 dividend a return of nearly 13%.

SUNGEI KAPAR (SELANGOR).

Issued Capital : £100,000 in 2/0 Shares.

——Results for Years to December 31——

	Total Planted Acres	Area Tapped Acres	Rubber Output lb.	Average per Acre per lb.	Price per lb.	"All-in" Cost per lb.	Net Profit £	Dividends Amt. £	Dividends %
1915...	2,564	1,000*	665,760	325*	2/10	– 1/0	67,355†	52,000‡	60
1916...	2,554	2,000*	780,852	343	2/8	– 1/0	75,638†	34,250‡	70
1917...	2,554	2,100*	841,104	343*	2/2/35	– 1/0	56,090†	37,500‡	50
1918...	2,559	...	680,386	...	1/7/88	– 11/8	24,652†	16,031‡	22½
1919...	2,549	...	841,536	...	2/0/38	– 11/6	47,700†	28,000‡	40

Estimated. † Before deduction of income tax.

‡ After such deduction.

Price of Shares, 8 11. Market Capitalisation per planted acre, £175.

Very satisfactory progress is recorded in the report of this rubber Company for the year ended December 31, 1919. With the cessation of the restriction on output, which caused the crop of rubber to fall to 680,386 lb. in 1918, there was estimated for 1919 a crop of 751,000 lb. The crop harvested not only exceeded this estimate, but surpassed the record output of 1917 by over 1,000 lb. The achievement is still more praiseworthy when it is recollected that 325 acres were allowed to rest until August 31, 1919. Consequently, the yield per acre tapped must have exceeded 365 lb. With the increase in the crop came a satisfactory decline in the cost of production. This was especially marked in the f.o.b. cost, which reached 9.009*d.* per lb., as against 9.556*d.* per lb. for 1918. The "all-in" cost, despite the general tendency of prices of stores and materials, as well as wages, to rise, dropped to 11.6*d.* per lb. Moreover, the price realised by the sale of the crop improved considerably, from 1*s.* 7.88*d.* per lb. in 1918 to 2*s.* 0.98*d.* per lb. in the year under review. Thus the net profit increased from £24,652 to £47,700. After paying income tax, which amounted to £15,543, as compared with £19,691 in 1918, shareholders received a dividend of 40%, absorbing £28,000. This contrasts very favourably with a dividend of 22½% in 1918. There is carried forward to the next accounts a balance of £8,450, as against £4,294 brought forward from 1918.

The outlook for the current year is distinctly encouraging. With the 325 acres being tapped again for the whole of the period, the estimated crop is increased to 910,000 lb. Large as this figure is, there is every reason to hope that it will be exceeded. The actual crop harvested during the first six months of 1920 amounts to 461,700 lb., or more than half the estimate. With a profit of 1*s.* per lb., a crop of 920,000 lb. would yield a total profit of £46,000, whilst at 1*s.* 3*d.* per lb. the total profit would reach £57,500. There is no reason to believe that the profit per lb. will fall below 1*s.*, for with the larger crop further economies in the cost of production should be possible, and the price realised by the sale of the crop should at least be as favourable as that of the year under review. At the same time it is well to recollect the additional burden of the corporation tax and the 60% excess profits duty, though this Company is not likely to suffer so severely from this latter impost as younger companies would. The financial position as disclosed in the balance sheet dated December 31, 1919, is very sound. Taking into consideration the final dividend of £21,000, liabilities do not exceed £30,841, whereas liquid assets are available to a total of £55,694. The market quotes the 2*s.* shares at 8*s.* 11*d.* Assuming that the dividend for the current year remains unchanged at 40%, the shares yield at this price a return of nearly 9%.

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Insurance Notes.

BRITISH GENERAL INSURANCE CO., LTD.

Great enterprise has been shown in the development of this Company's connexion and profitable lines, and in the course of 15 years which had elapsed up to the close of last year it has been able to build up a business of considerable dimensions in every description of insurance usually transacted by joint-stock companies. The report for 1919 indicates a good trading profit, the declaration of an increased dividend, more than provided for out of the interest earnings, apart from those of the life department, and a marked enhancement of the reserves, which have reached a high level as compared with premium income. The latter feature has been assisted through the issue of 50,000 new shares of £1, with 5*s.* paid thereon, at a price of 30*s.*, the sum of £62,500, represented by the premium of 25*s.* per share, at which these shares were issued, being utilised in strengthening the resources of the Company. The new shares are of the same denomination as those in existence at the date of their issue, and the subscribed capital of the Company amounted on December 31, 1919, to £250,000, with £62,500 paid up thereon. It will be seen that on such an amount of capital it should be easy for the Company, situated as it now is, to earn good dividends, and the distribution in respect of 1919, 25%, shows an advance of 5% over that declared for the immediately preceding year. The new shares were offered to the then existing shareholders in the proportion of one new share for every four shares held, and the report for 1919 announces that the issue was largely over-subscribed. No better proof could be given of the confidence felt by the proprietors in the management and the directorate.

A brief review is given hereunder of the results shown in the various departments of the Company's activities in 1919:—

(1) *Life and Annuity Department.*—The first quinquennial valuation of this section was made at the close of 1918 by the British O^{M} Table, in combination with 3% interest and net premiums, and arising therefrom reversionary bonuses were declared on participating policies at the rate of 30*s.* per cent. per annum. In view of this gratifying announcement it is pleasant to find that the new life business in 1919 showed an increase of over £40,000, amounting to £187,614. The total net life premium income (increased by £1,592) amounted in 1919 to £27,065, apart from a sum of £2,147 received as consideration for new annuities granted. At the close of the year the life assurance funds (increased by £27,216) amounted to £83,084, inclusive of special reserve fund of £10,000.

(2) *Fire Department.*—Premium income, amounting to £107,157, was increased in 1919 by £44,043. The trading profit appears to have been £6,908, apart from interest earnings of £1,549, the amount transferred to profit and loss account being £8,458. The fire fund at the close of the year amounted to £92,862, having been increased by £22,018 (of which £13,000 was supplied by transfer from profit and loss.

(3) *Accident Department.*—Premiums, increased by £661, £2,414 [illegible] £982 [illegible]

earnings, £32; transfer to profit and loss account, £1,014. Fund at close of year, exclusive of amount reserved for outstanding claims, £966.

(4) *Employers' Liability Department.*—Premiums, increased by £28,892, £154,858. Trading profit, £22,532; net interest earnings, £3,691; transfer to profit and loss, £26,223. Fund at close of year, exclusive of amount reserved for outstanding claims, £61,943.

(5) *Capital Redemption Assurance Department.*—Premiums, £512. Fund at close of year, £1,096.

(6) *General Department.*—Premiums, increased by £14,119, £52,335. Trading profit, £2,444; net interest earnings, £826; transfer to profit and loss, £3,270. Fund at close of year, exclusive of amount reserved for outstanding claims, £20,934.

(7) *Marine Department.*—Premiums, £147,099. The interest earnings in 1919 amounted to £3,025, and these, along with similar earnings of £2,317 credited to this account in 1917 and 1918, were transferred to profit and loss account. Funds at close of year, £138,054.

Profit and loss account shows further net interest receipts of £8,711, and fees of £80. The balance of this account on December 31, 1919, after provision for the full year's dividend, for £3,591 income tax, and for transfer of £25,000 to general reserve fund, £45,000 to fire reserve fund, £15,000 to investment reserve fund, and £3,000 to staff pension fund, amounts to £16,532.

The departmental reserves added together, with the balances carried forward (apart from capital and the figures in the life and capital redemption accounts), after provision for outstanding liabilities, exceed the Company's entire premium income from the commercial sections of the business in 1919, and the financial position is therefore exceptionally strong, and surprisingly so for such a comparatively young Company. The total assets on December 31, 1919, as shown by the balance sheet, amounted to £844,618. It is stated that as from January 1, 1920, arrangements have been made to transact direct fire business in Canada and the United States, which opens a further large field of enterprise to the Company's activities.

PROVIDENT ASSOCIATION OF LONDON, LTD.

Founded in 1889, this Company has made a speciality of house purchase and endowment certificate business, and in these spheres it has attained a position of great magnitude. It also transacts ordinary and industrial life assurance, and these departments have lately shown a marked increase in their relative importance. This is particularly the case in regard to the ordinary life section, in which the premium income in 1919 was increased by 50%. The new ordinary life assurances amounted to £1,527,807, as compared with £654,475 in 1918, and the total ordinary life premium income rose from £74,505 to £111,288. The amount of the ordinary life assurance fund on December 31, 1919, was £551,597, showing an increase during last year of £99,572. Annual valuations on unusually conservative lines are made in this section, on a 2½% interest basis, and reversionary bonuses have been declared for the last eight years at the satisfactory standard of 32*s.* per cent. per annum.

The Association claims in its report for 1919 that its annuity rates give a better yield than those of any other life office transacting business in this country, after taking into consideration the fact that it pays the stamp duty on its annuity policies. This being so, it is curious that its annuity business should be of such small dimensions as are shown in the life revenue account. Only two annuities seem to have been issued in 1919, for £80, the amount of the consideration received being £750, and the annuities paid during the year only amounted to £1,442. It is clear that this section of the business has not been pushed, for a Company of the strength of the Provident Association offering annuities to the public on specially favourable terms could evidently transact a large business in this direction if it were so inclined.

The industrial life section shows a premium income in 1919 of £108,161, as compared with £87,780 in 1918, and the relative fund was increased in the course of last year from £639,610 to £681,960. Endowment certificate premium income (ordinary branch), £7,488; deposits, £192,061; relative fund, £213,320. Bond investment and endowment certificate fund, £4,532,954. Total assets of the Association, December 31, 1919, £7,059,696.

The subscribed and paid-up capital amounts to £350,000, in 250,000 fully-paid Ordinary shares of £1 each and 20,000 fully-paid Preference shares of £5 each. The annual dividends since 1911 have been at the rate of 10% on the Ordinary and 5% on the Preference shares.

It is stated in the annual report for 1919 that the financial position of the Association and its ability to meet its obligations are tested periodically by the Actuary, and that the reserves held by it in respect of liability to policyholders and certificate-holders ascertained by means of this actuarial investigation are so ample that the directors are entitled to state that the security afforded by the Association cannot be excelled, and can be equalled only by the oldest, strongest, and best of the life assurance companies transacting business in this country. The valuation of the certificate department assumes that a fund equal to the net actuarial liability is earning interest at 3%, the valuation of the life assurance policies being made, as above shown, on a 2½% basis, whereas the actual net earnings on the total funds of the Association substantially exceed the higher rate named.

Essex Union Insurance Company, Limited.—In our issue of the 17th inst. it was stated, through an oversight, that the accounts of this Company for 1919 had not been received. The figures for the year in question have been published, and reveal distinct progress in the Company's affairs. Premium income, less reinsurances and returns, increased to £216,305 from £130,632 in 1918, while the authorised capital has been raised from £100,000 to £500,000, the amount issued and paid being now £50,000.

The net profits of the Queensland National Bank, Limited, for the year ended June 30, 1920, have amounted to £104,673. Adding the amount brought forward from the previous year, the total for distribution is £111,439. Quarterly interim dividends have been paid in November, February, and May, and it is proposed to pay a final dividend, making 10% for the year, to place £28,000 to reserve, and to carry forward £6,165.

A dividend at the rate of 4% per annum has been announced on the Preference shares of the Commercial Bank of Australia, Limited; £10,000 is to be applied in reduction of bank premises, £5,000 is put to the guarantee and provident fund, and £116,257 is carried forward.

Perry and Company, Limited, manufacturers of steel pens and cycle specialities, have resolved to pay interim dividends for the first six months of the year on both classes of Cumulative Preference shares at the rate of 5% per annum, and on the Ordinary shares at the rate of 10% per annum, free of income tax.

Messrs. Raphael Tuck and Sons' profit for the year ended with April last amounted to £62,955. The directors recommend the payment of a dividend of 15% for the final six months, making together, with 10% already paid for the first six months, 12½% for the year. £10,000 is to be placed to the special dividend reserve fund, £5,000 to the general reserve fund, and £4,965 is to be carried forward.

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Col. H. F. Bowles, M.P.
Sir George Younger, Bart., M.P.
H. E. Carter (Managing).

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Issued Capital: £4,822,596 in 2,472,500 5½% Cum. Pref. Shares and 2,350,096 Ordinary Shares of £1 each.
Debenture Stock: £2,250,000 4½% First Mortgage.

Year to March 31	Profits after charging Debenture Interest, Depreciation, Repairs, Renewals, Contingencies, &c.	Debenture Interest	Preference Dividends	Ordinary Dividends	Amount carried to Reserve Fund	Reserve Fund	Sundry Creditors	Stocks	Sundry Debtors
	£	£	£	%	£	£	£	£	£
1917	588,088	101,250	257,257	176,250	13%	293,681	511,611	2,067,340
1918	1,049,024	101,250	257,257	176,250	15%	350,000	1,009,291	744,000	2,067,340
1919	982,437	101,250	257,257	235,000	20%	161,318	1,288,889	746,655	2,609,671
1920	1,603,525	101,250	257,257	470,019	20%	321,462	872,124	1,694,528	3,026,990

* After providing for repairs, renewals, &c.
† Including Reserve Fund. ‡ Including value of stocks.

On more than one occasion we have had to comment in these columns on the great prosperity of the textile industries during 1919. The report of the Bleachers' Association for the year ended March 31, 1920, is but another forcible illustration to this effect. For the year under review it registers the record trading profit of its career. In 1917-18 it returned a trading profit of £1,049,024. The dislocation produced by the Armistice is reflected in the trading of the following year, which nevertheless is credited with the satisfactory trading profit of £982,437. For the year ended March 31, 1920, the trading profit amounted to no less than £1,603,525. But if 1919 was a year of rising prices, the movement also applied to stores and materials and wages as well as the finished commodity purchased by the consumer. Consequently, the expenses of the Association were also increased. One measure of the increase in this respect is reflected in the sum of £546,824 for depreciation and repairs and renewals, as compared with £357,825 in 1918-19. According to the Chairman at the general meeting, the great difficulty in maintaining machinery and buildings, as well as the difficulty and expense of obtaining replacements or even repair work from the engineering firms, became so pronounced that the directors considered it necessary not only to increase the sum transferred to the depreciation fund from £90,000 to £130,000, but also to create a further reserve of £50,000 for contingencies. Similarly, whilst £252,825 sufficed to defray the actual cost of repairs and renewals in 1918-19, the total required in the year under review had risen to £401,284. In the light of these facts it is not surprising to learn that "the profits after deducting all charges prior to Debenture stock interest and Preference share dividend, are equivalent to 10.88% on the capital employed, *i.e.* the share and loan capital of the Association, reserve fund and amount brought forward as at March 31, 1919." A figure such as this does not leave much room for [illegible] and we venture to suggest that it would be advisable not only to continue to give this figure but also to give retrospective figures to 1914. After meeting all charges directly incurred in the conduct of the business and the Debenture and Preference interest, the reserves are increased by £275,000, as compared with £164,718 in the previous year. A transfer of £150,000 raises the general reserve fund to the satisfactory amount of £1,200,000, or more than one-sixth of the total share and loan capital issued. The contingencies fund in connection with depreciation absorbs, as already mentioned, £50,000, and a like amount is set aside to create a fund to meet the depreciation in the investments of the Association, notably in its holding of Government securities. An allocation of £25,000 brings the total of the superannuation fund to £43,628. Including the interim dividend of 4%, the dividend paid to the Ordinary shareholders amounted to £470,019, or 20%, as compared with 10% only in 1918-19 and 7½% for the two preceding years. Despite this generous distribution, the balance carried forward to the next accounts is increased from £288,889 to £321,462.

In one respect this Association stands out in contrast with many other industrial companies during the year under review. It has managed to increase substantially the quantity of its liquid assets during the year. As can be seen from the table at the head of this article, there has been the usual growth in the stock, the value of which is returned at £872,124, as compared with £746,615 on March 31, 1919. As with other companies, the increase represents mainly the higher prices that have had to be paid. Similarly, sundry creditors, which amounted to £923,296 in 1919, are now returned at £1,694,528. This advance of £771,000 is in part attributed to the rise in prices paid for the stock, but is principally due to provision for excess profits duty and income tax. On the other hand, debtors, with the increased trade at higher prices, are greater in value by £601,000; whilst cash balances have gone up from £41,209 to £406,676. Including the final dividend on the Ordinary shares to the amount of £376,015, liabilities do not exceed £2,074,658, whereas liquid assets, including stock, amount to £3,026,990. Consequently, there is a surplus of liquid assets to the extent of £952,332. Thus it appears that this surplus exceeds the value of the stocks by over £80,000—a position to which not many large industrial firms could lay claim in the year under review.

On the whole, we believe that for this Association the prospects for the current year are on the bright side. Obviously hampered by the 60% excess profits duty and the corporation tax, it is not reasonable to expect a repetition of the marked success of the year under review. Furthermore, during that year the inadequate supply of coal was a source of much trouble and anxiety, and the latest returns of the output of this important source of power leave yet a lot to be desired in the matter of quantity. On the other hand, no trouble was occasioned by labour disputes, and the Association is endeavouring to maintain its customary cordial relations with its employees. Evidence to this effect is furnished by its efforts to provide suitable housing accommodation for its workers. Again, during the year other businesses, including the works at home to facilitate the development of the branch of Kirkpatrick Brothers, have been acquired for £116,620, which sum also includes minor capital expenditure on the seventy branches of the Association. Further purchases have since been made, including the Chorley Bleaching Company, the Tenterhouse Bleaching and Dyeing Company, and the Greenfield Bleaching Company, and these concerns will contribute their quota to the profits of the current year. Realising the necessity of being in a position to raise further capital for any schemes of development contemplated, it was agreed at the general meeting to increase the authorised [illegible] that in the absence of the special consent of existing Preference shareholders no more than 527,500 of the new 2,000,000 shares of £1 each would be issued as Preference shares. Power was also given to the directors to capitalise any portions of the profits or the [illegible] gives the prices and yields of the different securities

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Commercial.

THE WOOL OUTLOOK.

THE outlook in the wool and wool textile trades is anything but comforting, and it is, in fact, very difficult for even the most optimistic traders to discern any encouraging signs for the immediate future. In the first place, the wages agreements with the operatives in the Yorkshire district expire on the 31st instant, and at the time of writing there is no prospect whatever of any agreement being reached for the renewal of these agreements. The employees demand that the whole of their present wages and "cost of living" wages shall be consolidated into a new basic wage, and that an advance of 40% on this new basic wage shall be given. The minimum wages demanded for a 48-hour week are £5 for adult time-workers and £6 5*s*. for piece-workers, and, in addition, full payment for the six statutory holidays and for a week's holiday per year. The new wages are proposed to be subject to increase or decrease in conformity with the fluctuations of the Board of Trade index-figures of the cost of living, but no reduction below the minima mentioned above is to take place. The current agreements were made for a whole year, but the unions propose a period of six months on this occasion.

It is quite certain that in the present position of trade the unions' demands cannot possibly be granted. The employers have offered an advance of 5% on the present basic wage and to calculate all "cost of living wages" on this new basis. At the present time the effect of this proposal would be to give 84*s*. 6*d*. per week, instead of the minimum of £5 demanded. The corresponding pre-War wage of a worker of this type was 30*s*. per week. The operatives are balloting on this suggestion, but it is quite certain that the offer will be rejected by a large majority. The position is that the unions are meeting to consider the matter on the 31st instant, and it is certain, therefore, that the period of the present agreements must expire without any settlement having been made for the future.

The operatives are choosing the worst possible time in which to attempt to enforce their extravagant demands. Business is at a complete standstill, and the mills are only working on contracts taken many months ago. Attempts are being made to cancel these contracts both by foreign buyers and, we regret to say, some sections of the home trade also. There is no sign yet of the much-needed basis of wool prices, and, taking all things together, all mill-owners would give a sigh of relief if it were decided to stop work for a time. The attitude on both sides is very determined, and it is difficult to see how a strike or lock-out can be avoided.

The Ministry of Munitions have recently published a statement showing the quantities of Government wools sold between the signing of the Armistice and June 30, 1920. The total quantity of Australasian wool sold in that time was 3,692,395 bales, of which 2,277,963 bales were disposed of through the auction sales. This information has a certain amount of interest, but it would be far more helpful to the trade as a whole if the Ministry would publish the figures—asked for in these columns on several occasions—showing the present position of their shipment and disposal programmes. Incidentally, it may be noted that the disposals through the auctions amounted to only 2,278,000 bales in some 19½ months, and that that time included a series of buying movements which are not only unprecedented but which cannot possibly be repeated. The Government's programme provides for the sale of 3,150,000 bales in 14 months, and we thus have another confirmation of the statements made on many occasions in these articles, that the Ministry's programme could not possibly be carried out. In a recently issued White Paper the Ministry admitted for the first time that since the summer of 1919 they have taken all possible steps to ensure the highest prices being obtained for all Government-owned wool, and it appears probable that the silence of the Ministry on the present statistical position is due to this policy. There are also no indications that the Government are prepared to reduce their reserve prices to a lower level, which might assist the trade to find the new basis of values so much needed at the present time. It appears that some 100,000 bales of wool, withdrawn from recent sales, have been sold privately to a Yorkshire syndicate, and it is probable that some guarantee regarding the present reserve prices was given to the purchasers of such a huge amount of material. The attitude taken up by the Department would be quite normal to an ordinary private trader, but the circumstances are quite different in the case of the State, standing in the position of monopolists of Australasian wools, and at the moment when control is ceasing and trade reverting to its usual channels. The establishment of control would have been impossible without the co-operation of the wool-growers and users, and it is now the duty of the Government to do all in its power to assist the trade in returning to pre-War conditions. Within a comparatively short time wool values must fall to their proper economic level, and, if the decline from the present inflated prices is taken in almost one single step, when the Australian sales reopen serious loss will result to the trade and to the Exchequer. All the information coming to hand from Australia indicates that the various wool control schemes have been abandoned, and it is to be expected, therefore, that sales in Australia will reopen in October. Some suspension of trading is inevitable at that date until the strength of the raw wool market is definitely known; but the immediate setting of a level of price, which would make business possible until that time, would be a great boon to the industry and the country as a whole.

SUGAR AND SHIPPING.

One of the reasons urged for the continuance of the Food Control is the shortage of sugar. It is proposed to continue this control for another two years, apparently, mainly in the interest of enabling us to obtain sugar from countries with a present unfavourable rate of exchange. Owing, partly, to that unfavourable rate of exchange, the sugar ration was recently reduced. Is there any object in maintaining control and—unless, of course, we have entered into obligations with the United States for two years, and the Government is buying Cuban sugar—which case, of course, there is nothing to be said—buying sugar in the dearest existing market at present in the world, and waiting until the sugar-beet industry in Europe has developed to such an extent that it is able to supply us as it was accustomed to do in the period that preceded the outbreak of the recent War. We told the story quite recently that when it became evident that there would be a great shortage of sugar, and we were in the early days of the War purchasing in Java, the Java planters, to their credit, increased the acreage under sugar, only to find that, owing to our arrangement with the United States, the British Government had decided to buy its quota of sugar from Cuba. We told the story so recently that we will not now enter into a further explanation on the subject. As the War progressed, and until quite recently, there was such an exceeding shortage of shipping that it was useless to urge the importance of encouraging cane-sugar-growing in the various tropical areas of the British Empire. What can be done in the tropical areas of the British Empire has been very recently illustrated in the case of cocoa. Readers are, no doubt, aware that until the beginning of the present century, Ecuador was the most important source of supply for cocoa in any part of the world. So recently as 1890, no part of the British Empire contributed any large supplies of cocoa to the world's total stock. Shortly before the outbreak of the South African War, local interests encouraged, if not actually assisted, by the Colonial Government in Sierra Leone, decided to try if it was practicable to grow cocoa to any considerable extent in what is called the Gold Coast Colony. The experiment was found to be not only practicable, but has proved eminently successful and, as no doubt the reader is well aware, the Gold Coast is one of the greatest sources of supply of cocoa at the present time. Now would it not be practicable to adopt a similar policy with a view to encouraging cane-sugar growing in either the Gold Coast, in those parts of India which are well suited to the growing of cane-sugar, in the West Indies, or in some other of the tropical possessions of the British Empire? Cocoa, one would have thought, was by no means a promising vegetable with which to initiate such an experiment. If some great capitalist, or group of capitalists, had a scheme for growing cocoa in some part of the British Empire, well and good. If they succeeded, a great British industry would be created in that district which would more or less benefit the Empire taken as a whole. If they failed, they had made a patriotic experiment. But to encourage natives of the Gold Coast to grow cocoa did not at all appear a promising enterprise. It has to be remembered when we talk of tropical agriculture that so far there are very few plants which can be properly included as coming under that heading, and certainly cocoa is not one of them in the common acceptation of that term. The cocoa plant is exceedingly delicate and exceedingly difficult to rear, and takes at least three or four years before arriving at maturity. One would have thought, in the absence of actual success of the experiment, that it was an exceedingly hazardous enterprise, more likely to land the colony in a loss than to create, as it has actually done, a great industry. Another illustration that we wish to draw attention to, showing what can be done in the Tropics, was the experiment made by the late Sir Alfred Jones in the island of Jamaica. Sir Alfred, seeing the success which the United Fruit Company of America had attained in encouraging the growth of bananas in various districts in the West Indies, and particularly in Central America, resolved to try the experiment in one of the British colonies in that region. The result, as everybody knows, was a brilliant success. There, of course, it was undertaken by a great capitalist assisted by a wealthy group. In its way, it certainly did not seem a promising experiment, because bananas can only be carried across the ocean, or, indeed, for any considerable distance, in specially constructed ships. Otherwise, they arrive at the port of destination in a state which totally unfits them for human consumption. Now the sugar-cane is the one form of tropical agriculture, properly so-called, with which the tropical agriculturalist has so far been able to deal with success. The growth of cane-sugar is an annual crop, just as the growth of wheat is. Consequently, if an opening were found for the growth of cane-sugar in any particular tropical area of the Empire, we could easily have greatly increased the supply within the next few months.

Now we turn to the question of shipping. Until quite recently, as we have said, there was no shipping available; and, consequently, it was useless to discuss the subject as to what could be done in increasing cane-sugar production in various of our tropical possessions. This difficulty has disappeared by the great increase in the output of shipping which has taken place during the last few months. Accompanying this large increase in the total world's tonnage has been a corresponding decrease in freights. There are clear indications that, unless some new form of employment is found for our ships, it will not be very long before the enormous amount of tonnage which has recently come into being will find it very difficult, if not actually impossible, to find employment. According to the return of the Register of Shipping just issued, the total British tonnage existing in June 1914 amounted to 18,892,000 tons. The total gross British tonnage in June 1920 amounted to 18,111,000 tons, or a decrease of 781,000 tons. The return shows that we are rapidly increasing our output of tonnage; and there are indications, therefore, that in a very short time we shall have a larger amount of British tonnage than we had at the outbreak of the War. The above figures, it will be understood, are those of steam tonnage. In the period before the War, the total world's steam tonnage amounted to a little under 45¼ million tons, whereas at the present time it amounts to 53,905,000 tons, an increase in the six years of 8¼ million tons. It is estimated that the total amount of British tonnage that will probably be available at the end of the year may amount to 21½ million tons. Unfortunately, our proportion of the world's tonnage has fallen from a little under half before the War to a little over one-third at present. Nevertheless, the figures of Lloyd's Register show that we are increasing our output of tonnage relatively to a greater extent than any other country. We went into that question fully last week, and we do not propose to [illegible]

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Our principal reason for calling attention to the figures at all is to show that in the next few months there will be an enormous amount of sea-going tonnage available for different trades, and we would urge the importance, therefore, of considering at the present time the prospects of creating a great new cane-sugar-[illegible] the British Empire.

New Issues.

HAYES, CANDY AND COMPANY, LIMITED.

Hayes, Candy and Co., Ltd., [illegible] an authorised [illegible] been issued, have this week offered to the public 80,000 7½% Cumulative Participating "B" Preference shares of £1 each at par, and 20,000 Ordinary shares of £1 each at 22*s.* 6*d.* per share. The Company was formed in 1909 to acquire the business of textile warehousemen and merchants carried on at London, Nottingham, Glasgow, Paris, and Lyons. Branches have since been opened at Manchester and Cardiff, while the Paris and Lyons branches have been transferred to a separate company in which the London company retains an important interest. The object of the new issue is to cope with the turnover of the past few years. The present turnover, we are told, is more than four times as large as it was in 1900. The Preference shares are entitled, in addition to their fixed interest, to an extra ½% of every 1% distributed to the Ordinary above 10%, until the maximum of 10% is reached. To pay the cumulative dividend requires £6,000, which has been covered seven times over on the average of profits for the past five years. At present the Ordinary shares are in the neighbourhood of [illegible] attractive.

The well-known paper-making firms of Edward Collins of Glasgow, and Henry and Leigh Slater of Manchester and Macclesfield have amalgamated, and now make an offer to the public under the name of the **Amalgamated Paper Mills, Limited.** The business of Messrs. Collins was established as far back as 1746. The capital of the combination is £900,000, divided into 400,000 8% Cumulative Participating Preference shares and 500,000 Ordinary shares, both of £1 each. The directors and friends have sub-underwritten the 500,000 Ordinary shares and have agreed to take 125,000. After 8% has been paid on the Ordinary, the Preference are entitled, in addition to their fixed dividend, to a quarter of any surplus. The total assets acquired are valued at £900,576. Profits amounted in 1916 to £86,797; in 1917, to £101,546; in 1918, to £220,219; and in 1919, to only £56,291, due to exceptional difficulties experienced by the trade following the Armistice. For the full year 1920 the profits are calculated at £294,803. There is ample security for the Preference, while the Ordinary may be considered attractive.

Applications have this week been invited for £250,000 10% Sinking Fund Debentures by **Commercial Cars, Ltd.** The Debentures, which are equivalent to 7% free of tax up to 6*s.* in the £, without allowing for premium on redemption, are repayable at 105 on January 1, 1936. They are a first charge on the whole of the assets of the Company, which are given as £706,743. The total capital is a quarter of a million and the profit last year was £63,933, though it had naturally been much larger during the War, when large numbers of the cars were used at the Front. At present, we are told, the demand for "Commer Cars" largely exceeds the supply, and the orders on hand are valued at over half a million sterling. The total turnover for the past year was £569,872; but the Company expect the figure to expand in the ensuing year to not less than £1,250,000.

The Telephone Manufacturing Co. (1920), Ltd., with an authorised capital of £600,000, is offering for public subscription 100,000 Ordinary shares of £1 each at par. The Company was formed in May 1920 to take over a complete organisation for the manufacture, installation, and maintenance of a system of intercommunication telephones. The Company acquires the business and assets of the Telephone Manufacturing Co., Ltd., and the entire issued share capital of 13 allied companies operating in various parts of the United Kingdom. The profits of the Manufacturing Company and eight of the installation companies for the year 1919 aggregated £57,304. The other five companies have not yet completed their first financial year.

Benson and Hedges, Limited, the tobacco firm of Old Bond Street, W., and of New York and Montreal, have offered this week 60,000 10% Second Cumulative Preference shares of £1 each. The present issued capital is £120,000, divided into 60,000 6% Cumulative Preference shares and 60,000 Ordinary shares of £1 each. Profits for the past nine years are set out, showing, with the exception of a sudden drop in 1914, steady increase from £12,000 in 1911 to £24,000 in 1918. The profit for last year is given as only £17,000, but this does not include the earnings of the New York and Montreal branches. The object of the present issue is to purchase and equip a new factory at Fulham, and to extend the business in Canada and New York. The issue is well covered, and may be looked upon as a sound investment.

An offer has been made this week on behalf of the London Investment Syndicate (1912), Limited, of 190,000 Ordinary shares of £1 each at par of the **Olives Paper Mill Company, Limited,** of Bury, Lancashire. 90,000 of the shares have been applied for by the directors and their friends. The total issued capital is £350,000, of which £200,000 is Ordinary and £150,000 First Mortgage 8% Debenture Stock. Net profits amounted in 1917 to £53,873, in 1918 to £87,405, and in 1919 to £36,411. The fall last year is ascribed to the period of acute stagnation experienced by the trade owing to uncertainty following the Armistice, during which period the mill was running short time. Nearly 75% of the profit earned in the latter year was made in the last five months. A profit for the current year is looked for of not less than £120,000.

Bullers, Limited, a Staffordshire firm of telegraph, telephone, and electrical manufacturers, with a capital of £150,000 in 5% Cumulative Preference shares and £155,000 Ordinary shares, offered this week for public subscription £250,000 in First Mortgage 6% Debentures, free of income tax. The Debentures will be a first charge on the freehold and copyhold land, buildings, &c., and a floating charge on all the other assets of the Company. The profits have shown fairly steady increase, and have risen from £17,400 in 1913 and to £71,000 last year. The proceeds of this issue are to be devoted to replacing expenditure on new works at Milton, Staffs, which are now in operation. There seems to be ample margin both as regards principal and interest.

Rapson Automobile Patents, Limited, is the title of a [illegible] to acquire a number of motor-car and accessories inventions patented by Mr. F. Lionel Rapson. The capital is a quarter of a million sterling, and the price paid to the inventor is £102,500, of which £35,000 is to be in cash and £57,500 in Ordinary shares of the Company. Mr. Rapson is to receive 25% of any profits from foreign and Colonial rights. The capital is divided into 249,300 Ordinary shares and 700 Deferred shares. All the latter have been taken by three of the directors. The Ordinary are entitled to a preferential dividend of 15%, plus a quarter of any balance of profits remaining, the Deferred shares taking the remaining three-quarters. The issue may appeal to the speculative.

MEETINGS
OF PUBLIC COMPANIES.

UNION BANK OF AUSTRALIA, LIMITED.

The annual general meeting of this Bank was held on July 26 at 71 Cornhill, London, E.C., Mr Henry P. Sturgis (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that [illegible] were very satisfactory, and must have been [illegible] with great satisfaction. After providing £20,000 in reduction of bank premises in Australia and New Zealand and adding £60,000 to the [illegible], £500,000 to the [illegible], the directors were able to declare a dividend for the year at the rate of 15%, free of income tax, as against 14%, the rate paid for several years past. The figures, compared with those of February 1919, showed a growth of £7,640,000. [illegible] £500,000; reserve, £560,000; bills payable, £724,000; and deposits, £5,705,000. The last-named were chiefly free deposits arising from satisfactory results from various [illegible] money in circulation through expenditure of Government Loan funds. Deposits, however, were likely to be reduced by payments of customers for Government taxes and subscriptions to the new Commonwealth Loan for £25,000,000 about to be issued in Australia. On the assets side there [illegible] £555,000; and bills receivable, &c., £8,917,000. The large expansion in the last two items was chiefly due to the heavy disbursements made by the Imperial authorities in London in respect of Australian wool and other produce purchased by the Government, resulting in a large accumulation of funds in London, which were temporarily invested in British Government Treasury bills, &c., pending opportunities for transfer to Australia for employment there. Since the date of the balance sheet these funds had been considerably lessened by transfers to Australia. A considerable portion of the increase in bills receivable, &c., was represented by the increased trade of Australia and New Zealand, which was a very satisfactory feature. Advances showed a decrease of £2,156,000, due to repayment in Australia of advances to the Wheat Pools, but since the date of the balance sheet there had been a satisfactory increase.

The liquid assets amounted to 11*s.* 8*d.* in the £ of the Bank's total liabilities to the public, as against 7*s.* 6*d.* a year ago. Expenses in the Colonies were some £44,000 higher than a year ago, due chiefly to increase in salaries, £26,000, arising partly from the return of demobilised soldiers, and taxation, £15,000. In Australia great unrest had continued in connection with labour, resulting in numerous strikes, but, in spite of these, trade had been active, with no large failures, and many industries were getting fairly established. In New Zealand, although the season had been somewhat unfavourable, there was marked prosperity, and the Dominion had not suffered so much as Australia from labour disturbances. Weather conditions in the Commonwealth during the year were most unfavourable, and the harvest, except in Western Australia, was poor. In the last two months, however, the position had been greatly relieved by beneficial rains, and the pastoral and agricultural outlook had considerably improved.

The Earl of Chichester seconded the motion, which was carried unanimously.

BANK OF ROUMANIA, LIMITED.

The ordinary annual general meeting of this Bank was held at Winchester House, Old Broad Street, London, E.C., on July 28, the Earl of Bessborough, K.P., C.V.O., C.B., presiding.

The Secretary (Mr. H. Locke) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I assume that, as usual, you will take the directors' report and balance sheet as read. In moving the adoption of the report and accounts up to the end of December last, I would draw your attention to the considerable growth of the figures in the balance sheet as compared with those in our previous one. The principal increase, as you will notice, is in the cash in hand. This is due in a large measure to the heavy deposits in Roumanian currency which have been made on Bucharest on behalf of exporters to Roumania, either in payment for goods awaiting a more favourable rate of exchange before being remitted abroad, or in the shape of deposits by the importers as security for payments in foreign currencies to be effected at some future date.

Adverse influence of rate of exchange.

As mentioned at the foot of the balance sheet, these deposits in Lei, and also their counterpart, including cash in hand in Roumania, have been calculated at the rate of 25 Lei to the £. As you will see by the report, the trading accounts for the year, after making provision for bad debts, &c., writing down investments in British Government securities to market value, placing £2,000 to pension fund, and [illegible] last, show, after payment of income tax, a credit balance of £2,673 5*s.* 3*d.* This sum has been carried to a special reserve account. The abnormal rate of exchange has, of course, adversely affected the result of the year's working. Since the date of our last meeting the boundaries of Greater Roumania have been fixed by the Peace Conference, and the Kingdom of Roumania is now a country of approximately 100,000 square miles, with a population of about 15,000,000. This extension, when conditions more nearly approach the normal, will, no doubt, afford us plenty of scope for development.

Progress with the country's reconstruction.

During the past year Roumania has, in common with other countries, passed through a difficult period of economic, financial, and commercial reconstruction, and I am pleased to say that very great progress has been made during the year in spite of the fact that the country has been faced with the problem of higher prices and scarcity of labour in an acute degree. As an instance of the progress that has taken place, I may say that the improvement in the organisation of the Roumanian State Railways has been most marked. In the reconstruction the new Provinces of Bessarabia, Transylvania, and the Bucovine have each taken their respective parts, Translyvania in particular, with her industries, contributing to an appreciable extent. The oil industry, owing to local conditions, has not so far developed to the extent that was anticipated. For the moment the principal resource of the country is the production of cereals. With regard to the prospects for this year's crop, I may say that the full area is not under cultivation, but that the latest advices as to the prospects of the harvest are excellent. Possibly the favourable expectations of this may be responsible for the recent improvement in the rate of exchange.

I am pleased to inform you that this Bank has been appointed as agent for the Board of Trade in connection with their export credits scheme, and I hope the facilities offered by the Board of Trade will play an important part in the rehabilitation of the economic life of Roumania. I may mention that the Ministry of Labour has asked me to refer to the question of the employment of ex-Service men. I may say that we have done all we can in this connection and a number of them are in our employ. I hope that our example will be followed by other employers. In conclusion, I would like to acknowledge with thanks the admirable manner in which the managers and staff have conducted the business of the Bank both at home and abroad under very trying circumstances. I now beg to move: "That the report and balance sheet be received and adopted."

Viscount Goschen seconded the resolution and it was carried unanimously.

Viscount Goschen proposed: "That Lord Bessborough be, and is hereby, re-elected a member of the board."

General the Hon. Sir H. A. Lawrence, K.C.B., seconded the motion, which was unanimously agreed to.

On the proposition of Mr. A. Hood, seconded by Mr. J. W. Hoskins, the auditors, Messrs. Jackson, Pixley, Browning, Husey and Company, were reappointed for the ensuing year.

Mr. J. Rosselli proposed a hearty vote of thanks to the Chairman and directors, the management, and the staff, both at home and abroad, for their services during the past year.

The vote was seconded by Mr. E. C. Barter and unanimously accorded, and the proceedings terminated.

BRITISH THOMSON HOUSTON COMPANY, LIMITED.

The twenty fifth ordinary general meeting of this Company was held at the offices of the Company, 83 Cannon Street, London, E.C., on July 27, Mr. H. C. Levis (the Chairman of the Company) presiding.

The Assistant Secretary read the notice convening the meeting.

The Chairman, having read the auditors' report, said: At the ordinary general meeting [illegible] the directors were considering the question of new capital required by the consistent growth of the Company's business and [illegible] and that proposals [illegible] the time would [illegible] for consideration. Our share capital has been comparatively small, consisting of £400,000 in 4% Cumulative Preference shares and £400,000 in Ordinary shares. Our floating debt [illegible] the British Thomson Houston Company of New

York—and afterwards to the International General Electric Company of New York—has been large. No dividends have been paid on the Preference shares for a number of years, as the directors, after consultation with the holders of a large majority of these shares, considered it best to conserve our resources for the expansion of the Company's business.

Changes in the Shares.

Under our articles of association any holder of Preference shares had the right to require that his holding should be converted into Ordinary shares, and, if the holders of a certain percentage should so require, then the Company could declare all of the remaining outstanding Preference shares to be Ordinary, so that the conversion should be complete. Recently the necessary percentage made a formal request to the Company to make this conversion, and this has been carried into effect: consequently, we have now no Preference shares outstanding, but only an issue of £800,000 of Ordinary shares.

At an extraordinary general meeting held on the 12th inst. the necessary resolutions were passed by which each of our £10 shares was divided into 10 £1 shares, and the Ordinary shares were increased to £2,000,000, consisting of 2,000,000 shares of the denomination of £1 each. The necessary resolutions were also passed, creating 2,000,000 Preference shares of the denomination of £1 each, bearing Cumulative dividends at the rate of 7% per annum.

Further Issues.

These resolutions have been ratified at a confirmatory meeting, so the authorised capital of the Company at this time consists of £2,000,000 in Ordinary shares and £2,000,000 in 7% Preference shares—all of the denomination of £1 each.

Subject to confirmation at this meeting, it is proposed to issue to the holders of the old Preference shares, in full payment of all accumulated dividends and free of further income tax, Ordinary shares of the par value of five guineas for each £10 Preference share held; also to issue £40,000 par value of these Ordinary shares as a dividend at the rate of 10%, free of further income tax, to the holders of the old Ordinary shares. These dividends—payable out of the reserve account—will absorb £250,000 of Ordinary shares. The remaining Ordinary shares and all the Preference shares will be issued from time to time as may be necessary for the requirements of the Company.

Our debt to the International General Electric Company, Incorporated—payable in dollars—has been settled by advances in sterling from our bankers. This involved a loss in exchange, which was dealt with in our last year's accounts. The amount due to our bankers will be liquidated in due course by the proceeds of our share issue.

Additions and Extensions.

During the year we expended on additions to factories at Rugby, Coventry, and Willesden £184,660, and we wrote off £59,660, leaving the net book value at £950,000, which, having in mind their cost, is a very conservative figure. In September last we entered into an agreement to purchase some factory buildings and land at Blackheath, near Birmingham. Due to various difficulties that arose in connection with titles, we were unable to take possession until June this year. The floor space at present available in the buildings acquired is about 250,000 square feet and the area of the land is over 70 acres. Manufacturing operations will commence as soon as possible. As stated in our report, plans are in hand for further extensions at these works. Considerable additions are being made to our factory at Rugby, which will greatly accelerate and increase the output of turbines, large motors, and generators, also incandescent lamps. Negotiations have been completed for a considerable area of land in another part of the country, where it is proposed, among other things, to erect a lamp factory, as the facilities at Rugby for the manufacture of lamps cannot advantageously be extended much beyond their present limits.

Distribution of Profits.

Turning to the profit and loss statement, it will be observed that the profits for the year, after deducting all expenses and charges other than interest on Debentures and loans, and after making provision for estimated War taxation for 1919, were £412,399, which I think may be considered very satisfactory, particularly as the ascertained loss in exchange to December 31 had been deducted. To this is to be added the amount brought forward from the last financial year, £150,862, making the total amount to deal with £563,262. From this is to be deducted interest on Debentures and loans, £134,230; there has been carried to the capital reserve account £6,217; the plant account has been depreciated by £59,660; and £154,723 was set aside to take care of a further possible loss in exchange, leaving to be carried to the balance sheet the sum of £208,430. This amount is subject to adjustment of the reserves made for munitions levy and excess profits duty for 1917, 1918, and 1919, which adjustments have not yet been finally made.

In view of the fact that the accumulated dividends on the old Preference shares will be paid up by the issue of new Ordinary shares, and that the old Ordinary shares are now receiving a dividend of 10%—likewise payable in new Ordinary shares—we have not recommended to the shareholders that any further distribution be made at present. It is hoped that the Company can next year resume the payment of dividends on a satisfactory basis.

The large electric steel-rolling mill equipments, to which I referred last year, have now been in commercial operation for several months, and their preformance has been in every way up to our expectations, and has given entire satisfaction to the purchasers. These are among the largest equipments for this class of work which have ever been built here or elsewhere

Record Orders on Hand.

Last year I stated that, judging from the inquiries which we received after the signing of the Armistice, there was an enormous amount of business in sight; the volume of orders placed with us since then justifies this statement. The orders we received for the first six months of this year are larger than those for the corresponding period of 1919, though 1919 was a record year, and the volume of orders on hand at this time is the largest in the history of the Company.

One of the greatest hindrances to our output has been the shortage of castings occasioned by the moulders' strike in the latter part of last year. All branches of engineering have been, and are still, embarrassed by this shortage, and it seems almost impossible to make up for the time lost. It has seriously interfered with our output, in spite of the great efforts we have made to overcome the difficulty.

Interests Abroad.

As stated in the report, we have made a contract with the International General Electric Company, Incorporated, of New York, which takes the place of the one previously existing between the General Electric Company of New York and ourselves. This substantially increases the possibilities of the Company's business, and is a very valuable asset, having in mind the fact that it confers on us for our territory the patent rights of all the inventions of the General Electric Company of New York, as well as the benefit of its research laboratories, which are undoubtedly the leading electrical research laboratories in the world to-day.

So that we may keep in close contact with business on the continent of Europe, we have taken a financial interest in the Compagnie Française pour l'Exploitation des Procédés Thomson-Houston, and the Société d'Electricité et de Mécanique (Procédés Thomson-Houston and Carels) of Belgium, and, as stated in the report, several of our directors are on the boards of these two companies. This is an important connection, and we expect it will be of material benefit to the Company in various directions.

Relations with Employees.

I do not think it is fully realised how much is done by many manufacturing companies for the benefit of their employees. Most companies give a good deal of attention to such matters, and this Company is no exception to the rule. We have established canteens on a large scale, where good food is supplied at very reasonable prices, and under attractive conditions. At Rugby we have purchased a large tract of land, which will be devoted to sports and recreation, and it is our intention in due course to provide similar facilities at other points where we have manufacturing establishments. We also encourage and assist various movements—such as welfare clubs, boy scouts, bands, &c.—and particular attention is given to education. Our booklet giving particulars of the Company's educational arrangements has attracted much favourable comment, not only here, but also abroad. The Company has recently established two scholarships, under which two young men will be sent every year to America, free of expense, for a year's training in engineering, manufacturing, and commercial work. It is felt that not only will this be a valuable experience to young men who, we expect, will remain in the service of the Company, but that it will also be a factor—even though small—in maintaining and developing good relationship between the two countries.

Excess Profits Duty.

One of the serious difficulties confronting a great many companies to-day is the excess profits duty, which is unfair both in theory and in practice, in that it penalises most those who are the most progressive. If two companies are making the same amount of profit, and one happens to have a good pre-War standard, that one pays little or no excess profits duty, whereas the other, whose business has increased, has to pay heavily. It was equitable that those companies whose business increased during the War should not profit unduly during that period by reason of such increase, but the business which is being done to-day has nothing to do with the War, and should not be subject to these special war conditions. The only fair tax is one that applies equally to all. It is particularly hard on a progressive company, because progress in itself involves the tying up of capital, while this unfair tax absorbs the greater part of the return from the capital, and thereby

actually chills the incentive to progress. Consequently, when new capital is required, it is difficult to obtain it under such conditions.

Tribute to the Staff.

Before closing, it is a great pleasure to be able to state that during the year under review, notwithstanding the many difficulties which have been encountered, the members of our staff have worked hard and loyally. I also take this opportunity to say that we have done all that is possible in the way of reinstating ex-Service men who were formerly in our employ, and, as I have heretofore stated, the Company made very substantial contributions towards the maintenance of the families of the men who had joined the Colours.

I now beg to move: "That the report of the directors produced, together with the annexed statement of the Company's accounts at December 31, 1919, duly audited, be now received, approved, and adopted.

The Rt. Hon. Lord Carmichael seconded the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. A. K. Monks, Messrs. C. A. Coffin and Rice and Lord Carmichael, the retiring directors, and Messrs. Gerard Swope and Walter C. Fish, who had been appointed directors since the last annual general meeting, were re-elected directors of the Company.

On the motion of Mr. Monks, Messrs. Price, Waterhouse and Company, the retiring auditors, were re-elected at the remuneration of £925 per annum and out-of-pocket expenses.

A vote of thanks to the Chairman concluded the proceedings.

OHLSSON'S CAPE BREWERIES, LIMITED.

The thirty-first annual ordinary general meeting of this Company was held on July 27 at the offices of the Company, 110 Cannon Street, London, E.C., Mr. Algernon L. Elwes (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The result of the year's working enables us to show a larger profit than a year ago, and also to declare a slightly increased dividend, and I should like to point out in this connection that a dividend of 9%, plus tax, is equivalent, in our case, to a dividend of 12%, less tax, or very nearly so. We have again had very high prices of materials to contend with, which, of course, not only increases the cost of production, but means that a much larger sum than in normal times is required to hold a given quantity of stock, which you will appreciate when you compare the figure at which stock-in-trade stood five years ago, namely, £137,961, with that at which it stands in the accounts with which we are dealing to-day, namely, £243,247. I told you last year that the Union Government had again increased the excise duty, which is now double what it was in 1914, and we have in South Africa, as here, the growing demands of labour to satisfy. We were, therefore, compelled again to raise our prices, though the accounts for the past year only benefited thereby to a slight extent.

Since the War we have relied to an increasing extent upon Colonial sources for our supplies of barley, and should be only too glad to do so entirely, though climatic conditions are very variable in South Africa and supplies uncertain in consequence. In the year we are dealing with we were not able to obtain sufficient barley in the country, and had to import to a considerable extent. When I was in South Africa recently the country was suffering from the most serious drought that it had ever experienced. I am pleased, however, to learn since that good rains have fallen. I refer particularly to this, as naturally the heavy freight and import duty on imported barley add considerably to the cost of production as against the use of the native barley.

We have during the year disposed of our offices in Cape Town, and will conduct the entire business—so far as Cape Town is concerned—in future from the brewery, which is situated some six miles away from the city. This will result, we anticipate, in reductions in working costs. With regard to the balance sheet, on the credit side a net figure of £10,196, representing property which had ceased to be of use to the business and was realised during the year, is deducted from the chief asset. On the other hand, there is an addition to plant and machinery, before writing off £10,000 for depreciation, of £18,071. During the War it was difficult to obtain machinery, and when this state of things was removed there was a good deal of leeway to be made up. The increase in the value of stock-in-trade I have already spoken of, and I hope—though I do not yet see much indication of it—that henceforth there may be a tendency to a return of normal values, which would enable us to liquidate this asset to a large extent.

Mr. Gerald Barton seconded the resolution, which was carried unanimously.

APOLLINARIS AND JOHANNIS, LIMITED.

Report on Past Six Years. Reconstruction Foreshadowed.

The twenty-third ordinary general meeting of Apollinaris and Johannis, Limited, was held at the Holborn Restaurant, High Holborn, London, W.C., on Tuesday, July 27, the Earl of Bessborough, K.P. (Chairman of the Company), presiding.

The Secretary read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, pointed out that they were the first submitted for six years. He divided the accounts into two distinctly separate periods, one of twelve months, during which the Company was able to trade, and the other lasting five years, during which the Company's business was restricted to liquidating the pre-War stocks of Apollinaris and Apenta water, and to doing a small trade in medicinal waters. The small profits made on the sale of the pre-War stocks were insufficient to cover expenses during so prolonged a period, in spite of the most rigid economy. On the other hand, during the twelve months the Company was able to trade the profits were sufficiently large not only to wipe out the excess of expenditure over profits during the five years of War conditions, and to pay £14,200 in cash on the Deferred Debenture interest certificates, but even to leave over a net profit of £26,056 0*s.* 7*d.*

The Owens European Bottle Machine Company, of Toledo, Ohio, made a further return of capital during the six years under review, amounting to £27,684 4*s.* 3*d.*, which had been placed to capital suspense account. The amount of £77,340 15*s.* 7*d.* had been previously allocated towards the cost of erecting the bottle factory.

The Deferred Interest Certificates and Preference Shares.

The Chairman pointed out that the Debenture interest had been paid during the first two years of the War, amounting to £68,000, after which interest was to be funded in certificates until October 1, 1922. These certificates, bearing interest at 6%, were redeemable after the provision by drawings at par, purchases in the open market below par, or by tender. They now amounted to £136,000. No dividends could be paid or reserves accumulated until they had been redeemed. The arrears on the Preference dividends amounted now to £367,000.

The Chairman stated that it was obvious that the necessity would arise when some scheme of capital reconstruction would have to be submitted, but he considered it desirable to wait until the position with regard to the prospects of the Company was less obscure. Their business, which was a world-wide one, was absolutely dependent for its prosperity upon trading under normal conditions. The cost of raw materials, notably of coal for their bottle factory, was a terrific handicap at the present time, and an increase in the cost of coal by several pounds a ton was bound to affect their profits very adversely. Their troubles were by no means confined to the high cost of materials. Transport charges and transport difficulties at present were appalling. The unsettled political conditions of great parts of the world were adversely affecting them. Then there were the countries in which the exchange position was so unfavourable, or the conditions of credit so unreliable, that they dared not reopen business with them. They had kept their properties, and they were therefore able to place a good article on the market again. They had kept their organisation alive, and it had suffered but little during the long intervening period of the War; but they were a long way off, as everybody knew, from normal conditions of trade.

Money would be required for an extensive advertising campaign to carry out the revival of the business at which they aimed, otherwise the outlook was very promising. Nearly 4,000 accounts had been reopened in their English home trade alone, and shareholders would probably find that there were now few hotels or restaurants in London where Apollinaris was not again obtainable, while in the provinces they were also beginning to make good headway. The numerous repeat orders which they received were further gratifying indications of the popularity of Apollinaris.

The Soviet Government and the Company's Properties.

The Chairman reported about the Apenta Spring, that the Soviet Government, which was in power last year, had not interfered with their properties, but had sequestrated the Company's liquid cash resources in Hungary.

In conclusion, the Chairman dwelt upon the difficulties in general, and expressed the opinion that the wonder was not how business was done, but rather that any business had been done at all. He stated that they were handing back to the shareholders their properties intact, and in a solvent position, which meant a great deal after the many trials through which they had passed during the last six anxious years.

Mr. Francis J. Schilling (Vice-Chairman and Managing Director) seconded the motion, which was carried unanimously.

Formal business having been transacted, the proceedings terminated with a vote of thanks to the [illegible] and staff.

EDWARD LLOYD, LIMITED.

Increased Production and Improved Results.

Capitalisation of Reserves.

THE thirtieth ordinary general meeting of this Company was held at the head office of the Company, 4-7 Salisbury Court, Fleet Street, London, E.C., on July 27, Mr. Frank Lloyd (Chairman and Governing Director of the Company) presiding.

The Secretary (Mr. Robert B. Miller) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: You will have seen in the report, which has been in your hands for some days, that the profits for the year show an increase of £45,091 18*s.* 7*d.* as compared with 1918, after making provision for income tax, hitherto included in company expenses.

Your directors congratulate you on the improved results, and recommend a dividend of 13¾% on the Ordinary shares, carrying forward £130,976 16*s.*, as against £52,690 4*s.* 11*d.* brought in. This will bring the average distribution since the outbreak of war up to 9½% on the nominal capital of £600,000. If, however, the real capital employed in the business be taken into account the average return over the last six years only works out at about 7½%. Larger dividends could have been paid, but it has been our policy since the formation of the Company to strengthen the business and provide the necessary funds for further expansion by the setting aside of ample reserves and by a very conservative policy in the distribution of dividends.

Preference Shares: Proposed Increase of Dividend.

If the directors' recommendations as to appropriation of profits be approved, the Company will then have reserves and undivided profits to the amount of more than £680,000, and the directors intend in September to convene the necessary meetings of the shareholders to approve of the increase of the capital and the capitalisation of £600,000 of these reserves in the form of new ordinary shares, which will give each Ordinary shareholder one new Ordinary share in respect of each share now held. At the same time the directors will recommend the Ordinary shareholders to agree to the increase of the dividend payable on the Preference shares from 5½% per annum, the present rate, to 7%, such increase to take effect as from June 30, 1920, so that the instalment of dividend payable on April 1, 1921, in respect of the half-year ending December 31, 1920, would be paid at the increased rate. In consideration of this increase in their dividend the Preference shareholders will be asked to agree to an alteration in the Articles of Association which will leave it to the discretion of the board to determine the amount of the profits that is to be carried to reserve in each year, and they will also be asked to agree to the issue of additional Preference shares ranking *pari passu* with the existing Preference shares, provided that the total amount of the Preference shares at any one time issued does not exceed the nominal amount of the Ordinary shares for the time being issued. At the present moment the amount of the Preference shares slightly exceeds the amount of the Ordinary shares, but the directors feel satisfied that, inasmuch as goodwill does not figure in the balance sheet as an asset at all, the capital position of the Preference shareholders will be amply protected provided that the amount of those shares outstanding does not exceed the amount of the Ordinary shares.

The object of the directors in making these proposals is two-fold. At present the Company has employed in its business in the form of reserves and undivided profits a sum of money considerably exceeding the total amount of the Ordinary share capital, on which no dividends or interest have to be paid. These reserves and undivided profits represent accumulations of profits which the Ordinary shareholders have left in the business instead of distributing them in dividend. As a result of the use of this large sum of money in the business on these terms, the profits available for dividend on the Ordinary shares appear to be very large because they are only distributed over one-half of the actual capital which is used to earn them.

By the capitalisation of £600,000 of these profits the Ordinary share capital will be brought into much closer relation with the actual capital now employed in the business, and, consequently, the profits earned will show a more accurate relation to the capital used to earn them.

The other object which the directors have in view is by increasing the Preference dividend to secure for the Preference shareholders a fair return on the money which they have invested in the business, and, at the same time, to secure for the Company reasonable freedom for expansion in the future. A business such as ours cannot stand still, and, in view of the great increase in working capital required, and the largely increased cost of new buildings and machinery, the directors foresee that it may not be possible in the future, as in the past, to provide wholly for the requisite expansion out of the undivided profits, and that it may be necessary to raise additional capital. While the directors have an immediate intention of making an issue of additional capital, they think it only prudent to take this opportunity of securing the necessary power, so that, if occasion should arise, they may be able to take advantage of any opportunity that occurs without the delay incident to meetings of shareholders and arrangements as between the different classes. I need scarcely add that should a further issue of Preference shares have to be made it would be the policy of the directors to afford to the existing shareholders an opportunity of participating in such issue.

Production Improving.

As regards the working of the past year, production of pulp in Norway and paper at Sittingbourne both showed a remarkable expansion. Owing to the adoption of the three-shift system in August, a sensible slowing down in the growth of production was experienced, with a gradual improvement during the remaining months of the year. The current year will show a still greater improvement, the pre-War standard of production having now been passed, with the prospect of further improvement in the future. The change over to the three-shift system was a serious handicap to production for the time being, but, thanks to the determination of the men, all difficulties have been overcome, a result I ventured to predict at our last annual meeting.

I am anxious to avail myself of this opportunity to acknowledge cordially the admirable services rendered by the staff and employees during a year of great difficulties—greater perhaps than at any period during the War—and to assure them of the directors' warm appreciation of their successful efforts.

Mr. Harry Lloyd seconded the motion, which was unanimously adopted, and a final dividend of 1*s.* 9*d.* per share (free of income tax) was declared on the Ordinary shares, making, with the interim dividend already paid, 13¾% for the year.

The retiring directors, Mr. Harry Lloyd and Mr. E. H. Raynham, were re-elected, and Messrs. Turquand, Youngs and Company were reappointed auditors.

The meeting concluded with a vote of thanks to the Chairman, directors, and staff.

H. E. PROPRIETARY (NEW), LIMITED.

THE ordinary general meeting of this Company was held on July 26 at Winchester House, Old Broad Street, London, E.C., Mr. F. H. Hamilton (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts to December 31, 1919, said: Gentlemen,—The accounts in your hands show that the net profit earned for the past year amounted to £12,450, as compared with £7,770 for the previous 12 months. Of these profits approximately 70% is derived from dividends, rents, &c., the balance of 30% from commissions and profits on realisations. The items, creditors, and sundry credit balances on the one side, and debtors, advances, and sundry debit balances on the other side, stand at £42,321 and £62,855 odd respectively. Since the close of the year the former figure has been reduced by nearly one-half, and is amply represented by good dividend-paying and readily marketable securities, while of the latter item £56,352 is represented by the debt owed to us by the New Lisbon Berlyn Company. Pending a reorganisation of the finances of that Company we do not take credit for the interest in our profits. We are asking you to add the balance standing to profit and loss account to the general reserve account, thereby raising the total of that account to £50,451. This will bring the total reserves of the Company to over £37,000, apart from the suspense account of £17,500, which also represents a reserve against future contingencies. The total of these reserve items amounts now to over £55,000, or roughly 20% of the Company's capital—a position which gives us a considerable degree of strength.

Review of the chief assets.

I am glad to be able to state that our steady revenue earners, the Piccadilly Hotel and St. James's Court, have both made good progress during the past year. It may, I think, be taken as certain that under present conditions the erection of hotels of the class of the Piccadilly, or blocks of flats of the class of St. James's Court, is economically impossible. The demand for hotel and flat accommodation, despite certain fluctuations, tends normally to increase. It seems fair to conclude, therefore, that where investments of this class are capitalised at very much less than pre-War cost, the broad tendency will be for them to increase in value. Since the close of our accounts we were approached by an important financial group with regard to the purchase of an interest in the Piccadilly Hotel. Inasmuch as the proposal left us a considerable profit on the book value of the investment, and as we considered the association of this group of considerable value, we agreed to participate to a small extent in this deal, and our present holding in the hotel Company is slightly over 30% of the total issued capital.

The St. James's Court Company has shown considerable progress during the last 12 months, so much so that it has been decided to enlarge the scope of the undertaking. With this object considerable additions will be made during the next few months to the restaurant building. The flats are generally let on five years' lease, and, as these fall in, relettings can now be effected at considerably improved rentals.

We have increased our interest in Mexico by acquiring, jointly with another mining group, and with the consent and assistance of the Palmarejo and Mexican Gold Fields,

Limited, certain properties which form a direct continuation of their principal mine. There is no doubt that the reef opened up in the Palmarejo mine continues into these properties.

The position of the Channel Steel Company and the New Lisbon Berlyn Company remain as stated last year. I now come to what we consider our chief mining asset, the freehold of the farm Klippoortje, in the Far Eastern Rand. The directors' report refers particularly to the report which Mr. Denny has made for our neighbours, the Rhodesia Exploration Company. To anyone who is interested in the Far Eastern Rand, I cannot do better than advise them to obtain and read that report. It confirms the view we expressed when we originally acquired Klippoortje, that we have here an asset likely to prove eventually of enormous value; but, of course, for the time being, we have to await events. The adequate equipment of a great mining area, such as that contemplated by Mr. Denny, would call for a large capital expenditure—probably over one and a-half million pounds sterling—and the task of raising such an amount can only be entertained when market conditions are propitious. Klippoortje costs us nothing in the meantime, and, indeed, brings in a small revenue.

General Sir Bindon Blood, G.C.B., seconded the resolution, which was carried unanimously.

LONDON ASIATIC RUBBER AND PRODUCE CO., LTD.

The twelfth ordinary general meeting of this Company was held on July 26 at the Council Room of the Rubber Growers' Association, 38 Eastcheap, London, E.C., Mr. Henry John Welch (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts for the year ended December 31, 1919, said: Gentlemen.—The delay in holding our annual meeting has been caused by the negotiations for the acquisition of the Tamok Estate. The issued capital at December 31 last was £255,619. The increase is accounted for by the issue in July last of £95,857 in bonus shares. The development reserve account has been reduced by this sum and now stands at £35,105.

Estates acquired and acreage planted.

Including about 350 acres planted on Diamond Jubilee Estate during the year, the planted area of our estates at December 31 was 5,495 acres. Several small blocks of a total area of 244 acres of good rubber land adjoining the Diamond Jubilee group were purchased and are included in the acreage statement. Since the close of the financial year a compact block of 1,040 acres, partly surrounded by the Diamond Jubilee Estate, was purchased at an auction sale. This block is first-class rubber land. The board have also contracted to purchase another block of 4,000 acres of jungle in South Perak, being part of a concession of 23,000 acres acquired by Harrisons and Crosfield, Limited, at the exceptionally favourable price of £2 per acre. This will be acquired by the London Asiatic Company at the same figure. If we purchase the Tamok Estate and complete our contemplated extensions this year, the Company will possess 7,199 acres of planted rubber, of which 4,487 acres will be mature. It will also own 6,000 acres of reserve, exclusive of 5,000 acres applied for adjoining the Tamok Estate.

The crop of rubber harvested was 1,615,566 lb., which is a record output for this Company. The estimate was exceeded by 187,066 lb. The average yield per acre increased from 297 lb. in 1918 to 409 lb. The increased cost of rice added to our working expenses. In spite of this, the f.o.b. cost shows a gratifying reduction of 3½*d.* per lb., due to the increased crop and to more efficient working. The net price realised was also better at 1*s.* 11*d.* per lb., against 1*s.* 8.38*d.* in the previous year. The estimate for the current year is 1,718,000 lb., of which 820,249 lb. have been obtained during the first six months. Including forward contracts, we have sold to date 758,758 lb. of rubber to be delivered out of the 1920 crop at an average net f.o.b. price of just over 2*s.* per lb. A further 49,000 lb. have been sold forward for delivery out of the 1921 crop at an average net f.o.b. price of 2*s.* 1½*d.* per lb.

Dividend on Increased Capital.

The profit for the year amounts to £87,725, against £36,367 for 1918. The Company has paid altogether £53,000 on account of excess profits duty, of which £26,956 has been refunded. This sum, added to our profit for the year and to the amount carried forward from last year, makes a total of £151,289, from which £25,561, representing the interim dividend of 10% paid in November last, has to be deducted, leaving a balance of £105,727. Out of this amount the directors propose to transfer £5,000 to reserve for income tax, and they recommend the payment of a final dividend of 25%, making 35% for the year—approximately 56% on the capital as it stood before the bonus shares were distributed to shareholders.

During my recent tour in the East I visited all our estates, and made the personal acquaintance of our managers and many of the staff. Our most valuable property is the group known as the Diamond Jubilee Estate. In Semenyih and Braemar Estates also the Company has valuable assets; the growth of the trees is excellent, and the general appearance of the estates conveyed to me the impression that they are well looked after and the work is effectively organised. You will be glad to know that the board now have under consideration a scheme which will enable our managers and staff to acquire a permanent capital interest in our Company on advantageous terms, to the extent of a fixed percentage of their remuneration each year.

Later you will have submitted to you a resolution approving the provisional agreement which has been entered into for the purchase of the Tamok Estate. The particulars given in the circular which accompanied the annual report should convince shareholders that the London Asiatic Company is making a good bargain.

Further capital is now needed in connection with the normal capital expenditure relating to our various immature areas, to our proposed extensions, the new buildings required, and the purchase of our new properties, including the Tamok Estate. We therefore propose to give the shareholders an opportunity of subscribing for one new share in respect of every four shares held on July 30, at the price of 4*s.* per share.

Mr. C. D. Rotch seconded the resolution, which was carried unanimously, and the dividend as recommended was approved.

A resolution that the provisional agreement dated July 5, 1920, entered into by the Company for the purchase of the Tamok Rubber Estate, be and the same is hereby approved, was unanimously agreed to.

ANGLO-JAVA RUBBER AND PRODUCE CO., LTD.

The tenth ordinary general meeting of this Company was held on July 27 at Winchester House, Old Broad Street, London, E.C., Mr. R. F. McNair Scott (the Chairman) presiding.

The Chairman said: In the balance sheet you will notice that the issued share capital is increased from £293,335 to £344,170, and, the new shares having been issued at a premium, there appears in your accounts a share premium account amounting to £63,432. It is hoped that the Debentures outstanding will be paid off during the next two years. In accordance with the proposals foreshadowed at the last annual meeting, the estate in Sumatra has been sold. In future it will be represented in the accounts by the 33,765 shares of £1 each fully-paid in the United Rubber and Coffee Plantations, Limited, a company registered in the United Kingdom with an issued capital of £260,000. The total revenue receipts amount to £252,151, against £113,500 for the previous year. The rubber sales for the year give an average price over all grades of 1*s.* 10.10*d.* per lb. f.o.b., or approximately 2*s.* 0½*d.* per lb. landed terms. The f.o.b. cost of production, which includes managers' bonuses and £7,176 allowance for depreciation, is 11.34*d.* per lb., and, as compared with the previous year, is lower by nearly 3*d.* per lb. (Applause.)

The estimated output for the current year is 2,333,000 lb., and for the first half of the year 1,277,300 lb. have been harvested. Some disappointment may be felt that the estimate for the current year is lower than the output for 1919. Those of you who have been long interested in rubber companies will have noticed that views as to tapping are becoming more and more conservative. In future years shareholders will reap the benefit of prudence and restraint now. The net profit for the year, after allowing for depreciation, was £95,189. Adding the amount brought forward from last year, there is a total of £134,358, and there remains a balance of £92,749, out of which your directors recommend the payment of a final dividend of 10%, less tax, making a total of 17½% for the year ended December 31, 1919, which, if passed, leaves to be carried forward £58,332, against £39,168 in the previous year.

We have just been able to secure a valuable estate, which has the great advantage of being quite close to two of the old sections. It has an area of about 1,800 acres, and it increases our total area to over 14,000 acres. Valued at 143,580f., we were fortunate in securing it for the sum of 80,000f. net, or less than £4 per acre.

The Chairman concluded by moving the adoption of the report and accounts, and the payment of a final dividend of 10%, making 17½% in respect of the year ended December 31, 1919.

The motion was carried unanimously, and a resolution was passed increasing the remuneration of the directors.

BRITISH NORTH BORNEO COMPANY.

The seventy-fifth half-yearly meeting of the Company was held on July 27 at River Plate House, London, E.C., the Right Hon. Sir West Ridgeway, G.C.B., G.C.M.G., K.C.S.I. (the President), presiding.

The Secretary (Mr. Harington G. Forbes) read a lengthy report on the past year. It stated that the net revenue, amounting to £182,111, showed an increase of £11,118. On the other hand, expenditure showed an increase of £23,278 over 1918. During the year they had redeemed a further £6,180 of the 5% Certificates of Indebtedness, leaving £145,256 outstanding. Since January 1 a further £12,815 had been redeemed. The guaranteed 4% stock had been reduced from £205,052 to £127,041. This was due to arrangements with two companies whereby in liquidation of their indebtedness they had handed the Company 5% Income Debentures redeemable in ten years. This was a highly satis-

factory arrangement from every point of view. During the current year similar arrangements had been made with two other companies to the extent of £60,000. Altogether their total advances amounted to £450,755, which must be regarded as quite good and safe. The investments, £573,404, showed an increase of £67,826. No provision for depreciation was necessary. As to cash resources, they had £87,557, in addition to a stock of rice and foodstuffs which had cost £30,297.

The food difficulty was dealt with by the President during his recent visit to the Company's territory. The situation had been aggravated by the failure of the Siam rice crop. One bright feature was the satisfactory yield of the native padi crop, which relieved the Governor of anxiety in respect to the food supplies of the native population. The enormous increase in the cost of living had rendered substantial increases in salaries imperatively necessary. The President dealt with it also when in Borneo. The aggregate cost of the concessions would be more than covered by increased railway and Customs rates. It was gratifying that, in spite of drought, food shortage, and high prices, the territory remained free from disturbances.

Rubber, Timber and Coal Enterprises.

As regarded industrial progress, there was abundant evidence that it was being well maintained. The most welcome feature was the increased value of exports, amounting to as much as 42%, as compared with the previous year. The rapid expansion of the rubber industry was demonstrated by the noteworthy increase in the quantity of rubber exported, namely, 3,000,000 lb. The area under cultivation had risen from 40,986 acres to 47,739 acres, an increase of over 16%. The next important industry was timber, to exploit which a large Company had been formed. Messrs. Harrisons and Crosfield and the Chartered Company had put up £225,000 between them, and £75,000 was issued to the public. No time had been lost in getting to work and they looked forward to important results.

Excellent progress continued to be made by the Cowie Harbour Coal Company, in connection with which there had been a reorganisation of capital, Messrs. Harrisons and Crosfield subscribing for sufficient shares to enable the 7% Debentures to be redeemed. The Prior Lien bonds had also been extinguished. The nominal capital had been increased to £500,000, and the Chartered Company and Messrs. Harrisons and Crosfield had an option over 172,000 shares. The other products of the country also showed progress, and the wireless system was working most efficiently.

The President's Statement.

The President then addressed the meeting and in the course of his remarks said: "I think you will agree that the report and accounts before you and also the report which has just been read, shows very satisfactory results during the year 1919. Indeed, the progress has been remarkable. During the last 13 years the revenue has steadily increased year by year. Since 1906—I choose this date because it was in this year that I joined the court—the revenue has more than trebled, having risen from £122,765 to £373,935. Of course, expenditure has also increased, for if there had been no increased expenditure there could have been no development, and consequently no progress.

When the War broke out the situation was indeed gloomy. Steamship communication, which had hitherto been carried on by German vessels, practically ceased to exist. There were risings in the interior, probably fermented by German intrigue. Trade necessarily suffered, and exports and imports fell off. We anticipated that worse might follow, but fortunately those gloomy forebodings have not been fulfilled.

Financial Improvement.

Let us compare the financial position with that which existed on the outbreak of War. The guaranteed dividend advances were in 1914 £247,690, and the possibility of recovery of this was considered doubtful by more than one shareholder. At the end of the year this debt will be reduced to about £67,000. Now let us look at our position from the point of view of the Debentures and Certificates. At the end of 1915 the Debentures amounted to £1,000,000 and Certificates to £175,718, and there was no redemption fund. The redemption fund was begun in 1917 and already amounts to £125,800. And remember that we have liquid assets to the amount of £1,208,500, almost enough—supposing the Company was to be wound up—to pay off all our liabilities, including the Debenture issue. In addition, we have given considerable financial assistance to all the planting companies and enabled them to tide over a period of anxiety. Speaking from what I saw on the spot, I can assure you that the prospects are most encouraging. Everywhere the hum of progress is to be heard; trade is increasing, as the Customs returns prove; land has been taken up in many directions by natives and others, and new industries are contemplated. There has never been any difficulty about labour, and I do not anticipate that in the future, even when development is greatly extended, we shall have any difficulty in getting the necessary labour from China and to some extent from Java.

The policy hitherto adopted was for the Company to be content with the indirect advantages which flowed from the operations of subsidiary companies, which in most cases were floated by pecuniary assistance in addition to guaranteed interest given by the Company. But the court have now decided on a change of policy, which I trust will be approved by you.

New Policy to secure Participation Profits.

We think that instead of helping to float subsidiary companies, and contenting ourselves with receiving moderate interest for our advances to different companies and repayments in course of time, we should take an active part in the industrial development of the country, invest our money in sound enterprises and get our share of the profits. The first fruits of this policy are to be seen in the new Timber Company, which, in co-operation with Messrs. Harrisons and Crosfield, we have recently floated. In previous addresses I have emphasised the great value of our forests, and reminded you that they are the most valuable potential asset which we possess, and I have expressed the intention of the court as soon as possible to exploit that source of revenue to the utmost of their powers. Now that the War is over we are in a position to give effect to this policy, and hence the recent formation of a Company with a million pounds capital to undertake the exploitation of our forests. In pursuance of our new policy we have taken, and intend to retain, a very large share of its capital in order that we may share the profits which will be earned. Thus in the issue of £300,000 made we have subscribed £225,000, in conjunction with Messrs. Harrisons and Crosfield. I am confident that by the formation of this Company a great stride has been made towards developing the country, increasing its revenue, and consequently your dividends. The same course has been taken as regards the Coal Company, of which the capital will be £500,000. If, as I am confident will be the case, the development of the coal proceeds at a rapid rate, the revenue of the Company will be proportionately larger. Already a handsome dividend has been paid.

Then, as regards the cultivation of rubber, there is no doubt that the demand for rubber in the near future will be very great. In my own opinion, and in the opinion of many experts, the demand will be far greater than the supply. Most of the land within the Empire suitable for rubber cultivation has now been taken up, and our territory remains one of the few countries where good land suitable for rubber is yet to be obtained. A Company is about to be floated to which we have granted a concession of 100,000 acres, and towards whose capital we shall be large contributors, and thus again we shall benefit directly by the success of the Company.

We have also establish a State Bank. The Bank will work on similar lines to those adopted by other institutions of a like nature—namely, opening of current and deposit accounts, the making of advances against bills of lading, freehold and leasehold property, or other approved security, agricultural advances, discounting bills and cheques, and the issuing of drafts on Singapore and Hong Kong. With regard to the latter, arrangements could be made at a subsequent date for the inclusion of other cities throughout the world. This should prove to be a very lucrative business.

Current Developments.

The principal works which are to be undertaken during the current year are the construction of the grand trunk road from Sandakan to Jesselton and the important road from Jesselton to Tuaran, both suitable for motor traffic. There are also much-required waterworks at Sandakan and elsewhere; a new Customs House has to be built at the same place, and other works of magnitude are in contemplation. Irrigation will not be overlooked. We may congratulate ourselves that so eminent a firm as Messrs. Harrisons and Crosfield have become our partners in the development of the country. They have purchased the business of Mr. Darby, to whom the gratitude of the territory is due, for he was the leading pioneer of its industries, and intend to develop it on a large scale. Altogether, ladies and gentlemen, you have reason to congratulate yourselves on the situation. (Applause.)

The President concluded by moving the adoption of the report and accounts.

Mr. Edward Dent (Vice-Chairman) seconded the motion, which, after some congratulatory remarks from shareholders, was carried unanimously, and a dividend of 5% was declared.

BRITISH STEAMSHIP INVESTMENT TRUST, LTD.

THE thirty-third annual general meeting of this Company was held on July 28 at the Cannon Street Hotel, London, E.C., Mr. J. Wilson Potter (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts for the year ended June 30, and the payment of the dividends and bonus recommended, said: Gentlemen,—It is very gratifying to me to submit for your approval the thirty-third report and accounts of the Trust, which are certainly the best of the series so far. You will notice that your directors have again been able to increase the capital by means of a transfer from the reserve fund. The Deferred stock has been doubled in amount and stands at £1,800,000. Considerable realisations of shipping property have been made at good prices, and after charging the reserve fund with the £900,000 required to pay for the new Deferred stock, a balance remains at the credit of the fund of £268,000.

On the other side of the balance sheet there is an increased investment of £265,641 in British Government stocks. The total investment in shipping appears at about £677,000, or an increase of £127,000, arising from some purchases o

shares in the most important of the liner companies. In view of the uncertain outlook for shipping, your directors have not reinvested the proceeds of realisations in shipping—(hear, hear)—but have looked for more varied sources of revenue, with the result that the Trust now holds only £677,000 in shipping, as against about £2,500,000 in other securities.

I think it is very difficult for anyone to forecast what the course of shipping may be in the next few years. The amount of tonnage built and building now exceeds pre-War figures. Foreign nations have largely increased their holdings in tonnage. It may be that the volume of our trade will be sufficient to support this immense amount of tonnage, or it may be that we have to look forward shortly to a period of stress and competition. It is a matter of congratulation to us that the Trust is in such a strong financial position that it will be able to take advantage of any opportunity that may offer of reinvesting in shipping when we think that the proper time has come. (Hear, hear.)

The income of the year is the exceptional one of £399,093, and your directors are pleased to be able to recommend the payment of a dividend and bonus aggregating 15% on the Deferred stock, which, with the interim dividend and bonus paid in January, makes a total payment equal to 20% on the present capital of £1,800,000 Deferred stock. (Hear, hear.) A balance of £429,106 remains to be carried forward, and will be available for equalisation of dividends in the future.

The motion having been unanimously carried,

Mr. KNOX (a shareholder) proposed "That the directors are hereby authorised to denote 2,000 guineas to charities at their discretion," and said he would like to ask that the money should be given mainly to seamen's charities.

The Chairman: That is so, gentlemen.

The resolution was unanimously approved.

The Chairman next moved: "That Mr. William Lund be and is hereby re-elected a director."

Sir Austin E. Harris, K.B.E., having seconded the proposition, it was unanimously agreed to.

On the motion of Mr. Tanner, seconded by Mr. C. Johnson, the auditors (Messrs. Price, Waterhouse and Company) were reappointed.

A cordial vote of thanks having been passed to the Chairman and directors, and to the staff, the proceedings terminated.

THE EGYPTIAN DELTA LIGHT RAILWAYS, LIMITED.

THE annual general meeting of this Company was held at Winchester House, Old Broad Street, London, E.C. 2, on July 28, Sir William E. Garstin, G.C.M.G., G.B.E., in the chair.

The Chairman, in moving the adoption of the report and accounts for the year ended March 31, 1920, said: I think that the 12 months in question have been, in many respects, the most trying period that your board has had to deal with since you did me the honour of appointing me to be its Chairman. Although the rioting and damage to property, which so unfavourably distinguished the first quarter of 1919, did not again occur, the effects of these disturbances remained and affected the working of our railway system. Unrest and general discontent prevailed among the workmen in Egypt, and on more than one occasion strikes were threatened by our staff. It is true that phenomenal prosperity prevailed throughout the year, but the prices of food and all other necessaries of life rose to an exceptional height. Again, the political horizon in Egypt was far from clear, and the delay in settling the Peace terms with Turkey greatly aggravated the difficulties with which the Egyptian Government had to contend. In addition, we were constantly faced by the very grave situation due to the high price of fuel and the difficulty of obtaining the supplies requisite for the working of our lines. Lastly, owing to the impossibility of obtaining transport, we were unable, throughout the years of war, to replenish our stock of railway material to anything like the necessary extent. The result has been that these stocks have been greatly depleted, and it has become imperative to rebuild them now—at a time when the prices for material of every sort have risen to a level almost prohibitive.

Comparisons with regard to our earnings and working in previous years are vitiated, to a very large extent, by the important changes in our charges, for varying periods of last year. Our earnings for last year amounted to some £406,000, the highest figure ever realised in the history of this Company. Nevertheless, an improvement in the earnings of a railway due mainly to the imposition of higher rates and fares, is not such matter for congratulation as a corresponding expansion of its traffic would have been. The State Railways in Egypt are faced by the same difficulty as we are as regards fuel. They have already reduced their train services. We are in a position to pay the full dividend of 5% on our shares, at the same time placing £20,000 to the general reserve and carrying forward £4,146.

The report was unanimously adopted, as was a motion for payment of a dividend of 5% for the year on the Preference shares, and another for an increase of the directors' remuneration as from April 1, 1920, by an amount which, after deduction of income tax, would yield a net amount equal to the present nominal amount.

THRELFALL'S BREWERY COMPANY, LIMITED.

THE thirty-third annual general meeting of the Company was held on July 28 at the Cannon Street Hotel, London, E.C., Major Charles Morris Threlfall (the Chairman) presiding.

The Chairman, after referring to the recent death of the Secretary and the retirement from the board of the late Chairman, said: We have, since the last meeting, bought a number of licensed houses, the chief purchases being 21 houses in the Wigan area and 15 in the Chester district. The first important item in the profit and loss account is the placing of £20,000 to the employees' superannuation fund. (Hear, hear.) This brings this fund up to a total of £72,110. In addition, your directors have pleasure in recognising the loyal services rendered by the employees during the year by charging against the profits a salary and wage bonus of £20,000. In this your directors feel that all the shareholders will readily agree. The relations between the board and the employees are of the happiest nature. The net profit for the year to June 30, 1920, is £263,982, as against £231,645 for the year to June 30, 1919, after charging additional reserves over and above last year of £19,985.

Your Company has always been fortunate enough to have at its head prudent directors, whose policy it has been to put aside profits to a reserve account, and thus supply the means to enable your business to expand into the flourishing concern you see to-day. The position is equal to the Ordinary shareholders, having been created at their expense. Under the scheme before you the proposal is to distribute the reserve by a payment of 10s. per share to Ordinary and Preference shareholders alike, with this distinction, that the payment to the Preference shareholders will be in cash, while that to the Ordinary shareholders will be in scrip. The Ordinary shareholders have, in addition, the opportunity of replacing the cash paid out to the Preference shareholders by subscribing to the new Ordinary shares at a price which must be considered cheap in view of future dividend prospects. I beg to move the adoption of the report and accounts, and that dividends be paid at the rate of 6% per annum on the Preference shares and at the rate of 20% per annum on the Ordinary shares for the half-year ended June 30, 1920, together with a bonus of 10% on the Ordinary shares, the dividends and bonus to be less tax.

Mr. P. J. Feeny, J.P. (Managing Director), seconded the resolution, which, after some congratulatory remarks by Mr. John Hedges, was carried unanimously.

The election of Mr. W. G. West as a director was unanimously confirmed.

At an extraordinary general meeting subsequently held resolutions for increasing the capital of the Company to £2,000,000 by the creation of 1,000,000 new Ordinary shares of £1 each, and altering the Articles of Association with a view to carrying out the arrangements outlined in the Chairman's speech, were carried unanimously.

MOND NICKEL COMPANY, LIMITED.

THE sixth annual general meeting of this Company was held on July 28 at Caxton Hall, Westminster, Mr. Robert Mond, J.P., presiding.

The Chairman, dealing with the accounts, stated that the authorised capital of the Company stood at £3,400,000, all of which had been issued. Every large industrial concern to-day required at least three times the amount of working capital to carry on its business as it did before the War. This was due to the doubling, and even the trebling, of the cost of all raw material, stores, and labour. The directors had decided that in the near future they would ask the approval of the shareholders to an increase in the nominal capital, and to make an issue at some time and in such form as would be convenient. He was glad to see that as regarded the excess profits duty, they were now approaching the end of the settlement with the Inland Revenue authorities. He did not anticipate, having regard to the large increased capital invested in the business since the standard period and the concessions of the Chancellor of the Exchequer this year in allowing 11% on such increased capital, that their liability for excess profits duty in the future would be very large.

The substantial amount of £97,230 of "Additions in the United Kingdom" was made up of additions to the refinery works at Clydach, and also to the new [illegible] had acquired in Birmingham. The Company was doing its utmost to find additional outlets for its raw nickel by developing the business of manufacturing nickel goods, such as sheets, wire, nickel coin blanks, &c. Since the end of the financial year they had completed the purchase of the shares of Messrs. Henry Wiggin and Co., of Birmingham, the oldest established firm of nickel and nickel manufacturers in this country—on terms which the directors considered satisfactory to the Company. Messrs. Wiggin owned three works in Birmingham and [illegible] rolling mills, wire drawing plant, refining plant and other machinery.

The balance brought forward from last year was £[illegible], and the balance at credit of profit and loss account for the

year was £382,354, making a total of £550,412, less directors' fees of £19,117, leaving a balance for distribution of £531,294, as compared with £422,658 last year. The total amount of dividend proposed to be paid was £332,500. In addition to the dividend the directors had also had to provide out of the profits £84,000 for income tax (the result of the change introduced last year of paying the dividends on the Ordinary shares fee of tax), leaving a balance of £114,794 to be carried forward to next year's accounts. He thought, in view of all the prevailing difficulties, that the result of the past year's trading gave cause for considerable satisfaction, and that the Company was in a strong position to face the future.

The report and accounts were unanimously adopted.

UNION CORPORATION, LIMITED.

THE annual general meeting of the Union Corporation, Limited, was held at Johannesburg on June 25, Mr. H. Newhouse presiding.

The Chairman said that the forecast made at the previous annual meeting that the profits would continue to progress had been fulfilled, and the net profit for 1919 was £237,917, as compared with £145,380 for 1918, or an advance of 63%. The directors had placed £50,000 to reserve account, as against £20,000 last year; had paid a dividend of 2s. 6d. per share, as compared with 1s. 6d. per share for 1918, and £58,281 was carried forward, as against £45,364 brought into the accounts.

The future historian of these fields would, he ventured to predict, devote a special chapter to the present period and entitle it "The Rise and Fall of the Premium: its Cause and Effect." The premium rose rapidly and practically uninterruptedly until February 5, when 127*s.* 6*d.* per fine ounce was realised. A fall then set in, almost equally rapid, the price reaching 102*s.* 7*d.* on April 9. Since that date the fluctuation had been small. The present price was about 104*s.* Meantime the local banks discovered that the gold which they were under obligation to import in order to maintian a reasonable reserve against their liabilities in the Union had to be bought at a premium and sold at par. By January the position began to be serious. The Managing Director of the Corporation, Mr. H. Strakosch, who had for years past made an intensive study of exchange and currency questions, was requested by General Smuts to report on the matter. His remedial proposals had been published and widely circulated. Unfortunately the value to the mines of the gold premium had been greatly impaired by the recent serious rise in working costs.

At the end of last month the Modderfontein Deep Levels Company had crushed during the current year a total of 209,400 tons. The working profit for the five months was £243,722, at the standard price of gold, which it was estimated the premium (less realisation charges) and sundry revenue would increase to approximately £335,000. The Geduld Proprietary Mines Company's operations during the first five months of the current year had yielded a working profit of £75,483, to which it was estimated that about £64,000 would be added by way of net premium, and sundry revenue, less sundry expenditure, would bring the gross profit for the period to, say, £144,000.

The Corporation had secured new mining interests in Mexico which were of considerable promise. The American group which had made a conditional offer for the assets of the La Fe Mining Company stated that they were not prepared to deal on the terms and basis laid down by the Company. Operations by the San Francisco Mines of Mexico had continued with satisfactory profits, having regard to the present small scale of work. With the larger plant the prospective profits were very considerable.

The report and accounts were adopted.

NEW EGYPTIAN COMPANY, LIMITED.

AN extraordinary general meeting of this Company was held on July 28 at Winchester House, Old Broad Street, London, E.C., to consider resolutions to transfer the control of the Company to Egypt, and to make the necessary alterations in the Articles of Association. Mr. A. A. Baumann, Chairman of the Company, presided.

The Chairman said: Gentlemen,—At the last general meeting of the shareholders in June I told you that we had received a requisition from the Egyptian shareholders for the transfer of the control of the Company to Egypt. The number of shares held in Egypt cannot be accurately ascertained, for the simple reason that we are almost entirely a bearer-warrant Company, but we can judge approximately from the payment of the dividend. There can be no doubt that something like half the capital is now held in Egypt, the buying from Egypt during the last twelve months having been continuous and large. That being so, it was, of course, inevitable that some such alteration should be made. It is only natural that people resident in Egypt should object to paying income tax, excess profits duty, and corporation tax in this country, and that they should seek to alter that by transferring the control to their own country. According to the decision in the Egyptian Hotels Company, I think it can now be taken as settled law, if there be such a thing, that if the control and management is wholly outside the kingdom, then the Company is not liable to be taxed either for income tax or excess profits duty. Of course, the shareholders resident in England will have to pay their income tax when their dividends are remitted from Egypt, but the shareholders in Egypt will get off the domestic English taxation altogether.

Advantage to English Shareholders.

With regard to the English shareholders, who are certainly half, if not more than half, of the total number, they will have the advantage of getting off the excess profits duty, and that is a very considerable advantage, and ought to increase their dividends and the value of their shares. Therefore, considering, as the London board was bound to do, the interests of both the Egyptian and the English shareholders, we thought that the exemption from the excess profits duty was a sufficiently strong advantage to induce us to part with the control of the finance and policy of the Company. I do not conceal from you for a moment that I think it is a drawback. I think it is a thing that most large English shareholders would dislike—namely, the parting with the control over the Company—but, weighing one thing against the other, I think the balance of advantage is in favour of adopting the scheme.

The result of the resolutions which the Secretary has just read out to you will be to give effect to the request of the Egyptian shareholders. The London board will cease to exist, and the Egyptian directors remaining will then become the sole board, and presumably they will elect some more directors—let us hope not too many—to manage the Company's affairs in Egypt. We used to have a board of seven, but that was necessary because there were two boards, one in Alexandria and one in London; but now there is only going to be one board in Egypt. We may hope, and, I think, trust to the discretion of the remaining directors, that they will not in future exceed the number of five, because in my opinion a board of five directors is quite sufficient.

A London Committee Desired.

I think, also, it is quite certain that the Egyptian directors, when they get back to Egypt, will consider the question of appointing a London committee to watch over the interests of the large English shareholders. The South African companies have alternate directors in this country, which we could not very well have, because it would defeat the object of our resolution, which is to escape excess profits duty, but we might well have a small London committee, which would communicate with the English shareholders and keep them informed of what is going on, if necessary call a meeting, and tell them what it was proposed to do, and if it was desired to make any further changes they would be there to give their consent. I think that is the more necessary in the case of this Company from the fact that it has no large financial firm or house to represent its interests on the London market. I am quite aware that it is part of the scheme that Mr. Day, the Secretary, should be appointed Agent and Secretary. Mr. Day has been in the service of this Company for 21 years, and I, speaking from a varied and long experience of London companies, can say that I know no more able and no more experienced and no more zealous Secretary than Mr. Day. Still, with all respect to Mr. Day, I do not think his existence as Secretary is quite enough. I repeat my hope that the new board in Egypt will consider at their first opportunity the desirability of appointing a London committee.

The three necessary resolutions were then successively put by the Chairman, seconded, and carried unanimously and without comment.

The Chairman, when replying to a vote of thanks to the board, said the latest figures from the other side showed a very large increase in the sale of land, even since the last meeting in June. From January 1 to May 31 deeds had been signed for 1,416 feddans for £286,380, or £202 3*s.* 9*d.* per feddan, and the profit on these sales would come into the present year's accounts.

HONGKONG (SELANGOR) RUBBER, LIMITED.

Labour Supply and Extensions—Condition of the Estate.

THE eighth annual general meeting of Hongkong (Selangor) Rubber, Limited, was held on July 28 at the offices of the Company, 7 Martin's Lane, London, E.C., Mr. Thomas A. Gallie presiding.

Mr. H. A. Huntley, on behalf of the Secretaries, Messrs. Bright and Galbraith, Limited, having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I regret that our Chairman, Mr. Addinsell, has been unavoidably prevented from being with us this morning, but he has left me the notes of the address that he proposed making to-day, and with your permission I will read same. I move: "That the directors' report and statement of accounts for the year ended December 31, 1919, as presented to this meeting, be and the same are hereby received and adopted."

During the year under review the Manager's energies have been devoted to the task of improving the general condition of the estate, in which direction appreciable and satisfactory progress has been made. The work accomplished is referred

to in the highest terms by the Company's visiting agent, who expresses his conviction that in a short while your property will be considered a first-class rubber estate, comparing favourably in condition, soil, and yield to any of the older estates in the neighbourhood. This end should be achieved in the very near future, as in our visiting agent's last report on the property he states that he hopes within three months that the entire planted acreage will be in excellent order. This position would have been achieved earlier had it not been for the difficulty, now being experienced by all rubber estates, of securing a sufficient supply of labour. For this reason also we have decided not to open any further area during the present year.

Our financial position is satisfactory, as since the date of the balance sheet the 15,000 unissued shares have been subscribed at a premium of 10s. per share, thereby increasing the cash resources of the Company by £22,500. This has enabled the Company to pay off the bulk of its loans, and it has also this year commenced the redemption of the outstanding Debentures, which are to be entirely redeemed by 1924. Consequently, the charge for interest will be substantially reduced in the current year and within a short time entirely extinguished. Just at the present time the Rubber commodity market is in a depressed condition, and it is impossible to foresee how soon an improvement is likely to take place. I am confident, however, that the time will soon come when the demand for rubber will overtake the supply and we shall see a considerable improvement in the market price. When that time arrives Hongkong Estate should be in a favourable position to reap the benefit of the good work that has been accomplished during the past two years, and to reward shareholders for their patient waiting during the somewhat protracted period of development. I do not think there are any items calling for special attention in the accounts, which clearly show the position of the Company. We do not consider it wise to recommend the payment of a dividend on this occasion, much as we should like to do so, but we propose to write off £2,000 from formation and preliminary expenses, thereby strengthening our position. I will now ask Mr. Rendle to second the resolution that I have proposed.

Mr. Harold C. Rendle seconded the motion, which was unanimously adopted.

The retiring directors and the auditors were re-elected, and the proceedings terminated.

INTERNATIONAL TEA COMPANY'S STORES, LTD.

The twenty-fifth annual general meeting of this Company was held at Winchester House, Old Broad Street, London, E.C., on July 29, Mr. G. A. Tonge (Governing Director and Chairman) presiding.

The Secretary (Mr. E. Davies) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, I hope you will consider the result of our past year's trading a very satisfactory one. I take it that you have all read the balance sheet and report for the year. The profit—the enhancement of which is entirely due to an increased turnover during the period covered by the accounts—amounts, with the sum of £42,000 brought forward from the last account, to £315,729, and this is amply sufficient to pay the various small sums of directors' and other fees, to place £20,000 to reserve, £20,000 to depreciation, to pay the Preference dividends, to pay 12% on the £850,000 of Ordinary capital, and to carry forward £78,927, this latter being subject to corporation tax and excess profits tax.

Turning to the balance sheet, you will note that the new issue of Ordinary shares has brought that capital more into line with the Preference, which certainly was desirable, and the issue of £250,000 of Preference capital has enabled us more easily to carry the larger stock which at certain periods of the year our business requires. The stock, you will note, amounts to £322,000. Your freehold properties now reach nearly £500,000, and I cannot but feel what a great asset this is, the bulk of them bought years ago when bricks, mortar, and labour were at a very different price to what they are to-day. It is always difficult to predict what any one year may bring forth, but with the extension of our factories and business generally I am confident that our profits must in the future, as they always have in the past, trend upwards. In conclusion, might I once more tender the thanks of myself and my colleagues to the entire staff for their continued loyalty and unfailing energy in the discharge of their various duties. I now beg to move the adoption of the report and balance sheet, and will ask Mr. Collier to second the proposition, after which I shall be pleased to answer any questions which you may desire to put.

Mr. G. Collier (Vice-Chairman) seconded the motion, which, in the absence of questions, was put to the meeting and carried unanimously.

On the proposition of Mr. B. Chase, seconded by Mr. W. Frogley, Messrs. Deloitte, Plender, Griffiths and Co. were reappointed auditors.

The proceedings then terminated.

DIVIDEND NOTICES, &c.

At the recent meeting of the English Velvet and Cord Dyers' Association, Limited, an interim dividend at the rate of 5% per annum was declared on the Cumulative Preference shares, and at the rate of 8% per annum on the Ordinary shares, for the half-year ended June 30, 1920, both less income tax.

The Jorehaut Tea Company, Limited, at its meeting on Tuesday last declared a final dividend of 10%, less income tax. An interim dividend of 5%, also less tax, was paid on February 24 last, and while the balance available after the year's operations would permit of a larger final distribution, the directors considered it wise to conserve cash resources in view of the uncertainty prevailing in the Tea market.

The directors of the Brightside Foundry and Engineering Company, Limited, report that though the accounts for the year ending June 30, 1920, are not yet prepared or audited, they and the auditors are fully satisfied that the results will allow the payment of a dividend of 10%, free of income tax, after providing for taxation and all charges. A meeting is to be held on August 5, 1920, for the purpose of sanctioning the payment of this dividend.

The directors of the London Joint City and Midland Bank Limited announce with regret that in consequence of his health not permitting him to continue his duties as Joint Managing Director, Mr. J. F. Darling has retired from that position. Mr. Darling retains his seat on the board. Mr. E. W. Woolley, one of the Joint General Managers of the Bank, has been appointed a Joint Managing Director.

The profits of the Australian Bank of Commerce, Limited, for the year ended with June last amounted to £118,391. £40,000 has been placed to reserve, and £10,000 in reduction of bank premises. A final dividend at the rate of 6% per annum for the half-year, making 5½% for the year, has been declared, while £2,424 is added to the amount carried forward from last year, making the latter item £28,813.

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Gentlemen,

Between Saturday evening, Sept. 23rd, and Monday morning, September 25th, our premises in Great Clowes Street, Broughton, were entered by burglars.

They made a most determined attempt to force the Safe. The handle was broken to pieces, the spindle badly bent, and an attempt had been made to drive in the lock. We are pleased to inform you that the safe withstood all attacks.

We found the contents intact, and the following message written on the Safe: "A hard nut to crack, this, Mate."

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Head Offices and Works BOLTON. ENGLAND
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Established in 1817.

Capital Paid up, $20,000,000.
Reserve Fund, $20,000,000.
Undivided Profits, $2,090,440.

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Head Office: Montreal.

General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:

47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.

PARIS AGENCY: BANK OF MONTREAL (FRANCE)
17 Place Vendome, Paris.

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Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

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The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

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Reserve Funds	$18,000,000
Total Assets	$550,000,000

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THE ROYAL BANK OF CANADA (FRANCE).
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BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2

Paid-up Capital	£4,765,730
Reserve Fund	3,275,000
Reserve Liability of Proprietors	4,765,700
	£12,806,400
Aggregate Assets, 31st March, 1920	£75 541,242

The London Office issues Drafts on demand on its Head Office and Brees in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business. H. MELDRUM, Assistant Manager

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital	£250,000 0 0
	(25,000 Shares of £10 each)
Reserve Fund	£700,000 0 0
Reserved Profits ...	£38,508 0 0
Reserve Liability of Shareholders,	£250,000.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,
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ESTABLISHED 1864. HEAD OFFICE: MONTREAL.

Paid up Capital	$8,400,000
Reserve Fund & Undivided Profits	$8,660,774
Total Deposits (April 30, 1920)	$163,000,000
Total Assets (April 30, 1920)	$197,000,000

391 BRANCHES IN CANADA.

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LONDON OFFICE: 53 CORNHILL.
J. B. DONELLY, D.B.O., *Manager.*

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL, £1,800,000.
PAID UP, £600,000. RESERVE FUND, £720,000

BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar, Haifa, Port Sudan.

BANKERS: The Bank of England; The London Joint City and Midland Bank, Limited.

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clements Lane, Lombard Street, E.C. 4.

Kansallis-Osake-Pankki.

NATIONAL JOINT-STOCK BANK.
Head Office: Helsinki (Helsingfors) Finland
Branches: 120 all over Finland.

Paid-up Capital ..	Fmk. 90,000,000
Reserve Funds ..	„ 55,000,000

Every kind of Banking and Exchange Business Transacted.

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Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newara Eliya		
Madras	Dar-es-Salaam	Tanganyika Territory.	
	Tanga		

SUBSCRIBED CAPITAL	£3,000,000
PAID-UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

LONDON BANKERS—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Paid-up Capital	£765,242
Reserve Liability of Shareholders	£1,197,468
Reserve Fund	£220,000

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
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SIR JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G.,
JAMES H. BATTY, ESQ., G. BROMLEY MARTIN, ESQ.,
EMILE FRANCQUI, ESQ., J. S. HASKELL, ESQ.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

THE UNION DISCOUNT COMPANY OF LONDON, LIMITED.

Telegrams: "Udisco, London." 39 CORNHILL, LONDON, E.C. 3. *Telephones:* 514 Avenue (3 lines).

CAPITAL AUTHORISED & SUBSCRIBED	£2,000,000
CAPITAL PAID UP - - - - - -	£1,000,000
RESERVE FUND - - - - - - -	£1,000,000

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At Call - - - - - - - -	- 5 %
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15th April, 1920.

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The Statist.

LONDON, SATURDAY, AUGUST 7, 1920.

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The Money Market.

Friday, August 6, 1920.

	Current Rate % Fixed	Current Rate % Fixed	Previous Rate % Fixed	Previous Rate % Fixed
Bank of England Rate..	7	(April 15, 20)	6	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)...	5½	(Apr. 16, 20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos %
Treasury Bills ...	—	6½	—	—
Bank Bills ...	6⅝	6¼ - ⅜	6⅜ - ½	7
Trade Bills ...	—	7-7¼	7¼-⅜	7½

The Normal Issue of the Currency Return for the week ending July 31 shows an increase of over 9 millions in Ways and Means Advances by the Bank. The Bank return, [illegible] days ago, seemed to indicate a tendency to further enlarge this item. It has actually grown by another 7 millions. The Currency Note Return of August 4, of course, shows further expansion, coming within 7 millions of the fiduciary limit. The holiday and harvest requirements hardly necessitated last week's increase of £6,731,731 in currency and Bank of England notes, considering that the corresponding week of last year absorbed less than one-tenth of this amount. Additional Government borrowing, coupled, as it naturally is, with an increase in currency note circulation, threatens an early arrival at the fiduciary limit. At present the margin on the right side of that limit is, as mentioned above, 7 millions nominally; but really it is only £1,020,172, when one takes into account the £6,602,287 of notes "called in but not cancelled." In the circumstances the Government must either curtail expenditure or defray outgoings from taxation. The policy of the banks appears to be to let Treasury bills run off, and as departmental expenditures are already authorised, and thus not easily curtailed, the banks, as well as the much-attacked Chancellor of the Exchequer, have an obvious duty—to take up Treasury bills, as they did so extensively during the War, without at the same time neglecting their duties to trade and commerce.

Increased credits were characteristic of the week. Demand for accommodation was strong from the beginning, but, supplies being much greater than the previous week, rates were fairly easy. Day-to-day money ruled at 5%. Afternoon rates were generally easier, varying from 4½% to 4%. The demand continued steady. Supplies were plentiful throughout, mainly on account of extensive Treasury bill maturities and to a large excess of disbursements over "calls," &c. Weekly features remained steady at 5½%.

The demoralised condition of the American exchange, to say nothing of the whole political outlook, imparted a cautious attitude to the Discount market. Tone was maintained by the fact of the scarcity of bills. The three months' bill is now a November maturity, for which there has been a strong demand. As the week progressed heavy borrowing on the part of the Government added to the available supplies of credit, but the prospect of an unfavourable Bank return caused the market to quote firm. August bills were taken at 5¼%, September at 5½%, and three months fine generally ruled at 6⅜%.

In the Foreign Exchange market, the dominant feature again was the fall in the dollar. That the demand for dollars should increase in the early autumn [illegible] It has come sooner than usual this year, however, and in somewhat greater strength, one factor being the increase in American transportation costs, which, of [illegible] and wheat. Even allowing for these considerations, this week's collapse in the dollar value of the pound was, however, on quite an unexpected scale. One would be tempted to look rather to the international

political situation for the key to the dramatic movement. On Wednesday alone the fall was 10 cents—from 3.58 to 3.58. At one time during the day it touched as low as 3.56. Thursday, however, saw a slight hardening of the rate, and on Friday it had recovered to 3.61½. Francs and lire consistently fell in value, Paris reaching 51, Brussels 47.15, and Italy 71.5. Lisbon fluctuated, closing at 13. Pesetas were lower on balance on the week. Marks drooped in sympathy with francs and lire, despite a small mid-week recovery, the Friday rate being 167½, as against 160 on Tuesday. Amongst the Scandinavian exchanges Stockholm was consistently firm, with a closing quotation of 17.58; Norway was steady, weakening to 23.55. Denmark was practically stationary at 3.68. Montreal moved in sympathy with the American rate. Buenos Aires, Montevideo, and Rio all appreciated slightly. Of the Far Eastern group Hong Kong, Shanghai, and Yokohama all moved against us. Rupees showed firmness throughout the week, registering 1.11*d.* at the close.

The Income and Expenditure Return for the week ending July 31 shows a revenue of £23,434,163 and an expenditure of £13,618,212. The main items in the latter were disbursements of 11.5 millions for Supply Services and 1.9 millions as interest on War Debt. The outstanding figure on the revenue side is 8 millions from sales of war assets. Next come 6 millions from property and income tax, 3.6 millions from excess profits duty, 1.9 millions from Customs, 1.4 millions from Excise, 1 million from the Post Office, and 1.3 millions from estate and stamp duties. The result is that receipts exceed expenditure by £9,815,951. This is further strengthened by £150,000 (net) from War Savings Certificates and £310,000 from Treasury Bonds. Maturities of Treasury bills exceeded sales by £7,694,000 and War Loans, Exchequer Bonds, &c., were cancelled to the extent of £1,432,048, thus reducing surplus revenue to £1,150,000. And as Advances by Public Departments had to be reduced by £10,750,000, we find a perhaps inevitable, but certainly deplorable, increase of £9,250,000 in Ways and Means Advances by the Bank of England. The total floating debt outstanding is lower by 9.5 millions at £1,262,189,000. In conjunction with this fact, however, it must be remembered that its most undesirable item, Bank of England advances, has jumped up by 25%. The usual apologetic trifle from Treasury Bonds, it will be noted, is even more meagre this week. Considering that the Bonds are earmarked for the reduction of the floating debt, it may be interesting to recall that the latter 12 months ago was 81 millions lower.

As we anticipated last week, circulation, according to the Treasury return for the week ending August 4, has again expanded. The advent of the holiday period would certainly lead one to expect an increased demand for currency, though hardly to the extent of £5,011,855 (net). Actual paper circulation now amounts to £360,077,542, a figure closely approximating to the "record" attained at the beginning of July. Gold coin and bullion remain unchanged at £28,500,000; but, in pursuance of the Cunliffe Committee recommendation, holdings of Bank of England notes have been strengthened. As, however, the actual increase, £100,000, was by no means commensurate with the large increase in currency, the reserve has fallen from 13.2% to 13.1%. The fiduciary issue has now reached £312,977,542, leaving a margin of £7,622,458. This figure makes interesting comparison with the £6,602,287 of notes "called in but not cancelled." It serves to show how perilously close to the wind we are sailing. But for the device of subtracting these notes from the actual notes outstanding, the fiduciary margin would be barely more than a million.

The Treasury, according to a Minute dated July 21, has accepted the advice of the Chancellor of the Exchequer to permit redemption of notes of the first and second issues on and after September 1, but only at the Bank of England. This extension of the redemption limit is highly necessary. Only £243,000 were cancelled this week. The previous figure was but slightly greater at £303,000. At this rate the issue will not be wiped out before Christmas.

BANK OF ENGLAND.

As was generally anticipated in the City, the Bank return for the week ended August 4 is of a rather unfavourable character. The extent of the weakness is best disclosed in the decline in the ratio of the reserve to liabilities from 12.2% to 10.2%. This decline represented the cumulative effect of the general forces at work in the Money market during the week. To begin with, in amount the reserve was reduced from £16,315,000 to £15,069,000. This reduction was made up of (*a*) a decline of £126,000 in the total bullion to £123,108,000, and (*b*) an expansion in the note circulation of £1,120,000 to £126,489,000. This latter movement was, as we explained last week, associated with the usual holiday demand for currency. But, as on similar occasions, not all this increase has gone into active circulation. The Currency Note Return indicates that £100,000 in notes has been earmarked for the Currency Note Redemption Account in connection with an increased issue—again a phase of the holiday season—of over £5,000,000 during the week. Movements in the other sections of the Bank return were no less unfavourable, resulting in an increase in the total liabilities by over £14,000,000 to £148,165,000. To this increase public deposits contributed £2,313,000—possibly a reflection of the increase of ordinary revenue over expenditure as indicated in the official return for the week ended July 31. The major portion of the increase was supplied, however, by the advance of £12,036,000 in other deposits to £130,686,000. Not only has the market added substantially to its deposits, but it also has been able to reduce slightly its indebtedness to the Bank, other securities being £692,000 lower on the week at £74,789,000. On the other hand, the increase in public deposits and in other deposits may be more accurately connected with the deplorable increase in Ways and Means Advances, Government securities having risen by £16,354,000 during the week to a total of £76,266,000. The official return of income and expenditure for the week ended July 31 throws some light on this unfavourable aspect of the Bank return, and justifies the opinion we expressed last week that there was a decline in the receipts from Treasury bills. Whilst ordinary revenue exceeded expenditure during the week by nearly £10,000,000, maturities of Treasury bills exceeded receipts by over £8,000,000. Moreover, whilst the total of Ways and Means Advances was reduced by £1,500,000, the reduction was of a rather one-sided character. The official return shows that between July 24 and July 31 advances by Public Departments fell from £169,341,000 to £158,591,000, whilst advances by the Bank of England rose from £36,000,000 to £45,250,000. The further increase in Government securities, as shown in the current Bank return, points to a continuance of this movement, as well as a further decline in receipts from Treasury bills. The market openly avows its aversion to the policy of dear money, but should the market continue to allow its holdings of Treasury bills to run out it is obvious that the

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question of a higher rate for Treasury bills and still [illegible] the inevitable sequence of a [illegible] Bank of England rate, will again come up for consideration. Consequently, whether an 8% Bank rate becomes, or does not become, a question of practical interest in the near future depends to no small extent upon the support given by the public to Treasury bills.

NEW YORK.

The freight award, consequent upon the rise in railroad wages, gives a [illegible] Eastern roads 38% to the Western roads 40 to 45% to the Southern and Mexican roads. Pullman rates were also raised 50%. This gave a decided fillip to Rails in the stock market, and they, of course, carried Steels up with them. The atmosphere of the stock markets for the week, however, was decidedly bearish. The Polish situation was a distinct factor in depressing business. Tightness in the Money market still prevails. The determination of the authorities to restrain speculation is not likely to [illegible] time. The state of the Money market is best indicated by the rate for first-class mercantile paper, which was cabled across on Thursday at 8%. The probable continuance of the shortage in supplies points to continued stringency in the Money market.

The U.S. Federal Reserve Banks' statement for the week ended August 2 shows a slightly weaker state of affairs than that of the previous return. The total gold reserve has decreased by 5.6 millions to $1,977,700,000. The legal-tender notes and silver reserve, on the other hand, increased by 0.2 million to $150,940,000. Re-discounts are further swollen by 21.7 millions to $2,491,630,000, but bills bought in the open market are lower by eight millions at $345,310,000. The holdings of Government obligations have risen by 10.6 millions to $325,380,000.

Liabilities have increased under the different headings. Government and other deposits have risen by 11.6 millions to $1,067,240,000. Federal Reserve notes in actual circulation are greater by 1.9 millions at $3,120,140,000, while Federal Reserve Bank notes in actual circulation have jumped by 2.1 millions to $192,170,000. All other liabilities show an increase of three millions at $52,180,000. The total capital and surplus are at present $259,970,000. The resources, which have increased by $18,910,000, were mainly strengthened by Government holdings and re-discounts to member banks. The ratio of total reserves to net deposit and Federal Reserve note liability combined has fallen by 1.2. It now stands at 44.2%, which compares with 45.4% last week and 50.5% twelve months ago. The New York Federal Reserve Bank is again strengthening its gold reserve, which has been subjected to a heavy drain for the last three weeks.

The return of the New York City Banks and Trust Companies associated with the New York Clearing House, though presenting the usual incompleteness, seems to disclose a weaker position. The cash in vault of members of the Federal Reserve Bank has declined by 1.9 millions to $92,770,000, while loans, discounts, and investments show a contraction of 13 millions to $5,141,600. On the other hand, net demand deposits have shrunk by 33.6 millions to $4,678,510,000, and U.S. deposits by 4.7 millions to $67,130,000; but circulation has swollen by $40,000 to $35,030,000. The aggregate reserve shows an average daily decline of 3.6 millions. For the week the daily average was $548,850,000. The week-end excess reserve, which last week had disappeared, showed on July 31 an actual deficit, according to the published table, of $6,070,000.

BULLION.

Supplies of gold on the open market [illegible] mainly taken by the United States. In consequence of the steady fall in the American exchange, practically throughout the week the price of the metal rose, until on Friday it reached 133s. 9d. per oz., which compares with 109s. 9d. a week ago. High prices curtailed the activity of Indian operators, and, indeed, caused some resales on Indian account, though buying by the bazaars was not wholly checked.

In the Silver market there has been less demand from Indian sources. China's demand has been moderate in volume, and induced mainly, not by trade considerations, but by speculative activity. Dollar appreciation has, of course, put a decided check on supplies from the United States. The Continent has resumed selling, tempted possibly by the rise in price. To-day's quotation for spot silver is 59¾d. per oz. and forward delivery 59¾d. per oz. The absence of any demand for spot silver and a certain amount of silver being "carried," caused the quotation for forward to stand at a premium over spot for a time.

The present high price of silver is chiefly due to the artificial character of the market. The American producers are using their position as producers to maintain prices, though it is doubtful if the policy of holding up supplies will enable them to maintain present levels for any considerable length of time.

Recent movements in the Indian Currency Returns are shown below:—

	Note Circulation	Silver In India	Silver Outside	Silver Total	Gold In India	Gold Outside	Gold Total	Metal Value	Metal Loans	Securities	Total Loans
1920	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
July 7	[illegible]	4,850	—	4,850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4,[illegible]	[illegible]
July 15	16,414	4,968	—	4,968	[illegible]	5	[illegible]	3,780	3,277	[illegible]	[illegible]
July 7	16,001	4,602	—	4,602	[illegible]	294	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June 30	16,454	4,555	—	4,555	[illegible]	240	[illegible]	3,585	3,727	[illegible]	[illegible]
June 22	16,555	4,354	—	4,329	4,390	764	5[illegible]4	3,555	4,027	[illegible]	[illegible]
June 15	16,731	4,327	—	[illegible]	4,340	1[illegible]	[illegible]	3,555	4,477	[illegible]	[illegible]
June 7	16,667	4,167	—	4,167	4,257	[illegible]	[illegible]	3,555	4,477	[illegible]	[illegible]
May 31	16,692	4,137	—	4,137	4,286	54	[illegible]9	[illegible]	[illegible]	[illegible]	[illegible]
May 22	16,729	4,028	—	4,028	4,311	142	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May 15	16,991	3,987	—	3,087	4,436	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May 7	16,930	3,920	—	3,920	4,367	147	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
April 30	17,074	3,937	—	3,937	4,388	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
April 22	17,703	3,909	—	3,909	4,614	194	49[illegible]	1,959	6,727	[illegible]	[illegible]
April 15	17,363	3,904	—	3,904	4,730	47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
March 31	17,402	3,985	—	3,985	4,437	245	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales of Government drafts and telegraphic transfers on Calcutta, Madras and Bombay have been suspended until further notice.

Stock Exchange.

Throughout the week business on the Exchange was distinctly limited in volume, and the absence of buying orders, though there was but a limited amount of stock on offer, sufficed to cause a marked depression in quotations in certain sections. On reopening after the Bank Holiday, Oils were the only feature in an otherwise dormant market, Eastmans, which had on the previous Friday been very active, falling away towards the close on account of profit-taking. Industrials showed general weakness, partly on account of the natural stagnation following the holidays and partly because movements in the freight market and in various iron and steel markets showed possibility of a decline in profits for the present trading period as compared with the boom conditions experienced about this period last year. A noticeable move, however, was the renewed demand for the Preferred and Preference shares of British Dyestuffs Corporation, consequent upon the belief that the protective measures contemplated by the Government would entail substantial benefits to the Company. Amongst Textiles, [illegible] compared with previous levels. In connection with the gradual spread on this side of the Atlantic of the American fashion of issuing short-dated notes, it is interesting to observe that the recent Vickers note issue improved to a fairly substantial premium, while [illegible] Vickers [illegible] Company were quoted at a discount. Bank shares have been steady, but the amount of business passing in this department is usually restricted, as the holders are for the most part genuine

investors. For foreign and colonial banks, especially those interested in South America, there was a considerable number of offers for shares, and in some cases the number required was not forthcoming. The possibilities of South America as a field for profitable banking operation are now beginning to be realised by the public.

Among gilt-edged securities there were fractional movements during the week, mostly in a downward direction. In British funds, 3½% War Loan fell from 83¼ to 82, and 5% War Loan closed strong at 85; the Fours being steady at 95¼. There were no movements of outstanding importance in Colonials, though there was a slight tendency to mark up New South Wales 5¼%; but Canadians 4 and 4½ and Australian 5¼ and 5½% showed little activity, though the undertone was quite firm.

A feeling of despondency was induced in the market for Chinese bonds by selling from Dutch sources. Argentines ruled firm, but Brazilians displayed, for some descriptions, a drooping tendency. French War Fives and Fours moved in sympathy with the decline in the franc, and German Three per cents were adversely affected by the decreased value of the mark and by the threatening situation in Eastern Europe. A further decline in Continental currencies may cause further realisations here on foreign account, leading to a renewed fall in quotations.

Irregular movements occurred in the Home Rails market, and were for the most part against holders. Underground "A" improved on Wednesday, but losses were recorded in North-Western, Great Western, Great Northern Deferred, and North-Eastern. The fall was not confined to the ordinary stock. It extended also to many of the prior charge issues.

During the week Foreign Rails were for the most part neglected, though Great Southern of Brazil, Chilian Transandines, and Cuban Debentures were features of decided strength at mid-week. Argentine Rails displayed little animation. Pacifics and Westerns, Central Argentine and Entre Rios and Buenos Ayres Great Southern dipped appreciably on fears of reduced traffic, owing to the prohibited exportation of wheat, and of increased operating expenses on account of recent labour awards.

Idleness has characterised the Industrial market during the week, shipping securities in particular being freely on offer and finding few purchasers. P. & O. also dropped a few points. The movement spreading from the leaders became general, and Furness Withy's, Cressingtons, Western Counties and Court Lines declined in sympathy. The further fall in time charter rates recorded during the week does not tend to inspire confidence, especially as some Cardiff interests are reported to be quietly liquidating their holdings, and Cardiff has its finger on the pulse of the freight market.

In the Oil market the tale of drooping prices familiar in the other sections is repeated. Mexican Eagles, which have been a favourite speculative counter in preceding weeks, reacting to 10⅜ on Friday night. Burmahs fell from 8⅛ to 7⅛, and Shells from 6⅞ to 6⅝. Anglo-Americans remained steady, and Lobitos were unaffected by the news that a contract for the years 1921-23 had been arranged, which it was estimated would lead to a doubling of the 1919 profits if the 1919 production were continued.

Some inquiries were made earlier in the week after English Oilfields, which closed at 33.9*d*. Scottish Americans, on account of the conclusion of the recent agreement with regard to the disposal of output, were in favour, and the numerous transactions put through during the day showed a fractional rise. Of the allied company, Tankers, the exchangeable Preference (15*s*. paid) commanded support up to 13*s*., but closed weaker on the day at 12*s*. 6*d*.



Mining Topics.

With gold moving up to 112*s*. an ounce, the Mining market began operations this week in a cheerful mood. This movement, coinciding with a restoration of realisation charges to more normal levels, and with the consequent expectation of satisfactory returns for July, brought forward support not only from Paris but also from home buyers. Kaffirs were quick to respond to this oasis in the desert of monotonous reactions. Rand Mines put on ⅜ to 3/16 on Tuesday, whilst Johnnies closed 6*d*. to the good at 30*s*. Amongst the producers Crown Mines were 1/16 to the better at 2¾, whilst gains of ⅛ left Springs at 2⅛ and Modder B at 6⅞. Paris was also inquiring for De Beers, which spurted 1½ to 20¾. The general improvement was not, however, maintained. After Wednesday, despite the fact that gold was commanding up to 114*s*. 6*d*., the uneasiness created by the political situation, especially as regards Poland, caused buyers to hang fire. Paris turned seller, and reactions, though on a small scale, became the order of the day. By Thursday Rand Mines had weakened to 2⅛, Central Mining to 8⅝, Johnnies to 29*s*. 9*d*., Modder B to 6¼, and De Beers to 19¾. Daggafontein, however, remained firm at 13*s*., to which price they advanced on Wednesday on the announcement that No. 2 shaft had, as anticipated, struck the reef at a depth of 3,948 feet. The news that the agreement between City Deep and City and Suburban had been confirmed caused a slight improvement in the shares of the latter to 7*s*. on Tuesday. Modderfontein East reports the ore reserve at June 30 as 1,755,400 tons, averaging 7.75 dwt. over 55.3 inches. The estimated ore reserves of Brakpan on June 30 reached 2,482,098 tons, averaging 8.88 dwt., an increase in the assay value of 0.14 dwt. per ton, but a decline in the quantity of 2,019 tons, as compared with December 31, 1919. It is added that the raising of the pay-limit from 4½ to 5 dwt. resulted in the exclusion from the ore reserves of 83,539 tons between the value of 4.5 and 4.9 dwt. To provide funds to meet the necessary expenditure on the circular shaft and on new plant, the Ooregum Gold Mining Company has decided to increase its gold output by 800 oz. a month from August 1. In view of the existing condition of the Money market, this is considered to be preferable, in the opinion of the directors, to any attempt at issuing shares. The hope also is expressed that last year's satisfactory rate of dividend can be maintained. Good development results for June have come to hand from the Cam and Motor Gold Mining Company. In No. 8 level a cross-cut in the east stope drive at 626 feet exposed ore valued at 57*s*. over 65 inches, and on the footwall of the south stope drive

from crosscut ore of 63 . was exposed over 67 inches. An extension of 60 feet of the south stope on the No. 10 level showed ore valued at 78 . over 63 inches for 40 feet. According to a report from the Geological Survey of Eastern Akim, a test washing of 300 cubic yards of the lower bed of gravel yielded 30 oz. of gold, equivalent with gold at 85s. per oz. to 10s. per cubic yard.

For tin shares this was a disappointing week. The market continued ... despite the improvement in the price of the metal from £265 to £283 on Thursday. ... proved to be a very weak and disappointing ... on Tuesday to 6s. 9d. on Wednesday. Cornish descriptions were on the dull side, although Kalliflumb and East Pool were ... An interesting circular to hand dealing with the tin exports of Bolivia during 1919 shows a total export of 27,389 tons, as compared with 27,752 tons in the previous year. But whereas in 1918 the United Kingdom took 17,104 tons and America 10,574 tons, in 1919 the American import increased to 12,219 tons, whilst that of the United Kingdom fell to 14,932 tons. This movement was, however, of a temporary nature, as, owing to the prohibition of the import of tin into America during the first five months of 1919, the ore accumulated in Bolivia, and was not shipped until the second half of the year. Thus during the last six months of 1919 America received no less than 10,961 tons. Whilst it is not anticipated that this rate of progress will be maintained, the fact remains that approximately half the Bolivian output of tin is now going to America, Europe taking the rest.

The Amalgamated Zinc (De Bavay's), Limited, ... agreement between Electrolytic Zinc Co. and Mount Read and Roseberry Mines, whereby in exchange for 350,000 Ordinary shares of £1 in the Electrolytic Zinc Co., with the right to apply for 150,000 Cumulative Participating Preference shares, the mines and assets of Mount Read and Roseberry are acquired as from July 31, 1920. The shares issued to Mount Read and Roseberry will be deferred as to dividends until July 31, 1925. The mines acquired have a reserve of over 1,000,000 tons, averaging 27.4% of zinc, 7.3% lead, 9.57 ounces silver, and 0.127 ounces gold. It is furthermore announced that the authorised capital of the Electrolytic Zinc Co. is to be increased from £1,000,000 to £2,500,000, consisting of 1,250,000 Ordinary shares of £1 each and 1,250,000 Cumulative Participating Preference shares of £1 each, with a ... dividend of 8%, and ranking pari passu with the Ordinary shares for any dividend over 8%.

BRAKPAN.

For this well-known South African gold mine the year 1919 has not been altogether one of unalloyed prosperity. There was a further substantial decline in the quantity of ore crushed to 544,200 tons. The decrease of 72,900 tons as compared with 1918 is attributable to the main to two factors. The state of industrial unrest, prevalent alike amongst the white and native employees, resulted in a great loss in efficiency. Moreover, the supply of native labour was very irregular, the number employed varying from 3,772 at the beginning of the year to 4,801 at the end. Again, while the older sections of the mine continued to yield normal tonnages, the quantity received from the southern, or lower, section, fell much short of expectations. This was attributed by the Consulting Engineer "to difficult ... of conditions in some of the stopes being further aggravated by the enforced use of machines for stoping." It is gratifying to learn, however, that a greater tonnage is now forthcoming from this section, as in the interval an extensive ... has helped the management to solve the difficulty created by the bad hanging. How the financial results of the year compare with those immediately preceding can be seen in the following table:—

	1917	1918	1919
Ore milled (tons)	544,200	617,100	[illegible]
Gold yield per ton ...	35s. 3d.	35s. 4d.	38s. 2¼d.
Working cost per ton ...	20s. 8d.	20s. 0d.	23s. 6d.
Working profit per ton ...	14s. 7d.	15s. 4d.	14s. 8¼d.
	£	£	£
Working profit	314,535	366,346	384,172
Sundry revenue	11,682	4,363	[illegible]
	326,217	370,373	388,342
Ward charges*	—	10,213	10,318
Sundry expenses	2,971	2,883	1,289
Net profit	323,246	357,277	[illegible]
Less—			
Taxation	79,554	44,271	[illegible]
Government participation ...	21,000	10,724	28,150
Excess profits duty† ...	16,215	18,558	—
Appropriated for capital ...	—	—	[illegible]
Dividends	224,365	257,107	367,525
			[illegible]
	[illegible]	341,440	458,391
Surplus profit ...	82,131	15,837	[illegible]
Brought forward ...	51,232	[illegible]	[illegible]
Carried forward	133,363	51,232	[illegible]
Issue [illegible] ...	[illegible]	[illegible]	[illegible]
Price of £1 shares at end of year ...	3½	[illegible]	[illegible]

* Gold [illegible]

† After [illegible] for £2,627 [illegible] and capital [illegible]

‡ [illegible] in [illegible] profits [illegible]

In order to maintain an effective comparison with the previous accounts, the gold output has been valued at par. Hence it appears that the gold revenue per ton rose from 35*s.* 4*d.* in 1918 to 38*s.* 2¼*d.* in 1919. Early in the year the ore mined from some of the stope faces in the eastern section of the mine was found to be of a higher grade than the average ore being worked. Thus a yield much in excess of that called for was secured. It was wisely decided by the management to establish a Gold Reserve account with the excess to be available for averaging the monthly returns. At the end of the year there were in this reserve 3,724 fine oz. of gold valued at £15,641. This over-mining in respect to grade did not occur in the second half of the year. However, this increase in the yield per ton was more than offset by the growth in working costs, which reached 26*s.* 7½*d.* per ton, as against 23*s.* 6*d.* in 1918. To this rise of over 3*s.* per ton, the increase in the development charge contributed 1*s.* 3*d.* per ton. Higher prices for stores and materials represented a rise of 7*d.* per ton. Extra war bonuses, wages, and allowances amounted to 9*d.* per ton, whilst the recent Miners' Phthisis legislation accounted for 3*d.* per ton. Thus a working profit of 14*s.* 8¼*d.* per ton for the year under review. However, the the advent of the gold premium after the middle of July [illegible] of £98,774 which was equivalent to an additional profit of 3*s.* 7¾*d.* per ton. Consequently, the full yield per ton was [illegible] 15*s.* 2¼*d.* per ton. Furthermore, owing to a reduction in the additional war charges for gold realisation, it was [illegible] been reserved to meet this expense. Hence the net profit amounted to £424,246, as against £357,277 in 1918. On the other hand, shareholders only received [illegible] £257,107 or 32½% in 1918. The balance carried forward to the next accounts is increased considerably [illegible]

Heavier realisation charges, increased liability in [illegible] certainty of the extent of the gold premium—these [illegible]

Payable Ore Reserves.

	Tons	Value	Stoping Width Inches	Shilling-Inches Value
1914	2,490,000	38/9	62	1,780
1915	3,017,000	33/5	62	2,070
1916	3,054,000	39/1	62	2,420
1917	3,268,000	39/1	68	2,650
1918	2,718,000	36/10	68	2,500
1919	2,484,000	37/1	70	2,596

Development Disclosures.

	Total Footage on Reef	Payable Footage on Reef	Per-centage of Total	Payable Showings: Average Width Inches	Average Value s. d.	Shilling-Inches
1915 ...	17,500	8,540	49	32·1	96 5	3,090
1916 ...	13,500	8,255	54	28·0	84 2	3,190
1917 ...	13,565	7,155	53	47·7	58 2	2,770
1918 ...	9,846	5,065	51	41·0	61 10	2,530
1919 ...	13,568	6,920	51·3	40·6	58 7	2,379
1920.						
Mo. qr.	2,870	1,410	49·1	39·66	64 1	2,552

	Ore Mined Tons	Waste Sorted Tons	Ore Milled Tons	Claims Exhausted	Ore Mined Per Claim Tons	Ore Milled Per Claim Tons	Value of Ore Before Crushing dwt.	Av. Value of Ore Re-serves dwt.
1915...	821,525	96,257	725,168	24·67	33,230	29,400	6·873	7·86
1916...	808,619	101,119	709,300	25·43	31,800	27,900	7·68	9·2
1917...	793,689	115,302	677,500	24·54	32,340	27,600	8·49	9·2
1918...	712,900	96,487	617,100	21·93	32,580	28,140	8·69	8·7
1919...	635,250	91,200	544,200	19·17	33,137	28,387	9·4	8·74

Note.—Small discrepancy in figures of ore mined, sorted and milled due to ore in bins and from surface dump.

In quantity the ore reserve shows a decline of 234,000 tons as compared with 1918. The decrease, however, occurred entirely in the first six months, the reserve at the end of June 1919 being estimated at 2,378,000 tons, averaging 8.8 dwt. over a stoping width of 69 inches. This reduction was due partially to the rise in pay limit, and partially to the elimination of areas in which further development was necessary, and to the fact that the tonnage developed fell short of the tonnage mined. During the latter half of the year, the reserve was increased by 106,000 tons, and whilst the grade of the ore declined a little to 8.74 dwt., the stoping width advanced to 70 inches. Development disclosures were not so satisfactory. Whilst the percentage payable had improved slightly to 51.3%, the average width dropped from 41 inches to 40.63 inches, and the average value from 14.6 dwt. to 13.8 dwt. Selected portions of unpayable areas in the upper levels revealed on further development a considerable tonnage of payable ore. Both the 19th and 20th levels disclosed ore of good grade over suitable stoping widths. Thus the development for the first quarter of the current year included a payable footage of 1,410 feet, with ore averaging as much as 15.17 dwt. over 39.66 inches. Machinery was employed to secure over 71% of the ore mined during 1919. In particular where hanging wall conditions were bad, extensive use was made of the Jack Hammer. During the current year it was hoped to decrease still further the quantity of ore mined by hand stoping. Returns for the first quarter of 1920 show that whilst the gold revenue per ton (excluding the gold premium) averaged 35*s.* 9*d.*, working costs had risen considerably to 30*s.* 1*d.*, thereby reducing the working profit to 5*s.* 8*d.* per ton or less than 50% of that for the year under review. In April the gold yield per ton rose to 38*s.* 6*d.*, but working costs had advanced substantially to 34*s.* 7*d.*, reducing the working profit to 3*s.* 11*d.* per ton. During May working costs recorded a satisfactory decline to 30*s.* 10*d.* per ton; but owing to the poorer grade of ore worked, the revenue per ton only amounted to 35*s.* 1*d.* Hence the working profit was only a little better at 4*s.* 3*d.* per ton. Yet these figures in every case excluded the gold premium which amounted during the first quarter to £58,795, and for April and May to a total of £19,692. The interim dividend for the current year, which has been recently declared, amounts to 15%, as against 12½% for the corresponding period of 1919. The balance sheet as on December 31, 1919, discloses a sound financial position. Interest liabilities amounting to £262,713, liquid assets are available to the extent of £290,449. In the market the £1 shares are quoted at 58*s.* 9*d.* and at this price would give a return of 51%, assuming that the total dividend for the current year did not exceed 25%.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, August 4, 1920.

Issue Department.

Notes Issued	£139,979,460	Government Debt	£11,015,100
		Other Securities	7,434,360
		Gold Coin and Bullion	121,529,460
	£139,979,460		£139,979,460

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£76,265,940
Rest	3,405,872	Other Securities	74,788,585
Public Deposits	17,467,454	Notes	13,490,385
Other Deposits	130,585,798	Gold and Silver Coin	1,578,715
Seven-day and other Bills	16,481		
	£166,123,605		£166,123,605

Comparison with Previous Four Weeks [10,000's omitted.]

Date 1920.	Circulation £	Coin and Bullion £	Deposits—Public £	Deposits—Other £	Securities—Govt. £	Securities—Other £	Reserve £	Ratio Reserve to Liabilities %	Bank Rate %	Three Months' Bills %
Aug.	4 126,4	123,1	17,4	130,8	76,2	74,7	14,3	10·6	7	8½
July	28 125,3	123,2	15,1	118,8	59,9	75,4	16,2	12·2	7	8½
July	21 124,0	123,0	16,5	119,5	58,5	80,0	17,3	12·7	7	8½
July	14 124,2	122,8	17,6	119,6	59,4	78,6	17,0	12,4	7	6½
June	30 120,0	117,8	15,7	175,9	90,0	103,1	16,2	8·5	7	6½
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

	Aug. 8, 1920	Aug. 6, 1919	Aug. 7, 1918	Aug. 8, 1917	Aug. 5, 1910
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£126.4	£90.1	£56.8	£40.4	£28.6
Public Deposits	17.4	22.9	39.9	47.5	15.3
Other Deposits	130.6	93.8	132.8	130.4	44.1
Government Securities	76.2	33.7	57.9	56.6	17.4
Other Securities	74.7	80.5	103.2	107.9	29.6
Reserve	14.9	26.6	29.6	31.5	30.5
Ratio to Liabilities	10·2%	21.89%	17·16%	17·70%	51·28%
Coin and Bullion	123.1	88.3	168.0	153.4	40.7
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛-⅛%	3⅝%	3⅛%	4⅜%	2⅛%
Exchanges:					
Paris Cheque	50·25	34·00	27·10½	27·51	25·20
New York 60 days	3·57	4·71	4·72¼	4·72¼	4·83⅛
Bombay Telegraphic Transfers	1/10⅞	1/7⅜	1/6⅛	1/4⅝	1/3⅛
Prices:					
Consols 2½% Cash	46⅞	61½	56⅛	55⅞	81⅞
French Rentes 3% Money	57·50	61·20	61·85	61·05	97·30
Silver, London spot ... oz.	59⅛	58⅛	48⅛d.	42⅝d.	24⅛d.
Wheat, *Gazette* average ...qr.	84/11	73/3	74/3	78/2	31/11
Cotton, Mid Upland ...lb.	28·48d.	19·04d.	21·22d.	19·95d.	7·95d.
Iron, Scotch pig ...ton	223/6	166/0	101/0	98/8	54/7½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Aug. 4, '20	3,312,143	4,300,293	380,077,541	28,500,000	18,600,000	13·1
July 28, '20	8,915,361	7,531,132	355,065,691	28,500,000	18,500,000	13·2
Aug. 6, '19	6,360,383	4,706,312	340,441,258	28,500,000	—	8·3
Aug. 7, '18	5,947,918	3,263,922	265,934,929	28,500,000	—	10·7
Aug. 8, '17	6,287,767	13,332,965	171,486,338	28,500,000	—	16·6
Aug. 9, '16.	4,841,536	3,829,177	128,686,767	28,500,000	—	22·1

Balance Sheet, August 4, 1920.

Notes outstanding—	£	Advances—	£
One Pound	286,044,410	Other Bankers ...	—
Ten Shilling	41,663,131	Trustee Savings Banks ...	100,000
Certificates outstanding ...	32,370,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	360,077,541	Bank of England Notes...	18,600,000
Notes called in but not yet cancelled	6,602,287	Government Securities ...	336,480,633
Investments Reserve A/c ...	17,269,779	Balance at Bank of England	288,974
Total	383,949,607	Total	383,949,607

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
July 31	£23,434	£13,618	£10,184†	£90,151	£100,317	—£10,166	£3,107
July 24	19,998	10,217	9,779†	139,767	150,146	—10,379	3,457
July 17	30,434	12,494	17,940†	134,184	151,119	—16,935	4,056
122dys.'20-21	418,423	345,515	72,908†	1,806,789	1,889,066	—82,277	— 6,262
124days'19-20	289,265	498,399	209,134	2,507,781	2,304,397	203,384	— 6,450
Yr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,048	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
July 31	£3,335	£6,112	£3,610	£10,377	£1,837	£181	£11,540
July 24	7,186	6,406	3,712	2,692	2,449	808	7,160
July 17	9,101	8,189	3,814	9,330	4,189	—	8,305
122days'20-21	97,416	83,436	73,280	164,289	122,148	4,548	218,819
124days'19-20	78,381	72,054	87,839	50,231	126,611	2,252	370,566
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	182,220	291,186	285,028	130,587	269,964	11,380	2,297,958
Yr. '17-18	110,053	239,509	220,214	137,478	188,851	11,401	2,494,986

FLOATING DEBT.	[000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
July	31, 1920 ...	£1,668,348	£203,841	£1,264,189	£1,745,720
July	24, 1920 ...	1,066,358	205,341	1,271,699	1,745,720
July	17, 1920 ...	1,056,090	215,141	1,279,231	1,745,730
July	10, 1920 ...	1,078,823	211,991	1,290,820	1,745,720
June	30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling†—000's omitted.]

		Gold.	Silver	Total	Discounts	Circulation	Deposits
CIUM.							
6. '14	...	£10,977	£633	£11,610	£41,925	£51,900	£8,283
22. '20	...	10,659	1,056	11,715	23,291	214,193	22,617
29. '20	...	10,660	1,068	11,728	23,807	215,500	21,173

HO-VAKIA *	Claim on Austro-Hung. Bank	Contingent Liby. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
7. '20...	£398,313	£88,923	£31,269	£79,829	£383,313	£83,454
15. '20...	398,398	88,923	29,472	81,283	384,239	61,291
23. '20...	398,415	88,923	28,838	83,278	370,732	62,395

MARK.	Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
31. '14	£4,100	£341	£4,441	£6,197	£798	£8,893	£47
30. '20	12,668	147	12,815	14,418	1,895	29,370	2,403
31. '20	12,658	143	12,801	13,755	2,045	30,038	2,524
31. '19	10,410	157	11,567	5,784	2,428	23,939	128
31. '18	10,543	134	10,677	3,282	3,551	20,298	517

NCE.	Gold	In Bank	Abroad	Total	Inc'ls Silver	Total Cash Other Notes	Circulation	Deposits Public	Deposits Private
30. '14	—	£185,654		£190,687	£97,788	£287,327	£15,302	£37,903	
29. '20		144,438	79,131	233,472	81,216	1,507,835	4,365	137,267	
5. '20		144,449	79,131	233,483	94,421	1,528,530	2,279	129,406	
7. '19		143,575	79,131	234,863	36,918	1,410,733	3 432	114,938	
8. '18		135,848	81,484	229,526	40,120	1,179,063	2 736	155,517	

MANY.	Gold	Silver	Total	Treasury Other Notes	& Loans & Discounts	Circulation	Deposits
23. '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£91,545	£47,198
15. '20...	64,584	216	64,800	880,619	2,089,775	2,810,333	742,534
23. '20...	64,582	308	64,890	862,838	1,973,041	2,833,161	614,921
23. '19...	55,587	889	56,476	442,455	1,430,034	1,467,292	408,538
23. '18...	117,354	8,040	123,394	87,413	747,450	619,184	387,592

LAND.	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
1. '14	£13,496	£249	£13,745	£13,492	£10,332	£35,600	£1,437
26. '20	53,028	1,251	54,279	10,945	27,696	84,912	10,358
2. '20	53,028	1,279	54,307	11,187	27,899	87,458	7,803
2. '19	52,878	507	54,385	12,470	19,935	85,241	5,351
3. '18	59,438	655	60,093	5,010	9,173	77,447	4,292

Y.	Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
31. '14	—	—	—	£48,456	£25,017	£89,204	£8,837
30. '20	£32,190	£3,003	35,193	19,852	180,782	501,813	74,704
31. '20	32,191	2,939	35,190	16,322	180,502	517,128	70,783
31. '19	32,622	2,970	35,592	25,696	57,448	372,375	60,528
30. '18	33,460	3,145	36,825	8,544	55,057	297,598	57,464

AN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
26. '14	£21,887	£1,829	£7,863	£32,722	£13,818	£1,521
26. '20	98,026	33,488	30,463	128,485	107,787	8,693
3. '20	98,255	32,409	32,384	125,838	107,537	8,952
5. '19	70,987	7,752	44,850	99,381	110,406	3 488
6. '18	65,422	3,873	28,431	73,159	73,817	3,903

YORK NKS	Cash Own Vaults	Aggregate Reserve	Dep'ts, &c. Invest.,	Net Deposits— Demand	Time	Total	Excess Reserve
USTS.							
1. '14	—	£89.888	£411.238	—	—	£387.165	£1.720
24. '20	£18,936†	110.496	1,030.838	£822.422	£50.534	897.332	1,592
31. '20	18.5541	109.770	1,028.232	815.702	50.700	879.828	1.734
2. '19	19.2841	114.098	976.526	807.846	39.320	873.440	6,974
3. '18	19.9881	108.874	880.460	721.308	34.562	838.694	13,353

EWAY.	Gold	Balance Abroad	Notw. & For. Govt. Secs.	Disc'ts & Loans	Circulation	Deposits
31. '14	£2,980	£1,678	£493	£4,868	£6,752	£793
15. '20	8,120	3,642	578	23,917	24,910	7,027
22. '20	8,120	3,123	578	23,337	24,678	6,158
22. '19	8,174	4,320	678	18,388	23,910	3,553

UGAL.	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
2. '20	£1,506	£3,821	£5,827	£20,406	£9,438	£10,635
9. '20	1,506	3,821	5,827	22,567	94,858	8,858
11. '19	1,505	3,935	5,840	8,188	65,038	3,474
12. '18	1,505	3,475	5,380	8,822	48,378	2,186

MANIA.	Cash	Discounts	Advances	Total	Circulation
17. '20	£50,809	£8,458	£2,642	£11,100	£180,955
24. '20	50,809	8,616	2,853	11,469	181,620
1. '20	50,809	9,031	3,074	12,105	181,292
3. '19	36,781	7,480	1,705	9,185	109,312

IA.	In Bank	Gold— Abroad	Inc'ls Silver	Total Cash	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
21. '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911	
28. '17...	128,623	230,865	378,205	1,869,559	1,836,217	15,783	345,550	

PIA.	Gold	Silver	Total	Cash— Loans, &c.,	Spanish 4%	Circulation	Deposits &c.,
1. '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
24. '20	88,102	24,384	122,486	86,823	13,779	156,424	35,698
31. '20	88,088	24,379	122,475	88,084	13,779	158,818	38,373
3. '19	95,257	26,036	121,293	83,755	13,778	143,779	40,395
3. '18	85,748	26,170	111,918	55,918	13,777	117,939	46,914

WEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs	Discounts & Loans	Circulation	Deposits
1. '14	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
24. '20	14,514	5,427	2,519	35,985	37,451	15,035
31. '20	14,516	5,281	2,519	35,914	40,265	14,089
31. '19	16,699	7,374	3,029	20,063	38,355	6,732
31. '18	14,295	7,305	5,323	13,943	36,431	7,324

WITZER-LID.	Gold	Silver	Total	Cash— Discounts & Advances	Circulation	Deposits
23. '14	£7,202	£758	£7,960	£4,817	£10,718	£2,328
15. '20	21,381	3,547	24,918	12,682	36,276	4,770
23. '20	21,525	3,556	25,081	13,573	36,449	4,871
3. '19	18,708	2,753	21,466	17,394	34,830	3,612
3. '18	15,486	2,241	17,547	13,603	29,435	3,377

† Converted at 24 crowns to £1.
No reserve.
‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

	Gold— Held by Banks	With Agents	Total	Total Discounts	Bills Accept-ances.	Deposits— Govt.	Total Net.	Circulation.
July 26.'20 ...	—$396,854—		$426,802	$493,982	$70,708	$2,250	$337,129	$323,642
Aug. 2.'20 ...	—395,510—		425,728	493,326	69,682	2,434	339,148	324,023
Aug. 2.'19 ...	181,034	236,682	431,286	389,583	74,958	13,672	353,238	501,384
Aug. 2.'18 ...	208,758	187,922	406,984	254,184	41,838	32,249	311,788	381,294

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1.'15	Lisbon ...	—	Jan. 15.'14
Berlin ...	6	Dec. 23.'14	Madrid ...	6	Nov.10.'19
Berne ...	5	Aug. 21.'19	Paris ...	6	Apr. 8.'20
Bombay ...	5	July 29.'20	Petrograd ...	8	July 29.'14
Brussels ...	5½	Apr. 28.'20	Rome ...	6	May 12.'20
Calcutta ...	5	June 5.'19	Stockholm ...	7	Mar. 18.'20
Christiania ...	7	July 15.'20	Tokio ...	6·03	Nov. 18.'18
Copenhagen ...	7	Apr. 16.'20	Vienna ...	5	Apr. 12.'16

III.—FOREIGN EXCHANGES.

LONDON ON—		Aug. 6.'20	July 30.'20	July 23.'20	July 16.'20
Berlin ...	Cable	167m.	161m.	165m.	150m.
Brussels ...	Cheques	47fr. 15c.	46fr. 12c	46fr. 50c.	43fr. 65c.
Denmark ...	Cable	23kr. 65	23kr. 62	23kr. 50	23kr. 35
Holland ...	do.	10fl. 90c	10fl. 92c	10fl. 97c.	11fl. 12c.
Italy ...	do.	71fr. 50	70fr. 75	71fr. 00	68fr. 00
Lisbon and Oporto	do.	13d.	11d.	11d.	11d.
New York ...	do.	$3 61½	$3 75½	$3 80	$3 89½
— ...	Cheques	$3 62½	$3 76½	$3 81	$3 90½
Norway ...	Cable	23kr. 55	23kr. 50	23kr. 20	23kr. 02
Paris ...	3 mos.	51fr. 00c.	49fr. 25c.	50fr. 25c.	47fr. 20c.
— ...	Cable	50fr. 25c.	48fr. 15c.	49fr. 50c.	46fr. 45c.
Spain (Bank places)	3 mos.	47¼.	48¼.	49¼.	47¼d.
— ...	Cable	24p. 20	24p. 27	24p. 15	24p. 30
Sweden ...	do.	17kr. 57	17kr. 67	17kr. 60	17kr. 49
Switzerland ...	3 mos.	22fr. 33c	22fr. 47c.	22fr. 47c.	22fr. 50c.
— ...	Cable	21fr. 82c.	21fr. 97c.	21fr. 97c.	22fr. 00c.
ON LONDON—		Aug. 6.'20	July 30.'20	July 23.'20	July 16.'20
Alexandria ...	Sight	97¼pl.	97¼pl.	97¼pl.	97¼pl.
Amsterdam ...	Cheques	10fl. 83c.	10fl. 89c.	10fl. 97c.	12.107m
Athens ...	Cable	31fr. 00	30fr. 80	30fr. 63	25fr. 22½
Bombay ...	Transfers	1s. 11¼d.	1s. 11¼d.	1s. 10¾d.	2s.*
Brussels ...	Cheques	47fr. 05c.	46fr. 01c.	47fr. 18c.	25fr. 22½
Buenos Ayres ...	Transfers	57¼d.	56¼d.	57¼d.	47·58d.
Calcutta ...	do.	1s. 10¾d.	1s. 11¼d.	1s. 10¾d.	2s.*
Christiania ...	Sight	23kr. 55	23kr. 48	23kr. 23	18.159kr.
Copenhagen ...	do.	23kr. 63	23kr. 66	23kr. 44	18.159kr.
Helsingfors ...	Cable	110 nom.	101½m.	100 nom.	25m. 22½
Hong Kong ...	Transfers	4s. 2d.	4s. 0d.	3s. 9d.	2s.*
Italy ...	Sight	71fr. 00c.	70fr. 25c.	70fr. 65c.	25fr. 22½
Lisbon ...	do.	13d.	12d.	11d.	53d.
Madrid ...	do.	1s. 10¾d.	1s. 11¼d.	1s. 10¾d.	2s.*
Madrid ...	do.	24p. 19	24p. 26	24p. 18	25p. 22½
Montevideo ...	Transfers	57d.	55d.	55½d.	51d.
Montreal ...	Cable	$4 08½	$4 23½	$4 32	$4 83½
New York ...	Sight	$3 61½	$3 76	$3 80½	—
— ...	60 days	$3 57	$3 72	$3 72	—
— ...	Cable	$3 62	$3 77½	$3 81½	$4 83½
Paris ...	Cheques	50fr. 25c.	49fr. 10c	49fr. 87c	25fr. 22½
Rio de Janeiro ...	90 days	14d.	13d.	14d	16d.
Shanghai ...	Transfers	5s. 9¼d.	5s. 6¼d.	5s. 4¾d.	—
Singapore ...	Sight	2s. 3⅞d.	2s. 3⅞d.	2s. 3⅞d.	—
Stockholm ...	do.	17kr. 57	17kr. 67	17kr. 61	18.159kr.
Switzerland ...	do.	21fr. 83c.	22fr. 43c.	21fr. 93c.	25fr. 22½
Valparaiso ...	90 days	12	11d.	11d.	18d.
Yokohama ...	Sight	2s. 9½d.	2s. 8½d.	2s. 7½d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920

NEW YORK ON—	Rate Current* Aug. 6.'20	July 30.'20	Par as usually Quoted	Rate July 3.
Amsterdam, sight ...	33 10c.	34 35c.	40 20c. for 1 guilder	40·25c.
Bombay, cheques ...	35·75c.	37·	49·66c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	11 4 25	113·0		
Christiania, cheques ...	15 3 2c	16·10c.	26·80c. for 1 krone	
Copenhagen, cheques ...	15·25c.	16·35c.	26 8 lc for 1 kroner	26·85c.
Greece, cheques ...	11·65c.	12·30c.	19·295c. for 1 drachma	
Hongkong, cheques ...	76·50c.	76c.	74·59c. for Mex. $1	43 4c.
Italy, sight ...	19·70l.	19·50l.	5 14 lire for $1	5·17l.
Lima, cheques ...	4·93l.	4 93l.	4·8333 $ for 1 libra	
Manila, cheques ...	46 10c.	48·10c.	50c. for 1 peso	49·9c.
Montreal ...	11·50 9/16c.	11·375/16c.	Pre mium per $100	Par
Paris, sight ...	13 8 2fr.	12·95fr.	5·18 francs for $1	5·18fr.
Petrograd, sight ...	—	—	51·45c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	4·85 mil.	4·70 mil.	3·082 milreis for $1	
Shanghai, cheques ...	107 50c.	105c.	52·93c. for 1 tael	83·00c.
Singapore, cheques ...	51·0c.	51c.	53·77c. for $1	67·12c.
Spain, cheques ...	14·95c.	15·50c.	19 3 1c for 1 peseta	
Stockholm, cheques ...	20·50c.	21·40c.	26·80 for 1 kroner	
Switzerland, cheques ...	9·02fr.	9·35fr.	5·181 francs for $1	5·181fr.
Valparaiso, cheques ...	19·00c.	19·00c.	20 61c. for 1 peso	
Yokohama, cheques ...	51·00c.	51·00c.	49 84c. for 1 yen	49·90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Aggr.	Inc. or Dec.*
	1920	[In £'s sterling 000's omitted.]			%
BIRMINGHAM ...	July 31	£3.515 —	£338	£118 199 +	£33.544 + 40·6
BRISTOL ...	„ 31	1.594 —	115	54.753 +	12 039 + 28·2
DUBLIN ...	„ 31	7.235 —	381	287.753 +	48 682 + 20·9
LEEDS ...	„ 31	1.805 —	246	58.175 +	18.849 + 5·6
LEICESTER ...	„ 31	1.077 —	148	41.587 +	13.088 + 45·8
LIVERPOOL ...	„ 31	13 803 +	5.637	518 853 +	185.707 + 46·9
MANCHESTER ...	„ 31	20.587 +	9.120	963.905 +	440.909 + 103·9
NEWCASTLE ...	„ 31	3.154 +	645	98.248 +	33.933 + 57·3
NOTTINGHAM ...	„ 31	962 +	128	35 153 +	15.758 + 77·2
SHEFFIELD ...	„ 31	1.571 —	224	59.710 +	13.533 + 38·4
LONDON ...	1920.				
CLEARING ...	Aug. 4	592.683 +	167.899	20.048 958 +	7.615.936 + 61·8
METROPOLITAN ...	„ 4	34 1·3 +	1·08	1.01 34 +	240 318 + 27·3
COUNTRY ...	„ 4	61.502 +	442	2.474.963 +	547.365 + 28·4
TOTAL ...	„ 4	688.398 +	169.549	23.813.283 +	8.403.619 + 55·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Anger & Co., Ltd

HOMEWARDS.	1920 Aug. 5	1920 July 30	1913 Aug. 8	Homewards.	1920 Aug. 5	1920 July 30	1913 Aug. 8
Alex. to U.K. ...	27/6	27 6	—	[illegible]	—	5/0*	—
Aust. to U.K. ...	100 0	100 0	3/0	[illegible] to U.K. grain	11/6	11/6	2/0
[illegible] cliff ...	17/0	—	—	[illegible] to U.K. nuts	—	—	—
Bombay to p.p. ...	70 0	70 0	2/6	[illegible]	5/3	—	16/0*
Burmah to U.K. ...	—	—	2/3	OUTWARDS—Arid to			
Calcutta to p.p. ...	—	—	2/1	[illegible] Sand	3/0	3/0	3/3
Danube to U.K. ...	60/0	62/6	—	River Plate ...	3/6	3/6	3/0
R. Plate to U.K. ...	85/0	100 0	20/3	St. Vincent ...	3/0	3/6	3/3

* [illegible]
[illegible]
16/0 [illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	AUG. 6, 1920.	AUG. 8, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ....ton	223/6	166/0	57/0
— Middlesbro' warrants ....ton	217/6	160/0	61/0
— Hematite warrants ....ton	262/6	200/0	61/0
— Staffordshire bars, London ton	£33 10	£20 10	£8 10
— Common bars ....ton	£30	£20 10	£6 16
Steel Rails ....ton	£25	£16	£6 2/6
Galvanised Sheets ....ton	£50	£29	£16 17/1
Copper—Standard ....ton	£94 10	£90 15	£66
Tin—English Ingots ....ton	£287	£256	£142 15
— Straits ....ton	£285	£264	£139 10
Tinplates, I.C. Coke, S. Wales...box	71/6	35/0 ... 11/10½	12/0
Lead—Soft Foreign ....ton	£37 5	£24 2 6	£24 17 6 ... £19
Spelter—Ord. Foreign ....ton	£42 5	£43 15 ...	£38 10 ... £39 ... £21 7/9
Quicksilver (75lb.) ....bottle	£21—£21 10	...	£23 ... £7
Aluminium ....ton	£185 home	...	£150 ... £82
Antimony—Regulus Foreign ....ton	£50	£38—£39	£27 10
— English ....ton	£58—£60	£40	£16/10
Coal—(best) Yorkshire ....ton	37/2—38/2	22/0—22/6	17/6
— Steam (best) Newcastle ....ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, parquintal	15/11	9/4½	7/4
Soda—Crystals ex wharf....ton	110/0 ... 129/0—130/0	...	42/6—45/0
Copra—Malay and States ....ton	£53	£59	£23 15—£24 7/6
Gambier—Good marks ....cwt.	45/0—47/6	...	16/10½
Indigo—Bengal good to fine ....lb.	13/0—16/6	9/0—16/6	3/2—3/8
Linseed Oil—Raw ....ton	£78	£115	£25 5
Linseed—Calcutta, spot ....ton	£38	£55	£13 16/9
— Cakes, U.K. made, ex mill ....ton	£20 10—£21	£19	£7 17/6—£8
Olive Oil—Spanish ....ton	...	nom.	£49 10
Palm Oil—Lagos ....ton	£61—£62	£93	£31 10
Petroleum—American ....gallon	2/1½	1/5½	7½d.
Rape Oil—Refined English ....ton	£85	£121	£32
Soya Oil—Refined ....ton	£90	£91 £92	... £24 10
Tallow—Imported ....cwt.	60.0—65/0	105/0—115/0	29/3—33/3
Turpentine—American ....cwt.	170/0	125/0	33/7½
Rape Seed—Coria ....ton	£33	£49	£13 5
Rubber—Para, spot ....lb.	1 8d	2/5½	2/9½
— Fine plantation (stnd. crepe) lb.	1/10½ nom.	1/11½	2/2
— World's Production* May tons	33,650	30,695	8,467
Shellac—T.N. Orange, fair ....cwt.	630/0 nom.	435/0 ...	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ....lb.	28 48d.	10 04d.	7 53d.
— Egyptian, good fair ....lb.	56·00d	30 75d.	8·75d.
— Pernambuco fair ....lb.	27 68d.	21·84d.	7·73d.
— Sea Island ....lb.	39 50c	31·50c.	13·25c.
— Midland Upl. New York ....lb.	943.26c	610,530	934,600
— Stock, Liverpool (July 30) bale	...	nom.	928
Flax—Petrograd, Yaroslav ....ton	£55	£50 10	£25 10
Hemp—New Zealand ....ton	£64	£61	£26 10
— Manila, Fair ....ton	£50	£68	£26 15
Jute—First Marks ....ton	£38	—	£24 15
— Red SC ....ton	30/0	28/0	11/3—11/6
Silk—Bine Ellenbant ....lb.	3/11	3/5½	11½d.—1/0
Wool—Ft Philip unwashed av. ....lb.	1 6d.	1/10 nom.	1/0½
— Lincoln Half Hogs ....lb.	1 5d.	...	7½d.
Hides—Eng. Ox, best, 70 lb. up lb.	3/0—3/6	3/0—3/6	1/4—1/8
Leather—Dressing Hides ....lb.	...	...	...
VEG. FOOD, CORN, &c.			
Wheat—Visible supply Ex. ....bus.	27,466 000	33,430.000	34,640.000
— Red, price, N.Y. 60lbs. bushel	294c.	237c.	67c.
— English Gazette, aver. 480lb. qr.	64 11	73/3	34/3
— Do. do. 480lb. qr.	63/6	44/3	28/6
Flour—G.B. ....280lb.	60.10	62/10	25/4
Barley—Eng. Gaz., aver. 400lb. qr.	64 10	50/3	20/0
Oats—Eng. Gaz., aver. 312 lb. qr.	...	218c.	76c.
Maize—N.Y. (new best) cl. ....56lb.	nom.	63/9	32/4
— Amer. mixed, Liverpool ....480lb.	66/0	63/6	25/9
— La Plata ....480lb. qr.	$200.0	175 0	70/0—75/0
Potatoes—Good English ....ton	48/6	28/0	7/0—7/3
Rice—Rangoon ....cwt.	32 6	53/0	14/0—17 8
Tapioca—Pearl, medium ....cwt.	...	...	82/6
Hay—best ....2,016lb. load	...	...	£6 5—£7
Hops—English ....cwt.	...	...	...
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	6·8	6/0—6/6	3/8—3/10
— Scotch sides ....8lb.	11/4	8/6	4/6—5/0
— English ....8lb.	11/4	8/6	4/2—4/5
Mutton—Scotch wethers ....8lb.	14/0	9/0	5/8—6/0
— English wethers ....8lb.	14·0	9/0	4/6—5/4
— New Zealand frozen ....8lb.	4/6—6/0	7/0	2/4—3/2
Pork—English and Irish ....8lb.	15 4	10·8	3/6—4/0
Bacon—Irish, delivered ....cwt.	1280 0	190/8	60/76—74/0
— Danish ....cwt.	1204 0	—	68/0—68/0
— Canadian, ex Port ....cwt.	1200 0	204/0	—
— American ex Port ....cwt.	180 6—187/0	190 0—194/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	1216/0	192 0—196/0	75/0—79/0
— — short cut, ex Port ....cwt.	1216/0	190/0—192 0	71/0—74/0
Lard—Amer. boxes, ex Port ....cwt.	1178 6	189/0—192 0	51/8—52/9
Butter—Danish ....cwt.	1266/0	...	117/0—120/0
— French ....cwt.	1266/0	Controlled	96/0—108/0
— Australian ....cwt.	1266 0	252.0	98/0—110/0
— New Zealand ....cwt.	1266/0	...	108/0—114/0
Cheese—Canadian ....cwt.	1162/0—166/0	158/0—162/0	66/0—68/0
— United States ....cwt.	...	144 8	...
— Dutch ....cwt.	184 0—168/0	144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to June 30 ....cwt.	16,128,752	17,217,435	19,777,254
— Home consump. to June 30 ....cwt.	12.58,208	15,205,177	17,272,000
— In Bond June 30 ....cwt.	9,324,000	8,392,000	6,308,000
— Price, Java, 96° Pol. ....cwt.	85/0	36/0	10/3
— — Yellow crystals ....cwt.	112/0	57.9 ...	12/6—14/0
— — Tate's Cubes, No. 1 ....cwt.	116/0	64/9	18·0
Coffee—Imports to June 30 ....cwt.	488,101	684,331	720,360
— Home consump. to June 30 cwt.	146,352	153,412	340,250
— Exports to June 30 ....cwt.	771,215	1,193,380	340,250
— In Bond June 30 ....cwt.	789,000	992,000	484,000
— Price, Costa Rica gd. to fine cwt.	—	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ....cwt.	88 0 - 92.0	65/9	41/6
Tea—Imports to June 30 ....lb.	217,539,336	237,280,706	123,230,277
— Home consump. to June 30 lb.	183,467,408	179,804,320	155,447,972
— Exports to June 30 ....lb.	21,629,306	12,912,228	26,561,765
— In Bond June 30 ....lb.	224,102,000	161,561,000	78,292,000
— Price, Indian, Fek. Soug. gd. lb.	7½d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	6½d.	1/4	8½d.
— — Common Congou ....lb.	—	1/4	5½d.
Cocoa—In Bond June 30 ....cwt.	1,423,000	1,313,000	308,000
— Grenada, good to fine ....cwt.	100 0-105.0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory. § New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	June	$16,481.000	+2,903,000	$4,631,000	— $360.000
	6 *mos. to* June	92,058.000	+16336000	11,426,000	— 758.000
Grand Trunk	June	£1,365.500	+ £349.800	£102.500	+ £40 200
	6 *mos. to* June	6,678.100	+ 739.800	15,100	— 301.800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	June 19	1,044	R2,02.700 +	24,549	12	22,44.287 +	1,05,783
Barsi Light ...	July 3	118	67.500 +	12.500	13	4.67.300 +	14 800
Bengal & N.W.	June 26	2,067	4.50.160 —	31.200	12	63.50.533 —	6.74.551
Beng. Dooars	June 26	158	26.157 —	7.319	12	3.24.364 —	3.146
Beng. Nagpur	June 26	2,695	13.11.000 —	1.32.000	12	1.61.31.165 —	3.23.580
Bomb. Baroda &	July 24	2,871	16.77.000 —	31.000	17	3.14.36.000 +	6.95.000
Burma	June 19	1,342	5.10.837 —	5.981	11	65.19.267 +	33.362
Del. Um. Kalk.	July 24	239	92.700 —	11.916	17	16.61.098 —	10.113
East Indian ..	July 31	2,772	29.07.000 +	3.33.000	17	4.92.71.000 +	22.93.000
Gt. Indian Pen	July 24	3,1211	22.89.800 —	1.52.000	17	4.33.43.186 —	8.49.637
Madras & S.M	July 3	3,152	12.30.097 —	55.936	13	1.66.99.868 —	2.95.414
Nizam's Guar	July	900	2.59 147 —	78 349	13	43.59.453 +	1.17.032
Rob. & Kumn.	June 26	578	1.16 751 —	5.822	12	15 63.771 +	129.364
South Indian	June 19	1,8524	7.82.942 +	26.337	11	91.93.481 +	2.99.966
South Punjab	Mar.	716	7,53,200 +	41,772	6m	46,56.803 —	1.72.473
COLONIAL							
Can. Northern	July 21	9,704	$1.177.800 +	194.300	29	30.166.123 +	5.106.274
Can. Pacific ...	July 31	13,388	5.600.000 +	1.009.000	30	108.933.000 +	17.480.000
Grand Trunk	July 31	3,616	£539.940 +	43,281	30	18.439.039 +	1.123.395
Mashonaland	May	810	90.183 +	26.460	8m	571.467 +	157.491
Mid. W. Aust.	May	277	8 614 +	1.812	11m	119.767 +	17.024
New Cane Cent.	July	10	2.897 —	431	28	86.468 +	14 536
Rhodesia Rlys.	May	205	2.937 —	1/54	8m	—	—
Temiscouata...	May	1,397	130.107 +	30.553	8m	—	—
W. Pass. & Yuk	Dec.	122	1,568.826 +	124,546	12m	1.568.626 +	124.546
FOREIGN.							
Argentine.							
Arc. N. West...	July 31	752	£ 14.500 +	3.200	4	54.300 +	6.400
Arc. Transand.	July 31	111	£ 1.380 +	1.174	4	6.260 +	4.824
B. A. & Pacific	July 31	3.536	£ 149.000 +	11.000	4	661.000 +	9.000
B.A.Gt. South	July 31	3.792	£ 4.000 —	30.000	4	69.000 —	46.000
Do.	July 31	Net	£ 74.000 —	19.000	4	349.000 —	56.000
B. A. Western	July 31	1.882	£ 15.000 —	10.000	4	73.000 —	32.000
Do.	July 31	Net	£ 65.262 +	6.792	12m	587.238 +	91.392
B. A. Central	June	190	£ 232.000 +	85.103	4	939.000 +	296.500
Cent. Argent.	July 31	3.305	£ 72 000 +	33.900	52	3.111.100 +	2.065.700
Do.	June 26	Net	£ 72.350 +	15.580	4	287.150 +	24.050
Cord. Central	July 31	1,205	£ 21.800 —	400	4	97.700 —	2.800
Entre Rios ...	July 31	811	£				
Brazilian.							
Brazil Gt. South	May	110	M 46.500 —	10.300	5m	252.500 +	5.700
Brazil Railway	Dec.	3.530	M 4.859.000 —	141.271	12m	57.772.000 +	7.619.324
Gt. W. Brazil	July 24	1.010	£ 15.300 —	1.100	30	678.100 +	107.400
Leopoldina ...	July 31	1.831	£ 53.919 +	6.854	5	1.637.443 +	530.457
Meyrana	Dec.	1,180	M 1.561.000 —	956.490	12m	22.287.000 —	2.474.65
Paulista	Dec.	766	M 2.850.000 —	906.038	12m	32.479.000 —	1.226.88
San Paulo ...	Aug.	1534	£ 45.282 +	3.961	30	1.383.394 +	381.97
Sorocabana ...	Dec.	1,003	M 1.749.000 —	246.168	12m	21.953.000 +	978.68
S. of Bahia S.W.	June	62	M 106.000 +	36.000	6m	471.000 +	71.00
Chilean and Peruvian.							
Antofagasta...	Aug. 1	838	£ 48.650 +	25.635	31	1.393.645 +	612.74
Arauco	June	84½	£ 12.000 +	500	6m	76.000 +	10.70
Nitrate (2 wks.)	July 31	390	£ 44.560 +	30.473	28	583.378 +	310.83
Peruvian Corp.	June	1,140	S 1,240.000 +	99.590	12m	14.485.534 +	2.688.36
Taltal	June	180	$ 27.270 +	20.460	12m	291.975 +	127.02
Cuban.							
Cuban Central	July 24	382	£ 21.827 +	3.871	3	81.483 +	14.76
Havana Cent.	July 24	70	£ 12.549 +	2.536	3	45.689 +	8.7
U. of Havana	July 31	681	£ 72.413 +	12.645	4	307.098 +	41.3
W. of Havana	July 31	155	£ 13.553 +	4.464	4	56.111 +	13.8
Uruguayan.							
Cent. Uruguay	July 31	273	£ 17.894 —	2.611	4	84.092 —	13.0
,, (E. Ext.)	July 31	311	£ 4.759 +	372	4	21.822 —	9
,, (N. Ext.)	July 31	185	£ 2.563 —	803	4	13.178 —	3.0
,,		211	£ 2.282 —	16	4	9.397 —	90
Mid. Uruguay	June	319	£ 18.511 +	173	12m	243.254 +	29.3
N.W. Uruguay	June	113	$ 6.383 —	72	12m	80.296 +	3.4
Urug. Northn.	June	73	£ 2.128 —	244	12m	28.295 +	3.5
Miscellaneous							
Alcoy & Gandia	July 31	33	Pa. 16.400 +	8.400	31	411.300 +	89.9
Bilbao	June	15	£ 3.759 —	1.161	7m	24.476 +	5.9
Bolivar	June	136	£ 11.488 +	954	6m	68.437 —	3.0
Colombo Galle	June	86	£ 21.540 +	5.380	6m	108.150 +	33.8
Costa Rica ...	May	189	£ 34.075 +	10.368	11m	294.134 +	47.4
Dorada Ext....	June	70	£ 21.679 +	7.878	6m	98.678 +	11.5
Egyptian Delta	July 20	559½	£ 13.112 +	114	15	132.226 +	74.1
Gt. S. of Spain	July 24	104	Pa. 54.727 —	27.871	30	2,573.557 —	866.6
La Guaira & Ca.	June	22½	£ 13.240 +	5.180	6m	85.070 +	34.8
Ottoman Ry...	July 17	379	£ 7.399	—	—	—	—
Paraguay Cent.	July 24	274	£ 4.980 —	100	4	17.300 —	2.4
Puerto Cabello	June	34	£ 5.250 +	1.550	8m	33.250 +	4.5
Salvador	July 31	100	£ 4.681 +	1.154	4	15.487 —	1.1
Santa Fe Prov.							
French Rys.	June	1.181	£ 161.128 —	4.267	6m	979.440 +	2.0
S'ia'na & S'tigo	June	80	£ 18.090 +	4.935	6m	91.333 +	27.0
Zafra & Huelva	June	112	£ 12.190 +	4.647	5m	73.430 +	14.3
TRAMS.							
Anglo-Argent.	July 29	400	£ 74.799 +	15.086	30	2.245.652 +	587.4
Auckland Elec.	June 30	27	—	—	52	292.502 —	24
Bombay Elec.	Apr.	39	R. 8.14.937 +	1.02.230	4m	31.36.743 +	4.74
Brazilian Trac.	June	3783	M 10.874000 +	1,505.000	6m	61,040.000 +	7.077.
Brisbane Elec.	June	404	£ 44.340 +	9.130	6m	267.640 +	47
Brit. Columbia	May	334	$ 720.004 +	91.157	11m	8.026.922 +	1.375.
B. A. Lacroze	Apr.	51	£ 51.508 +	6.826	1m	—	—
Calcutta	July 31	351	R 94.867 +	7.733	31	27.71.434 +	2.37
Cape Electric	Apr.	424	£ 31.391 +	3.251	10m	278.644 +	34
Carth. & Herr.	July	9	£ 4.164 —	19	7m	32.770 +	11
Chatham & Dist.	July 22	15	£ 1.895 +	191	29	42.907 +	5
Havana Elect.	Apr.	86	$ 965.734 +	215.891	4m	3.841.076 +	804.
Isle of Thanet	July 28	20½	£ 5.698 +	393	4m	39.034 +	10.
Kalgoorlie ...	Apr.	20½	£ 3.246 +	339	4m	11.638 —	1
Lanarkshire ...	July 22	28½	£ 4.312 —	406	29	121.383 +	19
Lima Light ...	May	85	£ 54.969 +	11.995	5m	287.333 +	53
London G.O. ...	Aug. 4	141½	£ 86.287 —	908	17	1,525.892 +	128
Madras (2 wks.)	July 31	15½	R. 53.467 +	4.720	28	881.933 +	239
Manila Electric	May	55	$ 280.145 +	77.698	4m	1,354.825 +	358
Pernambuco...	Aug. 1	59	£ 6.208 +	1.607	30	218.062 +	58
Provincial ...	July 24	21½	£ 4.162 +	133	43	135.176 +	14
Rangoon Elec.	June	25	£ 7.849 +	1.673	6m	47.471 +	8
Shanghai Elec.	June	26½	M x.$151.260 +	32.260	6m	865.254 +	138
SingaporeElec.	June 19	26½	$ 23.082 +	7.554	23	558.459 +	173
U. of Montevid.	June	90½	£ 39.989 +	5.339	8m	347.289 +	47

The Statist.

LONDON, SATURDAY, AUGUST 7, 1920.

THE POLISH QUESTION.

[illegible] intervention on the part of the Allied Powers seems [illegible] situation, because two divergent policies are apparent in Allied Councils. On the one hand, Great Britain is desirous of restricting its military commitments; and, on the other, France appears eager to plunge into a fresh Polish adventure. Her desire is, however, limited by the depleted state of her Treasury, and while we are, financially, in a much stronger position to finance a Polish expedition or to send aid in the [illegible] is desirous of avoiding the unpopularity which such [illegible].

The present difficult situation is partly of our own and partly of Polish creation. We have openly aided or secretly abetted all who made it their avowed aim [illegible]. We did not trouble to inquire too closely into their credentials or to assure ourselves how far they could truly claim to represent the Russian people. A scratch team of anti-Bolsheviks with titular commanders—such as [illegible]—was allowed to speak on behalf of the submerged Russian democracy, received encouragement, and more, from our statesmen, but in no case did they survive the few preliminary scrimmages. At last the gage of battle was taken up by the Poles, and their operations were attended with a measure of success which seemed to the Western nations really inspiring. It was openly hinted that they would, if possible, dispose of the existing Russian Government, replacing it by one more suited to Western ideals. But the tide of battle turned, and now the Bolshevik forces stand within the borders not only of Poland as delimited by the Supreme Council, but of Congress Poland. Both the French and ourselves have formally protested against any attempt to interfere with the Polish Government, or substitute another in its place, but the strength of our appeal is morally much weakened by our former attitude when Russia was threatened.

There has been much diplomatic hair-splitting over the question of recognising the Russian Soviet Govern[illegible] but it is a fact that we have implicitly admitted its right as the successor to Tsarist rule. It has withstood the shocks of recent years, under which other, and apparently more stable, Govern[illegible] has succumbed. It has waged successful war, [illegible] and to a less [illegible] extent. It has maintained some semblance of peace and order at home, no doubt by very drastic measures. All this [illegible] a country naturally rich and cut off from all aid from external sources. [illegible] forms of action which are difficult to condone, shows that this *de facto* Government has some right to be [illegible]. Even that the Russian example [illegible] countries to some extent holds us back from what [illegible] did [illegible] during the [illegible] gives rise to [illegible]. Neither difficulty is insuperable, as the Bolsheviks are really anxious to resume trade with the manufacturing countries of the West. [illegible] Russia presents the curious spectacle of a country in which the towns, though politically supreme, are economically impotent. The peasants will not exchange their produce for the worthless paper roubles that still stream from the Bolshevik printing-presses. All the towns are underfed, and in some cases there appears to be actual starvation. If the urban dwellers could obtain agricultural implements and machinery, wearing apparel and other goods, provisions would be rapidly forthcoming, and, in addition, agricultural production would increase. The growing discontent in urban areas compels some ameliorative action by the Soviet Government, and the only way to amelioration lies through peace and a resumption of trading relations with Western Europe.

Bolshevik diplomats have changed their tactics somewhat on account of the continued successes of the Red Army, and their contention that the Polish delegates who came to discuss armistice terms should be empowered to negotiate peace was, from the outset, obviously unjust. We have, however, also slightly shifted our ground. In the original Note addressed to Moscow [illegible] of hostilities with the Poles and the holding of a peace conference in London which would deliberate upon the Russo-Polish terms. The Bolsheviks refused to [illegible] peace with Poland should be directly negotiated with the Poles, apart from outside intervention. We actually accepted this proposition, as Lord Curzon's reply was to the effect that our sole anxiety was the conclusion of a just peace between the two countries, and that if Russia thought she could accomplish this without mediation she might please herself. The Russians have taken us at our word, and when subsequently the Boulogne Conference reverted to the policy laid down in the Spa note, we made a pretence of having been throughout consistent in our attitude. This piece of quasi-Hegelian philosophy was [illegible] higher harmony. No plain person can quarrel with the Bolsheviks if they choose to turn our weapons to their own use and shift their ground according as wisdom or experience dictates. The Prinkipo Conference, the fate of the Nansen feeding scheme, and of the Bullitt mission are skeletons in our diplomatic cupboard which are fatal to any present assumption of moral superiority.

The situation is complicated by the aloofness of America and its refusal to be again embroiled in the maelstrom of European politics. It is evidently the desire of big business interests in the United States to come as speedily as possible to an understanding with Russia. Senator Harding, when accepting the Republican candidature, declared himself in favour of complete peace with the Russian Government. How far the later developments, threatening as they do the autonomy of Poland, may affect orthodox Republican opinion it is difficult to say, but even if the American Government should be moved to intervene with the other Allies, its help in respect of men will [illegible] not much more considerable, if one may judge from past experience. Italy, besides being financially almost helpless in this matter, is not wholly averse to seeing the Poles being taught a lesson. The various [illegible] take a decisive stand on behalf of Polish rights, as they are weary of the never-ending warfare in the [illegible] a too turbulent neighbour, whose disturbing influence [illegible] else. Great Britain and France will [illegible] act practically alone if they decide on [illegible] vention, and the limit of the military [illegible] foresee.

WASTE.

No good purpose is served by criticism for the sake of criticising. The tone of the debate in the House of Commons on Tuesday night on the disposal of stores is really to be regretted. The Government had a really good case, and it was clearly and well stated by Sir Gordon Hewart. Nothing is easier than to criticise from the outside. It is said, and with a large measure of truth, that the best player of any game is always the man who sits on the gate. The actual actor necessarily makes mistakes, and the best actor is the man who makes fewest. We thought the Government was wrong in its endeavour to take everything into its own hands during the War. And we thought then, and we think still, that it was even more wrong in retaining control as soon as the Armistice was signed a moment longer than was absolutely necessary. Clearly, the Government is right to get out of business, which it is not the function of a Government to transact. It had accumulated enormous quantities of stores in connection with the War, and as a result of its various controls. It was clearly right to dispose of those stores as rapidly as possible. We cannot have it both ways. If we want the Government to retain control until they can dispose of their stores at the prices at which they were acquired, no one can say when those stores will ultimately, if ever, be disposed of. It goes without saying that many of those stores had to be disposed of at prices very different from those at which they were acquired; but we applaud the Government for taking its courage in both hands and selling to anyone who is willing to buy as rapidly as possible. It is not possible to go back six years and to reconstruct the policy of the War. All that the Government can do to-day, or all that any of us can do to-day, is to try to put things right as soon as may be, and to give the country an opportunity of recovering from the vital and economic effects of the recent War. While the Government retained immense quantities of stores in its own hands it was checking enterprise and checking initiative. The loss, even of some millions, incurred by the disposal of stores is a comparatively trifling matter if we pit against it the holding up of the whole trade, home and foreign, of the country for an indefinite period. In the disposal of stores, as soon as it conveniently can, even at a considerable sacrifice, or even a great sacrifice, the Government is unquestionably right. It is in its heavy expenditure, particularly on the civil side, and in its insistence on retaining certain control boards that the Government is wrong.

There has been formed quite recently a Committee of the People's Union for Economy, and that Committee has issued a manifesto which has been published by our daily contemporaries. The Committee point out that whereas before the War the national expenditure amounted to a little under 208 millions, it now amounts to more than 1,282¼ millions. It really amounts to more, because a balance beyond this sum is made up from the sale of stores. We do not quarrel with this, and we do not wish to emphasise it in any sense. But the fact remains that the national expenditure at the present time is extravagant. The Committee point out, and rightly point out, that under the system of Government controls and Government subsidies whole trades have been hopelessly disorganised, and costs to the public have been raised with diminished efficiency and production. Items involving millions of money occur in the estimated gross expenditure for the current financial year, for coal-mine deficiencies, railway deficits, the Ministry of Munitions, the Ministry of Shipping, and the bread subsidy. The Committee urge that the time for doles has gone by, and should be replaced as soon as possible by a return to ordinary conditions. Now at the present time the bulk of the expenditure is incurred by various new departments which were either set up during the War or have been established since. There was a time when a certain class of politician was accustomed to describe the charges on the Army and the Navy Estimates as the great spending departments. Inasmuch as Government exists primarily for purposes of police—that is the maintenance of internal order and the protection of the frontiers—a certain expenditure must necessarily be incurred for the defence of the country; otherwise, there is no object in incurring the expense of a Government at all. These two items, however, have in recent years ceased to be the great dominant factors in expenditure. They are incurred now on the civil, as distinct from the military, side. Many of these departments, no doubt, are quite excellent in themselves, and a very good case for their maintenance might be made out. As things are, however, it is manifestly dangerous to strain the resources of the country for the purpose of maintaining Government departments which the financial resources of the country do not appear adequate to meet. It will be time enough to consider the advisability of many of these existing departments if, and when, the cost of living is brought down to a figure approaching that at which it stood, say, before the recent War, and the total income of the country is manifestly growing at such a rate that we are once more in a position to launch out in the matter of expenditure. It has to be remembered that the very existence of the British Empire depends primarily upon our power to police the seas; and to strain our resources to such an extent that we endanger that power is manifestly to risk, if not actually to court, disaster. In the present state of international affairs no one can say with any degree of confidence how long peace will be maintained; and it is evident that in our present economic condition we should be heavily handicapped if we were again forced into a costly and strenuous war.

IRELAND.

Amid the futilities with which the Irish situation becomes more and more enveloped in the English Press and in the minds of the English people, it is pleasant to note that the arrival in London of a deputation representative of moderate Nationalist and Unionist opinion in the South, and in favour of a liberal measure of self-government for the country, has been instrumental in dispelling part, at any rate, of the Sinn Fein bogey. England looks at Ireland through the eyes of Dublin Castle, and Dublin Castle is at present looking on Ireland through loopholes and barbed-wire entanglements. Sinn Fein appears as a *monstrum horrendum*, a prodigy of cruelty, and its practitioners and exponents are invested with all the qualities of the wicked ogres familiar in nursery tales. The truth is that the average Sinn Feiner is in normal circumstances as peaceable as the average English citizen, but the organisation is militant in character, and those actively connected with its offensive or defensive aspects discharge duties which would, in an orderly condition of society, be discharged by police and military. Our attention is concentrated exclusively on the maleficent character of the organisation, while we overlook the fact that it has reared a rudimentary fabric of local and central government under conditions of the most appalling difficulty. Its writ runs in many districts, and its arbitration courts have largely usurped the functions of the ordinary Crown courts. It seizes and imprisons criminals and otherwise safeguards the lives and property of the community, functions which the police have totally abdicated. Visitors bear tribute to the orderliness of Sinn Fein legal proceedings, and the exemplary manner in which the verdicts delivered are carried into effect. At Cootehill, in Roscommon, one of these informal courts was held

during the week, an English visitor acting as chairman. Solicitors and litigants attended in large numbers and substantial business was disposed of. On this occasion there was no interference by either military or police, though both were available not far from Cootehill and must have heard of the proceedings, which occupied the greater part of the day.

The conclusion is irresistible that Sinn Fein has some talent for construction, as well as for destruction, and a system means making [illegible] the expense of the latter. Coercive measures will not avail to stop murder if men are determined to kill and believe that they are right in so doing. Not that murderers must not be brought to justice and visited with the full penalty of the law. But care must be taken to refrain from exasperating moderate opinion and driving it to extreme courses. Each accession of strength to the British forces in Ireland has so far resulted only in an extension of disorder, and the populace, instead of being cowed, as was expected, by the display, is more sullenly indignant and more ready to resort to extreme measures when an opportunity presents itself. An honourable policy of conciliation has never been tried in Ireland. Like certain overzealous missionaries of old, we present ourselves with a Bible in one hand and a sword in the other, and we are shocked when the heathen will neither accept our religion nor bow to our authority. It is overlooked that deeds of violence are committed by all sides, in the North as well as in the South, by the British, or their representatives, as well as by the Irish. It may be argued that Sinn Fein initiated the policy of violence, but two wrongs proverbially do not make a right, and we do ill to follow their example. "He who comes to equity must come with clean hands" was a maxim of English equitable jurisdiction, and at the bar of international justice our actions would not be deemed wholly innocent by neutral opinion.

It is a vain hope that the multiplication of troops in Ireland will quell the present temper of the people. Since the rebellion in Easter Week, 1916, the Government has been militarised, and its utmost efforts have ended only in augmenting the forces of disorder and rallying numberless recruits to Sinn Fein. The British Government, by its policy subsequent to 1916, set Sinn Fein, previously a negligible factor in Irish politics, firmly on its feet, and has maintained it in power by the increasingly stupid character of its administration. Sinn Fein receives the support of the Irish people not because it intimidates them, but because they believe that the British are out to crush them. However fatuous may be the belief, it can only be dispelled by coming forward now with a genuine offer of self-government, not on hard-and-fast lines, but providing for the election and convocation of a constituent assembly based on proportional representation. The British Government should be prepared to concede Dominion status if the assembly so desired, and in the event of any more extreme demands being formulated these should be the subject of negotiation. We believe that if such an offer were made Sinn Fein would participate in the attempt to bring about a settlement, and its participation is absolutely essential if the proceedings are to be aught but a mockery. We must recognise that conditions have materially changed in Ireland, even in the last twelve months. A year ago Sinn Fein headquarters in Dublin were closed down finally by the police and the movement was driven underground. It became secret in character, and resorted to all kinds of questionable methods, simply because legitimate means of expression were denied it. The people, [illegible] its cause. Its evangelists were everywhere received with enthusiasm, and the result is that the tables have been completely turned on Dublin Castle, which is now the besieged instead of the besieger. The suppressed has itself been suppressed, and is helpless to expect to revive its power and authority by the archaic expedient of force.

Yet this is precisely what the Government propose to do, according to the tenor of the Restoration of Order (Ireland) Bill. Fortunately, some Liberals, even of the Coalition, have sense enough to see the disastrous effects which such a policy would have, and tabled a reasoned amendment, declining to proceed with the Bill until the Government assured the House that they were prepared to grant Dominion Home Rule to Ireland, with county option, reserving to the Imperial Parliament complete control of the Navy, Army, and foreign policy. The amendment did not appeal to the majority of members, and it is evident that the Premier has derived no benefit from his conversation with the Irish deputation, to which we have referred at the commencement of this article. Apparently we are about to embark once more on a fresh policy of intimidation, such as we condemn in our opponents. If this is so, we will be lucky to avoid [illegible]

IMPERIAL TRADE.

In recent years various schemes [illegible] ment within the Empire, drawn on ambitious lines, have been put forward, but for a diversity of reasons the projects, with which the names of prominent business men and politicians were frequently identified, have one by one been rejected. One stumbling-block in the way of their operation was found to be the lack of unification in the different commercial codes that run within the Empire and the consequent difficulty and expense of safeguarding proprietorial rights and interests in respect of proposals which were to operate over several countries. We must learn a lesson from the experience of the past, especially as the need of Empire development and organisation has never been so great as it is at present. It behoves us now, as an economic unit, to be as self-supporting as possible, and so avoid paying tribute, through depreciated exchanges and otherwise, to foreign communities. To reap the maximum advantage for all our citizens the exploitation of our natural resources abroad should be undertaken in a scientific manner, and at the same time the stream of emigration from this country should be so directed that the British emigrant will land where there is the greatest scope for his activity, and the greatest benefit will accordingly flow to himself and to the Empire at large. The rapidly increasing trade of the Dominions in pre-War days was a tribute to the energy and foresight of the settlers we sent abroad, and none of our excellent pioneering qualities have assuredly been lost since 1914. Between 1901 and 1913 the export trade of the self-governing Dominions increased in value by 115%, from £126,000,000 to £271,000,000, and the import trade by 118%, from £130,000,000 to £284,000,000. The total increase was thus £299,000,000, or 116%. Duplication to some extent occurs in these figures as the exports of one Dominion may appear as the imports of another, but the difference which the correction of this source of error would make is inconsiderable.

Apart from broader Imperial interests, it is to the benefit of the United Kingdom, from the point of [illegible] already existing with overseas possessions. The proportion of our total commerce that passes to and [illegible]

countries and British Possessions, including Protectorates:—

Trade of the United Kingdom.

TOTAL IMPORTS (000's omitted).

Year	From Foreign Countries £	%	From British Possessions (including Protectorates) £	%	Total £
1913	577,218	75·1	191,516	24·9	768,734
1914	508,853	73·0	187,801	27·0	696,634
1915	580,068	68·1	271,828	31·9	851,893
1916	665,825	68·1	302,675	31·9	948,500
1917	716,154	66·2	359,030	33·8	1,064,164
1918	893,116	67·8	423,035	32·2	1,316,151

TOTAL EXPORTS (000's omitted).

Year	To Foreign Countries £	%	To British Possessions (including Protectorates) £	%	Total £
1913	425,898	67·1	208,922	32·9	634,820
1914	342,508	65·0	183,887	35·0	526,195
1915	323,143	66·8	160,788	33·2	483,931
1916	403,156	66·7	200,709	33·3	603,845
1917	416,605	69·8	180,152	30·2	596,757
1918	348,911	65·5	183,453	34·5	532,364

TOTAL OF IMPORTS AND EXPORTS (000's omitted).

Year	With Foreign Countries £	%	With British Possessions (including Protectorates) £	%	Total £
1913	1,003,116	71·4	400,438	28·6	1,403,554
1914	851,141	69·7	371,688	30·3	1,222,829
1915	903,211	67·6	432,613	32·4	1,335,824
1916	1,048,969	67·5	503,382	32·5	1,552,351
1917	1,121,739	67·5	539,182	32·5	1,660,921
1918	1,242,027	67·3	606,488	32·7	1,848,515

In compiling these tables the exports and imports of bullion and specie have been omitted, as the particulars are not forthcoming in respect of the later years of the War. In the case of South Africa the trade in bullion is, of course, of considerable importance, and its inclusion is necessary in any attempt to ascertain the proportionate value of our commerce with the different Dominions. Bullion movements are most completely known for 1913, and accordingly in the following table, which relates to that year, we have shown the self-governing Dominions in the descending order of importance, from the point of view of trade with the United Kingdom:—

Total Trade of United Kingdom.

(000's omitted.)

Dominions	1913: Value £	Per Cent.
Australia	76,713	5·0
Union of South Africa	74,650	4·9
Canada	46,206	3·0
New Zealand	32,524	2·1
Newfoundland	2,001	1
Total for Dominions	246,149	16·0
Other parts of Empire	226,316	14·7
TOTAL EMPIRE	472,465	30·7
FOREIGN COUNTRIES	1,067,260	69·3
Grand Total	1,539,725	100·0

As can be seen by reference to the previous tables, the difference which the inclusion of bullion makes is 2.1%, and South Africa is only one-tenth of 1% behind Australia in the aggregate of its trade with us. Canada and New Zealand come next. The self-governing parts of the Empire in all handled 16.0% of our total trade, as compared with 14.7% for other portions. Thus the Imperial connection was responsible for 30.7% of our aggregate exports and imports. Exclusive of bullion shipments, the proportion rose in 1918 to 32.7%. Preference is now granted to our goods in the Dominions, and in many instances the reduction in import duties is sufficiently substantial to constitute a decided margin in our favour as against foreign manufacturers. On this account it should be possible for us to extend our Empire trade, and the Business Exhibition now being organised by the Overseas Department of the Board of Trade and the Foreign Office, which is to leave this country early in 1921 on a Dominions tour, should prove helpful to merchants and others wishing to get into closer touch with our kinsmen abroad.

The directors of Plummer Roddis, Limited, announce that warrants for interim dividends for the half-year to August 7, at the rate of 5% per annum on the Preference shares and 6% per annum on the Ordinary shares, will be posted on the 31st inst.

EMPLOYMENT AND WAGES.

In the month of June trade unions with an aggregate membership of 1,602,870 reported 1.2% of their number out of work, as compared with 1.1% at the end of May. The percentage for the previous months worked out at April .9%, March 1.1%, February 1.6%, and January 2.9%. In the calculation of these figures the returns of the same unions have been utilised throughout, but the roll of membership is subject to slight contraction and expansion from time to time. Such changes are, however, only momentary, and it may be taken as proved by the percentages quoted that employment has on the whole steadily improved since January, though a minor reaction has latterly set in from the low-water mark of .9% reached in April. It seems strange that the returns should be so good while complaints are heard on all sides of trade depression, and figures such as those given incline one to the belief that pessimists have been indulging their humour and emphasising the dark tints in the trade picture. The above statistics are not, indeed, absolutely conclusive, as they refer mainly to skilled trades, which are sometimes longer in feeling the pinch of depression. The groups treated, however, embrace mining, engineering, and shipbuilding, textiles, pottery, clothing, and woodworking, and so form quite a representative selection. During July short time became more prevalent in certain sections of the cotton and woollen trades, and though the change will not be reflected in the employment returns, it is nevertheless important as signifying decreased production and, to some extent, decreased wages.

A study of wage movements during the first six months of the present year confirms our view that trade has been, and still is, really brighter than many people are willing to admit. Bad times are obviously unfavourable for pressing wage claims, but since the beginning of 1920 six million workpeople have, according to the returns published in the *Labour Gazette*, received net increases per week aggregating £3,028,000. The number of workpeople affected each month, and the average advance obtained, are set out in the following table:—

Changes in Rates of Wages.

1920	Number of Work-people Affected	Amount of Net Increase per Week £	Average Net Increase per Head
January	1,075,000	282,000	5/3
February	225,000	33,000	2/11
March	329,000	114,000	6/11
April ...	3,201,000	1,200,000	7/6
May ...	1,370,000	774,000	11/3
June	307,000	625,000	40/8
January to June	6,507,000	3,028,000	9/3

As can be seen from the final column, the increases secured per head, after a sudden dip in February, rose steadily in March, April, and May, reaching the very high maximum of 40*s.* 8*d.* in June. The surprising jump in the concluding month of the half-year was due to concessions secured by transport and textile workers. A considerable number of metal workers was also benefited by the extension to them of awards issued last March to time and piece operatives in the engineering and shipbuilding trades. The extension chiefly affected the miscellaneous metal trades, light castings, tubes and wires, and was rather far-reaching in its effect on account of the numbers employed. In the printing and bookbinding trades a general advance was given of 10*s.* per week to men, 3*s.* 6*d.* to women, and smaller amounts to learners.

The addition to the national wages bill made to the end of June works out at slightly over 150 millions per annum, allowing 50 working weeks to the year. This figure does not, however, represent the full extent of the gains secured by the general body of wage-earners, as they exclude all changes affecting domestic servants, agricultural labourers, shop assistants, and clerks, for which classes the available information is not sufficiently detailed to provide an accurate basis of calculation. The combined total can scarcely be less than 200 millions per annum, and statistics for the second half-yearly period will no doubt see this already

large scale further increased, making unabated demand for currency and lending, in the absence of a marked improvement in output, to further inflation with all its attendant evils.

The strike seems still to be the most popular weapon for securing wage improvements, if the time judge by the number of trade disputes that occurred from January to June, as compared with the corresponding period in 1919. Disputes, which, of course, include lock-outs, increased by 257, but fortunately their aggregate duration in working days, that is, the number of workpeople involved multiplied by the number of days on which they were idle, decreased by over five millions. In the following table, taken from the official returns, the figures for the different groups are set forth separately:—

Group of Trade	No. of Disputes	Number of Work-people involved in all Disputes	Aggregate Duration in Working Days of all Disputes	No. of Disputes	Number of Work-people involved in all Disputes	Aggregate Duration in Working Days of all Disputes
	Jan. to June, 1919			Jan. to June, 1920		
Building ...	54	12,000	168,000	116	41,000	547,000
Mining and Quarrying	151	569,000	2,7 1,000	123	230,000	887,000
Engineering, Shipbuilding ...	312	237,000	1,256,000	146	115,000	1,820,000
Transport ...	71	14,000	356,000	74	64,000	603,000
Textile ...	50	10,000	330,000	80	31,000	521,000
Clothing ...	41	11,000	144,000	55	16,000	189,000
Printing ...	67	14,000	198,000	84	47,000	324,000
Woodworking, Furniture ...	29	8,000	115,000	57	19,000	673,000
Other trades ...	128	33,000	379,000	168	46,000	705,000
Dockers ...	53	5,000	54,000	62	14,000	791,000
Total ...	747	1,141,000	11,677,000	1,004	892,000	6,418,000

The loss of working time is still enormous, nearly 6½ million days for the half-year, and the reduction or abolition of this loss, neither an impossible feat, would go far to secure for us that great desideratum, a substantial addition to the industrial output of goods and services in all branches. In June alone over 1¼ million working days were hopelessly squandered, half a million of this total being due to the 183 new disputes started during the month. The majority of these disputes arose on questions of wages, but in all 46 were caused by differences on details of working arrangements, on the employment of particular classes or persons, and on trade union principles. Most of these, besides a large share of the wages trouble, could have been settled without a stoppage of work by the exercise of some tact and forbearance on both sides. On the railways the wages bill is now over £160,000,000 per annum, compared with £49,000,000 before the War, and for the mines the total has advanced from £91,000,000 to over £280,000,000. If the country is to bear these and similar burdens without a permanent diminution in its prosperity, the suspension of work for any but the gravest provocation must be avoided, and, if necessary, under the new Industrial Councils, made illegal.

BRAZIL.

TRADE CONDITIONS.

We have received an exceedingly interesting report on the general economic and financial conditions of Brazil, compiled by Mr. E. Hambloch, Commercial Secretary to the British Embassy at Rio.

It will be remembered that some time ago arrangements were made whereby the old Consular reports, which were admitted, both by the authorities and by the trading community, to be out of date even where the information was valuable had it been available in time, were in need of improvement. In the sequel a new Department has been created, assisted by the Foreign Office and the Board of Trade, and the result so far, if not exactly all that we could desire, is certainly an improvement upon the conditions which prevailed in the past. Mr. Hambloch's report is exceedingly useful, and we take it that it will in due course come into the hands of all those who are actually engaged in Anglo-Brazilian trade, as well as of those who are contemplating capital [illegible] Brazil or settlement in that country with a view to promoting schemes for the development of Brazil's enormous resources. Possibly Mr. Hambloch is [illegible] and he certainly does emphasise the very serious obstacles which are to be encountered by those who [illegible] the development of Brazil's resources, whether from the Government side or from the side of those who are proposing to find the actual [illegible]

The report commences with the simple statement of the area of Brazil, which is here given as 3,275,510 square miles, and states, quite correctly, that Brazil is the fourth largest country in the world. It occupies one-third of the whole South American continent. It should be borne in mind, when considering a vast extent of country like Brazil, which is very thinly peopled, that it is not possible to have great advantages without corresponding drawbacks. Brazil is actually larger than the United States of America; but it has only about one-fourth of the population. It is not possible to have things both ways. For those who wish to engage in the development of a rich and fertile country it is clearly an advantage that conditions should be such that nearly everything requires to be done. If Brazil had a dense and crowded population, and was well supplied with transportation facilities, there would only be the usual openings for the exchange of commodities with other countries which we call international trade. There would be no possibility of developing great natural resources and acquiring the benefits which accrue from the opening up of a rich, fertile, and practically unoccupied country. In other words, it is not possible to have things both ways. One cannot expect to find the work already done for one, and also to enjoy the advantages accruing from doing the work.

What Brazil really does offer, either to the investor or the trader, or anyone who would embark his capital and resources with a view to opening up this country is extraordinary opportunities in the fertility of the soil, and in the mineral deposits contained over a very extensive area of the country. Brazil has coal which, so far, has been hardly developed at all. The report before us barely does justice to what the Brazilian coal-owner has done during the late War. In the period that preceded the War, as the great coal users of the country were the shipping companies, more or less controlled by British capital and British interests, and the railways, likewise very largely controlled by British capital or British interests, and even where they were not so controlled in which British investors largely predominated, it was not unnatural that British coal should be preferred. The British coal trade had been developed during the period of a century to an enormous extent. We knew exactly the type of coal required, either [illegible]

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drive a steamship to the best advantage. It has to be remembered, moreover, that the locomotives of the railways and the engines of the steamships were specially constructed with a view to burning English, or rather Welsh, coal; and, consequently, it was not to be expected that people should go into the interior to develop collieries the value of whose coal was wholly unknown, and inasmuch as the coal deposits which had been actually proved were what are technically called "outcrop" propositions; and, consequently, it was evident that in the early stages of mining, at any rate, the coal would be more or less of inferior quality. In fact, since the collieries have been developed this has been found to be the case. Nevertheless, a very large number of industrial undertakings have been run on Brazilian native coal during the War period. Ships have been able to bunker with native coal, and a large proportion of the mileage of the various railways has also been run with the same motive power. Brazil depends, says the report before us, almost entirely upon what coal she imports. The normal importation of coal is nearly two million tons, which was formerly supplied almost exclusively from Great Britain, but has recently been supplied chiefly from the United States. When it was found, however, that coal was as difficult to obtain from the United States as from the United Kingdom, the coal deposits of the southern States have been worked, and with a considerable measure of success. The great difficulty of the Brazilian collieries is that the coal is found at a long distance from any port of shipment, and at a long distance also from any great consuming centre. The district which has been principally developed, says the report, is ten hours journey by rail from the port of Rio Grande. The line is a single track, in a bad state of repair, and with very heavy, steep gradients. There are important deposits in Minas Geraes, and three companies are working there; while two mines are worked, says the report, in the State of Santa Catharina. Iron-ore deposits are found in abundance in Minas Geraes, Sao Paulo, Santa Catharina, Bahia, Espirito Santo, Matto Grosso, Goyaz, and Rio Grande do Sul, with a very high percentage of hæmatite. The mineral contents of the iron-ore deposits in Minas Geraes alone are estimated at more than 3,000 million tons. It is doubtful, says the report, whether any country possesses a greater quantity of this mineral, the percentage of metal being said to average 50%. It will be observed that these deposits are situated far from any of the known native collieries, and this, of course, has been one of the great difficulties of developing the deposits. Now there are two ways of overcoming this difficulty. Very few readers still in active business can remember the development of the iron and steel industry in the United States, although there must be many still amongst us who, no longer very actively engaged in any kind of business, nevertheless are quite conversant with the facts. When the great iron-ore deposits were discovered, it was found that they were situated so far from the coal mines that at first it was feared that it would be wholly impracticable to work them. Experiment showed, however, that it was simply a question of providing sufficiently cheap transportation facilities. In the sequel, as the reader is aware, the difficulties were all overcome, and it was found that coal could, and in fact was, delivered to the iron mines at a price which made it possible for the native product not merely to compete with the European imported article, but to compete subsequently in the international markets of the world. As a result, the great iron-ore deposits of the United States have been developed to a greater extent than those of any other country existing at the present time. We have already given the States in which iron-ore deposits are known to exist upon a great scale in the United States of Brazil. We have also given the States in which the known coal deposits exist. It is simply a matter of providing adequate transportation facilities to bring the coal to the iron mines.

Whether in the case of Brazil, however, this would be the most economical method of working is to be doubted. It would naturally cost a very large sum of money to construct railways upon such a scale that they could run continuously heavy mineral trains capable of conveying the coal from where the coal deposits are situated to the iron mines in Minas Geraes, and particularly in Matto Grosso and the west and more northerly States. At the period to which we have referred, when the iron mines of the United States were being developed, there was no known method of creating motive power except from coal; and, consequently, if the iron mines of the United States were to be developed at all, it was evident that the collieries of Pennsylvania must be the source from which that power could be derived. In the interval of nearly two generations very great strides have been made in the adaptation of hydro-electric plant to the development of industry. Brazil possesses, in addition to her coal deposits, perhaps the finest system of waterfalls existing anywhere on the known surface of the earth. At the head waters of the Yguassi where it joins the Parana is one of the greatest waterfalls existing on the earth's surface. This is one of the greatest, but by no means the only, form of water-power available for hydro-electric plant. Would it not be economically more sound, and would it not, in fact, to use common language, be cheaper to devote the money that would be necessary to build a railway from the collieries of Rio Grande to the iron-ore deposits in Minas Geraes, and still more in Matto Grosso, to the building of hydro-electric plant which would make these great falls available? They are capable of developing some tens of thousands of horse power which would be available for working these mines, and it should be cheaper and economically sounder to work these deposits by water-power than by conveying coal from so great a distance. Of course, there is a difficulty of transmission over such a vast distance. It has been proved, however, that the transmission of electric power over two hundred miles for the lighting and the working of electric plant in the capital is eminently practicable; and, consequently, it does not seem impossible that these deposits could be worked by means of hydro-electric plant. During the War, it will be remembered, Brazil developed an enormous mineral trade in the export of manganese ore, a substance which was required for the strengthening of steel. Before the War, quantities varying between 150,000 and 200,000 tons were annually exported in the raw state from Brazil; but during the War this was developed until between half a million and 600,000 tons were in different years exported. It has been proposed to smelt this ore locally. But, for the reason given above, this has so far proved impracticable. No adequate supply of coal was available; and, of course, as yet no sufficiently powerful electrical plant has been erected in Brazil. Of course, there are, as it will be seen from what we have said, difficulties, and very formidable difficulties, to be overcome. But if this were not so everybody who went out to a new country would promptly realise a fortune.

We hope to return on a future occasion to discussing the tariff system of Brazil. It is admitted, both by the Government and by the trading community, and by those who are interested in the economic condition of Brazil, to be exceedingly burdensome. In the report before us the local manufacturer is blamed because he is unwilling to face any kind of competition unless he is protected by unreasonable tariffs. This is one aspect of the question, but it is by no means the only one, or even the most important. As a matter of fact, a new country like Brazil has to depend to a very large extent upon the duties obtained from imports and exports. Brazil has, in a sense perhaps, the most peculiar tariff system of any country in the world,

because she derives such a very large proportion of her revenue from an export tax. This originally grew up at the time when coffee and raw rubber were practically the only industries upon which Brazil lived. The great coffee State of Sao Paulo produced such enormous quantities—on the other hand, the other States of Brazil were nearly all of them capable of producing very appreciable quantities—that in a sense Brazil gradually obtained a sort of monopoly in the world's supply of coffee so far as coffee was known to the international markets of the world. In the case of raw rubber, until the plantations of the Malay States were developed, in the first decade of the present century, Brazil enjoyed what amounted to an absolute monopoly. Consequently, export duties were readily charged both on coffee and on raw rubber. But there can be no reasonable doubt that those duties are a serious handicap to the coffee industry, and, so far as the rubber industry is concerned, they are one of the contributory causes which are checking its development. It is a remarkable tribute to the value of hard Para, which still commands the highest price of any kind of rubber in the market, that it can face the terrible difficulties and obstacles which it has to surmount in order to arrive in the world's markets at all. It is burdened by an export tax ranging from anything between 8% to 20%; and, in addition, the reader will readily appreciate that to transport raw rubber from the Lapajoz region of the Amazon is an exceedingly costly process. However, we have not space to go into the tariff question.

A far more important point which the report before us makes is the practical absence of the growth of wheat, and indeed of cereals generally. In the year before the War, says the report, 170,000 tons of flour and 440,000 tons of wheat were imported into Brazil. Practically the only State in the whole of the Union which grows wheat at all is the State of Rio Grande do Sul, and so unprofitable has it found the process that it has been steadily for some time increasing the area devoted to cattle-raising, and decreasing the area under wheat. The consumption of wheat in bread per inhabitant in Brazil is, roughly, about one-seventh what it is in the United Kingdom, and about one-tenth what it is in France. The Brazilian population under such conditions naturally is not a wheat consumer. For the most part the poorer classes live almost entirely on mandioca meal, and the more opulent classes on maize, or maize mixed with wheat. There can be no reasonable doubt that the whole of the southern States of Brazil are capable of growing wheat upon a most extensive scale, and owing to the fact that in Brazil, as with the greater part of South America, altitude counts far more than latitude, there is hardly a State throughout the Union that is not capable of growing an appreciable quantity of the prime cereal so much favoured in Europe.

ITALY'S FINANCIAL POSITION.

As a result partly of severe Governmental restrictions, and partly of depreciated exchanges, the Italian trade returns for the four months to the end of May last show an improved position, as compared with the corresponding period of 1919. While exports increased by 1,085,000,000 lire, imports declined by 1,128,000,000 lire, both movements being in the right direction. Last year imports amounted to 16½ billion lire, against five billions of exports, and present indications are that this unfavourable balance will be about halved in the current twelve months. Unfortunately, the budget deficit for the year, estimated at over 2½ billion lire, may lead to a further increase of the paper currency, already swollen, if we take the returns of the Treasury and of the three banks with a right of note issue, to over 18 billion lire. Italy's external debt runs almost to 20 billion lire, due principally to the United Kingdom and the United States, and her imports of coal and foodstuffs from both countries continue heavy. In the circumstances the depreciation of the lire is not to be wondered at, though all dealings in exchange are under strict Government control, and it is universally insisted that Italian exports must be paid for in the currency of the purchasing country, where such currency is at a premium above the lire. To restore the latter's value the Government have introduced sweeping measures of taxation, including a capital levy, which falls on those whose possessions are valued at more than 50,000 lire. The manufacturing capacity of the industrial section of the country—in the north—has much increased, and a further expansion in exports is looked for. It is proposed to use such indemnity as may be received from Germany as a set-off against the foreign debt, and thus work gradually round to a position of financial equilibrium.

INTERNATIONAL MERCANTILE MARINE COMPANY.

The report of this important American [illegible] 1919 is of unusual interest in view of the competitive era prophesied by experts between British and American shipping. The Company, having interests in both countries, will be favourably situated in the event of a rate war. After deducting gross operating and general expenses, including United States income tax, excess profits tax, British income tax, interest on I.M.M. bonds, and bonds of subsidiary companies, and depreciation on steamers, the net profit at $17,062,912 shows an increase of $5,569,837. In the accounts are included the earnings of steamers directly operated by the International Mercantile Marine Company, together with the earnings of subsidiary companies (largely British), of which the entire issues of capital stock are owned by the I.M.M. Co., except Frederick Leyland and Co., Ltd., in which the Company owns about 42% of the Preferred and 98% of the Common shares. In recent years, in addition to the half-yearly distribution of 3% on the 6% Cumulative Preferred stock, payments of from 5% to 10% have been made on account of arrears of dividend. These arrears are still far from wiped out, the unpaid balance amounting to 47% on the $51,725,500 of Preferred stock.

Dividend prospects for the Common stock ($49,872,000) are, therefore, not bright. The Company, however, is well established on both sides of the Atlantic, and the recent consolidation of its position, the release of its ships from control, and the reopening of trade with Eastern Europe should eventually have a favourable effect on earnings. To the end of June 1920 net receipts were, indeed, below those of the corresponding period in 1920. The fall is attributable to labour troubles, which interfered with the movement of steamers, and high fuel costs. The bill for fuel on some voyages exceeded the average total voyage expenses in 1913, exclusive of insurance. Declining freight rates were another unfavourable factor, but several steamers, recently reconditioned and restored to their normal trades, should help to swell the earnings.

The interests of the Company are as follows:—complete ownership of the Société Anonyme de Navigation Belge-Américaine, Atlantic Transport Co., of West Virginia, and the International Navigation Co., Ltd. The last named holds part of the stock of Frederick Leyland and Co., Ltd., and all the stock of the Atlantic Transport Co., Ltd., the British and North Atlantic Steam Navigation Co., Ltd., and the Oceanic Steam Navigation Co., Ltd. The Oceanic in turn controls [illegible] of the Oceanic and Red Star Steamship Co., Ltd., and the two together hold practically all the stock of George Thompson and Co. and 10% of the stock of the Holland-America Line, incorporated in Holland

WEST INDIES AND CANADA.

Some surprise was occasioned recently in trade circles by the announcement that the Royal Mail Steam Packet Company, as a result of the discontinuance of the Government subsidy, which has lapsed for some time, had determined to withdraw their West Indian passenger service. Close upon the announcement comes the publication of the text of an agreement between Canada and the West Indies for the promotion of trade and steamship communications. All the West Indian group, comprising the Bahamas, Leeward and Windward Islands, Trinidad, Jamaica, British Honduras, British Guiana, Bermuda, and Barbados are to admit Canadian goods at a reduced tariff, varying from 50 to 90 per cent. of the amount levied on similar foreign goods. In return Canada will lower her import duties on West Indian goods to at least 50 per cent. of the duties imposed on similar articles from foreign countries. As regards communications the Canadian Government undertake to provide as soon as possible a weekly mail passenger and freight steamships service from Canadian ports to the eastern group of islands, and a fortnightly service of a like kind to the western group. In return subsidies aggregating about £240,000 will be paid annually by the two groups. The agreement, which is to remain in force for at least ten years, should prove extremely profitable to both the contracting parties, as the products of the warm and temperate zones are non-competing and, therefore, readily interchangeable.

IRISH INVESTMENT—A WARNING.

A case was decided in the King's Bench Division, London, about a fortnight ago which suggests a comment upon an aspect of the economic development of Ireland not hitherto considered. In the case in question a Dublin ex-Alderman sued the Reconstruction of Industries, Limited, a Company registered in London, for a sum in salary and expenses as Manager of the National Development Company of Ireland, Limited, a subsidiary Company formed by the parent Company. It was given in evidence at the hearing that the scheme contemplated reconstructing Irish industries and supplying a fleet of commercial steamers. It included the purchase of five German steamers for Irish trading, in connection especially with the linen, lace, and timber industries. The first part of the scheme to be undertaken was a housing enterprise, under which £30,000,000 was to be allocated to Ireland, and £1,000,000 was offered to Dublin. No part of this ambitious scheme came to fruition, and the parent Company sought to disavow its agreement with the plaintiff, for whom judgment was given for the full amount with costs.

The case attracted a good deal of attention in Ireland, but this article is concerned rather with its moral from the point of view of the British investing public. Ireland from the investor's point of view is in a peculiar position. The great majority of British investors are probably deterred by the condition of political unsettlement which prevails in the country. Notwithstanding this political unsettlement, however, a number of industrial development enterprises are afoot which are in themselves perfectly sound, and would by their progress contribute in no small degree to restoring political stability. But most of these enterprises, so far as they attract notice outside Ireland, are brought to notice through the medium of the company promoter, whose intervention in the majority of cases is harmful alike to the confidence of the investor and to the real interests of Irish industry.

Ireland has been free compared with England in the past from the wiles of the company promoter, simply for the reason that Irish development has not been a popular financial subject. But now that it is being taken seriously in hand by the National Industrial Commission, extracts from the evidence given before which have appeared in this paper, the opportunity of the prospectus merchant has come. He is not unknown in Ireland. The backwardness of the development of the Irish peat bogs can be attributed, in some degree at least, to the lamentable experience of the investing public over certain schemes which failed to return even the capital sunk in them. It is quite possible that the same fate awaits the Irish coal and other mineral deposits unless the investing public is warned in time.

An attempt is being made, or will shortly be made, to obtain capital for a company which purports to have acquired very extensive rights and leases of the mineral deposits of Ireland. This company will be of the nature of a parent or founders' company, a genus which reproduces itself fissiparously like many orders low in the biologic scale. The procedure is well known in financial circles, and is usually attended by inordinate profits for the original shareholders, and very little for the scion companies which are entrusted with the task of unwatering their properties before they reach the profit-making stage.

The Irish mines, working and at present unworked, are capable of supplying Irish needs for long years to come if properly developed. But those who are best assured of this fact are the first to recognise the necessity for the combination of large capital, unwearying patience, business acumen, and engineering knowledge which are inseparable from the systematic exploitation of Irish mineral wealth, whether for the nation as a whole or for the shareholders of limited companies. The probable situation of a mine, its inaccessibility, its remoteness from modern means of transport, the preliminary provision of housing accommodation for a new population several times larger than the present one—all these are considerations which must be taken into account. When they are taken into account it is not quite such a straightforward matter as it appears to state the views of eminent geologists and mining engineers with regard to the vast deposits of coal, iron ore, clays, and so on—many of which estimates are conceivably conservative enough—and then to proceed by simple arithmetic to show the vast profits which will be made on certain given output. It leaves aside the not irrelevant question of the grounds for believing that the specified outputs can be obtained, not alone within the three or five years of the prospectus, but within, say, ten years. The truth about the Irish mines is that none of them are able to extract a tithe of the quantity which it would if it were in England, and—what is infinitely more important to the investor—none of them are capable of ready expansion to anything like the extent that the company promoter would have the investing public believe.

Exactly the same remarks apply to the development of Irish water-power and peat resources. The Industrial Commission, which has national authority behind it, is fully alive to the damage which may be done to the essential interests of Irish industrial development by the intervention of the company promoter. Until the reports which are being prepared by the Commission are made public, and until on the basis of these reports trustworthy guidance is obtainable, the investing public will be well advised to fight shy of all schemes put forward for Irish industrial development.

The interim report of the directors of the Sheffield Steel Products, Limited, for the half-year ended with June last will be found elsewhere in this issue. The report points out the developments which have taken place at the Templeborough Works during the last six months, and what has already been accomplished towards the concentration of the whole of the operations, from the raw material to the finished product, on a centralised site. This maiden report is eminently satisfactory.

TRADE OPENINGS.

THE ENGINEERING AND MACHINERY TRADES.

In view of the paramount importance of machinery in the production of every article, and even in the preparation of foodstuffs intended for export to this country, also to the problem of resumption of exports of British machinery during the War, there can be no doubt that the demand overseas for every description of plant and machinery at the present time is enormous. The following is necessarily but a brief outline of the needs of Colonial and Foreign markets.

Railway Plant and Rolling Stock.—Practically an unlimited demand exists for both electrical and steam machinery in our Colonies. For instance, the projected [illegible] in connection with the Victoria Falls section of the Rhodesia-Katanga Railways—and potential expenditure on the Cape Town to Simonstown suburban line, and the Durban to Pietermaritzburg (main line) will necessitate tenders for important contracts for various classes of machinery. As costs will be heavy, the authorities will naturally seek a wide field for tenders: there is, however, no reason why British engineering firms should not be well able to secure the business. Steam power engines and modern rolling-stock are needed in large quantities.

New Zealand is also in the market for locomotives and freight cars, tenders for which are about to be invited for about 65% of the quantity required, the balance being offered to New Zealand engineers.

Motor omnibuses and motor cars and lorries are also in good demand in New Zealand. As to the first-named the Nelson (New Zealand) Town Council has decided to establish a motor omnibus service, rather than a tramway system. Consequently very important contracts should be forthcoming. As to motor cars, both high grade and low priced descriptions are in request throughout the Colony. Lorries, also, are being favourably considered by commercial interests.

Among Foreign Markets [illegible] may be mentioned practically all the Continental countries and States, but principally Spain and Belgium. The first-named country appears to be in a rather serious plight for passenger rolling stock, the directors of the various companies being desirous of placing substantial orders, for the payment of which the Government is being approached to assist. In view of the strong German influence in the country, British contractors should be prepared to give any proposals for deliveries their most careful consideration. In addition to Belgian requirements, which are not now so heavy as they were, in view of German deliveries, almost every South American State is in need of stock for renewal and extension purposes. The chief purchasers at the present time are the Argentine, and to a lesser degree, Bolivia, where for lack of transport facilities, motor cars and lorries [illegible]

Mining machinery, tools and equipment are badly needed in Spain and Southern Mexico. The impetus given to coal and other mining [illegible] opens up a valuable field for British mining machinery houses. Coal is the great immediate necessity for France, [illegible] without it, her reconstruction plans cannot proceed. Therefore the clearing [illegible] and the opportunity [illegible]

Industrial Machinery.—The cotton-growing industry throughout the world is everywhere endeavouring to restore and increase its supply of [illegible] &c., the principal markets being Brazil, owing to its increased production of cotton, and Egypt.

The Argentine offers a [illegible] machinery to [illegible] of the trade. In addition, agricultural implements of all kinds are in constant and increasing demand there [illegible]

THE TEXTILE TRADES.

These most important sections of our industrial organisation have found their home trade very disappointing [illegible] evidence throughout the first half of 1920. They have, therefore, to look farther afield for outputs, which are on a far larger scale than they were prior to 1914. The [illegible] have for some time been very quiet, for various reasons (the exchange and the uncertainty as to the immediate future of prices being the principal deterrents). Consequently our exporters' attention should be directed to minor and new markets—keeping the principal ones well under supervision—as values in the former are certainly more remunerative, and the prospects of extension more promising.

South America.—Despite the "intensive cultivation" [illegible] territory, South America offers an extremely rich and vast field for exploitation. *Venezuela.*—One of our old, if minor, markets, is full of promise for the receipt of cotton prints, for it has, financially speaking, "turned the corner," and is quite prepared to purchase liberally from British firms.

Morocco.—This comparatively new market is also open to British entry on a far larger scale than formerly, if only our exporters will take the necessary steps to push their wares more strenuously and intelligently than heretofore. The market is not a new one; consequently, its requirements are generally well known as regards design and value. Whilst French interests are naturally important, the percentage of French imports should not be at all discouraging to British firms, the percentage of value of French imports into Morocco last year being 53% of the whole.

India.—Very little need be said of the great value of this market to the British cotton goods trade. It is practically illimitable, but at the moment, unsatisfactory exchange, and the lack of confidence in the stability of present values present the principal obstacles to satisfactory trading. In view of the declining tendency of values, a practical step towards increased future business would be the offer of goods [illegible] By this means the first, and most important, bar would be removed, and would show the sellers' desire to meet the situation. This plan has been frequently adopted by American shippers to Britain.

Woollen Goods—and in fact the whole industry—have fallen very quiet in the home, as well as in the export trade, for some time past, so that on the ground of consumption the export demand should soon show marked improvement. Further, the general declines in values that have occurred in the Raw Wool market have enabled manufacturers and exporters to revise their selling prices. Consequently the combination of causes should result in improved business in the early future.

Australasia.—One of our best and oldest markets should be actively pushed by closer attention to detail of manufacture, transport, &c., in order to retain this important customer. Now that the Wool Control is at an end so far as the Colonies are concerned, an attempt is being seriously made to utilise the home clip in the production of woollen goods in Australia. [illegible]



following the precedent of other trades—notably the footwear and harness and saddlery—a good start can be made, and in a few years an effective check to imports accomplished. By the application of up-to-date methods, and with long practical manufacturing experience, our producers should be able to offer such good value as to discourage the project, and ensure the continuance and expansion of the woollen goods trade throughout the Continent.

Cuba.—Among the minor markets—comparatively, that is—the Cuban may be placed, but although supposedly dominated by American interests, it should not long remain in that category. The wonderfully prosperous state of the chief industries, tobacco and sugar, particularly the latter, and the not altogether satisfactory conditions of American trading, have given British exporters an opportunity of extending their connections in woollen and cotton goods, besides most of the goods not possible to be produced in Cuba. Given careful consideration to the country's requirements, and also to minor points, such as prompt, reliable and safe delivery, and satisfactory credit terms, there should be the prospect of greatly increased trade for every manufactured commodity that has to be imported. Many other centres in various parts of the world might be mentioned as worthy of notice, but sufficient have probably been named for the purpose in view, viz., to awaken interest in our export trade, which is the one practical, and only, means of putting the national financial position on a sound basis.

The main requirements to attain this desirable end are (1) mass production, to ensure the most economical results; (2) personal representation, preferably by group combination, backed by effective advertisement, and (3) the full maintenance of sterling value that has always been the proud tradition of British industry and commerce.

AMERICAN RAILROADS.

The results attending Government control of railroads in the United States gave rise to acute dissatisfaction with a system which was from the first unpopular, and finally led to its overthrow. The American is to some extent uncritically conservative, but his conservatism in this case was well founded, as one can well imagine, judging from similar experiences at home. In one respect the new administration kept up the traditions of the old—in the completeness of the statistical data presented month by month on railway working. All railroads whose gross earnings exceed one million dollars yearly are now compelled by law to present monthly reports to the Interstate Commerce Commission at Washington, and these returns must all be made in prescribed forms. The uniformity thus secured is invaluable, and enables exact comparisons to be made between different railroads and different sections of the country. In the following table the various geographical divisions in which the lines are grouped are taken as the basis for representing the net incomes in 1918 and 1919, the figure for the "standard annual return" being included:—

American Railroad Returns.

("000's" omitted except for Road Mileage.)

Area	Road Open. Average Number of Miles 1919	Net Federal —Income— 1918 $	1919 $	Standard Annual Return $	Deficit of 1919 Income Compared with Standard Year $
Eastern Region	37,460	142,147	129,296	203,450	— 74,154
Central Western Region	51,973	180,423	170,122	191,979	— 21,857
North-Western Region ...	47,521	92,540	78,482	148,454	— 70,032
Allegheny Region ...	19,945	63,631	28,773	148,255	—119,482
Southern Region ...	29,374	110,710	53,937	102,020	— 48,383
South-Western Region	31,599	55,973	35,055	61,588	— 26,533
Pocahontas Region ...	5,117	37,818	24,212	37,109	— 12,897
Total	231,589	685,278	515,817	892,855	- 377,038

The "standard return" is the income guaranteed to the roads by the United States Government, and it was fixed by taking the average net earnings for the three years to June 30, 1917. As the railways have now been handed back to private ownership, the guarantee which they have enjoyed from the Government lapses. It will, in fact, terminate at the end of August. The Railway Labour Board has just made an award to employees which, it is estimated, will saddle the companies with an additional thousand million dollars per annum, and which will reduce the sums available for dividend distribution, besides widening the deficit margin of companies suffering from a debit balance.

As may be seen by reference to the table, the income of roads in all regions last year was below the guaranteed figure. The total deficit amounted to 377,038,000 dollars, as compared with 207,577,000 dollars in 1918. In the present year gross earnings as far as May, the last month for which data have come to hand, show a substantial increase, but this has been more than swallowed up by additional expenses. Net incomes register a decline, and the systems chiefly affected are those with low net earnings in 1918 and 1919. How far increased rates will offset new burdens cannot be decided until the new rate-schedules are actually drawn up and enforced, but there is a danger that the Interstate Commerce Commission, always a zealous guardian of the public interest, may endeavour to curtail the proposed advances. Among the principal lines, the Atchison, Topeka and Santa Fe showed a surplus of nearly two million dollars over the standard in 1918, and of only 193,000 dollars in 1919. Surpluses for the Louisville and Nashville and the Illinois Central of 2,250,000 and 3,300,000 dollars respectively in 1918 were converted in 1919 into deficits, as compared with the guaranteed standard of 5,426,000 and 11,803,000 dollars respectively. The general decline in 1919 was in some measure unexpected, as it was anticipated that the first complete year of peace would mean a substantial expansion of earning capacity. But operating expenses grew more rapidly than traffic, and a similar experience seems likely this year, especially in view of the new labour award. The long haulage of export traffic from inland centres to the coast constitutes an important element in American railroad receipts, and the slackening of export activity in recent months is bound to have an unfavourable effect on this item. Exporters complain that the premium on the dollar is hampering their foreign sales, and at the same time encouraging imports, despite the tariffs, to the detriment of home producers.

The new law passed by Congress, restoring the railways to the original owners, though not actuated by any spirit hostile to shareholding interests, shows a determination to avoid certain abuses that had crept into the pre-War administration. A more liberal attitude towards labour is also evident, and though this is admirable in itself, it is likely to be only too often indulged at the expense of the stockholders. The large advances just granted by the Railway Labour Board furnish a case in point: It is easy to give away public money, but after this month the money must in the case of the railways be provided out of earnings. News as to the increase of rates which the Interstate Commerce Commission has sanctioned was, therefore, received with interest. The global advance permitted is 40%, and it is believed in many quarters that this will be insufficient to cover the added operating expenses, though Pullman Car fares are to be raised by 50%. It is understood that a 40% addition to fares has also been approved by the Canadian Government, and it is a pity that the relief accorded was not given earlier. If it had, recent deplorable events in Canadian railway history might have been avoided. Wages on the Canadian lines are to be brought into uniformity with present American levels, and the prospects of all the North American lines, despite this augmentation of running costs, should on the whole improve with the new schedules in full operation.

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Financial Notes.

Don Arturo Alessandri has been elected President of Chile. The new President is an ex-Prime Minister, a distinguished lawyer, and has formerly been a member of the Senate. He has been supported by the Liberals, Radicals, and the more advanced of the Democratic party. His opponent, as the reader will remember, was Don Luis Barros Borgona, ex-Minister for Foreign Affairs. It was generally expected, both in well-informed circles in London, as well as in Chili itself, that Don Borgona would be the successful candidate. The contest has been exceedingly close, and the new President comes in with only one vote above that of his opponent. On the whole, although unexpected, the result of the election has been well received, and the Chilian exchange on London has improved. The mode of election of a Chilian President is not unlike that for the election of a United States President. Practically what amounts to a College of Electors is first brought into existence, and this, in turn, elects a President.

There has again been an important sale of nitrate from Chili, and the demand for this fertiliser appears to be once more active. We propose, towards the end of this month, or early in September, to publish a series of articles on the nitrate industry written by an eminent expert actually engaged in that industry; and we invite the attention of readers interested in nitrate, either as users of the fertiliser or from the financial side, to the study of those articles.

Readers will have noticed a somewhat theatrical fall this week in the American exchange on London. This is due to a keen demand for dollars, partly, no doubt, in connection with the payment shortly to be made in connection with the loan in November; but still more, if we are rightly informed, to purchases of commodities from the United States destined for import into France. On the whole, the fall is to be welcomed. But, on the other hand, we should not be well advised to make too much of it. It has to be remembered that the violent fluctuations which take place in the different exchanges at the present time are due to a sudden demand for any particular currency which may not at the moment be readily available. Primarily, of course, they disclose the actual fiscal situation as between the two countries. It is far better that we should face actual facts as they exist than try to persuade ourselves that things are not really as bad as they are by living under a rigged exchange.

It may be argued, as supporters of the American exchange as has occurred this week, is going to improve us of purchases from the United States, particularly of cotton, which, as we show elsewhere, we are not in a position to obtain in adequate quantities from places other than the United States. On the whole, we think this is to the good. It will bring the consumer actually to realise what it really means when [illegible] millions sterling. In the sequel, if our people retain the qualities which our ancestors showed in the great war a century ago, it will lead to such a measure of economy as will ultimately enable us to repay our debts to the United States and to re-establish our economic position.

A remarkable letter, signed by Mr. T. C. Brash, Secretary of the New Zealand Butter and Cheese Export Committee, was published in Thursday's *Times*. The letter is rather long, and we would recommend any of our readers who have not done so to read it. On the meat question, Mr. Brash says: "Producers of New Zealand, by reason of the facts that the Imperial Government controlled all the shipping space, and that no free imports were allowed into Great Britain, have been forced to sell to the Imperial Government up to the present time. The method of handling the meat by the Ministry of Food has resulted in all the cool stores in New Zealand, and also in this country, becoming congested with stocks of meat. The Ministry of Food now refuse either to buy further quantities, or to allow the producers in New Zealand a share of the refrigerated shipping space, nor can they produce meat and store it in New Zealand, as the Ministry of Food have allowed stocks to so accumulate there that all New Zealand stores are full of meat owned by the Imperial Government, totalling between seven and eight million carcases of mutton."

Regarding the position of New Zealand butter, Mr. Brash says: "The last contract made between New Zealand producers and the Ministry of Food, extending over two years, has just ended. The price to the producers was 1*s.* 7½*d.* per lb. f.o.b. New Zealand, and this is the highest price paid to the New Zealand producers by the Imperial Government since the War commenced. During the term of the two years' contract the Ministry of Food made a profit of nearly four million pounds sterling out of New Zealand butter and cheese. . . . During the present summer an entirely free market has been granted to the butter and cheese producers of England, Scotland, and Ireland; and New Zealanders, being of the opinion that they, too, as British subjects, have equal rights, are asking the same privileges for butter. This request has been refused, with the result that negotiations are already taking place for the shipment of at least a portion of New Zealand butter to the United States."

SOUTH AND CENTRAL AMERICA.

RIO GRANDE DO SUL.

THE LIVE-STOCK INDUSTRY.

Rio Grande do Sul is one of the smaller States of Brazil. It is situated in the extreme south of the Union. It lies immediately south of the State of Santa Catharina; on the west is the Argentine Republic; on the south the Republic of Uruguay; and on the east there is, of course, the Atlantic Ocean. Exactly what is the size of this State it is difficult to say with any degree of accuracy. A survey was made some time ago, but this was admittedly so inaccurate that a further survey has been made. It will give some idea, however, of what areas mean in Brazil when we say that this single State, and by no means one of the great States of the Union, in the sense of expanse [illegible] Kingdom put together. The original estimate made it somewhat more than three-quarters of the total area of the United Kingdom. But, as we have said above, this estimate has always been regarded as inaccurate. It should be practicable, now that the War is over and so many military engineers have leisure to make a real survey of the State, to settle once for all exactly what the area of the State is. At the same time, it [illegible]

who would be able to give with a comparative degree of accuracy the actual potentialities not merely of the soil—information as to which could be furnished, and has been furnished, by the Agricultural Department of the State—but an accurate survey of the various minerals existing. It is, of course, known that there are in this particular State large deposits of coal; but these have, in fact, been worked, as we explain in another part of this issue. But they have never been worked to anything like the extent to which they are capable. Apart from the coal, there are known to be many valuable minerals existing in this State, and it would be desirable in making an absolutely accurate survey of the area of the State to classify the mineral contents of the various mountain areas and other districts in the State in which minerals are found. Of course, it has to be remembered that what we say elsewhere of Brazil taken as a whole is true of Rio Grande do Sul as a constituent part. It is true, to a lesser extent, no doubt, because Rio Grande is one of the old States and one of the States on the Atlantic seaboard, which is readily and easily accessible, and has to a comparative extent been opened up in a way that it has not been possible to open up the vast areas of the interior, and, of course, particularly the great tropical area of the north. In spite of this comparative development of Rio Grande do Sul it remains a fact that, whereas the area of the State must be something between 100,000 and 120,000 square miles, it has a population, according to the latest official figures available, of less than two million human beings. Consequently, it will be seen that even to survey the State is by no means an easy business where there are so few people to perform the urgent services demanded for the upkeep of the State and for its general economic well-being. As things are at present the State of Rio Grande do Sul lives mainly upon cattle-raising and allied industries. Something like 60% of its total exports to foreign countries and to other States of the Union are of animal and allied products, as above said, and less than 40% are comprised of mineral, vegetable, and miscellaneous products. Next in value to the animal products are by far the vegetable products, because this State grows the greater part of what wheat is raised in Brazil, taken as a whole; and it is also a large maize-growing State, in addition, of course, to growing the usual proportion of mandioca. The total value of the live-stock of the State is something approximating 70 millions sterling. The live-stock population is approximately 20 millions, comprising, say, 8¾ million cattle, 1½ million horses, 400,000 mules, 5 million sheep, and nearly two million pigs. The cattle, as we have said, is by far the most important industry, although the sheep industry has been steadily growing during the present century, at the beginning of which it can hardly be said to have existed at all in Rio Grande do Sul. Of course, the cattle industry has been stimulated by the War in a sense that it never has been stimulated since the early days of the colonial conquest, when the various companies of adventurers who went out were compelled to take cattle with them. Since those days nothing has occurred like the recent European War, which has stimulated the cattle industry both in Rio Grande do Sul and in Brazil taken as a whole. At present Rio Grande do Sul is at the head of the cattle industry. It has five frigorificos of a far greater capacity than those of any other State in the Union. It is capable of dealing with, in a single year, nearly half a million head of cattle. Out of the half a million head dealt with by the Union as a whole over 172,000 were killed in the State of Rio Grande do Sul and dealt with in the freezing-houses of that State. This was closely followed by 160,000 in the State of Sao Paulo. There is at present very great uncertainty as to whether the State of Sao Paulo or the State of Rio Grande do Sul will become the dominant factor in the meat industry of Brazil taken as whole. Bearing in mind that neither of these States is of the area of the great States in the centre, and bearing in mind, moreover, that they are comparatively highly developed, it seems not improbable that the great centre of the meat industry of Brazil, if Brazil is properly opened up, as she should be in the early future, will be located considerably west of either of those States. Nevertheless, at the present time there is a considerable amount of interest as to which of these States will hold the premier place amongst the various States of the Union. As things are at present, as we have said, Rio Grande do Sul is holding the lead, and holding it easily. It has to be remembered, however, that Rio Grande do Sul was the great centre of the salt-beef industry, or as it is commonly called zarque beef. This industry—we will not say that it has been killed, for it has not—but it has suffered very severely from the abnormal demand for cattle by the freezing-houses established in these two States by North American interests. In a State so extensive, and so comparatively populous as Rio Grande do Sul, and lacking, as it does, anything like adequate transportation facilities, the salt-beef industry must continue until such time as it is possible to distribute throughout the State what we call chilled or frozen meat. As things are at present the causes which built up the salt-, or zarque-beef industry still continue. At the present time it is not possible to deliver from the freezing-houses on the eastern seaboard to the interior of the State meat in a condition in which it would be fit for human consumption; and until that time comes it will not be possible to dispense with the salt-beef industry altogether. Readers who are sufficiently interested in the subject to have made it a study will be well aware of the fact that the salt-beef industry was common all over Europe so recently as a century ago. It was common all over Europe for the same reason that it is common in South America to-day, simply because it is not possible to deliver meat in a state in which it can be consumed by human beings without injury to their health owing

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to lack of transportation facilities. One reason for manufacturing the salted product in England, probably, was that it could be sent to Brazil. In Brazil there is no difficulty about providing for the cattle and keeping them in good form. The difficulty is to get the cattle from the grazing farms to the ports of transporting them to the consuming markets. Nowadays, in the regions near the coast and near the railroads, where competition and transportation facilities co-exist, the salted-meat industry has received a check from which it is not likely soon to recover.

Owing to the increased cost of production of salted meat, it will become more and more unprofitable. It was the natural thing for interested persons here, the wealth to locate their freezing-houses; and, in fact, the greater number of the most powerful companies have, in consequence, been established there during the past few years, whereas at the beginning of the War Brazil exported almost exclusively salted meat to Argentina and other parts of South America. But for the purposes to which we refer here Brazil can be regarded as one. During the War her exports were as high as between 60,000 and 70,000 tons. They have fallen off to some extent owing to the extravagant rise in the price of native cattle, and to some extent to a falling off in the demand for Europe. Sao Paulo, on the other hand, came very late into the meat business. It can hardly be said that Sao Paulo was engaged in the meat business at all previous to the recent European War. It came about in this way. Sao Paulo is by far the most highly developed, the most populous, and the wealthiest State of the Union. Until the recent Presidential election it has always been said that the President of Brazil would either be a Paulista or would come from Minas Geraes; and, in fact, he nearly always did. The reason for that was that the sort of people suitable for occupying so exalted a position could rarely be found in any other State. Coffee is the backbone not merely of the Brazilian export trade, but of every industry in the State of Sao Paulo. And it was the coffee interests that made the meat trade of Sao Paulo possible. When the late ex-President Alves saw the opportunity for developing the meat trade he naturally did all he could to assist that development in his own State, although, of course, he was too shrewd and too patriotic not to assist the development in any State of the Union where a favourable opportunity existed. Nevertheless, the late President naturally desired to promote the cattle industry as far as it was possible in Sao Paulo. Being himself wealthy, and having important connections outside the country, the President was able to establish valuable freezing-plant in Sao Paulo, with the result that although she is not able as yet to compete quite with Rio Grande do Sul, she runs that State exceedingly close as an exporter of chilled and frozen meat.

The report of the Havana Oil Company, Limited, states that, on the recommendation of Mr. Lewis Hamilton, the oil engineer who was engaged to report upon the probability of the existence of oil on the Company's property in Cuba, the directors have entered into an agreement with the Oil Investment which they acquired a licence to bore for oil over the whole of the Trust's properties. As a result of this transaction the Company now own oil rights over a block of some 6,000 acres. Quite recently the Company entered into agreements with the Cuban Oilfields, Limited, and the Oilfields of the West Indies (Cuba), Limited, each of these companies having a capital of £150,000, of which £100,000 was subscribed in each case, under the terms of which the two companies acquired a syndicate to drill for oil over a portion of the Company's property, amounting together to 1,300 acres. These two companies are under an obligation to expend a sum of at least £40,000 each on actual drilling operations.

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American Topics.

THE NEW RATES.

According to a cable from New York, the Interstate Commerce Commission have authorised the United States railways to increase their rates to an aggregate amount of $1,500,000,000. This will mean an increase of, roughly, 40% for the Eastern roads, 35% for the Western roads, and 25% for the Southern group, while rates for what is known as the Mountain Pacific group are increased by, roughly, one-third. The passenger rate will now be the equivalent of 1½*d.* a mile. The rate for the carriage of milk has been increased by one-fifth. It may be that these increased rates will, for a time, increase the already high cost of living in the United States; but in any case it is inevitable, and in the sequel can hardly fail to prove beneficial.

It will be remembered that for some time previous to the outbreak of the recent European War the condition of the various American lines was very far from being satisfactory. This was no new thing, but at the same time it militated very materially against the railway companies of the United States fulfilling their proper functions with any real measure of efficiency. A certain section of opinion in the United States has for long regarded railway companies as a fair object of attack, forgetting that good transportation facilities are essential in a progressive industrial country, and that good transportation facilities can only be obtained upon a sound economic basis.

As we explained last week, the railways of the United States were originally built with money found by the British investing public. In the early days even the rails and the rolling-stock were sent out from England. The result was that the American railroad companies came to be regarded by the public of the United States not merely as foreign-owned, but as entailing a drain upon the resources of the country in the annual payment of interest and dividends. Unfortunately, it became fashionable amongst a certain section of politicians to foster this idea. It was most unfortunate, and has had a very unfavourable influence on the development of the railroad system of the United States. At the time the American railroads were built the United States was sparsely peopled, wholly agricultural country. It had not [illegible] to pay for the construction of its railroads. Consequently, without foreign assistance

ever could have been built up. The object of the agitation against the railroads, in so far as it was intelligently directed, was to obtain cheap transportation facilities. This is excellent in itself, but it must always be governed by the economic conditions under which it is possible to work the several lines. To frighten the investor and to hamper the administration with unduly severe regulations only defeats its own object. In the end such a system drives the railways into the hands of the receiver. The ultimate result of this is that the community has to incur far greater expense than was originally demanded from it, or to do without the railways altogether. In a community like that at present existing in the United States of America the latter alternative is impossible. Ultimately, therefore, the various districts in which the railways fell into the hands of receivers had to submit to the enhanced cost. The final result, as we said last week, of the pressure to which the railroads were subjected was that for some years before the War the railroads were reduced to the expedient of issuing what are known as short-term notes. These notes were placed at a high rate of interest, and were exceedingly burdensome to the railroad industry of the United States taken as a whole. Then came the War, with Federal control. The result was nearly as disastrous to the American railroad system as a similar control has proved in this country. In the sequel the people of the United States have had to find vast sums of money to put the system once more into working order.

It is not, of course, contended that in building up the railroad system of the United States the British investing public were actuated by motives of philanthropy. On the contrary, our object in building lines into the interior of the United States was to obtain food and raw materials to feed our working population and to feed the industries on which that population was engaged upon as low an economic basis as possible. Incidentally it led to an immense immigration into the United States, a great demand for labour, a great expenditure of capital, and to the development of that country's resources. Our object, however, remained throughout to obtain food and raw materials.

One result of the War has been to transfer a very large proportion of the British holding—indeed, of the whole European holding—of American railroad securities to citizens of the United States. Consequently, a preponderating proportion of the shareholding, as well as the working, of the American lines is now in the hands of American citizens. It is perfectly evident that these shareholders will not continue to find the means for developing the lines as they require to be developed unless there is some prospect of their receiving a reasonable return on their investments. It is reasonably certain that if the lines continue to be worked at a loss the money will not be forthcoming. It has been evident for some years now that the transportation system of the American railroads needs further development if the trade and the general industry of the United States are not to receive a very serious check. The American railroad system as it exists at present is quite inadequate to afford facilities for the expanding trade and industry of the country. It is equally evident, therefore, that the railways must be in a position to offer investors at home and abroad sufficiently attractive terms to induce them to increase those facilities. It is to be hoped that the rise in rates and fares now granted by the Interstate Commerce Commission will offer such attractions as will induce investors to find the means of improving the existing service offered by the American lines. If it proves not sufficiently attractive it is clear that a still further advance will be imperative, or the country will be faced with the difficulty of trying to develop its resources with wholly inadequate means of transport.

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Rubber Topics.

THIS is usually a dull season in the Stock markets, and the experience of the Rubber market during the week was but in keeping with that of the markets as a whole. Comparatively few orders accumulated over the August recess; and, consequently, business was on a small scale at the re-opening of the market. Throughout the week generally little interest was displayed in this section, and in an idle market the tone became rather irregular, despite the improvement in the price of the commodity from 1*s.* 9¼*d.* for spot to 1*s.* 9⅞*d.* Anglo-Dutch became the victims of profit-taking, closing weaker on Wednesday at 48*s.*, but tending to harden at that price. Rubber Trusts responded as usual with a drop to 32*s.* Bukit Rajah was also subjected to realisation, the price receding gradually to 1½ on Thursday. London Asiatics also displayed weakness. Quoted on Tuesday at 5*s.* 6*d.* ex rights, they reacted to 4*s.* 10½*d.* on Thursday. On that day dealings in the letters connected with the issue of 639,049 shares at a premium of 2*s.* per share, became the most active feature in the market. Transactions were entered into at prices ranging from 3*d.* to 10½*d.*, the closing price being 7½*d.* Whilst the list closes on August 9 for home and Continental applications, foreign applications will be received up to November 1. An interim dividend of 7½% for the current year is declared by the Langen (Java) Rubber Estates Company. We have received an advance notice announcing the intention to hold the fifth international exhibition of rubber in the Royal Agricultural Hall, London, from June 3 to 17, 1921. The immense strides that have been made in the rubber industry since the last exhibition was held in 1914 impart a special interest to this announcement, and we are confident that the able promoters will meet with the universal support of all those interested in the progress and development of this important industry.

ANNUAL REPORTS ANALYSED.

KUALA-KLANG.

Issued Capital: £25,000 in £1 Shares.

	Results for Years to September 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	509	509	190,004	373	2/8	–/10.39	18,378	10,625	42
1917 ...	509	509	197,448	387	2/6.1	–/10·8	15,918	10,000	40
1918 ...	509	509	163,400	320	1/10¼	1/3·6	4,549	5,000	20
1919*...	509	509	197,321	387	1/10¼	–/9·97†	10,391	7,500	30

* For 15 months to December 31, 1919.

† Total "all-in" cost—10·78*d.*, reduced to 9·97*d.* by sundry receipts equivalent to 0·81*d.* per lb.

THAT large-scale production wisely regulated means production at a proportionately lower cost per unit of output is an economic principle which nowadays has received universal recognition. The outcome of it is seen in the multiplicity of amalgamations that have taken place, and are taking place, in all branches of industry and commerce. Experience has shown that the rubber industry is no exception to the rule: that, on the contrary, every increase in the output renders it possible for an estate with efficient manage-

ment to produce its rubber at a lower [illegible] cost per lb. Hence in this as in other industries there has arisen a gradual movement towards amalgamation. The day of the small rubber company is rapidly approaching its close, though, as in the general field of commerce, the ultimate disappearance of the "little man" in the rubber industry is yet far distant. Realisation of this fact has brought to a head more than one absorption and amalgamation by estates contiguous to each other or within such close proximity that management under one administrative head was easily feasible. The absorption of Kuala-Klang by the Golconda Malay Company is one of the recent examples of this movement. On the 31st December, 1920, the former Company ceased to exist as a separate entity, being merged into the larger body of Golconda Malay. Consequently, the accounts furnished by Kuala-Klang for the 15 months ended December 31, 1919, partake of the nature of a valedictory address, and a very pleasing one at that. As can be seen from the table at the head of this article, the crop for the period reached 197,321 lb., or almost equal to the crop for the 12 months ended September 30, 1917. That the crop for the 15 months was not greater is due largely to the inclusion within this period of three months of restricted output at the close of 1918. However, the cost of production showed a satisfactory decline. The estate cost, including depreciation, was only 8.53*d.* per lb., as against 10.32*d.* in 1917-18. Similarly the "all-in" cost amounted only to 9.97*d.* per lb., as compared with 1*s.* 3.6*d.* per lb. in the previous year. Meanwhile the gross price realised by the sale of the crop improved slightly to 1*s.* 10½*d.* per lb. Accordingly, the net profit increased from £4,549 to £10,391. This was, moreover, increased to £13,194 by the receipt of £2,803 as a refund of excess profits duty owing to the reduced crop of the previous year. After deducting £878 for directors' special remuneration and bonus to staff, the reserve was increased by £1,427 and a sum of £2,096 was set aside to be carried forward, both the latter allocations being in accordance with the terms of the amalgamation. Dividends paid to shareholders absorbed £7,500, equivalent to 30%, as against 20% for 1917-18. This left a balance of £2,667, out of which had to be paid the liquidation expenses estimated at £250 and one-fourth of the amalgamation expenses also estimated at £250, and the remainder would be available for a final dividend.

Reference has already been made to some of the terms of the amalgamation. Thus it was agreed that the reserve of Kuala-Klang should be increased to £4,427, and that the sum carried forward at the end of 1919 should be proportionate to the amount carried forward by Golconda Malay on the basis of the relative averages of the estates. Furthermore, Kuala-Klang was to discharge all its liabilities and to return the balance of its profits for distribution after fulfilling all these terms. The purchase price amounted to £25,000 in fully-paid shares of Golconda Malay. Thus shareholders received one £1 share in Golconda Malay for each £1 share held in Kuala-Klang. There is every reason to believe that the transaction will prove mutually beneficial.

ST. GEORGE (CEYLON).

Issued Capital: £70,000 in £1 Shares.

Year	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	1,504	1,501	478,086	312	2/8*S	1/2	57,570	28,000	40
1917	1,504	1,504	533,471	355	2/01*	1/10½	31,282	21,000	30
1918	1,504	1,504	438,553	292	1/8½*	1/10½	18,418	17,500	25
1919	1,504	1,504	606,520	403	1/10½*	1/9·4	31,582	31,500	45

* Net price. † Excluding all charges from f.o.b. &c.

Price of Shares, 62 6. Market Capitalisation per planted acre, £145.

The report of this well-known Ceylon rubber Company for the year ended December 31, 1919, justifies the [illegible] expressed [illegible] Company when dealing with the situation last year. Estimating a crop of 510,000 lb. there was actually secured a harvest of 606,520 lb. Not only was this a remarkable increase over the restricted output of 1918, but it represented a considerable advance on the 1917 record of 533,471 lb. With the whole planted area mature it worked out at the record figure of over 403 lb. per acre, as compared with 355 lb. in 1917. A further tribute to the condition of the estate and the efficiency of the management is provided by the fact that no less than 81½% of the crop ranked as first-grade rubber. Of the crop 392,720 lb. were sold in London at an average gross price of 2*s.* 2.79*d.* per lb., whilst the remainder was delivered in Colombo in accordance with forward contracts. The whole crop realised an average net price of 1*s.* 10.61*d.* per lb., as compared with 1*s.* 8.2*d.* per lb. in 1918. Hampered to a certain extent by the exchange situation, but to a greater degree still by the shortage of the rice crop, the estate managed nevertheless to produce this great crop at an f.o.b. cost of 45 cents, as against 55.6 cents in 1918. Moreover, the "all-in" cost of 10.4*d.* per lb. compares very favourably with the figure of 10.5*d.* per lb. in 1918, from which sale charges, freight, and administrative expenses were excluded. Thus, with a profit exceeding 1*s.* per lb. a total net profit of £31,707 was secured, as compared with £18,418 in the previous year. A windfall accrued in the shape of a refund of the excess profits duty owing to the deficient crop of 1918, and this amounted to £6,145. This, in conjunction with the balance of £1,611 brought forward from 1918, left available for distribution a total of £39,464. A sum of £1,000 was transferred to the reserve account, thereby raising the total to £141,000; whilst an allowance of £1,500 was made in respect of depreciation of plant and machinery. An interim dividend of 10% had been paid in October, absorbing £7,000. A final dividend of 35% requiring £24,500 was accordingly declared, making a total for the year of 45%, as compared with 25% in 1918 and the previous record of 45% in 1915. A balance of £5,464 is carried forward to the next accounts.

The prospects for the current year are distinctly encouraging. Having a rather high datum line, this Company will not suffer as heavily from the 60% excess profits duty now in force. With the estate in excellent order the anticipated crop for 1920 is put at 597,000 lb. At the end of March, however, a rather severe storm swept over the estate and caused a loss, it was estimated, of 300 trees. Nevertheless, the crop harvested for the first six months of the year reached 291,675 lb., thereby indicating that there was every probability of realising the estimate. Forward sales have been arranged covering five tons per month for the whole year at 2*s.* 3½*d.* per lb. in warehouse, Colombo, and of five tons per month between July and December inclusive at Rs.1.12 in warehouse, Colombo. At the general meeting it was asserted that the directors were especially satisfied with the latter contract, which afforded a handsome profit outside any fluctuations of the exchange. It was furthermore hoped that the rice shortage would not prove so serious a problem during the current year. The financial position as disclosed in the balance sheet on December 31, 1919, is very strong. Including the final dividend of £24,500, liabilities do not exceed £27,223, whereas liquid assets are available to a total of £57,[illegible]

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the market the £1 shares are quoted at 62*s.* 6*d.* and afford at this price upon the basis of the 1919 dividend a return of nearly 14½%.

HIDDEN STREAMS.

Issued Capital : £26,400 in £1 Shares.

	Results for Year ended December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	710		239,140	- -	2/7½	1/4·3	15,271	6,600	25
1917 ...	893	-	242,767	- -	2/8½	1/3·9	9,728	5,000	19½
1918 ...	893	- -	200,302	- -	1/9½	1/3·3	2,637	3,600	15
1919 ...	893	-	250,277	- -	2/4½	1/5·2	10,183	7,200	30

Price of Shares, 61/3. Market Capitalisation per planted acre, £91.

With the disappearance of the restriction on output that characterised 1918 the report of this rubber Company for the year ended December 31, 1919, reveals a substantial improvement. As against the reduced crop of 200,302 lb. for 1918, there was harvested during the year under review a crop of 250,277 lb. With this increase in the output there was a slight decline in the "all-in" cost of production to 1*s.* 3.2*d.* per lb., despite the general tendency of price levels as regards labour and stores and materials to rise during 1919. Meanwhile, the price secured by the sale of the crop improved from 1*s.* 9½*d.* per lb. to 2*s.* 2½*d.* per lb. Thus the net profit amounted to £10,183, in comparison with £2,637 for 1918 and £9,728 for 1917. The dividends paid to shareholders absorbed £7,200, equivalent to a rate of 30%, which was not only double the rate paid in 1918, but constitutes a record in the history of this Company. There is carried forward to the next accounts a balance of £5,833, but this is subject to deduction in connection with the 40% excess profits duty for 1919. Owing to the restricted crop of 1918 the amount refunded to the Company in respect of this tax was £1,333, whereas in 1917, when the net profit was £9,728, the amount paid in excess profits duty reached £4,346.

It is not easy to estimate the outlook for the current year. This is comparatively speaking a young rubber Company, and consequently it will be hit by the increased rate of excess profits duty proposed for the current year. It anticipates a crop of 260,000 lb. of rubber, but unless the output for the remainder of the year is increased the estimate will not be realised, as the returns for the first five months amount only to 91,828 lb., which is below the requisite proportion of the estimate. Any such reduction in the crop would, of course, operate against any reduction in the cost of working. But for young companies of this kind there is another and more important point of view—the long view. Here, undoubtedly, the outlook is distinctly encouraging. Early in the current year the capital was increased to £26,400 by the issue of 2,400 shares at a premium of £1 10*s.* per share to provide funds to meet the cost of extensions and to bring the large area of immature rubber to bearing. At present only 893 acres are planted out of a total of 1,218 acres. Neither should it be lost sight of that the market capitalisation per planted acre is only £91—a very low figure in these days. Thus there is plenty of scope for development. Furthermore, the financial position of the Company as disclosed in its latest balance sheet is very sound. Liabilities, including the final dividend to the amount of £4,800, do not exceed £8,363, and are more than amply covered by the total of £12,189 representing sundry debtors, investments and cash. In addition, there is a stock of rubber valued at £11,614. The reserve account stands at £2,000 and the share premium account at £9,000. This will be increased by £3,600 in respect of the recent issue referred to above. In the market the £1 shares are quoted at 61*s.* 3*d.*, which supplies one reason for the prompt acceptance of the issue at 50*s.* At this price, assuming the continuance of the dividend of 30%—and there is nothing to justify a higher yield—the shares afford a return of over 9½%, and are an attractive investment for those who are wise enough to take the long view.

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Insurance Notes.

CALEDONIAN INSURANCE COMPANY.

Of the goodly number of existing Scottish insurance offices the Caledonian is the oldest. Founded in the City of Edinburgh, which has ever since remained its headquarters, so far back as 1805, it is senior to all the other institutions of its kind which have subsequently spread the fame of the Northern metropolis as an insurance centre far and wide. To its old departments of life and fire, so long and successfully carried on, it has added accident and miscellaneous sections within recent years, and in 1918 it entered upon marine underwriting. It may now be regarded, therefore, as transacting all the commercial sections of insurance, as well as life assurance, in which joint-stock companies usually engage.

That its operations in 1919 were profitable is shown by an increase of the dividend, concurrently with a strengthening of its resources. The subscribed capital amounts to £537,500, of which £107,500 is paid up in 21,500 shares of £25 with £5 paid on each. The dividend declared as the outcome of these operations is 35*s.* per share, subject to deduction of tax, as compared with a net declaration of 30*s.* per share for 1918 and 24*s.* per share for the five preceding years. It will be seen from the following analysis of the report and accounts for 1919 that the last dividend declared was more than covered by the interest earnings, apart from those in the life funds, and that large trading profits, together with the surplus interest earnings, were applied in augmenting the reserves and in other conservative ways.

The Company's life assurance business shows marked increase. New life policies were issued in 1919 assuring £1,577,038, of which £88,200 was reassured, the net amount retained at the Company's sole risk thus being £1,488,838, as compared with £1,023,308 in 1918. The total net life premium income for the year (increased by £28,321) amounted to £394,276, apart from a sum of £18,126 received as consideration for new annuities granted. Through the year's

operations the life assurance and annuity fund was increased by £217,831 to £3,889,147.

The capital redemption business carried out in 1919 shows a premium income of £1,806 and a relative fund amounting at the close of the year to £17,198. The main figures relating to the Company's other commercial sections of insurance business in 1919 are given hereunder:

Fire Department.—Premiums, £[illegible] increased by £85,012), £705,551. Trading profit [illegible] interest earnings of £18,051) amounted to £93,657, this being about 13.2% of the premiums, which is a very satisfactory proportion. Transfer to profit and loss account, £111,708.

Accident Department.—Premium income (increased by £149), £5,032; trading profit, £2,240; interest earnings, £189; transfer to profit and loss, £2,000; added to departmental reserve (beyond that for unexpired risks), £429.

Employers' Liability Department.—Premium income (increased by £6,001), £33,901; trading profit, £3,802; interest earnings, £768; transfer to profit and loss, £4,000; added to departmental reserve (beyond that for unexpired risks), £570.

General Insurance Department.—Premium income (decreased by £28,608), £72,712. Trading deficiency, £16; departmental interest earnings, £1,604; transfer to profit and loss account, £1,000; added to departmental reserve (apart from that for unexpired risks), £588.

Marine Department.—Premiums, £207,104. A balance of £118,832 from 1918 was brought forward, and the marine fund, after payment of claims and expenses and the transfer to profit and loss account of £25,000, at the close of 1919 amounted to £196,406. The interest earnings amounted to £4,848, so that the trading profits taken into account may be considered as £20,152.

Profit and Loss Account.—In addition to the amounts transferred hereto from departments, this account is credited with interest earnings of £10,501 not carried to other accounts, and with fees of £84; and the account is debited with £34,985 as "provision for income tax and excess profits duty," and with £149 for bad and doubtful debts.

The following, therefore, appears to be the outcome of all the figures taken into account bearing upon profits:—

Department or Account	Profit from Trading	Interest Earnings
	£	£
Fire	93,657	18,051
Accident	2,240	189
Employers' liability	3,802	768
General insurance	–	1,604
Marine	20,152	4,848
Profit and loss	84	10,501
	119,935	
Less general insurance	16	
	119,919	
Less Profit and Loss	35,133	
	84,786	35,961
Total profit for year	£120,747	

The following appropriations have been made:-

For dividends	£ [illegible]
Provision for depreciation on investments	[illegible]
Added to fire fund	37,232
" accident fund	[illegible]
" employers' liability fund	570
" general insurance fund	588
Balance of profit and loss account carried forward, after provision for dividend, is increased by	[illegible]
	120,747

The total assets of the Company on December 31, 1919, as shown by the balance sheet, amounted to £5,351,668. Apart from capital, life, annuity, capital redemption, and marine funds, the reserves carried forward to 1920, after provision for dividends and exclud-

[illegible] permissible for satisfying solvency requirements as follows:

	£
Fire fund	322,226
Accident fund	5,232
Employers' liability fund	2,[illegible]28
General insurance fund	27,[illegible]77
Profit and Loss balance	356,[illegible]6
	713,[illegible]5

This represents over 90% of the premium income in 1919 of the fire, accident, employers' liability, and general insurance departments (£817,196), and exceeds the provision for reserve for unexpired risks in these sections at the rate of 100% of the premiums (£414,629.

GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, LIMITED.

An increased dividend is declared by this Company on its Ordinary shares as the outcome of the operations in 1919—20%, as compared with 15% for 1918, in both cases less tax.

The accident and general premium income, increased by £689,931, amounted to £2,211,651, of which £702,375 related to monthly and other short-term assurances, and £1,509,276 to annual and long-term policies. As the result of the operations £86,225 was transferred to profit and loss. Thereafter the departmental fund at the close of 1919, apart from sums reserved for outstanding claims, amounted to £525,788, which is stated to be the reserve for the unexpired risks on a basis of 33⅓% of the annual premiums, and the full amount, less commission, in respect of long-term insurances.

In the fire account the premiums, increased by £75,163, amounted to £326,326. The sum of £6,796 is transferred to profit and loss account, after adjustment of the reserve for unexpired risks. The fire fund thereafter at the close of the year amounted to £160,531, apart from reserves for outstanding claims. Marine premiums, £14,174; [illegible] transferred from [illegible]

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account to profit and loss, £10,200; marine fund, £14,749.

The transfers from the departmental accounts abovementioned aggregate £103,221, to which have to be added items credited to profit and loss aggregating £83,714 (net interest earnings, £50,954; transfer fees, £383; and profit on exchange, £32,377), and from which have to be deducted various items debited thereto aggregating £16,761, as well as a sum of £111,572 (representing "Belgian loss during period from April 1, 1914, to December 31, 1918, £211,572, less amount carried to suspense account, £100,000), and £454 representing loss on sale of investments. As a net result the assumed profit on the whole year's account appears to be £58,148. The dividend on the Ordinary and Preference shares requires £40,355 for distribution, £7,669 is transferred to reserve for depreciation in investments, and the balance of profit and loss account is increased by £10,124 to £51,465, after provision for dividends.

The life assurance account shows a premium income of £61,432 and a fund at the close of 1919 amounting to £289,744. New life business, 1919, £330,320 in sums assured, after deduction of reassurances. Annuity fund, £13,508. Capital redemption premiums, £1,910; fund, £20,317.

Total assets as shown in balance sheet as at December 31, 1919, £2,839,342.

COMMERCIAL UNION ASSURANCE COMPANY, LIMITED.—We regret to find that certain figures relating to this Company which were published in our Insurance Section on the 17th ultimo are incorrect. In Table "A" on page xvi. the figure given in the last column headed "% of premium income" should read 11.7%, and not 17.9. This mistake, due to a clerical error in calculation, has had the effect of placing the Company very much lower down in the table than it should have appeared. Its correct place would have been seventh in the second section.

In Table "C" the same error is reproduced on page xix., thereby affecting columns four and five, which should have read 0.7% and 0.1% respectively. In combining figures relating to the various funds which are now under the control of the Commerical Union, mistakes have arisen. On page xviii. the first column under the heading "Net interest earned" should read £687, with the result that the fourth, fifth, and sixth columns should read £41, £84, and 13.9% respectively; whilst on page xix, the figure in the first column under "Life Funds" should be £19,191, making the fourth, fifth, and sixth columns £582, £2,820, and 17.2% respectively.

We offer the Company our apologies for having unintentionally placed the record of the life business of the Company in a less favourable position than the true facts warranted.

News was received in the City this week of the suspension of the Banco Italiano del Uruguay. The latest information we have received is that the Government of Uruguay have granted a moratorium for at least six months. The difficulties, we understand, have arisen through the unwise policy of granting credits to too great an extent in connection with the speculation which has been somewhat marked in the Republic of late. Advances to a totally unjustified extent had been made, chiefly on bills of local origin. The monetary stringency prevailing in so many other countries caused a sudden demand for the withdrawal of deposits, and the Bank perforce had to suspend. We hope, and believe, that the difficulties will be soon overcome. The Bank was established in 1887 with power to issue notes, which power, however, was not extensively used, for, according to the balance sheet made up to the end of last year, the total note issue was only $10,000. The capital of the institution is £600,000, while at the end of last year there were reserve funds amounting to £340,000. The deposit and current accounts stood at £4,840,000.

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ALFRED MOGG, *Secretary.*

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Total Funds now exceed £1,400,000.
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Registered Office and Life Department.
9 FLEET STREET, LONDON, E.C. 4.
Actuary and Secretary: CHAS. WINDETT.

Commercial.

BALANCE OF TRADE.

AN interesting letter appeared this week in *The Times* advocating the development of certain areas of the British Empire, and particularly our possessions in Africa, for the production of those commodities for which we are relying now so completely upon the United States. To do what we can to develop the whole of the British Empire is, of course, a duty devolving primarily upon the great leaders of industry and those who direct national policy, but it is more or less incumbent upon us all. The subject has, however, a wider application than that to which it is confined by the writer in *The Times*. The writer lumps up cotton and tobacco with chilled and frozen beef. That is not quite the way to deal with the matter. There is no reason why we should be dependent upon the United States for chilled and frozen meat. There is, however, a very important reason why we should be dependent upon the United States for raw cotton and tobacco. The reason why we are dependent on the United States for raw cotton and tobacco is that in the past we have failed to develop any other source of supply. With regard to chilled and frozen beef the case is different. Ever since it became evident in the early years of the present century that the United States of America was no longer capable of supplying us with food, and particularly wheat and meat, upon the economic basis to which we had been accustomed to receive such supplies from her, those interested in this country in seeing that our supplies of food were adequate have been endeavouring to develop new sources of supply in various parts of the British Empire as well as other places in the world. To this end we were investing immense sums in the years before the War. In the year immediately preceding the outbreak of the War we invested no less a sum than £250,000,000 with the object of obtaining supplies of food on a relatively lower economic basis than we were able to obtain such supplies from the United States of America. The War interrupted this process, and we have now to pay extravagant prices for supplies because we have failed to develop other

countries capable of supplying us with products have economic basis.

With cotton and tobacco the case is wholly different. The world's total production of cotton is estimated at something between 20,000,000 and 25,000,000 bales, varying very largely according to the productivity or otherwise of the Cotton Belt in the United States of America. [illegible] was responsible for a supply of no less than 17,000,000 bales. This year it is feared the total American supply will not exceed 11½ million bales. We require in this country, roughly, about 5,000,000 bales, and until such time as the cotton interests can succeed in developing adequate supplies from some place other than the Cotton Belt of the Southern States of North America we must remain dependent upon that source of supply, for which the world is at present indebted to America to an extent varying from 60% to 70%. Until well into the present century no one thought of developing cotton-growing or developing the growing of tobacco in places other than the United States of America. Very choice cigars might be obtained from the Vuelta Abajo districts of Cuba, but for all practical purposes most of us were quite content to smoke, and some of us smoked too much, of the tobacco furnished us from the States of Virginia and Louisiana. The late ex-President Roosevelt said on a memorable occasion that the British mercantile marine performed its functions so well and so cheaply that it was not worth the while of any other country in the world to enter into competition with that service. Very much the same compliment could have been paid to the cotton and tobacco interests of the United States. For various reasons, into which we have not space to enter here, the United States of America had to find something like £200,000,000 every year in value to meet the interest upon foreign capital which had been in the past invested in the United States. How was she to meet that interest with convenience to herself and to the satisfaction of her customers? Now it happens that the Southern States of America developed the cotton industry. An American invented the cotton gin, without which that industry would have been impossible. Consequently America had soil, climate, experience, practice, the knowledge of the markets, and an understanding of the international cotton trade of the world from the point of view of the producer of raw material which existed nowhere else. Virginia grew tobacco and smoked tobacco before Columbus discovered the Island of Cuba. The earliest settlers in Virginia in the time of Queen Elizabeth learned the art of growing tobacco from the natives. What we have already said about producing cotton in its raw state for the markets of the world applies equally to the tobacco planter of Virginia. Even for the purpose of promoting national trade no economist who really understands what he is talking about would propose to produce any commodity which some other country for various reasons can produce on a lower economic basis than the nation contemplating the enterprise.

The late Sir Joseph Hooker, at the suggestion of Mr. Wickham, proved conclusively that Hevea Brazilienses can be grown in the hothouses of Kew. It would not be sound economic policy to grow rubber in hothouses in England. Until it became evident for various reasons, partly through the depredations of the boll weevil, and partly due to other causes, that the United States was no longer capable of supplying the world's demand for cotton upon the economic basis to which that world had become accustomed no one thought seriously of growing raw cotton elsewhere. There was, of course, a small supply which has come from Egypt during the past generation, but that is a very small matter when we are dealing with more than 20,000,000 bales. The United States in the past had to send out a certain quantity of produce for meeting the interest on its foreign debt. In the form of supplying the world with raw cotton and tobacco it rendered this service in a way least obnoxious to itself and [illegible] could have obtained these commodities from any other source of supply. As a result, had conditions remained as they were it was not a practicable proposition to consider the growing of cotton or tobacco upon an extensive scale within the confines of the British Empire. When it became evident in the dawning years of the present century that, at least so far as cotton was concerned, the United States was no longer in a position to supply adequate quantities to the international markets upon the economic basis to which those markets had become accustomed, the position completely changed. It then became evident that if Lancashire in particular, and the manufacturing countries in general, were to receive adequate supplies of cheap cotton new sources from which the raw material could be obtained must be found. As the result has shown it was far easier to make the discovery that new sources of supply were necessary than to find those supplies in sufficient quantities. That region of the United States which grows cotton upon such a large scale had attained its position by degrees, and although 20 years have now passed since the world has discovered that new sources of supply were needed no competitor to the United States has arisen. It is not merely a question of soil or climate. These could be found and, in fact, are available. The cotton growers of the United States, however, had trained a large supply of competent labour, which does not exist to the same extent elsewhere, and will, even if it can be collected—and no doubt it will in time—will require time to train. The area of the British Empire at present is the largest single entity existing at present in any part of the world. We have in Africa, in India, and in various other parts of the Empire immense areas capable of growing cotton suitable for the Lancashire mills. We have yet, however, to collect and train a sufficient number of labourers capable of growing cotton suitable for any market. Moreover, the services of the agricultural chemist will need to be enlisted. Cotton-growing in the United States has been practised now for very nearly a century. Nevertheless, no means have yet been discovered which will completely free the plantations from the boll weevil. We may be reasonably certain that whatever field, either in Africa or elsewhere, is opened up for the growth of cotton we shall have to face, if not the boll weevil, some other insect equally destructive to the plant's welfare.

The question of increasing our adverse balance of trade at present is a serious danger for two reasons. As we have said, the United States is no longer in a position to supply us with cotton at the cheap rate which she formerly did. As manufacturers of cotton, as distinct from producers of the raw material, we are risking the existence of one of our greatest industries through the danger of being unable to obtain supplies, or obtaining those supplies at a price which adds to the difficulty of reselling the finished products. The second danger is that, as we are already heavily indebted to the United States, it is undesirable that we should increase that indebtedness if we can obtain supplies elsewhere at a more reasonable price. There is, in addition, a third danger. As a consequence

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of our adverse balance of trade with the United States we are paying, in addition to what we may call a commercial price for raw cotton, a premium due to that adverse balance, which increases our difficulty in reselling the finished product in foreign markets, upon our ability to do which the existence of three-quarters of the cotton industry of Lancashire depends.

Industrial Companies.

PEASE AND PARTNERS, LTD.

Issued Capital: £1,682,082 in £1 Shares.

Debenture Stock: £400,000 4% and £175,000 5%.

Year Apr. 30	Net Income	Depreciation, &c.	Net Profit	Deb. Int.	Dividend on Share Cap.	Added to Reserve &c.	Carry Forwd.	Stocks, &c.	Surplus Assets (b)
	£	£	£	£	£	£	£	£	£
1916	435,772	125,024	310,748	24,750	195,000	16*	70,000	83,242	266,472
1917	490,149	126,301	363,848	24,750	227,500	17½*	100,000	94,839	306,142
1918	464,014	112,055	351,959	25,750	227,500	17½*	93,000	104,548	361,681
1919	434,013	91,618	342,395	24,750	191,250	12½†	100,000	106,192	419,923
1920	579,987	145,854	434,133	24,750	275,400	18†	115,000	125,175	647,966

1916	435,772	125,024	310,748	24,750	195,000	16*	70,000	83,242	266,472	139,429
1917	490,149	126,301	363,848	24,750	227,500	17½*	100,000	94,839	306,142	277,654
1918	464,014	112,055	351,959	25,750	227,500	17½*	93,000	104,548	361,681	399,263
1919	434,013	91,618	342,395	24,750	191,250	12½†	100,000	106,192	419,923	487,416
1920	579,987	145,854	434,133	24,750	275,400	18†	115,000	125,175	647,966	528,960

* Dividend less income tax.
† Dividends free of income tax.
‡ After provision for contingencies, excess profits duty and income tax, excepting tax on dividends and debenture interest.
(b) Excluding stores and fixed assets and property.

For this well-known coal and iron Company the year ended April 30, 1920, has been one of unparalleled prosperity. When it is remembered that the year was by no means a normal one; that the output was handicapped by the railway strike, the moulders' strike, and the general decline in the efficiency of the workers, the return of the record net profit of £434,133 is a really creditable achievement. This record profit was earned on a turnover of £4,978,785, or, if transfers from one department to another be included, on a turnover of no less than £7,943,126. In pleasing contrast with last year all departments of the business contributed to this profit, though in some cases there is yet much room for improvement. This is true especially of the collieries. Admittedly, during the year under review there was earned a much better gross profit on coal than in 1918-19; but it still falls considerably short of the standard profit per ton. As readers will recollect, colliery profits are greater in cases where the export trade constitutes a larger proportion of the output owing to the better price available for coal exported. In this respect this Company has been at some disadvantage, for during the War it supplied primarily the requirements of its iron and munition works, with the result that its export trade fell from a percentage of 18½ for the three years prior to the War to less than 3% in 1919, whilst recently there was a slight recovery to 6%. The position was further complicated by the reduction of 10*s.* per ton which the Government made in household coal and for which, the Chairman of the Company stated with some reason, there was no economic justification. Added to this came the decline in the efficiency of the workers. Thus, although the output of the Durham collieries increased from 1,562,825 tons in 1919 to 1,713,525 tons for the year under review, this total compares with 2,173,641 tons in 1914. Between 1914 and 1920 the output per man had fallen from 280 tons per annum to 205 tons, whilst the wages had increased substantially. Consequently, whilst on the whole a gross profit on coal was secured, more than one colliery was worked at a loss. One colliery in particular, which provided a large proportion of household coal and exported only 1,000 tons, recorded a loss for the year under review of £86,462. The output of coke reached 686,667 tons, practically the same as in 1918-19, and yielded a profit which, though satisfactory, fell below the level of the previous year owing to the railway strike. The contribution from the 787,396 tons of ironstone was much better than in 1918-19, when it fell below 1*d.* per ton. A substantial increase was recorded by the profit on chemicals, whilst that on limestone remained unaltered. Hematite pig iron gave twice the profit of 1918-19, whilst, despite the disastrous influence of the moulders' strike, the accounts of the foundries were the best ever produced. On the other hand, notwithstanding concessions from the Yorkshire Power Company, a serious loss is still being incurred on the Thorne Electric Power Station, mainly on the current sold.

Out of the net income of £579,987, there has been deducted in respect of depreciation no less than £145,854. In addition to £61,604 for depreciation of plant, a sum of £50,000 has been set aside to cover the decline in value which has taken place generally, in the Government securities and other investments held by the Company; whilst special expenditure at the collieries, mines, and ironworks during the year amounting to £34,250 has been written off. Allocations from the net profit of £434,133 include £100,000 to the reserve for equalisation of dividends, thereby providing a total of £200,000 for any period of industrial depression. To create a fund for the social amelioration of the employees a sum of £15,000 is reserved. After paying the Debenture interest of £24,750, Ordinary shareholders receive £275,400 in comparison with £191,250 in 1918-19. This corresponds to a dividend of 18%, which is paid free of tax, and is, therefore, equivalent to a dividend of over 25¼% subject to tax, as against 12½ free of tax (equal to 18% subject to tax—in the previous year. The balance carried forward to the next accounts stands at £125,175.

In view of the unsettled condition of the industry, it is somewhat difficult to dogmatise upon the prospects for the current year. At the general meeting the Chairman said they hoped to secure a substantial increase in the output, and stated that the recent advance of 4*s.* 2*d.* in the price of coal would possibly enable the Company to reach its standard profit. The attitude of the miners' recent conference, with the resultant claim for a further advance in wages and a reduction in the price of household coal, cannot be regarded as a favourable omen in this respect. No industry can prosper under a system of continual shocks; and it is no justification to urge in defence of these repeated claims that they are being utilised mainly to bring about a desired political end. Nationalisation of the mines may or may not be a desirable thing. If it is desirable, it can be accomplished by political means. If not, no amount of agitation or pressure is likely to convince the average man of the necessity for it. Meanwhile production is being retarded, and it is to increased production that the world as a whole is looking for a speedy recovery from the ill-effects of the War. How such uncertainty can unfavourably influence the coal industry is illustrated in the action of the Company in suspending during the year under review many schemes of development pending the decision of the Government upon the question of nationalisation. When it was announced that the Government were opposed to this policy, these works were put in hand, notably the shaft sinking at Thorne. Much is expected for the current year from improvements effected in the Allerton Main Collieries. Profits for 1920-21 will also benefit from the acquisition now completed of the North Bitchburn Company and of the firm of Messrs. Henry Stobart and Company. None of the profits of these businesses appeared in the accounts for the year under review. Satisfactory progress is also being made upon the wharf extension at Normanby Ironworks. A very strong financial position is disclosed in the balance sheet dated April 30, 1920. Liabilities, including the final dividend of £183,600, do not exceed £1,428,825, and are more than covered by liquid assets other than stocks to the total of £1,957,785. The total of stores and stocks had risen during the year from £419,923 to £647,966. In the main the increase was due to the large stock of pig iron which, owing to lack of transport, the Company were compelled to retain. It was stated that the stock of pig iron alone was worth £285,000 at cost price. The issued capital was increased during the year by the issue of 306,000 shares in connection

with the screening of the lands required by [illegible] considerations involved in the purchase of the [illegible] businesses referred to above; nor as will £152,082 had been paid up at the date of the balance sheet, the total paid up capital at April 30, 1920, amounted to £1,682,082. In the market the £1 shares are quoted at 32s. 9d., and, assuming the maintenance of a dividend of 18%, free of tax, would afford at this price a return of £11 [illegible] 15½%, subject to tax.

THOMAS WALLIS AND COMPANY, LTD.

[illegible]

Year to	[illegible]	[illegible]	[illegible]	[illegible]
Jan. 31	[illegible]	[illegible]	[illegible]	[illegible]
1917	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]
1920	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

The report of this well-known Holborn drapery firm for the year ended January 31, 1920, must be regarded as very satisfactory, from the point of view of the shareholders. In common with many other London houses engaged in this branch of trade, the firm [illegible] the year that is closed as constituting yet another landmark in their history. "This time last year," asserted the Chairman at the general meeting, "I was able to announce that we had transacted the largest volume of business ever recorded in our history. That which has just ended eclipses it entirely, and our extensive turnover beats all records. It was 127% in excess of that of 1913 and 146% over that of 1914." At the same time it was stated that the rate of gross profit earned on the increased turnover did not exceed that of 1918 and was, in fact, .01% lower. Meanwhile, as is now generally recognised, 1919 was a year characterised by a steady advance in price levels. This was reflected in the increased cost of purchasing the stock, as well as in the varied group of administrative charges, including wages. Nevertheless, in view of the larger turnover the trading profit amounted to £108,097, as contrasted with £93,551 for the previous year. Having only to meet a 40% excess profits duty, the provision made amounted to £22,600 in contrast with £27,000 in 1918. Sundry charges and the Preference dividend absorbed £17,329, as compared with £16,790. A sum of £20,600 was transferred to the reserve fund, thereby raising the total to £175,000. In accordance with their customary enlightened attitude towards labour, there was allocated a sum of £10,000 to create a fund to provide pensions for employees who had spent the best years of their lives in the service of the Company. The wisdom of such a policy cannot be gainsaid. In these days of industrial unrest the essential harmony between labour and capital can only be secured [illegible] includes not merely sufficient to permit the employee to enjoy the ordinary amenities of existence for himself and his family, but also to allow him to make some provision for the future. Firms who are wise enough [illegible] the whole-hearted co-operation of their staffs in the [illegible] tion. Having arranged for these allocations, there was paid to Ordinary shareholders £33,000, as against £26,000 in the previous year. Thus the dividend was at the rate of 16½%, as compared with 13%. But the [illegible] which was paid free of tax. Consequently, the total dividend [illegible] with 1918-19—was equivalent to a rate of 17½%, subject to tax. The balance carried forward in the [illegible] than the sum brought forward from 1918-19.

In view of the [illegible] a task [illegible] the current year. Admittedly, [illegible] duty and a 5% corporation tax will absorb a greater [illegible] moreover, show any signs of declining. On the other hand, the general movements of price levels are somewhat uncertain. Whilst yet high, they may within a short period begin to fall. Already in some quarters there is talk of a decline in trade; and the belief is expressed that stocks can only be realised by a reduction in prices, particularly as the 7% Bank rate renders the carrying over of such stocks a rather expensive expedient. Other authorities, no less reliable, point to the world-wide demand and the comparatively small supply which is available to satisfy it. Generally speaking, there is no reason to anticipate any severe set-back during the current year. Moreover, this Holborn drapery firm is not unprepared [illegible] profits it created a reserve of £20,600 for contingencies, and this is available, in addition to the general reserve of £175,000. Furthermore, the financial position as disclosed in the balance sheet at January 31, 1920, is [illegible]

Jan. 31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Liabilities
1915	...	...	[illegible]	[illegible]	[illegible]	[illegible]
1916	...	...	[illegible]	[illegible]	[illegible]	[illegible]
1917	...	...	[illegible]	[illegible]	75,312	[illegible]
1920	...	...	182,321	17,300	[illegible]	[illegible]

* Including bank loans of £ [illegible] which amounted to £ [illegible]

The general growth of the stock is merely a repetition of the phenomenon that has characterised so many industrial companies during this difficult period of rising costs. It is of interest to note, however, that the movement slackened considerably during the year under review, and that the more liquid assets in the form of cash and book debts showed a pleasing expansion. The growth in liabilities is due in part to the inclusion of the excess profits duty and the final dividend on the Ordinary shares, and in part to the higher prices that have to be paid to secure the necessary stock. Bearing in mind not only the sound financial position of the concern, but also the initiative and enterprise which enabled it to return a record trading for the year under review, it is not unreasonable to look forward to a dividend of 15% for 1920. In the market the Ordinary shares are quoted at 28*s.* 9*d.*, and afford at this price, assuming a dividend [illegible]

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[illegible]

The British, Foreign and Colonial Corporation Ltd., Investment Bankers,
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New Issues.

PHŒNIX OIL AND TRANSPORT COMPANY, LTD.

Formed to acquire the assets of, or controlling interest in, six Roumanian oil undertakings, the Phœnix Oil and Transport Company, Limited, has been formed, with a share capital of £2,050,000, divided into two million shares of £1 each, and one million shares of 1s. each. The Company is offering for public subscription 550,000 £1 shares. A report on the properties, made by Messrs. A. Beeby Thompson and Partners, accompanies the prospectus, which report shows the approximate area to be 10,501½ acres. Of this area only 1,174½ acres lie within proved oil-field, the remainder being distributed in unproven districts. The oilfields of Roumania are at present in the reconstruction stage, inasmuch as in 1916 the borings and installations were either damaged or destroyed to prevent them falling into enemy hands. The total price paid for the properties is £489,108, to be satisfied as to £473,906 in fully-paid shares of £1 each, and as to the balance of £15,202 in cash. Messrs. Beeby Thompson estimate the net profits from refining at £183,000 per annum, without the wax plant, which they recommend, and £645,000 including the plant, while they look for a further net profit of £127,000 from the oilfield. The cost to instal a wax plant they put at £225,000. As a speculative enterprise there are attractions in this issue. The directors, it should be noted, are all men well known in the railway, oil, and shipping world.

HAWTHORNS AND COMPANY, LIMITED.

This Scotch shipbuilding Company, with a capital of £250,000, divided into 250,000 Ordinary shares of £1 each, of which 110,000 have been issued, is offering the remaining 140,000 shares for public subscription. Formed in 1896 to take over the business of Hawthorns and Co., a private Company, the total share capital was bought by the present Company on January 1, 1917, since when the works have been enlarged, partially rebuilt, and brought up to date. The Company has joined with other shipbuilders in the purchase of the total share capital of the Steel Company of Scotland, Ltd., and has thereby assured the supply of all the steel required to maintain its maximum output. The Company's assets, including the proceeds of the present issue, exceed its liabilities by £348,626. For 1919 a dividend of 20% has been declared, while £10,000 has been carried forward. The proceeds of the present issue will be used to pay that portion of the cost of reconstruction which had not been paid for by the previous issue of shares, to finance the purchase of the Company's interests in the Steel Company of Scotland, and to increase the working capital. Uncompleted contracts in hand figure for £900,000, which covers a fixed profit to the Company of £82,000.

BOOKS RECEIVED.

In *The Egyptian Problem* (Macmillan and Company, Limited), *Sir Valentine Chirol*, whose authoritative work on "Indian Unrest" is still widely read, tackles the vexed question of this seemingly *damnosa hereditas* which was bequeathed to us by the unworthy successors of Mehemèt Ali, the creator of modern Egypt and the pioneer, though himself an Albanian, of Egyptian Nationalism. In the two opening chapters a brief synopsis is given of Egyptian history down to the period of the Occupation, which took place after the bombardment of Alexandria and Wolseley's victory at Tel-el-Kebir in 1882. The legal and other fictions, all transparent, surrounding that occupation are then elaborated. The fine example set by Lord Cromer's Egyptian administration for a full quarter of a century is stressed, and the falling away of his successors from the high standard which he had set is only too keenly sensed by the reader. The book is at its best and fullest when treating of the genesis of the Egyptian Nationalist Party and the *rôle* it filled during and after the War. Its leaders, theorising on "the glorious past," seem to forget that Egypt has not been an independent nation since it was overrun by the Persians 500 years before the Christian era, while in later days its condition has been relatively stagnant, especially from the time of its incorporation into the Ottoman Empire by Selim the Conqueror in 1517. Sir Valentine wisely hesitates to dogmatise about Orientals, but being versed in Eastern affairs, as well as broad-minded, his handling of a difficult topic is at once judicial and sympathetic. The effects of the Protectorate proclaimed by Great Britain early in the War and subsequently ratified by the Treaty of Versailles are discussed; and the work of the Milner Commission, which found itself boycotted when it reached the Nile, is treated. The author endeavours to find a *via media* for reconciling the demand of a large body of Egyptians for independence, of another large body in favour of modified British control, and of a small reactionary group. The solution, he thinks, lies in an extension of local autonomy and the establishment of a legislative assembly which would work with a High Commissioner, as the Egyptians have yet to prove their capacity for self-government. The present condition of affairs he considers as alike damaging to our reputation and detrimental to the best interests of Egypt, and he strongly urges the necessity of mending it—before it may be ended.

A Text-Book of Filing (D. Appleton and Co., New York and London, illustrated, 10s. 6d. net), by James N. McCord, Director of the New York School of Filing, established in 1914, is based on the experience acquired in training thousands of students for filing positions in offices of every description. Hence it treats of various methods and systems of filing, alphabetic, numeric, geographic, and subjective. Special branches of the subject as affecting law, insurance, real estate, banking, and brokerage houses, are separately handled. The book, though avowedly intended as a students' manual, is equally valuable as a work of reference.

The aim of *The Reconciliation between Germany and England*, by Robert Trapp (Berlin, Theodor Lissner), is sufficiently indicated in the title. The author, born in England of German parents, served in the German Navy for over 24 years. He urges the revision of the Treaty of Versailles in accordance with "the real fourteen points" of President Wilson and the counter-proposals of the German Peace Delegation in May, 1919, and expresses the hope that the recent war will be the last, as it was the first, between Germans and Englishmen. The errors of German foreign policy are freely admitted in an historical retrospect, and German naval expansion is counted to have been one of the chief causes of the political estrangement that followed and ended finally in open rupture. The tone throughout is apologetic, and the usual sabre-rattling of the Teuton does not find even a remote echo in these pages.

Short Papers.—Four essays dealing with Capital and Labour, a Capital Levy, Present Unrest in Industry and Nationalisation of Industry. By W. W. Paine, one of the general managers of Lloyds Bank. London: Effingham and Wilson. 2s.

The Greeks in Asia Minor. C. F. Dixon-Johnson. London: Cole and Co. 6d.

Imperial Commerce and Affairs. A Journal for Business Men. July-August 1920. Imperial Commercial Association, London. 1s. net.

The Industrial League and Council Journal for Employers and Employed: July 1920. Special Manchester Convention Number. 6d.

The 100 Best Investments. Annual volume. 1920. London: British, Foreign and Colonial Investment Corporation, Limited. 2s. net.

MEETINGS
OF PUBLIC COMPANIES.

HUDSON'S BAY COMPANY.

A general court of the Governor and Company of Adventurers of England trading into Hudson's Bay was held on July 30 at the Cannon Street Hotel, London, Sir Robert M. Kindersley, G.B.E., Governor of the Company, presiding.

The Governor, in moving the adoption of the report and accounts, said that with regard to the fur trade the Company had enjoyed another year of unbounded prosperity. During the past few years they had had periods more severe, competition more keen before the property understood this should only be a spur to greater efficiency, and to-day no reason to be anything but confident of the future prospects of that department. There had been, as shareholders were no doubt aware, a sudden and severe drop in the prices of practically all furs. While this naturally presented difficulties, in view of the fact that the collection of their furs took place many months before they could be marketed, and the schedule of prices on which their post managers worked to the far distant posts could never be absolutely up to date, it had the advantage of eliminating a great deal of unhealthy and undesirable competition, by small and unscrupulous traders.

A competitive handicap.

In this connection he must mention that the Company's large and organised competitors were subject only to Canadian taxes, while the Hudson's Bay Company were subject to both English and Canadian taxes. The large profits of their rivals during recent years, after payment of Canadian taxes, were available for, and had been used for, expansions and development in the Hudson Company's territory. Unfortunately, the profits left over to this Company, after payment of Canadian taxes, were again subject to taxation in this country, and, after payment of excess profits duty and income tax, the Company was in an extraordinarily unfavourable position as compared with its rivals. Luckily, Hudson's Bay Company had a unique and peculiar situation with the native, owing to its long association with, and fair treatment of, him dating back 250 years. He did not hesitate to say that but for this wonderful asset they must have been overwhelmed during the last few years.

Town lots : a new departure.

As to the land department, the sales of farm lands had declined by 8,932 acres and by £52,193 in value; on the other hand, their town lot sales had increased in value by £6,478. During his recent stay in Edmonton he visited the Company's reserve and found that little, if any, building had been done. At the same time there was a great shortage of houses in the city, and, after consultation with the directors, by cable, it was decided to at once commence building houses for persons of moderate means on the Company's unsold lots. This development of their own lands was a new departure on the part of the Company, but he was convinced that it was a practice to which they would have to resort increasingly in the future if they were to get the best out of their town lots. At present they were simply a burden on the Company's resources, as the taxes on them amounted last year to £65,381, while the cash receipts were only £22,428. The directors were now considering how this development could best be carried out on a large scale. With regard to farm lands, their prospects were certainly encouraging, with the exception of certain portions of Alberta. The farmers were reasonably prosperous and were increasing the size of their farms. The prospects of a reasonably good crop in Alberta, as well as in the other two provinces, were encouraging, and the board looked for a large demand for the Company's lands in the coming year.

Land policy : a suggestion repudiated.

Canadian taxation on their land was very heavy, and there was still a certain section of the public who believed that the Company was holding up its lands for high prices. He (the Governor) need hardly say that nothing was further from the truth; no Company that was pursuing such a policy would sell land at the rate of 8,000,000 acres in seven years as they had done in the last three years. They were always willing sellers at a reasonable price to genuine buyers and settlers on the land, but they did not wish to sell to the speculator. Last year the board appropriated £13,000 for a special advertising campaign in the United States and Canada. They now had coming due to them, in instalments on farm lands alone, over the next eight years, the large sum of $17,000,000, without calculating interest, and the character of the purchasing had been such that the directors believed that the great bulk of this would be collected as punctually as seed.

Limit of taxation.

The taxes on farming lands amounted this year to £189,825, against £134,780 last year, due to the imposition of surtax and wild lands tax. The judgment of the Privy Council on the question of surtax levied by the Province of Saskatchewan was unfavourable to the Company, and they had paid £187,902 out of the reserve of £220,000 set aside on that account, and the balance remaining would be utilised to meet arrears. In his opinion there was no doubt that this tax was so devised as to specially penalise the Hudson's Bay Company. The total disbursements for land taxation for the year 1919-20 were £255,000, in addition to the arrears under the judgment of £187,902, making a total of £442,920. In 1910 the disbursements under that head amounted to £56,970, while for the year just concluded the figure was £255,017. He was glad to say, however, that from careful inquiries which he had made in Canada he believed that, so far as the Company's farm lands were concerned, the apex of taxation had been reached, and they might look for a steady reduction in the total amounts paid in taxes. There seemed to him to be signs, small though they were, of a revival in better-class real estate, and the Company's land department was making a very special effort to create a better interest in town properties wherever possible. Now that the War was over they had opened a special land office at Edmonton, and the Puget Sound Agricultural Company, the shares of which were almost entirely held by the Hudson's Bay Company, was about to enter upon an active campaign. He had felt it only right to deal fully with the matter of land taxation, but he did not want the shareholders to think he was gloomy about the future. He was not. The $17,000,000 due to the Company on land was, he was convinced, a perfectly good asset. They would be paid practically the whole amount and receive interest at 7% until it was paid. The Company's remaining town sites were valued for assessment to-day at roughly $10,000,000. The chance of sales of farm land for the coming year, with the prospects of a good crop, were, in his estimation, quite good, and the outlook for town site properties was better than for some years past, but they must not expect a rapid expansion on sales yet.

The Governor then dealt exhaustively with the question of stores and other trading, and said that the outlook for the coming year for their store business as a whole was encouraging. While the directors had the utmost confidence in the future, the question of taxation had been causing grave anxiety. The position, briefly, was that while the Company had its charter from the British Government and was an English company, its trading was mainly in Canada. The consequence was that the Company was taxed in each country. So long as taxation was reasonable that point was immaterial, but the financial burdens which the War had cast upon the shoulders of belligerents made it, he believed, almost impossible for any company to bear the war taxation of two countries at the same time. However ably they might be managed, however firmly their roots might be established in their trade, in the end they must be crushed by the two-fold burden; and when hard times came, as come they must, their competitors, who were not thus burdened, would be able to beat them in the race and put them out of business. He did not want it to be thought that the Hudson's Bay Company was grudging, because it had to bear its share of the cost of freeing the world from the greatest menace in history; it was not that; but they were being asked to pay twice over, and they were further penalised because in spite of their age and the consequent large increase in the value

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of their assets their capital had never been inflated. The question of the double income tax under which they had suffered was, apparently, on a fair way towards adjustment, but there was also the business profits tax in Canada.

A contemplated expedient.

But probably the most important matter, so far as this Company was concerned, was the fact that under English law they were not allowed to depreciate buildings at all for paying taxes, while other depreciation allowances were on a scale which, while they might be reasonable in an old-established country, were utterly inadequate in a young country like Canada, where so much was of necessity of a comparatively temporary nature. It would, for instance, be impossible for them to attempt to develop their town sites on any scale so long as they were an English company. Force of circumstances was, therefore, driving the directors to examine carefully the possibility of turning some, at least, of the Company's departments into purely Canadian enterprises, with a separate board of directors in Canada controlling and administering its affairs. (Hear, hear.) With regard to their two hundred and fiftieth anniversary and their celebrations in Canada, he was glad to be able to tell them that everywhere those celebrations proved to be a complete success, and the public took the keenest interest in them. General conditions in Canada had, he believed, seldom been better, and he was immensely struck by the evidence of sound prosperity which he had encountered.

Capital requirements : new Parliamentary powers.

In further remarks the Governor said that in the conduct of the business a huge turnover was involved, with consequent increased responsibility and increased need for capital. It was highly probable that, with the considerable expansion which lay before them in all departments, the directors might come to the shareholders in the near future for their consent to go to Parliament for additional capital powers. Owing to the cumbersome methods necessitated by their Charter it must take many months to get their legislation through Parliament, and the directors felt that, though they might not use the powers obtained immediately, or perhaps even not at all, common prudence dictated that they should apply for powers at once and put themselves into a position to meet extra capital requirements should they come upon the Company.

Mr. Chas. V. Sale (Deputy-Governor) seconded the motion, which was carried unanimously.

STRAITS SETTLEMENTS (BERTAM) RUBBER COMPANY, LIMITED.

THE ordinary general meeting of this Company was held on August 5 at River Plate House, Finsbury Circus, London, E.C., Sir West Ridgeway (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said : I think I may congratulate the shareholders on the marked improvement in the result of our operations for the year as compared with that for the previous year. The profit has gone up from about £35,000 to over £99,000, and this eminently satisfactory result is due to the larger crop, a higher average sale price, and reduced costs. The crop is now substantially beyond the 1,500,000 lb., but in comparing this figure with that for the previous year it must be borne in mind that during the greater part of the earlier period the crop was being restricted owing to the shortage of transport facilities for bringing the rubber from the East to the consuming centres.

Sale Prices and Cost of Production.

Sale prices were not high, but they have been at a level which we cannot describe as unsatisfactory, and you will see that the average price realised for the whole crop was just over 2*s.* 1¼*d.* per lb. The third reason for the increased profit is the lower cost of production. This is now down to practically 8¼*d.* per lb. f.o.b. and well under 10⅜*d.* per lb. for the average "all in" price. This point of cost of production is without question the most important and favourable feature of the results for the year, and enables us to look with a certain amount of equanimity, although certainly without any satisfaction, at the lower average price at present ruling for rubber. A number of people, who should be competent to form a reliable opinion, hold the view that within a comparatively short period we shall see rubber at a higher price. The point I wish to make, however, is that we are quite satisfied that our estate is exceptionally well situated for the production of rubber at a low cost, for various reasons, among which I would mention excellent health conditions and favourable transport facilities, and consequently any continued period of low prices would not affect our earning power to anything like the same extent as it would with an estate with a higher cost of production.

The area of our estate under cultivation is approximately 6,964 acres, of which 579 acres are coconuts. As I have explained at previous meetings, the coconut trees were in the main mature when the estate was acquired by this Company about 14 years ago. The majority of the trees may now be looked upon as old, and they undoubtedly suffered from neglect by their previous owner, and consequently the returns from coconuts have not been satisfactory. In the circumstances we have decided to cut out gradually the coconut trees and replant the land with rubber as opportunity occurs.

No extension of the area under rubber has been made during the year, and our present policy is to complete the planting of 1,500 acres on the Extended Company's property before considering further extensions on our own land. We still have some 3,500 acres of unplanted land. It is freehold, and in view of the rise in land values in the East it is a substantial asset in addition to our rubber plantations. Possibly we may decide to dispose of a part of this area to another subsidiary company at a later date. About 300 acres were added to the mature area during the year, and further trees will arrive at the tapping stage during the present year.

Alternate day tapping introduced.

Our manager has recently suggested, in view of the number of new trees coming into the tapping rounds, that the question of alternate day tapping should be considered, particularly as the adoption of it would largely meet the demand for tappers to deal with the additional trees. We have decided to authorise a portion of the estate being transferred to alternate day tapping. The Rubber Growers' Association has recently recommended its members to consider seriously the general adoption of alternate day tapping, and we have brought this recommendation to the notice of our manager. Mr. Hadow, one of your directors, will be visiting the estate shortly, and we have asked him to look into the question on the spot with our manager, Mr. Mitford. The great advantages of alternate day tapping are the smaller labour force required and the reduced consumption of bark.

Our estimate of production for this present year shows a moderate increase to 1,600,000 lb., which crop is expected to be produced at about 8½*d.* per lb. f.o.b., and we have entered into contracts for the delivery of 20 tons monthly at a price which assures us of a profit of about 1*s.* 2*d.* per lb. on that quantity.

The question of labour is one that has required serious consideration throughout the past year. The main difficulty arises from the shortage and high cost of rice. The shortage has necessitated rationing and the substitution to some extent of other foodstuffs not so accentable to the natives. Fortunately, we are better off for labour than the majority of the estates, as Bertam is popular with the coolies and our manager appreciates the necessity of doing everything possible for their welfare and comfort. We are adopting such labour-saving devices as are possible, and we have recently purchased tractors, from which good results are anticipated.

As you will see from the report, we spent about £9,300 during the year on capital account, the greater part of which was for upkeep of the immature area, which was about 1,850 acres at the beginning of the year and reduced to about 1,550 acres at the end of the year, owing to the transfer of 300 acres to tapping. This immature area will continue to require expenditure for the next few years, and in addition new buildings and machinery will require to be installed.

We are also negotiating for the purchase of a number of comparatively small blocks of land owned by native proprietors. If we succeed in acquiring the whole it would involve a price of some £6,000.

Capital expenditure incurred during recent years has been entirely provided out of revenue, which, of course, reduces the amount otherwise available for distribution to the shareholders as dividend. That policy, we are sure, was the right one at the time. The position now is, however, that the excess profits duty takes a very large toll of our profits, and we feel that it would be more advantageous to the shareholders that the money required for capital expenditure should be provided direct from capital moneys rather than from allocations from profits. (Hear, hear.)

New Capital Issue proposed.

We have therefore decided to submit a proposal for the increase of our authorised capital by £100,000, and to issue £50,000 of this amount to the shareholders. This involves an increase of our issued capital by 25%, and it will permit of our offering to the shareholders one new share in respect of every four shares at present held. We propose to issue these new shares at par. The market price at present is 8*s.* 9*d.*, so that the new issue is tantamount to a substantial bonus to the shareholders. We fully expect that this additional issue will not diminish or affect the dividend-earning power of the Company. (Hear, hear.) A formal extraordinary general meeting will be held immediately after this meeting to consider the proposed increase of capital, and, if it is approved by the shareholders, we propose to make the issue as soon as possible after the holiday season.

Our issued capital and reserve fund, amounting in all to £312,000, are represented on the other side of the balance sheet by the book value of our property and fixed estate assets, and our interest in the Bertam Extended Company. The present market value of your shares will give you an indication of the actual value of your property. The only other item upon which I may comment is the liquid assets at date of the accounts. These, including rubber in transit, amounted to approximately £90,000, which I feel sure you will consider a most satisfactory position.

Profits and Dividend.

I now come to the question of profits. The sum of approximately £1,130 was brought forward from last year, which, added to the amount of profit for the year, and repayment of excess profits duty in respect of the year 1918-19, gives a total of approximately £112,000 available. Of this sum we have already paid to the shareholders an interim dividend of 10%, absorbing £20,000, and we have transferred to reserve account, in respect of capital expenditure provided out of revenue, the sum of £8,370. We now propose to distribute £40,000 of this sum by way of a final dividend at the rate of 20%, which with the interim dividend already paid makes 30% for the year. The balance of about £44,000 is subject to excess profits duty and corporation profits tax, which together may amount to about £30,000 or £35,000. You will see that our actual profits for the year were very close on 50 [illegible] and but for excess profits duty we should have been able to declare a dividend of something like to that figure. When the Finance Bill was passed last year we were told that aggrieved companies might apply to the Referees for a revision of the percentage allowed on their capital as the datum line of the tax. The Rubber Growers' Association accordingly applied for a rehearing, but nothing has been done. The excess given by the Treasury was that they intended to appeal against the decision given in the case of the Merliman Company on an entirely different point, and that any rehearing by the Referees must be postponed until that case had been decided. One would have supposed that the Treasury would actively prosecute the appeal, but they had done nothing, and accordingly the opening provided by Parliament for aggrieved companies obtaining justice on a rehearing has been blocked. This is almost as unfair as the tax itself.

Mr. A. Patrick Hadow seconded the resolution, which was carried unanimously.

At the extraordinary general meeting the Chairman explained that its object was to deal with the question of the change of name of the Company and to increase the capital. The object of the change of name was to avoid confusion with other companies, and also to adopt a name rather less cumbersome. He formally moved: "That the name of the Company be changed to 'Bertam Consolidated Rubber Company, Limited.'"

Mr. Hadow seconded the resolution, which was passed unanimously.

The Chairman next moved: "That the capital of the Company be increased to £300,000 by the creation of 1,000,000 shares of 2*s.* each, ranking in all respects *pari passu* with the existing shares of the Company."

This was also passed unanimously.

EMPIRE OF INDIA AND CEYLON TEA COMPANY, LTD.

The [illegible] ordinary general meeting of the Company was held on August 4 at King William House, [illegible] Chairman) presiding.

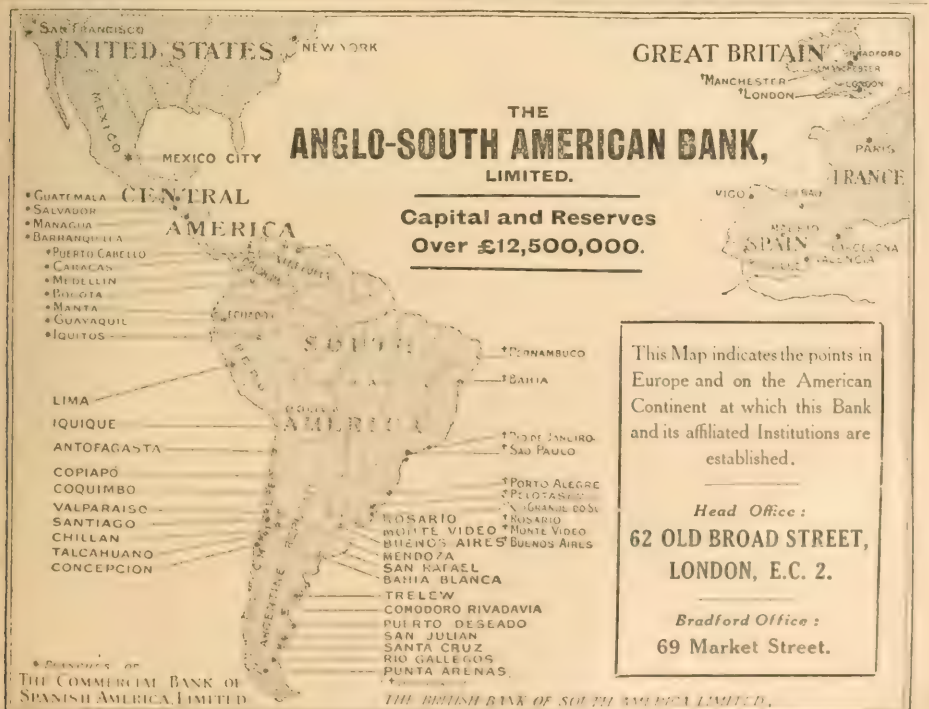
The Chairman, in moving the adoption of the report and accounts, said: The out-turn from the Assam gardens was just one maund per acre short of that of 1918, but this was due entirely to unfavourable climatic conditions. A satisfactory [illegible] being enormously in excess of any previous year, but this was [illegible] heavy expenditure.

The sale of our Dangua Jhar estate and our estates in Ceylon calls for some explanation. The Dangua Jhar garden is a small one of 335 planted acres, situated at some distance from the others. It was too small to support a highly paid staff on the spot. I am very glad to say that we obtained a really good price for the estate. Of the Company's estates in Ceylon I may now say that for many years we have been willing to get rid of them. Our manager, Mr. Hortin, was most successful in carrying through negotiations with certain natives of Ceylon who have purchased the properties. When matters are finally completed we shall have in exchange for these three gardens [illegible] a sum that, invested at the present Bank rate, will give us annually a considerably larger income than the average profits obtained from them since the formation of the Company, and ten times the income from them during the last two years.

The balance sheet shows an increase in the issued share capital of 94,000 Ordinary shares of £1 each fully paid, being the amount of reserve capitalised. Our total reserves show a reduction from £88,543 to £32,678, owing, of course, to the capitalisation of reserves referred to, but you will be asked to sanction at this meeting the latter sum being increased to £50,000. The balance carried to the balance sheet is £116,843, compared with £62,294 on account of 1918.

At our last meeting I expressed a hope that shareholders would be in favour of replacing the reserve we were capitalising rather than increasing the dividend before that was done. The outlook at present is so uncertain that it has been thought wiser to carry forward the large sum of £45,873. Even if we worked to no profit during the current season, but met our outgoings from revenue, we should be in a position to maintain our dividend without drawing on our reserves. The crop prospects so far are excellent.

Mr. G. F. Moore seconded the resolution, which was carried unanimously, as was one for the declaration of dividends making, with interim payments already made, 5% on the Preference and 16% on the increased Ordinary share capital.



BARU (JAVA) ESTATES, LIMITED.

The tenth ordinary annual general meeting of Baru (Java) Estates, Limited, was held on August 4 at the registered office of the Company, 41 Eastcheap, London, E.C., Mr. Vernon Wethered (the Chairman) presiding.

The Chairman said: Gentlemen,—You have the report and balance sheet before you, and I will ask you to allow me to take them as read. As Mr. W. O. Burt and Mr. J. L. Burt have recently returned from a visit to Java, where they have thoroughly gone into matters on your properties, I propose to leave one or both of them to supplement my remarks with his impressions derived on the spot.

Our two estates, Nevis and Falloch, now have a planted area of 2,062 acres in rubber, 116 acres having been opened during last year, and that practically completes our programme for rubber as far as these estates are concerned. We are, however, opening 280 acres with coffee only on Nevis, after careful consideration of what is suitable to the reserve lands, and in view of developments elsewhere.

Debentures Redeemed.

At December last the issued capital stood at £68,225, and £14,600 Debentures were outstanding. Since then the remainder of the Ordinary shares have been issued, making our issued capital £100,000 and bringing £47,662 cash. Of this £14,600 has gone to redeem the Debentures, leaving a balance of £33,000, so that we are in a very strong financial position. In making this issue your directors had three objects in view—first, to pay off the Debentures; secondly, to strengthen the Company to meet any contingencies while things generally all over the world are in an unsettled condition, and set free our revenue for dividends; and, thirdly, to enable us to take a share in opening out a new rubber estate conjointly with certain other parties.

The results for the past year are a profit of £9,725, against a loss of £4,580 in 1918, due to the very exceptional circumstances of that year which affected all rubber companies. The sum of £10,246 is brought in, giving a total of £14,278 after allowing £1,600 for depreciation and £4,093 for interim dividend at 6%. We propose a final dividend of 6%, making 12% for the year, carrying forward £10,185.

Negotiations for New Estates.

Negotiations are proceeding to acquire and gradually open up two blocks of land in Dutch Borneo near the port of Bandjarmasin. This land is being obtained on very favourable terms, and is particularly well adapted for planting up economically with rubber, and it is the intention to plant rubber only and not interplant with coffee. A neighbouring estate, in partial bearing, is putting rubber f.o.b. Sourabaya at 1s. per lb., which is very satisfactory.

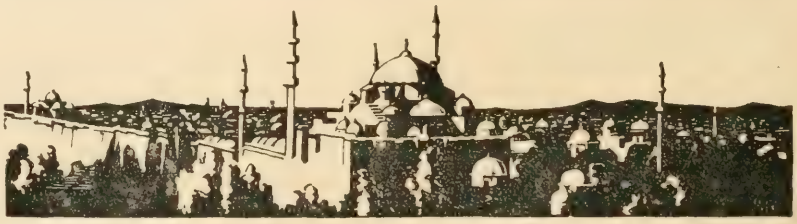
We are faced with double taxation here and in Java. Your directors may at some time feel it their duty to call the shareholders together to consider the situation, and how a burden which they consider absolutely unfair is to be met. You have a fine property under good management.

I have seen it stated that our production is low per acre—I think it was said 268 lb.—and that the capitalisation of the Company at the present market price of the shares at 2⅛ is £100. On this I would remark that our rubber cost is 11*d.* per lb. f.o.b. at par exchange (a good deal of the rubber is not in full bearing), and that if the balance of cash provided by the new issue is taken into account the market valuation would be not £100 per acre, but £90, and at the par value of the shares it would be £43 per acre. I beg to move: "That the report of the directors and the statement of accounts for the year ended December 31, 1919, be and are hereby received and adopted, and that a final dividend at the rate of 6%, less income tax, be declared, making 12% for the year."

Mr. W. O. Burt: I have much pleasure in seconding the resolution. I visited the estate in company with my co-director, Mr. J. L. Burt, and our visiting agent shortly after my arrival in Java in January last, and again at the end of March with the visiting agent alone, so that I was able on the second occasion to make comparisons with the many other estates I had visited in the interval. I also saw the estates under two different conditions, the first time just after a somewhat severe drought, and the second time after three months of rainy weather. On the whole, I was very satisfied with what I saw. First and foremost, the tapping on both estates is being well and carefully carried out, and particular attention is being paid to economy in bark consumption. With regard to the production per acre, the figures given as to the area in tapping are hardly a fair guide to the productive capacity of the estate. A considerable area of the youngest rubber was only taken into tapping a few months ago, and only one-third of the trees are as yet being tapped. Some of our old gardens are producing well over 500 lb. an acre, and our young areas should do as well at maturity.

Mr. C. W. Clarke congratulated the directors on the report, and the resolution was carried unanimously.

The election of Mr. J. L. Burt as a director was confirmed, and a resolution was unanimously passed authorising an additional remuneration of £400 for the directors for the year ended December 31, 1919, to be divided among them as they thought fit.



MATINÉE quality during the war was maintained *absolutely*, but stocks had dwindled almost to zero before the purchase of the Macedonian crop was possible in the January of 1919.

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BUKIT MERTAJAM RUBBER COMPANY, LIMITED.

The seventh ordinary general meeting of this Company was held on August 6 at Winchester House, London, E.C.

Mr. A. G. Angier, who presided, said that the harvest for the year under review was much larger than that for the previous 12 months, when restricted tapping was in force, but did not quite reach the estimate, owing to an abnormally prolonged and irregular period of wintering. The sale price of the rubber was better by some 4*d.* per lb., while there was a reduction in the "all in" cost of a like amount, with the result that the profit was 6*d.* per lb. better. It was impossible to forecast what the average sale price for rubber might be for the current year, and, though they looked for a further reduction in the "all in" cost, the figure could not be as low as might have been anticipated a year or two back, because of the higher costs of almost everything. There was a general shortage of labour in the Malay Peninsula, and there were scarcity and high prices of food supplies. To meet the latter defect they had grown foodstuffs last season, and the Manager was planting 100 acres with padi for the coming season. Then there was the excess-profits duty, the incidence of which bore very unfairly on this company and all companies similarly placed. Another of the *maladies* of rubber at the present time was the price at which the commodity was selling. The quotation had been steadily falling for some time, and the cause would appear to be the unsettled post-war conditions generally. Difficulties of transport and finance, added to shortage of cotton, had temporarily militated against consumption of rubber, though most authorities were in remarkable unison that these factors were not permanent. The Visiting Agent and Manager reported favourably on the general condition of the Company's estates and of the work thereon. The policy had been to undertake progressive development work, and, now that additional capital was available for extensions, they would continue to plant up to 5,000 acres. For some time past the directors had authorised that all new areas should be opened on the alternate-day tapping system.

The report was unanimously adopted, and a final dividend of 15%, less income tax, making 20% for the year, was declared.

BURMA CORPORATION, LIMITED.

An extraordinary general meeting of Burma Corporation, Limited, was held at River Plate House, London, on August 6, Sir Trevredyn R. Wynne, K.C.S.I., K.C.I.E. (the Chairman of the Company), presiding.

The Secretary (Mr. D. Anderson) read the notice convening the meeting.

The Chairman said: Ladies and gentlemen, the resolutions which I shall have later on to submit for your consideration mark a very important stage in the life of this great Company. For reasons which were so ably put before you by Mr. Guedalla at the general meeting held last October, a new company was duly registered in India to take over the mines and smelting works of the Burma Mines, Limited, of which latter company this Corporation practically holds all the capital. As explained in the circular of July 29, the Corporation having an issued capital of 904,499 shares and a holding of exactly the same number of shares in Burma Mines, Limited, each share in this Corporation entitles the holder to one share of Burma Mines, Limited, and, as the holder of the latter share, to 14 shares in the Indian company. To enable this exchange to proceed, it therefore becomes necessary for this Corporation to go into liquidation in order to distribute its shares in Burma Mines, Limited, to the shareholders in this Corporation, and for Burma Mines, Limited, to be put into liquidation, arrangements for which are being made, in order to distribute the shares in the Indian company to the shareholders. As soon as the resolutions for liquidation have been confirmed, which will be by the end of the month, the liquidator will arrange for the exchange of shares as rapidly as possible. The shares of the Indian company will, in the first instance, be allotted on the London register; but shareholders will be able to transfer immediately to the Indian register should they so desire. It has probably occurred to you, indeed, several shareholders have inquired, why it has required such a long time to effect the exchange of shares; but shareholders will readily understand that, this being a non-ferrous metals company, many legal formalities had to be complied with before the transfer to India could be made. For example, the consent of the Board of Trade had to be obtained and the approval of the India Office and of the Indian Government secured. In addition, it was thought advisable, before completing the transfer, to deal with the question of finance and to arrange for the provision of working capital with a view to freeing future profits for dividends. All these matters take considerable time.

Debenture Stock Issue by Indian Company.

On the latter point—finance—I am now able to inform you that arrangements have been completed for the issue by the Indian company of £1,000,000 8% Convertible Debenture stock. As you are aware, up to the present time the whole of the net income from the property has been applied to [illegible] smelting, milling, and power plant. The time has, however, [illegible] reached, and this will be made [illegible] fresh working capital to carry out the policy of expansion. The Debenture stock will be issued in rupees at the fixed rate in London of 2*s* per rupee; it will be repayable after December 31, 1925, and on or before December 31 1930, at 110, and a substantial redemption fund will be established at the end of 1925. Each shareholder will have the right to December 31, 1923, to exchange his stock at par into fully paid [illegible] or up to December 31, 1925, at the rate of Rs. [illegible] for one share. The issue has been purchased by the National Mining Corporation, Limited, who will shortly offer it for sale at par, and they will give preferential consideration to applications received from shareholders of the Corporation.

A Valuable Report.

I do not think, gentlemen, I would be justified in wasting your time by a long speech on the [illegible] of the Corporation, because by great good chance we have, during the last few days, been able to place before you a copy of a report by Mr. John A. Agnew, [illegible] you well know, which gives a full description of the mine, its operations, and its probable future. This report was made in April 1920. To my mind, from the shareholders' point of view, this report is a most valuable one: firstly, because it is made by a gentleman of the highest reputation in the mining world; secondly, because it is a report which deals with every point of interest to shareholders; and, thirdly, because it is a report made primarily not for public use, but for the National Mining Corporation, Limited. I trust, gentlemen, you have found time to read this report, and I hope that it has given you all the information you require. I now beg to propose the first resolution, viz.: "That Burma Corporation, Limited, be wound up voluntarily, and that David Anderson, of 1 London Wall Buildings, London, E.C. 2, Chartered Secretary, be and he is hereby appointed liquidator for the purpose of such winding-up." I will ask Mr. Guedalla to second this resolution, but, before putting same to the meeting, will be pleased to answer any questions which shareholders may wish to ask.

Mr. Herbert Guedalla seconded the resolution.

Mr. H. M. Ridge said that the shareholders were very much indebted to the directors for the valuable report they

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had published, and more especially to Mr. Agnew, who had given them such a complete and comprehensive review of the situation. At the same time, he wished to ask the directors whether they could give the shareholders any indication of the past profits made by the Burma Mines, who would be the directors of the new company in India, and what arrangements were being made for the supply of information to British shareholders, more especially with regard to development work, the results of production, the publication of mine plans, and similar data. He desired also to ask whether it was proposed to acquire any other properties, and, if so, whether there were any means by which the shareholders in this country could be consulted beforehand; further, on what basis the royalty payable to the Indian Government, mentioned in Mr. Agnew's report, was calculated. The Chairman might also state what progress had been made with the new mill.

Chairman's Replies to Questions.

The Chairman, in reply, said that the results of the working of the Burma Mines had been published in the annual reports issued by the board in previous years. The gross receipts, the cost of operations, and the profits made each year had been given in those reports, together with the amounts of depreciation written off. The present directors of the new company in Burma were himself, Mr. John Hogg, a well-known merchant in Rangoon; Mr. C. F. Clifton, another well-known resident in Rangoon; Mr. Gerard Lovell, a mining engineer of very considerable reputation; and Mr. A. T. W. Paine, who represented in Bombay very large financial interests. With regard to giving information in future to shareholders in London, a committee of shareholders would be established here, who would be in close communication with the board in India, and that committee would receive reports on output, development, &c. Any shareholder who wished to ascertain anything about the working of the Company in the future would only have to apply to the London committee to get all the information he required. As to the question about acquiring other properties, at the present moment he was not aware that the Corporation meditated acquiring any particular property. The royalty payable to the Indian Government was three quarters of 1% of the metal value of the ore as mined. The figure, of course, varied according to the price of metals, but Mr. Agnew, in his report, gave what the royalty worked out at per ton, namely, about 2s., or something like that. A cablegram was received two days ago stating that the new mill was now in operation. In addition, a cablegram had come to hand stating that the Mansam power scheme that was the Mansam Falls which they had acquired in Burma, producing about 5,000 horse power—had been completed. The Government Inspector had been there to pass the electrical installation, and the works would come into operation at once. Ample power was provided for the new mill under this scheme.

Mr. R. Tilden Smith (a director), speaking from the body of the hall, moved as an amendment that Sir William B. Peat should be appointed joint liquidator.

Mr. Huxtable seconded the amendment.

Pressed as to his reason for moving the amendment, Mr. Tilden Smith said that Sir William Peat had had great experience in matters of taxation which would be useful in connection with the liquidation.

The Chairman, however, pointed out that Mr. Anderson had been in constant touch with Sir William Peat, as the Company's auditor, on taxation questions, and therefore he did not see that that gentleman could give greater assistance in the liquidation than he now did as the Corporation's adviser on this matter.

Several shareholders spoke in opposition to the amendment, and eventually it was lost on a show of hands.

Mr. Tilden Smith demanded a poll.

The original resolution was then put and carried by a large majority on a show of hands, and Mr. Tilden Smith again demanded a poll.

The Chairman next moved: "That the said liquidator be and he is hereby authorised to distribute in kind amongst the shareholders of this Company, in accordance with their rights and interests therein, the 964,499 fully-paid shares in Burma Mines, Limited, held by this Company."

Mr. Guedalla seconded the resolution, which was also carried, and again a poll was demanded by Mr. Tilden Smith.

Mr. F. W. Baker proposed the following resolution: "That this meeting approves of a capital payment by the Burma Corporation, Limited (India), to certain of the London directors and officials of the Burma Corporation, Limited (England), and the Burma Mines, Limited, who are giving up their positions owing to the formation of the Indian company, such capital payment not to exceed the sum of £20,000."

Mr. A. Stanley Elmore seconded the resolution.

Some discussion ensued, and ultimately the resolution was carried by 35 votes to six.

Mr. Tilden Smith demanded a poll, and the Chairman announced that the polls would remain open until the confirmatory meeting to be held on the 23rd inst.

A vote of thanks to the Chairman and directors concluded the proceedings.

WATNEY, COMBE, REID AND COMPANY, LIMITED

THE ordinary general meeting of this Company was held on August 6 at the Charing Cross Hotel, Strand, London, S.W., Mr. H. Cosmo O. Bonsor (the Chairman of the Company) presiding.

The Secretary (Mr. W. S. Bradley) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said he thought they might all congratulate themselves on a good report and a good balance sheet in anxious and somewhat critical times. (Hear, hear.) There had been a very considerable turnover in the item of brewery buildings, freehold, leasehold, and other property, though the amount was very much the same as in last year's balance sheet. There had been a very active market in all property during the last 12 months, and the directors had seized the opportunity of realising the old freehold brewery premises in Castle Street, and the other freehold premises in Broad Street, Holborn. They had also sold some licensed houses in Birmingham, one in Chesterfield, and one in Bournemouth. The proceeds had been invested mostly in freehold licensed houses in London—the freeholds of a great number of their own houses held on short leases. They had thus secured them and their trade for all future time, making, at the same time, a sound investment.

Acquisition of Welch Ale Brewery.

In trade investments there was a considerable increase, represented practically by the purchase of the Ordinary-share capital of the Welch Ale Brewery in King's Road, Chelsea. That undertaking had 80 licensed houses in London, all in good positions, and most of them doing a very good trade, which would be a great adjunct to their own business. They proposed as soon as they could to absorb those houses into their own trade, and they had thus replaced twice, if not three times over, the barrelage lost by the sale of their Saffron Walden property and properties in Birmingham, Chesterfield, and Bournemouth. They had also got rid of the nightmare of additional freights, as delivery from those new houses was all within easy reach of their own breweries. He thought results would show very favourably in next year's balance sheet, and he might mention that the Welch Ale Brewery had been able to pay a dividend of 5%, free of income tax.

As to the item for deferred maintenance, they had been able to do very little in the past 12 months to improve the public-houses. Last year he had mentioned that they had a long waiting list of licensed houses which required alterations and improvements, and that it was estimated £250,000 would be necessary to do what was required. That sum would have to be increased to-day, but they hoped soon to be able to carry out a great improvement in the comfort afforded by their licensed houses. He had been glad to read the remarks of Admiral Sir Reginald Hall at another meeting on the subject of the improvement of licensed houses. It had been the ambition of the Company for years to improve their public-houses and to get them in such a condition that every British citizen—man, woman, and child—could get refreshment in comfort instead of having to stand up while they ate and drank. Of course, there were difficulties in the way; the improvement of licensed houses was at the moment considered luxury building, but there was the one point in their favour—that not only public opinion, but the licensing authorities, were alive to the great necessity for the improvement of public-houses, so that they need not fear restrictions from the licensing authorities as in the past.

Increased Profits: Dividend Policy.

The balance sheet disclosed that a better profit had been made than in the previous year, and that a bigger dividend could have been paid The position was, however, that, whilst the Company distributed in interest and dividends some £600,000 a year, they were faced at the moment with a liability to the Government of over £4,000,000 for beer duty, income tax, excess profits duty, and corporation tax. A figure of that magnitude naturally made any board of directors err on the side of caution, and, moreover, it was early days yet to consider what effect the increase in the beer duty to 100s. per standard barrel would have on consumption. The first two months of the current year showed that their trade had fallen off, and the margin of profit on a pint of beer was extremely small. If trade fell off and expenses remained there was less profit to bring in for division, and consequently he thought the board had been right in taking a cautious view. At any rate, they had erred on the right side, and next year it could be corrected. Ever since the Budgets of 1909 and 1910 they had always followed a very conservative policy, but he hoped that during the year matters would settle themselves, and that a great deal of their conservative financial policy could go with a certain advantage to the shareholders. He hoped they would support the board this year in their prudence, looking forward to better times, and in the hope that they should next year be able to pay a better dividend.

The Deputy Chairman (Mr. C. J. Phillips) seconded the motion, which was carried unanimously, and resolutions were afterwards passed approving the payment of the dividend recommended, and re-electing the retiring directors, Mr. Phillips and Mr. C. H. Babington, and the auditors, Messrs. Chatteris, Nichols and Company.

A vote of thanks to the Chairman, the directors, and the executive staff terminated the proceedings.

THE DOMINION BANK.—The report of this Toronto bank for the half-year ended June 30 last discloses a net profit of $366,229, which, added to the balance of the profit and loss account as at December 31, 1919, makes a total of $1,061,936. Out of this sum dividends amounting to 6% are paid, and a balance of $701,936 is carried forward. After payment of the same dividends at this time last year there remained a balance of $640,201. Liabilities to shareholders and to the public show an advance of $16,292,016, due mainly to an increase in deposits and in the debt due to the Government. Among the assets, gold and silver coin are higher by $224,634, and deposits with the central gold reserves by $900,000. Including both these items and the sums due by other banks in and outside Canada, as well as call and short loans, the proportion of liquid assets to total liabilities has improved by 1.5% from 29.8% at the end of June 1919 to 31.3% at the end of June 1920.

It is announced that Sir George John Marjoribanks, K.C.V.O., the Right Hon. Lord Avebury, Mr. Ronald Malcolm, and Mr. John Roberts have been elected directors of the National Provincial and Union Bank of England, Limited.

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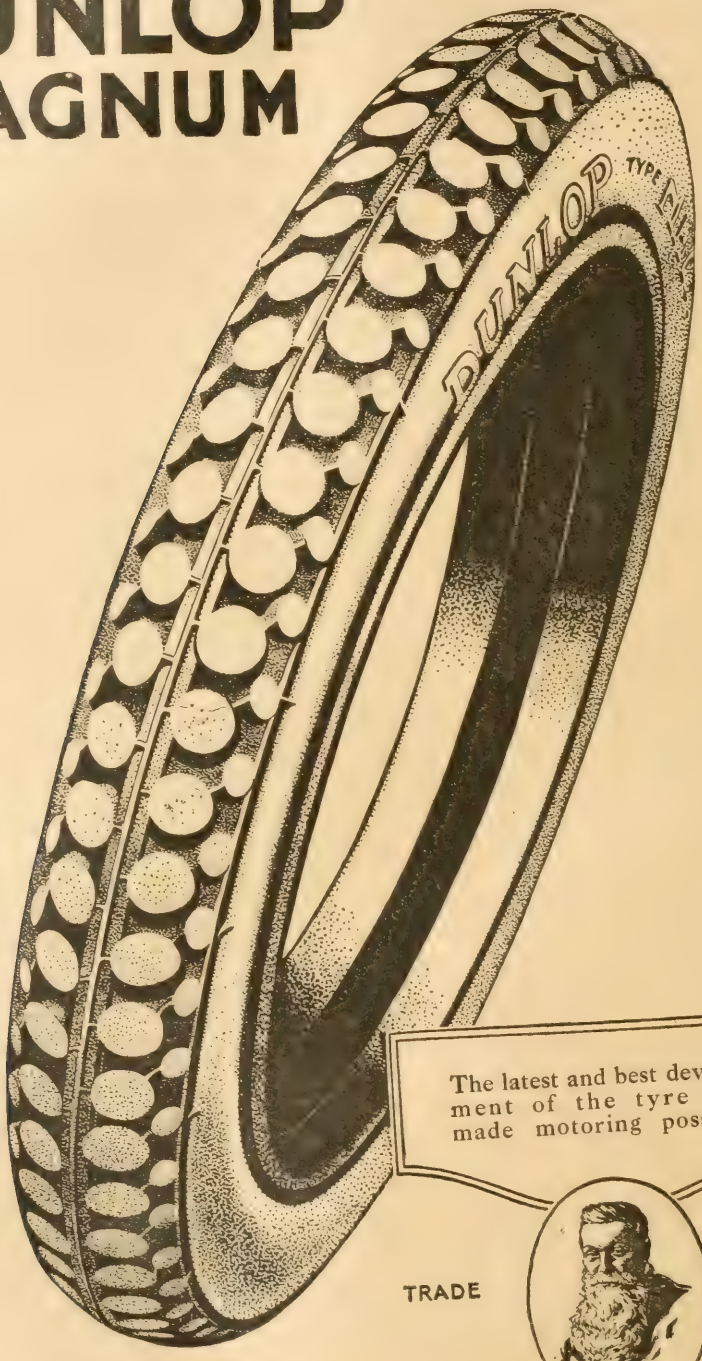
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Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON: SATURDAY, AUGUST 14, 1920.

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The Money Market.

Friday, August 13, 1920.

	CURRENT RATE %	CURRENT RATE FIXED	PREVIOUS RATE %	PREVIOUS RATE FIXED
Bank of England Rate	7	(April 15, '20)	6	(Nov. 6, '19)
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, 20)	4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.
† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills	—	6½	—	—
Bank Bills	6⅝	6⅛	6⅝	7
Trade Bills	—	7-7½	7⅛-⅛	7½

As we anticipated, the huge outstanding total of Treasury bills is again troubling the Money market. The large amounts of these which have been allowed to run off in the last few weeks have, of course, driven the Treasury to borrow largely from the Bank of England. The outcome is to strengthen the loaning power of Lombard Street at the moment, but it should not be lost sight of that the present inflation is but a mortgage on the future, and that when we really do start about deflating credit and currency the adverse trend of finance will make the task all the more difficult. Were it not for the floating debt, a vigorous policy of deflation could have been undertaken before now, but while ordinary current revenue combined with the sales of Government stocks is not sufficient to meet the current demands on the Exchequer, no sound effort can be made towards effecting that financial reconstruction which is so necessary, and which we demand so loudly from other countries.

A consideration of these circumstances forces one to rule out the possibility of cheaper money in the near future—a possibility which was much discussed in the Stock markets some weeks ago. At the same time, we do not suggest the probability of a rise in the Bank rate very soon. Though it seems [illegible] doubted that rates on a higher scale may [illegible] of necessity.

In the [illegible] supplies of

Treasury bills, presumably due to a fear of a rise in the Bank rate, caused a superabundance of floating credits. Day-to-day rates ruled at five per cent. to four per cent., and afternoon surpluses were freely on offer at even lower prices. Though increased buying of Treasury bills was reported towards the end of the week, supplies continued plentiful. Weekly fixtures were unchanged at 5-5½ per cent. The ease of the Loan market, however, formed a strong contrast to the steadiness of the Discount market. Despite the plentiful supply of money, the uncertainty of the outlook brought actual business nearly to a standstill. The tone became decidedly easier towards the end of the week, though rates remained unaltered. Three months' fine were quoted at 6¾ to 6⅞ per cent. August bills were taken at 5½ per cent.

In the Foreign Exchange markets the American rate showed a gradual movement in our favour, followed on Friday by a slight set-back to 3.63½. Montreal moved in sympathy. The South American rates fluctuated, but closed level, Buenos Ayres and Montevideo being quoted slightly over 57 and Rio at 13¾. The franc, after a preliminary appreciation, lost value again. Paris closed at 51.00 and Brussels 47.18. The lire depreciated consistently, with a final quotation of 63.5. Madrid and Lisbon, after some fluctuation, recovered strength. Polish news reacted against the mark, which on Friday was called 168.5. Helsingfors moved in sympathy. Amsterdam was consistently steady. The Scandinavian currencies all depreciated. Yokohama, Shanghai, and Hong Kong were steady, the latter showing a slight tendency in our favour. India was firm at 1.10¾.

The income and expenditure return for the week ending August 10 more than justified the many doleful forecasts concerning it. Not alone did Treasury bills prove a serious drain on the Exchequer as was feared, but expenditure exceeded revenue by over two millions. Property and income tax and excess profits duties provided 11.1 millions, and Customs and Excise 3.6 millions. Despite heavy expenditure and Treasury bill payments, sales of war stores were negotiated for only 1.6 millions. These were offset by an unusually high payment of 7.3 millions in interest on War debt and 13.4 millions for supply services. Revenue thus amounted to 18.6 millions and expenditure to 20.7 millions, leaving a deficit of 2.1 millions.

Other receipts included £270,000 for Treasury bonds and £100,000 (net) for War Savings Certificates. Treasury bill maturities exceeded sales by £11,561,000. The net result was an increase of 13 millions in Ways and Means Advances from the Bank of England and of 1.5 millions in loans from public departments, raising the total Floating Debt outstanding by 3.1 millions to £1,265,321,000, a figure exceeding the entry of a year ago by 84 millions.

The discouraging details of the national accounts do not reflect themselves in the Currency Note Return of August 11. With such a large increase in Ways and Means Advances during the previous weeks, coupled with the fact that the holiday period is in full swing, one would not be surprised to find an expansion in currency. Circulation, however, contracted by 2.9 millions, leaving the total notes and certificates outstanding at £357,205,607. Gold and Bank of England notes remaining unchanged, the fiduciary issue is now £310,105,607, and the reserve ratio has increased from 13.1 per cent. to 13.2 per cent. "Notes called in but not yet cancelled" are reduced by £414,555 to £6,187,732. Despite the small quantity of these notes as yet cancelled, the weekly quantity received is steadily increasing.

BANK OF ENGLAND.

THERE were undoubtedly some grounds for the apprehension prevailing in the City during the week that another rise in the Bank rate was likely to take place. The impression of weakness conveyed in the previous Bank return was not dissipated by the plenitude of funds at the disposal of the market during the early part the week. Moreover, the official return of income and expenditure for the week ended August 7 confirmed the general belief that renewals of Treasury bills were not taking place on a sufficiently large scale to cover maturities. Furthermore, owing to the disbursement of over £7,278,000 in the form of interest on War Debt and the decline in the receipts from realisation of war assets from £8,000,000 to £1,600,000, ordinary revenue fell short of expenditure by over £2,000,000. To meet this deficiency, as well as to provide for over £11,500,000 representing the excess of maturities of Treasury bills over receipts, necessitated an addition of £14,500,000 to Ways and Means Advances, of which no less than £13,000,000 were borrowed from the Bank of England. The brunt of this movement was reflected substantially in the Bank return for the week ended August 4; but the unfavourable nature of the state of national finances, in conjunction with the apparent indisposition of the market during the first half of the current week to take up new Treasury bills, apprehensive of or in expectation of a higher Treasury bill rate, supplied valid reasons for anticipating a Bank rate of eight per cent. However, the expected has not come to pass, and the City can rest content with the knowledge that the rise is for the moment shelved. We say advisedly shelved, as we believe that it may be found necessary to take this unpopular step before the end of the autumn, possibly about the time when the final arrangements are being made for the redemption of the Anglo-French loan in America. We frankly admit that we are no lovers of a policy of dear money; that we realise full well what an obstacle it is to genuine trade development. But we know of no more potent means of keeping advances, whether for trade or speculation, within reasonable limits at a time when the State, in the interest of national prestige, is finding it necessary to draw itself upon the resources of the Bank.

The Bank return for the current week is of a much more favourable nature than its immediate predecessor. The holiday demand for currency is beginning to slacken, with the result that the circulation fell during the week by £961,000 to £125,528,000. However, as there was a slight decline of £40,000 in the total bullion to £123,068,000, the reserve increased by £921,000 to £15,990,000. Meanwhile, the total liabilities decreased from £148,165,000 to £140,034,000, the decline being largely due to the fall in other deposits, which were depleted during the week by £6,667,000, whilst public deposits were £1,463,000 lower at £15,999,000. *Per contra*, this decline in liabilities was reflected in the gratifying reduction of £8,016,000 in Ways and Means Advances, Government securities falling during the week by this amount to £68,250,000, whilst the market redeemed its indebtedness to the Bank to the extent of £983,000. We await the next official return of income and expenditure to discover whether this reduction in Ways and Means Advances has been accomplished through an improvement in the demand for Treasury bills—and in certain quarters this force has been detected—or through an improvement in the ordinary revenue from extra receipts on account of war assets. But, whatever cause may have been at work, the fact remains that, with an increased reserve and a lower total of liabilities, the ratio of the reserve to liabilities has moved up during the week by 1.2 per cent. to 11.4 per cent.

NEW YORK.

As may be seen by the returns issued since the turn of the half-year, the Federal Reserve Banks are rapidly strengthening their power of credit expansion; yet the demand for credits is still so great that the abnormally high rates for money show little signs of easing. Nevertheless, as we anticipated some weeks ago, the situation is now less stringent than it has been during the past six months, though, of course, it is extremely unlikely that the usual autumn demands for credit

will not occasion another sharp "squeeze." In this connection the opinion of Governor Harding is worth quoting: "As far as money and credit for moving the crops is concerned, I am glad to be able to state that the country has never been in as good a condition as it is now. There is no shortage of money. There is an extraordinary demand for money and credit, but that is due purely to active pursuits of a bumper harvest." When the time comes it will probably be found that the much-talked-of strain on credit demands for financing crop movements have already been to a large extent provided for.

The persistent policy of the Federal Reserve Board in forcing the liquidation of outstanding loans is still reacting with hardship on the commercial community, but is contributing not a little to the fall in commodity prices. This latter feature and the undoubted improvement that is being effected in the freight situation are at present the chief factors making for normality.

Reductions in all classes of earning assets, together with an expansion of 21.7 millions in Federal Reserve note circulation, and a gain of 2.9 millions in the gold reserves, are indicated in the Federal Reserve Board's weekly bank statement issued at close of business on July 23. Net deposits remain practically unchanged. Consequently, the ratio of total reserves to net deposit and Federal Reserve note liability combined has declined by 0.2 per cent. to forty-four per cent.

Government paper fell off 27 millions to $298,370,000. Acceptance holdings declined 5.9 millions to $339,390,000. Total earning assets, in consequence of the changes just noted, show a reduction for the week of over 33 millions. Government deposits show an increase of 8 millions to $20,250,000. Other deposits have contracted by 7.4 millions to $1,677,710,000.

Federal Reserve note circulation has increased by 21.7 millions to $3,141,860,000, while legal-tender notes and silver are the greater by 0.2 million at $151,140,000.

The ban on the reserve of the New York Federal Reserve Bank, which had been completely checked last week, is again in operation. Gold holdings are lower by 5 millions at $181,280,000 and the total reserve by 126 millions at $495,760,000. Net deposits, on the other hand, have risen by 7.7 millions to $601,720,000, and Federal Reserve note circulation has expanded by 2.8 millions to $862,370,000.

The weekly statement of the New York City Banks and Trust Companies associated with the New York Clearing House indicates a shrinkage in both assets and liabilities. Loans, discounts, and investments are smaller by 28.5 millions at $5,112,630,000. Cash in vault of members Federal Reserve Bank has fallen by 0.8 million to $91,960,000. Net demand deposits have declined by 0.25 million to $4,078,260,000 and United States deposits by 17.5 millions to $49,680,000; but net time deposits have increased by 0.6 million to $254,080,000. The average aggregate reserve has risen by 3.3 millions to $552,120,000, and the average excess reserve is in consequence higher at 12 millions.

Call money commanded seven per cent. throughout the week. First-class mercantile paper was quoted at eight per cent., and other rates ruled accordingly.

BULLION.

The Gold market has been fairly well supplied during the week, and all arrivals were taken for the Indian Bazaars and New York. To-day's price was 112*s.* 11*d.* the fine ounce.

Quotations in the Silver market were influenced by the fluctuations in the American exchange. India and China were again the buyers, but owing to the movements in the rupee and the fact exchanges the demand from those quarters proved very irregular.

On the spot sale Continental offerings were at first on a rather large scale, but eased off towards the end of the week, and during the last few days the New York rates American supplies were less in evidence. At the moment the outlook is uncertain, but at to-day's quotation of 59¼*d.* for spot silver the market was quite firm. The highest price during the week was 60⅝*d.*, and the lowest 58½*d.* In the corresponding week of last year the highest price was 78*d.* and the lowest 76½*d.* Bar silver in the New York market closely followed the London quotation. The highest quotation was 131 cents, a rise of ¼ on Wednesday. Yesterday it fell to 130, and to-day the forward quotation was at a discount of ¼.

Stock Exchange.

The holiday tendency towards stagnation in the Stock Exchange was accentuated by many graver influences during the week. The Russo-Polish tangle threatened for a moment to throw Europe into the melting-pot once more. The effect on the market, however, was merely to instil caution into operators. The undertone remained quite firm, and as the week progressed the atmosphere became appreciably more cheerful. The improvement in sentiment did not increase the volume of business, however. Fears of a change in the Bank rate were dissipated with the publication of a strong Bank report, and an unexpectedly favourable condition of trade was revealed in the Board of Trade Returns. The sagging tendency of prices was counteracted by the brightened outlook which this news created. It was not sufficient to promote much enthusiasm, however, for labour troubles are looming large on the horizon again.

In the gilt-edge section War Loan Fives preserved a tone of firmness throughout. Fractional rises were registered during the week, but later prices eased to 84⅛. War Loan Fours were steady at 95½. Consols fluctuated slightly, closing lower at 46½. Funding Loan and Victory Bonds were both quoted lower at 69 and 77⅞ respectively. Indian Three per Cents. sagged badly, but hardened yesterday to 46. Among Colonial and Corporation stocks, Cardiff, Croydon, and Essex were marked down, whilst Middlesbrough and South Shields appreciated slightly. Hertfordshire, after an early advance, fell away again.

Colonials were firm. Cape Three and a-Half per Cent. Inscribed dipped at the close, but Australian Five and a-Quarter per Cents. and New South Wales Five and a-Quarter per Cents. both advanced.

Foreign Bond quotations were, on the whole, against sellers. Argentines were firm. Belgian Three per Cents. dropped two points. All Brazilian bonds finished lower; Funding Fives lost three points; the Fives of 1914 fell two points; the Fives of 1913 one and a-half points, and the Rescissions one and a-half points. Chinese bonds, starting weak, rose sharply, but later reacted on Continental selling. German holdings still evidently finding their way on the market through Dutch channels.

The Home Rail market was not a centre of very keen interest. The week began dull and lifeless, and prices weakened generally. Recoveries were frequent towards the close, however, and firm features were not lacking. The collapse of prices amongst Home Rails has partaken more of the nature of a panic than of a normal readjustment of earning values, and bottom seems to have been touched now. The fact of interim dividends generally remaining unchanged would point to a probability of total dividends for 1920 being identical with those of last year. The scheme of increased passenger and goods rates is definitely ratified, and though the question of wages [illegible] consideration of the investor.

Caledonian, Great Northern Preferred, Great Western, London and North Western, North Eastern and London Brighton deserve some partial allusion, all [illegible] the week. Great Eastern showed a good [illegible] Chatham and Dover, Great Northern Deferred, and Great Central

Of Underground Electrics, the "A" shares lost some of their recent advance.

We append a table showing prices and dividends:—

	Last Half Year's Dividend 1920	Total Dividend 1919	Present Price	Prices 1919–20 Highest	Lowest
Lancashire and Yorkshire ...	1½	4¼	54½	74	59
Great Eastern	1	2½	28½	41⅝	32½
London and South Western ...	2½	6	67	90	70
North Eastern	3½	7½	79½	102⅜	89½
Hull and Barnsley	1½	4½	46	58	48½
Naff Vale	2	4	41⅞	68½	50
Furness	1	2	26⅜	42⅛	31½
London, Brighton Ord.	1½	3½	48⅜	78½	60
Great Western	2½	7½	73½	93⅝	82½
London and North Western ...	3½	7½	74½	100⅝	85½
North British Pref.	1½	3	30½	45	36½
Caledonian Ord.	1½	3½	37	55½	45½
Glasgow and S.W. Def.		2½	21⅛	34	26½
London Chatham 1st Pref. ...	2½	4½	41½	66	51
Midland Def.	2	4½	50	66⅝	51⅝
North Eastern	2½	5½	56	74	64
South Eastern Ord.	2	4½	41½	63½	49

With three exceptions, the present interim dividends are identical with last year. The Midland, North-Western, and North London paid interim dividends slightly higher than those distributed for the first six months of 1919. In each case, however, the change was in consonance with a policy of levelling up between the August and February payments.

Foreign Rails were subject to considerable "bear" pressure. Argentine descriptions all fell steadily, and after a slight recovery on Wednesday continued to droop. Entre Rios First Preference lost several points, and Leopoldina and Mexican Ordinary were also lower. Great Western of Brazil, United Railways of the Havana Ordinary, and Venezuelan Central Second Debentures closed weaker. Venezuelan Central First Debentures were firm, however, and Cordoba and Central Argentines appreciated slightly. Canadian Pacifics yielded, of course, to the recovery of the sterling exchange. Grand Trunks moved similarly.

The Industrial section was marked by a continual but quiet liquidation. Though the general tone gradually improved, the volume of business was cautiously restricted. The apprehensiveness created by the unsettled atmosphere of international and home affairs was offset by the satisfactory trade returns of the Board of Trade, and changes were not very marked. Breweries were generally firm. Some slight marking down was effected, however, in Meux, Barclay Perkins, and Ind Coopes. Threlfalls Ordinary hardened to 3. Egyptian securities rallied from an earlier all-round fall, and closed steady to firm. Catering shares did not attract much attention; but the iron, steel, and engineering section showed many fractional falls. Birmingham Small Arms, John Brown, Dorman Long, Guest Keen, and Cammell Laird were slightly lower on the week. Rumours of unsatisfactory shipping prospects had undoubtedly a strong influence. Ebbw Vale, South Durhams, United Steel, and English Electric finished with a hardening tendency, however. Shipping investments suffered from the general dullness. P. & O. Deferred had several rather sharp falls. Furness Withy strengthened on dividend prospects, but buyers did not press. Court Lines appreciated slightly. Cunard, Prince, and Royal Mail were quiet. Nitrates showed little signs of animation. Textiles, though easing away at first, recovered again, but at the close showed signs of weakness. Dunlops gave way under "bear" pressure from Belfast, but later reacted and finished high at 7¾. Eastmans had another slight rise. With the exception of Read Brothers Ordinary and Smithfield and Argentine Meat, few other appreciations could be recorded. General Electric went from 27s. 6d. to 26s. Imperial Tobacco, Maypole Dairy, Siemens, British Oil and Cake Mills, Pears' Preferred Ordinary, and British Glass Industries all finished lower.

Oils shared in the general dulness. Prices, however, moved slightly in favour of sellers eventually. The strongest feature was Royal Dutch. American advices, plus some buying from Holland, assisted in raising quotations. Shells and Mexican Eagles appreciated fractionally. Lobitos and Anglo-Egyptians both closed firmer.

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Mining Topics.

A RATHER obscure political outlook at the opening of the week, coinciding with a drop of 1s. in the price of gold to 113s. 3d., was not calculated to create a cheerful feeling at the opening of the Mining market. A tendency to reaction was displayed by Kaffirs, and would undoubtedly have been more pronounced but for the favourable nature of the July returns. By Tuesday these returns were digested, and with gold at 113s. 8d., a better tone became manifest. Moreover, the market began to realise that many shares would be quoted ex div. before the end of the week. Thus in particular, Modders and Modder B put on ¼ to 3⅛ and 6⅛ respectively. However, on Thursday politics proved again a disturbing element, and the effect was accentuated by the relapse of the price of gold to 111s. 11d. Accordingly, reactions set in, Rand Mines and Government Areas bearing the brunt of the attack with a decline of ⅞ to 2¾ and 4½ respectively. Several shares were quoted ex the interim dividend, notably Crown Mines, Geduld, Modders, Modder B and Lonely Reef.

For July the Transvaal reports an output of 736,099 ounces of gold, or some 20,142 ounces more than in June. On the other hand, the number of natives employed in the mines at the end of July was returned at 174,187, or some 5,640 less than at the end of June. Coming to the specific returns, the Johnnies group have a profit of £261,913, as compared with £204,330 in June. Government Areas is responsible for half the increase, with a profit of £134,868, against £106,086 in June. In the Rand Mines coterie, New Modderfontein stands out with a profit of £135,371; whilst Crown Mines is credited with no less than £88,304 and Modder B with £73,268. As usual, the returns of Meyer and Charlton dominate the General Mining group. Nevertheless, the July profit of £26,989 does not compare so favourably with the profit of £28,899 in June. It may be, however, that full allowance has not yet been made for the decline in realisation charges during July and that the estimated price of 105s. for gold may prove rather conservative. For July Modderfontein East crushed 24,000 tons, securing a profit of £7,005, after deducting fifty per cent. of head office and mine general expenses, and 58s. per ton for development in respect of tonnage stoped. Modderfontein Deep secure a profit of £69,966, exceeding that of June by over £12,000. It is of interest to note that whilst all the returns to hand calculate the July output at 105s., as against 102s. 6d. in June, there is a discrepancy between the amount of the realisation charges where stated. The Rand Mines group, East Rand Proprietary, and Witwatersrand Deep report the minimum charge of 1s. 6d. per ounce (it was 7s. in June):

REZENDE MINES.

A very satisfactory report is presented by the Rezende gold-mining Company for the year ended December 31, 1919. Although handicapped to some extent by the closing down of the mine for a short period, consequent upon the outbreak of Spanish influenza, the quantity of ore treated exceeded that of 1918 by 7,800 tons. Calculating for purposes of an effective comparison the value of the output on the basis of the par value of gold, the gold revenue per ton amounted to 52*s*. 7*d*., as compared with 47*s*. 9*d*. per ton in 1918. Moreover, the working costs were reduced and this in spite of the increase from 29*s*. 9*d*. per ton to 28*s*. 2*d*. per ton. Consequently, the working profit increased from £48,557, or 18*s*. per ton, to £75,295, or 24*s*. 5*d*. per ton. With the appearance of the premium on gold after the middle of July an extra source of revenue came into being. For the year under review the Company received in respect of the premium on gold sold £15,576. Taking this into account the actual gold revenue per ton worked out as high as 57*s*. 8*d*., and the working profit at £91,161, or 29*s*. 6*d*. per ton. Thus there was obtained a net profit of £68,877, in contrast with the return for 1918 of £41,561. The dividends paid to shareholders were increased accordingly to £48,000, equivalent to a rate of 40%, or twice the rate of the 1918 dividend. The balance carried forward to the next accounts stands at £48,201.

Owing to water being cut in several places development work was seriously delayed during the year. The result is reflected in the decline in the total footage from 3,854 feet in 1918 to 2,959 feet for 1919. Some good values were disclosed. An extension of the 4th level, main drive east, for 110 feet exposed ore averaging 19.8 dwt., reduced to 10.7 dwt. over 54 inches. A winze at a depth of 34 feet below the 5th level, main drive east, opened up ore averaging 17.1 dwt., over 67 inches. Ore averaging 12.5 dwt., reduced to 11.2 dwt. over 51 inches, was exposed in the 6th level, main drive east, which has been driven for a total distance of [illegible] feet. [illegible] tons averaging 10.72 dwt., as compared with 175,374 tons of 12.66 dwt. The decline in tonnage and value is attributed "to the reduced widths met with in stoping between the 4th and 5th levels," and also to the fact that "the development on the 5th and 6th levels for the year has exposed reef of considerably reduced width and value, as compared with the 3rd and 4th levels for the previous year." Returns for the first six months of the current year report the quantity of ore treated as 32,800 tons, forecasting an increase in the total treated in the year. Similarly, the total working profit for the present year is [illegible] approximately. Development results are on the whole satisfactory. Thus the [illegible] dwt. over 49 inches for 10 feet of No. 4 rise in No. 4 level east, and ore of 17 dwt. over 44 inches for 35 feet of No. [illegible] in No. 6 [illegible] year. The most satisfactory outcome of the working operations of the period under review is [illegible] 1919. A strong financial position is disclosed in the balance sheet dated December 31, 1919. Liabilities do not exceed £40,884 and [illegible] total of [illegible] £48,214, in addition to which other liquid assets are available to the extent of £26,892. The market quotes the £1 shares at [illegible] assumption of a dividend of 40%, they return a yield [illegible]

SPRINGS MINES.

Year	Working cases	Working days	Tons	Per Man	Ingots Amt.	Value	Net Profit	Dividends	Per cent.
				Tons	£	£	£	£	%
1917	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

What with the [illegible] South African gold mine for the year ended December 31, 1919, cannot be said to be as favourable, from the standpoint of the shareholders, as those of 1918, they are not of such a nature as to justify any pessimistic outlook on the future of the mine. Moreover, shareholders were prepared, or ought to have been prepared, for the final results by the circular issued in May 1919, which enumerated the difficulties that had yet to be overcome before working operations on a suitable scale could take place. Restricted compressor capacity held back subsidiary development, thus producing a shortage of stope faces. Furthermore, hanging-wall difficulties caused a decline in the tonnage mined, and it was anticipated that the difficulty in regard to breaking capacity would increase up to the end of the half-year. Transport facilities were also below normal. Shortage of trucks affected seriously all departments of underground work, and the situation was further complicated by the intermittent operation of the haulage system. Confirmatory evidence of the cumulative effect of these obstacles was provided by the non-declaration of the interim dividend in June. The report for the year reflects, more particularly in its financial sections, the extent to which these varied difficulties handicapped the mine. With an improvement in transport facilities and an extension of essential subsidiary development there was an increase in the tonnage crushed in the second half of the year to 224,100 tons, as compared with 210,510 tons during the first six months. The total crushed for the year was 7,000 tons more than in 1918. Nevertheless, owing to the difficulties just enumerated it was not possible to maintain the grade of the ore treated. Working on the basis of the par value of gold for the purposes of continuous comparison, it appears that the gold revenue per ton was only [illegible] as compared with [illegible] in 1918. On the other hand, working costs rose from 22*s*. 6.57*d*. per ton to 26*s*. 9.14*d*. per ton. Increases were not confined to any one department. White wages averaged 5*s*. 6.4*d*. per ton in 1919, as against 4*s*. 5*d*. in 1918; native wages rose from 5*s*. 4.5*d*. per ton to 7*s*. 1.8*d*. per ton. Stores worked out 8*d*. per ton more than in 1918, development charges 1*s*. 3.5*d*. per ton, and phthisis compensation, in view of the Act of 1919, 3*d*. per ton. Consequently, the profit per ton amounted only to 11*s*. 5*d*., as against 19*s*. 10*d*. in 1918. Even taking into account the premium on gold, which came into being after July 24, and which [illegible] Sundry charges, which amounted to £105,578 in 1918, are returned at £482,667. But this latter total [illegible] off in the appropriation account. In like manner it [illegible] of the working capital provided, and this accounted for no less than £379,274 of the total of sundry

changes. In view of the [illegible] the actual operations for the year [illegible] loss of £161,281. Deducting this from the [illegible] of £82,879 for 1918 or £79,515 [illegible] compared to the total [illegible] of £48,574, no dividend being declared under these circumstances.

Development work on the whole was satisfactory. The total reached 18,560 feet, as against 17,890 feet in 1918. Good progress was made on No. 3 shaft, which was sunk 2,190 feet during the year. According to the Consulting Engineer "the north-west haulage, connected with the 8th level west, proved a large tonnage of payable ore," whilst in the last 1,100 feet in the east haulage ore of consistently high value was intersected. A more detailed comparison is afforded in the following table, which also shows the position of the ore reserves:—

	—Development Results—					—— Pay-ore Reserves ——			
	Pay-able Footage	Per Cent. Payable	Av. Width In.	Av. Value	Shillings-Value per Ton	Tons	Av. Value	Av. Width In.	Shillings-Value per Ton
1916	6,515	46·0	22·0	112·7	2,440	1,784,000	42·0	56	2,350
1917	6,410	51·0	24·9	97·9	2,430	2,567,000	41·8	58	2,570
1918	5,700	59·5	30·3	88·5	2,690	2,565,000	39·6	61	2,510
1919	7,950	61·9	22·0	98·7	2,208	2,417,000	37·1	62	2,356

Note.—Ore reserves in 1919, 368,211 tons at average width of 64 inches, worked versus 102,291 tons at ore mine 43·1 [illegible] of an average value between [illegible] 10s. 1d. per ton.

Thus the ore reserves, whilst falling in value from 9.26 dwt. to 8.74 dwt., have risen in quantity by nearly 50,000 tons, whilst the stoping width has improved from 61.25 inches to 62.92 inches.

The outlook for the current year is distinctly favourable. With the difficulties as regards transport and development largely overcome by the end of 1919, it was anticipated that there would be an improvement in the quantity of ore crushed. This has been borne out by the returns of the first quarter. Despite an accident in Shaft No. 2, which caused a reduction of some 5,000 tons in February, the total crushed for the quarter reached 115,400 tons. The net working profit, including the premium of gold, amounted to £82,879, despite the heavy advances in white and coloured wages and the growth of realisation charges. This progress was continued during the second quarter, and an interim dividend of 5% was declared in June. Development work included 2,850 feet on reef for the first quarter, with 1,435 feet payable averaging 19.4 dwt. over 29.22 inches. Work was expedited on No. 3 shaft, and as forecasted the reef was struck by the middle of June at 3,466 feet, the ore averaging 0.3 dwt. over 61 inches. More recently still it has been rumoured that developments in No. 1 shaft are recording the high payable rate of 75%, with ore averaging 11 dwt. over the full stoping width. Moreover, the marked decline in the realisation charges to normal, as against 8% a month or two ago, as well as the tendency of the price of gold to appreciate with the inevitable swing back of the American exchange during the shipment of the cotton and wheat crops, will exercise a favourable influence on the financial results for the second half of the current year. Financially the position of the Company as seen in the balance sheet at the end of 1919 is strong. Liquid assets, including stores, exceed £170,553, whereas liabilities amount only to £115,233. In the market the £1 shares stand at 41s. and, assuming a final dividend of 10%, yield at this price a return of over 7¼%, and in view of the prospects of the mine are by no means an unattractive investment.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, August 11, 1920.

Issue Department.

Notes Issued	£139,980,460	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,530,460
	£139,980,460		£139,980,460

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£68,250,449
Rest	3,458,795	Other Securities	73,805,585
Public Deposits	16,999,053	Notes	14,452,685
Other Deposits	124,018,988	Gold and Silver Coin	1,537,092
Seven-day and other Bills	15,929		
	£158,045,771		£158,045,771

Comparison with Previous Four Weeks [00,000's omitted:]

Date	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
1920.	£	£	£	£	£	£	£	%	%	%
Aug. 11	125,5	123 0	15 8	124 0	68·2	73,8	15,9	11·4	7	6½
Aug. 4	126,4	123,1	17,4	130,6	76,2	74,7	14,9	10·4	7	8½
July 28	125,3	123,2	15,1	118,8	59,9	75,4	18,2	12·2	7	6½
July 21	124,0	123,0	16,6	118,5	58,5	80,0	17,3	12·7	7	6½
June 30	120,0	117,8	15,7	175,9	90,0	103,1	16,2	8·5	7	8½
1919.								%	%	%
22.14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2½

• July 30, 1914 = to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 8%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Aug. 13, 1920	Aug. 13, 1919	Aug. 14, 1918	Aug. 15, 1917	Aug. 19, 1910
Circulation	£125,5	£79.7	£56.7	£40.0	£28.7
Public Deposits	15.9	23.4	34.1	45.5	16.8
Other Deposits	125.0	89.1	137.7	127.0	40.8
Government Securities	68.2	21.4	59.7	58.5	17.4
Other Securities	73.8	81.2	100.2	102.0	28.6
Reserve	15.9	27.0	30.0	32.0	23.2
Ratio to Liabilities	11·4%	24.20%	17.46%	18·53%	51·05%
Coin and Bullion	123·0	88.3	68.2	53·8	39.4
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	8%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3⅜-3%	3⅛%	4⅜%	2⅛%
Exchanges:					
Paris Cheque	50·30	33·76½	26·95½	27·49½	25·21½
New York 60 days	3·63	4·29	4·73	4·72½	4 63-65
Bombay Telegraphic Transfers	1/10d	1/10⅛	1/5½	1/4⅝	1/3⅜
Prices:					
Consols 2½% Cash	46⅜	52	58⅛	68⅜	81
French Rentes 3% Money	53·80	62·25	61·95	62·00	87·42
Silver, London spot	59½d.	59d.	48½d.	44d.	24½d.
Wheat, *Gazette* average qr.	85/10	73/4	74/7	78/4	33/9
Cotton, Mid Upland lb.	29·63d.	19·13d.	21·95d.	19·90d.	8·38d.
Iron, Scotch pig ton	223/6	166/0	101/0	88/6	55/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Aug. 11, '20	6,960,746	9,780,681	357,205,607	28,500,000	18,600,000	13·2
Aug. 4, '20	3,312,143	4,300,293	360,077,541	28,500,000	18,600,000	13·1
Aug. 13, '19	6,555,450	8,219,610	338,777,098	28,500,000	—	8·4
Aug. 14, '18	4,923,825	4,541,590	266,387,164	28,500,000	—	10·7
Aug. 15, '17	5,737,119	4,092,952	173,140,505	28,500,000	—	16·5
Aug. 16, '16	4,768,098	3,506,465	143,948,400	28,500,000	—	21·9

Balance Sheet, August 11, 1920.

Notes outstanding—	£	Advances—	£
One Pound ...	283,873,398	Other Bankers ...	—
Ten Shilling ...	41,312,219	Trustee Savings Banks	70,000
Certificates outstanding ...	32,020,000	Currency Note Redemption A/c—	
	—	Gold Coin and Bullion —	28,500,000
Total	357,205,607	Bank of England Notes...	18,600,000
Notes called in but not yet cancelled ...	6,187,732	Government Securities ...	333,357,998
Investments Reserve A/c ...	17,505,965	Balance at Bank of England	371,306
Total	380,899,304	Total —	380,899,304

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure over Revenue	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Aug. 7	£18,638	£20,725	£2,087	£100,804	£98,803	−£2,001	£3,021
July 31	23,434	13,618	9,816	90,151	100,317	−10,166	3,107
July 24	19,998	10,217	9,779	139,787	150,146	−10,379	3,457
129days '20-21	437,081	368,240	70,827	1,907,593	1,987,783	−80,190	− 8,348
131days '19-20	308,307	517,644	211,337	2,604,694	2,400,045	204,649	− 6,689
Yr. '20-21*	1,418,300	1,184,102	234,198	—	—	−234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,768,507	328,202	9,389
Yr. '18-19	888,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	13,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,493,604	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue—Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure—Int., &c., on Debt	Misc. Expend.	Supply Services.
Aug. 7	£3,590	£8,413	£4,782	£3,873	£7,279	£10	£13,436
July 31	3,336	6,112	5,810	10,377	1,937	181	11,540
July 24	7,186	6,406	3,712	2,892	2,449	608	7,160
129days '20-21	100,736	89,851	78,042	168,432	128,427	4,558	332,255
131days '19-20	81,912	79,139	92,551	52,705	130,890	2,242	384,512
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,588
Yr. '18-19	162,220	291,186	285,028	150,587	283,964	11,380	2,237,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT.	[000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Aug.	7, 1920 ...	£1,046,980	£218,341	£1,265,321	£1,745,720
July	31, 1920 ...	1,058,348	203,841	1,262,189	1,745,720
July	24, 1920 ...	1,066,338	205,362	1,271,699	1,745,720
July	17, 1920 ...	1,066,090	214,141	1,279,231	1,745,720
June	30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.†

[In £'s Sterling—000's omitted.]

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 8, '14 ...	£10,977	£833	£11,810	£41,925	£51,900	£8,983
July 29, '20 ...	10,660	1,089	11,778	23,807	215,600	71,176
Aug. 5, '20 ...	10,660	1,075	11,735	23,440	218,585	88,153

	Claim on Austro-Hung. Bank	Contingent Liabs. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*						
July 15, '20...	£388 386	£99 932	£99 479	£81 988	£389 229	£84 221
July 23, '20...	388 415	88 933	98 806	82 078	370 732	82 385
July 31, '20...	388 459	88 923	30 202	82 789	386 161	85 795

	Cash— Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£8,197	£798	£8,893	£47
June 30, '20 ...	12,888	147	12,915	14,478	1,885	29,370	2,403
July 31, '20 ...	12,858	143	12,901	13,755	2,045	30,068	2,524
July 31, '19 ...	10,410	157	11,567	5,784	2,498	23,809	128
July 31, '18 ...	10,543	134	10,677	3,282	3,554	20,296	517

	—Gold— In Bank	Abroad	Total Cash incl'g Silver	Bills	Circulation	—Deposits— Public	Private
FRANCE.							
July 30, '14 ...	£185,854		£190,687	£97,788	£287,397	£15,309	£37,903
Aug. 5, '20 ...	144,449	79,131	223,489	64,471	1,598,530	9,279	129,406
Aug. 12, '20 ...	144,459	79,131	233,511	78,606	1,521,853	2,782	139,796
Aug. 14, '18 ...	143,755	79,131	234,895	37,788	1,406,083	3,455	115,167
Aug. 16, '18 ...	135,879	81,484	229,988	37,717	1,176,321	3,994	147,428

	Cash— Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,188
July 23, '20...	64,582	308	64,890	869,838	1,973,044	2,699,160	814,921
July 31, '20...	64,579	321	54,900	893,786	2,305,173	2,788,433	884,090
July 31, '19...	55,487	989	56,456	441,217	1,534,296	1,483,444	518,106
July 31, '18...	117,364	6,021	123,385	92,733	789,843	635,225	425,344

	Cash— Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13,498	£249	£13,745	£13,422	£10,332	£35,690	£1,437
Aug. 2, '20 ...	53,098	1,279	54,377	11,187	27,889	87,459	7,803
Aug. 8, '20 ...	53,088	1,298	54,328	11,090	27,075	85,764	8,425
Aug. 9, '19 ...	53,078	485	54,363	11,121	19,503	83,677	6,289
Aug. 10, '18 ...	58,868	856	59,524	5,839	8,469	76,782	4,523

	Cash— Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	—£48,456—		£25,017	£69,204	£8,887
Apr. 30, '20 ...	£32,190	£3,003	35,193	19,852	180,782	501,813	74,704
May 31, '20 ...	32,191	2,999	35,190	16,322	180,502	517,128	70,783
May 31, '19 ...	32,622	2,970	35,592	25,696	57,448	372,375	60,528
May 30, '18 ...	33,480	3,145	36,625	8,544	55,057	287,598	57,464

	Gold	Discounts	Advances	Notes	—Deposits— Public	Private
JAPAN.						
Aug. 1, '14 ...	£21,867	£1,829	£7,883	£32,722	£13,818	£1,521
June 26, '20 ...	33,478	33,488	30,463	126,485	107,787	8,898
July 3, '20 ...	98,255	32,409	32,384	125,838	107,537	8,952
July 5, '19 ...	70,997	7,752	44,860	99,381	110,406	3,488
July 6, '18 ...	65,422	3,873	28,431	73,159	73,817	3,993

	Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invests.,&c.	Net Deposits—Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.185	£1,720
July 31, '20 ...	£18.5541	109.770	1.028.232	£815.702	£50.700	879.828	1.734
Aug. 7, '20 ...	18.392†	110.424	1.032.526	815.952	50.816	876.384	2.400
Aug. 9, '19 ...	19.108†	116.084	994.232	810.892	45.474	895.200	8.582
Aug. 10, '18 ...	19.928†	104.798	897.948	722.226	32.390	850.566	9.066

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
June 22, '20 ...	8,120	3,123	678	23,337	24,678	6,158
July 31, '20 ...	8,187	2,836	583	24,745	25,461	6,431
July 31, '19 ...	8,173	5,711	678	16,592	23,631	3,345

	Gold	Silver	Total	Discounts & Note Circulation	Deposits
PORTUGAL.					
June 2, '20 ...	£1,905	£3,921	£5,827	£20,406	£90,436	£10,635
June 9, '20 ...	1,906	3,921	5,827	22,567	194,858	8,858
June 11, '19 ...	1,905	3,935	5,840	8,188	65,038	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	48,378	2,188

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
May 22, '20 ...	£12,905	£13,177	£3,420	£16,587	£184,479
May 28, '20 ...	62,009	14,955	3,832	18,787	184,948
June 5, '20 ...	12,905	15,779	3,784	19,573	186,443
June 7, '19 ...	38,980	9,140	1,684	10,824	115,810

	—Gold— In Bank	Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£180,114	£14,395	£181,892	£76,081	£163,411	£6,588	£109,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,838,217	16,783	345,566

	Gold	Cash— Silver	Total	Loans, &c., 4%	Spanish	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,855
July 31, '20 ...	86,096	24,579	122,475	88,084	13,779	156,818	38,973
Aug. 7, '20 ...	86,096	24,068	122,164	87,866	13,779	156,137	38,583
Aug. 9, '19 ...	85,884	25,792	121,656	83,591	13,779	135,738	40,220
Aug. 10, '18 ...	88,888	25,600	112,288	55,829	13,777	117,934	48,124

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
July 31, '20 ...	14,516	5,281	2,519	35,944	40,385	14,099
Aug. 7, '20 ...	14,516	5,266	2,519	35,255	40,073	13,843
Aug. 8, '19 ...	16,894	7,834	3,047	20,048	37,764	7,069
Aug. 10, '18 ...	14,287	7,173	5,323	12,960	35,840	4,490

	Gold	Cash— Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10 716	£2,026
July 31, '20 ...	21,836	3,551	125,187	14,443	38,043	4 838
Aug. 7, '20 ...	21,864	3,670	25,134	13,468	37,150	4,451
Aug. 7, '19 ...	18,724	2,688	21,412	18,415	35,850	4,852
Aug. 7, '18 ...	15,416	2,152	17,567	14,545	28,091	5,010

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

	Gold— Held by Banks	With Agents	Total Cash	Bills Discounted & Purchased	Deposits— Accept-ances.	Govt.	Total Net.	Circulation.
U. STATES FED. RES. BANKS.								
Aug. 2'20 ...	£395.540		£425.728	£438.328	£64.682	£2.431	£379.143	£523.388
Aug. 9,'20 ...	396.122		426.350	509.366	67.878	4.050	398.852	528.672
Aug. 9,'19 ...	178.278	240.878	430.424	366.824	76.248	21.738	364.164	508.41.
Aug. 9,'18 ...	202.292	195.788	408.904	268.494	41.712	35.898	315.284	391.056

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov.10,'19
Berne	5	Aug. 21,'19	Paris	5	Apr. 8,'20
Bombay	5	June 29,'20	Petrograd	8	July 29,'14
Brussels	5½	Apr. 28,'20	Rome	5	May 12,'20
Calcutta	5	June 5,'19	Stockholm	7	Mar. 18,'20
Christiania	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Copenhagen	7	Apr. 16,'20	Vienna	5	Apr. 12,'18

III.—FOREIGN EXCHANGES.

LONDON ON—		Aug. 13, '20	Aug. 6, '20	July 30, '20	July 23, '20
Berlin	Cable	189m.	187m.	181m.	185m.
Brussels	Cheques	47fr. 15c.	47fr. 15c	48fr. 12c	48fr. 50c.
Denmark	Cable	24kr. 10	23kr. 85	24kr. 62	23kr. 40
Holland	do.	10d. 9/16	10d. 9/16	10d. 9/16	10d. 9/16
Italy	do.	73fr. 50	71fr. 50	70fr. 75	71fr. 00
Lisbon and Oporto	do.	11½d.	13d.	11½d.	11¾d.
New York	do.	$3 63½	$3 61¾	$3 75½	$3 80
—	Cheques	$3 61	$3 62½	$3 76½	$3 81
Norway	Cable	24kr. 10	23kr. 55	23kr. 50	23kr. 20
Paris	3 mos.	51fr. 02c	51fr. 00c.	49fr. 25c.	50fr. 25c.
—	Cable	50fr. 27c.	50fr. 25c	49fr. 15c.	49fr. 50c.
Spain (Bank places)	3 mos.	47¾d.	47¾d.	48¼d.	48d. ⅜
—	Cable	24p. 17	24p. 20	24p. 27	24p. 15
Sweden	do.	17kr. 62	17kr. 57	17kr. 67	17kr. 60
Switzerland	3 mos.	22fr. 35c.	22fr. 33c	22fr. 47c	22fr. 47c.
—	Cable	21fr. 85c.	21fr. 82c	21fr. 97c.	21fr. 97c.
ON LONDON—		Aug. 13, '20	Aug. 6, '20	July 30, '20	Par
Alexandria	Sight	97¾pl.	97¾pl.	97¾pl.	97¾pl.
Amsterdam	Cheques	10d. 88c.	10d. 88c.	10d. 88c.	12.107⅜
Athens	Cable	31dr. 70	31dr. 00	30dr. 80	25dr. 22½
Bombay	Transfers	1s. 10⅞d.	1s. 10¾d.	1s. 11⅛d.	2s.*
Brussels	Cheques	47fr. 15c.	47fr. 05c	48fr. 00c.	25fr. 23½
Buenos Ayres	Transfers	57⅛	57⅛	58⅛	47.58¾
Calcutta	do.	1s. 10¾d.	1s. 10¾d.	1s. 11¾d.	2s.*
Christiania	Sight	24kr. 08	23kr. 55	23kr. 48	18.156⅜
Copenhagen	do.	24kr. 12	23kr. 66	23kr. 68	18.156⅜
Helsingfors	Cable	110 mm.	110 mm.	101½m.	25m. 23½
Hong Kong	Transfers	4s. 1½d.	4s. 2½d.	4s. 0¼.	—
Italy	Sight	73fr. 37c.	71fr. 00c.	70fr. 95c.	25fr. 22½c
Lisbon	do.	11½d.	13d.	12½d.	53½d.
Madrid	do.	1s. 10⅞d.	1s. 10¾d.	1s. 11¾d.	2s.*
Montevideo	Transfers	57⅛	57⅛	55¼	51⅛
Montreal	Cable	$4 09	$4 09½	$4 23½	$4 86⅜
New York	Sight	$3 67	$3 61¾	$3 76	—
—	60 days	$3 63	$3 57	$3 72	—
—	Cable	$3 68	$3 63½	$3 77½	$4 86⅜
Paris	Cheques	50f. 30c	50f. 15c.	49f. 10c.	25f. 22½c
Rio de Janeiro	90 days	13⅞d.	14⅛d.	13⅞d.	18d.
Shanghai	Transfers	5s. 10d.	5s. 9⅛d.	5s. 8⅛d.	—
Singapore	Sight	2s. 3⅛d.	2s. 3⅛d.	2s. 3⅛d.	—
Stockholm	do.	17kr. 64	17kr. 57	17kr. 67	18.159⅜
Switzerland	do.	21f. 88c.	21f. 83c.	22f. 43c.	25f. 22½c.
Valparaiso	90 days	11d.	12d.	11d.	18d.
Yokohama	Sight	2s. 9½d.	2s. 9½d.	2s. 8¾d.	24.58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Rate Current* Aug. 13, '20	Aug. 6, '20	Par as usually Quoted	Rate July 3, '20
Amsterdam, sight ...	33 55c.	33 10c.	40 20c. for 1 guilder	40.25c.
Bombay, cheques ...	35 25c.	35 75c.	48 66c. for 1 rupee	33.00 .
Buenos Aires, cheques ...	115 25	114 25	—	—
Christiania, cheques ...	15 30c.	15 30c.	26 80c. for 1 krone	—
Copenhagen, cheques ...	15 40c.	15 45c.	26 80c. for 1 krone	26.85c.
Greece, cheques ...	11 90c.	11 85c.	19 295c. for 1 drachma	—
Hongkong, cheques ...	76 50c.	76 50c.	74 59c. for Mex. $1	48 4c.
Italy, sight ...	19 80l.	19 70l.	5 131 lire for $1	5.17 .
Lima, cheques ...	4 99l.	4 99l.	4 8855 $ for 1 libra	—
Manila, cheques...	46 10c.	46 10c.	50c. for 1 peso	49 9c.
Montreal ...	11 50dis.	11 50 dis.	Premium per $100	Par
Paris, sight ...	13 63fr.	13 62fr.	5 181 francs for $1	5.18fr
Perry rad, sight ...	—	—	51 46c. for 1 rouble	51.37c.
Rio de Janeiro, cheques	4 93mil.	4 85mil.	3 082 milreis for $1	—
Shanghai, cheques ...	108 50c.	107 50c.	52 96c. for 1 tael	83 00c
Singapore, cheques ...	51c.	51 0c.	56 77c. for $1	57 12c.
Spain, cheques ...	15 17c.	14 95c.	19 33c for 1 peseta	—
Stockholm, cheques ...	20 80c.	20 50c.	26 80c. for 1 krone	—
Switzerland, cheques ...	5 96fr.	6 02fr.	5 181 francs for $1	5.18fr
Valparaiso, cheques ...	19 00c.	19 00c.	20 61c. for 1 peso	—
Yokohama, cheques ...	51 00c.	51 0c.	49 84c. for 1 yen	49 9c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Aggr.	Inc. or Dec.*
	1920			[In £'s sterling 000's omitted.]	
BIRMINGHAM	" 7	£4,147	+ £2,309	£120 347	+ £35 851 + 42·4
BRISTOL	" 7	1,519	+ 416	56 272	+ 13 435 + 28
DUBLIN	" 7	8,112	+ 1,220	275 866	+ 51 900 + 23·2
LEEDS	" 7	1,334	+ 372	57 499	+ 18 [illegible] + 48·3
MANCHESTER	" 7	9,431	+ 1,319	342 147	+ 71 [illegible] + 45·1
LIVERPOOL	" 7	12,825	+ 588	531 688	+ 166 295 + 45·5
MANCHESTER	" 7	28,330	+ 11,913	992 235	+ 332 824 + 102·7
NEWCASTLE	" 7	3,193	+ 1,278	99 441	+ 34 335 + 52·7
NOTTINGHAM	" 7	964	+ 218	37 123	+ 10 [illegible] + 75·5
SHEFFIELD	" 7	2,594	+ 1,520	53 894	+ 15 038 + 39·3
LONDON—	1920.				
TOWN	Aug. 11	582,993	+ 102,554	20,620,961	+ 7 [illegible] + 60·3
METROPOLITAN	" 11	60,853	+ 6,384	1,941,196	+ [illegible] + 43·5
COUNTRY	" 11	91,432	+ 22,800	3,566,4	+ [illegible] + 28·6
TOTAL	" 11	715,278	+ 130,938	24,538,547	+ 8,584,685 + 53·8

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Anderson & Co., Ltd.

HOMEWARDS.	1920	1920	1913	Homewards.	1920	1920	1913
	Aug. 13	Aug. 6	Aug. 15		Aug. 13	Aug. 6	Aug. 15
Alex. to U.K.	27 6	—	—	U.S.Atl.ports to U.K.	—	—	2 5
Aust. to U.K.	130 0	31 0	—	U.S. to U.K. (gr.)	11 0	11 3	2 9
[illegible] to U.K.	18/6	17 0	—	Gulf Ports to U.K. (nom.)	—	—	—
Bombay to p.p.	82/6d.	70/0d.	25/6	[illegible] grain)	16	17 6	—
Burmah to U.K.	—	—	26 3	OUTWARDS—			
Calcut.to p.p.(nom.)	—	d.w 25 0	—	Port Said ...	30 0	35 0	8 6
Danube to U.K.	65 0	60 0	12 0	River Plate ...	—	27 6	19 0
R. Plate to U.K.	84 3	85 0	19 6	St. Vincent ...	22 6	25 0	9 9

* Per ton.

Rice Charter, 14 0 (approx.).

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	AUC. 13, 1920.	AUC. 15, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	223/6	166/0	57/0
— Middlesbro' warrants ...ton	217/6	160/0	61/0
— Hematite warrants ...ton	262/6	200/0	61/0
— Staffordshire bars, London ton	£33 10	£22 10—£23	£8 10
— Common bars ...ton	£30	£22 10—£23	£8 16
Steel Rails ...ton	£25	£16	£6 2/6
Galvanised Sheets ...ton	£50—£52	£29	£16 17/1
Copper—Standard ...ton	£94 10	£98 10	£66
Tin—English ...ton	£274	£268—£269	£142 15/6
— Straits ...ton	£285–£290 nom	£272 10–£273 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	60/0	35/0—36/0	11/10½—12/0
Lead—Soft Foreign ...ton	£35 5—£35 15	£25—£25 2/6	£19
Spelter—Ord. Foreign ...ton	£41 10—£43	£39—£40 10	£21 7/9
Quicksilver (75lb.) ...bottle	£21—£21 10	£22—£23	£7
Aluminium ...ton	£155 home	£150	£82
Antimony—Regulus Foreign ...ton	£74	£41—£42	£27 10
— English ...ton	£68—£60	£42	—
Coal—(best) Yorkshire ...ton	37/2—38/2	28/6—30/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	46/0—51/0	14/6

CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, perquinine ...ton	15/10	9/6	7/4
Soda—Crystals ex wharf ...ton	110/0	128/0—130/0	42/6—45/0
Copra—Malay and Straits ...ton	£64 15	£59 10	£23 15–£24 7/6
Gambier—Good marks ...cwt.	45/0	55/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£80	£113—£116	£25 5
Linseed—Calcutta, spot ...ton	£38	£55	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£20 10—£21	£19	£7 17/6–£8
Olive Oil—Spanish ...ton	nom		£49 10
Palm Oil—Lagos ...ton	£66 10	£91 10	£31 10
Petroleum—American ...gallon	2/1½	1/5½	7½d.
Rape Oil—Refined English ...ton	£80	£121	£32
Soya Oil—Refined ...ton	£90	£90	£24 10
Tallow—Imported ...cwt.	75/0—80/0	105/0—115/0	29/3—33/3
Turpentine—American ...cwt.	166/0	125/0	33/7½
Rape Seed—Toria ...ton	£32	£49	£13 5
Rubber—Para, spot ...lb.	1/9½	2/5½	2/9½
— Fine plantation (hard crepe) lb.	2/0½	1/11½	2/9
— World's Production* ...May tons	33,950	30,695	8,467
Shellac—T.N. Orange, fair ...cwt.	675/0	465/0	63/0—64/0

TEXTILES.			
Cotton—Middling Upland ...lb.	29 68d.	19 13d.	7 53d.
— Egyptian, good fair ...lb.	56 00d.	30 25d.	8 75d.
— Pernambuco fair ...lb.	28 83d.	21 93d.	7 73d.
— Midland Upl. New York ...lb.	39 00d.	31 00d.	13 95d.
— Stock, Liverpool (Aug. 6) bale	960,760	768,820	934,000
Flax—Petrograd, Yaropol ...ton	—	nom	£28
Hemp—New Zealand ...ton	£54	£50	£25 10
— Manila, Fair ...ton	£67	£60 10	£26 10
Jute—First Marks ...ton	£51	£72	£26 15
— Red SCC ...ton	£39 10	—	£24 15
Silk—Blue Elephant ...lb.	31/0	28/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	3/11	3/2	11½d.—1/0
— Lincoln Half Hose ...lb.	1/6½	2/0½	1/0½
Hides—Eng. Ox, best, 70 lb. up lb.	1/3d	—	7½d.
Leather—Dressing Hides ...lb.	3/0—3/6	3/0—3/6	1/4—1/8

VEGETABLE FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	29,449 000	45,384,000	34,840,000
— Red, price, N.Y. 60lb. ...bushel	288½c.	237½c.	67½c.
—English Gazette, aver. 480lb. qr.	85/10	73/4	34/3
Flour—C.R. ...280lb.	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	85/3	73/8	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	63/2	55/6	20/0
Maize—N.Y. (new bushel) ...56lb.	—	218½c.	78½c.
— Amer. mixed, Liverpool ...480lb.	nom.	63/9	32/4
— La Plata ...480lb. qr.	66/0	63/6	25/9
Potatoes—Good English ...ton	§180/0	175/0	70/0—75/0
Rice—Bassein ...cwt.	48/6	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0—40/0	56/0	14/0—17/8
Hay—best ...2,018lb. load	—	—	82/6
Hops—English ...cwt.	—	—	£8 5—£7

PROVISIONS, &c.			
Beef—Argen., chilled hndqrs...8lb.	6/8	6/0—6/6	3/8—3/10
— Scotch sides ...8lb.	11/4	8/6	4/6—5/0
— English ...8lb.	11/4	8/6	4/2—4/5
Mutton—Scotch wethers...8lb.	13/8	9/0	5/8—6/0
— English wethers ...8lb.	13/8	9/0	4/6—5/4
— New Zealand frozen ...8lb.	4/0—8/0	8/0	2/4—3/2
Pork—English and Irish ...8lb.	15/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†280/0	190/6	80/0—74/0
— Danish ...cwt.	†204/0	—	58/0—68/0
— Canadian, ex Port ...cwt.	†200/0	204/0	—
— American ex Port ...cwt.	†180/8—187/0	190/0—194/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†216/0	192/0—196/0	75/0—79/0
— short cut, ex Port ...cwt.	†216/0	190/0—192/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†178/6	189/0—192/0	51/0—52/9
Butter—Danish ...cwt.	†266/0	—	117/0—120/0
— French ...cwt.	†266/0	Controlled	96/0—108/0
— Australian ...cwt.	†266/0	252/0	98/0—110/0
— New Zealand ...cwt.	†266/0	—	108/0—114/0
Cheese—Canadian ...cwt.	†162/0—166/0	Controlled	66/0—68/0
— United States ...cwt.	—	148.0	—
— Dutch ...cwt.	†94/0—168/0	—	53/0—64/0

SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to July 31 ...cwt.	18,117,242	20,109,795	19,777,254
— Home consump'n to July 31 cwt.	14,330,229	17,822,141	17,272,000
— In Bond July 31 ...cwt.	10,392,000	8,148,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	95/0	36/0	10/3
— — Yellow crystals ...cwt.	112/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	116/0	64/9	18/0
Coffee—Imports to July 31 ...cwt.	523,444	822,078	720,380
— Home consmpt'n to July 31 cwt.	674,118	783,739	441,410
— Exports to July 31 ...cwt.	295,100	261,536	340,250
— In Bond July 31 ...cwt.	772,000	989,000	484,000
— Price, Costa Rica gd. to fine cwt.	138/0—169/0	145/0—155/0	80/0—93/0
— Brazil (Santos) Good ...cwt.	80/0—95/0nom.	65/9	41/6
Tea—Imports to July 31 ...lb.	251,026,769	266,636,936	123,230,277
— Home consump'n to July 31 lb.	216,942,382	224,183,566	155,447,972
— Exports to July 31 ...lb.	25,096,950	15,640,000	26,561,765
— In Bond July 31 ...lb.	220,172,000	143,729,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	6½d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	6d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond July 31 ...cwt.	1,526,000	1,405,000	309,000
— Grenada, good to fine ...cwt.	65/0-100/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory. § New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	June	$16,481,000	+2,903,000	$4,651,000	+$360,000
	6 *mos. to* June	92,058,000	+15,326,000	11,625,000	+768,000
Grand Trunk ...	June	£1,365,500	+ £348,800	£102,500	+ £40,200
	6 *mos. to* June	6,878,100	+ 798,800	15,100	+ 301,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	June 19	1,044	B2,02,700	+ 24,549	12	22,44,287	+ 1,05,783
Barsi Light ...	July 3	118	67,500	+ 12,500	13	4,67,300	+ 44 800
Bengal & N.W.	July 3	2,067	4,60,400	+ 17,239	13	66,10,983	+ 6,91,789
Beng. Dooars	July 3	159	29,842	— 2,920	13	3,54,796	+ 226
Beng. Nagpur	July 3	2,695	12,53,000	— 1,62,000	13	1,73,84,165	+ 4,85,165
Bomb. Baroda	July 31	2,871	16,28,000	— 80,000	18	3,30,64,000	+ 6 15,000
Burma ...	July 3	1,342	4,82,687	— 41,340	13	75,30,634	— 19,030
Del.Um. Kalk.	July 31	239	97,100	+ 1,094	18	16,48,198	— 9,019
East Indian ..	Aug. 7	2,772	29,43,000	+ 4,68,000	18	5,22,14,000	+ 27,61,000
Gt. Indian Pen	July 31	3,1211	23,97,400	+ 2,65,300	18	4,57,40,586	+ 6,39,812
Madras & S.M.	July 10	3,152	12,25,000	— 89,720	14	1,79,24,868	— 3,85,134
Nizam's Guar.	July 10	900	2,55,311	— 67,511	14	46,14,784	+ 45,906
Sou. & Mahratta	July 3	576	1,16,599	+ 8,245	13	16,86,370	+ 1,38,009
South Indian	July 3	1,8524	8,44,105	+ 38,056	13	1,08,19,359	+ 3,61,743
South Punjab	Mar.	716	7,53,200	+ 41,772	6m	46,58,803	— 1,72,473

COLONIAL							
Can. Northern	July 31	9,704	$1,613,800	+ 35,300	30	51,779,923	+ 5,141,574
Can. Pacific ...	Aug. 7	13,388	3,566,000	+ 514,000	31	112,889,000	+ 18,004,000
Grand Trunk	Aug. 7	3,816	£357,132	+ 71,007	31	8,786,171	+ 1,194,363
Mashonaland	May	810	90,183	+ 26,460	8m	571,467	+ 157,491
Mid. W. Aust.	May	277	9,614	+ 1,812	11m	119,767	+ 17,024
NewCapeCent.	July 17	205	2,805	+ 709	29	89,274	+ 15 243
Rhodesia Rlys.		1,397	130,107	+ 30,553	8m	—	—
Temiscouata...	June	—	$35,389	+ 6,147	6m	187,427	+ 11,302
W. Pass.&Yuk	Dec.	122	1,568,626	+ 124,546	12m	1,568,626	+ 124,546

FOREIGN.							
Argentine.							
Arg. N. East...	July 31	752	£ 14,500	+ 3,200	4	54,300	+ 6,400
Arg. Transand	Aug. 7	111	£ 1,430	+ 450	6	7,680	+ 5,274
B. A. & Pacific	Aug. 7	3,536	£ 143,000	— 3,000	5	661,000	+ 9,000
B.A.Gt. South	July 31	3,792	£ 138,000	— 11,000	4	69,000	— 46,000
Do.	Aug. 7	Net	£ 4,000	— 30,000	4	415,000	— 78,000
B. A. Western	Aug. 7	1,882	£ 68,000	— 22,000	6	83,000	— 46,000
Do.	Aug. 7	Net	£ 10,000	— 14,000	6	587,238	+ 91,374
B. A. Central	June	190	£ 55,767	+ 6,792	12m	1,139,000	— 346,200
Cent. Argent.	Aug. 7	3,305	£ 200,000	+ 49,70	5	3,111,100	+ 2,065,700
Do.	June 26	Net	£ 72,000	+ 33,900	52	352,250	+ 28,850
Cord. Central	Aug. 7	1,205	£ 65,100	+ 4,800	6	97,700	— 2,800
Entre Rios ...	July 31	811	£ 21,800	— 400	4	—	—
Brazilian.							
BrazilGt.South	May	110	M 48,500	— 10,300	5m	252,500	+ 5,780
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Sul. W. Brazil	Aug. 7	1,010	£ 14,500	— 3,800	32	705,200	— 104,500
Leopoldina ...	July 31	1,831	£ 53,918	+ 6,854	5	1,637,443	+ 530,471
Mogyana ...	Dec.	1,180	M 1,561,000	— 956,490	12m	22,287,000	+ 2,474,551
Paulista ...	Dec.	768	M 2,850,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo ...	Aug. 8	153¼	£ 4,774	— 1,490	31	1,428,188	+ 383,469
Sorocabana ...	Dec.	1,003	M 1,749,000	+ 246,168	12m	21,953,000	+ 976,692
S.of BahiaS.W	July	52	M 130,000	+ 18,000	7m	601,000	+ 89,000
Chilean and Peruvian.							
Antofagasta...	Aug. 1	838	£ 48,650	+ 25,635	31	1,393,645	+ 612,740
Arauco ...	June	844	£ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate(2wks.)	July 31	390	£ 44,580	+ 30,473	29	583,378	+ 310,639
Peruvian Corp.	June	1,140	S 1,210,650	+ 99,550	12m	14,485,534	+ 2,168,363
Taltal ...	July	180	£ 11,750	+ 1,312	1m	—	—
Cuban.							
Cuban Central	July 24	382	£ 21,827	+ 3,871	3	81,483	+ 14,786
Havana Cent.	July 31	70	£ 12,459	+ 2,617	4	58,128	+ 11,390
U. of Havana	Aug. 7	681	£ 66,193	+ 8,807	5	373,220	+ 60,140
W. of Havana	Aug. 7	155	£ 11,828	+ 1,849	5	68,009	+ 15,689
Uruguayan.							
Cent. Uruguay	July 31	273	£ 17,894	— 2,611	4	84,092	— 13,045
,, (E. Ext.)	July 31	311	£ 4,759	+ 377	4	21,822	— 930
,, (N. Ext.)	July 31	185	£ 2,563	— 803	4	13,178	— 3,090
,, (W.Ext.)	July 31	211	£ 2,292	— 16	4	9,597	— 946
Mid. Uruguay	June	319	£ 18,511	+ 173	12m	242,254	+ 29,356
N.W. Uruguay	June	113	$ 5,957	— 557	1m	—	—
Urug. North.	June	73	£ 2,128	+ 244	12m	28,295	+ 3,589
Miscellaneous							
Alcoy & Gandia	July 31	33	Ps. 16,400	+ 8,400	31	411,300	+ 89,900
Bilbao ...	July	15	£ 3,759	— 1,161	7m	24,476	+ 5,993
Bolivar ...	July	138	£ 9,536	+ 369	7m	77,973	— 8,162
Colomb. Natnl.	June	88	£ 21,540	+ 5,380	6m	108,150	+ 33,870
Costa Rica ...	May	189	£ 34,075	+ 10,389	11m	294,134	+ 47,373
Dorada Ext...	July	70	£ 19,500	+ 3,500	7m	118,178	+ 45,078
Egyptian Delta	July 20	559½	£ 13,112	+ 4,114	15	138,326	+ 74,149
Gt. S. of Spain	July 31	104	Ps. 73,300	+ 52,933	31	2,646,857	+ 919,632
La Guaira&Ca.	June	22¾	£ 13,240	+ 5,180	6m	85,070	+ 34,970
Ottoman Ry...	July 24	379	£ 7,799	—	—	—	—
Paraguay Cent.	July 31	274	£ 5,090	— 150	5	22,390	— 2,640
Rosario Tabello	July	34	£ 5,500	+ 2,000	7m	38,750	+ 5,826
Salvador ...	Aug. 7	100	£ 2,839	— 173	6	18 326	— 1,357
Santa Fe Prov.							
French Rys.	June	1,181	£ 161,128	+ 4,267	6m	979,440	+ 2,100
S'n'na&S'ti'go	June	80	£ 18,890	+ 4,936	6m	91,333	+ 27,629
Zafra & Huelva	June	112	£ 12,190	+ 4,647	6m	73,430	+ 14,978

TRAMS.							
Anglo-Argent.	Aug. 5	400	£ 78,114	+ 11,789	31	2,321,786	+ 599,467
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,083
Bombay Elec.	May	39	R. 8,40,311	+ 77,980	5m	39,77,054	+ 5,50,853
Brazilian Trac.		378½	M10,874000	+ 1,506,000	6m	61,040,000	+ 7,077,000
Brisbane Elec.	June	40½	£ 44,340	+ 8,130	6m	267,840	+ 47,085
Brit. Columbia	May	334	$ 730,004	+ 91,157	11m	8,026,922	+ 1,375,968
B. A. Lacroze	July	51	£ 51,508	+ 6,826	1m	—	—
Calcutta ...	Aug. 7	36½	R 90,014	+ 1,841	32	28,61,478	+ 2,38 699
Cape Electric	May	42¼	£ 30,580	+ 2,010	5m	309,204	+ 34,720
Carth. & Herr.	July	9	£ 4,164	— 19	7m	32,770	+ 11,796
Chatham&Dist	July 29	15	£ 1,876	+ 80	30	48,783	+ 5,358
Havana Elect.	May	86	$ 946,301	+ 205,997	5m	4,587,376	+ 1,010,561
Isle of Thanet	July 28	20¼	£ 2,500	+ 393	43	39,034	+ 10,378
Kalgoorlie ...	Apr.	20½	£ 3,384	+ 339	4m	11,638	— 1,324
Lanarkshire ...	July 29	28½	£ 3,861	+ 80	30	125,044	+ 19,752
Lima Light ...	May	85	£ 54,989	+ 11,995	5m	287,339	+ 52,158
London C.C. ...	Aug. 11	141½	£ 84,461	+ 3,427	18	1,810,536	+ 67,402
Madras (2wks.)	July 31	16½	Rs. 53,467	+ 4,720	28	681,993	+ 128,483
Manila Electric	June	55	$ 287,169	+ 106,455	6m	1,941,994	+ 395,188
Pernambuco...	Aug. 8	59	£ 9,127	+ 381	31	223,983	+ 56,929
Provincial ...	July 31	21½	£ 4,384	+ 28	44	139,559	+ 14,376
Rangoon Elec.	June	25	£ 7,949	+ 1,573	6m	47,471	+ 8,845
Shanghai Elec.	July	21£m	x $153,200	+ 22,200	7m	1,018,454	+ 158,534
SingaporeElec.	June 19	26½	$ 23,082	+ 7,654	23	559,459	+ 173,287
U.of Montevid.	July	80½	£ 39,647	+ 5,508	9m	388,935	+ 52,893

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HEAD OFFICE :
Continental Guaranty Building,
248 Madison Avenue,
New York.

The Statist.

LONDON, SATURDAY, AUGUST 14, 1920.

THE BANKING HALF-YEAR.

THE last half-year, though one of considerable anxiety for bankers, bears the first fruits of an endeavour to return to more normal financial conditions. The Government set the example by restricting in December last the maximum fiduciary issue of currency notes to £320,600,000, thereby making a tentative approach to the difficult and thankless task of reducing inflation. The Bank rate, which had been increased from five per cent. to six per cent. on November 6, was raised an additional one per cent. on April 15 as a check to gambling in securities and commodities. Inadequate purchases by banking and financial houses of Treasury bills furnished an additional reason for the April increase, and, in fact, prior to the advance the discount rate was raised from five and a-half per cent. to six and a-half per cent. Despite the hopes entertained in many quarters, the rise in the Bank rate proved in itself insufficient to check speculation, and the banks, at Government behest, began to exercise more discretion than usual, not only as regards the standing of, and the security afforded by, applicants for loans, but also as to the object for which the loans were required. Hence arose the report that credit was being restricted, though the only discrimination exercised was against those whose needs were less urgent or less important from the point of view of the community. As can be seen from the table at the head of the next page, the total amount of "Bills Discounted and Advances" outstanding on June 30 amounted to £1,218,743,344, which was an increase of £355,832,949, or forty-one per cent. on the figure for June 1919. For the five leading London banks loans and advances at the end of the [illegible] were £814,563,548, an increase of £[illegible] million on December 31, 1919. The December figure itself showed an increase of £[illegible] million on the June 30, 1919, and thus the rate of increase has slackened. Herein lies the foundation, but not the justification, of the complaint levelled against bankers as to withholding facilities. People are apt to forget the circumstances at present governing the monetary situation. The large Governmental borrowings incidental to the War and to post-War [illegible] widened the basis of credit by providing the joint-stock banks throughout the country with balances at the Bank of England. As the Government brought expenditure more and more into line with revenue the manufacture of credit gradually ceased. The reduction in Ways and Means Advances and other forms of Government borrowings meant ultimately a falling away in that important item "Cash in Hand and at Bank of England," which is closely watched by the careful banker. In view of this change credit could no longer be manufactured in the same rapidly increasing volume as before, and hence resulted the slackening in the rate of increase above noted. This is in itself a step towards sounder monetary conditions, though the Money market is still under the shadow of the floating debt with its recurrent need of renewals. It will continue, indeed, to be in large measure under Government control whilst the floating debt remains unfunded.

The rise in the price of money during the half-year was not, as many supposed, due to the mere capricious raising of the Bank rate. The demand for the commodity was outrunning the supply, and these simple and familiar factors had the natural effect of enhancing price. The increasingly attractive terms offered by industrial and other issues diverted money into those channels and compelled the Chancellor to raise the rate for Treasury bills to secure a continuance of their sales. He was more or less driven to this course as appeals for capital fell thick and fast upon the public and very substantial inducements were held out to subscribers. In the first six months the aggregate of new issues was nearly 250 millions sterling, or more than the pre-War total for any single year. The sum so raised in 1913 and 1912, according to the returns already published in THE STATIST, were £245,905,588 and £211,366,980, respectively. Immediately after the Treasury bill rate was put up the Bank rate was advanced.

Despite the necessity, in the circumstances, of an increase in the Bank rate, the measure partook, though to a very slight extent, of a precautionary nature. Fears were entertained that, in view of the monetary stringency throughout the world and of the higher rates ruling for money in foreign countries, especially in the United States, funds might be obtained in the English market, lent secretly upon lucrative terms abroad, or otherwise utilised in England for promoting industrial and other enterprises for alien interests. How far operations of this kind were checked by the November and April advances in the Bank rate it is impossible to say, but probably more money became available for our own use at home. In some degree, however, certain sources of support were withdrawn, especially as the abolition of preferential rates paid by the Bank of England on foreign balances in October last reduced the total funds available in the London market.

The fixing of the fiduciary maximum and the April rise in the Bank rate did not prevent an expansion in currency notes. The total of notes and certificates outstanding fell from £[illegible] on the week ended January 7 to the [illegible] week of £[illegible] on February 25. During March they varied, but on the whole increased, and after April they commenced to mount rapidly, rising from £343,054,528 in the first week of May to £[illegible] in the last week of June. On the half-year the aggregate increase

Analysis of Liabilities of 20 Banks of the United Kingdom, June 30, 1920.

No.	Date of Balance Sheet. 1920	Paid-up Capital £	Reserve £	Paid-up Capital & Reserve £	% *	Notes in Circulation £	% *	Acceptances £	% *	Current, Deposit and other Accounts. £	% *	Profit Balance(a) £	% *	Total Liabilities and Assets £	No.
1 Bank of Ireland	June 30	2,769,231	970,000	3,739,231	8.0	11,373,716	24.4	-	—	31,424,962	67.3	157,210	0.3	46,695,149	1
2 Barclays	June 30	15,355,902	8,000,000	23,355,402	6.7		—	13,531,057	3.8	314,240,722	89.5	—	—	351,126,781	2
3 Child & Co. ...	July 7	500,000	73,098	573,098	13.0		-	—	—	3,818,552	87.0	-	—	4,391,650	3
4 Coutts & Co. ...	June 30	800,000	700,000	1,500,000	6.4		—	629,787	2.7	21,178,813	90.9	-	-	23,308,600	4
5 Glyn, Mills, Currie & Co.	June 30	1,000,000	500,000	1,500,000	4.6			1,962,996	6.1	28,781,967	89.3	—	—	32,244,963	5
6 Hibernian. ...	June 30	500,000	170,000	670,000	5.2		-	—	—	12,107,684	94.6	30,158	0.2	12,807,842	6
7 Hoare (Odes.) & Co.	July 6	485,000	(b)	485,000	10.3		-	—	—	4,221,675	89.7	—	—	4,706,675	7
8 Lanes. and Yorks. ...	June 30	1,006,560	875,000	1,881,560	6.3	14,055	-	656,801	2.2	27,419,211	91.5	—	—	29,972,039	8
9 Lloyds	June 30	14,135,876	9,977,282	24,113,158	6.6		-	16,285,514	4.5	324,308,239	88.9	—	—	364,706,911	9
10 Lon. Co. West. & Parr's	June 30	8,503,718	8,750,000	17,253,718	4.8	16,455	—	17,623,546	4.9	322,646,306	90.3	—	—	357,540,025	10
11 Lon. Joint City & Mid.	June 30	10,810,112	10,810,112	21,620,224	5.3			21,670,652	5.3	367,667,322	89.4	—	—	411,018,198	11
12 Manchester & County ...	June 30	1,092,040	850,000	1,942,040	7.0	—	—	320,549	0.8	25,437,449	91.4	223,164	0.8	27,813,202	12
13 Manchester & Liverpool Dis.	June 30	1,886,000	1,550,000	3,446,000	5.3			1,409,969	2.2	59,615,560	92.5	—	-	64,471,529	13
14 Munster & Leinster ...	June 30	400,000	900,000	1,300,000	5.5	—	—	—	—	22,304,005	94.3	55,227	0.2	23,659,232	14
15 National.	June 30	1,500,000	980,000	2,480,000	5.5	4,088,133	9.2	540,524	1.2	37,260,817	83.7	161,238	0.4	44,530,712	15
16 Nat. Provincial & Union	June 30	7,806,864	7,239,041	15,045,905	5.4	—	—	5,682,829	2.1	256,328,248	92.5	—	—	277,056,982	16
17 Provincial of Ireland ...	June 30	540,000	435,000	975,000	5.3	2,106,456	11.3	—	—	15,475,848	83.2	42,355	0.2	18,599,699	17
18 Union of Manchester ...	June 30	750,000	625,000	1,375,000	5.0	—	—	2,649,962	9.6	23,463,281	85.2	63,439	0.2	27,551,682	18
19 Williams Deacon's ...	June 30	1,875,000	900,000	2,775,000	6.5	—	—	1,802,792	4.3	37,872,401	89.2	—	-	42,451,193	19
20 Yorkshire Penny ...	June 30	750,000	750,000	1,500,000	4.9	-	-	—	—	28,822,296	95.1	-	-	30,322,296	20
Total, 20 Banks ...		72,505,403	55,084,533	127,589,936	5.8	17,593,297	0.8	84,666,978	3.9	1,964,386,358	89.5	732,791	—	2,194,975,360	

* Per cent. of Total Liabilities. (a) Where shown separately. (b) Not shown separately.

was £9,360,061. The expansion was to a great extent legitimate, and not the result of mere inflation, since wage advances were frequent and substantial. Moreover, it must be recognised that there has been a silent, but none the less effective, revolution, which is altering fundamentally our currency position. The transfer of purchasing power from a class that had habitually used cheques to one that habitually uses notes and subsidiary coins must entail a permanent expansion in our note issue, and some means must be devised to protect that issue without weakening any of the vital buttresses of our financial system. The expansion in currency notes since April furnishes a clear case in point. In order to keep the issue below the permissible fiduciary maximum for the year, £302,600,000, Bank of England notes were being continually transferred to the Currency Redemption Account. In this fashion the Bank's reserve was depleted and the ratio fell from 9.2 per cent. in the last week of December 1919, which was in itself a low record, to 8.5 per cent. in the last week of June 1920, another low record. For the respective half-years the average weekly ratio of the reserve shows a fall from 17.56 per cent. to 17.11 per cent.

The phenomenon of a reduced ratio was not confined to the Bank of England, being equally observable though it arose from different reasons, in the other banks. On June 30, 1920, the proportion of cash reserves to total liabilities was 20.4 per cent. for twenty banks. On December 31, 1919, it was 21.8 per cent. for forty banks, and on June 30, 1919, 35.1 per cent. for twenty-two banks. From certain market indications towards the end of June it may be inferred that even the decreased reserve shown at the close of the month necessitated a hurried gathering in of funds and was, therefore, the result of somewhat elaborate window-dressing. In the following table cash ratios are set forth in respect of each of the three half-years for the five chief London banks, two large banks in the North of England and two Irish banks, Scottish banks being omitted as they publish no half-yearly returns:—

	Ratio of Cash Reserves to Total Liabilities as at		
	June 30, 1920 %	Dec. 31, 1919 %	June 30, 1919 %
Barclays	24·1	26·2	34·0
Lloyds	17·7	19·1	35·1
London County Westminster and Parr's	19·3	22·1	34·0
London Joint City and Midland ..	20·9	20·7	39·0
National Provincial and Union..	16·6	17·1	32·5
Combined ratio	20·0	21·2	35·2
Manchester and Liverpool District	18·9	19·5	28·2
Williams Deacon's	18·7	22·5	30·9
Combined ratio	18·8	20·5	29·3
Bank of Ireland	19·7	28·4	34·9
National	40·3(a)	45·6(a)	49·8(a)
Combined ratio ...	29·7(b)	36·7(b)	41·8(b)
Combined ratio of 3 groups ...	20·4(b)	21·8(b)	35·2(b)
General ratio of cash reserve ...	20·4 (20 Bks.)	21·8 (40 Bks.)	35·1 (22 Bks.)

(a) Inclusive of secured portion of amount of Treasury bills. (b) See note (a).

The figures for the "Big Five" dominate the general results, as may be seen by the close approximation of their ratios to those of the whole of the banks dealt with. The principal disimprovement, if it may be so termed, in the ratio took place in the December half-year, but the downward tendency was continued. The Northern banks show a lower ratio than the London, and the London than the Irish, but in the case of the last-named the inclusion of an unspecified amount of Treasury bills has the effect of invalidating the comparison. The decline in the last six months, though not so great as in the concluding half of 1919, is sufficiently serious to deserve consideration. In December last the special rate allowed by the Bank of England on Government account on the surplus deposits of the various banks was abolished, and this led to a widespread withdrawal of money and its devotion to other purposes. It was the utilisation of this money that made it possible for the banks to extend their loans and advances in a degree altogether out of proportion to the increase in their lending resources as measured by the rise in banking deposits. For the twenty banks included in the large table "Bills Discounted and Advances" increased between June 1919 and June 1920 by forty-one per cent., from £862,910,395 to £1,218,743,344, whereas between the same dates the deposits increased by only 6.5 per cent., from £1,844,772,553 to £1,965,119,149. A reduction in the amount of "Bills of Exchange" is noticeable in the leading banks, as compared with December 31 last, and the decrease, though due to a variety of reasons, is to some extent caused by the smaller holdings of Treasury bills, since the Chancellor's pressure to take up Government paper has been considerably relaxed, and other more profitable avenues for the employment of funds outside Government purposes have been gradually opened up. The banks employ a large portion of their resources in giving overdrafts at one per cent. above Bank rate, and though the security may not be so unimpeachable and the currency of the debt is usually longer, a difference of one and a-half per cent. in the rate of interest, as compared with Treasury bills, has a material effect on profits, and on this account appeals forcibly to the banker. The seven per cent. Bank rate since its inception in April to the end of the half-year was throughout practically effective, and as a result bankers could easily place their funds at eight per cent. Even at this high rate applications were in excess of the available supply of money, but the increase in advances above shown indicates that bankers performed yeoman service in meeting the needs of trade. Trade demands were necessarily great, as the system of production for home and Government use which was a feature of the War was gradually metamorphosed into a system of production largely for export. For this banking assistance was required on an extensive scale, as the financing of overseas business usually entails longer and greater

Analysis of Assets of 20 Banks of the United Kingdom, June 30, 1920.

No.	Cash in Hand and at Bank of England	Money at Call and at Short Notice (a)	Total Cash in Hand and Money at Call, etc. Amount	%	Investments Amount	%	Bills Discounted (a)	Advances	Total Amount	%	Liabilities of Customers for Acceptances Amount	%	Bank Premises Amount	%
	£	£	£		£		£	£	£		£		£	
1	8,385,145	818,959	9,204,104	19·7	18,727,794	40·1	—	18,528,288	18,528,288	39·3	—	—	454,695	0·9
2	63,457,344	21,136,788	84,594,132	24·1	65,163,306(b)	18·1	31,590,961	155,988,423	187,579,384	52·8	13,531,057	3·8	4,162,473	1·2
3	646,296	700,000	1,346,296	30·7	1,820,719†	41·4	—	1,146,455	1,146,455	26·0	—	—	84,260	1·9
4	3,423,958	3,339,222	6,763,180	29·0	4,852,626	20·8	—	10,717,713†	10,717,713	46·0	629,787	2·7	340,300	1·5
5	5,510,607	5,418,150	10,928,757	33·9	7,544,425	23·4	—	11,438,283	11,438,283	35·5	1,992,996	6·1	370,000	1·1
6	1,828,159	—	1,828,159	14·3	5,945,512	46·4	—	4,886,252	4,886,252	38·2	—	—	144,619	1·1
7	751,158	300,000	1,051,158	22·4	1,318,627	28·0	—	2,327,000	2,327,000	47·5	—	—	100,000	2·1
8	4,517,841	—	4,517,841	15·1	6,305,581	21·0	3,113,174	15,999,000	19,112,174	60·4	656,801	2·2	380,000	1·3
9	54,557,955	10,016,015	64,573,970	17·7	71,687,300(c)	20·5	10,716,941	194,000,000	204,716,941	56·2	16,285,514	4·5	4,048,424	1·1
10	50,333,344	20,267,656	70,601,000	19·8	57,741,000	16·4	5,000,000	224,000,000	229,000,000	58·0	17,623,346	4·9	3,550,000	0·9
11	63,328,580	22,001,270	85,329,850	20·9	70,328,252(c)	17·1	32,181,578	197,044,143	229,225,721	55·8	21,670,652	5·3	3,863,744	0·9
12	4,216,603	—	4,216,603	15·1	4,749,579	17·1	2,000,000	16,000,000	18,000,000	65·9	200,000	0·8	300,000	1·1
13	7,318,374	4,872,850	12,191,224	18·9	8,598,606	13·3	4,945,347	36,826,383	41,771,730	64·8	1,109,969	2·2	500,000	0·8
14	1,871,598	800,000	2,671,598	11·3	7,535,140	31·8	1,500,000	8,000,000	9,500,000	56·5	—	—	50,000	0·4
15	5,532,170	12,411,183†	17,943,353	40·3	6,544,727	14·7	3,725,365	15,342,615	19,067,980	42·8	540,524	1·2	434,128	1·0
16	36,241,311	9,877,913	46,119,224	16·6	54,439,582	19·6	32,044,506†	135,882,889	167,927,395	60·6	5,682,829	2·1	2,907,812	1·1
17	1,804,935	1,335,000	3,139,935	17·0	5,833,741	31·4	—	9,135,631	9,135,631	50·8	—	—	140,772	0·8
18	2,605,399	—	2,605,399	9·5	3,505,148	12·7	1,022,364	17,368,809	18,391,173	66·7	2,649,962	9·6	400,000	1·5
19	6,392,959	1,553,314	7,946,273	18·7	6,477,808	15·3	2,354,559	23,336,002	25,690,561	60·5	1,802,792	4·3	533,759	1·2
20	10,341,657	—	10,341,657	34·1	8,663,953	28·6	1,850,000	19,250,000	21,100,000	35·8	—	—	452,634	1·5
	333,099,893	115,448,327	448,548,220	20·4	420,031,707	19·1	220,425,617	998,317,727	1,218,743,344	55·5	84,666,978	3·9	22,985,111	1·1

* Not one of the banks. † Including Treasury bills. (a) Where shown separately. (b) Including investments. (c) Including Treasury bills and other bills discounted.

Messrs. Glyn, Mills and Co.'s figures are those of their London house. Messrs. Barclay and Co., Ltd., and Messrs. Lloyds Bank, Ltd., figures are those of their London and Provincial offices. Messrs. Coutts and Co. figures are those of their London house. The figures of the National Provincial Bank, Ltd., National Bank of Scotland, Ltd., and Union of London and Smiths Bank, Ltd., are those of their London and Provincial offices. The figures of the London Joint City and Midland Bank, Ltd., are those of its London and Provincial offices and branches in Ireland. The figures of the Bank of Scotland, the British Linen Bank, the Commercial Bank of Scotland, Ltd., the National Bank of Scotland, Ltd., the North of Scotland Bank, Ltd., the Royal Bank of Scotland, Ltd., and the Union Bank of Scotland, Ltd., are those of their Scottish offices and branches. The figures of the Belfast Banking Co., Ltd., the Northern Banking Co., Ltd., and the Ulster Bank, Ltd., are those of their Irish offices and branches.

credits than the financing of home trade. The increased [illegible] and primary commodities also called for more ample accommodation from the banks; but now that the wheels of commerce have again been set in motion the payments already to hand for our rapidly expanding exports should help to finance further export and import business without the necessity of heavy calls upon the bankers. During the first six months of the current year the total value of our trade was £1,806,692,616, as compared with £1,106,977,853 in the same period of 1919, an increase of 63.2 per cent. The latter figure, corresponding with the increase of forty-one per cent. in bills discounted and advances, bears witness to the fact that the rapid expansion of our trade was made possible by the whole-hearted co-operation of the bankers.

Their laudable mission of trade encouragement has not, however, been accomplished without some sacrifice by bankers. The liquidity of their position has certainly not improved, as is shown by the table setting forth the cash ratios. What opportunity have they now of improving it? The question is one to be answered by themselves, but two obvious means of increasing cash are by calling up additional capital and by the liquidation of investments. The figures for capital and for investments for June this year and last are shown, inter alia, in the following tables:—

Position of 20 Banks of the United Kingdom at June 30, 1920, in contrast with June 30, 1919.

LIABILITIES.	June 30, 1920 Amount	% of Total	June 30, 1919 Amount	% of Total	Increase or Decrease on Year
	£		£		£
Capital paid up ...	72,505,403	3.3	56,233,437	2.8	+ 16,271,966
Reserve funds ...	55,084,533	2.5	48,021,001	2.4	+ 7,063,532
Total	127,589,936	5.8	104,254,408	5.2	+ 23,335,528
Notes in circulation	17,599,297	0.8	20,926,653	1.0	— 3,327,356
Acceptances ...	84,666,978	3.9	60,763,822	3.0	+ 23,903,156
Deposits, &c. ...	1,965,119,149	89.5	1,844,772,850	90.8	+120,346,299
Total liabilities	2,194,975,360	100.0	2,030,683,162	100.0	+ 164,292,198
ASSETS.					
Cash in hand, &c.	333,099,893	15.2	374,262,346	18.5	— 41,162,453
Money at call, &c. (a)	115,448,327	5.2	337,702,162	16.6	—222,253,835
Total	448,548,220	20.4	712,064,508	35.1	—263,516,288
Investments ...	420,031,707	19.1	373,450,172	18.3	+ 46,581,535
Bills discounted (a)	220,425,617	10.0	222,164,521	10.9	— 1,738,904
Advances	998,317,727	45.5	640,746,874	31.6	+ 357,571,853
Total bills & adv.	1,218,743,344	55.5	862,910,395	42.5	+ 355,832,949
Customs.' liab. for acceptances ...	84,666,978	3.9	60,729,548	3.0	+ 23,937,430
Bank premises, &c.	22,985,111	1.1	21,528,539	1.1	+ 1,456,572
Total Assets ...	2,194,975,360	100.0	2,030,683,162	100.0	+164,292,198

(a) Where shown separately.

As compared with June 30, 1919, the paid-up capital of twenty banks at £72,505,403 has risen by £16,271,996. Though the increase is material, it involves only an addition of .5 per cent. to the percentage which capital represents of total liabilities, this percentage being now but 3.3. The reduction in the uncalled liability of many shares further diminishes the margin of security for depositors, but it is probable that if the full calls had been made they would not in many cases have been met, and thus the diminution in security is, from the depositors' point of view, more apparent than real. On account of the magnitude of the liabilities the possibility, especially in the present condition of the Money market, of raising capital in sufficient amount to constitute an appreciable addition to cash holdings must be dismissed. The realisation of investments offers an alternative means of strengthening the position of the banks. Their scope in this direction has been limited for some time past. Instead of a reduction, bankers were, in the first place, compelled to subscribe to Government issues; and, secondly, they were expected not to realise their Government stocks below a certain price. As this price was seldom reached, realisation was, in effect, closed to them. The informal ban has now been withdrawn, and to offset the distinct swelling of advances it is possible that the banks may gradually realise a portion of their investment holdings, and so swell their cash resources. The present moment may not be exactly opportune for such a move on account of the general marking down of Stock Exchange values, but it is to be hoped that conditions will eventually right themselves and permit of some liquidation without loss.

While dear money has certain advantages for the banks, the benefit is not an unmixed one, as investments are depreciated, trade activity is slackened and [illegible] money rates. The gradual approach to the fiduciary maximum laid down for currency notes in 1920 brings us ever nearer to an eight per cent. Bank rate. The withdrawal of the first and second series has, indeed, eased the situation, and in the week to Wednesday, the 11th inst., the amount of currency notes and certificates outstanding showed a decline of £2,872,000, while the active note circulation of the Bank of England was down by £901,000. The fall in the American exchange with the comparative weakness in the Bank's position, despite the improvement in the ratio this week to 12 per cent. to 11½ per cent., is, however, unfortunate, and if currency requirements should increase and the Government prove unable to divert gold in order to help the Bank of England unless for the currency reserve the shrinking of the Treasury maximum will be inevitable.

BANKING PROFITS FOR THE HALF-YEAR.

THE fashion of issuing half-yearly balance sheets is now confined to twenty banks in the United Kingdom, and of these only six supplement the information so given by the addition of profit and loss accounts. Five of the banks that set this good example are Irish, and in the following table we have shown for these institutions and for the Union Bank of Manchester the net profit in respect of each of the first half-years from 1916 to 1920:—

Net Profits of Half-Year ending June 30.

	1920	1919	1918	1917	1916
	£	£	£	£	£
Bank of Ireland ...	268,675	241,955	221,151	210,025	186,383
Hibernian Bank	37,865	34,439	30,072	26,679	24,052
Munster & Leinster Bank...	70,993	58,301	43,282	33,132	28,501
National Bank	134,418	108,793	140,498	117,378	84,639
Provincial Bank of Ireland	61,531	49,896	51,545	52,168	49,586
Five Irish banks ..	573,510	493,382	489,458	439,382	373,864
Union Bank of Manchester	167,521	91,069	105,968	81,332	73,991

In each instance the net profit shows a substantial increase, the expansion being greatest in the case of the Union Bank of Manchester. It is permissible to conclude that the balance sheets for the other British banks, if available, would show the same result, and, considering the circumstances of the monetary position, the opportunity of banks for making increased profits for the past half-year are obvious. An effective seven per cent. Bank rate from April 15 made the minimum charge for overdrafts practically eight per cent. for almost half of the six months. For the whole half-year the average Bank rate worked out at £6 8s. per cent. approximately, and the average rate on deposits at £4 8s. per cent., leaving a margin of £2 per cent. for the banker to cover all expenses and make a profit. This margin was the same as in the first half-year of 1919, when the Bank rate and the deposit rate were respectively £5 and £3 per cent., but the margin between Bank rate and the rate for three months' bills contracted in the last half-year to 7*s.* 6*d.*, as compared with £1 10*s.* 6*d.* in the corresponding period of 1919—this also being to the bankers' advantage. The figures under the various headings are set forth in the following table:—

	—Half-year ended June 30— 1919 Average Per cent.	1920 Average Per cent.
	£ *s.* *d.*	£ *s.* *d.*
Bankers' deposit rate	4 8 0	3 0 0
Bank rate	6 8 0	5 0 0
Discount rate, three months' bills	6 1 6	3 9 6
Day-to-day loans	1 16 0	3 4 7

From the table it will be seen that the rate for three months' bills expanded by £2 12*s.* per cent., while the rate paid to depositors advanced by only £1 8*s.* In addition to these factors favouring increased profits by bankers, the volume of exchange business put through must have substantially increased on account of the growth in trade, while acceptances, letters of credit, and other operations which contribute to bankers' earnings must have steadily expanded. Without doubt gross profits have therefore risen materially, but there has by no means been a corresponding expansion in net profits. All items connected with the working of a bank have entailed increased outlay in the past half-year, especially in the matter of salaries and office equipment, while the higher rates ruling for money have had the effect of depreciating the fixed-interest-bearing securities and various trustee stocks favoured by the banks as investments. In the following table we present a typical list of such securities showing prices on December 30, 1919, and June 30, 1920, and the change in the interval:—

List of Bank Securities and Prices.

Name	—Quotations:— Dec. 30, 1919	June 30, 1920	Fall
Consols 2½%, 1923	50⅝	47	3⅝
War Loan 5%, 1929-47	91⅛	84⅝	6⅝
War Loan 4%, 1929-42	101	95¼	5¼
National War (1st Series) Bonds	98½	96⅝	1⅞
National War (2nd Series) Bonds	97¼	96	1¼
National War (3rd Series) Bonds	97½	96¼	1¼
National War (4th Series) Bonds	97¼	95¼	2
Egyptian Government 5% Guar. Loan ..	62½	58½	4
India 3½% Stock	60⅜	55½	5⅜
London County 2½% Cons. Stock	45½	42⅞	2⅝
Corpn. of London 2½% Deb. Stock	53⅜	47⅜	6
Metropolitan Water Board "A" Stock ...	55½	50⅝	4⅞
Metropolitan Water Board "B" Stock ...	55½	51½	3⅞
N.S. Wales 4% Inscribed Stock	78½	75	3½
Queensland 4% Inscribed Stock	89¾	85½	4¼
Gt. Central 5½% Second Deb. Stock ..	55	50⅜	4⅝
Gt. Eastern 4% Deb. Stock.. ..	67½	61½	6
Midland 2½% Deb. Stock	45	40½	4½
North Eastern 3% Deb. Stock ..	54	49	5

In every case there has been a fall, and the general decline averages over five per cent. This is a serious matter, especially as the investments of the banks of the United Kingdom represent such a considerable portion of their assets. On December 31 last they totalled £710,954,000, or 23.1 per cent. of the total assets, and to provide for each successive depreciation of one per cent. on this total would absorb more than seven million pounds, thus materially curtailing the amount available for distribution. These securities may eventually recover their value, unless an era of permanently dearer money lies ahead, and in any case many of the Government stocks which banks now hold are redeemable at or near par at no very distant date. Thus it is not necessary to write down all investments to actual market value. To do so would, while depriving shareholders of a possibly enhanced distribution, constitute a hidden reserve of substantial size, and these hidden reserves are often an important, though undisclosed, item in bankers' balance sheets. Whatever course the banks deem it advisable to pursue, the fact remains that interim dividends for the June half-year show no increase as compared with last year. In the prevailing uncertainty a conservative policy is certainly more advisable, but bank shareholders will no doubt eventually reap the fruits of the present propitious period in enlarged dividends.

BANK SHARES AS INVESTMENTS.

THE holder of bank shares has in the past suffered from the large uncalled liability usually attached to them, and in the reorganisation which has recently taken place in the case of many institutions this disadvantage seems to have been recognised and a general attempt made to overcome it. All investment markets being at the moment under a cloud, bank shares have naturally suffered in the common depression. In the reaction that will inevitably follow, unless Money market conditions continue to be decidedly unfavourable, the banking section should show sufficient resiliency to allow values to be again marked up. Banks have earned a well-deserved reputation as steady dividend-payers, and, moreover, they do not suffer to the same extent as industrial and other joint-stock companies from the periodical stagnation attendant on trade. Dear money is an unfailing accompaniment of bad times, and while others are seeking in vain to place their goods, the banker remains comfortably assured of a profitable market for his commodity. If his commitments prior to the slump do not drag him down he can, in fact, be relied on to steer a safe course through any trade crisis. The adjoining table, in which are tabulated only those shares officially quoted on the London Stock Exchange, shows bank dividends

for recent years and the yield on the basis of present prices:—

	Paid up per Share	Divs. (a) in respect of Year— 1920 (Half-year)	1919	1918	1917	1916	Approx. Yield at Present Prices (b)
	£	%	%	%	%	%	£ s.
Barclays ("A" £1)	4	5	10	10	10	10	6 15s.
" ("B" £2) ...	1	7	20	20(c)	20/	17½ d/	8s 10d.
Lloyds (£5)	1	8½	20(c)	20(c)	18½(c)	18½(c)	£7 15s.(d)
London County, Westminster & Parr's (£25)	5	10	20	20	18	18	£7 5s.
Do. (£1)	1	6½/	4½	—	—	—	£6 3s
London Joint City and Midland (£12) ...	2½	9	18	18	18	18	£6 15s.
Do. (£2½)	2½	9	18	—	—	—	£6 9s.
Manchester and Liverpool District (£15) ...	3	9½	18½	17½	17½	17½	£6 18s.
National (£20)	10	6	12	12	10	10	£7 10s.
National Provincial and Union (£25)	5	8	16	16	16	16	£8 0s.
Do. (£5)	1	8	16	16	16	16	£7 15s.
Provincial of Ireland—£1	12½	6½	13½	13½	12½	12½	£8 13s.
Do. (£2½)	2½	6½	13½	13½	12½	12½	£7 11s.
Williams Deacon's "A" (£5)	1	6½	12½	14(c)	14(c)	14(c)	£6 13s.
Do. ("B"—£1) ...	1	6½	12½	—	—	—	£6 5s.

Maximum annual dividend, 12½%. (a) Owing to rearrangement of capital

For the period dealt with—from 1916 to June 1920—the following show clear rises in the rate of dividend: London County Westminster and Parr's (£5 paid) from eighteen per cent. to twenty per cent.; Manchester and Liverpool District from seventeen and a-half to eighteen and one-third per cent.; National from ten to twelve per cent.; Provincial of Ireland, old and new shares, from twelve and a-half to thirteen and a-half per cent. The London Joint City and Midland at eighteen per cent., the National Provincial and Union at sixteen per cent., and Barclays "A" shares at ten per cent., maintain the same rate of dividend throughout. The yield as given in the last column is based on the assumption that the final rate of dividend for 1920 will be the same as for 1919. Any changes that occur, so far as can be foreseen at present, are likely to be in the direction of increase. The yield varies considerably from £6 5s. to £8 13s., but the variations generally are due, as in the case of Barclays "A" and "B" shares, to a difference in the uncalled liability, the yield being in direct proportion to the latter. In the accompanying table are given the highest and lowest prices in 1919 and in the first half of 1920, together with the quotations now ruling:—

Bank	Shares	1919 Prices Highest	1919 Prices Lowest	1920 Prices Jan. 2 to June 30 Highest	1920 Prices Jan. 2 to June 30 Lowest	Present Price
Barclays	"A" £1 (£1 pd.)	7⅛	6¼	7⅝	6¾	6
Do.	"B" £1 (£1 pd.)	77/6(a)	67/6(a)	51/6a	41/6(a)	2
Lloyds	£5 (£1 pd.)	28½(b)	25½(b)	47/9	41/-	2⅝
London Co., Westm. & Parr's	£5 pd.	19¼	15¼	16⅝	14⅛	13½
Do.	£1 pd.	—	—	—	—	14⅝
Lond. Jt. City & Mid.	£12 (£2½ pd.)	8⅝	7⅛	8½	7¼	6¾
Do.	£2½ (£2½ pd.)	8½	7⅛	9½	8	7
Manchr. & Liverpool Dist.	£5 pd.	—	—	—	—	8
National	£10 pd.	21½	19	19½	16	16
Nat. Provl. & Union	£5 pd.	9	8¼	8½	6⅝	7
Do.	£1 pd.	10⅝	9¼	10¼	8¼	8¼
Provl. of Ireland	Old (£2½ pd.)	26¼	24½	26⅝	25½	19½
Do.	New (£10 pd.)	—	—	—	—	17¼
Williams Deacon's	"A" £5 (£1 pd.)	44	39(c)	43	39/-	14
Do.	"B" £1 (£1 pd.)	47/9	41/3	42/6	39/6	2

(a) On £5 (£1 pd.). (b) On £5 (£1 pd.).

It will be observed that in many cases present quotations are below the lowest for the first six months of the year, while the latter were in turn below the lowest of the preceding twelve months. Taking the highest levels into account, the current figures represent a very considerable decline, and accordingly the shares, when they do return to public favour, are likely to register a substantial improvement.

BRITISH BANKS ABROAD.

The later phase of the War, especially 1917 and 1918, was marked by a strong movement towards union amongst English banks, and the numerous amalgamations and working agreements of the period all aimed at consolidating the internal position in order to provide for the trying period of world reconstruction that was known to lie ahead. As the banking strength of the new units was much augmented, fresh business outlets were naturally sought, and new spheres of activity were found, at first in Ireland, and, secondly, in Scotland. The further sequel to this expansionist movement is now being witnessed in the rapid growth of British banking interests abroad. This development has the effect not only of strengthening our position in the world of international finance, but it brings home to the leading foreign banks the necessity of establishing new or extending present connections in London. The recent action of the Bank of Athens in setting up a strong London Committee to represent its interests in the United Kingdom is typical of the change. Among other examples might be quoted that of the Merchants' Bank of Canada, which opened here in December last, as the organisation was considered incomplete without an office in the capital of the Empire. Subsequently the Banco Nacional Ultramarino, the State bank of the Portuguese colonies, also founded a London branch in order to extend trade and financial relations with our oldest European ally. The Tata Industrial Bank and the Bank of Nova Scotia are other institutions that have lately come into line. When the Imperial Bank of India, which represents an amalgamation of the three Presidency Banks of Bombay, Bengal and Madras, has been finally constituted it is expected to follow suit. The project of amalgamation has received the consent of the shareholders of the three banks concerned, but the Bill embodying legal assent to the transformation was postponed some time ago for six months by the Imperial Legislature of India. It is probable, however, that a safe passage, though with some modification, will be ensured for the Bill in the next session of the Legislature of India in September. Developments will not end here. It is understood that other important institutions abroad contemplate the abandonment of the old system of representation by agents in favour of branches directly responsible to their own head office, and the National City Bank of New York has been prominently mentioned in this connection.

Our own banks in entering fresh fields of endeavour abroad have usually formed new subsidiary companies or come to a working agreement with existing foreign institutions. The increase in the overseas activities of our banks has been particularly noticeable on the Continent and in South America. Developments in France have been numerous. The London County and Westminster Bank, Paris), Limited, is an example of a completely subsidiary establishment. Where an individual bank has not seen fit to organise a subsidiary abroad combinations of two or more banks have undertaken the task. Lloyds and the National Provincial Foreign Bank and the British Overseas Bank are illustrative of this method. The last-named represents a combination of leading English and Scottish banks with important interests not only at home but in South America and the Near East. As another example of approach to foreign business existing foreign institutions have been utilised. Thus the share capital of the modern Cox and Company (France), Limited, is held not only by the parent institution, Cox and Company, but by Barclays Bank, the National Bank of South Africa, the British Bank of South America, and the Bank of Taiwan. The diversity of interests embraced is almost paralleled in the case of the Bank of British West Africa. In its recent issue of 100,000 shares the London County Westminster and Parr's Bank, the National Provincial and Union Bank of England, and the Standard Bank of South Africa each participated to the extent of one-third, the South

African Bank taking the odd share left over in the division. Already Lloyds Bank was materially interested in the British Bank of West Africa, and the uniformly harmonious co-operation amongst the leaders of the British banking world is evidenced by examples such as these, in which joint direction of important enterprises is assumed and our banking magnates sit on common councils.

In the South and Central American field the Anglo-South American Bank has been particularly prominent, having affiliated with the Commercial Bank of Spanish America and the British Bank of South America. Its latest venture is associated with Chili, where a controlling interest has been acquired in the Banco de A. Edwards y Cia. In view of the great activity of United States banks throughout Latin America, consequent on the War expansion in American trade, the extension of British financial influence in this quarter is a matter of urgent necessity, and we are glad of this proof that London banking interests are fully alive to the needs of the situation.

In the Near East the British Trade Corporation, in conjunction with the London County Westminster and Parr's Bank, Lloyds Bank, and the National Provincial and Union Bank, formed the South Russia Banking Agency. The National Bank of Turkey is affiliated to the Corporation. Lately British operations have further extended in the Near East among the newly-founded States. The British Overseas Bank has taken a large share in the formation of the Anglo-Polish Bank, which incorporates an existing native bank. In the Far East a new type of venture, identified with the shipping Company of that name, has been launched in the P. & O. Banking Corporation, Limited, in which the London County Westminster and Parr's Bank, Lloyds Bank, and the National Provincial and Union Bank of England are also participating.

In addition to new ventures, great activity is discernible in the revision of articles of association of older-established foreign subsidiaries to provide for the extension of business operations beyond the countries with which these undertakings were originally identified. Though the linking-up of the fortunes of British banks with States which are still far from politically settled, and which have yet to justify their existence economically, may be viewed with disfavour by some, it is only by pushful and enterprising methods in banking that we can re-establish our old financial supremacy on a broader and surer basis, and with it our trade ascendancy.

THE NEAR EASTERN SITUATION.

On balance during the week the position in the Near East has become further involved, and the war clouds, which many thought to have been dispelled, are again gathering. Efforts at patching up some kind of reconcilation, or at least finding a *via media* out of the present imbroglio, have been hampered by the Chauvinism of a certain section of the French Press, and to this section M. Millerand and his Cabinet have apparently given way. It would, indeed, be base ingratitude on our part were we now to seek grounds of quarrel with an Ally that deserves every consideration at British hands, but the military spirit of France is so easily stirred that it is the duty of more prudent and sober-minded neighbours to check impetuosity in action and so preserve the peace of the world. The one-sided recognition of General Wrangel by the French Foreign Office immediately after the Premiers had decided to act in concert is, in effect, a parting of the diplomatic ways, though a partial precedent had been furnished by Mr. Lloyd George's own message to the Polish Government on the subject of the Minsk negotiations. The Russo-Polish meeting is due to take place to-day, and if the Poles refuse the Russian terms, we will, according to the Prime Minister's declaration, disclaim further responsibility for their fate. In the debate on Tuesday last Mr. Lloyd George, according to the official report, stated categorically, "In our judgment, the Polish attack was not justified, and I sincerely regret that it was made in spite of the warnings of France and England. The Soviet Government are entitled, in our judgment, in any conditions of peace to take this fact into account." Later he characterised the Russian terms as fair, and if the Soviet Government adhere to the conditions which they have already outlined and Poland refuses peace, intervention on our part is apparently to be ruled out.

From one point of view the French recognition of Wrangel will make the Bolsheviks more willing to come to terms in order to withdraw men and munitions from the Polish front to meet the growing menace in South Russia. The likelihood of a common basis of agreement being reached is rendered more probable. The situation is not, however, without conflicting cross-currents. In Warsaw General Weygand, head of the French Military Mission, has been offering his services in connection with the Polish campaign, and it is possible that the French Government may consider vigorous support of the Poles the best means of relieving the pressure on Wrangel and of enabling the new *de facto* Government of South Russia to prepare an anti-Bolshevik offensive. The French Foreign Office is at pains to point out that recognition of General Wrangel does not necessarily involve the despatch of military assistance, but a proviso has been added to the disclaimer—to the effect that military action is not contemplated until after an exchange of views with Great Britain. Apparently the French Government, though it has retreated from its original attitude, which was one of uncompromising support for the Russian Whites, still hope to persuade us to joint military effort. But even if no agreement is reached at Minsk, it remains to be seen whether the Poles will undertake a fresh campaign after the disastrous experiences of their last. Besides the virtual closing of the Danzig corridor renders immediate, substantial aid from the West an impossibility. In addition, Germany will throw every obstruction in the way of French reinforcements, which will be compelled to use German railways largely in their eastward journey.

It is remarkable that Poland's neighbours do not appear willing to lend her aid at a moment when she is fighting for her very existence. According to the latest advices from Prague the Czech Press considers that the Russian terms to Poland are reasonable, and that the Czechs will not be called upon to intervene between the two countries. It may be that General Baron Wrangel will command more support among the newly-created States in his anti-Bolshevik crusade than the Poles did, but it must be said that his predecessors started under more favourable auspices. In one respect he is better circumstanced than Denikin, since he is not wholly reactionary, but his proceedings in the Crimea, where the nucleus of a new White Russia, free from the Red Terror, is being gradually formed, do not lend colour to the report sedulously propagated by his supporters that he is a simple and single-minded democrat who has espoused the cause of reform through sheer goodness of heart. He has laid a heavy hand on municipal bodies and zemstvos that have evinced signs of an independent spirit in local politics, and he has nominees ever ready to fill the places of those who incur his disfavour. It is impossible, of course, to apply Western standards in criticising Governmental action in countries that have been swept by the tide of revolution more than once in recent years, but a recrudescence of Denikin's methods cannot fail to alienate popular sympathy from Wrangel and stultify any good effect which French recognition of his cause may have.

It is an exaggeration to speak of the divergent policies of the British and French Governments as tantamount to a breach, and we are sure that the next

meeting of the Premiers, which should be soon, will provide ample refutation of rumours as to disagreement on basic principles. While Labour pressure compels our Premier to a pacific attitude, so far no such influence has been operative in France. It is possible that the proposed deputation from the Conference of British Trade Unions which is to cross to Paris will eventually succeed in rallying French labour to the cause of peace. The desire to avoid further complications is certainly gaining ground on both sides of the Channel, and the news which came to hand yesterday that at the Conference at Borgoi between Finland and Russia agreement was reached on armistice conditions should help this movement materially.

BOARD OF TRADE RETURNS.

LAST week we had occasion to join issue with those who maintained that a slump in trade had already set in, and supported our views to the contrary by reference to the upward trend of wages and the comparative absence of unemployment. The Board of Trade returns issued this week supply ample justification of our contention. Never, since the outbreak of the world War, have we had the pleasure of recording more satisfactory figures dealing with the foreign trade of the United Kingdom. The general extent of trading activities during July can best be studied from the following table:—

Course of Foreign Trade.

(000's omitted.)

	July 1920.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.	7 Mos. to July 1920.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.
	Amount.			Amount.		
	£	£	£	£	£	£
Imports ...	163,342	+10,277	+101,599	1,196,329	+326,676	+755,838
Re-exports ...	17,818	+ 6,091	+ 9,538	153,740	+ 86,548	+ 86,378
Net imports ...	145,494	+ 4,186	+ 92,061	1,042,589	+240,128	+669,460
Exports ...	137,462	+72,156	+ 90,287	774,919	+374,847	+470,694
Excess of imports	8,012	−67,970	+ 1,774	267,670	−134,719	+198,766

The total of £163,342,000 for imports, whilst higher than any month in 1919 other than December, is yet the lowest recorded for the current year, representing a decline of nearly £7,000,000 as compared with June, and of over £20,000,000 as compared with January, when the record total of £183,498,000 was returned. Of the three main classes into which imports are divided, Class I., including food, drink, and tobacco, accounted for imports to the value of £69,571,000, or an increase of over £2,000,000 as compared with June. This increase was due (*a*) to the rise in the import of grain and flour—a movement which will be more strongly accentuated in the autumn returns—from £19,835,000 in June to £22,314,000 in July, corresponding to an increase in quantity from 16,035,000 quarters to 16,818,000 quarters, and (*b*) to the increase in the import of meat from £11,791,000 to £13,976,000. The actual decline in the total imports must be attributed to the decrease in the value imported under Classes II. and III. Raw materials and articles mainly unmanufactured embraced under Class II. record a decline in value as compared with June of over £6,000,000, the total for July being £51,899,000. Here the dominant force at work was the falling off in the import of raw cotton and cotton waste, which was valued at £9,103,000 in July, as against £15,399,000 in June. In quantity the import of cotton fell from 952,989 bales of 100 lb. to 583,891 bales, the greatest decrease being in the American import, which amounted only to 360,702 bales in July, as against 634,221 bales in June. It is not unlikely that this feature can be accounted for by the decision of the Manchester merchants to draw on their existing stocks in the hope that prices may fall in the interval. In any case, however, purchases of cotton are likely to figure more prominently in succeeding returns. On the other hand, it is of interest to note that the import of timber and wood which was valued at £7,158,000 in June rose to £9,868,000 in July. Class III., dealing with manufactures, accounts for £41,423,000 of the imports, or more than £3,000,000 less than in June. In this group the decline is rather widespread, extending to the iron and steel manufactures as well as textiles. The salient fall is registered, however, by the import of chemicals, drugs, dyes, and colours, which were valued at £2,603,000, as compared with £3,420,000 in June.

It is, however, in the section dealing with exports that the favourable nature of the foreign trade of the United Kingdom during July stands out most clearly. The trading re-exports, which amounted to £17,818,000—as against £20,124,000 in June—the total exports reached the unparalleled value of £155,300,000, exceeding the June returns by close on £19,000,000 and representing an increase of nearly £16,000,000 over the May record of £139,580,000. The improvement in trade thus indicated—which, as we have said earlier in this article, is the best evidence that can be adduced against those pessimists who assert that trade is stagnant—is not of a one-sided character, though, as we will proceed to show, it is more emphasised in one section than in any of the others. Still even under Class I. exports have risen by £200,000, as compared with June, to £4,515,000. Class II. registers a total export of £12,551,000 in contrast with the June figure of £11,447,000. Coal—our characteristic pre-War export in this group—is returned nearly £1,000,000 higher than in June at £8,928,000. Yet the quantity has only risen from 1,931,000 tons in June to 2,097,000. This is a sad commentary on the present condition of the coal-mining industry, especially when it is recollected that in July 1919 we exported 3,428,000 tons and in July 1913 no less than 6,975,000 tons. Neither is it very gratifying from an economic point of view; though we readily admit that this is a rather selfish argument—that more than half the export should go to countries whose rates of exchange are already markedly in our favour. France securing 961,361 tons and Italy 246,984 tons. But it is in the group of manufactures that the outstanding recovery has taken place, July being credited with a total export of £118,954,000, in comparison with £99,081,000 for June. With the exception of a trifling decline of £130,000 in the rather small item of cutlery, every other section of this group records an increase as compared with June. The most pronounced rise is associated with the export of vehicles, the value of which for July reached £7,281,000, or more than £3,000,000 in excess of the June figure. Here the determining factor was the export of ships, which rose in value from £1,482,000 in June to £3,571,000 in July. The iron and steel trades contributed an export of £14,658,000, an increase of £3,100,000 over June. Similarly, an export of machinery in June of £5,026,000 gives way to one of £7,344,000 in July, the value of textile machinery increasing from £600,000 to £918,000, and that of machinery parts from £2,040,000 to £3,238,000. Lancashire is credited with a cotton export of £39,910,000, as against £37,443,000 in June. The woollen trade of Yorkshire is represented by an export of £14,330,000, in contrast with £12,555,000. The export of general merchandise reached £4,461,000, exceeding the June return by £1,100,000. Silk exports amounted to £5,270,000, as against £3,782,000 in June, whilst the exports of artificial textiles rose from £4,260,000 to £5,190,000.

With this remarkable improvement in the export trade during July coinciding with a decline in imports some improvement in the adverse trade balance is inevitable. Few, however, would have ventured to forecast that the excess of imports over exports, which was as high as £63,946,000 in February, had fallen as low as £26,765,000 in May, and was reduced to £34,015,000 in June, would now be found to have resumed normal dimensions. To July belongs the

record of registering an adverse trade balance of £8,042,000. How this unprecedented figure compares with the adverse trade balance since 1916 can be seen from the following table:

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb. ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470,000
Mar. ...	45,918,000	43,715,000	68,042,000	29,466,000	39,707,000
April ...	40,495,000	40,382,000	77,621,000	40,244,000	30,805,000
May ...	26,755,000	59,318,000	77,516,000	37,852,000	25,786,000
June ...	34,015,000	46,120,000	64,176,000	35,999,000	30,780,000
July ...	8,042,000	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	—	58,748,000	64,435,000	46,220,000	20,632,000
Sept. ...	—	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	—	54,783,000	72,768,000	39,405,000	28,781,000
Nov. ...	—	36,188,000	70,732,000	62,621,000	39,310,000
Dec. ...	—	52,717,000	74,797,000	44,450,000	29,434,000

Not since pre-War days has so favourable a return appeared. The figure for July 1913 is £6,308,000, and this perhaps shows in the most optimistic light the recovery that has characterised the trade of the United Kingdom during July. But it is necessary here to strike a note of warning. Subsequent returns cannot be expected to reveal a continuance of this satisfactory state of affairs. No doubt we may look forward to a maintenance, and perhaps an increase in the quantity and value, of our exports, provided no serious labour disputes crop up. But we must also expect an expansion of our imports, especially of food and cotton, during the autumn. Nevertheless, unless the returns of the closing months of the year are much more unfavourable than those which have gone before, there is good reason to believe that the hope held out by the Chancellor of the Exchequer will be realised, and that, after allowing for our invisible exports, our trade for 1920 will no longer show an adverse balance. The extent of this adverse balance to date, as compared with that since 1914, is embodied in the following table:—

External Trade of the U.K. since 1914.
(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
July ...	163,342	17,848	145,494	137,452	8,042
June ...	170,491	20,124	150,367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Jan. ...	183,498	25,464	158,034	105,880	52,154
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

We have to record another fall in our index-number for July (compiled from the average prices of forty-five commodities). The fall, however, is not so great as in May or in June, being only .4 per cent., as compared with 1.7 per cent. during the previous month and 1.3 per cent. during May. As may be seen from the adjoining table, the movements in the different categories were very irregular during the past month:—

	Monthly Index-Nos.				+ or − % July 1920 on		
	July 31 1920	June 30 1920	July 31 1919	June 30 1914	June 1920	July 1919	June 1914
Vegetable Food ...	237·9	249·5	169·5	66·5	− 4·6	+40·5	+257·7
Animal Food ...	278·8	243·4	207·1	97·5	+14·5	+34·6	+185·9
Sugar, Coffee & Tea ...	227·8	265·7	147·1	51·8	−14·3	+ 54·9	+339·8
Foodstuffs ...	**250·9**	**250·7**	**178·5**	**74·8**	**+ 0·1**	**+40·6**	**+235·4**
Minerals ...	305·2	297·0	223·9	96·7	+ 2·8	+36·3	+215·6
Textiles ...	251·0	250·0	215·9	80·6	− 3·1	+16·3	+211·4
Sundries ...	231·6	235·7	236·4	82·5	− 1·7	− 2·0	+180·7
Materials ...	**257·4**	**259·4**	**226·7**	**85·7**	**− 0·8**	**+13·5**	**+200·4**
Totals ...	**254·6**	**255·7**	**206·4**	**81·2**	**− 0·4**	**+23·4**	**+213·5**

Thus while vegetable food and sugar, coffee, and tea declined, animal food rose by 14.3 per cent. The latter movement was the outcome of the removal of control on July 4. It is worth noting, however, that, as in the case of bacon last April, the sudden advance in prices which followed decontrol was succeeded by an equally rapid decline owing to the refusal of the consumer to pay the high prices demanded.

Tea and coffee declined; but in this group the greatest fall was in sugar prices. The Sugar market is now dominated by America, and it would seem that the recent extraordinary demand which arose there, attracting such large quantities of cane-sugar, has been satisfied.

In the vegetable group a seasonal fall in the price of potatoes was chiefly responsible for the decline. As regards cereals, coarse grains declined, but wheat is still on the up-grade. The smallness of the advance in wheat quotations, however, at the opening of the European crop year does little to justify the panic reports of a world-wide bread shortage which found currency a few months back. At that time, indeed, it must be admitted that the crop reports from the great producing countries were very discouraging. According to more recent statistics, however, though as compared with last year the world's stock of wheat makes an unfavourable showing, yet there will be nothing like the acute scarcity which has been predicted, and with a more mixed loaf we have no need to fear much higher prices than those which rule at the moment. Nevertheless, a strict economy is necessary if hardship is to be avoided.

In the mineral group iron remained unchanged, but the quotations for copper, tin, and lead reacted to higher levels, while coal also rose substantially. Not long ago, it will be remembered, there was a sharp fall in these metals, due chiefly to forced liquidation, and the same was true in the case of many textiles. Unlike the mineral group, however, textiles declined still further during the past month, Russian flax, jute, wool, and silk contributing to the fall. American cotton and hemp rose slightly.

It will be noticed that the sundry materials category is the only one which stands at a lower level than that of a year ago. Last month's decline of 1.7 per cent. in this group compares with a fall of 9.3 per cent. during June and 2.9 during May. Included in the fall were tallow, palm oil, linseed, and timber. Hides declined, but leather appreciated in value.

The following table shows the price movements during the War in the more important countries:—

International Wholesale Prices.

	Index-Numbers				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11·8237	184·9	217·6	160·0	128·4	139·8	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	192·0	18·7117	269·0	392·1	225·9	203·2	195·9	339·2
1919...	206·0	18·6683	316·6	411·1	242·4	202·7	239·5	355·5
1919								
Jan....	192·1	17·6344	283·2	401·8	224·4	191·5	214·2	348·0
Feb....	187·5	17·2244	281·6	393·5	220·6	187·1	213·0	340·0
Mar....	184·7	17·0795	272·7	389·1	217·3	185·7	206·3	336·6
April	184·6	17·2376	273·2	384·0	217·2	187·2	206·6	332·0
May...	194·6	18·0900	283·7	375·8	228·9	196·5	214·6	326·1
June...	199·4	18·8964	301·6	380·0	235·0	205·2	228·1	329·0
July...	206·4	20·0017	326·8	403·0	242·8	217·2	247·2	349·0
Aug....	212·7	19·4720	332·2	401·7	250·2	211·5	251·3	347·0
Sept.	214·8	19·5215	340·5	416·2	252·7	211·9	257·6	360·0
Oct....	224·7	19·9026	352·1	441·4	264·4	216·1	266·3	382·0
Nov....	231·0	20·1756	370·2	468·5	272	219·0	280·0	405·0
Dec....	235·2	20·3658	381·5	479·5	276	221·1	288·6	417·0
1920								
Jan....	245·3	20·8690	397·9	562·9	288	226·6	301·1	486·9
Feb....	260·4	20·7950	413·8	601·1	306·3	225·7	313·6	520·0
Mar....	261·8	20·7124	485·2	641·0	308	224·9	321·6	554·5
April	264·7	20·7341	396·6	675·1	313·1	225·7	300·0	584·0
May...	260·0	19·8753	—	—	305·9	215·8	—	—
June	255·7	19·3528	—	—	300·8	210·1	—	—
July	254.6	—	—	—	299 5	—	—	—

The following table affords a comparison of movements of the index-number during the last century and, in greater detail, since June 1914.

Annual Numbers		*End-of-Month Numbers*			
Year					
1809 [Jevons'...	189	June '14 ...	81.2	Jan. '18 ...	186·2
1810 adjusted...	171	Dec. „ ...	118.4	Feb. „ ...	187.3
1818 Figures]	159	Jan. '15 ...	123·6	Apr. „ ...	189.8
1873	111	Mar. „ ...	130.4	May „ ...	191.1
1880	88	Oct. „ ...	141.5	July „ ...	192.9
1896	61	Dec. „ ...	154.3	Aug. „ ...	195.9
1911	80	Jan. '17 ...	159.3	Nov. „ ...	195.3
1912-13-14 ...	85	Feb. „ ...	164.0	Dec. „ ...	196.0
1915	108	April „ ...	173.0	Jan. '19 ...	192.1
1916	136	June „ ...	180.4	Feb. „ ...	187·5
1917	175	Aug. „ ...	178.7	Mar. „ ...	184.7
1918	192	Oct. „ ...	180.6	May „ ...	194.6
1919	206	Dec. „ ...	186.1	June „ ...	199.4

End-of-Month Numbers	
July '19 ...	206.4
Aug. „ ...	212.7
Sept. „ ...	214.8
Oct. „ ...	224.3
Nov. „ ...	231.0
Dec. „ ...	235.2
Jan. '20 ...	245.3
Feb. „ ...	260.4
Mar. „ ...	261.8
April „ ...	266·1
May „ ...	2 [illegible]
June „ ...	255 7
July „ ...	254.6

THE WEST INDIES.

IN THE RIGHT DIRECTION.

Readers will have observed that last week an arrangement was announced as having been arrived at between the Dominion Government of Canada and the West Indies with the object of developing trade between these two important entities of the British Empire. It is a move in the right direction. It should tend to expand Imperial trade; it should help the vast Dominion of Canada; and it should help the comparatively restricted area of the British West Indies. When we say this we at once raise the question, What does one mean by the British West Indies? We will discuss that question later, meanwhile pointing out the importance of the movement for increasing trade between Canada and the West Indies, particularly having relation to the fact that, as they are situated, the one in the Tropics and the other in the Temperate Zone, they are pre-eminently well situated to act as complements in the supplying of each other's necessaries. Canada can produce, and produce on a sounder economic basis than any part of the West Indies, certain products. But owing to her latitude, situated as she is between the forty-fourth and the seventieth parallels north of the Line, her productions are necessarily restricted to those which can be grown, or at any rate can be grown with advantage, within the restrictive limits of the Temperate Zone. Canada, moreover, although Ontario, for example, is considerably farther south than any part of Great Britain, has a far more rigorous climate. In a sense, it is hotter in Southern Canada than in any part of Britain, including for this purpose the Channel Islands. Nevertheless, it is very much colder in the winter. The conditions prevailing in Canada are exceedingly rigorous for any kind of vegetation; so much so that, whereas in the United States, and particularly the centre and southern parts of the United States, the winter wheat crop is the great crop upon which the welfare or otherwise of the year's cereal harvest mainly depends, in Canada practically there is no such thing as a winter wheat crop at all.

Owing to causes which are very imperfectly understood, Great Britain, although situated between the forty-eighth and the sixtieth parallels north of the Line, has an extraordinarily equable climate. It is rarely, or never, very hot in the summer, but it is equally rarely cold in the winter. Anything like the cold that would be experienced even in Southern Canada is quite unknown in any part of England, and has been so throughout the period of historical times when we have, even by remote tradition, any information as to the temperatures prevailing in those latitudes. It was at one time thought that the equability of our climate was due to what was called the Gulf Stream. More recently very grave doubt has been thrown upon this influence. It is even disputed whether the Gulf Stream reaches our shores at all. But whatever the reason may be, it is certain that these islands and Scandinavia enjoy an extraordinarily equable climate, which is quite unknown in North America and quite unknown in similar latitudes in Asia. As a result, therefore, the products of Canada are necessarily restricted to what can be grown in the comparatively short period of a Temperate Zone summer. Canada can produce, and produce in enormous quantities, foodstuffs of all kinds suitable for consumption in countries like the West Indies. Doubtless the West Indies could supply the whole of her own, not merely present, but prospective, food requirements. But it is extremely doubtful if she could acquire supplies upon the same economic basis of values which could be done in Canada. Canada, for a very long time to come, will have an enormous area relative to her population, and she should be in a position to export very nearly fifty per cent. of her total products of food and raw materials. Of course, a very large part of that will be required for consumption in Western Europe, and particularly in this country. But even so she should have a large surplus suitable for supplying the demands of the peoples of the West Indies. Moreover, there is a considerable lumber trade, although it is difficult to see why this should be so, bearing in mind that the West Indies themselves grow enormous quantities of timber—in fact, export large quantities of timber. But, of course, the great bulk of the timber exported from the West Indies is of a peculiar kind, destined for specific objects, whereas the white-pine timber from Canada is required for building purposes and ordinary domestic uses. Whatever may be the explanation, certain it is that Canada does, and always has done ever since Canada became part of the British Possessions—indeed, for the matter of that before—export timber and various quantities of foodstuffs, particularly salt fish, to the West Indies. Possibly the West Indies are right in relying, as they always have done, upon outside sources for their supplies of food, and, indeed, of nearly all the raw materials that they require for the prosecution of the peculiar industries to which they have from time immemorial devoted themselves.

It has to be remembered that, while it would be perfectly practicable for the West Indies, as we have said above, to supply themselves with adequate quantities of food, it is exceedingly doubtful if it would be a good policy to do so. For example, from Canada they can obtain almost indefinite supplies of the food and raw materials capable of being raised in a country situated in the zone where Canada is, whereas the products which are specifically grown in the West Indies can only be raised within the tropics. Moreover, owing to the fact that they can only be raised within a certain specified area, they are products of extraordinary economic value. The greatest area of the earth's land surface is within the Temperate, and, indeed, within the cold, zone. Practically, it may be said for convenience that three-fourths of the earth's surface is covered by ocean and one-fourth by land, and of the latter only about one-third is in the warm part of the earth. Two-thirds of the earth's land surface is within the temperate, not to say the distinctly cold, regions of the earth. Consequently, were it not for the world-wide disturbance that not merely prevails in our time, but seems to have prevailed more or less throughout the whole historical period, the products such as wheat, and, indeed, all cereals, flax, and all textiles capable of being grown in the temperate or cold zones, should be exceedingly cheap and abundant. The whole of North America, the whole of Northern Asia, and the whole of Northern Europe are eminently suited for growing cereals and certain textiles that do not require great heat during their period of ripening. In spite of this, however, owing to the causes to which we have referred above, there is, if

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not an actual scarcity, a threatened shortage of wheat. Nevertheless, the area capable of producing these cereals is so enormous that until either the wheat-consuming countries increase their populations very much above what they are at present, or the non-wheat-consuming countries make a very much greater economic advance than they have done during the past century, there should be abundant supplies of wheat produced in the temperate or cold regions for an indefinite period.

With countries like the West Indies, however, it is different. There is at present an extraordinary demand for the very products which the West Indies are pre-eminently capable of supplying, and supplying in abundance. Cane-sugar and its alcoholic by-products are very much in demand. There is a shortage of sugar and there is a shortage of alcohol throughout the world. Cotton, a plant which cannot be grown in the cold regions, is also in exceptional demand at the present time. Practically, the world's supply of cotton depends nowadays upon the favourable or unfavourable nature of the crop in what is known as the Cotton Belt in the Southern States of North America. The world's total supply of cotton varies between twenty-two and twenty-five million bales. Apparently, the world's consuming power, or at any rate potential consuming power, is something above this figure; and consequently there is always more or less of a shortage. In the present year it is estimated that the United States will produce between fifty and sixty per cent. When the United States is able to produce over sixty per cent., then there is a good supply, not wholly adequate, but more or less adequate, for the world's needs. When the United States fails to produce a good supply of cotton, then there is a shortage. As a result, therefore, there is every inducement for the West Indies to devote their area very largely to the production of cotton, sugar, and, of course, the by-products of the sugar industry and cocoa, for which there is a greater demand than the two principal sources of supply are apparently at present in a position to fill. The great difficulty, of course, of all the West India Islands and of the two large territories which really constitute the bulk of the West Indian territory is the lack of transportation facilities. This is an exceedingly great disadvantage, and must inevitably militate more or less against their rapid development, until, of course, such time as it is remedied. It is largely to enable these islands and the two great Crown Colonies on the mainland to obtain the means whereby—we will not say they could open up their territories with adequate transportation facilities themselves, because it is very doubtful if they could—they could offer such attractions as would induce those capable of opening up their transportation facilities to come and operate in those potentially rich and attractive areas.

Now, what does one mean by the West Indies? If we turn up a book of reference of the West Indies we find that they are described as a long stretch of islands formerly believed to have been joined together and to have formed part of the mainland, stretching from Key West, in Florida, to the mouth of the Orinoco, in Venezuela. Now, on this basis the West Indies will be in area over 100,000 square miles, or four-fifths the size of the United Kingdom, and they would have a population of between six and seven millions. But, then, this is not the British West Indies at all. Then, again, what does one mean by the British West Indies? If one restricts oneself entirely to the area of the British West India Islands, the total area will be about 12,000 square miles and the population about one and a-half millions. Usually it is the custom to include in the area, in speaking of the British West Indies in a colloquial sense, British Guiana and British Honduras, which would bring up the total population to a little over two millions and the total area to a little over 112,000 square miles. So extensive an area, situated in the most beautiful and in the most prolific part of the world, would be capable of raising enormous quantities of tropical produce, especially bearing in mind the requirements of the present time—sugar, and cotton, and cocoa. At present no one of these islands, still less British Guiana, and least of all British Honduras, are developed to any appreciable extent of their potential productive power. In a sense, it may be contended that Jamaica is partly developed. But those who know the island well will admit at once that it is nothing of the kind. Possibly Barbadoes has as large a population as it can sustain in comfort. But, then, its area is not more than 170 square miles. But, speaking generally, no one of the British islands, extending in all, as we have said, for 12,000 square miles, and still less the two large colonies on the mainland, are in any real sense developed, no one of them has adequate transportation facilities, with the possible exception above referred to, and we have to remember that that exception is an exceedingly small island. The thing that has made Barbadoes notable from the very outset—say, from the time of the later Stuarts—is that it happens that on the little island of Barbadoes there are no swamps, and, consequently, Barbadoes will always be exempt from malaria and yellow fever. It is curious that it should have been exempt from yellow fever, because the yellow-fever-bearing mosquito breeds in utensils in which stagnant water is allowed to remain about the houses or buildings. But practically it may be truly said that Barbadoes has been exempt from these two terrible scourges of the tropics throughout its history as a European settlement. Naturally, the islands can only yield a relatively small amount of produce. But British Guiana and British Honduras are capable of yielding enormous amounts of produce whenever these territories are opened up. British Guiana is over 90,000 square miles in extent, or considerably larger than the total area of the whole island of Great Britain. British Guiana, moreover, lies between the sixth and the first parallels north of the Line. That is to say, it is in the most favoured part of the tropics, and, as it rises up rapidly from the sea, it is in no sense unhealthy now that we have the knowledge of how to drain swamps and how to keep yellow fever from around our habitations. We have described so often the contour of British Guiana that we have not space to enter into the question now. Suffice it to say that until adequate transportation facilities are provided, which will give clear communication not merely with Georgetown and New Amsterdam, but right through the interior of the country, across the mountains, and down to the Amazonian valley, this great colony will never realise the great potentialities of which it is capable. With regard to British Honduras, practically nothing has been done but to build a small settlement at Belize, the capital, which is an exceedingly small place, though beautifully situated, and to carry on a certain amount of business in the mahogany trade. Otherwise it can hardly be said that British Honduras is more developed than it was at the time when Columbus first landed in Cuba.

NEW YORK CENTRAL RAILROAD.

THE annual report of this important railroad amalgamation, which is set forth at length in our advertising columns, deals with operations during 1919. Throughout the year the Federal Government were in control, and the extensions to the length of line owned were insignificant, amounting in all to only one-twenty-fifth of a mile. Including leased lines and lines over which trackage rights have been secured, the average mileage of road operated showed a decrease of 6.34 miles to 5,675.48 miles. Gross revenue increased, however, by $14,388,374 to $283,659,330; but, on account of additional operating expenses, the extra benefit accruing to net revenue at $58,694,418 was only $61,311. The cost of operation per mile of road

open rose from $37,072 in 1918 to $39,638 in 1919, but, as a result of increased earnings, the net operating revenue per mile advanced slightly by $22.32 to $10,341. Though goods and merchandise carried declined from 128,359,270 tons in 1918 to 104,832,276 tons in 1919, freight revenue rose by $1,943,201 to $173,926,743, presumably because of the higher-grade traffic and a slight increase in charges. The number of passengers carried rose by over 2,300,000, and passenger revenue, $75,652,262, was higher by $15,282,122. The fall in goods traffic, which was mainly due to the lesser tonnage of bituminous coal and of ores transported, was in all probability of a temporary character. War restrictions were principally to blame, and now that the New York line, in common with other American railways, has been handed back to private ownership, and trade has for the most part been freed from official shackles, the 1919 diminution in traffic is likely to be quickly made good.

In the Transportation Act of February last Congress laid down the broad principles which were in future to govern American railroad operations, and empowered the Interstate Commerce Commission to fix rates which would ensure to common carriers a fair return on the capital outlay incurred on the provision of facilities. This "fair return," which is to be allowed on all the property of each company, on the basis of an agreed aggregate value, is fixed in the Act for two years from March 1, 1920, at 5½ per cent. per annum. At the discretion of the Commission an additional one-half per cent. per annum may be allowed so as to provide for improvements. During Federal control a yearly standard compensation was paid to the railroads in respect of loss on operation, and up to the end of the current month, as we pointed out in our last issue, this Federal guarantee holds good. After September 1, 1920, the New York Central Railroad, as well as other American systems, must meet all outgoings from revenue, and so it will be thrown upon its own resources. A free hand is, however, all that is wanted, and the proviso in the Transportation Act as to earnings on capital affords a certain amount of security to stockholders that their interests will not be neglected. Early in the month news came to hand of the increase in rates which the Interstate Commission had decided to sanction in view of the recent substantial labour awards and the general rise in operating expenses. The increase works out approximately at twenty-five per cent. for the Southern roads, thirty-five per cent. for the Western, and forty per cent. for the Eastern. The New York Central thus comes under the most favoured category, but doubts have been expressed as to the extent to which the new rates will give the desired profit margin over the additional expenses that have been piled on to the companies by a too philanthropic Labour board.

While the Government were in control the New York Central obtained various advances for improvement projects, and these advances for the two years 1918 and 1919 amounted to forty million dollars. This sum must in due course be repaid. On December 31, 1919, the funded debt amounted to $671,654,782. Adding the amount of loans and bills payable, given in the balance sheet as $49,829,500, the total long and short term indebtedness of the Company is $721,484,282, compared with $730,248,201 at the end of 1918—a decrease of nearly $9,000,000.

A dividend of five per cent. for the year on the capital stock of $249,592,455 outstanding absorbs $12,479,611 of the net corporate income of $19,917,250. For the possession, use, and control of its property, including the leased lines, the Company obtained as compensation for the year $55,802,630—the same figure as in 1918. Outside this vital item miscellaneous revenue totalled $13,619,366, of which $6,018,702 represented dividend income. Income from this source showed a decrease, as no dividends were received from the Wells Fargo Express Company, and the Rutland Railroad Company, while the New York and Harlem Railroad Company distributed only ten instead of a previous fourteen per cent. on its stock. Total investments at $1,110,557,407 exceeds the funded debt actually outstanding by almost $439,000,000, and prove the inherent strength of the Company's position. The income account set out below shows, indeed, a slight increase in the percentage of revenues to expenses from 78.23 per cent. in 1918 to 79.31 per cent. in 1919.

Income Account New York Central Railway.

Miles operated	1919	5,681·82 1918	Inc. or Dec.
Operating Income.	$	$	$
Railway operating revenues	250,000,000 21	236,000,000 21	+ 14,388,374 19
Railway operating expenses	221,000,000 21	210,000,000 20	+ 11,000,000 20
Net revenue from railway operation	29,000,000 00	26,000,000 00	+ 3,000,000 00
Percentage of expenses to revenue	79·31	78·23	(1·08)
Railway tax accruals	14,000,000 00	11,000,000 00	+ 3,000,000 00
Uncollectible railway revenues	15,000,000 00	15,000,000 00	—
Railway operating income	18,000,000 00	17,000,000 00	+ 1,000,000 00
Other Income.			
Joint facility rent income	3,000,000 00	3,000,000 00	+ 000,000 00
Income from investments	200,000 00	200,000 00	+ 000,000 00
Revenues and expenses prior to 1918	2,815,196 61	6,194,711 69	3,379,605 08
Miscellaneous income	800 19	—	+ 800 19
Total other income	6,818,023 81	9,516,831 08	2,698,807 27
Gross income	54,886,100 36	56,839,188 45	1,964,088 09
Deductions from Gross Income.			
Hired equipment—net balance	2,418,758 47	3,111,520 39	692,761 92
Joint facility rents	1,367,866 80	1,184,583 18	+ 200,780 62
Miscellaneous rents	966,000 00	850,000 00	+ 116,000 00
Interest on unfunded debt	22,821 42	133 21	22,688 21
Total reductions from gross income	5,578,226 37	4,628,780 77	750,487 40
Net income	51,016,806 99	52,270,407 68	1,213,600 69

Rate-making Interest is based on property owned and used prior to January 1, 1918.

GOVERNMENT WOOL STOCKS.

We are pleased to record that the Ministry of Munitions have now published the revised statement of the stocks of Government wools which has been asked for in these columns on several occasions. Sir Arthur Goldfinch, Director-General of Raw Materials, is handling this enormous problem of liquidating the Government's purchases of wool in a very businesslike manner, bearing in mind that he is necessarily acting primarily in the interests of the State and of the Australasian wool growers. We should like, however, to repeat the remarks made in our issue of July 31, and again to urge the importance of making regular and up-to-date announcements of the position of these huge Government wool stocks. It is probable that the wool trade during the next six months will pass through one of the most critical periods in its history, and growers, dealers, and users of wool will need to be constantly on the alert if serious mistakes are to be avoided. During such an anxious time the existence of the large Government surplus stock mentioned below is obviously a factor of enhanced importance, and it is essential that all sections of the industry should have exact knowledge of the position of these stocks at any given date. If such information is not issued publicly it must necessarily reach the hands of a few firms, who will thus receive an unfair advantage in determining their course of action in the open markets. We feel sure that the Ministry of Munitions is desirous of avoiding the possibility of any accusation of this kind being made during the coming months, and would suggest the advisability, in the circumstances, of issuing a monthly statement of stocks, shipments, and sales.

The notice issued last week by the Ministry of Munitions sets out the estimated stocks of various [illegible] the Imperial Government discontinued buying wool in [illegible]

the statement, inserting under the heading "United Kingdom" wool in stock and on voyage to this country:—

	In United Kingdom Bales	At Antwerp, Boston, &c. Bales	In Australasia Bales	Total Bales
Merino wool	524,153	81,495	507,608	1,113,256
N.Z. scpes and scoured	127,019	—	165,450	292,519
Australian crossbred ...	269,909	12,893	657,352	940,154
N.Z. crossbred	217,088	—	341,937	559,025
... ...	1,138,169	94,388	1,672,347	2,905,554

It will be noted in the first place that the highest of the private estimates of the Government stocks, viz., 3,000,000 bales, has proved to be correct, the actual figure being 2,905,554 bales, or nearly the equivalent of one and one-quarter annual clips of both Australia and New Zealand. Of this total no less than 1,113,000 bales represent merino wool, including 797,000 bales of combing wools for the worsted trade. We confess that we are surprised that the amount of merino wool remaining in the Government's hands should be so large, and, adding the 500,000 bales of fine crossbreds (56's to 60's), it appears that the outlook for supplies of the fine, soft-handling wools is not nearly so gloomy as many firms have considered.

In our issue of March 20 last it was shown that the total stocks in Australasia at December 31, together with the estimated balances of the new clips, amounted to 3,050,384 bales. Deducting the estimated scouring loss and the wool required for use in the Dominions, the net total was 2,869,384 bales. The stock in Australasia on June 30 was 1,672,347 bales, and the quantity shipped during the first six months of the year was, accordingly, 1,197,000 bales. The Ministry's shipping programme provided for 300,000 bales per month being lifted for this country, and the deficiency in shipments is thus 603,000 bales, plus the quantity actually sent in that time direct from Australia to Antwerp, Boston, Japan, &c. The Department now announce that it is intended to ship about 400,000 bales in July and August, leaving a stock of about 1,270,000 bales in Australia and New Zealand on August 31, "which will be shipped very slowly thereafter as occasion requires." It is well known that negotiations have taken place between the Australian and Imperial Governments regarding the shipment of private and Government-owned wools from September onwards, and the phrase quoted above seems to indicate that some arrangement has been made in the matter. No official information has, however, been given to the trade, and, if any agreement has been reached, it is of the highest importance that full details should be published immediately.

The statement now issued also enables the position of the disposals to be examined. It will be noted from our article of March 20 that the net amount of Government wool to be sold as from December 31 last was estimated at 3,863,182 bales. The total quantity to be sold on June 30 was 2,905,554 bales, and the disposals in the intervening six months must, therefore, have been approximately 957,628 bales. The sales programme estimated for the disposal of 225,000 bales per month in the United Kingdom and 60,000 bales per month in foreign parts, or a total of 1,710,000 bales in the six months. The deficiency in the disposal arrangements is thus 752,000 bales, and to this big figure must be added the large quantity withdrawn at the July sales.

It is thus clear that, owing to various circumstances, the Ministry of Munitions have failed in the first six months of this year to carry out their shipping arrangements to the extent of nearly 1,000,000 bales, whilst their sales of wool are about 750,000 bales less than anticipated. So far as wool growers' interests are concerned this is an unfortunate occurrence, and the existence of the huge surplus will render the resumption of private trade in raw wool a matter of extreme difficulty. The continued assurance of ample supplies is naturally a source of comfort to spinners and manufacturers, and when the much-needed new basis of values is found, we look for an active resumption of trade.

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Financial Notes.

IT is in the highest degree regrettable that a misunderstanding should have arisen between the French and British Governments on the questions in dispute between the two Republics of Russia and Poland. Those who were in Folkestone during the last week-end saw the French flag flying over various buildings in the town so recently as Monday last, and it was naturally assumed that so important a question as the relations of the two Allies principally concerned in the late War with our ex-Ally, Russia, would have been carefully arranged. Apparently, France did not understand the attitude of our Government; still less had our Government any apprehension of the crisis likely to be brought about by the action of France with reference to South Russia. It is sincerely to be hoped that the report is true that a further meeting is to take place between the representatives of France and England, and that they will come to some definite arrangement for common action.

A good deal of discussion occurred in the Press at the end of last week on the unwillingness of large sections of the populations of most countries at the present time to resume work vigorously, in order to put the several countries right from the effects of the recent War. If one will throw one's mind back to the conditions which prevailed before the War, and to the experiences through which we have recently passed, this attitude of mind of a large section of the community is by no means surprising. In this country, for example, we have had a shock to our sense of security which it will necessarily take a very long time to recover from. One of the most democratic Governments that has ever existed in England came into existence in 1906. In spite of the warnings of the late Lord Roberts it did nothing in the way of preparing the country for the War. Suddenly, when the War took place, the country was plunged into conscription. From the boy leaving school to the man of fifty, each and all were indiscriminately called to the Colours. Positions which it had taken the better part of a lifetime to attain had to be sacrificed. Businesses which had been slowly built up had to be scrapped. Savings which had been accumulated

through the generations were, and still are, being recklessly squandered by the Government. A few great concerns which happened to have the ears of those in authority no doubt did make very large profits. But, speaking generally, the whole industry of the country was disorganised.

The Government said: "You forget there is a war on." On the contrary, what most people complained of was not that there was a war on, but of the Government's notion of conducting that war, which is a totally different and distinct proposition. No regard was paid to the fact that those men who were called up to the Colours in the middle of the War were not trained; that there were neither commissioned nor non-commissioned officers capable of training them; and that, in the nature of the case, they could render no services adequate to the sacrifices demanded from them. Moreover, no proper regard was paid to the economic conditions of the country. It was said that [illegible] be admirable in the mouth of a man like the late Colonel Burnaby, leading a brilliant cavalry charge. But it is not a phrase suitable for the mouths of statesmen. In the sequel, although we pledged everything we had, and borrowed everything we could, and the united forces opposed to the enemy were something like ten times as great as his, we were ultimately unable, even with the assistance of the United States, to win anything that could be claimed as a decisive victory. What actually happened was a continued [illegible] by land and by sea which ultimately compelled him to surrender.

The mass of people, no doubt, have not had the training or adequate leisure to enable them to reason the whole subject out in the way we have just stated above. But they, not unnaturally, have a dull feeling that their terrible sacrifices have been made to very little purpose. They have, moreover, an equal feeling of general insecurity. All the world is more or less in turmoil. It has not unaptly been said that the result of the War is to Bolshevise half Europe and to Balkanise the other half. In the circumstances it is not at all surprising that a great mass of people who have neither had the leisure nor the training to reason out the facts carefully for themselves have a sort of feeling that they may as well get what they can out of life while they may. If Europe is to recover from its present terrible plight it will require a form of leadership which will restore the general confidence, so that men will feel that they are secure in the rewards they are able to obtain from their labour, and not liable at any moment to be wrested from the bench to don the uniform of a soldier.

Most gratifying are the figures of the foreign trade of Belgium for the first six months of the current year. The exports, at 4,152¼ million francs, show an increase of 3,777¼ million francs, while the imports, which amounted to 5,869½ million francs, are up to the extent of 4,133¼ million francs compared with the corresponding period of last year. The receipts from Customs have nearly doubled at 103 million francs. Belgium's best customer during the six months was France, which country took very nearly 1,285 million francs worth of commodities. The United States came next, having taken 1,131¼ million francs. This country came third with 704¾ million francs. France again led in the matter of exports to Belgium, having sent 1,192¼ million francs worth of goods into that country. The United Kingdom came second with 1,006½ millions, followed very closely by the United States with 1,005½ millions.

Business in Japan remained stagnant in all departments throughout the month of July, most of the trading institutions being engaged in the work of reorganisation after the recent partial collapse. Both the Stock and the Cotton-yarn exchanges are especially inactive; and the accumulations of commodities in the Japanese warehouses are augmenting rather than diminishing. A good indication as to the amount of business passing is generally afforded by the Clearing House returns. The bills cleared through the Tokio Clearing House during July amounted to only 210 millions sterling, which is about half the amount cleared in the month of March. There was an abundant supply of short money throughout last month, and this contributed to the great success of the recent issues of Debenture stocks of the Oriental Exploitation Company and of the South Manchurian Railway Company. The Silk market was dull throughout the month, and the price of the commodity fell at one time to £130, influenced by the large accumulation of stocks and the report that trade conditions in the United States had not improved. The amount of bank-notes in circulation at the end of the month was £120,200,000, while the advances by the Bank of Japan stood at £47,600,000.

In the middle of July of last year, it will be remembered, the Bank of France, in return for an advance of a sum of 160 millions sterling to the Government, secured power from the French Treasury to raise the legal limit of its note circulation from 1,440 millions sterling to 1,600 millions. This limit has in recent weeks been very closely approached, until at the end of last month the notes in actual circulation of the Bank of France stood at 1,528½ millions. It has, therefore, been considered imperative that the Bank should again approach the Government, and ask for further power to increase its fiduciary circulation. We now learn that on the last day of last month the French Minister of Finance secured a vote raising the legal maximum from 1,600 millions to 1,720 millions sterling. The total amount of notes which the French Law of August 12, 1870, allowed the Bank of France to issue was 72 millions sterling. It may not be without interest to show the successive increases since that date:

Date.	£	Date.	£
August 12, 1870	72,000,000	May 11, 1915 .	[illegible]
August 14, 1870	96,000,000	March 15, 1916 .	[illegible]
December 29, 1871 .	112,000,000	Feb. 15, 1917 ..	[illegible]
July 15, 1872 ..	128,000,000	Sept. 10, 1917 ...	[illegible]
January 30, 1884 ..	140,000,000	Feb. 7, 1918 ...	1,080,000,000.
January 24, 1891 ..	160,000,000	May 3, 1918 ..	[illegible]
November 17, 1897 ..	[illegible]	Sept. 5, 1918 ..	[illegible]
February 9, 1906 .	232,000,000	Feb. 25, 1919 ..	[illegible]
December 29, 1911	272,000,000	July 17, 1919 ..	[illegible]
August 5, 1914 ...	480,000,000	July 31, 1920 ..	[illegible]

As a result of the holding of the recent Lambeth Conference, the bishops of the Anglican Church, both at home and abroad, including not merely the United Kingdom and the Colonies, but the bishops attached to the Church in the United States, as well as in some other countries, have issued an appeal for union amongst all the Christian Churches. The appeal realises, as all those who desire union in anything must realise, that it can only be brought about by compromise. Some years ago an attempt was made to bring about a union between the advanced High Church party in the Anglican Church and the Church of Rome, but this did not meet with any measure of success. The present endeavour is to see if it is not possible for the Anglican Church to bring about a union with what are called the Free Churches—that is, the various Nonconformist bodies. It seems pretty clear that, if it is not possible for the various English denominations to come to an agreement amongst themselves, anything like a world-wide union amongst Christians can hardly be expected [illegible] measure of hope.

It is eminently encouraging that, according to the information before us, the advances made by the Anglicans to the Eastern Communion have been met in a most encouraging way, and there seems good reason for believing that the Anglican and the Eastern Churches may be able to form what will amount to a

working union. It is eminently desirable that the various Christian Churches should make a serious endeavour to find some basis of union. More and more it is coming to be felt that the Reformation was a disastrous mistake. It has resulted in splitting Christendom into a thousand fragments, in which the various creeds have been during the past three centuries more interested in fighting each other than in securing any common object. Western Europe was at the end of the eighteenth century, and Russia to-day is, endeavouring to seek a substitute as a basis on which to rest some sort of religious system. But the results so far achieved from these endeavours are certainly not encouraging.

SOUTH AND CENTRAL AMERICA.

NEED FOR OPENING UP.

After a prolonged and devastating war there is at present, as is always the case after a period of destruction, a need for increasing production and for restocking our exhausted stores. This has been the case throughout recorded history, which we can trace back for a period now exceeding some 4,000 years. The question whether the world progresses is itself disputed. But certain it is that in the past a period of apparent progress has been followed by a comparatively brief period of terrible destruction; and that, again, is followed by a long period of slow recovery. The ancient world accumulated great stores of wealth during a comparatively prolonged period of peace, to be destroyed during succeeding wars. When Rome rose, and established her sway over a very great part of what we now call Europe, she, in turn, accumulated great wealth, the bulk of which, but not the whole, disappeared with the fall of the Roman Empire. There was a gradual reconstruction in the Middle Ages, and although there was nothing like the wealth accumulated which had existed in the ancient civilisation, and to which we have been accustomed during the industrial period of modern times, there was a great deal of general prosperity. Apparently there was far less actual poverty than has been the case in the industrial period either in ancient or modern times. This period of comparative prosperity was brought to an end by the prolonged fight between the Puritans and the ancient Church, to be followed in turn by a period of recuperation which led to the wealth and extravagance of the eighteenth century. During the eighteenth century means of communication were primitive. Industry itself was but poorly developed, and while there was a great deal of wealth accumulated, it was so badly distributed that the period was accompanied by very real poverty over a large part of Europe. We should distinguish, however, what we mean by wealth and poverty. Now it is commonly said that France was poorer than England during the two centuries that preceded the outbreak of the French Revolution. This is only true of the latter part of that period, and it was due to the fact that while England developed with her trade and manufactures an enormous realisable capital, which enabled her to dispute with France, and ultimately to win, the trade and colonies of the East and West, France attempted to fight a long succession of wars without adequate mobilisable capital, which would have given her any reasonable prospect of success. The result was that the strain on French resources was out of all proportion to what was the case in England. In other words, the resources of France remained very largely stationary during the period of those wars, while the resources of England were being developed upon an enormous scale. The period of comparative opulence which was developed after the cessation of the Puritan wars was itself interrupted by the great wars of democracy which have lasted down to our own time.

As we explain elsewhere, about two-thirds of the earth's surface is in the temperate or cold region of the earth. There is, however, a third part in the tropical regions. This part has only recently become really accessible. But it is potentially enormously rich. We were about to say as rich as the other two sections put together. That, of course, is far more than we are justified in saying, because there is no data to enable us to say whether it is true or not. All that we can say with certainty is that in the tropical regions of the earth all kinds of life, both animal and vegetable, are exceedingly prolific. It is possible to breed stock upon a greater scale than is practicable in the colder regions, owing to the greater abundance of food. Anyone who has ever visited the tropics, even the most casual and unobservant visitor, will have been struck by the extraordinary abundance of vegetation. Consequently, without going into actual figures of the relative productivity of the tropics as compared with the temperate zone, about which we have at present no real information, it will, we think, be admitted that the tropics are prolific, unit of area for unit of area, to an extent that is very much greater in those regions than is the case with the temperate zone with which we are ourselves more familiar. For practical purposes the tropics may be confined to Central Africa and the whole of northern South America. Central Africa is doubtless potentially rich. It is exceedingly little developed, and we are not really in a position to say with any degree of authority what the potentialities of Central Africa are. Large areas are subject to tropical rains, which, of course, is all to the good. A large part of the whole stands at a very high elevation; and, consequently, the productivity which characterises the corresponding latitudes south of the Line in South America are not to be expected. Certain areas are subject apparently to drought. And although we speak with great reservation, as the knowledge available is so incomplete, it does not appear reasonable to expect anything like the same degree of productivity from Central Africa that one may reasonably look for from Central America. On the other hand, everything that can be done for equatorial Africa should be done, and done with great energy, for a very large part of that continent forms part of the British Empire.

In reality, if we rightly understand the question, the richest potential area of the earth, which so far is practically wholly unoccupied and is awaiting development, is the vast area of northern South America. From the Caribbean Sea, some six or seven degrees north of the Line, to the thirty-fifth parallel south of the Line, there is an area about the size of the whole of Europe almost wholly unoccupied, and which offers potentialities of development which do not exist in any corresponding extent of the earth's surface. It offers homes for something between 400 and 500 millions of people on a relatively more satisfactory economic standard of living than that which is afforded in Europe at the present time. To enable such a population to occupy this vast territory it will require to be drained and to be opened up by proper means of communication. A railway running, say, from Maracaibo Bay to Rio, in Brazil, or Buenos Ayres, the capital of the Argentine Republic, would encounter very serious obstacles in its progress. It would have to cross the Amazon River, which is not only the greatest river in the world, but which rises during certain seasons of the year to an extent of some sixty feet compared with its level in the short dry season. It is not merely a river of enormous breadth, but its banks are twice annually inundated. The area is estimated to extend roughly over a country comparable in size to France and what were lately the German and Austro-Hungarian Empires. This land is inundated to an extent varying from four to five feet up to twelve feet of water during certain periods of the year. The competent trained engineer is in no way alarmed by such a spectacle. But to those who are unacquainted with new countries which have never been drained and which are subject to tropical conditions, particularly the tropical conditions of the

Amazon Valley, which are exceptional for reasons which we have explained on various occasions, but which we have not space at the moment to enter into, it would appear an almost insoluble problem. In reality, the engineer tells the visitor at once that the problem, far from being insoluble, offers extraordinary advantages, and that, in fact, the country is greatly to be congratulated on the possession of so much water, which could, were adequate engineering precautions taken, be regulated, and be of immense advantage for agricultural development and also for purposes of industrial use. Of course, it has to be remembered that, assuming civilisation continues to progress, and this rich portion of South America is opened up, as we all hope it will be, rainfall may be expected to decrease, and to decrease very considerably as settlement takes place. Consequently, it will be desirable to conserve as large a proportion of the rainfall available as is possible. In its wild, natural state, as it is at present, there is a great deal too much water available. But were the country properly opened up this would not be the case, although it would, of course, in the matter of water, be one of the most favoured districts of the earth's surface. In the nature of the case, assuming that this area is settled, it would not be possible to maintain the vast forest areas that now exist. At the same time, to destroy those forests with the ruthless hand that has been practised in the northern continent would be done by the inhabitants at their peril, for there can be no reasonable doubt that unless adequate precautions are taken by the several Republics to preserve at least some reasonable relation between the forest area and the open country, the effect upon the climate will be very great and might in the sequel prove actually disastrous. This vast area has at present water communication extending over some 30,000 miles, and were the problem tackled by competent engineers it would be quite practicable to connect up all the principal rivers, and even many of the streams now existing by means of canals. And the river traffic, which now forms the principal means of communication, could be so greatly increased that it would be practicable to move with comparative rapidity from one part of the country to another. At present many of these rivers are obstructed by rapids. This difficulty could, of course, be got over if it were deemed advisable to incur the expense. But a far more important obstacle at present is the absence of canal communication between the different streams, which would admit of rapid communication between the different areas of the country. Incidentally, the reader will observe that the cutting of these canals would of itself practically drain the country. Of course, it would not be possible to incur the enormous expense that would be necessary for connecting up the various tributaries of the Amazon unless the country were producing upon an enormous scale. But it is capable of producing upon an enormous scale provided an adequate population were available. There are, however, over various parts of the earth's surface immense numbers of people living in such an unsatisfactory economic state that they would gladly migrate to this region if they were offered facilities.

This region, as we have said, is practically all under the Equator, or at any rate it is within the area which we properly designate the tropics. As we have explained, there is an adequate supply of water, and consequently crops can be grown continuously throughout the year. Doubtless experience would show that after a time, if the land were cropped for some years up to capacity, it would be necessary to resort to fertilisers. What fertilisers would be required in the tropics we at present have no real information. Practically the only form of tropical agriculture which has ever been really practised is the growth of the sugar-cane; and that has never been practised in an area that could in any reasonable sense be compared with the basin of the Amazon valley. In real fact, whenever the country is opened up the agriculture depends, the farmer, the manager of the agricultural company, and those in charge will have to make their own experiments. There is hardly any data available except such as has been collected in the botanical gardens. We are by no means belittling those sources of information, for they are, in fact, all the information that we have. Nevertheless, it is one thing to collect information in a botanical garden, where cultivation is carried on under experts in a small way for experimental purposes, and where the actual cost per unit of production is of relatively small importance, with a great farming area that has got to be worked by ordinary people, who have undoubtedly a certain training, but cannot be regarded as experts in the sense that the directors of the great botanical institutions are.

It will be seen that these regions offer opportunities for development in an economic sense which is not true of any other known region of the earth's surface. Most readers of THE STATIST are aware of what has been accomplished by merely opening up some northern or southern country situated in what is known as the temperate zone. But this is a small matter compared with the opening up of a vast area where crops can be grown continuously throughout the year. We have thought of this area purely from its agricultural potentialities, for its agricultural potentialities are of the greatest importance to the world at the present time. It is capable, if it were adequately opened up, of supplying vast quantities of food and raw materials on an economic basis relatively lower than that of any corresponding area of the surface of the earth.

A telegram from Rio de Janeiro, dated August 10, received by the South American Press, Limited, states that the official Cotton Control announces that an important British mission will shortly visit the cotton-producing zones of Brazil for the purpose of studying the possibilities of the industry as an alternative to the United States in the supply of raw material. The English specialist, Mr. Kerr, is now visiting the zones in the north, and another expert, Mr. Arnold Pearse, has arrived in the steamer *Orita* with the same object.

American Topics.

AMERICAN CROPS.

[FROM OUR SPECIAL CORRESPONDENT.]

July 24, 1920.

TRADING in wheat futures started on July 15 on the leading exchanges of the country. Although it was generally expected by the trade that wheat prices would rule around $2.75 a bushel in Chicago, these prices failed to hold up, and rapidly dropped to $2.53. This week, however, the market has rallied somewhat, and to-day shows wheat at $2.59. Not much activity has been shown, as it is a little early for new crop, and the speculative interests have not yet entered the market.

The Portland and Seattle exchanges opened at prices that were generally expected to rule, ranging from $2.43 to $2.61 a bushel. There is an absence of export demand through the East generally, and it is felt that Europe cannot hold off indefinitely from the American markets, and this is resulting in the firmness displayed in the markets. Pacific Coast points will not be as badly handicapped in the matter of transportation as will the markets of the Middle West. Middle Western farmers will be greatly handicapped in the export trade on the question of cost and transportation to the seaboard, a question which does not exist in the Pacific North-West as concerned as export transportation to Europe is easily obtainable. However, the export demand is practically nil at the present time.

Crop conditions throughout the country are excellent. The usual black-rust scare prevails through parts of the Middle West at the present time. The south-western part of Minnesota and the eastern part of North Dakota are the sections most prominently mentioned in this respect. Kansas, the largest producing State in the Middle West, has had none of the black rust, and will harvest one of the largest crops of wheat the State has yet had. The Kansas State Agricultural Board, in a report just issued, estimates the crop at 147,000,000 bushels, the second largest in the history of the State. The Pacific North-West—that is, Oregon, Washington, and Northern Idaho, or that part of the latter State that is tributary to coast terminals—will produce a crop of wheat that is fully estimated at approximately 69,000,000 bushels, divided as follows: Oregon, 21,000,000 bushels; Washington, 41,000,000 bushels; and Northern Idaho, 7,000,000 bushels. The crop throughout the Pacific North-West, as well as that reported from the Middle West, will be of excellent quality, for the weather this year has been ideal. Severe storms in certain sections of the Pacific North-West grain-producing areas cut down the yield in these areas, but they were entirely local in character. While this damage was being done in certain quarters rains appeared in others, and, according to farmers, increased their prospective yields fully five bushels to the acre. Harvesting has already started in certain sections of the Pacific North-West, and will be in full swing inside of the next ten days.

The question of transportation for the movement of the new crops is a serious one. There is no doubt that this country will be very deficient in box cars for crop movement, and this condition will affect prices of wheat materially. The Interstate Commerce Commission has issued orders for the Eastern railroads to despatch 25,000 cars to Middle Western roads to move grain, but it will require many more cars than that to handle the crop properly. The condition in Montana appears particularly acute and appeals for cars are daily being sent for help in moving the grain. Montana will have a crop for the first time in three years, and it will be a bumper crop in the neighbourhood of 35 to 40 million bushels. The car shortage in the Pacific North-West will not be quite as acute, as these States are not entirely dependent upon rail transportation. Various committees of the grain trade have been appointed by the Committee of Forty-Seven, which was established by the Grain Exchanges of the country to advise as to the opening of the exchanges, to take up the matter of transportation with the Government authorities, and it remains to be seen what has been accomplished.

Another problem confronting the grain trade this season is the matter of financing the grain crop. Bankers, as a whole, are unanimous in declaring that the money situation is tight and that they will be hard pressed to properly finance the grain trade. As one of the most prominent bankers in the Pacific North West expresses the situation:—

"The possibility of a widely fluctuating market has aroused much interest on the part of the bankers, and they are much more cautious in their commitments. A ten to twenty per cent. margin on dollar wheat might be the height of conservatism, but when the price is likely to fluctuate a dollar during the season it is by no means a margin of safety. Upon banks rests the responsibility of furnishing enough money to harvest the crop and for actual harvest expenses, and there is no doubt funds will be forthcoming. If there is a desire to speculate on the crop, the banks are in no position to carry the burden. This will apply to grain dealers and millers as well."

This is the general attitude of bankers as a whole. It is true that the miller must to a certain degree speculate in filling his elevators with grain enough to carry him through operations for the season, and the bankers recognise this fact. But bankers will be watchful and see whether the exporter has actual sales at least approximate to his purchases, along with sufficient transportation to move his grain. The bankers will no doubt meet the situation, but will be put to severe tests under the strained and complicated financial situation which exists in this country at the present time.

THE U.S. EXPORT SITUATION.

[From Our Special Correspondent.]

July 26, 1920.

The export situation as regards the flour-milling industry this season is going to be a difficult one to solve. There are several problems that must be overcome before any exports can be made on an appreciable scale. In the first place, the differential on wheat and flour as established by the United States Shipping Board is one of the great handicaps to be overcome. Different milling organisations all over the country have taken the matter up at various times with the Shipping Boards, claiming that the flour-milling industry faces ruin if flour rates are not put on a parity basis with wheat. But so far the Shipping Board has not seen fit to reverse its ruling. To combat in part this heavier charge of flour over wheat plans are now under way by the National Millers' Federation to reduce the cost of loading at the seaboard by installation of loading machinery for the cheaper handling of flour. Recently at Philadelphia plans were set on foot for the installation of machinery in the near future. The city of Philadelphia has promised to have this machinery ready for the movement of the new-crop flour. This will partly solve the difficulties of the flour exporters.

Transportation is another of the difficulties to be overcome—or rather the lack of transportation—for the situation is bad at the present time, and will likely be worse when it comes to moving the new-crop flour. Flour millers in the Middle West are having the greatest difficulty in obtaining cars to ship flour to the seaboard, both to Atlantic and Gulf ports. A remedy for this situation has been sought for months past, but it seems as though nothing has been accomplished. The Pacific North-West does not feel the situation quite so keenly, as the movement is freer, with not as long a distance to the seaboard. Still, conditions could be better in this section also, and improvement is being looked for. Whether it will arrive or not is a question.

Probably one of the greatest worries of the flour millers of this country is the fact that Europe will buy wheat instead of flour. Wheat shipments to Europe are being made on quite a large scale at the present time, particularly through the Pacific North-West ports, although most of it has been done by the Grain Corporation, which is cleaning up the last of its stock. The shipments for July will probably reach the two-million-bushel mark. Most of this is going to the United Kingdom. Europe is buying the wheat in preference to flour, and that is what is worrying the miller here. He must find a market for his surplus flour in the export market, and with Europe, the greatest of importers, buying wheat, where next will he turn? Europe wants the wheat because it prefers to have its own millers grind the wheat and obtain the feed, in addition to the building up of its own flour-milling industry. It seems as though Europe has been helped by the United States Shipping Board in this respect, for with the differential established it is an added incentive to import wheat. Their industry needs rebuilding, no doubt, but to what extent flour will suffer in the building up is problematical.

If Europe, or possibly one should say the United Kingdom, is closed to the flour exporters, a new field of activity for the millers must be sought. Of course, there is the rest of Europe outside of the United Kingdom, but here competition must be entered into

with the United Kingdom, for the millers of England will surely enter the foreign markets of Europe and try to establish [illegible]. Compilations recently made shows that the cost of the manufacture of flour by British and American millers is practically the same, but England will have the added advantage of nearby shipments and the quick filling of orders. The quality of the American flour might be of higher grade, but the people of the rest of Europe will not want a high-price flour anyway. Flour is flour, and [illegible] made to pay extra prices [illegible] flour the American miller must cater to their wants with a medium-priced flour.

The North [illegible] export trade in flour more keenly than ever this year. The millers' export market formerly held in the Orient is closed to them, but for different reasons than the European market. Australian flour has supplanted the American product in those markets on account of the nearness and the resulting difference in price held out. The Orient offers a good field for the cheaper grade of Australian flour which the Oriental countries use. Whether this trade will be re-established in the future is very doubtful. The present outlook for the millers of this territory is in the south-eastern part of the United States, where the bakers use soft wheat flour to a great extent in the making of pastries, and the west coast of Central and South America. These two are the only outlets that promise anything at the present time. The drawback to the south-eastern trade is the high rail rates existing, and heretofore the lack of water transportation to south-eastern points. The rail rates, as existing at the moment, are $17 to Baltimore and from $15 to $16 a ton to Charleston and Norfolk. Millers claim that rates must come down to $8 before a profit can be made. Millers are promised, however, that a steamship company is soon to put on a through service to the south-east, and millers are anticipating a good trade in that territory. Some of them have already established distributing bases from which flour will be reshipped.

To what extent the exchange situation will handicap the export of flour is hard to figure. The exchange situation gave promise for a time of strengthening, but of late it has weakened. Export of flour should not suffer any more than wheat, but there is no doubt that with such situations as are thought to exist in Europe in the way of conservation of supplies, the European countries will not import any more wheat or flour than is absolutely necessary, and at that the preference will be given to the importation of wheat.

WHITBREAD AND CO., LTD.—Despite heavily increased beer and licence duties, the net profits of this Company for the year ended July 6 last increased, as compared with the previous year, by £33,353 to £242,432, and a dividend of 10%, free of income tax, is paid on the Ordinary shares, an increase of 3% on the preceding distribution. The following table shows the position of the Company over recent years:

Year	Net Profit	Ordinary Dividend Amount	Ordinary Dividend %	Carried forward
	£	£		£
1919-20	242,432	96,740	10	213,164
1918-19	209,079	65,718	7	165,150
1917-18	204,806	65,718	7	124,056
1916-17	198,348	65,718	7	92,804
1915-16	161,829	19,348	2	73,570
1914-15	147,859	19,348	2	55,619
1913-14	126,560	4,837	½	16,439

The great improvement in the Company's position since 1913-14, when its net profits were £126,560 and its Ordinary dividend only ½%, is obvious from the figures taken from the various balance sheets and included in the table.

TRINIDAD ESMERALDA ESTATE, LIMITED.—The manager reports from New York this week that cocoa is now on its way and drilling operations should start early in October. The estate manager reports that the cocoa crop for the past season has been very satisfactory and disposed of at good prices.

ESTABLISHED 1887.

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CORRESPONDENCE INVITED.

Rubber Topics.

THE Rubber market was by no means over-burdened with business during the week. Transactions were indeed, on so small a scale that it was difficult to test the tone of the market. On Monday there was some demand for London Asiatic letters at prices ranging from 4½*d.* to 9¾*d.* Reactions, however, characterised the leading descriptions, Anglo-Dutch, for example, dropping to 41*s.* 3*d.* Malaccas were sold from Paris and closed ½ weaker at 4. Irregularity best describes movements on Tuesday, for whilst Rubber Trusts continued to react to 31*s.* 3*d.*, Bukit Rajah moved up ⅛ to 1⅜. A steadier tone was in evidence on Wednesday, Anglo-Dutch closing 9*d.* to the good at 48*s.*, whilst Paris turned buyer and Malaccas put on ⅛ to 4½. In an idle market on Thursday prices moved irregularly. Rubber Trusts finished weak at 31*s.* 9*d.*, but Anglo-Dutch were a firm spot at 48*s.* Paris showed a tendency to realise, and Kuala Lumpur shed ⅛ to 3⅝, whilst Tanjong Malim closed $\frac{3}{32}$ down at 1⅝. To-day the Commodity market, which was more or less featureless during the week, developed activity, and standard crepe was in good demand at 2*s.* 0¼*d.* Should this recovery persist it would tend to liven up matters in the Share market next week.

STRAITS RUBBER COMPANY.

WITH the reversion to more normal conditions the report of this well-known rubber Company for the year ended December 31, 1919, shows a very satisfactory improvement as compared with 1918. Consequently, the crop actually harvested was not over 500,000 lb. in excess of the small yield of 1918, but also exceeded the estimate by more than 12,000 lb. How the financial results of the year compared with those of the preceding periods can be seen from the following table:—

	1919	1918	1917	1916	1915
	Acres	Acres	Acres	Acres	Acres
Planted area (rubber)*	11,082	10,776	9,919	9,766	9,520
Planted area (coconuts)	58	60	540	540	540
Uncultivated area*	1,786	1,899	2,119	3,397	3,582
Av. rubber acreage tapped†	—	—	6,440	5,924	4,586
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output†	2,805,078	2,241,360	2,893,065	[illegible]1	2,004,216
Yield per acre tapped†	—	—	449	422	437
Gross price realised per lb.	1 11 46	1 9 1	2 4 1	2 5 7	2 3 88
"All-in" cost per lb.	-/10-16	-/11-1	1/0·58	-/11-76	-/11-70
Profit per lb.	1 1 30	-/10	1/3·82	1 5 31	1 4 18
	£	£	£	£	£
Value of rubber	271,265	201,729	519,503	344,748	230,977
Total expenditure	115,808	106,810	127,346	129,702	100,565
Net rubber profit	155,457	94,919	191,957	189,046	130,412
Dividends on Rubber shares	9,450	5,906	18,656	14,545	14,848
Sundry receipts	7,441	8,180	4,530	4,313	2,219
Brought forward	17,005	58,905	16,510	18,[illegible]	17,277
Total available	189,403	147,058	[illegible]	[illegible]	[illegible]
Allocations—					
Diminution reserve	—	[illegible]	[illegible]	[illegible]	[illegible]
Dividend paid	140,000	105,000	192,500	192,500	140,000
	(70%)	(50%)	(100%)	(100%)	(70%)
Carry forward	49,403	17,058	38,953	16,310	18,956
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Price of Shares. 35 0. Market Capitalisation per planted acre on reconstructed capital. £166.

Despite the upward movement of price levels during the year under review, the larger crop was secured, thanks to the efficient administration of the estate, at a much lower cost of production. The estate cost of 6.70*d.* per lb. compared very favourably with 7.59*d.* in 1918. No less satisfactory was the f.o.b. cost of 8.19*d.* per lb. as against 9.25*d.*; whilst the "all-in" cost was reduced from 11.1*d.* to the low level of 10.16*d.* per lb. With an improvement in the gross price realised by the sale of the crop to 1*s.* 11.46*d.* the profit per lb. rose from 10*d.* in 1918 to 1*s.* 1.30*d.* in 1919. For the Rubana Estates the year was also more prosperous. Consequently dividends received in respect of the 135,000 shares held by Straits Rubber reached £9,450, as compared with £5,006 only in 1918. Thus there was available for distribution amongst the shareholders a sum of £189,406, or £42,000 more than in 1918. Hence it was possible to increase the dividend in amount from £105,000 to £140,000, and in rate from 30% to 40%. Despite this greater dividend the balance carried forward to the next accounts stands at £49,406, in comparison with £17,058 brought forward from 1918.

In common with many other companies, a reorganisation of the capital account has been effected in order to bring it into line with the actual value of the estates and assets held. Consequently, the Company went into voluntary liquidation and was reconstructed as from January 1, 1920, was an issued capital of £1,050,000, each shareholder receiving three fully-paid shares of £1 each for every £1 share held in the old Company. Working on this basis the outlook for the current year is promising. It is hoped to add 450 acres to the planted area, thereby increasing the total to 9,710 acres, or, with the addition of the proportion of the Rubana Estates owned, to 11,530 acres. The estimated crop reaches 2,950,000 lb. During the first five months of the year there has been harvested a crop of 1,095,861 lb., as compared with 1,087,040 lb. for the corresponding period of 1919. Forward sales have been made of 1,393,280 lb. at an average gross price of 2*s.* 0.57*d.* per lb., whilst 766,030 lb. of the 1921 crop have been sold forward at 2*s.* 1.06*d.* per lb. Calculating a profit of 1*s.* per lb. on the estate—and the 1919 profit per lb. was 1*s.* 1.30*d.*—this would afford a profit of £147,500, whereas only £105,000 is necessary to pay a dividend of 10% on the increased capital. The position as disclosed in the last balance sheet of the old Company is financially strong. Liabilities on December 31, 1919, including the final dividend of £70,000, did not exceed £134,154, whereas liquid assets were available to the extent of £231,565, excluding the value of the 135,000 shares in the Rubana Estates. In the market the £1 shares in the reconstructed Company are quoted at 35*s.*, affording on the assumption of a 15% dividend—and in view of the 60% excess profits duty it is not advisable to anticipate a larger rate—a return of over 8½%.

KOMBOK (NEGRI SEMBILAN).

Issued Capital: £90,000 in 2/0 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	1,541	1,176	542,000	461	2/8 1	—/11.88	46,855	18,000	20
1917	1,792	1,295	612,029	472	2/3.78	1/0.83	39,929	11,250	12½
1918	1,792	—	479,038	—	2 0½	1/3.11	14,976	7,200	8
1919	1,792		579,433	—	2 0.7	1/0.19	32,102	13,500	15

Price of Shares, 4/0. Market Capitalisation per planted acre, £134, allowing for bonus issue.

The report of this well-known rubber Company for the year ended December 31, 1919, is a record of satisfactory progress. No longer handicapped by the drastic restriction on output which resulted in the reduced crop of 1918, the Company secured a harvest of 579,433 lb., as compared with 479,038 lb. in the previous year. On the other hand, the crop fell short of the estimate by over 40,000 lb. In part this was due to the ravages of brown bast, which has been making much headway recently throughout the Federated Malay States. But it was due no less to the acute shortage of labour, which in its turn is attributed to the competition of the mining areas for Chinese labour and the adverse rate of the rupee exchange, which handicaps immigration from India. Though labouring under these disadvantages the estate, under efficient management, produced the crop at a satisfactory decline in the cost of production. The estate cost per lb. was returned at 9.47*d.*, or 1.19*d.* less than in 1918. The f.o.b. cost fell from 10.66*d.* per lb. to 10.11*d.* per lb. More gratifying still was the reduction in the "all-in" cost from 1*s.* 3.14*d.* per lb. in 1918 to 1*s.* 0.19*d.* per lb. for the year under review. Here the saving was entirely effected in the freight and selling expenses and insurance, which, in the absence of the submarine campaign and with the restoration of more normal transport facilities, dropped from 3.21*d.* per lb. to 1.61*d.* per lb. Moreover, as the price realised by the sale of the crop improved slightly from 2*s.* 0.51*d.* per lb. to 2*s.* 0.70*d.* per lb., there was a further addition to the net profit, which amounted to £32,102, as contrasted with £19,976 in 1918. Consequently, the dividend paid to shareholders increased in amount from £7,200 to £13,500, representing an advance in the rate from 8% to 15%. But the reward of the shareholders was not confined to this cash distribution. It was also agreed—in common with the policy adopted by so many other rubber companies—to increase the authorised capital from £100,000 to £150,000, and the issued capital from £90,000 to £120,000. The additional 300,000 shares were issued fully paid as a bonus to existing shareholders at the rate of one new share for every three shares already held. To effect the necessary alteration the sum of £30,000 was transferred from the reserve, which was reduced accordingly to £32,500. Taking into account this bonus issue, and assuming the shares to be valued only at par, the full dividend received by shareholders for the year under review was 15% plus 33⅓%, or a total of 48⅓%. Thus, from the point of view of the shareholders the financial results of the year were eminently satisfactory.

A vital factor in estimating the outlook for the current year is, as far as this Company is concerned, the extra burden involved by the corporation tax and the increase in the excess profits duty to 60%. Already the necessity of providing for liability in respect of this duty in connection with assessments under negotiation compels the Company to carry forward no less a sum than £35,816, sufficient to pay nearly a dividend of 30% on its increased capital. This is one of the numerous instances of young rubber companies penalised by the inequitable incidence of this tax. A more favourable point is furnished in the forward contracts entered into for the disposal of the current crop, such sales covering 282,000 lb. at an average price of 2*s.* 2½*d.* per lb. landed terms. On the other hand, returns for the first six months record only a total of 241,060 lb. out of an estimated crop of 663,000 lb. It may be that the labour shortage may yet be overcome, but unless progress is very rapid the final crop may not come up to the total for the year under review. The financial position of the Company, as seen in the balance sheet dated December 31, 1919, is very strong. Including the final dividend of £9,000, liabilities do not exceed £15,876, and are more than twice covered by the total of £32,700 representing investments. Furthermore, other liquid assets are available in the form of cash to a total of £10,291, and of rubber to a total of £27,538. In the market the 2*s.* shares command 4*s.* Taking into account the burden of taxation, the increased capital ranking for dividends in the current year, and the forecasted possibility of a crop below the estimate, it is not wise to count upon a higher dividend than 15%. Assuming this rate of dividend, the shares afford at the market price a return of 7½%.

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Insurance Notes.

LONDON AND LANCASHIRE INSURANCE COMPANY, LIMITED.

Up till a year ago there were two London and Lancashire insurance companies—one known as the London and Lancashire Fire and the other as the London and Lancashire Life and General. But as there was apt to be some confusion in the mind of the public as to which was which, owing to the fact that both are now engaged in similar branches of business, this uncertainty was put to an end last year under a mutually agreeable arrangement. The former London and Lancashire "Life and General," which now also transacts fire and accident insurance, has altered its name to the "London and Scottish Assurance Corporation," and the other Company (the subject of the present review), which operates directly or indirectly in every usual insurance department (except industrial), has eliminated the word "fire" from its title. So "Box and Cox are satisfied."

The existing London and Lancashire publishes a report for 1919 which must give joy to its shareholders. The year was an eventful one for them. During its course the Company purchased the shares (or the vastly preponderating majority of them) and acquired the control of the "Law Union and Rock Insurance Company," and by doing so nearly doubled its assets. But the most gratifying fact, as far as the proprietors are concerned, is the raising of the dividend from 8s. to 50s. per share as existing at December 31, 1919, coupled with the announcement that the interim dividend for 1920 per their existing shares (but see statement hereunder as to subdivision of shares) payable in November next, is to be 30s., as compared with 20s. in the preceding year. The balance dividend for 1919 and the interim dividend for 1920 are equivalent to 60s. a share, as compared with 40s. represented by the balance dividend for 1918 and the interim dividend for 1919. And this is only a part of the story, for the dividend in respect of 1919 was more than covered by the interest on the accumulations, and its distribution left free three-fourths of the aggregate profits from interest and trading to be otherwise appropriated. Surely this is a splendid outcome of a single year's operations.

Both in the fire and marine departments the trading results were wonderfully good. The fire business in 1919 showed great expansion, the relative premium income rising from £2,437,223 to £3,270,299, or by more than one-third. After all, a part of the reserve for unexpired risks of the preceding year (£1,285,565) was released, leaving a surplus of £48,197 (to which £23,406 was transferred on profit and loss and £24,791 to unappropriated reserve beyond that appropriated to unexpired risks). The interest earnings amounted to £51,230, so that the trading surplus may be taken at £18,266.

The departmental transfers already referred to are subject to the very heavy deduction (£338,986) on which the profit and loss account is debited for income tax on profits and provision for excess profits duty. On the other hand, the same account is credited with £146,535 for net interest earnings not carried to other accounts, from which may be deducted £60,784 for net interest paid to the Company's Debenture-holders.

Putting all the figures together, the profitable outcome of all the operations in 1919 appears to have been as follows:—

Department or Account	Trading Surplus £	Net Interest Earnings £
Fire	531,532	76,760
Marine	542,769	78,766
Accident	18,266	30,230
Profit and Loss	–	85,751
	1,092,467	
Less items charged to Profit and Loss	338,986	
	753,181	271,507
Total net profit	£1,024,688	

The allocation is as follows:—

	£
(1) Dividend at 50s. per share, less tax (in respect of the 1919 account, but payable in 1920)	250,848
(2) Added to accident funds (apart from reserve for unexpired risks)	20,000
(3) Added to staff pension fund (hereafter amounting to £135,864)	2,000
(4) Written off investments	50,000
(5) Cost of businesses acquired	200,000
(6) Transferred to capital account (see hereunder)	357,815
(7) Balance carried forward in Profit and Loss Account, after provision for dividend, has been increased by	126,025
	1,024,688

On December 31, 1918, the subscribed capital amounted to £3,132,825, of which £313,547 10s. was paid up, in 125,419 shares of £25 each with £2 10s. paid. The transfer to capital above referred to and the issue of new shares to Law Union and Rock shareholders brought the paid-up capital on December 31, 1919, up to £717,430, in 143,486 shares of £25 with £5 paid. Resolutions have been adopted, following the annual general meeting last May, for the creation of 55,600 new shares of £25, increasing the subscribed capital to £5,000,000 (but it is stated that there is no present intention of issuing these shares), and also for the sub-division of the 200,000 shares which will thus exist into 1,000,000 shares of £5, of which 717,430 are to be deemed as issued and as having £1 paid up.

The Company had not commenced to transact life business on the occasion of the date of its last report, but a separate report has been published as regards the operations in 1919 of the Law Union and Rock Company, which is under the control, and of which the following is a short summary:

LAW UNION AND ROCK BUSINESS IN 1919.

Life Department.—New assurances £1,043,787, of which £75,000 were effected under the Temperance

£1,548,737, as compared with £1,057,084 in 1918. Total net premium income (increased by £14,343), £615,530, apart from £22,968, consideration for new annuities. A quinquennial valuation was made on December 31, 1919. After writing off £474,551 from the year's revenue for depreciation in securities and for loss on reversions, the life assurance fund amounted to £8,469,687. No general distribution of profits was made, the valuation surplus of £403,506 being carried forward. Fixed-term premiums, £11,079; relative fund, £268,943.

Fire Department.—Premium income, £368,152; transfer to profit and loss, £70,228; fire fund, £341,261.

Employers' Liability Department.—Premium income, £53,250; transfer to profit and loss, £11,168; fund, apart from reserve for outstanding claims, £21,241.

Accident Department.—Premium income, £24,787; transfer to profit and loss, £2,716; fund, apart from reserve for outstanding claims, £9,915.

General Section.—Premium income, £50,376; transfer to profit and loss, £3,919; fund, apart from reserve for outstanding claims, £20,150.

Law Union and Rock dividend in respect of 1919, 8s. per share, as for 1918.

Balance of profit and loss account carried forward December 31, 1919, £349,424.

The balance sheet of the London and Lancashire Company as at December 31, 1919, including the figures of the Law Union and Rock Company, shows total assets of £22,329,380, of which £6,538,799 was represented by British Government securities. The auditors report that the aggregate market value of the whole of the securities at the close of last year was in excess of the amounts appearing in the balance sheet.

Apart from paid-up capital (£717,430), Debenture stocks (£1,886,246), Law Union and Rock life funds (£8,469,687), fixed-term assurance fund (£268,943), and staff pension fund (£135,964), and after provision for dividends in respect of 1919, the reserves carried forward to 1920 are as follows:

	£
Reserve fund	1,000,000
Fire funds	1,708,500
Marine funds	1,181,000
Accident funds	715,000
Balance of Profit and Loss account	977,118
	5,581,618

This represents about 82.6 per cent. of the Company's total fire, marine, and accident premium income in 1919, which amounted to £6,759,060.

Rates on South Africa.—London buying and selling rates for bills and transfers on South Africa have been revised, and the new schedule comes into force after the close of the mail this week. The new buying rates for bills are: Transvaal, Orange Free State, Cape Province, Natal, British Bechuanaland and Southern Rhodesia, sight, 1¼% discount; 30 days, 1⅛%; 60 days, 2⅛%; and 90 days, 3⅛%. The selling rates for drafts on and transfers to the above places are: by mail, par; by cable, ⅛% premium, plus cost of cable.

Motor-car Production in U.S.A.—The rapid growth of the American motor industry in recent years is illustrated in the following table:—

Output of New Cars, U.S.A.

	Number	Value in Dollars
1914	569,054	458,957,000
1916	1,583,617	954,969,000
1917	1,868,949	1,274,188,000
1918	1,223,538	1,236,103,000
1919	1,974,016	1,885,412,000

The fall in 1918 was due to restriction of production by the Government. Present estimates for 1920 point to an output of 1,600,000 passenger cars and 400,000 lorries, the increase permitting a reduction in prices, of which we lately had an example in the case of Ford cars.

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Total Assets (including Life Funds)—£31,801,986.

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ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

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Assurance Company Limited.
67 DALE STREET, LIVERPOOL

Life Premium Income.	Life Assurance Funds.	Total Claims Paid to Date.
1901—£22,308 ...	£9,175 ...	£39,900
1910—£77,327 ...	£53,735 ...	£197,000
1919—£119,188 ...	£191,875 ...	£545,000

Commercial.

ROUMANIA'S INDUSTRIES.

A PROMISING FUTURE.

We have before us a report on Economic Conditions and Prospects of Roumania at the close of last year prepared by Mr. Alexander Adams, Commercial Secretary to the British Legation at Bucarest. It is an improvement in the matter of time of issue on the old Consular reports; it is an even greater improvement in the comparatively wide field of interest which it covers. What is really desirable is that these reports should cover as wide an economic field as possible. The actual trader already established, say, in Bucarest or elsewhere, has his agent and his regular trade report. This man knows necessarily from his position what information his principal requires for the conduct of his business. All the British merchant has to do is to instruct such agent to furnish him with full information upon any subject in which he happens to be interested. It is only by accident that a Diplomatic or Consular official can afford him any information that is likely to be of any real value. There are, however, in countries like England—indeed, in all enterprising countries—people on the look out for new fields for developing trade, establishing new industries, and opening up new means of communication. Now it is this class of reader that the Diplomatic or Consular official should especially lay himself out to cater for. As we have already said, the merchant who has already established connections with Roumania, or, indeed, with any other country, will be furnished in the nature of the case with adequate means of information for his

purpose. It is the man who is [illegible] business relations with Roumania that will be likely to profit by the information contained in reports like the one before us. Consequently, too wide a sweep cannot well be taken in describing the actual conditions which prevail in the particular district to which the official is accredited. He cannot, of course, be expected to know everything, but he can make his information so considerable on a variety of subjects as to attract the interest of those likely to be seeking an opening for their energies in some branch of industry. Now, for example, in Roumania a rather full description of the inception and conditions under which the oil industry was carried on up to the time of the destruction of machinery by the Allied armies when the Germans [illegible] during the late War would not be [illegible]. We select the oil industry because it is, next to agriculture, the only important industry that can at all be said to be developed in Roumania. The report before us says the industrial life of Roumania is not highly developed. In fact, apart from the working of the petroleum wells, which had to be closed down at the end of December 1916, industrial enterprise is practically non-existent. At a time like the present such reports as the one before us should be exceedingly valuable if they show what opportunities exist in various countries for the development of British trade and industry and the employment of British capital. It is notorious that at the present time there is a great deal of industrial plant in this country which was laid down during the War, and which at present has been very little used. Many industries were started or old ones greatly increased to meet war conditions. In some cases the owners realised considerable fortunes during the War which they are in danger of losing if they cannot find employment for their existing plant, and have to dispose of their businesses, not as going concerns, but as bankrupt stock.

Mr. Adams says that in 1912 the import trade of Roumania was valued at about 25½ millions sterling. Of this amount some 3½ millions consisted of goods imported from the United Kingdom. The principal competitor of this country before the War was Germany. Mr. Adams goes somewhat minutely into the conditions favouring British and German trade. On the whole, the conclusions which he arrives at are sufficiently encouraging to the British merchant.

It has to be remembered that Roumania was devastated by the German invader during the War. Machinery, implements of agriculture, and particularly that machinery used in the production of sugar from the beetroot were destroyed. On the other hand it has also to be borne in mind that Roumania is essentially an agricultural country. It has, with the exception of the oilfields, the machinery of which was destroyed by the Allies themselves before the Germans entered the country, no developed industries in the sense that we understand the term in Western Europe. Consequently, war in a sense does not mean to a country in the economic state of development such as that attained by Roumania what it would mean to a country highly developed in the industrial sense of that term. Once the invader is driven out of a purely agricultural country the peasant can return and cultivate his fields. Of course this cannot be done immediately, and a season or two must necessarily elapse before it is possible to grow crops in the same abundance as Roumania was accustomed to do in the period that preceded the outbreak of the recent War. Nevertheless, it remains true that, provided her people once more devote themselves to industry, she should be able to recover in a comparatively short space of time. Last year the total wheat production was only a little over two-thirds of the average quantity of wheat grown in the pre-War period. On the other hand, the new Roumania, as constituted under the Treaty of Versailles, will be practically [illegible] population, according to Mr. Adams's estimate, will be considerably more than doubled, although this latter figure is somewhat in excess of the estimate of other authorities. Roumania, therefore, should have [illegible] Mr. Adams estimates the population of the kingdom in its new form at some 17½ millions. This, it will be seen, is by no means an excessive population for so extensive a territory. Old Roumania was bigger than England proper, although the population was hardly equal to that of Greater London. Of course, it has to be remembered that we are dealing with an almost purely agricultural country. Normally, Roumania exported wheat and other food products, sugar, hides and leather, timber, and petroleum and its by-products. Her imports consisted, and consist still, almost wholly of manufactured goods and articles which have been subjected to some form of preparation; for example, prepared foods, cereal derivatives, vegetables and flowers, vegetable oils, spirits, groceries and fruit, textiles, paper, rubber, glassware, stone products, chemicals, metal goods, machinery, silks, silk fabrics, perfumes, and woollen goods.

Traders proposing to open up relations with Roumania will naturally desire to have agents of their own who will keep them constantly informed of the conditions of the markets in which they are interested. It may be of interest to add, however, to those who are not actually acquainted with conditions as they exist in Roumania to-day, that various obstacles will have to be overcome. In the past Great Britain sent to Roumania goods valued at about 3½ millions sterling, at a time when sterling and gold were equivalent. We received the equivalent of a larger sum in return. This we were entitled to do owing to the fact that we had invested, principally in the petroleum industry, very large sums of money, and, in addition, we supplied the oil companies with machinery, while we supplied various kinds of machinery needed in different branches of Roumanian industry. We took payment mainly in wheat and oil, and in the Danubian ports British shipping was predominant, as it was in the ports of so many other trading centres. At present Roumania has no surplus of wheat to send us, nor are the oil wells in a condition to send us petroleum products as they were accustomed to do before the War. Some sort of credit system, either through the instrumentality of the Board of Trade or otherwise, may be necessary. Perhaps, if it be practicable, the readiest way of increasing the British and Roumanian trade would be to assist the petroleum companies to work their wells to capacity, and, if practicable, furnish the agricultural community with machinery and fertilisers which would enable them to till their fields. The currency is depressed to about one-fifth of its former value. The old unit of value was about equal to the French franc.

The Standard Bank of South Africa, Limited, announce the opening of an agency at Mazabuka, near Lusaka, North-West Rhodesia.

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LIMITED.

ISSUED CAPITAL £1,837,900

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With Branches in Ceylon, F.M.S., India, Dutch East Indies, Canada, Japan, and elsewhere.

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LIPTON LTD.

Issued Capital: £2,250,000, in 1,000,000 5% Cum. Pref. and 1,250,000 Ord. £1 Shares.

4% Debenture Stock, £500,000; 6% Debenture Stock, £300,000.

Yr. to Mar. 31	Net Income	Depre-ciation	Net Profit	Deb. Int. and Pref. Div.	Ord. Div.		Added to Reserve, &c.	Value of Stock	Surplus of Liquid Assets‡
	£	£	£	£	%		£	£	£
1916	175,464	51,125	124,339	70,000	Nil	—	30,000	821,568	*32,602(a)*
1917	302,819	44,289	258,530	70,000	93,750	7½	110,000	1,250,236	*362,381(a)*
1918	319,143	45,109	274,044	70,000	156,250	12½	140,000	1,093,944	5,312*(b)*
1919†	449,270*	47,904	401,366	71,096	156,250	12½	110,000	1,349,572	*114,131(a)*
1920	462,796*	47,104	415,692	87,463	156,250	12½	110,000	2,150,793	*356,780(a)*

* Subject to excess profits tax. † Period of 55 weeks. ‡ Excluding stock. (*a*) Deficit. (*b*) Surplus.

The report of this celebrated tea, provision, and catering firm for the year ended March 31, 1920, is of a very satisfactory nature. In comparing the figures in the above table with those supplied under 1919, it is well to recollect that the figures of the previous year covered a trading period of 55 weeks, whereas those under review have reference only to a normal period of 52 weeks. Viewed in this light the net income of £462,796, as compared with £449,270 in 1919, is a record of genuine progress. It represents —so the popular Chairman of the Company explained at the general meeting—an increase in turnover for the year of some 30% on a total that already runs into millions. Furthermore, such an income has been secured on a comparatively small rate of gross profit. No better testimony to the low prices at which the Company disposed of its commodities can be furnished than that supplied by the Chairman himself in the statement that, in the absence of this expansion in trade, it would have been impossible to earn such profits, particularly in view of the serious increase in expenses, without adding considerably to the selling price. "I can state," he continued, "that, had we further reduced our prices by only one halfpenny in the shilling, we should have made no profit at all on our home trading." It is satisfactory to note that this expansion was not of a one-sided nature, but applied to the various sections of this many-sided business. Several branches opened in the United Kingdom during the year added thousands of new customers to the clientele of the concern. Trade in France was developed with success through the medium of the depôt established in Paris, and good results were reported from the branch opened in Brussels. Considerable additions took place with the trade in Australia and New Zealand; whilst India, as usual, contributed a substantial portion of the turnover. Despite the marked increase in the cost of production, especially the advance in the cost of rice supplied to the coolies, the estates in Ceylon were worked to better advantage. Similarly, the department of rubber production returned a crop of 221,000 lb., as against 173,000 lb. in the previous year. Thus all sections supplied their quota to the gratifying trading profit of £639,277. The net income of £462,796 is arrived at by deducting all administrative expenses, other than depreciation. Furthermore, during the year under review these charges were swelled by £30,510, representing the full cost of underwriting and issuing the £600,000 6% Debenture stock, which was floated so successfully in the summer of 1919. Depreciation accounted for £47,104, and it was stated that, in view of the extensions recently effected and in contemplation and of the higher prices which repairs and renewals involve, further increases in this charge were to be expected. The net profit of £415,692 compares very favourably with the previous figure of £401,366. The charge in respect of Debenture interest and Preference dividend has advanced to £87,463 owing to the inclusion of interest on the above issue of Debentures. An allocation of £100,000 raises the reserve to the gratifying total of £600,000. Ordinary shareholders received £156,750, equivalent to a rate of 12½%, as in 1919 and 1918. There is carried forward to the next accounts a balance of £134,874, subject to excess profits duty. Some measure of this liability is afforded by the total of £65,824 paid under this heading in the previous year.

With a business, every section of which records progress, it is evident that the outlook for the current year is of a rosy description. Numbering close on 600 branches, it is still opening new ones. The additional burden of taxation in the form of the 60% excess profits duty and the corporation tax must to a certain extent handicap development. To meet the growing requirements of its tea trade an additional factory has been acquired and the necessary machinery installed. Furthermore, as the occasion arises, the freehold of its various branches is being purchased, its manufacturing premises in Glasgow representing the latest acquisition. In this manner the property and goodwill account of the Company increased during the year by £78,094 net to £1,926,847. Similarly, expenditure on plant and machinery during the year amounted to £98,953, but, in view of the amount written off in respect of depreciation, the net increase was only from £354,327 to £411,732. A further development of the export trade is anticipated during the current year. The restoration of peace in Russia, Central Europe, and the Near East would prove of material advantage, for hitherto these regions were fertile sources of supply at reasonable prices. To-day political unrest and the problem of the exchanges have placed these vast areas very largely out of consideration for the time being. The rice problem is expected to be acute again on the Ceylon estates, the area under cultivation of which is being steadily increased. The belief is also expressed that the disappearance of Government control will involve a reduction in selling price. It is true that the contingent condition—"when competitive enterprise is once more possible in its pre-War form"—is emphasised. However, whilst we openly confess our aversion to Governmental control of industry and trade, we are far from being convinced that the time has yet come for the relaxation of Government control of food prices. The freedom of control has not so far been reflected in any marked downward movement of prices. It has to be admitted that the reverse tendency has been rather notable. Consequently, until conditions approximate more closely to those of pre-War times, some measure of State control of food prices is a necessary evil. The financial position of the Company, as seen in the balance sheet dated March 31, 1920, is sound, liquid assets, including stock, exceed £3,316,038, whereas liabilities, including the final dividend on the Ordinary shares to the extent of £93,750, amount only to £1,522,115. In this, as in many industrial and trading concerns, the rapid growth of the stock, particularly during the year under review, represents a development that calls for careful supervision. But a critical analysis cannot afford to ignore such factors contributing to this increase, as the high prices which have to be paid nowadays to secure the stock, as well as the greater quantity of stock that has to be carried

accordingly as the number of branches increase. In the following table are given the prices and yields of the different stocks and shares of the concern, the yield in the case of the Ordinary shares being based upon a dividend of 12½%:—

	4% Deb.	6% Deb.	5% Cum. Pref.	Ord.
Price ...	61	90	12/9	24/6
Yield ...	6·6%	6·6%	7·8%	10·2%

New Issues.

Marshall, Sons and Company, Limited, was formed in 1862 to acquire a business of manufacturers of steam trawlers, road rollers, threshing machines, &c., carried on at Gainsborough. The Company has an issued and paid-up capital of £750,000 divided into 50,000 Four per cent. Cumulative Preference shares of £5 each, free of income tax, and 500,000 Ordinary shares of £1 each. There is now offered for subscription 400,000 5½ per cent., free of income tax, First Mortgage Debentures at the price of 95, this being part of an issue of £500,000 of such Debentures. The issue is a first specific mortgage on the freehold land and buildings, fixed plant and machinery, and a floating charge on all other assets of the Company. The Debentures are redeemable by annual drawings at par, or by purchase in the market beginning with 1922 and ending on or before July, 1946. The whole, or part, may be paid off at any time at £102 per cent. on the Company giving six months' notice. Profits are set out in the prospectus for the past seven years, and show a growth from £54,000 in 1913 to £136,000 in 1918, with a set-back to £116,000 last year, due to the Company's transition from peace to war conditions, and to labour troubles The amount required to pay the interest on the Debentures is £31,428. Capital and interest are both well secured, and the issue may be considered an attractive investment.

With an authorised capital of a million sterling in £1 shares, **Wallace (Glasgow), Limited,** has been formed to acquire the business of the Wallace Farm Implements, Limited, engineers and founders, of Glasgow; to complete the purchase of the National Projectile Factory near Glasgow; and to acquire patent rights for certain valve engines known as the Burt M'Collum patents, together with other auxiliary undertakings. 850,000 shares are being issued, 450,000 being fully paid in part payment for certain assets. The directors and their friends are applying for 50,000 shares, while the public are invited to subscribe for 350,000. The assets acquired are valued at £624,006; and the price paid is £30,000 in cash and the 400,000 shares above mentioned. After making the due appropriations for the various businesses taken over the balance for general development purposes will stand at £142,000. Profits are estimated for the three years 1921, 1922, and 1923 at, respectively, £121,000, £186,000, and £266,000, while further considerable revenue is expected to be derived from foreign patent rights. There are undoubted possibilities attaching to a business of this kind, though there are accompanying risks.

An issue at par of £125,000, being part of a total issue of £250,000 First Mortgage Debenture Stock, is being made by the **Province of Buenos Ayres Waterworks Company, Limited.** The issued and paid-up capital of the Company is £604,400. The stock bears interest at the rate of ten per cent. per annum, secured by trust deed, payable on August 10, 1930, at 105, or earlier at the Company's option on giving six months' notice The money is required to pay off temporary loans in the form of Note Certificates amounting to £100,000, and to meet the general requirements of the Company. Since 1912 the services in operation have grown from 8,816 to 19,672; the gross revenue from £33,951 to £80,968; while the net revenue increased from £21,496 in 1912 to £33,311 in 1915. Since 1915 the net revenue has dropped each year to about half, owing to the reduction from the amount of the interest payable on the Note Certificates above mentioned. A local committee is seeking power to raise the tariff, and the prospectus states that when this is granted it will have a favourable effect on the Company's revenue. The great attraction in this case is the high yield; otherwise, it may be classed as speculative.

The **Bath Tramways Motor Company, Limited,** are offering 30,000 shares of £1 each at par. The Company has been informed to acquire from the Bath Electric Tramways, Limited, and to maintain and develop the motor-omnibus and motor-vehicle undertaking of the vendor Company. The total capital is £60,000 in £1 shares, of which 20,000 are to be allotted as fully-paid to the vendor Company in part payment of the purchase price, which is fixed at £39,935, the remaining £19,935 being in cash. An annual profit of £6,643 is looked for.

DIVIDEND NOTICES, &c.

An interim dividend on the Ordinary shares of the Electrical Distribution of Yorkshire, Limited, for the half-year ended June 30 last, at the rate of 6% per annum, free of tax, is to be paid on August 2, 1920.

The directors of the Charing Cross, West End and City Electricity Supply Company, Limited, have declared an interim dividend on the Ordinary shares of the West End undertakings for the half-year ended June 30, 1920, at the rate of 2*s.* 6*d.* per share.

The London branch of the Dominion Bank reports the profit of the institution for the half-year ended June 30 last to have been $566,229, as against $553,698 for the same period last year.

The directors of Arthur Guinness, Son and Company, Limited, have declared final dividends for the year ended June 30 last of £3 per cent. on the Preference stock and £6 per cent., with a bonus of £8 per cent., on the Ordinary stock (these latter free of income tax), making, with the interim dividends paid last March, total dividends for the year of £6 per cent. on the Preference stock and £12 per cent., with a bonus of £8 per cent., on the Ordinary stock. The sum of £650,000 has been placed to the credit of reserve, £35,000 to depreciation account, and £237,934 15*s.* 10*d.* is carried forward.

At a meeting of the directors of the National Gas Engine Company, Limited, held on July 8, it was resolved to pay an interim dividend at the rate of 5% per annum, less income tax, on Preference shares and 7½% per annum, less income tax, on Ordinary shares for the six months ended June 30, 1920.

The directors of the Commercial Bank of London, Limited, have decided to pay an interim dividend of 6*d.* per share, which is rather more than at the rate of 5% per annum previously announced. To pay exactly at the rate of 5% would involve the distribution of infinitesimal fractions of a penny. Appended to the dividend statement is the announcement that certain business completed during the past few weeks has put the Bank in possession of substantial revenue-producing assets, and that these, with its other investments, should provide in themselves a permanent income sufficient to pay satisfactory dividends quite apart from the future business of the Bank.

The directors of the Bristol Tramways and Carriage Company, Limited, have declared an interim dividend for the half-year ended June 30, 1920, at the rate of 3% (free of income tax) on the Ordinary shares.

Warrants for the half-year's interest on the Debenture stock of the United States Debenture Corporation, together with warrants for interim dividends on the 5½% Preference stock, the 4½% Preference stock, and the Ordinary shares of the Corporation, for the half-year ended the 31st ult., have been posted.

NEW YORK CENTRAL RAILROAD COMPANY

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 1919.

To the Stockholders of the New York Central Railroad Co.

The Board of Directors herewith submits its report for the year ended December 31, 1919, with statements showing the income account for the year and the financial condition of the Company.

The operation and maintenance of the Company's road were continued under Federal control during the year 1919. The mileage covered was as follows :—

	Miles.
Main line and branches owned	3,699·18
Leased lines	1,919·03
Lines operated under trackage rights	451·20
Total road operated	6,069·41

Mileage of line owned has been increased 4/100ths of a mile as follows : Beech Creek Connection, due to change of connection, 1/100th of a mile; Cleveland Short Line Branch, due to change of line at Rockport, 3/100ths of a mile.

Mileage of leased lines has been reduced 1.37 miles as follows : Boston and Albany main line, increased 1/100th of a mile due to readjustment in field measurements; Pittsfield and North Adams Railroad, decreased 5/100ths of a mile on account of readjustment in field measurements; Beech Creek Railroad, decreased 1.33 miles as follows : Dunlap Branch, 1.12 miles, abandoned; Victor No. 9 Branch shortened 4/100ths; West Branch No. 1 Branch shortened 2/100ths; Decatur Branch shortened 11/100ths; B. R. and P. Connection Branch decreased 4/100ths account of correction.

Mileage operated under trackage rights has been decreased 5.05 miles as follows : Buffalo, Rochester and Pittsburgh Railway, Falls Creek to Clearfield, 1/100th of a mile due to correction; Cherry Tree and Dixonville Railroad, 2.03 miles due to remeasurement; New York, Chicago and St. Louis Railroad, Osborn to Hammond, 3.01 miles, used only for passenger traffic discontinued in May, 1919.

Federal control of the property of this Company continued during the year 1919 under the contract of December 27, 1918, providing for the payment of an annual standard compensation. On December 24, 1919, however, the President of the United States issued a proclamation relinquishing from Federal control, effective the first day of March 1920, at 12.01 o'clock A.M., all railroads, systems of transportation and property of whatever kind taken or held under such Federal control and not theretofore relinquished, and restoring the same to the possession and control of their respective owners.

Prior and subsequent to the President's proclamation Congress was actively engaged in the consideration of legislation to meet the railroad situation in its various phases, including such provisions as would protect the carriers during the transition from Federal to private control. Ultimately there was passed the Transportation Act approved February 28, 1920, the essential features of which are as follows :

The provision of means and machinery for transferring the properties. The funding of the carriers' indebtedness to the United States. The continuance of rates in effect until September 1, 1920. Guaranty to the carriers for six months after the termination of Federal control. Arrangements for new loans to the railways during the transition period. Provision for railroad boards of labour and an adjustment board as a means of settling disputes between the carriers and their employees.

The Transportation Act also includes amendments to the Interstate Commerce Act which, among other things, direct the Interstate Commerce Commission to establish rates which will be adequate to provide the carriers, as a whole or within such rate groups as the commission may fix, with an aggregate annual net railway operating income equal to a fair return upon the aggregate value of their property, which for the two years beginning March 1, 1920, is fixed at a sum equal to five and a-half per cent. per annum on the aggregate value of their properties and in the Commission's discretion an additional one-half of one per cent. per annum to make provision for improvements. The Act amends the Interstate Commerce Act by making provision for consolidations, mergers, and pooling under certain limitations, for joint use of terminals, for the regulation of security issues, and, in addition, delegates to the Commission numerous other powers.

Section 209 provides, among other things, as follows :

"With respect to any carrier with which a contract (exclusive of so-called co-operative contracts or waivers) has been made fixing the amount of just compensation under the Federal Control Act, that the railway operating income of such carrier for the guaranty period as a whole shall not be less than one-half the amount named in such contract as annual compensation, or, where the contract fixed a lump sum as compensation for the whole period of Federal operation, that the railway operating income of such carrier for the guaranty period as a whole shall not be less than an amount which shall bear the same proportion to the lump sum so fixed as six months bears to the number of months during which such carrier was under Federal operation, including in both cases the increases in such compensation provided for in Section 4 of the Federal Control Act."

The Act further provides that :

"This section shall not be applicable to any carrier which does not on or before March 15, 1920, file with the Commission a written statement that it accepts all the provisions of this section."

On March 10, 1920, the Board of Directors authorised the execution and filing of the Company's written statement accepting the provisions of Section 209. The effect of this will be that for the six months to September 1, 1920, the income of the Company will be on the basis of the compensation paid by the Government during Federal control.

In the early part of 1918 the Railroad Administration directed that an accurate separation of accounts should be made, in order that those pertaining to the operation prior to Federal control and those relating to the operations by the Director-General might be segregated. This entailed an exhaustive examination of the accounts in all departments. The corporate officers have kept in close touch with this situation and have employed examiners for the purpose of verifying the separation made by the Director-General. The additional expense for these examiners has been more than justified through the correction of errors which otherwise would have operated to bring about a loss to the Company.

During the year the Director of the Division of Capital Expenditures required the carriers to signify their approval, or otherwise, of projects contemplated by the Railroad Administration, and they were further requested to furnish a statement as to the position of the corporations in regard to financing. With the exception of some few projects of a strictly corporate nature or which would not be inaugurated until after the end of Federal control, the New York Central Railroad Company advised the Division of Capital Expenditures that it was not prepared to finance the projects from its own funds or to furnish collateral whereby it might assume the charges to its capital account required to carry out the work. The result has been that in the main the improvement projects have been financed by the Railroad Administration. In due course this Company must arrange to reimburse the Director-General for the amounts advanced by him in this connection, which, from January 1, 1918, to the end of 1919, approximated $40.000.000.

The changes in the property investment account for the year were as follows :

	$	$
Additions and betterments—road—		
Expenditures by the Federal Manager ...	9,508,853 07	
Expenditures by the corporation ...	326,158 49	
		9,834,011 56
Additions and betterments—equipment—		
Expenditures by the Federal Manager, less equipment retired and transferred ...	364,299 14	
Equipment assigned to the N.Y.C.RR. by the United States Railroad Administration	6,883,899 00	
Expenditures by the corporation ...	499,082 30	
		7,747,280 44
Total addition to road and equipment accounts		17,581,292 00
Improvements on leased railway property—		
Expenditures by the Federal Manager ...	5,767,605 57	
Less miscellaneous credits by the corporation	40,263 93	
		5,727,341 64
Improvements on miscellaneous physical property—		
Expenditures by the Federal Manager ...	26,000 07	
Expenditures by the corporation ...	169,005 05	
	195,005 12	
Less credits by the corporation ...	50,000 00	
		145,005 12
The net increase in property investment accounts during the year being		23,455,638 76

There was no change in the capital stock of the Company during the year.

Since the date of the annual meeting on January 22, 1919, the number of stockholders has increased 1,752, the total number at the end of the year being 30,445, of whom 30,180 were in the United States and 265 abroad. The par value held by those in the United States was $247,825,355 and by those abroad $1,772,000, the average holdings being 82 and 67 shares respectively. In 1915 the numbers reported were 22,270 in the United States and 2,772 abroad, the general average holding being, approximately, 100 shares, while at the end of 1919 it was 82 shares.

The changes in the funded debt of the Company are shown in the following statement :

	$	$
Amount as reported on December 31, 1918 was		[illegible] 45
which has been increased as follows :		
N.Y.C. & H.R. Equipment Trust of 1917, certificates	7,410,000 00	
Two years 5% promissory note, Chicago, Lake Shore & Eastern Railway Co.	211,750 00	
	78,567 25	
		7,700,326 25
		[illegible]
and has been reduced as follows :		$
Payments falling due during the year and on January 1, 1920, on the company's liability for certificates issued under equipment trust agreements, as follows :		
N.Y.C. Lines Trust of 1907, instalment due Nov. 1919	1,192,884 74	
N.Y.C. Lines Trust of 1910, instalment due Jan. 1920	1,106,113 74	
N.Y.C. Lines Trust of 1911, instalment due Jan. 1920	1,106,113 74	
N.Y.C. Lines Trust of 1912, instalment due Jan. 1920	688,588 90	
N.Y.C. Lines Trust of 1912, instalment due Jan. 1920	688,588 90	
Boston & Albany Trust of 1912, instalment due [illegible] 1920	500,000 00	
N.Y.C. Lines Trust of 1913, instalment due Jan. 1920	742,117 61	
N.Y. Ch. & St. L. Trust of 1913, instalment due Jan. 1920	742,117 61	
N.Y. Ch. & St. L. Trust of 1913, instalment due Jan. 1920	371,500 00	
N.Y. Ch. & St. L. Trust of 1913, instalment due Jan. 1920	1,117,000 00	
Lease [illegible] Railroad Co. 1/16, being the amount of [illegible] agreed upon to be paid during the year	15,000,000 00	
Decrease in the amount of [illegible] there were issued [illegible] of 8% gold bonds, [illegible] par, of $50,000,000 of the New York Central Railroad Co., and $5,000,000 of the Boston & Albany Railroad Co., and $5,000,000 of the Boston & Albany Railroad Co. [illegible] of which [illegible] were [illegible]		24,550,745 24
Leaving funded debt December 31, 1919		$671,654,782 46

In addition to the funded debt outstanding December 31, 1919, there are shown on the balance sheet loans and bills payable to the amount of $49,829,500 as hereinafter mentioned, or a total of $721,484,282.46 for the Company's long and short term obligations, against a total of $730,248,201.45 in 1918.

The $7,410,000 of New York Central Railroad equipment trust of 1917 certificates, shown as an increase in the funded debt, had been held in the Company's treasury, having been acquired in 1917 and 1918 but not sold by the Company until the early part of 1919.

The notes to the Gary Land Company and the Chicago, Lake Shore and Eastern Railway Company were given in connection with an exchange of lands at Gary, Indiana. They both mature on December 23, 1921.

In January 1919 the Company made application to the War Finance Corporation for advances for its corporate purposes under and pursuant to the provisions of Section 9 of the War Finance Corporation Act, approved April 5, 1918, and such advances were granted, during the year, to the extent of $17,500,000, on this Company's six per cent. demand notes which are now outstanding.

On November 17, 1919, the Company issued its six months six per cent. notes for $6,000,000 to retire a like amount of notes then outstanding.

The total amount of loans and bills payable of the Company outstanding on December 31, 1919, was $49,829,500, as follows :—

War Finance Corporation	$17,500,000 00
Corporate notes	21,000,000 00
Secretary of the Treasury	6,500,000 00
Banks, trust companies and miscellaneous	4,829,500 00
Total	$49,829,500 00

Of the 4,500 freight cars and 120 locomotives allotted by the Director-General of Railroads to this Company there were delivered in 1919, 1,844 freight cars and six locomotives; these, together with the equipment delivered in 1918, completed the entire allotment. The ten locomotives allotted to this Company as lessee of the Boston and Albany Railroad were also delivered in 1919. Arrangements have been made by which the Director General is to take at par the six per cent equipment trust notes of the Company, maturing in equal annual instalments over a period of fifteen years, in payment for approximately seventy-five per cent. of the cost of this equipment, and by which the remainder is to be paid to him by deducting that amount from the equipment depreciation and retirement credits arising in the Company's favour under its standard contract with him.

While throughout the country there is a general shortage of equipment, your officers feel that with its allied companies, the Michigan Central Railroad Company, the Cleveland, Cincinnati, Chicago and St. Louis Railway Company, the Pittsburgh and Lake Erie Railroad Company, and the Pittsburgh, McKeesport and Youghiogheny Railroad Company, your Company has reasonably fulfilled its obligations to the public. During the years 1914-1919, inclusive, there were purchased by the five companies mentioned 925 new locomotives, 473 new passenger-train cars, and 54,408 new freight-train cars, at an aggregate cost of $128,717,930. To-day this equipment would cost approximately $243,468,650, or $114,750,720 more than was paid for it. There has also been leased by [illegible] Company under contract known as the New York Central Railroad Equipment Trust of 1920, covering 196 locomotives, 265 passenger-train cars, and 9,244 freight-train cars at a total cost of $48,318,035, delivery of which is expected in the fall of 1920. A portion of this equipment may be allocated to other system lines upon equitable terms as the need develops.

SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME.

	Year ended Dec. 31, 1919
	$
Compensation [illegible] the property of the [illegible]	[illegible]
Compensation [illegible]	55,[illegible]
Additions, compensation [illegible] and betterments	1,887,667 [illegible]
Total [illegible]	[illegible]
Miscellaneous operations	
Revenue	2,[illegible]
Expenses and taxes	4,[illegible]
Net deficit	$1,[illegible]
Other Income	
Income from [illegible]	[illegible]
Miscellaneous rent income	1,[illegible]
Miscellaneous non-operating [illegible]	[illegible]
Separately operated properties—profit	[illegible]
Dividend income	[illegible]
From included securities	[illegible]
From unfunded securities and accounts	1,[illegible]
From sinking and other funds	[illegible]
Miscellaneous income	[illegible]
Total other income	$13,619,366 20
Gross Income	$[illegible]
Deductions from Gross Income	
Rent for leased roads	2,[illegible]
Miscellaneous rents	[illegible]
War taxes accrued	1,[illegible]
Miscellaneous tax accruals	[illegible]
Separately operated properties—loss	[illegible]
Interest on funded debt	29,[illegible]
Interest on unfunded debt	[illegible]
Amortization of discount on funded debt	[illegible]
Corporate general expenses	[illegible]
Maintenance of investment organization	[illegible]
Miscellaneous income charges	[illegible]
Total deductions from gross income	$[illegible]
	$2,[illegible]
Less revenue of [illegible] applicable to the period prior to January 1, 1918, [illegible] Railroad Administration	[illegible]
Net corporate income	$[illegible]
Disposition of Net Income	
Dividends declared (5 per cent. each year)	[illegible]
Sinking funds	[illegible]
Total appropriations of income	$12,481,187 81
Surplus for the year carried to profit and loss	$7,[illegible]

PROFIT AND LOSS ACCOUNT.

	$	$
Balance to credit of profit and loss December 31, 1918		$[illegible]
Additions—		
Surplus for the year 1919	7,[illegible]	
Sundry deferred credits and adjustments	119,057 33	
Profit on road and equipment sold	[illegible]	
		[illegible]
Deductions—		$88,[illegible]
Surplus appropriated for investment in miscellaneous physical property	[illegible]	
Loss on retired road and equipment	[illegible]	
Reversal of debit, Nov. 1, 1918, to profit and loss December, 1918, accruals of dividend on the capital stock of the New York & Harlem Railroad Co., due to the lessee of the New York Central Railroad, line to pay the rental	60,752 00	
Advances and interest thereon to Terminal Railroad Co., for payment of interest on bonds [illegible] by the [illegible] of the [illegible]	[illegible]	
Sundry deferred debits and adjustments and various uncollectible accounts	54,[illegible]	
		[illegible]
Balance to credit of profit and loss December 31, 1919		$8,[illegible]

The compensation stated in the contract and accrued as income for the possession, use and control of the property of this Company and its leased lines amounted to $[illegible] for the year 1919. There was, however, accrued additional compensation in amount $1,887,667 50 [illegible] of completed additions and betterments (plus [illegible] cost of 1917 Trust and Government [illegible] equipment). There had been accrued to [illegible] amounting to $521,877 71 on owned, trust and [illegible] ment placed in service during Federal control.

There was a decrease in the net [illegible] operations of $1,512 81 as a result of a [illegible] the demonstration farm of the Company.

The miscellaneous rent [illegible] the Company showed

an increase over the previous year of $141,209.92. This is mainly attributable to an increase in rentals charged for the company's properties and to a more complete occupancy of the same due to increased demand for premises.

The apparent decrease of $45,597.36 in the revenue from miscellaneous non-operating physical property is largely caused by a change in the method of accounting for depreciation on the buildings within the Grand Central Terminal area. In former years the accrual covering this depreciation was charged to appropriations of income for sinking fund, but is now charged direct against the rentals received from these buildings.

The decrease in credits to income, account separately operated properties, is due to an adjustment of an over-accrual for revenue from these sources in 1918.

The falling off in dividend income is partly accounted for by the fact that the Company received only ten per cent. instead of fourteen per cent. on its New York and Harlem Railroad Company stock. The Harlem Company's traction lines in New York City were leased to the New York Railways Company at a net annual rental equal to four per cent. on the Harlem's capital stock. The lessee has made default under the lease and the property has been surrendered to and is now being operated by the New York and Harlem Railroad Company. There were no receipts of dividend from the Rutland Railroad Company and Wells Fargo Express Company, which contributed income of this character in 1918.

The increase of $359,018.19 in income from funded securities is due to a change in the character of some of the obligations held by the Company from the funded to the unfunded class and to interest on additional Liberty Loan bonds.

The increase of $815,995.87 in interest from unfunded securities and accounts is mainly caused by the accrual of interest on unpaid compensation due by the Director-General of Railroads.

An apparent increase of $45,880.52 in income from sinking and other reserve funds is due to a change in the method of accounting.

The falling off in war taxes accrued is due to the two per cent. decrease in the income tax rate.

The increase in charges for miscellaneous tax accruals of $57,336.67 is due to the adjustment in 1919 of an under-accrual for the year 1918.

Interest on funded debt shows a decrease of $205,401.25, which is almost entirely accounted for by the fact that $15,000,000 two-year notes matured in September 1919, and the substitution of shorter term notes for them transferred the obligation from the funded to the unfunded debt class.

The large increase of $3,096,479.32 in interest on unfunded debt is almost entirely accounted for by the interest accrued on deferred payments for equipment and on other accounts due the Government.

Increase in corporate general expenses, $627,132.62, is due to the fact that in 1918 the outlay for only six months was included, while in 1919 not only were a full year's expenses included, but the corporate organisation reached its full development.

The matter of improved railroad facilities in the city of Cleveland, Ohio, has been under consideration for some time. Together with other transportation interests the New York Central Railroad Company is making this the subject of careful investigation. Plans have been outlined for the removal of all the passenger traffic from the lake front, reserving the lake front facilities for freight and industrial purposes. The project includes a new union station.

New Pier K-4, south of the ferryhouse and yards at Weehawken, was completed in 1919 and occupied by the Cunard Steamship Company under permit. This represents the commencement of a comprehensive scheme of development for steamship purposes at the Weehawken Terminal.

The Lansing Manufacturers' Railroad, which has a spur line at Lansing, Michigan, reaching a number of industries and connecting with the lines of both the New York Central Railroad Company and the Michigan Central Railroad Company, has been operated under a lease which expires in the near future. It being desirable to continue the operation of this line, and an opportunity having presented itself to acquire the stock outstanding ($100,000), the board of directors, on December 10, 1919, authorised the acquisition of one-half thereof, the Michigan Central Railroad Company acquiring the remainder. The companies also acquired in equal amounts $18,000 of note indebtedness.

In 1912 the Lake Shore & Michigan Southern Railway Company advanced, on behalf of the Cleveland, Cincinnati, Chicago and St. Louis Railway Company, the necessary funds for the acquisition of certain coal lands in Christian, Montgomery, Fayette, Saline, Franklin and Williamson counties, Illinois. These advances were transferred to the books of the New York Central Railroad Company at consolidation and carried until October 27, 1919, when the indebtedness, $2,266,824.93, was paid in full by the Cleveland, Cincinnati, Chicago and St. Louis Railway Company.

Appreciative acknowledgment is made to all officers and employees of their loyal and efficient co-operation and service.

For the Board of Directors,

ALFRED H. SMITH,
President.

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1919.

ASSETS.

		$	$
Investments -			
Investment in road		481,844,416 65	
Investment in equipment—			
Trust	$124,491,570 02		
Other	141,631,826 70		
	266,123,396 72		
			747,967,813 37
Improvements on leased railway property			102,630,916 08
Miscellaneous physical property			8,846,414 29
Investments in affiliated companies -			
Stocks		133,497,345 64	
Bonds		9,742,963 38	
Notes		41,995,158 03	
Advances		12,009,862 28	
			200,245,329 33
Other Investments -			
Stocks		31,139,924 52	
Bonds		6,334,760 67	
Notes		12,105,026 03	
Advances		675,017 00	
Miscellaneous		12,146 42	
			50,266,904 44
Total Investments			1,110,557,407 51
Current Assets -			
Cash		4,341,947 64	
Special deposits		916,728 11	
Loans and bills receivable		31,431 99	
Traffic and car service balances receivable		169,995 07	
Miscellaneous accounts receivable		6,362,174 49	
Interest and dividends receivable		4,070,608 26	
Rents receivable—			
Compensation due from United States Govt.		29,299,169 84	
			45,192,055 40
Deferred Assets -			
Working fund advances		27,425 89	
Insurance and other funds		1,158,895 94	
United States Government—			
Cash taken over	$15,497,015 26		
Agents' and conductors' balances	12,012,785 53		
Materials and supplies	45,106,074 02		
Assets December 31, 1917, collected	7,168,071 48		
Other items	8,178,081 53		
	76,172,057 82		
Other deferred assets		1,096,461 23	
			78,453,890 88
Unadjusted Debits -			
Rents and insurance premium paid in advance		336 61	
Discount on funded debt unamortised		6,333,569 80	
Securities acquired from lessor companies (not owned)		457,851 00	
Other unadjusted debits		2,444,689 52	
			9,236,446 93
Securities issued or assumed - unpledged ($261,005)			
Securities issued or assumed - pledged ($20,000,000)			
			$1,243,449,740 72

LIABILITIES.

		$	$
Stock			
Capital stock			249,597,355 00
Long-Term Debt -			
Funded debt unmatured—			
Equipment obligations		39,670,156 21	
Mortgage bonds		526,194,000 00	
Debentures		105,500,000 00	
Notes		290,326 25	
			671,654,782 46
Current Liabilities—			
Loans and bills payable		49,829,500 00	
Traffic and car service balances payable		869,947 06	
Audited accounts and wages payable		2,629,413 66	
Miscellaneous accounts payable		6,153,241 77	
Interest matured unpaid		2,818,970 78	
Dividends declared, payable February 2, 1920		3,119,903 75	
Dividends matured unclaimed		182,266 07	
Funded debt matured unpaid		57,790 00	
Unmatured interest accrued		6,050,434 77	
Unmatured rents accrued		416,870 96	
Other current liabilities		3,488,566 91	
			75,517,845 73
Deferred Liabilities—			
Liability to lessor companies for equipment		14,715,322 52	
United States Government—			
Additions and betterments	$39,143,634 65		
Liabilities December 31, 1917, paid	25,673,924 19		
Corporate transactions	10,091,504 50		
Revenues and expenses prior to January 1, 1918	9,467,201 80		
Other items	2,235,035 42		
	86,610,100 74		
Other deferred liabilities		136,108 11	
			101,761,831 37
Unadjusted Credits—			
Tax liability		2,105,973 57	
Insurance and casualty reserves		501,991 38	
Operating reserves		19,039 25	
Accrued depreciation—road		216,411 65	
Accrued depreciation—equipment		32,163,083 68	
Accrued depreciation—miscellaneous physical property		80,282 50	
Liability to lessor companies for securities acquired (not owned)		457,851 00	
Other unadjusted credits		29,587,272 14	
			57,166,205 14
Corporate Surplus -			
Additions to property through income and surplus		98,575 86	
Profit and loss - balance		87,623,144 87	
			87,721,720 72
			$1,243,449,740 72

CAPITALISATION.

CAPITAL STOCK.

Number of shares authorised ...	4,000,000	Total par value authorised ...	$400,000,000 00
Number of shares issued ...	2,498,441 60/100	Total par value issued and outstanding	$249,592,155 00
Consolidation certificates of 1869 not converted ...	49	Consolidation certificates of 1869 outstanding	4,900 00
		Total par value held by company ...	252,005 00
	2,448,491 60/100		$249,849,560 00
Par value per share, $100.00		Dividend for the year, 5 per cent.	

FUNDED DEBT.

Mortgage Bonds.	Date of Issue	Date of Maturity	Amount of Authorised Issue	Amount Issued & now outstanding	Rate of Int.	Payable on the First day of
			$	$	%	
Rome Watertown & Ogdensburg RR. Co. first cons. ...	1874	July 1, 1922	9,995,000	9,026,000 419,000 500,000	7 4 5½	A&O
Utica & Black River RR. Co. ...	1890	July 1, 1922	1,950,000	1,950,000	4	J&J
New York & Northern RR. Co. ...	1887	Oct. 1, 1927	1,200,000	1,200,000	5	A&O
Lake Shore & Michigan Southern Ry. Co. 25 year sinking fund ...	1903	Sept. 1, 1928	50,000,000	50,000,000	4	M&S
Lake Shore & Michigan Southern Ry. Co. 25-year gold ...	1906	May 1, 1931	50,000,000	50,000,000	4	M&N
Carthage Watertown & S.H. RR. Co. consol. guaranteed ...	1891	July 1, 1931	300,000	300,000	5	J&J
Little Falls & Dolgeville RR. Co. first ...	1902	July 1, 1932	250,000	250,000	3	J&J
Pine Creek Railway Co. first ...	1885	Dec. 1, 1932	3,500,000	3,500,000	6	J&D
N.Y.C.&H.R.RR. Co. gold debentures ...	1904	May 1, 1934	48,000,000	48,000,000	4	M&N
Kanawha & White Bridge RR. Co. first ...	1890	Jan. 1, 1940	400,000	400,000	5	J&J
N.Y.C.& H.R.RR.Co. gold debentures ...	1912	Jan. 1, 1942	9,188,000	9,188,000	4	J&J
Conveyance & Construction RR. Co. first ...	1892	June 1, 1942	300,000	300,000	5	J&D
Indiana, Illinois & Iowa RR. Co. first ...	1901	July 1, 1950	1,850,000	1,850,000	4	J&J
Chicago Indiana & Southern RR. Co. 50 year ...	1906	Jan. 1, 1956	15,150,000	15,150,000	4	J&J
Jamestown Franklin & Clearfield RR. Co. first ...	1909	June 1, 1959	11,000,000	11,000,000	4	J&D
N.Y.C.&H.R.RR. Co. Stanton Dayton & Pt. Morris first ...	1909	June 1, 1959	2,500,000	2,500,000	3½	J&D
Cleveland Short Line Railway Co. first ...	1911	Apr. 1, 1961	11,800,000	11,800,000	4½	A&O
Carthage & Adirondack Railway Co. first ...	1892	Dec. 1, 1981	1,100,000	1,100,000	4	J&D
Sturges Cossett & St. Louis Railway Co. ...	1889	Dec. 1, 1989	322,000	322,000	5	J&D
Mohawk & Malone Ry. Co. first ...	1892	Sept. 1, 1991	2,500,000	2,500,000	4	M&S
New York & Putnam RR. Co. first consolidated ...	1894	Oct. 1, 1993	3,987,000	3,987,000	4	A&O
Lake Shore & Michigan Southern Ry. Co. gold mortgage ...	1897	June 1, 1997	50,000,000	50,000,000	3½	J&D
N.Y.C.& H.R.RR.Co. gold mortgage ...	1897	July 1, 1997	100,000,000	94,000,000	3½	J&J
N.Y.C. & H.R.RR. Co.-Lake Shore coll. gold bonds ...	1898	Feb. 1, 1998	90,578,000	25,005,000	3½	F&A
N.Y.C. & H.R.RR. Co. Mich. Central coll. gold bonds ...	1898	Feb. 1, 1998	21,550,000	19,336,000	3½	F&A
N.Y.C. RR. Co. 4% Consolidation notes, Series A	1913	Feb. 1, 1998	...	65,573,000	4	F&A
Mohawk & Malone Ry. Co. consolidated ...	1902	Mar. 1, 2002	3,000,000	3,000,000	3½	M&S
N.Y.C. & H.R.RR. Co. refunding and impt. Series A	1914	Oct. 1, 2013	60,000,000	60,000,000	4½	A&O
Morris & Essex Tunnel Bridge Land Co. ...	1917	Sept.28,1920	100,000	100,000	4½	M&S
		Total	$546,230,000			
Less portion pertaining to capital stock listed and held by or for the company:						
N.Y.C. & H.R.RR. Co. Refunding and improvement bonds ...			20,000,000			
N.Y.C. & H.R.RR. Co.-L.S. coll. gold bonds ...			10,000			
Rome Watertown & Ogdensburg RR. Co. First cons. mtge. bonds ...			2,000			
				20,012,000		
Total mortgage bonds actually outstanding				$526,218,000		
Debenture Bonds						
N.Y.C.RR.Co.twenty year 6% convertible ...	1915	Mar. 1, 1935	100,000,000	100,000,000	6	M&N
N.Y. C. & H.R.R.R. Co. ...	1909	July 1, 2000	5,000,000	5,000,000	5½	J&J
Total debenture bond actually outstanding				$105,000,000		
Notes.						
Two year note, Gary Land Co. ...	1919	Dec. 23,1921	211,759 04	211,759 04	5	Interest and principal payable at maturity
Two year note, Chicago Lake Shore & Eastern Railway Co.	1919	Dec. 23,1921	78,567 21	78,567 21	5	Interest and principal payable at maturity
Total notes actually outstanding ...				$290,326 25		

Equipment trust certs.
(N.Y.C. Lines) ... 1907 Nov. 1, 1922 [illegible] 1,428,654 12 5 M&N
Equipment trust certs.
(N.Y.C. Lines) ... 1910 Jan. 1, 1925 [illegible] 4½ J&J
Equipment trust certs.
(N.Y.C. Lines) ... 1912 Jan. 1, 1927 [illegible] 4½ J&J
Equipment trust certs.
(N.Y. & A.R.R.) ... 1912 Oct. 1, 1927 [illegible] 4½ A&O
Equipment trust certs.
(N.Y.C. Lines) ... 1913 Jan. 1, 1928 10,734,681 38 5,936,940 94 4½ J&J
Equipment trust certs.
(N.Y.C.RR.) ... 1917 Jan. 1, 1932 19,995,000 00 13,404,000 00 4½ J&J

Total equipment trust obligations actually outstanding $59,070,156 21

Total funded debt & bonds outstanding ... $671,954,782 46

* Authorised for $70,000,000 to take up the present obligations of N.Y.C. & H.R.RR. Co. Lake Shore Collateral ... ...

SUMMARY OF INVESTMENTS.

Road and equipment	$747,967,813 57
Improvements on leased or controlled railway property ...	102,630,916 08
Miscellaneous physical property	8,846,114 29
Investments in affiliated companies—	
Stocks, par val. $417,796,300 00 ledger value $156,197,451 61	
Bonds, par val. 11,359,558 38 ledger value 9,742,200 45	
Notes, par val. 15,655,347 42 ledger value 14,995,158 [illegible]	
Advances 12,000,886 28	
	200,845,[illegible] 34
Other investments—	
Stocks, par val. $38,222,968 92 ledger value $51,159,924 52	
Bonds, par val. 6,004,146 28 ledger value 6,241,700 07	
Notes, par val. 12,105,026 03 ledger value 12,105,026 03	
Advances 675,047 60	
Miscellaneous 12,146 42	
	70,266,991 64
Total investments $1,130,557,197 55	

EQUIPMENT TRUSTS.

The following statement shows the character of the equipment acquired under the terms of Equipment Trust Agreements and Leases of 1907, 1910, 1912, 1913 to 1917, together with the total amount of certificates issued and the amount now outstanding.

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1907.

Company	Locomotives	Passenger Cars	Freight Cars	Work Cars	Total Cost	Certs. Issued or to be issued not to exceed	Annual Certs. to be redeemed	Balance certificates outstanding Dec. 31, '19
					$	$	$	$
N.Y.C.RR.	576	149	11,383	345	22,393,271*	1,492,885	17,914,617	4,478,654
M.C.RR.	11	17	3,487	197	3,906,382*	260,425	3,125,105	781,276
C.C.C.&St. L. Ry.	114	18	1,592	95	3,709,317*	246,600	2,959,278	740,100
Totals ...	701	184	16,392	637	30,000,000*	2,000,000	24,000,000	6,000,000

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1910.

N.Y.C.RR.	251	101	12,478	249	21,090,200	1,406,014	14,061,127	7,029,063
M.C.RR. ...	135	35	3,283	—	5,909,407†	393,960	3,939,604	1,969,802
C.C.C.&St. L. Ry.	84	6	1,590	—	2,000,393*	100,020	1,000,288	900,120
Totals ...	450	145	22,355	249	30,000,000†	2,000,000	20,000,000	10,000,000

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1912.

N.Y.C.RR.	63	96	10,345	150	10,395,984†	688,399	5,507,191	4,818,792
M.C.RR. ...	31	1	2,497	—	2,276,861†	151,711	1,213,687	1,061,976
C.C.C.&St. L. Ry.	55	27	1,193	—	2,327,155*	160,000	1,440,122	1,120,231
Totals ...	147	124	14,335	150	15,000,000†	1,000,000	8,000,000	7,000,000

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1913.

N.Y.C.RR.	249	314	2,000		10,734,681†	742,118	4,797,740	5,936,941
M.C.RR....	88	82	740		3,097,778†	262,360	1,598,901	2,098,876
C.C.C.&St. L. Ry.		47	1,000		1,737,[illegible]	116,[illegible]	772,[illegible]	965,[illegible]
P.A.L.R.R.	—		1,000		3,[illegible]	253,[illegible]	1,[illegible]	2,[illegible]
T.A.[illegible] Ry.	3		[illegible]		[illegible]	217,[illegible]	1,[illegible]	1,[illegible]
Totals ...	[illegible]	443	11,[illegible]		24,[illegible]	1,[illegible]	7,[illegible]	10,[illegible]

NEW YORK CENTRAL RAILROAD EQUIPMENT TRUST OF 1917.

N.Y.C.RR.	165	235	7,000		16,180,000†	1,117,000	2,780,000	13,404,000
N.Y. & H.R.RR. Bond	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]
Boston & Albany ...	[illegible]				[illegible]	[illegible]	[illegible]	[illegible]

* [illegible] † [illegible]

DIVIDENDS.

Declared	Date	Per Cent	$
[illegible]	[illegible]	[illegible]	[illegible]
No. 98, 1½	[illegible]	[illegible]	[illegible]
1919	Mar. 1, 19[illegible]		[illegible]
No. 14, 1½	[illegible]	[illegible]	[illegible]
1919	[illegible]		[illegible]
No. 99, 1½	[illegible]	[illegible]	[illegible]
1919	[illegible]		[illegible]
No. 100, 1½	[illegible]	[illegible]	[illegible]
1919	[illegible]		[illegible]
No. 101, 1½	[illegible]	[illegible]	[illegible]
1919	[illegible]		[illegible]
No.

REPORT OF OPERATIONS OF THE NEW YORK CENTRAL RAILROAD (EXCLUDING BOSTON AND ALBANY RAILROAD) BY THE UNITED STATES RAILROAD ADMINISTRATION FOR THE YEAR 1919.

REPORT OF OPERATIONS OF BOSTON AND ALBANY RAILROAD WILL BE FOUND AT THE END OF THIS REPORT.

INCOME ACCOUNT.

	1919.	1918.	Inc. or Dec.
Miles operated	5,675·48	5,681·82	— 6·34
Operating Income.	$	$	$
Railway operating revenues	282,659,330 70	269,270,956 51	+14,388,374 19
Railway operating expenses	224,964,911 84	210,637,848 99	+14,327,062 85
Net revenue from railway operations	58,694,418 86	58,633,107 52	+ 61,311 34
Percentage of expenses to revenues	(79·31)	(78·23)	+ (1·08)
Railway taxes accrued	10,601,715 18	11,273,155 71	— 671,440 53
Uncollectible railway revenues	15,567 13	17,594 44	— 1,997 31
Railway operating income	48,077,076 55	47,342,357 37	+ 734,719 18
Other Income—			
Joint facility rent income	3,795,364 60	3,262,788 23	+ 532,576 37
Income from interest on bank balances	207,172 11	59,331 16	+ 147,841 25
Revenues and expenses prior to 1918	2,815,106 61	6,194,711 69	— 3,379,605 08
Miscellaneous income	380 19	—	+ 380 19
Total other income	6,818,023 81	9,516,831 08	— 2,698,807 27
Gross income	54,895,100 36	56,859,188 45	— 1,964,088 09
Deductions from Gross Income—			
Hire of equipment—debit balance	2,418,758 07	3,411,326 39	— 992,568 32
Joint facility rents	1,367,366 80	1,154,783 18	+ 212,583 62
Miscellaneous rents	69,346 88*	62,737 99*	+ 6,608 89
Interest on unfunded debt	22,821 62	133 21	— 22,688 41
Total deductions from gross income	3,878,293 37	4,628,780 77	— 750,487 40
Net income	51,016,806 99	52,230,407 68	— 1,213,600 69

* Represents increases in rental of properties over amounts paid prior to January 1, 1918

RATIO OF RAILWAY OPERATING EXPENSES, BY GROUPS, TO RAILWAY OPERATING REVENUES.

	1919	1918
	%	%
Maintenance of way and structures	12·17	11·84
Maintenance of equipment	21·92	21·28
Traffic expenses	·88	·96
Transportation expenses	40·46	40·65
Transportation expenses	1·44	1·20
Miscellaneous operations	2·44	2·32
General expenses	·79	·77
Total	79·31	78·23

TRAFFIC STATISTICS.

UNITED STATES RAILROAD ADMINISTRATION—NEW YORK CENTRAL RAILROAD. DESCRIPTION OF REVENUE FREIGHT MOVED

	1919 Tons	1918 Tons	Inc. or Dec. Tons
Products of Agriculture			
Grain	3,490,343	3,484,691	+ 14,652
Flour	1,328,705	1,512,231	—183,526
Other mill products	1,043,941	1,166,115	— 122,174
Hay	492,235	644,698	— 152,463
Tobacco	36,649	41,829	— 5,180
Cotton	149,055	187,512	— 38,457
Fruit and vegetables	1,845,090	1,710,575	+ 134,515
Other articles	530,526	521,468	+ 9,058
Total	8,925,532	9,269,029	— 343,497
Products of Animals—			
Live stock	773,837	729,171	+ 44,666
Dressed meats	490,691	511,830	— 21,139
Other packing-house products	730,867	759,533	— 22,666
Poultry, game and fish	335,041	272,112	+ 62,929
Wool	129,552	116,929	+ 12,623
Hides and leather	212,155	189,403	+ 22,752
Other articles	1,041,580	954,444	+ 87,139
Total	3,719,576	3,533,422	+ 186,154
Products of Mines—			
Anthracite coal	7,621,262	7,445,211	+ 176,051
Bituminous coal	27,602,138	37,479,925	— 9,877,787
Coke	1,543,081	2,162,050	— 618,969
Ores	7,268,708	11,226,379	— 3,957,671
Stone, sand and other like articles	6,567,631	7,326,332	— 758,701
Other articles	1,920 723	1,415,173	— 494,450
Total	51,523,543	67,055,070	—15,531,527
Products of Forest—			
Lumber	2,833,332	3,456,358	— 621,026
Other articles	1,601,291	1,612,829	— 8,538
Total	4,439,625	5,069,187	— 629,564
Manufactures—			
Petroleum and other oils	1,822,004	2,017,185	— 195,181
Sugar	790,348	736,869	+ 53,479
Naval stores	140,780	151,543	— 10,763
Iron: pig and bloom	1,217,781	2,611,682	—1,393,901
Iron and steel rails	196,983	262,674	— 65,691
Other castings and machinery	1,769,919	2,107,181	— 337,262
Bar and sheet metal	2,925,775	3,813,913	— 887,138
Cement, brick and lime	3,187,813	3,009,045	+ 88,768
Agricultural implements	233,170	194,672	+ 38,498
Wagons, carriages, tools, etc.	905,016	668,075	+ 236,941
Wines, liquors and beers	257,517	396,207	— 138,690
Household goods and furniture	255,583	245,006	+ 10,423
Other articles	10,731,795	12,073,741	—1,338,948
Total	24,175,182	28,721,093	—4,245,611
Miscellaneous—			
Commodities not previously mentioned	2,965,012	3,847,811	— 882,766
Total	96,048,798	117,495,612	—21,446,814

FREIGHT TRAFFIC STATISTICS.

	1919	1918	Inc. or Dec.
Tons of rev. freight carried	96,018,798	117,495,612	— 21,446,814
Tons of company fr't carried	8,783,478	10,863,658	— 2,030,180
Total tons of fr't carried	104,832,276	128,359,270	— 23,526,994
Tons of revenue freight carried one mile	20,186,749,942	23,851,287,933	—3,664,537,991
Tons of company freight carried one mile	1,672,362,681	2,120,214,957	— 447,852,276
Total tons of freight carried one mile	21,859,112,623	25,971,502,890	—4,112,390,267
Miles of road operated in freight service	5,646·32	5 649·40	— 3·08
Tons of revenue freight carried one mile per mile of road	3,575 205	4,221,949	- 646,744
Tons all freight carried one mile per mile of road	3,871,391	4,597,251	- 725,860
Average distance haul of one ton of revenue fr't., miles	210·17	202·99	— 7·18
Average distance haul of one ton of all freight, miles	208·51	202·33	+ 6·18
Average number of tons of rev. freight per train mile	880·62	891·08	10·46
Average number of tons of all freight per train mile	955 57	970 29	14·72
Average number of tons of revenue freight per loaded car mile	24·22	26·36	- 2·14
Average number of tons of all freight per loaded car mile	26·23	28·71	- 2·48
Average number of freight cars per train mile	54·74	52·87	+ 1·87
Average number of loaded cars per train mile	33·56	33·80	— 2·56
Average number of empty cars per train mile	17·56	18·05	— ·69
Total freight revenue	$175,926,743 59	$175,869,945 48	$1,943,201 89
Average amount received for each ton of freight	$1 81	$1 50 +	$0 31
Average rev. per ton per mile	mills 8·62	mills 7·37 +	mills 1·25
Average rev. per mile of road	$30,803 56	$31,130 98 —	$323 42
Average rev. per train mile	$7 59	$6 57 +	$1 02

PASSENGER TRAFFIC STATISTICS.

Number of interline passengers carried	3,702,504	3,121,980 +	581,524
Number of local passengers carried	29,033,781	30,322,876 -	1,289,095
Number of commutation passengers carried	20,707,352	17,676,829 +	3,030,523
Total number of revenue passengers carried	53,443,637	51,121,685 -	2,322,952
Total number of revenue passengers carried one mile	2,954,170,092	2,520,526,856 +	433,643,276
Miles of road operated in passenger service	5,083·53	5,110 93 -	27·40
Number of revenue passengers carried one mile per mile of road	581,126	493,164 +	87,962
Average distance each revenue passenger carried, miles	55·28	49·30 +	5·98
Average number of passengers per train mile	122	110 +	12
Average number of passengers per car mile	21·58	21·03 +	·55
Average number of passenger-carrying cars per train mile	5·63	5·25 +	·38
Average number of cars in passenger trains	7·83	7·82 +	·01
Average number of passenger cars in mixed trains	2·96	1·62 +	1·34
Total passenger revenue	$75,652,262 01	$60,370,139 05 +	$15,282,122 96
Average amount received from each passenger	$1 42	$1 18 +	$0 24
Average revenue per passenger per mile	cents 2·561	cents 2·395 +	cent ·166
Total passenger service train revenue	$95,006,974 74	$79,157,742 71 +	$15,849,232 03
Average passenger service train revenue per mile of road	$18,689 17	$15,487 93 +	$3,201 24
Average passenger service train revenue per train mile	$3 25	$2 94 +	$0 31

TOTAL TRAFFIC.

Operating revenues	$283,659,330 70	$269,270,956 51 +	$14,388,374 19
Operating expenses	224,964,911 84	210,637,848 99 +	14,327,062 85
Net operating revenue	$58,694,418 86	$58,633,107 52 +	$61,311 34
Average mileage of road operated	5,675·48	5,681·82 —	6·34
Operating revenues per mile of road	$49,979 79	$47,391 67 +	2,588 12
Operating expenses per mile of road	39,638 04	37,072 24 +	2,565 80
Net operating revenue per mile of road	$10,341 75	$10,319 43 +	$22 32

MEETINGS
OF PUBLIC COMPANIES.

MITCHELLS AND BUTLER'S, LIMITED.

THE thirty-third annual general meeting of the Ordinary shareholders of this Company was held at the White House Hotel, Birmingham, on Thursday, August 12, under the presidency of Mr. W. Waters Butler.

The Chairman said: Ladies and Gentlemen,—In moving the adoption of the report and balance sheet there are a few points in connection with the Company's operations of the past financial year upon which I desire to make observations.

In February last the Company decided to capitalise reserves to the amount of £1,345,590. This capitalisation resulted in absorbing approximately the whole of the inner reserves then existing, so that the balance sheet to-day, while still containing an inner reserve, shows the book values of the assets more clearly than the balance sheets of previous years. I wish you to understand that no asset was revalued or written up for the purpose of such capitalisation, notwithstanding that the book values, particularly those of the licensed properties, were much below the ruling market prices.

Personally, I am not a keen supporter of the practice of the formation of "inner reserves," although all know how necessary it is to make provision for such a contingency as a fall which might come about in the rapidly fluctuating values of consumable stocks, which in our business are so dependent upon the world's harvests. During the War we were, and since have been, exceedingly fortunate in our purchases of brewing materials. At the outbreak of the War we were holders of a very large well-bought stock, and at the present time we hold the largest stock, both as regards bulk and value, that we have ever held. It has always been our practice to have in bond—as we have now—several years' supplies of wines and spirits, in order to ensure that only well-matured liquors are offered to our patrons. In no sense can the unfortunate and odious term of "publichousy" be applied to the quality of our goods. No better wines or spirits, generally speaking, are placed upon any gentleman's table than those served in the public and saloon bars of our licensed premises. I do wish our shareholders would patronise more often their own establishment for their requirements, thereby not only augmenting their own profits, but by their example encouraging others to become customers of the Company.

Policy as to Reserves.

Thus while our "inner reserve" is but a small fraction of that of past years, prudence still prevails and risks are realised and provided for. The magnitude of the contingencies that may arise through legislative action or trade depression one cannot measure; they can be anticipated only from year to year according to the conditions prevailing at the moment when we are dealing with the allocation of the annual profits. Our exposed reserve should, as far as possible, provide for any fall in values that might come about through legislation involving restriction of trading or permanent taxation, reducing the profit-earning character of our assets, while our balance of profit and loss account should aid in supporting dividends in periods of trade depression.

Speaking only for myself, although I think my co-directors would support me in this, I consider that a balance sheet issued to shareholders should make manifest as fully as possible not only the liabilities but also the assets of a company, and thereby enable a shareholder to see the full extent of his holding and get some guide as to its realisable value.

If, then, the board share this view, it may not be our practice in future to place to the "inner reserve" any large sums from the profits of the year, firstly for the reasons already stated; secondly, that we have now largely capitalised the reserves which we considered were truly represented by profit-earning assets, and on our much increased capital it will have to be our endeavour to at least maintain the dividend we are now paying; and, thirdly, that in consequence of the onerous and unexpected amount of what I fear must be looked upon as permanent taxation, which will create a greater competitive spirit than has lately prevailed, the balance of undivided profit may not be more than is necessary to rebuild a reserve for contingencies which may arise through legislative action, and to provide funds for the maintenance of our trade position without having recourse to loans or the raising of fresh capital upon such costly terms as now prevail. Your Company has always been a progressive one, and it is not your board's intention to sap its strong financial foundations by daring finance, but rather to strengthen them with capital derived from profits left over after a prudent distribution of dividends.

Notwithstanding the policy of the Company to maintain its properties in the highest state of decorative repair, and in perfect sanitary condition, which has on many occasions evoked the commendation of the licensing authorities, I am assure you there is still room for expenditure in connection with the trade [illegible] tated by the reduction in the number of licences in certain areas of the City, but I am afraid with little hope of obtaining an adequate return thereon if the cost of the carrying out of same is maintained at the present high level. I have no hesitancy in stating that a new or largely reconstructed licensed house cannot be built to-day to yield a profitable return on the outlay if it is in a situation where it has to compete with redundant houses or meet any unfair competitive system of trading, no matter of what description. The "fewer and better [illegible] was never more necessary than to-day. There must be concentrated trading under the most efficient conditions if a reasonable commercial profit is to be obtained from the very low rate of gross profits resulting from the recent Budget taxation, coupled as it is with controlled retail prices, and the daily increasing cost of labour, local taxation, repairs, and other overhead charges.

Features of the Balance Sheet.

There are items in the balance sheet which are abnormal, and upon which some shareholders may desire enlightenment. On the liability side, while the repayment of the loan of £400,000 in connection with the acquisition of Holders Brewery, Limited, may be spread over ten years, the board thought it advisable to anticipate the payment of three years' instalments, totalling £120,000, as our cash position at the time was favourable to the operation. The repayment released £160,000 of Debentures forming part of £533,400 Debentures securing the loan. Trade creditors to the large amount of £2,252,099 11*s.* 11*d.* may at first glance create a feeling of anxiety, but when I inform you that of this sum no less than £1,894,801 10*s.* 5*d.* represents beer duties and reserves for excess profits duty and income tax, but not due for payment for some time, you get some idea of how largely we are tax-gatherers for the State, for which service the State, when imposing heavy additions to the beer and spirit duties in the last Budget, allowed no margin to the trader for the cost of collection or bad debts.

Among our investments it will be noted that we have purchased Housing Bonds. We felt that, as our workpeople resided in Birmingham and Smethwick, it was incumbent upon us to assist the local authorities in combating the great dearth of housing accommodation, and so we took up £20,000 of the Bonds they were offering; but I must say there is not much encouragement to do this when one sees the uneconomic results brought about through the high costs of construction.

Our cash position at the moment is satisfactory, but we shall have to budget carefully and regulate the rate of our commitments to avoid exceeding the amount which our profits will provide and our dividends leave free for capital expenditure.

Brewery owners are in no better position than other traders to raise or borrow capital at the unprofitable rates prevailing. Our balance sheet, I think you will agree, clearly exhibits that you are the owners of a thoroughly sound and profitable undertaking, and I trust will remain so to the end. It may interest the shareholders to know that the output of our breweries last year was only exceeded by two other breweries in the United Kingdom; a position we shall do our utmost to improve upon.

I feel that the near future must be occupied mainly with making our present possessions yield their fullest and best results, rather than we should add to our size by unprofitable extensions. The largest fruit tree does not necessarily yield the best crop.

The Beer and Spirit Duties.

Just as the increase in excess profits duty startled the commercial world and greatly upset the course of business, so the enormous increase in the beer and spirit duties fell as a bomb-shell upon our industry. It is really most unjust to the consumer of beer and spirits that the duties represent so high a proportion as one-half to two-thirds of the cost of the article. He literally drinks "duty," and there is little else in his beverage for him to taste. A person consuming two quarts of beer of standard gravity per diem contributes more than £25 per annum to the revenue in beer duty alone, and it must be remembered the taxable [illegible] £22 a head.

I fully realise how difficult [illegible] their proper share of direct taxation, but if consumers would realise how much indirect taxation they pay, and how much more costly it is to pay a tax indirectly rather than directly, we should have a good [illegible] method of making a [illegible] of taxation [illegible] escape their proper contribution to the revenue of the State. Although we [illegible] Aston Chamberlain [illegible]

imposed big and quite unexpected additional duties upon the articles we trade in, I readily accept his declaration that it was not with any other motive than to raise revenue which was urgently needed that he supported the increased duties. Mr. Chamberlain's utterances in the past plainly indicate that he is not a member of the "Pussyfoot" crowd, and personally I feel the licensed trade has no enemy in him. Much as many of us may feel he ought to have looked in some other direction for his revenue, one cannot but admire his readiness to discuss his proposals with taxpayers, and of how in the absence of the submission of good substitutes for them he manfully stands up to any opposition—a characteristic we so greatly admired in his late father.

Factors affecting composition of Spirits.

What effect this heavy taxation of alcoholic beverages, estimated to yield over £217,000,000 annually, will have upon the consumption it is difficult to say, but it is estimated to reduce by about twenty-five per cent. the amount of spirits consumed in pre-War days. The community, generally, will not suffer if they make up their ration with "good honest beer," in place of the more costly and potent beverage.

I think the bulk of beer brewed may attain the barrelage of pre-War days, but the alcoholic strength will probably be twenty per cent. lower, and personally, while I consider much of the so-called beer we are compelled to brew to-day entails a wasteful expenditure of power and labour in handling materials, and in washing, maintaining, and delivering a large number of casks to the consumer, yet so long as the public are satisfied with a beverage of medium alcoholic content—practically non-intoxicating—it is to the advantage of the community, and certainly to the good reputation and continuance of our industry, that we should not try to recreate a demand for the strong alcoholic beers of pre-War days. The public have now become accustomed to weaker beers, and to-day speak of certain types of beer as strong which in pre-War days they would not have looked upon as such. I have no hesitancy in saying it is to the benefit of the public that they should be consumers of good beer, which is a stimulating food beverage and is an ideal drink for manual workers, rather than they should be driven through the retailing of "washy" beers to become consumers of spirits, which should not be taken as a thirst-quenching agent, but only as a stimulating beverage.

I am convinced that as the ratio of spirit sales to beer sales increases you will find a greater tendency to insobriety. In Birmingham the sale of spirits compared with that of beer and other beverages in a fully-licensed house is only one-third of that prevailing in, say, a fully-licensed house in the North of England, while as you travel still further North into Scotland the sale of spirits to beer would be nearer five times greater than in Birmingham. At the same time it must be agreed that the climatic conditions of the North appear to induce the consumer there to drink spirits rather than beer. Yet I often think the undesirable practice so prevalent in the North of England and Scotland of calling for spirits and beer at one order, sometimes with the consumption of the spirits "neat," or by adding them to the beer (known as "lacing the beer"), might be greatly checked if stronger beers were on sale than has been customary in those districts. The Midlands have always been noted for beers of a satisfying quality, and to that fact I attribute the comparatively low consumption of spirits and the resultant good record of sobriety.

Statistics of convictions for drunkenness.

Recently the statistics of drunkenness for the year 1919 have been made public, and while the total convictions were much larger than those of 1918, there were many causes, as set out in the return, to account for that increase, mainly the return of a large number of men from War service, with the majority of the people in a joyous mood welcoming the home-coming of their relatives and friends and celebrating peace conditions generally. After the great strain upon all during those awful War years one can readily understand that relief brought with it a spirit of determination to spend a time more free from the restraint that War had imposed upon them. Under these circumstances it is surprising that the figures do not show a much greater advance. Of course, the teetotal fanatic, always ready to present the blackest and most depressing picture, is loudly proclaiming these 1919 figures as indicating an increase in insobriety, taking care not to mention the fact that, notwithstanding an increase in the population over that of the year before the War, the convictions in 1919 were less than one third of those of 1913, and that they represent less than one person in five hundred being convicted once during the year. I am pleased to note that the Midland Counties show the greatest decrease—namely, eighty per cent.—in drunkenness when compared with 1913. These slanderers will next contend that there is strong evidence of immorality during 1919, as the birth-rate figures show an advance over 1918.

I trust we shall see continually improving evidence of increased sobriety. With an educated, well-housed populace, employed under hygienic conditions in their work-places, adequately remunerated, patronising well-equipped and roomy refreshment houses supplying not only alcoholic and non-alcoholic, but also solid refreshments, and conducted by owners capable of obtaining a living profit without having to resort to unhealthy competition, then under such conditions you need have no fear as to the conduct of the consumer, no matter what beverage he may be consuming.

Return to Pre-War competition undesirable.

I regret there are signs of a general trade depression, which must affect our trading results. I dread the return of the undesirable wholesale and retail competitive methods of trading of pre-War days. They need no enumeration. To-day many of them are offences under the Central Control Board's Regulations, and I trust they will remain so in any future licensing enactments. Certain of these regulations were imposed in war time, with the object of suppressing evils arising from certain forms of trading. It is to the advantage of the licensed trade generally that the recrudescence of any such practices which are detrimental to the community should be prevented. Unfortunately, onerous taxation, high operating costs, and redundant licensed properties must intensify competition and make it more difficult for a trader to obtain a reasonable return on his capital and adequate remuneration for his labours.

In our industry, unhealthy competition not only endangers the financial position of undertakings, but affords openings for our enemies to press for legislation, not with the object of bettering the conditions to meet the requirements of the public, but rather to abolish by confiscation the property of traders and debar the public of facilities for obtaining their requirements to which they are justly entitled.

From a legislation point of view we are, in my opinion, during the next twelve months about to pass through the most critical period I ever remember. A Licensing Bill is much overdue. Some people may say why a Bill at all; why not abolish the Central Control Board and return to the pre-War state? No one wishes to wholly return to pre-War conditions, and you cannot abolish the Central Control Board without returning to pre-War conditions. Therefore, there must be an Act to make permanent those war-time regulations which are applicable to normal times with advantage to all concerned. The fear of the Trade is—and there is good justification for it—that just as during the War the so-called temperance party, under cover of slanderous statements in regard to the workmen and women of this country, unsuccessfully attempted to take an unfair advantage of the critical position in which the country was placed and deprive the citizens of some of their rights and privileges, similar in the forthcoming Bill we may see an attempt made to add to the matters for which the Bill should properly provide controversial extraneous subjects such as, for example, Local Veto, upon which the Government has not sought or received a mandate from the country.

Local Option a Danger.

Such proposals as Local Veto and Prohibition are alien to the principles of a liberty-loving people. So prevalent is the feeling among the public that these cannot be imposed, that there is the danger of not realising the activities of the teetotal party who are stealthily preparing to bring about enactment of these measures.

I have not the slightest fear of Prohibition coming about if it is placed as a direct issue to the electorate; the supporters of it fully realise that the country would not knowingly accept it, and do not intend to put it to the test. But as was done in the United States, they aim at stealing a march upon the nation by endeavouring to attain their end with "prohibition by instalments."

In this country you will find organised bodies like the United Kingdom Alliance, established in 1853, so long ago as sixty-seven years, to bring about "the total and immediate legislative suppression of the traffic in intoxicating liquors as beverages," sending out speakers who, when tackled, will say that they are not demanding prohibition—yet the telegraphic address of the Society is "Prohibition"—but only pleading for the people to be able to please themselves under what is known as Local Option, which is nothing but a disguised form of veto, for the so-called option it gives the electors is that of retaining only a limited amount of liberty, or having none at all; but there must be no extension of liberty. They may retain their present houses of refreshment, or have their number reduced, or have none at all, but no matter how much the growth of a town may call for increased facilities for refreshment, no voting may bring about the provision of same. We often see in our licensing courts when an application is made for a new licence, and the applicant produces incontrovertible evidence showing that a majority of the householders in the vicinity desire the grant of the licence, of a certainty there will automatically appear a solicitor in case after case, and oppose the grant with little or no evidence to support his opposition. So it is with this so-called Local Option, or more truly Local Prohibition, you have no option to better your conditions, no matter what your present state or requirements may be.

Local Option is an insidious method of creating conditions which will tend to increase drunkenness. For what happens as a result of a locality (or a State as in America) going "dry"? You get immigration into the adjacent "wet" territory, and, like a camel about to cross a desert, the traveller, before returning to his "dry" area, takes aboard

a full reserve of liquor internally and externally, and this liquor he carries away is of the easily transportable, concentrated, potent character, namely, spirits—with the results that the "wet" area becomes "wetter," the consumer a debased drinker, while the honest trader, not knowing when his occupation may come to an end, carries on his business under the worst possible conditions, taking any risk to make money while he may. In the "dry" area you foster an utter disregard for the law, and I need not remind you of what that leads to. Those are the conditions which the local vetoists strive for. They have got their awful example, the bait for their next victim. They then endeavour to attain their object by the aid of blatant ranting speakers, who, by entrenching themselves in pseudo-worship, by making use of lurid pictures in cinemas, and even by teaching young children distorted facts about alcohol, build up a tale of horror and misrepresentation. Their methods will be successful in this country if not counteracted by exposure, as I am pleased to say is being well done daily by our trade defence organisations, who are fully aware of the methods which were used in America to place fetters on the freedom of a people who were looked upon as the greatest lovers and upholders of personal liberty. This country did much to aid in abolishing slavery in America; we do not intend the "dumped" missionaries of that country to reverse the process in our land and make us slaves.

Prohibition in the United States: a prophecy.

The law in the United States which finally brought about national prohibition was a combination cry of the dreadful saloon, the German-run American breweries, and the despicable slander on the American soldier over here and in France, who was said to be suffering from an excess of alcohol as being statement condemned by General Pershing himself. The American has not yet realised that he is "home dry," for the simple reason that in reality he is not yet so, notwithstanding the huge expenditure of the State in hunting down its citizens who are evading their non-effective law. When the cellars of the well-to-do in the States—and their number is not small—stacked to the ceiling with the best of wines and spirits at the time of the enactment of Prohibition, are nearing depletion, and the owners are approaching a truly "dry" state, we shall be able to more fully realise whether Prohibition was passed honestly and with the approval of the absent manhood of the States, or through the apathy of those who thought it would not come about, but as a precaution filled their cellars, or through the tub-thumping of the well-paid orators of the Anti-Saloon League taking an unscrupulous advantage of the trying times through which the people were passing to play upon their feelings with harrowing falsehoods. I predict that the States will again be "wet" before we see England "dry." Forewarned we take care, now we know the wily ways of the prohibitionists, to do all in our power to oppose them, and to take steps to neutralise their poison gas by holding up the force of truth so that all may clearly see the oncoming and danger of their vapourings. Apathy in this struggle is our greatest enemy. It is the duty of everyone connected with the industry, whether a shareholder or a cask-washer, to actively interest not only themselves, but also the public, against this teetotal campaign, for if our enemies succeed it will bring ruination upon many, deprive thousands of their means of livelihood, stir up a feeling of class hatred, and add to the unfortunate prevailing spirit of unrest which all well-wishers of their country are doing their utmost to remove by engendering a better and closer understanding among all members of the community.

The present Government and Legislative Prospects.

As to the nature of the forthcoming Licensing Bill, I am quite in the dark. Because I am a member of the Central Control Board, I am often wrongly credited with possessing inner knowledge of the Government's licensing policy, which it is assumed will be based on the experiences of the Central Control Board, in connection with its regulations. I have on more than one occasion expressed by personal opinion as to what I consider is the best solution of the general housing problem, and I have had no reasons to alter my views. I can now only say I feel sure only that there was never a better time for the moderates, inside and outside of the licensed trade, to agree upon the direction which licensing legislation should take, and there never has been in my lifetime a Government in a stronger position than that now in office to enact such legislation and to ignore the opposition of extremists, whether coming from those who control the purse or not accountable to the ratepayers or those coming from traders who fail to realise that the licensed trade must be conducted under reformed and well-ordered views.

Provided all interested keep a watchful eye on the course of events, and act when necessary, I have no reason to doubt that this time next year we shall be congratulating ourselves upon being in a less anxious position than we are quite justified to-day.

Mr H. W. Bamberger seconded, and the report was adopted. Dr. Harold Thwaite was elected a director.

RAPHAEL TUCK AND SONS, LIMITED.

The ordinary general meeting of this Company was held on August 11 at Winchester House, London, E.C., Sir Adolph Tuck, Bt. (the Chairman), presiding.

The Chairman, in opening the proceedings, referred to the fact that this was the nineteenth annual meeting of the Company and the fifty-fourth year of the founding of the business of Raphael Tuck and Sons, Limited. The results of the year's trading were entirely satisfactory, and the previous year's, so that the remarks he made twelve months ago might well apply to them. He could say that the actual sales during the past financial year are the largest on record, while our profits correspond with the increased turnover and are also the largest in the history of the Company." He was in the pleasant position of being able to repeat that statement with regard to the year under review, the actual sales again showing a considerable increase over those of the previous year, and the profits, while they did not work out in the same ratio, owing partly to increased expenditure, also exhibiting a gratifying increase.

The Chancellor's irritating proposal.

The Chairman referred to the Postmaster-General's proposed increase in the postage of picture postcards to 1½*d*., holding that, in the interests both of the public and of the trade, this prohibitive rate would be deplorable. It would have the exact opposite effect to that intended by the Chancellor of the Exchequer, and, instead of the expected increase of one million in the revenue reduced sales would lead to considerable loss. The French Postal Department, Sir Adolph pointed out, took the opposite view to that of the British authorities, and had proposed to the International Postal Congress to be held in Madrid in October next, with whom the ultimate decision rested, to charge a lower rate of postage for the picture postcard against the ordinary correspondence postcard. If, however, this common-sense proposition were successfully opposed by the British postal authorities, the suggestion of the Postmaster-General would probably be acted upon by the public and the penny postage rate thus be secured after all. They would only have to cross out the heading "Tuck's Postcard" and write in its place the words "Printed matter."

Record profits.

Coming to the balance sheet, the Chairman pointed out that the profits of the year had reached another record figure, the net total, after providing for bad and doubtful debts, depreciation, and directors' remuneration, being £62,954. The directors recommended the payment of a [illegible]



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on the Ordinary shares for six months to April 30, 1920, at the rate of fifteen per cent. per annum, making, with the interim dividend paid, a dividend for the year of twelve and a-half per cent., and they proposed to transfer to special dividend reserve £10,000 and to general reserve £5,000. He was glad to be able to state that the outlook for the current year was most promising, the sales being considerably in advance of those for the same period of last year. The business of Raphael Tuck and Sons was world-wide, and, supplying as they did a fair proportion of the art needs of practically all the civilised globe, the comprehensive title, "For an Art League of Nations," which they had selected this year, and which they had given to their complete collection of new publications, would be found at once apt and explanatory of their ideals.

In this connection he could not do better than read a few introductory sentences contained in the Company's announcement for the coming season:—"For upwards of half a century each recurring year has witnessed the advent of a new collection of our manifold art productions for the use of the public at home and overseas, and these have been ever welcomed and have acclimatised themselves in every part of the habitable globe. This labour of love in the field of art, carried on by us without haste and without rest during all these years, has in the course of time brought us into direct contact with the people of all nations. It has told us of their wants, it has enabled us to study their requirements, to measure their tastes and imperceptibly but surely to blend these with our own British art ideals, and thus gradually to sow the seeds for a veritable "Art League of the Nations of the Earth."

In conclusion the Chairman said: I feel I must not resume my seat without a reference to the impending departure of my friend and co-director, Sir Arthur Conan Doyle, on his important lecture tour throughout Australasia. To whatever extent men may differ from him in regard to the immense question which has agitated the world these thousands of years, which the twentieth century more than any other has brought to the forefront, and of which he has become the acknowledged, courageous spokesman, this may confidently be said—that Sir Arthur, who is the soul of honour, will never advance any statement or theory in the truth of which he does not himself implicitly believe. He is going upon a long journey to carry out his self-imposed unselfish mission, and I am sure that we all wish him, Lady Doyle, and their dear children who are sailing with them a safe and happy return home. (Applause.)

The Chairman then moved the adoption of the report and accounts and the declaration of the dividend recommended.

Sir Arthur Conan Doyle seconded the motion. He said it was very gratifying that the excellent results obtained during the past year enabled the directors again to build up the reserves, which were depleted during the War, and to distribute a dividend which would partially compensate the shareholders for having so unanimously and patiently stood by the board during that difficult period. So far as could be seen, the results in the future ought to be better still. They had got rid of the foreign commitments which it was so difficult to handle during war time, and the business was absolutely sound throughout. Some people were pessimistic as to the future of British business, but although the expenses of production had increased rapidly, none the less those expenses had to be passed on to the public in the long run. That was the only possible way in which a business could be kept running. It was only in the days to come, when they would have to meet foreign competition in neutral markets, that the trouble would become more acute; at present their business rivals were no better off than themselves, so that for some years to come he thought they could reckon on more than holding their own. He desired to thank the Chairman for the remarks he had made with reference to his (the speaker's) impending visit to Australasia, and to say that during his absence his friend Lord Molesworth had consented to act as his *locum tenens* on the board.

The motion was carried unanimously.

SPENCER, TURNER AND BOLDERO, LIMITED.

A series of meetings of the shareholders in this Company was held on August 13 at the offices, 18 Duke Street, Lisson Grove, London, N.W., for the purpose of submitting resolutions providing for the reorganisation of the capital. The proposals are to subdivide the present £5 Preference and Ordinary shares into £1 shares; to increase the Preference capital from £150,000 to £180,000 and the Ordinary capital from £300,000 to £570,000; to capitalise £90,000 of the reserve funds and distribute the same among the shareholders by issuing as fully paid the 30,000 new £1 Preference shares to the Preference shareholders and 60,000 of the new £1 Ordinary shares to the Ordinary shareholders in proportion to their present holdings, namely, one £1 fully paid share in the case of each class for every £5 of capital now held; and to increase the cumulative dividend on the Preference shares from five per cent. to six per cent., and, as consideration for this increase and for the share in the proposed distribution, to limit their rights in a winding-up to repayment of their capital in priority to the Ordinary shares.

Presiding at the meeting of Preference shareholders, Mr. H. J. Turner said that the directors considered it would be more in accordance with the present methods of capitalisation to convert the existing £5 shares into £1 shares, and that £90,000 of the large reserve funds should be capitalised and distributed among the shareholders. Having regard to the increase in the business and the consequent necessity of carrying a larger stock, it was desirable that the working capital of the Company should be increased forthwith to the extent of £108,000, and that provision should be made for a further increase of £102,000 if required. With the addition of the bonus shares about to be distributed, and the raising of the dividend from five per cent. to six per cent., the original holdings would now show a dividend of over seven per cent., and if the Preference shareholders availed themselves of the opportunity which they would have, in conjunction with the Ordinary shareholders, to subscribe for their quota of Ordinary shares at par they would be the possessors of a holding which should be in all ways a satisfactory one.

The resolution was carried unanimously.

A similar resolution was passed at a meeting of the Ordinary shareholders, and at an extraordinary general meeting of the Company which was afterwards held the scheme was duly passed.

MOLASSINE COMPANY, LIMITED.

The annual general meeting of this Company was held on August 10 at the offices, Tunnel Avenue, East Greenwich.

Mr. John Prosser (Chairman and Managing Director) presided, and, in the course of his speech, said: Our greatest difficulty during the past year has been that of transport, which has been common to all manufacturing concerns, and the profits would have been very considerably larger if we had only been able to convey the raw materials to our factory. A very large quantity of orders had to be cancelled at the end of the season in consequence. As far as we can see into the future, we think the transport position will be much improved. You will see by the balance sheet that the sundry creditors are £96,484, against £40,311 last year. This is accounted for by the increased price of raw materials at the latter end of the season, and the necessity of carrying large stocks. The profits of the year show an increase over those of the previous year of £1,160. On the credit side, cash at bankers is less by £13,498, showing the necessity for increasing our cash reserves and also the difficulties of trading to-day with practically a pre-War capital when the cost of all raw materials is enhanced four times. Sundry debtors are £100,656, as against £52,434, the increase being due to the advance in price of raw materials towards the end of the season, and also to the larger turnover towards the end of the year. Freehold poultry farm and equipment, and payments on account of land purchases, stand at £12,590, compared with £8,574. This is accounted for by improved plant, machinery and equipment, the planting of fruit trees, etc., at the poultry farm, and by further payments on account of the purchase of freehold land at Ramsey and plant and equipment thereon. The poultry farm is an excellent property, and of great value to the Company as an advertisement, apart from its profit-producing capacity. The profit for the year is £23,423; and, with £5,968 brought forward, there is a total of £29,391. Your directors have dealt with this as follows: They have replaced £6,000 to the capital reserve fund, being the amount taken therefrom (in addition to £15,000 taken from the general reserve fund) for the purpose of capitalising the unpaid Preference dividends; they have also placed £8,000 to the general reserve fund; £7,000 will be required to pay one year's dividend on the Preference shares; and it is proposed to pay a dividend of ten per cent. on the Ordinary shares, absorbing £7,500, and to carry forward £891. We know of no reason why the Company should not continue to be equally successful in the future, except, as you are all aware, that the general industrial outlook at the present time is not over bright. We can but hope that soon business will resume its old solid, confidential tone.

The report was adopted, and the dividend recommended declared.

BISICHI TIN COMPANY (NIGERIA), LIMITED.

The ninth annual meeting of this Company was held on August 11 at the Cannon Street Hotel, London, E.C., Mr. James Gardiner, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: The result of the year's work compares favourably with the figures of the previous year, by reason of the higher scale of prices of which we have had the advantage, for, while output is down nearly twenty-seven per cent., our net profit shows only a decrease of about seventeen per cent. (Applause.) The chief factor in the reduced production is the difficulty in securing labour. The extra charges entailed thereby account for the advance in the "all-in" cost, which stands at £151 4*s.* 9*d.*, as compared with £129 14*s.* 7*d.* in the previous year.

The prime factor bearing on our output is that of native labour, and the situation in this respect has become extremely serious. The mortality from influenza was heavy, and the consequent scarcity of supply of labour materially reduced working efficiency. The difficulty of recruiting was further aggravated by the introduction of paper currency,

to which the native still has considerable objection: but the most important influence preventing native from coming to the mines has been the abnormally high prices commanded by all native produce. In the matter of transport there is also much to be desired to enable us to secure a regular passage for our produce homeward, and for our machinery and supplies outward. The estimate given by the engineers is that we have proved ground ready to work representing something like a ten years' supply at 250 tons per year. Given anything like normal times and a reasonable supply of labour, we may view the future with every confidence. It becomes more clear to us every day that the old method of crushing must be discountenanced as much as possible where mechanical means can be economically adopted. One further point—that is, it should be a great satisfaction to us all that in opening up our new area we have sufficient cash reserves for the necessary expenditure. (Applause.)

The report was unanimously adopted, the dividend of ten per cent., less tax, formally declared, the election to the board of Mr. Hugh Ernest Nicholls unanimously confirmed, and a resolution passed that the directors be indemnified against any income tax on their remunerations.

A. DARRACQ AND COMPANY (1905), LIMITED.

An extraordinary general meeting of this Company was held at Winchester House, Old Broad Street, London, on August 13, to consider resolutions to increase the capital of the Company to £5,500,000 by the creation of 500,000 Preferred Ordinary shares of £1 each and of 500,000 Ordinary shares of £1 each, and to change the name of the Company to "S.T.D. Motors, Limited." Mr. James Todd (Chairman of the Company) presided.

The Chairman in moving the resolution to increase the capital, said that the board had concluded negotiations extending over several months between the Sunbeam Motor Company and the Darracq Company for an amalgamation of interests. This amalgamation had been approved by the Sunbeam shareholders, and they now asked for an increase of capital to enable it to be carried through. Since the last general meeting a series of most exhaustive investigations had been made into the affairs of more than one leading motor car concern, with the result that the directors were satisfied that the proposed amalgamation was the only one that they felt justified in recommending to the Darracq shareholders on an equal basis of an exchange of shares. The difficulty, from the commencement, had been to find another motor-car concern in the same strong financial position and with the same dividend earning capacity as the different works controlled by the Darracq Company.

Amalgamation with Sunbeam Motor Company: Resultant Economies.

The amalgamation of interests was one which the directors felt they had every confidence in recommending to the shareholders for their approval. The Sunbeam car enjoyed a world-wide reputation, and the works of the Sunbeam Company at Wolverhampton were among the most finely equipped engineering works in this or any other country. The output of complete cars at the present time was far in excess of what it had ever been in the past, and the demand, here and in the Colonies, was such as to ensure the sales of the entire production for at least twelve months ahead. The policy of the board would be that the Sunbeam car would continue to be manufactured at Wolverhampton, the Talbot car at the Talbot Works in London, and the Darracq car at the Darracq Works at Suresnes; but a central organisation would be established by which the buying, selling, administration, and advertising departments of the respective companies would be centralised under one head, and in this way very large economies effected. The basis of the arrangement with the Sunbeam Company was an exchange of shares on an equal basis. One Ordinary share in the Darracq Company would be exchanged for one Ordinary share in the Sunbeam Company, and one Preference share in the Darracq Company would be exchanged for one Preference in the Sunbeam Company. The proposed amalgamation had been received with unanimous approval by every agent with whom they had come in contact, and it was certain that the position of both companies must be very much strengthened by the joining up of their forces.

With regard to the absorption of the business of W. & G. Du Cros, Limited, the primary reason which had influenced the board was that the body-building capacity of the different works controlled by the Darracq Company was totally inadequate to meet the ever-increasing production of chassis. W. & G. Du Cros' works were very conveniently placed for the Talbot Works. To build and equip similar works at the present time would cost an enormous amount of money and would waste twelve months of precious time. Therefore, the directors were satisfied that they had, by an exchange of shares in W. & G. Du Cros, entered into an arrangement which would be highly remunerative to the Darracq Company.

Current Share Prices.

Dealing with the question of the present-day market value of the shares of the Darracq Company, the Chairman said it was a matter of common knowledge that there had been a serious fall in all shares in the motor industry, largely due to the entire lack of production in this country during the earlier months of the year owing to the moulders' strike, and to the various rumours circulated for many months in connection with certain motor-car concerns. So far as the [illegible] whatever in connection with any of the affairs of the different works controlled by the Darracq Company which justified in the least any fall in the market value of the shares. On the contrary, they were now so near the end of the financial year that he had no hesitation in expressing the board's opinion that, short of some unforeseen catastrophe, there was no reason why they should not be in a position to declare, as a result of the current year's working, the same highly satisfactory rate of dividend, both on their Ordinary and Preference shares, as that which they had now declared for several years. (Applause.) Never had the productive capacity of the works been so satisfactory as it was at the present time, and never had the demand for their productions been keener, nor the margin of working profit more satisfactory. He was satisfied that he would be doing less than justice to the value of their shares and the general interests of the Company if he did not reassure them of the present prosperous condition of the Company's affairs. (Applause.) If the shares were worth the price at which they were quoted a year ago nothing had happened [illegible] the Company's affairs since that date which in any way justified the shares standing at a lower value. The Company had now paid twenty per cent. dividend for several years on its Ordinary capital and ten per cent. on its Preferred Ordinary capital, besides accumulating a very large reserve fund. No pessimism existed in the minds of the board as to its future.

Mr. A. Huntley Walker (Managing Director) seconded the motion, which, after the Chairman had replied to a number of questions, was unanimously adopted.

The resolution changing the name of the Company was also carried, and the proceedings terminated.

ARGENTINE IRON AND STEEL COMPANY (PEDRO VASENA E HIJOS), LIMITED.

The eighth ordinary general meeting of this Company was held on August 13 at Winchester House, London, E.C.

Baron Emile B. d'Erlanger, who presided, said that the Company's record was such that, were it not for the most extraordinary financial conditions prevailing to-day, its securities would command a price more in consonance with its past achievements. The balance sheet now submitted revealed a very strong position. The depreciation fund stood this year at £127,968, an increase of nearly £20,000, but, seeing that the value of the Company's works and factories, plant and machinery, was to-day much greater than at any time in the history of the Company, this depreciation fund of £127,000 was really a reserve invested in the business. The open reserve stood at £174,392, with the £51,500 added to it this year, being considerably in excess of the goodwill figure, which represented less than one year's earnings of the Company. On the credit side the fixed assets of land and buildings, machinery, tools, and installations, &c., stood at £692,450, an increase of over £100,000. The trading profit amounted to £156,672, the largest profit realised in the history of the Company, and the dividends recommended were seven per cent. on the Preference shares and four per cent. on the Ordinary shares. According to advices recently received, the turnover for the first four months of the present fiscal year had been most satisfactory, being over £250,000 a month, or at the rate of £3,000,000 a year. (Applause.) He wished to repeat what he said last year, namely, that the profits they were making could not be considered in the light of "war profits," seeing that the margin of profit on every individual transaction was comparatively small. They had during the past five or six years added enormously to the activities of the Company and developed many new branches of their industry, becoming much more of a manufacturing company, or developing that side as against the selling of raw materials imported from Europe and from the United States, and he ventured to think that, if the management were not entirely mistaken, the new rolling-mill and open-hearth furnace was bound to prove extremely profitable. The Vasena family, who sold their business to an English company before the War and accepted a very large amount of the purchase price in Ordinary shares, felt a very deep sense of grievance at the present moment on account of the heavy taxation they had to bear. He was afraid that if the income-tax authorities did not take some steps to remedy the unfairness of the situation and to relieve people living abroad who were placed in such a position as the Vasena family from the burdens which were falling upon them, there would be an exodus from this country of all the British companies operating solely in foreign countries, which would mean a very great loss to the [illegible] business community.

The report was [illegible]

The directors of the Brazilian Submarine Telegraph Company, Limited, have resolved to pay the usual interim dividend at the rate of seven per cent. per annum, less income tax, and the warrants will be posted to the Stock [illegible] on the 19th instant.

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The Statist.

LONDON: SATURDAY [illegible]

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Bank Bills	6¾-⅞	6¾-⅞	6⅞	6¾-7
Trade Bills		7	7¼-½	7

A REDUCTION in the publication [illegible] Bank of England and in the Currency Note [illegible], that a contraction in the note circulation has taken place during the fortnight to Wednesday last. In the first week this contraction amounted to £3,833,000 for both Currency and Bank of England Notes, and last week the figure was higher at £5,373,000, bringing the total reduction for the fortnight up to £9,206,000. This, of course, is a small figure when compared with the total of notes outstanding—upwards of £77 millions—but still the movement is an interesting one for the Money market. The cause generally assigned for the decline in circulation has been a supposed slackening in the holiday demand for currency, but we should be inclined to think that it is due rather to an appreciable decline in the general level of commodity prices, a decline which we have had occasion to note more than once already. To this must be added the fact that the present is a slack season for most markets as regards buying, and accordingly there is a tendency for current [illegible] production favourable this apathy of the buying public would lead to cuts in retail prices, and so to a further contraction in the volume of currency; but unfortunately labour troubles and wage increases, [illegible] facilities and difficulty of obtaining raw materials, preclude the probability of a steady downward movement in prices. In addition to these considerations it must be noted that the position of the national accounts taken in conjunction with the trend of events in the Money market, holding as it does the probability of further increases in the floating debt in the near future, would indicate the likelihood of further increases in the note circulation; in other words, the [illegible]

Under the circumstances, at all events, [illegible] will be studied keenly by Lombard Street as they are bound to exercise a strong influence on discount rates.

[illegible] over the week-end. Fresh money was obtainable at the [illegible] stiffened, and eventually fresh money was not procurable [illegible] ment was transmitted to the Dis[illegible]

In the Foreign Exchange markets Allied currencies show a steady depreciation. The lire exhibited pronounced signs of weakness, rising 4.6 points during the week to 70.82 on Friday. Brussels closed slightly firmer at 47.37, and Paris depreciated to 51.30. Switzerland was firm and improved its position to 21.65. Madrid moved similarly to 23.98½. Lisbon also went against us slightly, closing at 12⅛*d*. The Polish situation helped to depreciate the mark, which, however, improved in value on Friday and finished at 178.5. Amsterdam was firm throughout at 10.98 The Norwegian currencies pursued their usual trend. Stockholm was firm. Christiania showed a steady depreciation, mainly owing to shipbuilding payments to this country. The American exchange continued unfavourable to us, being called 3.58¾ at the close. Montreal, of course, moved in sympathy. The South American exchanges were firm on the whole. India was very steady, closing at 1*s*. 10¾*d*. The Chinese exchanges went slightly against us, but Japan remained unaltered on the week, being called 2*s*. 9¾*d*. at the close.

The Currency Notes Return for the week ending August 18 repeats last week's satisfactory feature of a contraction in circulation, amounting for the week to £4,589,419 net. The total circulation is accordingly reduced to £352,616,188—the lowest figure for the last six weeks, due allowance being made for "notes called in but not yet cancelled." The latter show a falling off in arrivals, cancellations for the week under review amounting to £391,991, thus leaving the total outstanding at £5,795,741.

Gold coin and bullion stand unchanged at £28,500,000, and Bank of England notes in the reserve are unaltered at £18,600,000. The fiduciary issues, therefore, is decreased by 4.6 millions to £305,516,188. If we include "notes called in but not cancelled" the total comes to £311,311,927. This figure, it is gratifying to note, is the lowest for the last twelve weeks. As a result, the ratio of gold and Bank of England notes to currency notes has moved up from 13.2 per cent. to 13.3 per cent.

The Income and Expenditure Return for the week ending August 11, though showing a welcome improvement in the national accounts, does not reveal the recovery that the Money market anticipated. Revenue exceeded expenditure; sales of Treasury bills exceeded maturities; and Ways and Means Advances were consequently decreased. The latter, however, still stand at an unduly high figure.

Revenue amounted to £19,432,701, exceeding expenditure by £8,364,935. Other receipts included £200,000 (net) for National Savings Certificates and £179,000 for Treasury bonds, and sales of Treasury bills exceeded maturities by £1,589,000. On balance 8.5 millions were available for repayment of Ways and Means Advances. Of this, 5 millions went to Public Departments and 3.5 millions to the Bank of England, and as a result the total floating debt outstanding was reduced by £6,988,000 to £1,258,333,000. This figure shows a reduction of 54 millions as compared with the beginning of the present financial year. As compared with twelve months ago, however, it has increased by 70 millions.

It is certainly refreshing to note any decrease in the Ways and Means Advances by the Bank of England; but, considering that an increase of over 22 millions on 36 millions was registered during the previous fortnight, the reduction of 3.5 millions shown in the report under review does not constitute a very satisfactory improvement. Some time ago it was estimated that another 300 millions would be forthcoming from war assets. Since then receipts have not been very large. During each of the past two weeks the Government has arranged sales amounting to less than two millions. The sales are, of course, largely governed by circumstances outside the control of the Chancellor of the Exchequer; but they are capable of a greater and speedier expansion than any other item of the national income. A large increase in such receipts could usefully be employed in supplying the deficiency caused from time to time by an excess of expenditure over revenue or insufficient sales of Treasury bills to meet maturities, and thus obviate the necessity of borrowing on Ways and Means Advances.

BANK OF ENGLAND.

The payment of railway dividends and the free buying of Treasury bills which have affected the Money market during the week are reflected in the latest Bank of England return in a decline of 6.9 millions in "other deposits" and a rise of 2.3 millions in "other securities." From the point of view of the Bank, the position has improved, for an increase in the reserve of nearly £700,000 to £16,686,566 synchronises with the decline in liabilities already indicated, with the result that the reserve ratio has advanced by 1.1 per cent. to 12.5 per cent. This strengthening of the reserve is accounted for by a contraction of £683,000 in the active circulation and by a slight accretion to the coin and bullion.

As indicated by the Public Income and Expenditure return for last week, the Treasury has begun to reduce the indebtedness under Ways and Means Advances, which expanded so much in recent weeks, and, judging by a decline of over 9.7 millions in "Government securities," this satisfactory feature is likely to figure again in the next statement of the national accounts.

NEW YORK.

The gold holdings of the United States, though steadily decreasing during the last three years, still stand at fifty per cent. over the pre-War level, and represent a larger stock than that of any other country. The latest report of the U.S. Comptroller of Currency gives the world's total gold stock, at the end of the calendar year 1918, at $7,797,113,000. The amount held by the United States on July 1, 1920, was $2,687,512,000. Allowing for the increase in the world's stock during the first six months of this year, the latter figure represents over thirty per cent. of the total, and exceeds the combined holdings of Great Britain, France, Italy, and Germany.

The maximum point was reached in May 1917. Since then the fall has been unremitting. This fact is, of course, no index of America's foreign trade. As a matter of fact, her exports for the financial year ending June 30, 1920, have vastly exceeded imports. The main debtors, however, are the European war-stricken countries, where trade has, of necessity, to be financed by long-term credits. The efforts of the Federal Reserve authorities to concentrate the supplies of the metal have been remarkably successful. On July 1 the Federal Reserve Banks had nearly $2,000,000,000 in vault; $400,000,000 were in the United States Treasury; while all banks—National, State, &c.—had less than $100,000,000. The amount unaccounted for was only about $200,000,000.

The avowed policy of the U.S. Federal Reserve Banks of curtailing credits in order to strengthen their reserves is not productive of large results according to their weekly statements. The report for the week ending August 16 shows, indeed, a decrease in open-market purchases of bills of 18.8 millions to

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$320,690,000, and gold coin and bullion by 4.4 millions; the legal-tender notes and silver reserve. The gold reserve, on the other hand, has risen by 4.4 millions to $1,977,360,000, reductions of 29.2 millions in legal-tender notes and silver and of 27.3 millions in Federal Reserve notes has extended by 27.3 millions to $1,160,187,000. Deposits increased by 3.1 millions to $1,680,830,000; but Government deposits have diminished by 8.6 millions at $11,620,000. Other liabilities are also increased. The total reserves not being strengthened commensurately with the increase in liabilities and Federal Reserve note liabilities combined, the ratio has fallen by 0.1 per cent. to 43.9 per cent. This figure compares with 43.9 per cent. last week and 50.9 twelve months ago. The drain on the gold holdings on the New York centre still continues. For the week under review they fell by 19.7 millions to $161,610,000, while the total reserve had diminished by 20.6 millions to $475,234,000.

A more successful effort to consolidate the position of the banks is shown in the average weekly statement of the New York City Banks and Trust Companies issued on the 14th inst. Loans in spite of increases at the Federal Reserve Banks stands lower by $810,000 at $92,770,000, circulation has shrunk slightly to $31,930,000, and loans, discounts, and investments are nearly $7 millions at $5,165,850,000. Though this latter important item is complicated by the inclusion of investments, it may be safely deduced that loans and discounts were responsible for the major part, if not the whole, of the reduction; for, despite the fact that the average aggregate reserve has fallen by $10,650,000 to $511,440,000, the actual excess reserve at the end of the week has increased by $3,110,000 as compared with a week ago. Net demand deposits have shrunk by $53,160,000 to $4,025,100,000, while net time deposits show a slight increase.

BULLION.

Moderate arrivals of gold were taken for India and the United States. To-day's quotation of 115*s.* the fine ounce was the highest for the week.

The price of silver has advanced from 58¾*d.* a week ago to 63¾*d.* for both spot and forward to-day. Continental supplies continue arriving but on a smaller scale. The striking rise in price is mainly due to speculative Chinese buying, both direct and through San Francisco. India was also purchasing, though not to such a heavy extent.

Stock Exchange.

A SIGNIFICANT change in the markets which began quite recently was noticeable even amidst the restricted volume of the past week's business. That is a revival of interest in speculative descriptions. While the markets were under the influence of monetary stringency, and of uncertainty regarding taxation and governmental expenditure, new money drifting into the markets generally went to the support of investment issues. Speculative stocks began to sag as a result of both forced liquidation and voluntary selling in order to reinvest more conservatively. It is true that there is no lack of support for fixed-interest-bearing stocks just now, but this is rather due to a temporary pause in the flow of new issues. The explanation of the other feature is that the "shake-out" of the past months has been thorough, and at the moment the air is clearer than it has been for a long time. At any rate, the public apparently think the moment favourable for picking up stocks again, and the movement may possibly herald a general rally in the markets.

The fact that the international situation seemed to have lost most of its terrors tended to brighten the atmosphere during the past week. Holiday conditions, however, are still with us, and business for the week has naturally been of a very restricted nature. Revival of public interest tends, of course, to be checked by vague fears of industrial unrest; but the tendency is not at present of a very definite nature. The undertone of the market in general remained quite firm for the week, and price movements were narrow. Nevertheless, features of interest were rare. Home Rails continued to improve from their recent collapse, and Oils felt the result of some influential buying.

Business in the gilt-edged market was of fair dimensions, but varied somewhat spasmodically from day to day. War Loan Fives steadily appreciated at the beginning, but closed with a weakening tendency at 85. War Loan Four and a-Halfs fluctuated somewhat, but finished with a net improvement on the week. The Fours also favoured sellers, being eventually marked up half a point. Funding Loan and Victory Bonds were consistently weak, closing at 68½ and 77½ respectively. India Three per Cents showed early signs of drooping, but recovered later. County and Corporation stocks were being quietly absorbed and showed an all-round marking up of prices. London Five and a-Half per Cents, Bristol, Birmingham, and Essex were the leaders, the recent Quadruple Corporation issue (£35½ paid) being also a favourite. Colonials were quiet, activity being confined to New South Wales and New Zealand stocks.

American [illegible] generally upwards, but business was of moderate dimensions. Brazilian Funding was marked up a point. French Five per Cents and Four per Cents (British issue) were each stronger. Japanese issues were in good demand. The Fives and Fours and the first and second series of Four and a-Halfs registered an improvement. Mexican Fives and Four and a-Halfs appreciated, and Greek Monopoly gained a point.

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Uruguayans attracted keen attention for a time, jumping from 85 to 89 on Wednesday. Guatemalas and Cuban Ports were the only features exhibiting a definite downward trend. Chinese bonds were firm. Egyptian Unified, Venezuelan Diplomatics, Spanish Fours, Chilean, Belgian, and Argentine stocks all closed unaltered.

Home Rails showed considerable strength at first, but the demand subsequently fell off. Caledonian Ordinary were marked up, and the advance was shared by the Preferred and Deferred stock. Lancashire and Yorkshires, Glasgow and S.W. Deferred, Hull and Barnsley, Great Eastern and Metropolitan, Chathams and Great Northern Deferred all show a net appreciation. Great Central Deferred joined in the early advance, but weakened later, finishing level on the week. North Eastern and Underground Electric Ordinary were weak and finished lower. Midland Deferred, despite a slight mid-week rally, drooped again, touching 49¾ before the close.

The Foreign Rail section displayed much greater activity, and was characterised by a general marking up of prices. Canadian Pacifics closed three points higher, but Canadian Northern Debentures and Incomes each receded a point, as also did Grand Trunk Debentures. Guayaquil, Leopoldina, San Paulo, and United Railways of the Havana were all inquired for. Cordoba Central, Ordinary and First Debentures, Entre Rios, Great Western of Brazil Preference, and Paraguay "D" Debentures shared to a lesser degree the upward tendency. East Indian Debentures, however, were marked down by a point, as also was Mexican Railway Second Preference. The excellent dividend outlook for Argentine Rails attracted buyers, and quotations improved accordingly. The announcement, however, of the proposal of the Argentine Government to expropriate sugar stock at a totally inadequate price proved a wet blanket, and prices received a setback towards the end. Nevertheless, Argentine N.E., Central Argentines, Buenos Ayres Great Southern, Buenos Ayres and Pacific, and Buenos Ayres Western show net gains on the week. The Debenture stock of the latter line opened weak, but hardened again to its original price. Antofagastas receded slightly, but closed firm. Central Uruguayans and Venezuelan Central showed no change.

Business in the Industrial section was extremely restricted, and conditions remained inactive and uninteresting throughout. The Dunlop Rubber bonus attracted some attention, but the consequent rally in price was soon lost, and the quotation continued to fall. A slight improvement set in before the close, however. Egyptian securities were generally lower, Sudan Plantations being an exception. Among gas and electric light undertakings, Gas Light and Coke and South Metropolitans declined, but Imperial Continental hardened. Hotels and caterers showed little sign of vitality.

The Oil market was affected by confident buying early in the week, but subsequently prices gave way under the influence of profit-taking and selling from Paris. A firmer tendency, however, set in towards the close, though interest was less marked. Business was confined mainly to the leading shares; but strength was exhibited by the whole list. Royal Dutch advanced sharply at first, but finished quiet. Shells opened with an active demand, but were easier at the close. Burmahs and Anglo-Americans, after a quiet start, finished firm. British Controlled Common and Preferred were in demand and appreciated steadily. Some of the low-priced issues were also a centre of activity towards the end. Oil Trusts displayed a hardening tendency, and Havanas also exhibited a slight upward trend. Kern Rivers were the subject of inquiry for a while, but sagged somewhat towards the close.



Mining Topics.

Despite a further rise in gold, the opening of the week saw Mining shares gravitating towards a lower level. The market strengthened slightly in tone on Tuesday, when attention was attracted to a fresh rise in the metal of 9*d.* to £5 14*s.* per fine ounce. Central Minings closed ⅛ up, and New Kleinfonteins, Randfontein Centrals, and Johnnies were all 3*d.* harder. Slight declines were recorded for City Deep, Modders, Anglo-French, and Crowns. Globe and Phœnix supplied a minor feature, putting on 9*d.* to 15*s.* 9*d.* Kaffirs displayed little movement, while Springs remained firm at £2 in contrast to the general downward trend. Globes were in slight request and finished 3*d.* further up at 16*s.* 3*d.* Similar gains were recorded in Rhodesia Broken Hills at 11*s.* 3*d.*xd, and Bechuanas at 9*s.* 3*d.*xd. Shamvas, Mozambiques, and other descriptions drooped slightly. On Thursday, with the announcement of another rise in the price of gold to £5 14*s.* 7*d.* per fine ounce, and with the improved political outlook, a healthier tone was developed. These prices improved substantially, particularly in the Kaffir group. Meyer and Charlton put on ⅛, closing at 4⅛, and Modder B's recorded a similar advance at 6⅛. Crown Mines and City Deep at 2⅞ and Rand Mines at 2⅞ all showed a rise of ⅛. In the Diamond group De Beers Deferred rose ¼ to 19¾, and Jagersfontein rallied ⅛ to 4⅜ on Paris buying. On Friday De Beers were sold at 20½, and South Africans in general improved in sympathy, East Rands, Rand Mines, Randfonteins, and Gold Fields being all marked up.

GOLDEN HORSE-SHOE ESTATES.

Year to Dec. 31	Ore Treated Tons	Gold Working Revenue per Ton	Cost	* Working Profit per Ton	Profit £	Net Profit £	Dividends £	Carried Forward £
1916	179,340	42/6	26 7	141,879	15 11	81,535	75,000	5½	697
1917	176,028	46 9	28 3	160,861	18 3	100,797	82,500	5½	6,491
1918	146,661	45 4	29 0	113,916	15 6	67,110	37,500	2½	23,101
1919	105,588	39 11	32 1	53,958†	7 0†	38,130‡	30,000	2	31,591

* Excluding cost of development which, however, only amounted to £6,112 for 1919 as against £20,528 for 1918.

† Excluding premium on gold amounting to £24,508, equivalent to 6 7/8 *d.* per ton.

‡ Including gold premium.

The report of this Western Australian gold-mining Company for the year ended December 31, 1919, cannot with truth be said to be of a very encouraging nature. The quantity of ore treated, reduced as it was by nearly 30,000 tons in 1918, has again declined by over 41,000 tons to the low level of 105,588 tons. This was mainly due to the outbreak of labour troubles which disorganised the mines considerably during the year. No less than two serious strikes occurred; one involving a stoppage from July 17 to August 25, and the other from November 4 to January 12, 1920. How this affected milling operations is best seen in the statement that the 100 stamps were only worked for 214 days of 16 hours. Again, the grade of ore mined was not up to the standard of previous years. Calculating gold at the par value for purposes of continuous com-

parison, the gold revenue per ton only amounted to 39*s.* 1*d.*, as compared with 45*s.* 4*d.* in 1918, and the low level of 42*s.* 6*d.* in 1916. On the other hand, with a general advance in wages and in the prices of the more important stores and materials, working costs were bound to increase; and the movement was accentuated by the decline in the quantity of ore treated. This is reflected in the cost of 32*s.* 1*d.* per ton, as compared with 20*s.* 10*d.* in 1918. Accordingly the working profit fell from £113,916 to £36,958, or from 15*s.* 6*d.* per ton to less than half at 7*s.* per ton. Hence in the absence of the gold premium the Company would have been in the rather undesirable position of returning a net profit of less than £4,000, unless it had imported the cost of the ore treated. And it is well to bear this point in mind, for many companies are now availing themselves of the gold premium to use lower grade ore. In this instance the return of the average value of the ore reserves at 38*s.* 3*d.* per ton indicates that there are rich stope for improvement in this respect. However, the fact remains that, owing to the premium on gold, the Company reaped an extra revenue amounting to £31,508, equivalent to an additional gold content per ton of 6*s.* 6*d.*, consequently reducing the gold returned cost at 25*s.* 7*d.* per ton, and the working profit at 13*s.* 6*d.* per ton. This secured a net profit of £38,190, out of which shareholders received in dividends £30,000, or 25%, as compared with 24% in 1918 and 51½% in 1917. The balance carried forward to the next account is increased to £23,104 to £31,591.

Admittedly, in view of the adverse labour conditions, not much attention could be devoted to development work, especially owing to the scarcity of competent underground workers. In amount the development work only reached 910 feet, as against 3,200 feet in 1918. Of this total, some 809 feet were in ore. Ore values at most could only be described as moderate. In No. 4 Lode ore of 11*s.* per ton was exposed at the 2,630-foot level by the 920-foot south winze, which was sunk from 504 feet to the 2,780-foot level, whilst an extension of the south drive at the 3,140-foot level disclosed ore averaging 37*s.* 9*d.* per ton for 102 feet. A winze from the 1,767-foot level in No. 3 Lode exposed ore averaging 10*s.* per ton. The following table illustrates the position of the ore reserves, as compared with previous years:—

	Tons.	Value.
1916	709,810	42*s.* 6*d.*
1917 ...	748,552	40*s.* 8*d.*
1918 ...	733,102	39*s.* 4*d.*
1919 ...	678,206	38*s.* 3*d.*

The substantial decline in the year under review is attributed to the lack of development work. The decline in value unless checked will be a much more serious consideration in view of the rising tendency of working costs. At present the existence of the gold premium provides a much-needed compensation. It is stated in the report that, whilst the intention is to increase development work especially in No. 4 Lode, "the prospects of any great improvement in this direction are not very promising, as, up to the present, only a small percentage of the returned soldiers are seeking underground work and some of the best miners and timbermen are leaving for other districts." Similarly there is no reason for anticipating any great fall in the cost of stores and materials; whilst already wages for the current year have expanded and further applications for advances are being heard by the Arbitration Court. Returns for the first quarter are of a mixed character. A breakdown of the tonnage handicapped output. Nevertheless, although repairs were not completed in March, 11,196 tons of ore were treated and subsequent returns record a minimum of 11,000 tons per month, indicating an increase in the total treated for the year in the absence of other accidents or labour troubles. Yet, calculating gold at the par value, a loss of £1,298 was returned in February and of £2,459 in March, thus providing a measure of the advances in wages. However, the gold premium in the quarter amounted to some £18,000, thereby easily [illegible] profit to be recorded. In fact during the June quarter a £1,051 tax [illegible] resulted in a loss of £1,384, which was covered by the gold premium to a profit of £3,197. Financially the position of the Company as disclosed in its balance sheet dated December 31, 1919, is sound. Liabilities amount to £44,840, whilst liquid assets, consisting of cash, bullion, sundry debtors and investments are returned at £41,806; and in addition stores held are valued at £34,393. In the matter of [illegible] Queen at 15*s.* 4½*d.*

LONELY REEF.

Year.	Ore Treated. Tons.	Yield per Ton. Dwts.	Working Profit per Ton.	Gold Premium.	Total Working Profit.	Dividends. Amount.	Dividends. Per Cent.	Balance carried forward.
1916	50,740	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917	55,850	23·0	16s. 4d.	5s. 1d.	21s. 5d.	£60,000	51½	£24,104
1918	54,920	27·7	15s. 6d.	29s. 3d.	44s. 9d.	£30,000	25	£23,104
1919	55,420	24·1*	7s.	39s. 1d.	46s. 1d.	£30,000	25	£31,591

* In addition [illegible] ore was treated [illegible] 25·91 dwts. per ton.

"The financial history of this Company during the last year has been one of the greatest prosperity." With this statement, made at the recent general meeting by the Chairman of this celebrated Rhodesian gold-mining Company, we are quite in agreement, and justify our support by referring readers to the annual accounts of the Company in the above table. Despite the fact that the efficiency of the native labour force was impaired for the first quarter of the year by the effects of the influenza epidemic, the tonnage crushed reached 55,420 tons, or 1,100 tons more than in 1918. Calculating gold at par value in order to maintain an effective comparison, the gold revenue works out at the satisfactory rate of 46*s.* 1*d.* per ton, as compared with 77*s.* 2*d.* per ton in 1918. This result is entirely due to the higher grade of the ore milled. Thus it appears that whilst the average value of the ore reserves at the end of 1918 was 24.1 dwt., the average recovery per ton of ore crushed during the year under review was as high as 25.91 dwt. On the other hand, the working costs, including the royalty paid to the British South Africa Company on the amount of £25,524, jumped up from 43*s.* 4*d.* per ton to 54*s.* 7*d.* per ton. It is widely recognised that during 1919 the prices of stores and materials moved up, and that wages also had to be increased. Furthermore, in the words of the report: "The costs during the first quarter of 1919 were adversely affected by the epidemic of influenza that occurred during the closing months of the previous year." Finally, the cost of fuel became a serious consideration, especially in view of the fact that the rate of consumption increased with the depth of the mine. In view, however, of the marked improvement in the grade of the ore worked, there was left a working profit of £139,801, equivalent to 55*s.* 6*d.* per ton, as compared with 33*s.* 10*d.* per ton in 1918. Satisfactory as were these results, they were rendered more valuable still by the appearance of the premium on gold during the latter half of the year. For the period elapsing between the middle of July and the close of the year the gold disposed of realised in this way an extra profit estimated at £52,652. Including this extraneous source of revenue —extraneous in the sense that its existence and its amount are determined by factors outside the control of the gold-producing companies—the full working profit amounted to £192,456, or more than twice the profit of 1918. Similarly, because of this profit the total gold revenue rose to [illegible] and the total working profit 74*s.* 6*d.* per ton, both these figures constituting a record in the history of the Company. This record profit was further swelled by £25,074, representing in part a refund of British income tax and [illegible] tax paid in Rhodesia. With the balance of £29,595 brought forward from 1918 there was available for distribution, after meeting charges in connection with depreciation, taxation and [illegible] sum of £188,996. Out of this shareholders received £142,279 [illegible]

with 25% in 1918. The dividend, in fact, was equal to the combined dividends of the three preceding years. After making this generous distribution there was carried forward to the next accounts a balance of £58,129.

On the whole, development work during the year was of a satisfactory nature. With a total of 3,355 feet it was 148 feet more than in 1918. Good results were recorded, especially in the 19th and 20th levels. In the former level ore as high as 41.9 dwt. was exposed for 202 feet over a width of 64.2 inches. The latter level revealed ore averaging 41.2 dwt. over 35.6 inches for 27 feet. From 63 feet to 452 feet in the south drive of the 21st level the ore exposed averaged 34.9 dwt. over 38.4 inches. Similarly, at the 17th level the length of ore exposed reached 115 feet, averaging 33.6 dwt. over 33.1 inches. In the 18th level, between 822 feet and 1,050 feet ore of 25.4 dwt. was exposed over a width of 48.8 inches. The net effect on the position of the ore reserves can be seen from the following table :—

Dec. 31	Tons	Value per ton	Total Value
1916 ...	114,479	20/06	86.2
1917 ...	154,616	18/04	79.6
1918* ...	176,695	24/10	102.5
1919*	199,709	28/4	101/1

* Calculated on basis of 40 feet, plus 12 inches as width for rest of width reef plus 24 inches of waste.

Thus there has been an increase of 23,642 tons, with a negligible decline in the average value. With gold at par value the ore reserves are estimated to be worth £1,000,000, the highest value yet recorded. Under such conditions it is easy to understand how the outlook for the current year is very bright. On this point the Chairman was very confident at the general meeting, asserting that he anticipated dividends at least equal to those of the year under review. And it has to be admitted that if mining costs increase with the depth of the mine—the depth of the lowest level increased during 1919 from 2,550 feet to 2,675 feet—they are offset to some extent by the higher grade of the ore being mined. Nevertheless, the fact has now to be faced that the mine has become definitely a deep mine. This involves further expenditure to meet the necessary requirements in connection with hoisting and ventilation. Development work so far justifies the expectations of good reef values at these increased depths. The report for the first quarter of 1920 reveals a very satisfactory progress. There were crushed 13,430 tons, yielding, at the par value of gold, an average revenue of 109*s.* 1*d.* per ton, whilst working costs, excluding royalty, amounted to 52*s.* per ton, or to 58*s.* 2*d.* per ton including this liability. Thus the net working profit for the quarter exceeded £32,863. If, however, the premium on gold is taken into account, the actual profit would exceed £47,000. The nature of the development work is best seen in the increase in the ore reserves to 200,274 tons at the end of March. On the other hand, because of the low values disclosed during the period outside the 19th level the average value of the ore reserves is reduced to 22.7 dwt. During June ore of 9½ dwt. over 14½ inches was exposed for 54 feet in the 22nd level north, whilst in the 22nd level south there was a cross-cut to the reef at 228 feet, and ore of 57 dwt. over 84 inches was assayed. The declaration of an interim dividend of 25% for the current year is but the logical outcome of the successful operations during the first six months. With the gold premium moving steadily upwards now, in view of the customary movement of the New York exchange at this period of the year, the results for the remaining six months will at least be no less satisfactory. Furthermore, the financial position of the Company as disclosed in the balance sheet dated December 31, 1919, is very strong. To meet liabilities not exceeding £113,153 liquid assets are available to a total of £159,188. In the market the £1 shares are quoted at 61*s.* 9*d.*, and afford at this price, upon the basis of a dividend of 75%, a return of 24½%.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, August 18, 1920.

Issue Department.

Notes Issued	£139,982,565	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,532,565
	£139,982,565		£139,982,565

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£58,508,475
Rest	3,493,835	Other Securities	76,116,925
Public Deposits	16,114,575	Notes	15,137,855
Other Deposits	117,134,568	Gold and Silver Coin	1,548,911
Seven-day and other Bills	15,988		
	£151,311,966		£151,311,969

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Aug. 18	124,8	123.1	16.1	117.3	58,5	76.1	16.6	12·5	7	6
Aug. 11	125,5	123.0	15 8	124 0	68 2	73,3	15,9	11 4	7	6½
Aug. 4	126,4	123,1	17.4	130,6	76,3	74,7	14,3	10 2	7	6⅝
July 28	125,3	123,2	15.1	119,8	59,9	75,4	16,2	12,2	7	6½
July 21	124,0	123.0	16.5	119,5	56.5	80.0	17.3	12·7	7	6½
1919.14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2½

* July 30, 1914 — to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 16, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Aug. 20, 1920	Aug. 20, 1919	Aug. 21, 1918	Aug. 22, 1917	Aug. 19, 1910
Circulation	£124,8	£79.5	£56.7	£39.9	£28.4
Public Deposits	16.1	23.4	33.7	44.7	17.6
Other Deposits	117.3	95.2	136.0	127.2	38.7
Government Securities	58.5	28.4	58.4	56.5	16.0
Other Securities	76.1	83.0	98.9	105.9	28.4
Reserve	16.6	27.2	30.4	32.7	29.9
Ratio to Liabilities	12·8%	22·94%	17·89%	19·03%	53·19%
Coin and Bullion	123.1	88.3	63.7	54·2	39.9
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6¼-⅜%	3⅝-¾%	3½%	4¾%	2½%
Exchanges:					
Paris Cheque	50 60	33·50	28·93½	27·49	25·23
New York 60 days	3 57	4·15	4·73	4·72½	4·84
Bombay Telegraphic Transfers	1/10½	1/9½	1/5½	1/4₃₂	1/4
Prices:					
Consols 2½% Cash	46¼	51½	56⅛	66⅛	80⅝
French Rentes 3% Money	56·30	61·40	62·80	62·30	97·32
Silver, London spot	65¼d.	60⅜d.	49⅛d.	41⅛d.	24⅜d.
Wheat, *Gazette* average qr.	88/6	73/3	74/2	78/7	33/5
Cotton, Mid Upland lb.	28·67d.	19·11d.	22·69d.	19·10d.	8·39d.
Iron, Scotch pig ton	223/6	166/0	101/0	93/6	56/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£		%
Aug. 18, '20	5,146,444	9,485,863	352,616,188	28,500,000	18,600,000	13·3
Aug. 11, '20	6,908,746	9,780,681	357,205,607	28,500,000	18,600,000	13·2
Aug. 20, '19	4,884,105	9,388,568	333,972,635	£28,500,000	—	8·5
Aug. 21, '18	5,179,624	4,541,530	267,005,258	28,500,000	—	10·7
Aug. 22, '17	4,145,5 6	3,788,026	173,499,992	28,500,000	—	16·4
Aug. 23, '16	3,782,456	4,286,475	129,444,381	28,500,000	—	22·0

Balance Sheet, August 18, 1920.

Notes outstanding—	£	Advances—	£
One Pound ...	279,946,990	Other Bankers ...	—
Ten Shilling ...	40,789,198	Trustee Savings Banks	30,000
Certificates outstanding ...	31,880,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion	28,500,000
Total	352,616,188	Bank of England Notes	18,600,000
Notes called in but not yet cancelled	5,795,741	Government Securities	327,808,883
Investments Reserve A/c ...	16,820,663	Balance at Bank of England	293,709
Total	375,232,592	Total	375,232,592

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Or.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Aug. 14	£19,433	£11,065	£8,368‡	£98,966	£98,234	−£8,268	£3,116
Aug. 7	18,638	20,725	2,087	100,804	98,803	+ 2,001	3,021
July 31	23,434	13,618	9,816‡	90,151	100,317	−10,166	3,107
136dys. '20-21	456,494	377,308	79,186‡	1,947,559	2,086,114	−88,555	− 6,251
138days '19-20	323,795	538,726	214,931	2,712,725	2,505,561	207,164	− 7,767
Yr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	−234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,368
Yr. '18-19	868,021	2,578,301	1,690,280	7,033,402	5,351,353	1,682,049	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue—Customs & Excise	Revenue—Income Tax, &c.	Revenue—Excess Profits Duties, &c.	Revenue—Other Revenue	Expenditure—Int., &c., on Debt	Expenditure—Misc. Expend.	Supply Services.
Aug. 14	£4,187	£6,760	£4,337	£4,139	£1,551	£1,117	£8,400
Aug. 7	3,290	6,113	4,762	3,873	7,279	10	13,436
July 31	3,315	6,112	3,610	10,377	1,897	181	11,540
136days'20-21	104,933	86,611	82,379	172,571	130,877	5,576	240,655
138days'19-20	86,467	83,680	98,228	95,420	134,830	2,607	401,538
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,861
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,961

FLOATING DEBT.	[000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Repts
Aug.	14, 1920 ...	£1,048,492	£209,841	£1,258,333	£1,745,720
Aug.	7, 1920 ...	1,036,980	218,341	1,255,321	1,745,720
July	31, 1920 ...	1,058,348	203,841	1,262,189	1,745,720
July	24, 1920 ...	1,066,358	205,341	1,271,699	1,745,720
June	30, 1919 ...	796,150	774,237	1,570,387†	1,732,021

* Budget est mates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.†

[In £'s Sterling—000's omitte‡.]

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,900	£9,283
Aug. 5, '20 ...	10,680	1,075	11,755	23,140	218,535	83,153
Aug. 12, '20 ...	10,680	1,048	11,708	22,782	219,412	68,304

	Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	£Deposits
CZECHO-SLOVAKIA.*						
July 23, '20 ..	£398 415	£89,993	£28,898	£83,278	£370 732	82,395
July 31, '20 ..	398 459	88,923	30,702	82,783	393 161	49,795
Aug. 7, '20 ..	398,475	88,923	29,678	83,162	388,255	45,582

	Cash			Dis-	Balance	Circula-	
	Gold	Silver	Total	counts	Abroad	tion	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£241	£4,441	£6,197	£788	£8,893	£47
June 30, '20 ...	12,688	147	12,815	14,418	1,885	29,370	2,403
July 31, '20 ...	12,658	143	12,801	13,755	2,045	30,089	2,524
July 31, '18 ...	10,410	157	11,567	5,794	2,428	23,809	128
July 31, '18 ...	10,543	134	10,677	3,282	3,554	20,296	517

	Gold	Total Cash		Circula-	Deposits—	
	In Bank	Abroad	Incl'e Silver	Bills	tion	Public	Private
FRANCE.							
July 30, '14 ...	£165,654—		£190,887	£97,768	£287,397	£15,302	£37,903
Aug. 12, '20 ...	144,459	79,131	233,511	78,606	1,521,853	2,732	132,786
Aug. 19, '20 ...	144,470	79,131	233,689	79,203	1,515,991	5,193	128,150
Aug. 21, '19 ...	143,760	79,131	234,799	38,497	1,402,585	2,276	118,773
Aug. 22, '18 ...	135,909	81,484	230,180	35,485	1,178,953	6,433	148,828

	Cash			Treasury & Loans &		Circula-	De-
	Gold	Silver	Total	Other Notes	Discounts	tion	posits
GERMANY.							
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,199
July 23, '20 ..	54,582	308	54,890	863,838	1,973,041	2,899,189	614,921
July 31, '20...	54,579	331	54,910	893,768	2,305,173	2,788,433	854,030
July 31, '19 .	55,467	989	56,456	441,217	1,434,298	1,463,444	518,108
July 31, '18...	117,364	8,021	125,385	92,733	799,843	635,225	425,244

	Cash			Dis-	Ad-	Circula-	De-
	Gold	Silver	Total	counts	vances	tion	posits
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Aug. 2, '20 ...	53,098	1,279	54,377	11,197	97,899	87,458	7,803
Aug. 9, '20 ...	53,038	1,298	54,338	11,097	27,075	85,764	8,425
Aug. 9, '19 ...	52,938	425	54,363	11,121	19,503	83,877	6,299
Aug. 10, '18 ...	58,988	656	59,624	5,839	8,459	76,782	4,523

	Cash			Other	Loans &	Circula-	
	Gold	Silver	Total	Cash	Discounts	tion	Deposits
ITALY.							
July 31, '14 ...	—	—	—	£48,456—	£25,017	£69,204	£8,887
June 20, '20 ...	£32,191	£3,091	35,192	13,915	202,527	539,068	71,895
June 30, '20 ...	32,191	2,990	35,181	15,203	219,810	553,104	75,218
June 30, '19 ...	32,202	2,968	35,170	23,316	68,788	381,552	68,068
June 30, '18 ...	32,726	3,081	35,807	10,830	57,762	313,952	67,646

	Gold	Discounts	Advances	Notes	Deposits— Public	Private
JAPAN.						
Aug. 1, '14 ...	£21,887	£1,829	£7,863	£32,722	£13,818	£1,521
July 10, '20 ...	98,305	27,321	29,614	115,259	109,909	10,810
July 17, '20 ...	98,346	23,761	27,375	112,530	109,498	9,370
July 12, '19 ...	71,101	4,263	44,218	94,057	110,599	4,752
July 13, '18 ...	69,400	2,838	26,274	70,610	73,987	3,288

	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest.,&c.	Demand	Net Deposits— Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
July 7, '20 ...	£18,392†	110,424	1,022,526	£815,852	£50,816	876,394	2,400
Aug. 14, '20 ...	18,554†	108,288	1,021,118	803,020	51,958	861,430	1,612
Aug. 16, '19 ...	19,404†	116,018	985,474	805,826	41,493	888,236	9,118
Aug. 17, '18 ...	19,914†	103,248	907,548	724,302	31,950	855,244	7,248

	Balance Gold	Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circula- tion	Deposits
NORWAY.						
July 31, '14 ...	£2,980	£1,678	£493	£4,868	£6,752	£793
July 31, '20 ...	8,120	2,812	578	24,541	25,251	6,378
Aug. 7, '20 ...	8,112	2,760	578	25,223	25,334	6,947
Aug. 7, '19 ...	8,173	5,471	678	15,634	23,567	3,550

	Gold	Silver	Total	Discounts & Advances	Note Circu- lation	Deposits
PORTUGAL.						
June 2, '20 ...	£1,906	£3,921	£5,827	£20,406	£20,436	£10,635
June 9, '20 ...	1,906	3,921	5,827	22,587	24,858	8,858
June 11, '19 ...	1,905	3,935	5,840	8,198	15,038	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	18,378	2,186

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
June 6, '20 ...	£82,809	£15,779	£3,784	£19,573	£183,443
June 12, '20 ...	82,809	16,587	3,463	20,050	187,701
June 19, '20 ...	64,009	18,482	3,514	21,976	169,414
June 21, '19 ...	39 981	9,712	1,910	11,622	117,089

	Gold	Cash— Silver	Total	Loans, &c.	Spanish 4%	Circula- tion	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,004	£29,187	£50,891	£40,572	£13,778	£77,557	£18,955
Aug. 7, '20 ...	26,096	24,068	122,164	87,883	13,779	159,137	38,363
Aug. 14, '20 ...	26,095	24,063	122,178	87,133	13,779	159,284	38,808
Aug. 16, '19 ...	26,233	25,735	121,968	87,589	13,778	145,736	40,514
Aug. 17, '18 ...	87,008	25,561	112,569	154,337	13,777	118,154	47,771

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circula- tion	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Aug. 7, '20 ...	14,516	5,268	2,519	32,230	40,073	13,841
Aug. 14, '20 ...	14,517	5,271	2,519	35,634	39 749	13,772
Aug. 16, '19 ...	16,690	7,618	2,937	19,345	37,421	7,255
Aug. 17, '18 ...	14,590	7,143	5,323	12,413	35,365	4,016

	Gold	Cash— Silver	Total	Discounts & Advances	Circula- tion	Deposits
SWITZER-LAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,317	£10 716	£4,028
Aug. 7, '20 ...	21,564	3,570	25,134	13,458	47,150	4,431
Aug. 14, '20 ...	21,687	3,909	25 296	14,179	33,555	6,179
Aug. 15, '19 ...	18,697	2,666	21,363	17,800	35,155	5,432
Aug. 15, '18 ...	15,381	2,129	17,510	14,053	28,211	4,474

* Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par rate of exchange approximately.

	Gold Held Abroad	Gold Held at Home	Total Gold	Legal Tender Notes	Total Reserve	Circulation	Deposits
U. STATES FED. RES. BANKS.							
Aug. 9, '20	—£398,122—		£426,350	£509,936	£67,878	£4,050	£339,592	£628,372
Aug. 16, '20		395,472	426,578	517,602	64,124	2,924	336,196	611,845
Aug. 16, '19	168,372	248,146	430,346	349,688	74,876	11,716	337,734	508,180
Aug. 16, '18	198,186	200,322	409,104	257,074	42,440	19,112	302,518	397,084

II.—CURRENT BANK RATES OF DISCOUNT.

	Date	Latest		Date	Latest
Amsterdam ...	4	Aug. 1.15	Lisbon	5½	Jan. 15, 14
Berlin ...	5	Feb. 23.14	Madrid	5	Nov. 16, 19
Bombay ...	5	Aug. 21.19	Paris	6	Apr. 8, 20
Brussels ...	5	July 29, 20	Petrograd	6	July 29, 14
Buenos Ayres ...	5½	Apr. 28, 20	Rome	6	Nov. 12, 20
Calcutta ...	5	Dec. 5, 19	San Francisco ...	7	Mar. 18, 20
Christiania ...	7	Dec. 25, 20	Tokio	8·03	Nov. 18, 19
Copenhagen ...	7	Aug. 16, 20	Vienna	5	Apr. 12, 15

III.—FOREIGN EXCHANGES.

LONDON ON	Aug. 20, '20	Aug. 13, '20	Aug. 6, '20	Aug. 30, '20
Berlin ... Cheque	179m.	169m.	167m.	161m.
Brussels ... do.	47fr. 37c.	47fr. 15c.	47fr. 15c.	46fr. 12c.
Denmark ... do.	24kr. 32	24kr. 10	24kr. 65	23kr. 62
Holland ... do.	11fl. 01c.	10fl. 98c.	10fl. 90c.	10fl. 92c.
Italy ... do.	78fr. 37	77fr. 50	77fr. 50	76fr. 75c.
La Plata (gold) ... do.	12d.	11d.	13d.	11d.
New York ... do.	$3 59	$3 63	$3 61	$3 75
do. ... Cheque	$3 59	$3 64	$3 62	$3 76
Norway ... do.	24kr. 32	24kr. 10	23kr. 55	23kr. 50
Paris ... 3 mos.	51fr. 30c.	51fr. 02c.	51fr. 00c.	49fr. 25c.
do. ... Cable	50fr. 55c.	50fr. 27c.	50fr. 25c.	49fr. 15c.
Spain (Bank) ... 3 mos.	49¼	47¾	47¾	48¼
do. ... Cable	23p. 93	24p. 17	24p. 20	24p. 27
Sweden ... do.	17kr. 58	17kr. 62	17kr. 57	17kr. 67
Switzerland ... 3 mos.	22fr. 15c.	22fr. 35c.	22fr. 33c.	22fr. 47c.
do. ... Cable	21fr. 65c.	21fr. 85c.	21fr. 82c.	21fr. 97c.

ON LONDON	Aug. 20, '20	Aug. 13, '20	Aug. 6, '20	Aug. 30, '20
Alexandria ... Sight	97¼	97⅛	97⅛	97⅛
Amsterdam ... Cheques	11fl. 01c.	10fl. 98c.	10fl. 88c.	12fl. 107c.
Athens ... Cable	32dr. 25	31dr. 70	31dr. 00	35dr. 224
Bombay ... Transfers	1s. 10d.	1s. 10d.	1s. 10d.	2s. 0d.
Brussels ... Cheques	47fr. 40c.	47fr. 16c.	47fr. 05c.	46fr. 22c.
Buenos Ayres ... Transfers	57¾	57¾	57¾	47 56¾
Calcutta ... do.	1s. 10d.	1s. 10d.	1s. 10d.	2s. 0d.
Christiania ... Sight	24kr. 42	24kr. 08	23kr. 55	18 159kr.
Copenhagen ... do.	24kr. 42	24kr. 12	23kr. 66	18 159kr.
Hollandsche ... Cable	117m.	115m.	110 m.	25m. 224
Hong Kong ... Transfers	4s. 4d.	4s. 4d.	4s. 4d.	4s. 4d.
Italy ... Sight	77fr. 50c.	73fr. 37c.	71fr. 00c.	25fr. 224c.
Lisbon ... do.	12d.	11d.	13d.	53d.
Madras ... do.	1s. 10d.	1s. 10d.	1s. 10d.	2s. 0d.
Madrid ... do.	23p. 90	24p. 12	24p. 19	25p. 22d.
Montevideo ... Transfers	57¾	57¾	57¾	51¾
Montreal ... Cable	$4 07	$4 09	$4 08½	$4 86½
New York ... Sight	$3 60½	$3 67½	$3 61¾	
do. ... 60 Days	$3 57	$3 63	$3 57	
do. ... Cable	$3 61¾	$3 68¼	$3 63¾	$4 86¾
Paris ... Cheques	50fr. 60c.	50fr. 30c.	50fr. 24c.	25fr. 224c.
Rio de Janeiro ... 90 days	13¾d.	13¾d.	14d.	16¾d.
Shanghai ... Transfers	6s. 0¼d.	5s. 10¼d.	5s. 9¼d.	
Singapore ... Sight	2s. 3⅛d.	2s. 3⅛d.	2s. 3⅛d.	
Stockholm ... do.	17kr. 60	17kr. 64	17kr. 57	18 159kr.
Switzerland ... do.	21fr. 65c.	21fr. 86c.	21fr. 83c.	25fr. 224c.
Valparaiso ... 90 days	11d.	11d.	12d.	18d.
Yokohama ... Sight	2s. 10d.	2s. 9¾d.	2s. 9¾d.	24-58d.

Fixed at Rs. 10 to the £ and unchanged since August 2, 1920

NEW YORK ON	Aug. 20, '20	Aug. 13, '20	Quoted	Aug. 3
Amsterdam, cheques	32 98	33 59c.	40 20c. for 100 florins	40 25c.
Bombay, cheques	34 75c.	35 25c.	48 66c. for 100 rupees	33 00c.
Buenos Ayres, cheques	116 25	115 25		
Christiania, cheques	14 96	15 30c.	26 80c. for 100 kroner	
Copenhagen, cheques	14 90c.	15 35c.	26 80c. for 100 kroner	26 85c.
Greece, cheques	11 25c.	11 80c.	19 29c. for 100 drachmai	
Italy, cheques	79c.	76 50c.	74 59c. for $1	46 4c.
Italy, sight	21 20c.	19 80c.	5 18c. for $1	5 17c.
Lima, cheques	4 99c.	4 99c.	4 8685 c. for £1	
Manila, cheques	46 10c.	46 10c.	50 for $100	49 8
Montreal	12⅞ Prem.	11 50	1 Premium per $100	Par
Paris, sight	14 05fr.	13 63fr.	5 18fr. for $1	5 16fr.
Petrograd, cheques			51 46c. for 1 rouble	51 37c.
Rio de Janeiro, cheques	5 04mil.	4 93mil.	3 082 milreis for $1	
Shanghai, cheques	113 50c.	108 50c.	52 96c. for 100 taels	83 00c.
Singapore, cheques	51 25c.	51c.	56 77c. for $1	57 12c.
Spain, cheques	15 05c.	15 17c.	10 30c. for 100 pesetas	
Stockholm, cheques	20 55	20 86	26 81 for 100 kroner	
Switzerland, cheques	6 03fr.	5 86fr.	5 18¼ francs for $1	5 18fr.
Valparaiso, cheques	19 00c.	19 00c.	20 61 for 1 peso	
Yokohama, cheques	51 00	51 00c.	49 84 for 1 yen	49 90

Applicable to Commercial Bills. Check Exchange at New York

IV.—BANKERS' CLEARING-HOUSE RETURNS.

	Week 1920	Amount	Inc. or Dec. 1920	1919	Inc. or Dec.
BIRMINGHAM ...	Aug. 14	£3,181	£623	£123,523	+ £26,477 + 21 9
LEEDS ...	.. 14	1,647	48	57,969	+ 12,533 + 27 6
DUBLIN ...	.. 14	8 644	1,195	284,510	+ 52,098 + 22 4
LIVERPOOL ...	.. 14	1,582	+ 151	59,031	+ 10,499 + 16 8
MANCHESTER ...	.. 14	1,183	— 96	43,610	+ 13,102 + 42 9
NEWCASTLE ...	.. 14	14,765	+ 1,134	546,453	+ 167,429 + 44 2
NOTTINGHAM ...	.. 14	27,288	8,902	1,020,023	+ 511,724 + 100 7
SHEFFIELD ...	.. 14	2,756	+ 313	100,302	+ 34,444 + 51 8
LONDON ...	1920	983	+ 188	38,104	+ 16,164 + 73 7
LEEDS ...	Aug. 18	1,417	+ 418	54,711	+ 17,176 + 46 1
BIRMINGHAM ...	.. 18	580,196	151,109	21,210,147	[illegible]
MANCHESTER ...	.. 18	38,403	3,141	1,380,599	[illegible]
LONDON ...	.. 18	78,665	118	3,851,584	+ 579,084 + 28 0
TOTAL ...	18	697,264	167,938	[illegible]	[illegible]

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1920	1920	1913	Homewards.	1920	1920	1913
	Aug. 20	Aug. 13	Aug. 12		Aug. 20	Aug. 13	Aug. 12
Alex. to U.K. ...	—	—	11 6				
Aust. to U.K. ...	125 0	130 0	31 0				
Calcutta to U.K. ...	16 0	16 6					
Rangoon to U.K. ...	63 0	63 6					17 6
Bombay to U.K. ...	—	—	26 6	OUTWARDS.			
Karachi to U.K. ...	—	—	28 0		27 6	30 0	8 6
Delagoa Bay to U.K.	57 6	65 0	12 0				19 0
B. Plate to U.K. ...	85 0	86 3	20 6		22 6	22 6	9 3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	AUG. 20, 1920.	AUG. 22, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	223/6	166/6	57/0
— Middlesbro' warrants ...ton	217/6	160/6	51/0
— Hematite warrants ...ton	262/6	200/6	61/0
— Staffordshire bars, London ...ton	£33 10 — £22 10	£22 10 — £22 10	£8 10
— Common bars, U.K. made ...ton	£39	£24 15-£24 17/6	£6 2/6
Steel Rails ...ton	£25	£15	£6 2/6
Galvanised Sheets ...ton	£50—£52	£29	£16 17/0
Copper—Standard ...ton	£93 10	£59 10	£66
Tin—English Ingots ...ton	£266	£270	£142 15
— Straits ...ton	£281 10s.	£280	£139 10
Tinplates, I.C. Coke, S. Wales...box	60/0	35/0—36/0	11/101—12/0
Lead—Soft Foreign ...ton	£35 15—£36	£24 15-£24 17/6	£19
Spelter—Ord. Foreign ...ton	£41 2 6-£42 12 6	£40—£41	£21 2/6
Quicksilver (75lb.) ...bottle	£21—£21 10	£23 10	£7
Aluminium ...ton	£185 home	£150	£82
Antimony—Regulus Foreign ...ton	£46—£47	£40—£42	£27 10
— English ...ton	£52—£55	£42	—
Coal—(best) Yorkshire ...ton	37/2—38/2	28/6—30/6	17/6
— Steam (best) Newcastle...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, refined ...ton	15/10	9/2	7/4
Soda—Crystals ex wharf...ton	110/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£63	£55	£23 15—£24 7/6
Gambier—Good marks ...cwt.	45/0	55/0	16/10/6
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£84	£110	£25 5
Linseed—Calcutta, spot ...ton	£39	£55	£13 16/0
— Cakes, U.K. made, ex mill...ton	£20 10—£21	£12	£7 17/6-£8
Olive Oil—Spanish ...ton	—	nom	£49 10
Palm Oil—Lagos ...ton	£89	£89	£31 10
Petroleum—American ...gallon	2/7½	1/5½	7½d.
Rape Oil—Refined English ...ton	£80	£115	£32
Soya Oil—Refined ...ton	£88—£94	£90	£24 10
Tallow—Imported ...cwt.	75/0—80/0	105/0—115/0	29/3—33/3
Turpentine—American ...cwt.	150/0—152/6	129/6	33/7½
Rape Seed—Toria ...ton	£34	£48	£15 5
Rubber—Para, spot ...lb.	1/8	2/5½	2/9½
— Fine plantation (stnd.crepe) lb.	2/10½	2/0	2/2
— World's Production* May tons	33,650	30,695	8,467
Shellac—T.N. Orange, fair ...cwt.	650/0	470/0	83/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	28 67d.	19 11d.	7.53d.
— Egyptian, good fair...lb.	54 00d.	29 25d.	8.75d.
— Pernambuco fair ...lb.	27 92d.	20 09d.	7.73d.
— Midland Upl. New York...lb.	36.00c.	30.70c.	13.25c.
— Stock, Liverpool (Aug. 13) bale-	977,340	742,200	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£54	£51	£25 10
— Manila, Fair ...ton	£8	£89	£26 10
Jute—Fine Marks ...ton	£48	£72	£26 15
— Red SCC ...ton	£40	—	£24 15
Silk—Blue Elerbant ...lb.	32/6	28/0	11/3—11/8
Wool—Pt. Philip unwashed av. lb.	3/11	3/6	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/8½	2 0	1/0½
Hides—Eng. Ox, best 70 lb. up lb.	13d.	—	7½d.
Leather—Dressing Hides ...lb.	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	20,683,000	39,816,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	288/c	237/c	67/c.
—English Gazette, aver. 480lb. qr.	88/6	73/3	34/3
Flour—G.B. ...280lb.	63/6	44/9	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	84/7	75 0	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	59 10	61/4	20/0
Maize—N.Y. (new bushel)...56lb.	216/c	217/c	76½c.
— Amer. mixed, Liverpool...480lb.	nom.	63/9	32/4
— La Plata ...480lb. qr.	62/C	65/0	25/9
Potatoes—Good English ...ton	$182/0	175/0	70/0—95/0
Rice—Bassein ...cwt.	58/6	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0—40/0	50/0	14/0—17/8
Hay—best ...2.016lb...load	—	—	82/6
Hops—English ...cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....plb.	6/8	6/0—6 6	3/8—3/10
— Scotch sides ...stn.	11/0	8/6	4/6—5/0
— English ...stn.	11/0	8/6	4/6—5/0
Mutton—Scotch wethers...stn.	14/0	9/0	5/8—6/0
— English wethers ...stn.	14/0	8/0	4/6—5/4
— New Zealand frozen ...stn.	4/0—6/0	7/0	2/4—3/2
Pork—English and Irish ...stn.	15/6	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	128/0	190/6	60/0—74/0
— Danish ...cwt.	120/4/0	—	58/0—68/0
— Canadian, Cut ...cwt.	120/0/0	Controlled	—
— American ex Port ...cwt.	160/6—187/0	187 0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	216/0	Controlled	75/0—79/0
— — short cut, ex Port ...cwt.	216/0	180 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	158/6	Controlled 198 6	51/9—52/9
Butter—Danish ...cwt.	266/0	Controlled	117/0—120/0
— French ...cwt.	266/0	252/0	96/0—108/0
— Australian ...cwt.	266/0		88/0—110/0
— New Zealand ...cwt.	266/0		108/0—114/0
Cheese—Canadian ...cwt.	162/0—166/0	Controlled	66/0—68/0
— United States ...cwt.	—	144/8	—
— Dutch ...cwt.	184/0—168/0		53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to July 31 ...cwt.	18,117,242	20,109,795	19,777,254
— Home consump. to July 31 ...cwt.	14,330,229	17,822,141	17,272,000
— In Bond July 31 ...cwt.	10,392,000	8,145,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	80/0	36/0	13/3
— — Yellow crystals ...cwt.	112/0	67/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	116/0	64/9	18/0
Coffee—Imports to July 31 ...cwt.	523,444	822,078	720,360
— Home consumpt. to July 31 cwt.	174,118	183,739	141,410
— Exports to July 31 ...cwt.	285,100	261,536	340,250
— In Bond July 31 ...cwt.	772,000	989,000	484,000
— Price, Costa Rica gd. to fine cwt.	138/0—169/0	145/0—155/0	80/0—93/0
— Brazil (Santos) Good ...cwt.	80.0 95.0nom	65/9	41/6
Tea—Imports to July 31 ...lb.	251,026,769	266,636,936	123,230,277
— Home consump'n to July 31 lb.	216,942,382	224,183,566	155,447,972
— Exports to July 31 ...lb.	25,098,900	15,642,000	26,561,765
— In Bond July 31 ...lb.	220,172,000	143,728,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	5½d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	5d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond July 31 ...cwt.	1,526,000	1,405,000	309,000
— Grenada, good to fine ...cwt.	£0/0—95/0	85/0	62/6—58/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory. § New.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	June	$16,481,000	+2,903,000	$4,831,000	—$360,000
	6 *mos. to* June	92,058,000	+15336000	11,428,000	— 758,000
Grand Trunk	June	£1,365,500	+£348,800	£102,500	+£40 200
	6 *mos.to* June	6,878,100	+ 798,800	15,100	— 301,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 8, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation 9 of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.		Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assa'm Bengal	June	19	1,044	R2,02,700	+ 24,549	12	22,44,287	+ 1,05,763
Barsi Light	July	3	118	67,500	+ 19,500	13	4,67,300	+ 14,800
Bengal & N.W.	July	10	2,067	4,64,616	+ 28,311	14	72,75,603	+ 6,83,458
Beng. Dooars	July	17	158	26,060	— 362	15	4,13,593	+ 8,428
Beng. Nagpur	July	10	2,695	12,05,000	— 77,000	14	1,86,89,165	— 5,62,045
Bomb. Baroda	Aug.	7	2,871	18,08,000	+ 3,22,000	19	3,48,72,000	+ 9,37,000
Burma	July	10	1,342	4,98,271	+ 28,926	14	80,53,847	+ 34,838
Del Um. Kalk.	Aug.	14	239	89,200	+ 118	20	18,37,398	— 8,752
East Indian ..	Aug.	14	2,772	28 18,000	+ 6,59,000	20	5,50,32,000	+ 34,20,000
Gt. Indian Pen	Aug.	7	3,121½	21,09,600	47,100	19	4,76,58,410	— 8,63,458
Madras & S.M.	July	17	3,152	12,50,000	— 62,108	15	1,94,82,902	— 1,39,208
Nizam's Guar.	July	10	900	2,55,311	— 67,511	14	46,14,764	+ 45,906
Rohi. & Kum.	July	10	578	1,21,702	+ 18,173	14	18,08,072	+ 1,54,182
South Indian	July	10	1,852½	8,23,323	+ 40,907	14	1,17,35,034	+ 4,13,188
South Punjab	Mar.		716	7,53,20c	+ 41,772	6m	46,56,803	— 1,72,473
COLONIAL								
Can. Northern	Aug.	14	9,704	$1,367,700	+ 229,700	32	34,633,023	+ 5,899,176
Can. Pacific ...	Aug.	14	13,388	4,043,000	+ 745,000	32	116,932,000	+ 18,749,600
Grand Trunk	Aug.	14	3,616	£351,064	+ 50,806	32	9,147,235	+ 1,245,169
Mashonaland	May		810	90,183	+ 26,480	8m	571,485	+ 157,491
Mid. W. Aust.	June		277	9 260	+ 2,303	6m	129,028	+ 19,327
NewCapeCent.	July	24	205	2,998	+ 716	30	92,272	+ 15,958
Rhodesia Rlys.	May		1,397	130,107	+ 30,553	8m	—	—
Temiscouata..	June		—	$35,369	+ 6,147	6m	187,427	+ 11,302
W. Pass.& Yuk	Dec.		122	1,568,626	+ 124,546	12m	1,568,626	+ 124,546
FOREIGN.								
Argentine.								
Arg. N. East...	Aug.	14	752	£ 1.490	+ 980	7	9.180	+ 6.254
Arg. Transand.	Aug.	7	111	£ 1.430	+ 950	6	7.680	+ 5.274
B.A.& Pacific	Aug.	14	3,536	£ 147.000	+ 2.000	7	988.000	+ 109.000
B.A.Gt. South	Aug.	14	3,792	£ 135.000	— 50.000	7	926.000	— 72.000
Do.	Aug.	14	Net	£ Dr.1.000	— 70,000	7	64.000	— 160.000
B. A. Western	June	14	1,882	£ 71.000	— 19.000	7	486.000	— 97.000
Do.	June	14	Net	£ 11.000	— 16.000	7	94.000	— 62.000
B. A. Central	June		190	£ 55.282	+ 6.792	12m	687.238	+ 91.374
Cent. Argent.	Aug.	14	3,305	£ 192.000	+ 50.800	7	1.331.000	— 397.000
Do.	Aug.	28	Net	£ 72.000	+ 33.800	52	3.111.100	+ 2.065.700
Cord. Central	Aug.	14	1,205	£ 70.100	+ 9.500	7	422 350	+ 38.350
Entre Rios ...	Aug.	14	811	£ 21.900	+ 200	7	112.600	— 900
Brazilian.								
BrazilGt.South	June		110	M 40,750	— 16,850	6m	293,250	— 11,090
Brazil Railway	Dec.		3,530	M 4,859,000	+ 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil	Aug.	14	1,010	£ 17.000	+ 1.800	32	720 200	+ 102.600
Leopoldina ...	Aug.	14	1,831	£ 54.625	+ 5.148	32	1.742.752	+ 535.015
Mogyana	Dec.		1,180	M 1,561,000	+ 956,490	12m	22,267,000	+ 2,474,851
Paulista	Dec.		788	M 2,650,000	+ 906,038	12m	32,479,000	+ 1,225,899
San Paulo	Aug.	15	1634	£ 55.587	+ 19,229	32	1,483,735	+ 402,698
Sorocabana ...	Dec		1,003	M 1,749,000	+ 246,168	12m	21,953,000	+ 976,692
S.of BahiaS.W.	July		52	M 130.000	+ 18,000	7m	601,000	+ 89,000
Chilean and Peruvian.								
Antofagasta...	Aug.	15	838	£ 47.275	+ 26,900	33	1,489,100	+ 668,555
Arauco	June		844	£ 12.000	+ 500	8m	76.000	+ 10,700
Nitrate Rlys.	Aug.	15	390	£ 41.720	+ 27,728	30	625,098	+ 338,367
Peruvian Corp.	July		1,140	$ 1,132,350	+ 73,820	1m	—	—
Taltal	July		180	£ 11.750	+ 1,312	1m	—	—
Cuban.								
Cuban Central	Aug.	14	362	£ 25.581	+ 8,201	7	153,846	+ 37,941
Havana Cent.	Aug.	7	70	£ 12.903	+ 2,042	5	71,031	+ 13,436
U. of Havana	Aug.	14	681	£ 65.968	+ 8,668	7	439,257	+ 58,746
W. of Havana	Aug.	14	155	£ 11.892	+ 2,415	7	79,902	+ 18,114
Uruguayan.								
Cent. Uruguay	Aug.	14	273	£ 18.780	+ 1,261	7	121,754	+ 18,120
,, (E. Ext.)	Aug.	14	311	£ 4.369	— 41	7	31,130	— 669
,, (N. Ext.)	Aug.	14	185	£ 2.943	+ 1,632	7	18,635	+ 4,996
,, (W.Ext.)	Aug.	14	211	£ 2.185	— 47	7	14,087	— 692
Mid. Uruguay	July		319	£ 15.957	+ 1,9.0	1m	—	—
N.W. Uruguay	July		113	$ 5.957	— 657	1m	—	—
Urug. Northn.	July		73	£ 1.915	+ 60	1m	—	—
Miscellaneous.								
Alcoy& Gandia	Aug.	14	33	Ps. 12.000	+ 4.000	33	434.300	+ 93.900
Bilbao	July		15	£ 3.759	— 1,161	7m	24,476	+ 5,993
Bolivar	July		138	£ 9.536	+ 369	7m	77,973	— 8,162
Colomb. Natnl.	June		86	£ 21.540	+ 5,280	6m	108,150	+ 33,870
Costa Rica	May		189	£ 34.075	+ 10,368	11m	294,134	+ 47,473
Dorada Ext....	July		70	£ 13.864	+ 3,500	7m	118,178	+ 45,078
Egyptian Del.	July	31	553½	£ 14.864	+ 4,063	18	146,893	+ 78,212
Gt. S. of Spain	Aug.	7	104	Ps. 110.090	— 12,640	32	2,756,947	— 932,272
La Guaira&Ca.	June		22½	£ 14,580	+ 7,790	7m	89,850	+ 42,760
Ottoman Ry...	July	31	379	£ 16.117	— —	—	—	—
ParaguayCent.	Aug.	7	274	£ 5.220	— 30	6	27,610	— 2,870
Puerto Cabello	July		34	£ 5.500	+ 2,000	7m	38,750	+ 5,825
Salvador	Aug.	14	100	£ 3.181	+ 151	7	21,507	— 1,206
Santa Fe Prov.								
French Rys.	June		1,181	£ 161.128	— 4,267	6m	979,440	+ 2,100
Sta'na&S'ti'go	July		80	£ 18.790	+ 1,246	7m	110,123	+ 28,675
Zafra & Huelva	July		112	£ 11.422	+ 5,559	7m	84,852	+ 20,537
TRAMS.								
Anglo-Argent.	Aug.	12	400	£ 78.233	+ 16.182	32	2,400,969	+ 615,648
Auckland Elec.	June	30	27	—	—	52	292,502	— 2,063
Bombay Elec.	May		39	R. 8,40,311	— 77,890	5m	39,77,004	+ 5,50,651
Brazilian Trac.	June		3731	M10,870,000	+ 1,505,000	6m	61,040,000	+ 7,077,000
Brisbane Elec.	July		40½	£ 53.300	+ 11,690	7m	320,490	+ 58,795
Brit. Columbia	June		334	$ 710.210	+ 298,605	12m	8,737,132	+ 1,674,573
B. A. Lacroze	July		51	£ 51.508	+ 6,826	1m	—	—
Calcutta	Aug.	14	35½	R 95.931	+ 5,724	33	29,57,409	+ 2,44,423
Cape Electric	May		42½	£ 30.560	+ 2,010	5m	3,09,204	+ 34,720
Carth. & Herr.	July		9	£ 4.164	— 19	7m	32,770	+ 11,796
Chatham Dist	Aug.	5	16	£ 2.380	+ 274	31	52,110	+ 5,632
Havana Elec.	June		86	$ 946.301	+ 205,999	6m	4,587,376	+ 1,010,581
Isle of Thanet	Aug.	11	20½	£ 3.407	+ 620	45	45,997	+ 11,791
Kalgoorlie ...	May		20½	£ 3.276	+ 480	5m	14,914	— 844
Lanarkshire ...	Aug.	9	28½	£ 4.140	+ 86	31	129,184	+ 19,848
Lima Light ...	June		85	£ 55.919	+ 8,064	6m	343,173	+ 60,137
London C.C. ...	Aug.	18	141½	£ 88.180	+ 8,773	19	1,698,705	+ 65,983
Madras (2wks.)	Aug.	15	15½	R. 51,568	+ 5,295	30	7,33,541	+ 1,34,764
Manila Electric	June		55	$ 287.165	+ 106,955	6m	1,951,994	+ 395,488
Pernambuco...	Aug.	15	59	£ 5.817	+ 5,043	32	229,808	+ 61,472
Provincial ...	Aug.	7	21½	£ 5.846	+ 96	45	145,405	+ 14,536
Rangoon Elec.	July		25	£ 7.911	+ 1,349	7m	55,362	+ 10,194
Shanghai Elec.	July		26½	M X.$153,200	+ 22,200	7m	1,018,454	+ 158,454
SingaporeElec.	June	26	26½	$ 21.754	+ 8,035	24	581,213	+ 181,622
U. of Montevid.	July		90½	£ 39.647	+ 5,508	9m	386,935	+ 52,889

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The Statist.

LONDON, SATURDAY, AUGUST 21, 1920.

WASTED MONEY.

The third report of the Committee on Public Expenditure surveys a wide field, ranging from the tangled politics of Arabia to the question of the Lord Chancellor's house, and from the financing of the Russian defence in the East in 1917 to the feeding of the Peace Conference at Paris. Valuable suggestions are made as to the means of avoiding the waste and loss incidental to varied operations, such as those mentioned, and the general impression to which a perusal of the report gives rise is that Treasury control has hitherto been somewhat relaxed and needs to be tightened if future useless expenditure of public money is to be avoided.

Instances came under the Committee's notice in which an officer of a Department allotted a contract either to himself or to a firm in which he was personally interested. As business men in large numbers offered their services to the Government during the War, and continued to serve it even after, it was inevitable that cases of this kind should occur; and obviously, even though few in the aggregate, they loom largely in the public eye. As a guide for future conduct the Committee recommend that an officer should not allot a case in which he is interested, but should refer it to a colleague, and that all facts as to his interests should be fully disclosed both to his own Department and, if it be concerned, to the Treasury. If, after making these disclosures, he is directed by his superiors to continue handling the matter he will be able to do so with an easy conscience. A useful recommendation runs [illegible] part of which is that Departmental records [illegible] off the list as well as those who should be carefully watched on account of questionable practices.

[illegible] commercial concerns valued at thirty-five million roubles. [illegible] still held by the Treasury may, or may not, prove to be [illegible] Foreign Office representative before the Committee a [illegible] were made by Russian agitators. Russian concessions in view of the [illegible] Western front in 1918. [illegible] promote a banking amalgamation in the South-Eastern Confederacy, and the resulting institution was to be in effect a Cossack State bank. Owing to circumstances with which our readers are familiar, the suggested Cossack State collapsed; the Cossack bank was never set up; and no currency was issued owing to the spread of the Bolshevist revolution and the fall of General Alexieff.

With regard to matters further East, it is interesting to observe that a bureau was maintained at Cairo, with agencies at Jeddah and for the Hedjaz, its aim being to collect intelligence concerning Arabian countries involved in the War. While the Committee recognise the advisability of expenditure in this direction, they declare that insufficient control was exercised from headquarters. In one particular instance the Foreign Office approved without question a refund to the Egyptian Government of sixty thousand pounds. It subsequently appeared that a clerical error had occurred, and the correct figure was proved to be six thousand pounds.

Coming to domestic affairs, a loss of three million pounds occurred in respect of motor ploughs hired out to home farmers, and a horse-ploughing scheme involved a deficit of about one million pounds. The National War Aims Committee, through the Ministry of Information, spent £23,564 on the production of the "National Film," which presented scenes of what might have happened in the event of England being invaded. The conclusion of the Armistice prevented the exhibition of this film, and as the Treasury were advised that it was not suitable for showing in peace time, they reluctantly consented to its destruction. The sum of £158,364 was expended on erecting schools for the training of boys in pneumatic riveting. As the Trade Unions objected to the recruitment of riveting squads in this fashion, negotiations had to be opened for the sale of the schools even before they were completed. On the whole transaction a dead loss of £98,204 was incurred. The elementary precaution of sounding Trade Union opinion on the scheme before embarking on it was apparently neglected.

The largest items dealt with by the Committee concern the stimulation of steel production for War purposes. It was arranged by the Ministry of Munitions that a certain firm should carry out extensions to plant at an estimated cost of £1,748,000, the Ministry contributing fifty-five per cent. and consenting to a special proviso as to the excess cost of any advances in wages. The value of the expenditure obviously depended on the length of the War, but in any event it was not expected that the works would be completed till 1919, and it seems reasonable to claim that some clause should have been inserted in the agreement providing [illegible] in the event of the cessation of hostilities. This was not done, however, and a further stage was reached in 1919, by which time the estimated outlay had risen,

with the consent of the Ministry, to £3,955,000. Up to September 1918 only two-and-a-half per cent. of this sum had been spent, but the firm, having previously incurred large commitments to sub-contractors, held the Ministry to the 1917 agreement. A settlement was finally reached by the paying over of public money to the tune of £2,250,000, a sum for which, as the Committee declare in their report, "the country received no return whatever beyond the stimulus to the steel trade."

THE INDIAN EXCHANGE.

Murmurs of discontent have been heard from India recently over the handling of the exchange question. The maintenance of the gold exchange standard was a matter of comparatively little difficulty for some time prior to the outbreak of the War. The defeat of the exponents of international bimetallism at the Monetary Conferences of 1878 and 1881 and the demonetisation of silver in many countries had led to a progressive depreciation of the metal, and this had had a very harmful effect on both the import and export trade of India, the exchange being subject to continuous and violent fluctuations. Proposals were made that the gold standard should be adopted in our Eastern Dependency, but, partly for reasons connected with the supply of gold, partly because gold was regarded as an unsuitable circulating medium in a country containing a large illiterate population, the idea was, after a somewhat careful inquiry, abandoned. An artificial relation having been fixed between gold and silver, the India Council proceeded to maintain this relation by selling drafts on India and reverse Council bills in India on London. India has normally a large favourable trade balance, and the great extent of her exports in ordinary times assured a large demand for rupees, and consequently the fixed value of the rupee was easily upheld.

Subsequent to 1914 Indian goods were sought for overseas markets, and the loss of former consumers in Central and Eastern Europe was more than made up by increased trade with her Near Eastern neighbours, China and Japan, and also with the United States. An enormous demand, however, sprang up all over the world for silver, and the price of the metal rapidly increased, in the absence of a corresponding expansion of production. In consequence of this, the cost of silver to the Indian Government for the coining of rupees rose to an extravagant height, and as the bullion value of the coin exceeded its face value rupees were withdrawn from circulation and sold in the bazaars or exported. The purchase and coinage of silver to replace the continually depleted resources would have involved a heavy burden on Indian revenue, and to safeguard the currency and bring the exchange more and more into line with actual conditions in the Silver market, the Secretary of State for India increased the rate for immediate transfers to 1*s.* 4 7/32*d.*, and for deferred transfers and bills to 1*s.* 4⅛*d.* As the Silver market continued to rise, further changes, all in the direction of increase, were made, and at the end of 1919 rates reached 2*s.* 4*d.* for telegraphic remittances and 2*s.* 3⅛*d.* for deferred telegraphic transfers and bills. Supplies of silver for the East were obtained principally from the United States, where over two hundred million ounces were purchased, principally on Indian account, at controlled prices. The pegging of the dollar-sterling rate at 4.76½ helped the financing of this purchase, but when it was unpegged last year towards the end of March, and a marked depreciation of sterling set in, India's currency and exchange troubles were multiplied. The continued appreciation of silver, simultaneously with the decline in sterling, has been the chief factor in aggravating the situation. Moreover, as the United States is the principal market for silver, and as the Indian rates were fixed by reference to sterling, the dollar price of silver is of supreme importance. The divergence of the pound sterling and gold, formerly interchangeable and practically synonymous terms, has now reached such a degree that the disappearance of the gulf will entail a long time and much trouble. The advisability of bringing the rupee rate into some direct and more firm relation with gold is not outside the bounds of profitable discussion, and though Indian currency experts are inclined to scoff at the idea, it receives support from a considerable body of Eastern traders. Currency and exchange problems are, however, proverbially difficult to handle, and the silver exchanges have been going through such an abnormal experience since the outbreak of War in Europe that until the abnormality passes away, or at any rate conditions become more settled, any radical alteration of existing arrangements would probably be harmful to both British and Indian interests.

The healthy condition of Indian public finance is in itself an indication that the disabilities supposed to have been inflicted on the country's trade by exchange manipulation are more apparent than real. An expanding tax revenue where taxation is acknowledged not to be excessive is an almost certain index of higher levels of commercial and general prosperity. The figures of State income and expenditure and the Budget estimates for the current year are given in the following table:—

	Accounts 1918-19	Revised Estimate 1919-20	Budget 1920-21
	£	£	£
Revenue	123,257,744	135,570,000	134,825,000
Expenditure	127,078,153	115,644,100	132,311,100
Difference	−3,820,409	10,074,100	+2,514,800

Manufacturers and those with large incomes are more fortunate than people similarly situated in the United Kingdom, since the excess profits duty imposed in 1919-20 has been abandoned while the law relating to super-tax has been amended. The public debt, which at the end of March 1919 was £88,370,261, is being steadily reduced, though Treasury bills and short-term loans are put at the substantial total of £35,300,000. In the circumstances, while the State appears to be progressively prosperous it is foolish to tinker with remedies for exchange anomalies, especially as the good effect of some of the proposed cures is entirely conjectural.

THE NITRATE POSITION.

Of the many changes of fortune that have from time to time affected nitrate-producing companies, those which have occurred since the Armistice are perhaps the most violent and the most remarkable. While 1919 was one of the leanest years on record, striking changes took place since the beginning of the current year, and on balance 1920 may be said to hold a bright promise of exceptionally good results.

At the signing of the Armistice the demand for nitrate for the production of explosives suddenly ceased, and the companies and Allied Governments found themselves with an unusually large accumulation of stocks, amounting in all to about 1,600,000 tons. As the Governments concerned feared competition in the disposal of their supplies, which had been acquired at a very high price; and as, moreover, so much tonnage was required for the transport of foodstuffs and other necessaries that the amount available for the nitrate industry was totally inadequate, they prohibited the companies from selling, and it was not until October, 1919, that licences were granted to ship the large stocks on the Chilian coast. In addition to this, the prevalence of labour troubles, combined with a shortage of fuel and of land transport facilities, made trade still slacker. In the circumstances, it is not surprising that many of the oficinas were closed down for the greater part of last year. Amid these conditions the Asociacion des Productores de Salitre de Chile was formed in the middle of 1919, with the object of controlling output and regulating selling prices, and the subsequent history of the industry is, in effect, the operations of this combine. It comprised, at first, eighty-three per cent. of the total production, the other seventeen per cent. being represented by the German,

American and Antofagasta companies. It was this minority which rendered abortive the Association's attempt to fix the price at 10*s.* 1*d.* per quintal, and it still proved obstinate in November, when it sold at greatly reduced prices. The threat was carried out, and in September 750,000 tons in all were placed for October-March shipment at an f.o.b. price of 9*s.* per quintal. Thereupon the Antofagasta and Union Companies, representing 60 per cent. of the total productive capacity, entered the contract. For most of the companies concerned this first sale of the Association was unprofitable, as the stocks disposed of were for the greater part those which had been carried since the Armistice, a fact which goes far to account for the poor dividend results of 1919. After the accession of the Antofagasta and Union Companies the Association, helped by a growing demand, was able to fix the f.o.b. price successively at 9*s.* 9*d.*, 10*s.* 6*d.*, and 11*s.* 9*d.* per quintal, and by the end of 1919 it had sold in all 1,300,000 tons at an average price of 9*s.* 2½*d.* per quintal. From January to June 1920 700,000 tons were disposed of, at an average price of about 11*s.* 3*d.* per quintal, and since June 1,600,000 tons have been sold, at prices ranging from 15*s.* 6*d.* to 17*s.* 3*d.*, according to position. The excellence of the results already achieved are in themselves sufficient to justify our hope of good profits in the current year. After the first unprofitable sale at 9*s.* the spot price was carried from 11*s.* 3*d.* and 12*s.* in January, to 17*s.* 6*d.* in February, and after a reaction in later months recovered partially to 15*s.* 6*d.* Though there is a net fall since February last, the cost of production has also fallen, on account of the decline in the Chilian exchange. On an average, the cost of production per quintal may safely be estimated at from 9*s.* per quintal for the better-placed companies to 10*s.* per quintal for the marginal companies. From this it will be seen that, taking account of the prices realised for shipments already made and the prices for forward contracts, approximately a profit of about 5*s.* per quintal remains for the stronger companies. When the large volume of sales is, in addition, taken into account the companies should certainly be able to report handsome profits on this year's working.

It may be argued that the recent strength of the demand was stimulated, as in February last, by the dulness of the freight market, but the growing firmness of the market in "futures" is not likely to escape attention. The following table shows the prices per quintal at different dates:

1920	Jan.-Dec. '21 Shipment.	Jan.-Dec. '22 Shipment.	Premium (+) or Discount (−) on Spot 1921	1922
January ...	10·6	10·0	−1·2	1·8
February ...	13·9	14·6	−2·6	−3·0
May	13·9	13·1	−1·6	−2·2
July	16·0	14·0	·6	−1·6

The strength of the market for forward positions is, after all, the best criticism as to the future course of demand. The nature of the demand is, indeed, so promising for producers that no review of the nitrate position would be complete without a discussion of it. Formerly Germany was the largest consumer, and when the War came, the deficiency so caused was made up by the Allied need of nitrate for explosives. After the Armistice it became evident that unprecedented quantities of nitrogenous products were wanted as fertilisers. America very soon was demanding three times its normal pre-War requirements and is now the premier consumer. Holland and Spain sent large orders, while Japan, which formerly used nitrate sparingly, began to make considerable purchases. Australia, too, is entering the market. The cause of the general revival of demand is obvious. Fertilisers were scantily used during the War, and, encouraged by the scarcity and high and increasing prices of foodstuffs since the Armistice, agriculturists saw the prudence of keeping unimpaired the fertility of the land. Nor is the demand likely to diminish, for the practice of using fertilisers; when once adopted, is not likely to be discontinued. Another large potential demand lately effective from France, Belgium, Germany, and Central Europe is bound to exercise a strong influence on the future course of prices. Germany's beet crop suffered considerably from a lack of fertilisers, but on account of the collapse of the mark she was unable to import nitrate. The same held true for the other countries. But Continental exchanges began some months ago to improve, and already we find Germany making purchases of large parcels of nitrate for autumn and spring delivery. Taking the demand of these countries into account it is probable that the world's consumption during the twelve months to June 30, 1921, will be 2¾ million tons. Deducting the amount sold by all companies for shipment over this period, there remains about 700,000 tons yet to be handled by the Association. For the moment, on account of fuel scarcity, inadequate land transport facilities, and renewed labour troubles, production has slowed down, but doubtless the companies will make renewed efforts during the coming months to provide sufficient to meet the demand while prices are so advantageous. The Association has been prolonged until June 30, 1921, with a possibility of further prolongation. The American companies have been unable to join on account of the Sherman Law, and negotiations to include the German companies have been unsuccessful. These two groups control fifteen per cent. of the total productive capacity, and on this account the ability of the Producers' Association to control the market is highly insecure, and it will have to go warily in the matter of fixing prices.

As regards the influence of substitutes, such as sulphate of ammonia and synthetic nitrogenous substances, it would appear that the importance of these products has been underestimated. Their production continues to increase rapidly, as great improvements were made during the War in manufacturing processes. It is true that the output of these substances is still relatively small, and the cost of production relatively high, and that Chilian nitrate is generally preferred as a fertiliser; but the extent of the present demand for fertilisers being, as it is, able to absorb fairly easily the output of Chilian nitrate, the high prices which rule should encourage further efforts towards the improvement and cheaper production of the synthetic substances. Their growing importance is evident from a glance at the subjoined table showing the percentage ratio of the different outputs.

	Year ended June 30 1914	1920	1922*
Chilian nitrate	65	53	55
Sulphate of ammonia	30	26	25
Synthetic nitrogenous products ...	5	21	20

* Estimated.

These figures undoubtedly reveal a chink in the armour of the Asociacion des Productores, especially when taken in conjunction with the refusal of the German and American companies to join the Association. The Chilian nitrate interests, alarmed in the early part of last year by the low prices at which sulphate of ammonia was offered, were relieved to find after a time that the sulphate producers, having rapidly exhausted their stocks, raised the price substantially. As regards the synthetic products, Germany, being shut off from outside markets during the War, turned her attention to the production of atmospheric nitrogen and her annual war output was about one and a-half million tons. Since the Armistice the output has fallen off by about two-thirds, as the production of other commodities had become [illegible] ally. But it can hardly be doubted that [illegible] improve she will endeavour [illegible] production.

While [illegible] products, it must be [illegible] this quarter is not likely to become a serious factor in the Chilian [illegible] are rife, an [illegible] for fertilisers. Afterwards the course of events will require careful watching.

An estimate of the relative positions of the different companies may be formed from the following table:—

Outputs (in Quintals) and Dividends for past Four Years.

		1916	1917	1918	1919
Anglo-Chilean	Output	725,000	718,000	818,000	708,000
	Div.	10	15	10	nil
Antofagasta	Output	2,377,000	2,205,000	2,176,000	931,000
	Div.	15	10	10	10
Aguas	Output	155,000	142,000	155,000	151,000
	Div.	20‡	25	30	nil
Antofagasta (Bolivia)	Output	2,753,000	2,590,000	2,276,000	1,555,000
	Div.	25	25	15	15
Lagunas	Output	57,000	58,000	104,000	51,000
	Div.	2	2	2	2
Lagunas Syndicate	Output	200,000	300,000	925,000	185,000
	Div.	nil	nil	nil	nil
Lastarria	Output	2,121,000	2,287,000	2,304,000	754,000
	Div.	18	24	18	16
Liverpool	Output	1,105,000	1,085,000	1,085,000	1,112,000
	Div.	100	120‡	140‡	112‡
Oroya	Output	851,000	851,000	850,000	276,000
	Div.	15	15	15	5
New Peruvian Corporation	Output	389,000	551,000	544,000	54,000
	Div.	7½	15	10	5
New Tarapacá	Output	1,113,000	2,201,000	1,203,000	825,000
	Div.	1½	15	15	5
Pan de Azucar	Output	540,000	185,000	760,000	145,000
	Div.	nil	nil	20	10
Rosario	Output	1,370,000	1,150,000	1,280,000	667,000
	Div.	15	15	15	5
Sociedad Chilena	Output	342,000	654,000	782,000	241,000
	Div.	15	35	20	5
Soc. Lorenzo	Output	365,000	349,000	303,000	105,000
	Div.	25	20	25	5
Soc. Salitrera Constancia	Output	170,000	85,000	50,000	60,000
	Div.	10	nil	nil	nil
Soc. Salitrera Carolina	Output	309,000	402,000	415,000	867,000
	Div.	25	30	30	20
Soc. Rica	Output	150,000	141,000	130,000	45,000
	Div.	25‡	25‡	5	5
Soc. Victoria	Output	220,000	120,000	52,000	25,000
	Div.	15	nil	nil	7½
Tarapacá & Tocopilla	Output	1,415,000	655,000	751,000	1,140,000
	Div.		15	15	nil
Average price per quintal in London		7/6	11/2	12/1	9/5
Average price per quintal in Chile		7/8	9/1	11/11	12/1

The nitrate industry will form the subject of a further and more exhaustive investigation in a series of articles which we hope shortly to publish.

ARGENTINA.

AN ALTERNATIVE METHOD.

Readers will have observed a cable which appeared in most of our daily contemporaries quite recently stating that the Argentine Minister for the Interior had forbidden the export of wheat from that Republic. To some extent this rescript has been modified, and under certain conditions wheat exports are permitted. It is partly a question of adequate railway transportation and partly of getting sufficient ships. But it cannot be denied that the real object inspiring the Government to this action was the fear that there might not be an adequate supply of food, or rather, to put it differently, that food prices might advance still more extravagantly than they have done in the Argentine Republic in the recent past. Now, when we bear in mind that the Argentine Republic lives, and has lived now for more than two generations, by preparing food and raw materials for export to other countries, and principally to Western Europe, and primarily to England, it seems somewhat ridiculous that a country ten times as big as the United Kingdom, with a population of under eight millions, should be in danger, we will not say of a shortage of food, for that is not contended, but that the available margin between supply and demand should be reduced, even though it be caused through inadequate transportation facilities. We have to remember, as we have just said, that the country stretches practically from the tropics down to an area in the south corresponding very much to the Firth of Forth with us. In the whole country there is only a population equivalent to that which inhabits, or little more than that which inhabits, what we are accustomed to call Greater London. Consequently, it cannot be alleged that the population of Argentina is congested in the sense that there are too many people for the area of the country, bearing in mind our common estimate of the ratio which land can bear to its population. In a sense there are, of course, congested areas in the great cities of the Argentine Republic, as there unfortunately are in all new countries—just as, indeed, there are in all countries at the present time. But in the sense that we are dealing with the question there is nothing in the nature of congestion of population. The social and, indeed, the economic aspect of the question of the trend of populations to the great cities in modern as well as in ancient times is a very regrettable feature; but it does not affect the aspect of the question which we are considering to-day. In reality, there is nothing in the nature of a congested population. There is no population in Argentina which should affect its productivity. On the contrary, it is just in the stage when Argentina ought to be developing upon a great scale. She has passed through the early stage, when the land was so little settled that it was not possible to produce upon a great scale, and when there were no adequate means of dealing with a great production, even if that existed. That period has now passed, and Argentina has the plant and the population which should enable her to produce food and raw materials upon so great a scale that a time should be approaching when the Argentine Republic might be considering, and with advantage, the desirability of developing primary manufacturing industries. There are three stages through which an industrial country nearly always passes, particularly when it is developing from the outside as Argentina has been. The first is that at which it receives almost exclusively assistance from outside. That stage must be immediately followed, if the country is to maintain any kind of economic independence, by a prolonged period in which it produces nothing but food and raw materials to meet, first, the interest upon its debts; and, finally, to pay them off. During that period the country should be able to export something like two-thirds of its total production, gradually falling to about half, which is what the Argentine Republic is doing at the present time, or was doing at the period, say, of the outbreak of the recent War. That period is succeeded by one when the country is producing enormous quantities of primary products, but finds that, in spite of this, there is a large proportion of its population who are not completely employed and are not, in fact, well suited for work in the actual production of food and raw materials. When that stage is reached it is desirable for the country to adopt what are called the primary manufactures; that is to say, instead of sending out products absolutely in bulk, to subject them to some form of elementary treatment In a sense Argentina is doing this at present. Now, if she was to send down quebracho logs and ship them to Europe the cost would be enormous, and she would lose a great deal of the value of the quebracho trade. The value as it is carried on at present consists in supplying the raw material in the form of logs; and, secondly, in the extractive industry and the employment of capital and labour, &c., which it necessitates. Consequently, it is the extract, and not the logs, which is finally exported. Of course, in an industry like the quebracho it was so evident that to send logs to Europe would be a hopeless proposition that the extractive industry almost necessarily developed as soon as it became known that the quebracho tree was valuable as distinct from its qualities as timber. But there are very many industries which Argentina now carries on in an elementary form as they were carried on in the early colonial period. These could, of course, be

developed to a great extent if the population and the plant existed in the country. But for the present Argentina's economic development really demands that she should increase her production of food and raw materials, and all kinds of primary products. She is, in fact, at the present time developing cotton-growing in the Chaco, in the territory of the Misiones. This is, of course, very important at a time like the present, when there is so great a shortage of cotton, and when the northern regions of the Republic, which are very little outside the tropics, can be developed for the growing of cotton and for all kinds of sub-tropical products.

We are, however, straying somewhat from the main theme of our article, which is to urge the importance of increasing the productivity of the land of Argentina taken as a whole. Now there are two methods of increasing production. One is to use more material, and the other is to make the best use of the material you have. In the case of Argentina the material available is land. And the amount of land that is absolutely of the first degree of fertility even in the Argentine Republic is limited. The province of Buenos Ayres, which is considerably larger in extent than the whole area of the United Kingdom, is, of course, amongst the richest land in the world. It is believed to have been brought down and deposited on the southern bank of the La Plata by an ancient river which appears to have run very much the course which the Uruguay Parana runs now, but a river much greater than even this great stream, and capable of carrying down soil deposit in solution in enormous quantities. However this may be, it is, of course, notorious that the province of Buenos Ayres is extraordinarily rich. Although this is true, the province of Buenos Ayres does not by any means constitute the whole of the Argentine Republic. On the contrary, as we have said, the total area of Argentina is between nine and ten times that of the United Kingdom. If you divide the area of the province of Buenos Ayres into the total area of the Republic, it will be seen that it is as near as possible between one-seventh and one-eighth of the total area of the Republic. Consequently, the great bulk of the area of the Republic is outside that extraordinarily fruitful and fertile belt. In other words, it is not reasonable to expect that without any care, and simply by throwing seed on the ground, crops comparable to those grown in the Metropolitan Province can be expected in any other part of the Republic; and, as a matter of fact, they are not obtained. In the period preceding the War it was perfectly easy, whenever more produce was required, for Argentine financiers and Argentine traders to make representations in London that they wanted increased transportation facilities. London was always anxious to get more food and more raw materials, and, consequently, any reasonable project which would be at all likely to be put forward by the leading trading interests in the Argentine Republic was accepted as a matter of course. In these days, however, we have not the means to open up new countries except to a very limited extent. It is not possible that we can raise, as we did in the last year before the War, something like sixty millions sterling for the opening up of Argentina. It is essential, and in our opinion it will become more essential by-and-by, to devote a proportion of our annual savings to the development of new countries, even though it means deferring to some extent the payment of the heavy debts which we have incurred. All the same, it can be only to a limited extent that we can develop new countries, even for the urgent and important purpose of obtaining increased supplies of food and raw materials. While, then, we must observe caution in the amount of money which we can afford to invest abroad, is there not a better way for the newer countries to increase their productivity until such time as the investing countries of the world are in a position to spend very large sums in the opening up of Southern and Western Argentina and the great northern territory of the Chaco? Another method well worth trying is to use the raw material to better advantage than it has ever been used in the past.

As we have already said, the raw material of which we are speaking of the Argentine Republic is land. No one denies that the yield per unit, with the exception of a few highly cultivated estates belonging to well-known people in Buenos Ayres, is exceedingly small and most unsatisfactory. This is no mere assertion by a foreign writer in a foreign newspaper. It is so well recognised in Argentina itself that the whole Press of the Republic are never tired of endeavouring to impress upon the agricultural community that they waste nearly half their time; that their crops, in fact, do not yield more than about fifty per cent. of what might reasonably be expected, provided good plant was employed, with the same amount of labour as they actually do employ at present. On the bulk of Argentine farms there is an inadequate amount of capital employed. But the burden of nearly all the articles in the Argentine papers, which naturally pay a very great deal of attention to agricultural questions, is that for the amount of labour expended and the area occupied the yield per unit is ridiculously small; and, in fact, as we have said again and again, the Argentine farmer and the Argentine labourer are accused of practically wasting half their time, getting no adequate result from their day's work. Now, primarily, to remedy this it will be necessary to obtain, and to use, really efficient agricultural machinery. The Press of the Argentine Republic are constantly encouraging the increase of trade between Argentina and our great Dominion of Canada, on the ground that Canada is particularly well suited for supplying Argentina with agricultural machinery. The above statement is no mere discovery of a foreigner writing in a foreign newspaper. On the contrary it is, as we have already explained, the burden of at least one article in most of the Argentine papers during the course of a week, or at any rate of a fortnight. It has now become so generally recognised that the Argentine Government—and Governments, as a rule, as we know over here, are rarely the first to make a new discovery in any department—the Government itself has at last realised the importance of trying to induce the people to use more up-to-date methods of cultivating their land and getting at least a return of double per unit of what they are doing at present. With this end in view they tried, first, to employ lecturers. As we have said, immense quantities of printers' ink has been expended in the endeavour to induce the local farmers to increase their output per unit of area cultivated. In spite of the unanswerable logic of our Argentine contemporaries, the local farmers either could not, or would not, read. At any rate, they did not increase their output to any appreciable extent. Seeing that the Press had failed to make any adequate impression, the Government sent out lecturers, with the laudable object of endeavouring to increase the productivity per unit of Argentine soil. The farmer appears to have listened to what the lecturer had to say, but he does not appear to have mended his ways to any appreciable extent. In despair the Government and the local municipalities have tried the newly discovered cinema; and with the cinema they have pictured to the farmer various forms of agricultural machinery as used in Canada and the United States. Apparently, propaganda by the cinema has been more successful than propaganda by the Press and by the lecturers, for it seems that the Press sowed good seeds, that the lecturer watered and tended the early shoots, and that the cinema is reaping the harvest. Let us hope that it is, for the present appears to be the most successful method of inducing the Argentine farmer to increase

his productivity per unit than has been the case with any kind of propaganda hitherto tried.

In conclusion we would remind the reader that the working population in the Republic is composed of three classes of people, none of whom are readily receptive of new ideas. Primarily, we have what are called the *gaucho*. The *gaucho* is partly of Spanish and partly of Indian descent. In his wild, picturesque form he is dying out almost throughout the whole Republic, even in the sheep-raising country of the south. But his descendants still work the land, particularly on the great estancias. They have a positive aversion to any innovation of any kind. About one-third of the whole population of Argentina is foreign-born. Nearly the whole of these are either Spaniards or Italians. Now the Spaniard who emigrates to Argentina comes, for the most part, from the very poor plateau provinces of Spain. The conditions of agriculture to which he is accustomed are primitive to a degree; and unless immense sums are spent on irrigation and on fertilisers it is very difficult to see how the productivity of his native home could be greatly increased. He goes out to Argentina with the preconceived notions which he learnt in Spain, and it is almost as difficult to induce him to adopt new methods as in the case of the native *gaucho*. Finally, there is the Italian. Probably the Italian is the most enterprising of the lot. But the really enterprising Italian, as a general rule, does not go out on the land to any appreciable extent. The agricultural labourer from Italy who goes out to work on the land in Argentina usually comes from the very poor provinces of Italy, and he in turn is accustomed to methods of agriculture which are exceedingly primitive. It is, of course, not easy to induce him to adopt the very latest methods and approved practices of those countries which have succeeded in obtaining a large relative crop to the area cultivated.

OUR FOOD IMPORTS.

THE transformation of the United Kingdom into one of the greatest manufacturing nations in the world brought about a gradual decline in its ability to feed itself. Disregarding Ireland, as being in the main self-supporting in regard to essential foodstuffs, it is worth noting that, in sympathy with the growth of the population of Great Britain from 26¾ millions in 1871 to 41 millions in 1911, the total extent of land devoted to agriculture, while substantially unchanged, fell from 118 acres per 100 inhabitants in the former year to 80 acres per 100 inhabitants in the latter. In the last censal year the number of people in these islands engaged in agriculture was returned at 2,268,452, out of a total of 36,080,210, or six per cent. This comparatively small fraction is, of course, explained by the diversion of large sections of the community to the manufacturing and commercial pursuits for which we possess such abundant facilities and resources. Considering the bitter experiences of the War, the stimulation of home food production is in every way a praiseworthy object, but, nevertheless, we cannot hope to reduce very substantially our dependence on outside sources of food supplies, more especially as the standard of living of the average individual tends to increase.

Examined side by side with our total imports, our indebtedness to the food producers of other countries as set out in the following statement makes impressive reading:—

Years.	(1) Total Value of Imports of Food of United Kingdom from Other Countries.	(2) Total Value of Imports of the United Kingdom from Other Countries.	(1) as Percentage of (2).
	£	£	(2)
1909-13	249,606,792	595,163,170	41·9
1914...	275,359,186	664,160,947	41·5
1915... ..	350,499,942	752,851,169	46·5
1916... ..	391,227,366	850,940,314	45·9
1917	443,581,806	994,181,217	44·6
1918	550,139,157	1,285,205,822	42·8
1919	628,259,143	1,467,579,924	42·8

The growing disturbance of normal values is abundantly reflected in the above table, despite the fact that the volume of our food imports was necessarily reduced, notably during 1917 and 1918, owing to the shortage of shipping, insecurity of seaways, decline in production, and the demands of the Allied armies. To these causes must be largely ascribed the constant growth of values. Currency inflation must also bear a large share of the responsibility; but this factor is frequently over-emphasised, and there is a tendency to forget the important part played by shortage of labour and fertilisers, and the effect of the former on production and distribution. Then, too, the enormous wastage of foods involved in the accumulation of large stocks in military or civilian hands and its action in view of a restricted production cannot be overlooked. With the resumption of normal channels of economic activity and the removal of the above-mentioned influences it is, however, too much to hope that there will be any close approximation to the values prevailing in 1913. Most nations, as has been the case in Great Britain, will probably take steps to secure a greater output of foodstuffs from native soils; but it must not be forgotten that a progressive rise in the price of foodstuffs has not been an isolated phenomenon solely confined to the War period. Divested of its abnormality it was steadily proceeding even in the previous period. Thus the net imports of food, drink and tobacco, into the United Kingdom were valued at £208,008,000 in 1909, and at £274,456,000 in 1913, an increase of £66,448,000, or 31.9 per cent. Nearly one-half—£34,004,000—of this increase was attributable to a larger volume of trade, and the remainder—£32,444,000—to higher average values. The volume of net imports retained, therefore, increased by 15.6 per cent. and average values by 14.2 per cent. As we exchange manufactured goods and raw materials, besides performing certain shipping and financial services for these necessaries of life, this large percentage increase in average values has an important bearing for us. Manufactures and raw materials constitute the most important classifications of our export trade, food, drink, and tobacco suffering heavily by comparison. Exports of raw materials grew from £44,987,000 in 1900 to £60,896,000 in 1913. The volume of trade was greater by 71.5 per cent. than in 1900, but it was calculated that there was a fall amounting to 9.4 per cent. in average values. Curtailment of exports of coal, the chief item in this class, from 73,400,000 tons in 1913 to 38,465,593 tons in 1919, must affect our ability to pay for foodstuffs unless the balance is made up in some other way. Coming to manufactured articles, it is found that in 1900 their declared value amounted to £228,302,000, and in 1913 to £411,572,000, an expansion of £183,270,000, or 80.3 per cent. In volume these exports increased by 64.6 per cent. and in average value by 9.5 per cent. Taking the export trade as a whole there was an increase of £234,269,000 between 1900 and 1913—from £291,192,000 in the former year to £525,461,000 in the latter. Of this increase, the bulk, £206,058,000, was due to the larger volume of exports, the increase in the declared values accounting for only £28,211,000. In percentages the volume of trade had increased by 70.8 compared with 1900, whilst the level of average values showed an increase of 5.7 per cent. compared with the figure of 14.2 per cent. recorded for imported food. Testimony is here afforded of the increasing pressure of the competition of foreign manufactured products in the years immediately preceding the War, and the limitations it imposed on our purchasing power. Such a situation is not likely to be paralleled in the near future, but its recurrence, which must be anticipated, emphasises the necessity of a cordial co-operation between employers and labour, with the object of availing of the present opportunity of consolidating and extending our foreign trade.

The following table, prepared by the Ministry of Food, indicates the sources from which some of our principal foodstuffs were drawn in 1913 and 1918:—

Sources of Imported Supply, 1913 and 1918 (certain Principal Foodstuffs).

	Wheat and Flour		Total Meat (Fresh & Preserved) & Bacon		Butter & Margarine		Cheese		Dairy Produce—Eggs & Milk	
	1913	1918	1913	1918	1913	1918	1913	1918	1913	1918
	Cwts.		Cwts.		Cwts.		Cwts.		£	
Europe	5·0		6·2		19·9	0·2	56·8	1·1	73·6	12·6
U.S.A.	31·7	52·5	1·6	7·2	11·9	84·7	0·2	0·1	0·2	2·5
Canada	22·5	25·1	0·1	3·0	0·8	1·2	—		10·4	20·5
S. America	12·9	15·5	54·9	38·4	—		1·7	3·8	0·6	1·5
Australasia	8·7	1·6	36·5	22·5	—		—		11·6	23·2
Other countries	16·2	2·5	0·7	2·1	0·1	0·1	4·5	91·1	2·9	2·5
Total Imports (1,000 tons).	6,126	1,632	878	660	286	602	1,209	1,236	121	360

The explanation of the collecting system pursued during the War is to be found in the large reductions in the imports of the above primary commodities in 1918. The efforts of the United States and Canada to make up for the unprecedented deficiency of supply from Europe will be apparent at a glance. From the percentages indications are furnished of the endeavours of the former countries to augment the area under wheat and to develop the industries dealing with meat and dairy produce. Government bounties, the withdrawal of men from less essential occupations, the utilisation of the services of women, and high prices have aided the execution of these designs, but of the permanency of a larger exportable surplus of foodstuffs from North America there is reason to doubt. Prior to the War the proportion of the agricultural output of the United States allocated to the home population was on the upward trend, and, in addition, the Canadian surplus was laid under an ever-growing tribute. A return, partial at least, to these conditions will proceed as the labour attracted to the fields during the War is absorbed by manufacturing interests paying, possibly, higher wages. An easement of food prices may, however, result from the restoration of a normal Europe and the exploitation of the great resources of the Empire. The problem in the latter is not so much one of land, but one of labour and capital. Distaste for the loneliness of country life is a marked characteristic of our present civilisation, and the superior attractions of the town too often deprive the farmer of the son combining both brains and energy. From this lack of labour most of the overseas Dominions suffer. In a similar degree they suffer from lack of capital, as the rate of return hitherto received on agricultural enterprises and their susceptibility to the caprice of weather are not calculated to allure the average investor. A remedy must be found for this situation, as the gradual exhaustion of the surplus food export of foreign countries will bring still further into relief the dependence of the great United Kingdom market on the Colonies.

AUSTRALIAN RAILWAYS.

THE failure of Government Departments to work railways at a profit has been conspicuous in the United Kingdom and the United States, and in the case of Australia the reports just to hand add yet another testimony to the inefficiency of Government control. More than once the benefits accruing to the Commonwealth from State-owned means of communication have been paraded before our eyes, but to the ordinary Australian taxpayer, who has to bear the burden of large deficits, the benefits must appear somewhat illusory. The railway problem in Australia is, of course, totally different to our own, as the lines there have preceded, and are preceding, settlement, while here the country was already thickly populated prior to the era of railway construction. As a consequence the goods traffic plays a much larger part, and on many lines brings in, as in the United States, several times the amount earned by passenger traffic. A large share of the goods carried is agricultural produce, which, not being of a high category, is charged at low rates, and this needs to [illegible] the gap between railway [illegible] and expenditure. Many lines [illegible] are improving, but on the whole [illegible] number of uneconomic branch lines, with a chronic deficit that eats up the profits made elsewhere. In the following table the extent of the capital cost, as well [illegible] on the branch lines is [illegible]—

	No.	£	£
[illegible]	[illegible]	[illegible]	[illegible]
New South Wales	10	22,301,255	[illegible]
Queensland	10	11,742,263	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Victoria	[illegible]	[illegible]	[illegible]
Western Australia	10	[illegible]	[illegible]

The average length of the branch lines is forty-nine miles, and the average cost of construction works out at £5,000 per mile. As can be seen from the table, the loss for which the Government and through them the ratepayers, are responsible exceeded one and a half millions in 1919, a sum of over £30 per mile, which is a considerable deficit, even for lines in sparsely populated districts. New South Wales, one of the oldest and most settled of the States, shows better returns, and in the first quarter of the current year revenue and expenditure were as follows:—

New South Wales.

	Quarter ended March 31 1920	Quarter ended March 31 1919	[illegible]
REVENUE	£	£	£
Passenger ...	... 1,763,597	[illegible]	[illegible]
Merchandise	... 1,729,368	[illegible]	303,135
Total	... 3,492,965	2,557,929	935,036
EXPENDITURE	... 2,413,517	1,611,681	[illegible]
Credit Balance	... 1,079,448	[illegible]	[illegible]

At the other end of the scale is Western Australia, where the deficit on railway working has multiplied rapidly in recent years, having increased fourteenfold since the commencement of the War. An analysis of the report presented by the Minister of Railways to Parliament is given in the following table:

Western Australia Government Railways.

	1919	1918	1917	1916	[illegible]
	£	£	£	£	£
Working Expenses ...	1,967,591	1,451,334	1,448,451	1,511,655	1,197,826
Interest on Loan Capital	626,313	[illegible]	[illegible]	[illegible]	[illegible]
Interest on Loan for Charges on Loans	19,024	19,179	18,192	[illegible]	[illegible]
Interest on Railway Stores Funds	9,165	9,790	10,251	11,337	[illegible]
TOTAL EXPENSES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL EARNINGS	1,575,897	1,510,488	1,577,582	[illegible]	[illegible]
Net Debit Balance	559,794	[illegible]	[illegible]	[illegible]	[illegible]

The expansion of the debit balance from £25,651 in 1915 to £359,794 in 1919 has been due, curiously enough, not to any extraordinary rise in [illegible]

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expenses, but to a decline in earnings from the high-water mark of £2,088,110 in 1916 to £1,872,897 in 1919. Interest charges have increased considerably, but, despite the fact that additional train miles were run, the receipts for the various systems are very disappointing. A large part of the difficulties in which Australian State Railways are now involved is due to outlay on un-reproductive purposes, which has been a not infrequent feature in the history of the various undertakings. Thus in Victoria five branch lines, which cost over £350,000, have been dismantled, but interest charges in respect of construction expenses have to be borne, while a sum equally great in respect of preliminary surveys for projected lines is chargeable against the revenue of working lines. Such expenses are not, from the accountancy point of view, proper subjects of charge against particular railways, and it is desirable that the Government should assume responsibility for them.

GOVERNMENT INVESTMENTS.

An official return just available reveals the extent of Government holdings in joint-stock companies as slightly in excess of £18,000,000. The information furnished in the return is rather scanty, as all advances on contracts secured by short-term mortgages or debentures are excluded. Some of the investments—for example, that made in 1875 in the Suez Canal Company, £4,050,000—are of long standing, and others of more recent date, such as £2,600,000 in Cunard Steamship Company Debenture stock, merely represent securities taken for the repayment of advances. The Cunard Company has, in fact, reimbursed £1,560,000 of the advance, and the equivalent stock has been cancelled. Of War investments, the largest single item is that of £5,200,000 in the Anglo-Persian Oil Company, and the details of this transaction are already known to the public. Next in importance comes £1,700,001 in the British Dyestuffs Corporation, Limited, while the British Cellulose and Chemical Manufacturing Company, Limited, was supported to the extent of £1,450,000 by the Ministry of Munitions.

An item of £1,198,371 is accredited to the Foreign Office in respect of its unfortunate connection in 1917-18 with the Commercial Bank of Siberia in a vain effort to pull together the Russian resistance by means of financial support. The extent of the likely loss may be gauged by the fact that in return for the advance of this large sum the Foreign Office possesses only "1,052 actual shares and orders to banks to deliver 44,213 shares." Similarly unfortunate was the association of the Ministry of Shipping with the Standard Shipbuilding and Engineering Company, Limited, Messrs. Edward Finch and Company (1916), Limited, and the Chepstow Property Company, Limited. No less than 300,000 £1 shares were purchased at £1 15*s.*, and a like number of shares, 5*s.* paid, were bought at 8*s.* 9*d.*, though the reason for the premium is hard to see. The shares thus purchased represent exactly the paid-up capital of the Standard Shipbuilding and Engineering Company, Limited, which was registered in 1916, and paid no dividend from the time of its foundation up to the end of last year. In the circumstances the wisdom of paying a seventy-five per cent. premium in buying the whole of the Ordinary share capital seems open to question, and the transaction betrays a lack of commercial acumen.

The result of these business adventures of the Government inspires little confidence in their ability to handle with success the more thorny problems associated with the management of railways or coal-mines. More light could easily be thrown on the dark places which the present official report partly illumines, and we hope that Parliament on its reassembly will press for fuller particulars, and so help to convince the doubting Thomases of the Labour movement of the futility and unwisdom of Government interference in industry.

ANOTHER BANKING FUSION.

Following hard upon recent developments in Africa affecting the British Bank of West Africa comes news as to the combination of two Australian banks. The English, Scottish and Australian Bank, in absorbing the London Bank of Australia, is taking over an institution that serves practically the same area—New South Wales, Victoria, South Australia, and Queensland. But, outside of the capitals of the four States, in only four instances do the branches of the two banks overlap. The terms to be offered to the shareholders of the London Bank are five shares of £25 each (£12 10*s.* paid) in the English, Scottish and Australian for every nine shares of £22 10*s.* each (£10 paid) in the London Bank, together with £1 in cash for each share they now hold. On the basis of the amount paid up, £90 worth of London Bank shares is to be exchanged for £62 10*s.* worth of English, Scottish and Australian shares, plus £9 in cash. On the basis of Stock Exchange values, as the English, Scottish shares (£12 10*s.* paid) are quoted at 19 and the London shares (£10 paid) at 10½, the proposed offer is of £95 for £94 10*s.* market values, and, in addition, a bonus of £9. From this point of view the proposal is an advantageous one, especially as the fusion will enable both banks to meet more adequately the increased demands of trade consequent on a swollen labour bill and higher prices for raw materials. According to the last balance sheets, the deposits of the English, Scottish and Australian were eleven, and of the London nine, million pounds, approximately. Economies in administration are promised through the fusion, and fuller details will be forthcoming at the autumn general meeting of the English, Scottish shareholders.

AMERICAN COTTON CROPS.

(From Our Special Correspondent.)

New Orleans: August 5, 1920.

As shown by the Bureau report on last Monday, the condition of the cotton crop continued to improve during July. While the condition average of 74.1 was not quite as high as the trade had been led to expect from the character of the private estimates previously issued, nevertheless there was a distinct improvement in the condition recorded during the month, and the indicated yield of 12,500,000 bales was about a million bales in excess of the indicated yield given out for the preceding month by the Government Bureau.

Unless there is some decided setback to the crop during the present month, trade expectations in regard to the probable yield will centre on fourteen million bales, and, with a late fall, the yield might easily reach fifteen millions. In the opinion of some well-informed judges of the Texas crop, the yield in that State alone is likely to be in the neighbourhood of five million bales, which would be a bumper crop for Texas. Picking is already well under way in South-west Texas, where a good production is assured, and is beginning in Central Texas, which also has a good crop practically made. West Texas has been suffering somewhat from droughty conditions, but news was received in this market to-day of good rains all through that section. Except for the usual shedding and some scattered boll weevil damage, the Texas crop, as a whole, is making good progress to maturity. The Louisiana crop appears to have gone back rather sharply, owing to excessive rains and activity of insects. In Georgia and Alabama there are also some complaints of deterioration, but the crop in the Eastern Belt, as a whole, is very promising, although still one to two weeks late. During the past week rains in the Atlantics have been rather general, and should they continue another week heavy deterioration of a general character, due to shedding and boll weevil damage, would probably be reported. It is realised by the trade that we are now in the most critical period of

crop growth, and daily developments in the fields are being closely watched. In the belief that with another month of fairly favourable weather conditions a bountiful crop would be assured, there has been an inclination on the part of trade interests to defer purchases, in order to profit by the lower range of values that might obtain later on in the season.

Sentiment in the market, not only on account of the improving crop outlook, but also on account of the disturbed financial conditions in this country and the unfavourable aspect of the European political situation, has been arrayed against the market. The July position in this market went out Lame as a lamb by comparison with what happened to the shorts in that month in New York. This fact has encouraged heavy speculative and hedge selling of the October position, the premium on which was recently reduced to only forty points over December. Rather free offerings of new-crop cotton in Texas, with a declining basis, has encouraged the "bear" element in their attacks on the market. In fact, it might be said for the first time in many months there have been signs of a "bear" campaign being carried on, the objective point being 25 cents for October deliveries. Speculators, straddle and hedge interests have all combined their forces in hammering the near months, the premiums on which have been materially reduced. In the neighbourhood of 29 cents, however, the market has shown stubborn resistance to "bearish" efforts to depress prices still further.

As a result of the recent "bearish" activity in the market it has become oversold. This was quite apparent to-day, when rather alarming news regarding the probability of the Allies making war on the Bolsheviki was received from London. According to the cable despatches, both England and France were mobilising their armed forces for the purpose of assisting Poland to beat back the Russian hordes, which were said to be pressing on to Warsaw. In the face of such news as this the market actually scored a sharp advance during the day, which would have been out of the question almost if the market had not already been oversold. Liverpool was reported to be a large buyer of contracts both here and in New York, and the support from this quarter turned the tide of "bearish" sentiment, and the weaker short interests were forced to cover at an advance of nearly $3.50 per bale, the near months being especially strong.

The ominous silence which has prevailed in the ranks of the producers during the recent decline was broken this week by a circular issued by Col. W. B. Thompson, president of the Louisiana division of the American Cotton Association. In this circular Col. Thompson advocates that the cotton farmers of the South shall not harvest any grades below middling. Owing to the fact that there is practically no demand for low grades and that they are offering at tremendous discounts as compared with middling and the better grades, the view is expressed that low grades are not worth gathering. This kind of cotton forms the bulk of the carry-over of lint cotton, and is used as a weapon to beat down the value of good-grade cotton. Col. Thompson, therefore, argues with some force that the farmers of the South would be standing in their own light to pick such cotton, and urges that as soon as the good grades have been gathered to turn cattle in the fields. This plan, if backed up by the American Cotton Association, which is well organised in every cotton-growing state, would reduce the size of the crop by from two to three million bales. At any rate, it would appear that the Thompson plan offers an effective weapon to the cotton producers of the Belt to combat the "bear" speculators who are seeking to depress prices unduly. From the producers' point of view, cotton is now selling in the Futures market below the cost of production, but it is fairly safe to predict that spots will not be allowed to sink to such low levels without some concerted action on the part of the producing interests to offset the "bearish" propaganda now being carried on.

Secretary Hester, of the New Orleans Cotton Exchange, in his annual report places the size of the cotton crop for the past season of 1919-20 at 12,443,000 bales, as compared with 11,640,000 bales the previous season. The carry-over is given at 6,086,000 bales, a decrease of 758,000 as compared with last year; the consumption of Near Cotton for the season was 12,735,000 bales, an increase of 2,135,000 bales over that of last year.

CHARLES A. DAVEY.

BARCLAYS BANK, LIMITED, announce that they will open on Monday next, the 23rd inst., a branch at 167 Northdown Road, Cliftonville, Margate, under the management of Mr. C. V. Olive.

DOMINION BANK OF CANADA, LIMITED.—The usual dividend of three per cent. for the quarter ending September 30 has been declared, being at the rate of twelve per cent. per annum.

CANADIAN BANK OF COMMERCE.—At a meeting of the Board of Directors Sir John Aird was elected Vice-President and General Manager, and the Right Honourable Sir Thomas White, K.C.M.G., formerly Minister of Finance of the Dominion of Canada, was also elected a Vice-President of the Bank. Sir Alexander Mackenzie, K.B.E., of Rio de Janeiro, has joined the Board of Directors.

The directors of the Bengal-Nagpur Railway Company, Limited, notify the holders of Debenture bonds to bearer amounting to £448,900, and falling due on August 18, 1920, that with the sanction of the Secretary of State in Council of India, they are prepared to renew such Debentures at £98 5s. 0d. (1¼ per cent. discount), for a further period of two years, with interest at the rate of 6½ per cent. per annum provided the holders of the said Debentures have intimated their acceptance of the offer and sent their bonds to the Office of the Company, 132 Gresham House, Old Broad Street, E.C. 2, for endorsement before noon on Monday, August 16, 1920. A commission of 5s. per £100 will be allowed to bankers and other recognised agents.

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Head Office .. .. TAIPEH, FORMOSA.
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The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts General Banking & Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Readers will have noted with satisfaction the very appreciable contraction in the currency note circulation. It will be remembered that for some time towards the end of the half-year, and almost throughout the month of July, the steady expansion in the note circulation was causing considerable anxiety in the City. It meant that credit was being created at a somewhat alarming rate. But it is far easier to point that out than to show how the danger could be avoided or the remedy applied. We do not mean merely by newspaper criticism. But the banks themselves were exceedingly anxious, and rightly anxious, in the public interest to reduce these abnormal credits. But to refuse accommodation might, and probably would, do more harm than continuing to allow credit to expand. In the sequel the result has proved that the policy adopted was the right one.

It has to be remembered that, while the word "inflation" has been used very loosely in this connection, there is really nothing in the nature of inflation in a criminal or immoral sense, as has so often been the case in this and in other countries in the past. All that really happens, and has happened since the War, has been that the Treasury, on the demand of bankers to enable them to meet the requirements of their actual depositors, has issued fresh supplies of Treasury notes. There has been no attempt—quite the contrary—on the part of the Government to force Treasury notes into circulation. As far as the Government can be said to have acted in the matter at all, it has endeavoured to restrict the issue. Where the Government has been so wrong is in its expenditure; but this expenditure, again, has been authorised by Parliament. And when we say that the Government is wrong in its expenditure, it is the policy pursued by the Government and sanctioned by Parliament that we are criticising. No one who is really acquainted with the facts suggests that the Treasury could do other than it has done in the issue of notes on the legitimate demand of bankers in supplying currency to which they are entitled to their depositors. To refuse might, and possibly would, bring on a very serious crisis, and it would certainly gravely interfere with the reasonable conduct of trade.

The fact that Government expenditure is excessive is so generally admitted by the Prime Minister, by the Chancellor of the Exchequer, and by nearly every prominent politician of repute, that it is merely pushing an open door to urge the point. The difficulty really occurs when it is sought to direct attention to any specific act of extravagance. Nobody wants his particular Department to be cut down. Until, however, someone arises who is sufficiently determined to cut down not merely one Department, but a whole host of Departments, economy, which is essential to our well-being at the present time, will not be thoroughly established. Meanwhile, it is of interest to note, as said above, the large proportion of Treasury notes which have come in from the circulation. It would appear that the public themselves are becoming at last seriously alarmed at the extravagant cost of nearly every commodity we are asked to buy. An eminent authority has just stated that the cost of building a ship at the present time in Great Britain is more than three times what it was before the War. The reader is only too painfully aware that he is paying three or four times the price for his boots and his clothes and his food, and almost everything he himself or members of his household consume daily; and it would appear that this fact is at last coming home to the ordinary public to such an extent that they are reducing their expenditure.

SOUTH AND CENTRAL AMERICA.

TRANSPORTATION FACILITIES.

An able writer, still happily with us, discussing some years ago the transportation facilities of the continent of South America, with special reference to railways, with one of which the writer had been for many years intimately connected, said with perfect truth that the configuration of the continent, and, indeed, of any country which it was proposed to open up by means of railways, determines the kind of system which it is possible to adopt, and largely determines the rapidity with which that system could be adopted. This is true of South America in a sense that it is hardly true of other continents and of other countries. It is, of course, true of all countries, as the writer we have referred to pointed out many years ago. It must necessarily be true of any country, because the natural configuration will determine the potentialities of rapidly opening up a system, or will make it so difficult that the opening up can only be very gradual, more particularly if it is sought to open up any particular area upon a sound economic basis. There are times when it may be desirable to open up any given country upon a basis which, for the moment, will not bear economic examination. Speaking generally, however, we feel very confident we are right in saying that any proposed opening up of a country should always rest upon a sound economic basis. We think we should be right in saying that not even a Government, or any other authority which did not necessarily work for profit, would be justified in building a railway system which all its competent advisers declared never could pay, and never would be of real economic value. There may be exceptions to such a statement; but we are inclined to think that the proposition is a sound one—that no scheme for opening up a country should be undertaken which, in the opinion of the best authorities living at the time, has no sound economic basis. We are inclined to think that such a railway, or such a system, is necessarily doomed to failure, and is exhausting the resources of the country or institution which undertakes it out of all proportion to any advantages which may be derived from the particular system opened up.

We said above that the configuration of South America militates against the opening up of the continent by means of railways to an extent that is not true, for example, of Europe; is not true of a very large part of Asia, although in certain parts of Asia it is true; is not true of Africa; and, of course, is not true of the greater part of North America. The continent of South America is peculiar in its formation. The whole of the west coast, from Colombia right down to the Straits of Magellan, is intersected by the Andean chain of mountains, and is intersected by these mountains at only a very short distance from the coast. Any railway, therefore, purporting to penetrate into the interior must necessarily cross this chain of mountains. Very many of the railways on the west coast were specifically

built for the purpose of working mineral deposits at different elevations in the Andes; and, consequently, those railways were specially built for the purpose of crossing those high altitudes. Necessarily, therefore, the results obtained have been disappointing in a very large number of instances. Even where Government assistance has been given in the building of many of these railways, they have been a strain upon the resources of the Republic rather than a benefit, in the sense that they were expected to rapidly develop the country and assist rather than act as a burden upon the taxpayers. This was due to the fact that those who projected the lines did not properly consider the cost. In other words, they either went too far or they did not go far enough. To build a railway from a west coast port right into the interior, unless, as in the case of the nitrate fields, there was some specific object almost certain to be profitable to be aimed at, was certain to prove an unduly costly enterprise, bearing in mind the difficulty of the country which it was proposed to cross. Unless it was practicable to penetrate so far into the interior that the railway would be ensured a large, varied, and diversified form of traffic, which is not the case of any one of the west coast railways as they have been constructed, and as, in fact, they are operated at the present time, it was bound to lead to a measure of disappointment. The only country in South America where railway building has been more or less successful from the outset is the Argentine Republic, and there the configuration of the land is such that, perhaps, nowhere in the world is it easier to project and carry out railway enterprise. The railways nearly all radiate from the city of Buenos Ayres, which, itself only about 100 feet above sea-level. Going south the land rises, and going west the land rises still more. But even 900 miles inland the elevation is only about 2,000 feet, and consequently there is a long spell between Buenos Ayres and, say, the neighbourhood of Mendoza, before the railway has attained any considerable altitude.

The east coast is, of course, the most difficult proposition which the railway engineer has had to undertake in South America. But it is a curious thing that the east coast is equally impeded over the greater part of its extent, and particularly those regions which are assigned as having the most promising prospect of traffic, by what is called the Atlantic Coast range. It is nothing like so high as the Andes, but it is sufficiently high, sufficiently steep, and sufficiently difficult to negotiate to make railway building even on the Atlantic coast an exceedingly costly proposition. Take, for example, the lines that serve the coffee districts of Sao Paulo, in Brazil. Almost immediately after leaving Santos the railway is expected to negotiate a gradient exceeding 2,000 feet. In other words, it has got to mount an elevation within a few miles of the coast that a railway in Argentina is not expected to do in less than about a thousand miles. Consequently, the cost of construction of those coffee-carrying lines was from the very outset extravagant. Those who are acquainted with the working of the lifts between the upper and lower town at Folkestone will have very little appreciation of the conditions under which railways are operated over the greater length, not merely of the west coast, but of the east coast as well, of South America. If one pictures what it would mean to work those lifts with heavy mineral traffic, coming often spasmodically, one will realise the enormous cost incurred, and the extreme difficulty of making such railways pay. The real solution is, of course, to develop the railways into transcontinental lines and create a great system which would also connect the continent from north to south. This solution is, of course, quite easy in some cases on paper. It is practically right. Nobody knows to dispute it, and nobody is ever likely to dispute it. It is the aim of nearly all the great companies and nearly all the States to the present the population of South America has been so small and the difficulties of opening up the potentially richest area of the continent have been so great that in practice, although the solution is simple in theory, both Governments and companies have so far shrunk from taking the responsibility of incurring the cost. The railways are never likely to be a brilliant success until some such policy is adopted. This, of course, is admitted, both by practical men and by theorists. But it is not unnatural that, as we have said hitherto, those responsible have been shy of incurring the expense. It has to be remembered that if we take the two great continents of North and South America they are, speaking broadly, the most fertile part of the globe which still remains practically wholly unoccupied. You have in these two great continents an area practically the whole of which is more or less fertile. You have, therefore, in this vast area, the greater part of which, as we have said, is very fertile, an extent of land equal roughly to four times the size of Europe. And you have a total population between one-fourth and one-fifth that of the population of Europe. If one bears this fact in mind it is more remarkable what the North Americans and the South Americans have accomplished than the large amount of enterprise which they have failed to attempt. In North and South America combined the total population, according to the last census available for the several States, is under 180 million inhabitants, and, as we have already said, the area is roughly four times that of Europe. It is, moreover, at least as fertile as Europe is. It is far more difficult, speaking generally, to open up by means of railways, particularly South America, than any part of Europe. There are no tunnels in Europe as long as would be necessary to penetrate the mountains of South America; and it is evident that those tunnels cannot be constructed until such time as it is practicable to open up the whole continent by means of transcontinental railways and by railways bisecting that continent north and south. As we have explained over and over again, and have not space to enter into again to-day, the richest part of the continent of South America is the great northern territories, which constitute some seventy-five per cent. of the whole of the continent. Until within the present century these areas were liable to two terrible diseases. Happily, the means of freeing the country from these diseases are now known; but, in spite of this, it will take some time before it is possible to [illegible] the knowledge which science has placed at our disposal.

THE MINT, BIRMINGHAM.—An interim dividend at the rate of six per cent. per annum, less income tax, has been declared on the Preference shares for the six months ending September 30 next.

BARCLAYS BANK LIMITED announce that they will open on Monday next, the 23rd inst., a branch at Wyre Dock, Fleetwood, under the management of Mr. J. E. C. Taylor.

THE NATIONAL MORTGAGE AND AGENCY COMPANY OF NEW ZEALAND, LIMITED.—At the general meeting of this Company held on July 29, 1914, the capital was increased to £1,500,000 by the creation of 25,000 Six per cent. Preference shares of £1 each and 25,000 new Ordinary shares of £10 each. The [illegible] upon a resolution passed at a general meeting held on April last the directors propose to offer to the shareholders the above-mentioned new Ordinary shares at the rate of £2 for [illegible] as nearly as may be to the proportion which the new Ordinary shares held by them respectively; but so that no fractions of shares will be issued it is proposed that £2 shall be paid up in respect of each Ordinary share, together with the premium of £8 thereon, and that the balance of £8 per share shall be called [illegible] uncalled on the existing shares.

American Topics.

CANADIAN RAILWAY DEFICIT.

It will be remembered that the American railways, as a result mainly of the period of Federal control, showed that there was so heavy a deficit upon the working of the system that the Interstate Commerce Commission ultimately agreed to an increase in freights and passenger charges amounting in the aggregate to the equivalent of about £160,000,000 each year. Working costs on the Canadian railways have increased to a corresponding extent with those of the United States. There has been an increase in the wages paid to the operatives on the Canadian railways, as there had also been in the United States. In addition, the cost of practically every article consumed on the various systems has advanced, and advanced very materially. It is now officially admitted that there is an actual deficit on working the Canadian railways amounting to something between £12,000,000 and £14,000,000, and a prospective deficit that will very greatly exceed this sum. It seems reasonably certain, according to cable advices from Ottawa, that the Canadian Government has recognised that it will be necessary to increase freights and fares on the various lines to produce a sum of not less than £20,000,000 each year, or, failing this, that an equivalent amount be found out of the taxes, but it seems probable that the former course will be adopted.

When we have increased our own rates and fares to the extent that we have done, when we see the railway systems all over the world advancing goods rates and advancing passenger charges, it is idle to criticise any single system because it finds itself involved in difficulties due to causes which are more or less world-wide. Canada in advancing hers by some £20,000,000, or perhaps £30,000,000, is doing no more than what is being done in every other country of the world. All the same, it is very far from being a satisfactory sign, and particularly in the newer countries of the world. It was not thus that the newer countries of the world were built up. It was because they were able to work so cheaply that they were afforded the means of developing transportation facilities from ocean to ocean. In return they supplied on a relatively low economic basis the congested countries of Europe with ample supplies of food and of raw materials. Two generations ago the United States was a sparsely peopled country with settlements only on the Atlantic seaboard. England at that time was urgently in need of supplies of food and raw material to feed the large population on this island, and to feed the industries upon which that population had to employ its energies if it was to find means of subsistence. The investing classes here, therefore, found the means whereby the railroad system of the United States was constructed in the early days. In return, and in payment of the interest upon the loans expended in constructing the various systems, the United States poured into Europe, and primarily into England, immense supplies of wheat, of cattle, of various foods, of cotton, and tobacco.

In the sequel we obtained enormous supplies of food and raw materials primarily for our own consumption and, secondly, at a price which enabled us to supply the markets of the world with enormous quantities of manufactured goods on a relatively low economic basis. Canada is a very young country from the point of view of its economic development. It is actually larger in area than its great southern neighbour, the United States, while its total population, according to the figures of the last Census, now nearly ten years old, is only a little in excess of that of Greater London. It is evident that a country so situated must for a long time to come depend mainly for its economic well-being upon the production of primary articles of consumption, that is, food and raw materials, and it must produce these greatly in excess of its own home requirements. Canada, or indeed any new country—we might perhaps say any country new or old—which attempted to be entirely self-contained would find it very difficult to maintain its existing population. We in this country, for example, would have no prospect of surviving in our present form if we attempted to be entirely self-contained. This is equally true in a different sense of each of our colonies and of nearly every other State. It is true of South America, it is true of the United States, although not quite in the sense that it was true of that country twenty years ago. It is true even of China, and those who know China in the imperfect sense which it is possible for Europeans to know China will appreciate to what extent it is true.

Now it is desirable that the world should improve its standard of living, but that improvement is conditional upon the state of economic development to which the world has attained. It had been a puzzle to students throughout the nineteenth century how the great civilisations of the past utterly disappeared, leaving practically no trace. Our ignorance was due to lack of experience of how these things actually come about. During the progress of the late European War an illuminating flood of light was thrown on the subject which had not been available to students during the preceding century. We saw what we call the civilised world reduced from comparative plenty to comparative poverty, and we saw what we may call for convenience the plant of civilisation completely break down. It was largely, no doubt, due, or partly due, to the ill-advised policy pursued by various countries; but that may have been true of the remote as well as the recent past.

No real advance is made by extravagantly increasing the cost of production, as that cost has increased, say, during the past six or eight years. If the newer countries of the world have to continuously increase their cost of transport, can they hope to find a market for their products? It may be replied that they have done so in the recent past; but they have done so because Governments have spent nearly all the accumulated savings available, in addition to mortgaging the revenue they hope to obtain in the future. In the nature of the case this cannot go on indefinitely. Either excessive expenditure must cease or eventual national bankruptcy ensue. In a sense it is already righting itself.

We are now informed on excellent authority that it costs something over three times as much to build a ship in Great Britain to-day as it did in 1913. Meanwhile freights are gradually falling, until they are closely approximating a pre-War figure. It follows that either costs of production must fall or shipbuilding receive a serious set-back in this island. It seems clear that if the cost of land transport is steadily to go on increasing by leaps and bounds, we can only expect a serious set-back in the international trade of the world in the not distant future.

The National Mutual Life Association of Australasia, Limited.—The sixteenth triennial valuation of the affairs of this Association as at September 30 last has been completed. The result is most satisfactory in view of the fact that the claims by death amounted to £1,581,108, or £552,202 more than the amount paid in the last triennium. War claims amounted to £445,332, and claims arising through the influenza epidemic amounted to £232,458. The total of these two amounts was equal to forty-two per cent. of the total claims, and the normal claims only amounted to £9,000 more than those for the period 1913-16. The valuation showed a surplus of £789,487, and as ample provision had been made for all contingencies, the directors decided that this amount should be distributed as a bonus amongst the members. It will provide reversionary bonuses amounting to £1,450,000.

ESTABLISHED 1887.

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Rubber Topics.

The Rubber market continued to exhibit a declining tendency throughout the week, manifesting a slight improvement as compared with last week, and the quantity of business was exceedingly restricted. A change for the better in the Commodity market was recorded at the beginning of the week, the improvement continuing on Tuesday, but a setback ensued on Wednesday, and an easier tone was manifest at the close of the week. There were few sympathetic movements in the Share markets, however. Anglo-Dutch showed activity on Monday in connection with the proposed issue of bonus shares, but drooped slightly at the close. A moderate business was passing in Rubber Trust shares, but the price remained unaltered. Anglo-Malay, Linggis and Lobo (F.M.S.) Rubber showed some activity, whilst among Java companies there was a fair demand, chiefly for Biting Rubber Estates on the announcement of the discovery of oil on the property. This unlooked-for development received more attention than would usually have fallen to it, standing out as it did in an otherwise featureless market.

ANNUAL REPORTS ANALYSED.

ANGLO-MALAY RUBBER COMPANY.

The report of this well known rubber Company for the year ended December 31, 1919, is of particular interest in view of the recent reconstruction. The accounts furnished by the liquidator show that, with the disappearance of the compulsory restriction on output, the crop harvested compared very favourably with that of the last normal year. With a total of 1,662,991 lb., it exceeds the restricted crop of 1918 by over 270,000 lb., whilst falling short of the crop of 1917 by nearly 60,000 lb. The gross price realised by the sale of the crop increased from 1s. 6*d.* per lb. to over 2*s.* 1*d.* per lb. Side by side with this improvement came the expected reduction in the cost of production rendered possible by the increase in the crop. The f.o.b. cost fell from 10.25*d.* per lb. to 9.21*d.* per lb., whilst a more satisfactory decline was recorded in the "all-in" cost, which was more than 2½*d.* per lb. less at 11½*d.* per lb. Thus a profit per lb. of 1*s.* 1½*d.* was secured, as compared with 8.6*d.* per lb. only for 1918. Consequently, a net profit of £98,010 was brought to place to £55,655 in the previous year. After writing off as usual capital expenditure incurred during the year to the extent of £2,585, setting aside £1,723 to provide for replanting expenditure, and £1,708 to set-off against the depreciation in investments, the total paid in dividends to Ordinary shareholders amounted to £90,000, as compared with £67,500 in 1918. Thus a dividend of 60% was received, as against 45%. There is carried forward to the next accounts a balance of £32,355 in contrast with £30,307 brought forward in 1918. How these results compare with those of previous years can be seen in the following table:—

	1919	1918	1917	1916	1915
	Acres	Acres	Acres	Acres	Acres
Planted area ...	4,170	4,170	4,165	4,439	4,439
Uncultivated area ...	2,058	2,058	2,114	2,128	5,214
Average area tapped ...	—	—	2,051	3,589	3,210
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output ...	1,662,991	1,386,264	1,720,247	1,762,430	1,543,697
Yield per acre ...	—	—	839	491	480
Gross proceeds ...	341	134	294	146	295
Working expenses ...	114	112	108	114	111
Profit per lb. ...	1·3	0·10	1·19	0·4	1/6·4
	£	£	£	£	£
Working profit ...	177,500	129,551	196,787	211,619	184,524
Total expenditure ...	79,350	89,251	85,295	76,926	66,446
Net rubber profit ...	98,150	40,300	111,492	134,693	118,478
Sundry receipts ...	1,250	1,250	5,673	5,176	2,646
Interest, discount, &c. ...	1,100	30,141	30,491*	24,512	9,543
Total available ...	100,500	112,136	160,858	164,381	130,667
Appropriated—					
Capital expenditure written off ...	1,723	1,723	6,565	5,865	16,155
Placed to reserve ...	—	—	—	—	—
Dividends paid ...	90,000	67,500	67,500	127,500	90,000
Carry forward ...	32,355	30,307	56,973	31,016	24,512
	124,078	112,136	160,838	164,381	130,667
Net capital employed ...	Nil†	Nil†	Nil†	—	Nil†
Issued ordinary capital ...	150,000	150,000	150,000	150,000	150,000
Shareholders' funds ...	182,355	180,307	206,973	181,016	174,512

* After providing donations to war funds.
† Capital expenditure written off out of revenue or income and £1,723 for replanting expenditure.

Present Price of £1 Shares, 40/6. Market Capitalisation per planted acre, £170.

As will be remembered, this Company decided in March to participate in the movement then prevalent of reorganising the capital. According to the circular issued to shareholders, the intention was to increase the authorised capital from £150,000 to £375,000, and the issued capital from £150,000 to £375,000. It was pointed out how, whilst the fixed assets were entered in the balance sheet at a value of £150,000, capital expenditure had been written off to a total of £189,556 up to December 31, 1918. Thus the estate was worth a minimum of £339,556. To redress this discrepancy between the book value and the real value, the Company went into voluntary liquidation and was reconstructed on the capital basis mentioned above. The scheme differed from most contemporary reorganisations in one respect, for it involved a considerable increase in the nominal value of the shares. The old shareholders received one share of £1 in the new Company for every four shares of 2*s.* held in the parent Company. In some quarters this change met with a certain degree of opposition, as it was asserted that the £1 share was by no means so readily marketable as the old 2*s.* share. However, the argument did not influence the majority of the shareholders, and the scheme was approved. Its effect is to transform an issued capital of £150,000 in shares of 2*s.* into an issued capital of £375,000 in £1 shares. In estimating the outlook for the current year it is advisable to bear this alteration in mind. Furthermore, the effect of a 60% excess profits duty and the corporation tax must also be taken into account, although it is none the less true that this Company, with its comparatively high datum line, will not be mulcted so severely from the former tax as some of the younger companies. No estimate is furnished of the anticipated crop for 1920, but the crop harvested for the first six months of the year amounts to 716,999 lb., as compared with 766,558 lb. for the corresponding period of 1919. Indications would, therefore, point to a crop in the neighbourhood of 1,600,000 lb., unless recent wet weather has interfered with the tapping recently advocated by the Rubber Growers' Association. The financial position of the Company, as seen in the balance sheet at the end of 1919, is very strong. Including the final dividend of £67,500, liabilities do not exceed £130,379, whereas the total of liquid assets is over £173,000. In other words, £43 stands to the credit of the Company for every £100 of its liabilities. Taking the whole circumstances into consideration a dividend of 50% appears to be reasonable for the current year. On this basis the shares afford at the above prices a yield of nearly 7%.

CHERAS (F.M.S.).

Issued Capital: £65,000 in £1 Shares.

Results for Years to December 31										
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	1,227		181,915		2/5½	1/5·1	9,231	7,500	15
1917	1,227	800*	285,061	356*	2/6	1/4·4	16,278	8,750	17½
1918	1,297		253,958		2/1·7	1/2·9	11,453	7,500	15
1919	1,405	1,031	365,823	354	2/2	1/2·1	18,569	13,750	27½

* Estimated.

Price of Shares, 46 3. Market Capitalisation per planted acre, £1 0 8.

A very satisfactory report is presented by this well-known rubber Company for the year ended December 31, 1919. Freed from the restriction in output that resulted in the comparatively small crop of 1918, there was harvested a crop of 365,823 lb., which, with 1,031 acres in bearing, represented an average of 354 lb. per bearing acre. Whilst comparing favourably with the 1918 crop of 253,958 lb., the 1919 crop yet fell short of the estimate by over 24,000 lb. However, despite the rise in the price of stores and of labour, the efficient management of the estate secured this crop at an estate cost of 9.87*d.* per lb., as against 10.56*d.* per lb. in 1918, and 11.11*d.* per lb. in 1917. No less satisfactory was the reduction in the f.o.b. cost, including depreciation, which fell from 11.19*d.* per lb. in 1918 to 10.41*d.* per lb. in the year under review. Similarly the "all-in" cost of 1*s.* 2.1*d.* per lb. represents a reduction of 0.8*d.* per lb. on the 1918 cost. Meanwhile the gross price secured by the sale of the crop improved slightly from 2*s.* 1.7*d.* per lb. to 2*s.* 2*d.* per lb. Consequently, with a net profit exceeding 1*s.* per lb. there was obtained a net profit of £18,569, in contrast with £11,453 in 1918. Shareholders participated fully in the prosperity of the year, securing in dividends £13,750, as compared with £7,500 in 1918 and £8,750 for 1917. Thus, in place of fifteen per cent. in 1918 and seventeen and a-half per cent. in 1917, a rate of twenty-seven and a-half per cent. was paid for the year under review. But the reward of the shareholders did not end here. Before the general meeting it was agreed to increase the authorised capital from £50,000 to £100,000, and to issue to existing shareholders 10,000 shares at par in the ratio of one share for every five shares held. Taking the market value as low as 60*s.*—and the shares were quoted at 75*s.* early in March—this offer at par was a generous concession, which was promptly accepted by the shareholders. Added to this came the bonus issue of 5,000 shares, every shareholder receiving one fully-paid share for every ten shares held. Again, working on a market value of 60*s.*, this was equivalent to a distribution of 6*s.* per share, whilst the right to purchase at par one share in five could be valued at 8*s.* Thus shareholders received, in addition to the cash distribution of twenty-seven and a-half per cent., a share bonus and rights valued conservatively at seventy per cent. The bonus shares were issued to redress the discrepancy between the capital account and the estate account, the latter standing at £54,448 and the former at £50,000. Funds to finance the transaction were derived from the development reserve of £4,500, and the balance of £500 from the amount carried forward, which is reduced in consequence to £1,622.

The outlook of this Company for the current year is definitely bound up with the problem of taxation. Being a young producer with no pre-War datum line, it is dependent upon a percentage basis in connection with the excess profits duty. Its liability for 1917 and 1918 amounted to £7,559; whilst it has set aside £4,666 in respect of its liability for 1919. Thus, within three years it has been mulcted of a sum representing practically twenty-five per cent. of its paid-up capital at the end of 1919. Consequently, the additional burden involved by the increase to sixty per cent. for the current year in conjunction with the corporation tax presses very unfairly upon the finances of the Company. Taxation, such as the excess profits duty, which penalises efficient administration and fails to make equitable allowance for radical differences in different industries may be productive of revenue; but the tax nevertheless tends to defeat its own end, for if prolonged it will assuredly kill the goose that lays the golden eggs. In this instance any reduction in cost of production, the outcome of capable management, and any improvement in the price realised by the sale of the crop again due to the enterprise of those controlling the destinies of the Company are going in part to swell what the Chancellor is pleased to designate excess profits. In the absence of this burden the outlook was very bright. Forward sales had been arranged covering 280,000 lb. of the 1920 crop at 2*s.* 1.7*d.* per lb.; whilst contracts for the 1921 crop covered 240,000 lb. at 2*s.* 1.31*d.* per lb. There was estimated for the current year a crop of 420,000 lb., but the returns for the first six months only reach 171,000 lb. It would be interesting to discover to what extent the deficiency is attributable to climatic conditions or to the adoption in advance of the policy of alternate daily tapping recently advocated so cogently by the Rubber Growers' Association. Financially, the position of the Company as seen in its balance sheet dated December 31, 1919, is very strong. Liabilities, including the final dividend on the Ordinary shares, bills payable, and provision for income tax, do not exceed £17,431; whereas liquid assets are available to a total of £27,910. Bearing in mind the possibility of a crop not exceeding that of 1919, the burden of taxation, and the fact that the capital ranking for dividend in the current year amounts to £65,000, as contrasted with £50,000 in 1919, we do not consider it advisable to count upon a larger dividend than fifteen per cent. In the market the £1 shares are quoted at 46*s.* 3*d.*, and assuming a dividend of fifteen per cent., afford at this price a yield of six and a-half per cent. For those, however, who are wise enough to take the long view—to visualise the period when the estate will have attained full maturity and will be freed from the incubus of taxation that at present weighs it down—these shares are a rather attractive investment.

Net sales of the United States Rubber Company for the six months from January 1 to June 30, 1920, were $129,588,986, an increase of $30,099,615 over the corresponding period of 1919; and the net income, after deducting all interest charges and after allowing for depreciation and Federal taxes, was $13,690,924, an increase of $3,059,490 over the corresponding period of 1919.

The Secretary of the Stock Exchange announces that, in accordance with Section 36 of the Finance Act, 1920, the stamp duty on securities deliverable by deed of transfer will be increased to one per cent. on September 1 next. The Committee call the attention of members to the fact that payment of the increased stamp duty will be enforced in the case of all transfer deeds dated on and after September 1, and suggest that the delivery of outstanding securities should be expedited.

Waste Heat and Gas Electrical Generating Stations, Ltd.—An interim dividend has been declared of two and a-half per cent. in respect of the half-year ended with July last, and will be paid, less income tax, on the 31st inst., to shareholders registered at August 21, 1920.

Threlfall's Brewery Company, Limited.—At an extraordinary general meeting of the Company held on Wednesday the resolutions passed at the meeting held July 28 increasing the capital of the Company to £2,000,000 were unanimously confirmed. It is proposed to issue 250,000 shares free, and to offer 500,000 shares at 25*s.* per share to the present shareholders

NORWICH UNION
LIFE INSURANCE SOCIETY.
Combination of
AGE, MAGNITUDE, RESERVE BASIS,
and PROFIT-EARNING CAPACITY
THE STRONGEST IN THE WORLD.
Perusal of Latest Prospectus makes that fact very clear.
Write or telephone to Head Office, Norwich,
or to any Branch or Agency.

Insurance Notes.

TWO PROPOSED AMALGAMATIONS.

There had been a lull for some time in the amalgamation movement so far as insurance companies are concerned; but that this was a temporary condition is evidenced by two recent announcements coming forward somewhat unexpectedly during the holiday season. That such a period of the year should have been chosen for such purposes appears to us rather unfortunate, for a large proportion, and possibly even a majority, of persons affected thereby cannot have been in the best position, while at a distance from the scene of their usual activities, to consider the "pros" and "cons" of the proposals submitted to them.

Both of the proposed amalgamations relate to the purchase of the shares of companies whose operations are practically limited to the transaction of life assurance business, by institutions of another character, which have hitherto been interested mainly in fire and accident insurance. The number of purely life assurance companies of the proprietary type is steadily diminishing, and it now appears to be certain that there will be but few ultimate survivors of this class. The main reason no doubt is that under the conditions following the War it has become increasingly difficult for a purely life company to return an adequate profit to its shareholders. Life companies have been more heavily hit by depreciation in the value of the first-class securities than those largely operating in the commercial sections of insurance, owing to the much higher proportion of their premiums which, owing to the necessities of this department, it is necessary to hold in reserve for the payment of the claims. A fire or accident risk is a temporary contract, renewed at the option of the company from year to year, so that the liability thereunder speedily runs off; but a life assurance contract lasts for many years at the option of the assured person, and for every year of its duration the reserve held against its fruition must be increased by substantially the whole of the premium paid, less the proportion absorbed in expenses. Another difference, so far as the proprietors are concerned, is that while shareholders as a rule are entitled to the whole of the profits in other kinds of insurance, they are only, as it were, subordinate partners in the life insurance section. This position is forced upon them owing both to the nature of life assurance business and to the competition of mutual life offices, in which the whole of the profits go to the participating members. At one time in a good many life assurance companies the proprietors got as much as one-fifth of the profits derived from the business; but that has generally been found too high a proportion for the production of satisfactory business to participating policyholders, and the usual proportion now runs from about one-tenth to about one-twentieth. In addition, the shareholders in purely life offices are usually entitled to interest on their own funds, but these are proportionately but of small account. The effect of depreciation in securities, of increased taxation, and of increased mortality arising from a large proportion of life policyholders having been subjected to military hazards, has been so serious that the majority of life offices have found it impossible to distribute any surplus profit since 1914. With the exception of war mortality these adverse conditions still continue, so that the immediate outlook as regards profits cannot be considered as generally favourable. Moreover, the increase in expenses of working owing to the necessary enhanced cost of [illegible] appliances is another disturbing feature; and it is more difficult for a purely life office to contend with this than an office operating in the other insurance sections, for it is practicable in the latter case to put up the premium rates to such an extent as is necessary to maintain the volume of profit. It is not therefore surprising that shareholders in purely life offices should be inclined to sell their holdings to other institutions who are willing to pay a tempting price for the acquisition of connections which may increase their influence in the development of their commercial sections. This being the case the purchase of shares of purely life companies by other institutions becomes practically a domestic concern, and the main question for the shareholders to consider is whether the price offered is the best obtainable. Short particulars are given hereunder of the proposed amalgamations referred to.

CLERICAL, MEDICAL AND GENERAL AND EMPLOYERS' LIABILITY ASSURANCE COMPANIES.

The Employers' Liability Assurance Corporation offers to purchase the shares of the Clerical, Medical and General Life Assurance Company as from January 1, 1921, by giving in exchange therefor seven of their own shares for each Clerical, Medical and General share, subject to the acceptance of this offer by seventy per cent. (or such less number as the Employers' Liability Corporation may decide) by the end of September. Both companies are first-class of their kind. The dividend on the Clerical, Medical and General shares payable during the present quinquennium, which expires on June 30, 1920, is 19*s.* per share free of tax. The directors of that Company report in a very frank circular to their shareholders that the results of the current quinquennium can at the best only be expected to maintain the existing dividend for the ensuing five years up to 1926. On the other hand, the present scale of dividend paid by the Employers' Liability Corporation is 4*s.* per share, free of tax, and the allotment of seven shares therefore represents a dividend of 28*s.*, free of tax. The dividends in the Employers' Liability Corporation have hitherto been distributed on a very conservative basis, having been entirely provided out of interest earnings, without encroachment upon trading profits, which have been utilised in augmentation of reserves or in other strengthening ways. The Clerical, Medical and General directors state that they have received satisfactory assurances that this rate of dividend is likely to be maintained, "and, indeed, may be reasonably expected to show some increase in the not distant future." The exchange of shares seems attractive, therefore, to the Clerical, Medical and General proprietary. A final dividend of 9*s.* 6*d.*, free of tax, in respect of the half-year ended December 31, 1920, will be made to Clerical, Medical and General shareholders. The Employers' Liability Corporation has for a long time past transacted fire and accident business with success, and recently entered the marine insurance field through the acquisition of the Merchants' Marine Insurance Company. Should this amalgamation be completed it will be engaged in all [illegible] [illegible] [illegible]

co-operation and goodwill of all parties in promoting the success of the combined offices."

SCOTTISH TEMPERANCE AND BRITISH GENERAL INSURANCE COMPANIES.

The British General Insurance Company proposes to purchase the shares of the Scottish Temperance Life Assurance Company, giving one British General share and a cash payment of 10s. in exchange for each Scottish Temperance share, subject to a "sufficient number of acceptances" being received within fourteen days of the issue of a circular to Scottish Temperance shareholders by the Manager of that Company. As this circular was dated August 13, the time for acceptance expires on August 27, which gives but a short time for reflection to holiday-makers. However, the Scottish Temperance directors, who are entitled to a considerable amount of confidence from their shareholders owing to the success with which they have conducted the affairs of the Company, state that they have decided for themselves to accept the offer in respect of their individual holdings, and they recommend a similar course to their co-proprietors. Otherwise the terms imposed might be thought hardly sufficiently tempting. The present Scottish Temperance dividend is 6*d*. per Scottish Temperance share, but including the bonuses it was higher in the past, and after the next quinquennium might fairly be expected to improve. The anticipated British General dividend is stated, in the circular referred to, to be 1s. per share, and the investment of the cash sum of 10s. should produce another 6*d*. per share, whilst it is stated that "further increases may from time to time be reasonably expected" in the British General dividend. The market price of British General shares at the time of the announcement was about the same as that of Scottish Temperance shares—viz., from 25s. to 27s. 6*d*. per share. It may, however, be stated that, probably in anticipation of market value to a purchasing Company, Scottish Temperance shares have frequently approached 40s. per share in quotations during the past twelve months. If the deal goes through it must be admitted that the British General Company will have made an excellent bargain. The Scottish Temperance Company has a splendid connection and a most flourishing and increasing business. Prior to the announcement of these proposals one might have thought that its directors could have obtained better terms for their shareholders from one of the older and larger companies. The British General Company, which was founded in 1904, has, however, notwithstanding its comparative youth, been very successfully conducted, and its dividends have hitherto been provided out of interest earnings. If the fusion goes through the life department of both Companies will in future be transacted by the Scottish Temperance and all other departments by the British General.

The Standard Bank of South Africa, Limited, announce the conversion of their Moschi Agency (Tanganyika Territory) into a full branch.

The Royal Mail Steam Packet Company announce that the s.s. *Quillota* will be despatched from London about August 25 for Guayaquil to load for New York, and they have arranged, in order to accommodate returning West Indian passengers, that the steamer shall call at Barbados and Trinidad on passage to Ecuador.

The new Canada-West Indies Trade Agreement provides for an increase in the preference from twenty to fifty per cent. in the case of British Guiana, Barbados, and Trinidad, thirty-three and one-third per cent. in the case of the Windward Islands, the Leeward Islands, and British Honduras, twenty-five per cent. in the case of Jamaica and Bermuda, and ten per cent. in the case of Bahamas. Weekly and fortnightly mail, passenger and freight services are to be provided by the Canadian Government Merchant Marine, which marks the first departure of this State enterprise into the passenger business.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
St. Swithin's House, St. Swithin's Lane, London, E.C.4.
Manager: J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windeatt.

Commercial.

ECONOMIC POLAND.

While Poland is in the throes of her terrible struggle with Russia it may be of interest to those who are not well acquainted with Poland to give a brief statement of the economic conditions prevailing in that country.

Poland, as she has been reconstituted under the Treaty of Versailles, should be in area very nearly of the extent of the island of Great Britain. Her total population will amount to something between 17,000,000 and 20,000,000 people, or, say, roughly about half the population of Great Britain. Writing at the present time, when her position is menaced by the Russian armies, it may be unnecessary to add that Poland's economic potentialities in the future will depend mainly upon the ultimate arrangement which she is able to arrive at with Russia. The Allies in a sense have pledged themselves not to conclude any peace with Russia until that country acknowledges the independence of Poland. In what sense, however, that pledge will be interpreted of course remains to be seen. It is clear, on the one hand, that after the experiences of the recent War none of the Allied Governments are in a position, even if they desired to do so, to send an army to assist Poland in her struggles. Whether it is possible to afford her any material assistance by means other than that of sending an armed force is exceedingly doubtful. On the other hand, it is equally evident that Russia herself cannot remain indefinitely in the condition which she is in at present.

As far as we know anything of the conditions actually prevailing in Russia, that country is in a state of almost complete anarchy so far as her internal political and economic conditions are concerned. Certain it is that while the blockade is maintained she is completely isolated from the rest of the world. She cannot export what materials she may have, neither can she import goods from other countries, assuming that she has the means of paying for them in any economic sense. Sooner or later such a system will break down of itself. This does not, however, materially assist Poland in her present serious difficulties. As to the actual resources which are available in Russia at the present time, there is very little reliable information upon which it would be possible to base conclusions upon which we could depend. The British Prime Minister, in a recent speech urging the conclusion of some arrangement with Russia which would make it possible to raise the blockade, spoke of the full corn bins still existing in South Russia. In Poland there is the gravest doubt of the existence of these full bins at all. In Poland and amongst the Polish community in London the idea is ridiculed and has been ridiculed for more than a year now. An exceedingly interesting publication called the *Polish Economic Bulletin*, and published by the Polish Press Bureau, which is under official control, in an issue published some months ago completely ridiculed the idea of the existence of these overflowing corn bins. What information the British

Prime Minister may have of their existence, or have, of course, no means of knowing, nor does the fact of their existence or otherwise affect the argument of the Prime Minister in his speech referred to. It does, however, very materially affect economic conditions in the immediate future both in Russia itself and in the rest of Europe. It has been conclusively demonstrated that if Europe is not to starve it has got mainly upon herself for food and for the bulk of her raw materials. Russia, as constituted before the War, occupied nearly of the total area of Europe, and in addition to feeding herself she sent immense quantities of wheat and various kinds of dairy produce, particularly eggs, abroad in payment of the interest on her foreign debt. Europe is in urgent need of two commodities which Russia could readily supply, provided her Government is able to maintain order within her own boundaries. These are wheat and flax. Even if the existence of the overflowing corn bins of the Prime Minister's speech proved to have been greatly exaggerated, provided stable conditions can be re-established in Russia, she could in a season or two grow large quantities of wheat for her own internal consumption and for export. In addition, in the North she could resume the cultivation of flax, and resume it upon such a scale as would enable her to become once more the principal source of the world's supply. Before the War she grew altogether more than half a million tons, one hundred thousand tons of which was purchased annually from Russia by this country.

Until we know the result of the struggle between Poland and her immense Eastern neighbour it is not possible to speak with any degree of certainty of Poland's economic prospects. It seems reasonably certain, however, that unless she can obtain free access to the port of Danzig she has very little chance of rapid economic development. In the pre-War period Polish trade was practically confined to dealings with her near neighbours, particularly with Germany, because she had no direct access to the sea. So grave a disadvantage was this felt to be that it was specially stipulated in the Treaty of Versailles that she should have free access to Danzig.

Poland is primarily an agricultural country, and was at one time the source of supply of wheat for large parts of Northern and Western Europe. There was a period when we obtained nearly the whole of our overseas supplies of wheat from what were known as the Baltic States. The bulk of this supply actually came from Poland. The principal wheat exchange in London is to this day known as the "Baltic," although we have long since ceased to obtain any important supplies of wheat from those regions. In modern times Poland exported large quantities of wheat to Germany. If Poland succeeds in obtaining access to the port of Danzig she may again become a source of supply of wheat to Western Europe. At present her most readily available assets for an export trade are timber and oil. To what extent she is capable of supplying oil to the Western markets we do not know at the present time, but if she retains access to the sea she can send large quantities of timber, which is urgently needed in Western Europe at the present time.

Now comes the question of trade. Practically, for the present trade between Poland and Western Europe will almost necessarily have to take the form of some kind of barter. Poland has certain raw materials to dispose of and should have shortly a certain amount of surplus food. In return she is urgently in need of plant for improved means of communication, machinery for developing oil wells and other mineral resources, and agricultural implements of various kinds.

THE CANADIAN BANK OF COMMERCE announces that a branch of the Bank has been opened at Campbell River, British Columbia.

Industrial Companies.

MAPPIN AND WEBB, LIMITED.

Issued Capital: £650,000, in 450,000 5½ % Cumulative Pref. Shares and 200,000 Ordinary Shares.
Debentures: £250,000 4½% First Mortgage.

[redacted]

THE temporary depression which this well-known firm of jewellers and plate and silverware manufacturers experienced during the early period of the War is now definitely a thing of the past. As a result of a very satisfactory trading during 1918 it became possible to resume the payment of dividends on the Ordinary shares after three years of sterility. The eminently satisfactory nature of the accounts presented for the year ended December 31, 1919, shows effectively that the recovery begun in 1917 was no mere transitory movement, but a definite expression of a remarkable expansion of trade. In amount the profit for the year under review reached £108,134, as compared with £88,814 in 1918 and £67,720 in 1917. But 1919 was a year of high price levels, and it might be urged that the increase in the amount of the profit was only the reflection of this fact. Further inquiry reveals that, at least in this instance, such an explanation is not feasible. In the first place it is necessary to recollect that the rise in prices had not reference only to the sale price of the products of this firm, but was also evidenced in higher wages and increased cost of stores and materials. Consequently, the rise in the cost of production must be taken as offsetting to some extent the advantages of a higher level of selling prices. The more pertinent fact, however, is that brought to light at the general meeting by the Chairman in his statement that, making allowance for the difference in price levels, "the sales for the year 1919 were more than double the amount of those for any year before the War." The expansion in trade thus indicated was by no means one-sided. It was the cumulative effect of the progress of all the establishments, branches in France, Italy, Switzerland, South Africa, South America, and Canada contributing to this satisfactory result, as well as the parent houses in England. Out of this record profit of £108,134, after discharging the normal liabilities in respect of depreciation, Debentures and Preference share capital, a sum of £20,000 is placed to the general reserve, thereby raising the total to £30,000 and bringing it in closer approximation to the position attained before the adverse results of 1915 rendered it necessary to transfer the general reserve of £10,000 to the profit and loss account. Furthermore

HARRISONS & CROSFIELD, LIMITED.

EASTERN AND GENERAL MERCHANTS.

Agents and Secretaries for Rubber, Tea, and Produce Companies.

ESTATES FINANCED.

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

the directors are wisely availing themselves of the increased profits to continue the sound policy of writing off the goodwill, the amount being reduced by £19,311 to £130,000. In these days it has become recognised as one of the signs of good finance to erase this asset from the balance sheet, irrespective of the fact of being able to realise a substantial sum for it in the open market. Ordinary shareholders receive in dividends a net total of £21,000, equivalent to a rate of fifteen per cent., as compared with ten per cent. in 1918. Taking into account the absence of dividends between 1915 and 1917, the average dividend for the period 1915 to 1919 works out at five per cent., the same rate as was paid in 1914. The amount carried forward to the next accounts is increased by over £9,000 to £26,684.

There is good reason for believing that the outlook for the current year is at least as bright as that of 1919. Admittedly the corporation tax will take its toll of the profits; but it is not possible to ascertain the effect of the sixty per cent. excess profits duty, in view of the results between 1915 and 1917, until the actual accounts are prepared. In so far, however, as trading activities are concerned the prospects are distinctly encouraging. The Royal Works at Sheffield, which hitherto were able to produce all the goods required, can no longer cope with the growing demands of a rapidly progressing trade. By the spring of the year orders were on hand covering two years' output of the factory. To meet the situation additional land was purchased at Sheffield, upon which was being erected a factory equipped with all the modern appliances, and which would be capable of turning out twice the output of the existing factory. A branch recently opened at Monte Carlo was proving a remunerative investment. Orders were pouring in—so the Chairman asserted at the general meeting—not only from the home market, but also from South America, South Africa, the East, the United States, and Canada. Hitherto they had avoided labour troubles, and the attitude of the directors in negotiations with their workers was perhaps the best guarantee of a continuance of those amicable relations with labour so vitally necessary for the smooth functioning of any business. Financially the position of the Company as revealed in the balance sheet at the end of 1919 is sound. The increase in the investments in associated companies to £223,240 was more than accounted for by the expansion in Canada, which was yielding such excellent results. The marked increase in the stock—that feature so characteristic in these days of many industrial companies—calls for careful supervision. At the same time, the growth in value from £490,759 in 1918 to £682,467 in 1919 must be interpreted in the light of the increased level of prices, the expansion in the trading activities of the Company, and the necessity in these times of purchasing so far in advance. It has been freely admitted that the necessity of financing the rapidly expanding trade has compelled the Company to borrow in excess of the limit defined in pre-War periods. Accordingly, it was agreed at the general meeting to increase the borrowing powers of the Company from £400,000 to £750,000. Advantage is to be taken of this power to redress the balance between current liabilities and liquid assets. We are informed upon good authority that an issue of capital in the near future is being contemplated. At present the balance sheet at December 31, 1919, shows current liabilities, including loans and the final dividend on the Ordinary shares, to amount to £513,873; whereas sundry debtors and cash do not exceed £166,025, thereby leaving a deficit of £347,848. It is well to bear in mind, however, that the inclusion of the stock will convert that deficit into a surplus of over £334,000; whilst if there be added also the investments in associated companies liquid assets exceed current liabilities by £557,859. It is no less satisfactory from the shareholders' point of view to learn that the directors are conserving the resources of the Company to prepare for any slump in trade that may be experienced in the future. The following table shows the prices and yields of the different securities of this firm, the yield on the Ordinary shares being based upon a dividend for the current year of fifteen per cent.:—

	4½% Deb.	5½% Cum. Pref.	Ord. Shares
Price	64½	53	14
Yield	6¾%	5⅛%	8⅛%

FURNESS, WITHY AND CO., LTD.

The increasing prosperity which characterised the operations of this Company during recent years has been very well maintained for the year ended April 30, 1920. As compared with 1918-19, the profit has risen from £257,159 to £1,004,820, after providing for excess profits duty. More than half of this large profit has been allocated to a depreciation account, and an ordinary dividend of ten per cent., free of income tax, is declared. The Ordinary share capital was increased last year from £2,000,000 to £4,000,000 by the issue of two million bonus shares, and this explains the fall in the rate of dividend from twenty per cent., while the total amount distributed remains the same. It is clear from the balance sheet that the increase in the capital was effected not, as generally supposed last year, by capitalising the reserves and other undivided profits, but by taking credit very largely for the appreciated values of the fixed assets and investments in associated companies, which now amount to £7,882,468, as compared with £5,078,615 for the previous year. The reserves stand at £1,800,000, and the sundry creditors and debtors show increases of £1,707,162 and £539,027 respectively, while cash and bills have increased by nearly £500,000 to £3,522,684. The following statement indicates the distribution of the profits during recent years:—

Year to Apr. 30	Profits*	Allocated for Depn.	Pref. Div.	Ordinary Div.†		Added to Reserves	Carried Forward
	£	£	£	£	%	£	£
1914 ..	620,929	350,000	70,621	200,000	10		131,329
1915 ..	643,548	350,000	68,450	200,000	10	15,000	141,447
1916 ..	1,366,950	350,000	68,125	400,000	20	300,000	395,281
1917 ...	747,564	350,000	56,250	100,000	20	200,000	136,595
1918 ..	615,077	200,000	56,250	400,000	10		125,422
1919 ..	747,661	52,500	100,000	20	300,000		120,583
1920 ...	1,004,820	500,000	62,500	400,000	10	—	172,904

* After providing for excess profits duty. † Free of income tax.

The total assets as shown in the balance sheet on April 30 last amounted to £15,314,592, as against current liabilities of £7,841,688 and a share capital of £5,500,000. On April 30, 1914, the total assets stood at £5,845,572 and the current liabilities amounted to £1,128,933, the share capital being £3,500,000.

THE CALICO PRINTERS' ASSOCIATION, LTD.

Owing to the impossibility of arriving at a settlement last year with the Inland Revenue in respect of excess profits duty, the directors of the Association submitted no report for 1918-19. The statement presented some days ago, therefore, embodies the trading results for the two years to June 30, 1920, and precludes the possibility of any comparison between them. The results *in globo* show a gross profit of £3,040,393, after providing for excess profits duty and corporation tax. Deducting charges amounting to £1,567,432 for maintenance, renewals, upkeep and repairs, and £256,000 for Debenture interest, a net profit is obtained of £1,216,961, or an average yearly profit of £608,480, which compares favourably with the actual net profit of £569,953 in 1917-18 and £577,719 in 1916-17. A five per cent. Ordinary dividend was distributed last year, although the accounts were not presented, and a ten per cent. dividend is now announced for 1919-20, which represents the largest distribution yet made by the Association. Of the available balance, the directors propose transferring £300,000 to reserve, as against £160,000 for 1916-17 and £200,000 for 1917-18. Since the transfer covers the past two years the amount cannot be considered abnormal. In 1917-18 £50,000 was appropriated to an employees' benefit fund, and the same amount is allocated in the accounts, &c., now submitted, leaving a carry-forward of £336,781, which is nearly five times

larger than the amount brought over from 1917-18. This surplus of undivided profits would, in normal circumstances, justify a higher rate of dividend than ten per cent., but it is apparently the intention of the directors to provide additional working capital, and also to keep dividend payments on a more stable basis. The following table illustrates the fluctuations in profits and dividends which have characterised the trading operations of the Association since 1907:

Year to June 30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	£	£	£	£	£	
1907	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1908	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1909	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1910	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1911	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1912	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1913	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1914	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1915	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

It will be noted that adverse results necessitated large transfers from the reserves on four occasions. Since 1914-15 [illegible] £179,177, a considerable and well-sustained improvement has been exhibited, and the period of violent fluctuations now seems to have definitely passed. The [illegible]

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

The textile outlook, though still very uncertain, is showing a healthier tendency, which does not justify, however, any departure from the conservative attitude dictated by recent experience.

New Issues.

Fisher and Ludlow (1920), Limited, described as manufacturers of metal pressings and stampings, but with a very wide field of operations sketched out for it in the articles of association, has a capital of £200,000, half in seven per cent., income-tax-free, Cumulative Preference shares of £1 each, which forms the present issue, and half in Ordinary shares of 10s. each. Only 50,000 of the latter are at present issued. The Preference shares are entitled to a fixed cumulative dividend at the rate of seven per cent., payable half-yearly, and to return of capital and arrears of fixed dividend in the case of winding-up in priority to the Ordinary shares, but to no further right to participate in profits or assets. Holders will have the option to subscribe at par for one Ordinary share in respect of each two Preference shares held, exercisable by one month's notice in writing, to expire on September 1, 1921, 1922, and 1923. The business was established in Birmingham in 1851, and the profits for the last five years amounted to £177,845. The Preference dividend requires approximately £10,000, or 97,000 after deduction of tax, and upon the average of profits disclosed, this is covered more than three times. Profits for the last four months are estimated to be sufficient to pay the whole year's Preference dividend.

The Fruit and Produce Exchange of Great Britain, Limited, has an authorised capital of £1,250,000, divided into 500,000 eight per cent. Cumulative Participating Preference shares of £1 each and 750,000 Ordinary shares of £1 each. 300,000 Preference and 262,500 Ordinary have been allotted to the vendors, credited as fully paid, as part of the purchase price, and [illegible] for 300,000 eight per cent. Cumulative Participating Preference shares. The Company is formed to [illegible] more in important market centres. Economies are expected to be effected by [illegible] existing agencies in many parts of the world. The volume of business done by the nine vendor companies in their respective last financial years was over £1,427,000. [illegible] £112,110. [illegible] secured, and the businesses acquired appear to have been very progressive.

With a capital of £100,000 in shares of £1 each **The Saunders Garage and Motor Car Company, Ltd.,** [illegible] mobile engineer and garage proprietor, of Hampstead, is acquired, as well as leasehold premises recently occupied by the Middlesex Auto-Car Company, Limited, at Golders Green and Birmingham. The total assets acquired are valued at £41,883. Profits on garaging cars, the sale of petrol, and repairs, tyres, oil, and sundries are estimated to amount to £11,500, while profits from the sale of motors and bicycles are expected by the directors to yield a further £10,000.

The prospectus is [illegible] tion only," of **Herrburger Brooks, Limited,** a Company incorporated in April last to acquire the entire issued share capital of Brooks, Limited, of Camden Town, manufacturers of pianoforte actions, and to secure the goodwill of the English business of Jean Joseph Herrburger, of Paris, and the exclusive benefit of the registered British trade-marks "Schwander" and "Union," together with certain patent and selling rights in the British Dominions and in the United States. The authorised capital is £250,000, in £1 shares, of which £226,003 have been issued. The total purchase consideration is £150,000, the vendors taking £83,300 in shares and the remainder in cash.

The allotment letters for the recent issue of Ordinary shares in the Brush Electrical Engineering Company, Limited, have now been posted.

DIVIDEND NOTICES, &c.

Harrods, Limited.—An interim dividend on the Ordinary shares has been declared in respect of the half-year to July 31 of five per cent. Dividend warrants will be posted on September 1 to all shareholders on the register on August 3, also to the holders of the Five per Cent. Cumulative Preference shares.

Edinburgh, Dundee and Aberdeen Investment Company, Limited.—At the sixth ordinary general meeting, held in Edinburgh on the 11th inst., the report and accounts were approved and a dividend of eight per cent. was declared on the Ordinary stock, less income tax.

British-American Tobacco Company, Limited.—It has been decided to pay on the 30th of next month a fourth interim dividend of four per cent. on the issued Ordinary shares. [illegible] On the same date the half-yearly dividend of 6*d.* per share will be paid on the Preference shares.

The directors of the County of London Electric Supply Company, Limited, [illegible]

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dividends on the Preference shares at the rate of six per cent. per annum, less income tax, for the half-year ended June 30, 1920, and on the Ordinary shares for the same period at the rate of five per cent. per annum, less income tax, both payable on September 15, 1920.

The Trustees of The International Investment Trust, Limited, have decided to pay an interim dividend for the half-year ended July 31, 1920, at the rate of four and a-half per cent. per annum on the Preferred stock, and at the rate of five per cent. per annum on the Deferred stock. The warrants will be payable on September 3, 1920.

At an extraordinary general meeting of the African and Eastern Trade Corporation, Limited, held recently in Liverpool, the shareholders unanimously confirmed as a special resolution an extraordinary resolution, which was passed at a previous meeting, altering the articles of association of the Company to permit of the capitalisation of reserves. A further resolution was unanimously adopted that the sum of £123,834, part of the undivided profits of the Company standing to the credit of the reserve fund, be so capitalised.

A proposal to distribute a dividend and bonus of twenty-two per cent. for 1919 (inclusive of five per cent. already paid) was duly passed at a general meeting of the shareholders of the Great Northern Telegraph Company, Limited, of Denmark, which was held at Copenhagen on the 31st ult. The final dividend and bonus for 1919—34s. per £10 share—is now payable at Messrs. C. J. Hambro and Son, 70 Old Broad Street, E.C., against Coupon No. 21.

The Askern Coal and Iron Company, Limited, on July 28 paid three years' arrears of dividend on the Six per Cent. Cumulative Preference shares from the date of issue to December 31, 1916.

Woolley, Sanders and Company, Limited.—A dividend of ten per cent. has been declared on the Ordinary shares.

John Oakey and Sons, Limited.—An interim dividend of two and a-half per cent. on the Ordinary shares of this Company is payable on September 1.

The Western and Hawaiian Investment Company, Limited.—The directors have resolved to recommend the declaration of the usual Preference dividend and a further and final dividend on the Ordinary stock of seven and a-half per cent., making fifteen per cent. for the year ended June 30 last, subject to deduction of tax.

BOOKS RECEIVED.

Income Tax Up to Date. By H. J. Gully, F.C.A. Revised and enlarged. Published by the *Financial News*, 111 Queen Victoria Street. Price 9*d*. This is a very welcome guide for the ordinary individual through the maze of the rules and regulations of the income-tax declaration form. It includes an explanation of the excess profits duty as revised and the new corporation profits tax.

The Problem of the Anglo-Japanese Alliance. Issued by the Central Union of Chinese Students in Great Britain and Ireland, 36 Bernard Street, W.C. 1.

The Official Year-Book of New South Wales, 1918. Compiled by H. A. Smith, F.S.S., Government Statistician. This is the twenty-sixth issue of a work which up to 1904 was known as the *Wealth and Progress of New South Wales*. The contents are published annually in parts, and are later brought up to date and published under one cover. A diagram map of New South Wales is included, showing railways, county and territorial divisions, and the area of the State suitable for the profitable cultivation of wheat.

The New Zealand Official Year-Book, 1919. Twenty-eighth year of issue. Prepared under the instructions of the Dominion Government by J. W. Fletcher, acting Government Statistician. A special article is included in this issue on "Wages and Working Hours in New Zealand, 1897-1919," being the results of an investigation of minimum-wage rates and hours of labour as determined by awards and industrial agreements made under the provisions of the Industrial Conciliation and Arbitration Laws of New Zealand. The book runs into nearly a thousand pages of closely printed matter. Copies can be obtained in London from Messrs. Eyre and Spottiswoode.

Annual Report of the Minister of Mines for the year ended December 31, 1919, being an account of mining operations for gold, coal, &c., in the Province of British Columbia. By authority of the Legislative Assembly. Victoria, B.C.: William H. Cullin. The gross value of the mineral production in the Province during the year 1919 was $33,296,313. This is a decrease compared with the preceding year of $8,486,161, or about twenty per cent. But it is to be remembered that the larger productions of the three preceding years were due to the stimulus of war and to the inflated prices attendant thereon. The production last year was materially greater than that of any year previous to 1916. The decrease in the mineral production last year is almost entirely due to reduced output of copper, the quantity of which was under 42½ million lb., as compared with 65½ million lb. in 1916, 59 million lb. in 1917, and 61½ million lb. in 1918. Copper being an essential war metal, all the Allied nations felt obliged to accumulate vast supplies of the metal in case transportation facilities should cease. Consequently, with the Armistice all the great nations found themselves with stocks on hand sufficient to supply peace demands for a period of two years. This led inevitably to reduced output from the mines.

Statistica del Commercio Speciale di Importazione e di Esportazione dal 1 gennaio al 29 febbraio 1920. Direzione Generale delle Dogane e Imposte Indirette. Ministero delle Finanze, Roma.

Bollettino di Legislazione e Statistica Doganale e Commerciale. Anno XXXVII. March and April 1920. Ministero delle Finanze, Roma.

Sperling's Journal for August 1920 contains, besides certain "Facts and Foreign Policy," by way of editorial comment, interesting articles on "Economy and the Public," by Mr. Hartley Withers, and "The American Transportation Crisis," by Mr. E. Mackay Edgar.

La République Tchécoslavaque. By MM. O. Butter and B. Ruml. Prague: "L'Effort de la Tchécoslavaque." A little work, in French, giving a large amount of useful information concerning the economic, social, political, and intellectual life of the recently constituted Republic of Czecho-Slovakia, which, as now formed, stands tenth among the European States in the matter of population, and fourteenth in respect of area.

Bulletin of Federation of British Industries. London. 1*s*.

The Nineteenth Century and After. August 1920. 4*s*.

Tableau Général du Commerce de la Belgique, 1913, Bruxelles. Annuaire Statistique de la Belgique et du Congo Belge. Bruxelles, 1920. 10 francs.

Estadistica del Comercio Exterior de España. Madrid: Sucesores de Rivadeneyra.

Statistiek van de Voortbrenging en het Verbruik der Nederlandsche Nijverheid in 1913 *en* 1916. (Statistics relating to the industrial production of Holland in 1913 and in 1916.) Price three florins. 's-Gravenhage: N. V. Boekhandel v/h Gebr. Belinfante.

Bulletin Statistique de la Roumanie. Publié par la Direction Générale de la Statistique du Ministère de l'Industrie et du Commerce. Bucuresti: Tipografia "Curierul Judiciar."

The London Assurance Corporation.—Mr. Austin Low, of Messrs. Grindlay and Company, has been appointed a director of the above Corporation.

MEETINGS
OF PUBLIC COMPANIES.

MORRIS AND JONES (1919), LIMITED.

Annual Meeting of the Shareholders.

The first annual meeting of the shareholders of this Company was held at the Lex Association Rooms, Liverpool, on Thursday, August 19, Mr. J. Evan Morris, Chairman of the Company, presiding.

The Secretary (Mr. P. Lloyd Hughes) having read the notice convening the meeting and the auditors' report,

The Chairman moved the adoption of the report and accounts. He said: I have the honour to present to you the first annual report and accounts of Morris and Jones, 1919, Limited, which, with your permission, we will take as read.

Like the period of birth, the period of reconstruction has not been without its anxieties. I may tell you that the new Company was hardly on its feet when it became evident that, from causes previously unforeseen, a substantial fall was to take place in the price of goods dealt in by the Company, and one result of this fact was that trade, during part of the period under review, was quiet, shopkeepers are naturally shy to buy on falling markets. Our business, of course, depends upon the goodwill of the retailer, and that goodwill can only be maintained by giving service and endeavouring at all times to place him in a position to compete with other retail distributive organisations. But as our profits depend to a large extent upon the volume of business done, you will realise that any drop in our turnover makes a serious inroad into our earnings. You are fortunate, however, in the fact that your business is not run by one man; it depends for its success upon the whole hearted co-working of many men and women, and at a period such as I have referred to this is of inestimable value. The word has only to go out that in the interest of the business this or that is desirable, and we get an immediate response from the department concerned. I am, therefore, able to tell you that, in spite of general quietness in our particular trade, the volume of the Company's turnover has increased, and a fair profit has, in my opinion, been earned.

This, I think, reflects great credit upon each and every individual concerned with the sales organisation, while I am sure they would be the first to recognise the splendid backing they receive not only from the purchase and clerical departments, but also from the warehousing and transport sections, upon whom falls the duty of delivering the goods.

In this business the fact that we all depend one upon the other is daily emphasised, and those responsible for the management of this Company have endeavoured to bear that in mind.

We have looked upon those concerned in the business as a large family, whose interests were identical—the success of Morris and Jones. I believe we hold the record in the wholesale grocery trade for long-service men. It was therefore not without regret that, at the instance of the warehousemen's representatives, who asked that a minimum of 16*s.* per day be paid to the men working in our warehouses, the board agreed to the demand, for it was only possible to do so by making it understood that no man who could not be fully employed could be kept upon the pay-roll. As I have said, we were very sorry that the new arrangement meant turning a large part of our staff into casual labourers—a fact which tends to destroy the happy-family idea—an idea which I was under the impression previously commended itself to all concerned; but there it is.

Satisfactory Profits.

As you will have seen from the report, the whole of the additional capital had not during the period under review become fully productive. The excess profits duty has not only been continued, but increased from forty per cent. to sixty per cent., and, in addition, a tax known as the corporation tax has been imposed. Of course, neither of these facts was foreseen when the estimate of profit shown in the prospectus was prepared. That the profits for the six months, after providing for all working and management expenses, depreciation, and provision for excess profits duty, income tax, and corporation tax, should be £30,534 14*s.* 4*d.* is, I think, a matter for congratulation.

While recognising that when profits are made Ordinary shareholders are entitled to participate in their distribution, the policy of your board—a policy which, I feel sure, you will endorse—is to build up the resources of the Company rather than pay away in dividends the whole of the profits earned, and, with that end in view, they wish to endeavour to write off the preliminary expenses at the earliest opportunity.

Prophecies generally come back on one, and I am not going to prophesy; but, as everyone is aware, the present general outlook is somewhat uncertain, and in a business of this kind there are bound to be ups and downs. I hope, however, that when the whole of the capital is fully employed we shall be able to increase our gross profits—our net profits are, of course, [illegible] considerable, owing mainly to the heavy increase in wages; but if each member of our staff will try, as I feel sure all will, to remember that what they put into the business is the measure of what it will return to them, then I hope that the [illegible]

Company's Development.

You will be interested to know that we are developing our business in Newcastle-on-Tyne area, and, with that purpose in view, have taken over the business of Messrs. Thomas Brewis and Son, of that city, and are retaining the services of Mr. Brewis as manager.

I [illegible] received and adopted, and [illegible] the proposition, after which I shall be glad to answer any questions which you may desire to put.

Mr. R. J. Williams said: I have very great pleasure in seconding. I do not think it is necessary to add anything to what the Chairman has said, but perhaps as the oldest hand in this concern I may be allowed to say something about the growth of the business. I have been associated with Morris and Jones for close on fifty years. At the beginning our trade was very small. We had then two travellers, whereas to-day we have seventy-seven, while compared with the two cars with which we started we have now a fleet of twenty-four motor and steam wagons, with eighteen 1-tonners on order, in addition to a large number of horse vehicles.

These are the days of company flotations; I do not think there has ever been in the history of the world such activity in this direction as has been shown during the past eighteen months. Some of them have grown like poplars, but some trees that grow quickly are very little good. The oak, however, takes a considerable time to grow, but becomes one of the strongest and most useful of trees. I take it our business has a similar sound and serviceable growth. It has increased to such an extent that to-day there exist few larger businesses of this kind than Morris and Jones (1919), Limited. To show my confidence in the concern, when practically retiring from business, I left my capital in the Company, and I feel sure our customers share that confidence. The Company enjoys a reputation for dealing honestly with its customers, and so long as it continues on those lines, so it will continue to prosper.

The motion was carried unanimously.

The Dividend.

Mr. J. Gilbertson then proposed: "That a dividend at the rate of eight per cent. per annum be paid on the Ordinary shares for the half-year ended June 30, 1920." He added that, considering the serious fall in prices and the extra expenses with which they had had to contend during the past six months, the management and staff were to be congratulated on presenting such a satisfactory report.

Mr. William Cundiff seconded, and the resolution was unanimously carried.

Mr. O. W. Owen proposed the re-election of Mr. R. Rees Thomas, the retiring director, and this was seconded by Mr. A. Johnson and carried.

On the proposition of Mr. W. Moon, seconded by Mr. A. Johnson, the following resolution was agreed to: "That Messrs. Mann, Judd, Gordon and Co. and Mr. H. E. Hughes be, and are, hereby re-elected auditors for the year ending June 30, 1921, and that it be remitted to the directors to fix their remuneration."

Sir John Mann, K.B.E., on behalf of his colleague, Mr. H. E. Hughes, and himself, acknowledged the resolution, and said that from some little knowledge acquired of the inner working of the concern, he could say that it was an outstanding example of enterprise and caution. The directors had had entrusted to them a fairly large amount of capital, and they were proceeding to invest it in the best possible

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way. The Chairman very wisely declined to be a prophet, but he had very good reason to look forward with courage to the future, because the Company was undoubtedly sound, and was capable of withstanding any lean years they might have to confront.

Mr. R. J. Hall moved a vote of thanks to the Chairman, directors, and staff for their able management of the affairs of the Company, and to the Chairman for his services in the chair at that meeting. Everybody present, he said, would endorse that proposal. One thing had impressed him, and that was the Company's transport system. Nothing could give the retailer greater confidence in a firm than the assurance that he could rely upon his goods being delivered expeditiously, and the Company had done wisely to equip itself adequately in this direction.

Mr. W. Cundiff, in seconding, said the directors had produced a very satisfactory report, and the caution with which they were conducting the business was an assurance to the shareholders that their money was in safe hands. Mention had been made of the excellent facilities for transport; taking another side of the report, reference might be made to the quality of the goods with which the Company dealt. Goods liable to adulteration were analysed by the Company's own chemist, and everything was done to make certain that the goods offered were safe for food purposes.

The Chairman, in reply, said that on behalf of himself and co-directors and staff, they all appreciated the kind references that had been made to them. He hoped the fact that they were taking more than ordinary care in regard to the quality of the goods they handled would materially help in increasing their business, while at the same time they would continue to develop their transport facilities as occasion required.

Dividend warrants will be posted on August 31.

ATLAS SECURITIES COMPANY, LIMITED.

Sisal Production Commenced.

PRESIDING at the meeting of the Atlas Securities Company, Limited, on August 10, Mr. Henry Portlock said: "The Kedai Estate had reached the producing stage, and a steady and increasing output could be anticipated, which, with economical management, should show a satisfactory margin of profit. Tropical enterprises were experiencing extremely difficult conditions, and the rupee currency, high freights, and depressed produce markets had necessitated the greatest care and foresight. Our property has many advantages, including cheap land, easy transport from plantation to factory and factory to station, and cheap transport to coast, ample areas of suitable soil which conserves moisture, and renders the plant less liable to drought, besides plentiful fuel. Our water difficulty, we hope, is now solved, and our pipe-line is completed. Our future developments should be more rapid, and we aim at increasing our sisal areas to 2,000 acres, planting at least 300 acres annually and producing ultimately from 600 to 800 tons of sisal per annum. Eight hundred and ninety acres are planted, which should be increased to 1,150 acres during the next rains. Sisal was impervious to insect pests and diseases, and he was satisfied that, given moderate freights and the assistance as regards labour which they were entitled to expect from a sympathetic and wise Government, the East African sisal industry would fulfil his own and his colleagues' expectations, and prove a remunerative investment.

"Their capital expenditure was practically completed, and they proposed to write off £5 per ton of the output for development redemption. They hoped to get 2½ tons of sisal per acre, and possibly more, and they estimated that the actual costs per acre of matured sisal had been less than £12 10*s*., so that the provision they were making would be ample to cover clearing and replanting all cut-out areas. Mr. E. W. Cowan, the consulting engineer for the Company's machinery, who had recently visited Kedai, reported favourably on the appearance and condition of the estate and the factory. Spinners who had used their mark had reported favourably on it, and they hoped to establish their brand as one of the best in the market. He had gone very carefully into the returns and costs at Kedai, and he hoped they were approaching the time when regular dividends could be anticipated. Their Manager and staff in East Africa deserved special commendation for the excellent manner in which the factory and plant had been erected and the economical development of the property under very trying circumstances."

MAPPIN STORES (BRAZIL), LIMITED.

Extensive Developments in Brazil.

THE seventh annual general meeting of Mappin Stores (Brazil), Limited, was held on August 12 at Wigmore Hall, London. Mr. F. H. Richmond, who presided, said:—

The authorised and issued capital of the Company amounts to £150,250, consisting of 146,500 "A" Ordinary shares of £1 each and 75,000 "B" Ordinary shares of 1*s*. each, all of which rank equally both as regards dividend and return of assets in a winding up. We may congratulate ourselves on having dealt with the very difficult problem of our Deferred shares during the past year.

The premium on the 1919 new issue, less expenses, amounted to £7,035, which we have added to reserve, bringing same, with this year's appropriation, up to £13,035. The Debenture has been paid off, and there are no charges on the Company's assets. Our profit and loss account shows a balance of £23,375 for the year, a very substantial increase over the previous year. Our trade fixtures have again been substantially depreciated, and would cost much more to replace to-day. Our stocks stand at £174,945, as compared with £153,000 in 1919.

Our turnover during the year was nearly nine times as much as during the first year of the Company's existence and over thirty per cent. above the previous year's sales. During the first five months of this financial year our business has continued to increase in an even bigger ratio.

All our departments record progress, but in particular I might refer to our furnishing department, which forms an important section of our business, offering great scope for further development.

We have every reason to congratulate ourselves on our Sao Paulo establishment, which is now infinitely superior to any other competitive house in Brazil, and we can with confidence look forward to any competition which we may have to face in the future.

The dividends we recommend will amount to £15,965 (after deducting income tax), of which £5,127 10*s*. has already been distributed by way of interim dividend. This will enable us to put a further £2,000 to reserve and to carry forward £5,761 2*s*. 8*d*., subject to excess profits duty, which may absorb from £4,000 to £5,000. I might add that, in view of the present taxation in this country and the impossibility of building up adequate reserves, we may be compelled to transfer our interests in Brazil to a Brazilian company, and we are seriously considering this proposition.

Mr. Henry Portlock seconded the resolution adopting the report and accounts and the payment of a final dividend of seven per cent., making twelve per cent. for the year, which was carried unanimously.

THE DACIA ROMANO PETROLEUM SYNDICATE, LTD.

THE first annual general meeting of this Company was held on August 18 at the Cannon Street Hotel, E.C., Mr. F. J. Nettlefold (the Chairman) presiding.

The Chairman said: Gentlemen,—This Company was formed as a private Company on February 11, 1919, within three months of the conclusion of hostilities, to acquire the oil interests in Roumania of the Prahova (Roumania) Petroleum Syndicate, Limited, the Marta Association, and

THREE NUNS TOBACCO



Men who like a pipe out of doors will appreciate the full, mild, select flavour of Three Nuns. And you can smoke this tobacco in a strong wind even, because the special cut prevents it from scattering. This is worth remembering

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MEDIUM	6d	1/-	2 5	4 8
HAND MADE	8d	1 4	3 4	6 8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited 36 St Andrew Square, Glasgow

Mr. Richard Van Sickle. In November last the nominal capital of the Company was increased from £200,000 to £300,000, and the Company was converted into a public Company.

Comments on the Balance Sheet.

Referring to the debit side of the balance sheet, the whole of the nominal capital has been issued, the last 100,000 shares having been taken by a trust company at a premium of 7*s.* 6*d.* per share, less an underwriting commission of ten per cent. Of the issued capital, when these accounts were closed 90,500 shares had been issued in respect of the purchase price of £97,500, and the balance of 7,000 shares has since been issued. At the time these accounts were closed, of the 202,500 shares issued for cash, £163,125 had been received in respect of the shares, and £9,016 7*s.* in respect of premium, less underwriting commission. The balance due on the shares and in respect of the premium has since been received. Sundry creditors, London and Roumania, amounted to £1,429 18*s.* 7*d.* The amount of £31 19*s.* 11*d.*, difference in exchange, is placed to suspense account, and £1,172 9*s.* brought down from the profit and loss account.

On the credit side of the balance sheet the property account stands at £99,181 11*s.* 9*d.*, additional land to the value of £1,681 11*s.* 9*d.* having been purchased. The sum of £1,396 4*s.* 9*d.* had been expended on drilling wells account, and £59,191 11*s.* 9*d.* on the purchase of freehold land and the erection thereon of a refinery. The item of £4,240 1*s.* 6*d.* represents expenditure on plant, machinery, sundry buildings, reservoirs, pipe-lines, &c., and includes the purchase of a motor-car. The expenditure on office equipment, &c., amounts to £310 9*s.* 9*d.*, while materials in transit, which include two rotary drilling plants and a large quantity of casing, represent an expenditure of £35,117 5*s.* Stocks of crude oil stood at £370 10*s.* 10*d.*; sundry debtors in Roumania, £3,778 9*s.* 11*d.*; formation expenses, £938 8*s.* 6*d.*; and cash at bankers, £67,751 0*s.* 9*d.* The lei, the normal value of which was 9.513*d.*, has been taken at 124 to the £, a fraction less than 2*d.*, that being the average rate at which remittances were sent to Roumania during the period under review.

Against the small amount of £1,172 9*s.* to the credit of profit and loss account we recommend that the formation expenses, £938 8*s.* 6*d.*, should be written off, and that the balance of £234 0*s.* 6*d.* be carried forward.

Drilling Programme.

In his report to the directors dated November 7 last, Mr. Van Sickle anticipated that he would be able to drill at least six new wells this year—three on Moreni and three on Baicoiu—and in his report to the directors of May 20 he mentioned that his programme for drilling new wells had been retarded, as the bulk of the plant and materials ordered from America last June had not arrived, owing to lack of transport facilities. All other Roumanian companies experienced similar difficulties, which are now being rapidly restored. I am glad to report that when we last heard from Mr. Van Sickle he stated that the shafts and foundations for two wells at Moreni had been prepared and the rigs erected, that the rotary plants, which had arrived at Galatz, were expected at any time, and that everything was moving as fast as possible. We are drilling at Baicoiu within 500 yards of the big Astra Romano well, which was brought in last year with a production of 500 tons per day, and at Moreni in close proximity to a well which has recently been brought in with a still larger production.

Contracts of an exceptionally favourable nature were made last year both for the purchase of land and the erection thereon of an up-to-date refinery. The refinery will comprise three stills, each capable of dealing with sixty tons daily, with all the necessary machinery and plant for refining benzine, petrol, motor spirit, and lamp oil, also one still capable of refining twenty-five tons daily of lubricating oil, making a total capacity for an output of over 200 tons daily.

I need only further mention that the price now ruling for crude oil in Roumania has risen to 7,000 lei per car of ten tons, whereas in Mr. Van Sickle's original estimates he put the figure at 1,600 lei per car. As the cost of production has not increased in anything like the same ratio, the oil produced and sold should yield a substantially larger profit than Mr. Van Sickle estimated.

We regard the future of the Company with the greatest confidence. There can be little doubt that it is only a matter of time before the bulk of the shipping of the world will be fuelled by oil in place of coal. Your directors are fully satisfied that the Company has made a good start in this, the first year of its operations. During the current year we expect to obtain a largely increased production and to have the refinery in operation, and we anticipate that the shareholders will be well satisfied with the results. In conclusion, the Chairman moved the adoption of the report and accounts.

SONOSEKAR PLANTING COMPANY, LIMITED.

An extraordinary general meeting of this Company was held on August 18 at Winchester House, London, E.C., for the purpose of submitting a resolution to increase the capital to £65,000 by the creation of 30,000 additional shares of £1 each.



SMOKING-PLEASURE most surely depends on quality, not quantity. Be intelligently gourmet, not grossly gourmand.
Economise, if you will, on quantity, but not on quality.

Recognise that quality is not an easy accident, but a product of fine skill working on exquisite material. Give yourself the satisfaction of a careful test-by-taste of a superb achievement of the blender's art.

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by ALLAN RAMSAY

167 Issued by The Imperial Tobacco Co. (of Great Britain & Ireland) Ltd.

Mr. W. B. Clayton, who presided, explained that the increase was necessary in order to provide for the conversion of the Debentures which were issued on the Dampit Estates by the Dutch Company, and the holders of which had the right to convert into fully-paid shares of the Company at any time up to December 31, 1920. These Debentures had to be issued in 1915, at a time of great financial stringency, and the heavy cost which the liability caused the Company had been a matter of very grave concern to the directors. The interest was payable in Shanghai tael's; and, with the phenomenal rise in the value of silver and the parallel rise in exchange, the cost of remitting this money was almost prohibitive. Again, before any dividend was paid to the shareholders one-quarter of the profits had to be handed over to the Debenture-holders. Further, it would become necessary to set aside each year a large proportion of the profits to meet redemption in 1930. For a long time past the Directors had been endeavouring to get into negotiations to extinguish this heavy toll, and they had now made arrangements by which the Debentures were being purchased and converted into shares. During 1919 the charge to the Company for interest, proportion of profits, and redemption fund amounted to, as nearly as possible, £12,000. These sums in future would be saved, and the whole of the profits realised for the payment of dividends. During the twelve months to December 31 last the total coffee harvested was 5,517 piculs (6,699 cwt.), which realised a gross price, including valuation of stock unsold, of 88*s.* 9*d.* per cwt., the cost of production working out at 23*s.* 4*d.* per cwt. There was also a surplus on realisation of the previous year's unsold stock of £2,026. The net credit balance remaining to the English Company was £8,172, subject to excess profits duty, if any. The directors felt justified in declaring an interim dividend of five per cent., less tax, and they confidently anticipated paying a final dividend in the autumn. Tapping was commenced in February 1919, and to December 31 27,759 lb. of rubber were harvested. For the twelve months ending December next the estimates were: Coffee, 4,857 cwt.; rubber, 100 000 lb. According to the latest advices, 2,568 cwt. of coffee and 58,372 lb. of rubber had been obtained. With the estates coming into full bearing the Company should now enter an era of prosperity, always assuming that a reasonable price was maintained for the commodity.

The resolution was unanimously adopted.

BITING RUBBER ESTATES, LIMITED.

Oil Discovered on the Property.

The statutory meeting of this Company was held on August 18 at Winchester House, London, Mr. William Beaufort Clayton presiding in the absence, through ill-health, of Mr. J. H. Renton.

The Chairman said: The purchase price of the property has been paid. All the shares of the Dutch Company have been deposited for safe custody with the Hongkong and Shanghai Bank in Java. The purchase price was Guilders 375,000, which, at the rate of exchange then ruling, was equivalent to £37,500. With the improvement in exchange the sterling price was reduced to £36,094 4*s.* 2*d.* The planted acreage when the estate was taken over was 621 acres, but instructions have since been given to increase this to approximately 1,000 acres. The work is being proceeded with with despatch. Our Java agents are reorganising the estate on lines similar to other estates managed by them, from which such excellent results have been obtained. The visiting agent reports that the services of an expert manager have been secured. The upkeep of the estate is in a satisfactory state. The estimate of coffee for 1920 was 2,428 cwt., and we expect to get 15,000 lb. of rubber. From a cable received during the past few days we learn that 709 cwt. of coffee and 6,360 lb. of rubber have been harvested to date. Of the coffee crops, 910 cwt. have been sold forward at Guilders 54 per picul, equivalent to 69*s.* 6*d.* per cwt.

The Manager reports that he is taking strict measures in regard to the tapping of rubber. This is very desirable.

An unlooked-for development has occurred since we entered into the control of this estate. It may—or it may not—prove of far-reaching consequence. Oil has been discovered on the property. A concession has been applied for and the ground staked, and will be officially measured. This information reaches us by cable, and I have none beyond it. Arrangements are completed under which we hope to determine whether or not we have found a treasure. We know that one of the foremost oil concerns of the world works richly productive wells in the neighbourhood of your estate. Shareholders will be apprised of developments as soon as they are reported. In Biting we have a property of great promise. It has had a good start, inasmuch as the heavy weight of promotion profits and underwriting commission has been wholly eliminated. The preliminary expenses have been kept at the lowest possible limit, and will be the only item which may be called a "dead asset." When fully planted the property, we hope, will be 1,000 acres, brought into full production on a capital of £65,000—that is, at the low cost of £65 per acre. Your directors have been in negotiation for an estate of 700 acres adjoining Biting, adaptable for merging in the existing property. At the moment the question of price cannot be agreed upon.

Marine and General Mutual Life Assurance Society.—The Right Hon. Lord Forster has resigned his seat on the board of this Society upon his appointment as Governor-General of Australia. Mr. Charles Robert Tritton, of Barclays Bank, Limited, has been elected a director of the Society.

Favourable reports have been received from the head office of the Canadian Bank of Commerce respecting the harvests of the chief grain and root crops all over Canada. The Western crop situation has materially improved and better than an average crop is expected now. Wheat harvesting commenced last week and is now general.

The names of 9,161 men employed by the Prudential Assurance Company who served in the recent War have been published in an elaborate volume issued by the Company. No less than 786 members of the staff were killed in action or died on service. A permanent memorial is to be erected in memory of these in the courtyard at Holborn Bars.

Sir J. L. Hulett and Sons, Limited, incorporated in Natal, have cabled to their London office to the effect that negotiations with the Union Government of South Africa for an increase in the price of sugar have reached a certain stage, and that the Union Government has now fixed the maximum price of first-quality sugar in South Africa at £51 per ton. The following are the changes in the maximum price, including excise, during the last two years: October 1918, £23; June 1919, £26; May 1920, £41; August 1920, £51.

The Raw Materials Department of the Ministry of Munitions announces that in respect of all wool purchased from the Department in the United Kingdom on and after August 24 no claims of any description will be admitted unless notified to the Department within three months from the date of sale.

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Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON: SATURDAY, AUGUST 28, 1920.

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The Money Market.

Bank of England Rate .. 7% (Apr. 15, '20) 6% (Nov. 6, '19)

Deposit Rates:

Discount Rates:—

Treasury Bills ...
Bank Bills ...
Trade Bills ...

BORROWING FROM THE BANK.

bills were allowed to run off or be renewed. But the connection between the Money market and the floating debt has seldom been so noticeable as during the past week. On last week and again on the opening days of this week the banks were buying Treasury bills freely, with the result that the Treasury has been enabled to make a large reduction in the advances by the Bank of England. In face of the strong demand for accommodation which was accentuated by payment of various calls and large revenue collections, the result for the Money market was inevitable. The available funds were rapidly diminished, and large amounts had to be borrowed from the Bank. There are indications that, with the approach of the end of the month, the clearing banks have been calling in money and that the buying of Treasury bills has slackened considerably during the past few days; on the other hand, the Government will have to make large dividend disbursements next week, and so, judging by past experience, it is probable that next week will see a return to easier conditions. Detailed movements of rates are described below.

Last Saturday's ease in Lombard Street proved only a breathing-space, and on Monday the pressure for accommodation began with renewed intensity. Nevertheless, it was not until the following day, when calls amounting to over 2½ millions on various Corporation issues fell due, that a shortage of funds became evident. Old money was renewed about five per cent., but 5¾ per cent. was paid for new money, and the market had to borrow largely from the Bank at 7½ per cent. The stringency was maintained thereafter, up to six per cent. being paid for day-to-day money on Wednesday, and borrowers were driven frequently to the Bank.

The acuteness of the Labour situation combined with the tightness in money made the Discount market a firm one. Moreover, bills were freely offered, but the banks were already overstocked, and were chary of making new commitments. The result was a general tightening of rates. Two months' bills hardened to 6⅛-¾ per cent., though latterly they were quoted a shade easier. November maturities were dealt in at from 6⅛ to 6⅛. October paper was firmer at 6⅛ per cent., and full six months' bills were quoted as high as seven per cent.

In the Foreign exchange market the dollar, after much fluctuation within narrow limits, finally closed with an adverse movement, to-day's quotation being 3.57½. The Paris cheque displayed weakness at first, but rallied on Wednesday and Thursday, and though it received a further set-back to-day, it closed under the worst. The Brussels cheque moved in sympathy to 48.05. Italian lire at 77 are better on balance. German marks started at 184¾ on Monday, but rallied subsequently, though they weakened again to-day to 176½. Dutch florins weakened up to Wednesday, but have since recovered to 11.12½. The Scandinavian group moved favourably up to Thursday, when a sharp reaction set in, and though, with the exception of Stockholm, the rally was not fully maintained, they close lower on the week. Of Eastern rates the Shanghai tael fluctuated between 6*s.* 2¾*d.* and 5*s.* 11¾*d.*, and at to-day's rate, 6*s.* 0½*d.*, shows little change. At 1*s.* 10¾*d.* the rupee shows a slight appreciation, and Hong Kong dollars are lower at 4*s.* 3½*d.*

It was, of course, foreseen that this week's return of public income and expenditure would make a favourable showing, but the actual extent of the improvement is much greater than was generally expected. On account of a large increase in receipts in respect of Excise duties revenue for the week to Saturday last reached 27.6 millions, as compared with 19.4 millions for the previous week, and though expenditure was also higher, a surplus of nearly 11.8 millions was available. At 79½ millions sales and renewals of Treasury bills exceeded maturities by over 12.4 millions. Of other receipts and issues the outstanding item was a cancellation of War Loans, Exchequer bonds, &c., amounting to £1,195,291, so that there was left, roughly, 23 millions for repayment of Ways and Means Advances. Advances by Public Departments, however, were increased by 4½ millions net, so that a reduction of 26¾ millions to 28 millions in the indebtedness under Ways and Means to the Bank was rendered possible. The net movement in the floating debt, therefore, was a contraction of nearly 10 millions, leaving the total at £1,248,297,000.

The significance of the latest Currency Notes Return may best be perceived when it is studied in conjunction with the Bank return. Though the total of notes outstanding was reduced by 1½ millions, this reduction is considerably less than that of the two preceding weeks. The circulation of Bank-notes, as may be seen below, does not show a similar tendency; on the contrary, it expanded slightly. Again, fresh demands for currency notes were over 1.4 millions higher than last week, while cancellations were 1.3 millions less. As the reserve was unchanged, the fiduciary issue declined by 1½ millions to £303,989,419, and the reserve ratio shows a slight improvement at 13.3 per cent.

Bank of England.

This week's Bank return repeats the features of the last two weeks as regards the repayment of advances on the part of the Government, the decline in liabilities, and the strengthening of the reserve position. The decline of £16,953,000 in Government securities, when compared with the figures for the repayment of advances by the Bank as published in the income and expenditure returns, seems to indicate that this desirable movement will feature in the national accounts for the current week. On the other hand, expenditure for this week promises to be high. Treasury bill maturities are large, and there is a strong pressure for funds in Lombard Street, so that it is possible that the closing days of the week may start a reactionary movement. In consequence of a slight increase in the circulation, combined with a loss in coin and bullion, the reserve is down by £101,000 to £16,585,000. This movement, however, was more than counteracted by a decline of over 16½ millions in "other" deposits, and accordingly the reserve ratio advanced from 12.5 per cent. to 14.3 per cent. The contraction in "other" deposits is perhaps the most significant aspect of the return. As compared with a month ago the fall is over thirty millions, and the present figure of £100,591,000 is lower than any since May 12 last, when, it may be recalled, Treasury bills were taken up on a larger scale even than at present.

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Bullion.

A MODERATE amount of gold which came on the market was bought again by India and the United States. 115s. per oz. was quoted to-day.

A marked diminution of supplies, the weakness of the dollar exchange, and heavy buying orders on Chinese account were again the features in the Silver market. It would seem, however, that the advance in prices above the point—$1 per ounce fine—at which the repurchase clause of the Pittman Act becomes operative imparted a weaker tone to the market. At any rate, the spot price declined from 63¾*d.* per ounce on Saturday to 60¾*d.* on Monday. On Wednesday, however, it reacted to 61*d.*, on Thursday it put on ½*d.*, but to-day it dropped back again to 61*d.* The forward quotation was the same as that for spot until yesterday, when it went to a discount of ½*d.* To-day's forward price was 60½*d.*

Messrs. Samuel Montagu and Company, in their weekly bullion circular, draw attention to the possibility of coined rupees being marketed as bullion, in view of the recent appreciation in the price of silver, should the rupee exchange rates prove favourable to the operation. They state that a rumour has emanated from Bombay to the effect that silver rupees were being, or were about to be, shipped.

We deal more broadly with the silver position in a leading article.

NEW YORK.

ACCORDING to the statement of the New York City Banks and Trust Companies for the week ending August 21 an increase has occurred in the credit extensions of the banks almost sufficient to counterbalance the contraction of the previous fortnight. On the other hand, a decline in liabilities combined with an increase in the reserve to strengthen the position of the banks. Loans, discounts, and investments expanded by 24 millions to $5,129,580,000; net demand deposits were reduced by 19.3 millions to $4,605,780,000; and Government deposits were increased simultaneously by 21.2 millions. At $542,720,000 the aggregate reserve shows a gain of 1.3 millions, the outcome being an increase of 3.8 millions to $11,860,000 in the average excess reserve. The actual excess reserve at the close of business on Saturday last, though higher than the average figure for the week, was 4.3 millions below that of a week previously.

A review of the position, as shown by recent statements of the banks, reveals a definite tendency, which began about the opening of the current half-year, and, arising out of an increasing pressure for funds by the public, has resulted in a gradual weakening of the lending power of the banks. Since July 3 net demand deposits have declined by $171,850,000, and during the same period the weekly average of the reserve has fallen by $44,330,000. This has been more than sufficient to counteract the decline in reserve requirements, and the excess reserve has accordingly fallen to levels unparalleled since the weakness attendant on the outbreak of the War. Indeed, on two occasions, July 24 and July 31, the reserves were below the legal requirements. This show of events becomes extremely [illegible] the New York Money market, as under the circumstances the banks concerned will have to pursue a more conservative policy in the matter of credit operations.

It was hoped that the effects of the recent expansion in demands of member banks from the Federal Reserve system would be counteracted by a strengthening of the gold reserves, and till quite recently this hope was being fulfilled. Judging by recent returns of the Federal Reserve Banks, however, it is unlikely that the present rate of expansion in the unliquid assets can be maintained without a serious fall in the reserve ratio, which is already very near the legal minimum. According to the latest weekly return the gold reserves have been reduced by eleven millions, and on the previous week the banks lost three and a quarter millions in gold. Such a movement may prove to be only temporary, but it is not encouraging when viewed in the light of other developments. Last week rediscounts again expanded by 30.4 millions, increasing the total to $2,619,430,000, which, in common with last week's figure, constitutes a new high "record." In pursuance of what has apparently been the consistent policy of the banks since the start of the year, a further liquidation has been made in the holdings of bills bought in open market. The Federal Reserve note circulation shows another considerable increase, and the present level of $3,174,730,000 is the highest recorded to date, with the sole exception of the figure for July 12. Government deposits advanced by 43.3 millions, but other deposits are 36½ millions lower. This decline, however, was not sufficient to prevent a fall in the reserve ratio to 43.5 per cent., as compared with 43.9 per cent. last week and 51.3 per cent. a year ago.

Money on call ruled strong at seven per cent., hardening latterly to eight per cent., which is the latest ruling rate, though business was done up to nine per cent.

Stock Exchange.

ANY hopes of the Stock markets recovering from holiday lethargy were effectively dispelled by the prospects of a coal crisis. Business was very small for the week. Buyers held aloof, and, though holders evinced no desire to liquidate, price movements were generally downward. The Oil market was a prominent exception at first, but reacted later in sympathy with the general dulness. Considering the developments in the Labour situation, it is not surprising that a sharp shrinkage in the volume of business passing in the markets should have occurred. The falling-off in activity became most pronounced towards the end of the week, and yesterday and to-day were the quietest days for several months past. The Labour crux, indeed, is so predominant that the Polish question seems to have been put entirely in the background, but it was evident that the feeling was growing less pessimistic towards the close of the week. It is probable, of course, that the stringency in Lombard Street had also a large influence on the markets, as the bankers seem to be [illegible]

TRADE WITH THE NEAR EAST

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of the deflationists. The chief sufferers are, of course, the holders of British funds, but as is usual when this market is depressed, sections are pervaded by the gloomy tendency. Nevertheless, there is little pressure to sell, holders being content to wait for more cheerful conditions.

Gilt-edged stocks received little attention. War Loan Fives, starting weak, made a slight rally, which was not long sustained, however. War Loan Fours registered no change. Funding Loan was consistently weak, easing away to 67½ at the finish. Continued offers of Victory Bonds caused them to be marked down also. India Threes and Three and a Halfs showed a little strength at first, but later joined in the general downward movement. The recent demand for County and Corporation issues slackened considerably. Bradfords, Bristols, Herts, and Sheffields, however, showed fractional appreciations. Birminghams registered several marked falls. Colonials aroused no interest, the only feature being a decline in Cape Three and a Halfs.

The movements in the Foreign Bond market were mainly adjustments due to the oscillations of the Foreign Exchange markets. Business in Chinese Bonds was brisk for a while, but prices showed little alteration on the whole. French War Loan and German Threes fell steadily, but hardened before the finish. Japanese descriptions were in some demand and closed higher. Mexican and Peruvian issues and Spanish Fours also registered slight improvements. Guatemala Four per Cent. Bonds declined, and Russians showed further weakness.

Home Rails are still in the slough of despond. Caledonians were the only feature to exhibit buoyancy for the week. Great Western and Midland Deferred made a partial rally on Thursday. These, however, were the only exceptions to the prevailing dullness. Lord Ashfield's optimistic pronouncement concerning prospects was not sufficient to steady Underground shares.

The outstanding feature among Foreign Rails was a slump in Argentines. Liquidation was fairly heavy, and, despite dividend prospects, prices yielded steadily. Elsewhere Cordobas, Leopoldinas, and Interoceanics of Mexico were marked down. Brazils and Antofagastas were also weaker. Canpacs improved with the dollar currency, but Grand Trunks eased slightly.

Industrials became more and more stagnant as the week progressed, and at the close firm features were difficult to discover. Apollinaris registered an early appreciation, as did General Electrics, Bovrils, and Aircraft Manufacturing Preference. Elsewhere much weakness was exhibited. As holders were not anxious to liquidate, however, the changes were not very violent. British Cements, Magadi Sodas, British Glass, Imperial Tobaccos, Dunlops, and Alby Carbides were all weak. Iron, steel, and engineering varieties were not exceptions. The unexpected postponement of an interim dividend on Vickers' Ordinary shares reacted on their price and accentuated the despondency which brooded over the other descriptions. The eventual explanation by the directors cleared the atmosphere somewhat, but it was not sufficient to strengthen prices. Bolckow Vaughans, despite the maintenance of a twelve per cent. dividend, were lower. Nitrates displayed little activity, and shipping and textiles shared in the general dullness.

Oils at the outset were by far the most animated section, and, under the influence of a brisk demand, many advances, especially in the leaders, were recorded. Though coal troubles ought to prove a "bull" point for this market, the firm tone did not endure long into the week. By Wednesday the lack of confidence which characterised other sections had sapped the optimism of this market, and heavy realisation was in progress. Quotations drooped for most descriptions, but Tankers, Anglo-Scottish, and Shells offered strong resistance and closed firm.

Mining Topics.

Apart from a few comparatively cheerful features, the Mining market during the week was decidedly quiet in tone. Gold rose to 116*s.* per fine ounce by Wednesday, but fell rapidly on Thursday to last week's closing price of 115*s.*, remaining firm at this figure on Friday. In the Share market the Kaffir group recorded an all-round decline on Tuesday, and a similar but less general fall characterised movements in the other groups. On Wednesday City Deep spurted ⅛ to 2$\frac{25}{32}$, buyers apparently anticipating high profits on the current month's working, while City and Suburban, recently absorbed by the first-named, advanced to 7*s.* 6*d.* Crown Mines put on ⅛ at 2$\frac{31}{32}$, and Modder B's at 6¾ buyers gained the same fraction. Otherwise the general trend was downward in all groups except Mexicans, which continued cheerful throughout the week. On Thursday City Deep closed $\frac{1}{32}$ further up at 2$\frac{3}{4}$, City and Suburban advancing in sympathy to 7*s.* 9*d.* Consolidated Main Reefs rose 6*d.* to 15*s.* 9*d.* on fresh cabled demands from Johannesburg, while moderate Paris buying was reflected in a recovery of $\frac{1}{32}$ in Rand Mines at 2$\frac{7}{8}$. In the Diamond group De Beers Deferred and Preference and Jagersfontein all appreciated ¼.

Tin showed the opposite tendency to gold, falling by nearly £8 per ton during the early part of the week, but appreciating rapidly by £7 per ton on on Thursday on Strong American demand for the metal. The Tin Share market drooped in sympathy, but did not respond to the sharp recovery on Thursday.

A message received from Australia seems to point to an early resumption of operations on the Broken Hill field, where work has been interrupted for a considerable time by the miners' strike. With the possibility of serious trouble in the coalfields at home next month, and the uncertain political outlook, it is doubtful if any improvement in the different markets is likely to be exhibited in the immediate future.

LANGLAAGTE ESTATE AND GOLD MINING COMPANY.

	Ore Milled	Gold Yield per	Working Costs per	Working Profit		Net Profit*	Dividends		Carry-forward
	Tons	Ton	Ton	£	Per Ton	£	£	%	£
1914...	589,619	24/0	18/0	179,414	6/0	146,852	88,650	10	40,385
1915...	612,297	22/10	17/10	155,427	5/0	118,019	132,975	15	6,801
1916	595,507	23/5	18/3	148,928	5/2	110,698	44,325	5	62,480
1917...	533,618	23/0	18/10	112,931	4/2	112,448	88,6'0	10	75,557
1918 ..	533,690	24/3	19/1	139,082	5/2	128,105	110,813	12½	70,898
1919...	475,480	24 11+21 2		88,942†	3/9†	131,561‡	132,975	15	60,796
1920.									
Mar.qr.	102,350	29.7‡	27·7	10,377‡	2/0‡	—	—	—	—
June qr.	122,350	32/0‡	27/6	27,249‡	4/6‡	-	—	—	—

* Including sundry revenue and after provision of miners' phthisis contribution, taxes, &c., but not capital expenditure.
† Excluding gold premium amounting to £58,047, equivalent to 2/5½ per ton. ‡ Including gold premium.

The report of this South African gold-mining concern for the year ended December 31, 1919, is of a rather varied character. The quantity of ore milled is reduced appreciably to 475,480 tons, by far the lowest quantity handled for the past six years. This decline of 58,210 tons, as compared with 1918, is accounted for mainly by an acute shortage of native labour. Thus it appears that the average number of underground workers was 2,435, or 238 less than in 1918, whilst the average number of natives on the books of the Company only reached 3,523, as against 3,975 in 1918, and 5,364 for 1915. It was, furthermore, added that the compressor plant was of a very limited nature, thereby involving a dependence upon hammer boys to a greater extent than other mines. It is not surprising, therefore, to learn that the working costs increased during the year by over 2*s.* 1*d.* per ton to

21*s.* 2*d.* But whilst due in part to the decline in tonnage crushed, this increase is reflected the general rise in the price of stores, materials and labour, as well as the increased burden inflicted by the new Miners' Phthisis Act. As regards wages, the principal of the increase is furnished in the advance of European wages from £119,944 in 1918, to £163,102, despite a small reduction in the number employed. On the other hand, there was a slight improvement in the grade of the ore mined, the average being 5.850 dwt. per ton, as against 5.706 dwt. in 1918. Calculating gold at par value in order to maintain an effective comparison, the gold revenue per ton increased from 24*s.* 3*d.* to 24*s.* 11*d.* Yet owing to the substantially higher working costs, the working profit only amounted to £88,942, or 3*s.* 9*d.* per ton, in comparison with £179,082, or 5*s.* 2*d.* per ton, in 1918. However, thanks to the advent of the gold premium after July, an additional revenue was earned of £58,047, equivalent to 2*s.* 5¼*d.* per ton. This had the effect of increasing the mined gold revenue per ton of 27*s.* 4¼*d.*, and a working profit of £146,989; or 6*s.* 2¼*d.* per ton. Accordingly, despite the adverse factors in the actual working operations, the net profit amounted to £131,561, or more than £3,500 in excess of that of 1918. Consequently, the dividends paid to shareholders increased from £110,813 to £132,975, or from 12½ to 15%. The balance carried forward to the next accounts stands at £60,796.

In quantity the development work during the year, despite the shortage of labour, reached 10,576 feet, as compared with 8,207 feet in 1918. Though not quite up to the high value of 1918, values were on the whole fairly satisfactory as can be seen in the following table:—

	Sampled Fee	Payable Ft.	Payable %	Assay Value	Width Inches	Shilling-Inches
1919	7,767	5,093	66	123/8	15	1,855
1920.						
Mar. qr.	1,395	1,084	76	132/7	14	1,856
June qr.	1,702	1,256	74	106/8	16	1,707

	—Ore Mined in Year—				—Pay-ore Reserves at Dec. 31—			
	Stoping Width Inches		Shilling-Inches		Av. Width Inches		Shilling-Inches	
	Tons	Value			Tons	Value		
1917...	535,783	24/6	56	1,370	1,060,594	29/3	54	1,580
1918 ..	534,000	25/8	52	1,325	1,036,200	29/3	52	1,520
1919...	448,074	26/0	52	1,352	1,002,400	27/7	52	1,434

As regards mining operations, the outstanding fact is the gradual but pleasing decline in hand stoping. By the introduction of Hydromax drills during the year an area of 4,121 square fathoms was stoped at the average stoping width of 51 inches; whilst the proportion accomplished by hand drilling fell from 83% to 73%, as appears from the following table:—

Stoping Measurements.

	—1919— Square Fathoms Stoped	—1919— Stoping Width Inches	—1918— Square Fathoms Stoped	—1918— Stoping Width Inches
Work by 3½-inch rock drills ...	3,026½	66	3,559½	69
„ hammer drills	276	60	1,900	49
„ Hydromax drills ...	4,121	51	—	—
„ hand drilling	20,355	50	26,292	50
	27,777½	52	31,751½	52

In estimating the outlook for the current year a variety of factors have to be taken into account. Thus the ore reserves have declined alike in quantity and quality; but, on the other hand, it was stated at the general meeting that the set-back caused by the floods of 1918 had been largely overtaken with the result that an improvement in the position of the ore reserves was confidently anticipated during the current year. Development work for the first quarter, with 76% of payable ore averaging 132*s.* 7*d.*, as against 123*s.* 8*d.* for 1919, would support this contention. Results for the June quarter are not so encouraging, the average values having declined to 106*s.* 8*d.* Again, whilst the quantity of ore treated, especially during the June quarter, showed a gratifying increase, there is yet much ground to be covered if the quantity crushed for 1920 is to exceed 500,000 tons. Similarly, whilst owing to the gold premium the gold revenue per ton averaged 29*s.* 7*d.* for the March quarter, and 32*s.* for the June quarter, this was more than offset by the rapid rise in working costs, which amounted to 6*s.* 3*d.* per ton for the March period, and 4*s.* 6*d.* per ton for the June period, even with the inclusion of the gold premium. Herein lies the explanation of the small interim dividend of 2½% declared in June, as against 7½% in June and December of 1919. Yet it is well to recollect that the working costs have been swelled not only by the great increase in the contributions under the Phthisis Act and the substantial advances in wages to whites and natives alike; but also by the serious growth in the costs of realisations. The South African exchange rate rose from ⅝% in the opening of the year to 8½% by June. It is the practice with this Company to include this item in its actual working costs, and this accounts for the rather marked rate of increase. In this respect the prospects for the latter half of the year are much more encouraging. There is no reason for assuming that wages will increase to any great extent. On the other hand, the gold premium is likely to improve with the expected swing back of the American exchange in connection with the usual autumn movements of the wheat and cotton crops. This advantage will be enhanced by the recent reduction of the South African exchange rate to 1¼% for demand drafts. Consequently, it is not unreasonable to look forward to a final dividend of 7½%, making with the interim dividend 10% for the year. Moreover, the financial position of the Company as disclosed in its balance sheet dated December 31, 1919, is sound. Including liability in respect of taxation to the extent of £13,528, the liabilities amount to £134,689; whilst liquid assets, excluding stores to the value of £52,277, are available to a total of £138,961. In the market the £1 shares are quoted [illegible] upon the basis of a 10% dividend, a return of 13⅓%.

ANGLO-CONTINENTAL MINES.

Year	Ore Crushed Tons	Yield per Ton Oz.	Value per Ton s.	Value per Ton d.	Working Profit £	Working Profit per Ton s.	Working Profit per Ton d.	Dividends Paid £	Dividends Paid %
1913	7,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1914	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1915	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	148	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

The report presented by this well-known mining finance concern for the year ended December 31, 1919, is of a most satisfactory character. According to the above table the output of tin is shown as declining seriously from 278¾ tons in 1916 to 148 tons in 1919. However, whilst the decline in part reflects the exhaustion of older properties from which tin is yet being won and in part difficulties connected with an inadequate labour supply and unfavourable climatic conditions impeding the transport of tin; the fact remains that the actual production of tin has been definitely relegated to the background as a minor consideration. In recent years the company is depending more on its income from investments and is devoting much more attention to the acquisition and prospecting of new properties. For the year under review its manifold operations resulted in [illegible] with £30,067 in the previous years. As might have [illegible] [illegible] £5,905. Net profits, [illegible] £10,000 [illegible] 1918 [illegible] £22,925. [illegible] [illegible] £22,500 in 1918 and 1917 [illegible] at 17½ [illegible] [illegible] [illegible]

On the whole the outlook for the current year is of a favourable nature. During 1919 the Company disposed of its interest in exclusive prospective licences and applications for exclusive prospecting licences over some twenty-one square miles, and three mining rights over some three miles to the celebrated Mongu (Nigeria) Tin Mines. The transaction, which was mutually advantageous to both parties, was carried through in exchange for 35,000 fully-paid shares of 10s. in the Mongu Company. The result is that over half the capital of that progressive tin mining concern is now held by Anglo-Continental Mines. What this means from the point of view of income is best seen from the fact that for 1918 and 1919 Mongu paid a dividend of twenty-five per cent., and its prospects for the current year are scarcely less bright. Again, during 1919 Anglo-Continental Mines acquired and applied for exclusive prospecting licences over 63 square miles, five mining leases over 440 acres and eight mining rights amounting to 6,813 yards. Its activities during the current year include applications for or acquisition of an exclusive prospecting licence over one square mile, and three mining rights amounting to 3,713 yards; whilst there have been purchased three mining rights over three miles. Prospecting is being actively carried on in all areas and by June 1920 some 1,300 tons of tin concentrate had been proved. Great potential value attaches to the provisional application to the Nigerian Government for a power concession over the Kurra Falls. A representative of Messrs. Vickers, Ltd., who visited these waterfalls in March estimated that they would give at the power-station an available horse-power of 5,500. This would put the Company not only in a position to meet their own requirements, but also to supply electrical power to the mines for miles around. Such a development of power would help to compensate for the lack of native labour, and by its greater efficiency bring about an appreciable reduction in the working costs of the mines. However, against these favourable forces have to be reckoned the loss incurred by the serious decline in the price of tin since the spring, as well as the burden involved in the recent increases in taxation embodied in the Finance Act of 1920. Turning to the balance sheet of the Company as on December 31, 1919, it appears that whilst investments were entered at £14,700, their market value on the date in question would be 150 per cent. more. Of course, in the interval the general depression in the stock markets will have reduced this appreciation considerably; but nevertheless the fact remains that this, the main asset of the Company, is valued very conservatively, and that there is no reason for regarding the present depreciated level of prices as a permanent index of value. Again, liabilities, including the final dividend on the Ordinary shares amounting to £27,125, do not exceed £34,303, and are more than covered by the cash balance of £46,222. Thus the financial position of the Company is one of great strength. Bearing in mind the extent to which its income is bound up with dividends from tin-mining concerns, we are inclined to look upon fifteen per cent. free of tax as the maximum dividend for 1920. In the market the 10s. shares of the Company stand at 17s. 1½d., and at this price, assuming a dividend of fifteen per cent. free of tax (21⅞ per cent. subject to tax), they afford a return of over 8¾ per cent. free of tax equivalent to 12½ per cent. subject to tax.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, August 25, 1920.

Issue Department.

Notes Issued	£139,982,830	Government Debt	£11,015,100
		Other Securities	7,434,930
		Gold Coin and Bullion	121,532,830
	£139,982,830		£139,982,830

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£41,555,460
Rest	3,497,698	Other Securities	75,883,141
Public Deposits	15,283,947	Notes	15,089,280
Other Deposits	100,591,209	Gold and Silver Coin	1,496,027
Seven-day and other Bills	17,854		
	£134,023,908		£134,023,908

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Aug. 25	124,8	123,0	15,3	100,5	41,5	75,8	16,5	14·3	7	6⅛
Aug. 18	124,8	123,1	16,1	117,3	58,5	76,1	16,8	12·5	7	6⅛
Aug. 11	125,5	123·0	15,8	124,0	68·2	73,8	15,9	11·4	7	8⅛
Aug. 4	126,4	123,1	17,4	130,6	76,2	74,7	14,9	10·2	7	6⅛
July 28	125,3	123,2	15,1	118,8	59,9	75,4	16,2	12·2	7	6⅛
1892-'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Aug. 27, 1920	Aug. 27, 1919	Aug. 28, 1918	Aug. 29, 1917	Aug. 28, 1910
Circulation	£124,8	£79,8	£57,6	£40,4	£28,3
Public Deposits	15,3	23,3	34,9	46,5	17,9
Other Deposits	100,5	94,9	136,1	131,1	39,9
Government Securities	41,5	29,8	59,5	57,9	16,0
Other Securities	75,8	79,6	99,3	105,5	29,4
Reserve	16,5	26,9	30,4	32,3	30,45
Ratio to Liabilities	14·3%	22·75%	17·78%	18·21%	52·68%
Coin and Bullion	123·0	88,2	63,5	61,3	40,3
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	8%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛-⅜%	3⅝%	3½%	4⅛%	3-3⅛%
Exchanges:					
Paris Cheque	51·20	34·05	26·20	27·46⅛	25·25
New York 60 days	3·56	4·19	4·73	4·72⅛	4 83·90
Bombay Telegraphic Transfers	1/10⅛	1/9⅛	1/6⅝	1/5⅝	1/4
Prices:					
Consols 2½% Cash	46⅝	61	57	58⅛	80⅛
French Rentes 3% Money	57	61·55	63·70	62·30	97·25
Silver, London spot	80⅛	58d.	49⅛d.	46d.	24⅛d.
Wheat, *Gazette* average qr.	90·7	73/10	74/8	76/7	32/11
Cotton, Mid Upland lb.	25·33d.	19·74d.	24·06d.	18·25d.	8·24d.
Iron, Scotch pig ton	231/0	186/0	101/0	98/8	55/9

CURRENCY NOTE ISSUE.

	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
Week to	£	£	£	£	£	%
Aug. 25, '20	7,230,894	8,757,633	351,089,419	28,500,000	18,600,000	15·3
Aug. 18, '20	5,136,444	8,585,863	352,616,188	28,500,000	18,600,000	13·3
Aug. 27, '19	5,523,688	8,944,846	330,951,478	28,500,000	—	8·6
Aug. 28, '18	5,263,559	4,384,574	267,844,243	28,500,000	—	10·6
Aug. 29, '17	4,131,785	4,270,686	173,361,091	28,500,000	—	16·4
Aug. 30, '16	4,212,453	3,997,910	129,858,924	28,500,000	—	21·9

Balance Sheet, August 25, 1920.

	£		£
Notes outstanding—		Advances—	—
One Pound	277,737,871	Other Bankers ...	—
Ten Shilling	41,311,548	Trustee Savings Banks	—
Certificates outstanding ...	32,040,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	351,089,419	Bank of England Notes...	18,600,000
Notes called in but not yet cancelled	4,922,788	Government Securities ...	325,466,640
Investments Reserve A/c ...	16,761,387	Balance at Bank of England	206,954
Total	372,773,594	Total	372,773,594

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Aug. 21	£27,600	£15,818	£11,782‡	£91,787	£102,581	−£10,974	£3,926
Aug. 14	19,433	11,068	8,365‡	89,866	98,234	−8,268	3,118
Aug. 7	18,638	20,725	2,087	100,804	98,803	+ 2,001	3,021
143days '20-21	484,094	333,125	90,969‡	2,089,146	2,189,484	−100,338	− 5,443
145days '19-20	343,982	567,998	219,016	2,795,019	2,584,119	210,900	− 8,118
Fr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	−234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	328,202	9,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,048	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,804	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue—Customs & Excise	Revenue—Income Tax, &c.	Revenue—Excess Profits Duties, &c.	Revenue—Other Revenue	Expenditure—Int., &c., on Debt	Expenditure—Misc. Expend.	Expenditure—Supply Services.
Aug. 21	£13,833	£5,213	£5,723	£2,831	£1,328	£710	£13,280
Aug. 14	4,197	6,760	4,337	4,139	1,551	1,117	8,400
Aug. 7	3,590	6,413	4,762	3,873	7,279	10	13,436
143days '20-21	118,766	101,854	86,102	175,402	132,805	6,386	253,931
145days '19-20	95,109	86,756	101,844	84,291	137,137	3,082	427,779
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,089	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,986

FLOATING DEBT. [000's omitted.]		Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Aug.	21, 1920 ...	£1,080,753	£187,541	£1,243,797	£1,745,720
Aug.	14, 1920 ...	1,048,492	209,841	1,259,333	1,745,720
Aug.	7, 1920 ...	1,036,930	218,341	1,255,321	1,745,720
July	31, 1920 ...	1,058,348	203,841	1,262,189	1,745,720
June	30, 1919 ...	796,150	774,237	1,570,387†	1,732,041

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS :

[In £'s Sterling—000's omitted.]

		Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£633	£11,610	£41,925	£51,800	£8,383
Aug. 12, '20	...	10,889	1,049	11,708	22,782	219,412	66,304
Aug. 19, '20	...	10,860	1,056	11,716	23,476	220,170	66,402

		Claim on Austro-Hung. Bank	Contingent Liabs. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *							
July 31, '20	...	£398,469	£88,923	£30,202	£92,789	£383,161	£48,795
Aug. 7, '20	...	398,475	88,923	29,678	83,162	388,255	45,562
Aug. 15, '20	...	396,489	88,923	30,001	85,230	393,601	48,703

		Cash			Dis-	Balance	Circula-	
		Gold	Silver	Total	counts	Abroad	tion	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£8,197	£788	£8,693	£47
June 30, '20	...	12,668	147	12,815	14,428	1,885	29,370	2,403
July 31, '20	...	12,658	143	12,801	13,755	2,045	30,088	2,524
July 31, '19	...	10,410	157	11,567	5,784	2,426	23,903	128
July 31, '18	...	10,543	134	10,677	3,282	3,554	20,296	517

		Gold	Silver	Total Cash	Discounts	Advances	Circula-tion	Deposits Public	Deposits Private
FRANCE.		In Bank Abroad		incl'g Silver	Bills				
July 30, '14	...	£165,854		£190,887	£97,789	£247,327	£15,302	£37,903	
Aug. 19, '20	...	144,470	79,131	233,583	79,203	1,515,931	5,193	129,159	
Aug. 26 '20	...	144,478	79,131	233,787	76,397	1,516,130	2,589	128,112	
Aug. 28, '19	...	143,766	79,131	231,747	35,533	1,433,816	3,330	119,082	
Aug. 29, '18	...	135,931	81,484	230,235	36,157	1,177,359	11,943	133,092	

		Gold	Silver	Cash Total	Other Notes	Treasury & Loans & Discounts	Circula-tion	De-posits
GERMANY.								
July 23, '14	...	£87,843	£16,727	£94,570	£5,279	£10,055	£94,545	£47,198
July 31, '20	...	64,579	321	54,900	893,788	2,305,173	2,738,433	834,010
Aug. 14, '20	...	64,579	347	54,926	899,315	2,227,838	2,813,031	774,816
Aug. 15, '19	...	55,325	392	56,317	429,530	1,504,831	1,437,733	479,033
Aug. 15, '18	...	117,338	8,008	123,336	94,092	798,982	649,436	403,197

		Gold	Silver	Cash Total	Dis-counts	Ad-vances	Circula-tion	De-posits
HOLLAND.								
Aug. 1, '14	...	£13,496	£249	£13,745	£13,422	£10,332	£35,860	£1,437
Aug. 9, '20	...	53,028	1,298	54,326	11,089	27,075	85,781	8,425
Aug. 16, '20	...	53,028	1,326	54,354	11,508	26,433	85,576	8,125
Aug. 16, '19	...	53,878	483	54,361	10,589	19,500	83,034	6,457
Aug. 17, '18	...	58,811	655	59,496	16,095	8,494	77,722	4,926

		Gold	Silver	Cash Total	Other Cash	Loans & Discounts	Circula-tion	Deposits
ITALY.								
July 31, '14	...	—	—	£48,456	£25,017	£89,204	£8,887	
June 20, '20	...	£32,191	£3,091	35,192	13,915	202,527	536,053	71,895
May 30, '20	...	32,191	2,990	35,181	15,203	219,810	553,104	75,218
June 30, '19	...	32,202	2,968	35,170	23,316	68,788	381,552	68,068
June 30, '18	...	32,726	3,081	35,807	10,833	57,752	313,952	67,646

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,887	£1,829	£7,863	£32,722	£13,818	£1,521
July 10, '20	...	86,305	27,321	29,614	115,253	109,909	10,810
July 17, '20	...	86,846	23,761	27,375	112,530	109,483	9,370
July 19, '19	...	71,101	4,268	44,218	94,057	110,589	4,752
July 13, '18	...	85,400	2,838	28,274	70,610	73,987	3,288

		Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest., &c.	Net Deposits Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,238	—	—	£387,165	£1,720
Aug. 14, '20	...	£18,554‡	108,288	1,021,118	£805,020	£51,958	861,430	1,612
Aug. 21, '20	...	17,892†	108,544	1,025,916	801,156	52,048	861,936	2,372
Aug. 23, '19	...	19,502‡	110,934	999,268	805,348	40,843	833,036	4,183
Aug. 24, '18	...	19,794‡	104,096	839,186	723,520	33,168	829,230	8,186

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circula-tion	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,888	£6,752	£793
Aug. 7, '20	...	8,112	2,760	578	25,223	25,334	6,917
Aug. 15, '20	...	8,119	2,806	578	24,257	25,194	6,012
Aug. 15, '19	...	8,170	5,077	678	16,230	23,410	2,477

		Gold	Silver	Total	Discounts & Advances	Note Circu-lation	Deposits
PORTUGAL.							
June 2, '20	...	£1,906	£3,921	£5,827	£20,406	£30,436	£10,635
June 9, '20	...	1,906	3,921	5,827	23,587	34,858	8,858
June 11, '19	...	1,905	3,935	5,840	8,198	65,038	3,474
June 12, '18	...	1,905	3,475	5,380	8,922	48,378	2,188

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
June 5, '20	...	£62,809	£15,779	£3,794	£19,573	£188,443
June 12, '20	...	62,809	16,587	3,463	20,050	187,704
June 19, '20	...	64,009	18,482	3,514	21,976	189,444
June 21, '19	...	39,981	9,712	1,910	11,622	117,089

		Gold— In Bank	Abroad	Total Cash incl'g Silver	Loans & Discts	Circula-tion	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 28, '17	...	128,623	230,865	378,205	1,869,559	1,836,217	15,783	345,550

		Gold	Silver	Cash Total	Loans, &c.	Spanish 4%	Circula-tion	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Aug. 14, '20	...	98,095	24,083	122,178	87,133	13,779	153,284	36,833
Aug. 21, '20	...	98,095	24,086	122,181	87,154	13,779	153,420	36,877
Aug. 23, '19	...	86,232	25,876	122,108	88,254	13,778	145,393	40,532
Aug. 24, '18	...	87,187	25,973	118,160	53,957	13,777	118,090	48,101

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circu-lation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,435	£13,432	£3,903
Aug. 14, '20	...	14,517	5,271	2,519	35,634	39,740	11,772
Aug. 21, '20	...	14,519	4,979	2,519	36,333	38,705	13,332
Aug. 23, '19	...	16,686	7,492	2,981	19,443	38,233	7,643
Aug. 24, '18	...	14,574	7,152	5,323	14,651	39,494	4,195

		Gold	Cash Silver	Total	Discounts & Advances	Circula-tion	Deposits
SWITZER-LAND.							
July 23, '14	...	£7,292	£758	£7,980	£4,917	£10 716	£2,025
Aug. 7, '20	...	21,584	3,570	25,134	13,426	37,150	4,431
Aug. 14, '20	...	21,687	3,609	25,296	14,179	36,990	5,049
Aug. 15, '19	...	18,697	2,666	21,363	17,800	35,155	5,452
Aug. 15, '18	...	15,481	2,129	17,610	14,053	29,744	4,474

* Converted at 21 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

		Gold.	Silver	Total	Discounts	Circulation	Deposits
U. STATES FED. RES. BANKS.							
Aug. 16, '20	...	£395,472	—	£426,578	£517,802	£64,124	£2,324 £338,490 £633,836
Aug. 23, '20	...	394,370	—	424,3631	523,866	64,120	10,992 339,864 634,948
Aug. 23, '19	...	167,998	246,850	428,542	354,862	72,582	40,666 544,780 510,706
Aug. 24, '18	...	189,792	211,818	411,054	278,760	47,306	34,606 318,814 406,568

II. CURRENT BANK RATES OF DISCOUNT.

Aug. 4	July	1, 15			15, 14
Aug. 5		13, 14	Madrid ...	5	10, 19
Aug. 5	Aug.	21, 19		3	8, 20
Aug. 5		4, 20		6	29, 14
Aug. 5	Apr.	28, 20		6	12, 20
Aug. 5	June	5, 19		6	18, 20
Aug. 7		20	Tokio	8 1/2	18, 19
Aug. 7	Apr.	16, 20	Vienna ...	5	12, 15

III.—FOREIGN EXCHANGES.

LONDON ON		Aug. 27, '20	Aug. 20, '20	Aug. 13, '20	Aug. 6, '20
[illegible]		176	179m.	169	167m.
[illegible]		14	17	47fr. 15c.	47
[illegible]		25	27	24kr. 32	24kr. 10
[illegible]	do.	110. 12c.	111. 01c.	10	101. 90
[illegible]		77 00	78 37	73 50	71kr. 50
[illegible]	do.	12d.	12d.	11d.	13d.
New York		$3 55	$3 59	$3 63d	$3 [illegible]
[illegible]	Cheques	$3 58d	$3 59	$3 64d	$3 62d
[illegible]		26kr. 27	24kr. 32	24kr. 10	[illegible]
Paris		51fr. 85c.	51	51	51fr. 00c.
—	Cable	51fr. 10c.	50	50	50
Spain, Barcelona		19	19	47d.	47d.
[illegible]		23c. 90	23c. 93	24 17	24c. 20
Stockholm		17kr. 62	17kr. 58	17kr. 62	17kr. 57
Switzerland		22	22	22	22fr. 35
[illegible]		21 70	21 65	21 [illegible]	21fr. 82c.

ON LONDON		Aug. 27, '20	Aug. 20, '20	Aug. 13, '20	Aug. 6, '20
Alexandria ...	Sight	97 3/8	97 1/4	97 1/4	97 1/4
Amsterdam ...	Cheques	11. 12c.	11. 01	10. 98c.	12. 107.
Antwerp ...	Cable	33fr. 00	32fr. 25	31fr. 70	25 [illegible]
Belgium ...		1. 10d.	1. 10d.	1. 10d.	2. [illegible]
Brussels ...	Cheques	48fr. 12c.	47fr. 40c.	47fr. 16	25 [illegible]
Buenos Ayres ...	Transfers	56d.	57d.	57d.	47 [illegible]
Calcutta ...	do.	1s. 10d.	1s. 10d.	1s. 10d.	2s. [illegible]
Constantinople ...	Sight	25kr. 23	24kr. 42	24kr. 08	18·159kr.
Constantinople ...	do.	25kr. 24	24kr. 42	24kr. 12	18·159kr.
Egypt ...	Cable	114	117m.	115	25 [illegible]
Hong Kong ...		4s. 4d.	4s. 4d.	4s. 11d.	
India ...	Sight	76fr. 75c.	77fr. 50c.	73fr. 37c.	25 [illegible]
Lisbon ...	do.	11	12d.	11d.	53d.
Madrid ...	do.	1. 10fr.	1. 10fr.	1. 10fr.	2. [illegible]
Malta ...	do.	23c. 80	23c. 90	24c. 12	25c. 32c.
Mexico City ...		56d.	57d.	57d.	53d.
Montreal ...	Cable	$4 03	$4 07	$4 09	$4 86
New York ...	Sight	$3 58	$3 60	$3 67	
	60 days	$3 56	$3 57	$3 63	
	90 days	$3 59	$3 61	$3 68	$4 86
Paris ...	Cheques	51fr. 15c.	50fr. 60c.	50fr. 30c.	25fr. 22fr.
Rio de Janeiro ...	90 days	13d.	13d.	13d.	16
Singapore ...	Transfers	2s. 11d.	2s. 0d.	2s. 10d.	
Shanghai ...		2s. 3d.	2s. 2d.	2s. 3d.	
South Africa ...	do.	17kr. 65	17kr. 60	17kr. 64	18·159kr.
Switzerland ...	do.	21fr. 83c.	21fr. 65	21fr. 86c.	25 [illegible]
Vienna ...	90 days	12d.	11d.	11d.	18d.
York ...	Sight	2s. 10d.	2s. 10d.	2s. 9d.	2s. 8d.

10 [illegible] 1st March 2, 1920

NEW YORK ON	Aug. 27, '20	Aug. 20, '20	Quoted
Amsterdam ...	31 50	32 95c.	40 20c. for 1 guilder
Buenos Ayres ...	34	34 75c.	48 66 for 1
Brazil ...	118 25	116 25	
Chile ...	13 95	14 90c.	26 80c. for 1
Copenhagen ...	13 95	14 90	26 80c. for 1 krone
Germany ...	10 85c.	11 25c.	19 95 for 1
Honduras ...	79c.	79c.	1 58 for $1
Italy ...	21 60	21 20	5 18 for $1
London ...	4 99	4 99	4 8665 $ to 1
Mexico ...	46 10c.	46 10c.	50 for 1
Montreal ...	11 25	12	for $100
Paris ...	14 22fr.	14 05fr.	5 18 francs for $1
Portugal ...			5 48 for 1
Rio de Janeiro ...	5 12	5 04	3 082 milreis for $1
Singapore ...	113c.	113 50c.	56 for $1
Switzerland ...	51 50c.	51 25	26 77 for $1
Spain, cheques ...	14 97c.	15 05c.	19 8 for 1
Sweden ...	20 20c.	20 55c.	26 60 for 1
Uruguay ...	6 08	6 [illegible]	5 18 for $1
Venezuela ...	19 00c.	19 [illegible]	20 61c. for 1
Yokohama ...	61 45c.	59 [illegible]	49 84 for 1

IV.—BANKERS' CLEARING-HOUSE RETURNS.

		Week ended						
		1920						
BIRMINGHAM ...	Aug.	21	£3,134	+	£866	£126,662	£37,343	+ [illegible]
[illegible]		21	1,699	+	382	59,688	12,295	+ [illegible]
[illegible]		21	1,078		955	29,329	52,053	- [illegible]
[illegible]		21	1,388		127	60,419	19,550	+ [illegible]
LEICESTER ...		21	1,401		153	14,631	13,255	+ [illegible]
LIVERPOOL ...		21	14,109	+	2,736	560,862	[illegible]	[illegible]
MANCHESTER ...		21	25,741		8,636	1,045,753	520,380	+ [illegible]
NEWCASTLE ...		21	3,435		1,165	105,209	38,514	+ [illegible]
NOTTINGHAM ...		21	925	+	216	39,029	16,380	- 72
SHEFFIELD ...		21	1,[illegible]		497	56,064	15,973	+ [illegible]
LONDON —		1920						
Town ...	Aug.	25	572,463	+	127,541	21,782,610	[illegible]	[illegible]
Metropolitan ...			34,601	+	2,939	1,415,200	[illegible]	[illegible]
[illegible]			63,600	+	10,039	2,714,665	[illegible]	[illegible]
[illegible]		25	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

V.—FREIGHTS

HOMEWARDS.

[illegible]				11 6		
[illegible]		125 0	125 0			
[illegible]		[illegible]	60 0			
[illegible]						
[illegible]				28 0		
[illegible]		57 6				
[illegible]		85 0				

OUTWARDS.

[illegible]						8 6
[illegible]						19 6
[illegible]						

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	AUG. 27, 1920.	AUG. 29, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	231/0	166/0	57/0
— Middlesbro' warrants ...ton	225/0	160/0	51/0
— Hematite warrants ...ton	260 0	200/0	61/0
— Staffordshire bars, London ...ton	£30 10	£22 10—£23	£8 10
— Common bars ...ton	£30	£22—£23	£8 16
Steel Rails ...ton	£25	£16 10—£17	£6 2/6
Galvanised Sheets ...ton	£48—£51	£28 10	£16 17/1
Copper—Standard ...ton	£94 5	£59	£66
— Tough Cake and Ingots ...ton	£280—£281	£270	£142 15
— Straits ...ton	£280—£282 10	£277	£139 10
Tinplates. I.C. Coke, S. Wales...box	26/0	26/0	11/10½—12/0
Lead—Soft Foreign ...ton	£35 17 6—£36	£24 17 6—£25 7 6	£18
Spelter—Ord. Foreign ...ton	£40—£40 10	£38 5—£39 5	£21 7/6
Quicksilver—(75lb.) ...bottle	£21—£21 10	£23 10—£24 10	£7
Aluminium ...ton	£185 home	£150	£82
Antimony—Regulus Foreign ...ton	£48—£50	£41	£27 10
— English ...ton	£52—£55	£42	—
Coal—(best) Yorkshire ...ton	37/2—38/2	29/6—30/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, perquinta	15/0	9/6	7/4
Soda—Crystals ex wharf ...ton	110/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£54 10	£57—£57 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	42/6	55/0	16/10½
Indigo—Bengal good to fine ...lb	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£84	£112	£25 5
—Linseed—Calcutta, spot ...ton	£38	£54	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£20 10—£21	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£62	£84	£31 10
Petroleum—American ...gallon	2/1½	1/6¼	7½d.
Rape Oil—Refined English ...ton	£90	£115	£32
Soya Oil—Refined ...ton	£91	£90	£24 10
Tallow—Imported ...cwt	73/0—78/0	104/0—109/0	29/3—33/3
Turpentine—American ...cwt	150/0—152 0	130/0	33/7½
Rape Seed—Toria ...ton	£33 15	£49	£13 5
Rubber—Para, spot ...lb	1/9½	2/5½	2/9½
— Fine plantation (fine, crepe) ...lb	1/8	2/1½	2/2
— Worlds Production* May ton	33,650	30,895	8,467
Shellac—T.N. Orange, fair ...cwt	640/0	470/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	25.33d.	19.74d.	7.53d.
— Egyptian, good fair ...lb	49.00d.	29.27d.	8.75d.
— Pernambuco fair ...lb	24.83d.	21.94d.	7.73d.
— Midland Upl. New York ...lb	33.50c.	31.25c.	13.25c.
— Stock, Liverpool (Apr. 20) bale	986,790	768,250	934,600
Flax—Fetch'grad, Yaropol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£55	£49	£25 10
— Manila, Fair ...ton	£66 10	£54	£26 10
Jute—First Marks ...ton	£47	£72	£26 15
— Red SCO ...ton	£36	—	£24 15
Silk—Blue Elephant ...lb	32/8	29/0	11/3—11/8
Wool—Pt. Philip unwashed av. ...lb	37/1	3/6	11½d.—1/0
— Lincoln Half Hogs ...lb	1/6½	2 0	1/0½
Hides—Eng. Ox, best, 70 lb. up ...lb	13d.	—	7½d.
Leather—Dressing Hides ...lb	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	31,902,000	62,555,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	184c.	237c.	67½c.
—English Gazette, aver. 480lb. ...qr.	50/7	73/10	34/3
Flour—Eng. ...280lb.	63/6	44/9	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	77/10	83 4	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	57 10	62/0	20/0
Maize—N.Y. (new bushel) ...56lb.	—	208c.	76½c.
— Amer. mixed, Liverpool ...480lb	nom.	63/9	32/4
— La Plata ...480lb. qr.	62/0	65/6	25/9
Potatoes—Good English ...ton	165/0	190/0—200 0	70/0—75/0
Rice—Bassein ...cwt.	41/0	26/0	7/0—7/6
Tapioca—Pearl, medium ...cwt.	36/0—40 0	45/0	14/0—17/8
Hay—best ...2,016lb. load	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hinds ...8lb.	6/8	6/0—6 6	3/8—3/10
— Scotch sides ...8lb.	11/4	8 6	4/6—5/0
— English ...8lb.	11/4	8/6	4/6—5/0
Mutton—Scotch wethers ...8lb.	14/4	9/0	4/6—5/0
— English wethers ...8lb.	14/4	9/0	5/6—6/0
— New Zealand frozen ...8lb.	4/0—4 6	8/0	4/6—5/4
Pork—English and Irish ...8lb.	16 0	10/8	2/4—3/2
Bacon—Irish, delivered ...cwt.	†280/0	190/6	3/6—4/0
— Danish ...cwt.	†204/0	—	60/0—74/0
— Canadian, ex Port ...cwt.	†200/0	Controlled	58/0—68/0
— American ex Port ...cwt.	†180 6—187/0	187 0	—
Hams—Amer. long cut, ex Port ...cwt.	†216/0	Controlled	72/0—74/0
— — Short cut, ex Port ...cwt.	†216/0	190 0	75/0—79/0
Lard—Amer. boxes, ex Port ...cwt.	†158 6	Controlled 198 6	71/0—74/0
Butter—Danish ...cwt.	†303/4		51/9—52/9
— French ...cwt.	†303/4	Controlled	117/0—120/0
— Australian ...cwt.	†303/4	252/0	96/0—108/0
— New Zealand ...cwt.	†303/4		96/0—110/0
Cheese—Canadian ...cwt.	†162/0—166/0		108/0—114/0
— United States ...cwt.		Controlled	66/0—66/0
— Dutch ...cwt.	†184/0—168/0	144 8	—
SUGAR, COFFEE, TEA, &c.			53/0—64/0
Sugar—Imports to July 31 ...cwt.	18,117,242	20,109,795	19,777,254
— Home consump'n to July 31 ...cwt.	14,330,229	17,822,141	17,272,000
— In Bond July 31 ...cwt.	10,392,000	8,145,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	90/0	36/0	10/3
— Yellow crystals ...cwt.	112/0	67/9	12/6—14/0
— Tate's Cubes, No. 1 ...cwt.	116/0	64/9	18/0
Coffee—Imports to July 31 ...cwt.	623,444	822,078	720,360
— Home consump'n to July 31 ...cwt.	174,118	183,739	141,410
— Exports to July 31 ...cwt.	285,100	261,536	340,250
— In Bond July 31 ...cwt.	772,000	989,000	484,000
— Price, Costa Rica good, to fine ...cwt.	138 0—160 0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	90 0—95 0	—	65/9
Tea—Imports to July 31 ...lb.	251,026,769	266,636,936	123,230,277
— Home consump'n to July 31 ...lb.	216,942,382	224,183,686	155,447,972
— Exports to July 31 ...lb.	26,098,950	15,642,000	26,561,765
— In Bond July 31 ...lb.	220,172,000	143,729,000	78,292,000
— Price, Indian, Pek. Soug. gd. ...lb.	4d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. ...lb.	4d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond July 31 ...cwt.	1,526,000	1,405,000	309,000
— Grenada, good to fine ...cwt.	88/0—92/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	June	$16,481,000	+2,903,000	$2,631,000	— $360.000
	6 *mos. to* June	92,058,000	+15336000	11,428,000	— 758.000
Grand Trunk	June	£1,365,500	+£348.800	£102,500	+ £40.200
	6 *mos. to* June	6.878.100	+ 798,900	15,100	— 301.800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 8, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	July 10	1,044	Rs1,87,820	+ 20,450	14	28,75,773	+ 4,18,544
Barsi Light	July 17	118	16,800	— 30,200	15	5,03,500	— 53,900
Bengal & N.W.	July 24	2,067	4,39,430	— 23,305	16	82,73,628	— 4,97,293
Beng. Dooars	July 24	158	32,327	— 2,018	16	4,49,333	+ 13,855
Beng. Nagpur	July 17	2,695	12,17,000	— 35,000	15	1,98,06,165	— 5,96,714
Bomb. Baroda	Aug. 14	2,871	15,83,000	+ 96,000	20	3,84,55,006	+ 10,33,000
Burma	July 17	1,342	4,67,394	— 14,995	15	85,37,597	— 36,199
Del.Um. Kalk.	Aug. 14	239	89,200	+ 118	20	18,37,398	— 8,752
East Indian	Aug. 21	2,772	25,59,000	+ 5,09,000	21	5,75,91,000	+ 39,29,000
Gt. Indian Pen	Aug. 14	3,121½	28,14,600	+ 2,01,500	20	4,98,71,010	— 7,02,988
Madras & S.M.	July 24	3,152	13,00,000	— 11,731	16	2,07,82,802	— 1,50,939
Nizam's Guar.	July 17	900	2,61,501	— 72,779	15	46,77,265	— 54,029
Roh. & Kumn	July 24	576	86 737	— 23,969	16	20,45,936	+ 1,77,528
South Indian	July 17	1,852½	8,00,120	— 7,518	15	1,25,35,154	+ 4,05,879
South Punjab	Mar.	716	7,53,206	+ 41,772	6m	46,56,803	— 1,72,473
COLONIAL							
Can. Northern	Aug. 21	9,704	$1,331,700	+ 249,700	33	35,964,723	+ 6,023,574
Can. Pacific	Aug. 21	13,388	3,895,000	+ 321,000	33	120,827,000	+ 19,270,000
Grand Trunk	Aug. 21	3,616	£361,492	+ 46,493	33	9,508,727	+ 1,121,682
Mashonaland	June	810	91,152	+ 21,471	9m	662,619	+ 178,932
Mid. W. Aust.	June	277	9 960	+ 2,303	6m	129,028	+ 19,327
Nedrl'nd Cent.	July 31	205	2,702	— 510	31	94,974	+ 16,468
Rhodesia Rlys.	June	1,387	134,202	+ 23,272	9m	—	—
Temiscouata	June	—	$35,368	+ 6,147	6m	187,427	+ 11,302
W. Pass. & Yuk	Dec.	122	1,568,626	+ 124,546	12m	1,568,626	+ 124,546
FOREIGN.							
Argentine.							
Arg. N. East	Aug. 14	752	£ 13,900	+ 3,400	7	81,400	+ 12,400
Arg. Transand.	Aug. 21	111	£ 1,480	+ 1,040	8	10,680	+ 7,924
B. A. & Pacific	Aug. 21	3,536	£ 137,000	— 2,000	8	1,125,000	+ 102,000
B.A.Gt. South	Aug. 21	3,792	£ 138,000	— 52,000	8	1,084,000	— 124,000
Do.	Aug. 21	Net	£ 13,000	— 57,000	8	77,000	— 217,000
B. A. Western	Aug. 21	1,882	£ 70,000	— 38,000	8	556,000	— 135,000
Do.	Aug. 21	Net	£ 8,000	— 27,000	8	102,000	— 89,000
B. A. Central	June	190	£ 55,262	+ 6,792	12m	687,238	+ 91,374
Cent. Argent.	Aug. 21	3,305	£ 198,000	+ 43,000	8	1,529,000	+ 440,000
Do.	June	Net	£ 72,000	+ 33,900	52	3,111,100	+ 2,065,700
Cord. Central	Aug. 21	1,205	£ 55 000	— 6,000	8	477,350	+ 32,350
Entre Rios	Aug. 14	811	£ 21,900	+ 200	7	112,600	— 900
Brazilian.							
BrazilGt.South	June	110	M 40,750	— 16,850	6m	293,250	— 11,090
Brazil Railway	Dec.	3,530	M4,859,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil	Aug. 21	1,010	£ 14,200	— 1,700	33	734,400	+ 100,900
Leopoldina	Aug. 21	1,831	£ 49,268	— 2,190	33	1,792,020	+ 532,828
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,851
Paulista	Dec.	768	M 2,850,000	— 806,038	12m	32,479,000	— 1,325,892
San Paulo	Aug. 21	1539	£ 36,921	+ 6,382	33	1,532,816	+ 408,060
Sorocabana	Dec.	1,056	M 1,749,000	— 246,168	12m	21,953,000	+ 976,892
S.of BahiaS.W.	July	52	M 130.000	+ 18.000	7m	601,000	+ 89,000
Chilean and Peruvian.							
Antofagasta	Aug. 22	838	£ 50.820	+ 29,435	33	1,539,720	+ 698,980
Arauco	June	84½	£ 12.000	+ 500	6m	76.000	+ 10,700
Nitrate(2wks.)	Aug. 15	390	£ 41,720	+ 27,728	30	625,098	+ 338,367
Peruvian Corp.	July	1,140	M 1,132,350	+ 73,620	1m	—	—
Taltal	July	180	£ 11.750	+ 1,312	1m	—	—
Cuban.							
Cuban Central	Aug. 21	302	£ 22,842	+ 5,262	8	178,488	+ 43,203
Havana Cent.	Aug. 14	70	£ 13,077	+ 2,898	8	84,108	+ 16,135
U. of Havana	Aug. 21	881	£ 68 995	+ 14,873	8	508,252	+ 73,619
W. of Havana	Aug. 21	155	£ 11,930	+ 2,270	8	91,831	+ 20,384
Uruguayan.							
Cent. Uruguay	Aug. 21	273	£ 15,238	— 191	9	140,392	— 16,311
,, (E. Ext.)	Aug. 21	311	£ 4,709	+ 345	9	35,849	— 324
,, (N. Ext.)	Aug. 21	185	£ 2,604	— 1,061	8	21,239	— 6,057
,, (W.Ext.)	Aug. 21	211	£ 2,348	+ 114	8	16,433	— 488
Mid. Uruguay	July	319	£ 15,957	— 1,930	1m	—	—
N.W. Uruguay	July	113	$ 5,957	— 657	1m	—	—
Urug. Northn.	July	73	£ 1,915	— 60	1m	—	—
Miscellaneous.							
Antofagasta	Aug. 21	33	Ps. 12,000	+ 3,000	33	448,300	+ 96,900
Bilbao	July	15	£ 3,759	— 1,181	7m	24,476	+ 5,993
Bolivar	July	136	£ 9,536	— 369	7m	77,973	— 8,182
Colomb. Natnl.	June	86	£ 21,540	+ 5,280	6m	108,150	+ 33,870
Costa Rica	May	189	£ 34,075	+ 10,368	11m	294,134	+ 47,473
Dorada Ext.	July	70	£ 19,500	+ 3,500	7m	118,178	+ 45,078
Egyptian Delta	July 31	559½	£ 14,664	+ 4,083	16	146,880	+ 78,212
Gt. S. of Spain	Aug. 14	104	Pts. 91,900	— 888	33	2,848,847	— 933,160
La Guaira&Ca.	July	22½	£ 1,580	+ 7,790	7m	59,650	+ 42,760
Ottoman Ry.	July 31	379	£ 15.117	—	—	—	—
Paraguay Cent.	Aug. 14	274	£ 5,690	+ 200	7	33,390	— 2,470
Puerto Cabello	July	34	£ 6,500	+ 2,000	7m	38,750	+ 9,625
Salvador	Aug. 21	100	£ 3,548	— 284	8	25,056	— 1,490
Santa Fe Prov.							
,, French Rys.	July	1,181	£ 149,864	+ 976	7m	1,129,304	+ 3,076
S'to Tné&S'ta Fe	July	80	£ 18,780	+ 1,248	7m	110,123	+ 28,575
Zafra & Huelva	July	112	£ 11,422	+ 5,559	7m	84,852	+ 20,537
TRAMS.							
Anglo-Argent.	Aug. 19	400	£ 76,245	+ 15,835	33	2,477,244	+ 631,484
Auckland Elec.	June 30	27	—	—	52	292,502	— 2,063
Bombay Elec.	May	39	R. 8,40,311	+ 77,990	5m	38,77,051	+ 5,50,651
Brazilian Trac.	June	378½	M10,873000	+ 1,505,000	6m	61,040,000	+ 7,077,000
Brisbane Elec.	July	40½	£ 53,300	+ 11,690	7m	320,490	+ 58,785
Brit. Columbia	June	334	$ 710,210	+ 298,605	12m	8,737,132	+ 1,674,573
B. A. Lacroze	July	51	£ 5,508	+ 5,508	1m	—	—
Calcutta	Aug. 21	35½	R 96,401	+ 8,800	34	30,53,810	+ 2,53,223
Cape Electric	May	42½	£ 30,580	+ 2,010	5m	3,09,204	+ 34,720
Carth. & Herr.	July	9	£ 4,164	— 19	7m	32,770	— 11,796
Chatham&Dist	Aug. 12	15	£ 2,115	+ 203	32	54,259	+ 5,383
Havana Elect.	May	86	$ 946,301	+ 205,997	5m	4,587,376	+ 1,010,561
Isle of Thanet	Aug. 18	20½	£ 3,399	+ 674	46	49,356	+ 12,415
Kalgoorlie	May	20½	£ 5,228	+ 480	5m	14,914	— 844
Lanarkshire	Aug. 12	28½	£ 4,352	+ 171	32	133,537	+ 20,020
Lima Light	June	85	£ 55,919	+ 8,084	6m	343,173	+ 60,137
London C.C.	Aug. 25	1413	£ 83,731	+ 5,577	20	1,782,547	+ 71,851
Madras (2wks.)	Aug. 15	151	Rs. 51,568	+ 5,295	30	₹ 33,521	+ 1,34,784
Manila Electric	June	55	$ 287,165	+ 106,455	6m	1,521,994	+ 395,488
Pernambuco	Aug. 22	69	£ 5,768	+ 2,741	33	235,575	+ 84,214
Provincial	Aug. 14	21½	£ (4,977	— 129	46	150,382	+ 14,392
Rangoon Elec.	July	25	£ 7,495	+ 1,349	7m	55,382	+ 10,194
Shanghai Elec.	July	264	¥ $153,200	+ 22,200	7m	1,018,654	+ 158,454
SingaporeElec.	July 10	28½	$ 20,822	+ 6,713	26	683,494	+ 254,050
U.of Montevid.	July	80½	£ 39,647	+ 5,508	9m	386,935	+ 52,868

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TO INCLUDE ALL SPECIAL NUMBERS

The Statist.

LONDON, SATURDAY, AUGUST 28, 1920.

INTERNATIONAL FINANCE.

All who desire the restoration of some semblance of social and economic order in the European polity will welcome the definite refixing of the International Financial Conference for September 24. It is earnestly to be hoped that nothing will occur to prevent the leading experts in the various countries concerned to unite in a common effort to solve the many monetary problems that urgently demand solution. We congratulate the League of Nations on the timely publication of the various memoranda that were drawn up for discussion at the Brussels Conference in July which was unavoidably postponed. The subjects dealt with embrace a wide range, dealing with every aspect of international trade; but chief interest centres on a striking paper prepared by Professor Gustav Cassel on "The World's Monetary Problems."

The learned author, who fills the chair of Economics in Stockholm University, sees in the over-production of money and the under-production of goods the root of present financial evils, and prescribes the natural remedy for the diseased conditions—the curtailment of purchasing-power and increased production of purchasable goods. The remedy is no new one, but the Professor's method of handling the intricate subject is refreshingly vigorous, though at times his somewhat dogmatic assumptions are not likely to pass without criticism or reservation by those wedded to different schools of economic thought or by practical business men who will see in his suggested reforms not a little difficulty and much hardship both for themselves and for the community. Professor Cassel is not likely to win support of the demonetists, theorists, and bi-metallists that the rates of discount of the central banks in Europe have been kept at too low a level throughout recent years. They should have been raised much higher to correspond to the scarcity of capital caused by the War and by governmental extravagance in the succeeding period of peace. With an unduly low rate of interest the equilibrium of the capital market is disturbed and the need of artificially restricting the demand for the commodity arises, thus leading to various attempts by Governments to direct the flow of capital and labour at among the different claimants. At the same time, the banks, and ultimately the central banks, are bound to meet greater demands for money than can be satisfied by real savings, and there follows, as a matter of course, the arbitrary creation of bank money. This cycle unavoidably ends in inflation, as must, according to the Professor, all endeavours to keep bank rates below the point at which they should naturally stand in times of scarcity of real capital.

After reading the Professor's thesis no one can doubt the validity of his arguments in favour of reducing inflation, but the remedy which he proposes—namely, increased rates for money—seems ineffective unless there is a halt called to the various Governments to the creation of credits. Credit manufacture inevitably expands the currency and raises prices, so defeating the very purpose of [illegible] the Swedish scheme of reform. Looking at the matter from another point of view, it seems as if undue importance might easily be attached to the possible remedial effects of purely financial reforms. Finance is ever the handmaid of industry, and money as the medium of exchange must always occupy a secondary position in our commercial economy. A low Bank rate in any country under present conditions belies, indeed, the Money market, since it induces a widespread belief, utterly without foundation, that capital is in abundant supply. But it seems an undue extension of the argument to conclude that the wholesale raising of rates will prove a panacea for industrial and general economic ills, in the absence of other and more comprehensive measures to curtail wasteful expenditure, increase savings, and devote greater energy to the production of useful consumable goods.

As bearing on the problem of deflation, it is contended in the memorandum that the hope of some who would maintain the present volume of currency, expecting it to be soon absorbed in the course of economic development, is based on mere illusion. To weigh the soundness of this contention would involve an endeavour to pierce the veil of the future, a task not to be lightly undertaken; but, apart from this, many will join issue with the Professor when he avers that such a policy, bringing in its train a depreciation in the general level of prices, would stifle industrial enterprise and the spirit of economic progress. If we test the argument in the light of past history it will be seen to be falsified. During last century the movements in The Statist's index number were as follows:—

Annual Index-Numbers of The Statist, 1800-1900.

Year	Annual Number	Year	Annual Number
1800	150	1851	76
1810	171	1852	81
1818	126	1853	84
1816	89	1854	90
1847	95	1855	90
1848	78	1856	90
1849	74	1857	83
1850	77	1858	85
1851	75	1859	85
1852	78	1860	85
1853	95	1861	87
1854	102	1862	87
1855	101	1863	87
1856	101	1864	86
1857	100	1865	86
1858	91	1866	86
1859	91	1867	85
1860	99	1868	84
1861	98	1869	84
1862	101	1870	84
1863	103	1871	84
1864	105	1872	84
1865	101	1873	84
1866	102	1874	84
1867	100	1875	84
1868	99	1876	84
1869	98	1877	84
1870	98	1878	84
1871	100	1879	84
1872	100	1880	84
1873	100	1881	84
1874	100	1882	84
1875	100	1883	84
1876	100	1884	84
1877	100	1885	84
1878	100	1886	84
1879	100	1887	84
1880	100	1888	84
1881	100	1889	84
1882	100	1890	84
1883	100	1891	84
1884	100	1892	84
1885	100	1893	84
1886	100	1894	84
1887	100	1895	84
1888	100	1896	84
1889	100	1897	84
1890	100	1898	84
1891	100	1899	84
1892	100	1900	84
1893	100		
1894	100		
1895	100		
1896	100		
1897	100		
1898	100		
1899	100		
1900	100		

It will be seen that there was a [illegible] decline in the general level of commodity prices from 1800 up to the end of the century, the [illegible] being due to [illegible] after the Napoleonic wars, but continuing [illegible] of comparative peace. The [illegible] century, especially from 1873 to 1896. No one will say that enterprise was thereby checked or industrial initiative brought to a standstill.

Regarding [illegible] Professor takes up the [illegible] value of foreign [illegible] in direct proportion to its

internal purchasing power. Under normal conditions of freedom of trade the rate of exchange between, say, A and B will not be altered if the purchasing power of the currency in each country remains stable. But if inflation takes place in A and leads to a diminution in the purchasing power of its currency, the value of A-money in B is necessarily reduced in the same proportion. Similarly, if B-money is inflated the value of A-money in B will increase in the same proportion. We see the truth of this exemplified in the case of Great Britain and the United States. Apart from the temporary upheavals caused by artificial manipulation or rigging of the exchange market, the alteration in the value of the pound measured in dollars is due, and in almost inverse proportion, to the respective rise of prices here and across the Atlantic. In other words, the purchasing power of the pound in England has fallen much more than the purchasing power of the dollar in America, and there has been a corresponding depreciation of sterling in terms of dollars.

In connection with the question of the true equilibrium of exchanges in present abnormal conditions the Professor, hostile to the idea of abandoning the depreciated standards, is in favour of stabilising them in proportion, it would seem, to the relative internal buying power of the different currencies. From an examination of actual conditions the rule is deduced that when two currencies are suffering from inflation the new normal rate of exchange which it is desired to set up will be equal to the old rate, multiplied by the quotient between the degrees of inflation of both countries. This new parity is called "purchasing power parity" on account of the manner of its determination. Deviations from it are, of course, admissible, as there will inevitably be fluctuations, especially in the period of transition which we have yet to tide over; but the occurrence of such deviations, particularly within the wide limits which the Professor foresees, appears to detract largely from the merits of his proposal. To stabilise the exchanges, as Professor Cassel suggests, one must have a stable basis, and in view of the widely differing currency policies of many countries—for example, the United States and Germany—the new parities would change rapidly from month to month and involve the commercial world in even greater confusion than it is at present. The idea, however, merits close attention, and as it is not yet fully elaborated some counterchecks to variation may eventually be devised which would increase the value of the scheme. Professor Cassel's monograph will in any case form a most inspiring and suggestive theme for discussion, and with the aid of the expert advice and knowledge available at the proposed Conference from all quarters, even from former enemy countries, a way out of present monetary difficulties should not be impossible to find, given the good will of all parties in the endeavour to reach a solution.

THE SILVER SITUATION.

SPECULATIVE buying on Chinese account, combined with the fall in the dollar exchange and the poor supplies of metal coming forward from the United States, has been responsible for the recent rise in the price of silver. America largely controls the market, and prices have been rising sympathetically there, as smelters, attracted by the quotations ruling abroad, have been selling largely to exporters. At the end of last week the United States Government ceased to make purchases of American-produced silver, in accordance with the provisions of the Pittman Act, though only 10,500,000 ounces had been re-bought, against 207,000,000 ounces sold under the Act. Speculation in Eastern exchanges, especially in Shanghai, has accounted for not a little of the strength of the Eastern demand, and the rise in Shanghai taels, in sympathy with the appreciation in the metal, has caused further buying. The tael has, indeed, latterly shown at times a drooping tendency, despite the advance in the price of silver; and these movements, though capable of other interpretations, seem to point to the existence of an extensive speculative account in the metal.

The future value of silver in the British market will be affected to a large extent, though not so intimately as in the case of gold, by the dollar-sterling rate. In this connection it is interesting to note that silver reached its highest point last February, when the low quotation of $3.20 to the £1 was touched. Political influences have of late tended to cause a decline in sterling, but if the Near Eastern horizon were to clear one disturbing element at least would be removed. The renewal of activity in the cotton freight market just reported means, however, an additional supply of bills to be met by us, and English importers buying exchange ahead will probably cause a further depreciation of the £. Offerings of British grain bills in New York have recently been very heavy, and bankers have shown little willingness to come to the aid of the market by discounting British paper. There have been not a few rumours of gold shipments from the United Kingdom to stabilise the rate. Despite the rumours, the Transvaal gold that has latterly gone from here to the United States has not been sent on British account, but merely represents purchases on behalf of America in the London market.

Besides the factor of exchange there is the broader consideration that United States silver might henceforth be absorbed in larger quantities by the Federal Mint. Such a contingency is not at all unlikely, in view of the heavy fall in the home production last year to 55.3 million ounces, compared with 67.8 million ounces in 1918. As a producer of silver the United States since 1914 has outstripped Mexico, but last year it fell back to second place, though still responsible for one-third of the world's total output. It is a matter of common knowledge that the Pittman Act was inspired by consideration for the interests of the silver-producing States, such as Nevada and Colorado, but the working of the law is surrounded with some uncertainty, though the American Treasury have definitely decided to exclude from its purview all silver other than that mined within the Republic. When bullion obtained from the melting of dollars is sold the Director of the Mint has immediately to replace it by the purchase in the market of silver at the fixed rate of one dollar per ounce, one thousand fine. About four million ounces of silver were purchased in all by the Government last year. The production of the United States and other countries since 1901 is set forth in the following table:—

World's Production of Silver (in Millions of Fine Ounces).

	United States	Mexico	Canada	Australia	Other Countries	Total
1901 ..	55·2	57·6	5·2	10·2	11·8	[illegible]
1902 ...	55·5	60·2	4·5	8·0	34·8	162·8
1903 ..	[illegible]4·3	70·5	5·1	9·7	50·1	169·7
1904 ...	57·7	69·8	5·7	11·5	27·5	152·2
1905 ...	56·1	65·0	5·9	15·0	30·3	172·3
1906 ...	56·5	55·2	8·5	14·2	50·6	184·[illegible]
1907 ..	56·5	61·0	12·8	19·0	34·8	184·2
1908 ...	52·1	75·6	22·1	17·2	37·8	204·8
1909 ...	54·7	73·9	27·5	16·3	39·7	212·1
1910 ...	57·1	71·4	32·9	21·5	38·8	221·7
1911 ...	60·4	79·0	32·7	16·6	37·5	226·2
1912 ...	63·8	74·6	31·6	18·1	39·2	227·[illegible]
1913 ..	66·8	70·7	31·5	3·5	50·4	223·9
1914 ..	72·1	27·5	28·1	3·6	56·5	188·1
1915 ...	74·9	39·5	28·4	4·1	37·3	184·2
1916 ..	71·4	58·2	25·4	4·2	26·6	168·8
1917 ..	71·7	55·0	22·2	10·0	35·3	174·2
1918 ...	67·8	62·5	21·2	10·0	33·9	197·4
1919 ..	55·3	75·0	15·7		19·0	165·0

In 1919 the world's output was still 28.9 million fine ounces below 1913. Canadian production has unfortunately shown a progressive decline since the latter year, chiefly because of the exhaustion of the cobalt field. Mexican output has contracted on account of civil disturbances; but the country is rapidly recovering lost ground, as the 1919 figure testifies. A large proportion of the United States output is obtained from copper ore, and the curtailed working of the copper-mines in 1919, owing to the accumulation of

large stocks of the metal, was responsible for the fall noted in the table in the United States silver production of that year.

While the amount of fine silver annually raised has contracted, the demand has increased because of the need of the metal for coinage and other purposes, and herein lies the true explanation of the rapid rise in prices since 1916. In the following table, prepared by Messrs. Pixley and Abell, the highest and lowest prices, the range of prices, and the annual average prices from 1913 onwards, are given:—

Silver Prices, 1913-20.

	1913	1914	1915	1916	1917	1918	1919	1920*
	d.	*d.*	*d.*	*d.*	*d.*	*d.*	*d.*	*d.*
Highest quotation	29⅞	27⅛	27⅛	37⅛	55	49⅞	79⅛	89¼
Lowest quotation	26½	23⅝	23⅝	24⅛	35½	42⅛	45¼	44
Range of price	3⅜	3⅛	1½	13⅛	19⅝	7	34⅛	45
Average price	29⅞	25⅝	25¼	31⅛	46⅜	47⅝	57⅝	69

* January dates.

For 1920 the quotations included are those of the first six months. It will be observed that in that short period record high and low levels were reached as compared with 1919, and the margin between the two widened to 45*d.* Prices have since tended downwards, chiefly because of a slackening demand for the Indian bazaars, and for the East in general.

The future course of prices will be determined largely by the ability of Mexico to maintain output at last year's figure, but, apart from this, quantities of silver may eventually be forthcoming from the Continent because of its demonetisation and replacement by other metals, as well as by paper. As against this fresh supply must be set purchases by the American Government under the Pittman Act; but the factor of outstanding importance in the market henceforth, as in the past, is the demand from the East. Asia absorbs annually over one hundred million fine ounces of the world's total output, or more than four times the amount required for Europe. The demonetisation of silver in Germany will cause a distinct falling off in German requirements, and the fact that many Governments are now coining silver alloys and substitutes for silver may also lessen the volume of inquiry. The flow of metal on our market from the Continent constitutes a source of weakness in the present position, and the movement in favour of identifying the Indian currency more closely with gold makes one apprehensive that silver may eventually be ejected from its time-honoured place and reduced to a quite subordinate rôle.

INDUSTRIAL CONDITION OF CENTRAL EUROPE.

The region of Europe formerly known as the German and Austro-Hungarian Empires now constitutes, for the most part, a Republican system embracing the States of Germany, New Austria, Czecho-Slovakia, Hungary, and the Kingdom of the Serbs, Croats, and Slovenes, or Jugo-Slavia. Figures relative to the area and population of these Republics, excepting Hungary, as set out below, represent as close an approach to accuracy as can be had at the moment:—

Country	Area, sq. miles	Population
Germany	171,949	55,000,000
New Austria	32,066	6,112,430
Czecho-Slovakia	56,316	13,911,356
Kingdom of the Serbs, Croats and Slovenes (Jugo-Slavia)	101,254	14,361,159

Unlike Belgium, the rate of progress towards the re-erection of a sound economic structure in this part of Europe is slow, and without the assistance of less embarrassed countries the delay in approaching a stable equilibrium must contain a certain element of menace, political and otherwise, for surrounding nations. Especially in the case of Germany, the present parlous industrial conditions may serve as an excuse for delaying the discharge of her reparation liabilities amounting to approximately £8,000,000,000. From a study of the published statements issued from time to time during the past six months it is evident that the various causes impeding the efficient working of the factors of production [illegible] in all these countries. At the very outset it must be remembered that their industrial policy must be given another orientation in order to adjust itself to new conditions. Thus Germany has lost one-third of her coal and three-quarters of her iron-ore resources. The relations of the small States formed from the old Austro-Hungarian Empire are marked by a friction which prevents the harmonious development of their joint resources and imposes not a few obstacles on trade intercourse. These inter-Governmental jealousies, however, may be expected to subside when these States realise that political and economic frontiers cannot run along the same lines.

The difficulties arising when old connections are severed by the delimitation of new boundaries will eventually find their solution with the progress of industrial development. For the moment the problem of resuscitating industry in Central Europe embraces a complexity of factors, of which we may instance shortage of coal and raw materials, defective means of transport, depreciated currency, adverse foreign exchanges, and heavy burdens of taxation. In Germany the average delivery of coal in 1913 amounted to 15,960,000 tons per month, but last September it was computed to amount to only 9,729,000 tons, and last February to 10,161,600 tons, since when no further figures have been published. The system of rationing, instituted as a result of this low supply, forced a suspension of operations by factories engaged in the less essential branches of industry. The allowance received by some industries at the close of 1919 is set out below:—

	Pre-war Monthly Consumption of Coal	Monthly Delivery of Coal in 1919
Industry	Tons	Tons
Cement	300,000	[illegible]
Lime	250,000	[illegible]
Porcelain	40,000	[illegible]

Coal of a poor quality, mainly lignite, was being produced at the rate of 2,000,000 tons per annum, while the annual pre-War consumption,' including coke, was put at 16,000,000 tons. The deficiency of coal is acute in Jugo-Slavia and Hungary, both for industrial and domestic purposes. Neither country possesses any rich deposits of its own, while the valuable coal-bearing area of Czecho-Slovakia cannot be exploited unless adequate transit facilities are provided.

The most complete survey of the condition of the railways in Central Europe refers to last year, and it is doubtful whether there has been, up to the present, any substantial alteration in their capacity for carrying either passengers or goods. To quote a report of the Department of the Overseas Trade on the German railways in 1919, "the inefficiency of the present organisation accentuates a position already rendered desperate by the deterioration of permanent way and railway equipment, due to the stress of war-time conditions, which has not yet been made good. Engines and wagons are badly needed, but the works cannot secure the raw material for their manufacture." On the Prussian State Railways, the position of which is a typical example, the reserve stocks of coal at the end of 1919 were sufficient for 8.3 days working, as compared with a ninety-five days' reserve held in August 1914. Gloomy as the above description reads, the state of affairs in the Republic immediately to the south of Germany in 1919 was even less reassuring. Shortage of locomotives and rolling-stock, accompanied by an inadequate supply of rubbers, fats, oils and new machinery, resulted in some cases in the [illegible] articles other than coal, and in others in the complete cessation of transport operations.

At the close of 1919 [illegible] Central Europe were reported to have [illegible] minute proportions, and renewal from outside sources was hindered by their high prices as expressed in

terms of the depreciated currency. How far this is likely to limit the production of certain articles in Germany may be gathered from the following figures, which indicate the dependence, especially in cotton and woollen manufactures, on materials derived from abroad:—

Imports into Germany in 1913	Value Million £	*Exports from Germany in 1913*	Value Million £
Iron ore	11.75	Iron goods (including tinplates)	66.13
Copper ...	16.75	Machinery and parts ...	37.55
Coal ...	13.66	Coal, coke, etc. ...	35.34
Cotton ...	50.55	Woollen goods (including raw and combed wool and clothing) ...	29.10
Wool	23.67	Cotton goods (including raw cotton, yarn and thread)	28.15
	95.78		196.57
Total imports ...	558.52	Total exports ...	504.83

The scarcity of native ores, coupled with the high cost of imported supplies and the obstacles attending their distribution, are responsible for considerable fluctuations in the prices of manufactured iron and steel goods, the sales of which are, furthermore, influenced by the ever-present prospect of idle plant, owing to the lack of reserve stocks of material. The general tendency, it may be noted, is to fix these prices in harmony with current world quotations. A similar dearth of raw materials is remarked in the case of the chinaware and glassware, electrical, engineering, and other industries. To overcome the obstacle presented by the rate of exchange to the free import of raw materials a new procedure, very distasteful in its inception, has been in operation by German manufacturing concerns for some time. Raw cotton, for example, is supplied to them by the United States; in return the manufacturer is allowed to retain a certain proportion of the output of cotton goods for use in his own business, while the greater proportion is placed at the disposal of the American house, and enables it to accumulate a stock for sale in the European markets. Pursuing a similar practice, Holland despatches consignments of hides and wool. Industry in Jugo-Slavia is still faced with the task of renewing the plant and buildings destroyed in Serbia during the War, the work of restoration proceeding but slowly, owing to lack of materials and financial and other difficulties; while in Austria the production last year was estimated at less than one-fourth of the pre-War level. More encouraging is the outlook of the glass and chinaware, cement, and iron and steel industries of Czecho-Slovakia. The separation of Hungary from the former sources of supply of such materials as iron and other ores, timber and crude oil will, in view of the complete readjustment it entails, necessarily make her industrial recovery a matter of long duration.

As the industries of Central Europe are still far from the position of being able to satisfy the home demand for manufactured goods, though protected by Customs tariffs, elaborate import licences, and the conditions of exchange, it is unlikely that their pressure in the international market will be seriously felt for a considerable period, although, judged from the desirability of the payment of the sums due under the heading of reparation, a revival of export activity would seem desirable. From the point of view of the British manufacturer the partial elimination of competition from this area ought, despite the increase in the productive capacity of the United States, to prevent the "paring down" of profit margins, so common in 1913. It must not be forgotten, indeed, that the solution of the difficulties connected with coal and transport, and the advantages accruing to exporters from the sale of a currency standing at a premium, might tend towards a revival in the sale of goods by Central Europe to outside countries, even when the offsetting influence of high costs of imported raw materials is taken into account. Bearing on this matter, the fact, however, remains that these high costs are still operating to check effectively the imports of very necessary materials; and, on the assumption that world prices suffer no appreciable or permanent reduction, the continued emission of German paper currency, for instance, should, through lessening the value of the mark, occasion a further increase in importers' costs, unless the mark exchange continues to be supported by investments on American and other accounts. The following official comparison of the expansion of the currency in certain European countries with the rates of exchange on London is not without interest in this respect: —

Comparison of Expansion of Currency with Rates of Exchange on London.

	Expansion of Currency —of all Kinds— Compared with 1913 1917=100	Proportionate Figures U.K.=100	Rates of Exchange on London —Per Cent. of Parity— At Date shown in Col. 1	At Nov. 7 1919
United Kingdom ...	244	100	—	—
Netherlands (Sept. 1919) ..	270	111	92·2	90·8
Sweden (Sept. 1919) ...	275	113	94·1	97·2
Norway (Aug. 1919) ...	305	125	100·9	100·9
France (Sept. 1919) ...	375	153	137·6	148·0
Italy (May 1919)	435	178	150·4	183·5
Germany (Oct. 1919) ...	875	359	135·1	707·3

RAW COTTON FLUCTUATIONS.

Cotton has at all times been a favourite counter in gambling operations, but the wild movements in the spot and future markets in recent weeks has attracted more than usual attention within the trade. While future operations have their value, it is often vain to seek even a remote consistency in the price variations of the material for present and future delivery, especially as published quotations are at times quite misleading and directly opposed to the real trend of the market. As an example we might mention that on Monday last current month futures fell in the Liverpool market by 99 points, though they had risen on the previous Saturday in New York by 485 points. Subsequently Liverpool went even further and reduced September and October prices by nearly one penny per pound.

A large part of the world's cotton machinery is still idle and textile machinists are unable to catch up the arrears of repairs and renewals. As a consequence of this and of reduced working hours the production of cotton yarn and tissues is at present far below the possible consumption. If speculative operations in raw cotton were checked prices of the fibre might possibly decline, but this will scarcely relieve the general public, as the present crop will not be put on the looms for many months to come. Meanwhile, despite reports of a slump, which we previously have had occasion to contradict, the accounts recently published by Lancashire merchant firms and mills indicate a continuance of prosperity. Under "Industrial Companies" in the present issue we analyse the trading results of Tootal Broadhurst Lee Company, Limited, which must make most satisfactory reading for the shareholders, the amount distributed in Ordinary dividends being practically double last year's figure. Other recent reports include that of F. Steiner and Company, turkey-red dyers and calico printers, showing a largely increased net profit of £234,322. Amongst spinning firms the Times Mills, Middleton, have paid ten shillings per share, equal to a dividend of 600 per cent. per annum, and the Iris Mill £1 for the same period, or 133 per cent. per annum. If these interim announcements are to be taken as typical, textile profits this year should be on a large scale.

IRISH OVERSEAS TRADE.

The question of direct trade with overseas countries has been occupying considerable attention in Ireland for some time. Broadly speaking, the subject is regarded from two points of view. There is, first of all, the desirability of securing that the bulk of the Irish export and import trade with countries outside Great Britain should be handled without recourse to intermediate agencies. Accompanying this is the desire to extend the range of foreign markets in which Irish produce might be sold. At present the British markets absorb the greater proportion of Ireland's exportable surplus, and British wholesale houses deal with the vast bulk of the foreign goods and materials intended for Ireland. Where this practice is followed the existing returns afford but little information as to the country of origin of Irish imports, or the final destination of the exports. According to one estimate eighty per cent. of Irish exports are retained in Great Britain, the remaining twenty per cent. going to colonial and foreign countries, while, probably, 33⅓ per cent. of the imports are of colonial or foreign origin, the remaining 66⅔ per cent. being the produce of Great Britain. The application of this formula, however, to the year 1918, particulars of the trade of which we subjoin, would, in view of the abnormal circumstances prevailing, scarcely admit of any exact statistical [illegible]:—

	Irish Exports in 1918.	Irish Imports in 1918.
	£	£
[illegible]	78,251,000	34,431,000
[illegible]	5,511,000	21,083,000
[illegible]	69,308,000	68,898,000
	153,070,000	126,018,000

Compared with the total trade, £278,921,000, the direct trade between Ireland and foreign and colonial countries, as opposed to the indirect trade carried on through Great Britain, is of comparatively insignificant proportions. In 1918 it amounted to £15,591,000, and, judging by the enhanced prices obtaining in that year, its volume has been much reduced since 1918. This is very evident in the case of re-exports of foreign and colonial goods. Particulars of this trade appear below:—

Value of the Total (Direct) Imports and Exports of Merchandise at Irish Ports in 1918:—

	£
[illegible]	15,031,537
[illegible]	559,356
[illegible]	151
	15,591,034

Irish business sentiment now runs in the direction of dealing directly to a greater extent with overseas countries for supplies of needful produce, and so avoiding the necessity of obtaining these goods through Great Britain. This course will, it is argued, dispense with the payment of the extra transhipment, railway handling, and storage charges and the middleman's profits involved in the latter process. It will, furthermore, conduce to the establishment of friendly relations with commercial people abroad and open up a prospect of return dealings. Some progress towards achieving the [illegible] has been made during the past twelve months, largely as a result of the strenuous work performed by the various Industrial Development Associations. An American line has instituted a regular cargo-boat service with Irish ports, and it is claimed that goods coming from the United States are delivered in Dublin at little more than half the cost and in quicker time, as compared with goods coming *via* Liverpool. The cultivation of the United States market has long been looked upon with a favourable eye by Irish traders, and statistics relating to the conveyance between the two countries form an interesting study. The following table, it should be noted, does [illegible] Great Britain:—

Value of Trade between Ireland and the United States in Certain Years.

	[illegible]	[illegible]
	£	£
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Between 1896 and 1904 the [illegible] consistently in favour of the United States; from 1905 to 1908 it shifted alternately in favour of one country or the other, and since 1909 it has, on the whole, been in favour of Ireland. As a complement [illegible] of statistics covering the trade now done *via* Great Britain by the same countries will be immediately apparent to those who are interested in the problem of supplying return cargoes to vessels bound for the States. Similarly, in regard to European and other countries, an accurate assessment of the commercial relations maintained with Ireland is prevented by the fact that in many classes of goods imported from, or exported to, Ireland by way of Great Britain the country of origin or destination is lost to view, as the Customs necessarily enters them under the heading of the country from which or to which they are declared. Still, a study of the references made in Consular reports to the class of article demanded by other countries from Ireland is well worthy of the attention of Irish business men.

The expansion of a direct shipping connection between Ireland and other countries necessarily calls for the establishment of an elaborate export organisation, which will be charged with the duty of studying such complicated questions as tariffs and exchanges. At the very outset it will have to take measures to fill with Irish produce the holds of steamers returning to foreign ports. Mistakes can be, and, as a matter of fact, have been already made in this connection, and they serve to emphasise the fact that the formation of such an organisation will be a troublesome proposition. To be in a position to take prompt advantage of the prices ruling for a line of goods in a certain centre needs careful calculation and prompt decision. It also presupposes the ability of the organisation to assemble such goods at a certain point with expedition. In Cork such a body has been set up, and its operations will be watched with interest. There seems to be an idea in Ireland that British shipowners are hostile to these developments. We cannot believe that there is any foundation for the belief. If a cargo is available in Ireland, it is most unlikely that political or other considerations will deter the average shipowner from providing facilities for its conveyance provided satisfactory terms are arrived at. Moreover, in his favour, the point has to be noted that the capital costs of ship construction are, as a rule, lower in the United Kingdom than in the United States; hence he is in a position to quote lower freight rates. The recent withdrawal of shipping control by the United States Shipping Board from the European coal trade [illegible] is a striking illustration.

MATCH MANUFACTURERS' PROFITS.

The [illegible] issued by the Swedish Government [illegible] the Investigation of Trusts, and Profiteering, [illegible] match-making firms of any [illegible] The returns of [illegible] that in view of the increase in wages no reduction in

the price of matches is likely until cheaper raw material becomes available. The chief raw material being timber the expediency of securing an adequate supply of aspen and poplar from European and home sources is urged. It is said that the withdrawal of the import and excise duties on matches would scarcely have any effect in lessening prices, though it might increase profits. The Committee do not point out that the adoption of such a course would take a substantial slice off our revenue. In the year to March 31 last the sum raised by match duties reached the large total of £3,396,000.

Returns were called for from various manufacturers, and a statement on behalf of seven companies of profits made in the three years 1912-14 and in the four years 1913-16 may be summarised as follows:—

Returns for Seven Companies.

	Three Year Period 1912–14	Four Year Period 1913–16
	£	£
1. Total net sales	2,567,162	10,601,327
2. Total capital employed	3,387,154	5,187,511
3. Total net profits, before deduction of Excess Profits Duty and Income Tax	277,198	901,952
4. Total net profits, after deduction of Excess Profits Duty, but not Income Tax	276,766	723,571

In the years prior to the War the percentage of profit on sales for the same Companies, before deduction of income tax, was 11.1 per cent. For the War years, subject to income tax and excess profits duty, it works out at only 8.5 per cent., and after deduction of excess profits duty, but not income tax, at only 4.9 per cent. As sales quadrupled while total capital employed increased by only fifty-two per cent., the percentage profit on the latter rose from 7.8 per cent. pre-War to 16.4 per cent. without any tax deduction, and to 9.5 per cent. free of excess profits duty but subject to income tax. Even from this standpoint the increase in profits is comparatively small.

The movement towards combination has long been noticeable in the match-making industry, and there are now three main groups of manufacturing interests and two independent firms. Despite the extra import duty of 2*d.* per standard gross over the home excise duty, foreign competition is seriously felt in the United Kingdom, especially from Belgium. The rate of exchange enables Belgian manufacturers to place their goods very cheaply on the British market, and also to meet our manufacturers in various export markets, where we suffer, in addition, from heavy tariffs. A list of no fewer than eighteen match-making firms which are said to have been killed by foreign competition is published by the Committee, but as they include two Salvation Army organisations and a number of obviously minor concerns, the list on examination loses the impressiveness at first created by its length. The economic status of the British industry, where conducted in large factories and on modern lines, is unquestionably sound, while the superiority of its products cannot be gainsaid.

THE DECLINE OF IRISH DAIRYING.

The position of the Irish dairying industry during recent years gave rise to an anxiety which found expression, in September 1919, in the appointment of a Committee of Investigation by the Department of Agriculture. Its report, lately issued, confirms on the whole the belief that the production of milk, notably since 1915, has shown a distinct tendency to decline. According to the Secretary to the Irish Creamery Managers' Association, the decreased production of milk between 1915 and 1918 varied in Munster from ten to fifteen per cent., in Ulster and Connaught from thirty-five to forty per cent., and in Leinster from ten to fifteen per cent. in County Kilkenny to fifty per cent. in Counties Wicklow and Wexford. These estimates, it may be mentioned, are based on creamery records of the actual supplies received in each season. The decline is also reflected by the fall in the number of milch cows in Ireland from 1,533,517 in 1913 to 1,471,240 in 1919. Attention, too, might specially be directed to the gradual reduction in the quantities of butter exported since 1913, as set out in the following table:—

Exports of Certain Dairy Products from Ireland during the Years 1913-19.

	Butter Cwt.	Cheese Cwt.	Condensed Milk Cwt.
1913	725,368	6,102	270,362
1914	855,608	9,591	309,658
1915	838,084	15,711	278,238
1916	764,456	13,418	249,994
1917	675,530	18,085	237,278
1918	455,911	136,432	269,914
1919	375,820	277,400	254,640

Cheese, it is true, has revealed a great expansion, but not sufficient to rebut the contention that in terms of milk the export trade, as a whole, since 1913 has heavily declined.

To a certain extent the reduced scale of the exports may be attributable to the greater home consumption of dairy produce, due to the difficulty of obtaining American bacon and Danish butter, which have always had a fairly large sale in Ireland. Some milk producers, too, might have found it more profitable to divert supplies of milk or milk products to places other than the local creamery. Taking these factors, however, into account there still remains a substantial deficiency to be accounted for in some other manner. In this connection it is probable that Irish dairy farms find great difficulty in securing sufficient skilled labour, as the arduous nature of the occupation of milking, inasmuch as it involves a seven days week, does not hold out many attractions. This has been much in evidence during the past few years, as the temper of Irish agricultural labourers, owing to the organisation they have set up since the War, has undergone a marked transformation. "Lightning" and "sympathetic" strikes, previously unknown, are now not uncommon, and have hastened the determination of many employers to embark in branches of farming other than dairy, or to reduce their dairy herds. Dairy farming, it is needless to point out, needs constant care and supervision, and even a temporary cessation of work causes serious injury to cows. The successful maintenance of the industry is, however, to the interest of labour and employers alike, and more harmonious co-operation between both sections will probably follow when agricultural labour, in particular, refrains from giving the exhibitions of strength so beloved by a youthful organisation.

The prices fixed by the Ministry of Food during the term of control have helped largely to engage the attention of creameries on the production of cheese rather than that of butter, and, furthermore, to encourage the raising of dry stock at the expense of milk production. Assuming the price of whole milk, f.o.r., at 1*s.* 8*d.* per gallon, the corresponding prices of butter and cheese, f.o.r., should be 434*s.* per cwt. and 195*s.* per cwt. But the Committee point out that the price of first-grade Irish butter for the British market has never exceeded 290*s.* per cwt., and for the home market 331*s.* 4*d.* per cwt., while the price of hard cheese has reached 242*s.* 8*d.* per cwt., and, as a matter of fact, whole milk for direct human consumption has exceeded the price given above. The value of cheese as a substitute for meat explains the differentiation in its favour. As we have pointed out before in these columns, the continuance of cheese manufacture on the same scale as in preceding years is not a desirable aim. Butter-making has been termed a key industry, as the rearing of store cattle and pigs depends on its by-products. The realisation in part of this fact seems to be shown in the latest export returns. For three months ended June 1920 butter exports at 8,204 tons record an increase of 3,082 tons, or thirty-eight per cent. on the similar period for 1919, while cheese exports at 1,635 tons reveal a decrease of 1,656 tons,

or 101 per cent. It must be admitted that the plant and equipment of Irish creameries and the technical training and knowledge of their managers at the whole favour the manufacture of butter rather than that of cheese. The pressure of Denmark, too, on the British market is not likely to be felt at its pre-War strength for a considerable time, as the Danes have lately entered into large contracts to supply the United States with butter, where the profit from that commodity has, it is estimated, fallen by thirty per cent. this year. Between the raising of dry stock and dairy farming the evidence, from the economic standpoint, is all in favour of the former; but though the more advantageous prices ruling for beef in the past few years may give it a temporary preference, the farmer's attitude will, however, in the long run, be guided by the extent of the reliance he can place on labour. The Tillage Orders have been blamed for the shortage in milk production, on the ground that the breaking up of new land has lessened the amount of labour available for looking after cows and, owing to the difficulty of obtaining feeding-stuffs, has compelled the reduction of herds. By a more economical distribution of his labour supply the agriculturist should be in a position to solve the first problem, and the larger quantities of root and grain crops available, offsetting dependence on imported feeding-stuffs, should eventually lead to an increase in the stock-carrying capacity of the farm. This common experience of other countries is not likely to find an exception in Ireland. Other factors affecting the output of milk, such as curtailed imports of feeding-stuffs and fertilisers, are due to temporary causes, and doubtless the trade in these articles will soon resume its normal proportions.

Important recommendations are made by the Committee with the object of grading up the quality of the country's dairy stock. In view of the finding that the bulls selected for premium purposes under the scheme of the Department of Agriculture for the improvement of cattle have promoted their beef-producing qualities, to the detriment of their milk yields, it is important that these suggestions should be given effect to as soon as possible. The provision of a more satisfactory supply of high-class stock bulls and better facilities for education and research work cannot, however, be carried out unless the funds at the disposal of the Department are appreciably augmented. We trust that sympathetic consideration will be given by the Government to this appeal, as reform in the agricultural industry proceeding through voluntary agencies is, in contrast with other industries, notoriously slow. Besides, any reforms tending to the expansion of the food-producing capacity of Ireland cannot fail to be of ultimate benefit to the United Kingdom as a whole. On their side Irish farmers should endeavour to realise the great advantages of cow-testing, as without its general adoption it will be most difficult to succeed in the task now set before the country of increasing the average milk yield per cow.

ARGENTINA.

EXPROPRIATION.

One of the grave dangers of a democratic form of government is that various factions have to be conciliated in order to carry on the Administration. Every European State so governed has had experience from time to time of the grave defects incidental to such a form of government. Argentina at the present is illustrating the difficulties which an Administration has to contend with in satisfying the demands of various sectional interests upon which it depends for support. A Bill has actually passed the Lower House, or Chamber of Deputies, authorising the Government virtually to seize the present season's sugar crop at a price which the Government is practically empowered to fix itself. There is naturally very grave doubt in London in Anglo-Argentine trading and financial circles that such an enactment can ever pass the Senate. It is regarded in London as a political demonstration that will never be allowed to become law. In the true political and economic interests of Argentina we sincerely hope that London's scepticism regarding the matter is well founded. If such a measure were in the least likely to become law it would be a serious blow to Argentine credit and could not fail in the sequel to increase that country's difficulty in obtaining capital from abroad in the future. Directly, this country is only interested to a small extent in the sugar-cane industry of the Argentine Republic. Indirectly, English trading, and particularly financial, concerns are interested to a very considerable extent. The magnitude or otherwise of foreign interests in the Argentine sugar industry is not, however, really the point. It is, in fact, the principle involved that is the important consideration. Even if there were no foreign interests concerned at all a Government capable of acting in so high-handed a manner towards its own nationals is a Government with which the trading world will naturally be exceedingly shy of entering into engagements.

In the late War in which we ourselves were engaged, and when the nation was supposed to be in grave danger, the British Government defended and practised the most arbitrary acts directed against its own nationals. No hesitation was shown in conscripting the untrained and in seizing the property of individuals. Argentina, however, is not engaged at the present time in a life and death struggle with a great and powerful military State. She is not engaged in war at all. The justification for this remarkable piece of legislation is that Argentina at the present time is suffering in common with nearly every country in the world from a sugar shortage. Argentina grows, mainly in the region of Mendoza, something between two hundred thousand and a quarter of a million tons of sugar each year. For reasons into which we have not space at the moment to enter Argentina has never developed her sugar industry as it is capable of being developed. As a result, the amount of sugar grown in Argentina itself is barely sufficient to satisfy the demands of the modest population of the Republic. On balance, even in years when the crop is of considerable dimensions, Argentina is an importer, as distinct from an exporter, of sugar. Every country exports as well as imports a proportion of the commodities in which it deals to any appreciable extent. Argentina itself, for example, imports dry salted beef, which is commonly called tasajo, but one of Argentina's principal industries is the raising of immense quantities of meat for export abroad. With sugar it is different. She barely raises, as we have said, enough sugar for her own requirements, and although she does not, as a rule, import very much, she has exceedingly little surplus for export.

In the present state of the world's shortage of sugar imports to any appreciable extent are impracticable, because they could only be made on the basis of exceptionally high prices. Not unnaturally prices of sugar in Argentina, as elsewhere, have risen to an extravagant extent. Equally naturally there is a large measure in Argentina, as elsewhere, of discontent amongst large classes of the community at the extraordinary rise in the price of sugar which has taken place. Unfortunately, there is a parallel rise in prices of nearly all commodities in Argentina as elsewhere. For example, it was said that the cost of living, say in Buenos Ayres, was higher than in any other city of the world. This was true in part, but only in part. Those who desired to live in the style that Europeans were accustomed to, particularly of the well-to-do and moderately well-to-do classes, found Argentina an extremely expensive country as a place of residence. This was due to various causes. Argentina is a very long country with a small population. Consequently as a result there is a perpetual scarcity of labour and particularly of skilled labour. House building, therefore, was, and always has been, exceedingly dear. The difficulties

of the builder are no new thing in the City of Buenos Ayres or any part of the Province. The Province of Buenos Ayres is a vast alluvial plain. Moreover, it has no forests, and never had in historical times. As a result building material either had to be imported or be obtained from a very great distance. Hence rents, even for the poorer classes of the community, have always been extravagantly dear with reference to the very modest measure of accommodation provided. We need not add that in the present economic stage of development of Argentina nearly all manufactured goods of the better sort are imported, and those which are made at home, owing to the difficulty of obtaining skilled and highly-trained labour, are also extravagantly dear.

Formerly, however, the poor got their food cheap provided they were content with what was locally produced. Owing to the scarcity of food occasioned by the recent European War, food prices in Argentina have now risen to about the level common in the international markets of the world. Manufactured goods and house rents remain as dear, or dearer, than ever, but owing to the shortage of housing accommodation throughout the world, the scarcity of textiles and metals, and the rise in the cost of transportation in all the prominent countries, it is doubtful if the cost of living in Buenos Ayres, even for those who wish to live in European style, is very much greater than it is elsewhere. To the working population, however, the rise in food prices is undoubtedly very serious. Wages have risen, and risen very greatly, in certain branches of industry, but as in other countries there has not been a universal advance in wages, and even where there has been a great advance it is doubtful if that advance has compensated for the increased price of food. It will be seen that the politician has a real temptation to turn to advantage—particularly if he is a free lance—the real measure of discontent which undoubtedly exists.

With the Government of the nation the condition is very different. It is bound to consider the lasting interests of the country, and the far-reaching effects of departing from principles founded on tried and well-established custom.

Argentina, as the reader is aware, is a very big country with a very small but steadily growing population. It is urgently in need primarily of two things, immigration and improved transportation facilities. These can only be obtained by the encouragement of investment from abroad. Up to the present Argentina contented herself with developing the Province of Buenos Ayres for the growth of cereals and for the production of meat. She has developed in a certain measure a sugar and wine growing industry in the neighbourhood of Mendoza, at the foothills of the Andean chain of mountains. More recently she has opened up Patagonia for the growth of wool and the supplying of Europe with chilled and frozen mutton. She is just venturing into the Chaco with the object of growing cotton upon a large scale. Now, it happens at the present time that there is an extraordinary demand for cotton. It happens also that the Chaco country, like the Delta of the Mississippi, is exceedingly well situated for the growth of cotton. In order to accomplish this upon a large scale it will be necessary to engage in various enterprises, all of which will be more or less expensive. The opening up of the Chaco territory would benefit Argentina in various ways. One of the most important benefits conferred would be the draining of those regions. It has always been believed that the swamps of the Chaco are one of the principal breeding-grounds of the locusts, which from time to time devastate vast areas of the Republic. Moreover, the Chaco, as it exists at present, is the only really unhealthy part of the Republic. Until quite recently there was no sufficient information which would enable one to say with any degree of accuracy how it would be possible to deal with such an area as the Chaco. We now know that it is almost entirely a question of drainage. Make the Chaco sanitary, and there is no reason why it should not be as healthy as any other part of Argentina.

Until recently, as we have said, it was not known how to deal with such an area, and, in addition, it was problematical what use could be made of such a territory if it had proved practicable to drain it. The Chaco territory is only just outside the tropical region of South America. In the pre-War period it was not particularly well situated for the growth of sub-tropical products. At present there is an extraordinary demand almost throughout the civilised world for cotton. As a result the opening up of the territory could be facilitated by the demand for one particular product which it is eminently suited to grow. To turn the Chaco into a great Argentine cotton belt would be an exceedingly costly enterprise. It would be a perfectly sound economic enterprise provided the means could be found for its accomplishment. These can only be found if Argentina continues to be able to attract foreign capital.

Argentina lives primarily by the production of food and raw materials to be sold in the markets of the world. Unless her progress, both political and economic, is to receive a serious check it is imperative that she should inspire such confidence in the minds of the foreign investor and in the financial community abroad as will induce the foreigner to continue to find the means whereby she will be able to develop her natural resources.

TRADE OPENINGS.

CHINAWARE, EARTHENWARE AND GLASS TRADES.

These important trades have been more fortunate during the current year in the matter of home-trade conditions, but still they had, in the early months, their share of cancellations of contracts and orders. These set-backs, together with the increasingly unsatisfactory conditions of production, especially the great increase in the cost of fuel, have made overseas trade extensions a pressing necessity.

The American market has, perhaps, proved one of the most pleasing surprises for earthenware and chinaware of high-class styles; and, apparently, all remembrance of late economy tactics has faded away. The demand embraces both the utilitarian and highly ornamental varieties, and although tariff rates are high, buying prices are not an obstacle where quick delivery can be effected. The American purchaser is never one to study the price when he wants a line of goods, no matter what that line may be, and in the case of china and earthenware he is always ready to pay the price. Fortunately, too, the exchange is all in his favour, so that for some time to come this market should prove a really valuable one to British manufacturers and distributors.

Among our Colonial markets mention should be made of the possibilities for greatly extended trade.

South Africa.—Industrial extension is going ahead by leaps and bounds throughout South Africa, and, seeing the immense possibilities of that country as a manufacturing and distributing centre for adjacent and northern territories, the well-known ambition of South Africa to be a manufacturing and exporting country is not by any means a dream. It will, however, be a very considerable time yet before the dream becomes a practical fact; and, in the meantime, British manufacturers and shippers have a splendid opportunity to extend their trade connections far and wide throughout the Union.

Canada.—The current year has witnessed a marked improvement in most descriptions of utility wares, whilst by all accounts the ornamental lines have had a satisfactory run of trade. Taken as a

whole, Canada has increased her imports of British earthenware, so far as quantities are concerned, by more than two hundred per cent. as compared with 1919.

The *Australasian* markets are deserving of the most careful cultivation, both Australia and New Zealand being keen buyers of chinaware or porcelain goods.

Foreign markets deserving of closer attention are France, the Argentine Republic, and Brazil, although the high tariff in the latter somewhat precludes business. A point that needs to be studied is the descriptive style of announcements—to wit, in the language of the country, and a plentiful quantity of coloured illustrations, such as have become so familiar to home buyers.

As regards glassware, the demand is every whit as keen and satisfactory for British-made goods, but they have to face the competition of Germany, Austria, and Belgium, which have long been closely associated with the ornamental side of the trade. For good-class articles for table use British goods speak for themselves from the point of view of quality, but the lower quotations occasionally offered—especially in the past—by Continental manufacturers, and the more "understandable" manner of introducing the goods, have often told against the British article. To-day, however, trade conditions are incomparably favourable to our producers, who should push their advantage to the utmost whilst it is with them. Competition in Belgium and Germany is very real, producers there being in dead earnest to make up the leeway of the past six years.

The following table, extracted from the Overseas (Board of Trade) Returns for the seven months ended July 1913, 1919, and 1920, gives a good idea of the importance of the trade transacted overseas.

Exports of China and Earthenware for Seven Months.

To	Quantities			Values		
	1913	1919	1920	1913	1919	1920
	Cwt.	Cwt.	Cwt.	£	£	£
France	54,385	63,465	149,151	67,980	127,691	245,524
United States	155,517	75,933	131,189	256,630	290,487	189,601
Brazil	238,068	44,427	85,956	179,088	125,087	241,279
Argentine Republic	337,350	55,274	275,227	200,331	141,665	391,203
South Africa	89,987	13,255	75,782	82,272	100,383	207,630
Australia	167,075	40,220	75,085	189,756	132,716	232,346
New Zealand	47,616	10,855	35,733	69,737	45,480	154,885
Canada	364,078	84,564	266,572	303,935	237,340	495,168
Other Countries	712,976	186,871	821,869	481,080	542,482	1,203,469
	2,167,061	604,864	1,920,602	1,849,809	1,743,527	3,661,305
Glass and glassware, all descriptions				1,072,263	786,511	1,675,938
				2,883,072	2,530,038	5,337,243

THE FURNITURE TRADE.

Although usually described as one of our minor trades, the furniture industry, from the points of view of necessity and artistic beauty, ranks very high in the industrial list. As regards the export section, this has made rapid strides to overcome war-time conditions, which thoroughly prevented overseas trade; but far more remains to be done if we are to secure our pre-War position and make progress before the German, Austrian, and American competitors get in.

Egypt.—This market has been well looked after, but still offers a wide and remunerative field for practically all classes of furniture in the "straightforward" makes, such as bedsteads, cabinets, tables, &c., which can be produced on standardised lines. The highly prosperous state of the country, as a result of the high prices ruling for cotton, permits the import of medium- to good-class mahogany and fumed oak suites at good prices. In view of the packing and freight problems, convertible goods, such as settees which can be used as bedsteads, wardrobes with extensions, and folding chairs, and those with removable cushions, should attract a deal of future business.

The Colonies, both East and West, are all excellent buyers of the compact lines of furniture—flat-top wardrobes, extension type tables, bedroom suites, &c.—and are all keen on renewing acquaintance with British-made wooden furniture, as well as iron bedsteads, &c.

The following are the exports for the seven months ended July 1913-1919 and 1920:—

	Quantities			Values		
	1913	1919	1920	1913	1919	1920
	Tons	Tons	Tons	£	£	£
Egypt	905	57	498	26,126	7,183	37,581
South Africa	1,277	549	1,164	39,721	41,346	72,811
Australia	1,588	116	904	36,251	7,873	28,048
Other countries	9,146	2,191	7,830	336,405	184,286	536,000
Furniture, not Upholstered:						
West Coast of Africa	To					
South Africa				97,760	41,166	4,150
Other countries				68,178	21,481	7,150
Total				141,938	62,647	11,300

HARDWARE AND CUTLERY.

Home-trade conditions of this industry have been quite disappointing, brought about by various causes, consequently it has become the more important for our staple trades, to look to its overseas connections to make good and to keep supplies clear as they are produced. The all-round excellence of Sheffield goods of all kinds is universally admitted, and is to-day its most valuable practical asset, for from every civilised corner of the globe orders are forthcoming, which can be easily tripled or quadrupled if only manufacturers of cutlery, hand tools, &c., will set themselves diligently to work to secure them before our American, German, and other equally lively competitors get a practical hold of our markets.

Scandinavia.—Norway and Sweden provide a most valuable "ground" for cultivating orders for cutlery and hardware, especially the former. Already this year we have experienced an improved demand for cutlery, pocket and pen knives, razors, &c., being specially good lines.

Spain should prove well worth the trouble of looking into its requirements, it possessing the great advantage of being quite near home, as also Southern—thereby saving a lot of valuable time in correspondence, and also enjoying good transport and financial facilities.

The United States.—This vast market is evidently not able to supply its own needs, and has been a good and increasingly important buyer of most kinds of cutlery. The remarkable and well-deserved popularity of stainless steel knives, &c., has certainly spread to the United States, where the prospects for these and most other grades, and of hardware, are extremely bright. Now that the home demand has perceptibly declined, *pro tem.*, there is all the more inducement and incentive to push our products of hardware, implements and instruments, to the utmost, particularly small tools, machine knives, saws, files, &c., our output capacity for which at present undoubtedly warrants extended outlets.

South American Markets, such as Brazil, Chili, and the Argentine Republic all afford great opportunities for wide extension. The excellent orders that are being received from this tremendous area are a practical demonstration of the high favour that our goods are held in in most South American countries and States, despite the difficulties of trading and notwithstanding the great care bestowed upon them commercially by the United States.

The Colonies—Canada, [illegible] New Zealand—have always been loyal to English cutlery and it is very satisfactory to note that Canada and Australia are among the leading importers, Australia actually heading the list shown below. Among the lines of cutlery that are well patronised are stainless knives, [illegible] Agricultural tools and [illegible] [illegible] [illegible] quite a good percentage of exports of Sheffield cutlery.

[illegible] the present industrial [illegible] at the moment is [illegible] ing work. This affects the skilled male labour, as this is frequently [illegible] work has not [illegible] Another difficulty has been experienced in [illegible]

supplies of glassware for table cruets, but fortunately matters are righting themselves by degrees, and soon Sheffield manufacturers will be in a position to undertake all commissions at short notice for delivery.

Tools and implements and parts thereof, which is the official description given to agricultural tools, are a very important section, and in view of the world demand now being experienced the outlook for these varied lines, both on the Continent, South America, and the Colonies, is of the brightest. The following table sets out our exports of cutlery and implements and tools, also of scientific instruments and appliances—except electrical—for the seven months ending July 1913-1919 and 1920:—

Exports of Cutlery to	1915	1919	1920
	£	£	£
Sweden	650	981	6,411
Norway	2,144	9,951	20,329
Netherlands	2,185	1,852	5,046
Spain and Canaries	2,028	2,901	5,371
United States of America	26,015	16,532	31,317
Cuba	3,612	4,652	10,454
Brazil	11,109	26,666	59,896
Argentine Republic	12,696	15,720	28,146
British South Africa	56,129	45,783	88,370
British East Indies	49,284	49,457	118,360
Australia	85,587	94,461	192,989
New Zealand	22,441	22,943	61,264
Canada	63,276	17,413	130,447
Other Countries	72,650	91,569	183,084
	117,066	400,884	940,084
Implements and tools and parts thereof, except machine tools and tool handles of wood, to			
South Africa	138,753	162,148	234,805
Other countries	1,499,991	1,707,039	3,142,595
Scientific instruments and appliances, except electrical	1,211,563	1,299,442	1,740,980
	3,266,173	3,569,513	6,337,651

Results for 1920 are admittedly very satisfactory, although only a part of the official table is quoted and other small sections excluded. The figures show the importance of the industry and its potential world-wide possibilities.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	1916
	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.
Adelaide Electric Supply, 6% Cum. Pref.	6	6	6	6	6
Allan (J. & R.), Ord.	(a) 2½	5	5	5	5
Assam Company, Ord.	25	25	25	15	25
Astley & Tyldesley Collieries, Ord.	(a) 12½*	15	15	17½	15
Bagots, Hatton, Ord.	(a) 6	6	6	6	5
Barlow and Jones, Ord.	20	15	11	8	8
Brown Bros. & Co., Ord.	(a) 5*	2½	5	2½	2½
Cannock & Co., Ord.	(a) 10	11	10	9	9
Chorley Brothers, Ord.	(a) 6	7½	6½	6	5½
Davis and Timmins, Ord.	(a) 6*				
Fairbairn Lawson, 5% Cum. Pref.	(a) 5	5	5	5	5
Do. do. Ord.	(a) 6	5	6	10	10
Harpenden (schanzon), Ord.	(a) 15	22	30	90	125
Henley's (W.T.) Telegraph Works, Ord.	(a) 10	30	50	50	50
Hine, Parker, Ord.	(a) 5	5			
Iris Mill, Ord.	(a) 1½				
Lawes' Chemical Manure, Ord.	7½	6½	5	3½	2½
Leigh Manufacturing, Ord.	(a) 20				
Mackay & Co., Ord.	(a) 8				
May Mill Spinning, Ord.	(a) 15*				
Melbourne Electric Supply, 7% Cum. Pref.	7				
Nicholsons, Ord.	(a) 10	14½	13	9	7½
Nirmala (Java), Pref.	17½				
Ocean Coal and Wilsons, Ord.	(a) 15*	20	20	20	16
Para Electric Railways, Ord.	(a) 6	7	7	6	5
Rosario Nitrate, £5 Ord.	(a) 10*	10	15½	20	7½
Scottish Assets, Ord.	8	8	8	8	8
Shotley Bridge and Consett Gas, Ord.	(a) 5	5	5	5	5
Spencer (John) & Sons, Ord.	7½	6	10	10	7½
Standard Bank of S. Africa, Ord.	(a) 14	16½	15½	14	14
Stewarts and Lloyds, 6% Pref.	(a) 6	6	6	6	6
Do. do. Pref. Ord.	(a) 10	10	10	10	10
Switzer & Co., Ord.	(a) 8*	6½	7½	8½	8½
Times Mill, Ord.	(a) 600			—	—
Tynesside Electrical Development, Pref. Ord.	(a) 6	—	—		—
Van den Berghs, 5s. Ord.	(a) 10				
Walker and Wallsend Union Gas, 3% Ord. Stock	(a) 1½	1½	1½	1½	1½
Walker and Wallsend Union Gas, 5% Ord. Stock	(a) 5½	5½	5½	5½	6
Webb's Crystal Glass, Pref.	(a) 8				—
Wharncliffe Silkstone Coll., Ord.	(a) 20	—	—	—	—
Willys Overland Crossley, Cum. Pref. Ord	(a) 10	—	—	—	—
Woolley, Sanders & Co., Ord.	10	8	—	—	—

(a) Interim dividend. * Free of income tax.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital .. .. .. Y. 60,000,000
Capital Paid up .. .. Y. 45,000,000
Reserve .. .. .. Y. 8,810,000
Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES.—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

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Financial Notes.

ONE of the most important fusions in Stock Exchange history was officially announced on Thursday. Messrs. Steer, Lawford and Company are entering into partnership with Messrs. Mullens, Marshall and Company, and the style of the new firm will be Messrs. Mullens, Marshall, Steer, Lawford and Company. The names of the partners are J. A. Mullens, jun., the Hon. Assheton E. Harbord, D. M. Scott, E. L. Gosling, D. W. Berdoe-Wilkinson, R. H. A. Daniell, and the Hon. George Eden. The antiquity and standing of both houses are pre-eminent. Messrs. Mullens, Marshall and Company are well known as brokers to the Government, and the retirement of Mr. H. A. Daniell, who had charge of this section of the business, after a long service of forty-five years, will be sincerely regretted in the Consols market. The office of Government brokers will henceforth be filled by two members of the new firm, Mr. J. A Mullens, jun., and Mr. R. H. A. Daniell. The amalgamation arrangements are to be effective as from October 1 next.

An estimate of our invisible exports for the current year, contained in the *Board of Trade Journal* of August 12, forms the subject of a Memorandum issued by the British Commonwealth Union. If the figures are correct our invisible exports for 1920 will exceed our adverse visible trade balance by £180,000,000. In the annexed table the position is set out as estimated by the journal:—

Invisible Exports for 1920 *(in Millions of £).*

	Jan.-June	July-Dec.
Net income from investments	60	60
Shipping services	230	210
Other services	20	20
Total	310	290
Visible adverse balance	240	180
Balance in our favour	70	110

Estimates of this nature cannot, of course, pretend to great accuracy, but, judging by the manner in which the foregoing have been arrived at, they may be taken as reliable enough for practical purposes. Two of the calculations, however, may justly be called into question—the figures for our shipping services to other countries and our adverse trade

balance for the current half-year. It is doubtful if the former makes sufficient allowance for the weakness of the Freight market, and the latter appears to be underestimated, having regard to the large exports of cotton, wool, and cereals we have yet to make. Still, we may confidently look forward to a substantial credit balance as a result of this year's transactions with foreign countries.

An estimate made on lines similar to the above, and extended to cover the whole period since the start of the War, and to include, in terms of our account with foreign countries, still other somewhat interesting results. Since August 1914 our visible imports from all countries were £6,629,503,000, and our exports £3,623,324,000, making a visible adverse balance of £3,006,179,000. To this must be added the outstanding total of Governmental borrowings abroad, which amount to £1,269,932,000. From the total thus arrived at, £4,276,111,000, various deductions must be made. We have lent to our Allies and Dominions £1,850,500,000; we have realised about £1,000,000,000 of the foreign securities we held before the War; other invisible exports since August 1914 are exceedingly difficult to estimate, but we would suggest £2,800,000,000 as, if anything, erring on the side of modesty. Thus it will be seen that even ignoring the prospects of an indemnity from Germany, we are on balance a creditor nation to no little extent.

Viewed in the light of these figures, the depreciation of the dollar exchange gives ground for interesting reflection. The subjoined table summarises our relations with the United States since August 1914:—

	£
Imports	107,168,000
Exports	2,075,506,000
Trade indebtedness ...	1,667,858,000
Government borrowings ...	1,046,774,000
Total indebtedness to U.S.	2,714,632,000

When it is pointed out that this figure for our accumulated liabilities to the United States constitutes nearly sixty-three per cent. of our total liabilities abroad, both trade and Governmental, and that inflation has been far more pronounced in the United Kingdom than in the United States, it will readily be understood why the pound sterling is at so large a discount in America. That it is at a large premium in the Continental belligerent countries does not nullify the ill effects of the above position. On the contrary, the large indebtedness of these countries to us, and especially to America, constitutes one of the most powerful impediments to our own recovery. If we could collect our debts we would have, as pointed out above, more than sufficient to pay our creditors, and the way would be paved for deflation. Unfortunately, however, our debtors, the war-stricken countries of Europe, have not yet found their feet. The sooner they do so the sooner will we get back to normality ourselves, and we can give them great assistance by granting credits and sending materials. True, we have done much in this direction already, but we have done it grudgingly and have not yet realised, apparently, what has been frequently insisted on in these columns, that it is not merely from altruistic motives, but also having regard to our vital interests, that we should assist our less fortunate neighbours. Let us hope that this subject will be one of the first considerations of the forthcoming International Conference at Brussels.

To-day the Commercial Bank of London removes from Austin Friars to its new building, 37-41 Gracechurch Street, which will be the address of the Bank and of the transfer offices of the twenty-one home industrial companies with which it is associated on and after Monday next.

SOUTH AND CENTRAL AMERICA.

PERU.

It seems very difficult to ascertain with certainty how they actually exist in Peru at the present time will, of [illegible] rumours regarding the friction which exists between that Republic and Chili. According to some of the Peruvian accounts, quite a large number of Peruvians have already been killed; while, on the other hand, we are told that a very large number of Chilians have also lost their lives at the hands of the Peruvians. That these accounts are exaggerated to an extravagant degree no one who is really acquainted with the conditions which exist will doubt for a moment. Partly due to causes which have existed for a long time, accentuated in great measure by the recent revolution which took place in Peru, there is undoubtedly friction between that Republic and Chili. The Peruvian Government, however, is well aware—and nobody is better aware than President Leguia, who has spent years in Europe and in the United States, and is well acquainted with international conditions, and has none of the illusions of the stay-at-home Peruvian—what would be the result of a conflict between the two Republics. Peru has squandered her resources in the past, and it will be a long time before she is even in a tolerably solid financial position. To engage in anything in the nature of serious hostilities at the present time could only lead to disaster, and involve the country in practical bankruptcy for at least another generation; whereas if care is taken to maintain peace, and to develop the natural resources of Peru, there is no reason why she should not be a great, rich, and prosperous State in the course of a comparatively short period, as time goes in the history of nations.

Peru is, of course, a great State already, if we mean merely in extent of area. But she is backward to an inconceivable degree if we remember that it was Peru which was the centre of Spanish government all over the South American continent from the time when Pizarro landed in 1532. Peru enjoyed probably a greater measure of civilisation under the ancient Inca emperors than she enjoys to-day. She was certainly more highly developed economically, and she held an incomparably higher position in South America relatively to the position held by other States than she does at the present time. She has retrograded alarmingly in the past four centuries, because formerly she held the dominant position, not merely amongst the west coast States, of which she constituted nearly the whole, but throughout this continent. It will be remembered that the Inca Empire extended far north of what we now call Ecuador and Colombia, and far south into what we now call Chili. Of course, it is perfectly true that the Ecuadorians and the Peruvians were not, and are not, of the same race. It was largely the war between what we call the Ecuadorians and the Peruvians that resulted in Peru being in such a hopeless position of anarchy at the time Pizarro landed and with a handful of troops defeated the vast army of the rebel Emperor, who had not hesitated to assassinate his own brother. All the same, Peru, as she existed up to, at any rate, within a few years of Pizarro's time, say, in the first and second decades of the sixteenth century, was politically quite as advanced, and economically far more advanced, than she is to-day. Nevertheless, the potentialities remain for a great State to be established. Practically, however, at present nearly everything has to be done, and no one is more aware of this than President Leguia, who is at the head of the affairs of the Republic. Practically, Peru at the present time has really no chance [illegible] arrangements with Chili. The difficulties of the Government are admittedly enormous, and the most important thing to be done [illegible] is to inspire confidence by every possible means amongst the foreign financial interests. Without assistance

from abroad it is practically impossible for Peru to develop her immense natural resources. And while there are constant alarms as to what Peru is about to do in connection with this or that contingency, it is evident that, far from inspiring confidence amongst investors in Europe or elsewhere, no serious attempt can be expected to develop the enormous resources which lie to hand in Peru.

As things are, Peru is practically helpless to do anything. She has undoubtedly great potential riches on the southern coast lands, which do already grow sugar, and might be developed to a very great extent. But, as we have said, as things are, very little attempt has so far been made to develop those lands to anything like the extent to which they are capable of being developed. Neither is it possible, as things exist, for Peru to develop them upon such a scale as would materially raise the economic status of Peru, and give a really increased revenue to the Republic after affording a reasonable livelihood to those who work the particular lands. We speak especially of the coast lands because they are naturally extraordinarily rich, and they are quite accessible. But, unfortunately—or, perhaps, that is not a happy word—it happens, however, that there is no rain in that region of Peru, and consequently the coast lands require irrigation and irrigation works, which would necessarily involve a very large expenditure. The advantage of spending money in irrigating the coast lands of Peru would be to increase the supply of sugar, cocoa, and cotton, for all of which products there is at present, and is likely to be in the near future, a very great and a growing demand. There can be no reasonable doubt that the area under cultivation of sugar on the coast lands of Peru could be trebled, or quadrupled, or multiplied five times over, without the slightest fear of those lands producing more sugar than the international markets would be able and ready to absorb, and to absorb on the basis of very handsome economic values so far as the producers were concerned. It is equally true that Peru could grow cocoa upon a large scale, although the cocoa lands properly are not the coast area of which we are speaking. Nevertheless, with irrigation it would be quite possible to protect the growing plants from the very modest amount of wind which comes to that shore, and cocoa-growing could be carried on in the coast lands of Peru, as it was undoubtedly carried on in the ancient past. The cotton area could also be developed to an almost unlimited extent.

Potentially, and, in fact, actually, in a sense the richest lands of Peru are the vast forest-clad regions to the east of the Republic running down from the Cordilleras of the Andes. That is, of course, true, says the reader who is well acquainted with Peru; but how do you propose to get there? Well, that is just the difficulty. Until Peru succeeds in inspiring the confidence of foreign investors to such an extent that the Eastern lands of the Republic will be opened up by means of railways upon an extensive scale they are not available, and they are not accessible for adding to the economic wealth of the Republic. On the other hand, as we have said, the coast lands are readily accessible, and all that is required is to obtain sufficient means to irrigate those lands and they would return an enormous rate of interest in a very short period of time. Practically the whole population, with the exception of that in the capital and in one or two other towns, now lives on the high tablelands to the east of Lima, and on these arid regions, neither now nor at any other time in the history of Peru, has it been possible to grow crops to any great extent. Apparently, in the time of the Incas they did, by great industry and by the use of fertilisers, raise such an amount of cereals as seems almost incredible, bearing in mind the high altitude and the nature of the soil. Nevertheless, in these times, as those who know Peru are well aware, no such thing has been attempted. Consequently, Peru as we know her to-day is almost exclusively a mineral country. At present her principal productions are silver, gold, copper, rubber, and guano from the islands off the Peruvian coast. Practically the only other important produce which she raises to any appreciable extent is the sugar of the coast lands, to which we have referred above, and which should be at least doubled, if not trebled or quadrupled. Then there is the wool of the llama and the vicuna, and she grows, in addition, some cotton and some coffee, and, of course, she is an important exporter of rubber collected in the East Andean forests.

We have said above that the difficulties of the Peruvian Government are very great. Unless and until Peru succeeds in attracting immigrants, and her Government succeeds in inspiring such confidence as will enable her to open up her territory, her difficulties will remain not merely great, but stupendous. She has at the present time nearly 2,000 miles of railway all told. But they are leased to a Corporation which works the lines for the benefit of the bondholders, who formerly lent money to Peru, which former Governments squandered recklessly. What that really means is that the transportation facilities of an immense area of country like Peru is in the hands and under the control of foreign creditors of the Republic. The money was originally raised for the purpose, or ought to have been raised for the purpose, of developing the economic resources of the country. In the sequel it was squandered upon political enterprises of one kind or another; and the result has been that Peru is worse off with a large foreign debt than she would have been if she had failed to borrow the money at all. Even with the greatest care her difficulties are very serious. There is, as we have indicated, if not exactly explained, the coastal region, which requires irrigation; the central plateau, which stands at an elevation of between 8,000 and 9,000 feet, and which, although cultivated by the ancient people to some extent, is more or less of a desert; and then there is the potentially rich area running down from the Andes to the basin of the Amazon. But this latter region, although potentially by far the richest in the Republic, is at present wholly inaccessible, and will remain so until such time as it is possible to open up the country with adequate transportation facilities. How these are to be obtained it is not easy to see, unless the Government is able to inspire such confidence as will induce investors to open up this very rich region. Consequently, it would appear that the most practicable proposition is to develop the coast lands, which are so readily accessible to the sea. As we have said, this means irrigation. But it is irrigation that rapidly repays itself.

The total area of Peru is something between half a million and 600,000 square miles, divided up as we have already explained. There is a population which may be estimated at something under five millions. It is not easy to say exactly what is the population of Peru, because the Indians in the Andean regions are not very advanced in civilisation, and are very far from being friendly to the Government at Lima, and they do everything that they possibly can to thwart the census officers. Nor is the census itself very carefully taken. No one in Peru would regard the census figures as representing anything like complete accuracy. In a country, therefore, very nearly three times the size of France, as she existed at the outbreak of the recent War, there is a population not much more than that of the Administrative County of London. More than half that population consists of Indians, many of those Indians in an exceedingly backward state of civilisation. When we speak of the Peruvian Indians we may be reminded that these people are descended from the most highly civilised races found in the continent of South America when it was discovered by Europeans. Nevertheless, the fact remains that, so unsatisfactory has the colonial administration been, that the Peruvians are a more backward people, a less civilised people, a people lacking in training, in education, and in the arts of civilisation to a far greater extent than was the case under

these new Incan rulers, say, in the last decade of the sixteenth century. Europeans have oppressed the native Peruvian, lowered his standard of comfort, and reduced his civilisation as the result of very nearly four centuries of administration. It is certainly high time that the Indian was given his chance. As we have said, more than half the population is composed of these people, who have been steadily oppressed and reduced more or less to barbarism in the course of four centuries. The balance consists of people of pure Spanish descent and people of every description from the mixed Indian and Spanish. Something like two-thirds of the whole population are totally illiterate. Naturally, with the whole administration of the country in the hands of foreign creditors, and with the ministries in such a backward state of development, the Peruvian Government finds itself hampered at every turn by lack of means, even for the most urgent necessities of administration.' It seems evident that the one course open to her is to do all that it is possible for her Government to do to inspire confidence in the foreign financial community, and to endeavour to the utmost extent of her power to develop the readily accessible coast lands, which would, if developed, give her not merely a revenue for the present, but would give her a basis on which to raise loans in the future with the object of developing the potentially rich parts of the interior.

NITRATE.—We propose publishing a series of articles headed "The Nitrate Position." We hope to publish the first of the series in our issue of September 4. There will in all be six articles, concluding with one to be published in our issue of October 9.

PROSPECTS IN ROUMANIA.

THE announcement of the payment of coupons on Roumanian Government Bonds, which has synchronised with the ratification of a treaty of peace with Hungary, augurs well for the economic development of an undoubtedly rich country, provided local political troubles and outstanding frontier questions are satisfactorily adjusted. Negotiations relative to the latter are pending with Jugo-Slavia and Czecho-Slovakia. Oil and wheat are the staple exports of Roumania, and stretches of oil-bearing territory have lately been taken by the Standard Oil, Royal Dutch, and other groups. An agreement is said to have been reached between the Roumanian and Allied Governments as to the compensation to be paid to companies whose wells, machinery, and stocks of oil were destroyed to prevent their falling into the hands of the Germans. Roumanian Consolidated Oilfields particularly are interested in such a settlement, as notice of appeal was given from the judgment recently obtained by the Company in the courts against the Hungarian Government for £1,250,000 on account of the destruction of its property at the time of the German invasion.

COAL AND SHIPPING.

THE prohibitive price of bunker coal, between £6 and £7 per ton, has lately had a depressing effect on shipping, which has been intensified by the weakness in the freight market and the accentuation of American competition. With regard to transatlantic merchant marine, the Chairman of the Furness-Withy Company at the meeting on Thursday stated that we could compete with any foreign steamship organisation, but only if internal trouble were avoided. In the circumstances stoppage of coal supplies would be disastrous, not only to coal industries, but to every merchant fleet, though the latter is gradually asserting its independence of coal by the substitution of oil-burning boilers. The reduction in our coal exports is affecting our shipping by depriving it of outward freights, thus materially raising the inward charges for the conveyance of foodstuffs and so helping to maintain the high cost of living.

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American Topics.

OUTLOOK FOR MONEY.

MONEY in London this week has been exceptionally scarce and dear, and money in New York upon one or two occasions has been exceedingly scarce and dear likewise. Nevertheless, those in London in the closest touch with financial and trading circles in the United States are of opinion that the situation is considerably more favourable than anyone ventured to hope in the earlier months of the present year. At that time there was a wild speculation in produce, upon the stock markets, in real estate, and in almost any and every form of security in which it was practical to speculate throughout almost the whole length and breadth of the Union. We have told already the story of the break in the Silk market, which was brought about by the action of the New York bankers, who were unwilling to carry indefinitely enormous stocks of silk simply for the benefit of great speculators in various parts of the Union. While there was a real demand for silk in connection with the War, and subsequently, after the conclusion of the Armistice, for genuine trade purposes, New York bankers, and, indeed the bankers throughout the Union, as sound business men, were anxious to do all that was reasonable to facilitate the legitimate operations of trade. When they saw, however, that month after month passed, and in spite of the accumulation of large stocks in different parts of the Union no effort was made to realise, and apparently no use was made of the commodity, bankers asked, and rightly asked, what did holders propose to do, and at what period did they intend to liquidate these stocks which were being carried on borrowed money? When the bankers could get no satisfactory answer they simply told the speculators that, without wishing to do anything to upset the market or to upset their customers, they must request them to liquidate at least a portion of their loans. The result was that there was a phenomenal fall in the price of silk from the extravagantly inflated quotations to which it had soared, simply by withdrawing from the market stocks which were urgently needed for trade purposes. This highly creditable action on the part of the [illegible] confined to the United States. The wise and prudent [illegible] tain for himself the difficulties he will experience if he desires to obtain considerable sums of money for

speculating upon the Stock Exchange, either in London or in any other important centre in Europe. For trade purposes proper money is still to be obtained, provided the borrower can satisfy the lender that he has a legitimate, definite purpose to perform, that he has a contract to fulfil which will be concluded within a definite and specified period. It is, however, exceedingly difficult to get money in the hope of obtaining some kind of business which will materialise in some indefinite future. The result has been that large stocks have been liquidated, both in the United States and in Europe. The speculative position in the Stock markets, in the Produce markets, and amongst holders of commodities generally, is nothing like so serious, not to say dangerous, as it was, say, six months ago. Moreover, it has led to an appreciable decline in prices, a decline which has not gone far enough by any means, but still a decline which is assisting the Money markets. Moreover, there is already evidence of a set-back in trade, and the set-back will probably be carried still further before there is a recovery. Of course, it has to be borne in mind that the great strain on the New York Money market is only about to commence. We have the moving of very large crops. It is generally estimated that the wheat crop, in particular, will not be anything like what it was last year. Nevertheless, it is to be hoped that it will be a large crop. The reason that it is expected to be so much less than last year is that, owing to the unfavourable weather in the spring, some winter wheat failed to grow at all, and a great deal of spring wheat which would have normally been sown was never put into the ground. On the other hand, it is hoped that the yield per unit will be considerably greater. Owing, therefore, to the measures which have been taken for months past to reduce the strain upon the Money market, both in Europe and in the United States, the best opinion we are able to obtain is that nearly adequate measures have been taken for dealing with the financing of the crops. On the other hand, it must not be assumed that all cause for anxiety has passed. On the contrary, the best opinion we have been able to get is that dear money is inevitable on both sides of the Atlantic, and more or less throughout the world, for the simple reason that the commodity which the Money market has to sell—that is to say, credit—is exceedingly scarce, and consequently at a premium. Moreover, it has to be remembered that Europe is heavily in debt to the United States. In a sense, of course, this is a great advantage to the United States, but in another sense it means that the United States has to continue financing heavy debts which the debtor is not yet in a position to liquidate.

In his report on the Trade of Australia for the year 1919 Mr. S. W. B. McGregor, H.M.'s Senior Trade Commissioner in Australia, delivers a lecture to the British manufacturer which has often been delivered by other investigators in various parts of the world in recent years. We hope Mr. McGregor will receive greater attention than has been accorded to his predecessors. He says that while there is a sentiment in favour of British goods in Australia, as being the best value for the price paid, there is a deep-rooted conviction in the Island Continent that the British manufacturer is intensely conservative, unenterprising, generally out of date, and rapidly losing his hold on the world's markets. His allegations are directed especially against manufacturers connected with the machinery, motor-car, small tools, hardware, and allied trades. A factor in overseas trade is the inevitable and growing increase of local manufactures, not only in Australia, but in the other great countries of the Empire. In this connection increasing efficiency of commercial organisation is indicated, and also preparation for the inevitable development of the United Kingdom export trade.

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Rubber Topics.

WHILE the dulness which characterised last week's Share market was relieved to some extent by a substantial improvement in the price of the commodity, the weakness in tone since Monday last was accentuated by a continued fall in the value of the raw material, which closed on Thursday at 1*s.* 9½*d.* first crepe and 1*s.* 8*d.* smoked sheets for spot delivery. In the Share market, Biting, Anglo-Dutch and Port Dickson showed slight activity, but fell slightly towards the close of the week in common with the general decline in the various groups. In the Malay list, on Wednesday, Kapar Para at 73*s.* 9*d.*, Golden Hope at 46*s.* 3*d.*, and Mambau at 42*s.* 6*d.*, all drooped 2*s.* 6*d.*, and Highlands weakened 1*s.* to 54*s.* Linggi and Sungei Bahru fell 1*s.* 3*d.* to 55*s.* and 32*s.* 6*d.* respectively. Rubber Trusts continued dull, and weakness characterised the Sumatra group. On Thursday Anglo-Dutch fell 6*d.* to 48*s.*, and Java Investments drooped 7½*d.* to 30*s.* 7½*d.* Sumatra companies showed little vigour, while the Malay group were largely firm. Selangor River were quoted at 22*s.*, which represents the first quotation on the altered basis.

ANNUAL REPORTS ANALYSED.

LEDBURY (F.M.S.).

Issued Capital: £108,600 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre per lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit* £	Dividend Amt. £	Dividend %
1915 ...	2,166	1,430	515,338	361	2/8·29	1/11¼	48,043	35,295	32½
1916 ...	2,166	1,582	642,891	405	2/7·85	1/11½	54,565	35,295	32½
1917 ...	2,221	1,800*	691,496	384*	2/3½	1/3·9	34,761	21,720	20
1918 ...	2,244	—	528,206	—	1/10·2	1/3.4	18,145	16,290	15
1919 ...	2,257	—	703,929	—	2/-	1/1·2	35,091	38,010	35

Price of Shares, 54 4½. Market Capitalisation per planted acre, £129.

THE report of this well-known rubber Company for the year ended December 31, 1919, is a record of very satisfactory progress. During 1918 the crop harvested fell to 528,206 lb., owing to the participation of the Company in the scheme of restricted output suggested by the Rubber Growers' Association. Freed from any such restriction in 1919 the crop secured amounted to 703,929 lb. Although considerably in excess of the output of 1918, this crop fell short of the estimate by nearly 90,000 lb. The deficiency was attributed in part to an over-estimate by the former Manager of Ledbury estate, in part to the policy adopted of resting trees likely to benefit therefrom until the close of the wintering season, and in part to the inadequate supply of labour for tapping operations. However, with this substantial addition to the amount of the crop came the usual adjunct of efficient management—a decline in the cost of production per unit. The f.o.b. cost, excluding loss on exchange, which for the year under

review averaged 0.12*d.* per lb., worked out at 10.94*d.* per lb., as compared with 1*s.* 0.19*d.* per lb. in 1918. In like manner the "all-in" cost fell from 1*s.* 3.4*d.* per lb. to 1*s.* 1.2*d.* per lb. Moreover, the average gross price realised by the sale of the crop improved from 1*s.* 10.2*d.* per lb. to 2*s.* per lb. Thus a net profit per lb. of 6.8*d.* in 1918 was replaced by one of 10.8*d.* in 1919. Hence there was obtained a total net profit of £35,001, as against £18,145 in the previous year. Then came the windfall in the form of a refund of excess profits duty owing to the restricted output of 1918, which amounted to £11,507. With the balance of £16,106 brought forward from the last accounts there was available for dividend accordingly a total of £62,914. After transferring £5,000 to the income-tax reserve account and £1,000 to the employees' bonus fund, Ordinary shareholders received in dividends a total of £38,010, as compared with £16,290 in 1918. This represents a dividend of thirty-five per cent., constituting the record dividend in the history of the Company. There is carried forward to the next accounts a balance of £18,904, subject to excess profits duty for the year under review, which is estimated at £1,500.

In estimating the outlook for the current year, the dominant factor in so far as this Company is concerned appears to be the labour situation. How this labour problem influences the position of the Company is well illustrated by reference to the output during the current year. The estimated crop on the assumption of normal working conditions is returned at 835,000 lb. The actual crops recorded for the first half of the year do not reach 340,000 lb. It is evident that in the absence of a substantial improvement during the latter half of the year the final crop will not be much in excess of 700,000 lb. The situation is all the more to be regretted since two of the estates are reported to be in first-class condition; whilst a change for the better has taken place on the Ledbury estate. On the other hand, the Company is not likely to suffer severely from the increase in the excess profits duty to sixty per cent., although this factor, in conjunction with the corporation tax, must be considered in estimating the possible dividend for the current year. Financially the Company is in a position of great strength. According to the balance sheet dated December 31, 1919, liabilities, including the final dividend on the Ordinary shares to the amount of £27,150, do not exceed £48,448, and are more than covered by the total of cash and investments to the extent of £52,856. Liquid assets are in fact available to the amount of £84,779. Making due allowance for all the factors enumerated above, it does not seem advisable to count upon a larger dividend than twenty-five per cent. for the current year. In the market the £1 shares of the Company command 54*s.* 4½*d.*, and yield at this price, upon the basis of a dividend of thirty-five per cent., a return of nearly thirteen per cent.

KAPAR PARA (SELANGOR).

Issued Capital: £150,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	3,538	3,261	820,179	251	2/6½	1/0·9	71,*23	52,500	70
1917	3,538	3,433	1,177,213	343	2/1.1	1/0·2	75,966	57,500	76
1918	3,538	3,433	925,563	281	1/7.8*	1/1.4	27,*23	37,500	50
1919	3,538	3,538	1,036,566	293	1,11.4*	1/1.2	61,052	60,000	40†

* Average net price. † On capital doubled by issue of bonus shares.

Price of Shares, 75/0. Market Capitalisation per planted acre, £159.

A very satisfactory report is presented by this well-known rubber Company for the year ended December 31, 1919. With the disappearance of the compulsory restriction on tapping that was responsible for the low crop of 1918 there was estimated for the year under review a crop of 1,177,525 lb. On account, however, of a deficiency in the rainfall and a very severe wintering of the trees, the actual crop harvested amounted only to 1,036,566 lb., falling short of the estimate by over 140,000 lb. Nevertheless, the yield per bearing acre worked out at 293 lb., which compares not unfavourably with 313 lb. for the last year of unrestricted tapping. The considerable increase in the crop over that of 1918 is reflected in the gratifying decline in the cost of production. As compared with 10.23*d.* per lb. in 1918, and 7.9*d.* per lb. in 1917, the f.o.b. cost amounted to 8.60*d.*, whilst the "all-in" cost of 9.5*d.* per lb. represented a marked improvement even on the return of 10.9*d.* per lb. in 1916. Furthermore, it so fell out that this decline in cost of production coincided with an improvement in the price secured by the sale of the crop. The net average price realised was 1*s.* 11.37*d.* per lb., in comparison with 1*s.* 7.77*d.* per lb. in 1918, and was equivalent to a gross average price of 2*s.* 2*d.* per lb., as compared with 2*s.* 4.1*d.* per lb. in 1917. Accordingly, the net profit improved from £29,223 to £61,072. Out of this shareholders received in dividends a sum of £60,000, as compared with £37,500 in 1918. It will be noticed, however, that the rate of dividend is stated to be only 40%, whereas in 1918 the rate was 50%. The explanation is furnished by the reconstruction of the capital account, which was effected during the year, in order to bring it into closer approximation with the real value of the estates. At an extraordinary general meeting in October 1919 the share capital was increased from £75,000 to £150,000, and the 75,000 new shares of £1 each were distributed as a bonus, fully paid, to existing shareholders. The funds required for this purpose were secured from the share premium account of £38,053, and the balance of £36,947 was transferred from the reserve account, which was reduced in consequence to £23,053. It was on a capital thus doubled that a dividend of 40% was paid for the year under review. Consequently, the dividend is equivalent to a rate of 80% on the old capital, and a balance of £19,054 is carried forward.

The outlook for the current year is bound up with a variety of factors. The price of the commodity is being influenced by the absence from the market of the American and Continental demand. The estate is again suffering from dry weather and the severe wintering of the trees. The estimated crop for 1920 amounts to 1,214,900 lb., whilst the returns for the first six months do not exceed 494,571 lb. Consequently, the final crop may not exceed 1,000,000 lb. Forward sales provide a more favourable feature, contracts having been arranged for the sale of 492,800 lb. at the satisfactory price of 2*s.* 3⅞*d.* per lb. ex-godown Singapore. Financially the position of the Company as seen in the balance sheet dated December 31, 1919, is exceptionally strong. Including the final dividend of £41,250, liabilities do not exceed £52,245, and are amply covered by liquid assets in the form of cash and investments to a total of £57,162, in addition to which there is a stock of rubber valued at £39,446. In the market the £1 shares are quoted at 75*s.*, and afford at this price, upon the basis of the 1919 dividend—and we consider this to be a minimum—a yield of nearly 11%.

HIGHLANDS AND LOWLANDS.

Issued Capital: £309,481 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	4,085	3,444	1,200,424	351	2/0·9	1/1.2	120,***	61,***	[illegible]
1916..	4,322	3,415	1,350,479	396	2/7.8	1/0	***	61,***	[illegible]
1917..	4,505	3,566	1,428,343	400	2/4	1/1½	[illegible]	[illegible]	[illegible]
1918...	4,752	3,531	1,123,799	322	2/1½	1/0	114,***	61,***	[illegible]
1919...	4,849	3,974	1,504,374	379	2/1	[illegible]	[illegible]	[illegible]	[illegible]

* Before [illegible] excess profits duty. † After [illegible] excess profits duty.

Price of Shares, 55 4½. Market Capitalisation per planted acre £177, allowing for interest in Ayer Kuning Company.

The report presented by this well-known rubber Company for the year ended December 31, 1919, is very satisfactory. Against an estimated crop of 1,415,000 lb. there was actually harvested a crop of 1,504,374 lb., which exceeded the previous high

record of 1917 by over 70,000 lb. The yield per bearing acre was almost 379 lb., as compared with 322 lb. during that year of restricted production, 1918. The lowness of the average yield, as contrasted with 400 lb. for 1917, was due in the main to the fact that the yield of the Highlands division only worked out at an average of 275 lb. per acre, whereas the Batu Unjor division gave 422 lb. and the Midlands division as high as 489 lb. per acre. The gross price realised by the sale of the crop amounted to 2*s.* 1*d.* per lb., as compared with 2*s.* 1¼*d.* per lb. in 1918. The explanation is furnished by the discrepancy in the prices at which forward contracts for the sale of the crop were entered into for each year. During the year under review about 38% of the crop was sold forward at an average of 1*s.* 10½*d.* per lb., whereas in 1918 nearly half the crop was disposed of c.i.f. New York at a price as high as 2*s.* 7¼*d.* per lb. This decline in the price secured for the crop was far more than counterbalanced by the reduction effected in the cost of production. With the increase in the quantity of rubber handled the efficient management of the estate rendered it possible to record an average f.o.b. cost of 7.52*d.* per lb., as compared with 10.83*d.* for 1918. The Midlands division ranked first with a decline from 9.68*d.* to 6.14*d.* per lb. Batu Unjor was worked at an f.o.b. cost of 9.53*d.*, as compared with 12.53*d.* in 1918. On the other hand, the Highlands and Lowlands division only returned an f.o.b. cost of 9.65*d.*, or 1.15*d.* per lb. less than that of 1918. Similarly in the outlay on tapping and scrapping, the cost in the Highlands division was 1.95*d.* per lb., in the Batu Unjor division 1.31*d.* per lb., and in the Midlands division 1.29*d.* per lb. This marked decline in the f.o.b. cost was again reflected in the "all-in" cost, which was less than 10*d.* per lb., as against 1*s.* 3*d.* per lb. in 1918. Accordingly, there was secured a net profit of £99,057, in contrast with £54,789 for 1918 and in favourable comparison with £101,600 in 1917. This restoration of the profits level rendered it feasible to increase the dividend from the rate of 17½% declared in 1917 and 1918 to 30% for the year under review, leaving to be carried forward to the next accounts a balance of £17,787.

Here is the case of a rubber Company which was earning substantial profits when the excess profits duty came into being. Consequently, with a high standard it is not likely to feel unduly the brunt of the recent increase in this tax to 60%. Admittedly this increase, in conjunction with the corporation tax, will reduce the amount of profits which would otherwise be available for distribution amongst the shareholders during the current year. But here the dividing line is rather in the nature of the maintenance of the rate of the dividend merely instead of an increase in the rate. Bearing this point in mind, it is safe to assert that the outlook for the current year is distinctly bright. There is estimated a crop of 1,510,000 lb.—an estimate which the harvest of 720,640 lb. for six months bids fair to justify, if not to exceed. Forward sales for the current year have been effected as regards 300 tons of the crop (*i.e.*, nearly 45% of the estimated crop) at the London equivalent of 2*s.* 4*d.* per lb., which is very satisfactory. It is furthermore stated that contracts have been entered into for the sale of 120 tons of the 1921 crop at the London equivalent of 2*s.* 6½*d.* per lb. Financially, the position of the Company, as seen from the balance sheet dated December 31, 1919, is exceptionally strong. Including the final dividend to the amount of £69,633, liabilities do not exceed £101,012; and these are almost entirely covered by the total of £100,151, representing cash, investments, and sundry debtors, in addition to which there is a stock of rubber valued at £68,873. The market quotes the £1 shares at 55*s.* 4½*d.*, and at this price they afford, assuming the continuance of a dividend of 30%—and the assumption is by no means unwarranted—a yield of 11%.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ESTABLISHED 1824.

ASSETS Exceed £12,000,000.

FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE INSURANCES effected on the most favourable terms.

Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

Insurance Notes.

LONDON AND SCOTTISH ASSURANCE CORPORATION, LIMITED.

Formerly known as the London and Lancashire Life and General Assurance Association, this Company changed its title to the above in the course of last year. The alteration is convenient to the public, as the existing London and Lancashire (previously described as the London and Lancashire Fire Insurance) Company has obtained powers to transact life assurance, and, indeed, has indirectly been doing so since its absorption of the Law Union and Rock Insurance Company. Moreover, the designation of "London and Scottish" is appropriate to the Company under review, as it has a business connection in North Britain which was extended through its acquisition a few years ago of the Scottish Metropolitan, a life office whose headquarters were in Edinburgh. The Company for many years confined its operations to life assurance, but in 1910 it obtained powers to transact every description of insurance business, except marine; and under a further extension of powers it has more recently entered the marine sphere. In the course of last year the capital was increased. The capital on December 31, 1918, was as follows: Authorised, £350,000; subscribed, £333,825; paid-up, £66,765, in 66,765 shares of £5, with £1 paid. A new issue of 53,235 shares of £5 each, with £1 paid, was made in 1919, and the authorised capital was raised to £1,000,000, with £600,000 subscribed and £120,000 paid up, in 120,000 shares of £5 each, with £1 paid. The new issue was made at a premium of £2 2*s.* 6*d.* per share. The new shares were fully subscribed. Of the premium received thereon, after paying the expenses of the new issue, £32,913 was applied in extinguishing an "organisation account," £38,289 in writing down cost of marine business acquired to £50,000, and a balance, amounting to £34,430, was transferred to the reserve fund. The result of the operations as a whole in 1919 appears to have been profitable, as the dividend in respect of that year was declared at the rate of twenty per cent., subject to deduction of income tax. This compares with distributions to shareholders for a long series of previous years at the rate of fifteen per cent., less tax.

The life assurance section of the Company's operations showed great vitality and considerable development in the course of last year. New life policies were issued for £1,500,290, of which reassurances were effected to the extent of £53,200; the net retention at the Company's sole risk thus being £1,447,090, as compared with £929,616 in 1918. Of the net new life business in 1919, £780,511 was effected within the United Kingdom, and the remainder—£666,579—in British Colonies. The Company has an active and influential life organisation in Canada, with headquarters in Montreal and subsidiary branches in about a dozen important places throughout the Dominion. It has also a South African branch, which is administered from Capetown as a centre. Although it has branches at Calcutta and Bombay, it ceased to transact new life business in India in 1908.

The Company's total net life premium income amounted in 1919 to £457,944, marking an increase of £28,358 over the corresponding figure of 1918. In addition, a sum of £3,520 was received as consideration for new annuities granted. Comparing commissions and costs of management with the premiums, the expense ratio in 1919 was about 20.4 per cent., as compared with about 19.5 per cent. in the preceding year. Some increase in expense was, of course, to be expected, looking to the greatly enlarged new business, as well as to the enhanced costs of labour. Claims for £380,006 were paid in 1919 or arose, £231,590 arose through death and £148,416 through survivance. Through the year's operations the total life assurance and annuity fund rose from £4,102,637 ("London and Scottish" £3,196,741, "Scottish Metropolitan" £905,896) to £4,230,403 ("London and Scottish" £3,322,989, "Scottish Metropolitan" £907,414). The net interest yield on the mean account of the life assurance and annuity funds throughout the year would appear to have been about £4 9*s.* 6*d.* per cent., after deduction of income tax, as compared with the rate of £3 10*s.* per cent. which was assumed at the last quinquennial valuation of the direct London and Lancashire life business on December 31, 1917. On that occasion no general distribution of bonus was made, but a balance of £18,471 was carried forward to the now current quinquennium, after providing for depreciation in the value of securities.

The small sinking-fund, capital redemption, and annuities certain account, which may be considered as a subsidiary of the life department, shows a premium income in 1919 of £3,149 and a relative fund at the close of that year amounting to £44,366.

As any profits from the life section of the Company's business are only taken into account at the close of a year when a quinquennial valuation is due, which was not the case last year, the results in that section have no bearing upon the dividend declared in respect of 1919.

The main feature of what may be described as the commercial part of the Company's transactions in 1919 is the extent of the marine premium income, which was advanced from £12,713 (in 1918, when the relative department was opened) to £342,755. Looking to the nature of marine business, the directors have very wisely decided to make no encroachment on the figures of last year for trading profit, the only transfer to profit and loss being a sum of £4,882, which represented the net earnings from interest, less tax, on the marine fund; and the whole of that fund, amounting at the close of the year to £293,423, after deduction of claims, expenses of management, and interest, is consequently carried forward to 1920. So far as can be judged by ordinary canons, the fund referred to seems to present a healthy and promising appearance at this comparatively early stage.

The Company's fire premium income amounted in 1919 to £140,635, being less by £48,694 than the corresponding figure for 1918. Notwithstanding this decrease, the working shows a highly satisfactory result. As the result of the fire operations the sum of £27,526 (representing about 19.5 per cent. of the year's premium income) was transferred to profit and loss account, after an estimate of the reserve for unexpired risks on the basis of forty per cent. of the premiums.

In contrast to the fire section, the premium income in the accident, employers' liability, and general department shows a large increase in 1919, having risen from £93,106 (in 1918) to £145,497. The interest earnings on the relative department fund (£4,000 "less tax), together with a sum of £1,902 as trading profit (aggregating £3,001), were transferred to profit and loss account at the close of the year, the relative fund thereafter amounting to £58,190 or to forty per cent. of the premiums, in addition to a sum of £23,144 representing the total estimated liability on this account in respect of claims then outstanding.

To the departmental transfers of profit from trading and interest already referred to have to be added sums credited to profit and loss account of £14,279, representing interest and dividends (less income tax) not carried to other accounts, and transfer and other fees amounting to £131. On the other hand, items representing certain charges of the year, amounting in all to £17,643 (expenses not charged to other accounts, £4,642; Scottish Metropolitan premiums, £2,564; and taxes, £10,437), are debited to profit and loss.

Putting all the material figures above referred to together, the outcome of the year as respects profits taken into account appears to have been as follows:—

	Income Tax Deducted at Source	Net Income Received
	£	£
	2,726	
Marine		1,882
	1,915	1,099
	191	4,691
	20,782	
Less items charged to Profit and Loss	17,643	
	3,139	
Total net profits		12,513

The allocation appears to be as follows:—

Dividends on [illegible]	
Less income tax	
Transferred to Fire Department	
Transferred to Accident Department	
Transferred to "London and Marine"	
The balance of the profits for the year	
Carried forward	

It will be noticed as a favourable feature that the Company's net interest earnings (apart from those in the life and cognate funds) were in excess of the amount required for the distribution of the dividend by £3,460.

The total assets as shown by the Company's balance sheet on December 31, 1919, amounted to £5,771,643.

Arrangements have been made between the London Assurance Corporation and the London Guarantee and Accident Company, Limited, whereby the London Assurance Corporation will as from October 1 next underwrite and transact marine business at its offices at 7 Royal Exchange, London, E.C., for and on behalf of the London Guarantee and Accident Company, Limited.

The Royal Exchange Assurance Corporation announce that Colonel Frank D. Watney, C.B.E., has been elected to the court of directors.

In the twelve months ended with March last no fewer than 9,925 motor-cars were imported into India, 9,353 being from the United States, and only 448 from the United Kingdom. Curiously, most of the American cars were shipped *via* Canada. As regards Egypt, during the five months ended with May that country took from the United States 675 motor-cars, valued at £E.190,786, and 111 motor-cycles, valued at £E.10,960. In the corresponding period of last year the United States sent to Egypt forty-two motor-cars and six motor-cycles, valued at £E.7,885 and £E.520 respectively. Moreover, in the first five months of the present year Egypt imported from this country fifty-three motor-cars, valued at £E.45,629, and ninety-two motor-cycles, valued at £E.8,340. The preponderance of American cars imported into the two countries is mainly due to cheapness and to the certainty of delivery. The [illegible] of English cars are universally recognised, but the [illegible] of delivery [illegible] being placed. [illegible] facturers here to definitely earmark a certain percentage of cars for export.

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ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

GOVERNMENT WOOL PRICES.

We have called attention on several recent occasions to the great importance of reductions being made in the Government's reserve prices for Australasian wools, but no move in this direction has yet been made by the Ministry of Munitions or, at the time of writing, appears at all likely. Three months have now elapsed since the sensational fall in Colonial wool prices at public auctions, but the Department's reserve prices remain at the same level as that of April 1919. In less than two months the sales of "free" wool will begin in Australia, and it can only be assumed that the Government are determined to make no alteration in their schedule of prices until the new values have been fixed by the wool buyers now on their way to Sydney and Melbourne.

Some traders attribute the Government's action—or inaction—on this point to their guarantee to the British farmers that no change would be made in reserve prices during the present season. We think, however, that no tender consideration for the home wool-growers would have led the Ministry to tie their own hands in such a manner, and that it is probable the Government had already made the decision as part of their general policy for liquidating wool stocks. Rumour has also been busy for some time regarding the Ministry's efforts to dispose of wool to our late enemies. There is no doubt that continuous negotiations have been taking place with this object, and it is quite proper that this should be done. In fact, we would go so far as to say that the Ministry would be failing in their duty as custodians of State property of enormous value if any possible chance were neglected of unloading a portion of the surplus wool stock to any buyers whatever. It must be assumed, however, that the same reserve prices would form the basis of any such negotiations, which would now be hampered by the imminent resumption of private trading and the uncertainty of the prices to obtain in the immediate future. It is possible, of course, that the Government are able to propose financial arrangements of such a character as to induce large foreign buyers to purchase direct instead of operating at the Australian sales, but a delicate deal of this nature is not very likely.

On the whole, we are inclined to consider that the Government's tactics are influenced (1) by their publicly acknowledged desire to obtain the highest possible prices for their wools, and (2) by the probability of further friction with the Australian Government and wool producers if a reduction of prices were made. As regards the first of these reasons, the Ministry of Munitions are quite justified in selling their stocks to the best possible advantage, although whether this is attained by disposing of a small quantity at a high price, rather than, in view of the enormous private supplies shortly to be available, a larger quantity at a lower price, remains a matter of opinion. The opportunity has now passed, but if courageous steps had been taken some ten weeks ago it is highly probable that the result would have been satisfactory, both to the Imperial Government and to the home trade, and at the same time would not have given grounds for further dissatisfaction on the other side. The main fact to keep in mind is that lower wool prices are inevitable when the Australian sales resume. There will naturally be some uncertainty at the outset, and both buying and selling may be spasmodic for a time, but in the end—and we do not think that it will be long delayed—the new lower level will appear. In present conditions the whole trade, from wool merchants to retailers, are buying as little as possible, and the effect is already being felt by short-time working in certain parts of the industry. To an extent this policy is playing into the hands of the Australian farmers, because users' stocks are now getting to a very low ebb. We have always maintained that it would have been far better for the Government to have reduced their reserves, and thus have enabled trade to continue at a fairly brisk pace during the interval between the collapse of the market in May and June and the reopening of the Australian sales in October. Had this been done greater quantities of raw material would have been sold, the industry would have maintained full employment, and consumers would have reaped the benefit of additional supplies and lower prices some time before this is now possible. The Government omitted to take this important move, with the result that the decline to the proper economic values of raw wool must now be taken in one step, and the State will be embarrassed for months, possibly two or three years, with a larger surplus of wool than was necessary. We have said that the Ministry's policy has probably been influenced by their desire to avoid further friction with the Colonial farmers, and it is certain that, had the reserve prices been reduced, the blame for any further decline at the "free" auctions would have been placed on the Imperial Government. We regret to say that so large a proportion of the Australian and New Zealand farmers have shown disregard—we might almost say ignorance—of normal commercial conditions that such an accusation against the Government would be inevitable. The Ministry of Munitions have, however, chosen between the two courses open to them, and there is no alternative now but to follow out the line taken.

A report has been received that the Government are prepared to sell wool in stock in New Zealand for shipment in September and October, although the prices mentioned are not likely to attract purchasers. No official confirmation of the statements has been made, and, although we advocated this course nearly a year ago, we see no reason why the firmly-rooted practice of the Government should be changed at this late date. We still consider that the greatest initial mistake of the Government in handling the decontrol of wool was their refusal to allow sales in Australasia, but it is probable that the rumour of a sudden change in policy on this matter will prove to be unfounded.

BRITISH & ALLIED INVESTMENTS CORPN., LTD.

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DIRECTORS:

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H. E. Carter (Managing). [J.P.

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

TOOTAL BROADHURST LEE COMPANY, LIMITED.

Year to June 30	Net Profit	Pref. Dividend	Ordinary Dividend	To credit Reserve	To credit Special Account	Carried forward
	£	£	£	£	£	£
1914	85,724	18,000	5	26,849 74	5,865	12,000	70,964
1916	104,800	14,000	5	52,124 10	21,195	61,000	70,929
1917	109,000	14,000	5	50,113 10	50,000	50,000	56,967
1918	186,115	14,000	5	40,715 15	63,856	57,415	96,566
1919	239,118	14,000	5	42,578 10	80,000	116,000	98,556
1920	436,376	14,000	5	81,000 15	120,000	241,395	85,135

* Less income tax.

† 15,082 £10 ordinary shares issued in 1918 and 1,048 paid up from £153 sundry creditors transferred to reserve at September 1918.

‡ £60,000 applied from reserve at Sept. 1919.

The striking record established by this Manchester Company during the War period is completely eclipsed by the reports presented for the year ended June 30 last. The net profit, which amounted to £85,724 in 1915, approached the half-million mark for 1919-20, and exceeded the combined net profits for the two preceding years, which were in themselves eminently satisfactory. Before arriving at the actual net revenue of £436,376, provision has been made for all administrative and general charges, income-tax depreciation, excess profits duty, corporation tax, Debenture interest, bad debts, and the writing down of investments. Adding the balance brought forward from last year of £98,556, and deducting the Preference dividend of £14,000, there remained a disposable balance of £520,933. From this sum the directors have transferred £351,797 to the various reserves, as compared with £190,000 allocated in 1919. An outstanding feature in these appropriations is the transfer of £130,000 to the income-tax reserve, as against less than one-sixth of that sum allocated last year. The general reserve receives £120,000, as compared with £80,000 in 1919, and now amounts to £220,000. Other appropriations include £50,000 to the superannuation fund created last year and £41,797 to a special reserve against debts in foreign countries affected by the War. The credit to this account is now £172,462.

For the Ordinary shareholders the appropriations this year to the general reserve and superannuation fund are of particular interest, in consequence of the adjustments made last year in the capital. The Company then created 200,000 Employees shares of £1 each, and in order that all classes of shares might be of equal face value the directors capitalised £160,000 of the general reserve, making the 80,000 £8 paid Ordinary shares fully paid, and then converted the £10 shares into ten of £1 each fully paid, eight of which were to be Ordinary and two Deferred Ordinary shares. It was decided that the latter should rank for dividend until the general reserve had been increased by at least £60,000 and until the pension fund had reached £100,000. As the conditions satisfy these requirements, the Deferred Ordinary shares are entitled to the full dividend for the past financial year, and now rank in every respect as Ordinary shares. Including the bonus, the total Ordinary distribution for the year is at the rate of fifteen per cent., which represents the highest dividend yet paid by the Company. The payment, less tax, absorbs £84,000, as compared with £42,358 for 1918-19, when a 6½ per cent. dividend was paid. *A propos* of this, it may be mentioned that, apart from the issue of 13,082 Ordinary shares in 1918, the previous year's dividend covered £133,836, capitalised from the reserve in September 1918; and, with a similar capitalisation of £160,000 in 1919, this year's payment covers, therefore, an additional Ordinary paid-up capital of £293,836, produced by bonus allocations from the general reserve during the past two years. The increased rate of dividend is accordingly all the more satisfactory.

Under the bonus scheme adopted last year all employees of the Company receive an honorarium of fifteen per cent., amounting to £53,386, on their aggregate wages, the condition having been fulfilled that such bonus should not exceed the total sum paid in dividend in excess of seven and a half per cent. As provision for payment of the bonus does not appear among the appropriations in the profit and loss account, it is evident that it has been already charged before arriving at the trading profit.

The balance sheet shows an increase in sundry creditors of over £949,300 to £1,867,800, while debtors and general stocks, which are still shown as one figure, have jumped by nearly £1,157,900 to £3,715,974. The additions during the year to the fixed assets amounted to £38,211, as compared with £3,295 for last year, and, allowing for £17,249 depreciation, the net increase is £20,962 to £337,782. Investments and cash are greater by £23,877 and £116,066 respectively. Including general stocks, the liquid assets exceed the current liabilities by over £1,981,700, as compared with a surplus of £1,674,953 for the previous year.

D. H. EVANS AND COMPANY.

Year to Feb.	Trading Profit*	Working Expenses	Depre-ciation	Net Profit	Int. on Debs.	Pref. Div.	Ordinary Div. £	Ordinary Div. %	Carried forward	Carried forward %
	£	£	£	£	£	£	£		£	
1917	201,808	124,179	7,361	50,268	3,439	12,000	22,764	12½	7,564	
1918	225,133	135,320	10,574	69,318	2,857	12,000	22,524	12½	1,561	
1919	280,187	157,123	14,174	90,465	6,480	12,000	27,024	15	18,022	
1920	408,506	241,922	21,985	169,281	14,115	12,000	75,187	15	86,201	

* In striking small sums in respect of transfer fees. † Income tax.

‡ Amount proposed now to substitute out of £20,000 reserve shares of £1 for 2,000 Founders' shares of £1.

For drapery establishments in general 1919 has been a year of marked prosperity, and in some cases records have been achieved which constitute landmarks in the history of the particular concerns. An excellent illustration to this effect is furnished by the well-known London firm of D. H. Evans and Company. As can be seen from the above table, the trading profit continued to improve satisfactorily during the War. With the advent of peace, however, the rate of progress began to increase enormously. The turnover of the year ended February 19, 1920 reached dimensions hitherto unprecedented; and it was not the result of any sudden spasmodic movement, but represented the cumulative effect of a stream of business steadily developing. "Week by week and month by month," stated the Chairman at the general meeting, "the volume of business done by the Company had been on an ever-extending scale." Some measure of this remarkable progress is provided by the rise in the trading profit from £280,187 to £408,506. [illegible]

£24,985, as compared with £14,131 in the previous year. After deducting all expenses, there was left the record net profit of £169,281, an advance of nearly £75,000 on the satisfactory net profit of 1918-19, and considerably more than twice the net profit of 1917-18. Under such circumstances it was but normal to learn that the dividend paid to the Ordinary shareholders was at the rate of 25%, as compared with 15% in 1918-19 and 12½% in the previous two years. The amount required to pay the dividend was £75,048, or nearly three times the amount disbursed to the Ordinary shareholders in 1918-19. The explanation resides in the fact that, whilst in the previous year the dividend was paid on an Ordinary share capital of £180,194, it was paid for the current year on an Ordinary share capital of £300,194. During the year, the necessary Parliamentary consent having been secured, the 2,000 Founders' shares of £1 each were converted into 120,000 Ordinary shares of £1 each. This change was quite in keeping with the general tendency of the day, which looks—and looks rightly—askance on shares nominally worth £2,000 receiving in dividends sums working out into thousands per cent. Although the exchange was effected at a high basis, the current accounts show that it was by no means exorbitant and that the interests of the Ordinary shareholders were not prejudiced. After paying this dividend, there is carried forward to the next accounts a balance of £66,640, subject to excess profits duty, as compared with £14,655 brought forward from the last accounts.

It is not merely in its trading activities that the Company can justifiably take pride: its financial position as disclosed in the balance sheet dated February 19, 1920, is exceptionally strong. This can be seen by studying the following table:—

Date Feb. 19	Liabilities*	Liquid Assets†	Stock	Excess of Liquid Assets over Liabilities
	£	£	£	£
1917	85,991	75,724	143,241	132,994
1918	99,297	121,450	136,547	158,680
1919	138,561	159,318	155,918	176,775
1920	219,675	285,398	182,969	248,692

* Including final dividends. † Excluding stock.

With the exception of 1916-17 the liquid assets of the concern in the form of cash, investments, and sundry debtors were more than sufficient to meet the liabilities of the Company, including the final dividends on the Preference and Ordinary shares, but excluding all liabilities on capital account. Moreover, whilst the total of these liabilities continued to mount up, the liquid assets, other than stock, increased at a more rapid pace. Thus, for the year under review, liabilities, including final dividends to the extent of £66,039, did not exceed £219,675; whereas the total of cash, sundry debtors, and investments reached the record total of £285,398. In these difficult days when stringency of liquid capital has become a general feature, this surplus of liquid assets merits more than a passing mention. It is indicative of great financial strength, and shows that the Company is in a position to avail itself promptly of any new avenues of trade that may be opened. Furthermore, whilst the amount of capital locked up in stock has increased gradually over the War period, the rate of increase is much slower than that recorded by other companies engaged in a similar line of trade. These facts, in conjunction with the sound commercial reputation of the firm, are the best guarantee of future progress. In the absence of any great depression, the outlook for the current year is on the bright side, despite the burden of the corporation tax and the 60% excess profits duty. The prices of the different shares of the firm and the yield at existing prices are embodied in the following table, the yield of the Ordinary shares being based on a dividend for the current year of 20%:—

	4½ % Deb.	6 % Cum. Pref.	Ord.
Price	61½	85	42
Yield	7·3%	7·1%	10%

MATHER AND PLATT, LIMITED.

The satisfactory trading record of this old-established Manchester engineering Company is again maintained in the statement of accounts for the year ended December 31, 1919. The profit at £182,417, though only £1,400 in excess of the figure for the previous year, constitutes a remarkable achievement in view of the fact that the Company was almost entirely engaged upon war contracts during 1918, whereas in 1919 its energies were altogether devoted to normal industrial operations. The rapidity of the transition speaks well for the initiative and enterprise of the management. That the large profits of the Company have not been dependent upon abnormal conditions will be seen by the following statement of profits and dividends since 1909-10:—

Year to Dec. 31	Profits	Dividend	Year to Dec. 31	Profits	Dividend
	£	%		£	%
1910	109,721	12	1915	103,622	12½
1911	127,156	12	1916	171,053	17½
1912	144,749	12	1917	168,487	17½
1913	161,525	15	1918	181,014	15
1914	121,800	12½	1919	182,417	10

The career of the Company has therefore been one of steady progress, largely due to scientific methods and sound management, and the dividends paid have been uniformly satisfactory. The Ordinary capital was increased early in 1910 from £400,000 to £600,000 by the issue of £200,000 bonus shares, and in January last it was further increased to £1,050,000 by a similar bonus distribution of £450,000 Ordinary shares. As the reduced rate of dividend for last year is paid upon the increased capital there is, therefore, no diminution in the amount distributed. Over £940,000 has been paid in Ordinary dividends since 1910, and, including the free shares issued, the Ordinary shareholders have therefore received £1,590,000 during the past ten years on an original capital of £400,000.

The manner in which the profits have been distributed since 1914 is set out in the following table:—

Year to Dec. 31	1919	1918	1917	1916	1915	1914
	£	£	£	£	£	£
Net profit after providing for depreciation, doubtful debts, etc.	182,417	181,014	168,487	171,053	103,622	121,800
Pref. div., 5%	20,000	20,000	20,000	20,000	20,000	20,000
Balance for ordinary	162,417	161,014	148,487	151,053	83,622	101,800
Ordinary div.	105,000 (10%)	105,000 (*(17½%))	105,000 (*(17½%))	105,000 (17½%)	75,000 (12½%)	75,000 (12½%)
Surplus	57,417	56,014	43,487	46,053	8,622	26,800
To reserve account	31,500‡	30,000†	35,000†	30,000		
Balance	25,917	25,827	8,487	16,053	8,622	26,809
Brought forward	828†	95,001§	91,514	75,461	66,839	40,030
Carried forward	26,745	120,828	100,001	91,514	75,461	66,839

* Free of income tax.
† To income-tax equalisation account.
‡ After deducting £120,000 transferred to general reserve for purpose of issuing bonus shares.
§ After deducting £5,000 voted to employees' benefit fund.

Out of the considerable sums transferred during the past three years to an income-tax equalisation account £30,000 has been placed to the reserve, which, strengthened also by the addition of £120,000 from the balance brought forward from 1918, reached £450,000. This sum has now been capitalised by the issue of 450,000 bonus shares of £1 each. The income-tax equalisation account now stands at £54,666, as compared with £73,631 for the previous year. Sundry creditors are higher by £42,687.

Under the general heading of "Fixed assets, trade investments, patents, and goodwill" there is an increase of £14,794 at £613,246, but it is not possible to deal separately with the items in consequence of the practice of showing only the total valuation. Apropos of the estimate of the fixed assets, however, we may recall the Chairman's remarks at the last annual meeting: "Although year by year we have extended our facilities for production and improved our plant, owing to the ample depreciation which we have allowed the value shows but little increase. Under present conditions the replacement value of our buildings and plant is vastly greater than their book value." While this information is very satisfactory, it is difficult, nevertheless, to understand the ground upon which the manage-

hard to consider it proper to write up the valuation of the fixed assets, trade investments, patents, and goodwill. Their method would certainly appear to have very little to recommend it. Investments in Government securities have fallen by over £73,000, apparently because of the realisation last year of all Government securities other than War Loans. The stock-in-trade at £445,935 is a little in excess of the previous figure. Sundry debtors have increased by nearly £97,400 to £462,924, and cash by nearly £46,000 to £179,047.

The authorised share capital was increased in February last to £2,500,000 by the creation of 1,500,000 new shares of £1 each, and to provide the necessary capital for extension of business the Company issued 210,000 £1 shares last month at par to the existing Ordinary shareholders, thus bringing the issued Ordinary capital to £1,260,000.

In the following table are set out the prices and yields [illegible]:—

	Par £	Price £	Yield £ s
5% Preference shares	10	6½	7 14
Ordinary shares	1	1 1/64	51

Mather and Platt's prospects appear at present to be distinctly encouraging, although general industrial and political movements militate against the full expansion of business in foreign countries. Against the losses incurred in Russia and Poland may be set off the reorganisation of the Company's business in the latter country and the extension of its trade connections with France and India. The financial position of the Company is satisfactory and the continuance of a high dividend standard can be anticipated.

JOSEPH TRAVERS AND SONS, LIMITED.

Issued Share Capital: £325,000, in 12,500 5% Cum. Pref. Shares of £10 each, and 200,000 Ordinary Shares of £1 each. Debenture Stock: £100,000 in 4 . Debentures.

[illegible]

	£	£	£	£	£	£	£
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The reports of this Company for the years ended January 31, 1920, show a remarkable expansion in business as compared with the previous years. The total profits amount to £350,651, as against £103,142 for 1918-19. Deducting the charges for depreciation and loan interest, these amounts to the total of £279,818, as against £79,443 in 1918-19. In making any comparison, however, it is well to remember that during the last four months of the accounting period ended January 31, 1919, the tea and general grocery trade was very considerably affected by fears of a break in prices following the Armistice. But after allowing for this factor, it is remarkable that the total profits nearly equal the combined profits of the three preceding years. In addition, there is [illegible] of establishing and equipping several foreign branches and agencies has been [illegible] arriving at the net profit. An allocation of £150,000 is made to general reserve, of £50,000 to special reserve, and of £10,217 to contingencies and taxation account, thereby increasing the total reserves by £210,217 to £436,615. Although the profits would permit of a much larger distribution than twenty-five per cent., this represents a very substantial increase, and at the same time £35,343 is carried forward, as against £21,993 brought in.

The balance sheet discloses a huge increase in the figure for sundry creditors, which is now £1,753,228, [illegible] the closing stocks show a similar increase from £369,148 to £1,332,515, largely explains the expansion in liabilities. The reasons for the increase of nearly £1,000,000 in the stock itself lie in the present industrial conditions, which necessitate the holding of abnormally large stores in certain trades. Apart from the main operating factor of high prices, transport difficulties and market conditions render it impossible [illegible] trade conditions, and naturally involve considerable but unavoidable waste and the locking-up of much capital. Holders are also faced with the danger of a fall in stock value, while the cutting-down of stocks entails the risk of being unable to renew them in the event of depletion.

During the last financial year the Company paid over £35,000 loan interest; from which it would appear that, taking the rate of interest to be seven per cent., the item sundry creditors, £1,753,228, included an average loan for the year of £500,000. In April last the authorised share capital was increased from £325,000 to £525,000 by the creation of 200,000 Ordinary shares of £1 each, but no issue has yet been made, and the shares will probably be offered at a substantial premium. Premises and plant are valued at £66,828, as against £42,727 on January 31, 1919. In connection with this the Chairman at the meeting in April last stated that an expert valuation of the major part alone of the premises and plant was £206,800, or over three times their book value. Under the heading of sundry debtors, bills receivable outstanding and sundry assets there is an increase of £341,781, as compared with the figure for the previous year. The inclusion of the value of the sundry assets with debtors in the balance sheet precludes the possibility of any detailed comparison of the figures under each heading, or of the exact ratio between current liabilities and liquid assets. It is apparently correct, however, to deduce that the increase of £341,781 under the general heading, is largely attributable to sundry debtors. "Reserve and other investments" show a reduction of £119,953, which is offset by a separate statement giving, for the first time, investments (valued at cost price) in War Stock and War Loan amounting to £123,950. Lease reserve investments have increased slightly, while cash is greater by £27,187 at £58,143.

A summary of the balance sheet shows that the total assets exceed the current liabilities by nearly £900,000, as compared with a surplus of £708,559 on January 31, 1919.

The outlook for the Company in the current year may be regarded with increased confidence. Its extensive export business, reorganised during 1919, has already produced results which are distinctly encouraging, and further satisfactory developments can be expected when its newly established branches and agencies abroad are fully working. The £10 Preference shares, now quoted 6½, give a yield of 7.7 per cent., and the £1 Ordinary shares at [illegible] per cent. on the [illegible]

HARRISONS & CROSFIELD, LIMITED.

Eastern and General Merchants.

COMMERCIAL AGENTS FOR SALE OF PRODUCE.

The Company undertakes Selling Agencies abroad for British Manufacturers.

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

New Issues.

5-15 YEAR TREASURY BONDS.

These bonds, which are still on offer at £100 per cent., payable on application, are repayable at par on May 1, 1935, or on May 1 of any one of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid half-yearly on May 1 and November 1, at a minimum rate of five per cent. per annum, may be further increased during the period ended May 1, 1925, as follows: If in any half-year ended May 1 or November 1 the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a-half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year; if the aforesaid rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. Allotments may be obtained in Registered form, or in Bonds to Bearer. The principal and interest are chargeable on the Consolidated Fund of the United Kingdom. The proceeds of the issue will be applied to the redemption of unfunded debt of early maturity. The full prospectus appeared in The Statist of May 1.

HOUSING BONDS.

Something more than 150 millions sterling is proposed to be spent in building dwellings for the poorer classes of the community in this country. The Treasury is giving a measure of assistance, but the bulk of the money is to be raised through the various municipalities, urban and rural district councils. As far as we can learn, although the Government itself, and the various local authorities, have made urgent appeals to induce subscriptions to these bonds, less than 40 millions sterling has so far been raised. The London County Council is offering Six per Cent. Local bonds issued in as low denominations as £5 per bond. London, we are informed, requires something like 50,000 additional houses. It is to be feared under existing conditions that the cost of providing these will work out at something between four and five times the price at which they could have been constructed under pre-War conditions. The need will appeal to everybody, particularly at a time when the population appears to be growing to replace the wastage of life occasioned by the late War.

WASTE FUEL RECOVERY BRIQUETTE COMPANY, LIMITED.

Applications are invited for 47,500 ten per cent. (income tax free) Preference shares of £1 each; 25,000 Ordinary shares of 1s. each—a similar number being taken by the vendors; and 25,000 twelve per cent. (income tax free) Short Term bonds of £1 each, all at par, in the above-named Company. The bonds, which are part of a series of 50,000 created by the Company, are to be redeemed on or before January 1, 1926, at 24s. for each £1 bond. The Company is to take over, recover, and convert into patent briquette fuel, colliery dumps containing nearly four million tons of small coal, coke, dust, and oil shale, at present regarded as waste. The vendor Company takes, by way of consideration, a payment of 1s. per ton of fuel or material taken from the dumps; £2,000 in cash; and a royalty of 2s. 6d. per ton payable to their licensors on all special fuel made; together with £7,000 on account of promotion and legal expenses. They have, however, offered to commute the commission of 1s. per ton referred to and to accept "a considerable part" of the consideration in Shares and Bonds of the Company. No valuation certificate of the assets which are being bought is included, while no mention is made of an intention to apply for a Stock Exchange quotation. The rates of interest offered on the Bonds and Preference shares seem unduly high, and are probably a measure of the risk attaching to the issue.

In our comments last week on the prospectus of the Fruit and Produce Exchange of Great Britain, Limited, we stated that 300,000 Preference and 262,500 Ordinary shares had been allotted to the vendors, credited as fully paid, as part of the purchase consideration, whereas only the latter amount was so allotted.

Books Received.

Nationalisation of Industries: A Criticism. By Lord Emmott. Price 3s. 6d. net. (London: T. Fisher Unwin, Ltd.) Lord Emmott's book will be read with exceptional interest just now, when, in spite of recent experience in the way of national control, large sections of the community appear to see an end of industrial troubles through the nationalisation of mines, railways, land, and in fact every department of industry. Lord Emmott points out the many perils in the path of nationalisation, and gives as his alternative policy the adoption on a more extended scale of profit-sharing, coupled with a share in the management of the industry in which the worker is employed, though the reader is aware that the profit-sharing system has not always worked quite smoothly in the past. Perhaps, however, this has been due to the unsatisfactory drawing up of the various schemes. Lord Emmott's work is worthy of attention by those who so strongly favour nationalisation.

Coal, Iron, and War: A Study in Industrialism, Past and Future. By Edwin C. Eckel. (New York: Henry Holt and Co.) After following the growth of modern industrialism in England, America, and Germany; the retardation of France; and the stirring up of industrialism in the East, Mr. Eckel devotes considerable space to the material bases of industrial growth, giving the world's supplies of coal, petroleum, natural gas, water-power, iron ore, precious metals, commercial metals, and chemical and structural materials. He then sets out the causes and effects of industrial growth; and, finally, discusses the future of industrialism. He sees very serious material difficulties in the way of future peace. Some of these are of natural origin, being ultimately dependent upon the unequal distribution of essential mineral resources.

The Fall of the Birth-Rate. This is a paper read by Mr. G. Udny Yule, M.A., before the Cambridge University Eugenics Society in May last. His endeavour was to give an exposition of matters already known and views previously expressed rather than to add anything novel. The paper has now been reprinted in the hope that it may be of service to others. Copies can be obtained from the University Press, Cambridge.

The Tenant's Emergency Charter (Houses, Shops, &c.) under the Rent Restriction Act, 1920. Fifth edition. Price 2s. net. (London: Oliver and Boyd.) A useful pamphlet, stating in popular language the position regarding standard rents up to £105, the grounds and limits of increase, fixity of tenure, &c. The Act itself is too involved for the layman to properly understand, and there was need for a clear exposition of the Charter.

Tolley's Complete Income Tax, Excess Profits Duty, Corporation Profits Tax, Super-Tax, &c., with Supplement containing full synopses of Excess Profits Duty and Corporation Profits Tax Statutes, and special war allowances revised to date. Price complete, including the enlarged Supplement, 2s. 6d. net; or separately, Supplement 1s. 4d., Chart 2s. 2d., post free. (London: Waterlow and Sons, Limited.)

A Digest of the Law of Partnership. With forms and an Appendix on the Limited Partnerships Act, 1907, together with the Rules and Forms, 1907, 1909. By the Right Hon. Sir Frederick Pollock, Bart. Price 15s. (London: Stevens and Sons, Limited, 119, 120 Chancery Lane.)

The Land Question. By Joseph Macek, LL.D. The Czecho-Slovak Republic. Vol. VI. Part 3. Published by the Czecho-Slovak Foreigners' Office, Prague.

The Round Table. September. A quarterly review of the politics of the British Commonwealth. Price 5s.

MEETINGS
OF PUBLIC COMPANIES.

FURNESS WITHY AND COMPANY, LIMITED.

Important Developments—Reduced Coal Output and Shipping Costs.

THE twenty-ninth annual meeting of this Company was held on August 26 at the Great Eastern Hotel, Liverpool Street, E.C. Sir Frederick W. Lewis, Bart. (Chairman), presided, and was supported by the directors of the Company. A large number of shareholders were present.

The Secretary having read the notice convening the meeting, Mr. R. T. Warwick, of Messrs. W. T. Walton and Son, read the auditors' report.

Sir Frederick W. Lewis, Bart., in moving the adoption of the report and accounts, said: The directors have pleasure in submitting to you the accounts for the year ended April 30, 1920—the first complete year's trading since the conclusion of the Armistice—and I think you will regard the results as satisfactory. Last year I promised you they would be not less favourable than the previous year, and this prediction has been borne out. The profits for the year ended April 30, 1920, after making all necessary provisions for taxation, including not only excess profits duty and income tax, but also a new item, corporation tax, amount to £1,004,820 13*s.* 5*d.*, and after adding the balance brought forward of £120,583 8*s.* 3*d.* there is an amount available for appropriation of £1,125,404 1*s.* 8*d.* After deducting the Preference dividend and the two half-yearly dividends on the Ordinary shares, already paid, there remains a balance of £872,904 1*s.* 8*d.*, out of which the directors have allocated £500,000 to depreciation account and recommend a bonus of five per cent., free of income tax, on the Ordinary shares, leaving £172,904 1*s.* 8*d.* to be carried forward.

Government Work.

I think there is very little in the balance sheet itself which calls for special comment, except, perhaps, the item of sundry creditors, £7,515,438 12*s.* 11*d.* This, of course, includes provision for our estimated liability for taxation, and also partly consists of outstanding accounts in connection with the neutral steamers which we took on time charter during the War and managed for various foreign Governments and British Government Departments. These accounts are gradually being closed up, but this takes considerable time, and, in fact, at the date of our balance sheet, several of the charters had not been terminated. In connection with all this Government work, as I have mentioned in previous years, we placed the services of our organisations all over the United Kingdom entirely at the disposal of the Government, and I think it will be pleasing to you to hear what the Select Committee on National Expenditure put on record in their report upon shipping. I will read their comments:—

"The Ministry of Shipping has control of enemy prizes and of the ships allotted under the terms of the Armistice to the United Kingdom. These ships and neutral vessels requisitioned during the War have been under the management of Furness Withy and Co., Limited, who have acted as the Government's agents in these transactions without charge or remuneration for services and management.

"Messrs. Furness Withy and Co., Limited, acting as agents for the Shipping Controller, arranged for the purchase of seven steamers in Japan, with an option on five more, which was duly exercised. The commission on this transaction was refunded to the Ministry of Shipping, and Messrs. Furness Withy received no benefit thereupon."

Shipbuilding Programme.

It has been the custom of these annual gatherings to refer to the shipbuilding programme of your Company. No new contracts have been entered into during the year, but we still have twenty-six vessels under construction, being part of those referred to last year. The directors, however, take a serious view of the ever-increasing cost of shipbuilding. It is almost an impossibility to make a reasonably reliable estimate of the final cost of a vessel or of the date of delivery, but this much we do know, that the costs are bound to be such that a considerable writing-off will have to be faced immediately the ships come into commission, and it is partly for this reason that we have recommended that out of last year's profits a sum of £500,000 be placed to depreciation account. I have already mentioned that we have placed no building contracts during the current year, but if the maintenance and development of our trade requires additional tonnage, as may possibly be the case, we will rely, as far as possible, upon being able to purchase suitable existing vessels at considerably less cost than building new ones.

During the year we have, in anticipation of our building programme, sold fourteen of the older and less suitable steamers owned in our subsidiary companies. While the War was in progress, and we were consequently unable to construct new ships, we had to acquire second-hand vessels to maintain our services. Some of these have gradually been disposed of and are being replaced with the new tonnage built to our own specifications. One of our associated companies some time ago contracted for two specialised vessels for a particular trade. In reply to recent inquiries as to the probable cost, it became apparent that this was going to be fully double the amount that was estimated when the contracts were placed, and, in fact, three times as great as the value received from the Government for the steamers lost during the War which these vessels were intended to replace. At such a figure the venture was rendered commercially impossible, and, as the keels were not laid there was no practical alternative but to abandon the building of the boats.

The New York-Bermuda Line.

I referred last year to the acquisition by your Company of the New York-Bermuda passenger and cargo service of the Quebec Steamship Company. The s.s. *Bermudian*, after being thoroughly reconditioned and refitted, was renamed *Fort Hamilton*, and the second steamer which we acquired under arrangement with the Bermuda Government was named *Fort Victoria*. Their first season has been a most successful one, and our New York management have received many complimentary communications upon the manner in which the service has been operated. During the Bermuda season, which lasts from December to May, this service provided two sailings per week, and we are glad to know that Bermuda has, as a result, had the most prosperous season, I believe, ever recorded in the history of that important and charming British colony. I had the pleasure and satisfaction of paying a visit there in November last, and the beautiful scenery and foliage and its many attractions were a revelation to me. I can assure you its charm to American visitors is not based alone upon the fact that facilities for refreshment of a liquid nature are obtainable. The Bermuda service was only a part of the Quebec Steamship Company's trade, and we have subsequently acquired their three passenger and cargo steamers, *Guiana*, *Parima*, and *Korona*, and the New York-West Indian service. This trade is capable of great development and it is our intention to augment the existing tonnage at the earliest opportunity. Before turning from this section of our business I may mention that during the slack season in the Bermuda tourist business the *Fort Victoria* is making a series of voyages in the Trans-atlantic passenger service between Boston and Liverpool, and she is already proving a popular vessel, making her passages regularly from port to port in eight days.

In January last we acquired the well-known and splendidly equipped riverside property known as Bellamy's Wharf and Dock, Limited, Rotherhithe, which is capable of accommodating large ocean steamers up to 10,000 tons deadweight, and has extensive facilities, with a large frontage. The original object of the purchase was to secure increased discharging facilities in this port. At the same time, the control of this property is proving of great advantage in many other ways, and, being admirably situated for the distribution of goods to and from the warehousing areas, it is kept fully employed.

Various Extensions.

During the past year your company has extended and consolidated its interests in various directions, notably by the acquisition of a share in the business of Harris and Dixon, Limited, a connection which is proving of considerable mutual advantage, and, in addition, our Paris organisation, jointly with Messrs. Capel and Company, has undertaken the management of, and are financially interested in, the Société Franco-Anglais d'Affretement, a company formed for the purpose of concentrating the chartering of tonnage for a number of the most important French shipping and merchant houses. Messrs. Clarkson and Company, in whom we are largely interested, hold the English agency.

We have now opened new offices in Piræus (Greece) and Strasburg, in connection with our regular lines to and from the Continent, and, as some of you will no doubt have seen from recent Press reports, we have undertaken the management of the Danube Navigation Company, Limited. We regard this as a most important development, and associated with us in the venture several of the most influential names in the City [illegible] hold large and, in some cases, controlling interests in the principal German Vessels and [illegible] companies on the Danube and the [illegible] services from the United Kingdom [illegible] travel to the Danube [illegible] services to Austria [illegible] facilities has had a great deal to do with the disorganisation of the Central European States, and it is hoped that the restoration and coordination under British influence of the Danube navigation [illegible] means of the Danube States [illegible] from east to the Danube [illegible]

to note the satisfaction with which British commercial interests were welcomed in that part of the world.

All our other subsidiary and associated businesses, to which I have not already referred, continue to do well and to develop naturally, notably the Prince Line, the Johnston Line, the Gulf Line, and the Norfolk and North American Steam Shipping Company, the Neptune Company, and the Houlder group of shipping companies. The British Maritime Trust and the Economic Insurance Company have in their different ways participated in the general development.

American Competition.

In the autumn of last year I visited all our American and Canadian branches, and it was a positive delight to me to see the efficiency of these organisations under the direction of our American director, Mr. H. C. Blackiston. From Montreal, Halifax, New Brunswick, and Newfoundland, and all the way down the United States coast as far south as the Chesapeake, we possess our own offices, wharves, and stevedoring plants, all of which contribute in no small degree to the efficiency and popularity of our services.

The question of American steamship competition is naturally very much in all our minds. Lloyd's statistics to June 30 show that while the United States seagoing steamship fleet has increased by 10,379,123 gross tons from pre-War figures, that of the United Kingdom was decreased by 781,347 tons. These figures, however, in my opinion, give us no ground for complaint and no cause for fear. No ground for complaint because the American mercantile marine was constructed as a war measure; no ground for fear because you may rest assured that the British mercantile marine can compete with any foreign steamship organisation.

The Coal Situation.

The year through which we have passed has been remarkable for the effect which the coal situation has had upon shipping. Until quite recently the price of bunker coal in London, for instance, had risen to the height of £7 per ton. Even now a much higher price is charged for coal to that section of the community which has invested its money in shipping instead of other national industries, such as steel-making and the manufacture of cotton and woollen goods, but the real difficulty has been the inability to secure adequate and suitable coals at any of the principal ports of the United Kingdom as we were accustomed to do before the War, due to the greatly reduced output. I could tell you of instances of ships having to wait several weeks for coal, and at the present moment there are hundreds of vessels lying idle in our ports waiting either for bunkers or coal cargoes. The effect of this reduced output of coal is so far-reaching that it is impossible to say what may not be attributed to it. As a result of so many ships lying idle the working costs are enormously increased; furthermore, the very small amount of coal that is available for export means that a great many vessels have to sail in ballast, the effect of which is that the homeward cargo has to bear the double expenses of the outward and homeward voyages, all of which tends to keep prices higher than they need be. As a result of the reduced output of coal in the United Kingdom we see the phenomenon of coal being carried from Australia to Scandinavia, and I could give you many other illustrations of things we would have regarded as absurd a few years ago. If the coal exports were normal our export trade would at present prices be increased by £200,000,000 per annum.

Last year we met during the railway strike, and this year our meeting is on the eve of a threatened coal strike; but I sincerely hope that before irreparable harm is done those who are responsible for advising the miners will even yet appreciate how much the well-being of the nation generally rests with them and do everything in their power to secure a greater output. Bearing in mind the difficulties of securing coal we have converted several of our steamers into alternative coal or oil burners, and to ensure our oil supplies as far as possible we have acquired a share interest in one of the largest oil-distributing organisations.

Increased Tonnage.

To anyone wishing to judge of the future I think a study of the statistics recently published by "Lloyd's Register of Shipping" will be most instructive. Disregarding for a moment the usual increase in tonnage that would have taken place had there been no war, we find that there is at present some eight and a-half million tons more shipping than existed six years ago. I venture to think I do not risk contradiction when I say that the trade of the world has not increased to an equivalent extent. The abnormal uses of shipping, that is, uses connected directly or indirectly with the War and its aftermath, have now practically ceased, and consequently the natural law of supply and demand is once again coming into play. It will, perhaps, surprise you to learn that during the last two or three months there has been an average reduction in freights in the principal markets of the world of approximately thirty per cent. This is partly due to the fact that during the summer months there is usually less demand for shipping than during the rest of the year, but, none the less, there has undoubtedly been a considerable fall, which would have been greater but for the fact that trade has been diverted into new channels. I have already referred to the reduced coal output. Prior to the War some 70,000,000 tons of coal were exported from the United Kingdom each year, largely to neighbouring countries, which necessitated short voyages. This export figure has now been reduced to 20,000,000 tons per annum, and the balance is being supplied from the United States, South Africa, and Australia. You will readily appreciate that a much greater number of ships is consequently required, and thus the apparent surplus of tonnage is kept employed; this is really the dominating feature of the freight situation at the present time.

Notwithstanding the somewhat unsettled and discouraging outlook, I am not at all alarmed at the future of our Company. We have a magnificent business, and in our regular services to almost every part of the world we have the means of employing our vessels to the best possible advantage. The conservative method of profit distribution always adopted by this board should enable your directors to maintain some regularity of dividend.

Conditions of Employment.

The International Seamen's Associations have put forward a demand for a 48-hour week. The services rendered by our sailors and firemen during the War were so heroic that every fair-minded shipowner will readily support any reasonable and practicable proposals that are put forward by their representatives. It must not, however, be overlooked that the conditions of employment on board ship differ very materially from those of shore workers. While at sea vessels must be navigated on Sundays and during the night as well as by day, and no hardship is involved in the present system. The increases in wages conceded during the War have been in excess of those granted to shore industries, in addition to which the increased cost of living has been paid by shipowners so far as victualling of the men themselves while on board the steamers is concerned. The men have not to occupy time in going to and from their work as is the case with the shore worker, and even under the present conditions the firemen, whose work is more strenuous than that of the sailors, work on the basis of an eight-hour day for seven days a week, under very much improved conditions to those that used to prevail.

In any of our 8,000-ton cargo liners a 48-hour week would mean an increase in the personnel from 54 to 68 hands, and an extra cost in the wages and victualling of over £8,000 per annum per steamer, plus a capital expenditure of £3,500 per vessel for increased living and lifeboat accommodation. Multiply these items by the number of steamers under our control and a figure representing an amount in excess of the profits of the balance sheet now under consideration would be swept away. Therefore, it goes without saying that the extra cost would have to be added on to the freights, thus increasing the cost of imports into the country and the cost of production of our manufactured goods. I have made inquiries from captains and marine superintendents of our Company, and they inform me that no complaints have ever been made by any of the men of the existing conditions, and while there may be some room for an adjustment and an improvement, the proposals put forward are so unreasonable and unnecessary that it may be hoped they will not be pressed by those responsible for advising the men.

I do not like at these gatherings to appear to be continually dwelling on the advantages of the British Mercantile Marine to the national welfare. But in these days of continued demand for nationalisation of industries they cannot be over-emphasised; and, speaking of nationalisation of shipping, it is interesting to note that the ballot of the members of the National Seamen's and Firemen's Union, which is nearly completed, so far shows a vote of more than three to one against nationalisation. I drew attention a year ago to the value of shipping freights in helping to adjust the balance between imports and exports. Declining freights will lessen this contribution, but on the other hand the adverse balance in the import and export figures is getting smaller every month by reason of our increasing export trade, and if only our coal production could be increased to pre-War proportions the balance of trade would, with the existence of our invisible exports, very soon be on the other side, with resultant benefits to the Exchanges and with advantage to the community at large.

Increased Exports.

Our exports to-day show a very large increase in value as compared with pre-War figures; but, satisfactory as is this increase, we must not assume that it means increased production. While the value of our exports has increased enormously, the weight of goods exported has not increased to the same extent, and is still very far short of pre-War figures. For example, for the first six months of 1920 our exports of manufactured iron and steel were 850,000 tons less than for the corresponding period of 1913, although the 1920 figures represented an increase in value of £29,000,000.

From the shipping point of view the quantity of goods to be exported is the most important feature; in fact, our future prosperity as a nation is largely bound up with the question of production; and the establishment of sound and mutually considerate relationships between employers and employed is essential. Trade union tyranny should not be

[illegible] any more than [illegible] Production is the keynote of the situation. The more we produce, the greater the prosperity of the country; and the greater our prosperity, the more work there will be for all.

Our new head offices in London, with frontages to both Leadenhall Street and Fenchurch Street, are expected to be completed next spring, and then [illegible] purposes, including Messrs. Henderson Bros. and the Prince Line, will be domiciled there.

Since our last annual meeting Mr. J. E. Fenwick of Halifax, Nova Scotia, one of our directors, has, to our regret, retired from the board, and the vacancy has been filled by the election of Sir Osborne G. Holmden, K.B.E., one of the managing directors of H. [illegible] Limited, our interest in which company I mentioned in my speech last year.

I now have pleasure in proposing that the report and accounts be adopted, and that a dividend of ten per cent., free of income tax, be paid on the Ordinary shares for the year ended April 30, 1920.

This resolution was seconded by Mr. R. E. Burnett and carried unanimously.

On the motion of the Chairman, seconded by Mr. F. H. Houlder, the election of Sir Osborne G. Holmden, K.B.E., to a seat on the board was unanimously confirmed.

It was moved by the Chairman, seconded by Sir John Esplen, K.B.E., and resolved that the retiring directors, Mr. H. C. Blackiston, Mr. F. H. Houlder, Mr. R. J. Thompson and Mr. W. T. Watson, be re-elected.

The auditors, Messrs. W. T. Watson and Son, were re-elected.

On the motion of Mr. G. A. Harradon, seconded by Mr. J. [illegible] a vote of thanks was accorded to the Chairman and the proceedings terminated.

ANCHOR LINE (HENDERSON BROTHERS), LIMITED.

Best Balance Sheet in the Company's History.

Shipbuilding Costs and Expenditure on Operations.

The twenty-second ordinary general meeting of Anchor Line (Henderson Brothers), Limited, was held on Tuesday at the Cunard Building, Liverpool. In the unavoidable absence of Sir Alfred Booth, Bart., the chair was occupied by Mr. Francis Henderson. Amongst those present were Mr. A. C. F. Henderson (Managing Director), Sir Percy E. Bates, Bart., Mr. Robert Clark (directors), and Messrs. J. Crossley Pratt, John G. Rees, R. G. Hodgson, John S. Rees, J. M. Caw, Major J. H. Wrigley, W. Sowerby Rees, and William Henderson (Secretary).

The Chairman said: Gentlemen, I [illegible] to-day in the absence of the Chairman, who is [illegible] I have been called upon to preside at this meeting, but, as I am happy to be the first to congratulate the [illegible] such a satisfactory balance sheet. This year I celebrate the jubilee of my connection with the Anchor Line, and I have been privileged to peruse, therefore, many annual statements of accounts; but the one you have in your hands on this occasion is the best that I have ever seen, and is the best in the history of the Company. The income of the Company has materially improved as compared with the previous year, in consequence of the vessels having been released from Government control, so that we were able to employ them during the whole twelve months in our regular services. We are still at a disadvantage in the Chicago and New York trade, owing to our only having one large passenger vessel [illegible] but we hope that [illegible] will be completed in a few months [illegible] 1921.

High Shipbuilding Costs.

[illegible] some of our other trades [illegible] vessels are not yet on normal service. These new vessels will be costly, as the Chairman told you at previous annual meetings, but they will be so specially adapted in every way for the work they have to do that we [illegible] to give complete satisfaction to all our supporters, passengers, and shippers of cargo alike. It will be observed, on a perusal of the accounts, that the total amount of cash in banks, securities, &c., held by the Company has been considerably reduced since the last balance sheet was issued. This is owing to large sums having been paid to shipbuilders as instalments on new steamers, and the value of the Company's fleet has, of course, correspondingly increased. I may [illegible] here be taken as an excuse that to address a large and enthusiastic meeting of shareholders one must present a bad balance sheet. The reverse is our case to-day, and always has been since the commencement of the Company, and it is therefore unnecessary for me to enlarge on what you very [illegible] know. I should [illegible] to say a few words on two [illegible] namely, the [illegible] and the cost of building. Both these are very [illegible] incidents, but items of exceptional interest, which must be thoroughly investigated and studied in the light of the present state of business and the [illegible] Wages at an unsound and precarious period, if such it may be called, at the present time, and while no one who has the real interest [illegible] wants to see a [illegible] and [illegible] [illegible] solution, and one solution only. If present wages are continued, and unless dire poverty and distress, which no one wants to see, are to overtake the country this coming winter, not only must we have increased production, but a general realisation amongst all classes that the problem of facing Peace is even more important than the problem of facing War, and that it cannot be done by sectional action, but only by a united action, as the country showed in August 1914.

Serious effect on Shipping.

The present [illegible] [illegible] time, because they are uneconomic, and artificial values never can last. Present prices of building especially and of operation will cause absolute disaster in the shipping trade inside twelve months, and, unless they are reduced properly, circumstances will reduce them drastically. Ships operated at present first cost and operation cost are practically an impossibility, because a public, already overburdened by taxation both at home and abroad, cannot pay the charges necessary to meet interest on first cost. We must therefore do everything we can to try and bring down operation costs; but building costs have already been incurred in many cases, and [illegible] A healthy state of business must be our first consideration. There are many other things that I might reasonably take advantage of this opportunity to say to you with regard to the future, but what the next few years may bring to us is all so uncertain that I think it wiser to refrain. Even the most ignorant of us can see portents of the next few years, but there is no [illegible] and great anxiety.

New up-to-date vessels acquired.

We are fortunate in this Company in that our forces are well organised in all departments; we will shortly be in possession of many new and up-to-date vessels to add to our already well-equipped fleet, and we may therefore go forward with confidence that we will be able to surmount any difficulty we may encounter as satisfactorily as we have done those that we have met with in the years that are past; but there is no doubt that before normal times come again the whole world must regain a more normal outlook and, if I may so, a more sensible spirit generally. With these few remarks I have pleasure in moving: "That the report of the directors and statement of accounts for the year ended April 30, 1920, submitted to this meeting be hereby received and adopted, and that, as recommended by the board, a dividend of ten per cent. on the Ordinary shares and a bonus of ten per cent. on the Ordinary shares for the year ended April 30, 1920, be and the same are hereby declared upon the 25,000 Ordinary shares of £10 each, payable, free of income tax, on and after the 31st inst."

I will ask Mr. A. C. F. Henderson to second the resolution.

Mr. A. C. F. Henderson: I have very much pleasure in seconding the resolution which has been proposed by the Chairman.

The Chairman: Is it your pleasure that the motion be adopted?

Carried unanimously.

The Chairman: The next business is to move the re-election of the retiring directors, and I will call upon Sir Percy Bates.

Sir Percy E. Bates, Bart.: I beg to move that Mr. Francis Henderson, Mr. Robert Clark, and Mr. A. C. F. Henderson be re-elected directors of the Company.

Mr. J. G. Rees: I have much pleasure in seconding the motion that Sir Percy Bates has moved that Mr. Francis Henderson, Mr. Robert Clark, and Mr. A. C. F. Henderson be re-elected directors of the Company.

The Chairman: Is it your pleasure to approve of that motion?

Carried unanimously.

The Chairman: [illegible] auditors, and I will call upon Mr. Pratt.

Mr. J. Crossley Pratt: I beg to move that [illegible] McClelland, Ker and Company be re-elected auditors of the Company.

Mr. J. M. Caw: I beg to second that.

The Chairman: Is it your pleasure to [illegible] auditors?

Carried unanimously.

The Chairman: [illegible] meeting.

Mr. Robert Clark: [illegible] I must [illegible] the proceedings [illegible] interesting episode.

The Chairman: [illegible] This has been a very good [illegible] and especially [illegible] my jubilee.

LEEDS FORGE COMPANY, LIMITED.

Control of Newlay and Bristol Works.

The Leeds Forge Company, Limited, have acquired control of the Newlay Wheel Company, Limited, and the Bristol Waggon and Carriage Works Company, Limited.

A SEPARATE general meeting of the Preference shareholders of the Leeds Forge Company was held at the Great Northern Hotel, Leeds, on the 25th inst., for the purpose of considering and, if thought fit, passing an extraordinary resolution, pursuant to Clause 51 of the articles of association of the Company. The directors of the Company present were: Mr. Bernal Bagshawe, C.B.E. (Chairman), Mr. A. W. Fox, Mr. Henry Oxley, Mr. G. C. Hamilton, and Mr. M. B. U. Dewar.

After the Secretary had read the notice of meeting, and the resolution as printed, the Chairman said:—

This is a formal meeting, held in accordance with the existing articles of association, to confirm a provisional agreement between the Company and representative shareholders of the Preference and Ordinary shares respectively, such agreement relating to a modification of the rights attached to the Preference and Ordinary shareholders respectively in the capital of the Company.

A separate meeting of the Ordinary shareholders will be held following this meeting for submitting a similar resolution as affecting the rights of the Ordinary shareholders. And following that meeting, according to the notices issued to shareholders, an extraordinary meeting of the shareholders of the Company will be held at 12.30 P.M. Nearly one-half of the number of shareholders of the Company are holders of both classes of shares.

The reason for the directors calling separate meetings of both classes of shares is to accord with a clause in the articles of association as follows:—

"No. 51. If at any time the capital by reason of the issue of Preference shares, or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified, commuted, affected, or abrogated by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is (*a*) ratified in writing by the holders of at least three-fourths of the nominal amount of the issued shares of that class, or is (*b*) confirmed by an extraordinary resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereinafter contained as to general meetings shall *mutatis mutandis* apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-half of the nominal amount of the issued shares of that class. This article is not by implication to curtail the power of modification which the Company would have if this article were omitted."

The condition as to representation in person or by proxy is more than fully complied with by your attendance and the proxies I have here from all the larger shareholders of the Company.

The meeting being duly constituted, I therefore move the following resolution, as read to you by the Secretary, and as printed:—

"That this meeting of the holders of the Preference shares in the Leeds Forge Company, Limited, hereby sanctions and confirms the provisional agreement dated the 10th day of August, 1920, and made between the Company of the first part, Arthur William Fox (on behalf of the Preference shareholders in the Company) of the second part, and Robert Lyons Scott (on behalf of the Ordinary shareholders in the Company) of the third part (being an agreement for the modification of the rights attached to the Preference and Ordinary shares respectively in the capital of the Company), which has been produced to the meeting, to the intent that on the said agreement becoming absolute it shall be binding upon all the holders of the Preference and Ordinary shares in the Company, and the rights and privileges attached to the said Preference and Ordinary shares in the Company respectively shall be effectually modified as provided by the said agreement."

The resolution was duly passed, as also was a similar resolution submitted to the meeting of Ordinary shareholders.

EXTRAORDINARY GENERAL MEETING.

The extraordinary general meeting was held at 12.30 P.M.

After the Secretary had read the notice calling the meeting, the Chairman said:

Separate meetings of Preference and Ordinary shareholders have been held previous to this meeting, to accord with the conditions in the articles of association as to their respective rights as shareholders of this Company. The formal resolutions submitted to both meetings have been duly passed.

This is an extraordinary general meeting for the purpose of considering and, if thought fit, passing the resolution issued by printed notice to the shareholders. There are three resolutions, and the first, No. 1 upon the printed notice is as follows:—

"1. That the capital of the Company be increased to £1,250,000 by the creation of 180,000 new Preference shares of £1 each, carrying the same rights as and ranking as regards dividends and capital, and in all other respects, *pari passu* with the existing Preference shares, and 400,000 new Ordinary shares ranking *pari passu* in all respects with the existing Ordinary shares."

The resolution was passed.

The next resolution I have to propose to you is as follows:—

"2. That the directors be and they are hereby authorised and directed to write up the value of the land, buildings, machinery, and other fixed assets of the Company in the books of the Company from £301,212 2*s.* 11*d.* to £561,212 2*s.* 11*d.*, and to carry to the reserve fund of the Company an additional sum of £260,000 to answer such accretion to the value of the said fixed assets."

The resolution was passed.

The next formal resolution I have to submit to you relates to various alterations in the articles of association, and I do not think it necessary that the resolution should be completely read, as copies have been issued to all the shareholders, and spare copies are available for the information of any shareholder who may wish to make reference thereto.

Newlay Wheel Company's Shares.

Referring to the letter to the shareholders, stating that your directors had in view the further possible requirement of cash capital for extension of the Company's business, and that negotiations involving such a possibility had already been entered upon, I am now able to announce to you that since that intimation some important arrangements have been concluded.

The Leeds Forge Company have practically arranged, to acquire the whole of the Ordinary shares of the Newlay Wheel Company, Limited, by an exchange of shares upon the new capital basis as established by the resolutions which are submitted to the meeting. The Leeds Forge Company have the important advantage of obtaining immediate possession of the extensive shops and premises at Newlay, lately vacated by the Government, after their use for shell production. These shops are readily adapted for being converted for use in the construction of railway carriage and wagon rolling-stock. Arrangements have already been entered into for possession to be taken by the Leeds Forge Company of these shops, in connection with their developments of steel railway carriage and wagon construction.

The basis of the arrangement with the Newlay Wheel Company being upon an exchange of Ordinary shares, it is not necessary to make any provision of cash capital in connection with the acquisition of that controlling interest. We have the added advantage of acquiring this important interest, which will ensure to us a supply of the Newlay type of railway wheels, which has so largely been used in conjunction with our special manufacture of railway carriage and wagon rolling-stock.

Bristol Waggon and Carriage Works.

I have further to announce to you that since the issue of the circular of August 14 your directors have completed negotiations, which were then pending, for acquiring a substantial and controlling interest in the business of the Bristol Waggon and Carriage Works Company, Limited. The transaction in regard to this purchase was completed by your directors at a meeting of that Company held in Bristol last week, and at the present time directors of the Leeds Forge Company are the sole directors of the Bristol Waggon and Carriage Works Company, Limited. The purchase of this controlling interest of shares has been made upon a cash basis from the owners of the majority of the share capital.

Our intention in taking over the Bristol works is to ensure a continuity of the expansion of our steel railway carriage construction. We hope to be able to obtain from the Bristol works a quantity of that class of material of their manufacture which we have hitherto been obtaining from various outside sources. We expect correspondingly to supply to the Bristol works the heavy details of steel under-frame construction for railway carriage and wagon manufacture which the Bristol Company have hitherto been obtaining from outside sources, including ourselves. Obviously, economies will result from such a combination of working arrangements.

From my personal inspection, along with my colleagues lately, of the Bristol works, I am very glad to state to you that the excellence of work which was being turned out at the Bristol shops is quite in line with the standard of quality of work which the Leeds Forge Company have a considerable reputation for.

Future Issue of Shares.

The conditions of the purchase of this controlling holding of the shares of the Bristol Company is based upon payment in cash, and the transfers of the shares to the Leeds Forge Company have been duly completed.

The exchange of shares with the Newlay Wheel Company, Limited, can be carried through when the increase of the capital of the Company has been duly approved by the shareholders. The provision for the cash payment made to such

ago for the purchase of the majority shareholding in the Bristol Company will require an issue by the Leeds Forge Company, Limited, in some form, either of shares or other form of security, which will be duly announced.

In the present financial position your board considers that the method of issue, and the type of security issued, must be left to their discretion, but I think it may be possible to make some announcement to you upon this matter within the next few months.

Upon the distribution of the additional shares to be made to the Preference and Ordinary shareholders of the Company, we propose to call in the present share certificates, and to issue new share certificates to all shareholders. Shareholders will notice that in the event of any further increase in the total capital of the Company being authorised, it is permitted to the Company to issue additional Preference capital, provided that at any time the issued Preference capital does not exceed one-third of the issued Ordinary share capital.

Distribution of Shares.

In the distribution of the additional Preference and Ordinary shares the Company is to a number of cases fractions of shares due to shareholders, and the directors propose that in cases where fractions of shares are to the credit of a shareholder under the distribution scheme to be adopted by the resolutions, the fractions shall be placed in the hands of a nominee of the Company, and the shares sold on the market, and cash remitted to any shareholder who is entitled to a fraction.

You will further observe that in the alterations to the articles of association the directors are proposing to take power to appoint official directors, and, after deliberation, your board consider the proposals they make in these alterations are suitable to the expanded condition of the Company's undertaking.

I do not know that I should take up your time by reading the four pages of alterations to the articles of association, and will, therefore, now submit to you that the resolution as printed in the notices circulated to the shareholders and commencing with the words "That the articles of association of the Company," &c., on page 1, down to "appropriation and distribution and such appointment shall be effective" on page 4, shall be the resolution which I submit to you.

The resolution was passed, and a hearty vote of thanks accorded to the Chairman.

ARGENTINE ESTATES OF BOVRIL, LIMITED.

LEAGUE OF NATIONS.

How to interest the public in its work.

Suggested International Inquiry into Food Prices.

PRESIDING at the annual meeting of this Company, Sir George Lawson Johnston (Chairman) stated that he had just returned from the Argentine, where he had had the privilege of an interview with the President of the Republic. Sir George said that it was noteworthy that the increase in the cost of living was not only felt in an importing country like the United Kingdom. In the Argentine the prices of, for instance, bread, meat, sugar, and eggs were all over twice the 1914 prices, though these articles were all produced in, and surpluses were even exported from, that country; whilst coal, which was imported into Buenos Ayres, cost about five times the pre-War price.

Argentina was a great exporter of wheat, but in Buenos Ayres the hoardings were covered with official posters pictorially explaining economical methods in the use of bread.

At home we had been told by economic experts that high costs were in part due to the very large issues of paper money and consequent depreciation of currency values. It was obvious that this was not the cause in Argentina, as there the issue of paper dollars showed only a comparatively small increase—about thirty per cent.—whilst the relative proportion of gold to paper currency was higher than before the War.

Popular feeling had led the Argentine Government to prohibit exports in the case of certain foodstuffs, whilst the foreigner was made to pay taxes by way of export duties, which had been put on nearly all products, on a basis of a percentage of the excess over pre-War price.

Position in South America.

In spite of record prosperity, the cry of "profiteer" was as frequently heard in South America as here, and wages and labour questions were at least as difficult. In fact, in comparison, inter-class friendship was less strained in the United Kingdom, probably owing to the special tax measures that had been taken to pluck the maker of war profits. Here the profiteer had lost many feathers through excess profits duties, and the old rich had been turned into new poor by income and super taxes, death duties, &c. In the Argentine Republic on the other hand, where so many had grown richer since 1914, an important topic of conversation was the possibility of a twopence in the pound maximum income tax being imposed. The fact was that the bulk of the discontent all over the world was caused not simply by the increase in prices, but had arisen because popular opinion believed them to have been raised excessively by profiteers. As the Bovril group were somewhat persistent anti-profiteers in precept and practice, he took the liberty of suggesting that until the matter was investigated officially and internationally, and the instances and effects of profiteering were sifted out from the other causes creating the rise in the cost of living, we should not begin to get rid of the feelings of class suspicion and discontent so prevalent throughout the world.

The League of Nations had committees on armaments, international health, transit, waterway problems, and international justice. Might he respectfully suggest to the authorities of that league that they could do a great world service by adding a committee to consider internationally the question of the cost of food?

It was only recently stated that the newspapers gave only brief summaries of even important speeches about the League of Nations—and who were better judges of what the public wants to read than the newspaper editors? He ventured to suggest that the tackling of this question of food costs by an authoritative committee of the League of Nations would do more to awaken practical public interest in the League, and to secure universal support for it, than any other single action it could take. This was the subject of all others that touched the daily life of the people, and unceasingly absorbed the attention of the masses in all countries throughout the world. National investigations were bound to be limited in scope—to stop short at the incidence of exchange and similar import problems—but a committee of the League of Nations would have at its disposal the official data from the greater part of the world, and its findings would be free from any suspicion of local political bias.

Proposed Dividend.

We are proposing to declare an interim dividend of seven per cent. on account of the present year, and we shall also pay a portion of that dividend on the newly issued Seven per Cent. Preference shares, 40 000 of which we issued last year and 20,000 in the present year. The £28,000 covers the amount required for the seven per cent. on the 400,000 Seven per Cent. Preferred Ordinary, while £2,237 2*s.* 3*d.* covers dividend on the new issue, so as to bring it into line with the 400,000.

I now have pleasure in moving: "That the report and accounts for the period ended September 30, 1919, be and the same are hereby approved and adopted; that the interim dividend of seven per cent., less income tax, on the Preferred Ordinary shares, paid in December last, be and the same

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BANKERS ENGINEERS
Head Offices and Works BOLTON. ENGLAND
LONDON MANCHESTER GLASGOW

is hereby confirmed; that a final dividend of one and three-quarter per cent. for the year ended September 30, 1919, be and the same is hereby declared; and that an interim dividend for the year ending September 30, 1920, at the rate of seven per cent., less income tax, be and the same is hereby declared, and that warrants for such eight and three-quarter per cent. be payable on October 1, 1920, all the above-mentioned dividends being in respect of the 400,000 Preferred Ordinary shares numbered 1 to 400,000, inclusive; and that a dividend at the rate of seven per cent. per annum, less income tax, on the 60,000 Preferred Ordinary shares numbered 700,001 to 760,000 inclusive, for the period from June 20, 1919, to December 31, 1919, be and the same is hereby declared, payable on October 2."

Sir Cornthwaite H. Rason seconded the resolution, and it was carried unanimously.

AFRICAN BANKING FUSION.

FOLLOWING close on the purchase of the Bank of British West Africa by the Standard Bank of South Africa and a group of English banks, comes the news of a provisional agreement (subject to the consent of the Treasury) for the fusion of the African Banking Corporation and the Standard Bank of South Africa. The latter will purchase the undertaking and assets of the African Banking Corporation, on the basis of two new shares of the Standard Bank of £20 each, on which £5 per share will be credited as paid up (ranking for dividend from January 1, 1920, except that they shall not be entitled to participate in the interim dividend payable by the Standard Bank in October next), for each three shares of the African Banking Corporation of £10 each, upon which £5 per share has been paid up, subject to certain reserves for the purpose of satisfying the debts and liabilities of the African Banking Corporation. A sum of £67,500 is also excepted from the sale, which sum will be distributed *pro rata* among the shareholders of the African Banking Corporation, in addition to the shares of the Standard Bank. In a circular to the shareholders the directors of the African Banking Corporation recommend the acceptance of the proposal.

The subscribed capital of the combined concern will be close on £9,000,000, the paid-up capital nearly £2,250,000, and the reserve fund almost £3,000,000. The only details disclosed concerning the reorganisation of the *personnel* of the directorate is that three of the directors of the African Banking Corporation will join the board of the Standard Bank.

THE THREAD INDUSTRY.

THE report is issued by the Sub-Committee on Sewing Cotton which was reconstituted last February to inquire further into the alleged existence of a combine in the trade. The conclusion reached is that, although Messrs. J. & P. Coats' profit, based upon the Company's figures of actual costs of production at February 4, 1920, of 3.204*d.* per reel on the 10*d.* reel of the Company's six-cord 400-yards standard sewing cotton may appear to an outsider rather high, the markets in both cotton and yarn have been continuously rising. It has been necessary on this account to average out working costs, and the present price, if Messrs. Coats do not intend to raise it until the average cost of their entire holding of yarn has risen considerably, cannot be objected to as unreasonable.

THE CONSOLIDATED DIAMOND MINES OF SOUTH-WEST AFRICA, LIMITED.—The first general statutory meeting of the Company, which was incorporated in February last in the Cape Province, was held at Cape Town on the 4th inst. According to the Chairman's statement, the production of diamonds from January 1 to June 30 was 281,365 carats, the average cost of production per carat being between 18*s.* and 20*s.* The basic price increased steadily during the year from £5 12*s.* 4*d.* per carat in January and £7 4*s.* 7*d.* in April to £8 4*s.* 4*d.* on July 1. Disposal allocations are made by the London Diamond Syndicate, and as the diamond market has latterly shown a considerable falling-off in sales, the Company's quota for the current quarter has been reduced from £630,000 to £540,330. A marked revival in diamond sales has set in during the last week in London and abroad. The Company, which has a capital of four and a-half millions, represents an amalgamation of interests at one time chiefly controlled from Germany, and the completion of the purchase of the Deutsche Koloniale Gesellschaft is now being proceeded with.

REPUBLIC OF CUBA FIVE PER CENT. GOLD BONDS OF 1904
(External Debt)

The Half-yearly Interest due 1st September on the above Bonds will be paid on the 1st prox. and any succeeding day at the Counting House of Messrs. J. Henry Schroder and Co., 145 Leadenhall Street, E.C. 3, between the hours of 11 and 2 o'clock.

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London, 25th August, 1920.

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CANADIAN GENERAL ELECTRIC COMPANY, LIMITED.

The Canadian General Electric Company GIVES NOTICE that the Directors in Toronto have declared a Quarterly Dividend of 2 per cent. for the three months ending 30th September, 1920, on the Common Stock of the Company. The above Company also announces that a Half-yearly Dividend of 3½ per cent. for the six months ending 30th September, 1920, being at the rate of 7 per cent. per annum, has been declared on the Preference Stock of the Company, and that both the above Dividends are payable on the 1st day of October, 1920, to Shareholders of record 15th September, 1920. The Transfer Books will not be Closed.

For the Canadian Bank of Commerce,
Registrars of the Canadian General Electric Co., Ltd.,
CHARLES CAMBIE, Manager.
No. 2 Lombard Street, E.C. 3,
27th August, 1920.

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The Statist.

LONDON, SATURDAY, SEPTEMBER 4, 1920.

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The Money Market.

Friday, September 3, 1920.

Bank of England Rate...	**7**	(Apr. 15, '20)	**6**	(Nov. 6, '19)
Deposit Rates:				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses [illegible]	5¼	(Apr. 15 '20)	4¼	(Nov. 6 '19

[illegible] has been altered [illegible]

Discount Rates :—				
Treasury Bills ...	—	6⅛	-	-
Bank Bills	6 -	6⅛	6	6⅞ 7
Trade Bills		[illegible]	[illegible]	7¼

CONFUSED TENDENCIES.

In consequence of the many conflicting factors at work, fluctuations were considerable in the Money market during the week. In the first place it appeared, early in the week, that the "Big Five," who had been calling-in last week in connection with the preparation of balance sheets, had begun to let out money after the turn of the month. Latterly, however, there was a disposition to take up Treasury bills, which are now, of course, December maturities. In the second place, as will be seen from the figures of the Bank return as published in our Tabular Appendix, the Government have been driven to borrow heavily from the Bank on Ways and Means Advances up to Wednesday, in order to provide for Tuesday's dividend disbursements. This double influence towards easing the pressure for loans did not, however, have much effect during the current week, and is rather to be remembered in estimating the course of rates in the near future. The total releases of funds on Tuesday amounted to over £27 millions, of which £20 millions represented interest on War Bonds and Victory Loan, and £1.8 million payments of drawn Victory Bonds. Finally, an important factor was the large amount, about £12,000,000, which had to be repaid to the Bank. This proved too much for the market, and a small amount had to be re-borrowed at the usual rate on Thursday. On the demand side it was evident that most of the end-of-the-month requirements had been met last week, and the pressure for accommodation this week, though strong, was less than anticipated.

The range of quotations for day-to-day money during the week was from five to six per cent., the bulk of the business being done near the upper quotation. On Monday credits were in plentiful supply and seemed to be increasing towards the afternoon. Treasury bills were being allowed to run off, and it was probably on this account afternoon balances were offered down to 5¼ per cent. On Tuesday the repaying of the Bank was in progress, and the big banks were calling in [illegible] to pay six per cent. [illegible] Afterwards one of the clearing banks began lending, and on the following [illegible] not seem to have much effect, the tone became easier. Later on the pressure was renewed, and the general [illegible] while, as stated above, the Bank was again called upon for funds.

Besides [illegible] and the unfavourable Bank return affected the Discount [illegible] ing of the week. Later on, bills [illegible] offered, and the banks were inquiring [illegible] in request after the end of the month, as it then became [illegible] also [illegible] latterly at 6⅞-6⅝ per cent.

Foreign Exchanges. The New York Exchange was remarkably steady during the week in contrast to the recent violent movements. Purchases of sterling in New York to provide "bear" covering for shorts were reported, but an adverse influence was provided by French buying of dollars here. This latter, judging by the rate movements, was the predominant factor at the end of the week, for the New York rate, which had opened weak and rallied to 3.57 by Wednesday, declined again to 3.56¼ on Thursday and to 3.55⅞ to-day, and the Paris cheque, which had hardened to 51.22½, by Wednesday, has since weakened, and reached 51.40 to-day. Belgian francs moved in sympathy with the French rate, the quotation having risen to 48.32¼ to-day. Lire, on the contrary, show a slight improvement on the week. Switzerland and Spain moved in harmony, and at to-day's quotations of 21.65½ and 23.82½ respectively, show little change on the week. The Danish crown opened the week with a rallying movement, but relapsed later to 24.92½ on Thursday, recovering partially to 24.57½ to-day. It is reported that, as a result of the continued fall in the sterling and dollar values of Danish currency, the Government have appointed a new commission to suggest practical measures for supporting the exchange. One of the first steps is expected to be a restriction in certain classes of imports, especially luxuries. Other Scandinavian rates also showed a weaker tendency. Berlin cables, after an initial rally, went back towards the end of the week, being called 177¾ to-day. Finnish marks had recovered to 95 by Wednesday, but relapsed to 105½ subsequently, though at this quotation they show a considerable improvement on the week. The closing movement is probably due to the collapse of the negotions with the Soviet Government. South American rates generally improved. Little business was passing in exchange on Eastern centres, and quotations show little change. The most notable feature was a further fall in the rupee rate to 1.10⅝.

Income and Expenditure. In the light of last week's events in Lombard Street the latest return of income and expenditure is of special interest. As is well known, Treasury bills were being freely taken up last week, and though at 73.6 millions the total sales show a diminution as compared with the previous week, there was still an excess of six millions over maturities. Ordinary expenditure was substantially higher at 19.2 millions, and, as revenue showed a falling off, there would have been a deficit but for the inclusion of three and a-half millions derived from sales of assets. As it was, a surplus of 1.3 millions was available. Of other receipts only £100,000 net was received for Savings Certificates, but Treasury bond sales were higher at £210,000. Other issues included 1.6 millions for the cancellation of stock tendered as excess profit duties, and one million for depreciation fund. Accordingly, only about five millions were left for reduction of Ways and Means Advances, and of these, advances by the Bank were reduced from twenty-eight to twenty-three and three-quarter millions, and advances by Public Departments from 159.5 to 158.7 millions. On balance, therefore, the floating debt shows a slight rise at £1,249,227,000.

Currency Notes. A fortnight ago we had occasion to draw attention to certain factors making for a fresh expansion in the note circulation; that these factors have already begun to take effect seems to be indicated by the latest currency notes return, as well as by the Bank return on which we comment below. For the week ending on Wednesday last cancellations of Treasury Notes showed a further falling off, while fresh demands continued to expand. The result was an increase in the total of notes and certificates outstanding of £15,130 to £351,104,551. The movement is, of course, a very small one, but still it is significant of a tendency, especially when considered in the light of the two latest Bank Returns. The fiduciary issue advanced to £304,004,551.

Bank of England. The Bank Return issued on Wednesday last shows a reversal of the favourable movements indicated in the three previous statements. The reserve ratio has fallen by 2.7 per cent. to the unusually low level of 11.6 per cent. This movement was induced both by a decline in the reserve and an expansion in liabilities. The circulation is £1,639,000 higher at £126,532,000, but the resulting diminution of the reserve was palliated by a gain of £53,000 to the stock of coin and bullion, which now stands at £123,082,000. The actual fall in the reserve was thus £1,586,000, leaving the present amount at a little over £14,990,000. On the liabilities side "other" deposits advanced from last week's low level of £100,591,000 to £113,339,000, and public deposits rose by £1,069,000 to £16,433,000. A rather surprising movement is a decline of £416,000 in other securities, considering that the borrowing from the Bank took place in the closing days of last week, and consequently only a small amount fell due for repayment up to the time of compiling the return. Considering the large interest disbursements the Government had to make on Tuesday, it is not surprising that they were forced to borrow again from the Bank, as evidenced by a rise of £15,953,000 to £57,408,000 in Government securities.

Bullion. The moderate supplies which came on the Gold market during the week were taken chiefly on United States account. India took a small amount, but her demand showed a considerable slackening. The range of prices was from 115*s.* to 115*s.* 6*d.* To-day's quotation was 115*s.* 3*d.* the fine ounce.

The strength displayed by the Silver market towards the close of last week did not continue over the week-end. On the contrary, Monday's price, 59⅜*d.*, showed a fall of 1*d.*, as compared with the previous Saturday. The fall continued up to Wednesday, when 57⅜*d.* was quoted. On the following day a rally of ⅞*d.* occurred, and to-day the quotation improved again to 59*d.* per ounce. Indian selling, combined with increased Continental offerings, was responsible for the weakness. The onus of supporting the market thus devolved on China but on account of the quietness of her foreign trade her inquiry for the metal is not very pressing at the present level of prices. Starting at ⅛*d.* on Monday the forward discount rose a further ⅛*d.* on each of the two following days, but fell to-day to ⅛*d.*

NEW YORK.

On account of the drifting of funds to the interior, the present season is generally one of slender reserves for the New York Banks, and accordingly a curtailment in loaning operations becomes necessary. This year, however, as we indicated last week, the Banks have been unable to reduce their liabilities in proportion to the fall in reserves, with the result that the excess reserves have declined to very low levels. The weakness of the present position may best be gauged by a comparison with previous years, as set out below (the figures are in thousands of dollars):—

	Aug. '15	Aug. '16	Aug. '17	Aug. '18	Aug. '19	Aug. '20
Average aggregate reserve	630,460	654,136	602,481	569,063	566,708	542,388
Average excess reserve	187,450	113,747	106,578	41,830	32,190	9,500

The average weekly statement of the Banks and Trust Companies issued on August 28 again exemplifies those tendencies. The aggregate reserve was 9½ millions below the previous week's level at 533.3 millions, and though net demand deposits fell by 29½ millions, the decline was not sufficient to prevent a contraction of the average excess reserve to $6,080,000. This figure, it will be noted, is considerably below the average for last month, as shown

in the table. It must be noted, on the other hand, that the actual position on Saturday last was much stronger, the excess reserve [illegible] being $14,230,000. Following the previous week's expansion of twenty-four millions in loans, this item again advanced last week by nearly four millions to $5,133,470,000.

Yet another unfavourable statement was presented on Saturday last by the Federal Reserve Banks. Federal Reserve note circulation and rediscounts continue to expand, and the reserve ratio shows another decline. At $2,667,130,000 rediscounts register a rise of 47.7 millions on the week to a new high "record," and, considering that this movement has featured in the six statements immediately preceding, it is not surprising that the Federal Reserve note circulation is also the highest ever reported, the present figure being $3,203,640,000. Liabilities were further increased by an expansion of thirty millions in deposits. The consequent weakening of the reserve ratio, however, was partly counteracted by a gain of five and a-half millions to the gold stock, and of 1.4 millions to other reserves. Under the circumstances the fall was only .3 per cent., the present ratio being 43.2 per cent. In connection with the table given above for the New York City Banks and Trust Companies, the following figures showing the movements in the Federal Reserve Banks' ratio will be of interest. The figures represent the average percentage ratios of total reserves to Federal Reserve note and net deposit liabilities combined:—

	1920	1920		1919	1919		1919	1919
Jan. ...	54·7	44·1	May ..	42·8	42·4	Sept.	44·1	[illegible]
Feb. ...	52·0	44·2	June ..	42·8	43·1	Oct.	44·8	[illegible]
March ...	51·6	43·8	July ..	39·4	43·8	Nov.	45·2	[illegible]
April ...	51·9	43·1	Aug. ..	39·8	43·8	Dec.	45·9	[illegible]

The lowest ratio ever recorded was 42.2 per cent. on May 17 last. The figure for August 1920 more closely calculated is .04 per cent. below that for the previous month.

In the general position little change has occurred. The progress of events in Central Europe continues to unsettle sentiment, while another disturbing factor is provided by evidences of fresh labour troubles. On the other hand, a more optimistic feeling, at all events as regards the credit situation, is supported by the labour awards and freight increases for the railways, which are expected to fructify in a speedy relief of the freight congestion. Besides this there is the prospect of fresh arrivals of gold from France going to increase the resources of the Reserve banks, and the palpable results of the deflation campaign in almost completely eliminating speculation, as well as forcing a substantial decline in commodity prices.

The range of rates for call loans during the week [illegible] per cent. to [illegible] per cent., the ruling rate being constant at eight per cent.

THE POLISH MORATORIUM.

What amounts to a moratorium for bank deposits has been declared in Warsaw as from August 1. Balances at that date not exceeding Polish marks 25,000 are repayable without restriction, and in addition ten per cent. monthly of balances, irrespective [illegible] amount. No [illegible] vantage of this protective measure. In addition, a moratorium for a period of two months has been declared on bills of exchange drawn before the first of last month. Dealings in foreign currencies are henceforth to be carried on only by banks authorised by the Polish Treasury, and though these may buy foreign currencies to an unlimited extent they can sell only [illegible]

THE NEW FRENCH LOAN.

[illegible] available, as to the issue of [illegible] Government [illegible] rentes, and the issue price is to be at par. Subscriptions, except in the case of those made through savings banks, are to be made in four equal instalments, the first to be paid on application, and the [illegible] January 16, March 1, and April 16, 1921, respectively. The list will be open from October 20 to November 30, but applications, of which a large number have already been received, may now be made for 100 francs, or multiples thereof, and the money so subscribed will bear interest at the rate of 5¾ per cent. from the date of payment up to November 30. The denominations of the loan are to be six francs "de rente," and multiples of three francs above this, that is, 100 francs, 150 francs, 200 francs, &c. Important rights are offered to holders of old loans, since all French issues since 1914 will be received at their respective issue prices, plus accrued interest, as subscriptions to the new issue up to half the amount of such subscriptions. The old three and a-half per cent. rentes enjoy a similar privilege, but will be received at their value as on November 30. The interest will be paid half-yearly on June 16 and December 16.

Stock Exchange.

EXTREME caution still characterises all dealings on the Stock Exchange, on account of the prospects of a national stoppage of coal production. While the miners' ballot was in progress the appearance of a powerful anti-strike minority sent out a ray of hope which brightened the tone of the markets early in the week. Later, when the fateful result was disclosed, the unexpected addition of a week to the period available for negotiations, thereby increasing the probabilities of a settlement, proved a steadying influence on markets. A coal war would, indeed, be such a stupendous disaster that most people feel confident that the parties interested will come to terms before the strike notices take effect. The undertone, therefore, con-

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[illegible]

tinued quite firm, and price movements, though frequent, were confined to narrow limits.

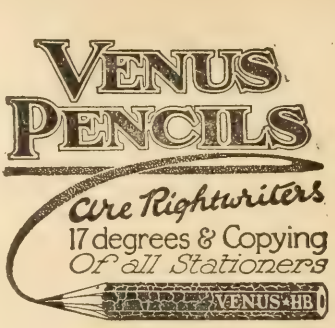
Gilt-edge descriptions, after many fractional losses, closed firm. War Loan Fives and Funding Loan were consistently marked down, but steadied towards the close. Consols pursued a similar movement. Victory Bonds, after many fluctuations, finished slightly better on the week. War Loan Fours also were able to maintain a rise which took place on Monday. India Threes and Three-and-a-Halfs were weak. Bank of Englands remained unaltered. Under the influence of a moderate demand, Transvaals appreciated. County and Corporation issues were extremely quiet, but the trend of prices was upward. Croydons and Cardiffs enjoyed the most of what little business was transacted. Since the last issue of this type of security prices have steadily improved, and the underwriters have succeeded in liquidating the major portion of their holdings. The time would seem ripe, then, for a fresh loan, and the near future will probably see another combined issue.

Foreign stocks were much neglected, and many fractional depreciations were registered. Japanese bonds were an early strong feature, owing to American demand, but a cessation of support was followed by a reaction to previous levels. The Five per Cents. are higher on the week, however. An American inquiry was also responsible for a slight strengthening in Mexican Fives. Chilians lost part of an initial improvement, but finished firm. Chinese Fives of 1896 were on offer, and suffered accordingly. The Four-and-a-Halfs, on the other hand, showed a better tendency. French National Defence Fives were subject to fluctuations, in sympathy with the exchange, but finally showed a slight improvement. The British issue exhibited the results of some selling pressure. Peruvians, Greek Monopolys, Venezuelan Diplomatics, Russians, and Egyptian Unifieds were all marked down. Rio Tintos suffered a series of reductions. Spanish, Belgians, Germans, and Cuban Ports remained unaltered.

Among Foreign Rails, Argentines were again a notably weak feature. All descriptions were marked down, and exhibited no tendency to recover. Brazilians showed irregularity. The United Railways of Havana were not affected by the company's proposal to purchase the Western of Havana and the Cuban Central. Great Western of Brazils were marked up. Canadian Pacifics appreciated again, but Grand Trunks showed a reverse tendency. Except for a fall in Venezuelan Centrals, no other changes were recorded.

Industrials shared the general dulness. The undertone, nevertheless, was consistently firm, and though business, which was mainly for the provinces, did not assume large proportions, quotations preserved a cheerful buoyancy. Bengal Irons were again a strong feature, though weakening at the close. The iron and steel group exhibited a tendency to sag. Many fractional depreciations were recorded, but no serious weakness was noticeable. Van den Berghs attracted considerable attention owing to bonus rumours, but otherwise hotel and catering shares were featureless. Brewery, motor, and tobacco shares were quietly firm. Banks showed frequent minor appreciations, a fact not indicative of much business however. Holders are not tempted to liquidate at present prices, and hence very little buying pressure is sufficient to send up quotations. Though quiet, Nitrates exhibited a very firm tendency.

Oils started with an optimistic tone, and business was maintained on a very good scale throughout the week. The tendency towards the close became reactionary, and petty declines were numerous. Mexican Eagles finished weak, and Kern Rivers were also lower. Anglo-Scottish showed no alteration. Royal Dutch and Shells provided firm features, though the latter had to yield part of their previous gains before the close. Tankers were the most prominent among the leaders, and finished quite buoyant.



Mining Topics.

Apart from Continental liquidations—and a small though steady stream of selling orders poured in from Paris—the coal miners' ballot with the requisite majority in favour of a strike was not calculated to encourage transactions. Nevertheless, the definite announcement that the Sunday strike had been settled in conjunction with the gold premium moving upwards proved a "bull" point to some extent in the Kaffir circus at the opening. Transactions were, however, notoriously small. Yet with Cape support Modder B put on ⅛ to 6¾, whilst Central Mining moved up in sympathy a like amount to 8⅜. With the exception of New State Areas, which improved to 1½ on rumours of satisfactory progress in shaft-sinking, Tuesday was characterised by reactions, City Deep in particular losing 1s to 2⅜. The depression persisted for the remainder of the week. Central Mining reacted to 8½ on Wednesday and again to 8⅜ on Thursday. Van Ryn Deep dropped from 3⅞ on Tuesday to 3⅝ on Thursday. Modder B, closing at 6⅞ on Wednesday, finished weaker at 6⅝ on Thursday. Despite the cable from Lonely Reef to the effect that ore of 10 dwt. over 67 inches had been exposed on the reef struck by the cross-cut from the incline shaft on the 23rd level, the shares reacted on Thursday to 2¾. Owing to the practice of including the gold premium in the value of the output, returns from Southern Rhodesia for July state the value of the gold output to be £359,283, as against £194,194 in June. We think it would be more advisable to record, for purposes of effective comparison, the value of the output at par and to give the amount of the gold premium separately.

In the Diamond section, De Beers again indulged in their favourite pastime of reacting. On Monday they fell from 19½ to 19¼. Tuesday witnessed a recovery to 19½, but Wednesday found them weaker at 18¾; whilst on Thursday they reached the new low-water mark of 18½. Frank Smith Diamonds were prominent on Monday with a rise of 2s. to 18s.

Mexican descriptions continued to absorb a certain amount of attention. On Monday interest was rather lagging, and Santa Gertrudis reacted to 24s. Paris was, however, still demanding Mexico of El Oro, with the result that the shares closed ⅛ to the good at 6⅞. On Tuesday continental purchases were responsible for a further advance to 6⅞. Esperanzas now became a feature and put on 9d. to 12s. on a cable announcing the finding of the Descubridora vein at the fifth level, and on Wednesday there was another upward movement to 13s. 3d. Meanwhile, Mexico of El Oro came in for a spell of profit-taking, and reacted to 6⅝, closing at this price on Thursday. Then, however, it was announced that an assay at Esperanza revealed reef averaging 0.72 oz. gold and 38.48 oz. silver per metric ton for a width of four feet. With this satisfactory result interest in the shares became active, and the closing price showed a considerable improvement at 11s. 6d.

MEYER AND CHARLTON.

Year	Gold Won	Working Profit	Profit per Ton	Dividends	Amount Carried Forward
	oz.	s. d.	s. d.		£
1916	176,870	43/6	38/2	20/-	144,000
1917	161,436	36/3	34/4	24/-	150,780
1918	137,736	29/4	39/11	20/-	140,000
1919	165,137	24/6	37/5	10/-	155,171

The report of the [illegible] Meyer and Charlton Gold Mining and Finance Company, for the year ended December 31, 1919, is a [illegible] satisfactory one. According to the Chairman at the general meeting, the value of the gold realised and the profit earned were materially in the interests of the mine. The tonnage crushed during the year amounted to 165,137 tons, or 27,401 tons in excess of that of 1918. Calculating the gold revenue upon the basis of the par value of gold in order to maintain an effective comparison with the results of previous years, the yield per ton [illegible] 10s. to 56s. 6d. This reduction in the grade of the ore [illegible] other factors. Owing to the substantial increase in the tonnage treated the working costs per ton were [illegible] It is important to realise that this decrease took place despite the heavy charges incurred in connection with [illegible] materials, and with the greatly increased assessments to which the mine was subjected under the recent miners' phthisis legislation. Considering this favourable factor alone, the result was to leave a working profit of 32s. per ton, as compared with 39s. 11d. in 1918. The other source of compensation came mainly, though not wholly, from the advent of the premium on gold after the middle of July. Gold produced between July 25 and the end of the financial year yielded in virtue of this premium an additional revenue of £45,741, representing an average premium of nineteen per cent. This was equivalent to an extra yield of 5s. 6d. per ton, thereby raising the gold revenue per ton to 62s. and the working profit per ton to 37s. 6d. Finally came the sum of £8,687, representing the extent to which the estimate exceeded the actual charge for realisation. This worked out at a little over 1s. per ton of ore, leaving the ultimate working profit of 38s. 8d. per ton, to compare very favourably with the return of 39s. 11d. per ton for 1918. In the result the net profit amounted to £277,940, as compared with £288,436. After making the requisite provision for taxation and for capital expenditure the dividends paid to Ordinary shareholders amounted to £240,000, as contrasted with £222,000 in 1917 and 1918. The shareholders received the generous distribution of 120 per cent., as against 110 per cent. in 1918. The balance carried forward to the next accounts stands at £155,171.

The prospects for the current year are again favourable. The position of the ore reserves as contrasted with 1918 can be best seen from the following [illegible]:—

	1919				1918		Stoping Width
	Tons	Value	Width	Tons	Value	Width
Main Reef Leader	Tons	70/6	5ft.	Tons	75/0	5ft.
Main Reef	4,231	3/4	3ft.	1,317	3/4	3ft.
Sundry Reefs	14,283	2/7	5ft.	4,000	2/6	5ft.
	18,514		5ft.	5,317		5ft.

Thus with a comparatively slight decline in value there is an increase in the average stoping width, with an addition in quantity of 11,993 tons. The explanation of this increase is readily [illegible] mining operations of the year under review. The increase in the tonnage crushed during 1919 was obtained entirely from reclamation in the old workings of the mine. This is verified by the report of the Manager, during the year no less than 45,111 tons, or 27.3 per [illegible] only 19,135 tons, or 13.9 per cent., were derived from the same source. Furthermore, it is asserted that the tonnage of ore left behind in the old workings in the [illegible] conditions, is coming well up to expectations. By thus [illegible] possible to conserve the more valuable tonnage of the [illegible] prolong proportionately the life of the mine. As regards the current year the profits for the first five months are stated to amount approximately to £127,000, as compared with £110,000 for the corresponding period of 1919. But it is necessary to recollect that in 1919 there was no such thing as a premium on gold until towards the end of July, whilst the premium was obtained for the whole of the five months of the current year and assumed very high dimensions in February. On the other hand, working costs have increased substantially. Marked increases have taken place in the wages of white and black labour alike; costs of stores have advanced; realisation charges became a serious burden, rising from a purely nominal figure to 8s. 9d. per oz. in June. The additional outlay involved may be measured in the rise in costs from about 24s. per ton for the corresponding period of 1919 to approximately 27s. per ton for the first five months of 1920. However, with the assistance of the gold premium the above satisfactory profit was recorded; and recorded, [illegible] adopted of drawing a larger quantity of the ore utilised through reclamation in the old workings of the mine. Thus the encroachment upon the valuable reserves of the Main Reef Leader is correspondingly declining. And it is none the less necessary to realise that the ore reserves at the end of 1919 did not take into account pillars and hanging-wall and footwall reefs in the old workings, from which it is expected that a large quantity of payable ore can be drawn for several years. Furthermore, the wise course has been taken of estimating the pay limit of the reserve on the standard price of gold. Yet so long as gold yields a premium ore of lower grade, not included, can be and is being worked to advantage. Thus with gold over 110s. an ounce the ore reserves on December 31, 1919, could be increased by the addition of 6,389 tons, averaging 5.2 dwt. With such a satisfactory state of affairs prevailing it is not surprising to learn that the interim dividend for the current year has been declared at the same rate as in 1919, viz. fifty per cent. The financial position of the Company is on the same plane as its mining position. The balance sheet dated December 31, 1919, shows that current liabilities, including the final dividend of seventy per cent., do not exceed £303,711, and are more than amply covered by the cash and bullion available to a total of £402,999. Including sundry debtors and investments, liquid assets amount to £417,322. The market quotes the £1 shares at 91s., at which price, assuming the dividend for the current year to be equal to that of 1919, they afford a [illegible] mind the fact that an interim dividend of fif[illegible] has been declared, the yield for the remain[illegible] current year, on the assumption of a final dividend of seventy per cent., is nearly fifteen and a-half per cent.

NARAGUTA EXTENDED TIN.

[illegible]

trates to 276 tons. The causes assigned for the deficiency are threefold: a shortage of water, an inadequate supply of labour, and a defective pipe line. The pipe line in question had been purchased some years previously in America, and, owing to shortage of transport facilities, could not be dispatched to Nigeria until recently. Deterioration set in during the period of waiting, and the rusted and battered condition of the pipe line had a bad effect on the tin output. After allowing for smelting charges, the average price realised by the output amounted to £167 5*s.* 9*d.* per ton, in comparison with £166 5*s.* 2*d.* per ton in 1918. The directors state that owing to congestion of traffic on the railway—and the ore had to be transported 700 miles—the Company were unable to ship the ore to the coast in time to avail of the high level of prices prevailing during the year; otherwise the price secured for the ore would have been better. On the other hand, the actual working costs in Nigeria declined from £27,599 to £23,633, or from £98 10*s.* per ton of ore to £85 15*s.* per ton. And this decline took place despite the difficulty created by the issue of paper currency in the form of notes of 1*s.* According to the Chairman, the absence of tokens of lower value than 1*s.* meant that the natives demanded more of the shilling notes in the form of increased wages. Still, the working profit for the year amounted to £24,178, as compared with £22,840 in 1918. However, owing to an increase in the charge for income tax from £4,843 to £6,103, and a loss of £515 incurred in the realisation of Consols and War stock, the net profit amounts only to £15,318, as compared with £16,074 in 1918. Consequently, the dividend paid to shareholders declined from 12½% to 10%. The balance carried forward to the next accounts has risen by over £4,500 to £23,583, but this amount is subject to deduction in respect of income tax and any liability under the excess profits duty.

Prospecting work on the property of this Company has now proved a reserve of 1,700 tons of tin, excluding tin in the present river bed. The consulting engineer points out that with the price of tin in the neighbourhood of £300 a ton, the profit from this reserve would be in close approximation to the capital of the Company, and that this result represents merely the work of two half-seasons. It is, furthermore, stated that "the deposits of rich tin on the right bank of the river below No. 1, in conjunction with No. 4 Extension, are of special value in that they can be worked by the existing pipe columns." It is anticipated that further work will bring to light other valuable deposits, notably in the continuation of No. 2 on the left bank of the river and on the right bank of the river at No. 9. As regards No. 2, additional boreholes have since shown a continuation of the valuable tin deposit at No. 2, Lease G. All these facts point to the inherent value of the shares as a permanent investment. On the other hand, the immediate outlook is complicated by the transport difficulties, the recent variations in the price of tin from its high level in the early months of 1920, and the burden of the corporation tax and the excess profits duty of 60%. It is not anticipated that the cost of working can be reduced to any marked degree. Consequently, relief must come from an increase in the price of tin, and the opinion is now generally held that the upward movement cannot long be delayed. Financially, the position of the Company as seen in the balance sheet on December 31, 1919, is very strong. Including the dividend of 10%, liabilities amount only to £23,537, and are covered nearly twice over by liquid assets in the form of tin, sundry debtors and cash, which are available to a total of £44,179. In the market the £1 shares stand at the rather low price of 10*s.* 4½*d.* Assuming the continuance of the 1919 dividend, they yield at this price a return of over 19%, and are a very promising investment for those who prefer to [illegible] view.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, September 1, 1920.

Issue Department.

Notes Issued	£140,002,420	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,552,420
	£140,002,420		£140,002,420

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£57,408,129
Rest	3,529,010	Other Securities	75,467,018
Public Deposits	16,433,275	Notes	13,469,900
Other Deposits	113,339,566	Gold and Silver Coin	1,529,410
Seven-day and other Bills	19,606		
	£147,874,457		£147,874,457

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
July	1 126,5	123,0	16,4	113,3	57,4	75,4	14,3	11·6	7	6⅞
Aug.	25 124,8	123,0	15,3	100,5	41,5	75,8	16,5	14·3	7	6⅝
Aug.	18 124,8	123,1	16,1	117,3	58,5	76,1	16,6	12·5	7	6⅝
Aug.	11 125,5	123,0	15,9	124,0	63,2	73,9	15,9	11·4	7	8½
July	28 125,3	123,2	15,1	118,8	53,9	75,4	16,2	12·2	7	8½
J'y22,'14	29,3	40,2	13,7	42,2	11,0	33,8	29,3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Sept. 3, 1920	Sept. 3, 1919	Sept. 4, 1918	Sept. 5, 1917	Sept. 2, 1910
Circulation	£126,5	£80,8	£58,6	£40,7	£28,6
Public Deposits	16,4	24,5	37,0	44,5	17,2
Other Deposits	113,3	102,3	131,7	125,0	40,5
Government Securities	57,4	37,5	58,2	57,8	15,9
Other Securities	75,4	81,5	98,9	97,7	31,3
Reserve	14,9	25,9	29,8	32,1	29,7
Ratio to Liabilities	11·8%	20·42%	17·65%	18·92%	51·52%
Coin and Bullion	123,0	88,2	69,9	51,3	33,9
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛–⅝%	3½–⅝%	3½%	4½%	3⅛–3⅜%
Exchanges:					
Paris Cheque	51 40	34·59½	26 06	27·48½	25·24
New York 60 days	3 52½	4·15½	4·73	4·72½	4·83
Bombay Telegraphic Transfers	1/10½	1/9⅜	1/6½	1/4⅛	1/4⅜
Prices:					
Consols 2½% Cash	46⅛	51·11	57½xd	55⅞	80⅞xd
French Rentes 3% Money	56 65	60·80	64·10	62·30	97·60
Silver, London spot	os.	61d.	49¼d.	49 1.	24¾ d.
Wheat, *Gazette* average qr.	90/11	73/3	74/8	72/1	32/7
Cotton, Mid Upland lb.	25·33	18 61d.	24·20d.	17 60d.	8·03d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	55/7½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Sept. 1, '20	8,141,981	8,126,348	351,104,551	28,500,000	18,600,000	13·5
Aug. 25, '20	7,230,894	8,757,663	351,083,419	28,500,000	18,600,000	13·3
Sept. 3, '19	8,649,877	6,814,475	330,786,880	£28,500,000	—	8·6
Sept. 4, '18	6,625,227	4,116,902	270,352,566	28,500,000	—	10·5
Sept. 5, '17	5,065,393	3,866,515	174,559,969	28,500,000	—	16·3
Sept. 6, '16	4,652,359	3,882,084	130,436,199	28,500,000	—	21·8

Balance Sheet, September 1, 1920.

Notes outstanding—	£	Advances—	
One Pound	277,488,291	Other Bankers ...	—
Ten Shilling	41,598,260	Trustee Savings Banks	—
Certificates outstanding ...	32,020,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	351,104,551	Bank of England Notes...	18,600,000
Notes allotted, but not yet cancelled	4,081,618	Government Securities ...	325,964,161
Investments Reserve A/c ...	17,166,253	Balance at Bank of England	188,261
Total	372,352,422	Total	372,352,422

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.: Cr.	Loans, Advances, &c.: Dr.	Net +	Cash Balance
Aug. 28	£20,430	£19,166	£1,264	£91,138	£92,444	—£1,306	£3,884
Aug. 21	27,601	15,818	11,782	91,587	102,561	—10,974	3,926
Aug. 14	19,433	11,068	8,365	89,866	98,234	—8,368	3,119
150days'20-21	504,524	412,231	92,293	2,180,284	2,281,888	—101,604	— 5,845
152days'19-20	366,068	608,775	242,707	2,934,217	2,700,108	234,109	— 8,589
Yr. '20-21*	1,418,300	1,184,102	234,198†	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,048	12,798
Yr. '17-18	707,234	2,896,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
Aug. 28	£5,387	£1,823	£3,235	£8,984	£3,224	£1,504	£13,437
Aug. 21	13,833	5,213	5,723	2,831	1,828	710	13,280
Aug. 14	4,197	6,760	4,357	4,139	1,051	1,117	8,400
150days'20-21	124,153	106,647	91,338	182,386	137,030	7,840	267,371
152days'19-20	99,242	94,351	107,253	63,222	143,954	3,251	461,570
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,304
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,583
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,953
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,98

FLOATING DEBT. (000's omitted.)	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Aug. 28, 1920 ...	£1,066,736	£182,491	£1,249,227	£10,399 000
Aug. 21, 1920 ...	1,060,756	187,541	1,248,297	10 189,000
Aug. 14, 1920 ...	1,018,432	209,841	1,228,333	10,031,000
Aug. 7, 1920 ...	1,016,980	218,341	1,235,321	9 850,000
June 30, 1919 ...	796,130	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.†

(In £'s Sterling—000's omitted.)

	Gold.	Silver	Total	Discounts	Circulation	Deposits
UM. 6. '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£8,993
19. '20 ...	10,660	1,056	11,716	23,176	230,170	66,327
26. '20 ...	10,660	1,067	11,727	23,298	227,213	64,820

HO-	Claim on Austro-Hung. Bank	Contingent Liabr. on Bank Notes	Discounts	Advances	Circulation (Notes)	Deposits
AKIA • 31. '20...	£398,458	£88,923	£40,702	£82,789	£338,161	£48,795
7. '20...	398,475	88,923	29,678	83,162	388,455	45,662
15. '20...	398,489	88,923	30,001	85,230	394,691	48,703

	Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
ARK. 31. '14 ...	£4,100	£341	£4,441	£8,197	£788	£9,831	£47
30. '20 ...	12,668	147	12,815	14,498	1,885	29,370	2,403
31. '20 ...	12,658	143	12,801	13,755	2,045	30,068	2,524
31. '19 ...	10,410	157	11,567	5,784	2,436	23,939	128
31. '18 ...	10,543	134	10,677	3,282	3,551	20,298	517

ICE.	Gold In Bank	Gold Abroad	Total Cash	India Silver	Bills	Circulation	Deposits Public	Deposits Private
30. '14 ...	£165,654		£190,667	£27,768	£267,327	£15,302	£37,903	
19. '20 ...	144,170	79,131	233,669	79,103	1,577,921	5,163	128,150	
26. '20 ...	144,478	79,131	233,797	76,397	1,518,130	2,563	128,112	
28. '19 ...	144,776	79,131	234,567	34,830	1,493,916	3,330	119,061	
29. '18 ...	135,937	81,484	219,235	38,157	1,177,359	1,943	113,092	

ANY.	Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
23. '14...	£87,843	£16,727	£84,570	£5,279	£40,055	£91,545	£47,198
14. '20...	64,579	347	54,926	898,355	2,227,818	2,854,931	774,548
23. '20...	64,579	387	54,966	904,855	2,089,993	2,831,661	602,510
25. '19...	56,628	986	56,214	424,630	1,426,773	1,422,610	405,079
23. '18...	117,402	5,980	123,332	97,272	738,226	655,583	407,733

LAND.	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
1. '14 ...	£13,498	£249	£13,745	£13,422	£10,332	£35,680	£1,437
16. '20 ...	53,028	1,426	54,354	11,508	26,486	85,576	8,185
23. '20 ...	53,028	1,351	54,379	12,631	26,925	84,107	9,027
25. '19 ...	52,220	484	53,709	10,916	20,021	82,295	5,330
24. '18 ...	58,952	663	59,615	16,714	8,333	73,912	5,755

LY.	Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
31. '14 ...	—	—	—	£48,456	£25,017	£89,204	£9,987
20. '20 ...	£32,191	£3,001	35,192	13,905	202,527	536,068	71,895
30. '20 ...	32,191	2,990	35,181	15,203	219,810	553,104	75,218
30. '19 ...	32,402	2,968	35,370	23,316	68,788	381,552	63,063
30. '18 ...	32,726	3,081	35,807	10,630	57,752	313,952	67,646

AN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Privat
1. '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
24. '20 ...	99,797	21,289	26,863	111,779	107,207	9,755
31. '20 ...	100,888	22,624	29,265	120,243	106,755	5,810
4. '19 ...	73,023	11,443	43,336	101,622	110,234	4,418
3. '18 ...	65,271	4,863	31,116	74,282	77,233	3,721

W YORK ANKS TRUSTS.	Cash Own	Loans, Aggregate Reserve	Discts, Invest., &c.	Net Deposits— Demand	Time	Total	Excess Reserve
1. '14 ...	—	£89,888	£411,238	—	—	£387,185	£1,720
21. '20 ...	17,892†	108,544	1,025,916	801,156	52,048	864,906	2,372
28. '20 ...	£17,748†	106,894	1,026,691	£795,250	£53,093	859,648	1,216
30. '19 ...	19,550†	110,280	995,178	832,174	41,443	887,954	3,870
31. '18 ...	19,724†	105,583	889,440	729,386	31,626	812,743	8,934

RWAY.	Gold	Balance Abroad	Notes & For. Govt. Secs.	Discts & Loans	Circulation	Deposits
31. '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£733
15. '20 ...	8,119	2,806	578	24,257	25,194	6,012
23. '20 ...	8,118	2,727	578	24,297	24,275	5,932
22. '19 ...	8,170	4,874	678	16,437	23,234	2,666

RTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
2. '20 ...	£1,906	£3,921	£5,827	£20,406	£20,438	£10,635
8. '20 ...	1,906	3,921	5,827	22,587	24,858	8,858
11. '19 ...	1,905	3,935	5,840	8,198	65,038	3,474
12. '18 ...	1,905	3,475	5,380	8,822	48,378	2,186

UMANIA.	Cash	Discounts	Advances	Total	Circulation
5. '20 ...	£82,809	£15,779	£3,794	£19,573	£188,445
12. '20 ...	62,809	16,587	3,463	20,050	187,701
19. '20 ...	64,009	18,462	3,514	21,976	189,414
21. '19 ...	39,981	9,712	1,910	11,622	117,083

SSIA.	Gold In Bank	Gold Abroad	Total Cash India Silver	Loans & Discts.	Circula. tion	Notes in Reserve	Total Deposits
21. '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
t. 28. '17...	129,623	230,865	378,205	1,869,559	1,836,217	15,783	345,550

PAIN	Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
g. 1. '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
ne. 21. '20 ...	86,095	24,695	125,761	87,454	13,779	158,420	38,977
28. '20 ...	86,095	24,175	122,270	86,511	13,779	157,992	34,868
30. '19 ...	96,388	25,976	122,364	87,224	13,778	145,733	40,290
31. '18 ...	87,400	26,117	113,517	54,353	13,777	116,452	46,110

WEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
1. '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
21. '20 ...	14,519	4,979	2,519	35,303	38,753	13,832
28. '20 ...	14,519	4,874	2,519	35,081	38,587	13,733
30. '19 ...	16,685	7,231	2,937	20,852	38,564	7,634
31. '18 ...	14,633	7,496	5,877	13,107	38,259	3,564

WITZER- LAND.	Gold	Cash— Silver	Total	Discounts & Advances	Circulation	Deposits
23. '14 ...	£7,202	£758	£7,960	£4,817	£10,718	£4,026
14. '20 ...	21,687	3,609	25,296	14,179	36,555	6,639
23. '20 ...	21,696	3,669	25,267	13,258	36,014	5,946
23. '19 ...	18,712	2,643	21,354	17,380	34,736	5,172
23. '18 ...	15,381	2,129	17,510	14,053	28,211	4,474

* Converted at 24 crowns to £1.

† Net reserve. • Converted at par rate of exchange approximately

U. STATES FED. RES. BANKS.							
... 24. '20	£394,366	—	£425,746	£33,426	64		
... 31. '20							
... 9. '19							
... 30. '18							

II. CURRENT BANK RATES OF DISCOUNT.

	4½	1, 15			5½		15, 14
	5	23, 14	Madrid ...		5		10, 19
	5	21, 19			6		8, 20
	5	29, 20			7		29, 14
	5	28, 20			6	Montreal	12, 20
	5½	5, 19			7		18, 20
Calcutta ...	5	June 25, 20	Tokio ...		7		18, 19
	7	16, 20			5		12, 15

III.—FOREIGN EXCHANGES.

LONDON ON		20	27, 26	20	20, 20	20
		177m.	176m.		179m.	
		4	4		4	
		25kr. 27	24kr. 32		24kr. 10	
		11fr. 16c.	11		11	
	do.	25	78fr. 37		73fr. 50	
New York	do.	$3 56	$3 57		$3 63	
	3 mos.	25kr. 27	24kr. 32		24kr. 10	
		49	49		49	
	3 mos.	23kr. 85	23kr. 90		23kr. 93	
		17kr. 71	17kr. 62		17kr. 58	17kr. 62
Switzerland	3 mos.	22fr. 16c.				

ON LONDON		20	27, 20	20	20, 20	20
	Sight	97	97		97	97
Amsterdam ...	Cheques	11 16	11 14		11 04	12·107
	Cable	33kr. 10	33kr. 00		32kr. 90	25kr. 22
	Transfers	1 10	1 10		1 10	
		48fr. 27c.	48fr. 12c.		47fr. 87	
Buenos Ayres..		56	56		57	
Calcutta	do.	1s. 10d.	1s. 10d.		1s. 10d.	
Christiania ..		24kr. 55	25kr. 23		24kr. 42	18·159kr.
		34	35		34	
	Cable	108m.	114		4s. 4d.	
Hong Kong ..		4s. 2d.	4s. 4d.			
	Sight	76fr. 80c.	76fr. 75c.		76fr. 90	53·1
	do.	11	11		11	25·0
	do.	1 10	1 10		1 10	
	do.	23fr. 84	23fr. 80		23fr. 90	
	do.	57	57		57	
		$3 91	$4 03		$4 04	$4 86
New York ..		$3 55	$3 58		$3 60	
	60	$3 52	$3 56		$3 57	
	Cable	$3 561	$3 59		$3 62	$4 86
		51 12½	51fr. 15c.		50fr. 90	
	90	13fr.	13fr.		13fr.	16
		6 10	6 10		6 10	
		2 3	2 3		2 3	
		17kr. 71	17kr. 65		17kr. 60	
		21 67	21 68		21 68	
	90	12½	12½		12½	18
Yokohama	Sight	1 10	1 10		1 10	

NEW YORK ON		20	27, 20	20	Quoted 20	
		32 00	31 90		40 20	
		33 25	34		48 66	
		117 50	118 25			
Christiania, cheques		14 20c.	13 95c.		26 80c. for 1 kroner	
Copenhagen, cheques		14 30c.	13 95c.		26 80c.	
		10 85c.	10 85c.		19 95	
		75 50	78		74 50	
		21 38f.	21 60f.		5 28	
		4 99f.	4 99f.		4 86	
Manila, cheque		46 50	46 10c.		50	
Montreal		9 375	11 25			
		14 12c.	14 22fr.		5 58	
					52 43	
Rio de Janeiro, cheques		5 24	5 12mil.		3 03	
		106	113		1	
Singapore, cheques		50 00	51		1	
Spain, cheques		14 97c.	14 87		19 30	
		20 20	20 20		26 80	
Switzerland, cheques		19 00c.	6 08fr.		20 61	
		19 00c.	19 00c.		20 61	
Yokohama, cheques		99 00	99		49 84	

IV.—BANKERS' CLEARING-HOUSE RETURNS.

	1920					
	28	£2,719	£162	£129,381		
		1,775	147			
		756	54			
		1,767	141			
		960	104			
LIVERPOOL ...	28	15,192	1,294	576,054		
MANCHESTER	28	24,198	1,911	1,069,961		
NEWCASTLE	28	3,171	519	108,400		
	28	830	146			
	28	1,274	206			
	1920					
	1	638,030	194,378			
	1	32,609	41	1,447,509		
	1	67,857	6,477	2,782,522		

V. FREIGHTS AND HOMEWARDS.

Alex. to U.K. ...	22 6	23 9	11 6
Aust. to U.K. ...	125 0		
Filiyo to Cardiff	16 0	16 0	
to pay			
		27 6	
Danube to U.K.	56 3	12 0	

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	SEPT. 3, 1920.	SEPT. 5, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	231 0	166 0	57/0
— Middlesbro' warrants ...ton	225 0	160 0	51/0
— Hematite warrants ...ton	260 0	200 0	61/0
— Staffordshire bars, London ...ton	£33 10	£22 10	£8 10
— Common bars ...ton	£30	£22 10—£23	£6 16
Steel Rails ...ton	£25	£16 10	£6 2/6
Galvanised Sheets ...ton	£48—£51	£31	£16 17/1
Copper—Standard ...ton	£95	£101	£68
Tin—English Ingots ...ton	£263—£264	£278	£142 15
— Straits ...ton	£262	£280	£139 10
Tinplates, I.C. Coke, S. Wales...box	36/0—36/6	11/101—12/0	
Lead—Soft Foreign ...ton	£36 10—£36 12 6	£25 2 6—£25 17 6	£19
Spelter—Ord. Foreign ...ton	£37 15—£38 5	£41—£41 15	£21 7/3
Quicksilver—(75lb.) ...bottle	£18	£23 10—£24 10	£8
Aluminium ...ton	£155 home	£150	£92
Antimony—Regulus Foreign ...ton	£45—£55	£43	£27 10
— English ...ton	£50—£60	£45	—
Coal—Best Yorkshire ...ton	37/2—38/2	29/6—30/6	17/6
— Steam (best Newcastle) ...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—Leblanc, 76 per cent. ...ton	15 10	9 11	7/4
Soda—Crystals ex wharf ...ton	110 0	129/0—130/0	42/6—45/0
Soda—Caustic, 70 per cent. ...ton	£53	£55 10	£23 15—£24 7 6
Copra—Malay and Straits ...ton	42 6—45 0	56/0	16/10½
Sambier—Good marks ...cwt.	13/0—16/6	9/0—10/6	3/2—3/8
Indigo—Bengal good to fine ...lb.	18/0	£10	£25 5
Linseed Oil—Raw ...ton	£39	£48	£13 16 9
Linseed—Calcutta, spot ...ton	£20 10—£21	£25	£7 17 6—£8
— Odessa, T.K. prompt, ex mill ...ton	—	nom	£19 10
Olive Oil—Spanish ...ton	£97	£97	£31 10
Palm Oil—Lagos ...ton	2 2	1 6s	71d.
Petroleum—American ...gallon	£90	£108	£32
Rape Oil—Refined English ...ton	£91	£83	£24 10
Soya Oil—Refined ...ton	72/0—78/0	86/0—112/0	29/3—33/3
Tallow—Imported ...cwt.	140 3	128 0	33/7½
Turpentine—American ...cwt.	£3 4 6	£4 9	£13 5
Rape Seed—Toria ...ton	1 8	2/5	2/9½
Rubber—Para, spot ...lb.	1/3 3/32	2/01	5/2
— Fine plantation (standard) ...lb.	2/525	2/6 3/8	8/467
— World's Production, July ...tons	590/0	488/0	63/0—64/0
Shellac—T.N. Orange, fair ...cwt.			
TEXTILES.			
Cotton—Middling Upland ...lb.	22 9d.	18 6d.	7 53d.
— Egyptian, good fair ...lb.	49 0d.	29 75d.	8 75d.
— Pernambuco fair ...lb.	33 3/8d.	29 45d.	7 73d.
— Midland Uplands, New York ...lb.	26 6d.	21 63d.	7 73d.
— Stock, Liverpool, Aug. 20 ...bales	856,780	816,830	934,600
Flax—Petrograd, Outpost ...ton	£65	nom	£28
Hemp—New Zealand ...ton	£65	£47 10—£49 10	£25 10
— Manila, Fair ...ton	£66	£49—£52 10	£26 10
Jute—Fine Marks ...ton	£47 10	£42	£26 15
— BCC ...ton	£35	—	£24 15
Silk—Blue Florbant ...lb.	32/6	28/6	11/3—11/6
Wool—Ft. Phillip new skin ...lb.	1/4	3/11	11½d.—1/0
— Lincoln Half Bloods ...lb.	13d.	2 0	7½d.
Hides—Eng. Ox, best, 76 lb. up ...lb.	3/0—3/6	3/0—3/6	1/4—1/8
Leather—Dressing Hides ...lb.			
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	30,444,000	81,675,000	34,640,000
— Red, prime, N.W. 60lb. ...bushel	280c.	237c.	67½c.
—English Gazette, aver. 480lb. qr.	50 11	73 3	34/3
Flour—G.R. ...280lb.	63 6	44 7	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	38 5	36 7	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	55/4	61 10	20/0
Maize—N.Y. (new bushel)...56lb.	—	18c.	76½c.
— Amer. mixed, Liverpool ...480lb.	nom.	nom.	32/4
— La Plata ...480lb.	65 6	65 0	25/9
Potatoes—Good English ...ton	180 0	180 0	70/0—75/0
Rice—Bassein ...cwt.	41 0	26/0	7/0
Tapioca—Pearl, medium ...cwt.	36 0—40 0	45 0	14/0—17/8
Hay—best ...2,016lb.	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hinds ...8lb.	6/8	6/0—6/6	3/8—3/10
— Scotch sides ...8lb.	11 0	8 6	4/6—5/0
— English ...8lb.	11 0	8/6	4/6—4/6
Mutton—Scotch wethers ...8lb.	14 6	9/0	5/8—5/4
— English wethers ...8lb.	14 0	7/6	4/4—3/2
— New Zealand frozen ...8lb.	4/0—4/6	7/6	2/4—3/2
Pork—English and Irish ...8lb.	16 6	10 8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†280/0	190/6	60/0—74/0
— Danish ...cwt.	†204 0	†187 0	58/0—68/0
— Canadian, ex Port ...cwt.	†200 0	†187 0	—
— American ex Port ...cwt.	†180/6—187 0	187 0	72/0—74/0
Hams—American cut, ex Port ...cwt.	†216 0	†190 0	75/0—79/0
— — short cut, ex Port ...cwt.	†216/0	†190 0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	†198 6	51/9—52/9
Butter—Danish ...cwt.	†303/4	252 0	117 0—120 0
— French ...cwt.	†303/4	†252 0	96 0—108 0
— Australian ...cwt.	†303/4	†252 0	98 0—110/0
— New Zealand ...cwt.	†303 4	†252 0	108/0—114/0
Cheese—Canadian ...cwt.	†162/0—166/0	†144 6	66 0—68/0
— United States ...cwt.	—	†144 6	—
— Dutch ...cwt.	†84 0—168 0	†144 8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to July 31 ...cwt.	18,117,242	20,109,795	19,777,254
— Home consumption to July 31...cwt.	14,330,229	17,822,141	17,272,000
— In Bond July 31 ...cwt.	10,392,000	8,145,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	90 0	36 0	10/3
— — Yellow crystals ...cwt.	112/0	57/6	12/6—14/0
— — Tate's Cubes, No. 1...cwt.	116 0	64/9	18/0
Coffee—Imports to July 31 ...cwt.	523,444	822,078	720,360
— Homeconsumpt'n to July 31...cwt.	149,116	183,739	141,410
— Exports to July 31 ...cwt.	295,100	261,536	340,250
— In Bond July 31 ...cwt.	772,000	989,000	484,000
— Price, Costa Rica gd. to fine cwt.	135/0—160/0	145/0—155/0	80/0—83/0
— Brazil (Santos) Good ...cwt.	90 0	65 9	41/6
Tea—Imports to July 31 ...lb.	251,028,769	266,636,936	123,230,377
— Home consump'n to July 31 lb.	216,942,382	224,193,566	155,447,972
— Exports to July 31 ...lb.	26,098,850	15,642,000	26,561,705
— In Bond July 31 ...lb.	220,172,000	143,729,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	6d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	5d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	8½d.
Cocoa—In Bond July 31 ...cwt.	1,526,000	1,405,000	309,000
— Grenada, good to fine ...cwt.	83 0—85 0	85 0	52/6—56/0

° Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Week	$17,3 8 0 0	+2,656,000	$1,619 000	—$1,377,000
	7 mos. to Jul	109,434,000	+17991000	13,047,000	—2,136,000
Grand Trunk ...	Week	£1,580,600	+£322,700	£210,400	—£22,900
	7 mos. to Jul	8,438,100	+1,222,500	225,500	—324,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS

°,° *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrants, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	July	24	1,044	Rl.90,710 +	5,075	16	32,41,701 +	2,20,895
Barsi Light ...	July	31	118	57,000 +	37,000	17	5,96,100 —	5,900
Bengal & N.W.	July	24	2,067	4,39,430 +	23,305	16	82,73,628 —	4,97,293
Bengal Dooars	July	31	158	31,037 —	1,365	17	4,80,370 +	15,234
Beng. Nagpur	July	24	2,695	9,64,000 —	2,65,000	16	2,07,81,000 —	8,51,000
Bomb. Baroda	Aug.	21	2,871	16,82,000 +	1,96,000	21	3,81,11,000 +	12,03,000
Burma ...	July	17	1,342	4,67,394 —	14,996	15	85,37,597 —	36,199
Del.Um. Kalk.	Aug.	21	239	88,830 +	2,695	21	19,43,648 —	6,057
East Indian ...	Aug.	28	2,772	25,83,000 +	3,78,000	22	6,01,74,000 +	43,07,000
Gt. Indian Pen	Aug.	21	3,1213	13,00,000 +	2,16,900	21	5,20,36 810 —	5,04,430
Madras & S.M.	July	31	3,152	13,00,000 +	27,582	17	2,20,82,902 —	1,23,357
Mysore Guar.	July	24	900	2,74,842 —	19,730	16	52,25,168 —	17,387
Rohi. & Kumn.	July	24	576	86,737 —	28,969	16	20,45,936 +	1,77,528
South Indian	July	24	1,8524	7,60,554 —	53,518	16	1,32,95,708 +	3,55,152
South Punjab	Mar.		716	7,53,200 +	41,772	6m	46,56,803 —	1,72,473

COLONIAL								
Can. Northern	Aug.	21	9,704	$1,331,700 +	249,700	33	55,961,723 +	6,023,574
Can. Pacific ...	Aug.	21	13,388	3,995,000 +	321,000	33	120,827,000 +1	9,270,000
Grand Trunk	Aug.	21	3,616	£381,492 +	46,433	33	9,508,727 +	1,121,662
Mashonaland	Jan.		810	91,152 +	21,431	9m	662,619 +	178,922
Mid. W. Aust.	June		277	9,266 —	2,303	6m	129,028 +	19,327
NewCapeGeld.	Aug.	7	205	2,431 +	574	32	97,405 +	17,402
Rhodesia Rlys.	June		1,397	134,202 +	29,272	9m	—	—
Temiscouata...	June		—	$35,385 +	6,147	6m	187,427 +	11,302
W. Pass.&Yuk	Dec.		122	1,568,626 +	124,546	12m	1,568,626 +	124,546

FOREIGN.									
Argentine.									
Arg. N. East...	Aug.	21	752	£	13,500 +	1,000	8	94,900 +	13,400
Arg. Transand.	Aug.	28	113	£	1,574 +	874	9	12,234 —	8,168
B. A. & Pacific	Aug.	28	3,538	£	130,000 —	18,000	9	1,235,000 +	84,000
B.A.Gt. South	Aug.	26	3,792	£	136,000 —	60,000	9	1,200,000 —	184,000
Do.	Net			£	11,000 —	62,000	9	88,000 —	279,000
Do.	Aug.	28		£	74,000 —	27,000	9	630,000 —	162,000
B. A. Western	Aug.	28	1,882	£	9,000 —	26,000	9	111,000 —	115,000
Do.	Net			£	54,127 +	9,106	1m	—	—
B. A. Central	Jan.		190	£	195,000 +	37,000	9	1,724,000 +	477,000
Cent. Argent.	Aug.	28	3,305	£	30,000 —	31,500	9	507 350 +	850
Cord. Central	Aug.	26	1,205	£	22,700 —	400	8	165,300 —	1,300
Entre Rios ...	Aug.	21	811						
Brazilian.									
Brazil South.	June		110	M	40,750 —	16,850	6m	293,250 —	11,081
Brazil Railway	Dec.		3,530	M	4,959,000 —	141,271	12m	57,772,000 +	7,819,924
Gt. W. Brazil	Aug.	28	1,010	£	14,200 —	1,500	34	748 600 —	99,400
Leopoldina ...	Aug.	28	1,831	£	47,377 —	2,078	34	1,839,356 +	530,744
Mogyana	Dec.		1,180	M	1,561,000 —	956,490	12m	22,267,000 —	2,474,65
Paulista	Dec.		768	M	2,850,000 —	906,038	12m	32,479,000 —	1,225,89
San Paulo ...	Aug.	28	153	£	52,182 +	12,408	34	1,581,795 +	420,36
Sorocabana ...	Dec.		1,003	M	1,749,000 —	246,168	12m	21,953,000 +	976,65
S. of Bahias, W.	July		52	M	130,000 +	18,000	7m	691,000 +	89,00
Chilean and Peruvian.									
Antofagasta...	Aug.	29	838	£	52,300 —	29,645	34	1,592,020 +	728,67
Arauco	June		844	£	12,000 +	500	6m	76,000 +	10,70
Nitrate Rlys.		15	390	£	41,720 +	27,726	30	625,058 +	338,36
Peruvian Corp.	July		1,140	$	1,132,350 +	73,620	1m	—	—
Talcal	July		180	£	11,750 +	1,312	1m	—	—
Cuban.									
Cuban Central	Aug.	28	362	£	22,428 +	5,542	9	198,916 +	48,76
Havana Cent.	Aug.	14	70	£	13,077 +	2,698	8	84,108 +	18,1
C. of Havana	Aug.	28	681	$	74,418 +	16,873	9	582,671 +	90,4
W. of Havana	Aug.	28	155	£	13,056 +	3,228	8	104,887 +	23,8
Uruguayan.									
Cent. Uruguay	Aug.	28	273	£	18,215 —	302	9	159,207 —	16,5
,, (E. Ext.)	Aug.	28	311	£	4,451 —	204	9	40,490 —	5
,, (N. Ext.)	Aug.	28	185	£	2,634 —	871	9	23,973 —	6,8
,, (W.Ext.)	Aug.	28	211	£	2,475 —	819	9	18,908 —	1,3
Mid. Uruguay	July		319	$	15,957 —	1,930	1m	—	—
N.W. Uruguay	July		113	$	5,957 —	557	1m	—	—
Urug. Northn.	July		73	£	1,315 —	80	1m	—	—
Miscellaneous									
Alcoy & Gandia	Aug.	21	33	Ps.	12,000 +	3,000	33	446,300 +	96,8
Bilbao	July		15	£	3,759 —	1,161	7m	24,476 +	5,8
Bolivar	July		136	£	9,536 +	369	7m	77,573 —	8,1
Colomb. Natnl.	June		86	£	21,540 +	5,280	6m	108,190 +	33,6
Costa Rica ...	June		189	£	23,113 +	781	12m	317,253 +	48,4
Dorada Ext...	July		70	£	3,530 +	1,530	7m	118,178 +	45,0
Egyptian Delta	Aug.	10	6594	Ps.	86,784 +	8,935	34	2,935,631 —	924,4
Gt. S. of Spain	Aug.	21	104	£	14,580 +	7,790	7m	93,650 —	42,7
La Guaira&Ca.	Aug.		22½	£	15,117	—	—	—	—
Ottoman Ry...	July	31	379	£	5,046 —	220	8	38,330 —	2,4
Paraguay Cent.	Aug.	21	274	£	5,500 +	2,000	7m	38,750 +	5,4
Puerto Cabello	July		34	£	3,377 +	248	9	28,434 —	1,4
Salvador	Aug.	28	100						
Santa Fe Prov.				£	149,864 +	976	7m	1,129,304 +	3,4
French Rys.	July		1,181	£	18,780 +	1,246	7m	110,123 +	28,4
S'tn'nas&S'tf'go	July		80	£	11,422 +	5,559	7m	84,852 +	20,4
Zafra & Huelva	July		112						

TRAMS.									
Anglo-Argent.	Aug.	26	400	£	78,949 +	14,930	34	2,554,193 +	646,4
Auckland Elec.	June	30	27		—	—	52	293,502 —	2,1
Bombay Elec.	May		39	R.	8,40,311 +	77,990	5m	33,77,054 +	5,50,1
Brazilian Trac.	July		3781	£	111,713,000 +	1,675,000	7m	72,785,000 +	8,758,0
Brisbane Elec.	July		404	$	53,300 +	11,680	7m	320,499 +	88,1
Brit. Columbia	June		334	£	710,210 +	298,605	12m	8,737,132 +	1,674,9
B. A. Lacroze	July		61	£	51,508 +	6,826	1m	—	—
Calcutta Elec.	Aug.	28	35½	R	97,283 +	8,954	35	31,51,093 +	2,82,1
Cap. Electric	May		42½	£	30,560 +	2,016	5m	3,09,208 +	34,0
Carth. & Herr.	Aug.		9	£	3,721 —	730	8m	26,491 +	12,6
Chatham&Dist	Aug.	19	15	£	2,048 +	214	33	56,307 +	6,8
Havana Elec.	May		36	$	946,201 +	205,997	5m	4,587,376 +	1,010,1
Isle of Thanet	Aug.	25	204	£	5,083 +	381	47	52,479 +	12,6
Kalgoorlie ...	Aug.		204	£	3,276 +	480	5m	14,914 —	—
Lanchshire ...	Aug.	19	281	£	4,423 +	188	33	137,960 +	20,0
Lima Light ...	June		85	£	55,819 +	8,064	6m	343,173 +	86,0
London C.C.	Sept.	1	1414	£	84,824 +	5,168	21	1,667,592 +	71,0
Madras (2wks.)	Aug.	31	154	Rs.	56,458 +	6,953	32	7,35,379 +	1,42,1
Manila Electric	June		55	$	287,168 +	106,455	6m	1,621,394 +	395,0
Pernambuco...	Aug.	28	59	£	5,667 +	610	34	241,233 +	64,0
Provincial ...	Aug.	14	214	£	9,977 —	129	46	150,384 +	1,0
Rangoon Elec.	July		25	£	7,911 +	1,349	7m	55,382 +	11,0
Shanghai Elec.	July		262	M.X.	163,200 +	24,200	7m	1,018,453 +	193,0
Singapore Elec.	July	10	264	$	20,842 +	6,713	26	685,494 +	253,0
U. of Montevid.	July		901	£	39,647 +	5,508	9m	386,935 +	55,0

An International Bank for the Development of Trade

THE Guaranty Trust Company of New York, through its Offices in London and Liverpool, offers its facilities to meet the financial needs of established merchants and manufacturers.

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Paid-up Capital and Surplus - $50,000,000
Total Assets more than - $800,000,000

The Statist.

LONDON, SATURDAY, SEPTEMBER 4, 1920.

TRADE BALANCES.

It is one of the tragedies of the present economic situation in Europe, that while productive power has decreased, by an amount variously estimated at between forty and fifty per cent., consuming power has substantially increased, despite the wastage in population caused by the War. The gap between the two is, moreover, being widened in some countries because of the continuous lack of proper nourishment and clothing on the part of already impoverished and enfeebled peoples. The further lowering of productive capacity thereby caused has eventually led in more than one case to civil dissensions, and these render the rehabilitation of national finances a matter of increased difficulty. In addition, the labour element, especially in Latin and Slavonic countries directly affected by the War, is much more intransigeant than even the most pessimistic observers feared here, and the reduction of hours, increase of wages, and deliberate curtailment of output have combined to restrict economic development. A period of such development is more than ever essential to the peace and well being of the world. Even for countries which are not in the throes of revolution, an equilibration of public budgets will call for no little fortitude, and will need wise and far-seeking guidance. As a first step towards restoring the flouting of economic axioms, which has in the past proved disastrous, must be discovered, and must no longer be in the case of obvious economic truths. To restore order, the extent of the evil must first be carefully appraised, and for this purpose the principal concern, as affecting the international position and therefore the exchanges, lies with the external trade balances. We have accordingly in the following table given a summary of the movements in the commercial balances of the principal countries of the world as far as statistics are available, since 1913 onwards:

BALANCE OF TRADE OF PRINCIPAL COUNTRIES OF THE WORLD.
(In Millions of £.)

	1913	1914	1915	1916	1917	1918	1919
United Kingdom	-- 192·1	-- 141·1	-- 358·1	-- 523·1	-- 450·1	-- 325·1	-- 440·1
Spain	-- 5·1	-- 4·1	-- 4·1	-- 4·1	-- 4·1	-- 4·1	-- 4·1
Canada	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1
Australia	-- 4·1	-- 4·1	-- 4·1	-- 4·1	-- 4·1	-- 4·1	-- 4·1
United States	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1
France	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1
Italy	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1
Belgium	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1
Sweden	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1
Switzerland	-- 21·6	-- 11·5	+ ·1	+ 2·7	-- 3·2	-- 17·3	-- 9·3
Japan	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1
Argentina	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1	-- 14·1
Germany	-- 14·1						
United States	-- 14·1						

The general re-exports and the exports and imports of gold and silver coin and bullion for the different nations have been so handled as to secure, to the greatest possible extent, uniformity in compilation. The accuracy of the table for comparative purposes is, however, to some degree vitiated by the fact that widely different bases of valuation have been used by different Governments in calculating the extent of their national trade. Some take c.i.f. values, others f.o.b. values, and others again, where imports are concerned, official average values according to the country of origin. In this, as in many other respects, the way of the statistician groping for truth as to international conditions is by no means easy, and some uniformity of principle, apart from necessary currency variations, should be adopted in compiling statistics, such as those above given, of international significance.

From the table it will be seen that only two nations, the United States, Spain, Canada, and Argentina, have a balance of exports over imports. The reasons accounting for their position are too familiar to need repetition here, as are the causes that have combined in the remaining instances to bring about an adverse trade balance. The latter countries are far the more numerous of the two groups, and though the unfavourable exchanges, the inevitable accompaniment of their debtor position, afford an artificial stimulus to exports, the working of this stimulus is checked not only by the disappearance of the old export and import gold points but by the sheer inability to produce. The state of the exchanges hampers the importation of food and necessary raw materials, and until the incubus so imposed on production is removed, the redintegration of economic Europe cannot be satisfactorily commenced.

The process of recovery is much hampered by the swollen budgets that have everywhere to be met, and the disinclination or disability of Governments to curtail expenditure. Before the War the annual outlay of civilised Governments throughout the world was approximately £1,500,000,000, and the present total amounts to about £3,000,000,000. A part of this expenditure is incurred on armaments, and the expenditure on [illegible] have [illegible] expenditure and the estimated expenditure in 1920.

EXPENDITURE OF VARIOUS STATES. (In millions.)

State	Unit of Currency	Pre-War Expenditure*	Estimated Expenditure	Percentage Increase in Expenditure	Service of Debt Pre-War	Required for Service of Debt in 1920	Percentage of Estimated 1920 Expenditure required for Service of Debt
Germany	Mark	(5,520·9)	(52,400)	+ 1,488	(239·4)	(12,400)	23·6
Belgium	Franc	(810·9)	8,866·4	+ 993	(147·5)	1,666·6	12·6
France	Franc	(5,066·9)	48,995·4	+ 867	(1,287)	11,463	23·4
U.S.A.	$	(735·1)	6,812·9	+ 827	26·9	1,052	15·4
Italy	Lira	(2,675)	21,670	+ 792	(688)·	5,346	24·7
Australia	£	(15·5)	102·5	+ 561	(9·2)	17·6	17·2
United Kingdom	£	(197·5)	1,181	+ 500	(32·7)	345	29·3
Switzerland	France	(105·3)	604·1	+ 474	(9·2)	90·4	14·9
Norway	Krone	(166·7)	759·8	+ 356	(17·3)	34·7	4·6
Canada	$	(144·5)	(537)	+ 272	(14·75)		—
Portugal	Milreis	(70·3)	234·7	+ 234	—	61	27·3
Sweden	Krona	(261·1)	869·6	+ 233	(38·9)	106·3	12·2
Holland	Gulden	(238·7)	733·1	+ 207	(38·9)	141·7	19·3
Japan	Yen	(573·6)	1,563·9	+ 172	(142·6)	94·5	6·0
Denmark	Krone	(123·6)	335·4	+ 171	(14·1)	48·9	14·6
South Africa	£	(19·2)	29·9	+ 108	(4·5)	7·2	18·0
Spain	Peseta	(1,536·6)	2,403·7	+ 57	—	535·1	22·2
British India	Rupee	(1,543·5)	2,226·1	+ 44	—	122·9	5·5

* Expenditure for the financial year 1913-14 except in case of Belgium, for which figures for 1911 have been taken.

No direct comparison is possible between these figures unless the extent of the currency depreciation in the various countries is taken into account. Germany certainly suffers to the largest extent from inflation and its consequences, and the medium of exchange in Italy, France, and the United Kingdom, in descending order, is similarly affected. Despite the comparatively favourable condition of our currency, the proportion of our expenditure required for debt services is larger than in other countries, Portugal, Germany, and France coming next, while Spain, a non-belligerent, has the high percentage of 22.2. France would have fared better in the table but for the inclusion in its Budget of fourteen milliards of francs for the restoration of the devastated areas.

The United States, 15.4 per cent., occupies a high place in the list despite the relatively small decline in the value of the dollar, and this is due to the low level of expenditure by the Federal Government, as distinct from the expenditure by the different States before the War. The funding of these debts at lower interest rates would do much to relieve the burden of taxation and to lessen the percentage increase in State expenditure, which, as will be seen from the table, varies from fifty-seven per cent. in the case of Spain to 1,488 per cent. in the case of Germany. It is not too much to say that every Government has in its own hands the financial salvation of its country, if it has the courage to reduce outlay from the public purse to the limits permitted by the real national income. A common effort in this direction by all Governments would do more to rectify exchanges and diminish the ill-effects of adverse trade balances than any number of conferences, international or otherwise, between premiers or between economists.

MONEY RATES IN NEW YORK.

THE Comptroller of the Currency in the United States has for some time past been busily investigating complaints of exorbitant interest charges brought against New York City banks, and though the inquiry has not concluded, the Comptroller declares his conviction that the "unjust and excessive rates maintained in New York City in the past ten months" have been "one of the potential causes, rather than the result, of the unsettling of values in our securities market, and of the burdensome rates which our railroad and industrial corporations, and other concerns and individuals, of the highest credit, have been required to pay for new capital." The accusations which are here made refer principally to call or demand loans, and as illustrating the effect which even comparatively small increases in rates would have on banker's profits, and the burden which it would entail on the mercantile community, the Comptroller points out that the call loans outstanding in the books of the National Banks in New York City on June 30 last were $500,000,000. In addition, an equal amount had been lent by the City State banks and trust companies. Interest of one per cent. on $1,000,000,000 of call loans would equal $10,000,000 per annum, or about $30,000 per day, and the raising of rates would benefit the banks to the extent of this amount for each increase of one per cent. Further additions to profits would be made if rates on time loans were augmented. On June 30, 1920, these long-term loans, exclusive of acceptances, were reported in the case of the National Banks of New York City as aggregating $2,205,000,000. In addition the New York City banks had placed loans for their correspondent banks to the extent of $635,000,000. The grand total of loans placed by all classes of banks in the City was thus 3,840 million dollars on the last day of the half-year, showing the dependence of the mercantile community on their services.

The Comptroller recognises that during the War the banks discharged their duties in an unselfish spirit, but he states that with the waning spirit of patriotism certain of their number tried, and are trying, to reap the maximum profit from present abnormal conditions. His words are worth quoting: "Unquestionably the general banking community of New York deserves the warm gratitude and admiration of the country for the loyal generosity with which it stood by and co-operated with the Government in time of crisis. That is history. With the fading of the appeal of war and danger to our patriotism there has developed among some members of that community, a tendency to take advantage of situations to force inordinate profits for themselves, regardless, perhaps, of effects upon the general welfare of the country."

The Comptroller's allegations refer to the past ten months, and for the benefit of our readers we show in the following table the range of rates for call loans and the discount rate for prime mercantile paper in each week since the commencement of August 1919:—

MONEY RATES IN NEW YORK.

Week ended 1919.	Range of Rates for Call Loans.	Discount Rate Prime Mercantile Paper	Week ended 1920	Range of Rates for Call Loans	Discount Rate Prime Mercantile Paper
	%	%		%	%
August 2	5–18	5½–5¾	Feb. 7	10–25	6–6½
„ 9	5–6	5½–5¾	„ 14	6–14	6–6½
„ 16	5½–6	5½–5¾	„ 21	6–7	6½–6¾
„ 23	5½–8	5½–5¾	„ 28	6–15	6½–6¾
„ 30	5–6	5½–5¾	March 6	6–7	6½–6¾
Sept. 6	5½–6	5½–5¾	„ 13	7–15	6½–6¾
„ 13	5½–7	5½–5¾	„ 20	6–9	6½–6¾
„ 20	4–6	5½–5¾	„ 27	6–14	6½–6¾
„ 27	5½–9	5½–5¾	April 3	8–12	6½–6¾
Oct. 4	6–15	5½–5¾	„ 10	6–10	6½–6¾
„ 11	6–12	5½–5¾	„ 17	6–15	6½–7
„ 18	6–15	5½–5¾	„ 24	6–7	6½–7
„ 25	1–8	5½–5¾	May 1	7–15	6½–7
Nov. 1	4½–10	5½–5¾	„ 8	6–9	6½–7
„ 8	2–20	5½–5¾	„ 15	7–10	7
„ 15	6–30	5½–5¾	„ 22	6–8	7
„ 22	6–12	5½–5¾	„ 29	6–7	7
„ 29	5–10	5½–6	June 5	6–10	7
Dec. 6	5½–7	5½–6	„ 12	6–12	7
„ 13	6–15	5½–6	„ 19	6–8	7
„ 20	5–9	5½–6	„ 26	7–14	7
„ 27	7–18	5½–6	July 3	7–15	7
1920			„ 10	7–10	7
Jan. 3	6–25	6	„ 17	8–11	7
„ 10	6–10	6	„ 24	8–9	8
„ 17	6–10	6	„ 31	7–10	8
„ 24	6–8	6	August 7	6–8	8
„ 31	7–20	6	„ 14	6–7	8

While the discount rate has been steadily rising the lower call rates, after fluctuating between three per cent. and five and a-half per cent. in August and September 1919, finally adjusted themselves to the

limit of six per cent., and from the middle of November onwards fell below that limit only on exceptional occasions. The excessive variation in the same week of call rates is to some extent due to the fact that the New York Money market is much more sensitive than our own; while the rigidity of the banking system, with its widespread insistence on minimum reserve ratios and weekly disclosure by the City banks of the proportion of cash to liabilities, makes the procuring of loans at times a matter of the utmost difficulty, except at extremely high rates. Moreover, in New York a much more intimate connection exists than in London between the Money market and the Stock Exchange. There is always a large potential demand for funds for speculative purposes on the Exchange, and when money shows signs of cheapening this demand becomes active and usually leads to a rapid forcing up of rates. Thus call loans, as can be seen from our table, ranged from two per cent. to twenty per cent. in the week to November 8, and from ten per cent. to twenty-five per cent. in the week to February 7. Since the end of March, however, and particularly from May onwards, the rates did not swing within so wide a compass, mainly because one of the features of the deflation policy instituted about that date was the restriction of credit extensions, and especially of loans for Stock Exchange operations. The general movement in rates, as shown in our table, does not bear out Mr. Williams' charges, even though prime mercantile paper at eight per cent., the rate ruling recently, is higher than it has been since the days of the Civil War. The continued weakness of the New York position, as further evidenced by this week's returns, which show an increase in loans and a further decline in reserves, is another testimony to the necessity of curbing credit demands by raising rates, a policy that has received the imprimatur of so august a body as the Federal Reserve Board.

NITRATE POSITION.—I.

There was once a man, Khunianpu by name, who was a fellah of the Plain of Salt, and he had a wife, Notrit by name. This fellah said to his wife, "Lo! I go down to Egypt to bring back bread from thence for our children; go, measure me the corn that is in the granary." Then the fellah said to his wife, "Behold! here are two bushels of corn for thee and thy children, and of the remaining six bushels make me bread and beer for each day that I shall be on the journey." When this fellah went down to Egypt he loaded his asses with reeds, rushes, natron, salt, wood of Uit:, acacia, wolf skins, jackal hides, sage, onyx, maize, colocynth, coriander, aniseed, talc, ollite, wild mint, grapes, pigeons, partridges, quails, anemones, narcissus, seed of the sun, hairs of the earth, and allspice, complete with all the good products of the Plain of Salt.*

The natron above referred to was probably potassium nitrate (KNO_3), small deposits of which are to be found in tropical countries like India, Egypt, Persia, South Africa, &c., and are produced by the decay of nitrogenous organic material, first into ammonia, and later, by oxidation, into nitric acid.

It is a far cry from the days when Khunianpu went [illegible] Egypt [illegible] (the 13th dynasty, or 2400 B.C.), to the time when nitrate was first imported into Europe, but so early a record of the use of nitrate is certainly interesting. To a German, one Tadeo Haenke, is ascribed the initiation of a business destined, as we shall see later, to play an important part in the world's economics.

In the year 1809 this gentleman living in Bolivia invented a process for extracting potassium salts from the caliche found on the pampa, and various establishments were erected in the following years for the manufacture of nitrate. These early efforts are not known, but their methods of working were naturally [illegible] the ore containing the nitrogen—was probably picked up from the surface of the ground and mixed in open copper pots [illegible] pounds with certain quantities of water. Fires were then lighted underneath and the contents boiled for some hours, until a small skin on the surface was formed, indicating a sufficient saturation, when the liquor, or "caldo," as it is called, was run into another tank, where it was clarified, and subsequently passed on to a third tank, where it crystallised.

In the year 1840 [illegible] of the boiling tanks were changed, and the process of manufacture was considerably improved. About 1880 the "Shanks" system was introduced, and is still employed to-day, although many other processes and methods have been tried from time to time, concerning some of which we shall have more to say later. During these years a growing volume of shipments of nitrate, and consequent consumption, had been taking place, due to a demand for the commodity, whose virtues even in those days appear to have been recognised.

In this connection it may be interesting to note that in the year 1850, 510,879 quintals of nitrate were shipped. In 1870, 2,943,414 quintals were shipped, and five years later, in 1875, 7,205,652 quintals more or less were exported. There were at this latter date some seventy oficinas (nitrate-producing establishments), owned for the most part by Chilians and Peruvians, although a few were in the hands of the English, Germans, and Italians. About this time the Peruvian Government decided to monopolise this growing industry and acquired, under a law of expropriation, the various nitrate properties. If we remember correctly, this monopoly was handed over to Messrs. Grace Brothers and Company to deal with. As a consequence of the monopoly the price of nitrate in Europe advanced to over 15*s.* a quintal, which led, however, to a large falling off in the consumption. The earthquake of 1877, which practically destroyed all the nitrate shipping ports, materially affected the exportation, and the difficulties of the situation were further intensified by the outbreak of war between Chili and Peru.

It may be mentioned here that trouble between Chili and Bolivia in connection with the imposition of an export duty upon nitrate was the direct cause of this unfortunate war, which provoked feelings and animosities not forgotten after the passing of so many years. To these various causes must be attributed the fact that in the year 1879 no more than 2,065,350 quintals of nitrate were exported. Up to this time the southern and more remote nitrate fields of Toco, Antofagasta, and Taltal had received but little attention [illegible] the latter were certainly much richer and better known. Moreover, the lack of railway, general transport, and other facilities had militated against their development. The restriction of output from Tarapacá and the stringent blockade of Iquique, the chief shipping port, gave, however, an unexpected impetus to the development of these districts. This was, indeed, short-lived, as the imposition by Chili, which, as one of the results of the War, now owned the nitrate pampas, of an export duty of twenty-eight pence per quintal made it impossible for the more outlying establishments to compete with those in the Tarapacá district, because [illegible] deposits and lack of railway services. At the conclusion of the war Chili had to decide upon the [illegible] to be followed with regard to the nitrate [illegible] Peru should be maintained, [illegible] freedom of production on the part of individual owners [illegible]

* In the country of the Wady Natrun, to the west of the Delta, and north-east of Hnes.

over, the experience of the Peruvian Government during the short time it controlled the nitrate industry had not been altogether happy; and, again, the Chilian Government had not at its disposal men sufficiently experienced and competent to handle the business. Rightly, therefore, we think, it was decided to give up any idea of monopoly, and by the imposition of a fixed duty to secure for the country a permanent and growing income.

THE NON-FERROUS MINING INDUSTRY.

THE economic prospects of certain branches of the British non-ferrous mining industry, namely, those dealing with lead, zinc, and associated minerals, have lately been reviewed by a Committee appointed, on August 9, 1919, by the Board of Trade. Naturally, a point of great importance in influencing the Committee's deliberations and determining the nature of their recommendations was the upward trend of the prices of the metals during the War. The effect that this was likely to exercise on the future of the industry will be better appreciated when it is recalled that the home production for a long period previous to the War was declining owing to impoverishment connected with increasing depth, exhaustion, and the higher costs of extracting and pumping. On tin mining especially the fall in the price of the metal from £97.7 per ton in 1890 to £74.4 per ton in 1898 had a very depressing sequel. It is not surprising, therefore, that the Committee attached much weight to the recovery in prices between July 1919 and March 1, 1920, particulars of which are shown below. By way of comparison the quotations obtaining on a more recent date are appended:—

	Zinc £	Lead £	Spelter £
July 1919	253	24	42
January 1, 1920	317	46	58
March 1, 1920	105	52	59
August 1920	275	37	40

The period of the Committee's sittings witnessed a rise in prices of fifty-nine per cent. in regard to tin, one hundred and seventeen per cent. in lead, and forty per cent. in spelter. When, however, the comparison is extended to embrace July 1919 and August 1920, these percentage increases are largely modified. In respect of tin and lead, they are down to nine per cent. and fifty-four per cent. respectively, while spelter actually shows a decrease of five per cent. The movements of the metal market are, of course, erratic, and tin, in particular, is subject to violent fluctuations, but it is possible that any fall of prices, holding out some assurance of permanency, might have a serious bearing on the adoption of one of the Committee's recommendations. Thus it is urged that the Government should take powers analogous to those in force in the Dominions, to extend financial assistance on the advice of a new Mines Department to mining companies to enable them to tide over their difficulties or to undertake approved explorations and development. It is also suggested that the funds of the Development Commissioners should be made available for this purpose. Leaving aside the financial aspect of the matter, the advocates of State assistance to the metal-mining industry may still argue that the Government appeal for the exploitation of resources during the War is capable of repetition in a future emergency, and hence arises the necessity of maintaining the industry at a certain pitch of efficiency. But it may be objected that commitments on the part of the State would perhaps turn out to be of a more onerous character than contemplated by the Committee, since the extent of the profit margin of British mining companies necessarily fluctuates in harmony with the pressure of competition from the great foreign sources of supply. Home-produced tin represents but three per cent. of the world's production, and under fifteen per cent. of the normal home consumption; the corresponding figures for zinc are 0.65 per cent. and 1.65 per cent., and for lead 0.93 per cent. and nearly six per cent.

The downward trend of the home production of black tin and lead and zinc concentrates in normal years is shown in the following table. In contrast the satisfactory increase in the output of barium minerals and fluorspar will be noted:—

Production of Some Non-ferrous Minerals in the United Kingdom in the following years:—

	1890 Tons	1894 Tons	1913 Tons	1917 Tons	1918 Tons
Black tin	11,911	12,910	8,355	6,576	6,378
Tungsten (dressed ore, mainly wolfram)	104	—	182	241	302
Arsenic (refined and soot) ..	7,276	4,801	1,695	2,626	2,349
Lead concentrates	45,651	40,599	24,282	15,322	14,784
Zinc concentrates	22,041	21,821	17,294	7,484	9,025
Barytes (mainly)	25,353	20,656	50,045	65,557	66,360
Fluorspar	268	126	53,663	64,874	53,498

Tungsten ores, it might be remarked, are mainly by-products of tin-mining, and "white arsenic" is in most cases obtained during the treatment of tin ore. Barytes is in part a by-product of lead and zinc mining, but the larger proportion is mined independently. Fluorspar is a by-product of some lead mines, and in others it forms the chief product.

Labour shortage, and not any pronounced exhaustion of the mining areas, explains the decline in the production during the War. As regards the future of tin-mining in Cornwall the Committee above referred to are inclined to take a favourable view. The possibility of any marked expansion in the world output of the metal is discounted, and the belief is entertained that the high prices ruling through 1919 and the earlier part of 1920 will be maintained. As we have already pointed out, more recent market movements do not confirm this view, but it may, of course, happen that these only constitute a temporary phase. The substitution of the old practice of selling black tin at the Cornish tin-ticketings by a new method based on long-term contracts between mine-owners and smelters will, it is believed, confer a substantial advantage on the industry. Great benefit would also accrue if the percentage of recovery of black tin from the ore, at present varying between sixty and seventy, were increased. In this connection it is satisfactory to note that the experimental work undertaken in the country with a view to the adaptation of the flotation process to the separation of black tin gives every indication of a hopeful result. More economical working will also ensue from the introduction of modern plants for tin-dressing, since the treatment costs are, as a consequence, greatly reduced. To secure a further reduction in working costs the possibilty of the amalgamation of adjacent properties should not be lost sight of, as the centralisation of dressing or pumping plant is thereby rendered practicable. One scheme of this description placed before the Committee aims at the amalgamation of the producing properties of East Pool and Agar, Dolcoath, South Crofty, and Tincroft, which between them milled monthly in 1918 an average of 21,571 tons of ore or two-thirds of the total tonnage milled in the country, and the Tolgus mine, which is still in the exploratory stage. The treatment costs, now calculated at approximately 11*s.* 3*d.*, 11*s.* 4*d.*, 6*s.* 6*d.*, and 13*s.* 6*d.* a ton respectively, or an average of 10*s.* 6*d.* a ton, would, it is claimed, be reduced to 6*s.* 10*d.* a ton by the erection of a large mill capable of dealing with a monthly output of 25,000 tons, and yield 25 lb. of black tin to the ton. Should the mill be capable of dealing with 50,000 tons per month, yielding 20 lb. of black tin to the ton, the treatment cost would, according to one estimate, be covered by 5*s.* 6*d.* per ton.

Turning now to our lead resources it is unfortunate that the development of lead and zinc mining in the Halkyn District, the most important lead field in the United Kingdom, is prevented by the lack of adequate

[illegible] facilities. With a view to the solution of this problem the Ministry of Munitions [illegible] large sums of money during the War, but the [illegible] of local interests to finance the [illegible] has brought work to a standstill. Its resumption depends primarily on the drainage and mining interests concerned, and, considering the beneficent results anticipated, no effort should be spared to [illegible] co-operation.

During the War the Cornish tin industry, at the express wish of the Government, maintained as large an output of tin, wolfram, and arsenic as was possible with the greatly curtailed labour supply. Development work consequently suffered, ore reserves fell off steadily, and on these grounds the mine managers have [illegible] for [illegible]. Justice, too, would also seem to [illegible] the claim of home producers to contend that they should be placed on a par with Empire overseas producers, for whom alone was reserved the guarantee of war prices for six months after the War.

EGYPTIAN TRADE AND FINANCE.

While the political future of Egypt seems brighter, despite the attitude of certain irreconcilable elements here and in the East, than it has been since the first day of the occupation, it is but natural to hope that our intimate trade connection with the country will not be lessened, or even prejudiced, by any [illegible] of acquired rights. Egyptian foreign trade has been rapidly expanding, and in the six months to the end of June last, according to official returns just [illegible] from Cairo, the imports totalled £E.17,770,586, as compared with only £E.10,488,180 in the corresponding period of 1919. Exports show a greater increase, having practically trebled, while re-exports, which are unimportant, fell away. The full figures are set forth in the following table:—

Foreign Trade of Egypt.

Six Months.				
	1920.	1919.	Increase or Decrease.	
	£E.	£E.	£E.	
[illegible]	17,770,586	10,488,180	+7,282,406	169.4
[illegible]	64,623,998	22,952,870	+41,671,128	181.5
[illegible]	1,133,559	2,647,373	−1,513,814	57.2

It might be remarked that the £E., or Egyptian pound, is equivalent to £1 0*s.* 6.154*d.* English money, and the above figures therefore represent more than an equal value in pounds sterling. Our trade with Egypt so far in the current year shows a substantial [illegible], as the adjoining statement indicates:—

Trade of Egypt with U.K.

Six Months.				
	1920.	1919.	Increase or Decrease.	
	£.	£.	£.	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	24,443,762	11,533,281	+12,910,481	111.9

As will be seen from the table, though we have increased our takings of Egyptian goods, we have added more than proportionately to our exports. Still our imports from Egypt are of vital importance and consist largely of the long-staple cotton required for fine spinning. While we have waived the rights which we hitherto held as the most favoured nation in the Nile delta, a continuance of the open door should, as far as we are concerned, be insisted on in any fresh orientation of trade policy that may follow the investment of a native Parliament with quasi-independent powers.

The arrangements for the liquidation of Turkish and Egyptian obligations are, according to the details which have been supplied, rather satisfactory from the bondholders' point of view, though further particulars, especially as to the crediting of [illegible] will be awaited with interest. In the following table we set forth the amount outstanding of the various [illegible] on December 31, 1919, and the latest quotation:—

[illegible]

The first-named, the Egyptian Government Three per cent. Loan, is guaranteed by the British Government. The three Egyptian loans that are subsequently mentioned will henceforth be secured on the land tax, which, it is important to note, produces at present more than twenty-five per cent. in excess of the sum required to meet the annual service of the debt. The other loans, though primarily the responsibility of Turkey, have been taken over by the United Kingdom in accordance with the terms of the Turkish Treaty of Peace, and hence holders can have no fear, as in the past, of default. The remaining loan on our list, that of Sudan, is not, as is frequently supposed, secured in Egypt, being an obligation of our own Government, and accordingly its status is not affected by the new arrangements.

IMPORTANT BANKING AMALGAMATION.

A banking [illegible] of unusual [illegible] is announced in [illegible] between Messrs. C. J. Hambro and Son and the British Bank of Northern Commerce. The terms of the fusion are not disclosed, and the arrangement is subject to the approval of the shareholders of the latter concern. The firm of C. J. Hambro and Son, founded over a century ago, has had a long and honourable connection with trading and financial enterprise in Northern Europe, especially in Scandinavian countries, but, on account of its private character, no particulars as to capital, deposits and so forth are available. The British Bank of Northern Commerce is a comparatively new institution, having been established in 1912 by a group of British, French, Scandinavian, and Russian bankers. Its nominal capital is £2,000,000, of which £1,500,000, in £10 shares, £2 10*s.* paid, or £375,000 in all, has been subscribed. The reserve fund on March 31 last amounted to £1,050,000, while deposits totalled £16,209,043, and investments £6,557,124. The former showed a decline from the high figure of £22,754,517 reached on March 31, 1918. The figure for March 31, 1919, £27,810,666, is not strictly comparable, as it included a reserve for contingencies. The dividend for 1919-20 was twenty-one per cent., free of income tax, as compared with eighteen per cent., also free of tax, in 1918-19. If projected arrangements are approved the new concern will be styled Hambro's Bank of Northern Commerce, and will have a share capital of £4,000,000, divided into 400,000 Ordinary shares of £10 each, £2 10*s.* paid, making a total paid-up capital of £1,000,000.



AMERICAN RAILROAD EARNINGS.

Not a little disappointment will be caused among shareholders in American railroads by the returns now available of the working results of the first six months of the current year. The market has to some extent discounted these results, as it was anticipated that the returns would not make a very favourable showing. Traffic congestion and shortage of cars, coupled with lightning strikes, of which we had an example early this week in the case of Brooklyn, have had a detrimental effect on earnings. Even allowing for these factors the figures in the case of many roads are more unfavourable than had been expected. Gross revenue, indeed, records a considerable advance, but the increase has been more than absorbed by additional working expenses, and net revenue shows a decline. In the following table we give, in summary form, the results of the operations of the leading roads:—

IN THOUSANDS OF DOLLARS.

Railroad	Half-year to June 1920 — Revenue	Expenses	Surplus or Deficit	Half-year to June 1919 — Revenue	Expenses	Surplus or Deficit
1. New York Central	268,376,649	256,671,768	+ 11,704,881	237,547,582	201,193,540	+ 36,354,042
2. Southern Pacific	121,859,711	110,865,152	+ 10,974,559	102,367,101	84,794,000	+ 17,573,101
3. Atchison, Topeka and Santa Fe	115,565,800	90,422,236	+ 25,143,564	89,774,966	73,439,460	+ 16,335,506
4. Baltimore and Ohio	99,786,722	95,601,455	+ 4,185,267	79,959,851	80,935,158	— 975,307
5. Union Pacific	92,852,232	67,810,669	+ 25,041,593	79,273,350	58,408,700	+ 20,864,650
6. Chicago, Milwaukee and St. Paul	76,091,059	71,914,872	+ 1,988,187	69,093,453	65,231,926	+ 3,861,527
7. Chicago and North-Western	72,139,706	67,191,268	+ 4,948,138	62,550,323	55,453,561	+ 7,096,762
8. Illinois Central	65,780,013	59,706,935	+ 6,073,078	50,353,827	45,974,502	+ 4,379,325
9. Chicago, Rock Island and Pacific	62,120,995	56,995,818	+ 5,125,177	49,082,818	44,153,199	+ 4,929,619
10. Louisville and Nashville	58,323,050	55,254,348	+ 3,068,702	50,459,171	45,204,449	+ 5,254,722
11. New York, N.H. and Hartford	57,104,937	53,039,143	+ 1,675,794	47,555,174	44,280,701	+ 3,254,473
12. Great Northern	51,240,151	48,331,047	+ 5,909,387	47,272,184	41,686,831	+ 5,585,353
13. Missouri Pacific	53,575,508	46,783,117	+ 6,792,391	42,030,500	38,940,594	+ 3,099,106
14. Erie	51,647,553	54,508,888	— 2,861,335	47,289,284	47,464,492	— 175,208
15. St. Louis and San Francisco	43,985,049	36,063,390	+ 7,921,659	36,535,471	29,927,562	+ 7,607,909
16. Philadelphia, Reading	41,281,911	37,313,880	+ 3,968,031	33,649,604	31,477,407	+ 2,172,197
17. Chesapeake and Ohio	38,886,264	33,276,811	+ 5,609,453	34,778,132	27,783,459	+ 6,994,673
18. Boston and Maine	38,402,714	38,989,595	— 586,881	32,045,780	30,819,097	+ 1,226,683
19. Wabash	25,164,109	27,279,360	— 2,115,251	22,730,851	20,767,792	+ 1,963,059
20. Minneapolis, St. Paul and S.S.M.	20,194,488	18,058,979	+ 2,135,509	18,979,823	16,290,810	+ 2,689,013
21. Delaware and Hudson	18,114,946	18,591,505	— 476,559	15,908,127	14,967,499	+ 940,628
22. New York, Chicago and St. Louis	12,240,635	9,367,058	+ 2,873,577	11,830,323	8,988,859	+ 2,841,664
23. Alabama Great Southern	5,179,474	3,949,229	+ 1,230,245	4,947,457	4,245,284	+ 702,173
24. Union Pacific (of Texas)	4,146,956	4,611,007	— 170,151	3,757,636	3,583,450	+ 174,186
Grand Total	1,195,571,945	1,363,227,530	+132,347,415	1,269,762,188	1,116,012,332	+153,749,856

+ Including Extensions and Subsidiary Lines.

If we take the returns for June alone, the latest month for which data are available, and compare them with the corresponding month of last year, we find that the net earnings of all the American lines have declined from 64,426,000 dollars to 24,147,000 dollars as the annexed table shows:—

	—Month of June— 1919	1920	Increase (+) or —Decrease (—)— Amount	%
	$	$	$	%
Gross receipts ...	369,226,000	430,931,000	+ 61,705,000	16·9
Outlay ...	304,800,000	406,784,000	+101,984,000	33·4
Net receipts ...	64,426,000	24,147,000	— 40,279,000	62·5

The fall in net receipts by 62.5 per cent. is very heavy, and indicates a great relative weakness in the position, especially when we take into account the gradually expanding surplus that was such a welcome feature of pre-War days. The outlook for the second half of the year is, however, distinctly brighter. The condition of the staple crops in the United States is excellent, and though export trade prospects are somewhat clouded by the exchange position, and the discouraging effect on shipments of the dollar premium, the world's needs are insistent, particularly in regard to cotton and grain, and can to a large extent be satisfied only from the United States. Moreover, the recent increases in wages are bound to be favourably reflected in gross earnings, according as the mercantile community becomes accustomed to the new schedule, which is at the moment causing a great development of road transport on interurban routes. The rate increases which were sanctioned by the Interstate Commerce Commission vary from twenty-five to forty per cent., and were for the most part intended merely as an offset against additional expenses consequent on the wages awards of the Railway Labour Board. Many companies, however, hope to show an expansion in net receipts on account of operating economies, and it is possible that this hope will be realised unless the Railway Brotherhoods are again antagonised or put forward new demands for an upward revision of wages. It must be understood, indeed, that the last word on the subject of rates increase has not yet been said. The Interstate Commerce Commission have not been sparing in their criticisms of the proposed changes, and the Public Utilities Commission of Illinois have decided to grant an increase of only 33⅓ per cent. on intrastate freight rates, as against forty per cent. authorised by the Interstate Commerce Commission on interstate traffic. The latter body, being a Federal Commission, has, however, to some extent an overriding authority, which, if it is exercised, should enable the higher tariffs to come soon into universal operation. As showing the likely effect of this increase on the net earnings of the roads we subjoin a table giving the net Federal income in 1918 and 1919, the deficit of 1919 income as compared with the standard year, the "Standard Annual Return," which is also shown, being the average net earnings for the three years to June 30, 1917:—

(000's omitted.)

Area	Net Federal —Income— 1918	1919	Standard Annual Return	Deficit of 1919 Income Compared with Standard Year
	$	$	$	$
Eastern Region ...	142,147	129,296	203,450	— 74,154
Central Western Region ...	180,426	170,122	191,979	— 21,857
North-Western Region ...	92,540	78,422	148,454	— 70,032
Allegheny Region ...	63,634	28,773	148,255	—119,482
Southern Region ...	110,740	53,937	102,020	— 48,083
South Western Region ...	55,973	35,055	61,588	— 26,533
Pocahontas Region ...	37,818	20,212	37,109	— 16,897
Total ...	685,278	515,817	892,855	—377,038

Of the twenty-four lines included in our first table all show an expansion in gross earnings, which is in some instances, such as that of the New York Central, of considerable extent. In only ten cases, however, has the surplus increased; and of the big systems, under which term we include those whose revenue is in excess of $100,000,000 for the six months, only one out of three—the Atchison, Topeka, and Santa Fe—shows for 1920 a rise on the 1919 margin of income over expenditure. Other systems of considerable importance which register an increase are the Baltimore and Ohio, the Union Pacific, the Chicago, Milwaukee and St. Paul, and the Illinois Central. A deficit of $175,200 on the working of the Erie Railroad in 1919

has expanded to a deficit of $2,861,335 in the corresponding period of 1920; and so far in the current year there is also a balance on the debit side against the Wabash, Boston and Maine, Delaware and Hudson, and the Union Rail Road of Pennsylvania.

Coincident with the relinquishment of State control a new attempt is being made to place the roads on a self-supporting basis and to allow their proprietors a return of five and a-half per cent. per annum as from March 1, 1920, on the agreed aggregate value of each undertaking. This concession should help to restore the finances of the various companies, provided the full operation of the new tariff schedules is not unduly delayed. The American roads have too long been the shuttlecock of political parties, and it is a welcome departure that the speeches of the Presidential candidates recognise the necessity of according private ownership a fair trial. Governor Cox, of Ohio, in accepting the Democratic nomination, affirmed that the Government and the public should "render every co-operation in the utmost good faith to give a thorough test and a fair trial to private ownership." Apparently the policy of socialisation is equally unacceptable to Republicans and Democrats, and is not likely to become a question of practical politics, unless the systems under proprietorial management prove unequal to the task of handling the internal trade of the country.

VENEZUELA.

GREAT POTENTIALITIES.

It was from Venezuela that the movement arose to throw off the deadly yoke of Spanish administration. Venezuela was the birthplace of Simon Bolivar. It was not unreasonable to hope, and indeed expect, that more than a century after the throwing off of that yoke this great Republic would have made far greater progress than has actually been the case. Nevertheless, Venezuela is far from being as backward as many English readers, who know little of these northern countries of South America, may imagine. Of course, its progress is not to be compared with that of the Southern Republics in South America; but this is quite reasonable and quite natural, and is due to causes which can be readily explained. If the reader will imagine a country of enormous natural fertility, situated wholly in the tropics, he will readily appreciate the extraordinary difficulties with which those of European descent who sought to mould the destinies of Venezuela in the early days of its emancipation from Spain were in fact faced. In those days no knowledge existed either in South America or elsewhere of how to deal with tropical diseases. They were regarded in large part as as much the natural order of things as the temperature. It was felt right up to the closing decades of the last century that the price one had to pay for brilliant sunshine, perennial summer, and the extraordinary fertility and fecundity of the animal and vegetable kingdom, was the existence of those terrible scourges which we called the tropical diseases. As a matter of fact, we now know that climate has little or nothing to do in a proper sense with these diseases. These diseases are due to causes totally distinct from climate. All that the climate of the tropics really does is that it imparts stimulating vigour to disease germs as well as to other forms of life, wherever these get a favourable opportunity of existence. As we have said, however, this knowledge did not exist, and even the probability of its existence was in no sense appreciated until the closing decades of the last century. Probably Dr. Finlay, the American physician practising in Havana in Cuba, was the first scientific man to propound the theory that what we call tropical diseases were due to causes other than those of climate. It took very nearly a generation for these theories to be generally accepted by the medical profession working in hot countries, and still longer before the knowledge thus laboriously acquired was put to a practical test during the last two years of the century, first in Cuba, then in New Orleans, and still later in the Panama Canal Zone.

It all seems so simple, now that we have seen the theories of these great doctors put to a practical test and not found wanting, that the generation now growing up must marvel that we were all so stupid in the past that we could not see that these diseases were due to preventable causes, and were, in fact, very much like the diseases we are accustomed to in the temperate zone—a matter primarily of cleanliness. Provided that the breeding-places of the noxious germs were cleansed the diseases themselves rapidly disappeared.

Although there are in all—we speak subject to correction—something like seven tropical diseases well known to the medical profession, the actual remedies for dealing with two only are known. Those two, however—malaria and yellow fever—are the preponderating and most deadly diseases, not only to white men, but to all human beings in the tropics.

Formerly it was thought that it was only the dweller in the temperate regions suddenly transplanted to the tropics that suffered from these terrible diseases; but, as a matter of fact, one of the reasons, indeed the principal reason, why a coloured man is usually so lethargic in tropical countries is that he is rarely or never healthy. In other words, he dwells in a country where sanitary laws are not observed, and as a result has to take the consequences. Those who are well acquainted with the economic and social conditions of Europe in ancient times will remember that over a large part of Europe similar conditions prevailed. We had in the Fen country in England—we have still in the marshes of Essex—what is known as ague fever, then very prevalent, but now only to a very limited extent. Ague fever is merely the form which malaria takes north of the fiftieth parallel, so prevalent over all the swampy country of England, and wherever swampy country exists in different parts of Europe to this day. Where swampy regions have been thoroughly drained it has been proved that tropical countries are just as healthy as our countries, equally well drained, situated in the temperate zone.

The reader will recollect that in the Canal Zone the death-rate last century, when the old French Company was endeavouring to complete the Panama Canal, was so alarming that the Company had finally to abandon the enterprise, and the construction of the Canal only became possible after the successful work of the late Surgeon-General Gorgas. The striking marks of respect which were paid to his memory in St. Paul's Cathedral quite recently will

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be in the recollection of many readers. Of course, in Venezuela it has not yet been possible to take the drastic measures which have proved so successful for extirpating these diseases in the Panama Canal Zone, over a great part of Cuba, in the [illegible] Brazil, and in other parts of South America. Venezuela is not yet possible [illegible] to stand the [illegible] and has a population, well under three millions. It will be seen that, with such a small population, and with economic resources partially developed, it is not possible to drain such an extensive area of country. Fortunately, it happens that more than three-quarters of the land of the whole of the Republic of Venezuela will need very little drainage. Practically, the only part of Venezuela which really does need drainage is the fever country rising from the Orinoco River and the land about Maracaibo Bay. On the heights above stands the capital, Caracas, which could be very easily drained. It has one of the most beautiful situations in the world, and, if Venezuela is ever settled, as its natural resources entitle it to be, there can be no reasonable doubt that Maracaibo Bay will some day become a very great resort for tourists from North America and from Europe. Meanwhile, the shores both east and west need drainage, and need it very badly.

It is easy to criticise conditions in Venezuela. No one, perhaps, who knows the history of Venezuela and is acquainted with the country and the neighbouring States will fail to regret the headstrong policy of Simon Bolivar, which directly resulted in the splitting up of the three northern Republics, which, united, might have had an adequate population for mutual growth, but, separated, were doomed to a prolonged period of very slow growth. The result has shown how clear and how far-sighted were the forecasts of those—and, indeed, of Bolivar himself when it was too late—who foresaw what would be the result of the breaking up of the territories which had once formed New Granada. When all is said, however, it is hardly so remarkable how much has been left undone in Venezuela as how much has been accomplished.

We have invited the reader to contemplate a country situated in the first twelve parallels north of the Line, wholly in the tropics, twice the size of France in extent, with a population partly composed of Indians, partly composed of races of Spanish and Indian descent, and partly composed of people of Spanish descent—in all, a total of considerably less than three millions of people, with considerable cities, and aiming at occupying such an immense extent of territory. England proper is only a quarter the size of France, and yet we have a population estimated at nearly thirty-five millions in this small territory. Imagine, then, a territory extending twice the size of France, or eight times the size of England proper, and with a population considerably less than that of the Administrative County of London. The tasks before such a population are so enormous as might well make any but the stoutest heart fear to accomplish anything effective. As a matter of fact, very important industries have been built up in the Republic, and quite recently serious attempts have been made to build very respectable roads between Caracas and La Guaira. In the neighbourhood of both those cities serious attempts have been made to construct what may be called without exaggeration fairly good roads—roads, in fact, so satisfactory that they can carry a certain measure of motor traffic. Now, when we say motor traffic we do not mean that it would be practicable to import an expensively built English motor-car and run it either between these two cities or in their neighbourhood. Anyone who would attempt to do so would in all human probability find his car in the repair shop, if not hopelessly broken up, before he had been very long in Venezuela. Nevertheless, these roads have either been improved from their previous unsatisfactory condition or actually built for the purpose of carrying motor traffic. The type of car which is imported into Venezuela is a very rough American-constructed car which will stand a great deal of severe treatment. Even in Caracas itself there are very few European-built cars, and very few roads in the capital offer a suitable surface for running cars constructed with delicate machinery and thoroughly well balanced. Whether it would be worth while for British motor-car manufacturers attempting to construct cars for the Venezuelan market, where they would have to compete with the American-constructed car, we have not sufficient knowledge of the motor trade to attempt to speak with any degree of authority. Our impression, however, is that it would be a very doubtful proposition, and for this reason: American makers are accustomed to construct cars for very rough country in various parts of the United States, and consequently it is comparatively easy for them to turn out a few more cars for such a market as Venezuela offers. An English maker, on the other hand, would presumably have to lay down plant specifically for the purpose of constructing cars to be run in very rough country, either where roads did not exist at all or were at any rate of a very primitive character. Anyone specialising in the construction of this type of car will, of course, acquaint himself with conditions prevailing in Venezuela; but to the ordinary English manufacturers of motor-cars we should say—but we speak, of course, subject to correction—that such a market offers very few attractions.

Our interests in Venezuela up to the present have been in the supply of textile manufactures, and principally cotton goods. Considering the economic stage of development which Venezuela has reached we have already very many important undertakings in the Republic. We are largely interested in her railway system. We are largely interested in her harbour works. We finance, probably to a greater extent than any other country, the balata trade of Venezuela; and finally, although we have now disposed of some of our interests to citizens of the United States, we were the pioneers in the meat-freezing industry of Venezuela.

As things are at present the principal products of Venezuela are coffee, cocoa, hides, balata, egret feathers, gold, and raw rubber, and petroleum obtained chiefly from the neighbourhood of Maracaibo. The petroleum industry should of course be developed. It is now already being developed, and with the great inducements which exist at present in the high prices of all derivatives of petroleum it is highly probable that this industry will be developed, and the wells worked to an appreciable extent. Very large areas of Venezuela are known to be petroliferous, and with the known inducements which exist at present for their working it is hardly to be doubted that serious efforts will be made to increase the product.

A country so favourably situated as Venezuela could, of course, grow almost every tropical product, but it is a remarkable fact that amongst Venezuelan exports there is rarely a mention of cane-sugar. One would have thought at a period like the present, when the demand for sugar is so great, an opportunity would have been seized to develop the cane-sugar industry, as Venezuela with a really good service of steamers could be brought within fifteen days of Southampton. As a matter of fact, in pre-War days the Royal Mail boats, which we believe now have unfortunately been withdrawn, did the journey to Trinidad in less than fifteen days.

From time immemorial one of the great sources of revenue of Venezuela, long before the Republic was thought of, was the trade in hides. Venezuela to-day is [illegible] herds of cattle roaming the great plains of the interior. Exactly what the number of these herds amounts to it is exceedingly difficult to say. The official figures differ so widely that we should hesitate even to attempt to estimate without very careful consideration, and even then we should feel bound to warn the reader that such an estimate was based on figures which could hardly be regarded as reliable. Notwith-

standing, the fact is admitted that very large tracts do exist in the interior. Now, as we have said above, by far the greater part of the area of the Republic consists of those vast plains called the Llanos. These Llanos are fine grass plains of a poor kind, a suitable extent, and suitable for the raising of cattle upon an immense scale. It is in the development of the industry of the Republic that a great stimulus to its economic well-being may be found. We have said above that although this country has sold a large part of its interests in the freezing-house business to citizens of the United States, we are not the owners in the freezing-house trade of Venezuela. We are still interested in it, but, as indicated above, American citizens are interested in it to a still greater extent. Unfortunately, in spite of the extraordinary inducements offered at the present time for the breeding of cattle, it cannot be said with any degree of truth that the refrigerating business and the cattle industry taken as a whole in Venezuela has been anything of a pronounced success. On the contrary, it may be truly said that the freezing-houses in existence are rather in excess of supply of cattle available. To a very large extent the frozen-meat industry of Venezuela has been brought to a standstill owing to the absence of an adequate supply of beasts suitable for the freezing-houses. Before the War shipments were from time to time made from the Republic of cattle which had been prepared from the plant of the freezing-houses, but the meat was so hard, and it was of such very inferior quality, that in those days it was hardly possible to get any decent price for it at all. Low as freights were at that time, it hardly paid to ship the meat across the Atlantic, and ultimately it was generally found that a market could only be obtained in the poorer countries of Europe for the product available. In other words, the type of beast offered to the freezing-houses, what the reader knows as Criollo cattle, is not good enough, and never has been suitable for the freezing-houses. It is good enough for making what is known as dried salted, or Zarqué beef, but even then it is a hard, indigestible form of food, and only suitable for the Gauchos and other people who are accustomed from their infancy to a life on the Pampas.

To hope to develop the freezing-house trade for the markets of Europe with Criollo cattle is to invite a series of disappointments, which will be prolonged so long as that hope exists. The only real way to develop a freezing-house trade in Venezuela or anywhere else is to import cattle which can be crossed with the native cattle, and which in time will produce an animal suitable for the freezing-houses. So far the freezing-house business has been wholly in the experimental stage, but it is highly satisfactory, and it has in fact been conclusively demonstrated, that it is possible to breed cattle for the international freezing-house trade in a country wholly situated in the tropical regions of South America.

THE ECONOMIC BOYCOTT OF BELFAST.

The barriers interposed between Belfast and the remainder of Ireland, formerly of a political nature, have now, unfortunately, taken on also an economic character, and in consequence the sentiment of the City has become more pronounced. For some time past a feeling of dissatisfaction at the treatment of Catholic workers in the North of Ireland has been growing in the ranks of the majority of the Irish people, and the recent pronouncement of the Dail Eireann on the subject owes its explanation, in all probability, more to outside pressure than to motives originating within that body. At any rate, it had, up to the present, carefully refrained from contemplating or organising the various sporadic movements aimed at severing trade interests with Belfast during the past twelve months. Its hesitation to take a step of this character, [illegible] tical grounds. Claiming to represent the Irish nation it would naturally be slow to counsel a policy likely to be interpreted as [illegible] a section of that nation. [illegible] certainly not now fail to make this charge against it, and in [illegible] the Dail [illegible] necessity of giving Belfast a reminder that the ties binding it to Ireland are of a stronger character than it imagines. Clearly the internecine quarrel in Ireland has now entered upon a new phase, but whether the development will lead to a permanent intensification of the [illegible] question. Much will depend on the weight and the direction of the opinion brought to bear by the Belfast business community on the workers on the one hand, and on the Unionist leaders on the other. If this opinion inclines towards moderation we have little doubt that a reconciliation, at least in regard to business intercourse, can be effected with the majority of the Irish people. In addition, the fact cannot be neglected that a harmonious adjustment by agreement of the present difficulty may serve as a useful precedent for dealing later on with the political question.

The proclamation issued by the Dail Eireann nearly two weeks ago forbids the purchase of goods manufactured in, or purchased from, Belfast until the imposition of religious or political tests as a condition of employment is withdrawn. A reservation will, however, be made in the case of firms which will not consent to the application of these tests, and their names will be embodied in a White List for the guidance of Southern traders. Another provision demands the immediate withdrawal of accounts from the Northern banking concerns. In some quarters in Belfast the belief is not uncommon that a rigorous enforcement of this boycott is out of the question. It rests on the basis of the very favourable credit facilities granted by Northern houses, and the advantages offered by Belfast as a distributing centre. This view may prove to be a mistaken one. Behind the present movement lie the whole organising ability of Sinn Fein and the certainty that it can count on the willing assistance of the majority of the county councils, urban and rural district councils, and the numerous trade and political societies scattered throughout the country. Furthermore, the initial moves already taken by individual bodies emphasise the bitterness of the feeling aroused by the recent riots in Belfast. As a matter of fact, tentative proposals with the object of [illegible] take over the wholesale trade done with the West of Ireland from Belfast were put forward about a year ago.

As a centre for internal trade Belfast is very well favoured by its geographical surroundings. Situated in close proximity to the industrial districts of Southern Scotland and Northern England, and possessing excellent means of communication, it is well placed for the distribution of goods to many areas in Ulster, Leinster, and Connaught on lower terms than those obtaining from other Irish ports. The readiness with which it can secure cotton and woollen goods from Lancashire and Yorkshire explains its partial monopoly of the wholesale drapery trade. The total value of the items classified as cotton goods imported into Ireland in 1912 [illegible] 372,954 cwt., Dublin 73,673 cwt., Cork 425 cwt., and other ports 49,705 cwt. Of the total quantity of imported [illegible] Dublin [illegible]

tional business will fall into the hands of Dublin and Cork wholesalers, although whether they will be in a position to quote as favourable prices in some lines and give a service of the same convenience is open to doubt. These inconveniences will, however, be suffered, and Belfast factors and commission agents misjudge the situation if they think otherwise. On this side, merchants accustomed to deal with Ireland through Belfast, Dublin, or Cork will find it necessary to study the situation, as the new conditions will call for some readjustment of the ordinary trade relations. Apart from its importance as an agency of distribution of imported goods, Belfast's industrial activity expresses itself through its manufactures of linen, tobacco, engineering appliances, whisky, and mineral waters. These industries will be hit to some degree, and, in some cases, the problem of opening up new outlets in Great Britain or elsewhere will not be an easy one. Judging by the recent appeal of the Industrial Development Association to the Irish public to consume Irish tobaccos and cigarettes, the market for such articles, both of Belfast and other home origin, was already giving rise to some uneasiness. Inclusion in the White List may offer a way out, but then the cure may be as bad as the disease owing to the possibility of exciting the antagonism of the Belfast public.

As far as we can gather the withdrawal of deposits from the branches of the two Northern banking concerns situate in the Nationalist area is proceeding steadily. Both branches have, however, powerful English connections; hence there is little reason for anxiety. At the same time, the banking fabric is notoriously delicate, and the reaction on it of the extraordinary political situation in Ireland deserves, as we pointed out in these columns some months ago, careful watching. Attention might now be directed to the fact that the real grievance of Nationalist depositors in Southern and Northern banks arises from the assumption that their deposits form the basis of discounts, loans, and advances in Belfast. Interference with banking machinery may consequently go a step further, since the transfer of accounts from one bank to another will not lessen the amount of banking credit available in Belfast. The form of this interference need not be defined exactly; it is sufficient to say that it may be sought to make an example of, say, one Southern bank maintaining branches in Belfast. Under the circumstances a policy of aloofness on the part of Irish bankers cannot be commended. The responsibilities they bear and the delicacy of their position must be made perfectly clear to the public and representations on these points must be addressed to the right quarters. To continue to ignore the abnormal circumstances of the time is not good business when at any moment the public, in ignorance of economic consequences, may pursue a course dictated solely by political feeling.

Belfast is in a position to render certain services to the Irish people more cheaply and expeditiously than any other Irish centre. This is not lost sight of in Nationalist Ireland, and as a concerted boycott was only arrived at after much deliberation, we are convinced that an amicable settlement can easily be arranged. It is essential, however, that some check should be imposed on the political and religious enthusiasm of Belfast shipyard and other workers. The sentiment of "refusing to work with a rebel" reads strangely in view of the expressed attitude of the Ulster leaders towards the Imperial Parliament in the event of a certain emergency. Between actual rebels and "contingent" rebels there is not a very wide gulf, since a new combination of circumstances would readily reverse their respective positions.

Procedure at Meetings. By Albert Crew. Sixth Edition (Revised and Enlarged). Price 5*s*. (London: Jordan and Sons, Limited.)

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Financial Notes.

WHEN Dr. J. H. Clapham, before the Section of Economic Science and Statistics of the British Association, made the prediction with which our readers are already familiar, that the present trend of events will eventuate in an industrial slump, he was but giving definite statement to an opinion which seems to have been entertained before now in many influential quarters. Neither was he breaking new ground when he based his opinion on an analogy with the conditions which led to an industrial slump after the close of the Napoleonic wars. Anything that tends to focus attention on the dangerous possibilities of present conditions is undoubtedly beneficial; but a deliberate prediction of a slump at a time when our economic and financial stability depends so much on a feeling of confidence is positively harmful, as it may easily be the means of its own fulfilment, and certainly it should not be made on such doubtful grounds as the analogy above cited.

The differences between present-day conditions and those ruling in the years 1815-20 are so great as to falsify any conclusions based on a parallel between the two periods. In the first place, there is at present a world-wide insufficiency of production, and those commodities for which the demand does not exceed the supply are very few, whereas the years following the close of the Napoleonic wars were marked by feverish speculation, with the result that capital was embarked in the production of many commodities far in excess of requirements, and the market in many essential products was artificially controlled by speculators. In the second place, the developments in the field of finance, the centralisation of resources, the growth of the credit system, and the advancement of economic science which have occurred since that period, giving us incomparably greater strength in the face of such problems as now present themselves, may best be judged when it is recalled that a century ago the Money market was only in its infancy and that the great joint-stock banks as now constituted were virtually unknown. Dr. Clapham admits this consideration when he says that "modern financial and commercial developments have postponed the critical moment in a way that was impossible a century ago," but there is little reason why he should not go further and say that not only have they postponed a crisis, but they may be able to avert it altogether. For example, the granting of long-term credits to the war-stricken countries has already helped them far on the road to solvency, and the continuance of these credits, combined with a willing co-operation on the part of the recipients, will eventually make it possible for us to collect our debts and so pay our creditors in turn. Finally, an essential difference between the two sets of conditions lies in the fact that since the Armistice no serious attempt at deflation has been made. On the contrary, prices have risen considerably and credits and currency have expanded, while, on the other hand, our ancestors of a century ago embarked prematurely

or a policy of restricting credit and currency. So rapid was the deflation process that in 1817 the Bank of England was able to resume partial payments in specie. In 1818 and 1819 what was then considered a very large amount of Exchequer bills was funded, and by 1821 the Bank had completely resumed cash payments. It may seem curious to have focused this point, seeing that inflation is an undesirable development, but we would point out that the inflation which has been going on since the Armistice has been necessary to ward off a greater evil. While inflation is in progress trade prospers, and did we commence a vigorous policy of deflation now the results would be disastrous.

Herein, indeed, lies the chief danger. We are very far from decrying the necessity for deflation; we merely point out that the time for such a dangerous process has not yet arrived. It must not be attempted until conditions of production have become more stable, and until Government expenditure, and with it taxation, has been greatly reduced and the money thus liberated diverted to productive purposes. It may be recalled that the panic of 1825 was precipitated by a sudden and severe restriction of credit and currency on the part of the banks. Even in America at the present day great hardship is caused to industry by an incomparably more sober and enlightened deflation campaign. It is satisfactory to note that speculative activity has been almost wholly eliminated here and that all the credits which are being granted go to finance genuine trade activities. On the other hand, demands of industry for capital are steadily increasing, as evidenced by the enormous flood of new capital issues and the growing stringency of the Money market, and there is, indeed, a danger that we have embarked on greater schemes of production than we can accomplish. At the same time we would remind the over-pessimistic that if we have not yet seen the worst phases of the reconstruction period, neither have we reached the limit of our resources.

All sorts of conflicting rumours have recently found currency concerning the repayment of the French portion of the Anglo-French Loan maturing on October 15 next, but it appears to be pretty certain that negotiations are being conducted by French agents in New York for a new loan equal in value to about half the French portion to be retired. Little official information is to be had on the subject, and it seems likely that some difficulty will be experienced, judging by the present tightness of money in New York and by the treatment accorded by Americans to Argentina some months ago in a similar position. Should the negotiations fall to the ground there can be little doubt that a severe set-back in the French franc will ensue, as in that case heavy purchases of dollars would have to be made by France. The loan, if arranged, will probably be on a basis exceeding eight per cent., as foreign borrowers recently offering that rate in New York have met with but an indifferent success. At Friday's rate the French share of the maturing loan amounts to 3,609,000,000 francs. Though considerable shipments of gold have already been made on French account, besides purchases of American securities, the portion still uncovered amounts to well over half of the total, and thus, even if the loan above discussed is obtained, large purchases of exchange, in default of further gold shipments, have yet to be made. That more gold will be sent is confidently expected in New York; still it is fairly certain that the French Government will have to make further purchases of dollars. In that case the French franc, which has been steadily recovering since April last, should take another turn for the worse. The opinion of Paris on the subject may be gauged from the fact that a considerable speculative position for a further weakening of the franc has been built up in that centre.

SOUTH AND CENTRAL AMERICA.

ARGENTINE ECONOMICS.

From the Department of Overseas Trade is issued an exceedingly interesting Report on the Economic and Industrial Situation in the Argentine Republic for the year 1919. This Report has been compiled by Mr. H. O. Chalkley, Commercial Secretary to the British Legation at Buenos Ayres. It will be remembered that during the War the trading and commercial community of this country became utterly dissatisfied with the reports which had formerly been issued from various Consular offices established by this country in different parts of the world. Many of the reports contained exceedingly valuable information, but it was belated to a degree. As a result, a system was brought into existence whereby the Foreign Office and the Board of Trade co-operated so that reports could be furnished as heretofore from the Consular Offices abroad, assisted and supplemented by Commercial Secretaries or Attachés specially sent out from home and constituting an integral part of the Diplomatic Service in the various countries in which British traders were interested. In the sequel a new Department has been brought into existence for the purpose of assisting British overseas trade. This Department is now furnished with information sent either by the various Legations or by the Consuls from different parts of the world.

The Report before us, as we have said, deals with the trade and the economic situation generally prevailing in Argentina for the year 1919. It gives an immense mass of information and a great deal of news which is highly informative on the economic and financial conditions prevailing in the Republic. It might go further and with advantage. For those who are well acquainted with Argentina, accustomed to trade with that country, have visited the Republic several times, and perhaps already have either a branch house situated in Buenos Ayres or some of the other cities, or at any rate an agent capable of furnishing them with any kind of information they want from Argentina, the report is adequate, and probably more than adequate. On the other hand, those who are accustomed to carry on trade with any particular country are usually so well informed of the conditions prevailing that they require very little information from official sources. Information is always of advantage, and the more a man knows about Argentina, or anywhere else, the more sensible he usually is of how little that information actually amounts to.

We want, however, something more than is being furnished by these reports, admirable as they are. Anyone who knows little or nothing of the Argentine Republic, who has never been out there except to Buenos Ayres as a tourist, but who has never really studied economic questions connected with the Republic, would have very little appreciation from the Report before us of the conditions as they actually exist in Argentina. They would have no real conception of the magnitude of the country; of the diversity of its climate in various parts; of the potentiality of the soil, say in the rich metropolitan province of Buenos Ayres, and the conditions which prevail a hundred miles west, and of the arid conditions which also prevail throughout the whole of the south, or practically the whole of the south, when once one has passed through the province of Buenos Ayres itself.

give information available to the trader already engaged in operations with Argentina, or whatever place the report may deal with, it is desirable to attract the attention of those having ample resources, and who are on the lookout for new opportunities for the development of trade, [illegible] settlements, or for knowledge in the various kinds of business which increase British trade, employ British capital, and offer fields for British workers in various

a more or less clear description of the actual conditions of Argentina as to area, population, soil, rainfall, agricultural, mineral and forestal potentialities over as wide an area as it is possible for the particular individual dealing with the district to do, bearing in mind the amount of space he has allotted for his work. Now it has to be remembered that the Argentine Republic is ten times the size of the United Kingdom; it stretches from almost the tropics in the Chaco territory to the cold, humid and wind-swept area of the island of Tierra del Fuego in the extreme south of the continent. Argentina owns only a very small part of the island of Tierra del Fuego; nevertheless it does form part of the territory of the Republic. The conditions which prevail for some hundreds of miles north of Buenos Ayres are tropical. In the province of Buenos Ayres itself perhaps the richest soil, if not the richest, at any rate as rich as any soil to be found in any part of the world, exists. The Province for the most part enjoys an adequate, if not an excessive, rainfall, while south of the Province there is a deficiency of rain nearly every season. In the Province of Buenos Ayres the average rainfall is something more than we are accustomed to in these islands, and when we bear in mind the latitude of that part of the Republic it is hardly equivalent in humidity to that to which we are accustomed, as the evaporation is naturally very much greater.

While it is desirable to compress these reports as much as possible, and increase their value to as large a circle of readers as compatible with regard to their possible size, we may say at once that as they are they contain an exceedingly valuable mass of information. Mr. Chalkley has compiled information on the public finances of Argentina, the banking, the Money market, the currency system, on the investments of foreign and home capital, and upon insurance. He has gone rather exhaustively—and this perhaps forms the most valuable part of the Report—into the industries and production of Argentina, which comprise meat-packing, flour-milling, the sugar-cane industries, the vine and allied industries, dairying, manufacturing, mining, and petroleum. Mr. Chalkley has not neglected the importance of trade between the Republic and this country, and he concludes with an interesting report on the transportation system of the Republic.

In the finance section the most important feature to which Mr. Chalkley calls attention is the delay in meeting the accumulated deficits on the Budget. As things were before the War Argentina relied almost wholly upon her import duties for meeting necessary expenses for the carrying on of the administration; but these have proved most inadequate. As a result there is a heavy deficit, which has now lasted for more than two whole years. It will be remembered that, while large quantities of produce of various kinds were purchased on account of the Allied Governments from Argentina, it was exceedingly difficult for the traders in the Argentine Republic in return to purchase foreign-made goods. Partly this was due to the difficulty of obtaining shipping, still more to the fact that the manufacturers in the principal countries from which Argentina had been accustomed to purchase her goods were already employed to their full capacity on work for the War in which the various countries were engaged.

Various new taxes have been proposed, and there can be no reasonable doubt that so wealthy a country as Argentina can balance her Budgets whenever she seriously sets her mind to the task.

Space is pressing, and we must confine ourselves to certain salient features disclosed in the Report before us. We hope to return to the subject on a later occasion. Meanwhile, we desire to call attention to two important questions affecting the economic well-being of the Republic.

The first, and perhaps the most important, is the cessation for the moment of foreign investments, upon which the present economic structure as we know it in the Argentine Republic has been built up; and the second, the products upon the annual raising of which the prosperity of the Republic depends from year to year.

COMMODITY PRICES IN U.S.A. AND UNITED KINGDOM.

A DECLINE in commodity prices has been noticeable almost from the beginning of the year in the United States, consequent on the deflationist policy of the Federal Reserve Board and its openly avowed determination to reduce the cost of living by stopping all unnecessary expansion of credit. This sudden access of virtue, which had been foreshadowed in June 1919 by the withdrawal of restrictions on the free movement of gold to and from the United States, thus constituting it the only country in the world with an open market in the precious metal, was attended with some hardship to legitimate traders; but the Board was not to be deflected from the course which it had mapped out, though opposition was offered from many influential quarters to its policy. The justification of its action is now seen in a material reduction in the general level of prices. On August 1 the index-number as made up by Bradstreet's stood at $18.8273, a decline of 2.9 per cent. from July 1, the number on the latter date having decreased 2.6 per cent. from June 1, which in turn dropped 4.1 per cent. from May 1. With the exception of the May index-number, which was high owing to transient causes, principally a railway strike, the trend of prices has been steadily downward since February 1, when the peak point of Bradstreet's price record of twenty-eight years was touched. The August 1 number is ten per cent. below this maximum, and six per cent. below that of August 1, 1919, but it is still 115.7 per cent. above the level of August 1, 1914. The fall in recent months has occurred mainly in food, textiles, miscellaneous products, vegetable oils, hides, leather, and drugs, while metals, building materials, coal, and coke have shown a slight but not compensatory increase. At the beginning of last month the first four groups of the index-number—breadstuffs, live-stock, provisions, and fruit—stood at the lowest point since the Armistice, the decline from December 1, 1918, being 10.2 per cent.

Comparing these results with the United Kingdom, one is struck by the fact that the course of our prices has been largely in the opposite direction, mainly on account of the different financial policy which we have insisted on pursuing. THE STATIST's index-number in the current year has been: January 245.3, February 260.4, March 261.8, April 266.1, May 260.0, June 255.7, July 254.6, the last-named showing an excess of 172.2 per cent. over July 1914, as compared with 115.7 per cent. in the United States. The rise, indeed, shows signs of being arrested, an important matter from the point of view not only of our external trade, but of internal labour troubles. In the circumstances more than usual importance attaches to our monthly Index-Number, which we hope to publish in the coming week.

GERMAN AND AMERICAN SHIPPING.—A step towards reviving the German and extending the influence of the American mercantile marine is announced from New York, where the terms of an agreement between the Hamburg-Amerika Line and the American Ship and Commerce Corporation are published. Services between Germany and the United States and between Germany and other parts of the world are to be set up, each party to the agreement providing an equal amount of tonnage and acting as agents for the other. The German line was, prior to the War, one of the best organised steamship companies in the world, and though its organisation has dwindled during the War, it will no doubt be able to capture a substantial amount of European sea-borne trade for American bottoms pending the reconstruction of its own fleet.

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American Topics.

AMERICAN CEREALS.

Portland, Oregon, August 1920.

[illegible] the "bearish" sentiment that has existed for the last month was quite a surprise to the grain trade in general. From July 15 to August 1 very little [illegible] in the various exchanges because of the [illegible] prices and restriction, and similar "bearish" reports concerning the crops. The [illegible] demand from European sources failed to materialise, and the current black rust reports proved to be less formidable than at first anticipated. The fine weather during July for the growing crops, and the [illegible] for the same, failed to maintain [illegible] and prices dropped rapidly. Kansas reports indicate that the wheat yield will be 147,000,000 bushels instead of 110,000,000 bushels estimated in the Government crop report of July 1. This and other favourable reports from adjoining States caused the markets to drop to a level of $2.08 per bushel in the Chicago Exchange, lower than the Government guarantee of last year.

The [illegible] week of August produced the first real excitement in the way of trading. Speculators entered the market on a strong scale; the European demand became insistent, and with the War scare in Europe combined to produce an active market, such as has not been since pre-War days. The markets responded readily and advanced rapidly, the smaller prices following the lead of wheat. From a low point of $2.08 a [illegible] of $2.18 was reached in the latter days of the week. From this time on the markets will [illegible] as the tide of supply and demand turns.

The apprehension in regard to scarcity of labour for the wheat harvest has been shown to have been unjustified. Advices from points throughout the Middle West, where harvesting has been in progress for several weeks, and through the Pacific North-West, where harvesting is now in full swing, indicate that there is no difficulty in obtaining help. Many of the men who went into the fields in search of employment have returned, as there seems to be an oversupply. Certain sections report a labour scarcity, but as soon as reports [illegible] enough men are available. Wages in the Middle West are stated to be seventy cents an hour, and the farmers are reaping their [illegible] several weeks ago [illegible] still the inducement of high wages, has recoiled on them. Apparently, the Pacific North-west farmer took heed from the farmers of the Middle West, where harvest started sooner, and is not offering such high wages. While some sections [illegible] per day [illegible] $4.50 and $5 [illegible] wages for [illegible]

Corn.—This grain has followed the action of the Wheat market. On the opening of trading each morning [illegible] a few days, but reacted quickly on the recovery of the Wheat market, and is now quoted higher than previously. Crop conditions are very satisfactory, and [illegible] for quite a period, a warmer spell has set in and gives a promise of better conditions. If the July estimate of the Government is held through the rest of the season the yield should approximate 3,000,000,000 bushels. Stocks continue to increase at the principal terminal markets with a limited to good demand. Transportation facilities have improved, and the recent wage award has apparently been approved by the Railway Brotherhoods. This will no doubt mean a freer movement from the country to the terminal markets.

Oats.—Following the action of wheat, oats rapidly declined, recovered, and are still going higher in spite of the "bearish" conditions existing. Offerings are on the increase. Growers have been encouraged to sell by excellent crop prospects, and also by the higher prices to be obtained. Provided transportation facilities permit, oats will show a heavy movement to markets from now on.

Flour.—Market is stagnant with very little buying being done. Prices have declined eighty cents per barrel, but this does not seem to arouse the interest of buyers. The trade all over the country feel that prices will drop further and are only buying as required. Millers are only filling orders on old contracts. No orders have been contracted for new crop flour, as millers are reluctant to quote prices on account of the uncertainty of the Wheat market and other factors. Usually at this time of the year there is considerable business being done in futures, but the caution of the buyers, and also of the millers, is extreme. There has been some demand from exporters for European shipment this last week, but principally for first clears, and very little of this is to be obtained. Owing to the conditions of transportation very few mills will take the risk of future delivery. With the wage increases granted to the railroad men, and the announcement of new rates to be put into effect, millers are protecting themselves by inserting clauses in their contracts for the buyer to pay the increase in rates, which undoubtedly will occur before actual delivery is made.

The Oriental market is still closed to the North Pacific millers, with little prospect of reopening in the near future. Many of the mills are closed down and are making repairs in preparation for the new crop season. The South-Eastern market is making inquiries, but very little business is being done. Connections are being established, and with the new crop movement well under way it is expected that considerable flour from the North Pacific territory will be shipped there. Prices in the North Pacific territory have dropped along with those in the Middle West, flour being eighty cents per barrel down and the market developing a weaker tendency.

COTTON MILL DIVIDENDS.

[illegible] Amoskeag mills [illegible] declared [illegible] in respect of the third quarter of the year and the rate of dividend paid on the capital [illegible] differs in no way from the rate [illegible] the corresponding quarter of the year 1919. The dividend of the Amoskeag Company has been [illegible] the same rate [illegible] the [illegible] of the [illegible] Company [illegible] the [illegible] dividend [illegible] [illegible] [illegible]

and of the rates and amounts paid, is given in the following table:—

Name of Company	Capital $	Rate	Amount $
Davis Mills	1,875,000	10	187,500
Sezamore Manufacturing Co.	1,800,000	10	180,000
Lincoln Manufacturing Co. ...	1,625,000	8	130,000
Merchants' Manufacturing Co. ...	1,500,000	10	150,000
King Philip Mills ...	1,500,000	10	150,000
Granite Mills ...	1,250,000	10	125,000
Chace Mills ...	1,200,000	10	120,000
Border City Manufacturing Co. ...	1,200,000	10	120,000
Pocasset Manufacturing Co. ...	1,200,000	10	120,000
Stevens Manufacturing Co. ...	1,200,000	4	48,000
Union Cotton Manufacturing Co. ...	1,200,000	30	360,000
Flint Mills ...	1,160,000	30	348,000
Stafford Mills ...	1,000,000	10	100,000
R. Borden Manufacturing Co. ...	1,000,000	10	100,000
Fourne Mills ...	1,000,000	10	100,000
	19,710,000	11·8	2,338,500

On the total capital of $19,710,000 the dividends paid for the quarter amounted to $2,338,500, or 11.8 per cent.

DUNLOP RUBBER COMPANY.

The bonus scheme, which the market has been long anticipating, especially since the general meeting of this celebrated Company in February, has at last matured. It is now definitely announced that an extraordinary general meeting will be held on September 10, at which it will be proposed to increase the authorised capital of the Company from £7,500,000 to £20,000,000 by the creation of 12,500,000 Ordinary shares of £1 each. Thus the authorised Ordinary share capital will be altered from £2,500,000 to £15,000,000. Ordinary shareholders are to receive a bonus of three fully-paid shares of £1 each—this bonus of £3 to be paid free of income tax—for each share already held by members registered on September 6. The effect of this remarkable distribution will be to increase the amount of the Ordinary capital issued from £2,500,000 to £10,000,000. This capitalisation scheme is being financed by premiums received on shares already issued, and by the undistributed profits of the Company. It will be recollected that at the close of 1919 an issue of 1,000,000 Ordinary shares was made successfully at a price of £8 per share. Thus no less than £7,000,000 of the present bonus were provided recently by the shareholders themselves. The remaining £500,000 can be drawn from the reserve fund of £300,000 and the balance of £402,592 carried forward from the last accounts, less any deduction which was required to meet the liability in respect of excess profits duty for the year ended August 31, 1919. At the beginning of March the Ordinary shares were quoted around £12½; but in the interval they have suffered from the general depression of the Stock markets, and on September 1, the date on which the details of the bonus were announced, they were quoted at 7¼. In our issue of March 6 we dealt at length with the accounts of this Company, and expressed the belief that its prospects for the current year were distinctly promising. It will be recollected that the dividend for the last financial year reached 31½ per cent. free of tax (equivalent to 44½ per cent. less tax), but was paid only on an Ordinary share capital of £1,500,000. The manifold activities of the Company, especially its purchase recently of 7,000 acres of mature rubber, and its initiative in establishing a large factory in America, are the best guarantee that shareholders can have for the continuance of satisfactory dividends. At the same time the outlook for the current year is somewhat dimmed by the incidence of the corporation tax and the sixty per cent. excess profits duty. This probably accounts for the fact that the bonus distribution now announced has not come up to the expectations entertained in some quarters.

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CORRESPONDENCE INVITED.

Rubber Topics.

There was not a great deal of business coming the way of the Rubber market this week. With plantation crêpe opening weak at 1*s.* 9¼*d.* per lb., and falling steadily to the low level of 1*s.* 8½*d.* per lb. on Thursday, it was not easy to generate confidence in potential buyers. On the other hand, holders of rubber shares are too wide awake to the bright future before the industry to be disturbed even by movements of this description in the price of the commodity. Thus movements, on the whole, have been small and irregular. Rubber Trusts rose to 31*s.* 1½*d.* on Tuesday, but had reacted to 30*s.* 6*d.* by Thursday. Anglo-Malay remained steady at 40*s.*, after appreciating slightly to 40*s.* 7½*d.* on Tuesday; whilst Anglo-Dutch were a firm market at 48*s.* 3*d.*, with a rise to 48*s.* 9*d.* on Thursday.

ANNUAL REPORTS ANALYSED.

F.M.S. PLANTERS.

Issued Capital: £133,250 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	2,108	—	258,297	—	2/7·60	1/4·47	16,687	6,412	6
1917	2,548	—	449,250	—	2/1·21	1/2·60	20,334	13,656	12½
1918	2,822	—	378,000	—	1/6·47	1/3·17	5,509	5,500	5
1919	3,819	2,118	793,000	375	2/0·37	1/1·85	34,959	32,150	25*

* But only 20 per cent. on the 12,250 shares representing the purchase price of the Cromdale Estate.

Price of Shares, 61/0. Market Capitalisation per planted acre, £106.

With the F.M.S. Rubber Planters, as with so many other rubber companies, the year 1919 has been a year of marked prosperity. Being a very young rubber Company, it had not time to reap the benefits of large-scale production before it had to reduce its output to comply with the scheme of restricted cultivation devised by the Rubber Growers' Association to meet the exceptional circumstances of 1918. Thus with 1916 as the first full year of harvesting there was secured a crop of 258,297 lb., and this was followed in 1917 by a crop of no less than 449,250 lb. Then came the curtailment of 1918, when the yield fell to 378,000 lb. No longer hindered by these barriers, and with an acreage increased by over 1,000 acres through the acquisition of the Cromdale and Sialeh estates, the estimate for 1919 forecasted an output of 700,000 lb. The report to hand for that year shows that not only was this greatly increased estimate realised, but that it was considerably exceeded, the actual crop harvested amounting to 793,000 lb. And this remarkable crop—remarkable in the light of the previous yields of the estate—was derived entirely from the old estate, for the 1,047 planted acres acquired during the year were not yet in bearing. Thus in the fourth full year of harvesting an average yield of 375 lb. per bearing acre has been attained, and this is a record for which the Company is entitled to claim full credit. Of this crop, 373,023 lb. was sent to Singapore, mainly to satisfy forward contracts, and the remaining 419,977 lb. was disposed of in London. The average price realised by

the sale of the whole crop worked out at 2*s.* 0·37*d.* per lb., or nearly 6*d.* per lb. more than was obtained in 1918. Moreover, although the prices of stores and materials continued to rise and labour had to be recompensed on a higher scale, the great increase in the quantity of rubber handled rendered possible a decline in the cost of production. The f.o.b. cost did not exceed 11·91*d.* per lb., as compared with 1*s.* 1·89*d.* per lb. in 1918, whilst the "all-in" cost fell from 1*s.* 3·17*d.* to 1*s.* 1·85*d.* per lb. Thus with a profit of 10½*d.* per lb. on 793,000 lb., as against a profit of 3½*d.* per lb. on 374,000 lb. in 1918, it is easy to realise the return for 1919 of a net profit of £34,959, or more than six times the net profit of the previous year. Shareholders participated fully in the prosperity of the year, receiving in dividends £32,150, as compared with £5,500 in 1918. This corresponds, for shares other than those representing the purchase price of the Cromdale Estate, which only obtain the final dividend of twenty per cent., to a rate of twenty-five per cent., as against five per cent. for 1918 and twelve and a-half per cent. for 1917. The balance carried forward to the next accounts is increased from £3,755 to £5,564.

Whilst there is no doubt as to the successful future before this Company as soon as its new acquisitions come into bearing, it is somewhat difficult accurately to forecast the fortunes of the current year. During 1919 the authorised capital was increased from £110,000 to £150,000 to facilitate the purchase of the Cromdale and Sialeh Estates. The issued capital now amounts to £133,250, of which £12,250 represents the price paid for the 1,011 acres on the Cromdale Estate, whilst £11,000 represents part of the proceeds of the 11,000 shares issued recently to existing shareholders at £2 5*s.* per share, in order to provide funds for development of the immature areas acquired, as well as to pay the £10,000 in cash for the Sialeh Estate of 730 acres. However, as this increased issue of capital ranked almost entirely for dividends during 1919, its effect on the results of the current year may be disregarded. A more vital consideration is provided by the problem of taxation in the form of the corporation tax and the sixty per cent. excess profits duty. Hitherto the Company has not been called upon to pay under the latter tax, but there is reason to anticipate a liability in this respect for 1920. The estimated crop amounts to 910,000 lb., and the actual returns of 491,060 lb. for the first seven months indicate every possibility of the estimate being realised. It was originally hoped to harvest this increased crop at an f.o.b. cost of 10*d.* per lb., but owing to the shortage of labour this figure may be exceeded. In this connection, the Chairman at the general meeting called—with some justification—upon the F.M.S. Government to encourage the importation of Chinese and Indian labour. It ought to be unnecessary to emphasise the importance of the rubber industry to the F.M.S., and the necessity in consequence of solving the acute problem called into being by the shortage of labour. Reverting to the outlook of the Company under review, it appears that forward contracts have been entered into covering 183,840 lb., at an average price equivalent to 2*s.* 3½*d.* per lb., London terms. Assuming a profit of 1*s.* per lb.—and this implies an increase in the "all-in" cost, which is unlikely—this guarantees for 1920 a profit of £24,192, leaving out of consideration the profit to be secured from the remainder of the estimated crop. Financially the position of the Company as disclosed in the balance sheet dated December 31, 1919, is very sound. Current liabilities, including the final dividend of £26,650, do not exceed £27,520, whereas liquid assets are available to a total of £31,840. The market quotes the £1 shares at 61*s.*, at which price, assuming a dividend of twenty-five per cent. for 1920, they afford a return of over eight per cent., and, in view of the future prospects of the Company, especially when the Cromdale and Sialeh areas come to maturity, are a decidedly attractive investment.

SUNGEI PURUN (F.M.S.).

Issued Capital: £65,000 in £1 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916..	1,005	—	240,189	—	2 5·21	1 1·24	11,751	8,750	13½
1917..	1,290	—	303,251	—	2 7·67	1 3·17	50,485	8,750	13½
1918..	1,322	—	237,660	—	1 7·1	1 3·39	11 411	5,500	8½
1919...	1,322	956	343,155	359	1 11 37·4	1 1·2·04	17,350	12,500	25

* Average of seven months.

Price of Shares, 45/0. Market Capitalisation per planted acre, £111.

With the disappearance of the restrictions on output, which were responsible for the small crop of 237,660 lb. in 1918, this rubber Company was able to report satisfactory progress for the year ended December 31, 1919. Whilst falling somewhat short of the estimate of 360,000 lb., the final harvest of 343,155 lb. still compared favourably with the last normal crop of 303,251 lb. in 1917. The increase in the crop was reflected in a gratifying decline in the cost of production. The f.o.b. cost dropped from 11.21*d.* per lb. to 10.49*d.* per lb.; whilst an "all-in" cost of 1*s.* 2.04*d.* per lb. was returned in contrast with 1*s.* 3.39*d.* per lb. in 1918. The average net price realised by the sale of the crop was slightly lower at 1*s.* 11.37*d.* per lb. Nevertheless, owing to the size of the crop the net profit of £17,339 was nearly £6,000 more than that of 1918. Consequently, it was possible to increase the dividend paid to Ordinary shareholders in amount from £7,500 to £12,500, and in rate from fifteen per cent. to twenty-five per cent. A reserve of £3,523 is set aside to meet liability in respect of excess profits duty, which absorbed 2,317 in the previous year.

Early in the current year it was agreed to increase the authorised capital of the Company from £50,000 to £150,000. This was done with a twofold motive: firstly, to provide funds to bring the rather large immature area into bearing; and, secondly, to facilitate a bonus distribution scheme. The first end was secured by offering to existing shareholders at par 5,000 shares of £1 each in the proportion of one share for every ten shares held. As the shares were quoted above 76*s.* when this announcement was made the offer contained a good bonus. The second part of the scheme included a bonus distribution of 10,000 shares to the existing shareholders in the ratio of one share for every five held. For this purpose the amount carried forward to the 1920 accounts was reduced by £1,000, and the balance of £9.000 was provided by the reserve for development. The joint effect of these alterations was to increase the issued capital to £65,000 for the current year. Consequently, in estimating the prospects for 1920 it is well to bear in mind the additional £15,000 upon which dividends will have to be paid. Furthermore, the extra burden of the corporation tax and the sixty per cent. excess profits tax must be taken into account. Again, the rather low price prevailing for rubber is not calculated to increase the amount upon which shareholders can count. Thus far we have been considering the adverse factors. But there is another aspect: a further increase in the crop to 400,000 lb. is anticipated in the current year, and the return of 217,100 lb. for the first seven months indicates that there is good reason for expecting such a yield. Such an increase will render feasible a further decline in the cost of production. Again, forward contracts have been entered into covering 293,440 lb. at 2*s.* 2.04*d.* per lb. gross. Financially, the position of the Company as disclosed in the balance sheet at the end of 1919 is very strong. Liquid assets exceeding £28,503 are available to meet current liabilities of all descriptions amounting to £19,975. Thus, whilst there may be some reason for anticipating a temporary set-back in the dividend for the current year, there is much stronger reason for believing that the future prospects of the Company are distinctly encouraging, especially when its immature area has come into bearing. In the market the £1 shares are quoted

at the rather low price of 15... at which price, assuming a dividend of twenty per cent. for the current year—and we do not expect this to be exceeded—they return a yield of nearly nine per cent.

GADEK RUBBER.

Issued Capital: £35,000 in £1 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,197	187	70,919	380	2/9.16	1/2·60	5,446	1,500	5
1917 ...	1,260	454	171,614	396	1/11·02	1/6·79	3,062	—	—
1918 ...	1,266	495	163,924	332	1/7·19	1/4·28	1,809	3,000	10
1919 ...	1,266	750	282,314	376	1/11·42	1/3·23	9,929	6,000	20

Price of Shares, 75/7½. Market Capitalisation per planted acre, £105.

THE report of this rubber Company for the year ended December 31, 1919, shows that with the removal of the drastic restrictions on output which hindered progress in 1918 a substantial improvement has taken place during the year under review. The estimate forecasted a crop of 270,000 lb., but the actual crop harvested exceeded this by 12,314 lb. The crop was disposed of under more remunerative terms than those of 1917 or 1918. Sales at Singapore covered 176,821 lb. at an average price of 1*s.* 10.11*d.* per lb. ex godown, whilst 104,989 lb. were despatched to London, where it realised an average price of 2*s.* 1.75*d.* per lb. Thus a general average of 1*s.* 11.42*d.* per lb. was secured, as against 1*s.* 7.19*d.* in 1918 and 1*s.* 11.02*d.* in 1917. Furthermore, with the increase in the crop came a decline in the "all-in" cost from 1*s.* 4.28*d.* per lb. in 1918 to 1*s.* 3.23*d.* per lb. in the year under review. Thus a net profit of £1,809 in 1918 is replaced by £9,929 in 1919. Consequently shareholders receive a dividend of twenty per cent., or twice that of 1918, and this dividend is paid after writing off twenty per cent. of the expenditure on machinery and buildings, which involved a deduction from the profits of £1,795.

Owing to the large outlay on the estate, which amounts to over £40,000, whereas the issued capital at the end of 1919 did not exceed £30,000, it was considered advisable to apply to the shareholders to provide further working capital. Accordingly 5,000 shares of £1 each were offered to existing shareholders at £2 per share, in the proportion of one share for every six shares held. Considering that the shares were quoted in the market at over 75*s.* the issue price of 40*s.* contained a good bonus. One very necessary effect on the liquid capital thus secured will be to redress the balance between liquid assets and current liabilities. In the balance sheet dated December 31, 1919, liquid assets do not exceed £11,829, whereas current liabilities, including the dividend of £6,000, amount to £12,072. Prospects for the current year have to be visualised in connection with the corporation tax and the sixty per cent. excess profits duty. The estimate provides for a crop of no less than 350,000 lb., of which 131,000 lb. have been secured during the first five months. Furthermore, it was stated at the general meeting that, as an adequate supply of tappers had been secured, the estimate erred, if anything, on the conservative side. One would naturally expect that such an increase in the crop would be accompanied by some decline in the cost of production. But the Chairman at the general meeting warned shareholders to anticipate a higher rather than a lower cost of production in the future. This appears to be a rather strange contradiction of general experience, and one which, if realised, would call for explanation. Considering all these aspects, it is not easy to forecast the prospects for the current year. Apparently the market is by no means as timid in its outlook as the Chairman is, for it quotes the shares at 75*s.* 7½*d.*, at which price they afford a yield on a dividend of twenty per cent. of only a little over 5¼ per cent.

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Insurance Notes.

SCOTTISH UNION AND NATIONAL INSURANCE COMPANY.

ANNUAL REPORT AND QUINQUENNIAL LIFE VALUATION.

THIS Company, which transacts insurance business of every kind generally undertaken by joint-stock enterprises, represents a powerful combination of interests. It takes its name from two long-established institutions, the Scottish Union and Scottish National, which joined business hands about forty years ago. Its more recent absorptions have been the Lancashire and Yorkshire Accident Company (in 1906), the City of Glasgow Life Company (in 1913), and the Maritime Insurance Company (in 1914).

The extensive life-assurance department plays a larger part than usual in the outcome of the Company's operations ending on December 31, 1919, for a quinquennial valuation fell to be made in that section at the close of last year. During 1919 the life business showed considerable development. The new assurances amounted to £1,927,143, of which £269,271 was reassured, the net retention at the Company's sole risk thus being £1,657,872, as compared with a corresponding figure of £874,001 for 1918. It will be seen that the net retention was not far from doubled. The total net life premium income was increased by £28,679 to £571,087, apart from a sum of £12,903 received as consideration for new annuities. The net interest earnings on the life funds amounted to £338,470, after deduction of income tax. Claims by death absorbed £460,083, and assurances for £157,611 matured by survivance. So far as these figures are concerned, the business seems to have run a normal and satisfactory course. The quinquennial valuation, however, revealed a depreciation in investments amounting to £271,560. It was made on the same basis and at the same rate of interest (3 per cent.) as had been adopted for the quinquennium ending on December 31, 1914, and the depreciation referred to was not the only adverse influence bearing on the quinquennial outcome. Amongst others were War claims amounting to £156,000 and increased taxation. The life assurance and annuity fund at the close of last year amounted to £8,266,845.

On the last previous quinquennial occasion, as at December 31, 1914, the directors deemed it prudent to postpone any declaration of profits. In their annual report for 1919 they state that, after reviewing the situation and looking to the probability of the continuance of adverse conditions for some time, they regret that they are unable to make any distribution of bonus in respect of the period from January 1, 1910, to December 31, 1919. In order, however, to meet the case of the participating life policies in force on December 31, 1919, which may become claims by death or survivance before December 31, 1924, it

has been decided to allow in respect of such policies a bonus for each year's premiums duly paid subsequent to December 31, 1919, as follows:—

On policies with immediate participation in profits, £1 per cent. on the sum assured.

On policies with defined participation in profits, special rates depending on date of ranking.

Whatever disappointment may be felt at these results can scarcely be accompanied by surprise, for the great majority of life offices making valuations during the latter part, and since the close, of the War have felt bound to act in a somewhat similar way, and the circumstances may be regarded as exceptional and temporary. In all the other departments of the Company's business during last year the results were favourable, as will be seen from the following brief analysis:—

Fire Department.—The relative net premium income in 1919 amounted to £1,291,281, showing an increase of £205,652. After giving effect to the year's operations and to the adjustment of the reserves for unexpired risks at the close of each year on the specially strong basis of fifty per cent. of the year's premium income, the fire account shows a trading profit of £126,888, or about 9.8 per cent. of the premiums, apart from net departmental interest earnings of £27,043, the transfer to profit and loss thus amounting to £153,931.

Accident Department.—Premium income (decreased as compared with that for 1918 by £640), £17,315. Trading profit computed in the same way as in the fire section, £6,204 (about 35.7 per cent. of the premiums); departmental interest earnings, £406; transfer to profit and loss from this section, £6,610.

Employers' Liability Department.—Premium income (increased by £8,176), £54,761; trading profit, £16,958 (about 30.9 per cent. of the premiums); net departmental interest earnings, £1,703; transfer to profit and loss, £18,661.

Miscellaneous Assurance Department.—Premium income (increased by £8,067), £28,065. Trading profit, £1,205; net departmental interest earnings, £978; transfer to profit and loss, £2,183.

Marine Department.—Premium income decreased by £441,708), £374,866. Profit entered into this account as realised, £240,000. This amount is transferred to profit and loss, but, as will be seen hereafter, is subjected, like the other profits, to large deductions for taxes. The marine fund at the close of the year, including provision for unsettled claims, amounted, after this transfer, to £699,518.

Sinking Fund and Capital Redemption Assurance Account.—Premiums, £8,978. Transfer to profit and loss, £3,389. Relative fund thereafter (at close of 1919), £87,542.

To the departmental profits above mentioned are added in profit and loss account net interest earnings of £81,964 not elsewhere credited, as well as transfer fees of £554; and profit and loss account is debited with £280,215 for various items (agents' balances irrecoverable, £397; income tax paid and provided for, £109,818; and excess profits duty paid and provided for, £170,000).

The net profits of the year 1919 appear to be as follows from a compilation of the figures above shown:—

Department or Account	Profits from Trading	Net Interest
	£	£
Fire	126,888	[illegible]
Accident	[illegible]	[illegible]
Employers' liability	[illegible]	[illegible]
Miscellaneous	[illegible]	978
Marine	[illegible]	[illegible]
Sinking fund	[illegible]	[illegible]
Profit and loss	554	[illegible]
	£295,158	
Less items charged to profit and loss account	180,215	
	£114,943	£[illegible]

Together £221,290

[illegible]

The total assets as shown in the Company's balance sheet as at December 31, 1919, amounted to £11,948,162. Apart from shareholders' paid-up capital (£300,000), life assurance and annuity fund, sinking and capital redemption fund, and marine insurance fund, the free reserves carried forward to 1920, after provision for dividends and outstanding losses and debts, are as follows:—

	£
[illegible]	645,640
Accident fund ...	[illegible]
Employers' liability fund	[illegible]
Miscellaneous fund	[illegible]
General reserve fund	[illegible]
Balance of profit and loss	[illegible]
	[illegible]

This represents about eighty-five per cent. of the total net premium income in the fire, accident, employers' liability, and miscellaneous insurance departments, which aggregated £1,391,442.

With the beginning of 1920 and the closing of the last quinquennial life period a new chapter opens in the Company's history. There is no reason why on the return of normal conditions it should not conduct its life business as profitably as the great majority of its contemporaries in the business, who have all, like itself, been subjected during the past few years to the peculiarly depressing circumstances arising from the War. The commercial sections of its business continue to show a very satisfactory ratio of profit, its reserves are strong, and the dividend prospect seems excellent, as the distributions to shareholders have hitherto been made on an extremely conservative basis.

London and Brazilian Bank, Limited.

ESTABLISHED 1862.

Subscribed Capital - £3,000,000
Paid-up Capital - - £1,500,000
Reserve Fund - - £1,500,000

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

BRANCHES in Brazil, Argentina and Uruguay, and also in Lisbon, Oporto, Paris and New York (Agency).

AGENTS and Correspondents throughout the World.

BILLS negotiated, advanced upon, or sent for collection.

Exceptional Banking facilities offered through the Branches of the Bank and its numerous Agents and Correspondents for the promotion of Trade with South America and Portugal.

7 Tokenhouse Yard, London, E.C. 2.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE, ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
St. Swithin's House,
St. Swithin's Lane,
London, E.C.4.
Manager: J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street,
London, E.C. 4.
Actuary and Secretary:
Chas. Windeatt

Commercial.

FLOUR AND GRAIN MOVEMENTS.

Portland, Oregon: August 10, 1920.

The annual report of the *Commercial Review*, a flour and grain paper of this city, covering the year ending August 1920, is being studied closely by the trade throughout the North Pacific. The figures show a flattering gain in the export trade of this territory, considering that prior to May 1 of this year all the exports of wheat and flour were confined to the Grain Corporation.

Shipments of Wheat and Flour: Cereal Year 1919-20.

From Columbia River		*From Puget Sound*		*Total*
	Bushels		Bushels	Bushels
Wheat ...	4,988,167	Wheat ...	1,255,320	6,243,487
	Barrels		Barrels	Barrels
Flour ...	3,572,962	Flour ...	3,641,932	7,214,894
				Bushels
Crop 1919, estimated				63,550,000
Carry-over, July 1, 1919				2,000,000
				65,550,000
Exports from Columbia River, flour and wheat, reduced to wheat bushels				21,066,496
Exports from Puget Sound, flour and wheat, reduced to wheat bushels				17,641,014
Eastern and Southern wheat and flour shipments by rail, reduced to wheat bushels				4,937,500
Stocks on hand to be shipped by U.S. Grain Corporation; flour, 368,000 bbls., equal to wheat bushels				1,656,000
Private stocks on hand				300,000
Home consumption and seed				20,000,000
			Total ...	65,804,010

Destination of Wheat Shipments.

To	*From Columbia River* Bushels	*From Puget Sound* Bushels
Europe	4,972,611	1,186,919
California ...	15,180	15,150
British Columbia ...	—	13,000
Hawaii	2,040	30,250
Orient	336	10,001
	4,988,167	1,255,320

Destination of Flour Shipments.

To	*From Columbia River* Barrels	*From Puget Sound* Barrels
Europe	3,242,651	2,513,332
California	207,885	692,525
Hawaii	4,765	91,310
Orient	115,705	206,740
South America ...	1,956	55,700
British Columbia ...	—	8,175
Alaska	—	44,150
Totals ...	3,572,962	3,641,932

It is the general opinion that the shipments of wheat will show a larger gain during the coming year. The Interstate Commerce Commission of the State of Washington has recommended to the Interstate Commerce Commission at Washington, D.C., that a special rate rail-shipment be made from Montana to the North Pacific Coast territory on wheat intended for export. This would in no way interfere with the trade in the North Pacific territory as regards the local markets, but would tend to the sending of wheat from Montana and Middle Western points to the coast terminals for shipment to foreign countries, and thereby partially relieve the rail congestion existing at the present time. In this way it would also increase the export of wheat from Portland, Tacoma, and Seattle. The decision of the Commission has not been announced from Washington, but it would not be surprising to the trade if this rate were put into effect.

A further stimulus to the export business of the Pacific North-west is the recent announcement of a decline in rates from coast points to the United Kingdom and other European ports by the United States Shipping Board. The former rate to the United Kingdom has been $29 per ton for wheat, while for the new wheat the figure will be $20 a ton. This cut was practically forced on the Board by the entrance recently of Oriental shipping firms into the Pacific Coast field. The latter announced a rate of $23 per ton, a cut from the Shipping Board rate of $6 a ton. With the tonnage situation easier and the rail transportation only slightly improved it is expected that the coming year will be a banner one for exporters of wheat in the Pacific North-west.

Industrial Companies.

BABCOCK AND WILCOX.

Issued Capital: £2,129,275, in 100,000 6% Cum. Pref., 179,056 5% Cum. 2nd Pref., and 1,850,219 Ordinary Shares of £1 each.

Year	Net Profit	Inc. Tax &c.	Pref. Div.	Ord. Div.	%	Added to Reserves	Amt. of Carry-forward	Stocks,† &c.	Surplus Liquid Assets‡
	£	£	£	£		£	£	£	£
1914...	441,183	38,236	14,890	232,400	14*	160,000	69,492	684,211	1,419,104
1915...	468,572	72,021	14,918	249,000	15*	160,000	42,125	871,416	1,336,099
1916...	560,400	122,078	14,952	249,000	15*	160,000	56,495	1,144,055	1,230,018
1917...	569,358	124,845	14,952	249,000	15*	160,000	77,056	1,378,447	1,237,092
1918...	614,135	175,151	14,952	249,000	15*	160,000	92,088	1,229,502	1,603,149
1919...	655,399	200,379	14,952	249,000	15*	160,000	123,225	2,120,672	1,012,583

* Free of tax. † Including work in progress. ‡ Excluding stocks.

Since its inception this general engineering concern has enjoyed remarkable prosperity. For many years its annual reports have shown rapid extension in business, and it has become customary to anticipate regularly increasing profits as a matter of course. The transition from war work to normal conditions, far from resulting in any reduction of earnings for the year ended December 31 last, led, in fact, to a considerable expansion, the net profits, after providing for depreciation and all general charges, amounting to £655,399, or £41,264 in excess of the figure for 1918. Income tax, however, continued to absorb an increasing proportion of the revenue, with the result that the balance of profit, after deducting this item, was actually only £16,000 in excess of the balance for the previous year. The Ordinary dividend remains at fifteen per cent., and is paid free of tax, being, therefore, equivalent to 21½ per cent. subject to tax. In connection with recent dividends it is well to remember that fifty per cent. of the Ordinary capital of £1,660,000, upon which distributions have been made, is represented by £830,000 capitalised from the reserve in 1912.

In addition, since 1912 annual appropriations have been made of £10,000 to the superannuation fund and £150,000 to the general reserve, which with last year's allocations now stands at the record figure of £1,200,000. In September of last year the authorised Ordinary capital was increased to £2,160,000 by the creation of 500,000 Ordinary shares of £1 each. These were offered to the existing Ordinary shareholders at a premium of £1, in the proportion of one share for each four held, but as the market premium was over £2 10s. this in itself constituted a bonus distribution. Up to the date of the last balance sheet 437,201 of these shares were issued, upon which £380,438 were received, half being capital and half premium. In accordance with the terms of issue, however, the new shares do not rank for dividend for the financial year under review. After appropriating £160,000 to the reserves there is £123,225 carried forward to the next accounts, as compared with £92,088 brought in from 1918. Apart from

the capital alteration mentioned above, the balance sheet contains a few important changes. The sundry creditors are greater by £458,427 at £1,754,362, but under the same heading are included "Reserve for estimated further expenditure on orders invoiced, fall in value of investments, excess profits duty, income tax, &c." It would be preferable if the original practice was adhered to of showing the figure for the Ordinary creditors separately, as no safe deduction can be drawn from alterations in the total figure of such distinct items. There is a credit of £190,219 for "premium on shares" account, which represents half the amount received on the issue of shares already referred to, while the dividend equalisation fund stands at £245,000. The fixed assets, including patents and shares in associated companies, show an increase of nearly £261,000 at £764,464. Investments, which are valued at cost price, are £85,530 greater at £1,711,301, and debtors have gone up by £120,413 to £963,261. The figure for stock and work in progress has expanded £891,170 to £2,120,672, but cash held is down by £338,100 at £249,258. The surplus of liquid assets over current liabilities has decreased by nearly £600,000, which, in view of the expansion in stocks, cannot be considered as in any way abnormal.

The position as disclosed in the accounts is eminently satisfactory, and the vitality of the Company does not appear to have been impaired by its war experiences. Apart from its numerous interests in associated companies here, it has several important interests abroad. The construction of the factory in Spain will be completed this year, and the French Babcock and Wilcox works, in which the Company is interested, have been enlarged. The Japanese works have also been extended, and auxiliary factories are being established in Italy and Australia. At home considerable extensions are being made at Renfrew and at Dumbarton. The directors, in their report in May last, drew attention, however, to labour troubles which were causing continual interruptions. With the present strike threat in the coal industry the danger of serious dislocation in the engineering trades is particularly grave. Apart, however, from anything of this nature, the great prosperity which the engineering industry has experienced is likely to continue. The prices and yields of the shares of Babcock and Wilcox are as follows: —

	Par	Price	Yield
	£	£	%
6% Cum. Pref. shares	1	1	—
5% Cum. 2nd Pref. Ord.	1	⅞	7¼
Ordinary shares	1	48/9	6·1*

* Free of income-tax at 5s. in the £.

The possibility of a further share bonus is no doubt in part responsible for the high quotation on the Ordinary shares, as the Company's general reserve at £1,200,000 is £370,000 larger than the reserve which was capitalised in 1912. A reversion to the previous policy cannot, however, be safely counted upon in view of the difference in general industrial conditions prevailing in 1912, as compared with the present abnormal position.

BARCLAY, PERKINS AND COMPANY, LIMITED.

Issued Share Capital: £730,200, in £80,000 10% Cumulative Pref. Shares of £4 each and 10,200 Ord. Shares of £1.

Debenture Stock: £1,450,000 3½ Mortgage and £114,371 5% Consolidated Mortgage.

Yr. to Mar. 31	Trading Sales	Depren., Taxes, &c.	Net Profits	Int. on Debs.	Pref. Div.	Ord. Div.	Carried Forward	Reserve	Ord. Shares Equiv.	Ord. Div.
	£	£	£	£	%	%	£	£	%	£
1914	539,977	188,826	111,660	74,257	5	5	53,000	—	—	30,300
1915	387,930	189,651	105,418	81,073	5	5	58,000	—	—	40,000
1916	418,637	114,775	103,900	45,874	Nil	Nil	—	—	—	—
1917	502,653	191,108	98,053	92,955	4	13	72,000	—	—	—
1918	279,232	Nil	109,549	109,551	6	18	118,000	—	—	—
1919	311,436	109,358	99,430	310,016	16	30	288,000	—	—	—
1920	436,955	392,577	165,354	329,443	8	1	108,000	8	100	87,000

* Free of tax.

A striking illustration of [illegible] development in the position [illegible] record years is afforded by the [illegible] Barclay, Perkins and Company, Ltd., [illegible] March 31, 1920. The turn of the tide in its affairs began in 1916, and by rapid stages the Company [illegible] attained a position of remarkable prosperity. [illegible] the financial year under review the sales amount to 436,955 barrels, being 125,600 barrels in excess of 1918-19 and nearly twice the quantity sold in 1917-18. The expansion was due largely to the withdrawal of Government restrictions on output. Profit from all sources has increased by £83,021 to £492,377, which indicates a lower average profit per barrel than that for each of the previous two years. The charges for depreciation, taxes and interest have risen by almost £54,000 as compared with 1918-19, mainly in consequence of the creation of a reserve of £50,000 to meet excess profits duty and other Government taxation. The Preference shareholders receive £108,000, as compared with £288,000 for the previous year. The payment of £108,000, in conjunction with the previous year's payment of £288,000, clears off all arrears of Preference dividend. The dividend paid is equivalent to six per cent. on the original Preference share capital of £1,800,000 and to fifteen per cent. on the existing Preference share capital of £720,000. Coming to the dividend on the Ordinary share capital, a very satisfactory transformation has been effected by the payment of a dividend of 800 per cent., equivalent to eight per cent. on the original Ordinary capital of £1,020,000. In connection with this dividend, however, it is well to remember that £1,009,800 was written off the Ordinary share capital in 1911, in addition to a reduction of £1,080,000 in the Preference share capital, to provide for a depreciation which was disclosed in the assets of the Company. Moreover, this is the first Ordinary distribution since the accounting period 1906-07, so that for twelve years the only return on the original Ordinary capital invested is an allocation of £81,600, whereas a five per cent. dividend on this capital for the twelve years would amount to £612,000. Therefore, even if the dividend of 800 per cent. is maintained, it will be many years before matters are equalised from the point of view of the Ordinary shareholders.

Out of the large carry-forward of £204,972 from 1918-19, and the substantial balance of undivided profits for the year under review, the Company has decided to allocate £250,000 to the general reserve fund, and to carry forward £99,415 to next year. This is the first allocation to the general reserve since 1915, and the latter now amounts to £550,117.

The balance sheet of the Company contains some important additions and alterations. The share capital and Debenture stock remain as before, but, as stated above, an addition of nearly eighty-five per cent. has been made to the general reserve. Liabilities on mortgage have increased by £4,164 to £115,467, whilst the amount due to sundry trade creditors has fallen by £55,677 to £104,902. There is, however, three months' beer duty outstanding, amounting to £271,971, as against £110,245 for the corresponding period last year. A reserve of £178,910 has been created to provide for deferred maintenance and contingencies, including the allocation of £50,000 for Government taxation. On the assets side of the balance sheet, the brewery properties are reduced in value by £1,227, representing the difference [illegible]

HARRISONS & CROSFIELD, LIMITED.

ISSUED CAPITAL . . £1,837,000

1-4 Great Tower Street, London, E.C. 3

With Branches in Ceylon, F.M.S., India, Dutch East Indies, Canada, Japan and elsewhere.

Agents and Secretaries for TEA, RUBBER AND OTHER PRODUCE ESTATES.

SELLING AGENTS for Manufacturers in London and Abroad.

and the additions for the year. Freehold and leasehold houses, reversions and equities have advanced considerably by £83,541, and are now estimated at £996,034. Whilst loans to publicans are down £37,783, trade debts and outstanding accounts are estimated at £206,526, representing an increase of £87,708 over the figure for the previous year. The usual provision has been made for bad and doubtful debts. No reduction has been made in the figure for goodwill, which stands in the balance sheet at £284,014. Trade stocks, materials, and transport equipment have increased by almost ninety per cent., from £229,327 for 1918-19 to £432,623 for the year under review. In connection with any criticism of this increase, however, it is well to bear in mind the large expansion in the business of the Company, the difficulty nowadays of obtaining materials as and when required, and the difference in price levels. Under the heading of investments, war issues are now £281,105, as against £253,234 for the previous year. The figures for 1919 were taken on the basis of the cost price, whereas in the accounts for this year they are taken on the basis of the market value. Sinking-fund policies now figure at £104,647, after payment of the usual annual premiums, and one policy of £50,000 will fall due in 1921. Trade and other investments have dropped from £30,454 in 1919 to £6,812 in the accounts for the present year. Cash at the large figure of £196,954 shows an increase of £8,069.

Taking everything into account, the Company has materially improved its position, and its financial resources are much strengthened. The enormous expansion in sales since 1917-18 testifies to its vitality and recuperative power. The accumulation of arrears on the Preference share capital being now wiped out, the Ordinary shareholders are beginning to come into their own.

The balance-sheet figures given below compare the March 1914 and the present position. It will be seen that by including sundry trade stocks the surplus liquid assets amount to nearly £500,000.

Balance-Sheet Figures at March 31.

Liabilities.			Assets.				
	Issued Capital	Reserves & Carry-forward	Fixed Assets	Trade Loans	Stocks	Surplus Liquid Assets	Total
	£	£	£	£	£	£	£
1914	2,332,700	100,000	272,264	1,471,095*	833,756	210,272	2,704,964
1918	2,294,571	Nil	485,075	1,493,328*	657,244	235,753† 102,308	2,777,646
1919	2,294,571	Nil	505,089	1,562,195*	630,120	229,327 94,005	2,799,660
1920	2,294,571	Nil	823,442	1,644,510*	591,337	432,623 65,823‡	3,123,013

* Excluding goodwill valued at £284,013. † Deficit.
‡ Excluding sinking fund policies, £104,647, deposited as part security for 5% Mortgage Debenture stock.

The Ten per Cent. £4 Preference shares of the Company are now quoted at 67*s.* 6*d.*, yielding 11.8 per cent., there being no quotation for the Ordinary shares, which are privately held.

For the brewing trade, as for industrial undertakings generally, the prospects of the coming year cannot be accurately gauged. Heavy Government taxation continues to handicap all forms of industrial enterprise, and though restrictions on the output of breweries have been withdrawn, the restrictions on gravity continue to be enforced. With unrestricted output, trade competition, which was almost entirely absent during the War, is bound to reassert itself sooner or later. It is doubtful, however, if the brewing trade will ever experience a recrudescence of the disastrous competitive practices which characterised pre-War operations.

FURNITURE
for Cash.
The best stock in London at
LOWEST PRICES
for excellence of Quality and Design.
Wm. SPRIGGS & Co., Ltd.
238-241 Tottenham Court Road, W. 1.

New Issues.

5-15 YEAR TREASURY BONDS.

These bonds, which are still on offer at £100 per cent., payable on application, are repayable at par on May 1, 1935, or on May 1 of any one of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid half-yearly on May 1 and November 1, at a minimum rate of five per cent. per annum, may be further increased during the period ended May 1, 1925, as follows: If in any half-year ended May 1 or November 1 the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a-half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year; if the aforesaid rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. Allotments may be obtained in Registered form, or in Bonds to Bearer.

LONDON HOUSING BONDS.

These bonds, available in amounts of £5 each and multiples thereof, bear interest at the rate of six per cent. (payable on September 30 and March 31), and are redeemable at par on the expiration of five, ten, or fifteen years. They are secured upon all the property and revenues of the L.C.C. and the rates of the Council outside London. Payment may be made in instalments for Bonds to the value of £20 or multiples thereof. Transfers executed free of expense. Each borough has a lien on money subscribed within its boundaries; and individuals may tender bonds at face value in purchase of dwellings erected by a local authority under the Housing Acts. Income tax is not deducted when holdings do not exceed £100.

THE BRIGHTON AND HOVE GENERAL GAS COMPANY.

An offer is made at £100 per cent. of £50,000 seven per cent. Debenture stock, redeemable at par on June 30, 1935. Purchasers will, on January 1, 1921, receive three months' interest up to that date. Thereafter, payments will be half-yearly, on July 1 and January 1. The proceeds will meet the cost of extensions of the works and plant, rendered necessary by the increasing demand for gas. The interest on the existing Debenture stock and that now being raised requires £9,970 per annum, and is a prior charge on the net revenue of the Company. As the latter amounted to £39,734 for the year ending December 31, 1919, a substantial margin exists. Despite the heavy disabilities imposed by the War on the gas industry, this Company has maintained a comparatively high earning capacity which shows every sign of being maintained.

THE LONDON PAPER MILLS COMPANY.

The offer of £250,000 Six per Cent. (free of income tax) Guaranteed First Mortgage Redeemable Debentures at nine-eight per cent. was early over-subscribed, and the lists were closed on September 1.

THE ELITE PICTURES (HASTINGS AND BRISTOL), LIMITED.

Applications are invited for 52,250 Ten per Cent. Cumulative Preference shares of £1 each and 52,250 Ordinary shares of £1 each in the above Company, which has an authorised capital of £125,000, divided equally into the two classes of shares. It is formed to purchase as going concerns cinema theatres in Hastings and Bristol, and to purchase and convert the Royal Concert Hall, Hastings. The promoters, the Ideal Improvements Syndicate, have secured options for the purchase of the various properties at the price of £81,627, of which £14,500 will be accepted in fully-paid shares. These rights they assign to the Company for £9,000, of which £6,000 is to consist of fully-paid shares. The total purchase price is thus £90,627, of which 20,500 consists of the unissued shares. If all the shares offered are taken up, the balance on hand will be over £24,000, out of which must be met the cost of converting the Royal Concert Hall. In calculating the profits the average actual receipts of the Royal Cinema are given, while those of the Royal Concert Hall are necessarily an estimate. In the case of the Coliseum, instead of previous receipts, an estimate is also put forward, and it is not explained why the receipts should

be greater than those of the Royal Cinema, though the seating accommodation of the latter is smaller. The vendors, the Ideal Improvements Syndicate and the board of directors are closely identified. The capital of the Syndicate is £417, and its receipts on this particular transaction are £9,000. Five of the seven directors are individually interested in many other Elite Picture Theatres. The issue is not underwritten. The undertaking is, of course, highly speculative, but seems under capable control.

MATHER AND PLATT.

210,000 new Ordinary shares of £1 each are offered to the Ordinary shareholders registered on August 17 in the proportion of one new share for every five shares held. Letters of renunciation have been issued, and may be split once before September 21. The shares will rank for dividend on the full amount from January 1, 1921. The accounts of this prosperous well-managed concern were dealt with in our issue of last week.

HARTLEY AND MOORE, LIMITED.

This recently incorporated Company offers for subscription 18,000 Ten per Cent. Participating Preference shares of £1 each and 50,000 Ten per Cent. Registered Short-term Debentures at £10 each (redeemable by annual drawings of 720 Debentures at three per cent. premium). The firm manufactures chocolate, cocoa, confectionery, and preserves. In the prospectus reference is made to the adoption of Van Houten's processes, which statement has drawn forth a declaration from Van Houten's representatives. The high rate of interest is a measure of the risk attached to the enterprise.

THE BRITISH ROAD-TRAIN CORPORATION.

What is described as the "Initial Capital" of £100,000 is offered to the public in £100,000 Ordinary shares of £1 each. The usual statement required by the Companies Act that a copy has been filed with the Registrar of Joint Stock Companies does not appear in the prospectus, which was published on Monday last, nor was it indicated that the Company had been registered. Inquiry from the Board of Trade yesterday elicited the fact that registration had since taken place. It is proposed to run regular passenger services by motor coaches between Manchester, Birmingham, London, and various centres. The estimates of running expenses and gross profits are not convincing, especially as the latter are arrived at on the basis of a charge of one penny per mile. With the rise in petrol just announced, the increased cost of tyres, and the heavy depreciation incidental to long journeys on indifferent roads, it is difficult to imagine a profit being made on this scale of charges, especially in the winter-time, when passengers would not willingly face the discomforts of motor travelling. Investment in this issue appears to carry an unusually high degree of risk.

DIVIDENDS ANNOUNCED THIS WEEK.

	Date	1919	1918	1917	1916
COMMERCIAL AND INDUSTRIAL					% p.a.
[illegible]			6		
[illegible]					
[illegible]		12½	12½	12½	12½
[illegible]					
Pref. Ord.					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
British Tobacco (Australia) ...		12	12	12	12
MINES:					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
BANKS AND DISCOUNTS:					
[illegible]					
[illegible]					
[illegible]					
Banco Espanol ...					
[illegible]					
[illegible]					
[illegible]					
[illegible]					

COMPANY MEETING.

CALEDONIAN (SELANGOR) RUBBER CO., LIMITED.

The [illegible] annual general meeting of the [illegible] Rubber Company, Limited, was held at [illegible] Street, [illegible], on Thursday last, Mr. [illegible] presiding.

The [illegible] of the Secretary to the [illegible] and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said the [illegible] for the year [illegible] £55,000, as compared with £18,000 for the previous year. Cost expenditure was £37,677 [illegible] £17,977. [illegible] published flattering notices of the report qualified their praise by referring to the [illegible]. In matter of fact, the balance sheet clearly showed that all the Debentures were redeemed on March 15 last. With regard to crop expenses, these had been kept as low as possible. The rubber was sold at a net average price of 1s. 10½d. per lb., as compared with 1s. 7d. the previous year; the f.o.b. cost was 9.44d., and the "all in" cost 11.59d. The area under cultivation showed a slight variation from that of the previous year. The explanation was that the Manager advised the directors to abandon a further fifty-one acres of rubber on the flats owing to persistent flooding by the Sungei Buloh River. The Visiting Agent wrote: "In the abandoned area approximately thirty acres [illegible] now under tapping. In all it may be possible to take in about fifty-five acres which will give payable results, but it must be understood that all of this area will eventually go out of [illegible]. This year's [illegible] fifty-six acres out of the 294 acres remaining. The uncleared area would be opened up as soon as possible, but owing to Mr. Ward, the Manager, being home on leave they wished to put as little as possible on [illegible] and therefore this work would stand over until Mr. Ward's return. The Visiting Agent reported that the trees [illegible] had maintained general immunity from disease, and there were [illegible] estimated [illegible]. Thinning out on the mature fields was [illegible], and the trees now average ninety-two per acre. An extensive programme of new buildings had been undertaken, and construction was now nearly finished. These included a factory, drying-shed, new smokehouse, bungalows, [illegible]. The health of the labourers had been consistently good since the last report.

Satisfactory Crop Figures.

[illegible] to 134[illegible] the [illegible] 75,000 lb. [illegible] expected [illegible] to [illegible] [illegible] [illegible]

MEETINGS
OF PUBLIC COMPANIES.

THE NATIONAL STANDARD BANK OF SOUTH AFRICA, LIMITED.

The ordinary general meeting of shareholders of the Company was held in the Bank Buildings, Pretoria, on Wednesday, June 23, 1920, Mr. J. Emrys Evans, C.M.G., presiding.

The Secretary having read the notice convening the meeting, the minutes of the previous ordinary general meeting of June 25, 1919, having been confirmed, the directors' report and statements of account taken as read, and the auditors' report read, the Chairman said :—

Gentlemen,—Having been called to the chair at practically the last moment, I cannot do better than read to you the remarks prepared by my colleague, Mr. Crawford, whose absence, through illness, from this meeting we all very much regret.

Again I am able to place before you figures which speak eloquently of the progress made by the Bank. The year has not been without difficulties, and certainly the most formidable of these has been the maintenance of our gold reserves. All through the War period we made strenuous efforts to keep the Bank's gold reserves up to an adequate standard, but the Imperial authorities could not see their way to allow us to supply ourselves with sovereigns, except to a limited extent, and the exports of the country could only be financed by depleting our reserves unduly. When the embargo on the export of gold from Britain was removed in August last the price of this commodity immediately jumped to a premium, and has ever since fluctuated severely. At one time the premium reached almost forty-five per cent., but stands lower to-day at twenty-three per cent. It will be understood that under such conditions it has been an expensive matter for the Bank to replenish its reserves.

The Union Government is giving the matter its earnest attention, but the subject is one which bristles with difficulties, and in order to cope with the situation it has meanwhile been necessary to increase our exchange rates very materially. On the one hand the gold mines have experienced great benefit from the higher price, but on the other hand the producers of other commodities for export have been severely handicapped by the exchange difficulties with which the banks have been contending. The exchange and currency problem has pressed on us very severely during the last few months, and has added enormously to the difficulty of carrying on our everyday business.

However, in spite of the troubles I have mentioned, your directors are able to place before you to-day a balance sheet showing great expansion, and reflecting the prosperous condition of the country. During the War period we were not able to open many new branches, but in the course of the last eight months or so quite a large number have been established in various parts of South Africa. Since we last met an office of the Bank has been opened in Antwerp, and we have now also our own branches at Bombay, Port Louis (Mauritius), and at St. Helena.

A Gratifying Balance Sheet.

I would now direct your attention to the balance sheet, and I am sure you will feel that the figures set forth are most encouraging. The paid-up capital now stands at £2,965,000, having been increased by the issue of a further 10,000 shares, as referred to in my remarks of last year. The reserve fund appears at £1,050,000, an increase of £200,000 over the figures of the previous year. Deposits stand at £61,323,000, as against £40,521,000 the preceding year. Notes in circulation amount to £4,327,000, as against £3,070,000 on March 31, 1919. The increase is due to the greater prosperity enjoyed by the country, which has necessitated the circulation of more currency. The increased cost of financial dealings in practically all commodities is another reason for the greater volume of currency now required. On the other side of the balance sheet it will be observed that cash assets, including money at call in London, total £13,761,000. Investments stand at £12,185,000. These appear in our books at or below market quotations on March 31, 1920, and, as was the case last year, they may be described as of the gilt-edged class, comprising principally British and Colonial securities. Unfortunately there has been a heavy depreciation in all these stocks, with the result that we have had to provide no less than £100,000 in order to bring our investments down to under market quotations. I am sorry to have to add that the trend of prices seems likely to render it necessary for us to appropriate a further sum against these assets during the current year. Bills of exchange stand at £14,429,000, as compared with £9,210,000 last year. Bills discounted, loans, etc., aggregate £32,961,000, as contrasted with £24,370,000 the year before.

Bank premises have been again substantially written down, and stand at £768,030. This account reflects premises used by the head office and numerous branches of the Bank, and the asset is one essential to our business. It is considered that the figure at which the premises stand in our books is well represented by tangible value.

Liquid assets, comprising cash, money at call in London, investments, and bills of exchange aggregate £40,375,000 and represent 58 per cent. of the Bank's liabilities to the public.

The profit and loss account reflects a profit of £515,000, as against 438,000 for the year ended March 31, 1919, after allocating £50,000 in reduction of Bank premises account.

The board of directors recommend a dividend at the rate of 7 per cent. and a bonus of 1 per cent. per annum, which make a distribution of 8 per cent. for the year. Should this recommendation be adopted, the amount distributed in dividends and bonus during the year reviewed will be £235,485. It is further recommended that an amount of £60,000 be placed to officers' pension fund, and that £200,000 be placed to reserve fund, increasing the latter to £1,250,000, when capital and reserve will then aggregate over £4,200,000. A balance of £43,200 will thus remain to be carried forward.

The board is again able to assure shareholders that ample provision for bad debts and outstandings of doubtful character has been made.

Great Natural Resources.

At our meeting last year reference was made to the relief experienced when the Armistice was signed, and, although it is more than a year and a-half since that joyful event, the world is still in a very unsettled state. Vast areas of Europe indeed are in turmoil, and the final outcome is obscure. In South Africa, however, prosperity continues to reign, and probably few countries in the world have experienced so little of the terrible consequences of the War.

It is very important to us and to all producing countries that the great European nations should recover their financial status. South Africa has such a wealth of raw products to market that it cannot continue to be prosperous and to expand its trade unless countries oversea are able to buy. There are, I think, indications that Europe generally is slowly emerging from the unhappy position created by the War. As with all developing countries, we shall probably experience periods of depression and meet with set-backs from time to time. I am confident, however, that we shall emerge from each of these and be tided onwards to increased prosperity. The country is so rich in raw products that it cannot for long remain depressed, and to convince ourselves of this we have only to examine our past industrial history, which is a record of vicissitudes, one following the other with kaleidoscopic rapidity. Through all these changes runs, however, a line of advancement. We have, of course, been aided tremendously by our gold and diamonds, and naturally these remain to-day some of our greatest assets. We have others which are expanding into greater importance year by year, and I will allude to these presently.

South Africa's Mineral Production.

On this annual occasion it is usual for me to dwell for a little upon the principal industries of the country, and, taking mineral's first, it is natural to begin with gold mining. The production of the Union for 1919 was valued at £35,390,609, as against £35,758,316 in 1918. It is thus clear that from the point of view of production the industry has practically held its position. The continued increase in costs is, however, a disturbing feature, and but for the premium on gold the consequences would certainly have been serious.

BARCLAYS BANK LIMITED

54 LOMBARD STREET, LONDON. E.C. 3.

The Bank has close working arrangements with Agents and Correspondents in all the principal towns throughout the World, and is in a position to offer complete banking facilities to merchants and others for the transaction of

EVERY DESCRIPTION OF OVERSEAS BUSINESS.

Foreign Exchange Transactions Arranged.

CHIEF FOREIGN BRANCH : 168 Fenchurch Street, London, E.C.3.
WEST END FOREIGN BRANCH : 1 Pall Mall East, S.W. 1.
LIVERPOOL FOREIGN BRANCH : 42 Castle Street, Liverpool.

It is unfortunate to have to record the closing down of some of our lower-grade mines, and to foreshadow the probable cessation of operations on the part of others. The increasing cost of working these mines has outweighed the additional revenue obtained from the gold premium.

We must not, however, forget that our gold fields are now over thirty years old, and it is natural that some of the older properties should drop out of the producing ranks. We must also not overlook that a number of rich mines are in process of being developed, and will in due course enter upon the producing stage. I do not argue that these are sufficiently numerous to compensate for the loss of output by reason of the closing down of the older and lower grade propositions, but nevertheless the new producers will help before long to fill the gap. It is clear, moreover, that other industries now coming into their own will help to make up for our diminishing production of gold.

With regard to diamonds, we find again an astonishing increase in the value of the output. In 1918 2,537,360 carats, valued at £7,114,862, were produced, whereas in 1919 the figures were 2,588,017 carats, valued at £11,734,495.

In the case of tin there has been a falling-off in the output, only 1,628 tons, valued at £275,111, having been produced, as compared with 2,346 tons, valued at £470,238 the preceding year.

The output of copper has continued to seriously decline. In 1919 4,904 tons, to a value of £208,902, were produced, as against 6,823 tons, valued at £358,627 in 1918.

The coal output was 10,261,859 tons, valued at £3,430,361, against 10,658,644 tons, valued at £3,483,493 the year before.

It may be a little early perhaps to say much about our iron fields, but I am confident that the iron industry opens up immense possibilities, and I hope before very long that we shall see very large ironworks established. The ironworks in the Pretoria district have scarcely passed the experimental stage, but more than the strong hopes entertained concerning them should be fulfilled.

Ostrich Feather and Wool Exports.

In 1919 154,740,104 lb. of wool were exported, representing a value of £17,385,715. The figures for the preceding year were 115,634,498 lb., valued at £9,689,630.

Statistics regarding mohair show that in 1919 16,942,021 lb. were exported, the value being returned at £1,654,235. The value of the mohair exported was approximately the same as in 1918, although more than 3,000,000 lb. less were exported in 1919 than in the preceding year.

Last year it was pleasing to be able to record a distinct revival in the ostrich feather industry, and, although the figures for 1918 then quoted were not encouraging, it is very satisfactory to observe that the records for 1919 reveal a remarkable increase. Statistics show that 904,611 lb. were exported, to a value of £1,046,004, as against 107,924 lb., valued at £84,623 in 1918. We also hope that the restoration of the industry is no passing phase, but it is well to remember the fickle market for this luxury, and as I have more than once remarked in the past, farmers should not specialise in ostriches to the entire exclusion of other branches of farming.

Agricultural Products.

With regard to maize, I need not expect figures to equal those of last year. The [illegible] according to [illegible] will be about twenty per cent. below normal, and it is calculated that the production will amount to round about 10,000,000 bags. The estimated consumption of the Union is 9,500,000 bags; but, as these are merely broad estimates, it is perhaps unwise to rely upon any considerable surplus for export.

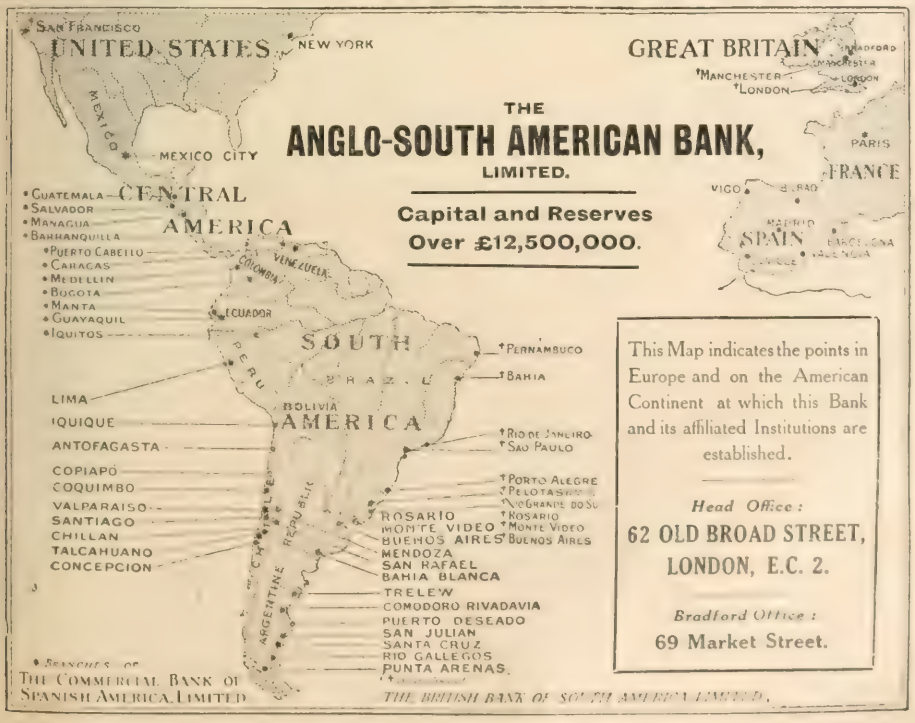
Wattle bark in 1919 to a value of £602,182 was exported, as against £237,220, representing the value of bark exported the previous year. The increase is surely a very marked one, and justifies the prediction I made last year to the effect that, when shipping facilities were freer, the quality of our bark would gain for it a welcome in increasing quantities in the markets of the world. The industry of tanning extraction continues to be prosecuted with success, and is expanding in a healthy manner. I have more than once in the past made reference to the desirability of encouraging tree planting in every possible way. I do not refer in particular to wattle planting, but to afforestation generally. There can be no doubt about the tremendous benefit conferred upon the country by enterprise of this kind, which, moreover, brings with it a few years a handsome [illegible] to the people promoting it.

With regard to the fruit industry, I do not know that our export trade has yet thoroughly set out on the path of progress which we hoped it would follow on relaxation of the shipping restrictions which hampered it during the War. Its future must, however, be a great one. South Africa is situate at no prohibitive distance from the great European markets, and the incidence of our seasons is all in favour of this trade. We hear most favourable accounts of the development of citrus farming in various parts of the country, and with a full measure of shipping facilities it should be possible to expand the export trade in [illegible] fruit enormously.

Fruit culture and the manufacture of preserves must surely be industries capable of very wide development in view of the demand in the oversea markets for dried fruits of all descriptions, preserves, &c.

Cotton growing is attracting a good deal of notice, and I see that in the Rustenburg district alone 2,000 [illegible] of cotton were produced.

In the Barberton district, and also in Natal, considerable



attention is now being devoted to [illegible] with encouraging results, and there is no doubt suitable land available for this [illegible] particularly in the Northern Transvaal.

In view of the world shortage of cotton and the prospects of profitable prices being maintained for some time to come, it seems that [illegible] be paid to the cultivation of this crop.

It will be noted that a cotton factory was recently established in Cape Town, which, like the woollen factories which have recently sprung up, is likely to be a great success.

With regard to tobacco, it is understood that the crop has responded to favourable weather conditions, and that the estimated production is something in the neighbourhood of 8,000,000 lb. to 9,000,000 lb.

The "sugar year" which ended on April 30 was a favourable one, a yield of 189,173 tons of marketable sugar being [illegible].

It is interesting to note that the oversea value of sugar has advanced to £90 per ton, and averaged over the whole year the equivalent of 57*s.* per 100 lb., whereas the average price obtained by Natal producers during the same period was probably about 25*s.* per 100 lb. There is, I understand, some uneasiness with regard to the coming crop owing to the unfavourable weather conditions experienced in May.

Growth of Beef Export.

We [illegible] which we have met in welcoming the advent of a new export trade for South Africa in regard to the export of beef, and I see that during 1919 some 285,367 quarters were exported. It is understood that the quality continues to please the London market, although at times our meat suffers a little by comparison with some of that sent forward by longer-established competitors. There is, however, no reason why the trade should not be steadily developed, and why cattle-ranching should not become a more and more important section of the farming industry. We have vast areas of suitable land, with much of which little is being done at the present time. We have markets awaiting us, and I believe we have the class of farmer who will, in good time, make the most of these tremendous possibilities.

Industrial South Africa.

I [illegible] very gratifying manner. The latest statistics show that the factories of the Union produce annually goods to a value of nearly £61,000,000, and it is estimated that in the last four years the output of manufactured goods in the Union has increased by roughly fifty per cent. These figures, it should perhaps be emphasised, refer only to manufactured goods, and do not take into account the output of the mines. During the last four years 2,000 additional factories have come into existence, and to-day there are nearly 6,000 factories operating, giving employment to 134,000 hands, and paying annually twelve and a quarter millions sterling in wages. The capital invested exceeds £35,000,000, and the factories consume raw and semi-manufactured material to an estimated value of £34,000,000 [illegible] factured goods are produced. Approximately forty per cent. of the output of these factories is composed of manufactured articles of food and drink, and it is pleasing to know that this Union of ours is to-day practically self-supporting so far as the real necessaries of life are concerned. This healthy position has, no doubt, been induced to a great extent by the protection against overseas competition brought about by the lack of shipping facilities during the War period, but the [illegible] the new industries have certainly come to stay.

The export trade in purely South African products amounted in 1919 to over £43,000,000, excluding the gold output, and this, it is interesting to see, represents an increase of seventy-four per cent. over similar exports during 1913. The country's total exports in 1919 were over £52,000,000, excluding raw gold.

The value of imports for the year was £52,397,000, and when to the export figures is added the value of the raw gold exported, namely, £35,000,000, there is a notable balance in favour of the Union.

All this is most encouraging and augurs well for our future. Prior to the War imports and exports almost balanced, but during the War period exports have altogether outrun imports owing to the shortage of shipping tonnage and arrested production in the belligerent countries. Consequently, credit balances have been piled up overseas. However, from the fact that our production and our export trade have so increased, it may be safely argued that our imports will be stimulated. A great deal of machinery will be required by our industries, and many classes of manufactured goods which we cannot as yet produce are already badly wanted and will assuredly be imported freely as soon as shipping permits. As the balance of trade is thus rectified we can hope for a gradual improvement in the exchange situation.

To fulfil our industrial destiny we shall require increased manhood power. More population of the right type would [illegible] with the limited operative forces available to-day. In common with most parts of the world, we have had our industrial disputes. All of us, perhaps, have had to alter our attitude of mind, and to bring our ideas into tune with present-day sentiments. The world's mode of thought is changing, and the mind of man is becoming more receptive of new industrial teachings. Both sides to industrial dissensions are, I think, coming to grasp the fact that the key-note should be co-operation between employer and employee, and recognition of the mutual dependence of capital and labour. With this spirit abroad, and a determination to increase production, there need be no fear for our future.

Once again I should like to refer to a reform for the adoption of which I have for some long time been an advocate, and the merits of which I have been wont to plead on several occasions such as this—I mean the system of decimal coinage, and the metric system of weights and measures. You are aware that the Royal Commission which has been inquiring into the question recently pronounced against the adoption of decimal coinage. I am not convinced that the objections expressed in the Report are vital, or that the question has been settled once for all by the Commission. However, the matter must apparently be dropped for the time being.

Our thanks are due to our staff, whose exertions enable me to report such gratifying results. Reference was made in my survey last year to the Widows' and Orphans' Fund inaugurated just two years ago. This has proved a great blessing, and I am sure is thankfully appreciated by the staff.

Last year I [illegible] scheme, in terms of which the Bank's staff would have greater participation in our profits. Unfortunately difficulties have arisen which made it impossible to bring the scheme to fruition, but in lieu of it the board recommends, and I am sure shareholders will have pleasure to-day in [illegible] the payment to them of a bonus of twenty per cent. to the staff as indicated in a circular addressed to them on April 15 last.

Since we last met Mr. James Rankin Leisk has been appointed a director of the Bank by the board, and this appointment you are asked to confirm.

Mr. Edward Charles Reynolds, the General Manager, has also been appointed to a seat on the board, with the title of managing director, and of this appointment your confirmation is requested.

I now beg to move the adoption of the Report, balance sheet, profit and loss statement, and the recommendations of your board.

Mr. J. B. Taylor seconded the motion, which was unanimously adopted.

The appointments by the board of Mr. J. R. Leisk, C.M.G., and Mr. E. C. Reynolds as directors of the Bank were confirmed, and the retiring directors, the Hon. Hugh Crawford and Messrs. J. B. Taylor and J. Emrys Evans, C.M.G., were re-elected.

The remuneration for the past audit was fixed at 500 guineas, and Mr. Robert Baikie and Messrs. Dougall, Lance, and Webber were reappointed auditors for the current year.

Vote of Thanks.

Mr. Patrick Duncan, in proposing a vote of thanks to the staff, said :—

I have pleasure in moving a very hearty vote of thanks to the General Manager and staff for the work they have performed during the past year, the results of which we have just heard. I am sure that the shareholders already appreciate what they owe to the General Manager, and I can assure them that the board are most keenly appreciative of what the Bank owes to the untiring energy and ability which Mr. Reynolds has displayed, and continues to display, through most trying times, in the interests of the Bank, and it is a great pleasure to the board to welcome him as a colleague, an appointment which you have just confirmed.

To the staff we owe a debt of gratitude, and we know that the trying times we have just passed through have cast a very great burden on their shoulders, and we are very grateful for the zealous and efficient manner in which they have coped with the situation. Of course the staff of this Bank, like those of other banks in South Africa and probably elsewhere, are passing through very critical times. We are having experiences which I believe are unique in the history of South African banking: we are threatened with strikes, and we seem very near to seeing how far these threats are going to be carried out. We have also had another novelty in connection with South African banks—namely, the recognition accorded to the Union of Bank Officials in this country by the Association of South African Bank Managements at the Conference convened by the Government recently. These things are new to South African banking, and we need not look upon them with any undue apprehension.

As a means of settling differences, whether in banking or other business and commercial matters, free and frank discussion between employer and employee is undoubtedly recognised as the best medium. The world has been changing of late years in regard to what employees expect and require, and we, as employers, must not be behind the times in these matters. I myself look forward with confidence to a

sense of responsibility on the side of the employees and a sense of equity and justice on the part of the managements should see us through the disturbed times we are passing through. We should look for a sense of moderation by both banking officials and [illegible]

I think this Bank especially is influenced by principles of justice, and I feel confident, therefore, that the outcome of the new era, unprecedented circumstances we are now in will be a peaceful and honourable settlement of the differences outstanding between the employees and the management. At any rate, this is the spirit in which we have approached the present situation, and, in conclusion, I ask the staff to accept a very hearty vote of thanks for the strenuous work they have performed during the past year.

Mr. O. B. Darnell, a member of the Local Committee of Management of the Bank, seconded the motion, which was carried with acclamation.

Mr. W. Dunlop, Assistant General Manager, said :—

I return thanks for the resolution which has been passed. I very much regret that Mr. Reynolds is not here to-day to respond to the motion, but I [illegible] the staff that we appreciate very much indeed the manner in which the shareholders evidently regard their exertions during the past year, and in particular that this appreciation has taken a very tangible form in the declaration of the bonus of [illegible] per cent. I feel I am expressing the feelings of my colleagues by tendering their thanks for, and appreciation of, the action of the Board of directors in this matter.

Mr. A. B. Reynolds [illegible]

I [illegible] the motion in regard to a vote of thanks to the Chairman and directors of the Bank. I feel sure you have all listened with great pleasure to the Chairman's speech. It discloses wonderful figures and wonderful progress, and that being the case it needs very few words from me to move the vote of thanks. One thing we have to be thankful for is that we are not threatened with a strike of a serious character.

The directors of this Bank are gentlemen of very high standing and ability, and we all know the difficulties they have met with during the past year. The world is still upside-down, and trade and business of all descriptions is experiencing new problems coming forward from day to day. Under the circumstances the directors have great weight thrown on their shoulders, as directing the affairs of a bank of the magnitude to which it has come, a steady hand, and great forethought, not to say prudence. I feel certain, gentlemen, that we all appreciate what they have done, and we have thorough confidence regarding the future.

The Chairman has mentioned the wonderful development of this Bank and of this land, but I venture to state that [illegible] the future that lies before us. I have travelled a good deal, but in my opinion there is no country in existence to-day that has got as bright a future as that which lies before this [illegible] can be extended tremendously, and our other commodities—sugar, wattle-bark, mealies, &c.—will all find a ready market. In the old days South African products used to be neglected, but that is not so to-day. The world has got its eyes on [illegible]

The future brings on the board of directors responsibilities with which I feel sure they will cope, and I now ask you to join with me in passing a very hearty vote of thanks to the Chairman and directors.

Mr. H. L. Malherbe seconded, and the motion was cordially agreed to.

The Chairman, in response, said :—

I beg to thank you for your remarks. I should like to say how sorry I am that our Chairman, Mr. Crawford, is not here to-day, and I feel sure you will join with me in the hope that he will very soon be restored to health. I understand he is making progress, and I hope in a day or two he will be in his normal condition. Gentlemen, I thank you for your attendance at the meeting this afternoon.

This concluded the proceedings.

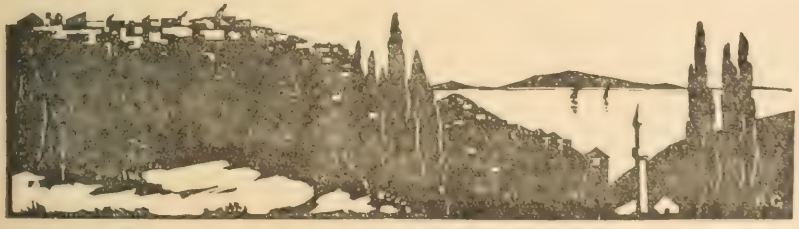
FARROW'S BANK, LIMITED.

THE annual general meeting of Farrow's Bank, Limited, was held at Anderton's Hotel, Fleet Street, London, E.C., on Tuesday the 31st ult., under the presidency of the Chairman and Managing Director, Mr. Thomas Farrow.

In the course of his speech the Chairman observed that the growth of the institution from its inception as a Joint-Stock Bank was well illustrated by the following comparative table :—1908, current account £87,626, deposit account £78,679, assets £226,286 ; 1920, current account £1,458,316, deposit account £2,678,000, assets £4,657,786.

During the year the total figures had increased by £670,000, despite the fact that there had been issues of Government loans, persistent appeals for public money for Housing bonds, and the abnormal demands for funds for the re-establishment and development of industrial enterprises throughout the country.

The Bank had continued to maintain its steady progress and strengthened its resources generally, notwithstanding the economic depression caused by industrial unrest, unusual



TOO many moderns let their cigarette smoking develop into a mere nervous habit of unconsidered repetition.

No harm in that, perhaps, so it stop short of real excess. But what a misuse of an exquisite gift of the kindly gods!

Mere gratitude should dictate a more thoughtful appreciation of such good things as

MATINÉE
Turkish Cigarettes

blended and made of the exquisite Macedonian leaf
by ALLAN RAMSAY

184 Issued by The Imperial Tobacco Company [illegible]

depreciation of securities, and heavy additional expenditure. The directors recommended a dividend of six and a half per cent., being half per cent. more than that paid the previous year.

Branches had been opened, extended, or improved in various parts of the United Kingdom, districts had been selected for new branches, and an immense and ever-increasing volume of business had been transacted by the Bank's numerous departments, in particular the Stock and Share and Foreign Exchange Branch at Angel Court, Throgmorton Street, E.C.

In the opinion of the directors, the time had arrived when the present capital of the Company, of £1,000,000, should be increased to make it commensurate with the Bank's capacity for public service. Mr. Farrow proceeded to outline his proposals for the achievement of this end, including the adoption of new articles of association and the provision of the whole of the further capital required without making any issue to the public.

So far as the new articles of association were concerned, they would be submitted to the extraordinary general meeting to follow, while as to the increased capital, Mr. Farrow announced that certain gentlemen had undertaken to subscribe at par for the remaining 300,000 shares and the 2,000,000 shares of 10*s.* each to be created, subject only to the recognised rights of existing shareholders to make whatever application they chose for these additional shares. By the adoption of this plan the share capital of the Bank would stand at £2,000,000; an extended field of operation would be opened up and the Bank would secure the active co-operation of well-known business men.

The Chairman concluded by moving the adoption of the report and balance sheet. The resolution was seconded by Mr. W. Walter Crotch, and carried unanimously.

At the extraordinary general meeting the proposed new articles of association were, after an interesting discussion, unanimously adopted.

UNITED STEEL COMPANIES, LIMITED.

The third ordinary general meeting of the shareholders of this Company was held on September 3, at the Cutlers' Hall, Sheffield. Mr. R. H. Steel presided, and the other directors present were Mr. W. Chesterman, Sir F. J. Jones, and Messrs. W. B. Jones, T. Jowett, A. O. Peech, J. E. Peech, F. S. Scott-Smith, W. Tozer, A. Blackmore, and F. S. Tomkins.

The report and accounts, which had been circulated, were taken as read, and the Secretary having read the auditors' report,

The Chairman said this was the third ordinary general meeting of the Company. When the first was held they never expected that at the end of the third they would still be nothing but a holding Company, but that was still the position to-day. They had promises which led him to hope that at the next meeting they would have ceased to occupy that position, but it was dependent upon the law and its delays that he did not feel himself competent to make a definite promise to that effect, although he sincerely hoped it might be so. The result was that the balance sheet was not able to give shareholders as much information as the directors would like, but that was impossible in the winding up of the very large companies with which they were concerned. In some cases the position was complicated by the fact that they held very large leases of minerals, and it was very difficult to obtain permission to transfer these leases to the United Steel Companies, and in the second place much negotiation and legal formalities involving an appeal to counsel, and one thing and another were necessary before they could be transferred and the United Steel Company could literally be said to be in possession. However, the directors had done everything in their power to expedite matters, and he did hope that in a year's time they would be in the position of an ordinary trading company being one firm; but, owing to those delays, the directors were at present able to give the shareholders very little information, and he did not suppose they would be able to give very much more in the direction which he supposed interested shareholders most of all, the question of profits, even if they were a holding company, because the dealings with the Government over excess profits duty were so involved and complicated that no company carrying on business of the magnitude that the United Steel Companies did with the Government during the War could possibly have all their accounts liquidated and say exactly where they stood. The directors felt confident that they had made such provision in their accounts as would amply provide for anything which was finally adjudged as due to the Government when the accounts were settled up, but it was impossible for any company in their position to-day to say what profit they had made, or what their position was, because they had not absolutely settled definitely—they had paid large sums on account, but they had not settled definitely their excess profit duty due to the Government for any one period, as the accounts did not give them much information. He thought perhaps the shareholders would allow him to refer to a few matters of detail and interest in connection with the Company.

The Profits.

They would notice in regard to the accounts that they had wiped off the expenses of formation amounting to £91,487, which this time therefore was not in the balance sheet. With regard to the profits of the Company, the profits of a holding company are represented by the dividends on the shares held by the holding company in its subsidiary companies. The profits therefore shown in the accounts before the shareholders were substantially the profits of those subsidiary companies, and, in the opinion of the directors, they amply justified the dividend which it was proposed to declare that day. These profits had been arrived at after large reserves had been set aside for every necessity of the Company, so far as the directors could foresee, and adequate provision made for excess profits duty and other imposts. He was glad to tell them that the year's working showed a marked advance towards the object the Company had in view—namely, the making of the United Steel Companies a self-contained company, whose object was to obtain a larger output produced as cheaply as possible. Towards that the first and most important matter was a supply of raw material. He was glad to say the Company had increased their ore reserves in the Frodingham and Northamptonshire districts, and they had very largely increased the output from their iron mines in West Cumberland.

New Continuous Billet Mill Acquired.

In West Cumberland they had also commenced a system for prospecting for further ore deposits, so as to secure their future supplies as well as they possibly could. The steel works at Rotherham they had got to work during the half-year, and opened half the plant, consisting of fourteen furnaces, and their new continuous billet mill in connection with them. That was the first mill of its kind put down in this country, and they had no doubt about its success, because before ordering such a mill they naturally went to see it at work in other countries. He was glad to be able to tell the shareholders that it started almost without a hitch, and the directors were satisfied with it. They were making, as the shareholders were aware, very large extensions at Appleby, and putting down there the most modern plate mill in existence, or, more accurately, he should say as modern a plate mill as is in existence; that would not be finished for some time. It would take the whole of next year at the very least. They found that there was a great shortage of pig iron in the country, and, since the last meeting, had decided to put in a modern blast-furnace there, which, he hoped, would be working in the course of the next few months, and which would make the Company quite secure as regards the amount of pig iron they needed. In addition to that, the directors recently had an unusual opportunity to acquire a blast-furnace plant working, at what he considered a very reasonable figure. That was the iron works of Messrs. Thomas Butlin and Company, of Wellingborough.

At the present time it is producing foundry iron. The reason they bought the property was that they could turn the furnaces there on to basic iron and supply their own works at Rotherham or at Stocksbridge, whichever they thought proper. The blast-furnaces were situated absolutely on the Northamptonshire iron-ore bed, so that they had an abundance of ore of a very fine description. The shareholders would be interested no doubt to hear of the progress they were making with regard to the United Strip and Bar Mills, in which the Company was very largely interested—in fact, it belonged to the Company. This plant was going on well. It would take another year or more, he was afraid, before it was finished owing to the very large and complicated pieces of machinery that had to be erected. When they got it done, however, they would be in a position to say that they could practically take inside their own plant the whole, or at all events nearly the whole, of the output of the New Billet Mill. That was a further step towards what he had tried to explain of having a thoroughly self-contained plant, including the minerals. The Company were very large colliery owners. As a matter of fact, an iron and steel works to-day without a colliery was very little good, because the supply of coal was both short and inadequate. Therefore they started from the commencement of the work with their own very ample mineral resources, and when they had achieved their object they hoped to manufacture the product into something like the semi-finished article before it left their works.

At Workington they were confronted with a very difficult problem owing to the change of conditions due to the War. They used to be able at Workington to get cheap freight to ship the material when finished round to Liverpool by water. To-day it was impossible to get cheap rates, and they had to send that material round to Liverpool by rail. They had to send to Liverpool the whole way by rail at a sacrifice which was a very serious thing to the Company. In addition to that the dock at Workington, which was all very well for the Company's requirements twenty-five or thirty years ago, was too small to-day. No dock was any good that could not take in boats of 13,000 or 14,000 tons. Now the importation of foreign ore, in spite of the fact that they had so much of their own, was a very important matter, and to-day they could not get boats to come to Workington because they could not [illegible]

dock accommodation. When they remembered that it took on the average to make a ton of pig iron two tons of ore they would see how serious a thing it would be if they had to pay the railway for freight to get the ore to their works. The very largely increased freight rates, which the railway companies themselves had nearly doubled, would mean that they arrived at a cost of one pound, it put into pig iron, would make pig iron a non-commercial article. They, therefore, had to make up their minds to put up new docks at Workington. It would take some time to do this, about two or three years, and they thought when they had this dock at Workington the future at that place would be as fully assured as the prospects of any company could be in these days. They felt that with the new dock the future of Workington would be as certain as any steelworks on the coast of Great Britain.

A Company's Expansion.

Looking further ahead, the Company had made arrangements during the year to acquire the control of the businesses of Messrs. Daniel, Doncaster and Sons and the Martino Steel and Metal Company. These two companies had been acting as selling agents of the Company for some time, and the directors came to the conclusion that it was desirable that they should form part of the Company. He would explain that in further detail at the extraordinary meeting which followed this one. They had also decided to acquire a share in one of the largest firms in the drop-stamping trade—Messrs. Thos. Smith and Sons. This firm used a large quantity of steel of the type that the United Steel Company made, and they thought it was very desirable to acquire an interest in the firm, so as to have a preferential chance of getting orders for their steel; there was nothing original in this, it had been done by several firms in the district. This Company had followed suit, and believed that it was a good example. He had no doubt whatever about its success. All these matters, with the heavy increase in the cost of production, required an enormous amount of working capital. They could assume that to-day, as compared with pre-war days, to make any article in the iron or steel trade they required four times as much working capital.

Excess Profits Duty.

Whilst profits were hard to make in sufficient quantities to pay a reasonable return on capital, and whilst, without that return, they could not get the capital, the Government had, very unfortunately for the Company, increased the amount of the excess profits duty, and also put a tax on the net profits. They sincerely hoped, along with all other directors, that this would not last out more than the year, because it certainly was putting a stop to enterprise, and affecting the trade of the country very seriously. It was also going to make it very difficult for anybody to decide that they could progress and spend money if they could not see their way to have a sufficient profit to pay a return on that money, and also something to put aside to reserve. The steel trade was unfortunate, in one way, because the inventions were so numerous, and they came along so often, that they found, after getting the finest piece of machinery to-day, that in five years' time it was out-of-date, and if they were wise they would want to throw it away and put something new in its place. Finally, he desired to express the thanks of the Company and the directors to all the members of the staff in the different companies which had contributed to its success. He had tried in a few words to give some idea of the history of the Company during the past year, and he hoped it had been of interest. It only remained for him to propose the adoption of the report and balance sheet as submitted and the payment of a final dividend at the rate of ten per cent. per annum.

Mr. W. Chesterman said he begged leave to formally second the resolution. He did not believe it was necessary for him to supplement very much what the Chairman had said as regards the position of the Company, because he had gone as far as it was possible to do so into the past history of the Company. Along with the Chairman, he hoped the time would come when they would be able to do their own work without any interference from a Government department. It was simply a stumbling-block in the way of trade, because no one would take an order nowadays except on the basis of price at the time of delivery, so that if they ordered a machine now it might cost fifty per cent. more in six months' time. There were too many restrictions placed on them. They were no longer free men, they were practically slaves working for the Government. The Government were their obstructionists. There may have been some excuse during the War for allowing these officials to manage their business, but if they were now allowed to manage their businesses in their own way it would be very much better for the country.

The Chairman then put the resolution, which was passed unanimously.

Mr. Benson proposed, and Mr. Dutson seconded, the re-election of Messrs. Herbert Barber, W. Rowson Jones and William Steel as directors of the Company.

The resolution was passed unanimously.

Mr. Matthew Allott proposed, and Mr. Nichol seconded, that Messrs. W. B. Peat and Company be re-elected auditors of the Company.

The resolution was passed unanimously.

The Chairman then said that terminated the business of the first meeting.

Extraordinary General Meeting.

They had now to hold an extraordinary general meeting of the Company, and he asked the Secretary to read the notice convening the meeting. The Secretary read the notice calling the meeting for the purpose of considering and, if thought fit, passing the following resolution: "That the capital of the Company be increased to £9,343,915 by the creation of 413,915 additional Ordinary shares of £1 each, ranking for dividend and in all other respects *pari passu* with the existing Ordinary shares of the Company, such shares ranking for dividend as from July 1, 1920, and the directors be and they are hereby authorised to issue 156,479 of such shares to the several Ordinary shareholders in Daniel Doncaster and Sons, Limited, in exchange for their Ordinary shares in such Company, and to issue 107,436 of such shares to the Ordinary shareholders in the Martino Steel and Metal Company, Limited, in exchange for their Ordinary shares in such Company, and to issue 150,000 of such shares to Thomas Smith's Stamping Works, Limited, in exchange for 50,000 Ordinary shares in such Company credited as fully paid up." In addition to the above a resolution was also submitted for consideration altering Article 16 of the Articles of Association, whereby after the words "common seal" the words "attested by one or more of the directors and by the Secretary" be inserted. The Chairman said he was sure they would like to hear the reasons why the directors suggested these resolutions. They had found Messrs. Doncaster and the Martino Steel Company indispensable to them in the selling of the various classes of their steel, and more especially the higher classes in which they were naturally more interested. It was easier to sell cheap steel than it was to sell dear steel, and the consequence was that they were more interested in the dear steel than in the cheaper. The directors found as a matter of common sense that it would be to the interest of the Company, by which he meant the United Steel Company, and also to the interest of Messrs. Doncaster and Martino, that they should all throw in their lot together, so that anything which benefited the shareholder of one firm should benefit the shareholder of the other firm to exactly the same extent. They thought it prudent to make that arrangement, and he thought in time they would see it was better, because it would enable them to feel stronger when the interests of their selling agencies were exactly the same as the interests of the producing partner. With regard to the firm of Messrs. Smith, they were probably the best known stamping works in the country—he meant outside the stamping works which belonged to the steelmakers, of which they had very fine instances in Sheffield. It was a matter of great importance to them that they should secure an influence in that stamping trade, because they found their competitors making great efforts to secure a preference in that trade all over the country. Messrs. Smith, on the other hand, had it very much at heart to ensure to themselves certain satisfactory supplies of steel. All these arrangements had been carried out on the advice of the eminent accountants, Messrs. Peat and Company. Their name goes a long way in the steel trade; but apart from that, they themselves, after careful consideration, thought it was desirable, and on both sides they thought it was a good thing. He had, therefore, much pleasure in proposing the resolution which had been read.

Mr. T. Jowett seconded the resolution.

Three Shares for One.

Mr. J. W. Bradbury, a shareholder, asked if he understood the position correctly that they paid three of their shares for one of Thomas Smith's. The Chairman: Yes. Mr. Bradbury: Do you think you could pay £3 for £1? The Chairman: Yes, as I stated and I consented to it. We pay ten per cent., and Thomas Smith and Company pay twenty-five per cent. In addition to that, added the Chairman, the assets as shown by the auditors warranted it. It was just as good to pay £1 or as bad to pay £3. It entirely depended upon the capital. What it really meant was that Smith's capital was absolutely inadequate for their requirements. They had kept it down by putting the profits into the plant instead of dividing them, and therefore he hoped the shareholders would see that the question of £3 for £1 shares was simply a comparative thing which conveyed nothing. It was the question of the assets, which the directors felt quite sure were worth the £3.

Mr. Bradbury said he thought it would be well if the information given as to dividends had been put into the circular sent to the shareholders.

The Chairman agreed that the idea was a good one, but at the same time Messrs. [illegible] were so well known that the directors thought most people would [illegible]

Another shareholder said it had just previously been stated that the ordinary shares of Thomas Smith [illegible]

United directors' offer was made they stood at 38s., and at the present time they were 42s. 9d. In face of those figures, did the directors still consider they were justified in giving £3 for Smith's £1 shares when they could have bought in the market at the price of two?

The Chairman said the directors did not control the market; they could hardly estimate to-day's values by quotations. They considered their own shares, united, stood very low in the market; they must remember that everything was low to-day. When the banks called upon people to restrict their overdrafts a few months ago people had to go and sell at the best prices they could realise whatever securities they had, and the same thing was going on to-day to a certain extent. Therefore, the value the stock and share lists put upon a share can hardly be taken as a fair estimate. He did not think the shareholders could seriously ask the directors to take any Stock Exchange quotation, because it was bound to be affected by so many things, even the sudden death of a person interested. What the directors were guided by was the fact that Sir William Peat thought they were getting value for value, and that the assets fully represented the difference between the United Companies £1 and their £3, because Smith's were so much undercapitalised. When one's accountant gave them that they had either to agree with it or abandon the proposal the United directors thought it wise not to abandon it. (Applause.) Mr. Robson and shareholders thought they were entitled to a few words before the resolution was rushed through. He would be obliged if the Chairman could give the dates when the three firms in question were established. He thought they were entitled to have a little more information than had been given. He could understand the position with regard to Messrs. Doncaster being agents, and also the Martino Steel Company. He did not want to criticise the policy of the board in taking over the companies, and accepted the statement that it was for the interest of the shareholders, and also that it had been approved by the auditors, but, at the same time, more information might have been given. The Chairman replied that Smith's Stamping Works were established in 1896. Daniel Doncaster and Sons, he believed, was established one hundred years or more ago, and with regard to the Martino Co., he had not the information. He would like to correct a few misconceptions that might result from the last speaker's question. He mentioned that the acquisition had been approved by the Company's auditors. That was not so. Messrs. Peat and Company were simply consulted as chartered accountants, and the whole of the accounts of the companies in question were placed with them not as the United Steel Companies' auditors, but as an inquiring firm of chartered accountants, who brought out what they considered was the value of the concern and the value they recommended them to pay for them. The directors had already made up their mind that it was a valuable acquisition if the price suited. Mr. Robson again asked the Chairman if he would answer his question as to when the Martino Steel Company was formed; he added that he thought he was perfectly in order in asking the question, and he objected to one of the directors making the remark, "What does it matter?" The Chairman said the shareholder was certainly entitled to ask the question, and asked him to excuse him for not answering it. He would certainly have done so if he had the information. The resolution was then passed, as was also the second resolution amending the articles of association, which was proposed by the Chairman and seconded by Mr. Albert Peech. The Chairman said it would be necessary to have a confirmatory meeting.

Vote of Thanks.

Sir Harris Spencer, in proposing a vote of thanks to the Chairman, said his position in the steel world was well known in Sheffield, and outside Sheffield he was known as taking a very keen interest in every commercial enterprise that affected the steel industry of the country. Associating with the vote of thanks the directors and staff, he said that such a Company could not be carried on without great efficiency on the part of the staff, and added that in all his relations with the Company he had seen that efficiency displayed. Much was heard about the relations of Capital and Labour, and he always looked upon the Chairman and directors and staff as the middle factor in industry, and an extremely important one. He believed the stability of the steel industry consisted in its ability to adequately supply the material necessary for the country, and he was glad therefore to hear that the Company was making provision to meet such needs in the future. As a large consumer of steel, he had been handicapped seriously by the shortness of supply, and received only thirty per cent. of what he required as a result of the unfortunate strike, and he hoped therefore to see an increased production in the future.

Mr. Albert Frost seconded the vote of thanks, which was heartily accorded; and, in reply, the Chairman said the Company hoped to meet the need to which Sir Harris Spencer had made reference.

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LONDON: SATURDAY, SEPTEMBER 11, 1920.

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The Money Market.

Friday, September 10, 1920.

	Current Rate		Previous Rate	
	%	Fixed	%	Fixed
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The special rate of 4½ % allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Treasury Bills ...	—	6½	—	—
Bank Bills	6¼-⅜	6½	6½	6¾-7
Trade Bills	—	7-7¼	7¼-½	7½

GOVERNMENT FINANCE.

As will be seen from the particulars of income and expenditure for last week, given below, the Government were forced to borrow twenty-two and a-half millions from the Bank, in order to provide for interest payments on War Bonds and repayment of the first batch of Victory Bonds drawn under the terms of issue. It is certainly an extraordinary thing that the provision of interest on loans floated ostensibly with the object of consolidating our financial position should occasion such an undesirable movement in the floating debt. Last week was not the first time by any means that such a position [illegible] had occasion more than once to draw attention to the necessity of a less haphazard policy on the part of the Government in this respect. Borrowing on Ways and Means in order to provide, for instance, for a large amount of Treasury bills allowed to run off by the market is understandable and excusable, as such sudden demands on the Exchequer cannot easily be foreseen except too soon before the event. It is different, however, in the case of large interest disbursements, [illegible] which [illegible] regular [illegible] foreseen and provided [illegible] Yet the authorities, though they have themselves more than once insisted on the necessity for deflation, are content to allow these periodic demands to come upon them [illegible] except by resort to an expedient which entails inflation

in its worst form. We are well aware of the difficulty of making provision for such demands beforehand, but we are also aware that the difficulty is not insurmountable. Space forbids us to enter here into a discussion of means by which it may be overcome, but we may suggest that the large balance of war assets still unrealised might be used more skilfully in relation to the national accounts. The policy pursued in regard to them at present seems to allow of the proceeds from sales of these assets being used to supplement revenue at times when there is often no real necessity for this. Properly managed, these assets could be turned into a useful safety-valve to prevent a recourse to borrowing on temporary advances at times when, as on last week, an unusual pressure for funds is felt by the Exchequer.

Last week's Government disbursements and borrowings from the Bank on Ways and Means Advances did not, as might have been expected, materially relieve the comparative stringency lately ruling in the Money market. Any effects they may have had in this direction were counterbalanced by a well-maintained pressure for loans. Yet, though conditions ruling in the market this week are best described as stringent, there was a wider margin of available funds over demands; at any rate, the Bank was not called upon for funds as on the previous two weeks. It is true that small amounts of bills maturing in October were taken to the central institution for discount at the official rate, but this step was due rather to the fact that there appeared to be a glut of October bills, and that holders were anxious to get rid of them in order to buy December maturities. Little quotable change occurred in short-loan rates. The pressure for accommodation was well maintained throughout the week, and the general rate for new money was five and a-half per cent. More than five per cent., however, was rarely asked for closing balances. On Wednesday the Scotch banks were calling in, and the demand was perhaps strongest in the early part of this day, but towards the afternoon the usual ease reappeared. Yesterday the small amount reborrowed from the Bank a week ago was repaid. To-day fell due a call of £1¼ millions on London Five and Three-quarter per Cent. Bonds; the demand was again strong in the early hours, but towards the afternoon supplies appeared to have increased, and balances were placed occasionally even under five per cent.

In the Discount market comparatively little business was transacted. Affected by the general uncertainty of the outlook, and by the tightness of the short loan market, bills were not being readily taken, with the exception of December maturities, which were in most favour. November and October paper, especially the latter, was distinctly unpopular, as high as 7⅛ per cent. being quoted latterly for Octobers. The more usual rate, however, was 6⅞ per cent. November dates hardened successively from 6⅝-6¾ per cent. to 6⅞-7 per cent., and on yesterday and to-day to 6¾-6⅞ per cent. This latter was also the range of rates for three months' paper since Tuesday. Four months' bills were dealt in latterly at 6⅞ per cent., and six months' paper was occasionally called 7⅛ per cent., though 7 per cent. was the more usual rate.

Foreign Exchanges.

The success of the French loan arrangements in New York did not improve the Paris exchange rate. On the contrary, the franc declined consistently during the week, and to-day it showed a further fall to 52.42½. Brussels and Italy moved in sympathy, being quoted at 49.42½ and 80.87½ respectively to-day. The New York rate opened very steadily, but after midweek it fell away again, and was to-day marked 3.53¼. Montreal moved similarly, closing at 3.90. The South American currencies remained very steady. Buenos Ayres moved slightly in our favour to 56⅝; Montivideo remained unaltered at 57½, but Rio was higher at 12¼*d*. Berlin fluctuated but closed lower on balance at 187. Helsingfors also finished weak at 109. Among the Scandinavian group, Sweden maintained its usual steadiness, appreciating fractionally to 17.22; Copenhagen lost an early improvement, and eventually went in our favour to 25.05. Norwegian currency also weakened to 24.80. Of Eastern rates the Hongkong dollar remained unchanged for the major portion of the week, but towards the close became dearer at 4*s*. 2*d*. The Shanghai tael depreciated to 5*s*. 10¾*d*. Yokohama was steady at 2*s*. 10½*d*. The rupee, after slight fluctuations, closed on Thursday at 1*s*. 10⅛*d*.

Income and Expenditure.

In view of the heavy dividend disbursements which the Government had to make on Tuesday last, and after the publication of last week's Bank return, the market was prepared for fresh borrowing from the Bank on Ways and Means Advances. The actual return of income and expenditure shows, however, that those payments had to be made at a singularly unfortunate time for the Exchequer. In the first place, ordinary revenue was supplemented to the extent of only 1⅛ millions by "special miscellaneous receipts," being 4.4 millions lower than the previous week's revenue at £16,029,422. As expenditure, on the other hand, amounted to £29,100,792, there was a deficit of about 13.1 millions to be provided for. In the second place, though, at £61,327,000 Treasury Bill maturities were smaller than on the preceding week, the market's shortage of funds was responsible for diminished buying of new bills, with the result that, contrary to expectations, the net receipts on this account were only 2.4 millions. In the third place, about 7 millions of temporary advances by Public Departments had to be repaid. Finally, among minor outgoings, £4,110,946 of foreign short-term indebtedness had to be repaid, and nearly £660,000 had to be disbursed for the cancellation of

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various Government securities tendered in payment of excess profits duties. There was left, therefore, a total deficit of, roughly, 22½ millions to be provided for by borrowings, and accordingly Advances by the Bank of England were increased from 23¾ millions to 46¼. Thus, on balance, the floating debt was increased by £17,723,000 to £1,266,950,000.

Currency Notes

Returns of currency notes from circulation again showed a falling off last week, being £60,555,552, against £7,476,348 the previous week. On the other hand, fresh issues were slightly lower at £7,353,984, the result being a moderate expansion in the note issue. The total of notes and certificates outstanding advanced by £583,101 to £351,509,652.

Bank of England.

As compared with a week ago the latest Bank return shows little change of any importance. What little there is, however, is in a favourable direction. The active circulation declined by £624,000 to £125,968,000, in spite of an increase of £50,000 in the bank note backing of the Currency note issue. The total bullion, on the other hand, shows a slight fall of £5,000 to £123,077,000, so that the reserve is stronger by £619,000 at £15,618,000. On the liabilities side public deposits advanced slightly. Private deposits also rose by £3,649,000 to £116,988,000, a movement that did not seem to have any effect in the Money market. Notwithstanding this increase in liabilities the reserve ratio improved by .1 per cent. to 11.7 per cent. The Government was borrowing again from the Bank, and the market increased its indebtedness.

Much more interesting are the results of a comparison of the present figures with those of a year ago. In the return of September 10, 1919, the active circulation is shown at £81,127,000—that is to say, it has expanded since then by £44,781,000, or by £26,131,000 if we exclude the amount placed in the Currency Note Redemption Account. On the other hand, during the same period, the total bullion has increased by £34,812,000, or about £9,970,000 less than the note expansion, and the reserve has declined accordingly. The reserve ratio stood at 22¾ per cent. a year ago. During the twelve months the total of currency notes and certificates outstanding has also advanced by a little over £20,117,000, making the total increase in the note issue £64,898,000, or again, if the notes in the Currency Note Redemption Account are excluded, £46,248,000.

Bullion.

The price of gold rose in sympathy with the fall in the New York exchange from 115*s.* 6*d.* on Monday to 116*s.* 6*d.* to-day. The Indian inquiry was negligible during the current week, and the United States was practically the only buyer.

A marked shrinkage took place in the volume of business passing in the Silver market during the week, but the range of price fluctuations was not lessened thereby. Towards the end of last week China was buying spasmodically, while there was a moderate demand from India to provide "bear" covering, with the result that by Monday the spot price was pushed up to 60¾*d.* per standard ounce, the forward discount on that day being ⅜*d.* Since then Continental offerings have continued, and some supplies have drifted back from India and China, and in the absence of any considerable support the cash price declined ½*d.* each day up to yesterday, when 58½*d.* was quoted. The forward quotation followed the movement, remaining at ⅜*d.* below the cash price. To-day 59*d.* was quoted for immediate and 58⅝*d.* for two months' delivery.

As the export trade of both China and India shows little signs of recovering, the demand for the metal from these quarters is not expected to give much support to the market, and the undertone was dull at the close of the week.

NEW YORK.

A CONSIDERABLE improvement in the position of the New York City Banks and Trust Companies has occurred since the rather marked weakening which we had to record for the week ending August 28. For that week the average excess reserve had fallen to the unusually low level of $6,080,000. The subsequent recovery was foreshadowed by the figure for the actual excess reserve on August 28, which was over fourteen millions. On last week the aggregate reserve advanced by 7.3 millions to $540,600,000, though this figure is a low one as compared with previous weeks. On the other hand, an expansion occurred in the liabilities side, but, as already indicated, the consequent addition to reserve requirements was not sufficient to nullify the gain to total reserves. Net demand deposits went up by 9.9 millions to $3,986,110,000, and time deposits are 6.6 millions higher at $272,060,000. Government deposits, on the other hand, declined by 18.2 millions to $38,260,000. Under the circumstances 5.9 millions was the increase in the average excess reserve, which was accordingly returned at $11,950,000. A further improvement next week, in the absence of unfavourable developments, is indicated by an actual excess reserve of $25,940,000 at the close of business on Saturday last. A less satisfactory movement last week was an expansion in advances by the banks of 18⅜ millions to $5,152,000,000, which figure is the highest for the last six weeks.

For the Federal Reserve system as a whole the movements of last week have left the reserve banks in a position which, all things considered, is the weakest ever reported, and the latest return gives striking proof of the necessity for the drastic restrictive policy pursued by the banks. That the results of that policy are not reflected in the returns is no proof, however, of its inefficacy, for there can be little doubt that in the absence of the action which the banks have taken the position would be much worse, probably the principle of a free gold market in the United States would have to be abandoned. In other directions, as, for instance, the course of commodity prices, the effects of the policy are more apparent. Practically all the movements recorded in the last return are of an unfavourable nature. In spite of the imports of gold on French account, the gold holdings fell by 9½ millions to $1,962,310,000, other reserves also showing a falling off. On the liabilities side Government deposits expanded by 21.9 millions to $65,390,000, but "other" deposits fell by 4.7 millions to $1,669,700,000. The Federal Reserve note circulation expanded by 39.6 millions to $3,243,270,000, a figure which is the highest ever recorded for this item. Re-discounts, which, it may be recalled, attained a high "record" level during each of the previous three weeks, again advanced last week by 77.8 millions to $2,744,930,000. The holding of bills purchased in the open market were reduced by 8½ millions, making the net increase in the bill holdings 69.3 millions. In consequence of these movements the reserve ratio declined by .7 per cent. to 42½ per cent., which, with two exceptions, is lowest ever reported.

Call money was easier, the range of rates being six to eight per cent., with seven per cent. the ruling rate on most days. Prime commercial paper remained at eight per cent.

Stock Exchange.

The August quiet in the Stock market has continued into the present month. Investment [illegible] a moderate degree of activity, but speculation is effectively damped by the dwindling prospects of effective [illegible]

public. Oils, as usual, provided a strong contrast to the other sections. Business in this market assumed gratifying proportions, but was mainly on professional account.

British Funds exhibited unusual strength. Consols, War Fives, and War Fours appreciated daily, and all closed firm. Funding Loan, despite an initial weakness, also showed gratifying buoyancy. Victory bonds, however, though marked up slightly, were not a feature of particular firmness. India Three and a-Half per Cents. maintained a mid-week rise. Business in County and Corporation issues was not sufficient in most cases to test quotations. No alterations were recorded save a fractional depreciation in Kent County stock and Liverpool Corporation stock.

Colonials were idly steady. An early demand forced quotations up for West Australians. Cape Three and a-Half per Cent. Inscribed receded further and closed weak.

Home Rails continued apathetic. Caledonians lost some of their recent gains, and Great Northern Preferred and London Brightons were also lower. South-Easterns and Metropolitans, however, showed better.

Transactions in Industrials were not frequent, nor were price-changes very marked. Dunlops hardened finally, but failed to return to opening quotations. Maypole Dairy and Siemens registered an increase in value. Associated Cements lost a previous gain, but British Cements were firm. Nitrates were dull but firm. Among Motors, Rolls-Royce showed better, while Dennis Brothers Ordinary made a strong recovery after an early fall. Among textiles Calico Printers were a feature of strength, while Amalgamated Cotton, Bradford Dyers and J. P. Coats were also stronger. Bleachers Ordinary closed lower, and Fine Spinners were unable to retain initial gains. Shipping descriptions were all depressed, Cunards, Furness Withys, and Indo-Chinas receding sharply. Insurance shares remained featureless. Among Telegraphs, the only alteration of note was an improvement in Marconi Canadas. The iron, steel, and engineering section showed an unusual degree of strength. The close was weak, however, and few net gains were registered. Bengal Irons have lost their recent popularity. Guest Keens, Bolckow Vaughans, and Vickers finished lower. Mond Nickels, Pease and Partners, and United Steels were also weaker. English Electrics, Dorman Longs, Ebbw Vales, and Cammell Lairds, however, retained early appreciations and closed firm. Armstrongs, South Durhams, and Beardmores did not record any alteration. Gas stocks made a remarkable recovery during the week, on further realisation of the benefits conferred by the new Act which permits of the payment of a dividend of five per cent. on the old capital without reducing the price to the consumer. Gas Light and Coke Ordinary spurted from 49 to 59, and South Metropolitan Gas jumped from 56 to 65. Imperial Continental Gas shared the cheerful tone, but later a reaction due to profit-taking set in.

Oils continued to be by far the most animated section of the markets. Public activity here as elsewhere is benumbed by the uncertainty of the coal outlook. Professional commitments, however, have been on a sufficiently large scale to lever up quotations for practically all descriptions. The leaders were well in evidence, Mexican Eagles being helped by the more encouraging political conditions in Mexico as well as by the improved prospects of the company. Shells were in heavy demand from Amsterdam, rumour having it that the fact was not unconnected with a possibility of absorption by the Royal Dutch Company. Burmahs, Kern Rivers, and Lobitos were marked up. Royal Dutch, after a strong advance, showed signs of weakening. Indo-Burmas were a prominent feature, and Anglo-Americans continued in request. Trinidad, Venezuelan, and Roumanian descriptions attracted much attention, while Anglo-Egyptian "B's" registered many fractional appreciations.

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Mining Topics.

THE impending threat of a coal strike acted as a damper on the Mining market during the week, and was more than sufficient to counteract the excellent impression created by the satisfactory returns for August. The return of the East Rand Proprietary attracted considerable attention, the July profit of £8,215 being out-Heroded by the August profit of £38,303. So remarkable a change found a prompt reflection in the market, and on Monday the shares jumped up 1*s.* 6*d.* to 9*s.* The rise was not, however, destined to be maintained, for, after advancing to 9*s.* 3*d.* on Tuesday, they closed weaker at 8*s.* 9*d.*, and continued to react on Wednesday to 8*s.* 3*d.* Rand Mines responded also to the increased profits. New Modderfontein reaps an estimated profit of £151,991, whilst Crown Mines return the satisfactory gain of £97,626. However, with the general improvement, Rand Mines moved up from 2 3/32 at the opening to 2 1/8 on Tuesday, but closed weak on Thursday at 2 7/8. Johnnies were slow in responding to their additional profits, but were firm on Tuesday at 29*s.* Here the total profit has advanced from £261,913 for July to £309,868 for August. Government Areas earn nearly £6,000 more with a total of £140,700, whilst an increase of £12,000 gives Van Ryn Deep a profit of £88,218. The profit of the General Mining coterie has risen from £43,406 to £53,872. Mever and Charlton contribute £31,205, as against £26,989, and West Rand Consolidated £7,028, as against £3,524 .In all cases gold was valued for August at £5 12*s.* 6*d.* per ounce, as against £5 5*s.* in July. Generally speaking, realisation charges had been reduced to the low level of 6*d.* per ounce. Thus in the case of East Rand Proprietary this meant an increased revenue in August of 8*s.* 6*d.* per ounce.

IDRIS HYDRAULIC TIN.

Year to Dec. 31	Tin Output Tons	Average Price Realised per Ton	Working Costs per Ton	Working Profit per Ton	Net Profit	Dividend Amount	Dividend %	Carried Forward
		£	£	£	£	£		£
1916 ...	2931	101 15/32	64 1/2	53 13/32	7,355	6,000	5	2,525
1917 ...	2153	125 25/32	82	43 25/32	6,623	6,000	5	3,148
1918 ...	1248	177 1/4	167 1/4	10	3,073*	—	—	75
1919 ...	2441	117 3/4	81	36 3/4	12,571	9,000	7½	3,646

* Loss.

THE report of this Malayan tin-mining Company for the year ended December 31, 1919, confirms the optimistic outlook contained in the report of the previous year. In accordance with anticipations the re-arrangement of and extensions to the plant and water supply brought about a substantial increase in the output. The return of 244 3/4 tons for 1919 is over 30 tons in excess of the previous normal output of 1917, and is nearly twice the reduced output of 1918. On the other hand, the price of tin was not maintained at such a

consistently high level as in 1918, and the result that the average price realised per ton milled for the year amounted only to £147 11s. 8d. per ton, as compared with £177 10s. per ton in the previous year. However, this falling off in price of £29 18s. 8d. per ton was far more than counterbalanced by the remarkable decline in the cost of production, rendered feasible by more efficient plant and by the rise in the quantity of the output. As against the working profit of £10 7½ per ton in 1918, there was incurred during the year under review an expenditure only of £81 per ton, or £1 per ton less than in 1917. Consequently, the trifling working profit of £10 7½ per ton in the previous year gives place to a working profit of £65 7 per ton for 1919, and the [illegible] of the period 1916-1919. Thus a total loss of £3,973 in 1918 is replaced by a record net profit of £12,571. Shareholders received a dividend of seven and a-half per cent., as against five per cent. in 1916 and 1917 and nothing in 1918. There is carried forward to the next accounts a balance of £3,646, in contrast with £75 brought forward from 1918.

"We consider that the present satisfactory features will be maintained during the ensuing year." Thus do the managers convey their opinion of the outlook for the current year. Returns to hand for the first five months justify this attitude. From 120 tons of tin ore there has been secured the satisfactory working profit of £17,037. It is not surprising, therefore, to learn that already two interim dividends of five per cent. each have been declared in respect of 1920. But any attempt to generalise from this gratifying fact to the final results for the year has to take into account more than one factor. In the first case, it is well to emphasise the reference contained in the circular issued in September 1919 to "the inconsistency of the formation at Batu Karang." Whilst during 1919 returns from this section came up to expectations, this fact nevertheless prevents any definite calculation as to the future course of profits. No less vital a factor is the price of tin, which during the early months of the year attained high levels, but is now only in the neighbourhood of £270 a ton. The general opinion favours, it is true, an upward movement in the price of this metal, but owing to the uncertainties of the situation it is not possible to say when or to what extent such a rise will eventuate. Furthermore, the effect of the corporation tax and the sixty per cent. excess profits duty must also be considered. The financial position of the Company as disclosed in the balance sheet at the end of 1919 is very strong. 'Liabilities, including the final dividend of £6,000, do not exceed £7,496, and are covered twice over by the cash balance of £15,061. In the market the £1 shares are quoted at 14*s.* 1¼*d.*—a quotation which is not altogether unintelligible when allowance is made for the fact that interim dividends to the total of ten per cent. have already been paid. Assuming that the final dividend does not exceed five per cent., the shares will return to shareholders who purchase at this price a yield of over seven per cent. for the current year, and of more than fourteen per cent. in any year in which a dividend of ten per cent. is paid.

WITWATERSRAND DEEP.

Year to end of December	Tons crushed	Gold Working Revenue per Ton	Gold Working Cost per Ton	Working Profit Amount	Working Profit Per Ton	Net Profit Amount	Dividends Paid Rate	Dividends Paid Amount
		£ s. d.	£ s. d.	£	£ s. d.	£	%	£
1916	360,240	2 9 10	1 7 6	100,185	5 5	100,185	10	50,000
1917	420,000	2 8 7	2 0 7	84,196	3 9	84,196	10	50,000
1918	377,150	2 8 1	2 4 0	15,112†	0 10 7½	10,445†	—	—
1919	348,870	2 6 8*	2 5 0	21,156*	1 0 8*	12,571*	7½	18,750

* [illegible] † [illegible]

THE report of this well-known South African gold-mining Company for the year ended December 31, 1919, possesses more than one feature of interest. The results of the operations of the year in question as embodied in the above table [illegible] favourable comparison with those of previous years; when the general circumstances of the mine are taken into account; for in the initial stages of their task the directorate now controlling the destinies of the mine were called upon to cope with very great difficulties. Before they could bring it into a condition for profitable working shaft repairs and shaft sinking had to be done on a scale almost as extensive as is required to open up a new mine. And their efforts in these directions were handicapped by the inability of the existing system of air pumps to deal with the water troubles experienced. Finally, a solution was reached by the drastic process of scrapping these pumps and replacing them by efficient electrical pumps. But all these operations involved not only a heavy expenditure, but much time, which otherwise could have been devoted with advantage to the development of the mine. Under such circumstances the reduction in the quantity of ore crushed from 377,150 tons in 1918 to 348,870 tons in 1919 need occasion little surprise. The decline was due in the main to the temporary cessation of work in the northern section of the mine, as under existing conditions economical handling of the work was out of the question. Furthermore, because of the previous bad name of the mine it became very difficult to secure an adequate supply of native labour, with the result that there was a shortage of over 1,000 boys underground; and this shortage was most pronounced in the closing quarter of the year, just when the gold won was realising a satisfactory premium. Calculating the value of the output on the basis of the par value of gold, so that an effective comparison may be made with previous years, it is pleasing to record that the gold revenue per ton rose by 8*d.* to 23*s.* 9*d.* On the other hand, with the rise in wages, the increased cost of stores and materials, the working difficulties already enumerated, and the subsequent decline in the quantity of ore treated, working costs advanced from 24*s.* to 25*s.* a ton. Thus a working loss of £17,412, or 11*d.* per ton, in 1918 was replaced by a working loss of £21,455, or 1*s.* 3*d.* per ton, in 1919. However, owing to the existence of the premium on gold after July there accrued to the Company an additional source of revenue estimated conservatively at £44,370, equivalent to an extra gold revenue of 2*s.* 6*d.* per ton. Thus, with an actual gold revenue of 26*s.* 3*d.* per ton there was secured a working profit of £22,915, or a little more than 1*s.* 3*d.* per ton. Accordingly a net loss of £16,437 in 1918 gives way to a net profit of £19,082 for the year under review. This leaves the directors not only with sufficient to pay off the bank overdraft of £13,763, but also to pay for the hoist. They do not, however, declare any dividend, leaving to be carried forward to the next accounts a sum of £93,472, as against £83,756 brought forward from 1918.

"In face of difficulties almost overwhelming the mine has been brought to a position," state the directors in their report, "to justify the expectation of the resumption of dividends in the following years." They quote in support of this contention the [illegible] addition of 197 feet brings the depth of the south incline shaft to 356 feet below the twenty-third level, and were it not for the water troubles mentioned [illegible] Leader 2,705 feet on sampling revealed ore of 12.8 dwt. over 38.3 inches, whilst in the Main Reef ore [illegible] the year under review the payable ore developed

The position of the ore reserves is as follows:—

... ...	1,571,300	...
... ...	1,383,350	...
... ...		...
... ...		...

Thus there was a reduction of 31,026 tons during the year; but, on the other hand, the value has risen ... (...) considering the adverse circumstances of the year the position is by no means unsatisfactory. Furthermore —to quote the Manager—"as it is anticipated that very soon more faces of attack will be available, an increase in our ore reserves may soon be expected." The outlook for the current year is closely bound up with the gold premium, the costs of working, and the quantity of ore treated. The latter factor is dependent upon the date when the new hoisting plan has come into operation, and a cable in January stated that it should be erected by the end of April. Returns show that whilst 92,520 tons were crushed in the first quarter of 1920, the amount crushed in the June quarter had increased to 97,050 tons. Working costs, as might be expected, exhibited a tendency to rise—a tendency which is readily comprehensible in the light of the increased charges under the Miners' Phthisis Act and in respect of the recent advances in wages. In the March quarter of the current year an increase to 25*s.* 10*d.* per ton is recorded, whilst the second quarter is characterised by a slight decline to 25*s.* 8*d.* But it is the gold premium that is at present the most vital factor in so far as this Company is concerned. During the initial three months of 1920 this premium attained its maximum, with the result that a gold revenue of 28*s.* 3*d.* per ton was returned in the March quarter. Subsequently, with a decline in the gold premium came an alarming increase in the costs of realisation, with the result that for the three months ended June 30, 1920, the gold revenue fell to 24*s.* 8*d.* per ton, even including sundry revenue, whilst the March quarter profit of 2*s.* 5*d.* per ton was replaced by a loss of 1*s.* per ton. Circumstances are shaping much more favourably, however, for the latter half of the year. The South African exchange rate has returned to normal, and the gold premium is again moving upwards. At the same time, it is yet rather early to expect dividends, and we are of opinion that the directors may again wisely decide to refrain from reducing their liquid assets under the present conditions. Development work has been much more satisfactory in the first quarter of the year than in the second. For the three months ended June 30, 1920, payable rock on the Main Reef Leader was disclosed for 355 feet, the ore averaging 7.5 dwt. over a stoping width of forty-eight inches. On the other hand, payable ore was disclosed during the March quarter in the Main Reef Leader of 11.1 dwt. over forty-four inches. The balance sheet dated December 31, 1919, shows a sound financial position. To meet current liabilities not exceeding £48,687 liquid assets are available to a total of £90,833. In our judgment the prospects of this mine in the immediate future are rather uncertain, and the market is evidently of this opinion, as it quotes the £1 shares at 7*s.* 6*d.* Let it not be forgotten that in the absence of the gold premium a loss of £21,455 would have been recorded on the work- ... of the year ending 1919.

CANADA'S
Grand Trunk Railway System
... now operates Daily
Coast to Coast Service ...
CONSULT us re TRAVEL, EXPORTS, and EXPRESS SERVICE.
... Money Orders issued in Dollars and Cents.
EUROPEAN TRAFFIC OFFICES:
LONDON, S.W.—17 Regent Street. LIVERPOOL.—20 Water Street
LONDON, E.C.—4 and 5 Leadenhall Street. GLASGOW.—75 Union Street.
H. H. NORMAN, Secretary, Dashwood House, E.C.
FRED. C. SALTER, European Traffic Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, September 8, 1920.

Issue Department.

Notes Issued	£140,005,210	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,555,210
	£140,005,210		£140,005,210

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£59,618,129
Rest	3,532,256	Other Securities	76,349,750
Public Deposits	18,500,595	Notes	14,046,845
Other Deposits	116,998,675	Gold and Silver Coin	1,522,107
Seven-day and other Bills	13,155		
	£153,587,631		£153,587,631

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Aug. 18	125.9	123.0	18.5	118.9	59.6	76.3	15.6	11.7	7	6¾
Aug. 25	126.5	123.0	16.4	113.3	57.1	75.4	13.4	11.6	7	6½
Sept. 1	124.8	123.0	15.3	105.5	41.5	75.8	16.5	14.3	7	6
Sept. 8	124.8	123.1	16.1	117.3	58.6	76.1	16.6	12.5	7	6
Sept. 11	125.5	123.0	15.8	124.0	63.2	75.3	15.9	11.4	7	6½
1919, '14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52.40	3	2½

* Jan. 30, 1914 to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 000's omitted):	Sept. 10, 1920	Sept. 10, 1919	Sept. 11, 1918	Sept. 12, 1917	Sept. 9, 1910
Circulation	£125.9	£31.1	£59.1	£40.5	£23.2
Public Deposits	18.5	34.1	36.1	42.6	16.9
Other Deposits	116.9	89.4	133.9	127.3	40.1
Government Securities	59.6	21.6	64.1	57.8	15.9
Other Securities	76.3	83.3	93.4	92.1	29.7
Reserve	15.6	25.6	39.1	32.1	28.4
Ratio to Liabilities	11.7%	29.75%	17.14%	19.5%	52.06%
Coin and Bullion	£123.0	89.2	70.7	54.2	33.4
Money:					
Bank of England Rate	7	5%	5%	5%	3%
Bank of France Rate	6	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛	3⅞	3⅛	4⅛–3⅝	3%
Exchanges:					
Paris Cheque	52.4	35.27	26.08	27.55	25.24
New York 60 days	3.50	4.14	4.73	4.724	4.83.35
Bombay Telegraphic Transfers	1/10⅛	1/3⅛	1/5⅝	1/4⅛	1/4
Prices:					
Consols 2½% Cash	46⅝	50⅝	59¼	55	83⅛
French Rentes 3% Money	55.60	37.10	64.20	62.30	97.77
Silver, London spot per oz.	84d.	80d.	48d.	50d.	24d.
Wheat, Gazette average per qr.	66.8	73.4	72.3	71.6	32.2
Cotton, Mid Upland per lb.	23.41	17.60d.	23.90d.	16.91d.	7.86d.
Iron, Scotch pig per ton	231/0	166/0	101/0	98/5	55/6

CURRENCY NOTE ISSUE.

	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Fiduciary Notes	% of Bank Notes & Gold to Notes
Week to	£	£	£	£	£	%
Sept. 8, '20	7,543,984	7,088,883	351,559,653	28,500,000	18,650,000	13·4
Sept. 1, '20	8,141,481	8,106,443	361,204,551	28,500,000	18,650,000	13·5
... 10, '19	6,977,575	6,322,075	331,442,480	28,500,000	—	8·6
Sept. 11, '18	6,589,623	5,[illegible]	27,[illegible]	28,500,000	—	10·5
... 12, '17	5,[illegible]	3,[illegible]	178,[illegible]	28,500,000	—	16·0
Sept. 13, '16	4,384,181	3,553,496	130,980,888	28,500,000	—	21·7

Balance Sheet, September 8, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	207,745,391	Other Bankers ...	—
Ten Schilling	4,313,452	Trustee Savings Banks	—
Certificates outstanding ...	32,500,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	351,559,653	Bank of England Notes...	18,650,000
[illegible]		Government Securities ...	324,374,363
[illegible]	3,628,898	Balance at Bank of England	304,362
Investments Reserve A/c ...	16,640,174		
Total	371,828,725	Total	371,828,725

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Aug. 4	£16,029	£29,101	£13,072	£97,335	£84,480	+£12,855	£3,668
Aug. 28	20,439	14,165	[illegible]	91,138	92,444	—1,306	3,881
Sept. 21	27,603	15,818	[illegible]	91,587	101,561	—10,974	3,926
167 days '20-21	520,655	441,332	[illegible]	2,977,620	2,366,150	—88,530	— 5,485
169 days '19-20	369,731	648,764	259,173	3,002,317	2,751,808	250,009	— 8·665
Fr. '20-21*	1,418,300	1,184,102	234,198†	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,389
Yr. '18-19	888,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Exped.	Expenditure: Supply Services.
Aug. 4	£5,774	£2,854	£2,401	£3,393	£13,431	£446	£10,564
Aug. 28	5,257	4,825	3,435	6,384	4,224	1,594	13,437
Sept. 21	13,833	5,213	5,723	2,851	1,828	710	13,280
167 days '20-21	167,827	112,463	194,[illegible]	150,749	155,321	8,136	277,935
169 days '19-20	168,365	89,[illegible]	113,318	74,[illegible]	155,396	3,368	488,940
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,563
Yr. '18-19	162,220	291,186	285,028	150,537	263,364	11,380	2,237,956
Yr. '17-18	110,033	238,509	220,214	137,478	189,851	11,401	2,494,368

FLOATING DEBT.	[000's omitted.		Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Aug.	4, 1920	...	£1,069,309	£287,941	£1,286,850	£10,573,000
Aug.	28, 1920	...	1,466,736	182,491	£1,649,227	10,599,000
Sept.	21, 1920	...	1,091,799	187,541	1,279,340	10,189,000
Aug.	14, 1920	...	1,045,432	263,941	1,309,373	10,031,000
June	30, 1919	...	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling—000's omitted.]

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10.977	£833	£11.810	£41.925	£51.900	£6.363
Aug. 26, '20 ...	10.680	1.087	11.727	23.293	220.213	61.830
Sept. 2, '20 ...	10.690	1.071	11.731	22.765	224.150	61.579

	Claim on Austro-Hung. Bank	Contingent Liability on Bank Notes	Discounts	Advances	Circulation (estate Notes)	Deposits
CZECHO-SLOVAKIA *						
Aug. 7, '20...	£398.475	£98.923	£29.678	£ 83.182	£398.265	£45.562
Aug. 15, '20...	398.489	83.923	30.001	85.231	391.501	44.763
Aug. 23, '20...	398.503	83.923	31.415	90.659	395.115	52.059

	Gold	Cash Silver	Cash Total	Discounts	Advances Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4.100	£341	£4.441	£8.197	£736	£9.693	£47
July 31, '20 ...	12.658	143	12.801	13.755	2.045	30.038	2.521
Aug. 31, '20 ...	12.643	145	12.788	15.029	1.463	30.129	2.983
Aug. 30, '19 ...	10.382	167	10.549	8.704	2.549	24.203	981
Aug. 31, '18 ...	10.366	137	10.503	3.450	3.784	21.773	567

	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
FRANCE.		£165.654	£190.667	£97.788	£287.327	£15.202	£37.901
July 30, '14 ...							
Aug. 2, '20 ...	144.195	79.131	233.807	88.703	1.533.336	2.593	122.845
Sept. 9, '20 ...	143.695	79.131	233.078	77.503	1.511.846	1.599	139.380
Sept. 11, '19 ...	143.783	79.131	234.204	39.044	1.427.987	1.587	111.971
Sept. 12, '18 ...	135.902	81.484	230.266	32.431	1.190.547	14.173	123.593

	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£87.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.198
Aug. 23, '20...	54.529	387	54.966	90.185	2.683.313	2.683.841	602.510
Aug. 31, '20...	54.579	364	54.933	241.410	2.519.449	2.810.030	783.534
Aug. 30, '19...	55.182	978	56.159	423.633	1.582.750	1.424.606	644.763
Aug. 31, '18...	117.405	5.957	123.362	103.647	641.039	681.955	471.893

	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13.496	£949	£13.745	£13.422	£10.332	£35.680	£1.437
Aug. 20, '20 ...	53.000	1.376	54.494	11.900	26.387	85.682	8.789
Sept. 6, '20 ...	53.078	1.595	54.423	10.730	26.461	86.256	6.180
Sept. 8, '19 ...	52.992	434	53.116	13.426	18.316	83.662	5.331
Sept. 7, '18 ...	58.953	663	59.616	8.165	8.726	79.808	4.987

	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	—	£48.456	£25.017	£89.204	£3.837
July 20, '20 ...	£32.191	£2.998	35.189	15.531	207.792	548.245	72.232
July 31, '20 ...	32.329	2.998	35.327	15.451	211.853	555.957	84.350
July 30, '19 ...	32.301	2.980	35.184	19.863	70.204	404.792	62.733
July 31, '18 ...	32.728	3.068	35.796	8.748	56.707	319.582	61.787

	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.						
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
July 24, '20 ...	99.797	21.289	26.863	111.779	107.207	9.555
July 31, '20 ...	100.888	22.624	29.365	120.243	108.155	5.810
Aug. 2, '19 ...	73.023	11.443	43.326	101.622	110.234	4.448
Aug. 3, '18 ...	65.271	4.863	31.116	74.282	77.233	3.721

	Cash Own Vaults	Aggregate Reserve	Loans, Discts., Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1.720
Aug. 28, '20 ...	£17.746	106.634	1.026.691	£795.350	£53.093	859.643	1.216
Sept. 4, '20 ...	17.694†	108.120	1.030.444	797.222	54.412	859.366	2.380
Sept. 6, '19 ...	19.348†	114.260	1.010.996	813.530	43.564	906.738	6.342
Sept. 7, '18 ...	18.180†	109.564	905.218	754.024	31.854	829.632	9.693

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2.960	£1.678	£493	£4.868	£6.752	£793
Aug. 23, '20 ...	8.118	2.727	578	24.297	25.275	5.992
Aug. 31, '20 ...	8.109	2.742	578	24.442	25.681	5.798
Aug. 31, '19 ...	8.168	4.741	678	17.189	23.823	2.974

	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.						
June 9, '20 ...	£1.908	£3.921	£5.827	£20.408	£90.436	£10.635
June 9, '20 ...	1.908	3.921	5.827	22.567	94.856	8.858
June 11, '19 ...	1.905	3.935	5.840	8.198	65.038	3.474
June 12, '18 ...	1.905	3.475	5.380	8.822	48.378	2.186

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
June 5, '20 ...	£82.809	£15.779	£3.794	£19.573	£186.443
June 12, '20 ...	82.809	16.587	3.463	20.050	187.701
June 19, '20 ...	84.009	18.482	3.514	21.976	189.444
June 21, '19 ...	39.981	9.712	1.910	11.622	117.089

	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160.114	£14.395	£181.892	£76.081	£163.411	£6.539	£109.911
Oct. 28, '17...	128.523	230.865	378.205	1.869.559	1.836.217	15.783	345.550

	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4"%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21.804	£29.187	£50.991	£40.572	£13.778	£77.557	£18.955
Aug. 28, '20 ...	98.095	24.175	122.270	86.531	13.779	157.992	34.028
Sept. 4, '20 ...	98.096	23.951	122.047	86.476	13.779	159.878	37.433
Sept. 6, '19 ...	96.410	25.729	122.139	88.018	13.778	147.433	33.252
Sept. 7, '18 ...	87.581	25.936	113.517	53.835	13.777	119.442	48.303

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5.717	£6.150	£1.555	£7.495	£13.432	£3.903
Aug. 21, '20 ...	14.519	4.979	2.519	36.303	38.753	13.833
Aug. 28, '20 ...	14.519	4.074	2.519	35.681	39.037	13.733
Aug. 30, '19 ...	16.685	7.231	2.937	20.852	39.564	7.694
Aug. 31, '18 ...	14.833	7.486	5.877	13.107	38.259	3.651

	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7.202	£758	£7.960	£4.817	£10.718	£4.026
Aug. 23, '20 ...	21.598	3.669	25.267	13.998	36.014	6.946
Aug. 31, '20 ...	21.598	3.708	25.304	14.064	36.075	4.894
Aug. 30, '19 ...	18.696	2.586	21.282	17.975	36.453	4.316
Aug. 31, '18 ...	15.370	2.038	17.413	15.894	30.993	5.289

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

Aug. 30, '20 ...	£394.366	£425.746	£533.426	£64.394		
Sept. 6, '20 ...	154.447	177.118	224.278	414.098	308.400	46.748
Sept. 6, '19 ...	157.110	256.300	427.374	369.484	70.934	
Sept. 6, '18 ...	177.118	226.278	414.098	308.400	46.748	

II.—CURRENT BANK RATES OF DISCOUNT.

Amsterdam ...	4	July 1, '15				
Berlin ...	7	Dec. 23, '14	Madrid ...			
Brussels ...	5	Aug. 21, '19	Paris ...	6	Apr.	8, '20
Bombay ...	7					
Brussels ...	5					
Calcutta ...	7					
				8	Nov.	18, '19
			Vienna ...			

III.—FOREIGN EXCHANGES.

LONDON ON	10, '20	Sept. 3, '20	Aug. 27, '20	
	188	177		47fr. 37½
	24kr. 95	24kr. 70		
	110. 21c.	110. 16c.		
	76fr. 75	76fr. 75		
		124.	124.	
	$3 52½			
		$3 57	$3 58½	
	24kr. 55	25kr. 27	24kr. 55	24kr. 32
Paris ... 3 mos.				
	52fr. 97½	51fr. 42½	51fr. 10c.	
		49½		
	23fr. 87	23fr. 85		
	17fr. 72	17kr. 71		17kr. 58
			21fr. 70c.	21fr. 65c.

ON LONDON	10, '20	Sept. 3, '20	Aug. 27, '20	
	97½			
	110. 21c.	110. 16c.		
	32fr. 95	33fr. 10	33fr. 00	
	49fr. 22	49fr. 27c.		
	57	56¾		47-58
				24.
	24kr. 76	24kr. 55		18-158
	24kr. 90	24kr. 65		18-158
	110m.	109m.	114	25m. 221
Italy ... Sicht	80fr. 80c.	78fr. 80c.	79fr. 75c.	
	11	11		
	1kr. 10½	1kr. 10½		
Madrid ... do.	23fr. 89	23fr. 84		
	57½	57½	56½	
	$3 88	$3 91½	$4 03	$4 Fri
	$3 53	$3 55	$3 56	
	$3 50	$3 52	$3 56	
	$3 53	$3 56	$3 59	$4 Fri
	52fr. 42c.	51fr. 42c.	51fr. 15c.	
Rio de Janeiro ... 90 days	12½d.	13d.	14d.	16d.
	5s. 10½	5s. 10	6s. 11	
	5s. 3½	5s. 3½		
	17kr. 21	17kr. 21	17kr. 65	18kr.
Switzerland ... do.	21fr. 54c.	21fr. 87	21fr. 85	22fr. 5c.
	12½	12½	12 5/8	18d.
	5s. 10¼	5s. 10¼	6s. 11	24-58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON	10, '20	3, '20		
	34 85c.	32 00	40 20	40 00c.
	32 75c.	33 25c.	48 66 ... for 1 rupee	33 00c.
	119 50	117 50		
	14 50c.	14 20c.	26 80c. for 1 kroner	
Copenhagen, cheques	14 25c.	14 30c.	26 80c.	26 50c.
Greece, cheques	10 80c.	10 85c.	19 295c. for 1 drachma	
	76 50	75 50c.	73 50 ... for $1	16 4
	22 97c.	21 38c.	3 81 ... for $1	5 17c.
Lima, cheques	4 99c.	4 99c.	4 8665 $ for 1 libra	
Manila, cheques ...	46 70	46 50c.	50 ... for $100	49 80c.
Montreal	9 875c.	9 375c.	9 25c. for $1	
Paris, sight	14 72c.	14 12c.	5 18 ... for $1	16
Peru, cheques			51 46c. for 1 rouble	52 75c.
Rio de Janeiro, cheques	5 22c.	5 24mil.	3 06 ... for $1	
Spain, cheques ...	107 50c.	106	52 36 ... for $1	33 00c.
Stockholm, cheques	15 70c.	15 50c.	56 77c. for $1	
Spain, cheques ...	14 80c.	14 97c.	18 ... for $1	
Stockholm, cheques	20 25c.	20 20c.	26 80c. for 1 kroner	
Switzerland, cheques	6 09fr.	6 06fr.	3 ... for $1	5 85c.
Valparaiso, cheques	19 00c.	19 00	20 61c. for 1 peso	
Yokohama, cheques	50 87	50 90c.	49 84c. for 1 yen	50 00c.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.			1920	
	1920				
BIRMINGHAM ...	4	£5.375	- £1.692	£134.756	£39.197 -
BRISTOL ...	4	1.792	89		13.181 -
DERBY ...	4	8.124	241	307.810	14 -
LEEDS ...	4	1.997	- 574	44	20.451 -
LIVERPOOL ...	4	961	- 208	48	13.151 -
LIVERPOOL ...	4	17 13	3.847	593.185	13 -
MANCHESTER ...	4	28.249	- 7.457		4 -
NEWCASTLE ...	4	3.674	- 1.198	112.074	37.531 -
NOTTINGHAM ...	4	1.102	- 362	40.967	16.908 -
SHEFFIELD ...	4	3.648	- 1.123	60.383	17.302 -
	1920				
LONDON ...	8	583.814	+ 119.611	23.009.454	
MANCHESTER ...	8	38.104	+ 3.939	1.385.913	
NEWCASTLE ...	8	87.153	+ 16.478		
	8	714.771	139.928		

V. FREIGHTS —According to Messrs. [illegible]

HOMEWARDS.	1920	1920	1913	Homewards.
Bombay ...				
Calcutta ...	120 0	125 0		
Rangoon ...	16 0	16 0		
Colombo ...				
Singapore ...				OUTWARDS.
Hongkong ...				
Shanghai ...				
Yokohama ...	58 3	56 3		
R. Plate to U.K. ...	105 0	100 0		

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	SEPT. 10, 1920	SEPT. 12, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	231/0	166/0	57/0
— Middlesbro' warrants ...ton	225/0	160/0	51/0
— Hematite warrants ...ton	260/0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£22 10 £23	£8 10
— Common bars ...ton	£30 10—£32	£22 10—£23	£6 16
Steel Rails ...ton	£26	£16 10	£8 2/6
Galvanised Sheets ...ton	£44—£46	£32	£16 17/1
Copper—Standard ...ton	£87	£100	£66
Tin—English Ingots ...ton	£267	£280	£142 15
— Straits ...ton	£278	£285	£139 10
Tinplates, I.C. Coke, S. Wales...box	£6/0—57/0	36/0—36/6	11/10½—12/0
Lead—Soft Foreign ...ton	£35—£35 10	£25 5—£25 15	£19
Spelter—Ord. Foreign ...ton	£39 15—£41	£40 15—£41 15	£21 7/9
Quicksilver—(75lb.) ...bottle	£18	£23 10—£24	£7
Aluminium ...ton	£156 home	£156	£82
Antimony—Regulus Foreign ...ton	£43—£45	£42	£27 10
— English ...ton	£52—£55	£45	—
Coal—(best) Yorkshire ...ton	37/2—38/2	29/6—30/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, [erquintal]	16/0	9/11	7/4
Soda—Crystals ex wharf ...ton	110/0	129/0—130/0	42/6—45/0
Copra—Malay and Straits ...ton	£56 10	£55 10	£23 15—£24 7/6
Sambier—Good marks ...cwt.	42/6—£5/0	51/0	16/10/0
Indigo—Bengal good to fine ...lb.	13/0—16/6	8/6—9/0	3/2—3/8
Linseed Oil—Raw ...ton	£80	£96	£25 5
Linseed—Calcutta, spot ...ton	£40	£45 10	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£22 5—£22 10	£25	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom.	£29 10
Palm Oil—Lagos ...ton	63/10	£89 10	£31 10
Petroleum—American ...gallon	2/4½	1/6½	7½d.
Rape Oil—Refined English ...ton	£90	£103	£32
Soya Oil—Refined ...ton	£80	£86	£24 10
Tallow—Imported ...cwt.	72/0—80/0	86/0—112/0	29/3—33/3
Turpentine—American ...cwt.	140 3	129/0	33/7½
Rape Seed—Tonza ...ton	£34 5	£44—£45	£13 5
Rubber—Para, spot ...lb.	1/8½	2/6	2/9½
— Fine plantation (std. crepe) lb.	1/8	2/3½	2/2
— World's Production† July tons	27,525	26,986	8,467
Shellac—T.N. Orange, fair ...cwt.	£65/0	485/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	23·41d.	17·60d.	7·53d.
— Egyptian, good fair ...lb.	47·25d.	29·75d.	8·75d.
— Pernambuco fair ...lb.	22·91d.	20·50d.	7·73d.
— Middling Upl. New York ...lb.	31·25c.	29·25c.	13·25c.
— Stock, Liverpool (Aug. 20) bale	956,790	809,610	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£55	£48—£52 10	£25 10
— Manila, Fair ...ton	£68	£48—£48	£26 10
Jute—First Marks ...ton	£50	£75	£26 15
— Red SCO ...ton	£32	£70	£24 15
Silk—Blue Elephant ...lb.	32/0	30/0	11/3—11/6
Wool—Pt. Philip, unwashed av. lb.	3/10½	3/10	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½	2/0	10½
Hides—Eng. Ox, best, 76 lb. up lb.	13d.	12½d.—13d.	6½d.
Leather—Dressing Hides ...lb.	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	20,758,000	63,309,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	295½c.	237½c.	67¾c.
—English Gazette, aver. 480lb. qr.	£6/8	73/4	34/3
Flour—Eng. Gaz., aver. 280lb. qr.	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	78/7	59/3	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	54/4	61/7	20/10
Maize—N.Y. (new bushel) ...56lb.	—	172½c.	76½c.
— Amer. mixed, Liverpool ...480lb.	nom.	nom.	32/4
— La Plata ...480lb. qr.	67/6	59/0	25/9
Potatoes—Good English ...ton	185/0	197/0	70/0—75/0
Rice—Rangoon ...cwt.	41/0	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0—40/0	50/0	14/0—17/8
Hay—best ...2,016lb. load	—	—	82/6
Hops—English ...cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	8/8	6/6	3/8—3/10
— Scotch sides ...8lb.	11/2	8/6	4/6—5/0
— English ...8lb.	11/2	8/6	4/2—4/5
Mutton—Scotch wethers...8lb.	14/10	9/0	5/8—6/0
— English wethers ...8lb.	14/10	9/0	4/6—5/4
— New Zealand frozen ...8lb.	4/0—4/8	7/0	2/—3/6
Pork—English and Irish ...8lb.	16/6	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†280/0	190/6	60/0—74/0
— Danish ...cwt.	†204/0	†187/0	58/0—68/0
— Canadian, ex Port ...cwt.	†200/0	†187/0	—
— American ex Port ...cwt.	†160/6—187/0	†187/0	72/0—74/0
Hams—Amer. long cut, ex Port ...cwt.	†216/0	†190/0	75/0—79/0
— — short cut, ex Port ...cwt.	†216/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	†198/6	51/0—52/9
Butter—Danish ...cwt.	†303/4	†252/0	117/0—120/0
— French ...cwt.	†303/4	†252/0	96/0—108/0
— Australian ...cwt.	†303/4	†252/0	98/0—110/0
— New Zealand ...cwt.	†303/4	†252/0	108/0—114/0
Cheese—Canadian ...cwt.	†162/0—166/0	†144/8	66/0—68/0
— United States ...cwt.	—	†144/8	—
— Dutch ...cwt.	†184/0—168/0	†144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Aug. 31 ...cwt.	19,047,713	22,393,358	19,777,254
— Home consump'n to Aug. 31 cwt	16,176,623	20,077,636	17,272,000
— In Bond Aug. 31 ...cwt.	7,938,000	7,987,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	20/0	36/0	10/3
— — Yellow crystals ...cwt.	17/0	57/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	116/6	84/8	20/—
Coffee—Imports to Aug. 31 ...cwt.	624,425	881,185	720,360
— Home consump'n to Aug. 31 cwt.	500,278	208,072	141,410
— Exports to Aug. 31 ...cwt.	316,451	398,730	340,250
— In Bond Aug. 31 ...cwt.	825,000	886,000	484,000
— Price, Costa Rica gd. to fine cwt.	130/0—150/0	145/0—155/0	80/0—93/0
— Brazil (Santos) Good ...cwt.	80/0	65/6	41/6
Tea—Imports to Aug. 31 ...lb.	266,891,577	268,695,517	125,230,277
— Home consump'n to Aug. 31 lb.	247,969,491	255,955,595	155,447,972
— Exports to Aug. 31 ...lb.	27,501,577	18,722,762	26,561,765
— In Bond Aug. 31 ...lb.	222,478,000	133,138,000	78,292,000
— Price, Indian, Pek. Sou. gd. lb	6d.	1/4	8½d.
— — Ceylon, Pek. Sou. Ord. lb	5½d.	1/4	8½d.
— — Common Congou ...lb	—	1/4	5½d.
Cocoa—In Bond Aug. 31 ...cwt.	1,547,000	1,469,000	309,000
— Grenada, good to fine ...cwt.	83/0—85/6	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	July	$17,316,000	+2,656,000	$1,819,000	— $1,377,000
	7 mos to July	109,434,000	+17,991,000	13,047,000	— 2,136,000
Grand Trunk	July	£1,560,000	+ £322,700	£210,400	— £22,900
	7 mos. to July	8,438,100	+1,222,500	225,500	— 324,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On* **August 5, 1914**, *the Government assumed control of the railways of Great Britain under* **warrant**, *renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January 1,* 1917.

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	July 31	1,044	R1,79,939 —	11,770	17	34,21,640 +	2,09,125
East Light ...	July 7	118	28,100 +	4,600	18	6,24,200 —	1,300
Bengal & N.W.	July 31	2,067	4,57,900 +	34,573	17	87,31,618 —	4,62,720
Beng. Dooars	July 31	158	31,037 +	1,365	17	4,80,370 +	15,224
Beng. Nagpur	July 31	2,695	5,59,000 —	3,34,000	17	2,16,47,000 —	11,91,000
Bomb. Baroda	Aug. 28	2,871	17,16,000 +	2,30,000	22	3,98,27,000 +	14,33,000
Burma	July 31	1,342	4,52,205 +	19,981	17	94,45,623 —	21,697
Del. Um. Kalk.	Aug. 28	239	88,330 —	2,865	22	20,43,129 +	24,009
East Indian ...	Sept. 4	2,772	26,86,000 +	42,000	23	6,23,60,000 +	43,49,000
Gt. Indian Pen	Aug. 28	3,121½	27,19,800 +	8,10,000	22	5,47,56,810 +	2,94,398
Madras & S.M.	Aug. 7	3,152	12,40,000 —	8,615	18	2,33,22,902 —	1,32,172
Nizam's Guar.	Aug. 7	900	2,81,994 +	35,858	18	58,22,478 —	11,682
Rohi. & Kunm.	July 31	576	96,006 —	2,216	17	21,40,944 +	1,75,312
South Indian	July 31	1,852½	7,62,099 +	45,185	17	1,41,52,942 +	4,02,102
South Punjab	Mar.	716	7,53,200 +	41,772	6m	46,56,803 —	1,72,473
COLONIAL							
Can. Northern	Aug. 31	9,704	$1,715,900 +	117,550	34	37,680,623 +	8,141,124
Can. Pacific ...	Aug. 31	13,388	5,681,000 +	922,000	34	127,099,000 +	20,283,000
Grand Trunk	Aug. 21	3,616	£525,680 +	46,257	34	10,034,407 +	1,337,919
Mashonaland	June	810	91,152 +	21,431	9m	662,819 +	178,922
Mid. W. Aust.	June	277	9,960 +	2,303	6m	129,028 +	19,327
NewCapeCent.	Aug. 14	205	2,388 —	57	33	99,793 +	16,885
Rhodesia Rlys.	June	1,397	134,202 +	29,272	5m	—	—
Temiscouata.	June	—	$33,369 +	6,147	6m	187,427 +	11,302
W. Pass. & Yuk	Dec.	122	1,368,826 +	124,546	12m	1,368,826 +	124,546
FOREIGN.							
Argentine.							
Arg. N. East...	Aug. 28	762	£ 12,500 —	1,400	9	107,400 +	12,000
Arg. Transand.	Sept. 4	111	£ 1,767 +	667	10	14,001 +	8,835
B. A. & Pacific	Sept. 4	3,536	£ 119,000 —	29,000	10	1,374,000 +	55,000
B.A.Gt. South	Sept. 4	3,792	£ 139,000 —	42,000	10	1,339,000 —	226,000
Do.	Sept. 4	Net	£ 14,000 —	41,000	10	102,000 —	320,000
B. A. Western	Sept. 4	1,882	£ 67,000 —	38,000	10	637,000 —	200,000
Do.	Sept. 4	Net	£ 8,000 —	29,000	10	119,000 —	144,000
B. A. Central	July	190	£ 54,127 +	9,106	1m	—	—
Cent. Argent.	Sept. 4	3,305	£ 194,000 +	29,000	10	1,918,000 +	506,000
Cord. Central	Sept. 4	1,205	£ 45,800 —	17,800	10	553,150 —	16,950
Entre Rios ...	Sept. 4	811	£ 21,200 —	600	10	208,200 —	3,800
Brazilian.							
BrazilGt.South	June	110	M 40,750 —	16,850	6m	293,250 —	11,090
Brazil Railway	Dec.	3,530	M 4,859,000 —	141,271	12m	57,772,000 +	7,819,243
Gt. W. Brazil	Sept. 4	1,010	£ 13,200 —	3,630	35	781,800 +	95,800
Leopoldina ...	Sept. 4	1,831	£ 45,938 —	8,450	35	1,885,328 +	522,296
Mogyana ...	Dec.	1,180	M 1,561,000 —	956,490	12m	22,267,000 —	2,474,951
Paulista ...	Dec.	768	M 2,650,000 —	906,038	12m	32,479,000 —	1,225,892
San Paulo ...	Sept. 5	163½	£ 49,129 +	10,365	35	1,633,927 +	430,831
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,168	12m	21,953,000 +	978,892
S.of BahiaS.W.	July	52	M 130,000 +	18,000	7m	601,000 +	89,000
Chilean and Peruvian.							
Antofagasta...	Sept. 5	838	£ 53,150 +	29,690	35	1,815,170 +	758,325
Arauco ...	June	84½	£ 12,000 +	500	6m	76,000 +	10,700
Nitrate(2wks.)	Aug. 31	390	£ 46,350 +	29,340	32	671,448 +	367,707
Peruvian Corp.	Aug.	1,140	S 1,191,795 +	25,511	2m	2,324,145 +	99,131
Taltal ...	Aug.	180	£ 33,510 +	24,967	2m	59,033 +	43,035
Cuban.							
Cuban Central	Sept. 4	382	£ 21,736 +	2,886	10	223,292 +	51,631
Havana Cent.	Aug. 28	70	£ 2,852 +	2,654	9	110,253 +	21,925
Gt. of Havana	Sept. 4	681	£ 73,021 —	17,471	10	655,692 +	107,962
W. of Havana	Sept. 4	155	£ 12,991 +	3,138	10	117,878 +	26,746
Uruguayan.							
Cent. Uruguay	Sept. 4	273	£ 20,653 +	44	10	173,860 —	16,589
,, (E. Ext.)	Sept. 4	311	£ 5,236 —	366	10	45,526 —	162
,, (N. Ext.)	Sept. 4	185	£ 3,578 —	161	10	27,451 —	6,757
,, (W. Ext.)	Sept. 4	211	£ 2,435 —	163	10	21,341 —	1,450
Mid. Uruguay	July	319	£ 15,857 —	1,950	1m	—	—
N.W. Uruguay	July	113	$ 5,857 —	857	1m	—	—
Urug. Northn.	July	73	£ 1,915 +	60	1m	—	—
Miscellaneous							
Alcoy & Gandia	Aug. 28	33	Ps. 10,000 +	1,000	34	456,300 +	97,900
Bilbao ...	Aug.	15	£ 2,712 +	622	8m	27,188 +	6,615
Bolivar ...	June	138	£ 9,536 +	369	7m	77,973 +	9,182
Colomb. Natnl.	June	88	£ 21,540 +	5,280	6m	108,130 +	33,870
Costa Rica ...	June	189	£ 23,119 +	791	12m	317,253 +	48,254
Dorada Ext.	July	70	£ 19,500 +	3,500	7m	118,178 +	45,078
Egyptian Delta	Aug. 10	559½	£ 14,180 +	3,987	17	161,950 +	82,199
Gt. S. of Spain	Aug. 28	104	Ps. 95,184 +	8,237	35	3,030,795 —	915,988
La Guaira&Ca.	Aug.	22½	£ 12,950 +	3,850	8m	112,600 +	46,410
Ottoman Ry...	Aug. 21	379	£ 8,815 —	—	—	—	—
Paraguay Cent.	Aug. 28	274	£ 5,070 —	180	9	43,400 —	2,870
Puerto Cabello	July	34	£ 5,500 +	2,000	7m	38,700 +	5,825
Salvador ...	Sept. 4	100	£ 2,691 —	840	10	31,143 —	2,082
Santa Fe Prov.							
French Rys.	July	1,181	£ 149,864 +	976	7m	1,129,304 +	3,076
S'ntiago&S'tiago	July	80	£ 18,790 +	1,246	7m	140,123 +	28,875
Zafra & Huelva	July	112	£ 11,422 +	5,559	7m	84,852 +	20,537
TRAMS.							
Anglo-Argent.	Sept. 2	400	£ 76,069 +	16,208	35	2,631,282 +	662,692
Auckland Elec.	June 30	27	—	—	52	292,502 —	2,083
Bombay Elec.	May	38	R. 8,40,311 +	77,990	5m	39,77,034 +	5,50,851
Brazilian Trac.	July	3781	M11,745,000 +	1,675,000	7m	72,785,000 +	8,752,000
Brisbane Elec.	Aug.	40½	£ 48,650 +	4,105	8m	367,594 +	63,190
Brit. Columbia	June	334	$ 710,210 +	238,605	12m	8,737,132 +	1,674,573
B. A. Lacroze	Aug.	51	£ 53,852 +	7,106	2m	105,360 +	13,392
Calcutta ...	Sept. 4	35½	R 101,182 +	10,910	36	32,52,275 +	2,73,087
Cape Electric	May	42½	£ 30,580 +	2,010	5m	3,03,204 +	34,720
Carth. & Herr.	Aug.	9	£ 3,721 +	730	8m	38,431 +	12,526
Chatham&Dist	Aug. 28	15	£ 1,355 +	187	34	58,226 +	6,235
Havana Elect.	May	86	$ 946,301 +	205,994	5m	4,587,376 +	1,010,561
Isle of Thanet	Sept. 1	20½	£ 2,868 +	596	48	55,347 +	13,282
Kalgoorlie ...	May	20½	£ 3,276 +	980	5m	14,914 —	844
Lanarkshire ...	Aug. 28	28½	£ 4,677 +	527	34	142,837 +	20,735
Lima Light ...	June	85	£ 55,919 +	8,054	8m	343,173 +	60,137
London Un.	Sept. 8	141½	£ 88,471 +	4,413	23	1,894,171 +	31,981
Madras (2wks.)	Aug. 31	151	R. 58,858 +	6,963	32	7,59,979 +	1,41,747
Manila Electric	June	55	$ 267,185 +	106,455	5m	1,521,934 +	395,498
Pernambuco...	Sept. 5	59	£ 5,991 +	381	35	247,224 +	85,175
Provincial ...	Aug. 14	21½	£ 4,977 —	129	33	150,386 +	14,392
Rangoon Elec.	July	25	£ 7,911 +	1,349	7m	55,382 +	10,194
Shanghai Elec.	Aug.	26½	x. $157,400 +	19,400	8m	1,175,854 +	177,854
Singapore Elec.	July 31	28½	$ 19,697 +	5,033	29	743,620 +	270,325
U.of Montevid.	July	90½	£ 39,64/ +	5,506	9m	386,935 +	52,809

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New York.

The Statist.

LONDON, SATURDAY, SEPTEMBER 11, 1920.

THE COAL POSITION.

THE failure of Thursday's conference at the Board of Trade between Sir Robert Horne and the members of the Miners' Executive and the near approach of the date of expiry of the strike notices render it necessary that the Prime Minister should now personally attend to a matter in which he has hitherto had only a watching interest. While the issues at stake for the country are too great to leave one path of settlement unexplored, it is at the same time desirable that Mr. Lloyd George, a capable exponent of the policy of compromise, should not allow the opportunist spirit to prevail so far as to surrender to a section of the community any of the undoubted rights of the whole body politic. At present Parliament is the sole authority for fixing coal prices and for deciding questions of decontrol, nationalisation, and the disposal of surplus profits, and to delegate its powers in this respect to the Miners' Federation would be but the first step towards bringing about its own political annihilation. An agreement with honour is not, however, impossible on the subject of wages, either by means of an Industrial Court, a standing tribunal, or a conference with the owners. It might, in addition, be conceded that at the earliest practicable next session the House of Commons would consider the possibility of reducing the price of domestic coal. If the miners are ready as unselfish as they profess to be of arrangement along these lines should not be difficult to arrive at. Above all, even the threat of a strike has worked considerable harm to British industry [illegible] total loss in the event of the strike becoming a reality, though enormous, would be impossible to compute with accuracy, as much depends on the attitude of employers and on the reserve stocks of coal held by various industries. We are glad to note that the Federation of British Industries has counselled its members against aggravating an already serious evil, should the unhappy contingency arise, by proclaiming [illegible] practically all workmen on their Union funds, prevent financial assistance from leaking through to the miners, and so might induce the latter to adopt a more reasonable attitude. It would also be as defensible a weapon to employ as the general strike, since employers could argue, If the general strike, why not the general lockout? The hardships inflicted by such a policy would, however, be incalculable, and might, moreover, permanently embitter feeling and bring about disharmony where at present relations are none too cordial. If, in the event of a strike, the various industries outside the immediate circle of the coal trade keep going as long as supplies last, we may expect to see the heavy iron and steel trades, from ore-smelting to plate-rolling, being closed down first through lack of fuel, of which they consume enormous quantities. The industries dependent on them would quickly follow suit, the departments specially affected being shipbuilding and marine and general engineering. When these pivotal industries were suspended the dislocation would spread rapidly throughout the whole industrial and commercial world. A drastic reduction, and eventually a tie-up in the means of transport, would be one of the most unwelcome accompaniments of the strike, and one of the first services to be brought to a standstill would probably be shipping, as the reserves of bunker coal at our ports have, according to the latest accounts, been recently much attenuated. A complete paralysis would thus in a little while overtake our overseas trade, and the result would be to imperil our food supplies, in addition to throwing out of employment thousands of our seamen. Moreover, the loss, even temporarily, of our export trade would inevitably worsen the exchange position, and so enhance over a longer or shorter period the price of our food and raw material imports, especially from the United States. This would emphasise one of the first internal effects of a strike—a rise in prices. The good work accomplished in the last five months towards reducing prices, as evidenced by the course of THE STATIST's Index-Number, would be wholly undone, and the nation would be flung again into the state of economic semi-chaos from which it was slowly beginning to emerge.

The monthly trade returns for the United Kingdom, which are dealt with at length elsewhere in this issue, show a falling off in imports and a still more considerable falling off in exports during August, as compared with the previous month. One of the factors that combined to bring about this phenomenon was undoubtedly the high prices demanded for British products abroad. There is no reason, indeed, in studying the figures, for pessimism as regards our external trade, since August has always been a slack month for business; but the [illegible] a revolt of consumers here and abroad against high prices and of a weakened foreign demand, which has been further reduced owing to the depreciation in [illegible] of our erstwhile best customers. The curtailment of our foreign trade would be one of the most serious disasters that could [illegible] the permanent [illegible] the consequent [illegible] per unit of output, and accordingly an enhanced price-level for almost all commodities.

With [illegible]

cient to show that such a weapon, once discharged, would return like a boomerang and work greatest havoc amongst the wage-earners, the body whom, according to its promoters, it is designed principally to benefit. To see their own kith and kin plunged in want, and perhaps in misery, and to stand by unmoved, would rob the miners' action of any pretence to that altruistic spirit which they claim as the guiding motive of their actions.

PRODUCTION AND PRICES.

The Joint Committee on the Cost of Living, constituted by the Parliamentary Committee of the Trades Union Congress, has just issued an Interim Report on "Money and Prices." The document is not particularly informative. In the sound portions it enunciates what are already accepted everywhere as economic truisms, and so breaks no new ground. Where it does venture to strike out independently the Report, which seems to have been unanimous, slips into the pitfalls which economics always hold for the unwary. Particularly is this so when the inter-related questions of currency, prices, and deflation are being handled. The first and principal finding of the Committee is that "the rise in prices is due more to currency expansion than to contraction of production." This is an unconcealed attempt to lay the blame for high prices on financial factors, to the partial exclusion of more important factors, such as the volume of commodities on offer, and accordingly the output per unit of labour, an evasion of the real question that will deceive no one. Further, even if the Committee's contention about currency expansion be admitted, it must be immediately supplemented by taking into account banking credits and other less obvious forms of swelling the nation's monetary resources, and so raising the price of consumable goods. In comparison with this credit expansion, the increased circulation of notes, stressed by the Committee as of primary importance, is merely of secondary interest.

The second recommendation urges deflation "to an extent which will eliminate the depreciation of currency in terms of gold," but further down we read: "An attempt to secure a fall of prices to the pre-War level by a drastic restriction of the currency would, we hold, result in widespread unemployment and, most probably, in a considerable fall in wages." These recommendations are obviously self-contradictory. It is suggested that legislation is necessary to regulate the conditions of issue of notes by fixing an absolute amount which the fiduciary issue must not exceed; but a reform of this kind has already been carried out, and the amount at which the fiduciary issue of currency notes is fixed for the year is £320,600,000. One exceedingly useful piece of advice is that the Government should cease entirely to resort to the banks to finance expenditure; but the Committee does not anywhere express itself as favouring increased taxation, the only other means at the disposal of the State for raising money to meet its expenses.

The most startling and at the same time the briefest recommendation of the Committee is that "the floating debt should be wholly, or largely, repaid, the remainder, if any, being funded." Seeing that even with existing heavy taxation Mr. Chamberlain anticipates, according to his Budget speech, that he will be able to reduce the floating debt by only seventy millions or so in the current year, the magnitude of the task of repaying or funding the total sum, or any substantial portion of it, does not seem to be properly appreciated by the Committee. Else such a grave question would not have been so summarily dismissed.

Before the problem of the real floating debt can be tackled large provision for other analogous and unavoidable items must be made. Thus the statutory funds for the Funding and Victory Loans, amounting to one-half per cent. on a total, at the time the Budget was introduced, of 768 millions, or £3,840,000 per annum, must be provided. Further, our readers will remember that in payment of death duties Victory Bonds are accepted at their face value of £100, and Funding Loan at the issue price of £80. To enable the Inland Revenue to pay over the proper amount of cash to the Exchequer as death-duty revenue the deficit, which amounts at present to about £15,000,000 per annum, must be found by the Chancellor. The tendering of National War Bonds and certain Exchequer Bond issues in payment of excess profits duty must also be allowed for to the extent of approximately £60,000,000 per year. The depreciation fund for Four and Five per Cent. War Loan, amounting to one-eighth per cent. per month on the nominal value of the loan, reaches over £30,000,000; and, further, to meet various maturities in 1920 and 1921 approximately £50,000,000 are required. Adding together the foregoing items, we find that £160,000,000 per annum are at present needed in various ways for debt reduction before the problem as a whole can be tackled. Even with the present crippling burden of taxation, Mr. Chamberlain confesses himself able to redeem only the small mite of £70,000,000 of the main body of the debt, which amounts this week to £1,266,950,000. How, then, do the Committee propose to succeed where he has failed? This is a question to which the Report fails to provide an answer.

"We are of opinion that the banking system of the country should be publicly controlled." Perhaps in this cryptic utterance lies the key to the Committee's intentions with regard to the floating debt. The extent of the control required is not made clear, but it is obvious that nothing short of confiscation can, in the absence of absolutely overwhelming taxation, carry out the ambitious scheme of financial reform adumbrated by the Committee. Our experience last year with regard to attempted funding and other operations proved that the public would not lend fresh money to the Government, and they are not likely, in view of the increased dearness and scarcity of the commodity, to part more freely with it now unless a measure of compulsion is employed.

Though the relation between production and prices is often hinted at in the course of the Report, the Committee never boldly state the connection, and do not, among their numerous recommendations, include one urging increased production on the part of labour. They express their general belief in an improvement in methods and machinery and a far-reaching reorganisation of industry; but here again they are delightfully vague as to the exact lines on which reform is to go and on the extent to which we can count, in the event of such changes, on an increase in consumable goods. Whatever their policy is, it should be outlined in some detail so as to afford a basis for discussion. The outcome of the Committee's labours, as represented by the present Report, is too elusive and too general to be of permanent value in solving our correlated difficulties in finance and industry.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

The contention which we put forward in dealing with our June index-numbers, that at present there is something in the nature of a deadlock between production and consumption, permitting of little change in the general price-level, would appear to be supported by the movements of prices during August as well as those of July. At 253.5 the final index-number for August shows another fall, but the change is an insig-

...ethereal one, being only 1.1 points or 1 per cent. This compares with a fall during the month of July of exactly the same extent, 1.1 points. Moreover, as may be gathered from the subjoined table, not only was the change in the general index-number for August a very slight one, but even the different groups of commodities that compose it [illegible] were the smallest we have had to record since the start of the War.

	—Monthly Index-Nos.—				—Var.—		Var. 1920 on
	Aug. 31	July 31	Aug. 31	June 30	July	Aug.	June
	1920	1920	1919	1914	1920	1919	1914
Veg. Food ...	2·4·4	2·[illegible]	17·9	68·5	— 7·4	+3·4·6	+2·1·4
Animal Food	2·9·[illegible]	2·8·3	207·1	97·5	+ 5·2	+11·[illegible]	+2·0·4
Sugar, Coffee & Tea ...	2·0·2	2·7·8	1·[illegible]	61·8	— 5·1	+ 2·[illegible]	+3·7·3
Foodstuffs ...	**245·4**	**250·9**	**186·9**	**74·8**	**— 1·8**	**+31·8**	**+229·4**
Minerals ...	2·[illegible]	2·[illegible]	2·7·3	99·7	[illegible]	+2·[illegible]	+2·[illegible]
Textiles ...	2·5·[illegible]	2·[illegible]	2·[illegible]	80·6	— ·1	+ 9·3	+210·9
Sundries ...	2·1·2	2·[illegible]	1·30·0	82·5	+ ·1	— 1·7	+181·9
Materials ...	**258·8**	**257·4**	**231·6**	**85·7**	**· ·5**	**+11·7**	**+202·0**
Totals ...	**253·5**	**254·6**	**212·7**	**81·2**	**— ·4**	**+19·2**	**+212·2**

A review of the previous monthly figures shows that, starting from 184.6 in April 1919, after the post-Armistice decline, our index-number advanced uninterruptedly until April of this year, when the culminating point of 266.1 was reached. Since then there has been a steady decline, amounting in all to 12.6 points, or 4.7 per cent. For May the fall was 6.1 points, or 2.3 per cent.; for June 4.3 points, or 1.7 per cent.; and though the downward movement has continued during the past two months, as already mentioned, it seems to have spent its force by July.

What the course of prices will be during the coming months—whether the downward movement will experience a reaction or receive a fresh spurt, or whether the present smallness of price oscillations will continue, are subjects of outstanding interest at the moment. Little can be said with certainty on them, however, especially at the present juncture, when the immediate future seems more than usually full of possibilities, but a survey of the leading aspects of the problem will help materially in forming an opinion. The chief factors which may initiate a decline in the price-level are, we take it, a reduction in the volume of currency and credit, an increase in production, and a decrease in consumption, acting either concurrently or independently.

Discussing first the subject of deflation of the currency, it is clear that the only tangible result achieved in this direction is the cancellation of a certain amount of short-term credits advanced to the Exchequer in the form of the floating debt. Owing to the sudden increase and frequency of fluctuations in the floating debt, however, the operation of this factor is very uncertain except over long periods. Moreover, any influence it [illegible] is counteracted by fresh creations of credit in other directions, such as, for instance, the recent flood of new issues, the greatest of any like period in our history. No doubt a large part of the money [illegible] represented genuine savings, and to that extent no fresh creations of credit were entailed, while supplies of floating [illegible] were reduced. Still, on the [illegible] there have been extensions, and as regards the movement has been on the side of inflation. Evidence to this effect is furnished by the growing demands for money in Lombard Street. It is true that on the [illegible] were mainly for purposes which imply the effects of the movement will be cancelled [illegible] but this does not lessen the initial ill-effects. Apart from these conflicting forces there has been at work at least one other factor whose operations were easily discernible. This is the [illegible] of the banks, which, after the [illegible] months, have been [illegible] months. The efforts of the banks towards this end are to be warmly commended, resulting, as they have done, in an almost complete elimination of the speculative element.

One of the determinants of the price-level connected with the above is the rapidity of circulation of credit and currency. Changes in this factor are very difficult to appreciate, as, being dependent on habit and on the nature of the financial structure of a community, they must of necessity be slow. Its influence can thus be ignored in the present discussion; but it would be well to note that the rapidity of circulation has increased during the War as a result of the growth of the cheque habit, and thus has been established an added tendency, though perhaps a feeble one, towards higher prices. In this connection it must be borne in mind, when discussing price movements in other countries, that an increase in the volume of the purchasing media is relatively much less important as an influence on prices and Exchanges in their case than in ours, as with us the cheque habit is more widespread than in any other country in the world, and consequently the combined circulation of credit and currency is more rapid. This is important, as we are too prone to look at the currency problems of, for instance, Continental countries in the light of conditions ruling here.

Turning to the production factor, evidences are not wanting that it is beginning to recover from its customary August inertia. Consideration of this point, however, must remain in abeyance while the shadow of a coal strike overhangs the nation. It needs little perception to see that a prolonged strike, if it comes, would bring about a paralysis of industry which would ultimately force up prices. The more immediate effect would probably be to create much unemployment, thereby diminishing the general purchasing power, and to destroy a considerable amount of the purchasing media—effects which would spell a temporary decline in the general price-level.

Changes in consumption are, of course, difficult to determine, but, as we pointed out in a recent comment on the present subject, all the evidence goes to show that a marked decrease in consumption began a few months back, the high level of prices having apparently at last proved more than the consumer could stand. This state of things should prove a powerful check to further price increases, unless a substantial addition to purchasing power is made.

On account of the conflicting nature of the factors at work, as outlined above, it is very difficult to form an opinion as to the future course of prices. It may reasonably be said, however, that, unless the economic structure is upset by a coal strike, the next few months will see little development in the situation. [illegible] are likely. To go further, and predict a definite rise or fall, would be to venture into the realms of guesswork.

It may be noted that in the preceding observations influences at work are taken as shaping themselves naturally, and not being forced by any particular policy in regard to the prices. Indeed, up to now, whatever the future may bring forth, no concerted effort has been [illegible] price-level. We cannot enter here into the relative merits of different methods of attacking the problem, but attention may profitably be drawn to the working of at least one method in the United States. As is [illegible] a fairly drastic restriction of credit operations, entailing [illegible] industries, and against demands for speculative [illegible] Reckoned [illegible] the past few months, as we

out in the annexed table showing the course of international wholesale prices: —

International Wholesale Prices.

	Index-Numbers				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8850	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11·8237	154·9	217·6	160·0	128·4	117·2	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	192·0	18·7117	259·0	392·1	225·9	203·2	195·9	339·2
1919...	206·0	18·6053	316·6	411·1	242·4	202·7	239·5	355·6
1919								
Mar....	184·7	17·2795	272·7	388·1	217·3	187·7	206·3	336·6
June...	199·4	18·8964	301·6	380·0	235·0	205·2	228·1	329·0
July...	206·4	20·0017	326·8	403·0	242·8	217·2	247·2	349·0
Aug....	212·7	19·4720	332·2	401·7	250·2	211·5	251·3	347·0
Sept.	214·8	19·5215	340·5	416·2	252·7	211·9	257·6	360·0
Oct....	224·3	19·9026	352·1	441·4	264	216·1	266·3	382·0
Nov....	231·0	20·1756	370·2	468·5	272	219·0	280·0	405·0
Dec....	235·2	20·3658	381·5	479·5	276	221·1	288·6	417·0
1920								
Jan....	245·3	20·8690	397·9	562·9	288	226·8	301·1	486·9
Feb....	260·4	20·7950	413·8	601·1	306·3	225·7	313·6	520·0
Mar....	261·8	20·7124	485·2	641·0	308	224·9	321·6	554·5
April	266·1	20·7341	386·6	675·1	313·1	225·1	300·0	584·0
May...	260·0	19·8752	559·7	652·9	305·9	215·8	272·1	553·0
June	255·7	19·3528	—	—	300·8	210·1	—	—
July	254·6	18·8273	—	—	299·5	204·1	—	—
Aug.	253·5	—	—	—	298·2	—	—	—

As regards the movements of the different commodities during August, the only advance in the vegetable food group was in English wheat; barley and oats declined among the cereals, and the only other changes were a decrease in potatoes and Rangoon rice. In the animal food category, mutton, pork, bacon, and Friesland butter show increases, while beef declined. Most descriptions of sugar are lower on the month, as are tea and coffee. Iron, copper, tin, and coal contributed to the advance in minerals, the only contrary movement being a slight decline in lead. Of textiles, cotton alone shows a fall; Russian flax, hemp, jute, wool, and silk advanced moderately. Finally, in the sundry materials group a decline in hides, leather, and timber was just counterbalanced by increases in petroleum, seeds, tallow, and palm oil.

The following table affords a comparison of movements of the index-number during the last century and, in greater detail, since June 1914.

Annual Numbers		*End-of-Month Numbers*			
Year					
1800 (Jevons'...	189	June '14 ...	81.2	Jan. '18 ...	186·2
1810 adjusted...	171	Dec. „ ...	118.4	Apr. „ ...	189.8
1818 Figures)	159	Jan. '16 ...	123·6	May „ ...	191.1
1873	111	Mar. „ ...	130.4	July „ ...	192.9
1880	88	Oct. „ ...	141.5	Aug. „ ...	195.9
1896	61	Dec. „ ...	154.3	Nov. „ ...	195.3
1911	80	Jan. '17 ...	159.3	Dec. „ ...	196.0
1912-13-14 ...	85	Feb. „ ...	161.0	Jan. '19 ...	192.
1915	108	April „ ...	173.0	Feb. „ ...	187·5
1916	136	June „ ...	180.4	Mar. „ ...	184.7
1917	175	Aug. „ ...	175.7	May „ ...	194.6
1918	192	Oct. „ ...	180.6	June „ ...	199.4
1919	206	Dec. „ ...	185.1	July „ ...	206.4
				Aug. „ ...	253.5

PHYSICAL VOLUME OF WORLD'S TRADE RECOVERY.

The circumstances of a particular nation naturally determine the extent of the importance it attaches to international trade. In some the need of an interchange of goods with outside nations is not so pronounced as in others; but when particulars of the advance made by a group of nations towards the attainment of a trading standard like 1913 are published, they afford a valuable index of the progress the world is making towards the resumption of its old-time economic life. The measurement of this progress gives rise at present to some considerable difficulty, and where commodities are expressed in money values most people have given up the attempt to find a correspondence between the external trade of the pre-War and post-War years. Making due allowance for certain factors a fairly accurate comparison can, of course, be made, but, on the face of it, the aggregate total of £1,403,555,065 for the combined imports and exports of the United Kingdom in 1913 and £2,594,596,775 in 1919 does not, because of the divergence of the relations between money and commodities, convey a very clear concrete idea of our position. The difficulty of making an accurate comparison is still further felt in the case of some foreign countries owing to the ever-expanding range of currency depreciation. Under these circumstances the adoption of a measure other than that of value will be interesting, inasmuch as it will enable a bird's-eye view to be taken of the progress made by various countries towards the re-establishment of the equilibrium of 1913. Measurement of a country's imports and exports by weight is, of course, no novelty. In most trade returns the weights of goods are stated, but the unit varies in accordance with the particular category of goods, and the expression of the entire physical volume of a nation's external trade in terms of a standard unit of weight is rarely attempted. In the table below, based on the figures of the Supreme Economic Council, the growth of the aggregate weight of the imports and exports of nineteen countries quarter by quarter during 1919 and in 1920, as compared with 1913, is shown. With regard to Europe the table does not take cognisance of the trade statistics of Germany, Austria, the Balkan States, or the newly created States of Eastern Europe. Outside the United States, Brazil and the Argentine Republic, America is not represented; other than British India, Japan, and Siam, Asia does not figure; while Canada, the Union of South Africa, and New Zealand supply data for the Overseas Dominions.

Growth of Aggregate Imports and Exports of Nineteen Countries Quarter by Quarter during 1919 *and* 1920, *compared with* 1913.

	Aggregate Weight of Imports		Aggregate Weight of Exports (excluding British Coal)		Aggregate Weight of Exports (including British Coal)	
	Million Tons	Expressed as Percentage of 1913	Million Tons	Expressed as Percentage of 1913	Million Tons	Expressed as Percentage of 1913
1913, Quarterly av.	71·0	100·0	72·1	100·0	55·7	100·0
1919						
1st Quarter	34·8	49·0	32·5	45·1	25·6	45·9
2nd „	42·1	59·3	42·0	58·3	32·4	58·3
3rd „	49·8	67·5	45·1	62·6	38·5	68·5
4th „	49·1	66·1	43·4	60·2	37·0	67·2
1·4 Quarters, 1920	49·7	67·2	41·5	61·7	36·1	67·2

In considering the symptoms of recovery revealed by the above statement it must be borne in mind that some European countries hit most severely by the War are not passed under review. The external trade of Central Europe and Russia is still small in volume, their credit is low, and until internal troubles are settled the slowness of their industrial recovery must constitute a drag on the world as a whole. In respect of the countries dealt with, however, very encouraging features are, on the whole, indicated by the records. Between the first quarter of 1919 and the first quarter of 1920 the aggregate weight of imports increased from 34.8 million tons, or forty-seven per cent., to 49.7 million tons, or 67.2 per cent., of the pre-War standard. Through three-fourths of the year 1919 the upward movement was steadily maintained, but in the last quarter of that year the momentum was slightly arrested, and the returns for the first quarter of 1920, although they make a better showing, are easily susceptible of improvement. For an explanation of this set-back we must look to the interaction of a multitude of factors, political and economic. Prohibition of imports of articles of luxury, as imposed by several nations, would have a slight effect. Of more weight is the fact that there was a tremendous rush, especially in European countries, to obtain needful supplies of food, raw materials, and manufactured articles during the greater part of 1919, when the dearth of stocks was felt to an accentuated degree and when they had to be purchased at any price. In this short period, however, the requirements of these countries could not have possibly been satisfied, and the retrogressive movement in imports must be attributed largely to the difficulties attendant on unfavourable and rapid fluctuations of rates of exchange. This is most evident in the case of France and Italy, where the currencies have undergone varying degrees of depreciation and where the inclination to import goods from countries whose currencies stand at a premium is naturally curbed.

Moving in sympathy with the imports, the aggregate weight of exports, including British coal, between the first quarter of 1919 and the first quarter of 1920 increased from 32.5 million tons, or 45.1 per cent., to 44.5 million tons, or 61.7 per cent., of the pre-War standard. As is well known, however, the proportion of coal exported from Great Britain has largely fallen since 1913, and when this weighty commodity is excluded from the list the export position of the nineteen countries is noticed to have undergone a substantial improvement, the export of other commodities amounting in the first quarter of 1920 to 36.1 million tons, or 67.2 per cent. of the pre-War standard. The influence of the reduced output of coal in these islands on the attainment of a normal volume of export trade will therefore be appreciated. It will also be evident that unless we adopt another policy on this matter the industrial recovery of other nations will continue to be slow, and their productive capacity will not be employed to the fullest extent. Consequently, the high prices of commodities will be maintained and, as regards ourselves, no cheapening of these prices can be expected from a further reduction of outward and homeward shipping freights. British miners complain incessantly of rising prices, but the figures quoted above are a grim commentary on the fact that they, more so than any other class, are responsible for delaying the re-establishment of the trading machinery, which, in full working order, or even an approach thereto, would undoubtedly bring these prices down to a lower level.

As an index of the economic recovery of the principal countries of the globe we would hesitate to appraise the statistics in the foregoing table at their face value. Normally the various categories of a nation's imports would bear a more or less fixed relation to each other, and would, in most cases, be immediately available, directly or indirectly, for reproductive employment. Since 1919 this relation has been disturbed and some categories, food for instance, bear an exaggerated proportion to others. The corresponding export from another country finds its place, of course, on the other side of the account, but the point is that on the whole the industrial fabric of the nineteen countries is so strained that each nation is not yet enabled to produce according to its special aptitude, and the advance towards normal conditions may not have gone quite as far as the statistics seem to imply. The discrepancy still existing between the import and export trade of France will be noted in the following statement, which shows the fluctuations in the weights of imports and exports as they concern the nations associated during the War. From the facts which we have cited and the data given in the following table the lesson may be deduced that any weakening of the endeavour of the chief war sufferers to secure equilibrium may still be easily attended with disastrous consequences:

Fluctuations in the Weight of the Imports and Exports of the undermentioned Countries at specified Periods, expressed as a Percentage of 1913.

	Progressive Index Number of Value 1913	1st Quarter 1919		1st Quarter 1920	
		Imports.	Exports.	Imports.	Exports.
	£	%	%	%	%
France	8	100	100	100·5	93·1
Belgium	8	100	100	100	100
Italy	8	100	100	100	100
United Kingdom					
Coal	1	100	100	100	57·5
British India	6	56	85	100	50·5
Canada	7	85·5	66·5	100	84·0
Union of South Africa	7	81	95	100	93·2
New Zealand	7	67·2	88·1	100	62·0
United States	7	68·5	85·0	100	100·4
Japan	7	69·0	98·3	100	87·4

G = General Imports or Exports.
S = Special Imports or Exports.

THE MESOPOTAMIAN DIFFICULTY.

Recent news from Mesopotamia has not been altogether of a reassuring character and the country appears to be in a state of ferment somewhat similar to that experienced in the Soudan at the time of the revolt which led to the death of Gordon. The Government are finding it difficult to reinforce the miserably inadequate garrison left in the East. It is contended some not unreasonably that troops should be withdrawn from India, where our fighting strength is not at the moment particularly high. Were not our Irish commitments so heavy, mainly through the ineptitude of the Government's handling of the Irish question, the large army now required in that country would have been available for service elsewhere. It is credibly reported that the cry of "Egypt for the Egyptians," which is coming to attain a distinct measure of realisation, has now been transmuted on the banks of the Tigris to one of "Mesopotamia for the Mesopotamians," and that the driving force behind the present movement, as behind previous movements of a similar character in the Nile Delta, is furnished by extreme Nationalists, who desire to get rid altogether of the British connection. In Mesopotamia, however, the Arabs are not at all so compact or so well organised as their Egyptian *confrères*, and consequently the analogy between the two movements cannot be too closely pressed, though the danger to our troops in the former country on account of its relative inaccessibility is, if anything, greater than it has ever been in the past in Egypt.

That it will eventually be necessary to set up in Mesopotamia some kind of an Arab State under the tutelage of the League of Nations, with a possible confirmation of Great Britain in its mandate, no one can doubt; and the sooner the political troubles of the country are composed the more speedily will it be opened up to commerce and its agriculture modernised. For cotton in particular it is said to possess much suitable territory, the soil and climate being both favourable. The outstanding difficulty relates to water supply, which is very scanty in years of drought. The fibre has been grown in Mesopotamia from very ancient times, and is still cultivated in small quantities by the Arabs in conjunction with food crops along the banks of both the Tigris and Euphrates. It is coarse in character, and is used locally for spinning and as a stuffing material for pillows and mattresses. Since 1917 experiments have been conducted by an expert from the Indian Agricultural Service with a view to discovering the best kinds to grow, and so far American types of cotton seem to be the most suitable for cultivation. The members of a deputation of the British Cotton Growing Association, which visited the country towards the end of last year, were very favourably impressed with its possibilities for cotton production. The acreage which will eventually be planted will depend on the quantity of labour available and the area on which a perennial supply of water can be guaranteed. It seems likely that a total of 150,000 to 200,000 acres could be cultivated annually by the existing population if the necessary facilities, in regard to seed, agricultural machinery, and transport were provided. At a low estimate this area should produce from 15 to 20 million pounds of cotton yearly, but the prospects of such a production must remain very remote until outstanding political issues are resolved.

London County Westminster and Parr's Bank, Limited.—The [illegible] education for the modern bank official is recognised [illegible] scheme of [illegible] Leaders' County Westminster and Parr's Bank, Limited [illegible] per annum [illegible] and allowances [illegible] life.

TRADE OF THE UNITED KINGDOM IN AUGUST.

As was generally anticipated, the Trade Returns for the month of August have not been so eminently satisfactory as those of July. But in passing judgment upon the figures published this week by the Board of Trade it is necessary to bear in mind that August is the characteristic holiday month, and that in point of fact it contained two working days less than July. The general trend of trade during the month can be seen from the following table:—

Course of Foreign Trade.

(000's omitted.)

	August 1920.	Increase or Decrease—		8 Mos. to August 1920.	Increase or Decrease—	
	Amount.	1919.	1913.	Amount.	1919.	1913.
	£	£	£	£	£	£
Imports	171,555	— 4,705	— 97,279	1,748,964	+ 541,958	— 592,776
Re-exports	13,368	— 1,942	— 5,218	167,105	— 81,695	— 91,750
Net imports	158,187	+ 6,447	— 92,061	1,581,859	+ 249,653	+ 7,026
Exports	114,903	— 40,150	— 70,702	889,922	+ 314,977	— 34,486
Excess of imports	24,284	— 33,703	+ 21,359	291,934	— 168,674	+ 219,474

With [illegible] is created for the total imports. This represents a decline of over £10,000,000 as compared with July, and of over £30,000,000 as compared with the record high total for January. To this decline all three of the classes into which imports are divided in the official return contributed, though in vastly different proportions. Class II., comprising raw materials and articles mainly unmanufactured, has only fallen by some £730,000 to £51,269,000. Movements of the different groups constituting this class were as interesting as they were varied. The value of the import of wood and timber was over £1,000,000 higher than in July with a total of £11,020,000. Of this, soft sawn timber with a value of £7,533,000 was nearly £750,000 in excess of the value imported in July. Sweden was mainly responsible for this increase, soft sawn timber from that country amounting to 232,406 loads, valued at £2,580,000, as against 173,866 loads, worth £1,992,000, in the previous month. From Russia came soft-sawn timber, estimated at £2,229,000, whilst the value of the Canadian import was returned at £1,276,000. Lancashire was departing from its policy of sitting on the fence, with the result that imports of raw cotton increased from £9,103,000 to £10,147,000, corresponding to a rise in quantity from 583,891 bales of 100 lb. to 679,419 bales. It is gratifying to record that the increase was largely due to the growth in the import from Egypt, which amounted to 93,222 bales (£2,357,000) in comparison with 67,028 bales (£1,789,260) in July. The import from the United States was only slightly greater at £4,865,000. Oil seeds, nuts, oils, fats, resins and gums reached a total of £6,188,000, representing an advance of over £500,000 on the July total; whilst slight increases were also recorded in the value of the imports of rubber and paper-making materials. But these increases were more than offset by declines in other groups, notably in wool, the import of which was nearly £2,000,000 down at £8,012,000. As against £7,226,000 in July, Australia was credited with £6,483,000 in August; whilst the Argentine import fell off from £657,284 to £130,525, that of South Africa from £575,909 to £147,072, and the New Zealand quota from £891,087 to £289,629. Again, the import of undressed hides and skins fell from £2,358,000 in July to £1,489,000 in August; whilst that of other textiles was over £500,000 less at £6,188,000. Movements in this class during August afford an excellent illustration of the manner in which a small alteration in a total may conceal large and varied changes in the component parts.

A fall of over £1,000,000 is recorded in the value of the imports under Class III., which is returned at £40,016,000. The outstanding feature of the class was provided by the import of woollen and worsted yarns and manufactures, which were over £1,000,000 lower at £1,434,000, mainly owing to the fact that the import of wool tops and wool flocks amounted only to £185,637 in August, as against £1,019,296 in July. The import of non-ferrous metals and manufactures therefrom fell by nearly £750,000 to £3,214,000. This was accounted for by the reduction in the import of copper from 15,502 tons in July to 11,038 tons in August. American copper was valued only at £229,390, in contrast with an import from the same source of £549,255 in July. The import of leather and leather manufactures fell by nearly £500,000 to £970,000, whilst a decrease of £300,000 was registered in the silk group and in the section of manufactures from oils and fats. Against these decreases must be placed, however, an increase of £600,000 in the import of chemicals, drugs and dyes, of which almost fifty per cent. must be attributed to the growth in the import of coal-tar dyes other than indigo and alizarine. Imports of iron and steel have risen during the month by £350,000 to £2,697,000; whilst machinery, with a total of £2,091,000, is £300,000 higher than in July.

It is, however, to Class I., dealing with food, drink and tobacco, that we must look to explain the record low value of the total imports for August. Here a value of £69,571,000 in July is replaced by one of £61,785,000. This large decline is by no means characteristic of the class as a whole. On the contrary, the import of grain and flour has risen from £22,314,000 to £24,531,000. As might be expected, the American import of wheat, which reached 3,766,400 cwt. in July, is now returned at 5,137,000 cwt., corresponding to a growth in value from £6,182,661 to £8,480,531. On the other hand, Argentine wheat has fallen from £6,671,065 to £5,367,327, and its maize import from £2,177,048 to £1,080,328. In the other main groups of Class I. the August figures record significant declines. Tobacco accounted only for £2,536,232, as against £3,812,506 in July, the quantity coming from the United States falling from 18,861,000 lb. to 14,106,000 lb. The import of other food and drink, dutiable and non-dutiable, was valued at £23,658,000, or over £5,250,000 less than in July. The import of meat alone dropped from £13,976,000 to £10,510,000. The dominant factor in this movement was associated with the marked decline in the import of bacon and hams. In July America sent us bacon valued at £2,539,286, and hams worth £520,409; in August our import of bacon was valued only at £1,388,270, and that of hams at £166,297. Similarly the Canadian import of bacon, amounting to £1,654,917 in July, did not exceed £1,375,000 in August.

To what extent the unsettled labour situation influenced the export trade of the United Kingdom during August can, at best, be a matter of surmise. This is especially the case when we make allowance not for the fact that August is pre-eminently a holiday month, but also for the no less vital fact of the disturbed political and economic conditions of the Continent generally. However, the fact remains that the high-water mark attained by our exports in July was not maintained. Exports of British products, which were valued at £137,452,000 in July, dropped to £114,903,000 in August. And the situation was not rendered anything better by a drop of over £4,000,000 in re-exports, which fell to £13,368,000—the lowest level yet reached this year. Thus a record total of £155,300,000 for July is replaced by the mediocre total of £128,272,000 for August. Not since the April return of £126,659,000 has so low a total been recorded, and in point of fact this is the third lowest in the list for the current year.

To this decline of over £22,500,000 in the total of the exports of British products all classes contributed Class I., with £3,503,000, was over £1,000,000 below the total for July. Class II. dropped from £12,551,000 to £10,467,000. The essential export of coal, which

was valued at £8,028,455 in July, a somewhat lower at £8,041,037. This total alone is sufficient to emphasise the vital importance to the country of avoiding the unrestricted coal strike. What the country needs is increased rather than decreased exports of coal. Hence any reasonable concessions that can solve the present deadlock should be made. This does not mean, however, that the country can afford any cost to an attempt on the part of any one section of the community to profit to the general loss. Followed [illegible] with the best possible [illegible] notable declines in this group are registered by the export of oil seeds, nuts, oils, etc., which fell from £1,122,554 to £779,915, and [illegible] from £772,413 to £350,018.

The salient fall in exports, however, occurs in Class III., the total for [illegible] as against £118,953,000 in July. With the exception of coke and manufactured fuel, which increased in value from £2,179,847 to £2,251,676, every other group in this section of the exports has participated in the general decline. Lancashire bears the brunt of the blow, her export of cotton falling from £39,910,160 in July to £[illegible] Yorkshire follows suit with a woollen export of £11,625,213 instead of £14,329,517. The iron and steel trades record an export of £12,164,321, as against £14,657,639 in July, in addition to which the export of vehicles is over £800,000 lower at £6,416,532, and that of machinery drops by nearly £2,000,000 to £5,530,697. The other textile trades are only credited with an export of £3,263,135 in contrast with £5,279,071 in July; whilst the export of apparel decreases from £5,189,736 to £4,451,577. Again the chemical industry returns an export of £3,214,714, or nearly £1,250,000 less than in July.

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan.	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb.	61,946,000	53,039,000	57,214,000	24,658,000	22,470,000
Mar.	45,918,000	43,715,000	68,042,000	29,[illegible]00	39,707,000
April	[illegible]	40,382,000	77,621,000	40,244,000	30,805,000
May	26,755,000	59,318,000	77,516,000	37,852,000	25,786,000
June	34,015,000	[illegible]	64,176,000	35,999,000	30,780,000
July	[illegible]	[illegible]	63,525,000	35,703,000	22,615,000
Aug.	[illegible]	[illegible]	64,435,000	46,220,000	20,032,000
Sept.	—	66,376,000	56,094,000	39,870,000	[illegible]
Oct.	—	[illegible]	72,768,000	39,468,000	28,781,000
Nov.	—	[illegible]	[illegible]	62,621,000	39,310,000
Dec.	—	52,717,000	74,797,000	44,450,000	29,434,000

The decline of over £27,000,000 in the total exports was by no means counterbalanced by the satisfactory reduction of £10,000,000 in the total value of the imports. Consequently, as the above table indicates, the adverse trade balance for August stands at £24,954,000, in contrast with the remarkable figure of £8,042,000 for the previous month. Discouraging as this [illegible] appear at first sight, it is well to recollect that even at this level the adverse trade balance of August is nevertheless the most favourable for any month [illegible] The Board of Trade Journal of August 12 showed how our invisible [illegible] and our [illegible] balance of £240,000,000 for the first half of the year into a favourable [illegible] of £70,000,000. [illegible] estimated our invisible exports for the latter half of 1920 at £[illegible] and our adverse trade balance at £180,000,000. Deducting from this latter total the £33,000,000 from July and August, there remains an adverse balance of £147,000,000 to be accumulated during the remaining four months, or an average of £[illegible] a month. [illegible] to what extent this estimate is likely to be realised. [illegible] of £24,954,000 and the average of £37,000,000, and [illegible] [illegible] [illegible]

up with a diminution of outputs in order to benefit their less-favoured associates.

As it was now evident to all interested in the industry that special and strenuous endeavours must be exercised to provide outlets for the ever-growing production, a Committee was set up in London, called the "Permanent Nitrate Committee," for the purpose of pushing the sale of nitrate by advertising, general propaganda work, and creating new markets. The efforts of this Committee and of the officials they employed cannot be too highly praised, more particularly when it is remembered that the services of the former were voluntary. It would only be right, in passing, to mention in connection with this body Mr. Lomax, Mr. Anthony, and Mr. H. W. Lowe, who so unselfishly devoted much of their valuable time to this work.

The results of the Committee's endeavours are evidenced by the following figures:—

	Quintals
In 1886 the exports were	9,805,000
„ 1887	15,494,950
„ 1888	16,682,066
„ 1889	20,606,454
„ 1890	23,158,199

Prices, however, continued on the downward trend, and in 1890 had fallen to under 5*s*. This disastrous state of affairs compelled the producers to form a second combination, which remained in force from January 1, 1891, to March 31, 1894. During this period the disturbed state of Chili, owing to the Balmaceda Revolution, affected manufacturing operations, as so many of the workmen were engaged in fighting. The exports for the three following years consequently fell off. They were as follows:—

	Quintals
In 1891	17,115,827
„ 1892	17,479,000
„ 1893	20,655,000

But better prices were obtained, averaging about 6*s*.

Again differences arose among the members, and in 1894 all restrictions were removed. In the following year the exports rose to 26,844,000 quintals with the inevitable fall in price. Previously we have referred to the Permanent Nitrate Committee in London set up at the termination of the first combination, and, at the close of the second, another committee, called the "Asociacion de Salitre de Propaganda" was formed in Chili with offices in Iquique, with the object of developing the business and protecting in every possible way the interests of the industry. The statutes, or as we should say the Articles of Association, of the body were approved by the Government of Chili, which has always continued its support, financially and otherwise. A small contribution was exacted from the members to cover the working expenses. The output of nitrate continued to increase, accentuated by the sale of Government properties in the years 1894 and 1895, and the erection of additional oficinas. Consequently, in 1896 a third combination was entered into. This started badly, chiefly owing to the "Prueba," or trial system, employed of fixing quotas. Each producer was allowed three months to establish his working capacity, which resulted in the most strenuous efforts on the part of each owner to manufacture as much nitrate as possible, so that enormous stocks were accumulated.

About this time the competition of sulphate of ammonia, which had become more acute; a curtailment of the acreage devoted to the growth of beet, owing to trouble in the Sugar market, and other factors led to a further break in prices in spite of smaller imports, and in April 1896 the low level of 4*s*. 6*d*. per quintal was touched. The objects of the combination having failed it was brought to a close in October 1897. During the succeeding two and a-half years various efforts were made to bring the producers together on lines which included sale centralisation, but although no, or very small, profits were being made by even the most favourably circumstanced oficinas, nothing was done until October 1900, when the fourth combination was arranged. This remained in force from April 1901 to March 31, 1906, and was then extended for a further three years to March 31, 1909. During these nine years the consumption and consequent exports materially increased, as will be seen by the following figures:—

	Quintals Exported
In 1901	28,368,360
„ 1902	29,829,679
„ 1903	32,288,678
„ 1904	33,893,292
„ 1905	38,143,578
„ 1906	39,611,824
„ 1907	40,131,212
„ 1908	42,847,267
„ 1909	45,890,448

From the last-mentioned date to January 10, 1919, there was no limitation of exports.

CHILI.

AN ENCOURAGING EXAMPLE.

To a people who possess the real loyalty for government [illegible] them, even in times of emergency. The Chilians have been called, and are rather proud of being called, the English of South America, and in many respects the history of the country, particularly since it threw off the Spanish yoke, has been like our own, especially in their methods of dealing with crises without plunging the country into a period of disaster. Whereas other countries, not merely in South America, but in Europe just as well, meet a crisis with a revolution, Chili so far, in a period of more than a hundred years, has succeeded in encountering the various difficulties to which the history of nations, as well as the lives of individuals, is subject by methods which, even if they have sometimes checked, have never thrown wholly out of gear the economic progress of the Republic. Even the Balmacedist troubles, which in most countries would have produced a serious revolution, if not a prolonged period of absolute anarchy, were passed through without causing any very serious disturbances throughout Chili, and even without leading to an alarming fall in the price of Chilian securities on the London Stock Exchange. On the whole, it may be said with perfect fairness, the Chilians, from the throwing off of the Spanish yoke up to the present time, have set an example in the way they have met and overcome the difficulties incidental to national life, which is worthy of imitation, not merely in the countries of that continent to which Chili belongs, but in other parts of the world as well.

It will be remembered that an election took place in Chili at the end of June last, for the purpose of choosing a body of electors who were themselves to elect the President of the Republic for the ensuing term of five years. The Presidential candidates were Don Louis [illegible] Minister for Foreign Affairs, and Don Alessandri. Señor Borgono was for many years a director of the Mortgage Bank. Señor Borgono was supported by both the Liberal and Conservative parties in Chili. Señor Alessandri previously has been Prime Minister of Chili, and like his distinguished opponent a lawyer of distinction, and he was supported in the election by the Liberal, Radical, and Democratic parties in the State. In the result Señor Alessandri obtained a small majority, but the majority was so small that it only consisted of two or three votes. The majority, such as it was, moreover came from one particular district, and the supporters of Señor Borgono naturally declined to accept the figures of such an election, and demanded a recount. This, however, has not proved satisfactory to either party. The Senate might have been convened and a

re-election demanded, but this would have taken a long time, and might have led to undesirable consequences in the Republic. With highly praiseworthy patriotism, Señor Alessandri, who is the Acting President for the moment, and Señor Borgono have come to an agreement whereby a Court of Honour has been appointed, consisting of some of the best known and most highly respected public men in Chili, who are to order an impartial recount, and whose decision is to be made known within a fortnight of their appointment, which took place at the beginning of the present month. This course is something in the nature of a development or experiment in the Republican form of government. While maintaining the principle of election, it departs in practice to some extent from a too slavish adherence to that principle. On the whole, Chili is to be heartily congratulated on having found a method which promises to overcome what was a difficulty that threatened a prolonged political deadlock, and might in the sequel have led to very serious consequences.

Those who are interested in constitutional government, as distinct from intervention by armed forces, will watch the course of events in Chili with interest, in the hope of finding a solution of the very serious problems which are facing the different States of the South American continent. When the various States of South America threw off the yoke of Spain in the early years of the last century, they not unnaturally copied as their model for government the institutions which had only recently been established in the United States of America. The United States Government moulded its own constitution, when it threw off the yoke of the British Crown, on the theories then prevailing in Europe, which ultimately produced the French Revolution. The United States Government is itself, year by year and generation by generation, making experiments, and until the country is completely occupied and far more filled up than it is at present it will not be possible to say whether the American constitution as it stands is a practical instrument for government, likely to last for any considerable period of time. The South American Republics came into existence at a period when a large section of the thinking classes of the political world was still dominated by the theories which had brought the United States Constitution into existence. After a century's experience, there can be very little reasonable doubt that the forms of government adopted by the various South American States were wholly unsuited to their previous history as well as to the economic development of their various peoples. Civil government has been a practical failure in a large proportion of the States of South America. Although the South American States have been far removed from the war zones of Europe or elsewhere throughout the periods of their existence, they have lived under a series of dictatorships at a time, moreover, when industrialism and economic development were more or less the aims of the progressive States of the world.

As a matter of fact, notwithstanding their advantages, the economic development of the several States of South America, with one or two exceptions, has been retarded rather than assisted by the peculiar forms of civil government which they have attempted to adopt. The reason is of course plain. Had the South American Governments thrown off the yoke of Spain at any other period than that particular time which was chosen for the revolt of the Spanish Colonies, it is hardly conceivable that any of these States would have adopted the peculiar form of constitution which they did adopt. Such a form was wholly unsuited to the training, origin, and, as we said above, economic development of their peoples.

The history of North and South America has necessarily been different, because their peoples had a different origin and a different training. The European invaders of North America found the country sparsely inhabited by a race [illegible] so that it would be useless to describe them as savages, but [illegible] of those tribes had in a sense passed the nomadic stage. They possessed some rudimentary knowledge of the practice of agriculture, but that knowledge was primitive in the extreme. As a result the nomadic tribes of North America were found to be of no practical service to the invaders, and were, consequently, slaughtered by them almost wholesale.

In South America a totally different position presented itself. The natives of a large part of South America were [illegible] the arts of peace, although, unfortunately for themselves, not those of war, to at least as great a extent as the Spanish conquerors at the time when Cortes and Pizarro landed respectively in Mexico and Peru. To this day the substratum of the population almost throughout South America is native Indian in most States, particularly in the north and in the centre. In some of these States men holding high positions in state, in diplomacy, in commerce and industry will boast, and boast with pride, that they are partly of Spanish and partly of Indian descent. With a different history, in a different environment, and working under totally different conditions, it is not surprising that the several States of South America, with very few exceptions, have found that the adoption, even with modifications, of the constitution set up by the founders of the United States of America, under the influence of the then prevailing French thought, has in very few instances proved a brilliant success.

Chili is one of the South American States which has benefited very greatly as the result of the recent European War. The principal export of the Republic, as is well known, is nitrate of soda. Nitrate of soda in normal times is used as a fertiliser, but in times of war becomes of equal value for the manufacture of munitions and for the preparation of iodine, so largely used in our hospitals. The result was that Chili exported more of her principal product during the war period than she had done in times of peace, and, of course, at a very much enhanced economic value. Owing to the scarcity of shipping, and the difficulty of obtaining materials, her imports contracted while her exports expanded, and as a result she has built up large balances in the Entente Allied countries, which she can take in any form which she pleases in the future. Chili is not likely to do anything that will embarrass any of the Entente Allied Powers, and the form that she will probably take those balances in will be some means likely to increase the productivity of Chili herself.

The country is of enormous extent, being nearly 2,700 miles long, and varying from 50 miles to about 270 miles in breadth. The northern regions are arid, so far as agricultural products are concerned, but are very rich in their mineral products. At present the nitrate fields have been mostly developed, and secondly Chili's copper mines. She is now producing [illegible] and in addition gold and silver, borate of lime, lead, cobalt, vanadium, coal, salt, and silver are found. In the centre is the agricultural region; but although this is capable of very great development, Chili could never [illegible] American States are exporters of these primary necessaries of our existence.

[illegible] believe that after their mineral resources ha[illegible]

AMERICAN BANKING.

The [illegible] United States [illegible] financial history, but to those who have not carefully followed its course the latest figures available as to the number of banks and the amount of their deposits will come as a surprise. According to data just to hand there are in all nearly thirty thousand banks in the forty-eight States of the Union, an average of 625 per State. Of these, 7,933 are National and 21,961 are State institutions. Though surpassed in point of numbers, the former are individually much the stronger of the two groups. Their aggregate deposits, according to the National Association of Supervisors of State Banks, are $15,965,122,000, or approximately $2,138,500 [illegible] $24,180,695,000, or an average of $1,101,025 for the State banks. Their respective total resources are $21,862,540,000 and $29,024,095,000. Both classes of banks have grown rapidly in recent years. The State banks, as their name implies, are regulated by the laws of the particular State in which they carry on business, while the National banks are federally controlled, and operate as part of the Federal Reserve system, being charged by statute with certain functions which hitherto belonged only to State banks. At the time of the passing [illegible] Reserve Law it was anticipated that the dual system of local and national banks, operating under different legislation, would eventually prove unworkable, but the results have confounded the critics. The increased impetus and prosperity given to American banking by the development of the internal and external trade of the country has been almost equally shared by the two types of institution, and whatever modification the financial system of the United States may in the future undergo, it is probable that this duality, which has been found to [illegible] successfully, will be preserved.

The Bank of New Zealand. The annual report of this, the official Government bank and the largest of the six banks doing business in New Zealand, shows continued progress despite the financial vicissitudes which that country, in common with all others, has had to undergo in recent years. The well-informed speech of the Chairman, Mr. H. Beauchamp, at the last annual meeting in Wellington, which is reported in full in our advertising columns, deals not only with the progress made by the Bank, but gives a lucid and interesting summary of monetary conditions in Australasia and generally throughout the world. A striking tribute is paid to the services of the London Board in the extension of the Bank's business.

The statement of accounts, which we also publish, demonstrates the exceptionally sound position of the Bank. The assets, which amount to £43,213,706, as compared with £40,838,682 in the preceding year, show altogether an increase of £18,813,456 since [illegible] £1,278,417 above the figure for 1918-19, and £13,645,740 above pre-War level. As showing the advance made we give in the adjoining table a comparative statement of the profits and allocations of the [illegible]

	111,395	146,221

[illegible] Ordinary shares was made, payable on April 1 last, and according to the balance sheet over £347,000 of [illegible]

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital .. .. .. Y. 60,000,000
Capital Paid up .. .. Y. 45,000,000
Reserve .. .. .. Y. 8,810,000

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

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Financial Notes.

Financial Developments in South Africa.

An epoch in South African finance is marked by the passage into law of the Currency and Reserve Bank Bill. In effect the new enactment will, as in the case of the American Federal Reserve Act, consolidate the financial system of the country by concentrating banking reserves, a result which, in the absence of legislative action, could only be achieved, as in our own country, by the slow and imperfect process of evolution. Indeed, when the new Act comes into force the South African system will have many points of resemblance to ours, and especially to that of the United States. The Act is divided into two separate parts provides for two separate enactments. The first, which is to be enforced only till June 30, 1923, empowers the Treasury to receive deposits of gold, coin or bullion at the mint price, in exchange for gold certi- [illegible] value and redeemable in gold on demand. When the market price of gold in the Union is above the mint price the Treasury may suspend specie payments, and at the same time require the Banks to surrender their gold holdings. It is easy to understand why this latter clause should have aroused so much opposition, but, though it may prove an unpleasant one for particular sections, it is obviously [illegible]

The second and most important part of the Bill is that which provides for the establishment of a "South African Reserve Bank" at Pretoria, having for its objects the unified control of the note issue, of credit creations, and of metallic reserves. The directorate, comprising eleven members, is to be com- [illegible] commerce, industry and agriculture, who are to have no interest in any other financial concern and are to be independent of political parties. The original capital is to be £1,000,000, of which fifty per cent. is to be taken up by already existing banks in the Union in proportion to their respective paid-up capitals and reserve funds, and the remainder offered for subscription to the general public. The Reserve Bank may

established [illegible] the Treasury [illegible] the Union. It [illegible] as bankers and financial agents to the Government and is authorised to fix discount rates. For a period of twenty years it will have the sole right of issuing notes within the Union, the other banks being allowed to continue issuing their own [illegible] the new institution takes over the issue. Its other powers are the same as those which ordinary joint-stock banks enjoy, with a few exceptions. Briefly, these exceptions are as follows:—It is debarred from receiving time deposits; it may not draw or accept bills payable otherwise than on demand; the nature of the bills of exchange or promissory notes in which it deals is limited to ninety days, except in the case of bills or notes arising out of agricultural operations, when the limit is six months. Dealings in the latter class of paper are limited to twenty per cent. of the Bank's total advances.

The regulations as to reserve ratios are very stringent, a fact probably due to the comparative unreliability of the [illegible] currency. The central Bank must keep a gold reserve to a minimum of forty per cent. against its issue, the remainder being secured by commercial bills and by a fixed charge on all the assets of the bank. In addition, it must keep a gold reserve against its deposits and bills payable to a minimum of [illegible] per cent. All other banks transacting business in the Union are required to keep a reserve balance at the central institution equal to at least ten per cent. of their demand deposits (to be raised to thirteen per cent. after three years from the commencement of this Act), and three per cent. of their time deposits in addition. All banks are compelled to publish monthly statements of their position.

Two features of these reserve regulations will at once command attention. The first is that the note issue of the Reserve Bank, and consequently of the Union, will be capable, to a wide extent, of expanding according as trade expands. For every £100 of notes issued at any time, however large the previous issues are, only £40 in gold need be kept, the other £60 being backed by commercial paper and trade bills. This regulation is closely analogous to that governing the note issue of the German Reichsbank before the War. [illegible] an identical, system may also be seen in the working of the U.S. Federal Reserve Act, on which, indeed, the South African Act seems to be modelled. The second feature, namely, the regulation whereby the reserves of the other banks are to consist of balances at the Reserve Bank, finds a parallel in the constitution of the London Money market. The effect of this, it will readily be seen, is to make the central institution the sole custodian of the general banking reserve of the country, a system which experience has shown to be an admirable one in times of crisis. Such a system is also calculated to spread the use of paper credits.

The framers of the Act seem to have copied largely from financial systems already existing in other countries, and it must be admitted that they have seized on the good points. At the same time it may be doubted whether, in view of the stringency of the reserve regulations, it will be possible for the Act [illegible] plete. Whether the enforcement of the Act is, indeed, desirable in present conditions is highly questionable.

Indian Currency Reforms.

[illegible] mendation of the Committee on [illegible] Bill has been introduced into the [illegible] the [illegible]

continued rise in the price of silver till the bullion content of the rupee became worth more than its face value was the primary argument for altering the rupee-sovereign ratio, the recent slump in the white metal, making the rupee once more a token coin, would induce the Government to keep to the old ratio of one sovereign to fifteen rupees.

[illegible] joined table) since the peak of 89½*d.* was reached on February 11 last will show how the position has changed:—

per 100 *Tolas*, 998 *fine*.

[illegible]						
[illegible] ...						
[illegible]						
[illegible]						

When the rupee quotation per 100 tolas exceeds 106 the rupee ceases to be a token coin, and thus, as may be seen from the table, the margin between the intrinsic value and the face value of the rupee has widened considerably since the report of the Currency Committee in February last.

This vexed question of Indian currency has provoked probably more discussion than the currency system of any other country in the world; and, indeed, the problem presents so many aspects, both favourable and unfavourable, that it is not surprising that there have been such wide differences of opinion in regard to it. Considering this, comment on the general gold exchange standard would here be out of place, but we may be permitted to make some observations on the Bill which has just been introduced. In the first place, it will have the effect of permanently altering the scale of money values in India, and, of course, of the level of rates at which rupees can be purchased here. The effect of this may be compared with the effects of the abnormal rise in prices here—and, indeed, in most countries—during the War, bearing in mind, of course, that in India the value of the currency is to be artificially enhanced, whereas here the monetary commodity suffered a decline in value. When the change is ultimately effected the currency system of India will be rendered proof against another phenomenal rise in the gold value of silver such as that which the past year has witnessed; but otherwise no benefit will accrue, either to India or to any other country. While the change is in progress, however, as past experience has proved, much dislocation will be caused by the general readjustment of values, and some sections of the community will benefit at the expense of other sections, however carefully the process is effected. Even already we have had examples of large profits made by certain classes in India at the expense of the Indian taxpayers in general, due to attempts on the part of the Government to raise artificially the exchange value of the rupee to the level proposed by the recent Committee.

[illegible] bility of lessening still further [illegible] been rejected by th[illegible] reasons which have [illegible] so long the standard coin in India [illegible] any modification of its [illegible]

possibly lead to serious social and economic consequences." The second objection is that a reduction in the weight or fineness of the rupee would, in accordance with the working of Gresham's law, drive the old rupees out of circulation, and might thus lead to great difficulties in maintaining the currency. As regards the first objection, as the rupee is equal in weight to one tola, 925 fine, it has come to be regarded as a standard weight, but this is due rather to the lack of a uniform system of weights in India. Though a Committee was appointed in 1913 to investigate the matter, no remedial measures have yet been taken. Were legislative enactment enforced to place the system of weights on a uniform basis the resulting dislocation would surely be less than in the case of an enactment altering the exchange value of the monetary unit, and the resulting benefits would be more tangible and permanent. We should imagine that the proposed change in the exchange value of the standard coin, which is, of course, a token coin, will lead to more serious social and economic consequences than merely reducing its intrinsic value while leaving its face value unaltered. As to the second objection, we cannot see how the working of Gresham's law would drive the old rupees out of circulation if it were proposed to replace them by new ones of less bullion value, seeing that the face value does not depend on their bullion content and that the old coins would not have a whit greater legal value in exchange than the new ones. Presumably this objection is put forward on the ground that any lessening of the intrinsic value of the rupee as compared with its face value would engender a feeling of mistrust. But does not the raising of the exchange value, which is the proposal adopted, also in effect widen the gulf between the face value of the rupee and its bullion value? Finally, the note issue in India, which was for long received with distrust, has commanded greater confidence during the War, and may in time become so widely accepted as to lower the native traditional esteem for metallic currency. In the circumstances it is to be hoped that the Government of India will give greater attention to opponents of the new measure. Such a radical change as that which is proposed could be justified only by the expectation of resultant benefits sufficient to outweigh the dislocation which must inevitably be caused by it, and on this ground it would be hard to justify the proposed change.

Japan's War-time Growth.

Interesting statistics of the trade and financial activities of Japan since 1914 are furnished in a report compiled by Mr. H. Horne, Commercial Secretary to H.M. Embassy, Tokio, under the auspices of the Department of Overseas Trade. At the time of the Armistice evidence was abundant that our Eastern Ally had sprung to the front rank of commercial nations. Subsequent developments, however, leave much room for doubt as to whether this position can be maintained. The extent of the prosperity Japan achieved as a result of the economic upheaval caused by the War may best be judged from statistics. The figures for the national debt compare very favourably with those of belligerent countries. At the end of 1919 it stood at Yen 1,995.3 millions, a figure only Yen 950.7 millions in excess of the 1914 level, and during the War Yen 174.4 millions of foreign indebtedness were redeemed. As a result of the growth of her mercantile marine she has obtained a large share of the world's carrying trade. From 1,270,050 tons in July the gross tonnage grew to 2,294,467 by November 1919. Though in pre-War days she was accustomed to an adverse trade balance, during the four years to the Armistice she had built up a favourable trade balance in "visible" transactions alone of Yen 1,408,047,000. Her "invisible" balance for the same period has been estimated at about the same figure. These results show that the period of the War was one of unexampled prosperity for the country; and, in addition, it has become, like the United States, one of the great creditor nations of the world. Like the United States, too, it has taken large payments from foreign debtors in the form of securities, industrial and Governmental, and of the precious metals.

The waning of her prosperity since the Armistice may be attributed ultimately to a lack of the experience and foresight necessary to a just estimation of the position in the world economy which the War has given her. When the War broke out belligerents and their customers had to turn to other countries for the supply of many commodities, which they had perforce to receive on terms that in normal times they would not have accepted. As we have indicated, Japan came in for a large share of such adventitious trade. Had she then, realising that the War-time shortage of goods was not of a lasting nature, taken more thought for the future and acted less on a *carpe diem* principle, she would undoubtedly have retained a great part of her War-time importance. As it happened, the premium on production following the outbreak of hostilities induced in Japan reckless speculation and widespread profiteering, raising her price level by 200 per cent. during the four years of war. A host of new companies sprang into existence, an era of reckless finance began for most companies, old and new alike, and the quality of the commodities produced began rapidly to deteriorate. The inevitable result followed when the Armistice was declared and Western nations began to resume their peace-time activities. Japan found an almost immediate slackening in the demand for her goods, while she possessed productive enterprises far in excess of her own requirements. Numerous price collapses, bursting of speculative bubbles, and bank and business failures followed, bringing on a series of crises of which the most serious occurred only a few months back.

Notwithstanding these later developments, it can be said that Japan is to-day in a better position than she was before the War, and, given a sounder financial organisation and a more prudent provision for the future, there is little reason why she should not, in the reconstruction period, continue to benefit by the opportunities which the War has placed within her reach.

SOUTH AND CENTRAL AMERICA.

ARGENTINE ECONOMICS.—II.

Mr. Chalkley says that one of the features which have had most influence on the economic situation of Argentina is the cessation of foreign capital investments, which formerly came into the Republic in ever-increasing volume in each year which preceded the outbreak of the recent War. These investments entailed the movement of materials, of machinery and manufactured goods, particularly from the United Kingdom. The place which the United Kingdom occupied as a source of capital has not been, as yet, taken up by any other country, nor is there any tendency to finance enterprises locally on a scale commensurate with that formerly taken up by foreign capital. It is estimated that between the year 1916 and 1917 the foreign capital investments in Argentina were less than two millions sterling, this amount corresponding approximately with the sums repaid by Argentine citizens to foreign creditors in respect of mortgages.

It is exceedingly difficult to say what is the aggregate of foreign capital invested in the Argentine Republic. It is commonly estimated that British investors have employed in the aggregate something between 270 and 300 millions sterling in the construction of railways in various parts of the Republic, and in addition they have invested another twenty millions, or possibly thirty millions, in various public works, such as the docks at Buenos Ayres, and similar utility services at Bahia Blanca, Rosario, and other places.

These figures, however, merely include what we may call for convenience sake Stock Exchange companies, which are either actually quoted on the Stock Exchange or of a semi-public character. There are, or at any rate were up to 1914, immense sums of British capital invested in private or semi-private undertakings, the magnitude of which it would be practically impossible to estimate with any degree of accuracy. In addition, there are very large sums of British capital employed in financing various branches of industry; and, finally, there is the amount of British banking capital employed in financing Anglo-Argentine trade. There is, of course, the amount of capital employed in shipping as between the Argentine ports and those of this country. It would be exceedingly difficult to apportion the amount actually engaged in Anglo-Argentine shipping companies. We estimated some time ago, the reader may recollect, the total value of the shipping employed between this country and South America at some twenty to thirty millions sterling, but a very large part of the shipping calling at the various South American ports also calls at Buenos Ayres, and very often at Bahia Blanca as well. It would be exceedingly hazardous, therefore, to venture a guess at the amount of capital employed in shipping between the Argentine Republic and, say, Southampton.

Far more important, in a sense, is the cessation of investments of foreigners in Argentina than the actual amount of foreign capital already employed in that country.

Argentina, as we have pointed out from time to time, was opened up mainly by British capital for the very purpose of supplying us with food and raw material, at the very time that the United States was showing signs that she would not be able to supply us with the quantities that we had become accustomed to on the same low economic basis. Argentina at the present time requires two things pre-eminently for her economic development—improved transportation facilities, and immigration. We put transportation facilities first because immigration into any country is only possible on a really large scale when the means of employing the immigrants has already been created. It will be remembered that during the later stages of the War, and since the Armistice, there has been a large measure of unrest throughout the Republic, principally in the great cities, and at the docks, and at various places which for convenience we may call industrial centres.

Argentina lives on the production of food and raw materials which are raised on the land, but owing to the economic situation which has been built up in Argentina she has a very large proportion of her population engaged in some form of industry other than that of actual production. This is inevitable in any country which raises an enormous proportion of its products for the express purpose of transmitting them overseas. These people are not farmers; are not engaged, and never have been engaged, in farming occupations, and are not well fitted to adapt themselves to agricultural pursuits. As a result of the War, the cessation of investments in Argentina, and the withdrawal of engineers from various public works, a large number of people were thrown out of work, and many of them have found it exceedingly difficult to obtain suitable employment ever since. From the national point of view this in itself is surely unsatisfactory; but a contributing feature which is almost equally unsatisfactory is the fact that the urgent need for increased transportation facilities is held up owing to the absence of foreign capital for the construction of new works which are so urgently needed. No other country is so well situated as we are for financing Argentina, because no other country is so urgently in need of the kind of products Argentina is so capable of raising. The bulk of our population, as has often been pointed out, are engaged in the manipulation, as distinct from the production, of primaries. Consequently, we can go [illegible] financing countries capable of supplying us with those primaries, which our highly trained population are so capable of manipulating.

Argentina is still, says Mr. Chalkley, essentially a pastoral and agricultural country. The lack of iron and coal, water-power, high return from capital invested in land, and unwillingness to risk capital in industrial enterprise, and the scarcity of skilled hands have retarded the growth of her manufactures. Argentina's staple pastoral and agricultural productions form the predominant feature in the economic development of the Republic. During the War an impetus was given to certain manufacturing industries already established in the country. Very few new ones have, in fact, been established, partly owing to the difficulty of raising capital, and still more to the impossibility of importing plant. As this country in particular, and Europe in general, gradually recovers from the devastating effects of the recent War Argentina will be provided with the means for improving her transportation facilities and increasing her production of primaries. The country may be expected to pursue this course, for she has too small a population for her extensive territories to enable her to devote any appreciable proportion of it to [illegible]

American Topics.

FAVOURABLE FEATURES.

We have before us three very important sources of information upon economic conditions as they existed at the commencement of the present month in the United States. They are the report on crop conditions compiled by the Contineutal and Commercial National Bank of Chicago; the report on business conditions in the United States compiled by the Irving National Bank of New York; and the weekly statement on trade conditions in the United States issued by the National City Bank of New York. On the whole, it may be said that after carefully reading these three interesting reports they confirm, and confirm to a very large degree, the accounts we have received from private, official, and other sources as to the conditions prevailing in the United States of America. As with us there is an indisputable set-back in prices, particularly of certain wholesale commodities. That set-back, however, has only to a very small extent reached the retail trade. This is equally true with us, as anyone can ascertain for himself who wants to buy even a modest article in the retail shops to-day. He will have read in the newspapers, and if he is actually engaged in some business he will know, that certain great primaries have fallen in economic value in the international markets. Silk, for example, is a notable instance; but anyone who desires to buy a silk garment under the impression that he is going to get a very big reduction on the extravagant prices which lately prevailed will meet with very serious disappointment. It is practically equally true of all other commodities. The shopman argues, and argues with very great reason, that he bought the goods mostly under Government control at extravagant prices, and he does not see why he should part with them at lower levels, unless they remain so long on his hands that he has no option. Of course, the time must come when the shopman can say his goods are worth anything he likes to charge, but if the public decline to buy they are of very little [illegible] here, and from all the information before us it is evident [illegible] certain extent it is bound to be reached; but, on the other [illegible] many people expect or [illegible]

and say quite reasonably, that now so large a proportion of the population has been demobilised, and we are gradually returning to economic values, it is only possible for anybody to purchase commodities within the limits of their economic earning capacity. The time has passed when the Government borrowed immense sums on credit and paid any price that might be demanded provided a particular commodity was forthcoming. This is, of course, perfectly true, and if the only buyers were the London public, or even the English public, it would be bound to tell, and tell in the form very much as stated in the above argument; but the London public, or even the English public, are very far from being the only purchasers. As a matter of fact, all the world are purchasers at the present time. Whereas at the beginning of the outbreak of the recent war the whole of Western Europe was more or less engaged in manufactures, to-day there are only two large manufacturing countries left, and one which during the War was endeavouring to establish itself as an important manufacturing centre. It has not as yet taken the position of any of the great European States as a manufacturer upon such a scale as to seriously affect international markets. The great manufacturing countries are, primarily, England, and secondly, the United States, and the third, which is emerging, is the Empire of Japan. Japan, however, only became a manufacturer upon a really great scale during the period which elapsed from 1914 to the end of the War. Since then she has passed through a very severe financial crisis, and she is still endeavouring to establish her position as one of the world's great manufacturing States. That she will succeed there can be very little doubt in the minds of those who know the indefatigable resources and energy of the Japanese people.

Nevertheless, it will take some time before Japan can hope to obtain the position which, for example, Germany held, say, in the last decade of the last century. We have gone rather fully into this aspect of the question for the express purpose of showing what an enormous number of customers there are to a relatively small number of producers. It is perfectly right to say that we are all now only able to purchase within our economic earning capacity, but there are such a number of potential buyers. It may be that Jones in England refrains from purchasing for quite a long time; Smith in America may also be deterred by the extravagant level to which prices have risen from renewing his wardrobe or purchasing any other commodities which he may be anxious to purchase; but the places of these cautious, and wisely cautious, men are taken by someone in Canada, by someone in India, someone in Argentina, perhaps someone in Brazil. The whole civilised world is anxious to obtain commodities. While a very large proportion of the people in this country, in the United States, particularly on the continent of Europe, will be compelled to economise for a very long time to come, nevertheless the abnormal number of potential purchasers is so great and the manufacturing producers have been so much reduced as a result of the War, that it is comparatively easy for the manufacturers to remain fairly busy, notwithstanding the restriction of purchases by immense numbers of people all over the world. In fact, even the restriction of purchases throughout the world, the self-denial of the man in the United States, the self-denial of the Englishman, admits of purchases by someone, say, in India, in the Far East, or in South America. After a time the Indian purchaser also decides to economise, but in turn his place is taken by someone in Brazil, or in the Argentine Republic, or Canada. The result is that business is surprisingly active in the two countries which are still able to manufacture, and manufacture upon an immense scale, notwithstanding the extravagant cost of obtaining raw material and the difficulty of renewing their plant. The more or less chaotic state into which transportation facilities have drifted in the United States of America and in this country is accentuating the difficulties.

There can be no reasonable doubt that the railway system in both continents—that is, Europe and America—is pretty well on its trial. Federal control, as our American cousins call it, has pretty well wrecked the railroad system on both sides of the Atlantic. Vast sums of money will be required if the railways are to be restored to anything like their capacity for rendering services such as they performed before the War, and they will have sooner or later to find some means of rendering these services upon a more reasonable basis of value than seems now possible for the railways of either continent. We are trying, here in England, road transport, and we are informed it is being tried to an equal extent in the United States. Before that can hope to be a success the known petroleum resources of the world must be first explored, and then exploited at least to such an extent as will admit of our ascertaining whether petroleum is or is not capable of taking the place which coal held during the greater part of the nineteenth century. If the indications of petroleum in North and South America, throughout Asia and Africa, prove to justify the sanguine conclusions of many competent oil engineers, well and good. If we are to be dependent, as we are at present, on totally inadequate supplies of petroleum, it is useless to look to oil as a solution of the problem. At the present time the world is dependent upon the United States for something like eighty per cent. of its total production of petroleum. If we are to judge by the reports, such as they are, of some very eminent oil engineers, there is no reason to believe that that part of the North American continent which we call the United States is the richest in oil, but this has to be proved.

The British Empire, for instance, contributes barely five per cent. to the world's supply, although there are indications, which may or may not be justified when the various fields are exploited, of the existence of oil over very large areas of the British Empire. As things are, however, the problem of road transport does not even yet appear in process of solution, unless, as we have said, oil can be produced in adequate quantities and upon a far sounder economic basis than at present.

CROPS IN THE UNITED STATES.

WHILE commercial business is making exceedingly satisfactory progress in the United States, there are clear signs, however, that the present boom in trade cannot last indefinitely, and unless the producers can see their way to bring their products to market upon a sounder economic basis than hitherto, a time must inevitably come when it will be no longer possible to keep the various factories of the world employed as they have been accustomed to be occupied during recent years.

The United States has obtained this year an extraordinary piece of good fortune in the bountiful nature of her crops, both foodstuffs and raw materials. It might have been said with truth that until the period of the nineties of the last century the population of the United States was almost wholly engaged in the production of articles of primary necessity—*i.e.*, in the production of food and raw materials or in the transportation thereof to the seaboard. It has to be remembered that in the early days the United States was opened up for the express purpose of supplying Europe in general and this country in particular with articles of primary necessity. That being so, it followed that an abnormal proportion of the population would be engaged in the handling of primaries as distinct from their actual production. This is the case in all new countries at the present time, particularly in those new countries whose economic condition has been brought into existence for the express purpose of

supplying large quantities of raw materials to countries at a great distance from the source of production.

During the past thirty years the United States has become a great industrial country. Very great manufacturing centres have been established, and in fact she showed herself during the War one of the world's greatest manufacturing countries. Nevertheless, up to the present and for a considerable time to come, it may be stated with confidence that the prosperity of the United States will depend almost wholly upon the production of her lands and forests.

In the late autumn of last year, and still more in the spring of the present season, conditions were so unfavourable that it was regarded as practically certain there would be a big decline in the yield from all crops. In fact, there has been in nearly every instance a very material reduction in the acreage for this season as compared with that of 1919. Nevertheless, so favourable have been the weather conditions since about the end of May that the crops on the whole are yielding a bountiful harvest, and far in excess of what was anticipated. Wheat, it is estimated, will yield about 835 million bushels, or say, roughly, including spring and winter wheat, 100 million bushels less than last year. Making allowances for home consumption, for the farmers' needs, and for seed, but adding old wheat in hand, it is hoped there may be an exportable surplus of something between 250 and 300 million bushels, a little in excess of what was exported last year. The yield this year is something like two bushels per acre in excess of that obtained last season. The average yield per acre, however, is still low, which would indicate that fertilisers are not yet used to the extent that would be desirable.

The greatest of all the cereal crops in the United States is, of course, the corn crop. It is estimated this season it will exceed 3,000 million bushels. Now that the urgent demand for foodstuffs occasioned by the War has to some extent lessened, American farmers are once more resuming their practice of feeding cattle with corn, with the result that exported beef should be of very much better quality than has been recently.

It is somewhat remarkable that the magnitude of the crops shows no sign of decline in the United States or other countries, notwithstanding the enormous growth in the use of the motor-vehicle. Very much the same experience is once more apparent as that which occurred on the introduction of the railway. It was argued that with the railway the demand for the labour of horses would disappear. As a matter of fact, the railway was barely established when there was a greater demand at the terminals for man and horse than there had ever been on the roads during the relatively prolonged period of the running of the coaches. It is found that although modern farming upon a great scale is impracticable without the assistance of motor-power, the horse is found to be equally useful.

National Bank of South Africa Limited.—At a meeting of the Council of the National Bank of South Africa Limited, held on the 7th inst., a printer's error, incorrectly cited in our reports of [illegible] the net profit for the year ended June 30 last was £1,489,000, as against £928,250,000 in the corresponding period last year, while the expenditure was £61,000 as against £58,250,000. The trade balance thus declined from £[illegible] to £[illegible]. Of the total imports the United Kingdom supplied over £22,620,000, or fifty-six per cent., compared with forty-four per cent. last year. The United States [illegible] to future trade the Tariff Committee has recommended a new classification of tariffs and greater elasticity in administration, urging at the same time that the usual [illegible] Dominions should be [illegible]

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Rubber Topics.

RUBBER-SHARE VALUES.

From the point of view of the genuine investor the Rubber market just now is in an exceedingly interesting condition. To realise the change that has come over the situation since the publication of our table of rubber-share values in November last, it is only necessary to contrast the difference between the issued capitals, the market price of the shares, and the market capitalisation per planted acre in that table and in the table published in our current issue. In the majority of cases there has been an increase in the issued capital. More than one company has found it necessary to appeal to their shareholders to supply additional funds in order to bring immature areas into bearing and to acquire contiguous estates, the increased production from which could consequently be obtained at a lower "all-in" cost per unit. But there are capital transformations of so remarkable a nature that they cannot be thus explained. In some fifty cases at least companies have decided to capitalise their reserves in order to redress the balance between the outlay on the estate and the issued capital. Thus shareholders have received share bonuses of various degrees. Companies like Alor Pongsu and Banteng have issued to their shareholders one fully-paid share in respect of every two shares already held. A bonus of share for share has been given in cases like Seremban and United Serdang. Escot, Bagan Serai, and Straits Rubber—to quote only a few—have multiplied their capital threefold, shareholders receiving three fully-paid shares instead of one. Reconstructions in which five shares have been given for each share held in the original company have taken place in instances like Glenshiel and Selangor. The capital of Scottish Malay has been multiplied sixfold in like manner. The two outstanding instances of such capital transformations are provided by Batu Caves, where eight shares were issued in place of one, and in the no less celebrated case of Pataling, in which shareholders received ten shares for every share originally held. In the vast majority of cases these capital alterations were effected without changing the nominal value of the share. Castlefield Klang, however, in addition to increasing the issued capital from £50,000 to £[illegible] divided the [illegible] shares from £1 to 2s., evidently with a view to render [illegible] Malay [illegible] one of £150,000, but the [illegible] structed company hold one fully-[illegible]

RUBBER SHARE VALUES.

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	Par of Shares	Year Ends	Issued Capital £	Approx. Market Price of Shares	Planted Acreage 1914 and Earlier	Planted Acreage Since 1914	Total	Market Capitalisation per Planted Acre £	Rubber Past Year Lb	Output Current Year Lb	Price per Lb. Realised	Profit £	Costs "All in" s. d	Dividends Paid Amount £	Dividends Paid %
Ajagar	2/-	Dec. 31	110,100	2/3	1,174	26	1,150	108	359,250	194,800 (3)	2/1 4	15,538	1 3.3	11,000	10
Alor Pongsu	£1	Dec. 31	72,000	1/-	903	315	1,218	126	312,416	240,521 (7)	2/0	15,890	1 2.22	10,000	15
Ampat	2/-	Sept. 30	70,000	1/9	714	750	1,464	114	242,716	247,691(10)	2/0	9,615	1 1	8,750	25
Anglo-Java	2/-	Dec. 31 Debs.	311,400 42,500	5/7½	7,826	1,572	9,398	115	2,416,470	1,275,390 (6)	1/10	95,190	1 9½	60,227	17½
Anglo-Johore	2/-	Mar. 31	84,000	3/9	891	370	1,260	120	369,337	119,272 (1)	2/1½	17,565	1 2½	16,000	20
Anglo-Malay	£1	Dec. 31	375,000	3/9	4,257	120	4,470	163	1,642,991	870,691 (7)	1/10.2	92,018	0 11½	90,000	60
Anglo-Sumatra	£1	May 31	80,000	85/-	2,358	—	2,358	144	771,865	172,077 (2)	1/11	12,867	1 0½	13,000	20
Asahan	10/-	July 31	114,900	24/11	2,420	14	2,164	114	537,287‡	81,[illegible] (12)	1/8½	19,942	1 2.11	17,235	15
Ayer Kuning	£1	Dec. 31	134,200	50/6	1,995	327	2,322	177	960,1,5	577,400 (7)	1/10.96	58,385	0 9½	38,817	30
Bagan Serai	£1	Dec. 31	150,000‡	240/-	1,085	143	1,228	124	399,000	210,500 (5)	1/9.79	23,274	0 8.21	13,750	27½
Bajoe Kidoel	£1	Mar. 31	218,160	53/9	4,153	1,010	5,175	115	709,515	361,765 (4)	1/7	55,018	1 1	47,723	25
Bakap	2/-	June 30 Debs.	60,000 3,000	2/6	857	23	880	90	225,800	19,900 (1)	1/9½	16,804	1 4½	6 000	10
Bandar Sumatra	£1	July 31	90,847	42/-	—	—	2,438	87	474,148	614,895 (12)	1/7 (6)	13,231	1 1½ (6)	12,484	12½
Banteng	£1	April 30	90,000	12/6	1,349	367	1,716	123	571,712	121,140 (3)	2/1½	52,682	1 0	19,800	15
Batak Rabit	£1	June 30	75,000	8/6	1,255	134	1,389	142	377,155	13,000 (1)	1/7.14	17,240	0 10.16	7,500	10
Batang Toeng	2/-	Dec. 31	150,000	1/-	1,264	376	1,640	133	265,031	200,000 (4)	1/5½	1,011	1 5½	4,500	15
Batu Caves	£1	Dec. 31	216,000‡	33 1½	1,500	156	1,737	200	676,971	295,200 (7)	2/1	40,000	0 11½	40,000	150
,, Matang	£1	June 30	83,876	2/-	814	207	1,021	90	177,750	17,164½(1)	1/8	5,054	1 1½	5,000	6
,, Rata	£1	June 30	119,617	38/1½	1,865	683	2,148	136	471,108	45,240 (1)	1/9	9,852	1 4	11,962	10
,, Tiga	£1	Dec. 31	1[illegible]	55/-	1,795	503	2,298	144	591,500	64,[illegible] (1)	1/8.4	48,421	1 1·55	20,005	35
Bekoh	2/-	June 30	300,000‡	1/1	1,635	88	1,723	173	443,860	519,060 (12)	1/-	6,962	1 3	—	—
Bernam Perak	£1	June 30	60,000	3/-	1,000	132	1,132	103	323,664‖	29,814 (1)	1/11	5,266	1 0½	4,950	8
Bidor	£1	Mar. 31	50,000	63/11½	1,260	120	1,380	114	471,000	54,[illegible] (1)	2/-	25,688	1 0	17,500	35
Bikam	2/-	Dec. 31	80,000‡	1/6	977	139	1,116	144	416,700	255,700 (7)	1/11½	21,752	1 2½	13,500	22½
Bradwall	£1	Dec. 31	90,000	47/3	1,701	541	2,242	95	606,190	313,750 ( )	2/0.40	33,631	1 2	18,000	20
Braunston	£1	Sept. 30	84,500	4/-	1,585	55	1,438	117	363,000	315,585 (10)	1/3.66	17,099	1 0·3	11,830	14
Brit. Malay	£1	Dec. 31	300,000‡	15/-	3,078	56	3,134	117	1,150,900	688,[illegible] (1)	1/11	43,630	1 1½	23,400	6
Broome (Selangor)	£1	June 30	128,600	3/6	1,398	259	1,657	111	499,806	261,947 (3)	1/11	14,[illegible]	1 2	16,075	12½
Bukit Rentang	£1	Dec. 31	60,750	40/-	1,065	—	1,065	97	1·2, 31	150,967 (7)	2/11	[illegible], 64	1 7½	—	—
,, Cloh	2/-	Dec. 31	50,000	5/-	1,107	—	1,107	127	357,254	189,380 ( )	1/10 (6)	19,228	0 10 (6)	12,500	25
,, Kajang	£1	June 30	150,000‡	85/-	2,156	812	2,968	122	607,000	70,[illegible] (1)	1/9½	24,[illegible]	1 0.31	25,000	25
,, Lintang	£1	June 30	100,000	80/6	1,113	524	1,637	98	253,000	28,000 (1)	1/4	3,557	1 2½	—	—
,, Mertajam	2/-	Mar. 31	100,000	4/11	2,107	1,166	3,593	157	900,641	304,188 (4)	1/11½	58,[illegible]	1 1	17,041	20
,, Panjong	2/-	Dec. 31	150,000	2/6	1,502	291	1,793	113	709,910	301,625 (7)	2/0½	23,069	1 1	13,297	10
,, Rajah	£1	Mar. 31	375,000	1/-	3,831	38	3,869	146	889,753	408,118 (4)	1/9	31,569	0 11½	33,350	30
,, Selangor	2/-	Mar. 31	200,000	1/6	1,381	319	1,600	136	292,619	120,610 (4)	1/6	11,014	1 0½	5,605	7½
Castlefield	2/-	June 30	7,000	6/-	—	—	2,821	117	536,342	61,406 (1)	1/9	22,615	0 11.13	12,750	30
Ceylon Para	2/-	Dec. 31	75,000	3/-	2,005	425	3,374	93	1,118,242	618,413 (7)	2/3½	44,554	1 4	25,000	10
Changkat Salak	£1	Dec. 31	142,500 Pref. 144,242 Def.	4/-	2,107	588	2,695	161	1,[illegible]	630,000 (7)	1/11½	[illegible]	1 0	30,483	10 Pf. 8 Def.
Chembong	2/-	Dec. 31	140,[illegible]	2/6	1,086	549	1,635	183	365,976	254,900 (7)	1/11	23,747	1 0	18,750	25
Cheras	£1	Dec. 31	60,000‡	46/3	1,031	374	1,105	136	365,825	20,000 ( )	1/11.20	18,360	1 2	13,750	27½
Chersonese	2/-	Dec. 31	225,000	3/11	2,041	18	2,059	200	665,115	377,536 (7)	1/11.69	69,234	0 11.23	45,000	20
Cheviot	2/-	Dec. 31	100,000	7/6	2,527	223	2,750	107	8[illegible]	4[illegible] (1)	2/6	32,202	1 2½	18,567	21
Chimpul	2/-	Aug. 31	95,959	1/-	1,1 8	—	1,108	92	2,[illegible]	19,251 (7)	1/7½	[illegible]	1 2	—	—
Chota	2/-	Dec. 31	80,000	3/6	645	285	930	99	233,631	133,193 (7)	2/0	14,911	1 0·35	8,[illegible]	10
Ciely	2/-	Mar. 31	61,500‡	1/9	1,807	329	2,136	175	705,765	290,[illegible] (4)	1/10½	[illegible]	0 10	36,360	60 Pf.
Cluny	£1	(Dec. 31 (Debs.	70,000 8,700	4/6	854	147	971	111	2[illegible]	241,772 (7)	1/11	12,[illegible]	1 2·6	10,500	15
Cons. Malay	2/-	Dec. 31	750,000	1/3	2,910	92	3,002	124	1,002,435	581,[illegible] (7)	1/11½	34,430	1 2½	17,500	25
Damansara	£1	Dec. 31	500,000	1/-	2,256	298	2,553	143	748,155	393,165 ( )	1/10	56,586	0 10	34,[illegible]	30½
Dennistoun	£1	Dec. 31	136,600	5/-	1,344	60	1,404	126	566,921	455,165 ( )	1/11·7	39,15[illegible]	0 11	27,320	20
Dusun Durian	£1	Dec. 31	250,000	2/6	2,041	81	2,628	127	7[illegible]	645,119 ( )	1/11	33,518	0 10½	31,250	12½
Edinburgh	2/-	Dec. 31	90,000	2/1	967	94	1,069	314	314,423	314[illegible]	1/8.2	10,389	0 11.64	8,500	20
Emerald	£1	Jan. 31	133,779	3/6	2,117	657	2,774	109	4[illegible]	5[illegible] (1)	2/0½	41,043	1 0	26,755	20
Escot	2/-	Sept. 30	100,000	1½	1,5	246	1,118	132	2[illegible]	24,[illegible] (7)	1/10½	9,419	1 0.56	7,477	25
Federated Selangor	£1	Mar. 31	105,000‡	25/9	4,[illegible]	58	1,052	125	256,[illegible]	104,175 (1)	1/9½	5,[illegible]	1 2	7,[illegible]	30
Gadek	£1	Dec. 31	50,000	7/6	7,5	464	1,265	104	282,314	131,000 (1)	1/11½	9,929	1 3	6,000	24
Gan Kee	2/-	June 30	42,377	4/-	667	108	775	129	114,[illegible]	14,800 (1)	1/7½	3,101	1 3	2,[illegible]	7½ 7½d.
Gedong	£1	Oct. 31	57,500	1/6	914	142	1,056	131	287,312‖	342,164 (7)	2/[illegible]	12,720	1 1½	8,595	15
Glen Bervie	£1	Sept. 30	75,000	3/6	1,416	786	2,229	90	348,916	284,[illegible] (7)	2/1	9,019	1 3½	7,805	15
Glenshiel	£1	Dec. 31	175,000‡	22/6	1,223	533	1,756	110	4[illegible]	227,075 (7)	1/11	20,[illegible]	1 2½	10,500	30
Golconda	£1	Dec. 31	111,000	5/-	1,704	510	2,214	141	515,932	381,144 (7)	1/11·3	35,376	0 9.9	30,800	55
Golden Hope	£1	Dec. 31	80,000	2/-	1,417	19	1,436	123	376,849	255,533 ( )	1/[illegible]	14,083	1 3½	11,500	25
Grand Central	£1	Dec. 31	1,225,000	2/6	13,812	363	14,175	114	5,[illegible],827	[illegible],[illegible],[illegible] (7)	2/1	229,111	1 1	183,750	15
Gula-Kalumpong	£1	Dec. 31	675,000	7/6	4,117	43	4,160	227	1,549,500	[illegible],[illegible],[illegible] (7)	2/2½	125,724	0 11½	101,250	22½
Harpenden	£1	Dec. 31	150,000	11/-	1,647	—	1,647	141	315,736	281,0[illegible] (7)	1/9½	12,597	1 0.6	9,000	30
Highlands	£1	Dec. 31	309,481	5/-	3,940	870	4,810	173	1,[illegible],[illegible]	[illegible],[illegible],[illegible] (7)	1/11	99,057	1 3	92,844	30
Inch Kenneth	£1	June 30	30,000	4/-	1,[illegible]	125	1,525	125	3[illegible],[illegible]	6[illegible],[illegible] (7)	1/3½	14,994	1 1.8	8,400	40
Insuinde	2/-	June 30	93,[illegible]	4/6	866	659	1,525	122	1[illegible],[illegible]	1,[illegible],[illegible] (1)	1/6	4,[illegible]	1 9	—	—
Jasin	2/-	Dec. 31	300,000	1½	1,[illegible]	4[illegible]	1,205	103	2[illegible],[illegible]	217,701 (7)	1/11	15,017	0 11½	15,825	25
Java Amalgamated	£1	Dec. 31	175,000	1/3	—	—	3,609	95	937,588	610,[illegible] (7)	1/10.7	38,478	1 2.6	35,000	20
Jeram	£1	Mar. 31	69,673	1/-	1,189	794	1,983	99	319,[illegible]0	84,067 (4)	1/10	15,386	1 1½	16,168	25
Johore (Para)	£1	June 30	60,000	1/-	822	—	822	105	215,612‖	18,500 (1)	1/[illegible]	8,[illegible]	1 0.43	6,500	10
Jong Landor	£1	June 30	77,000	1/-	—	—	2,000	116	564,325‖	58,500 (1)	1/10	23,552	1 1½	15,400	20
Jugra Estates	2/-	Mar. 31	36,0 0	7 0	—	—	1,[illegible]	80	530,675	1[illegible],[illegible] (1)	1/[illegible]	35,16	0 9	2,[illegible]	1[illegible]
Kajang	£1	Dec. 31	75,000	4/-	1,316	515	1,661	107	444,893	2[illegible],[illegible] (1)	1/10·8	12,973	1 1½	10,500	20
Kampong-Kuantan	2/-	Dec. 31	100,000	1/-	990	625	1,615	121	372,500	227,500 (7)	1/11.10	19,130	1 1.21	17,500	50
Kamunting	2/-	June 30	201,000	1/-	2,198	4[illegible]	2,[illegible]	145	7[illegible],[illegible]	88,[illegible] (1)	1/11	27,418	1 3.17	22,812	12½
Kapar Para	£1	Dec. 31	150,000	7 4	3,538	39	3,538	158	1,056,516	5[illegible],[illegible] (1)	1/11.37	64,[illegible]	0 9½	45,000	10
Kasintoe	£1 Debs.	Dec. 31	12[illegible] 17,[illegible]	4[illegible]	—	—	2,145	127	704,273	434,026 (7)	1/10.97	28 053	1 2.75	24,000	20
Kenny	£1	June 30	[illegible],000	87/6	1,053	859	1,912	137	197,073	158,610 (7)	1/9	6,686	1 1.4	4,651	15
Kepong	2/-	Dec. 31	75,500	9/10½	961	284	1,245	285	412,120	256,000 ( )	2/2	39,158	0 9.36	42,500	65
Kinta Kellas	2/- Debs.	Mar. 31	127,500 [illegible],000	[illegible]	1,859	569	2,228	130	450,030	2[illegible],[illegible] (4)	1/8½	9,675	1 2	11,[illegible]	15
Klabang	£1	Dec. 31	[illegible],000	[illegible]	1,003	266	1,269	115	357,416	254,[illegible] (7)	2/0.64	22,257	1 2½	12,500	25
Klanang	2/-	Dec. 31	63,250	[illegible]	1,484	[illegible]	1,567	201	379,834	264,[illegible] (7)	1/9·51	23,211	0 11.79	15,812	50
Kombok	2/-	Dec. 31	120,000	1/-	1,[illegible]	197	1,792	134	579,433	296,270 (7)	2/0.70	32,102	1 0.19	13,500	15
Kuantan	£1	Sept. 30	20,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	66	105,570	2[illegible] (7)	1/[illegible]	2[illegible]	1 6½	1,223	6
Kuala Lumpur	£1	June 30	210,000	7/6	[illegible]	15	[illegible]	141	1,579,662	1,[illegible],700 (1)	1/9½	30,381¶	1 3.5	42,[illegible]	20
,, Nal	2/-	Dec. 31	60,000	4 12½	[illegible]	5[illegible]	1,[illegible]	91	[illegible]	5[illegible],[illegible] (1)	1/8½	2,[illegible]	1 6½	6,[illegible]	10
,, Selangor	2/-	Dec. 31	77,500	1	1,638	17	1,828	245	640,857	386,[illegible] (7)	1/11·[illegible]	57,[illegible]	0 8½	48,437	62½
Kwalee	2/-	Dec. 31	150,000	1	1,490	—	1,490	90	[illegible]	194,551 ( )	1/8½	7,639	1 3	—	—
Labu	£1	Dec. 31	2[illegible],000	1[illegible]	2,931	[illegible]	3,016	151	[illegible],[illegible]	6[illegible],[illegible] (7)	2/-	50,793	1 1	50,000	25
Lanadron	£1 Ords.	Dec. 31	360,000	1[illegible]	5,184	1[illegible]	[illegible]	136	1,215,745	823,315 (7)	1/[illegible]	72,567	1 3.63	59,000	[illegible]
Langen Jasa	£1	Aug. 31	125,000	5 4½	1,979	[illegible]	2,[illegible]	103	709,222	763,07[illegible] (11)	1/9·10	2[illegible],[illegible]	1 2	18,750	15
Langkat Sumatra	£1	Dec. 31	90,[illegible]	4[illegible]	1,800	21	1,[illegible]	113	[illegible],[illegible]	248,700 (7)	2/4	2[illegible],[illegible]	1 2.4	15,000	20
Lanjat	£1	Mar. 31	100,000	1	1,910	[illegible]	2,[illegible]	121	[illegible],[illegible]	2[illegible],[illegible] (4)	1/11	42,944	1 1	17,500	[illegible]

RUBBER SHARE VALUES—(Continued).

	Par of Shares	Year Ends	Issued Capital £	Approx. Market Price of Shares	Planted and Earlier	Planted Acreage Since 1914	Total	Market Capitalisation per Planted Acre £	Rubber Output Past Year Lb.	Rubber Output Current Year Lb.	Reported Last Year's Results—Price per Lb. Realised	Profit £	Costs "All in" s. d.	Dividends Paid Amount £	%
Laras	2/-	Mar. 31	1,370 (i)	5 ½	1,155	357	1,460	89	290,000	1[illegible] (f)	[illegible]	2,455	1 0	—	—
Ledbury	£1	Dec. 31	108,600	51	2,147	150	2,297	123	264,000	1[illegible] (f)	1 3	4,365	1 1	3s. 1[illegible]	35
Lendu	£1	Mar. 31	116,185	21	1,151	56	1,177	121	283,[illegible]	[illegible]	[illegible]	[illegible]	1 3 (i)	1[illegible]	15
Linggi	£1	Dec. 31	460,000	55	7,175	1,930	9,105	140	2,81[illegible],000	1,5[illegible],000 (f)	[illegible]	1 2	1[illegible]	[illegible] Cmd.	
„ Pref.	£1		40,000	11										[illegible] Pref.	
London Asiatic	2/-	Dec. 31	540 [illegible]	[illegible]	4,108	735	5,145	173	1,177,919	9[illegible],818 (f)	1[illegible]	[illegible]	1 5½	39 94	20
Lower Perak	2/-	Dec. 31	42,3[illegible]	5½	[illegible]	100	600	128	1[illegible]	[illegible]	[illegible]	[illegible]	0 11 (i)	[illegible]	[illegible]
Lumut	£1	Sept. 30	211,482	5 /-	3,084	380	3,464	130	1,1[illegible]	1,1[illegible] (f)	1[illegible]	[illegible]	1 0	[illegible]	1 ½
Maddingley	2/-	Feb. 28	68,000	3	910	—	910	121	[illegible]	[illegible]	[illegible]	[illegible]	1 3	[illegible]	15
Majedie	2/-	June 30	103,662	1 7	1,312	—	1,312	66	1[illegible],214	[illegible]	[illegible]	[illegible]	1 7	—	—
Malacca	£1 (Pref.) £1 (Dbs.)	Dec. 31	115,000 / 248,964 / 215,000	7 6 / 2 6 / 9	—	—	16,500	93	4,210,74[illegible]	2,21[illegible] (f)	[illegible]	[illegible]	1 2.4	[illegible]	39 12 Pref. 12 Ord.
Mambau	£1	June 30	60,000	41	1,206	51	1,257	100	345,608	51,577 (f)	1 0	8,616	1 2	7 2	15
Manchester N. Borneo	£1	Mar. 31	181,500	33	2,963	37	3,000	102	802,561	2[illegible],300 (f)	[illegible]	[illegible],414	1 2.	[illegible]	[illegible]
Mendaris	£1	Dec. 31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Merchiston	£1	Mar. 31	4,000	2	845	8	853	124	285,930	91,[illegible] (f)	1[illegible]	[illegible]	1 1	9	[illegible]
Merlimau	2/-	Dec. 31	2[illegible],500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mount Austin	£1	Mar. 31	60,000	[illegible]	5,582	129	5,511	115	1,248,678	98[illegible] (f)	1 0	[illegible]	1 0.6 (i)	[illegible]	[illegible]
Narborough	2/-	June 30	24,[illegible]	5	1,[illegible]	67	10,772	153	3,[illegible],390	1,01[illegible] (f)	[illegible]	[illegible]	1 1	[illegible]	[illegible]
New Crocodile	2/0	Dec. 31	1[illegible],000	[illegible]	882	229	1,111	118	20[illegible],124	[illegible] (f)	1 8 (i)	[illegible]	1 1	[illegible]	[illegible]
Nordanal	£1	Dec. 31	280,000	4	2,102	884	2,986	101	6[illegible],[illegible]0	1[illegible],[illegible] (f)	[illegible]	[illegible]	1 2.80	[illegible]	[illegible]
North Hammock	£1	June 30	80,[illegible]	2 /-	2,[illegible]	200	2,786	110	[illegible],[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
North Labis	£1	June 30	140,000	2 /6	2,[illegible]	267	1,[illegible]	41	[illegible],[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P.P.K. (Ceylon)	£1	Dec. 31	85,000	10	1,[illegible]	116	1,[illegible]	118	[illegible],[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Padang Jawa	2 -	Mar. 31	65,000	3[illegible]	1,[illegible]	—	1,[illegible]	132	[illegible],[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pahang Para	2/-	April 30	[illegible],000	[illegible]	[illegible]	79	812	139	[illegible],[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Patating	£1	Dec. 31	22,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pegoh	£1	Sept. 30	130,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Perak	2/-	Mar. 31	82,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Permas	£1	June 30	75,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pilmoor	£1	June 30	82,007	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Port Dickson	2/-	Mar. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prye	£1	Mar. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ratanui	£1	Sept. 30	[illegible],000 (i)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rembia	£1	Sept. 30	90,000 (i)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rim Malacca	£1	Mar. 31	80,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Riverside Selangor	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rubana	£1	April 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rub. Est. of Johore	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rub. Ests. of Krian	2/-	Dec. 31	120,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sagga	£1	July 31	80,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
St. George (Ceylon)	£1	Dec. 31	70,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scottish Malay	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Seafield	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Seaport	£1	June 30	[illegible],500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sekong	£1	July 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Selaba	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Selangor	2/-	Dec. 31	12[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ River	£1 Dbs.	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ United	2/-	Mar. 31	125,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sembilan	£1	July 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sendayan	£1	Sept. 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Senoah	£1	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sengat	2/-	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Serdang Central	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Seremban	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shelford	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sialang	£1	Jan. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Singapore Para	2/-	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ United	2/-	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Straits	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Bertam	2/-	Mar. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Strathmore	£1	Dec. 31	[illegible],500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sumatra Cons.	£1	April 30	1,[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Para	2/-	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Prop.	£1 Dbs.	April 30	[illegible],000 / [illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sungei Bahru	£1	June 30	111,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Batu	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Buaya	£1	June 30	18,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Buloh	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Choh	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Dangar	£1	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Kapar	2/-	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Karl	£1	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Krian	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Krutt	2/-	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Matang	2/-	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Purun	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Salak	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Way	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sungkai Chumor	£1	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Talping	2/-	Sept. 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tall Ayer	£1	April 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tambang	£1	Sept. 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tanah Datar	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tandjong	£1	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tandjong Mallim	£1	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tebrau	£1	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Telogerdjo	2/-	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Temun (Borneo)	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Third Mile	2/-	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Terentam	£1	Oct. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tremesbye	£1	June 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tu Rantau	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
United Serdang	2/-	Aug. 30	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Sua Betong	£1	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Sumatra	2/-	Dec. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
„ Temiang	2/-	July 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vallambrosa	2/-	Mar. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yam Seng	2/-	Oct. 31	[illegible],000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (f)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Less

Figures in parentheses ( ) denote months of output of current year.

(i) Unit from tonnage.

(f) Excluding selling charges.

(e) Company holds [illegible]

(g) Allowing for exercise of options or [illegible]

market quotation of 2*s.* 11¼*d.* for Escot instead of 3*s.* 9*d.*, a fall which is only intelligible in the light of the reconstruction. Similarly no other fact could account for the drop in Batu Caves from £17 5*s.* to 33*s.* 1¼*d.* On the other hand, it is highly significant to find the quotation for Pataling to have fallen only from 42*s.* to 33*s.* 9*d.* For a correct perspective we must look, however, to the market capitalisation per acre. A comparison of share prices alone will reveal a series of rather inexplicable declines, despite the present condition of the Stock markets and of the Rubber market in general. An analysis of the market capitalisation per acre reveals, however, a downward tendency on the whole, and that irrespective of whether capital reconstruction has taken place or not. Thus, for Anglo-Malay it is £163, as against £225, whilst with Batu Caves, with its enormous reconstruction, the market capitalisation has dropped from £263 to £200. Damansara records a decline from £201 to £143, and Linggi from £224 to £140. Despite the tenfold increase in capital Pataling has reduced its market capitalisation from £257 to £207. On the other hand, some noteworthy increases have to be recorded—and that despite the stagnant condition of the market at the moment. Edinburgh, with a capital of £233,750 in place of £42,500, largely because of reconstruction, has a market capitalisation as high as £314, as against £227. Gualu-Kalumpong registers a rise from £166 to £227, and Kenny from £92 to £137. Similarly, with Sungei Choh £172 replaces £144; whilst Telogoredjo has advanced from £129 to £155.

These changes in the market capitalisation per acre have to be visualised in connection with the present position of the Rubber market and the prospects for the current year. The outstanding fact of the moment is the reaction in the price of the raw commodity. During 1919 most rubber companies returned very satisfactory profits. These profits were secured with best crêpe fluctuating in price between 1*s.* 7*d.* and 2*s.* 11*d.* per lb., whilst the price of fine hard Para oscillated between 2*s.* 8*d.* and 2*s.* 5½*d.* per lb. During the current year prices of plantation crêpe opened much more favourably, a level of 2*s.* 10½*d.* per lb. being recorded in January. But thereafterward a steady decline set in, and for July the price varied from 1*s.* 9½*d.* to 2*s.* per lb., with Para at 1*s.* 10*d.* to 1*s.* 11¾*d.* per lb. This week standard crêpe has further reacted to 1*s.* 8*d.* per lb., and Para to 1*s.* 8½*d.* per lb. At present the dominant fact of the situation is the remarkable absence of the American demand. Seeing that in 1919 America took—to quote the figures supplied by Messrs. Rickinson—236,977 tons out of a total of 354,497 tons, it is not difficult to realise the steady decline in the price of the raw material. Furthermore, the anticipated demand from the Continent has not come up to expectations. Internal reconstruction is still largely absorbing all Continental energy, and especially as long as the exchanges continue to fluctuate so wildly any great demand from this quarter is out of the question. It is yet problematical as to how long America can still refrain from purchasing. Admittedly labour troubles have hampered production seriously in that country as elsewhere; but these do not appear to be so marked now as in the first half of the year. Any development in the motor industry must be reflected in an increased demand for rubber, since seventy per cent. of the crude rubber imported into the United States is utilised in the manufacture of automobile tyres. At the same time, it is well to recollect that America was an active purchaser in the early months of the year. According to the Rubber Association of America, imports of rubber into that country for the first seven months of 1920 reached an aggregate of 167,800 tons, as compared with 131,500 tons for the corresponding period of 1919. Consequently the slackness of the American demand is intelligible. However, so long as the nation which consumes over sixty per cent. of the world-production of rubber refuses to enter the market, so long will the price of rubber remain depressed. On the other hand, it is doubtful whether America can postpone her purchases much longer. Most likely she is only awaiting her time to avail herself not only of a low price of the raw material, but also of a favourable exchange brought about by the annual movement of her wheat and cotton crops.

For investors, however, the fact remains that the current year will not, in all probability, result in such large dividends as those declared for 1919. There is no reason for anticipating an all-round decline in the cost of production. The general complaints as to the shortage of labour in the F.M.S.; the loss incurred on the provision of rice accentuated by the action of the Indian Government in doling out the Burmah rice crop, which it has monopolised, at exorbitant prices; the exchange situation, which enhances cost of production and renders it necessary to subsidise native remittances to India—all these factors operate against any great reduction in the "all-in" cost. On the other hand, the average price realised by the sale of the crop will probably be lower except in those cases where the companies have disposed of a large proportion of the crop in advance at more remunerative prices. And the situation is not rendered anything more pleasant by the serious increase in taxation embodied in the recent Finance Act. Instead of the repeal of the iniquitous excess profits duty, companies have to face an increase to sixty per cent. as well as the corporation tax. We have already stated *ad nauseam* that in so far as the rubber industry is concerned it would be difficult to conceive a more inequitable tax. Bearing all these facts in mind, the decline in the market capitalisation per acre should occasion no surprise. With such a complex series of adverse forces at work, the surprise is that the decline has not been more marked. But rubber shareholders have now begun to realise that plantation rubber has become a regular article of commerce; that its uses are no less widespread than that of any other commercial product; and that the industry as a whole has long passed from the purely speculative stage into the arena of steady production and stable values. To-day investors in first-class rubber companies—and there are many such in our list—have the consolation of knowing that their capital and interest are at least as secure as those of the best industrial companies. Herein lies the explanation of the equanimity with which rubber shareholders have watched the rather unfavourable movements in the price of the raw commodity. They are not disturbed by poor results for any one or two years, knowing full well that when more normal conditions have been attained rubber can no longer continue to enjoy the notoriety of being the only important commodity which has fallen in price during the War.

To shareholders in general we would say, "Retain your holdings and, if possible, add to them at current prices." There are a multiplicity of rubber companies which to-day have a market capitalisation of about £100. Such concerns, where the past record does not justify the low quotation of the shares at present, are bound to return considerable dividends as soon as the excess profits duty has disappeared. They may not yield a good return for the current year, but the investor who takes the long view—and this, after all, is the best view to take in the rubber industry—will find that rubber shares will prove a decidedly remunerative investment.

Business conditions in Canada are generally satisfactory, bank clearings for the week ended September 2 being eighteen per cent. in excess of those for the corresponding period last year.

Thirty-eight vessels have now been delivered to the Dominion authorities out of the fleet ordered for the Canadian Government Merchant Marine.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £12,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C.4, & 4 St. James's St., S.W.1.

BRITISH EQUITABLE
Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - - £1,585,000
SUBSCRIBED CAPITAL - - - - - £300,000
PAID-UP CAPITAL - - - - - £65,500
Low Premiums ensure the utmost possible value to Insurers.
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY, MOTOR-CAR, THIRD PARTY, AND PLATE GLASS.
Write for particulars of the New Monthly Premium Policy Without Medical Examination
To the Manager—1, 2 & 3 QUEEN STREET PLACE, LONDON, E.C. 4.

Insurance Notes.

NORTHERN ASSURANCE COMPANY, LIMITED.

The report of this Company for the year ended December 31 last must be considered as highly satisfactory by the shareholders. The authorised capital to that date amounted to £3,500,000, of which £802,470 was paid, there being 300,000 Ordinary shares of £10 with £1 paid on each, and 66,966 Six per cent. Participating Preference shares of £7 10s. each fully paid. The Preference shareholders are entitled to one-fifth of any excess in the dividend paid to Ordinary shareholders beyond certain fixed amounts, [illegible] the dividend which was paid to Ordinary shares for the year 1917. The dividend declared in respect of 1919 per Ordinary share is 16s., less tax, as compared with 12s. for 1918 and 9s. for 1917, and the Preference shareholders thereby became entitled to a further dividend of 6s. 3.224d. per share, less tax, in addition to their fixed dividend.

The [illegible] was of a conservative character, for the amount required to provide dividends on both Ordinary and Preference shares, as will be seen from the following review of the figures, was actually less than the net interest earnings on the funds, excluding the life and cognate funds. Very large profits were made in addition from trading, and these, as well as surplus interest earnings over the amount required for the distribution of the dividend, have been applied in additions to reserves and investment reserve funds, writing down goodwill, and in other strengthening ways. But in view of present circumstances this conservatism in declaration of dividends is to be commended, for a [illegible] still to be provided for, and a substantial sum which is treated as goodwill has still to be written off; while it is [illegible] from the profits from the marine trading, which during the past two years have reached unprecedented dimensions, will not suffer material diminution in the future.

The [illegible] addition to profits as the result of the operations in 1919, seeing that the life surplus (if any) is only computed and dealt with at the time of quinquennial valuations, the last of which was made as at December 31, 1918. On such occasions the shareholders are entitled to any distributable profits which may arise from the working of the [illegible] Life Department. On the other hand, the policyholders [illegible] any surplus or undistributed profits which may accrue from the working of their own particular [illegible] thereof, including commission, being limited to the [illegible] miums. Prior to the War the participating policyholders had on several preceding quinquennial occasions received reversionary bonus additions at the rate of 35s. per cent. per annum, but no general distribution of bonus was made following the last valuation, and whether any will arise from the valuation due at the close of the present year will, of course, depend on the results of an investigation at a time when circumstances as regards prices of securities do not at present seem likely to be favourable.

Although, however, the profit-earning prospects of life offices seem temporarily dimmed, there is no question of the soundness of the position of our great life assurance companies, and the demand for their policies by the public was never so great as it was last year. The Northern reports that it wrote in 1919 the largest new life business ever recorded by it in respect of a single year's operations during its long history, which goes back to 1836. New life policies were issued amounting in the aggregate, after deduction of reassurances, to £1,321,898, exceeding the corresponding figure for 1918 by £744,885. The premiums for the year amounted to £335,606, and the interest receipts (less tax) to £156,529. Claims absorbed £356,105. The sum of £47,659 was received as consideration for new annuities. The funds of the life department, as the result of the year's operations, were increased by £79,378 to £5,140,651. The account dealing with the endowment and capital redemption fund shows a premium income of £11,229 in 1919, and a relative fund of £159,683 at the close of the year.

The fire premium income, increased by £127,582, amounted in [illegible] reserve for unexpired risks at the unusually high standard of fifty per cent. of the premiums (which is also employed in the general, employers' liability, and personal accident departments) the fire trading for 1919 shows a profit of £279,562 (about 13.7 per cent. of the premiums, which must be considered very satisfactory), apart from departmental net interest earnings of £97,176, the transfer to profit and loss account amounting to £376,738.

The general insurance account includes employers' liability business transacted out of the United Kingdom. The premium income in this section (increased by £169,287) amounted to £407,238. The departmental interest earnings in this case amounted to £9,578; but, on the other hand, there was a deficiency of £55,907 in the working of the account, after adjustment of the reserve for unexpired risks, the difference between these two figures, or £46,329, being met by a transfer to the departmental fund from profit and loss.

Employers' liability (within the United Kingdom) premium income, increased by £19,042, amounted to £223,478. Departmental trading profit, £66,214 (29.6 per cent. of the premiums), apart from net interest earnings of £4,982; transfer to profit and loss, £71,196.

Personal accident premiums (increased by £2,534), £29,292; trading profit, £6,792; net interest earnings, £868; transfer to profit and loss, £7,660.

The marine premium income in 1919, though less [illegible] later, however, that this, as well as the other profits of

(£34,672), as well as transfer fees of £51 and recovered bad debts of £172. On the other hand, the following deductions, representing items debited to profit and loss account, have to be made: income tax on profits (£130,496), pensions and allowances (£6,988), and contributions to assurance premiums of staff (£2,871), aggregating £140,355.

The following is a *résumé* of the net profits as derived from all the accounts:—

Department	Profit from trading	Net interest earnings
	£	£
Fire	270,5[illegible]	97,170
General insurance	...	9,578
Employers' liability (U.K.)	...	66,214	4,082
Personal accident	...	6,[illegible]	508
Marine	...	184,[illegible]	121,[illegible]52
Profit and Loss	...	[illegible]23	188
		836,[illegible]	
Less			
Items charged to Profit and Loss	£140,355		
Deficiency on trading on [illegible] insurance	55,907		
		196,262	—
		639,[illegible]88	237,[illegible]39
		£877,027	

The allocation is as follows:—

	£
The amount required for distribution of dividends on Ordinary and Participating Preference stocks	[illegible]
Amount transferred to staff pension fund (hereafter £100,611)	[illegible]
Loss on realisation of investments as shown in Profit and Loss Account	[illegible]
Amount transferred to investment reserve	[illegible]
Amount written off goodwill of acquired companies	[illegible]
Profit and Loss Account, after provision for dividends, as increased by	142,141
	£877,027

The assets, as shown by the balance sheet on December 31, 1919, amounted to £15,960,252. Excluding capital, life and cognate funds, investment reserve fund, and staff pension funds, the free reserves carried forward to 1920, after provision for dividends and outstanding losses and liabilities, appear to be as follows:—

	£
Fire funds	2,4[illegible]
General insurance funds	[illegible]
Employers' liability funds	1[illegible]
Personal accident funds	1[illegible]
Marine funds	2,[illegible]
Balance of Profit and loss Account	514,[illegible]
	6,3[illegible]
Deduct—	
Goodwill of acquired companies remaining outstanding	£ [illegible]
Depreciation on Stock Investments written off to Reserve	514,941
	[illegible]
	[illegible]

This represents about 101 per cent. of the total premium income in 1919 (£5,268,335) in the fire, general, employers' liability, personal accident, and marine departments.

DIVIDENDS ANNOUNCED THIS WEEK.

	Last	1919	1918	1917	1916
COMMERCIAL AND INDUSTRIAL:				p.a.	
Debenture, Irredeem.	6	10	10	10	10
John Barker & Co., Pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
" Ord.	[illegible]	11	9	9	9
City Offices	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Western [illegible]	[illegible]	[illegible]	8	8	8
Ransome & Marles Bearing	10	15	15	—	—
Edinburgh Collieries, Pref.	[illegible]	[illegible]	[illegible]	5	5
" Ord.	[illegible]	[illegible]	[illegible]	17½	17½
Shorrock's Ord. and Def.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
" Pref.	[illegible]	10	12	15	15
Cammell Laird, Pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
" Ord.	[illegible]	10	10	10	10
Nardyke	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pearson & Knowles Coal and Iron	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
" Ord.	[illegible]	[illegible]	10	[illegible]	[illegible]
Palmer's Shipbuilding [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Horsley & Weatherall, Pref.	[illegible]	6	[illegible]	[illegible]	[illegible]
St. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oxford Electric	[illegible]	[illegible]	[illegible]	5	5
BANKS AND ISSURANCE:					
Manchester Bank	[illegible]	15	[illegible]	[illegible]	[illegible]
Clearing Banks [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Northern Banking Co., "A"	[illegible]	[illegible]	[illegible]	15	15
" "B"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OIL:					
Pan American Petroleum, "A"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
" "B"	[illegible]	10	[illegible]	[illegible]	[illegible]
RAILS:					
Minneapolis, St. Paul, Pref. and [illegible]	[illegible]	7	7	7	7
[illegible]	[illegible]	6	5	5	5

[illegible] free [illegible] [illegible] [illegible]

The broad facts of the case are that at the end of June last the Government owned nearly 3,000,000 bales of Australasian wools, including over 1,100,000 bales of merino; that the whole of the sale facilities are, by Government instructions, concentrated in London, with subsidiary sales in Liverpool, Hull, Antwerp, Ghent; and that in October the first supplies of the new clip begin in Australia at a time when a surplus, equivalent in quantity to a year's consumption of Australia and New Zealand together, remains unsold in the stocks of the Imperial Government. In such circumstances it is difficult to see any possibility except that of an early decline in all classes of material, except perhaps the soundest clips of fine qualities, and the price of even these must bear some relation, however remote, to the values ruling for other classes. The fall may be checked for a time by the reluctance of the Colonial farmers to accept lower prices than those secured in London this year, but the real economic level of the materials must be reached at no very distant date. In face of these facts we fail to see how the recent advances can be attributed to anything except the selling policy of the Ministry of Munitions, which has been adversely criticised in these columns on many occasions.

We have written strongly on this subject to show how regrettable is this temporary and artificial rise in prices from many points of view. The trade as a whole was doing its best to adjust itself to the new conditions, and there were evident signs that the process was being carried through with some measure of success. Had this increase been avoided there was every prospect of the final steps on the road to normal trading conditions being taken without those violent fluctuations of prices which are so disturbing to legitimate trade. The recovery in values, slight though it is, has led some few spinners and manufacturers to hope for a new period of big profits, and some timid merchants and clothiers are being tempted to buy through a feeling of uncertainty as to future levels. If these future levels prove to be as we expect a smaller epidemic of cancelling contracts will be possible, and the more trading conditions give even the faintest grounds for such reprehensible practices the more opportunity there is afforded for them to become accepted as a factor in our commercial life with less opposition than hitherto. The action of Chambers of Commerce and trade federations has not succeeded in checking this evil, because of the difficult position in which a seller is placed in bringing cases of cancellation before such bodies. The best way of curing the disease is the avoidance for some considerable time of the unhealthy conditions which first produced it.

This cancellation of contracts continues to cause great dislocation in many, if not all, parts of the industry. In the heavy woollen trade many firms have reduced their normal working hours, and in some cases the night shifts have been stopped entirely. Short-time working is very common also in the hosiery trade, and a large number of firms in other sections are only keeping running on old contracts, and as these come to an end the maintenance of full time will be impossible unless new orders are forthcoming in the interval. The outlook in several directions is so uncertain, and the level of prices so high, that making to stock to any extent is quite out of the question. Unemployment or under-employment will doubtless increase during the next few weeks, but it is likely that the industry as a whole will be able to struggle through until the new values of wool are fixed in Australia and trade in general acquires a more healthy tone.

During July 12,200 people immigrated into Canada through ocean ports, and 43,000 came from the United States, the total immigration for the month being 5,400 more than that for July 1919.

BRITISH & ALLIED INVESTMENTS CORPN., LTD.

3 and 4 Lothbury, London, E.C. 2.

DIRECTORS:

The Rt. Hon. the Earl of Harrowby, D.L., J.P., Chairman.
Col. H. F. Bowles, M.P. Comte Jacques de Breteuil.
Sir George Younger, Bart., M.P. Sir Ernest Jardine, Bart., J.P.
H. E. Carter (Managing).

The Corporation undertakes the provision of Capital for sound and progressive established British Industries, Foreign and Colonial Municipalities, Transport, Electric Lighting, Harbour, Dock and other Companies.

Industrial Companies.

BRITISH INSULATED AND HELSBY CABLES.

§Issued Capital: £1,500,000, in 500,000 6% Cumulative Pref. Shares and 1,000,000 Ord. Shares of £1 each.
Debentures: £500,000 4½ First and £200,000 5 Second Debentures.

Year	Gross Profit	Div. preen.	Deb. Int. Pref. Div.	Ord. Div.	Re-serves	Carry-forward	Stocks	Surplus Liquid Assets
	£	£	£	%	£	£	£	£
1914	272,103	25,000	62,500	7½	82,500	119,380	504,107	1,096,478
1915	289,217	35,000	62,500	17½	65,000	160,097	705,411	982,10-
1916	294,551	45,000	62,500	100	20	83,503	163,648	761,384	951,741
1917	357,144	55,000	62,500	125	15	105,500	84,752	698,347	1,114,769
1918	282,000	25,000	62,500	125	124	100,000	99,292	900,809	975,166
1919	321,623§	50,000	62,500	150	150	15	55,000	103,316	1,109,986	739,688

* on doubled Ordinary share capital.
† Including provision for Debenture redemption.
‡ Including investments in and loans to subsidiary and controlled companies but excluding stocks.
§ After providing for excess profits duty, and all general outgoings.

DESPITE the difficulties involved in the transition from war to peace conditions, the trading results of this important Lancashire Company for the year ended December 31, 1919, were quite in keeping with the high returns which have characterised its activities for many years. The profit, after providing for excess profits duty and all general charges, except depreciation and Debenture interest, amounted to £321,523, a result which, with the exception of 1917, is a record in the history of the Company, and compares very favourably with the profit of £282,000 in 1918. In addition, it is to be noted that the estimated liability for excess profits tax is deducted before arriving at last year's figure, whereas no such deduction was made in previous years. The Company has allocated £50,000 for depreciation, as compared with half that amount in 1918, and Debenture interest and Preference dividend absorb the usual sum of £62,500. The general reserve has been further strengthened by £50,000, and now stands at £200,000, whilst the First Mortgage Debenture stock redemption account is increased by £5,000 to £90,000. The dividend for the year, with a two and a-half per cent. bonus, amounts to fifteen per cent., as compared with twelve and a-half per cent. in 1918 and twenty-five per cent. in 1917. It must, however, be remembered that by capitalising £500,000 from the reserve in 1918 the Ordinary capital was doubled, and that last year's dividend is therefore equivalent to thirty per cent. on the capital existing at the end of 1917. The carry-forward has been increased to £103,316.

In the balance sheet sundry creditors, at £1,025,504, as against £240,722 [illegible] 1918, which is largely explained by increased cost of materials and a largely increased turnover. The fixed assets, after writing off £50,000 depreciation, still [illegible] including work in progress, have increased by nearly £200,000 [illegible] £1,500,000 [illegible] £1,000,000 [illegible] by £175,000 [illegible] to £65,787, while bills receivable are greater by nearly

£18,700. It is apparent from the alterations in the size of the different items that fixed assets and stocks represent a greater proportion of the total assets, but this does not imply any weakness in the financial position of the Company, as, even excluding stocks, liquid assets still exceed current liabilities by nearly £739,700.

The concern has large investments in associated and subsidiary Companies, and has a contingent liability in the guarantee of £400,000 Five per Cent. Debenture stock and interest of the Midland Electric Corporation for Power Distribution, Limited, guaranteeing also the dividend on £200,000 Six per Cent. Preference shares of the Automatic Telephone Company. The liability on the first-named would, however, appear to be purely nominal.

The Company's prospects for the current year, in view of the strong demand for its manufactures, would seem to assure the maintenance of last year's satisfactory dividend. At the annual meeting in May last the Chairman stated that the Company had been subjected throughout the year to a constant pressure to deliver more than could be manufactured, and that the pressure still continued. The financial strength of the concern places it in a position to extend considerably its means of production in response to this healthy trade demand, although the present labour unrest, combined with heavy taxation, naturally tends to restrict the normal expansion of any enterprise.

In May last the capital of the Company was increased from £1,500,000 to £2,000,000 by the creation of 500,000 new shares of £1 each, but the directors intimated that there was no intention of an immediate issue.

The prices and yields of the different shares are set out below, the return on the Ordinary shares being calculated on the basis of last year's dividend of fifteen per cent:—

		4½% 1st Mort. Deb. Stock	5% 2nd Mort. Deb. Stock	6% Cum. Pref.	Ordinary
Price	...	90½	89¾	16⅞	33
Yield	...	5%	5.6%	7.5%	9%

THE UNITED STEEL COMPANIES, LIMITED.

For period to	Trading Profit*	Expenses and Income Tax	Debenture Int., &c.	Pref. Dividend 6%	Ord. Dividend Ord. Stock	Carried Forward
	£	£	£	£	£	£
June 30, '19	1,164,585	48,133	209,820	41,822	10	64,674
12 Mos. '19						
June 30, '20	930,520	129,494†	146,853	27,831	10	104,872

* After providing for repairs, depreciation, &c.
† Including £91,487 written off.

The report of this important Company for the year ended June 30, 1920, gives an interesting sidelight into the widespread tendency towards the amalgamation of interests in the iron and steel industries. The United Steel Companies, Limited, which was formed early in 1918 by the amalgamation of the Workington Iron, Steel Peech and Tozer, Rother Vale Collieries, Samuel Fox, and Frodingham Iron interests, has since absorbed the Appleby Iron Company, Beckermet Mining and Distington Hematite Iron Company, and is now completing arrangements for the control of Doncaster and Sons, the Martino Steel and Metal Company, and Thomas Smith's Stamping Works. In effecting the original fusion the United Steel Companies, Limited, was created as a "holding Company" to facilitate absorption on the basis of an exchange of shares. Legal formalities and complicated mineral leases have, however, delayed the complete unification into a single organisation, and the combine is therefore still a "holding Company." Accordingly, the information in the accounts for the year ended June 30 last is rather incomplete, and the actual position regarding the profits is still further clouded by the fact that the liability for excess profits duty has not yet been definitely settled for any one period. However, in the opinion of the directors the provision made before arriving at the balance of profits has been so liberal as to preclude the possibility of taxation levies exceeding the amount laid aside.

The trading profit for the year amounted to £930,520, which, to quote the Chairman, represented the balance of profit "after large reserves had been set aside for every necessity of the Company as far as the directors could foresee, and adequate provision made for excess profits duty and other imposts." The profits are of course represented by the dividends on the shares held by the holding Company in its subsidiaries, and the revenue is therefore substantially the profits of those component companies. The profit shown in the balance sheet on June 30, 1919, amounted to £1,164,585, or £234,065 greater than the profit for the year under review, but this is explained by the fact that the previous period covered over fifteen months' trading.

The balance brought forward from last year after payment of final dividends amounted to £64,674, which, added to this year's profit, leaves a disposable balance of £995,195. Of this sum current expenses and income tax absorb £38,007, Debenture and obligation interest £146,853, as compared with £209,820 last year, and reserve for sinking fund £27,881, as against £41,822 previously. In addition, formation expenses amounting to £91,487 are written off. This satisfactory step wipes out that fictitious asset in the balance sheet. A ten per cent. Ordinary dividend for the year, together with a six per cent. Preference dividend, absorbs £586,092 (of which £292,681 has been already paid as interim distribution), leaving £104,873 to be carried forward to next year's accounts. The issued share capital increased during the financial year by £666 to £8,910,200, but the Debenture capital was reduced by £12,620 to £2,473,048, whilst "obligations" at £1,024,720 remain the same. The capital reserve at £200,000 is unchanged, but the reserve for redemption of Debenture stock has been increased from £42,302 to £72,466. Under creditors there is an item of £2,105,000 for advances by associated companies. This item did not appear in the previous year's balance sheet, but it indicates progress in the direction of co-ordination of surplus resources between the component undertakings. In the statement of assets the other side of the transaction is shown by the jump in advances to associated companies from £2,367,236 to £4,794,401, or an increase of nearly £2,427,165. Investments (at cost) in associated concerns and other allied interests have grown by nearly £69,000 to the huge total of £10,169,232. There appear for the first time freehold land and houses of the Company valued at £6,989. To the credit of "Trustees for Debenture-holders" there is £58,526, which exceeds last year's figure by £30,165. Practically all this sum is invested in War Loan securities. The cash balance at £164,790 is down by over £253,500.

It is to be noted that the balance sheet does not contain the value of the fixed assets in the various amalgamated companies, or any particulars of their liabilities. The auditors accordingly qualify their report dated August 6, 1920, as follows: "The Company has entered into possession of, and is carrying on, the business of several of the associated companies which are in process of liquidation, and, except the amounts included under the headings of Investments and Advances to or by Associated Companies, nothing is included in the balance sheet in respect of the assets and liabilities of these companies." Before next year's balance sheet is presented it is likely that all transfers will be sufficiently completed to permit of an entirely different basis of accounting.

The Chairman, in his report on the year's trading, showed that concurrently with the absorption of new undertakings considerable extensions and improvements had been made in the working of the various amalgamated properties. The most up-to-date plant and machinery were installed in the works, and new mills and blast-furnaces were put down. Unified interests enabled the Company to direct production

upon the most efficient lines by the [illegible] of processes and the co[illegible]. Considerable progress has been made towards the ideal of complete integration by ensuring that all processes of production, from the extraction of the raw material to the sale of the semi-finished product, are concentrated under the same control. Extensive iron mines and collieries have been acquired, and, latterly, arrangements have been made to ensure greater transport facilities and a ready market. It is of interest to note that the Company holds the greater part of the Ordinary stock of the [illegible] Railway, and that extensive arrangements have been made for the improvement of the Workington Dock.

Further important developments can be anticipated from the [illegible] Steel Companies, and although the shareholders of the component firms cannot yet consider the dividends as being exceptionally good, it is at least clear that the progress of the various development schemes has been so far very satisfactory.

In consequence of the proposed absorption of Daniel Doncaster and Sons, Limited, the Martino Steel and Metal Company, Limited, and the interest in Thomas Smith's Stamping Works, the capital of the Company was increased last month to £9,343,915 by the creation of 413,915 additional Ordinary shares of £1 each, such shares to rank for dividend and in all other respects with the existing Ordinary shares of the Company. By the exchange of these shares control in the above concerns will be obtained. The prices and yields of the existing shares are given below:—

Ordinary Shares ...	£1	18½	10·5
6% Cum. Pref.	£1	13/-	7·3
6% "A" Debentures	£100	£54	7·0
6% "B" Debentures	£100	£84	7·4
6% "C" Debentures	£100	£84	7·1

YORK STREET FLAX SPINNING COMPANY, LTD.

Issued Capital: £1,030,000 in 25,000 6% Cum. Pref. Shares of £10 each, 300,000 7% Second Cum. Pref. Shares of £1 each, and 24,000 Ord. Shares of £25 each.

Debenture Stock: £250,000 4½%.

Year to June 30	Profits (a)	Pref. Div.	Ord. Div.	Debenture Interest	Reserve (b)	Surplus
	£	£	£	£	£	£
1916	81,253	20,550	24,000	11,250	3,500	669,184
1917	88,949	20,550	24,000	11,250	29,500	540,183
1918	102,150	20,550	24,000	11,250	31,668	560,915
1919	137,029	20,550	24,000	11,250	30,000	956,196
1920	182,755	42,900	24,000	11,250	39,081	1,996,856

(a) After charging [illegible] (b) Free of income tax.

As one of the largest and oldest concerns engaged in the linen trade of the North of Ireland the accounts of this Company are vested with a more than ordinary degree of importance. Interest will still further be stimulated by the vicissitudes of the linen industry during recent years owing to the difficulty experienced in obtaining flax from Russia, which was formerly the principal source of supply. That this difficulty was not, on the whole, unsuccessfully surmounted is revealed by the steady annual increase in profits, arrived at after making due allowance for excess profits duty and bad debts, since 1916. For some time after the Armistice the industry was still busy in fulfilling war contracts for aeroplane linen, and consequently, as a test of the real post-War position, it is satisfactory to observe that the expansion in profits between 1919 and 1920 was greater than that revealed by any two of the preceding years. Profits show an increase of £45,676, or thirty-three per cent., between 1920 and 1919, as compared with £20,620, or twenty-one per cent., between 1919 and 1918.

By resolution of December 28 there were offered to the public 300,000 Seven per Cent. Second Preference shares of £1 each, and 12,000 Ordinary shares of £25 each were issued to the shareholders at a premium of £5 per share. All calls on the issues, which were taken up in full, have now been paid, and the management's belief in the soundness of the business was supported by the ready subscriptions to the Ordinary shares, notwithstanding the heavy nature of the premium. Specific mention must be made of flax in this connection, as the limited supply and the great demand for qualities other than Irish, which was, of course, controlled as to price, compelled the maintenance of adequate funds to take full advantage of the "turn" of the market.

Compared with the previous year there is a very marked increase in respect of various liabilities. Thus bills payable increased by £222,120, open accounts by £351,091, and bankers' and other loans by £127,415. A reflection of these items is, however, seen in the enhanced value of stocks on the other side of the balance sheet, to which we shall allude later. The comparative decline in the liquid assets shows that it was necessary to appeal to the public for capital, instead of relying still further on banking and other accommodation for the financing of stock purchases.

The increased distributions for Debenture interest and Preference dividend in 1920 are accounted for by the increase in the latter class of capital. A similar remark applies to Ordinary shares, the rate of dividend on which remains at eight per cent., free of income tax, a figure maintained since 1915. The substantial allotment of £100,000 in 1920 to reserve includes the premium of £60,000 received from this year's issue of Ordinary shares. The reserve fund, with the new appropriations, will now stand at £300,000, while the amount written off to capital reserve as an allowance for depreciation will figure at £540,000.

A striking feature of the balance sheet of 1920 is the jump in the value of flax, yarn, cloth, and stores on hand. At £1,996,856 the increase on 1919 is no less than £1,040,660, or 108 per cent. This seems to indicate that the directors place little hope on the prospect of any marked augmentation of supplies from Russia, and are firm believers in the policy of laying in as large stocks as possible. The fact that the acreage under flax in Ireland this year is now believed not to have undergone any great extension is also, in all probability, a factor of some weight. Activity in the Linen market has been somewhat restrained for some time past, but in favour of the clearance of these stocks is the well-known world-wide shortage of linen goods. A demand from the United States should not be long in making its influence felt, as Belfast manufacturers are now preparing to send agents there. The decision of spinners to fix a minimum sale price for yarns should lend considerable stability to the market, as its effectiveness will be guaranteed by the fact that Scottish, French, and Belgian spinners have also approved of the step. The Company, it might be mentioned, is more of a self-contained unit than its name implies, and, in addition to spinning, it also undertakes weaving, bleaching, and [illegible].

The prices and yields of the various classes of share capital are shown below:—

[illegible]	[illegible]	[illegible]	[illegible]
7% Second Cum. Pref. ...	£1	1/-	7·0
[illegible]	£1	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

HARRISONS & CROSFIELD, LIMITED.

ISSUED CAPITAL £1,887,280

Agents and Secretaries for Tea and Rubber Estates.
General Exporters and Importers.
Shipping, Banking and Insurance Agents.

1-4 GREAT TOWER STREET, LONDON, E.C. 3,
With BRANCHES and Affiliated Companies throughout the East and elsewhere

THE SHEFFIELD FORGE AND ROLLING MILLS COMPANY, LIMITED.

Year to June 30	Net Profits	Reserve Fund	Special Allocation	Dividend	Carried to Inc. Stock	Surplus of Liquid Assets over Current Liabilities.
	£	£	£	£	£	£
1917	25,471	10,000	—	15,000	16,716	56,164
1918	29,197	15,000	8,000	15,000	20,564	82,925
1919	46,643	10,000	15,000	15,000	192,088	98,190
1920	34,691	5,000	4,000	18,750	256,036	113,024

After providing for excess profits duty and depreciation.
§ Free of tax.

The report of this Company for the year ended June 30, 1920, shows that a net profit was obtained of £34,691, after making provision for taxation and depreciation. Although this result is below that for each of the two previous years, it cannot be considered unsatisfactory in view of the serious effects on the iron and steel industry produced by the railway and the moulders' strikes of last year, this Company's works being, in fact, entirely closed down for over four weeks. Out of the profits for the year the Company has allocated £5,000 to the reserve and £4,000 to the special renewals and extensions fund, as against double the allocations to each of these reserves in 1919, while an appropriation of £4,790 has been made for the first time for loss on realisation of War Loan. Despite the reduced profits an increased dividend has been declared of twelve and a-half per cent., free of tax, as compared with ten per cent. for each of the two previous years. It may be remarked that the fall in the rate of dividend from fifteen per cent. since 1917 resulted from the capitalisation of £50,000 from the reserve in 1918, and the dividend for the year under review is, therefore, actually equivalent to nearly nineteen per cent. on the previous capital basis. Furthermore, a dividend of twelve and a-half per cent., free of tax, is equivalent to a rate of nearly eighteen per cent. subject to tax. As the carry-forward to next accounts is £8,006, as compared with £5,915 brought in from 1919, it is obvious that the increased dividend could only be paid by considerably reducing the year's allocations to reserves.

The balance sheet shows an increase of £59,598 to £237,286 in sundry creditors (including taxation reserves). The reserve fund now stands at £30,000 and the special renewals and extensions fund at £20,000. The fixed assets at £104,983 are £3,742 less than the previous year's estimate, from which, however, depreciation had not been deducted, although it had been provided for in ascertaining the available profit. Therefore, in arriving at the estimated value for June 30, 1920, two years' depreciation has been written off, resulting in the net reduction stated. Sundry stocks have increased by £41,109 to £185,771. The rather unusual practice has been adopted of showing debtors and cash as one figure, which, at £161,788, exceeds the combined figures for the previous year by £63,072. It is a common feature of industrial companies in these days to reveal a growing extension of fixed assets. Consequently, any decline in the surplus of liquid assets cannot necessarily be regarded as unsatisfactory. In like manner, with an expansion in trade a growth in the total of trade debtors is to be expected. Nothing can, therefore, be gained by deliberately refusing to disclose the extent to which the total of liquid assets is comprised of sundry debtors. We strongly suggest that in the future balance sheets the present undesirable practice should be discontinued, and the policy of showing sundry debtors and cash separately, as in the 1918-19 accounts, should be followed. Investments at £21,500 show a reduction of over fifty per cent. Current liabilities, including the dividend of £18,750, have increased by £63,348 to £256,036, but there is, nevertheless, a surplus of liquid assets of over £113,000, as compared with £98,190 in 1919. The capital of the Company is £150,000 in fully-paid Ordinary shares of £1 each, which, at their present price of 50s. 3*d*., yield nearly five per cent free of tax, or eight and a-half per cent. subject to tax, on the basis of a dividend of twelve and a-half per cent., free of tax.

New Issues.

5 15 YEAR TREASURY BONDS.

These bonds, which are still on offer at £100 per cent., payable on application, are repayable at par on May 1, 1935, or on May 1 of any one of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid half-yearly on May 1 and November 1, at a minimum rate of five per cent. per annum, may be further increased during the period ended May 1, 1925, as follows: If in any half-year ended May 1 or November 1 the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a-half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year; if the aforesaid rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. Allotments may be obtained in Registered form, or in Bonds to Bearer.

LONDON HOUSING BONDS.

These bonds, available in amounts of £5 each and multiples thereof, bear interest at the rate of six per cent. (payable on September 30 and March 31), and are redeemable at par on the expiration of five, ten, or fifteen years. They are secured upon all the property and revenues of the L.C.C. and the rates of the Council outside London. Payment may be made in instalments for Bonds to the value of £20 or multiples thereof. Transfers executed free of expense. Each borough has a lien on money subscribed within its boundaries; and individuals may tender bonds at face value in purchase of dwellings erected by a local authority under the Housing Acts. Income tax is not deducted when holdings do not exceed £100.

EOW SENG RUBBER.

The above Company offer for subscription 57,500 shares of £1, at a premium of 7*s*. 6*d*. per share, existing shareholders to receive preferential allotment. The issued capital will thus be raised from £34,500 to the authorised maximum of £100,000. The proceeds of the present issue will be devoted to the purchase and development of the Paya Besar estate, bordering on the Eow Seng property. The acquired area is 876 acres, of which 726 acres consist of rubber and sixty-one of coconut plantations. For the combined estates the capitalisation per planted acre will be approximately £73, which is not a high figure. From 1915 to 1919 the Company paid an average dividend of twenty-four and a-half per cent. despite war-time crop restrictions. The yields of the new estate bid fair to exceed those of the present holding. As it is well within workable distance of the Eow Seng estate, both can be controlled by the same administrative staff. With increased output, then, all-in costs should be substantially reduced. There are probabilities of a dividend of ten per cent. for 1921, of fifteen per cent. for 1922, and of a minimum of twenty per cent. thereafter. Allowing for the premium, the yield after 1923 should be over fourteen and a-half per cent. The Company is well managed, and for those who look to future values we consider the investment an attractive one. The moderateness of the premium is demonstrated by the fact that the present market value of the £1 shares is 50*s*.

Guardian Assurance Company, Limited. At an extraordinary general meeting to be held on the 14th inst., a proposal will be put forward to add to the existing capital of the Company by the creation of 50,000 new shares of 10*s*. each. These are to be called "Staff shares," and will be reserved for the benefit of employees, being distributed at the discretion of the Board. While these shares will confer no voting power and no right of attendance at meetings, they are to rank as regards dividends *pari passu* with existing Ordinary shares, and in the event of the winding-up of the Company they will be entitled to participate in the surplus assets available for distribution among the proprietors of the Ordinary shares, to the extent of the amount paid up *plus* ten per cent. of such amount, but shall not further participate in surplus assets.

MEETINGS
OF PUBLIC COMPANIES.

BANK OF NEW ZEALAND.

The ordinary general meeting of the shareholders of the Bank of New Zealand was held on Friday, June 11 last at the head office, Wellington. Mr. H. Brandon, Chairman of directors, presided.

With the consent of the meeting the report of the directors and the balance sheet were taken as read.

The Chairman, in moving that the report and balance sheet of the report and balance sheet are in your hands, and I will now remark upon the various items where fluctuations in the figures seem to call for any comment from me.

Capital.—£2,627,441. Increase, £347,455.

This increase represents the amount paid up by shareholders in advance of due date in respect of the call made on January 9 last on the Ordinary shares Nos. 1 to 150,000 inclusive, the circumstances and conditions of which were mentioned at our meeting on December 12 last. It will be seen that a large number of shareholders availed themselves of the option allowed them of paying up the amount of the call before the due date (April 1) under rebate at five per cent. per annum, the whole call, with the exception of £152,546 13*s.* 4*d.*, having been received at the balance date. I may mention that of that amount only £44,261 remained unpaid at 2nd instant.

Our issued Ordinary capital is now £1,500,000, and the above-mentioned reserve fund at that date stood at £1,455,739.

Reserve Fund.—£2,350,000. Increase, £150,000.

This increase is the amount added to the reserve from the profits of the year ended March 31, 1919. As will be seen by the report in your hands, we now propose to pass the reserve fund by another £150,000, making the total £2,500,000.

Notes in Circulation.—£5,760,535. Increase, £2,037,088.

The greater part of this increase is represented by notes not "circulating" at all in the sense of being in the hands of the public. They are notes of ours in the hands of other New Zealand banks, paid to them in settlement of exchanges. During the period of the commandeer the transfers of Government moneys in payment of produce have passed through us as the Government's bankers, and large amounts have, as a consequence, occasionally to be paid over in settlement. Adjustments are made with other banks at short intervals by paying in London in redemption of notes issued to other banks in the Dominion. Sometimes, particularly when a local war loan has been raised, the balance has been turned in *our* favour and we have been holders of other bank settlement notes, but at present the balance is against us, hence the large increase shown.

I mention the matter in order to guard against any misapprehension arising in regard to undue inflation of the New Zealand currency. I do not think there has been any such inflation here. Such increase as has taken place since 1914 in the volume of notes actually in circulation is, I think, due principally to the fact that gold which people used to carry about or keep by them, has found its way into the banks and has been replaced by Bank notes.

I would point out that the gold actually held by the banks in New Zealand is sufficient to cover all such notes actually in circulation. The New Zealand note currency, therefore, is on an unexceptionable basis, being fully represented by gold on hand; and while it may at present be slightly redundant, it cannot, while that position continues, be regarded as inflated. Magnitude does not necessarily imply inflation.

Deposits.—£37,661,610. Increase, £5,945,258.

This increase reflects the prosperous condition of the country, and will be more fully dealt with at a later stage of my remarks.

Bills Payable and Other Liabilities.—£3,717,750. Increase, £847,915.

An ordinary fluctuation which calls for no special remark.

Reserve for Taxes.—£340,000.

A new item in the balance sheet, although not entirely a new provision, since in view of the very heavy liability to which the Bank is subject for taxation it had been deemed prudent to accumulate a reserve against it. This reserve is sufficient to cover the estimated liability for one year in respect of income tax, and it has been decided to show it as a separate item in the balance sheet.

While referring to this subject, I might mention, as a matter of interest to shareholders, that the Bank paid the following amounts during last year for rates and taxes:

Income tax	£285,382
Land tax	77,[illegible]
Tax on note circulation	12,[illegible]74
Rates	7,[illegible]01
Total	£[illegible]

Turning now to the assets side of the balance sheet we find:

Cash on Hand and Balances with Other Banks.—£[illegible]. Increase, £[illegible].

Tender Notes, Bullion.—Total, £8,772,285. Increase, £2,052,520.

This increase represents a large expansion. Legal-tender notes and bullion a moderate reduction—leaving the net increase as above.

Money at Short Call and Bills Rediscounted in London.—£20,283,642. Increase, £6,465,587.

This increase represents roughly the growth that has taken place during the year in the Colonial deposits. As explained in my address a year ago, these funds are held in gilt-edged securities, readily realisable at any time.

In ordinary times our exchange operations with Britain and those with foreign countries which have to be settled in London approximately balance one another. Taking the transactions of a whole year, there is no very great difference between the amounts which we receive in London and those which we pay out there. During the last few years, and especially during the year which has just closed, the value of our exports which have been paid for in London has very greatly exceeded the cost of imports and other payments which have been made there. The tendency has, therefore, been towards the accumulation of funds in London, and this is the explanation of our now holding so large an amount at that point.

In accordance with our usual custom, provision has been made for the writing down of all our London investments to a figure at which they are readily realisable.

Owing to the increased value of money in London, the funds we have employed there have been yielding a very satisfactory return.

Investments in the Dominion.—£5,824,764. Increase, £548,602.

This increase is occasioned by the Bank's subscription to the last New Zealand Government Victory Loan.

The assets included under this and the two previous headings—Coin, &c., and Money at Short Call, &c.—are equal to 69.75 per cent., or roughly 13*s.* 11*d.* in the £, of the Bank's liabilities to the public.

Commonwealth and Indian Government Securities.—£239,317. Increase, £105,001.

The increase represents further investments made in the loans of the respective Governments.

Advances.

Bills discounted	£1,502,233	Increase	£26,485
Advances	17,929,615	Do.	539,828
	£19,431,848		£566,311

This increase is comparatively small. The circumstances which have contributed to make it so moderate will be referred to at a later stage of my address.

Profit and Loss Accounts.

Landed Property and Premises.—£[illegible]. Increase, £38,759.

The sum of £50,000 has again been appropriated from profits in reduction of this account. It is this appropriation that causes the decrease shown. The usual outlay in respect of repairs, improvements, &c., is of course continually going on.

Shareholders who have travelled throughout New Zealand and have seen a good many of our offices will understand that the amount at which the Bank's properties stand in our books and in the balance sheet is a very low figure compared with their actual value. The writings-down for a considerable number of years have been on a very liberal scale, and I think it probable that for some time to come it may not be considered necessary to make further appropriations for this purpose.

Some figures were recently published in one of the Banking journals stating the proportion which the item "Banking Premises" [illegible] considerable number of banks throughout the Empire. These figures show that in the case of twenty-two banks in the United Kingdom the bank premises represented 20.93 per [illegible] Australasian banks [illegible] reserves represented by this item.

Comparison with these figures will show that the seven per cent. of this Bank's own resources which are thus represented [illegible] Premises and Investments.—£[illegible]. Increase, £[illegible].

This is after paying interest on the Guaranteed stock, making the usual grant to the officers' provident fund, and also providing for a special grant to that fund of £100,000, paying bonuses to the staff, writing £50,000 off premises and furniture account, and making all the necessary provision for bad and doubtful debts and also for depreciation in the value of other assets.

The amount brought forward from last year was £146,224, making a total of £460,270 now to be dealt with after providing for the £105,000 disbursed in the six per cent. dividend of December last.

It is now proposed to pay a further dividend of seven and a-half per cent. and a bonus of four per cent. on the Ordinary and "B" Preference shares (making, with the December dividend already paid, seventeen and a-half per cent for the year), and a further four per cent. on the "A" Preference shares (making ten per cent. for the year).

This will make the total dividend and bonus for the year £268,750. Of the balance remaining, £296,520, we propose to place £150,000 to credit of the reserve fund, and to carry forward the residue, £146,520, to the next account.

Dividend.—In view of the increase in the amount available for distribution, after making ample provision for all contingencies, the directors have felt justified in proposing a small increase in the rates of dividend and bonus on "B" Preference and Ordinary shares. It is therefore recommended in the report now submitted to you that the total distribution for the year upon these shares shall be seventeen and a-half per cent., instead of the fifteen per cent. which has been paid for the last nine years upon the Ordinary shares and upon the "B" shares since they were created in 1914.

Aggregate Assets.—Before passing from my review of the balance-sheet figures I desire to direct your attention to the fact that our aggregate assets are now nearly £53,000,000, the increase during the year having amounted to £9,699,259.

Board of Directors and Staff.

The members of the board appointed by the Government whose term of office expired on March 31 last were Messrs. William Reece and David J. Nathan.

It is with great regret that we have to record Mr. Nathan's sudden death on March 20. He had been a member of the board for three terms of two years each. His wide experience and business knowledge made him a most useful director, and his valuable counsel was always made freely available to his colleagues in their deliberations.

The vacancy caused by Mr. Nathan's death has been filled by the Government appointing Mr. George Elliot, of Auckland, who is widely known in business circles, a director of the Bank. Mr. Elliot is with us to-day, and I have pleasure, on my own and your behalf, in extending to him a cordial welcome. Our old colleague, Mr. William Reece, has, I am pleased to say, been reappointed a director. These appointments are for a term of two years from March 31 last.

We again place on record our high appreciation of the care and attention devoted by the London board to the Bank's business there. The *personnel* of that board remains unaltered.

Mr. William Callender, to whose retirement, after a service of fifty years, reference was made at our last meeting, relinquished his duties on January 31 last, and Mr. Henry Buckleton assumed the position of General Manager on February 1.

Staff.—When we met you last year I referred at some length to the relations between the Bank and its staff, and informed you that during recent years the scale of our officers' pay had been considerably improved, and that, to meet the exceptional circumstances of the times, substantial bonuses were being paid to all our staff, a difference being made in favour of married men and others with dependants.

As the cost of living showed no sign of coming back to what we have been in the habit of regarding as normal figures, the board decided some time afterwards to have a complete review and revision of all salaries. The pay of every male member of the staff came under consideration, and the salaries of all were materially increased, the increases granted to the men who were drawing the smaller salaries being greater in proportion than those given to the more highly paid members of the staff.

These alterations in the scale of pay resulted in a large annual addition to our charges. Substantial as this amount was, the board have felt that, in view of the steadily rising cost of the principal necessaries of life, it could not be regarded as final, and a further review of the position has now been undertaken.

As far as the younger male members of the staff are concerned, this has just been completed and has resulted in a very substantial increase of pay being granted to all the less highly paid of these young men. It will doubtless be of interest to you if I quote the scale which we have just adopted for the payment of our young men during the first ten years of their service—a scale which is not rigidly adhered to, but is subject to increase in cases of exceptional merit. It is as follows:—

	£
First year	85
Second year	100
Third year	120
Fourth year	145
Fifth year	170
Sixth year	210
Seventh year	225
Eighth year	240
Ninth year	255
Tenth year	270

It will be seen that a youth who joins our service, as is usual, at the age of sixteen, may expect to be drawing a salary of at least £210 when he reaches the age of twenty-one.

I may add that, out of last year's profits, we have paid a bonus of fifteen per cent. to married members of the staff drawing £400 a year or less, and ten per cent. to all other officers. As this bonus was based upon the revised salary list adopted in October 1919, it amounted to a considerably larger sum than similar bonuses in the past.

While treating thus liberally all the members of the Bank's staff, it is the constant desire of the board and of the executive to discover those in the Bank's employ who possess special qualifications, and I feel no hesitation in saying that there never was a time when the Bank's service afforded greater opportunities than now for young men of more than average ability who endeavour to qualify themselves for the more important positions.

In fulfilment of a suggestion which I made a year ago, the board have now arranged to make to the provident fund, in addition to the usual annual grant, a special grant of £100,000 out of the profits of the past year. This is by far the largest amount which the Bank has ever contributed to the fund which provides pensions for the staff, and it has enabled the scale of pensions to be very materially increased, so that an officer who has served the Bank for forty years or more will receive an annual pension of seventy-five per cent. of the average salary paid to him during the last twenty-five years of his service, instead of seventy-five per cent. of the average of forty years. The minimum pension for those who have completed a full period of service is being increased from £175 to £200, and the maximum pension to

It has afforded the board great pleasure to be able, on the shareholders' behalf, to provide for this material improvement being made in the provision for the old age or disability of those who have served the Bank during the years of their working life. Your cordial approval is confidently anticipated.

As the increased scale of pensions did not come into effect during the past year, the directors have, out of the Bank's funds, supplemented by a bonus of ten per cent the pensions which were drawn last year by retired officers or by widows.

Here I would like to express our warm appreciation of the loyal and efficient services rendered by our staff in New Zealand, Fiji, Samoa, Australia, and London.

General Review.

The observations I have made complete the necessary review of the Bank's affairs and of the figures of the balance sheet, and, before moving the adoption of the report and balance sheet I now, according to my usual custom, proceed to take a brief review of the general situation.

From an Imperial standpoint, an event of the first importance has been the visit last month to this Dominion of His Royal Highness the Prince of Wales.

It was obviously desirable that the future King and Emperor should acquire knowledge of his future realm and subjects by travel in and among them, and the decision that he should visit these far-off Dominions was sagacious and statesmanlike. His Royal Highness is having the opportunity to gain at first hand information regarding the lives and circumstances of the people in these lands, which it would be otherwise quite impossible for him to obtain. He has also come into direct touch with the leaders of political parties and with the rising public men in these far-flung portions of the Empire; and the knowledge he has thus gained will be of the greatest use to him, and of the greatest benefit to us, when the time arrives that the responsibilities of King and Emperor devolve upon him.

The visit has also had the advantage of enabling his future subjects to know something of their future Sovereign; and owing to his singular personal charm, kindliness of heart and general consideration for all classes of the community, he has greatly endeared himself to the people and won golden opinions on all hands. Wherever he has gone he has been received with enthusiastic manifestations of genuine pleasure and the most unfeigned loyalty; and it is safe to say that, as the result of his visit, the Royal House of Britain stands more firmly established than ever in the affection and admiration of its overseas subjects.

New Zealand Financial Position.

New Zealand has enjoyed a series of years of solid prosperity, and, although the facts and figures have been presented in various forms, it will not be amiss to reproduce some of them in order to emphasise the point.

The banking returns for the past quarter reflect the position very clearly. The low and [illegible] remarkable movements. The figures [illegible] are as follows :—

March Quarter.	Free Deposits	Fixed Deposits	Total.
	£	£	£
1914 ...	13,475,771	10,554,479	24,030,250
1915 ...	15,958,732	10,870,507	26,829,239
1916 ...	19,091,949	12,182,104	31,274,053
1917 ...	20,970,702	13,385,638	34,356,340
1918 ...	21,614,302	13,891,195	35,505,497
1919 ...	24,363,681	14,485,145	38,848,826
1920 ...	34,814,896	15,850,195	50,665,091

As compared with 1914 the [illegible] more than doubled, but the gain in [illegible] the free deposits—the current account balances, which show an increase equal to more than 150 per cent. The fixed deposits have increased by about 50 per cent. [illegible] 1914 Free deposits increased by £[illegible] while the fixed deposits show the gain is nearly £12,000,000. The phenomenal growth in the last year is [illegible] exceptional [illegible] made by the Government [illegible] Bank deposits to a very substantial extent. It is also due, in some degree, to improved shipping facilities which have enabled a larger quantity of produce to be realised upon by exportation.

The returns of the Post Office Savings Bank [illegible] dence to the same effect. The figures of the Savings Bank deposit accounts for the same period are as follows :—

At March 31, 1914	£17,422,563
" 1915	19,802,753
" 1916	23,147,158
" 1917	26,901,830
" 1918	30,281,798
" 1919	34,454,130

We understand that for the year ended March 31, 1920, [illegible] has been considerably augmented, but to what extent we are not in a position to say as the figures have not yet been published.

The discounts and advances of the banks have grown to a moderate extent only :

March Quarter.	Discounts.	Advances.	Total.
1914	2,017,107	21,649,643	23,666,750
1915	1,634,418	22,106,144	23,740,562
1916	1,437,655	22,246,237	23,683,892
1917	1,552,863	26,142,087	27,694,950
1918	1,223,465	28,094,431	29,317,895
1919	1,484,612	30,719,032	[illegible]
1920	1,280,138	30,761,854	32,042,042

In the six years the advances and discounts combined have increased by the moderate sum of £8,375,292. In the last year a decrease is shown.

A glance at the figures of the country's commerce throws a clear light on the causes of the movements in deposits and advances as above disclosed. Our exports and imports have been as follows :

Calendar Year.	Exports.	Imports.	Excess of Exports over Imports.
	£	£	£
1910 ..	22,152,473	16,748,223	5,404,250
1911	18,980,185	18,782,608	197,577
1912	21,511,626	20,576,579	935,047
1913	22,810,363	21,653,632	1,156,731
1914 .	26,253,925	21,144,227	5,109,698
1915	31,430,822	20,658,720	10,772,102
1916	33,281,057	25,045,403	8,235,654
1917	30,613,184	20,742,124	9,871,060
1918	28,438,187	24,131,729	4,306,458
1919	52,573,520	30,308,908	22,264,612

From the year 1914 onwards the excess of exports over imports has been exceptionally large. In the six years 1914-19 the exports have exceeded the imports by the huge sum of £[illegible], or an average of over £10,000,000 a year. Here we have disclosed a further cause why bank deposits have been increased and advances reduced or rendered unnecessary—in short, the explanation of the present easy bank position and of the prosperous conditions generally prevailing in the country. But he would be a sanguine man who would affirm that similar conditions will prevail over the next ensuing six years. A continuance of such prosperity cannot be expected. It depends upon favourable world conditions, the prospects for which are at the moment not at all encouraging.

New Zealand Government Revenue and Expenditure.

The returns of revenue and expenditure for the year ended March 31 last show a satisfactory position :—

The revenue amounted to	£26,081,340
and the expenditure to	£23,781,925
Surplus for the year ...	£2,299,415

[illegible] recent years, the former having more than doubled and the latter nearly doubled during the last five years. The progress disclosed is interesting, and I therefore give the yearly [illegible]

Year ended March 31.	Revenue.	[illegible]
	£	£
1915 .	12,451,945	12,379,863
1916 .	14,507,530	12,493,107
1917 .	18,355,194	14,058,770
1918	20,206,222	15,120,268
1919 .	22,352,372	18,673,599
1920	26,081,340	23,781,925

Adding the surplus for the year £2,299,415
to the accumulated balance at March 31, 1919 15,239,561

[illegible] £17,538,976

of which £15,180,250 are in "Investment Account" and presumably represented by securities on hand in either the Dominion or London. No doubt repatriation advances bulk largely in this total.

The net amount of the public debt at March 31 last was £193,913,192, to which figure it had increased from £95,644,455 at March 31, 1915.

European Situation.

Although the Armistice was signed as far back as November 11, 1918, and the Peace Treaty ratified some time ago, the cloud of war still hangs over a large part of Europe, and the natural spirit of restlessness, engendered by and consequent upon the strain of the five years of war, has not yet died down. Manufacture in the greater part of the Continent is almost at a standstill owing to the impossibility of securing raw materials. Further, the disorganisation of Governments and the exchanges, as well as the difficulty of transport, resulting from a long and arduous struggle, delay and hamper the resumption of international trade. Europe is heavily in debt, taxation is high and oppressive, commodities are scarce and dear, the cost of living is excessive, and hunger and starvation are affecting many millions of people. The position is intolerable and cannot last much longer. There is, however, a ray of hope in the fact that [illegible] extent successful, effort to repair the ravages of war. The inflated paper currency of the country has been reduced by 300,000,000 francs, and the public debt has been reduced. [illegible] and the industrial production generally is ranging from thirty [illegible] per cent of that of 1913.

War Debts and the Position of the United States of America.

The inter-Ally indebtedness (that is to say, indebtedness between the Governments of the Allied and associated countries) incurred for the purposes of the War may prove of interest. The sums involved are shown approximately in the table following :—

[illegible]	[illegible]	£	[illegible]	£
United [illegible]	[illegible]	[illegible]	—	1,038,000,000
[illegible]	[illegible]	467,000,000	35,000,000	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	20,000,000	20,000,000	60,000,000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	1,890,000,000	1,740,000,000	355,000,000	3,185,000,000

Assuming that loans from one Ally are not set off against loans to another, the total volume of inter-Ally indebtedness [illegible] The United States is a lender only. The United K[illegible] has [illegible] much as she has borrowed. France is [illegible] times as much as [illegible] and the [illegible] have been borrowers only. If the United Kingdom were paid half the amount that she has lent, she could easily settle her indebtedness to the United States, but her debtors are quite unable to make repayment; hence Britain must, out of her [illegible] The United States is in the favourable position of drawing tribute from all the others, and her trade balance being heavily in her favour, the American exchange has moved correspondingly [illegible] while Britain was pouring out for the Allied cause her blood and treasure [illegible] already the richest country in the world, was standing aloof, adding [illegible] munitions to the combatants. It is therefore no cause for [illegible]

to the necessary extent is the United States, she having suffered less by the War than any other country. At one time it seemed probable that the States would nobly undertake the part, in the healing of the wounds of humanity and the reconstruction of shattered civilisation, that circumstances had placed it in her power to perform; but, unfortunately, of late a feeling of indifference seems to have developed, and there appears now to be an actual indisposition to afford any help. Mr. Henry P. Davidson, Chairman of the League of Red Cross Societies, recently urged the vital necessity for Congress to appropriate 500 million dollars for use in Central and Eastern Europe to prevent the complete economic, political, moral, and physical collapse which was imminent. The views of official America were recently expressed by Mr. Glass, the Secretary of the Treasury, in a statement made just prior to resigning his office to take his seat in the United States Senate. He declared that the Governments of the world must now get out of banking and trade, and that loans of Government to Government not only involve additional taxes or borrowings by the lending Government, but also a continuance by the borrowing Government of control over private activities, which only postpones sound solutions of the problems. The Treasury was convinced that the credits required for the economic restoration and revival of trade must be supplied through private channels, and that, as a necessary contribution to that end, the Governments of the world must assist in the restoration of confidence, stability, and freedom of commerce by the adoption of sound fiscal policies.

It is generally considered that, if the United States persists in this attitude, her action will recoil upon herself in loss of export trade and consequent growth of unemployment. Already her export trade has begun to decline, the exports for April being 135,000,000 dollars less than those for March. If this continues, a grave financial crisis there may be anticipated. The rudiments of it are already in evidence in the "price-slashing" that has been forced upon the merchants and in the restriction of credit by the banks. It is to be hoped that a consideration of these possible effects may yet dispose the States to do something substantial towards the relief of European economic necessities.

Paper Currencies. National Debts and Taxation.

The world's paper currency has increased 600 per cent. since the beginning of the War, while the gold reserve, according to a summary issued by the National City Bank of New York, has increased by only forty per cent. The face value of the paper currency of thirty principal countries of the world aggregated £1,450,000,000 in 1914, £8,000,000,000 at the date of the Armistice, and £10,000,000,000 in December, 1919, exclusive of the £6,800,000,000 of paper issued by the Russian Bolshevik Government. Meantime, the Bank deposits and consequent use of cheques as a circulating medium have also increased, and the world national debts have grown from £8,000,000,000 in 1914 to £52,000,000,000 in 1919. In the Allied Group, notes in circulation in July 1914 amounted to £982,440,000, and in December 1919 to £5,918,200,000, while gold reserves were £752,000,000 and £1,014,200,000 at the respective dates. The note issue of the Central Powers in July 1914 was £239,400,000, and in December 1919 £3,754,200,000, and gold holdings respectively £119,000,000 and £65,400,000. The note issue of neutrals in July 1914 aggregated £233,200,000, and in December 1919 £484,200,000, while gold reserves were respectively £103,200,000 and £290,200,000.

After the Napoleonic Wars the National Debt of Great Britain was equal to £45 per head. The average debt per head to-day is £178, nearly four times the burden laid upon the country after Napoleon's defeat. Against this present-day indebtedness there are, of course, some assets to be set. To her Allies and the Dominions Britain has lent £1,700,000,000. Of this, however, about £600,000,000 has been advanced to Russia, and this may presumably be classed as a doubtful debt; of the balance, she will be fortunate if she recovers fifty per cent. Before the War the British nation was undoubtedly saving money, and every year had a surplus of nearly £400,000,000 to invest. The aggregate of its wealth was estimated to be at least £17,000,000,000. Against this Britain has had to raise a national mortgage of £8,000,000,000. It is estimated, therefore, that she has borrowed up to forty per cent. of her accumulated heritage. In a normal year of peace Britain must raise £400,000,000, or more than double her pre-War revenue, for the service of the war debt alone—that is, for interest on the War Loans and the sinking fund of one-half per cent. connected therewith. Facing taxation of, say, £1,000,000,000 annually, Britain is back again at the Napoleonic standard of taxation.

Price Levels.

The question of the cost of living continues to be a "burning" one, and the fact that prices have continued to rise, notwithstanding the conclusion of hostilities and the return of the fighting men to peaceful avocations, is leading many to wonder how long existing price levels are likely to be maintained. Some there are who affirm that high prices have come to stay, but in that view I cannot share, though I admit that the range of future prices may be somewhat higher than before the War.

In the Napoleonic War English prices rose seventy-five per cent. and they took eight years to become normal again. In the American Civil War prices rose 100 per cent. and took over twelve years to become normal. How long it will take on this occasion to reach normality it would be impossible for anyone to forecast, but it seems obvious that the process of deflation has set in. In America, Japan, and, to a lesser extent, in Great Britain, prices of commodities have already slumped, the speculative fever has been curbed by the banks restricting credit, and financial crises have resulted. The changes that have taken place in these countries are bound to have far-reaching effects.

In the matter of regulating prices some people are disposed to look for relief to Government intervention and control; but while, as a temporary measure, good may result therefrom, it is fairly certain that no permanent relief can be secured in that way. The generally accepted view among people qualified to judge is that the less Government interferes with trade and industry the better. This principle was well enunciated by Lord Macaulay over half a century ago when discussing suggestions that had then been made for Government control of and assistance to trade. He remarked:—

"It is not by the intermeddling of the omniscient and omnipotent State, but by the prudence and energy of the people that England has hitherto been carried forward in civilisation; and it is to the same prudence and the same energy that we now look with comfort and good hope. Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the State. Let the Government do this; the people will assuredly do the rest."

These views still find general acceptance among the political economists of our day.

In searching for remedies for the existing evils we naturally first make an endeavour to seek the causes of the evils that we wish to remedy. There we find ourselves at once on debatable ground. One school of economists maintains that currency inflation is at the root of all price inflation. Another school affirms that price inflation is solely the result of the operation of the ordinary laws of supply and demand. For my part, I am disposed to attribute the appreciation in prices from which the world is at present suffering, to no single cause but to a variety of causes, including both of those just mentioned. The question is a very complex one, because a multiplicity of influences are at work to bring about the result arrived at, each exercising a varying degree of effect according to varying circumstances and the nature of the commodity concerned. It would certainly be wrong to ascribe to any one particular influence the whole responsibility for the unenviable situation in which we now find ourselves. But in looking for remedies, as we undoubtedly must if we are to restore ourselves to more tolerable conditions, we can see broadly individual influences which tend to the perpetuation of price inflation, and if these be dealt with and removed, even though only one by one, we shall be assured that we are gradually traversing the road which will lead us back to more reasonable price levels. Among these remedies the following unmistakably take primary place:—

(1) The exercise of the strictest economy in public and private expenditure.
(1) Honest effort to increase production to the utmost possible extent.
(3) Encouragement and development of every class of industry and uncompromising discouragement of all speculation.
(4) Deflation of the world's currencies, which will to a large extent result from the application of the three remedies first mentioned.

Along these lines it is our duty to proceed if we wish to hasten a return to more normal conditions, and I venture to affirm that, if the above remedies were put generally into active operation, it would not be long before a welcome and substantial change in the situation would become apparent.

Co-operation between Labour and Capital essential.

Upon our national industry our whole national life depends. A certain standard of production united to a reasonable method of distribution are the first requisites of a nation's physical and moral well-being. We live by winning from Nature the means of life. Production, indeed, is a prerequisite to distribution, for without the former the latter is impossible. To-day these two great factors in our national life leave much to be desired.

An intelligent and sincere co-operation between the two great agents of production—labour and capital—is absolutely essential to an ameliorated condition of our people, and yet that kind of co-operation, not only in New Zealand but in the Old World, seems to be diminishing rather than increasing. The policy of organised labour the world over is to fight capital and not to unite with it. The world is confronted with an unparalleled economic crisis. Want and starvation are stalking through Europe, leaving widespread

death, misery, and suffering in their track. Unfed and unclothed millions are crying in despair for food and raiment. Lack of a reasonable measure of comfort is widespread owing to an insufficiency of the necessaries of life; and before this sad spectacle the mutually destructive struggle between labour and capital seems to be growing more and more bitter and intense. Strikes on the shallowest pretences, ever-increasing demands for shorter hours, limitation of output, and a conflict growing blindly ever more acute between employers and workmen, seem to justify almost a gospel of despair regarding our social and economic future.

Never before in the history of the world have the needs of increased production been more eloquent than to-day—never before were the two partners, labour and capital, more bitterly estranged and antagonistic. I do not say that the blame—for the spectacle is a sorry commentary on our civilisation—is wholly with one side or the other. Capital has never sufficientiy brought to its consideration of the claims and aspirations of labour the lamp of human sympathy. Recriminations and denunciations in the present great world crisis will serve no purpose but that of intensifying the evils of the estrangement and diminishing the hope of reconciliation. "It is better to strive for the good than to rail at the ill"—to remedy the cause than to denounce it.

Two great desiderata call aloud for recognition: First, more sanity on the part of labour—it should cease to be so immersed in agitation and so blind to its results; and, secondly, more genuine evidence of willing co-operation and concession on the part of capital.

Crusades against the soaring cost of living, profiteer-hunting, fixation of prices—these are but symptoms of the disease of a paralysed or arrested production, and the remedy lies in getting to the root of the evil instead of applying palliatives to the symptoms. If the day of radical changes in the structure of our industrial system is inevitable, the sooner it is recognised the better, and the utmost human effort must be made to find a just and permanent *modus vivendi*.

Much of the present bitterness between the two great agencies must be due to misunderstanding or simply blind antagonism, and our unflinching determination should be to dispel these causes by bringing the parties as much as possible together. I do not ignore the stupendous difficulty of the problem, but it must be faced and solved or national disaster is before us. To this end the proposal that the Prime Minister should call a national industrial conference of both employers and employed is surely a step in the right direction. This would at least disclose more clearly root causes and basic differences and open up a possible path to genuine co-operation and industrial concord.

In a land like this, so richly endowed by Nature with all that is necessary for solid national comfort and happiness, with a sturdy race of purely British blood and a climate that stimulates energy, it is surely deplorable that industrial antagonisms should so paralyse the hands of industry and stifle the creation of wealth that many have to face want where plenty should be their lot and comfort their heritage.

That production in New Zealand has suffered grievously from the causes I have indicated no one can deny, and the following table is but eloquent proof of that conclusion:—

	Exports 1914	Annual Average. 1915-19	Increase or Decrease per cent.
Wool (lb.)	220,472,898	214,008,975	2.9 decrease
Meat (cwt.) ...	3,229,970	3,475,407	7.0 increase
Butter (cwt.)	454,067	376,154	13.0 decrease
Cheese (cwt.)	863,776	1,070,936	23.0 increase
Tallow (cwt.)	490,300	500,516	2.0 increase
Hides (No.)	412,822	359,298	12.0 decrease
Hemp (tons)	23,928	26,495	10.0 increase

At the close of 1919 there were in store 126,722,232 lb. wool and 2,107,672 cwt. of meat, which, under normal conditions, would nearly all have been exported, and should therefore be credited in the above table, in which case the average for 1915-19 would, in respect to wool, be increased by over 25,000,000 lb., and would convert the apparent shrinkage into an actual increase. But, even after making all such allowances, the average increases are not encouraging, and unless a great deal more is accomplished, the much-dreaded "hard times" will be felt with some severity. The values of our products are declining, and when the Imperial purchasing scheme terminates a new set of conditions is bound to arise—a set of conditions that will be full of difficult problems to bankers, business men, and producers. Wool, meat, tallow, hides, and skins have already receded from the high level reached since the Armistice was signed in 1918. The statistical position in respect to most of these products makes it inevitable that prices must go lower. For instance, in the case of wool, the quantity in hand is far in excess of the consumptive capacity of the available spindles and, even if all the spindles that were in operation prior to the War were in operation now, the weight of wool would be more than could be dealt with in a reasonable time. With the embargo placed on speculation by bankers the world over, spinners are operating only from hand to mouth, and they are safe in pursuing such a policy, for the wool is at their call whenever they require it. Meat, too, seems likely to present serious difficulties because of the [illegible]. There is not yet sufficient shipping available to clear the cold stores, and, even if transportation could be arranged, it would not prevent prices from falling. Though some of our products may hold to something like their present values—dairy produce, for instance—the general tendency is downwards, and, should the decline be anything like 25 per cent., the situation would become one of some seriousness.

In the six years, 1914-19—the years of War prosperity—the exports aggregated £202,590,695, or an average of £33,765,116 per annum. A drop of 25 per cent. would reduce this to £25,323,837, and bring us down to the level of 1914, when the exports were valued at a little more than twenty-six millions. Such a shrinkage would be immediately reflected in the Treasury Returns, and, unless the strictest economy is exercised in every Department of the State, increased taxation would, in that event, seem to be unavoidable. Businesses which have been built up on the basis of inflated prices, and land values that have been rushed upwards on the same basis, would suffer severely in the process of deflation.

Wheat Growing.

At this particular juncture the [illegible] more especially wheat—is the department of agriculture which demands the most general attention. There is an undoubted shortage in the world's supply at the present time, and the prospects for the future are decidedly gloomy. This Dominion should certainly grow all the wheat required for its own consumption; but for several years it has not been doing so. The area under wheat crop has for some time been steadily declining. Ten years ago there were 311,000 acres devoted to wheat, and the yield was 8,661,100 bushels. Last season it is estimated that the area under wheat crop was only 141,000 acres, and the estimated crop 4,100,000 bushels. In view of the certain deficiency in the world's supply and the consequent probability of high prices ruling for wheat, it is to be hoped that our farmers will be encouraged to sow wheat liberally, so that at least our domestic needs may be supplied if not a surplus made available for export to some of the countries that are faced with starvation. To encourage this industry we may reasonably look to the Government to guarantee a remunerative price to producers.

Land Values.

In several of my past addresses I have referred to the high prices paid in this Dominion for country lands and pointed out the danger of basing land values upon current prices ruling for produce. Similar warnings have been uttered by others occupying responsible positions, but so far they have gone unheeded.

The buying and selling of land—especially farm land—has proceeded at a rapid rate, and prices of such land, which were thought a year ago to have reached very high figures, have mounted higher and higher. It is no doubt a matter of common knowledge that many of these transactions are carried through on a very small cash payment, nearly the whole of the purchase money being represented by a mortgage, or a series of mortgages, of which the last vendor holds the latest. The facility with which men possessing little capital have thus been enabled to purchase areas of land much beyond their ability to improve and work has been a potent factor in putting up the price of land against the buyer who really has adequate means to carry out his undertakings.

Now, making the fullest allowance for the productivity of the soil and our wonderful climate, I am still of opinion that sooner or later this country will suffer severely through the absurdly high rates at which, to satisfy the earth hunger that is existing, country lands have been changing hands within recent times. It may be argued—in fact, is argued by some people—that buyers are justified in giving such prices when they take into account the returns they have received from the soil during the past five years, and I admit that in some cases the results have seemed to warrant the prices paid. But, with the existing prospect of dearer money and the certainty of a decline in the purchasing power of the countries that have been devastated by the War, it is neither wise nor prudent to base land values upon the assumption that the late boom prices for our produce are going to continue indefinitely. Many [illegible] where the price recently paid has been double, and in some instances treble, that at which the property had changed hands in 1914. Prices for dairy [illegible] per acre, and we have heard reports that even £200 per acre and more has been [illegible]. What [illegible] part of such [illegible] what would be the position of the mortgagor, thus heavily encumbered, in the event of [illegible] duce of, say, twenty-five per cent.

It was [illegible] the [illegible] some [illegible] were [illegible] does not [illegible] checking speculation, this and other banks in New Zealand [illegible] land at [illegible]

other property in the security, can make the cover unquestionably ample.

It is significant that many shrewd and well-to-do people are to-day taking the utmost advantage of the present land boom to sub-divide and realise upon their holdings.

Repatriation.

A large expenditure has been going on in connection with the work of repatriation of soldiers, and a total of 13,684 men had, up to the end of May last, received financial assistance from the State in some shape or form. The outlay incurred has been summarised thus by the Minister of Lands : -

	£
Advances for stock and improvements	1,854,634
Advances for purchase of private lands	7,181,094
Advances for purchase of town dwellings ...	4,454,708
Cost of estates purchased for settlement under the Land for Settlement Act and offered to soldiers	2,834,198
Cost of estates now being sub-divided and prepared for settlement	1,680.571
	£18,005,205

This repatriation work is most desirable. It is in the interests of both the men themselves and also of the country, and it is satisfactory to know that such a great deal has been done.

Immigration.

It seems to me that one of the pressing needs of our country at the present time is population. All classes of the community are suffering from lack of labour, and the present production of field and factory could be, with ease, almost doubled if the necessary labour were available. The energetic prosecution of public works in the country is also greatly impeded by the dearth of necessary labour. The natural increase of the population is much too slow to meet the needs of the country. According to the last census—that of 1916—the European population was then 1,099,449. The increase in ten years from 1906, when the number was 888,578, was equivalent to only 23.7 per cent., or an average increase of only 2.37 per cent. per annum. The average annual increase for the twenty years ended in 1916 was 2.81 per cent. This, of course, includes the increase resulting from ordinary immigration during the period. Such an increase is far too small for a country calling for population to win its latent wealth and develop its capabilities. It has not been the policy of former Governments in recent years to give that encouragement to immigration which the needs of the country seem to demand; but I am glad to say that there is every prospect of greater immigration activity on the part of the present Government. Unless some special effort be made, immigrants will undoubtedly be attracted elsewhere and be lost to New Zealand. The Commonwealth Government, it was recently announced, have an immigration campaign in view, and intend to adopt extraordinary measures to divert the surplus male and female population of the United Kingdom to Australia. It is to be hoped that the New Zealand Government will be no less aggressive.

Money Markets.

The conditions of the money markets of the world point to the probability of scarcity of money and consequent higher lending rates in the not distant future. The deflation of the currencies, which is held by most economists to be the essential preliminary to the re-establishment of satisfactory financial conditions and the speedier revival of industry and trade, will inevitably be accompanied by appreciation in the value of money. Reduced supply will mean increased value of the quantity remaining available. A preliminary movement of this nature has already taken place consequent upon the restriction placed by leading banking institutions in various parts of the world upon facilities for speculation. An upward tendency in the value of money is apparent. The Bank of England rate is now seven per cent., to which it was raised from six per cent. on April 15 last. The British Government is paying six and a-half per cent. on its Treasury bills. Its Exchequer Bonds with a currency of two years are reported to be yielding over seven and a-quarter per cent. to the investor, and flat loans with a currency of twenty-five years and more are returning to the investor £6 6*s.* 9*d.* per cent.

All borrowers, both Government, public and private, must be prepared to pay higher rates for future accommodation. The fairly certain contingency of higher future rates should prompt a very careful scrutiny of the circumstances surrounding all contemplated undertakings, whatever their nature may be, involving the employment of borrowed capital, in order that would-be borrowers may first satisfy themselves that the project in hand is likely to prove sufficiently profitable to justify the heavy handicap which the cost of the necessary capital is likely to impose. In the case of Government undertakings, it is important that the authorities should be on their guard to resist any political pressure designed to force them to embark in ventures which could very well be left to private enterprise.

The Prime Minister, the Right Hon. W. F. Massey, has, on more than one occasion, urged the necessity for economy, and the injunction cannot be too strongly emphasised at the present time both as regards public and private expenditure of every description. Unfortunately, the public does not yet appear to have appreciated this necessity, because expenditure of every kind continues for the most part on as lavish a scale as ever. But in this respect New Zealand is not singular nor by any means the worst offender. The whole civilised world has been indulging in a riot of extravagance, and the reckless outlay has contributed to feed a flame which, if not quenched, may shortly develop into a conflagration which may threaten the very foundations of ordered civilisation.

It will be noted that the Minister of Finance has just issued the prospectus of a Government Loan of two millions, with a currency of ten years. The issue price is to be par, and the rate of interest five per cent., subject to income tax. The Minister further intimates that another loan, of considerably larger amount than this, is practically certain to be offered locally before the end of this year.

The Minister of Finance is, I believe, wise in not endeavouring to obtain his requirements in Britain or elsewhere outside the Dominion; such borrowing, if practicable, would at present be unduly expensive.

Future of Produce Markets and Trade.

With the cessation of the Imperial Government's purchase of produce, the producers of New Zealand must make the best arrangements they can for the financing and marketing of their produce. The banks will, no doubt, be called upon to provide, on terms and conditions to be arranged, very large sums for this purpose. That the position is full of difficulty and danger must be obvious to all. The stores are full of produce which cannot possibly be moved before the flush of the next season, shipping is still scarce, and likely to remain so, and the terminal markets are glutted so far as meat and wool are concerned. It may be desirable, if not imperative, to look for new markets for wool and meat, but in this connection we can but turn to America, which is the only country apart from Britain that can offer a market. The British Government is itself endeavouring to avail itself of the American market in an effort to quit its own accumulations of wool and meat. The prospects in the United States appear no better than they are in Great Britain. Wool offered in New York registered a sharp decline, and it is yet to be determined whether a reasonably good market can be secured there for mutton and lamb, although, for the latter, arrangements have been made for several shipments within the next few months totalling, in all, about 500,000 carcases. In respect to frozen meat, the United States Bureau of Markets, Omaha, under date of March 5, said :—

> "Following the announcement of the exportation of three hundred thousand lamb and mutton carcases by the British Government to the United States early in the week all Eastern lamb and mutton markets were sharply lowered. Declines for the week ranged from 2 dollars at Boston to 4 dollars at New York and Philadelphia, with all grades similarly affected and conditons at the close of the week unsettled."

Since the importation of frozen meat has the effect of cheapening that article, there is some hope that the markets of the Eastern States may be capable of absorption, but care will have to be taken in dealing with markets on the Pacific Slope. A San Francisco firm in a circular letter to correspondents says :—

> "We strongly advise against New Zealand shippers sending any meats to this Coast on consignment unless they want to get 'stung,' as it is an easy matter to trade on other people's money. If Coast dealers want lamb mutton or other meat products they can put up a letter of credit, otherwise the New Zealand dealers had better keep their meats in their freezers, as we have known meat products to have practically eaten themselves up with storage and other charges when shipped to this Coast on consignment."

The circumstances of the time demand that business men should rather take in sail than crowd on canvas; and all would be well advised not to stretch their financial commitments too far. The civilised world has been suffering from an excess of "idle fancies" which have contributed to a mass of social and economic theories that have clouded people's minds and led many of them actually to believe that they can and will live and prosper by these theories rather than by work. There are certain economic principles by which men and nations live and prosper, and never before, at least in living memory, was there such a need to bring back a full recognition of these principles. The world's need for reconstruction is real and pressing, and the attitude so generally prevailing toward work and production must undergo a change unless disorganisation or perhaps disaster is to eventuate. Diminished production, decreased thrift, and curtailed credit furnish the essential elements of a financial crisis, and such a crisis seems inevitable in the not distant future unless we abandon dreaming and settle down to work and the practice of thrift. "Increase production and avoid extravagance" should be the slogan for the people of New Zealand.

Gentlemen, I now move that the report and balance sheet as submitted to the meeting be adopted. If this be agreed to, the dividend will be payable at Wellington to-morrow, and at branches on receipt of advice.

Re-arrangement of Capital.

At this stage, before the motion for the adoption of the report and balance sheet is seconded and put, may I be permitted to make the following statement, which will be of considerable interest to you. It is true that the question of the rearrangement of the Bank's capital and reserve fund has lately engaged the serious consideration of the board, and tentative proposals have been discussed with a view to securing the introduction of legislation during the ensuing session of Parliament which, if given effect to, will be of mutual benefit to the Government and the shareholders. In the meantime, pending the decision of the Government, I am not at liberty to disclose the nature of these proposals; but I have no doubt that if they are passed by Parliament in the form to be submitted by the board, they will meet with your approval. There is no intention to materially alter the *status quo* as between the Government and the shareholders.

As a result of this announcement I venture to hope that the public will not get too excited an idea of the value of the shares. (Applause.)

Mr. W. Watson said:

According to our custom, now time honoured, it is my turn to second the motion for the adoption of the report and balance sheet, which I have much pleasure in doing.

The Chairman has left little to say regarding the business of the Bank, but as one of your elected directors I may, without transgressing obligations of secrecy, briefly state my own views as to the prospects and value of your property.

The general position of the institution I regard as, commercially speaking, unassailable. Intrinsic value of security, balances [illegible] current above par, goodwill, and full provision [illegible] been taken against any decline in present market values.

You will have noted with pleasure the large increase of business since last year, and you will also note that in the proposed distribution of profits £150,000 is allocated to reserve fund, and £50,000 to writing down premises and furniture, the latter being already much below Government valuation. And looking back for many years you will note that the same procedure has been adopted. Now, as these constant additions to reserve funds and writings down of property practically mean accretions to the capital with which the Bank trades, the benefits of them must in the long run accrue to the Government and yourselves, whatever of [illegible] such benefits may take. These increases to the Bank's funds carry corresponding earning power, and therefore it only requires a calculating rather than a sanguine mind to compute the value of the goodwill, which is an important asset not taken into account in the balance sheet. In the present day banks and insurance companies do not confine their operations to any one country, and looking ahead only a very few years to the prospects of the Bank of New Zealand, they appear to me as very good.

I take credit to myself for having, before the establishment of the present board, singled out your present General Manager, Mr. Buckleton, for rapid promotion. His subsequent career has proved his merits, and your interests are safe in his hands.

I congratulate the staff in New Zealand, London, and elsewhere, on what we have been able to do for them by way of well-deserved increases to salaries, allowances, and pensions. Here I would say to those who have the responsibility of advising youths as to the choice of careers in life, that they should not miss inquiring what the Bank has to offer in admitting officers to its staff.

I intend to stand again for re-election to the board at the meeting to be held in December next, and trust to receive the usual mark of your confidence. (Applause.)

Mr. R. B. Jackson (Nelson) asked how the money at short call in London was invested.

The Chairman stated that at March 31 the Bank had £19,600,000 invested at short call in London, and of this £11,650,000, or sixty per cent., was in Treasury Bills, which at present bear a rate of six and a half per cent. He did not think they could have a better investment. (Hear, hear.)

Directors' Office Tenure.

Dr. Prendergast Knight said that he had much pleasure in congratulating the Chairman on the results of the past seven years' operations since the arrangement was come to between them for increasing the capital of the Bank. He congratulated him on the fact that that increase had now taken place. (Hear, hear.)

He thought that all present would agree with him that the present tenure of office by directors was too short. Two years at Wellington was too short altogether. (Hear, hear.) If the Bank had to go to the Government for legislation, as just indicated by the Chairman, he thought that it should be borne seriously in mind that the reasons that had led shareholders to agree that directors should have a longer tenure than two years had been fully justified by the experience of the past seven years. (Hear, hear.) During that period two gentlemen had had their careers as directors terminated, though they had gained great knowledge and experience of the Bank's affairs, and were in a position to render still more useful service to the institution. They were not reappointed on retirement; but he was glad to say that both had since been reappointed by the Government or by the shareholders. Shareholders were of opinion that seven years would be the proper period for tenure for directors; but four years at least should be the minimum period, which would allow of one director retiring each year. The Government had four directors, so that it could very well give its directors a four-years' tenure of office. (Hear, hear.) He pointed out that only half of the shareholders' directors, and only half of the Government directors of seven years ago, now remained with them; but he was glad to see that most of the Shareholders' Committee of 1913 were still there. He congratulated shareholders and the directors and staff upon the very great increase that had taken place in the Bank's business. The position of the Bank showed that it was in fact, as well as in name, *the* Bank of New Zealand. (Applause.) He congratulated the board on the increases of salaries and pensions, and assured them that the shareholders fully agreed with them in the practical appreciation they had thus shown of the good work of the staff. (Applause.)

Directors' Fees.

Mr. M. F. Barnett (Christchurch) said that there was one little item omitted by the directors in their report that he should like to touch upon, and that was the question of the directors' fees. The amount of their fees had not been altered for a number of years, and when they were fixed the position of the Bank was very different from what it was to-day. (Hear, hear.) He had seen a statement recently that a big institution—not a bank—operating in New Zealand, with headquarters in London, had agreed to pay its directors £5,000 a year, free of income tax, though it was a very much smaller institution than the Bank of New Zealand. He thought that the directors of the Bank were much underpaid, particularly the Chairman, who, if it was the same in the Bank of New Zealand as in other institutions, had generally to do most of the work. He hoped, therefore, that the Chairman, in any revision of fees that might be made, would [illegible] consideration. He thought that the directors' fees should be very substantially increased. (Hear, hear.)

Mr. John Mill (Port Chalmers) said that he thoroughly agreed with what the previous speaker had said. He therefore moved: "That, in the opinion of the shareholders, the time has now arrived in the history of this Bank when the directors should receive the same remuneration as the directors of our neighbour bank, the National. We shareholders recognise that it is due to the business ability of our home and Colonial directors that the Bank now occupies the premier position of any other similar institution, and we feel that the services rendered by the directors should be adequately rewarded by increased remuneration." The directors, he said, deserved very well indeed of the shareholders and of the Government. Their business had been brought up from a very poor position to the present position in which they had £2,500,000 in reserve. (Applause.) At the time he referred to he was offered 500 shares in the Bank by a man who said that he would give him 5*s.* per share to take them off his hands. He had said "No" to the offer. He thought he had enough Bank of New Zealand shares then, but he did not think he had enough now. (Laughter.) He had much pleasure in moving the resolution, and he was sure that it would be carried unanimously, as it was clear that the directors had done justice both for them and for the country. (Applause.)

The Chairman said that he must say that the report and balance sheet adopted before the resolution just moved could be dealt with.

The report and balance sheet were then duly adopted.

Mr. Mill again moved his resolution.

Mr. D. Jones, in seconding the resolution, said that [illegible] remarks about how well the board had treated the staff of the Bank, and he thought that the directors also were entitled to a substantial increase. [illegible] not think the resolution should state how much. That was for the Government to say. He had, however, very great pleasure in seconding the motion.

[illegible] hear.)

[illegible]

[illegible]

[illegible]

Mr. J. H. Upton: It is not for the remuneration we come to Wellington fortnightly. We would not come for the remuneration. But there is a little credit about belonging to the board of directors of the Bank of New Zealand; and, besides, we have the pleasure of meeting the shareholders twice a year. (Laughter and applause.)

Mr. R. W. Kane said that the remuneration of the directors was fixed by Act of Parliament, and any resolution the meeting passed could not increase it. What the meeting could do was to pass, say, a recommendation to the Government that the remuneration should be increased.

The Chairman said that he understood that the resolution was intended to be a recommendation to the Government.

Mr. Mill: Yes.

Mr. Mill then put the resolution, which was carried by acclamation.

The Chairman said that all the members of the directorate had to say was that they were very grateful indeed to the mover and seconder of the resolution and to the other speakers for the exceedingly kind remarks they had made upon that somewhat delicate question. Whether effect would be given to the recommendation or not he did not know; but, in any case, he was quite satisfied that the interests of the Bank would have precisely the same care from the directors that they had had in the past. (Applause.)

Efficiency of Management.

Dr. Prendergast Knight proposed a cordial vote of thanks to the staff, including the new General Manager (Mr. Buckleton) and the new Government auditor. It was a very great pleasure to the shareholders to know they had in the service of the Bank two such gentlemen, and that their chief auditor came from the service and not from outside. The staff which had produced such a balance sheet as they had before them that day deserved their best thanks. (Hear, hear.)

Mr. J. Mill seconded, stating that as a result of his experience both here and in London, he was convinced that the Bank of New Zealand was one of the best managed Banks, so far as the staff was concerned, that he had ever known. He paid a high tribute to the ability and courtesy of the London Assistant Manager of the Bank (Mr. Robert Mill).

Comments on the Balance Sheet.

Mr. J. C. Hanna said that he desired to make one or two brief observations on the balance sheet and statement of accounts that had just been presented. If they took their minds back to the early 'nineties of last century, with the attendant financial anxieties of that period, and compared the position as it stood then with the position as it stands to-day, the most optimistic amongst them must be amazed at the rapid strides the Bank had made during the intervening period. Thirty years ago the total assets, including the Estates Company's liability of £1,850,000, stood in round figures at £10,000,000, on which, after deducting fixed charges and about £12,000 for rates and taxes, the net profit equalled about one-half per cent. If they turned to the balance sheet at present in their hands they would find that, while the Estates Company's liability had completely disappeared, the total assets aggregated £53,000,000; and on that amount, after deducting the whole of the administrative expenses and the huge sum of £456,000 for rates and taxes, the net profits were a shade under one per cent. But in considering the earning power of the Bank, it would be well to keep in mind two points: firstly, that they had cash and liquid securities to represent the high ratio of sixty-three per cent. of their total assets, and obviously on the liquid resources of this or any other bank the return in normal times—and the present times were anything but normal—was necessarily a moderate one. Secondly, since 1891 the taxation under all heads had increased by 600 per cent. In other words, had the liquid reserve ratios and the rates of taxation been maintained on a level with those current in 1891, the Bank to-day would have shown an increased earning power of one and a half per cent. an increase of practically 300 per cent. (Hear, hear.) He ventured to say that if their friends had told them in the early 'nineties that the Bank of New Zealand would in the future pay its shareholders increasing dividends, set aside large sums to strengthen the Officers' Pension Fund, freely write down its landed property and premises, and at the same time accumulate a reserve of two and a-half millions all in thirty years, they would simply have laughed at them. (Applause.) It was an easy matter at a meeting such as this to say pleasant things about the administration of the Bank. Whether they were deserved or not was entirely a different matter. But in reviewing the business of the Bank for recent years, they had abundant evidence, backed up by solid results, to justify their thanks to the directors and the staff for their services during the past and recent years. (Applause.) He congratulated the directors on the appointment of Mr. Buckleton, a man of recognised capacity, to the position of General Manager. (Hear, hear.)

Vote of Thanks.

The Chairman said that it had been extremely interesting to hear the remarks made by Mr. Hanna, who had been one of the early officers of the Bank, had filled a most responsible position, and was very well acquainted with the position of the Bank at the troublous period referred to. He was very glad to see him at this meeting and to hear such interesting facts, though well known to some of them, as he had given them. (Hear, hear.)

He then put the motion: "That a cordial vote of thanks be accorded to the staff for their services during the past year," and asked Mr. Buckleton to reply on behalf of the staff.

The resolution was carried unanimously.

Referring to Mr. John Mill's remarks regarding the London staff, the Chairman exhibited a handsome silver salver, which is to be presented to Mr. Robert Mill by the New Zealand returned soldier members of the Bank's staff. He said that he understood that Mr. Robert Mill was no relative of the shareholder who had just eulogised him so highly. Mr. John Mill: "Not unless you go back to Adam." (Laughter.)

Mr. Buckleton, in reply, said: Mr. Chairman and Gentlemen,—On behalf of the staff of the Bank I express our appreciation of the vote of thanks which you have just passed. Ever since the commencement of the War the staff have in various ways had a most strenuous time, and it is a great satisfaction to us all that the board have recognised this in granting liberal increases to salaries and by making the handsome donation of £100,000 to the pension fund. It is always a source of pride to belong to a great and successful institution, and our Bank is now one of the great banks of the world. We are proud to be members of its staff and to do our share in upholding and advancing its interests. Now that we are settling down after the strenuous period of the War, the staff are looking forward to improved conditions, and the deserving ones will not look in vain, as the board hold very strongly to the view that men of promise are entitled to opportunities of acquiring experience which will lead to rapid and substantial promotion. You have mentioned, Mr. Chairman, and so has Mr Watson, that employment in the Bank's service offers good prospects, and I unreservedly endorse those statements.

I desire also to express on behalf of the pensioners of the Bank their gratitude to the board for the generous treatment they have received.

I also take this opportunity of expressing the satisfaction of the Executive with the manner in which the women clerks of the Bank have discharged their duties.

I have to thank Dr. Knight and Mr. Hanna for their very kind references to myself.

Mr. Watson has mentioned that years ago he marked me out for rapid promotion. I can only say that I hope his foresight will prove of advantage to the Bank.

The Chairman thanked the shareholders for their patient hearing of his somewhat lengthy address, and the meeting then concluded.

MERGUI CROWN RUBBER ESTATES, LIMITED.

Favourable Forward Contracts.

THE seventh ordinary general meeting of this Company was held on September 8 at 3 and 4 Great Winchester Street, E.C.

Mr. John D. W. Wilson (the Chairman), who presided, said that two interim dividends of seven and a-half per cent. each, fifteen per cent. in all, had been paid, leaving a balance of £9,840, which the board recommended should be carried forward. They much regretted that they could not recommend any final dividend for the year owing to the necessity of conserving the financial resources of the Company in view of the uncertainty of the rupee exchange, which added considerably to the Company's liability in respect of the payment on account of the premium on lease and cost of production, which were payable in rupees. In view, however, of the very favourable forward contracts entered into for this and next year the directors had declared an interim dividend for 1920-21 of five per cent. (less income tax), payable 30th inst. The anticipated loss in exchange was practically the sole cause of the reduction in profits of £2,186 compared with the previous year. As the Indian Government had now fixed the par value of the rupee at 2*s.* the directors considered that the prospects of the current financial year were much more promising. The manager's estimate for the current financial year was 700,000 lb., which should be realised at an estimated all-in cost of, they hoped, 1*s.* 1*d.* to 1*s.* 2*d.* per lb.

To assist in covering the expenditure on immature rubber and to meet the annual payments to the Government of India for some time ahead, and thereby enable the board to apply more of the revenue to stabilising and increasing the dividends, the directors had under consideration the issuing of the £10,000 balance of capital at a moderate premium, due notice of which would be given to the shareholders; with this sum in hand sufficient funds would be provided to bring the whole of the immature areas into bearing and contribute the bulk of the payments to Government against the Company's lease for the next three years. By that time they would have about 2,560 acres in bearing, as against the present 1,946 acres, and be in a much better position to provide for the before-mentioned payments and to maintain dividends. In conclusion he moved the adoption of the report and accounts.

Mr. F. S. Arbuthnot seconded the motion, which was unanimously carried.

DUNLOP RUBBER COMPANY, LIMITED.

An extraordinary general meeting of this Company was held at 14 Regent Street, S.W., on September 10, for the purpose of considering resolutions (1) increasing the capital to £20,000,000 by the creation of 12,500,000 additional £1 shares, and (2) capitalising £7,500,000 and paying a bonus of £3, free of income tax, to the Ordinary shareholders by the allotment of £1 shares to that amount. Mr. A. L. Ormrod presided.

The Chairman, in the course of his speech, said: At the date of the last balance sheet you were left with a reserve fund in hand of £300,000, and, after giving effect to the dividends agreed at our last shareholders' meeting, the sum of £400 000 was carried forward. This sum was subject to the provision for excess profits duty in respect of the year ended August 31, 1919. Since that date it is hardly necessary to say the Company has not been idle. The net profit for the year ended August 31, 1920, should not be less than £2,500,000, subject to excess profits duty. (Applause.) The 1,000,000 shares issued since the conclusion of the last balance sheet brought us in a premium of £7,000,000, less expenses. This premium has been added to the reserve, and by resolution of the board the necessary amount has been transferred to it from the carry-forward, making the reserve fund £7,500,000 to be forthwith capitalised on the passing of the second resolution and distributed to the Ordinary shareholders. The issued Ordinary capital will then be £10,000,000.

The holders of the Ordinary shares will, on the passing of the resolutions, hold four shares for each one you previously held, and the four shares should represent a very considerable premium, as they do not by any means exhaust the real assets in hand of your concern. You will recollect that I stated, not long after I succeeded to the position of Chairman, that in my personal opinion you would have, in assets and reserves, an amount of not less than £14,000,000 to be provided for under any future scheme of recapitalisation. The actual figure, estimated on a conservative basis, exceeded by £1,000,000 the figure of £14,000,000 which I gave you. Of the 12,500,000 additional Ordinary shares which are being created, you who are Ordinary shareholders will get 7,500,000 forthwith allotted to you as bonus, and these shares will be entitled to the same dividend that may in due course be declared on the 2,500,000 shares in respect of the year ended August 31 last. At this time of day it should be unnecessary for me to state that the Preference shareholders cannot participate in this bonus.

Distribution of Shares.

The capitalisation of £7,500,000 is a distribution of shares representing in a large proportion money put up by the Ordinary shareholders themselves, and of the balance the Ordinary shareholders would have the entire reversionary interest by way of dividend on capital, if it were proposed to deal with it in such a manner. Now, as to the 5,000,000 of Ordinary capital, which will remain after the full authorisation and allocation of 7,500,000, on the passing of these resolutions, we intend forthwith to issue as a right to the Ordinary shareholders, who will then hold 10,000,000 Ordinary shares, 3,000,000 shares at the price of £1 10*s.* per share, or in the proportion of three new shares for every ten held. At the price of the shares ruling to-day, this is equivalent to a further bonus. The issue will be guaranteed on very reasonable terms, viz., 1*s.* 3*d.* per share and 15,000 guineas for expenses, or as near as may be four and a-half per cent. It will provide the Company with £4,500,000 more money, less expenses, of which amount £3,000,000 will be represented by nominal capital, and the remainder of £1,500,000, less expenses, will be available as a further reserve fund. Payment for the shares will be spread over a period of approximately six months, the first payment being of 7*s.* 6*d.* per share, and due on acceptance. Of this amount, 5*s.* per share will be premium, and 2*s.* 6*d.* per share capital. The second payment due on allotment will also be 7*s.* 6*d.*, similarly apportioned, and the third and fourth payments will be each of 7*s.* 6*d.* per share payable on November 30, 1920, and February 28, 1921. Any holder who does not wish to take up his right to his proportionate allotment will have the opportunity of renunciation. There remains a balance of 2,000,000 shares in hand. My own impression is that our capital commitments to be provided for by share issues are now ended. This is not only my impression but it is also my earnest intention, and the 2,000,000 shares, if not so required, will become available, as the occasion may demand, for a further allocation of later reserves. Our finance should, in future, be confined within our own organisation. I have verbally described the extensions which are proceeding at Fort Dunlop and elsewhere, and you have also seen photographs of them. By the end of 1921 we should attain a capacity there of a weekly output of about two-and-a-half times our present production.

Increase of Business.

At our meeting in February last, when nearly six months of our trading year had gone by, I told you our business showed an increase of over thirty per cent., and that the rate of increase had been retarded by the difficulty of obtaining plant and machinery. For the full year ended August 31 last, the business done should show a larger increase, because for the eleven months to the end of July there was an increase [illegible] I would remind you that by the end of 1921, when our capacity will be so much greater than it is at present, the buildings but not the machinery which we shall own will be sufficient to provide for an output of five times what we are doing at present. Roughly, by the end of our year 1921 the permanent officials of the Dunlop Rubber Company have advised us to prepare for the provision of a balance of nearly £5,500,000.

Company's Increased Assets.

The present position [illegible] Dunlop Capital [illegible] tion to be self-contained as regards its finance, and to make no further [illegible] the business, unless something, at present entirely outside our outlook, should arise. The approximate figures I gave you foretelling [illegible] £14,000,000 by August 1921. It is unlikely that all will have been dealt with at [illegible] money for them will not all have been paid away.

All the extension of assets and the possible reduction of liability are calling for something in the neighbourhood of £14,500,000. To provide for this and to enable us to run on an even keel, we shall have the £8,000,000 already practically paid up in full, and the £4,500,000 from the 3,000,000 shares. That will leave us, if or when it is all spent, with something like £2,000,000 to finance. Such finance will not present any difficulty. We shall have all our magnificent assets free and unencumbered, subject only to ordinary trading creditors. We shall have provided for a total removal to Fort Dunlop, and we can run at Para or Manor Mills just so far and so long as [illegible] there. We can alternatively dispose of either or both. Our cotton mills are quite capable of running their own finance, although it is allowed for in the foregoing figures, and we shall be in a position, should we so desire, when they have accomplished the purpose for which they were acquired, of disposing of the Nile Mill, James Hoyle's, and, should we think it then desirable, the Ross Spinning Mills. We have other assets that our recent dispositions and developments will render available for realisation, including the Cycle Rim Works at Coventry, on which negotiations are in progress at the moment.

I have also taken our purchase price of Joseph and Sugamat, and attendant expenses, at the top figure, without reducing what we may receive back through one company holding some shares in the other. We shall also have undistributed profits which I have not taken into consideration, and the total should provide ample means of dealing with any balance if and when it should be required, without recourse to any issue of further capital for cash on this account. The profits of last year, subject to some reasonable but substantial deduction for reserve, should be available for distribution in dividends, excess profits duty, the new Corporation tax, or other purposes, and any surplus retained increases the amount available for capital purposes. I understand the new Corporation tax will entail a deduction, after excess profits duty, in our case of five per cent. of the amount available for apportionment by the board and distribution to the Ordinary shareholders. The earnings of Dunlop Plantations, as in previous years, are not included in the approximate figure of £2,500,000. I have had yet to [illegible] of the profits to August 31, 1920. Their books [illegible] at a different date, and the profits for eight months to the time they were made up exceeded those for the previous year, and will be left there for internal use, as usual. I am in a position to-day to inform you that during the last two years so much progress has been made that all motor tyres should be manufactured at Fort Dunlop by the end of 1921. I am assured that Fort Dunlop will be capable of then with a manufacturing capacity equal to the whole of the Dunlop requirements, some two and a-half times our present output, and the policy which your directors have pursued will have been achieved. While the [illegible] Fort Dunlop we shall have a self-contained works with an entirely new plant of modern design and layout, second to none for the economical manufacture of tyres and tubes, solid tyres and the other products of the Company.

As regards the French Company, the [illegible] working by July 1921, and the output of [illegible] will then be more than the entire output of the French Company in 1913. The increase in sales by [illegible] steady and continuous, the business [illegible] increase of 20 per cent. The [illegible] supporting us records [illegible] record to the subscription [illegible] ordinary premises [illegible] been the means of [illegible] and reputation. [illegible] to follow on the great progress of the Motor Company. Events in [illegible] way in which we have [illegible] the Ordinary shares [illegible] is no doubt we have a very sound and profitable investment there.

Satisfactory Crop Figures.

Regarding the Dunlop Plantations and Rubber Estates, these have been surveyed and the planted area is found to be 37,565 acres. To this must be added the purchase of 7,000 acres of planted rubber. By the end of the year we expect the planted area to be brought up to 47,000 acres. The output is estimated this year at over 6½ million pounds. Without further purchases or planting to December 31, 1924, we should have a yearly average of over 9,000,000 lb., and for the three years to December 31, 1927, a yearly average of over 15,000,000 lb. The new mill for producing 80,000 lb. of cotton material for tyres is progressing rapidly and will find work for 3,000 workpeople, who will produce weekly at least 150 miles of cloth and canvas exclusively for this Company's requirements. In addition, the Company own the Nile, Ross, and J. Hoyle's, which provide employment for a further 2,200 workpeople, making, roundly, 5,200 workers employed in producing cotton fabric. The value of the mills to this Company is incalculable. You must be pretty well satisfied with the value of your assets, and those who have the opportunity of subscribing at 30*s.* a share will get a cheap share. You must also be more than satisfied with the record of profit earned. Your present profit is more than sufficient for a large return on the whole Preference and Ordinary capital issued and now to be issued and reckoned as fully paid up. I regard the direct capital account as now closed. By the end of the financial year 1921 the Company will have approached the completion of its programme, and with its other developments in 1922 should be still more secure in the goodwill of its name, and the shareholders should reap a profitable harvest. It will be second to none in the motor-tyre industry.

Sir Henry Dalziel, Bart., M.P., seconded the resolutions, which were carried unanimously.

A vote of thanks to the Chairman and the directors terminated the proceedings.

BUKIT SELANGOR RUBBER ESTATES (1920), LTD.

THE statutory meeting was held at 5 Benchurch Street, E.C., on September 7, MR. E. G. Money (the Chairman) presiding.

The Chairman said that the number of shares offered for subscription was 492,987, and the number applied for and so far allotted was 267,192, leaving a balance of 225,795 shares. It would be the duty of the liquidator of the old Company to distribute to the shareholders of that Company the accrued profits, together with any remaining assets of the old Company, in the form of a final dividend. The issue of 492,000 shares was only partially applied for owing to the unfavourable conditions which happened to exist at the time of issue. The amount received so far was ample for the present requirements of the Company, and it need not cause them any concern if the remaining shares were held by the Company for the time being. It might be found practicable to issue these shares at a later date at a premium. With regard to the Java Selangor Estate, the Government had now decided to carry out a scheme of drainage which would have a very beneficial effect on that property, inasmuch as it would make it practicable for them to plant up at a moderate cost the greater part of the remaining area, which was at present in jungle—namely, 329 acres. When this was done they would have some 800 acres under cultivation on this property. With regard to the new estate, Tanjong Pasir, as the work of opening up this property proceeded it was becoming more and more evident that they had in this estate a property of very great promise indeed; in fact, the directors were advised by the visiting agent that it might prove to be the most valuable of the Company's three estates. As to the future of the Company's estates, he could only say that he took a very optimistic view. Those who cared to look ahead a little had no grounds whatever for pessimism with regard to the future of the rubber industry. The price of rubber had generally been at a lower level during the summer months than during the winter months. At the present time low prices were being obtained for rubber, but the price obtainable for forward sales was better than that obtainable for spot delivery, and this might to some extent be taken to indicate a belief that better market conditions would obtain later on. Mr. C. F. Burton, the liquidator of the old Company, stated that there were certain rubber sales outstanding which applied to the year ending March 31 last, and until they were completed he could not say what amount would be divisible per share. He had come to the conclusion, however, that the shareholders would probably receive a dividend of from twenty per cent. to twenty-five per cent., but until the cost of stamp duty on the transfer of the estates was definitely ascertained he could only give this estimate with reserve.

Income Tax for Year 1920-21. Rates, relief, repayment. With reprint of Income-tax portion of Finance Act, 1920, list of stocks liable to assessment, and an index. Price 2*s.* net. (E. C. Mathieson and Sons, London.)

Commercial America. Published monthly by the Foreign Trade Bureau of the Philadelphia Commercial Museum.

Books Received.

The First World War, 1914 *to* 1918. The personal experiences of Lieutenant-Colonel A'Court Repington, C.M.G. Two volumes. Price 42*s.* net. (Messrs. Constable and Company, London.) The private records of Colonel Repington, possessing as he did such an intimate knowledge of men and affairs, form a valuable supplement to the historical treatises on the War. Probably the most valuable portion of the work is embodied in the writer's lengthy remarks anent the relations of the Vatican, the Quirinal, and the Foreign Office.

The Triumph of Nationalisation. By Sir Leo Chiozza Money. Price 7*s.* 6*d.* net. (Messrs. Cassell and Company, London.) The author makes a powerful plea for State Socialism. Surveying the extensive spheres of Governmental industrial activity in the past, and incidentally giving a startling revelation of facts, supported by official figures, he argues that the commercial supremacy of the Empire can be maintained only through the instrumentality of Nationalisation—a conclusion which is only natural in view of the writer's anterior convictions, but which will not recommend itself to the practical business man.

Bulletin of the Imperial Institute. Volume XVIII. Part I. Price 3*s.* 6*d.* net. A quarterly record of progress in tropical agriculture and industries and the commercial utilisation of the natural resources of the Dominions, Colonies, and India.

Annuaire International de Statistique. Volume VI. (L'Office Permanent de l'Institut International de Statistique, La Haye.) An exhaustive collection of international statistics on questions of interest to labour and on trade unions and employers' associations.

The Canada Year-Book, 1919. Issued by the Dominion Bureau of Statistics, Canada. Statistical information concerning area, population, education, climate, production, trade, communications, finance, and administration of Canada.



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The Statist.

LONDON, SATURDAY, SEPTEMBER 18, 1920.

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The Money Market.

Friday, September 17, 1920.

Bank of England Rate	7% (Apr. 15, '20)	6 (Nov. 6, '19)	
Deposit Rates:			
Banks & Discnt. Ho. (Call)	5 (Apr. 15, '20)	4† (Nov. 6, '19)	
Discount Houses (Notice)	5¼ (Apr. 15, '20)	4½ (Nov. 6, '19)	

Discount Rates:—

	3 Months	4 Months	6 Months
Treasury Bills	—	—	—
Bank Bills	6	6	7
Trade Bills	7-7¼	7¼-⅜	7½

OUTLOOK FOR THE FLOATING DEBT.

The [illegible] Money market over the financial operations of the Government is again clearly illustrated by last week's changes in the National Accounts. This control, as we know, has frequently in the past left the Government no option but to have recourse to expedients involving fresh inflation of credit and currency, and, judging by the present drift of events, it is not unlikely that next month this influence, which amounts almost to a control, will again operate in the direction of compelling the Government to increase largely their indebtedness to the Bank under Ways and Means. It is indeed conceivable that, as before, it may force the authorities to raise again the Treasury-bill rate, thereby raising the Bank rate also.

As will be seen below, it was possible last week to repay only three of the twenty-two and a-quarter millions which had to be borrowed from the Bank a fortnight ago in order to meet interest and other liabilities on various Government securities. Even this comparatively small repayment could not be effected were it not for the receipt of a little over 5½ millions from sales of Government assets—on the contrary, a further amount would have to be borrowed from the Bank. A study of the accounts show that insufficient applications for new Treasury bills was the cause mainly responsible. The amount of Treasury bills which is being allowed to run off this month must be considered as large when account is taken of the comparatively small amount maturing and of the fact that new Treasury bills are now December maturities. On next month new Treasury bills will be, of course, the less popular January maturity, and even if applications for them show no falling-off on account, presumably, of an easier tone in Lombard Street after the turn of the quarter, the fears expressed above are justified by the fact that next month maturities of Treasury bills are on a much larger scale, amounting, in fact, to the huge total of nearly £488,000,000. To relieve the situation it is possible that the Government may adopt the suggestion which has been made in City circles and offer two months' Treasury bills next month, as they would then be December maturities.

An easier tone, due to greater supplies of funds, prevailed in the short loan market during the week, but little change occurred in the range of quotations. The general rate for new money was five and a-half per cent., and renewals were arranged at about five per cent. As the week progressed supplies of floating credits appeared to be on the increase, but the demand continued firm. Towards the afternoon of each day the pressure for accommodation eased appreciably, and closing balances were frequently placed under five per cent., even as low as [illegible] reported for some [illegible]. Weekly loans continued [illegible].

Little change occurred in the conditions of the Discount market. Business continued quiet, and until Thursday the rates of [illegible] per cent. for [illegible] [illegible] [illegible] [illegible]

six months' bills. On the whole, however, the tendency was easier, and the majority of transactions were arranged nearer the lower quotations. Latterly six and three-quarters per cent. was the general rate for three months' maturities. Novembers also were inquired for, and the range of rates eased to 6⅞-6¾ per cent. Seven per cent. was generally asked for Octobers during the week, and small amounts of these maturities were again continually being taken for discount to the central institution, the Bank again requiring fifty per cent. of the proceeds to be invested in December Treasuries.

Foreign Exchanges.

The outstanding feature in the Foreign Exchange market was a further sharp decline in the dollar value of sterling in the early part of the week and its subsequent partial recovery. On Monday the quotations for New York cable transfers fluctuated around 3.47½, as compared with 3.50½ on the previous Saturday. On Tuesday the rate dropped a further two cents, but on the following day it rallied to 3.46½, rising to 3.50 yesterday and again to 3.50½ to-day, as compared with 3.52¼ a week ago. Undoubtedly the course of events in the Labour situation here, which is watched closely in New York, must be held in great part responsible for the weakness of rates, for, as is only natural, when movements are so violent, dealings in the exchange are held in check, and the consequence is that quotations are peculiarly sensitive to factors which would otherwise leave them unaffected. The recovery at the close may be attributed to American purchases of sterling, which have been held off the market for some time past while the rates were declining. It must not, of course, be lost sight of that another potent cause of the weakness is the buying of dollars here on French account, a feature which is mainly the outcome of speculative operations. The simultaneous weakness of the French franc is evidence enough towards this end. The Paris cheque rate at first rose steadily, until by Wednesday a quotation of 53.60 was reached, as compared with 52.55 at the end of last week. On Thursday, however, a sharp rally occurred to 53.12½, but to-day the franc weakened further to 53.25. The Brussels cheque showed a similar movement except on Wednesday, when it began to exhibit a stronger tendency. On to-day it was again weak at 50.15, as compared with 49.22½ a week ago. Italian lire moved in sympathy. The collapse of the German mark continued during the week, until a quotation of 225 for cable transfers was reached to-day, as compared with 187½ a week ago. Little business was passing in Finnish marks. Of Scandinavian currencies, Danish and Norwegian crowns depreciated steadily in terms of sterling. In the early part of the week the Swedish exchange continued its recent downward movement, a quotation of 17.12½ having been reached by Tuesday, but latterly it showed a more favourable tendency. With the exception of Rio de Janeiro, South American rates show a net favourable movement on the week. Eastern currencies were again very steady on account of the paucity of transactions. The rupee, however showed a continuous improvement during the week to 1.10⅛.

Income and Expenditure.

Ordinary revenue for the week ending on the 11th inst. showed an increase as compared with the previous week of about 4.6 millions to £20,642,262. Expenditure, on the other hand, as the demands on the Exchequer were, of course, not up to the same scale as those for the week ending on the 4th inst., was considerably lower at £15,321,250. There was thus a surplus revenue of about 5.3 millions. As, however, sales of war assets totalled £5,548,970 for the week, it is evident that but for such extraneous help there would have been a small deficit. Of Treasury bill maturities, though comparatively low at £54,096,000, 3.1 millions were allowed to run off. Cancellations of Government stock tendered in payment of excess profits duties amounted to £1,164,896. Of the outstanding Ways and Means Advances by the Bank of England £3,000,000 (net) were repaid, leaving the present total at £43,250,000. On the other hand, Advances by Public Departments were increased by £2,000,000. Thus on balance the floating debt was reduced by £4,136,000 to £1,262,814,000.

Currency Notes

According to the latest return, a further decline in the currency note circulation of about the same extent as last week's reduction took place during the week ending on Wednesday last. Fresh issues of notes and certificates amounted to £6,848,000, or about £700,000 under the preceding week's issues. Cancellations, on the other hand, were £7,467,000, as compared with £7,189,000 last week. The net reduction was thus £619,000, leaving the total outstanding at £350,941,000. The reserve ratio accordingly shows a fractional improvement at about 13.4 per cent., and the fiduciary issue is slightly lower at £303,790,860.

Bank of England.

This week's Bank return is interesting from more than one point of view, especially so, considering the present state of the Money market. Briefly, the features it presents are a decline in the note circulation and a gain to the gold stock, with a consequent increasing of the reserve, an increase in private deposits, a reduction of the Government short-dated debt, and an increase in the Market's borrowing from the Bank.

As regards the detailed movements: the contraction in the active note circulation amounted to £744,000 for the week, leaving the outstanding total at £125,164,000; the total coin and bullion holding, at £123,092,000, shows a slight expansion of £15,000, and the reserve has accordingly improved by £760,000 to £16,378,000. On the liabilities side the Public Deposits declined by £1,299,000 to £15,201,000, while "other" deposits advanced by £5,587,000 to £122,575,000. This latter movement, however, was not sufficient to prevent the expansion in the reserve from improving the reserve ratio, which, at 11.9 per cent., shows a rise of .2 per cent. for the week.

An increase of £7,049,000 to £83,390,000 in "other" securities indicates the extent to which the market has been discounting October maturities at the Bank. As may be seen from the particulars of Income and Expenditure given above, a reduction of £3,000,000 was effected last week in the outstanding amount of Ways and Means Advances by the Bank; that a similar movement will feature in next week's return is foreshadowed by a decline of £3,525,000 to £56,103,000 in Government securities.

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Bullion.

The steamer which was to have brought South American gold this week met with an accident on the way, with the result that the gold market lacked supplies, and quotations were therefore purely nominal. 117*s.* 6*d.* was the quotation to-day.

The factors operating towards weakness in the silver market at the end of last week did not continue into the current week. On the contrary, the opening of the week saw a firmer tone, and, though business was on a small scale, prices advanced continuously up to Wednesday. The decline in the New York exchange was the indirect cause of the revival, as it prevented American offerings coming on the London market, while, at the same time, a moderate Chinese buying here. A moderate demand for "bear" covering again came from the Indian Bazaars. On Monday the spot price was 59*d.* per oz., with a forward discount of ⅜*d.*; by Wednesday 60⅛*d.* was reached, the forward discount continuing the same; yesterday there was a reaction to 60⅛*d.*, and to-day still further weakness in the market, with 60*d.* quoted for spot and 59⅝*d.* for two months' delivery.

NEW YORK.

A FAVOURABLE development in the direction of reducing the amount of liabilities and unliquid assets, and a slight change for the worse as regards the reserve position is shown in the latest average weekly statement of the New York City Banks and Trust Companies. The most significant feature of the statement is perhaps the decline in demand deposit liabilities, amounting for last week to thirty million dollars as compared with a net reduction of $93,150,000 for the preceding four weeks. This dwindling of deposit liabilities, as we pointed out recently, has been a prominent and steady movement in the returns of these banks ever since the beginning of the current half-year, being necessitated by the gradual depletion of reserves which, in turn, is, of course, an outcome of the strained credit situation. The net reduction in this item since the beginning of July is $220,550,000 (nominally £44,110,000), and at $3,956,080,000 (£791,216,000), the present total is the lowest for any week since the end of March 1919. During the week under review Loans, Discounts, and Investments fell by $24.6 millions to $5,127,630,000. The aggregate reserve is $4.7 millions under last week's figure at $535,940,000, and, as the decline in liabilities was not commensurate proportionally with this movement, the average excess reserve is slightly lower at $11,190,000. The actual excess reserve at the end of the week was again above the average figure at $24.1 millions.

A favourable report was presented by the New York Reserve Bank for last week. The gold reserves expanded by $12 millions to $180.1 millions, while the net deposit liabilities declined by $19¾ millions to $679.3 millions, the note liability being also lower at $864,440,000. The ratio of total reserves to net deposit and Federal Reserve note liabilities combined is now 39.5 per cent., as against 38.5 per cent. the previous week.

The combined statement of the Federal Reserve Banks shows a more favourable tendency than has been evident during the preceding five weeks. The gold holdings increased during last week by nearly $14 millions to $1,976,230,000—a movement that is probably due to arrivals of gold on French account. Simultaneously rediscounts declined by $69.7 millions to $2,675,200,000, Government deposits fell by $34.4 millions, and other deposits were reduced by $21.3 millions to $1,648,440,000. Accordingly the reserve ratio advanced to 42.8 per cent., as compared with 42.5 per cent. last week and 50.4 per cent. a year ago. Less satisfactory movements are provided by an increase of $3½ millions in open market purchases of bills, of $52.8 millions in Government paper, and of $51.9 millions in the Federal Reserve note circulation. The latter now stands at $3,275,180,000, which is the highest reported to date for this item. In view, however, of last week's shrinkage in rediscounts, it is probable that the next statement of the Banks will show a decline in the circulation.

Call money was again easier, the ruling rate being around seven per cent., with occasional loans at six per cent. Some time funds came out during the week, and were placed on the basis of eight per cent. on Stock Exchange collateral. The recent French issue was dealt in in Wall Street at a premium of from one to three points, a fact which serves to show the change in sentiment which has occurred in New York with regard to the progress of reconstruction in Europe. The quotation for Prime Commercial paper continued at eight per cent.

INDIA.

IT is satisfactory to note that the later reports of the progress of the monsoon in India are much more optimistic than previous ones. Yet, on the whole, the outlook for the crops is distinctly discouraging, and, if justified, foreshadow a reduction in the Indian export trade this season. Such an event would have a two-fold effect—it would add still further to the already pronounced food shortage of the world, and it would reduce the Indian demand for our products. The former would, indeed, be a serious one at the present time, especially as there seems to be a scarcity of essential food products in the Far East, bordering on famine. As regards the latter effect, it must be remembered that the bulk of the Indian foreign trade is with the United Kingdom, and our cotton industry, especially, would suffer severely from a diminished Indian demand. For India itself, if there is a pronounced crop shortage, the effects would not be nearly so disastrous as in the past; the experience of 1918 proves that the Indian population is becoming more and more independent of the weather, and a serious crop failure need not now mean a famine, although about sixty per cent. of the Indian people still live by agriculture. Yet, considering the partial failure of the Siamese rice crop, it would be doubtful if Burma alone could supply the Indian as well as the Chinese demand for rice.

Recent movements in the Indian Currency Returns are shown below:—

1920	Note Circulation	Silver—In India	Silver—Elsewhere	Silver—Total	Gold—In India	Gold—Elsewhere	% of Metallic Res. to Notes	Government Securities—Indian	Government Securities—Internal
	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
Sept. 7	16,125	5,515	—	5,515	3,843	—	58·2	1,800	1,028
Aug. 31	16,327	5,529	—	5,529	3,912	—	57·8	4,733	1,158
Aug. 22	16,200	5,333	—	5,333	3,981	—	57·5	4,733	1,158
Aug. 15	16,295	5,229	—	5,229	4,180	—	57·7	4,733	1,158
Aug. 7	16,253	5,116	—	5,116	4,251	—	57·6	4,509	2,377
July 31	16,387	5,035	—	5,035	4,402	—	58·0	4,062	2,377
July 22	16,312	4,850	—	4,850	4,572	—	57·8	4,062	2,378
July 15	16,424	4,968	—	4,968	4,664	5	58·7	3,780	3,277
June 30	16,434	4,555	—	4,555	4,348	249	55·7	3,625	3,727
May 31	16,692	4,137	—	4,137	4,286	74	50·9	3,118	5,077
April 30	17,074	3,937	—	3,937	4,538	95	50·2	2,377	6,127
March 31	17,452	3,985	—	3,985	4,437	345	50·2	1,959	6,627

Stock Exchange.

THOUGH the marked success of some recent capital flotations testifies to a revival of the activities of the investing public and the existence of large funds awaiting suitable opportunities for placing, business on the Stock Exchange still continues practically featureless. The coal situation, with its deadly threat to industry, has stopped the [illegible]

of the miners' case, the near future should mark a very distinct increase in Share market operations.

British Funds drooped consistently throughout the week, especially War Fives, while Funding Loan and Victory Bonds were not much better. Consols and War Fours eventually recovered a previous loss and closed firm. India Three per Cents. and Three and a-Half per Cents. also eased away at the finish. County and Corporation stocks suffered a remarkable relapse on Monday and Tuesday. Practically every issue except London and Liverpool descriptions was marked down, and even here previous quotations were but maintained. Liquidation was apparently prompted by a desire to re-invest funds in the several well-secured new issues which have appeared during the week. The extraordinary response to the Anglo-Newfoundland issue offers a part explanation of gilt-edge sales in general. The overflow in that direction will have to return, and much will probably find its way into the Quintuple Corporation loan. Colonials were idly steady, Natal stocks and New South Wales Six and a-Half per Cents. easing away at the finish.

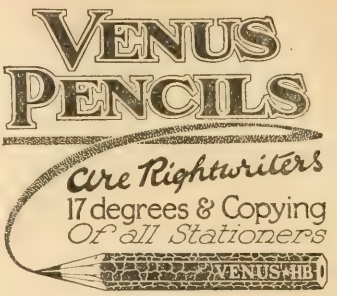
The outstanding feature of the Foreign Bonds market was the Japanese descriptions, which, despite a temporary weakness, improved substantially and closed firm, though the demand eventually slackened. Mexican Fives shed some of their appreciation of last week, but the Treasury bonds were again in demand, and prices moved up accordingly. Chinese Reorganisation Loan also benefited. French Fives and Fours were buoyed up by the imminence of the Six per Cent. Loan, but appreciations were not marked. Chilian descriptions improved, and Brazilians were slighty stronger.

Amongst Home Rails declines were petty but numerous. A hardening tendency, however, was evident at the end of the week among Great Westerns, North Easterns, and Metropolitans. Underground Electrics were the only feature of real strength, the Income Bonds being particular favourites.

Foreign Rails shared the general restriction of business, and price movements were not very frequent. Mexicans further improved with the decision of General Obregon to remit all arrears of taxation on mines, but demand finally tailed away, and prices at the close exhibited a tendency to react. Argentine rails, which are dealt with at length in a leading article, still follow a downward trend in market values. United Railways of the Havana again sagged, but finished firm at lower levels. Among Brazilian descriptions, San Paulo continued to be marked down as a result of the failure of its application to raise rates.

Among General Industrials, though transactions were comparatively few, prices were generally maintained, fractional appreciations being numerous, especially towards the close. Van den Berghs again improved. Associated Cements, Imperial tobacco, British Oil and Cake, and British Glass finished at higher levels. Dunlops continued to depreciate. Iron and steel shares were decidedly weak from the start, but many improvements were recorded towards the end. Nitrates did not attract much attention. Telegraphs were unaltered save for an early depreciation in Marconis. Gas and Electric shares did not provide any elements of interest, except for a reduction in the recent gains of Gas, Light, and Coke. Textiles recovered from a weak start, but fell back later, Courtaulds being the only firm feature at the close.

The Oil market, though still the busiest section, was not as active as in preceding weeks. The numerous appreciations were offset by many declines, the results of weakening interest and of profit-takers' operations. Royal Dutch and Tankers failed to make good an early loss. Scottish-Americans were also lower on balance, though closing strong. Mexican Eagles received a set-back on Monday, and later improvements were barely sufficient to restore them to opening levels. Kern Rivers and Burmahs showed even on balance, with a hardening tendency. Apex developed some mid-week interest, and registered a slight improvement.



Mining Topics.

With the coal deadlock still unsolved, the Mining market, in common with the other sections of the Stock Exchange, opened weak and reactionary. In the Kaffir Circus, Paris realisations brought about a series of declines. Rand Mines dropped ½ to 2¾, and Modder B closed weaker to the same extent at 6¾. Johnnies were by no means firm at 28*s.* 6*d.*, and the prevailing weakness was reflected with a closing quotation of 7*s.* 9*d.* for East Rands. On the other hand, Randfontein Central improved to 12*s.* 3*d.* However, a price of 119*s.* for gold put the market in good fettle on Tuesday, and, though little stock was available, prices tended upward. Rand Mines put on ⅛ to 2⅛; whilst East Rands moved up to 8*s.* 9*d.* After the middle of the week attention became riveted on the low-priced Kaffirs. On Wednesday East Rands were in good favour at 8*s.* 9*d.*, with Randfontein Central spurting to 13*s.* Despite the temporary relapse in the price of gold to 118*s.* on Thursday, the market exhibited a firm undertone. Rand Mines recovered to 2⅛; Randfontein Central were 3*d.* to the good at 13*s.* 3*d.*; whilst East Rands, meeting with strong support, rose to 9*s.* 6*d.* The decline in the Transvaal gold output for August to 702,083 ounces was more than offset by the increased value of the product, with an average of £5 12*s.* 6*d.* per ounce, and the reduction in the realisation charges to 6*d.* per ounce. More serious, however, was the decline in the number of natives employed to 169,263, a loss of nearly 5,000 boys since July. This rather low figure must give some occasion for anxiety, especially with those mines which are endeavouring to treat a large tonnage monthly in order to keep their costs low. Shamva Mines—upon which we have written in the current issue—have declared a third interim dividend of seven and a-half per cent., and announce that with gold calculated at 110*s.* an ounce the profit in August amounted to £19,235. For Lonely Reef the August profit is returned at £13,975; whilst development work for the month includes exposures of ore averaging 27 dwt. over 53 in. from 40 to 75 feet by a south drive from the 22nd level, and of ore averaging 26 dwt. over 46 in. from 32 to 75 feet by a drive north from the same level. In the 19th level a drive south from 889 to 910 feet revealed ore of 24 dwt. over 34 inches. From Hampton Properties comes the news that in lease No. 81 ore averaging 1 oz. 10 dwt. for 2¾ feet has been exposed at the 100-feet level of No. 2 shaft by an extension of the north drive for 10 feet. An east crosscut off the north drive at 109 feet has struck reef averaging 12½ dwt. over a width of 102 inches. It is furthermore stated that these values are conservative. An interim dividend has been announced by the Mysore Gold Mining Company of 9*d.* per share, less tax, on the fully-paid Ordinary shares, and of 6¾*d.* per share, less tax, on the new 10*s.* shares, on which only 7*s.* 6*d.* per share has been called up. A further dividend of 1*s.* 6*d.* per share, less tax, in respect of

New Boksburg Gold Mines.

amount of activity during the week. Despite the concession involved in the repeal of arrears of taxes, prices tions were reflected in the relapse of Mexico of El Oro to 6¾. On the other hand, the cable from Esperanza to the effect that the Descubridora development still yielded satisfactory results caused the shares to move up quickly from 16*s.* 9*d.* to 17*s.* 6*d.* Profit-taking now set in. Nevertheless, the shares closed firm and unchanged at 17*s.* 6*d.* on Thursday. The same day, however, witnessed a sudden relapse in Santa Ger- Debenture issue, although it was stated that the object

NEW AFRICAN COMPANY, LIMITED.

For the New African Company, Limited, the period The investments of this well-known finance concern were not of such a nature as to thrive best under the *régime* of a world war. Consequently, since 1914 the Company has at best been struggling to maintain its position. With the reversion to peace conditions the companies in which this financial association was interested began to resume normal trading operations, and with the resumption of dividend payments by these companies the revenue of the New African Company began to grow apace. The nature and extent of the growth is well portrayed in the table at the head of forcible contrast the gross profit of £21,302 for 1919, which not only makes the 1918 profit of £6,915 look insignificant, but exceeds the combined gross profits of the period 1916-18. This remarkable recovery is attributed not merely to profitable realisations effected at the high prices which many securities commanded in 1919, but also to the resumption of dividends. For the year ended June 30, 1920, an interim dividend of five per cent. has been declared by Rooiberg Minerals Development Company, and dividends of twelve and a-half per cent. by Taquah Mining and Exploration and by Abosso Gold Mining Company. On the other hand, the colliery of the Welgedacht Exploration Company had to close down, and owing to the difficulty of raising new capital at the moment the development of its gold-mining interests has to be postponed. Nevertheless, the joint result of all operations has been very satisfactory. Moreover, the expenses have not grown unduly, having increased only from £2,935 in 1918 to £4,436 for the year under review. Thus the net profit of £16,866 is over four times that of 1918, and exceeds the total net profits of 1916, 1917 and 1918 dividend absorbing £28,376. Whilst amounting to some £12,000 more than the net profit for the year under review, the dividend does not encroach on the financial position of the Company, as the balance carried forward from the previous accounts reached £19,586. Consequently, after paying this dividend there yet the next accounts.

brighter still. The full effect of the resumption of dividends by the companies in which this financial concern

African Company will hold a large block the French Ratoczyn Company, which can have the results been for the first six mor that the New African Company declared a be met, in addition to the 1919 dividend, out of the proceeds alone of the liquidation of the Ratoczyn Com- is very sound. Investments valued conservatively in July of the current year. Including the 1919 dividend of ten per cent. current liabilities at the end of 1919 amounted to £35,625, and were slightly in excess of the liquid assets, amounting to £34,910. This slight deficit of £715 was, as the Chairman pointed out at the general meeting, quite an to show the customary surplus of liquid assets. In the market the £1 shares are quoted at 15*s.* 6*d.*, and

SHAMVA MINES.

The report of this celebrated Rhodesian gold-mining Company for the year ended December 31, 1919, reveals an all-round general improvement as compared with that of the previous year. The ore crushed during the year reached 599,311 tons, and not only exceeded in quantity the reduced amount treated in 1918 by over 41,000 tons, but was also greater than the total crushed in 1917 or 1916. And this result is more satisfactory still when it is recollected that it was achieved despite the loss of sixteen and a-half days owing to the strike in December and of fourteen- and a-half days owing to difficulties with the plant and unfavourable climatic conditions. Calculating the value of the output on the basis of the par value of the gold in order to provide an effective comparison with the results of previous years, the gold revenue of 13*s.* 11*d.* per ton, whilst a slight improvement on the 1918 figure of 13*s.* 9*d.*, did not compare so favourably with the return of 14*s.* 8*d.* for 1917. However, and the absence of the influenza epidemic and the shortage of coal, which were reflected in the increased cost for 1918, there was a reduction in working costs of 3½*d.* per ton to 9*s.* 6½*d.* It is estimated that the effect of the strike was to add 1*d.* per ton to the working costs. Thus a working profit of 3*s.* 11*d.* per ton in 1918 was replaced by one of 4*s.* 4½*d.* per ton in the year under review. With the greater tonnage crushed the amount of the working profit rose from premium after July brought to the C tional source of revenue in respect of in the latter half of the year extra revenue per ton of 1*s.* a rate of twenty-two and a-half per cent., i

with twenty per cent. in 1918 and twenty-six and a-quarter per cent. in 1917. The balance carried forward to the next accounts is increased substantially from £49,668 to £93,153.

"On this mine, with the assurance of so much undeveloped excess ore, it is not, in my opinion, a good policy or economical to develop too far ahead of our requirements." Acting upon this advice proffered by the Consulting Engineer, development work was curtailed during the year, especially in view of the satisfactory position of the ore reserves. The expenditure incurred in this direction during the year amounted to £25,120, the total development reaching 11,466 feet. The outstanding feature in the development of the main section was the exposure for fifty-five feet of ore averaging 3.8 dwt. on the south edge of the stope by No. 2 north cross-cut from the upper prospect level. Ore of 4.3 dwt. was secured for 169 feet by winze 135 in the east section; whilst No. 15 cross-cut from the first level revealed ore averaging 4.6 dwt. for twenty feet. Winze 120 from second to third level gave ore of 5.5 dwt. at seventy-five feet and of nine dwt. at ninety feet. The curtailment in development, however, brought about a small reduction in the ore reserves, which were returned on December 31, 1919, at 1,982,000 tons of 4.3 dwt., as compared with 2,023,000 tons of 4.36 dwt. in 1918. However, an improvement has taken place in the first half of the current year, with the result that at the end of March they were estimated at 2,004,000 tons of 4.2 dwt. This is a mine, however, in which the ore reserves do not necessarily supply an accurate measurement of its life. Prospecting operations continue to reveal considerable extensions to the different ore bodies both laterally and in width. Furthermore, so long as the gold premium renders it possible to work with profit ore with a three-dwt. recovery, the life of the mine is correspondingly increased. According to the Consulting Engineer, working ore of a grade of 3.3 dwt., excess rock could be utilised to the extent of sixty-five per cent., thereby rendering it necessary to develop only 200,000 tons annually. In a circular issued early in the current year the Consulting Engineer declares that recent developments encourage prospects of a much longer life and concludes that the mine is still in its youth.

Prospects for the current year appear to be brighter, if anything, than those of 1919. The increases in wages, and after the first quarter the steady growth in realisation charges, will in all probability be more than counteracted by the premium on gold, especially when allowance will be made for the restoration of normal realisation charges since July, coinciding with the steady increase in the gold premium. In the March quarter, despite time lost owing to a strike in January and despite the lower grade of ore crushed, a working profit of £44,227 was recorded, and that in the face of a rise in working costs. To cope with the obstacle created by the hardness of the ground encountered in development work it was decided to incur an expenditure of £20,000—the funds to be provided out of the renewals and replacements reserve of £35,000—on plant to be able to mill 56,000 tons monthly. In June, although handicapped by stoppages owing to difficulties with the plant, 50,500 tons were crushed. Working costs had reached the high level of 11*s.* 1*d.* per ton. Yet a working profit of £12,724 was secured. In the light of these facts, the declaration of two interim dividends of seven and a-half per cent., instead of the usual five per cent. for the current year becomes intelligible. Financially the position of the Company is sound. Current liabilities do not exceed £112,680 and are just covered by liquid assets amounting to £113,864. In the market the £1 shares are quoted at 35*s.* 3*d.*, and yield at this price, assuming for the remainder of the year a dividend of fifteen per cent., a return of over eight and a-half per cent. On the basis of the full dividend of thirty per cent. the yield would be over sixteen and three-quarters per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, September 15, 1920.

Issue Department.

Notes Issued	£140,007,845	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,557,845
	£140,007,845		£140,007,845

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£56,103,129
Rest	3,529,150	Other Securities	83,390,829
Public Deposits	15,201,579	Notes	14,843,045
Other Deposits	122,575,386	Gold and Silver Coin	1,535,525
Seven-day and other Bills	13,413		
	£155,872,528		£155,872,528

Comparison with Previous Four Weeks [£0,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£		%	%	%
Sept. 15	125.1	123.1	15.2	122.5	56.1	83.4	16.4	11.9	7	6⅞
Sept. 8	125.9	123.0	16.5	118.3	59.6	76.3	15.9	11.7	7	6⅞
Sept. 1	126.5	123.0	16.4	119.3	57.4	75.4	14.9	11.6	7	6⅞
Aug. 25	124.8	123.0	15.3	100.5	41.5	75.8	16.5	14.3	7	6½
Aug. 18	124.8	123.1	16.1	117.3	58.5	76.1	16.6	12.5	7	6½
J'y22.'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52.40	3	2⅝

* July 30, 1914 to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 6%; Nov. 6, 1919, 8%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (In £'s sterling 00,000's omitted):	Sept. 17, 1920	Sept. 17, 1919	Sept. 18, 1918	Sept. 19, 1917	Sept. 18, 1910
Circulation	£125.1	£80.9	£59.4	£10.7	£27.6
Public Deposits	15.2	20.1	38.1	40.8	13.3
Other Deposits	122.5	91.8	130.0	128.2	43.7
Government Securities	56.1	19.5	56.6	58.1	15.6
Other Securities	83.4	84.7	99.5	96.5	29.2
Reserve	16.4	25.6	30.0	32.5	30.5
Ratio to Liabilities	11 9%	23 03%	17 68%	19 23%	53 42%
Coin and Bullion	123 1	88.2	71.0	51.7	39.7
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3%	3½%	4½%	2⅛-1⅝%
Exchanges:					
Paris Cheques	63 03	36 81	26 08	27 57½	25 23
New York 60 days	3 45½	4 13	4 73	4 72½	4 83
Bombay Telegraphic Transfers	1/10⅞	1/11⅛	1/5½	1/4⅝	1/4⅛
Prices:					
Consols 2½% Cash	47	50	58½	54¼	80⅜
French Rentes 3% Money	53 75	60 65	63 45	61 15	87 00
Silver, London spot per oz.	60¼	62d.	49¼d.	55d.	29¾d.
Wheat, *Gazette* average qr.	90 6	73 5	72 8	70 7	31 11
Cotton, Mid Upland lb.	23 73	18 47d.	23 30d.	17 42d.	7 58d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	55/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank England Notes & Gold to Notes
	£	£	£	£	£	%
Sept. 15, '20	6,848,314	7,467,108	350,940,887	28,500,000	18,650,000	13·4
Sept. 8, '20	7,543,984	7,088,883	351,559,653	28,500,000	18,650,000	13·4
Sept. 17, '19	5,787,649	6,602,897	330,627,237	28,500,000	—	8·6
Sept. 18, '18	5,694,854	4,246,866	273,077,056	28,500,000	—	10 3
Sept. 19, '17	4,393,047	3,798,621	176,484,598	28,500,000	—	16 1
Sept. 20, '16	3,972,255	4,326,223	130,605,919	28,500,000	—	21 8

Balance Sheet, September 15, 1920.

Notes outstanding—	£	Advances—	£
One Pound	277,068,053	Other Bankers ...	—
Ten Shilling	41,822,807	Trustee Savings Banks	—
Certificates outstanding ...	32,050,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	350,940,860	Bank of England Notes...	18,650,000
Notes called in but not yet cancelled	3,474,846	Government Securities ...	323,974,983
Investments Reserve A/c ...	16,859,606	Balance at Bank of England	150,329
Total	371,275,312	Total	371,275,312

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c. Cr.	Loans, Advances, &c. Dr.	Net +	Cash Balance
Sept. 11	£20,642	£15,321	£5,321‡	£74,136	£79,961	—£5,825	£3,164
Sept. 4	16,029	29,101	13,072	97,359	84,480	+12,855	3,668
Aug. 28	20,430	19,166	1,264‡	91,138	92,444	—1,306	3,681
164dys. '20-21	541,195	456,713	84,482‡	2,351,756	2,445,807	—93,851	— 6,205
166days '19 20	410,966	671,019	260,053	3,053,502	2,892,129	251,373	— 8,689
Yr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—234,198	—
Yr. '19-20	1,339,571	1,165,773	326,202	6,092,709	5,768,507	326,202	9,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Sept. 11	£4,856	£3,758	£3,605	£8,183	£2,746	£41	£12,534
Sept. 4	3,774	5,821	3,071	5,363	16,291	246	10,564
Aug. 28	5,387	4,845	3,236	5,384	4,224	1,504	13,437
164days '20-21	132,824	116,226	98,234	193,912	152,867	8,177	293,489
166 days '19-20	107,654	102,492	119,242	81,568	157,507	3,368	510,144
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,193	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,237,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Sept. 11, 1920 ...	£1,065,873	£196,941	£1,262,814	£10,729
Sept. 4, 1920 ...	1,069,009	197,941	1,266,950	10,579
Aug. 28, 1920 ...	1,066,736	182,491	1,249,227	10,399
Aug. 21, 1920 ...	1,060,709	187,941	1,248,297	10 189
June 30, 1919 ...	796,100	774,237	1,570,337†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS :

(In £'s Sterling—000's omitted.)

		Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£13,977	£633	£14,610	£41,925	£51,900	£3,233
Sept. 2, '20	...	10,889	1,071	11,731	22,765	214,181	59,959
Sept. 9, '20	...	10,860	1,088	11,728	22,894	224,303	63,346

		Claim on Austro-Hung. Bank	Contingent Liabr. on Bank Notes	Total Cash	Discounts	Advances	Circulation (State-Notes)	Deposits
CZECHO-SLOVAKIA *								
Aug. 7, '20	...	£398,475	£98,923	£29,678	£ 83,162		£383,255	£45,582
Aug. 23, '20	...	398,503	88,923	31,415	90,858	245,446	520,950	52,959
Aug. 31, '20	...	398,682	83,923	32,331	89,256	413,955	477,923	47,923

		Cash			Discounts	Balances Abroad	Circulation	Deposits
DENMARK.		Gold	Silver	Total				
July 31, '14	...	£4,100	£341	£4,441	£8,197	£788	£9,633	£47
July 31, '20	...	12,658	143	12,801	13,755	2,045	30,034	2,521
Aug. 31, '20	...	12,643	145	12,788	15,029	1,463	33,120	2,980
Aug. 30, '19	...	10,382	167	10,549	6,701	2,599	24,903	981
Aug. 31, '18	...	10,366	137	10,503	3,450	3,784	21,773	567

		Gold— In Bank	Abroad	Total Cash incl's Silver	Bills	Circulation	Deposits— Public	Private
FRANCE.								
July 30, '14	...	—£165,654—		£190,667	£97,788	£287,327	£15,302	£37,903
Sept. 9, '20	...	143,895	79,131	233,038	77,506	1,544,898	1,581	131,340
Sept. 16, '20	...	141,691	79,131	231,022	74,389	1,546,624	1,331	125,043
Sept. 18, '19	...	143,891	79,131	231,633	37,611	1,426,241	3,503	109,703
Sept. 19, '18	...	136,012	81,484	230,247	32,933	1,191,538	14,241	123,236

		Cash— Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£6,279	£49,056	£94,545	£47,193
Aug. 23, '20	...	64,579	387	64,966	903,895	2,069,391	2,837,651	602,546
Aug. 31, '20	...	64,579	354	64,933	934,430	2,319,449	2,920,050	783,593
Aug. 30, '19	...	55,182	976	56,133	478,633	1,562,750	1,424,616	541,261
Aug. 31, '18	...	117,405	5,957	123,362	103,697	884,039	681,055	471,693

		Cash— Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14	...	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Aug. 30, '20	...	53,028	1,376	54,404	11,812	26,267	85,662	6,789
Sept. 6, '20	...	53,028	1,395	54,423	10,730	26,862	86,325	6,180
Sept. 8, '19	...	52,632	484	53,116	13,926	18,346	83,687	5,331
Sept. 7, '18	...	58,954	663	59,616	8,165	8,726	73,608	4,987

		Cash— Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	£43,458—		£25,017	£63,204	£9,897
July 30, '20	...	£32,391	£2,938	35,189	15,591	207,782	544,245	72,243
June 30, '20	...	32,329	2,998	35,327	15,451	211,853	555,957	64,350
June 30, '19	...	32,204	2,980	35,184	19,868	70,204	403,792	62,783
June 30, '18	...	32,728	3,068	35,796	9,746	56,707	319,582	61,787

		Gold	Discounts	Advances	Notes	Deposits— Public	Private
JAPAN.							
Aug. 1, '14	...	£21,667	£1,829	£7,863	£32,722	£13,818	£1,521
July 24, '20	...	99,797	21,289	28,863	111,779	107,207	9,555
July 31, '20	...	100,888	22,624	29,265	120,243	108,155	5,810
Aug. 2, '19	...	73,023	11,443	43,326	101,622	110,234	4,448
Aug. 3, '18	...	85,271	4,863	31,116	74,292	77,233	3,721

		Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest.,&c.	Demand	Net Deposits— Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.			£89,888	£411,238	—	—	£387,185	£1,703
Aug. 1, '14	...	£17,841†	108,120	1,030,444	£797,222	£54,412	879,288	2,333
Sept. 11, '20	...	18,696†	107,188	1,025,528	791,216	54,301	849,204	9,233
Sept. 13, '19	...	19,828†	115,828	1,017,832	833,248	43,731	916,882	5,718
Sept. 14, '18	...	20,246†	104,368	904,032	742,965	37,108	815,840	5,915

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£793
July 31, '20	...	8,118	2,736	678	24,483	25,701	5,835
Sept. 7, '20	...	8,119	2,594	678	25,292	25,734	6,211
Sept. 8, '19	...	8,167	4,689	678	16,984	23,570	2,639

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
June 2, '20	...	£1,906	£3,921	£5,827	£20,406	£90,438	£10,635
June 9, '20	...	1,906	3,921	5,827	22,567	94,858	8,858
June 11, '19	...	1,905	3,935	5,840	8,198	85,033	3,474
June 12, '18	...	1,905	3,475	5,380	8,822	48,378	2,188

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
June 5, '20	...	£62,809	£15,779	£3,784	£19,573	£185,443
June 12, '20	...	62,809	16,587	3,483	20,050	187,704
June 19, '20	...	64,009	18,382	3,514	21,376	189,441
June 21, '19	...	39,981	9,712	1,910	11,622	117,089

		Gold— In Bank	Abroad	Total Cash incl's Silver	Discts	Loans & Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£160,114	£14,395	£181,882	£76,081	£183,411	£6,589	£109,911
Oct. 28, '17	...	128,623	230,885	378,205	1,869,559	1,838,217	15,783	345,550

		Cash— Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,965
Aug. 30, '20	...	98,086	23,951	122,037	88,476	13,779	159,378	37,433
Sept. 11, '20	...	98,098	23,762	121,860	87,109	13,779	160,501	37,601
Sept. 13, '19	...	98,412	25,624	122,036	88,443	13,778	147,930	33,572
Sept. 14, '18	...	87,744	25,977	113,721	53,591	13,777	120,591	45,454

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Aug. 28, '20	...	14,519	4,874	2,519	35,081	39,537	13,733
Aug. 4, '20	...	14,514	4,840	2,519	36,734	42,148	11,835
Sept. 8, '19	...	16,684	7,612	2,937	21,314	38,718	7,779
Sept. 7, '18	...	14,682	7,391	8,155	14,906	38,888	3,943

		Cash— Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
June 23, '14	...	£7,202	£756	£7,960	£4,817	£10,716	£2,028
Aug. 31, '20	...	21,598	3,706	25,304	14,084	33,075	4,884
Sept. 7, '20	...	21,604	13,667	35,271	14,015	37,337	5,110
Sept. 6, '19	...	18,626	2,582	21,218	17,884	35,740	4,312
Sept. 7, '18	...	15,339	2,018	17,355	16,635	30,255	5,674

* Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.								
Sept. 6, '20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept. 13, '19	153,886	259,936	437,750	26,964	7,146	6,756	4,754	4,754
Sept. 13, '18	171,468	243,444	415,546	322,650	47,950	41,346	324,424	449,086

II.—CURRENT BANK RATES OF DISCOUNT.

[illegible]	4	1,15	4½	[illegible]	[illegible]
[illegible]	4	23,14	5	Nov. 10,19	
[illegible]	5	21,19	6	Apr. 8,20	
[illegible]	5	29,20	6	July 29,14	
[illegible]	6	28,20	6	[illegible]	
[illegible]	5	5,19	7½	Sept. 16,20	
[illegible]	7	[illegible]	Tokio ...	8 03	Nov. 18,19
[illegible]	7	16,20		5	Apr. 12,15

III.—FOREIGN EXCHANGES.

LONDON ON		Sept. 17, '20	Sept. 10, '20	Sept. 3, '20	Aug. 27, '20
[illegible]		[illegible]	18[illegible]	177[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	24[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
Paris	3 mos.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

ON LONDON		Sept. 17, '20	Sept. 10, '20	Sept. 3, '20	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
Athens	Cable	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
Calcutta	do.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]

VI.—WHOLESALE PPICES OF COMMODITIES.

	SEPT. 17, 1920.	SEPT. 19, 1919.	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	231/0	166/0	57/0
— Middlesbro' warrants ...ton	235/0	160/0	51/0
— Hematite warrants ...ton	260/0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£22 10 — £23	£6 10
— Common bars ...ton	£30 10—£32	£22 10—£23	£6 16
Steel Rails ...ton	£26	£16 10	£6 2/6
Galvanised Sheets ...ton	£44—£46	£32	£16 17/0
Copper—Standard ...ton	99/5	£100 15—£101	£66
Tin—English Ingots ...ton	£270	£142	£142 15
— Straits ...ton	£283	£281—£82	£139 10
Tinplates, I.C. Coke, S. Wales... box	56/0 57/0	36/0—38/0	11/10½—12/0
Lead—Soft Foreign ...ton	£35 15 £25 12 6	£26 7 6	£19
Spelter—Ord. Foreign ...ton	£39 12 6	£40 17 6 £41 10—£42 5	£21 7/9
Quicksilver—(75lb.) ...bottle	£18	£23 10—£24 10	£7
Aluminium ...ton	£185 home	£150	£82
Antimony—Regulus Foreign ...ton	£42—£45	£43 10	£27 10
— English ...ton	£52—£55	£48	£25 5
Coal—(best) Yorkshire ...ton	37/2—38/2	29/6—30/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b., Chile, to quintal	16/0	9/3	7/4
Soda—Crystals ex wharf ...ton	110/0	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£5 10	£57	£23 15—£24 7/6
Gambier—Good marks ...cwt.	42/6—45/0	51/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	8/0—10/0	3/2—3/3
Linseed Oil—Raw ...ton	£78	£92	£25 5
Linseed—Calcutta, spot ...ton	£41	£41	£13 16/9
— Coast, U.K. ports, ex mill ...ton	£22 5—£22 10	£25	£7 17/6—£8
Olive Oil—Spanish ...ton		nom	£49 10
Palm Oil—Lagos ...ton	64/15/-	£89	£31 10
Petroleum—American ...gallon	2/4	1/6d	7½d.
Rape Oil—Refined English ...ton	£90	£105	£32
Soya Oil—Refined ...ton	£80	£86	£26
Tallow—Imported ...cwt.	72/0—80/0	86/0—112/0	29/3—33/3
Turpentine—American ...cwt.	153/-	128/6	33/7½
Rape Seed—Toria ...ton	£37	£44—£45	£13 5
Rubber—Para, spot ...lb.	1 7½	2/6½	2/9½
— Fine plantation (standard) ...lb.	1/8	2/3½	2/2
— World's Production* July tons	27,525	26,000	8,467
Shellac—T.N. Orange, fair ...cwt.	640/0	485/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	23 73d.	18 47d.	7.534.
— Egyptian, good fair ...lb.	45 75d.	29 75d.	8.75d.
— Pernambuco fair ...lb.	22 91d.	21 37½d.	7.73d.
— Midland Upl. New York ...lb.	28 50c	30 40c	13.25c.
— Stock, Liverpool, cwt. 10 tons	691,520	854,130	934,800
Flax—Fine Irish, Lurgan ...ton	nom.	nom.	£98
Hemp—New Zealand ...ton	£56	£46 10—£47	£25 10
— Manila, Fair ...ton	£68 10	£46—£59	£28 10
Jute—First Marks ...ton	£52	£76	£26 15
— Red SCO ...ton	£46	£68	£24 15
Silk—Fine Eleephant ...lb.	32/0	31/0	11/3—11/6
Wool—St. Philip unwashed av. lb.	4/4	3/10	11¼d.—1/0
— Lincoln Half Bred ...lb.	1 7	2 0	1/0½
Hides—Eng. Ox, live, 70 lb. up ...lb.	13d.	12½d.—13	7¼d.
Leather—Dressine Hides ...lb.	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	20,758,000	91,069,000	34.640.000
— Red, price, N.Y. 60lb. ...bushel	295½c.	237½c.	67¼c.
—English Gazette, aver. 480lb. qr.	80/6	73/5	34/3
Flour—G.B. ...280lb.	63/6	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	80/6	92/5	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	54/5	54/5	20/0
Maize—N.Y. new bushels ...560lb.	—	165½c.	99½c.
— Amer. mixed, Liverpool ...480lb.	nom.	nom.	32/4
— La Plata ...480lb. qr.	67/6	65/0	25/9
Potatoes—Good English ...ton	200/0	197/0	70/0—75/0
Rice—Bassein ...cwt.	44/0	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0—40/0	67/6	14/0—17/8
Hay—Best ...2,016lb.	load	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/8	6/6	3/8—3/10
— Scotch sides ...8lb.	11/4	8/6	4/6—5/0
— English ...8lb.	11/4	8/6	4/2—4/5
Mutton—Scotch wethers ...8lb.	16/4	9/0	5/8—6/0
— English wethers ...8lb.	16/4	9/0	4/6—5/4
— New Zealand frozen ...8lb.	4/0—4/6	6/6	2/4—3/2
Pork—English and Irish ...8lb.	16/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	1280/0	190/6	60/0—74/0
— Danish ...cwt.	1204/0	1187/0	58/0—68/0
— Canadian, ex Port ...cwt.	1200/0	1187/0	—
— American ex Port ...cwt.	1180/6—187/0	1187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	1216/0	1190/0	75/0—79/0
— Short cut, ex Port ...cwt.	1216/0	1190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	1158/6	1198/6	51/9—52/9
Butter—Danish ...cwt.	1303/4	1252/0	117/0—120/0
— French ...cwt.	1303/4	1252/0	96/0—108/0
— Australian ...cwt.	1303/4	1252/0	98/0—110/0
— New Zealand ...cwt.	1303/4	1252/0	108/0—114/0
Cheese—Canadian ...cwt.	1162/0—168/0	1144/8	66/0—68/0
— United States ...cwt.	—	1144/8	—
— Dutch ...cwt.	164/0—168/0	1144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Aug. 31 ...cwt.	19,047,713	22,393,356	19.777.254
— Home consumption to Aug. 31 ...cwt.	16,176,623	20,077,635	17,272,000
— In Bond Aug. 31 ...cwt.	7,938,000	7,987,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	90/0	36/0	10/3
— — Yellow crystals ...cwt.	112/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	116/0	64/9	18/0
Coffee—Imports to Aug. 31 ...cwt.	624,423	881,185	720,360
— Home consumption to Aug. 31 ...cwt.	206,275	206,027	141,416
— Exports to Aug. 31 ...cwt.	316,451	398,730	340,250
— In Bond Aug. 31 ...cwt.	825,000	886,000	484,000
— Price, Costa Rica gd. to fine cwt.	130 0—150 0	145/0—155/0	80/0—93/0
— — Bonited (Santos) Good ...cwt.	70 0—80 0	65 9	41/6
Tea—Imports to Aug. 31 ...lb.	256,392,973	269,895,917	123,230,277
— Home consumption to Aug. 31 lb.	247,960,695	255,955,589	155,447,972
— Exports to Aug. 31 ...lb.	27,501,878	18,722,782	26,561,765
— In Bond Aug. 31 ...lb.	222,478,000	133,138,000	76,292,000
— Price, Indian, Pek. Soug. gd. lb.	6d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	5½d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond Aug. 31 ...cwt.	1,547,000	1,409,000	309,000
— Grenada, good to fine ...cwt.	83/0—85/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	July	$17,376,000	+2,656,000	$1,619,000	— $1,377,000
Grand Trunk	7 mos. to July	108,434,000	+1,791,000	13,047,000	— 2,136,000
	July	£1,660,000	+ £322,700	£210,400	— £22,900
	7 mos. to July	8,438,100	+1,222,500	225,500	— 324,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Aug.	7	1.044	R1.84.594 —	6.229	18	36.00.234 + 2.02.896
Barsi Light ...	Aug.	21	118	19.700 —	1.900	20	6.75.400 + 11.200
Bengal & N.W.	Aug.	14	2.067	4.62.590 +	43.619	19	97.46.851 — 3.19.272
Beng. Doors	July	31	158	31.037 +	1.365	17	4.80.370 + 15.224
Beng. Nagpur	Aug.	14	2.695	10.05.000 —	77.000	19	2.35.28.000 — 15.23.000
Bomb. Baroda	Sept.	4	2.871	17.74.000 +	2.90.000	23	4.16.01.000 + 17.23.000
Burma	Aug.	14	1.342	4.67.932 +	7.819	19	1.03.39.774 — 60.094
Del. Um. Kalk.	Sept.	4	239	89.400 —	5.451	23	21.32.529 + 18.555
East Indian ...	Sept.	11	2.772	28.31.000 +	77.000	24	6 56.91.000 + 44.26.000
Gt. Indian Pen	Sept.	4	3.121½	22.61.100 +	3.93.400	23	5.68.13.905 + 3.06.597
Madras & S.M	Aug.	21	3.152	12.00.000 —	58.000	20	2.61.72.280 + 2.15.371
Nizam's Guar.	Aug.	7	900	2.81.994 +	36.859	18	58.22.478 — 11.682
Roh. & Kumn	Aug.	14	576	1.01.062 +	10.863	19	23.35.243 + 1.87.286
South Indian	Aug.	7	1.8524	7.92.937 —	39.046	16	1.49.45.879 + 4.41.148
South Punjab	April		716	12.72.545 +	7.27.206	1m	—
COLONIAL							
Can. Northern	Sept.	7	9.704	$1.280.700 +	140.500	35	38.981.323 + 6.281.624
Can. Pacific ...	Sept.	7	13.388	3.991.000 +	392.000	35	131.000.000 + 20.675.000
Grand Trunk	Sept.	7	3.616	£367.750 +	76.362	35	10.402.157 + 1.413.281
Mashonaland	June		810	91.152 +	21.471	9m	682.619 + 178.922
Mid. W. Aust.	June		277	9.98 +	2.303	6m	129.0.8 + 19.327
NewCapeCent.	Aug.	14	205	2.388 —	57	33	99.793 + 16.985
Rhodesia Rlys	June		1,397	134.202 +	29.272	8m	— —
Temiscouata..	June		—	833.38 +	6.147	6m	187.427 + 11.302
W. Pass. & Yuk	Dec.		122	1.568.626 +	124.546	12m	1.568.626 + 124.546
FOREIGN.							
Argentine.							
Arg. N. East...	Sept.	4	752	£ 12.500 —	2.200	10	119.900 + 9.800
Arg. Transand.	Sept.	11	111	£ 2.196 +	1.376	11	16.197 + 10.211
B. A. & Pacific	Sept.	11	3.536	£ 113.000 —	36.000	11	1.487.000 + 19.000
B.A.Gt. South	Sept.	11	3.792	£ 148.000 —	32.000	11	1.487.000 — 258.000
Do.	Sept.	11	Net	£ 23.000 —	44.000	11	125.000 — 364.000
B. A. Western	Sept.	11	1.882	£ 75.000 —	33.000	11	765.000 — 233.000
Do.	Sept.	11	Net	£ 9.000 —	29.000	11	138.000 — 173.000
B. A. Central	July		190	£ 54.127 +	9.106	1m	— —
Cent. Argent.	Sept.	11	3.305	£ 263.000 +	30.00	11	2.131.000 + 536.000
Cord. Central	Sept.	11	1.205	£ 59.300 —	5.800	11	612.450 — 22.756
Entre Rios ...	Sept.	11	811	£ 21.100 —	900	11	229.300 — 4.500
Brazilian.							
BrazilGt.South	June		110	M 40.750 —	16.850	6m	293.250 — 11.090
Brazil Railway	Dec.		3.530	M 4.859.000 —	141.271	12m	57.772.000 + 7.619.243
Gt. W. Brazil	Sept.	11	1.010	$ 15.000 —	830	36	777.030 + 95.000
Leopoldina ...	July	4	1.831	£ 45.938 —	8.450	31	1.886.328 + 522.286
Mogyana ...	Dec.		1.180	M 1.561.000 —	956.490	12m	22.267.000 — 2.474.851
Paulista ...	Dec.		766	M 2.650.000 —	906.038	12m	32.479.000 — 1.225.892
San Paulo ...	Sept.	12	1534	$ 40.786 +	3.046	36	1.674.715 + 453.877
Sorocabana ...	Dec		1.003	M 1.749.000 —	246.168	12m	21.953.000 + 978.682
S.of BahiaS.W.	July		52	M 130.000 +	18.000	7m	601.000 + 89.000
Chilean and Peruvian.							
Antofagasta...	Sept.	12	838	£ 49.530 +	19.838	36	1.694.700 + 778.186
Arica-Tacna...	June		844	£ 12.000 +	500	6m	76.000 + 10.700
Nitrate(2wks.)	Aug.	31	390	£ 46.350 +	29.394	32	671.448 + 367.707
Peruvian Corp.	Aug.		1.140	S 1.191.795 +	25.511	2m	2.324.145 + 99.131
Talcal ...	Aug.		180	£ 33.510 +	24.967	2m	59.033 + 43.035
Cuban.							
Cuban Central	Sept.	4	362	£ 21.736 +	2.686	10	220.292 + 51.631
Havana Cent.	Sept.		70	£ 12.931 +	3.014	10	123.163 + 24.940
U. of Havana	Sept.	11	881	£ 66.796 +	15.815	11	722.588 + 123.777
W. of Havana	Sept.	11	165	£ 12.683 +	4.753	11	130.581 + 31.498
Uruguayan.							
Cent. Uruguay	Sept.	4	273	£ 20.653 +	44	10	179.860 — 16.589
,, (E. Ext.	Sept.	4	311	£ 5.236 —	366	10	45.526 — 162
,, (N. Ext.	Sept.	4	185	£ 3.578 —	16	10	27.451 — 6.757
,, (W.Ext.)	Sept.	4	211	£ 2.433 —	165	10	21.341 — 1.450
Mid. Uruguay	Aug.		319	£ 17.387 +	1.385	2m	33.824 + 2.778
N. Uruguay	Aug.		113	$ 5.774 —	255	2m	11.003 — 812
Urug. Northn.	Aug.		73	£ 2.287 +	93	2m	4.202 + 163
Miscellaneous							
Alcoy & Gandia	Sept.	4	33	Ps. 10.000 +	3.000	35	466.300 + 100.900
Bilbao ...	Aug.		15	£ 2.712 +	622	8m	27.188 + 6.615
Bolivar ...	Aug.		136	£ 7.504 —	998	8m	85.497 — 9.140
Colomb. Natnl.	June		86	£ 21.549 +	5.280	6m	108.150 + 33.870
Costa Rica ...	June		189	£ 23.119 +	781	12m	317.253 + 48.254
Dorada Ext....	May		70	£ 13.500 +	3.500	7m	118.178 + 45.078
Egyptian Delta	Aug.	26	559	£ 14.540 +	4.321	20	175.590 + 88.520
Gt. S. of Spain	Sept.	4	104	Ps. 79.936 +	11.374	36	3.110.731 — 904.614
La Guaira & Ca.	Aug.		222	£ 12.950 +	3.650	8m	114.600 + 46.416
Ottoman Ry...	Aug.	21	379	£ 8.815 —	—	—	— —
Paraguay Cent.	Sept.	4	274	£ 5.400 —	560	10	48.800 — 3.430
Puerto Cabello	Aug.		34	£ 5.250 +	1.250	8m	44.000 + 7.877
Salvador ...	Sept.	11	100	£ 3.288 —	145	11	34.471 — 2.231
Santa Fe Prov.							
French Rys.	July		1.181	£ 149.864 +	976	7m	1.129.304 + 3.070
S'n'na&S'tiago	July		80	£ 18.790 +	1.246	7m	140.123 + 28.87
Zafra & Huelva	July		112	£ 11.422 +	5.558	7m	84.852 + 20.53
TRAMS.							
Anglo-Argent.	Sept.	5	400	£ 80.204 +	15.995	35	2.711.466 + 677.71
Auckland Elec.	June	30	27	R — —	— —	52	292.502 — 2.06
Bombay Elec.	May		39	R. 8.40.311 +	77.990	5m	39.77.054 + 5.50.65
Brazilian Trac.	July		3783	M11.745000 +	1.675.000	7m	72.785.000 + 8.752.00
Brisbane Elec.	Aug.		404	£ 46.850 +	3.410	8m	367.590 + 63.19
Brit. Columbia	July		334	$ 642.090 +	98.410	1m	— —
B. A. Lacroze	Aug.		61	£ 53.852 +	7.106	2m	105.160 + 13.39
Calcutta ...	Sept.	11	353	R 1.92.122 +	10.355	37	33.54.387 + 2.83.44
Cape Electric	May		424	£ 30.560 +	2.011	5m	3.09.204 + 34.72
Carth. & Herr.	Aug.		9	£ 3.721 —	730	8m	36.491 + 12.52
Chatham&Dist.	Aug.	2	15	£ 2.042 +	285	35	80.301 + 6.52
Havana Elec.	May		86	$ 946.301 +	205.99	5m	4.687.216 + 1.010.56
Isle of Thanet	Sept.	8	204	£ 2.757 +	326	49	58.104 + 13.60
Kalgoorlie ...	June		204	£ 3.028 +	383	6m	17.943 — 4
Lanarkshire ...	Sept.	2	284	£ 4.764 +	549	35	147.401 + 21.2
Lima Light ...	June		85	£ 55.919 +	8.063	6m	343.173 + 60.13
London C.O. ...	Sept.	15	1413	£ 88.791 +	9.304	23	2.042.393 + 89.85
Madras (2wks.)	Aug.	31	153	R. 1.38.458 +	6.955	32	7.99.979 + 1.41.7
Manila Electric	May		55	$ 282.280 +	92.607	7m	1.904.256 + 488.9
Pernambuco...	Sept.	12	59	£ 5.601 +	82	36	252.828 + 65.1
Provincial ...	Aug.	14	214	£ 9.977 —	129	46	160.382 + 14.3
Rangoon Elec.	July		25	£ 7.911 +	1.349	7m	55.384 + 10.1
Shanghai Elec.	Aug.		264	M. $157.400 +	19.400	8m	1.175.854 + 177.8
SingaporeElec.	Aug.	14	264	$ 19.785 +	3.758	31	783.531 + 279.2
U.of Montevid	Aug.		904	£ 42.771 +	7.898	10m	429.706 + 60.7

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Paid-up Capital and Surplus - $50,000,000
Total Assets more than - $800,000,000

The Statist.

LONDON, SATURDAY, SEPTEMBER 18, 1920.

GERMAN BANKING.

A PREMIUM LOAN issued last November by the German [illegible] that, like our own, had become rather sated by the increasing importunity of their rulers. Ever since the revolution Governmental issues have been looked upon with [illegible] Germany [illegible] of the official quotation for stocks, to resort to artificial measures to support the price of Government loans which, if exposed to the natural play of market forces, [illegible] To stabilise the quotations of the loans the German banking community formed a limited company called the [illegible] Despite the [illegible] Government loans have derived little benefit in the way of marking up, as activity was mainly speculative, [illegible] occupied during the War or ceded under the Treaty of Peace, together with the realisation abroad of a [illegible] owned in Germany, caused a fairly large accumulation of cash in the hands of the well-to-do section of the community. On account of the disturbing effects of the attempted *coup d'état* and the continuance of working-class agitation, even after the Bolshevist and [illegible] were few safe business openings for capital, and those who were fortunate enough to have funds at their disposal [illegible] accentuated by the increase in paper money. Inflation had the complementary effect of encouraging Stock Exchange operations. The daily fall in the value of the mark rendered it almost impossible to finance imports and undermined business confidence. From [illegible] from the lowest level, but the variations, which are the disconcerting factor from the business point of view, are still very wide. From 177.75 marks on Monday week the pound rose to 225 marks yesterday, an increase of practically 30 marks, though the pre-War [illegible] pant in exchange as well as in the stock markets, and in Berlin it was found necessary to close the latter for four days a week in order to cope with the ever-increasing volume of business. While the condition of the country is not such as to permit the application of heroic measures in finance, the gradual disimprovement latterly seen in the mark is in itself a warning [illegible] recuperation all the more difficult.

[illegible] banks have been compelled to finance public ex[illegible]ture by taking up big blocks of Government issues, and, in consequence, their investments have been largely swollen. The writing-down of their holdings to the level of current market values occasions, however, a very serious loss, being a much more difficult and costly process than is the case here. The phenomenon of swollen deposits, due largely to the artificial inflation of currency and credit, has been witnessed in Germany as well as in other belligerent countries, and it is to be feared that this undesirable feature will there be carried further if Government expenditure in the current year is not drastically curtailed. The estimated outlay for 1920 is 52,400 million marks, as compared with 3,520.9 millions in the last pre-War year, an increase of almost 1,500 per cent. Of the former large sum 12,400 millions are required for debt services, the remainder being devoted to the items usual for civil and military purposes. The expenses of the Allied Army of Occupation and of the various Allied Commissions engaged on questions of reparation and similar problems will also be very heavy. The estimated revenue for the year, which amounts to over 28,000 million marks, will cover only fifty-three per cent. of the ordinary outgoings provided for in the Budget. Extraordinary expenditure is likely to be high, and al[illegible] several supplementary estimates have been pres[illegible] while the responsibilities of the Government in c[illegible]tion with payment for war damages and various debts of German nationals abroad will in all probability prove to be onerous. The huge financial burden under these different heads will put a great strain on the banks, which are, moreover, beset by demands for capital from industries that have been stinted of their normal supplies for the last six years.

[illegible] and forty per cent. by indirect taxation. The [illegible]tion of the former is greater than for a[illegible] pean country, and compares with a figure [illegible] to the dollar parity for both [illegible] is the case in the United King[illegible] stances it is idle to clamour for [illegible] Germany on the ground that they [illegible] great to have a decidedly crippling effect on industry,

ARGENTINE RAILWAYS.

Year to June 30, 1919.	Gross Receipts £	Total Expenses £	Ratio of Expenses to Receipts %	Miscellaneous Income £	Preference, Debenture and other Fixed Charges £	Available for Ordinary* £	Amount Distributed £	Carry-forward £
Buenos Ayres Gt. Southern	7,332,290	5,715,937	77·96	430,850	1,193,214	893,957	872,700	21,257
Central Argentine	6,925,800	5,859,260	84·59	264,047	1,273,030	613,485†	563,740	19,748
Buenos Ayres Western	3,724,275	2,796,125	75·08	338,599	686,963	620,206	537,780	82,430
Buenos Ayres and Pacific	6,269,960	4,483,807	71·51	336,921	1,979,183	472,799	125,000	347,799
Cordoba Central	2,332,217	1,812,501	77·72	41,705	758,729‡	—	- -	867,148
Argentine North-Eastern	556,109	561,812	68·00	36,535	172,831	35,387	- -	35,387
Entre Rios	1,052,618	706,330	67·10	32,377	369,712	13,640	—	13,640
Argentine Trans-andine	60,699(b)	8,331	-	7,761	30,813	4,138(a)	- -	4,138

* Including carry-forward from 1918. † After transferring £300,000 from general reserve.
‡ Including £264,906 on 2nd Deb. Stock and 3-year Notes satisfied by issue of Deferred Warrants.
§ Deficit, including Dr. balance from 1918. (a) After allocating £50,000 to contingencies reserve.
(b) Proportion of gross receipts payable by Buenos Ayres and Pacific Railway Company under working agreements.

DIFFICULTIES have arisen in Argentina over the question of capitalisation of the various railway companies under the Mitre Law, and the Government have recently requested the Boards to include henceforth in their accounts particulars as to their real expenditure outside the country. It is considered that this step betokens a more favourable inclination on the part of the authorities to make allowance under the law for capital other than that actually expended on the lines, and it certainly seems unwise that the Argentine Executive should do anything to discourage the renewal of foreign capital investments, which helped to open up the country before the War, but were for obvious reasons checked during hostilities.

The financial year of the various companies ends on June 30, and the market is at present awaiting with interest the dividend announcements due towards the end of the month. The important lines will probably all register increases. For the purpose of arriving at some accurate estimate of increases, we show in the above table the traffic and miscellaneous receipts of the different lines, the expenses, the amount of the dividend, and the carry-forward in the year to June 30, 1919.

The earnings of the railways as set out above are composed of various items, of which the principal is traffic receipts. During the year the profit on exchange assumed increased importance, and in the adjoining table we have analysed the different sources of revenue:—

Analysis of Revenue—Year to June 30, 1919.

Name of Company	Traffic Receipts £	Exchange Interstate £	Various £	Total £
Buenos Ayres Gt. Southern	7,008,753	278,235	476,149	7,763,137
Central Argentine	6,727,666	181,623	280,556	7,189,845
Buenos Ayres Western...	3,713,313	178,895	170,666	4,062,874
Buenos Ayres & Pacific	6,095,619	336,921(a)	174,341	6,606,881
Cordoba Central	2,289,412	41,327	52,183	2,373,922
Argentine N. Eastern ...	532,666	15,303	24,975	572,944
Entre Rios	995,856	32,377(a)	58,762	1,084,995
Argentine Transandine...	60,699(b)	—	7,761	68,460

(a) Including transfer fees, profit on investments, etc. (b) Proportion of gross receipts payable by Buenos Ayres and Pacific Rly. Co. under working agreement.

By reference to the first table it will be seen that the ratio of expenses to receipts varied considerably—from 67.10 per cent. in the case of the Entre Rios to 84.59 per cent. in the case of the Central Argentine. From the weekly statistics published in the 1919-20 period we consider it likely that the ratio for most of the companies will be below seventy-five per cent., and will range generally around seventy per cent. An increased sum will thus be available for distribution to stockholders. In addition to a reduction in the ratio, the aggregate receipts will show a substantial jump, as far as can be gathered from figures that have already appeared. In the annexed statement we set out, for seven of the eight companies dealt with, the receipts of the period July-May in the last two years:—

Eleven Months' Receipts, 1918-19 and 1919-20.

(Approximate Figures.)

	July 1, 1918, to May 30, 1919 £	July 1, 1919, to May 30, 1920 £	Increase Amount £	%
Buenos Ayres Gt. Southern ...	6,640,000	8,707,000	+2,067,000	31·1
Central Argentine ...	6,370,000	8,740,000	+2,370,000	35·6
Buenos Ayres Western ...	3,380,000	4,820,000	+1,440,000	42·6
Buenos Ayres and Pacific ...	5,630,000	7,370,000	+1,740,000	30·9
Cordoba Central ...	2,110,000	2,840,000	+730,000	34·6
Argentine North-Eastern ...	480,000	568,000	+88,000	18·3
Entre Rios	977,000	1,157,000	+180,000	18·4
	25,587,000	34,202,000	+8,615,000	33·7

The statement covers all but a month of the financial year, the results of which are now being awaited; and for the seven companies dealt with the figures show an advance in gross receipts, as compared with the previous year, of £8,615,000, or 33.7 per cent. The highest percentage increase is that of Buenos Ayres Western (42.6), followed by Central Argentine (35.6), and Cordoba Central (34.6). It must be remembered, however, that adjustments in the returns are made in not a few instances towards the close of the year, and these must be allowed for, although their eventual influence on the above figures is not likely to be considerable. In the table at foot of page we give the amount of the various categories of capital of the different companies, and the extent of the prior annual charges which must be met before the Ordinary shareholders participate in profits.

In respect of 1919-20, the Buenos Ayres Great Southern and the Buenos Ayres Western have already distributed three per cent. actual, the Central Argentine two and a-half per cent. actual, and the Buenos Ayres and Pacific two per cent. The Argentine North-Eastern and Entre Rios paid no dividends in 1918-19, and whether they will be able to do so for the year ended with June last is a matter for speculation. Their earnings for the eleven months, as shown in our third table, increased, as compared with the previous year, by £88,000 and £180,000 respectively; but it may happen that, though sufficient is available for an Ordi-

Capital as on June 30, 1919.

Name of Company	Debenture Stock £	Short-Term Notes £	Annuities £	Pref. Stock £	Ord. Stock £	Def. Stock £	Total £
Buenos Ayres Gt. Southern	16,638,727		242,600	8,000,000	29,090,000	-	53,971,327
Annual charge	670,713		10,917	400,000	-	-	1,081,630
Central Argentine	13,547,827	3,592,784	2,017,500	9,695,718	28,186,950	811,800	57,852,578
Annual charge	541,149	291,187	90,787	436,306	-	-	1,273,029
Buenos Ayres Western	9,872,203			2,852,340	17,347,660		30,072,203
Annual charge	415,588			129,855	-		545,243
Buenos Ayres and Pacific	16,942,673			2,200,000	10,000,000		29,142,673
Annual charge	767,795			110,000	-		877,795
Cordoba Central	13,128,981	248,600		3,101,895	4,068,727		20,548,203
Annual charge	610,853	14,916	- -	155,095	-		780,864
Argentine North-Eastern	3,215,978		- -		2,768,500		5,984,478
Annual charge	140,323		-		-		140,323
Entre Rios	3,708,000			2,721,049	1,783,140		8,225,189
Annual charge	160,350	-		120,000			280,350
Argentine Transandine	770,332			500,000	350,000		1,620,332
Annual charge	30,813	-	-	35,000			65,813

...tary dividend, the directors will prefer to ... Road resources. In general the tendency of the ... countries to resort to pre-War ... checked by the restriction on cereal exports, which has this year diminished traffics from the hinterland to the ports, but the undoubted trading prosperity of the country points to increased distributions, and final dividends of four per cent. on the Buenos Ayres Western and Buenos Ayres Great Southern, and of three and a-half per cent. on the Central Argentine Common stock, are well within the bounds of possibility. That the market has so far scarcely appreciated these latent possibilities may be gathered from the following table, which shows the highest and lowest prices and dividends in recent years, together with the current quotations for Argentine and certain other Central and South American railways:—

		1914	1915	1916	1917	1918	1919	1920	Present Quotation
Argentine Gt. Western	H	7½	5¼	6⅝	7¼	7⅜	7½	8¼	8
Ord.	H	3⅜	2⅛	3	4⅜	4⅝	4⅝	5⅛	
	L	2	1½	2	3	3⅝	4	4⅜	
Argentine N.E. (£5)	H	4½	3½	3½	3⅝	3⅝	3⅝	3⅝	3½
	L	3⅜	2⅜	2⅝	3⅜	3⅜	3⅜	3⅜	
Buenos Ayres & Pacific	H	7⅛	5⅛	5¾	6⅛	6⅛	6⅛	7⅛	6½
Ord.	H	4⅛	3⅛	3⅜	3⅝	3⅝	4⅝	5⅛	
	L				2				
Buenos Ayres Great Southern	H	10⅜	9⅞	9⅞	8⅝	8⅝	7⅛	8⅝	7½
Ord.	L	7⅜	7⅜	7⅜	6⅝	6⅝	6⅝	6⅝	
		5	4	4	4	4	4	4	
Buenos Ayres Western	H	12½	9⅞	9⅞	8⅛	7⅞	8⅝	8⅝	7½
Ord.	L	10⅜	7⅜	7⅜	6⅝	6⅝	6⅝	6⅝	
		5	5	5	5	5	5	5	
Central Argentine	H	7½	5⅝	6⅛	6⅝	6⅝	7⅛	7⅝	6½
Ord.	L	5⅛	4⅛	4⅝	5⅛	5⅛	5⅛	5⅛	
		5	4	4	4	4	4	4	
Cordoba Central	H	9⅝	7⅝	8⅛	8⅛	8⅛	9⅛	9⅛	8½
Ord.	L	7⅝	5⅝	6⅛	6⅝	6⅝	7⅛	7⅝	
		6	5	5	5	5	5	5	
Cordoba Central Extension (£5 shares)	H	7⅝	4⅞	5⅝	6	6⅛	6⅝	7⅛	7
	L	4⅞	3⅝	4⅜	5⅛	5⅝	6	6⅝	
Deb.		5	5	5	5	5	5	5	
Cordoba Central Northern Extensions (£10 shares)	H	7½	5⅛	5⅝	6⅛	6⅝	7⅛	7⅝	7
	L	5½	4⅛	4⅝	5⅛	5⅝	6⅛	6⅝	
Deb.		8½	8	8	10	10	12	12	
Cordoba, Northern (£5 shares)	H								
	L								
Cordoba Province of Mortgage Ord. Stock	H	9⅝	7⅝	7⅝	8⅛	8⅛	9⅛	9⅛	8½
	L	7⅝	5⅝	4⅞	4⅜	5	5⅝	6⅛	
Deb.		5½			5				
Cordoba Rica & Nor. (£10 shares)	H	1½	0⅝	0⅞	1⅛	1⅛	1⅛	1⅛	1
	L	1⅛	0⅜	0⅝	0⅞	0⅞	0⅞	0⅞	
Costa Rica Stock	H	14½	3½	3⅝	2⅞	3⅛	2⅝	2⅝	1½
	L	10⅝	2⅝	2⅜	2⅝	2⅝	2⅝	2⅝	
Div.		2	2	2	2	2	2		
Entre Rios & Nor. of Buenos Ayres	H	9⅛	7⅝	7⅝	6⅞	8⅛	8⅝	8⅝	8½
	L	8½	6⅛	6⅝	6⅝	5⅝	7⅝	7⅝	
Ex. Western of Texas Ord. (£10 shares)	H	1⅜	7⅛	6	7⅝	8	8	8	4
	L	⅞	⅝	⅝	⅝	⅝	7⅝	8	
Div.		6·0							
International Railway of Central America Com. Stock (shares)	H	2½	1⅜	1⅝	1⅝	1⅝	1⅝	1⅝	1½
	L	1⅛	⅝	⅞	1⅛	⅞	1⅛	1⅛	
Liquid Warrants	H	7½	4⅜	4⅝	4⅝	4⅝	4⅝	4⅝	4½
	L	4½	2⅜	2⅝	2⅝	2⅝	3⅝	3⅝	
Div.		4	2	2	1	1½	2		
Mexican Ord.	H	2½	2⅛	2⅛	2⅛	2⅛	2⅛	2⅛	2
	L	2⅛	1⅝	1⅝	1⅝	1⅝	1⅝	1⅝	
Mexican Southern (£5)	H	2⅛			2⅛	2⅛	1⅝	1⅝	2
	L	1⅝			⅞	⅝	⅝	⅝	
Mexico N. Western ...	H	2⅝	⅞	⅞	1⅛	5	1⅛	1⅛	1
Ord. stock	L	⅝	⅝	1⅛	2⅛	⅝	⅝	⅝	
Mexico Tramway (£10)	H								
	L								
Mexico Ord.	H	2⅝	1⅝	1⅝	1⅝	1⅝	1⅝	1⅝	1½
	L	1⅝	⅞	⅞	1⅛	1⅛	1⅛	1⅛	
Div.		1½	1	1	1	1	1		
Mexico Southern (£5)	H	2⅛			2⅛	2⅛	1⅝	1⅝	2
	L	1⅝			⅞	⅝	⅝	⅝	
Mexico N. Western ...	H	2⅝	⅞	⅞	1⅛	5	1⅛	1⅛	1
Ord. stock	L	⅝	⅝	1⅛	2⅛	⅝	⅝	⅝	
Mexico Tramway (£10)	H								
	L								
Mexico N. (£10 shares)	H	17½	12½	13⅝	14⅛	14⅛	15⅛	15⅛	14
	L	12½	9⅝	11⅝	12⅝	13⅛	13⅝	14⅛	
Div.		14·0	14·0	14·0	14·0	13·0			
Mexico Railway of Interoceanic Ord. (£10 shares) ...	H	11⅜	9⅝	9⅝	9⅝	9⅝	9⅝	9⅝	8½
	L	9⅝	7⅝	7⅝	7⅝	7⅝	7⅝	7⅝	
		14·0	14·0	14·0	14·0	14·0	14·0	14·0	
Mexico Railway of Interoceanic Ord. Stock ...	H	1⅝			⅜	⅝	⅝	⅝	⅜
	L	⅝			⅜	⅜	⅜	⅜	
Salvador (£10 shares)...	H	7⅝	7⅝	7⅝	15·0	15·0	1⅛	1⅛	1
	L	7	7	7	15·0	15·0	1⅛	1⅛	
Deb.	H	10½	10	10½	10½	10½	10½	10½	10½
	L	10	10	10	10	10	10	10	
Div.		7½	7½	7½	10	10			
Uruguay Northern (£10 shares)	H	7	5½	6⅛	6⅝	7	7	7	6½
	L	5½	4⅜	5⅛	5⅝	6⅛	6⅝	6⅝	
Div.		6·0					6·0		
Uruguay Northern Extension (£10 shares)	H	7½	5⅝	6⅛	6⅝	7⅛	7⅝	7⅝	7
	L	5⅝	4⅜	5⅛	5⅝	6⅛	6⅝	6⅝	
Div.		6·0							
Uruguay Northern Preferential (£10 shares)	H	10½	8½	9⅛	9⅛	9⅛	9⅛	9⅛	8½
	L	8½	6⅝	8⅛	8⅛	8⅛	8⅛	8⅛	
Div.		8·0							
Uruguay Northern Income (£10 shares)	H	7½	5⅛	6⅛	6⅝	7⅛	7⅝	7⅝	7
	L	5⅛	4⅜	5⅛	5⅝	6⅛	6⅝	6⅝	
Div.		6·0							

BRITISH SHARE OF SHIPPING MOVEMENTS.

By ... troller British shipowners will in future be spared the formality of applying for voyage licences, and thus, for all practical purposes, full freedom of direction in shipping is restored. The removal of official supervision is opportune, as, having regard to the international character of the competition to which the shipping business is exposed, it is highly desirable that private enterprise should be left unfettered to deal with the somewhat altered conditions under which our mercantile marine now operates. In 1912 it was estimated that British shipping carried nearly £1,800 million, or about fifty-two per cent. of the total seaborne trade of the world, including ninety-two per cent. of the inter-Imperial trade, sixty-three per cent. of the trade between the Empire and foreign countries, and thirty per cent. of the trade between foreign countries. As indicated by the figures, our maritime ascendency was then fully established; but the challenge now thrown out by other nations is one that can only be successfully countered by the reservation of complete freedom of action to private owners. An exact idea of the quarters from which future competition will arise may be gleaned from the following particulars supplied by Lloyd's Register of Shipping:

Steam Tonnage Owned by the Principal Maritime Countries on June 1914 and June 1920

	June 1914	June 1920	Increase (+) or Decrease (−) 1914 and 1920
United Kingdom	[illegible]	18,111	[illegible]
British Dominions	1,632	[illegible]	+ 407
United States—			
Seagoing ...	[illegible]	12,[illegible]	+10,379
Great Lakes	2,[illegible]	2,119	143
Norway	1,052	N.O.	
Denmark	77	718	— 51
France	1,922	2,[illegible]	+ 1,[illegible]
Germany	5,135	419	—4,716
Greece	851	497	— 324
Holland	1,402	1,773	+ 301
Italy ...	1,430	2,[illegible]	+ [illegible]
Japan	1,778	2,996	+ 1,[illegible]
Norway	1,067	1,980	+ [illegible]
Spain ...	881	[illegible]	+ [illegible]
Sweden	1,[illegible]	996	— 19
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	35,794	+ [illegible]
World's Total	[illegible]	[illegible]	+ [illegible]

In spite of the destruction wrought by the War, it will be gathered that the world's tonnage as a whole has increased by nineteen per cent. Of especial interest are the tonnage increases in the United States — over 500 per cent. — and in France, Japan and Italy. The figure for the United Kingdom shows a reduction of 781,000 tons gross as compared with 1914, but when the Empire as a whole is taken into account the net loss amounts to only 381,000 tons gross, or less than two per cent. Mere tonnage totals, however, although they portend an era of more severe competition, unless the world's trade increases proportionately, may give rise to deductions which are not warranted by the facts. Admitting that American vessels will make a greater bid for the world's carrying trade than heretofore, it is nevertheless true that a large number of vessels under the control of the United States Shipping Board have been recently withdrawn from ... unremunerative nature of the freights offered. Higher costs of ship construction and, arising from recent ... prevent American shipowners ... But ...

on their ability to compete with other nations. The possession of a large part of the world's tonnage, and with it the possibility of providing ships with outward freights, are also elements of weakness. On the other hand, certain factors that have combined to secure for the United Kingdom a practical monopoly of the ocean carrying trade can still be counted on. Our industrial position has, relatively speaking, improved, and cargo space, now as heretofore, will be required for the carriage of imports of foodstuffs and raw materials and exports of manufactured goods. Moreover, the possession of a world-wide Empire with numerous coaling stations and ports of call will go a long way towards maintaining our maritime ascendency. Despite the gloomy prophecies expressed during the War, the small extent of the inroads made by foreign rivals on the United Kingdom carrying trade may be gathered from the table given below.

Under clearances it is a matter of some concern to find that the foreign totals mark a closer approach to the 1913 standard than the British. Taking account of entrances, we find that on comparing the 1920 and the 1913 periods British entrances have decreased by 3,529,128 tons, while the decrease in foreign entrances is still greater—3,859,298 tons. Similarly, with regard to the 1920 and the 1919 periods British entrances reveal an increase of 2,640,669 tons, while the expansion in foreign entrances is on a smaller scale—2,151,681 tons. Recovery to the 1913 standard will naturally be slow, owing to the decreased volume of coal exports, and in this connection it is well to note that more than fifty per cent. of the coal exported from the United Kingdom in normal times was shipped in foreign vessels.

With regard to the shipping movement at foreign and colonial ports, the increase in the world's tonnage naturally makes for more severe competition in the European and Mediterranean, the Eastern, the Atlantic, the South American and other trades. Furthermore, the system of subsidising native shipping obtaining in some countries, such as Japan, will tend to heighten this competition. Subsidised space being employed to carry outward freights at the cheapest possible rates, it is manifest that British tonnage discharging at Japanese ports will experience some difficulty in picking up return cargo. From our table the decline in British entrances—3,529,128 tons in 1920 compared with 1913—has not, it will be observed, been quite as pronounced as in foreign. On the other hand, the clearances of British vessels with cargo betrays a very marked relative decrease. With the growing expansion of trade and the disappearance of traffic congestion at ports the task of procuring cargo may be rendered easier. This, however, is doubtful, as each successive step towards the attainment of normal trading conditions will not necessarily diminish competition for cargoes in view of the enhanced amount of tonnage at the world's disposal. The quality of a portion of this shipping undoubtedly leaves much to be desired, but it can scarcely be contended that its carrying capacity on the whole has sensibly diminished since 1913. Even if it had, it should be more than sufficient to deal with the restricted volume of world trade now offering.

NITRATE POSITION.—III.

Before dealing with the combination in force to-day it may be interesting to trace the causes that brought it about. In August 1914, when war was declared, nitrate producers at once realised that the enormous dislocations involved thereby would seriously affect the fertiliser trade. Most of them disposed of their stocks as quickly and as advantageously as possible and closed their works. In a few months, however, it became apparent that the Allied Governments' requirements of nitric acid must lead to a phenomenal demand for nitrate of soda. Consequently, the oficinas were reopened and strenuous efforts made to increase their outputs. Prices rapidly advanced, owing to indiscriminate competitive buying and speculation, with the result that in December 1917 the English Government prohibited the purchase of nitrate in Chili and set up a Buying Committee in London for the Allied Governments at fixed prices. At first these were inadequate, as the cost of production and the expenses of shipment had materially advanced; but eventually a figure was established which left a fair margin of profit. When the Armistice was declared in 1918 the Government was holding large stocks to the value of £7,000,000, and in order to market these it maintained the embargo. This position of affairs necessitated a second closure of many of the works, and the position of the industry was certainly most grave. The Government of Chili was naturally greatly concerned. In the first instance, the combined action of the Allied Governments in the purchase of the article had justified the demand that there should be a combined seller, and later developments strengthened the need of a combination to safeguard the interests of all concerned. An amalgamation proposal was put forward by the Chilian Minister, which was met by a counter-proposition on the part of the "Asociacion de Salitre de Propaganda," and the latter, with some modifications, was ultimately adopted by the producers and approved by the Chilian Government. This, what we will call the last combination, differs most essentially from any of its precursors, because, in addition to limiting the annual exports, it calls upon each producer to consign to a managing committee the whole of his nitrate, which is sold by it at prices fixed from time to time.

It is not within our province to criticise the working lines of this trust, which so far, apparently, has been beneficial; but it must be pointed out that the elimination of the trading interests and the high prices asked may in the long run militate against that expansion of consumption which, after all, is the only true basis of a healthy maintenance of the business, because it must not be forgotten that, although nitrate of soda easily holds the first place among fertilisers, it has many formidable competitors. However, the managers of the trust are yet new to the business, and more experience may lead them to a modification of direction so that the evils inherent in most trusts may be avoided. Here it may be interesting to mention that for the second year of the combination, which runs from July 1, 1920, to June 30, 1921, the undermentioned sales have been made by the committee:—32,600,000 quintals with July to March 1921 delivery, and 770,000 quintals for April 1921, at prices

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Tonnage and Nationality of Vessels Entering (with Cargoes), and Clearing (with Cargoes) from the United Kingdom at Certain Periods.

(Foreign Trade only. Coasting Trade omitted.)

	Entered Tons	Cleared Tons	Entered Tons	Cleared Tons	Entered Tons	Cleared Tons
[illegible] ended July 1920 ...	14,586,792	13,269,233	5,586,652	8,297,077	20,173,444	21,566,310
" " 1919 ...	11,945,923	12,245,677	3,435,171	7,050,675	15,381,094	19,296,352
" " 1913 ...	18,115,720	22,895,107	9,445,159	16,059,261	27,561,870	38,864,368
[illegible] with—						
[illegible] ended July 1919 ...	+2,640,869	+1,023,556	+2,151,681	+1,246,402	+4,792,550	+2,269,958
[illegible] ended July 1913 ...	—3,529,128	—9,625,874	—3,859,298	—7,762,184	—7,388,426	—17,298,058

ranging from 15s. 6d. to 17s. 3d. They also propose selling a further 9,900,000 quintals for delivery up to March 31, 1921, and 1,100,000 quintals for next April delivery. Later, doubtless, they will announce the quantities to be offered for May and June deliveries. It will be observed that the prices obtained are very high, and, after allowing for the increased cost of production, should leave very handsome profits.

This combination came into force on January 10, 1919, and is to endure for five years—that is to say, to January 10, 1924. It can be renewed for like periods, providing none of the members express in writing a contrary wish. Owing to the difficulty of obtaining the consent of the Americans and Germans, it was impossible to obtain in the first instance the statutory percentage of adhesions; and, consequently, it was agreed that if within two years ninety per cent. of the productive power had not joined the members should have full liberty of action. These two years expire on January 10, 1921, but, as neither the Americans nor the Germans have yet come in, it was unanimously resolved at a general meeting of associates held in Valparaiso on June 4 last that the expiry date should be extended to June 30, 1921, on condition that the committee should make no sales of nitrate with delivery dates later than the one just mentioned. The object of this extension was the protection of the buyers' interests, as the dissolution of the combination at such an inconvenient date as January 10 would undoubtedly have caused a break in selling values.

The Americans, it is understood, cannot join the combination because of the Sherman Law, and the Germans so far have declared that they will not come in, so it is possible that the combination may come to an end on June 30, 1921. It is generally thought, however, that if the Valparaiso board of directors administer the business on freer lines; give due and proper consideration to the trade interests; and treat the producers more like colleagues, it may be possible to maintain the combination without the support of either Americans or Germans.

In an earlier paragraph we referred to competition, and it may be as well to devote a few lines to the substitutes and rival fertilisers which are now procurable.

First of all, and most important, is sulphate of ammonia, which is chiefly derived from the "gas-water" or ammoniacal liquor produced in the numerous coal-gas producing plants, coke ovens, &c. It is also obtained from shale distillation. In the coke ovens, however, the gases are now generally passed directly through sulphuric acid. The production of this commodity has largely increased during the last ten years. It has always commanded a ready sale, and at higher prices than those ruling for nitrate of soda, because it contains more units of nitrogen.

Pure sulphate of ammonia should contain 25.75% of ammonium, which corresponds to 21.2% of nitrogen, as 1 of nitrogen equals 1.215 of ammonium. The commercial product contains about 24 to 25 per cent. ammonium, equalling 19.8 to 20.6% nitrogen, whereas nitrate of soda contains about 15.5 per cent. of nitrogen. Sulphate of ammonia often contains cyanides, and sometimes free sulphuric acid, both of which are destructive and injurious to plant life. Further, sulphate of ammonia has to be nitrified in the soil before it can be taken up by the plant, and for this change oxygen is necessary, so that the operation is liable to be hampered or stopped altogether by local conditions. In spite of these drawbacks, sulphate of ammonia has always been, and will doubtless continue to be, a favourite fertiliser.

In the year 1906, owing principally to over-production, the price of this commodity fell from £12 to £13 per ton to £7 to £8, which induced the manufacturers to follow the example of the nitrate producers by forming an Association. This was admirably administered, and in the course of the next seven years the consumption had risen from 250,000 tons to 1,250,000 tons. [illegible] fertilisers, prices of from £11 to £14 were obtained. It then became evident that further protective action must be taken if this improvement was to be maintained. Consequently, in 1914 the Association was remodelled and selling powers were given to the managing committee. For many years Great Britain was the principal producer, but as the merits of the article became more generally [illegible] excellent propaganda work carried out by the Association, other countries entered into the field. The Germans soon became the most formidable rivals and set up an association of their own, equipped with an excellent and far-reaching organisation. They fixed their prices on the basis of the nitrate contents, and maintained them at figures just below those for nitrate of soda. Moreover, they manufactured an article slightly richer than that produced by the English factories.

During the War further modifications were made in the controlling body, and the English Government, we understand, has now first call for home consumption, on the sulphate of ammonia produced here at arranged prices, and after its demands have been satisfied the remainder is handed over to the Sulphate of Ammonia Exporters' Association, which is allowed, under licences, to export and sell to such countries and at such prices as it thinks fit. Some preference is given, we believe, to the requirements of our Colonies.

It is a matter of common knowledge that for the last twenty years or more the attention of the world's leading chemists has been devoted to the production of synthetic nitrate. Their efforts, it must be admitted, have met with considerable success and various products have been placed on the market. In 1903 the "Arc Process" was established in Norway, and subsequently in other places. It was followed by many others, including the "Calcium Nitrate Process," and in 1908 particulars of the "Haber Process" were published. As it was by this process that the Germans probably obtained the bulk of their nitric acid during 1914 to 1918, and without which they would not have been able to have supplied their army and navy with munitions, it may be instructive to give a few details of it. A mixture of one volume of nitrogen with three volumes of hydrogen is passed into a steel cylinder under a pressure of 200 atmospheres. In this cylinder there is a catalyst [illegible]—the one originally employed was powdered uranium. Cerium and allied metals, manganese, tungsten, and osmium were tried, the latter being found most efficient, but uranium was cheaper. In the presence of the catalyst the two gases combine and form ammonia.

ESTABLISHED 1810

THE
MECHANICS & METALS
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The advantage of this system is that no great energy is required, so that its working need not be confined, as is the case with the "Arc" and "Cyanamide Processes," to countries with an abundance of cheap water power. Nitrogen and hydrogen are obtainable, it is said, in unlimited quantities at very low prices, and Haber originally calculated the cost of his product at £2 6*s.* 6*d.* per ton. It is now claimed that a new French process, known as the "Claude Process," will supersede the "Haber." The main difference between the two appears to be that Monsieur Claude has succeeded in greatly increasing the pressure at which the mixture of nitrogen and hydrogen is constrained to enter into combination to produce ammonia. Much greater power is necessarily required, but the better results are said to justify the expenditure. The commercial exploitation of any of these artificial fertilisers depends, of course, entirely upon their cost and utility.

ECONOMIC REVIVAL OF BULGARIA.

It is announced from Sofia that arrangements have been made to resume immediately the payment of interest on the 1896, 1902, 1904, and 1907 French loans through the medium of the various banking institutions originally concerned in the issues. From other quarters also come signs that economic conditions in Bulgaria have substantially improved since the signing of the Armistice at Salonika two years ago. According to the British Trade Commissioner, the most notable change that has occurred during recent months is the comparative appreciation of the Bulgarian lev, from a minimum of 350 leva to the £ in April last to about 180 to 200 at the present time. This gain in value is probably to be attributed to the prospects of an excellent harvest this year; in which respect it may be well to inquire into the reason why the more than adequate harvest of 1919 did not have the effect which that of 1920 is in process of producing. The harvest of 1919 apparently had no effect on the value of the lev abroad, which fell during that year owing to the fact that the harvest, though more than enough to supply the current needs of the population, did not leave much exportable surplus. The country in the course of the War had been depleted of all grain reserves, owing largely to the activities of the Germans in this direction; and the available population on the fields from 1915 to 1918 was not sufficient to produce enough to counteract this drain on Bulgarian resources. It was thus not until 1919, when German influences had left the country, that the Bulgarian peasant was able to turn the good harvest to his own advantage by restoring his depleted reserves, laying aside a sufficient margin for seed-grain, and living on a more generous amount himself than had been possible previously. In the present year these wants have been attended to, and the good harvest of this summer should leave an ample margin for export beyond the needs of the country. This may serve either as a means of recouping the value of the lev, as financiers are apparently thinking—to judge by the rise in its value at the moment—or for the Reparations Commission to exact as payment in the future.

The prospects of this year are promising according to announcements made by the meteorological bulletins covering the period up to the end of June. Repeated periods of rainfall followed by moderate heat have rendered the prospects of oats, maize, beans, beet-root, tobacco, and other crops very favourable. The barley harvest is now complete, and while earlier than last year, shows signs of being even better. Grain in general has produced excellent crops all over the country, and there has been comparatively little damage from disease or locusts. The following are the crop statistics for the 1919 season:—

	Area Sown. Hectares.	Crops Produced. Metric Tons.
Wheat	841,717	986,112
Rye	180,486	164,860
Barley	191,694	225,909
Oats	122,016	107,226
Millet	13,587	13,847
Maize	563,418	985,224
Rice	1,779	2,296
Various	93,964	102,109
	2,008,611	2,587,653

The 1920 harvest is reckoned as likely to produce thirty per cent. more than the above figures, taking into consideration the damage done by the hail and rainstorms up to the present. The total is therefore calculated as about 3,363,000 tons, of which 1,905,000 tons are required for local consumption and sowing, leaving, therefore, an approximate exportable surplus of 1,458,000 tons for 1920.

From the above it will be seen that prospects of 1920 are very favourable. The surplus for export should therefore be considered at the earliest possible moment by foreign buyers, amongst whom it is said that Italy intends to figure largely, and Austria also if it can find the means to arrange for payment.

SOUTH AND CENTRAL AMERICA.

BRITISH TRADE IN SOUTH AMERICA.

It is exceedingly satisfactory to learn, on the authority of *Wileman's Brazilian Review*, that "manufacturers in the United Kingdom are realising the fact that to compete in foreign markets a more intimate acquaintance with local conditions, and active propaganda, are necessary." They are, of course, writing in Rio and speaking of Brazil. "It is gratifying to note," adds our contemporary, "that directors of large manufacturing concerns in England are touring this continent with the object of personally studying South American conditions and requirements. Should the progressive spirit in evidence—several cases have been brought to our notice—prevail generally, the future of British trade in South America, and in this country in particular, should be assured."

We are exceedingly glad to learn, on the authority of our Rio contemporary, that British manufacturers and traders are visiting various parts of South America, and particularly the great Republic of Brazil, which offers so many opportunities for development, with a view to encouraging trade between South America and this country. In a sense, the opportunities are ideal. In a sense, also, South America in general, and Brazil in particular, are capable of acting complementary to one another to an extent that should be exceedingly beneficial to each. Practically, Brazil is capable of supplying nearly all our requirements, while, if we had the common-sense to do so, we are capable of supplying Brazil with a very large proportion of those articles of which her people stand in need. The one great defect of British manufacturers and British traders is that the wares that they offer throughout the world are exceedingly expensive, and always have been. Just at the moment there is a wave of extravagance and a wave of profiteering passing over the world; but, in the nature of the case, this must inevitably, sooner or later, pass away. Either Germany will recover and will pour her goods on to the various markets of the world, Japan will take her place, or some other country will arise capable of producing large quantities of goods at a reasonably low economic value. In England, however, we have never aimed at that, and up to a point we have been right, provided always that it is not carried too far. At the present time there can be no reasonable doubt that the high prices charged for English-made goods prevent their sale in very many markets, and make it necessary in others to give credits which are unduly dangerous. On the other hand, it must be admitted that our policy of producing exceedingly expensive but well-made goods has given us a well-deserved reputation for solidity of manufac-

time throughout the markets of the world. Speaking generally, goods turned out by an English factory are accepted as presumably good on the absence of anything showing that they are not so. This is, of course, in itself an exceedingly great asset, and our manufacturers and traders would be ill-advised to risk such a reputation, which has been slowly built up by the foresight, energy, prudence, and enterprise of our ancestors. On the other hand, it has to be remembered that all traders at present are catering for a poor world, a world that has been impoverished by a prolonged War, carried on with a disregard of the economic interests of the various countries concerned that probably has not been equalled since succeeding Roman Emperors offered fabulous sums for the purpose of controlling the then known world. The day has passed when a Government can simply create credit and purchase unlimited quantities of supplies until its own credit becomes exhausted, as that of every European State did in the late War; and manufacturers now can only hope to sell to those who are able to pay reasonable economic values. The time has come now when none of us are able to purchase beyond our economic earning capacity. The days of extravagant credits, except in the sense of deferred payments, are past. A defect even more serious than the extravagant prices which our manufacturers are accustomed to charge for the articles they offer for sale is the disregard which they have hitherto shown for the markets which they intend to exploit. It may be objected, If this is so, or was so, how is it that British trade held such a preponderating position throughout the international markets of the world? Surely the British trader and the British manufacturer is not so great a fool as all that! We do not in the least wish to imply that he is. On the contrary, as the position of British trade amply demonstrates, the British trader and the British manufacturer have proved themselves amongst the shrewdest of the world's traders. In the modern world they have been the pioneers of trade, and it was because they had secured such a splendid position that they have not thought it necessary to consider the wishes of potential customers in various parts of the world. It has to be remembered that, for reasons into which it would take columns of our space to go now, England acquired towards the end of the feudal period, and particularly between the reign of Queen Elizabeth and the middle of the seventeenth century, a preponderating position in international trade. We gradually built up, after the defeat of the Spanish Armada, a mercantile marine from which it was always possible to recruit men for the Royal Navy. Gradually, as a consequence, we built up an enormous trade in various parts of the world. As our traders acquired, or gradually accumulated, a mobilisable capital we became the pioneers in international investment in a sense in which no other country had been since the fall of Venice and since the fall of the ancient civilisations which preceded the rise of Rome. It has been said that trade follows the flag. But it would be more pertinent to say that trade follows investment. Wherever a country has large invested interests in another country an immense reciprocal trade must necessarily take place between them. As just said, England was the pioneer in international investment in a sense that even Spain never succeeded in becoming, although she aimed at it; and, of course, France never seriously attempted investment abroad until we had secured a preponderating position. Neither Spain nor France had the mobilisable capital. But England, first through her trade and shipping, and later through her manufacturing industries, acquired a mobilisable capital which gave her a preponderating position in the international markets of the world. As a result of the recent War we have lost from twenty-five to thirty-three per cent. of our total foreign investments, and consequently we cannot expect to enjoy the same position in the international markets of the world which we held before the War, unless we take trouble to acquire the language and to learn the manners and customs of the people with whom we propose to trade. The directors of the manufacturing companies referred to in *Wileman's Brazilian Review* will have become acquainted with the fact that Portuguese is the language of Brazil—a very important matter in dealing in trade questions with the Republic, but one which is far from being generally appreciated by British traders. It was bad enough to send out catalogues in English, addressed to tradesmen in Rio, with weights and measures in English hundredweights, pounds, and ounces, instead of adopting either the metric system, which is legal and thoroughly well understood in all the important cities in Brazil, or making oneself acquainted with the local weights and measures. This, as we say, was bad. But when the trader supplemented this mistake by having his catalogues translated into Spanish he simply made his position worse with the Rio trader than if he had let the matter alone altogether.

BOLIVIA.

DELAYING DEVELOPMENT.

It would be difficult to find a clearer illustration of the unsuitability of the political institutions adopted by so many South American Republics when they threw off the yoke of Spain than the instance afforded by the Republic of Bolivia. The total area of the Republic is estimated at some 700,000 square miles. The total population, as far as it is possible to estimate it, is considerably under three millions; but census figures in Bolivia must be regarded, and are, in fact regarded, by the Bolivians themselves with a very large measure of suspicion. More than half the population are Indian natives pure and simple. Of the other half, something like two-thirds are of mixed descent from Spanish settlers and Indians, leaving only a small percentage, estimated at about twelve per cent., descended from the original Spanish settlers.

Owing to the peculiar institutions of the country, while the Republican form of Government has been adopted, its affairs have sometimes been managed by an oligarchy financed at home, and at other times by an oligarchy financed from outside. The sequel has been little short of disastrous for the well-being of Bolivia during the past fifty or sixty years. Its history since the establishment of the present form of government has been a series of disastrous wars, in which it has nearly always been defeated, and has had to conclude peace on more or less disadvantageous terms, ceding territory to one neighbour or another.

Had its policy been wisely directed its proper *rôle* was clearly to maintain peace, as it had neither the developed resources nor the population which would have enabled it to carry on a war with any prospect of success against its powerful neighbours.

By far its most enterprising and powerful neighbours are the Chilians. More than a generation ago the Bolivians were developing some of their most valuable resources on the western seaboard. Unfortunately, they could not let well alone, but allowed themselves to be drawn into a war with Chili which they had no reasonable chance of fighting with success, with the result that they lost the whole of their territory on the Pacific seaboard. It will be remembered that in an article quite recently upon the position of Bolivia we said that it was to be sincerely hoped that the Bolivian Government had learned by experience, and was [illegible] and develop the enormous economic resources which Bolivia undoubtedly possessed. At that time the then head of the Government had come to an agreement with Chili whereby Chili was to give Bolivia assistance in the development of [illegible] guarantee [illegible] the Government has [illegible] which are [illegible]

Chili the feeling is that foreign hands have once more been at work at La Paz with a view to creating friction between Bolivia and the Southern Republic. The recent head of the Government, a man of the highest integrity, has stated publicly that he sees no evidence of foreign influences in the government of his country. It is not for a foreigner to judge the question in dispute; suffice it for the foreigner to consider the question from the point of view so far as it affects international economic interests. It is very evident that the present state of things in Bolivia is in no way favourable to international economic interests in Bolivia.

As a result of the recent upheaval Señor Saavedra has been elected Acting President until arrangements can be made for the formal election of a President in accordance with Bolivian law in November. What will be the outcome of the present state of things it is, of course, impossible for a foreigner writing in Europe to say, but it is evident that such a complete reversal of policy as has been adopted so soon after Bolivia had apparently settled down to a period of steady economic development can only cause disappointment, if not actual apprehension, in the minds of the best friends of the Republic.

When we talk of the native Indians of Bolivia we are speaking of men descended from a race who were by far the most intelligent and highly civilised Indians in either North or South America. As far as it is possible to trace their history they are composed of three races—the Quechua, the Aymara, and the Cara people, whoever they may have been. Whether these three include the Incas, or the conquering races which subdued that district in the early decades of what we call the twelfth century, is still matter of dispute. However this may be, the Indians of these regions were, in a sense, the equals, and more than the equals, of the Spanish conquerors of Pizarro's time. This is particularly true in their development of the peaceful arts of civilisation. They had carried the development of the woollen manufacture to a degree which, in a sense, it never attained in Europe, at any rate during the period of the hand loom. They knew nothing of wool manufacture as carried on in the enormous factories in Europe and in North America at the present day. For fineness of texture, however, they were able in the time of Emperor Charles V. to produce fabrics which could not be equalled in Europe. This may have been to some extent due to the fact that they worked with llama and vicuna wools, which appear to lend themselves peculiarly to manipulation. The ancient remains of colossal structures testify to their ability as builders, and their terrace gardens show that they were no mean artificers in the practice of agriculture and of gardening in the sense that we understand the term. The whole of this civilisation was destroyed, and deliberately destroyed, by the Conquistadores. The Spanish invaders cared for nothing but silver and gold, and they turned the native Indians into slaves for the purpose of extracting the precious metals from the mines of Peru and Bolivia. In this pursuit they killed off practically the whole of what we call the intelligent classes, and left only the hardiest and least intelligent of the tribesmen to pursue the various peaceful arts which were essential even to such civilisation as the Spaniards desired to retain.

The Commercial Bank of London, Limited, has just entered into possession of the fine eleven-storied building which has been erected at the junction of Gracechurch Street and King William Street. A party of visitors was conducted over the premises on Wednesday last, when there was general agreement that the Bank's staff will work under the very best conditions of light and sanitation. The building is, we understand, the first ferro-concrete structure in the City.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital .. .. .. Y. 60,000,000
Capital Paid up .. .. Y. 45,000,000
Reserve .. .. .. Y. 8,810,000

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES.—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the World.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

The New Corporation Issue.

Details will be found under "New Issues" of the new Quintuple Corporation Loan, made on a single prospectus by the towns of Brighton, Bristol, Portsmouth, Plymouth, and Swansea. A study of the following table, showing the position of recent Corporation and County issues, will enable the investor to visualise the probable market quotations for the new issue. Much depends, however, on the amount taken up by the public, as, if a large percentage of the issue is left in the hands of the underwriters, market quotations will probably remain depressed while such holdings are in process of unloading.

	Amount (Millions of Pounds)	Issued at	Present Price	Yield % per Annum (assuming Bonds are Redeemed at Par)
[illegible]	2	99½	99½	6 0 11
[illegible]	1½	99½	99½	6 1 1
[illegible]	1	98½	98½	6 2 5
[illegible]	1½	99½	99½	6 0 7
Kent 6%, 1940–60 ...	1½	97½	99½	6 0 1
[illegible]	2	99½	99½	6 0 11
[illegible]	½	98	98½	6 2 5
[illegible]	¼	Par	100	6 0 0
Hertfordshire 6%, 1940–60 ...	½	98	99½	6 0 11
[illegible]	¼	Par	101½	5 18 5
London County 5½%, 1930 ...	7	95	98½	5 16 11
[illegible]	½	98	98½	6 2 1
South Shields 6%, 1938–48 ...	1	99½	99½	6 0 0
[illegible]	1	99½	99½	6 0 0
Middlesbrough 6%, 1938–48 ...	1½	99½	99½	6 0 0
[illegible]	½	99½	99½	6 0 0

August Production of Iron and Steel.

A new post-Armistice record for the production of pig iron was established in August, the production amounting to 752,400 tons, or 2,000 tons more than in July, which was the previous best. The production included 284,700 tons of hematite, 233,300 tons of basic, 137,300 tons of foundry, and 58,600 of forge. The production of steel ingots and castings was adversely affected by holidays, and amounted to 709,200 tons, compared with 789,900 tons in July. The following table compares the production of pig iron and steel in the first eight months of 1919 and 1920:

	Pig Iron		Steel Ingots & Castings	
	1919 Tons	1920 Tons	1919 Tons	1920 Tons
[illegible]	3,964,000	1,145,000	4,264,000	4,877,000
[illegible]	511,000	750,400	618,000	789,900
August ...	521,000	752,400	471,000	709,200

Industrial Unrest.

Such a sane and enlightened view of the relations between capital and labour as is furnished by the Report on Industrial Unrest prepared by the Industrial Committee of the National Party provides refreshing reading in the midst of the modern world-wide industrial upheaval, with its whirlpool of unrealities, such as the Exploitation of Labour by Capital,

The first lies in the series of alter-

Changes in the Standard of Living.

price-level which has been a pheno-

increased demand for labour, while the supply was at the same time reduced, and for a time real wages advanced. When, however, the increased prosperity of the worker began to be encroached upon by the rise in prices which inevitably followed, he found, naturally, that it was much harder to lower his standard of living to suit the altered conditions than previously it had been to raise it; and, following the line of least resistance, he struck for higher wages. The same results followed, and eventually the process came to resemble a flight of the worker before the ever-advancing

Kingdom and the United States the price-level has gone on increasing since the Armistice in all belligerent countries, until there has come about a kind of deadlock, in which demands of Labour for further wage-increases are incapable of being met by the entrepreneur on the one hand, and the consumer on the other hand. Generally speaking, this is the condition of things at the present day: the famous "vicious circle" is threatened with interruption by either a collapse of production or a general reversion to a lower standard of living. Moreover, the evil has been aggravated in some countries, such as those of Central Europe, by an almost complete destruction of capital entailed by the War. Here, indeed, the lot of the workers who, even in the best of times, are never very far from the margin of subsistence, is indeed a pitiable and well-nigh hopeless one.

The second cause of the present-

The Growth in Power of Labour.

day predominance of the labour question is the development which has been made of late years towards a better organisation of the working-classes and the con-

the power of the Capitalistic class easily predominated, but, for the reason here mentioned, though it has by no means been broken, it has weakened considerably. Those who are acquainted with the reports of the Whitley Committee will appreciate how the present solidarity of Labour may be used for good, and, indeed, how desirable it is for the sake of industrial peace, but the recent history of Russia, Italy, and Central

Labour really is, and how more disposed the workers seem to be to use it in trying to realise unattainable ideals, involving the destruction of themselves as well as all other classes in the process.

Different Solutions of the Labour Question.

Industry have never been precisely or even approximately determined—perhaps such a determination is impossible. A workable basis has been provided by the personal element, by which we mean the bargaining, either individually or collectively, between employer and employed; but, apparently, a more scientific system is rapidly becoming necessary.

forward, from Ricardo's Iron Law of Wages and Malthus' Wages-Fund theory, which was accepted by economists for half a century, to the most extreme ideas of communism and collectivism, all of them

between Labour and Capital, but the world has accepted neither the *laissez-faire*, *laissez-aller* principles on the one hand, nor adopted the socialistic doctrines on the other. As usual, the *via media* provides at all events the most approximate, if not the real solution, and so of late years there have developed certain ideas on the subject among those who can examine it with some degree of impartiality—ideas having as their basis two cardinal principles: that the respective interests of Labour and Capital are not necessarily opposed, and that the pursuit of gain on the part of each individual is generally to the common good. The Report under review admirably focuses these ideas without becoming merely platitudinous, and puts forward a solution of the problem of Industrial Unrest which takes account equally of the rights and duties of the Capitalist and of those of the Worker.

Capital and Labour essentially Interdependent.

Having defined the economic status of the present régime, the Committee take as their starting-point the interdependence of Capital and Labour,

may be used for, and is, in fact, necessary to the promotion of the general welfare. Nationalisation as a principle they reject on the ground that by removing the incentive of personal gain and advancement it would so restrict production that the country which adopted it would eventually deteriorate and decay. They also accept the opinion that nationalisation, involving State management, or an extension of the bureaucratic principle, is inimical to efficiency. Some undertakings, such as water, electricity supply, and the postal service, are admitted to be more properly under public control, but the committee do not go further and point out also that there are certain industries which it would be worth while to the community in general to take control of and run even at a loss, —a fact well known to economists. While expressing themselves in sympathy with the claims of Labour for a greater share in the amenities of life, thereby recognising a need for a more even distribution of wealth, they justly point out, at the same time, that this aspiration cannot be realised until production is increased; in other words, before more can be consumed more must be produced—to quote from the Report—a high-wage system must be accompanied by maximum output. With the recommendations of the committee the reader is already familiar from the reports of the Whitley Committee, the main recom-

for the various industries to facilitate collective bargain-

commendations have for their object the better educa-

sharing and co-partnership schemes

feel bound to say that there are many points in it

American Topics.

TREND OF TRADE.

We discussed last week the reports of several banks and financial institutions on the state of trade and of the crops throughout the United States. The figures show, on the whole, a satisfactory state of things so far as that part of America is concerned. They show clearly, however, that the trend of values is tending downwards, and this was inevitable sooner or later. It is in itself quite satisfactory, because prices in the United States have been so high that they have threatened to strangle rather than stimulate trade. The time is now past when it will be possible to continue to carry on trade on the basis of Government-created credits. Henceforward it will be essential for the trading and manufacturing countries of the world, if they are to dispose of their products, to sell them upon such a basis as the earning capacity of the purchasers will admit of their paying. The United States, and Great Britain as well, have enjoyed an extraordinary measure of prosperity in their export trade, because for so long they have been practically the only manufacturing countries capable of supplying the international markets of the world with large quantities of goods. Gradually this period of what for convenience we may call exotic prosperity will pass away. Western and Central Europe are, week by week and month by month, resuming manufacturing operations. The countries of Europe are desperately poor, and have suffered terribly as a result of the recent War. There is, of course, within the borders of these various countries an appreciable measure of disturbance and unrest. All the same, these people will have to work hard, or face actual starvation. Unrest tends to right itself when a people comes clearly to realise that they must work, even under unsatisfactory conditions, or must starve. We in this country are already importing considerable quantities of goods from those countries which were lately our enemies. Those who have recently visited our ports will not have failed to observe the large quantities of goods which are being brought to us by the various shipping companies trading between this country and Holland. Holland, no doubt, is herself sending a certain proportion of produce; but the persistent arrival day by day and week by week of large steamers of anything from 2,000 to 7,000 tons burthen, laden with goods, indicates clearly that the source of supply of these goods comes from a wider area than the comparatively small kingdom of Holland. Anyone, moreover, who has had an opportunity of actually examining the freights will have no difficulty in ascertaining from whence these goods have been despatched. This is all to the good. Manufacturers of this country are complaining that we are importing large quantities of the cheaper textiles, and particularly hosiery, from Germany, and they would not unnaturally like to see these goods excluded altogether. The consumer, on the other hand, is of quite a different opinion. Our manufacturers have had during recent years an extraordinary opportunity of supplying our market with goods formerly obtained from abroad. They have used that opportunity, however, to raise and maintain prices at an extravagant level, and it is about time that the consumers were supplied with goods upon a more reasonable economic basis of values than our manufacturers seem capable of achieving. The extravagant prices to which all articles of clothing have been forced up and maintained in this country makes it exceedingly difficult for those who are not receiving extravagantly high remuneration for their services to make their income cover their expenditure on the bare necessities of food and clothing. It is certainly high time that the markets of the world should be thrown open, to enable us to obtain as large a supply as possible from any source which may be available.

The United States trade returns show that that country is purchasing goods from various parts of the world and selling food and raw materials to us upon an extensive scale. It is contended that in this way, notwithstanding the growth in our export trade, we are adding to, rather than diminishing, our already heavy debt to the United States of America. In a sense this is true, but in another way it is not true. Provided always that our export trade continues to steadily expand, it is in an economic sense of little consequence whether we sell directly to the United States or to some other country. As we have explained above, the reason for the great prosperity of the export trade both of the United States and of Great Britain is due to the fact that ourselves and the United States are amongst the few countries of the world capable of supplying the international markets with manufactured goods upon a really extensive scale. Now, in order to carry on their manufactures it is necessary for the United States to import large quantities of raw materials which it is not possible for them to produce within their own borders. They must, for example, import coffee, mainly from Brazil and from Central America. Nearly the whole of their supplies of raw silk come from India, China, Japan, and other parts of the Far East. Jute is, for practical purposes, an Indian monopoly, and consequently those who would purchase either jute or gunny bags upon a great scale must obtain them from India, as it is practically the only source of supply throughout the world. There is, of course, a certain sheep population in the United States itself, but the available supply of wool obtained therefrom is quite inadequate to the needs of the textile markets of the United States for the manufacture of woollen fabrics. The British Empire, in fact, through our colonies in Australasia, controls more than two-thirds of the world's total supply of wool known to the international markets. It follows, therefore, that those engaged in the woollen manufacture in the United States must necessarily purchase enormous quantities of wool from different parts of Australasia. About twenty per cent. of the world's supply of wool of a somewhat different texture from the Australasian is produced in the extreme southern districts of South America, which, by the way, financially are very largely controlled from London.

It does not happen that the United States requires to purchase any very large quantities of the articles which we produce directly in the island of Great Britain; but it does happen that the United States, in order to carry on the industry, does need, and need very badly, to purchase immense quantities of the products enumerated above, and many others besides, from the countries which do purchase, and purchase on a very extensive scale, those articles which come from Great Britain, and which we despatch from these shores. Now, what does it matter whether we send goods direct to New York, which owes large sums of money to Calcutta for purchases of silk and jute, or whether we despatch cotton piece-goods to Calcutta? New York owes money to Calcutta. Calcutta owes money to London. From the point of view we are considering it will be quite as satisfactory for both Calcutta and New York to arrange their payments through London, as both cities have settlements to make in London. We have taken this instance purely as an illustration. The illustration will be equally applicable to Australasia, to South America, to China, or to Japan. The only aspect of the question which is of real importance is that our export trade should grow in some direction, and that our invisible exports should grow likewise, and grow to such an extent that the combined volume will enable us at no distant date to liquidate our debts to the United States.

Until this is done, and done satisfactorily, we shall be paying a premium, through the mechanism of what is called the exchanges, on all articles we purchase from the United States of America. Once our exports, visible and invisible, exceed the value of our imports for a sufficient period to enable us to liquidate our debts in the United States that premium will disappear. In other words, when we render equivalent economic values for what we receive the exchanges will once more be at par. Until that time we shall have to pay a premium on all goods imported from the United States as at present. This object can be obtained just as easily by selling goods to the various parts of the British Empire, to South America or the Far East, as by shipping shirtings direct from Liverpool to New York.

DIVIDENDS ANNOUNCED THIS WEEK.

	Last	1919	1918	1917	1916
BRITISH RAILWAYS:					
Dublin & Southern Rys.	4	¾	¾	¾	¾
INDIAN RAILWAYS:					
[illegible]	7	¾	6	¾	¾
BANKS:					
International Banking ...	3½				
Union Bank of Ireland	10	¾	10	10	10
BREWERIES AND DISTILLERIES:					
Benrinnes-Glenlivet Distillery ...	17½	7	¾	1	10
Wellwood, Simpson & Sons	2½	2½			
COMMERCIAL AND INDUSTRIAL:					
Associated Textiles	10½				
Associated Commercial Corpn.	6½	6½			
Associated Ltd. Pref. and "B" Pref.	10	8	¾	¾	¾
Ord.	5½	5½			
Barker Brothers (Silversmiths) ...	2½	7	7	7	¾
Barrow Haematite Steel Co. Cum. Pref.	5½	7	7	7	7
Ord.	10	10	15	10	10
Bow, McLachlan & Co. Industries	10½				
Brotherhood and Hetchy					
Ordinary	5½	12½	12½	12½	17½
Cadbury Bros. Ltd.	40				
Calcutta Mercantile, 7% Cum. Pref.	7½				
Casing Chain & Co.	2½	7	7	7	7
Canada Jute Manufacturing	6½	27½	27½	27	25
Cartridge Freeholds	3½	9	10	7	7½
Imperial Tobacco of Canada	11½	7	7	7	7
Leeds Mills	15½	20	20	15	15
Mandleberg (Sir)	5½	22½	22½	20	20
Mathieson (John)	5½	20	20½	16	16
Robinson (Peter)	5½	5½			
Santa Rosa Mining (New)	12½				
Williamson, Hy. & Sons ...	4½	10	6	6	6
FINANCIAL, LAND AND INVESTMENT:					
Canada Co.	7½	10	11½	5	20
Canada Landed & National Investment	2½				
Hudson Property and Investment	2½	5½	5½	5½	5½
Liverpool Exchange Co.	1½	7½	7½	7½	7½
River Plate Trust Loan & Agency					
"A"	9½	20	22½	22½	20
" "B"	3½	7	7	7	7
FINANCIAL TRUSTS:					
American, Invest. & General Trust Co., 5% Pref.	2½	5	5	5	5
" Deferred	5½	8	8	8	8
London, American & General Investment Trust Co., 5% Pref.	2½	5	5	5	5
" " Deferred	2½	5½	5	5	5
General & Commercial Investment Trust, 5% Pref.	2½	5	5	5	5
" Deferred	2½	6	5½	5½	5½
Globe Telegraph & Trust Co., 6% Cum. Pref.	1½	6	6	6	6
" " Deferred	2½	8	7	7	7
Mercantile Trust "Deferred" ...	2½	1½	3	3	3
IRON, COAL AND STEEL:					
Cargo Fleet, Ordinary	5½	7	7½	10½	12½
Middlesbrough & West. Iron Co., Pref. £10	7½	12	15	15	15
" Ord. £10	7½	15	12	10	15
MINES:					
Shamva Mines	7½	—	—	—	—
Tronoh Mines	5½	—			
SHIPPING:					
Cairn Steamship	1½				
Cory Bros.	15½	6			
Ocean Steam Ship Co.	5½				
Fairfield Steamship Co. ...	6				
TEA, COFFEE AND RUBBER:					
Ceylon Tea (Consols)	5				
Consolidated Tobacco Rubber	7½	Nil	Nil	6	6
Cosmos Rubber	12½	1			
Lochmore Limited	2½				
Scottish Ceylon Assoc.	5½				
Sungei Kruit Rubber	12½	12½	6		
Tanjong Rubber	2½				
TELEGRAPH & TELEPHONES:					
Eastern Telegraph Co. 5% Pref.	5	5	5	5	5
Ord.	2½*	5	5	5	5
TRAMWAYS & OMNIBUS:					
Mexican Electric Electric Company	1½	6	6	6	6
WATERWORKS:					
Chelsea Waterworks	1½	5	5	5	5

* Tax free. † Tax free. ‡ Free of Income Tax.

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CORRESPONDENCE INVITED.

Rubber Topics.

THE outstanding feature of the Rubber market this week has been a depression prolonged and unrelieved. Some measure of its extent is provided by the price movements of the leaders. Rubber Trusts, opening at 27*s.* 9*d.* on Monday, closed weak on Thursday at 24*s.* 6*d.* Anglo-Malay dropped between Monday and Wednesday from 2 to 1 23/32. Anglo-Dutch fell from 47*s.* on Monday to 45*s.* 3*d.* on Thursday. Paris support was unable to prevent Kuala Lampur and Malacca from reacting by Thursday to three and three-eighths and four respectively. These movements as such had nothing to do with the intrinsic merits of the different companies, but were, one and all, the reflection of the steady retrograde movement in the price of the raw material. Opening on Monday at 1*s.* 8*d.* per lb., the price of standard crêpe gradually dropped, reaching the low level of 1*s.* 6 3/4*d.* on Thursday, compared with the previous low record of 1*s.* 7*d.* in June 1919. To-day the reaction has continued, and standard crêpe is now quoted as low as 1*s.* 6 1/4*d.* per lb., whilst Para, which had hitherto remained steady at 1*s.* 8*d.*, has relapsed in sympathy to 1*s.* 7 3/4*d.* per lb. This time last year the market was moving slowly but steadily upwards. During September the price of crêpe never fell below 2*s.* 1 1/2*d.* per lb., and was quoted as high as 2*s.* 4 3/4*d.* per lb.; whilst Para commanded prices ranging between 2*s.* 5*d.* and 2*s.* 6 1/4*d.* per lb. Moreover low as is the current price, there is some reason for fearing that lower levels will yet be reached before the bottom of the depression will have been touched. Apart from the failure of the Japanese-American rubber firm which is said to have precipitated the present reaction, there were, as we indicated at some length last week, forces making for this depression. The customary American demand is still absent, whilst the returns of the August outputs indicate as many increases as decreases in the crops. One effect of this pronounced weakness in the market for the raw material will be to strengthen the hands of the Rubber Growers' Association in the mooted scheme for the restriction of tapping. Despite the fact that the scheme put forward for 1918 was [illegible] accepted, its effect on the situation was undeniably beneficial. It is a curious, though none the less pertinent, coincidence that a circular should just have been issued to the members of the Ceylon Association in London pointing out the abnormally low price of Ceylon tea, and attributing it largely to the excessive stock at present on hand, and suggesting a reduction of twenty per cent. in all crops. The position in the Rubber market is closely analogous. This time there is good reason for believing that the pressure of economic forces is on the side of the Rubber Growers' Association, and [illegible] the output to the extent of twenty-five per cent. the proposal would assuredly receive the support of the bulk of the principal producers. Moreover, as the circular issued by the Association some time ago pointed out, alternate daily tapping will give the trees a much-

needed rest, and will ultimately enable a larger output to be secured; whilst the complete resting of some of the older areas will prove no less beneficial. Furthermore, let it be recollected that the reduction takes place at a period when the industry is suffering unduly from taxation levied without any regard to its particular circumstances.

MALACCA RUBBER PLANTATIONS.

Issued Capital : 115,000 £1 Preference Shares, 238,964 £1 Ordinary Shares : £213,070 6 „ Debentures.

	Results for Years to December 31								
	Total Planted Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend* Amt. £	Dividend* Amt. %
1916	16,000	3,250,000	227	2/3½	1/2·7	230,749	159,284	70
1917	16,500	4,075,455	247	2/3½	1/2·4	182,733	106,189	50
1918	16,500	3,750,604	197	1/6½†	1/2½‡	50,199	35,396	10
1919	16,500	4,210,746	255	1/11½†	1/1·7	182,733	106,189	50

* Dividends paid free of income tax. † Net price. ‡ F.o.b. cost.

The report of this celebrated rubber Company for the year ended December 31, 1919, chronicles a remarkable improvement. Participating in the restriction of output advocated by the Rubber-growers' Association, the results of this Company for 1918 were consequently of a disappointing character. During the year under review the recovery was full and complete. As against 3,250,604 lb. in 1918, the estimated crop for 1919 was returned at 3,750,000 lb. The actual crop harvested exceeded expectations by nearly 500,000 lb., the total of 4,210,746 lb. replacing the 1917 record output of 4,075,455 lb. Furthermore, the crop was disposed of to greater advantage, an average net price of 1*s.* 11⅞*d.* per lb. being secured, in comparison with 1*s.* 6¾*d.* per lb. for 1918. With this substantial increase in the output came the usual reduction in the working costs. An f.o.b. cost of 1*s.* 2¼*d.* per lb. in 1918 was replaced by 1*s.* 1.3*d.* per lb. in the year under review, whilst the "all-in" cost of 1*s.* 1.7*d.* per lb. compared more than favourably with 1*s.* 2.4*d.* per lb. in 1917. Thus a net profit of £182,733 was secured, or over three and a-half times the net profit of 1918. However, owing to the better price secured for rubber in 1917 the net profit of that year was nearly £6,000 greater than that of 1919. On the other hand, whilst, in view of the uncertain circumstances of 1918, shareholders only received a dividend of twenty per cent. out of the profits of the year, they received in 1919 a dividend of thirty per cent., which is thus equivalent to the total dividends paid for 1917 and 1918. This recovery justifies the confidence which French investors continue to show in this investment. As is well known, Malacca shares constitute one of the most prominent counters in the rubber section of the Paris Bourse, and their movements reflect with much the same accuracy the general condition of the French market as do the movements of Rubber Trusts or Linggis here. Since the dividend is declared free of tax it is equivalent to a rate of forty-two and seven-eighths per cent. subject to tax. Moreover, with the French exchange over fifty francs it is not difficult to visualise the further increase in profits accruing to French investors who purchased under favourable conditions. The payment of this dividend absorbs £106,189, leaving a balance of £70,719 to be carried forward to the next accounts, as against £56,751 brought forward from 1918.

This is one of the comparatively few rubber companies that is not likely to suffer unduly from the increase in the excess profits duty to sixty per cent. There is yet a good margin between the net profit of £182,733 and the 1916 profit of £230,749, or the 1915 profit of £252,006. To that extent its prospects for the current year would appear to be at least as favourable as those of 1919. Furthermore, it is to the advantage of the Company to have succeeded in disposing during the year of isolated pieces of its estates and purchasing in their place an almost equivalent area of fully planted lands more conveniently situated for economical administration in conjunction with the existing lands. This possibility of a further reduction in the working costs is highly desirable, as the estate, bearing in mind the extent of its annual crop and even allowing for previous exhaustion due to tapioca cultivation, is still being worked at a rather high cost. Estimates for the current year foreshadow a crop of 4,500,000 lb. With some of the best months of the year still in front and a return of 2,585,482 lb. for eight months, there is every reason for believing that this estimate should be realised unless the rumoured scheme of restriction of output should materialise. Such a crop would again render possible a decline in the "all-in" cost. On the other hand, any such restriction, whilst postponing this desirable end, would tend to lessen the difficulty of securing an adequate labour supply, to reduce the loss incurred on the provision of rice and the subsidising of native remittances. Furthermore, the decreased production would ultimately be a powerful factor in restoring the price of the raw material, which is now so low, to more remunerative levels. Financially the position of the Company as at the end of 1919 is sound. Liquid assets to a total of £332,833 are available to meet current liabilities not exceeding £303,847. The discrepancy between the estate account and the capital account continues to be so pronounced as to call for, sooner or later, some capital readjustments. Against an outlay of £1,220,547 there stands a total of issued capital (including even £213,070 in respect of Debentures) of only £567,034; whilst a total of £508,794 exists in the form of share premiums. So long as the present unsettled condition of the Rubber market prevails, there is no reason to anticipate any bonus issue. In the market the Six per Cent. Debenture stock stands at 92¾, returning a yield of nearly six and a-half per cent. Despite their prior claim to a dividend of seven and a-half per cent. before the Ordinary shares, the Participating Cumulative Preference shares of £1 each are only quoted at 7⅞ 6*d.*, as against 82*s.* 6*d.* for the Ordinary shares. At these prices the yield, assuming a dividend of thirty per cent., free of tax, works out at nearly seven and a-quarter per cent. free of tax (over ten per cent. subject to tax) on the Ordinary shares, and at nearly seven and three-quarters per cent., free of tax (over eleven per cent. subject to tax) on the Preference shares. Allowing for the Debenture issue, the market capitalisation per acre stands at the reasonable level of £99. Bearing this point in mind both classes of shares are rather attractive investments.

SUNGEI CHOH.

Issued Capital : £200,000 in £1 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.*	"All-in" Cost per lb.	Profit £	Dividend Amt. £	Dividend Amt. %
1916	1,663	1,168	1,000,042	342	2/4½	1/11†	50,000	17,500	35
1917	1,663	1,359	552,955	419	2/4½	1/10½	25,511	15,000	30
1918	1,705	1,359	424,022	518	1/7½	1/9½	22,163†	15,000	30
1919	1,854	1,659	646,319	390	1/11·9	1/10·17	41,025	42,500	85

* Net price. † Excluding capital charges, &c., charges, but including depreciation.

Price of Shares, 30/7½. Market Capitalisation per planted acre, £165.

The report issued by Sungei Choh, embodying the results of its operations for the year ended December 31, 1919, is the most satisfactory that has yet been presented by this rubber company. No longer handicapped by the drastic curtailment of output which was reflected in the reduced crop of 424,022 lb. for 1918, the Company returns a total crop for the year under review, which not only exceeds the 1918 crop by fifty per cent., but constitutes the record crop in the history of the Company. Moreover, this return of 646,319 lb. represents an average yield of 390 lb. per bearing acre, which compares very favourably with the 419 lb. per acre secured in the last year of unrestricted production, 1917. Moreover, whilst the average price

of 1s. 11.59*d.* per lb. realised by the sale of the crop is somewhat below the average secured in 1917. It is 4¾*d.* per lb. more than was obtained in 1918. Despite the high prices ruling for stores and materials during 1919, as well as the increase in wages, the substantial increase in the crop harvested brought in its train the customary decline in the cost of production. In this case the f.o.b. cost, which had been reduced to 9.33*d.* per lb. in 1917, only to mount up to 11.23*d.* per lb. for the restricted crop of 1918, was now returned at the satisfactory figure of 7.75*d.* per lb. Correspondingly the "all-in" cost for the year under review was as low as 10.17*d.* per lb. There was a profit of 1*s.* 1¾*d.* per lb., or more than twice the profit per lb. of 1918, a profit of £34,199 is left after making adequate provision for the cost of liquidation. Further sources of income are provided by a refund of £3,189 in respect of excess profits duty, 1915-18, and by £3,627 refunded under the Stevens *v.* Boustead income tax decision. Thus in contrast with a net profit of £22,463 in 1918, there stands a net profit of £41,025 for 1919, increased to £46,382 if the tax amounts brought forward from 1918 is included. Dividends paid to shareholders amount in the aggregate to £42,500, or eighty-five per cent. This record dividend presents a formidable comparison with thirty per cent. in 1918 and with the previous record of 35 per cent. last paid in 1916. The balance left over amounts to £3,882. The conservative policy which this Company has hitherto followed in its dividend declarations has enabled it to declare this large dividend in respect of 1919. In common with so many other rubber companies, it decided early in the current year to go into liquidation in order to redress the balance between the issued capital and the value of its property, which had been considerably enhanced by the development work accomplished in recent years. Having consideration to the revised value of the estate, the directors suggested—and the suggestion was approved of by the shareholders—that the new company should have an authorised capital of £300,000 and an issued capital of £200,000. To give effect to this decision each shareholder in the original concern received four fully-paid shares of £1 each in the new company for each share held in the present concern. It is this capital of £200,000 that ranks for dividend in respect of the profits of the current year. The prospects have therefore to be visualised in this connection, and also with reference to the burden of the sixty per cent. excess profits duty and the corporation tax. These, in conjunction with the stagnant condition of the market for the raw material at the present moment, constitute the adverse factors for 1920. On the other hand, the 1919 results show that the estate is capable of being worked at a rather low "all-in" cost. The output harvested for the first seven months of the year is returned at 449,898 lb. With a proportionate yield for the remainder of the period, the final crop would exceed 750,000 lb., thereby rendering possible a further decline in the "all-in" cost. However, in view of the rumoured scheme of restricted output, this aspect of the case is rather hypothetical. Financially the position of the Company as revealed in the balance sheet dated December 31, 1919, is sound. Including the exceptionally large final dividend of seventy per cent., which absorbs £42,500, current liabilities amount to £50,571, and are covered by liquid assets available to the total of £91,176. In the market the £1 shares in the reconstituted Company command 30s. 7½d., thus giving a market capitalisation of £165, which is high enough. Bearing in mind the unsettled condition of the market for rubber in the moment, as well as the possibility of a restricted output in the last quarter of the year, it is a matter of extreme difficulty to decide upon a possible dividend for 1920. Assuming, however, a dividend of 85 per cent., and this we consider a reasonable estimate, the shares return at the market price a yield of nearly ten per cent.

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Insurance Notes.

LONDON LIFE ASSOCIATION, LIMITED, AND CLERGY MUTUAL ASSURANCE SOCIETY.

An arrangement was entered into in 1918 between these two Societies, both of which are founded on mutual and non-commission paying principles, whereby the business then existing of the Clergy Mutual is to be conducted by the London Life as a closed series under certain conditions, at an annual rate of five per cent. of the premiums, the new business of the Clergy Mutual being limited to reassurances of London Life policies.

The first year's operations under this fusion are announced in the reports of the two societies for 1919, and appear to be very satisfactory. The total life business completed by the London Life in 1919 covered sums assured amounting to £1,656,312, of which reassurances of £140,990 were effected with other offices (apart from the Clergy Mutual), leaving a net amount of £1,515,312. This compares with a net sum of £704,290 in 1918. Thus the London Life new business has been more than doubled, and even after deduction of reassurances of £349,282 with the Clergy Mutual, leaving a net amount of £1,166,030 at the sole risk of the Society, it has been increased during the year by more than fifty per cent. The amount is far and away the largest ever reported by the London Life in a single year, during a history that goes back to 1806, and it is very remarkable, under the conditions under which the Society works, such as the non-employment of agents, that there has been so great a demand for its policies.

There is no doubt that the London Life, judged by its intrinsic merits, is one of the most attractive life offices in the country. It has always been well managed, its expense ratio is the lowest recorded by such institutions, and the lives assured, as a whole, have proved themselves highly desirable members from the point of view of mortality. As a [illegible] of profits—from the three main sources of interest, economy, and longevity—the Society has always been in the first rank. It is therefore gratifying to find that its popularity with new entrants into life assurance is not only well maintained but is increasing. So far as its existing members are concerned, it is not a matter of [illegible] that its policyholders should be increased beyond such a number as will continue to give free play to the laws of average as in the past; but the new-comers, on the other hand, are highly privileged in being admitted into such a flourishing body [illegible] on the basis of the experience of the past [illegible] of a life office.

[illegible] ments had been made. The reductions reported in 1918

ranged, according to series, from fifty-one per cent. to 125 per cent.; in the latter case no payment being made by the assured, but the equivalent of twenty-five per cent. of the premiums being accumulated at compound interest as an addition to the sum assured. The annual report for 1919 announces that the directors have increased these rates of reduction by one per cent. all round; so that the rates will range from fifty-one per cent. for the fourteenth series to 126 per cent. for the first series, for the year beginning July 1, 1920. Under a minimum premiums system, policies are issued by the Society for guaranteed amounts at less than average non-profit rates, all holders of these policies have nevertheless good prospects of eventually participating in profits. This is an attractive scheme to persons who desire the maximum amount of protection for the commencement of their policies in return for such an amount as they can afford to expend in premiums.

The reversionary bonus system above referred to was introduced in 1914 and has proved very successful. The premium rates charged in this case are below the average, and yet minimum bonuses at the rate of 30*s.* per cent. of the sum assured, in reversionary form, have been guaranteed on the compound principle up to 1925. In each year since this series has been opened the actual reversionary bonus declared has been at the higher compound rate of 35*s.* per cent. This is a fine achievement in times like the present, when so many first-class offices have had either to pass or reduce their bonuses on account of war conditions.

An analysis of the London Life new business for 1919 shows that about 43.6 of the amount related to non-participating policies, about 25.3 per cent. to the old reduction of premiums system, and about 31.1 per cent. to the reversionary bonus system.

The total net life premium income of the London Life Society was increased in 1919 by £20,616 to £548,999, apart from a sum of £165,000 received as consideration for new annuities. The Society seems to have been pleased to attract annuity business lately, its rates for these contracts being amongst the most favourable now offered to the public. The total costs of managemnt absorbed £5 6*s.* 5*d.* per cent. of the premium income in 1919, as compared with £4 11*s.* 11*d.* per cent. in 1918. It is stated in the report that the increase is almost entirely due to the growth in the number of the staff and to the enhancement of the rates of their remuneration. The ratio remains the lowest amongst British life offices. The claims for the year amounted to £288,895, of which £261,017 represented claims by death and £27,877 claims by maturity. The amount of the death claims was only about sixty-three per cent. of that anticipated by the table of mortality used in the valuation. The allowances made during the year in respect of reductions of premium amounted to £203,897, of which £8,314 was held for accumulation in cases where the reduction was actually greater than the amount of the stipulated premium. Through the year's operations the life and annuity funds were increased by £337,127 to £6,040,299. The annual valuation was made at the close of 1919, by the $O^{M(5)}$ table of mortality in combination with three per cent. interest, provision being made for the continuance throughout the contracts of rates of reduction less by ten per cent. than the current rates of reduction declared. On this basis a reserve of £140,000 was carried forward, in addition to an unappropriated balance of £23,838; but it is stated that, as against the reserve, there was a depreciation in the value of securities amounting to £104,906. The average rate of interest earned by the funds during 1919 was £5 1*s.* 11*d.* per cent., or £3 17*s.* 2*d.* per cent. after deduction of income tax. The revenue account for 1919 relating to "Endowments certain" shows a relative premium income of £20,471, and a fund of £157,602 at the close of the year.

Following on the increase of the rates of reduction of premiums, it is announced in the annual report that the Directors passed a resolution to close the current series by constituting on July 1, 1920 a fifteenth series of members, with a rate of reduction less by one than that for the fourteenth series.

Clergy Mutual Accounts.—The directors of the London Life state that they have pleasure in reporting an improvement both in the present position and in the future prospects of the Clergy Mutual. The value of the Clergy Mutual assets as shown in the report for 1918 was £4,247,649, and notwithstanding the fact that the book values have been written down by a further amount of £99,141 to cover the depreciation shown the total funds increased during 1919 to £4,285,041. The net average interest yield, after deduction of income tax, was £3 19*s.* 4*d.* per cent. The net premium income amounted to £264,922, apart from a sum of £55,000 received as consideration for new annuities. The directors of the London Life state that after careful consideration they have adopted a new method of valuation of the liability under Clergy Mutual with-profit assurances: The basis selected is technically known as a bonus reserve valuation, and consists in using a table of mortality based on the experience of the office and a rate of interest (£3 15*s.* per cent.) approximating to that actually being realised, and in addition in making provison now for the regular distribution of the bonus during the whole currency of the relative policies. This system appears to them to be very suitable to the conditions of the Clergy Mutual, seeing that the with-profit assurances form a closed-fund managed at a fixed rate of expense. On this basis a valuation made at the close of 1919 showed a surplus of £32,423, but it is pointed out that the next valuation for the purpose of a distribution will be made as on December 31, 1920.

CHINESE FAMINE.

Numerous reports of an alarming character have reached the United Kingdom in the last few days as to the spread of famine conditions in China. If these reports prove to be well founded, the economic repercussions that will inevitably follow will be widespread. The partial cessation of the Chinese demand for silver would certainly cause a lowering of values in the Silver market, and so will reduce the high levels of the Eastern exchanges. China, as is well known, is one of our best customers for cotton goods, and in the past the failure of the food crops in that country, like similar occurrences in India, has been severely felt throughout Lancashire in a falling-away in the demand for its products. The extent of our financial interests in the Far East is also considerable. British money was at one time freely invested in China, and the amount subscribed to the various Chinese loans, including Gold Loans and Gold Bonds, as well as the sums raised for the Imperial Chinese Railways, has been very large. Not less than 53½ millions worth of securities are quoted on the London Stock Exchange. They are secured on various items of Chinese revenue, such as the Salt Tax; and the Powers have, of course, from time to time guaranteed the advances made. The position of the new Eastern Republic, which has, since the overthrow of the Manchu dynasty, been seriously troubled by internal dissensions, will be rendered very difficult if famine conditions eventually prevail over the wide areas that are said to be now threatened. It will be necessary to concert immediately financial and other measures of relief, and the external spending power of the Republic will be devoted more to food and other absolute necessities than to such products as are imported from the United Kingdom. The effect of a large demand on the world's food markets would at the moment have a most undesirable effect in sending up prices.

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TIN AND TINPLATE IN U.S.A.

Tin is one of the very few metals for which the United States may be regarded as wholly dependent on foreign supplies. In 1918, the last year for which official statistics are available, the total amount of metallic tin obtained from American concentrates came only to sixty-eight short tons, of which sixty-seven were drawn from the Seward Peninsula of Alaska. The tin imported in that year as metal and metal in concentrate reached the record quantity of 82,854 short tons; an increase of nearly 5,000 tons over the figures of 1917. The metal imported and entered for consumption was 71,254 short tons; to which must be added 10,284 tons smelted locally, almost wholly from Bolivian concentrates. Accordingly the total supply of primary tin available for consumption in that year was 81,538 tons, or about fifty-seven per cent. of the world's output.

Imports of pig tin into the United States from 1906 to 1918, together with estimated values, are shown in the following table, taken from figures supplied by our Washington Embassy to the Department of Overseas Trade:—

Year	Quantity (Short Tons)	Value $	Year	Quantity (Short Tons)	Value $
1906	50,476	37,147,315	1913	52,529	46,927,213
1907	44,257	32,071,263	1914	47,559	32,881,619
1908	41,267	29,925,000	1915	57,792	38,736,909
1909	47,966	27,558,546	1916	69,655	51,802,232
1910	52,528	39,939,256	1917	72,106	69,860,746
1911	53,657	43,346,391	1918	71,254	93,141,218
1912	58,946	50,372,178	1919	44,819	50,899,019

Of the total imported in 1918, no less than 57,541 tons were drawn from British sources (the Straits Settlements supplying the greater proportion), 10,670 tons from the Dutch East Indies, 1,603 from China, and 1,203 from Japan.

Imports of tin ore from 1916 to 1918 in short tons may be set out as follows:—

Year	Quantity (Short Tons)	Value $
1916	4,091	1,636,521
1917	1,091	1,745,760
1918	18,394	11,144,131

Prior to the War no smelters existed in the United States for the treatment of tin ore. By 1918, however, there were four plants in operation, producing in all 10,284 short tons of tin. Almost the whole of the output was produced from the smelting of Bolivian concentrates. The smelter output of tin in the preceding years was—1916, 2,261 short tons, and 1917, 6,065 short tons.

The tin smelters developed since the War by American capital in the United States and Bolivia have an annual capacity of 18,000 metric tons. This capacity is being enlarged, and should shortly be able to absorb the entire output of Bolivia; but Chilian capital, it is understood, has recently established a smelter at Arica, and there is some speculation as to the possibility of the American smelters finding themselves short of ore.

Secondary tin recoveries increased from 19,400 short tons, valued at $23,920,200, in 1917, to 23,837 tons, valued at $41,381,000, in 1918. The quantity recovered as tin was 7,142 tons, the remainder being in chemical compounds and alloys.

According to the Geological Survey, the detinning plants in the United States recovered [illegible] as metal; together with 4,886 tons of tin oxide, tin bichloride, and tin tetrachloride, having a tin content of 2,183 tons. Total recoveries amounted, therefore, to 3,293 short tons. The average recovery, in terms of metallic tin, per ton of clean tinplate scrap was 36.27 lb., and the average recovery from old tin-coated cans was 30.56 lb.

Returns compiled by the War Industries Board for the calendar year 1917 showed that the consumption of tin in the United States for that year was approximately 93,000 tons, of which 19,000 tons had been recovered from scrap materials. Of the total amount consumed, 31,000 tons were used in the manufacture of tinplate, 20,400 tons for solder, 13,800 for babbitt, bronzes and other bearing metals. Some 1,000 tons were used in the silk industry, 5,000 tons for foil, 4,000 tons for collapsible tubes, and 3,000 tons for white metal.

Apropos of the growth of the tinplate and terneplate industries in the United States, the figures between the years 1910 and 1917 are remarkable. Production increased by 109 per cent., exports by 1,770 per cent., and domestic consumption by sixty-four per cent. The imports, which had amounted in 1910 to 66,460 tons, had practically disappeared by 1917. Detailed statistics are given in the following table:—

Approximate Production and Consumption, as shown by Imports and Exports, of Tinplates and Terne Plates, U.S.A. (Gross Tons), 1910-1919.

Calendar Years	Production	Add Imports	Deduct Exports	Apparent Consumption
1910	722,779	66,640	12,445	776,974
1911	784,960	14,099	61,381	736,678
1912	962,971	2,032	81,694	883,329
1913	823,719	20,680	57,812	786,587
1914	931,241	15,411	59,649	887,003
1915	1,209,866	2,350	154,642	1,057,574
1916	1,235,000	1,098	227,391	1,008,707
1917	1,512,146	124	232,799	1,279,471
1918	1,473,939	62	258,538	1,215,463
1919	1,150,688	24	204,521	946,191

1919 production subject to revision.

While this increase in the American tinplate industry must be attributed, for the most part, to war conditions—limitation of output in Great Britain, shortage of tonnage, and deliberate allocation of markets—and while a downward tendency in exports is now observable, it would appear that the continuance of the increased production will ultimately depend on the rapidity with which the Welsh tinplate makers can restore their former productive capacity.

Of interest to our British manufacturers will be an analysis of the American export list in the last seven years, showing the destinations and the quantities shipped:—

Exports of Tinplates and Terne Plates (in Short Tons), 1913-19.

Countries	1913	1914	1915	1916	1917	1918	1919
Canada	1,141	39,770	43,854	57,633	60,329	5,48[illegible]	[illegible]
United Kingdom	[illegible]	[illegible]	1,881	2,744	1,447	[illegible]	[illegible]
Mexico	2,189	2,541	[illegible]	1,914	2,593	[illegible]	[illegible]
Cuba	1,766	1,867	3,385	4,690	4,110	[illegible]	[illegible]
Venezuela	1,[illegible]	2,193	17,407	24,500	32,329	[illegible]	[illegible]
Other	2,227	1,281	9,611	14,536	14,361	14,044	[illegible]
[illegible]	1,[illegible]	1,023	1,121	[illegible]	[illegible]	1,287	[illegible]
[illegible]	264	[illegible]	[illegible]	[illegible]	11,668	[illegible]	[illegible]
British India	[illegible]	[illegible]	[illegible]	24,150	14,900	6,853	[illegible]
Hong Kong	117	2,829	7,893	14,948	[illegible]	[illegible]	[illegible]
Japan	[illegible]	1,972	10,303	[illegible]	24,193	41,940	[illegible]
Other Countries	[illegible]	[illegible]	34,146	[illegible]	70,991	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

International Banking Corporation.—A cablegram from the head office in New York announces that a dividend has been declared at the rate of six per cent. for the half-year ended June 30 last, after which U.S. $2,704,153 have been added to undivided profits, which [illegible] surplus and [illegible] to $8,208,240.

CONDITIONS IN CUBA.

A REPORT on economic affairs in Cuba for the half-year ended June 30 last, furnished by the British Legation at Havana, states that, owing to the exceptional conditions obtaining in the Sugar market, Cuba continues to experience unparalleled prosperity. This condition is reflected in the remarkable expansion not only of the export but also of the import trade. Practically everything in use being imported, including foodstuffs, the imports per head are at present probably among the highest of the countries of the world. The wealth so rapidly acquired by sugar-planters and mill-owners is being spent freely and in many instances extravagantly. The cost of living is stated to be higher than in any other part of the world. Notwithstanding the greatly enhanced price of land, labour and materials, the building trade is exceptionally active, and important real estate transactions take place almost daily. Modern office buildings of the American type are rapidly replacing old buildings of the Colonial period in the business part of Havana, while costly private homes are being built in the suburbs, where land values have risen to an extraordinary degree.

As a concomitant of the conditions mentioned, there is a considerable degree of industrial unrest, particularly among stevedores and dock workers in the Port of Havana. There is a shortage of labour, both urban and rural, but the volume of immigration, chiefly from Spain, is on the increase. Some of this is merely seasonal in character, many of the labourers who emigrate for the cutting of the cane crop returning to Spain when this is completed. The advent of Italian immigrants in appreciable numbers appears to be a possibility of the near future.

Optimism as regards the future is the dominant note, and there can be no doubt that so long as the present world scarcity of sugar continues, Cuba, which produces the largest quantity of that commodity, will continue to be prosperous. In view of the need to restrict credit, however, which is in evidence throughout the world, owing to financial stringency, caution is necessary in judging of the future trade of the country. The banks—both Cuban and foreign—have advanced large sums on the security of sugar stocks; but while such loans are not as a rule being called in, no further credits are being extended by the banks where the object in view is merely speculative, viz., to enable the owner of the stocks to hold for a rise. American banks have made it known that loan money must be applied to increased production of cane now, and that advances will not be granted to pay for new equipment. The profits made by growers and mill-owners have, however, been so large that some portion of these may well be applied to mill extensions and improvements.

Numerous important sales of sugar mills and sugar-bearing lands have taken place, the aggregate sums invested representing many millions of dollars. It is stated that over sixty per cent. of the Cuban sugar industry is now in American hands. American sugar-refining interests have been prominent in buying up properties, as they are naturally desirous of assuring for their industry continued supplies of raw materials. Hitherto the refining of sugar in Cuba has not been on an important scale, but indications are not wanting that within a comparatively short time important refineries may be established there.

A few years ago British sugar-mill machinery manufacturers supplied the bulk of the equipment for Cuban mills, but now the United States manufacturers occupy the predominant position. A well-known American ironworks company announces by advertisement that of the 44,000,000 tons of cane ground in the 1918-19 crop, more than 28,000,000 tons were ground with their mills and crushers. The present predominance of American manufacturers is due to some extent to conditions created by the War, when British firms were not in a position to supply the equipment. In addition, the relation of American finance to the Cuban sugar industry undoubtedly determines to some extent the source of supply of mill equipment. It is satisfactory to note that experienced sugar-mill engineers often express a preference for British-made machinery. Many of the mills now use crude oil instead of coal as fuel, and the electric drive is taking the place of steam. The shortage of supplies of crude oil in the United States is a matter of some concern in Cuba.

Recent months have not been free from anxiety for Cuban tobacco growers and cigar manufacturers. In the early part of the year, shipments to the United Kingdom, which had long been regarded as Cuba's most important market for cigars, as distinguished from tobacco in the leaf, were delayed through a strike among the wharf labourers at Havana. At a later date some of the orders placed by British buyers were cancelled owing to the ruinous exchange rates operative between London and Havana; while the amendment of the British tariff in respect to cigars by the imposition of an *ad valorem* duty in addition to the existing specific duty, created something approaching consternation among Cuban cigar manufacturers. This year's tobacco crop is reported to be of excellent quality, although not so large as was hoped for, owing to shortage of labour. According to estimates made some time ago by the United States Department of Agriculture the new crop will be worth $50,000,000.

Industrial Companies.

BOLCKOW, VAUGHAN AND COMPANY.

Issued Capital: £4,227,720, in 2,639,100 Ordinary shares of £1 each, fully paid; 1,860,900 Ordinary shares of £1 each, 12s. paid: and 23,604 5% Cumulative Preference shares of £20 each. Debentures: £404,900.

Year ended June 30	Net Profit	Debenture Interest	Pref. Dividend	Reserve Fund	Sundry Accounts	Ordinary Dividend—Amount	Ordinary Dividend—%	Carried Forward
	£	£	£	£	£	£		£
1917... [illegible]	[illegible]	20,187	23,604	[illegible]	-	329,556	12	142,559
1918...	591,059	23,292	23,604	100,000	100,000	329,556	12	157,166
1919...	589,735	19,192	23,604	200,000†	26,168‡	397,687	12	206,419
1920...	696,949	16,593	23,604	200,000	—	450,677	12	212,495

* After providing for depreciation, coal mines excess payments, excess profits duty and, in respect of 1919-20, corporation tax.

† £[illegible] out of profits, £[illegible] out of Share Premium Account.

‡ Transfer of Share Premium Account to reserve for fire insurance risks.

HAVING come to an agreement with the revenue authorities with regard to liability in respect of excess profits duty and munitions levy for the year ended June 30, 1919, this well-kpown Middlesbrough iron and coal undertaking present their shareholders with report and accounts for that period, as well as for the year ended June 30, 1920. Although no final settlement has been reached in connection with liability for taxation for the latter year, the directors state that before arriving at the net profit ample provision has been made to cover any charge levied under the excess profits duty, coal mines excess payments, coal levy, or the recent corporation profits tax. It is thus possible to survey generally the trading operations over the two periods. From the table at the head of this article it can be seen that the net profit for 1918-19 fell somewhat short of the £591,059 secured in the previous year. However, the decline in the charge for Debenture interest from £23,292 to £19,192 more than counterbalanced this deficiency. After paying the dividend on the Preference shares a sum of £100,000 was allocated to the reserve, as in the previous year. At the same time, the share premium account of £126,168 was written off by transferring £100,000 to the reserve and £26,168 to the fire insurance reserve. Such a wise disposal of this fund affords a good illustration of the far-seeing policy of the directors. It is to be noted, however, that, as against £100,000 in 1917-18, no deduction was made from the profits of 1918-19 in respect of sundry allocations. Consequently, whilst the dividend on the Ordinary shares was maintained at twelve per cent., absorbing, owing to the increase in the paid-up capital, some £70,000

more than in 1917-18, it was possible to engage the ... and not carried forward from £157,166 to £270,429. Considering the rather difficult nature of the trading period, including, as it did, over four months of hostilities, whilst the remainder was encumbered by all the obstacles that accompanied the transition from war to peace, the trading results for the year 1918-19 cannot be regarded as otherwise than satisfactory.

By the opening of the year 1919-20 the difficulties of the transition period were probably well under control. But there were other barriers to be surmounted, and these were by no means less formidable. The railway strike, though of short duration, nevertheless caused [illegible] congestion of traffic as to hamper deliveries for some time after. It was the prolonged moulders' strike, however, that dealt the heaviest blow to the iron and steel trade generally. Any review of the trading operations of such concerns must keep this strike well in the forefront, if a correct perspective of that critical period is to be secured. That under such circumstances this Middlesbrough firm should return a net profit for the year ended June 30, 1920, of £696,949 is a creditable achievement. How creditable it is stands out clearly when it is realised that not only does the net profit for the year under review exceed that of 1918-19 by over £100,000, but that it is also nearly £47,000 more than the previous record profit of 1916-17. The amount required to meet the interest on Debentures is again lower at £16,593. Advantage has been taken of the increased profits to transfer £200,000 to the reserve, thereby raising it to the satisfactory total of £1,000,000, or nearly twenty-five per cent. of the issued capital. The wisdom of the policy adopted by the directors is again clearly seen in the manner in which this large reserve has been built up entirely out of the large profits of the War period. By June 30, 1915, the reserve had been reduced to £90,480 as a result of the deduction of £59,520 in respect of allowances to officials and workmen who joined the Army. The following year the total was raised to £500,000 by a transfer of £159,520 out of the profits of 1915-16. The subsequent growth of the total can be perceived in the table at the head of this article. The dividend of the Ordinary shareholders for 1919-20 remains unchanged at twelve per cent., but absorbs £450,677, as against £397,687 in the previous year. The amount carried forward to the next accounts has been increased by £6,000 to £212,495.

The prospects of this firm for the current year cannot be dissociated from the impending threat of a coal strike. It is upon such industries as this that the consequences of such an unjustifiable action would first fall. Furthermore, it is doubtful whether any other industries would suffer greater loss in such an eventuality than the foundational coal and iron industries. And when it is recollected that in the absence of this dislocation the world demand for iron and steel and coal for purposes of national reconstruction and development is more than sufficient to provide steady and remunerative employment, the folly of such a strike cannot be well exaggerated. Moreover, a prosperous coal and iron industry is the best guarantee that all other trades can have of a good demand for their products. Consequently, as regards this Middlesbrough undertaking, it is apparent that any coal strike must react injuriously on the profits for the current year. Granted a favourable labour atmosphere, there is no reason why the results for 1920-21 should not be at least as satisfactory as those of 1919-20, and that despite the existence of the sixty per cent. excess profits duty and the corporation tax.

June 30	Capital	Liabilities	Assets		
	£	£	£	£	£
1917	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	1,543,918	[illegible]	[illegible]
1920	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Including stock. † Including Preference shares and Debentures. ‡ Surplus excluding stock.

[illegible] tion. With the increase in its Ordinary share capital from £2,746,300 on June 30, 1918, to £3,755,640 by June 30, 1920, it was able to increase the amount of its liquid assets and decrease its liabilities, notably the bank overdraft, of £695,251. Consequently the balance sheet on June 30, 1919, showed that, even excluding the large stock, liquid assets exceeded liabilities by £175,373. The growth in current liabilities as on June 30, 1920, is mainly due to the expansion of sundry creditors by nearly £500,000, and an increase of £380,000 in loans and deposits. The addition of £500,000 to sundry creditors reflects not merely the growth in the business, but also the heavy burden involved in the sixty per cent. excess profits duty and the corporation tax. On the other hand, this increase has been more than offset by a growth of nearly £600,000 in the value of the stock. This expansion of stock is so common a feature of industrial as well as of manufacturing concerns in these trying days that it calls for little comment. Bearing in mind the rise in price levels, the necessity of securing material not when required but when obtainable, the uncertain condition of the exchanges which impede the realisation of commodities, no less than labour disputes, the growth in the stock becomes more easily comprehensible. At the same time, it is a feature which calls for careful supervision on the part of the directors. The prices and yields of the different securities of this Company, the yield of the Ordinary shares being based upon the continuance of the dividend of twelve per cent., are embodied in the following table: –

	[illegible] Pref. £20	[illegible] Ord. £1
Price	£14 4s. 3d.	12/-
Yield	7%	1[illegible]%

W. AND H. M. GOULDING, LIMITED, DUBLIN.

Issued Capital: 63,000 Ordinary Shares (of £5 each), £315,000; 25,000 5½% Cum. Pref. Shares (£5 each), £125,000; Debenture Stock, 4½% 20,000 Shares of £5 each, £100,000.

Year	Debs. Int. and Ordinary Div.	5½% Pref. Div.	Ord. Div.	Amount Carried Forward	Ordinary Shares
	£	£	£	£	£
1916	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(f) Together with a bonus of 3s. per share, less income tax; total dividend

OPERATING in an agricultural country this Company has a large market for the sale of such chief products of manufacture as chemical manures and sulphuric acid, and facilities for their distribution are afforded by the subsidiary companies established at Cork and Waterford. The strong financial position of the Company indicates that these advantages are well exploited. Since 1916 profits have shown a steady expansion,

HARRISONS & CROSFIELD, LIMITED.

ISSUED CAPITAL £1,837,060

EASTERN AND GENERAL MERCHANTS.

1-4 GREAT TOWER STREET, LONDON, E.C.3.
WITH BRANCHES THROUGHOUT THE EAST.

and it. 1920, after providing for excess profits duty, the excess over 1919 was £7,154, or nine per cent. Out of the profits of the former year, £84,069, the sum of £7,000 was, in accordance with the annual procedure of the Company, set aside to cover estimated discounts in realisation of outstanding debts; Debenture interest, Preference and Ordinary dividends and bonus to Ordinary shareholders absorbed £36,575; directors received a bonus of £700; and after allowing £5,000 for depreciation and carrying £25,000 to reserve account, the carry-forward, at £4,861, was the highest figure attained during the years under review.

The dividend of seven per cent., less income tax, on the Ordinary shares was maintained for many years prior to 1916, but since 1917 the steady advance in profits has been proportionately reflected in the allocations to the Ordinary shareholders. Including the bonuses paid out annually from that year onwards the distributions to Ordinary shareholders came to nine per cent., less income tax, in 1917; ten per cent., less income tax, in each of the years 1918 and 1919; and eleven per cent., less income tax, in 1920. The payment of eleven per cent. in the last-named year was accomplished on an increased capital. Last September powers were taken to increase the capital of the Company by the creation of 30,000 Ordinary shares of £5 each with a view to providing for extensions and further developments of the Company's business. Under this head 18,000 shares have been already issued to shareholders, and it was decided at the last meeting to credit the substantial premium of £2 10s. charged per share, or, in all, £45,000 to reserve account. With the addition of this special appropriation of £45,000 and the now usual ordinary appropriation of £25,000, the reserve fund will stand at £145,000, or eighty-one per cent. in excess of the figure recorded in the balance sheet for 1916. In estimating the strength of the company this fact should not be lost sight of. It should also be remembered that from 1918 the item of goodwill, £86,000, has been written off the balance sheet by the transference of that amount from reserve. Allocation towards depreciation, amounting to £4,000 in each of the years 1916-19 was increased to £5,000 in 1920, but in the last-named year exceptionally large additions, £15,161, were made to buildings, plant, &c., and as this figure accounts for seventeen per cent. of the valuation of that item in the balance sheet for 1919, it can be perceived that the renovation of plant has made substantial progress.

In contrast to a practice not uncommonly, but in some cases unavoidably, pursued nowadays, the stocks carried by the Company are on the small side. Compared with the previous year they show, no doubt, a large increase, but when the comparison is extended to embrace 1916 the drop in value will be noted. Amongst the assets of the Company stocks stand in 1920 at only £57,335, while investments and shares in other subsidiary companies are returned at £285,514; Government securities (National War Bonds, &c.) at £86,159; cash in hand and at bankers, £66,957; and sundry debtors at £291,770. Excluding stocks from consideration the total of these liquid assets is £730,399, while on the opposite side sundry creditors are down for £128,351. The surplus of liquid assets over current trade liabilities thus amounts, as shown in the above table, to £602,049, and, assuming that investments and securities are entered at some approximation to the price they would fetch on realisation, this is more than sufficient in the event of liquidation to discharge all obligations to the shareholders on capital and reserve accounts.

Some time ago there seemed a distinct probability that the manufacture of fertilisers would be taken up by another concern operating in Wicklow. From later intelligence, however, it appears that this enterprise will not be undertaken, at any rate for the present. Thus the prospect of more intense competition for the home market has been removed. Consumption of fertilisers both for pasturage and arable crops is increasing amongst Irish farmers, the growth of agricultural prosperity within recent years and the more scientific interest taken in farming operations constituting very encouraging factors.

The prices and yields of the various classes of share capital are as follows: —

	Par	Price	Yield%
	£	£ s. d.	£
5½% Cum. Pref.	5	4 8 7	6½
Ordinary	5	6¼	8•1•
11% Deb. Stock	5	3 8 5	6 5

• calculated on basis of dividend and bonus of 11% less income tax.

ELDER, DEMPSTER AND CO., LIMITED.

Issued Share Capital: £4,135,000, in 425,000 5½% Cum. Pref. 1,500,000 6% Cum. Pref., 1,000,000 6½% "A" Cum. Pref Shares, 1,200,000 Ord. and 10,000 Management Shares of £1 each.

Debenture Stock: £2,000,000.

Yr. to Dec. 31	Profit	Deb. Int. & Pref. Divs.	Ordinary Dividend		Special Allocatns.	Amt. of Carry-forward	Excess o Assets over Current Liabilities
	£	£	£	%	£	£	£
1914 ...	326,121	120,932	96,000	8	70,470•	52,809	5,053,280
1915 ...	349,444	153,375	120,000	10	55,000•	73,878	5,058,878
1916 ...	358,176	153,375	144,000	10	60,000‡	74,679	5,169,679
1917† ..	366,901	153,950	144,000	10	60,000‡	83,630	5,478,630
1918‡ ...	408,530	168,375	144,000	10	60,000§	119,785	6,314,785
1919‡ ..	523,031	216,224	144,000	10	120,000§	162,592	7,467,592

• Of which £50,000 to reserve. † 250,000 Pref. shares issued in 1917.
‡ 750,000 Pref. shares issued in 1918; 1,000,000 "A" Pref. shares issued in 1919.
§ Of which £100,800 to reserve.

For the shipping trade as a whole the year 1919 has been one of great prosperity. The analysis of the report of this well-known Company for the year ended December 31 last, proves that its progress has been quite in keeping with the general development. During the year an addition of over 214,000 tons deadweight was made to the steamer service of the Company, with the result that, despite the heavy losses sustained during the War, the total tonnage available for service at the end of the period under review exceeded the pre-War figure. The trading resulted in a profit of £523,031 for the year, which is an increase of £114,501 over the profit for the previous period. The sum allocated for Debenture interest and Preference dividend has risen by £47,849 to £216,224, the increase being due to the allocation of £90,000 to Six per cent. Preference shareholders, as against half that amount for the previous year, and to a payment of £2,849 in connection with the issue of one million Six and a-half per cent. "A" Preference shares. To consolidate further its financial position the Company has added £100,000 of the profits to reserve account, as compared with the usual sum of £50,000. The general reserve has now reached the large figure of £1,150,000, which is almost twenty-eight per cent. of the total paid-up capital. An addition of £20,000 has been made to the superannuation fund association, which is twice the amount allocated per year for the previous three years. Despite the large profit, the Company, in accordance with its usual conservative policy, has, however, only declared the usual dividend of ten per cent. on the Ordinary shares. The amount of the carry-forward has been increased by £42,507 and is now £162,592.

A survey of the balance sheet reveals that the fixed assets, including investments in associated companies, have risen from £6,777,380 in 1918 to £9,123,580 in 1919, which would appear to be largely explained by the acquisition of the additional tonnage mentioned above. The entire assets are now shown to exceed the current liabilities by £7,467,592. To meet the heavy requirements consequent upon the general expansion of the business the Company found it necessary during the year to increase the authorised amount of the share capital from £3,635,000 to £15,435,000. This immense addition was effected by increasing the Six per cent. Preference share capital from £2,000,000 to £5,000,000, by the creation of seven million new Six and a-half per cent. "A" Preference shares, and by adding £1,800,000 to the authorised Ordinary share

capital, which now amounts to £3,000,000. The issued share capital has been raised to £4,135,000, as compared with £3,135,000 for the previous period, the increase being due to the issue towards the end of the year of one million Six and a half per cent. "A" Preference shares. With the issue in January last of 500,000 Six per cent. Preferenee shares the Ordinary, Preference, and Debenture capital and reserves now exceed £7,500,000.

The Company has laid down a very comprehensive programme for the expansion of its trade in various parts of the world. The increased tonnage available has enabled the Company to resume its services between the Continent and West Africa and to inaugurate additional sailings from Canada to the West African ports. These ports serve a rich tropical region, the commercial development of which is, however, severely handicapped by interior transportation difficulties.

The prospects of the shipping trade are, of course, intimately bound up with the question of the slump in freights. There are already indications that the slump is setting in, though it is not possible to gauge its probable extent and duration. But in view of the strong financial position of this important Company and its recognised conservative policy, the shareholders are not likely to be unduly affected by any trade depression that may arise. The prices and yields of the securities of the Company, other than its Ordinary shares, which are held privately, are embodied in the following table:—

	5% Deb. Stock	5½% Cum. Pref.	6% Cum. Pref.
Price	74	14 9	16 9
Yield	6·5%	7·4%	7·2%

GEORGE NEWNES, LIMITED.

Issued Capital: £700,000, in 500,000 5% Cum. Pref. Shares of £1 each and 400,000 Ordinary shares of 10s. each.

Year to June 30	Net Profit (a)	General Reserve	Dividend Equalisation Account	Ordinary Dividends Amount	Ordinary Dividends %	Carried Forward
	£	£	£	£		£
1913	80,056		25,000	30,000	15	2,559
1914	81,161		25,000	20,000	10	12,000
1915	50,134			20,000	10	17,155
1916	10,195			10,000	5	22,328
1917	11,518			10,000	5	23,845
1918	59,426	20,000		20,000	10	35,271
1919	81,740	20,000		30,000	15	35,012 (b)
1920	71,269	10,000		30,000	15	34,281 (b)

(a) After providing for depreciation, income tax, &c.
(b) After transferring £5,000 to pension fund.
(b) After transferring £7,000 for pension fund and staff bonuses.

THE reports of this publishing firm for the twelve months ended June 30, 1920, show that after providing for taxation and depreciation a net profit was obtained of £71,269, as compared with £81,740 for the previous year. The dividend is maintained at fifteen per cent., while the allocation to the general reserve is reduced from £20,000 to £10,000. The appropriations for staff bonus and employees' benefit fund, however, amounts to £7,000, as compared with £5,000 previously, leaving £34,281 to be carried forward to next year, as compared with £35,012 brought in.

In the balance sheet the capital remains the same at £700,000. The dividend equalisation account stands at £40,000, and the general reserve, with this year's allocation, amounts to £50,000. The sum of £30,000 has been placed temporarily to a capital reserve, as a result of the revaluation of the plant during the year. This is purely a book entry, and does not affect in any way the financial position of the Company, simply meaning that what was hitherto an "invisible" reserve has now become a "visible" reserve. Copyrights and goodwill are unchanged at £457,000, and represent nearly half of the total assets. Buildings are nearly £1,100 the greater at £27,923, and [illegible] £18,247, as compared with £15,249 previously. As machinery to the value of £40,000 was transferred to the recently formed Newnes and Pearson Printing Company, Limited, it is evident that the additions during the year apart from the revised valuation, must have been considerable. Sundry debtors have increased by £78,744 to while stock has grown for similar reasons by nearly sixty per cent. to £120,869. Shares in other companies now amount to £185,219, as compared with £110,565 in 1919, the increase representing the holdings in the Newnes and Pearson Printing Company, Limited. Railway and other investments have fallen by over £3,700 to £43,965, and cash by over £97,640 to £64,508. There is therefore a very considerable change in the proportionate size of the different liquid assets, of which, with the inclusion of stock, there is a surplus over current liabilities of £352,227, as compared with £328,306 in 1919. Therefore, although the proportion between reserves and the large figure for copyrights and goodwill is rather small, the financial position of the Company is nevertheless sound.

The report on the year's work refers to the various difficulties experienced in the trade, but the circulation of the various publications of the Company has apparently been very satisfactory. The necessity for improved printing facilities has been met by the purchase, in conjunction with C. A. Pearson, Limited, of the London Colour Printing Company, Limited, the assets of which are now held by the Newnes and Pearson Printing Company, Limited. Prior to this acquisition a site had been obtained for the construction of printing works near Stamford Street, but this scheme has now been abandoned. To finance development a Debenture issue of £150,000 was made last June by the Newnes and Pearson Company, Limited, the two interested parties jointly guaranteeing the principal and interest. The likelihood of a fusion between these two Companies, which are already working in close alliance, was adumbrated by the Chairman at the annual general meeting, and developments may accordingly be anticipated. The prices and yields of the shares of George Newnes, Limited, are subjoined, the yield on the Ordinary shares being based on a dividend of fifteen per cent:—

	Price	Yield
	£	%
5% Cum. Pref.	1	5
Ordinary shares	1·03	12 9	11½

HOPE BROTHERS.

Issued Capital: £600,000 in 300,000 5½% Cum. Pref. Shares and 300,000 Ordinary Shares of £1.

Year	Depreciation & Sundry Profit (a)	Net Profit	Pref. Div.	Ord. Div.	Amount	Ord. Div. %	Added to Reserves	Carried Forward	Stocks	Assets
	£	£	£	£	£	%	£	£	£	£
1916	16,868	18,992	27,876	16,500	12,000	4		17,927	240,000	2[illegible]
1917	32,876	5,972	23,991	8,250	30,000	3	4,000	15,981	240,000	[illegible]
1918	70,337	21,167	38,170	16,500	24,000	8	12,000	21,441	252,000	[illegible]
1919	81,360	20,007	61,353	16,500	30,000	10	18,000	21,294	274,827	50,29[illegible]
1920	139,566	23,523	116,043	16,500	45,000	15	18,000	57,543	405,000	111,[illegible]

(a) Exclusive of [illegible]. * Six months ended February 28. † Year to August 31. ‡ Year to [illegible]

The report of this well-known firm of outfitters for the year ended February 29, 1920, chronicles a record of prosperous trading. A satisfactory increase in the turnover—"our turnover last year," declared the Chairman at the general meeting, "was double that at the formation of the Company"—enabled the firm to secure a profit of £139,566 in contrast with £84,360 in the previous year. And this great profit was earned after making due provision for the liability in respect of excess profits duty, and meeting all the incidental trading expenses which were necessarily on a higher scale than those of the previous year. Deducting £5,146 for depreciation, transferring £1,227 to the [illegible] and for the redemption of [illegible] paying £17,150 for charges in connection with advertising, audit fee, and directors' remuneration, there is left a net profit of £116,043. This is the record net profit in the history of the 20 years during which this Company has been [illegible] that of the previous year. Availing themselves of this substantial increase in the net profit, the Company has [illegible] £25,000 to the [illegible] Account, thus bringing the total to £100,000, or one-sixth of the issued capital at

the close of the year under review. Moving with the times, a start has been made to establish a staff provident fund, to enable the firm to confer benefits on employees in the case of permanent incapacity or death, and £5,000 out of the profits were earmarked for this purpose. To meet other cases of temporary hardship a sum of £3,000 has been transferred to the benevolent fund. No less gratifying is it to perceive that an effort at last is being made to write down the goodwill which stands at £279,73[illegible]. During the year under review a sum of £15,073 is reserved out of the large net profit for this purpose, thereby reducing the value of this asset to £260,000. Furthermore, the Chairman announced at the general meeting that the directors intended to continue writing down this item according as the profits were available. Such a sound policy cannot fail ultimately to strengthen the financial standing of the Company. After paying the Preference dividend of 5½%, Ordinary shareholders received a dividend of 10% and a bonus of 5%, making a total of 15% for the year in comparison with 10% for 1918-19. The balance carried forward to the next accounts stands at £27,764.

The balance sheet reveals what is now becoming a commonplace feature of many industrial and commercial concerns—the comparative absence of liquid assets. As can be seen from the table at the head of this article, there has been a remarkable growth in the value of the stock held, [illegible] at the end of the previous financial year to £408,993 at the close of the year under review. This is mainly attributable to the abnormal conditions of the period. Not only has the rise in price-levels generally involved the locking up of a greater value in the stock held, but also the actual manufacturing conditions of the moment oblige retail houses to accept delivery in advance rather than incur the risk of [illegible] the stock in the future. "Our stock," explained the Chairman at the general meeting, "is swollen to the extent of at least £200,000 by goods taken by us, the delivery of which would in former days have been postponed until after stock-taking." Again, the very fact that the firm is extending its business renders it essential to hold a larger stock. This, however, is not the only factor absorbing a greater proportion of the more liquid capital. Expenditure, postponed during the War, had to be incurred in refitting the shops at Bristol and Croydon as well as in the City. Similarly, with an eye to future expansion, a new factory has been purchased at East Dulwich Road, and premises have been acquired at Bournemouth. What this involved is best seen in the value of freehold, copyhold, and leasehold premises, which stand in the balance sheet at the end of February 1920 at £179,298, as against £151,678 in February 1919. Because of this, liquid assets, other than stock, amounted to £53,071, whereas liabilities, including the final dividends of £45,750, reached £197,167, thus giving an excess of liabilities over more liquid assets of £144,096. Including the stock, on the other hand, these assets exceed the liabilities by £264,897. Moreover, it is no less necessary to remember that the total of sundry creditors, which has risen from £83,142 in 1918-19 to £150,993 in 1919-20, has been swollen considerably by the inclusion of provision for income tax and excess profits duty. Alive, however, to the necessity of redressing the balance, the directors proposed at the general meeting to increase the capital to £750,000 by the creation of 150,000 Ordinary shares of £1 each. This was approved of by the shareholders, and it was accordingly decided to issue at par 100,000 of the new shares to existing shareholders at the rate of one share for every three shares already held. The funds secured by this issue should enable the next balance sheet to reveal a greater proportion of liquid assets. What the outlook for the current year may be, it is somewhat difficult to decide. Admittedly the 60% excess profits duty will absorb a greater share of the profits. Nevertheless, bearing in mind the wide range of activities covered by the Company, prospects on the whole are promising. At the general meeting in April the Chairman asserted that up to the end of April their trade was being maintained at a satisfactory level. In the market the 5½% Cumulative Preference shares of £1 are quoted at 15s. 4½d., and return at this price a net yield of 7.1%; whilst at a price of 22s. the Ordinary shares of £1 would give a return of nearly 14%, assuming the continuance of dividends at 15%.

New Issues.

5 15 YEAR TREASURY BONDS.

These bonds, which are still on offer at £100 per cent., payable on application, are repayable at par on May 1, 1935, or on May 1 of any one of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid half yearly on May 1 and November 1, at a minimum rate of five per cent. per annum, may be further increased during the period ended May 1, 1925, as follows: If in any half-year ended May 1 or November 1 the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a-half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year; if the aforesaid rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. Allotments may be obtained in Registered form, or in Bonds to Bearer.

LONDON HOUSING BONDS.

These bonds, available in amounts of £5 each and multiples thereof, bear interest at the rate of six per cent. (payable on September 30 and March 31), and are redeemable at par on the expiration of five, ten, or fifteen years. They are secured upon all the property and revenues of the L.C.C. and the rates of the Council outside London. Payment may be made in instalments for Bonds to the value of £20 or multiples thereof. Transfers executed free of expense. Each borough has a lien on money subscribed within its boundaries; and individuals may tender bonds at face value in purchase of dwellings erected by a local authority under the Housing Acts. Income tax is not deducted when holdings do not exceed £100.

BURMA CORPORATION, LIMITED.

Offer at par of Rs. 1,00,00,000 (£1,000,000) Eight per Cent. Convertible First Mortgage Debenture Stock, 1925-30, repayable at 110, interest being payable half-yearly in January and July. The stock will be secured under a Trust Deed by means of a specific mortgage on the properties and plant and a floating charge on the remaining assets of the Company. A redemption fund, increasing annually by twenty per cent. of the stock outstanding, will be established in 1925. An equal amount of Debenture Stock, ranking *pari passu* with that now offered, may be issued later, provided the net annual earnings are certified to be at least twice the annual charge at such date for interest and redemption fund on the total stock to be issued. Stockholders will have the right at the close of each half-year of converting their stock at par into fully-paid Ordinary shares at the rate of Rs. 11 of stock for one share of Rs. 10 up to December 31, 1923, and at the rate of Rs. 14 of stock for one share thereafter. Payments of capital and interest will be made in sterling at the rate of Rs. 10 to the £ to members of the London register.

The Corporation owns the Bawdwin Base Metal (zinc, lead, copper and silver) Mines, and extensive allied interests, including coal and iron-ore mines, metallurgical plant, and a railway, in Burma. The capital consists of £13,541,689 in Ordinary shares. This has not proved sufficient to meet development expenditure, and hence the present issue. In its prospectus the Company puts forward a series of estimated outputs and profits based on prices of 40*d.* per oz. for silver, £22 per ton for lead, £33 per ton for zinc, and £80 per ton for copper. On this very conservative basis, ore reserves, proved and probable, are valued at close on £100,000,000. The Corporation, which commenced operations in December, 1919, having taken over the Burma Mines, Limited, is at present earning at the rate of £600,000 per annum,

which should increase gradually during the next three years, according to the directors' estimate, to not less than £2,500,000 per annum. The latter figure is based on the metal prices already referred to, and may perhaps be exceeded.

The Debentures are well secured, and a fixed return of eight per cent. is guaranteed by the agreement of the Corporation to make sterling payments at the rate of 2*s.* to the rupee. The value of the convertibility must, of course, depend on future development and metal prices, and it will be noted that the Company increases the cost of conversion from 1923 onwards when the new plant will arrive at completion. It seems probable, however, that the option of exchanging for Ordinary shares will be of substantial value.

MAJOR AND COMPANY.

Offer of 160,000 Eight and a Half per Cent. Cumulative Preference shares of £1 each at par, and 60,000 Ordinary shares of £1 each at par. Preference dividends payable half-yearly in June and December. The Preference shares yield priority to a previous issue of £50,000 six per cent. Cumulative Preference shares. Subsequent to such payments and to the distribution of eight per cent. on 200,000 £1 Preferred Ordinary shares, the Ordinary shares rank for dividend. They are then entitled to a payment of ten per cent. and to an equal division with the Preferred Ordinary of any balance. The objects of the present issue are to pay off existing loans and provide funds for the completion of extensions now under way.

The Company's main business is the distillation and refining of coal-tar and petroleum products, including the production of Solignum, the wood preservative. The profits for the past ten years, though varying considerably, have always allowed a payment of ten per cent. on the Preferred Ordinary shares. The value of the net assets, exclusive of goodwill, but including anticipated proceeds of the present issue, is certified at £451,893. The total Preference share capital issued and offered is £150,000, and the total Ordinary share capital issued and offered is £235,000. Businesses of this type have many redoubtable foreign competitors, but Major & Co. are a strongly established and well-directed firm. The Preference shares, which are well secured, provide a sound investment. The immediate prospects of the Ordinary shares seem satisfactory, though prior dividend charges amount to £23,900 per annum. An estimate of their future value, however, is precluded by the existence of so many unknown but dominant factors, and the variability of profits in the past show that more than ordinary business risk is incurred.

THE ANGLO-NEWFOUNDLAND DEVELOPMENT COMPANY, LIMITED.

Offer for sale of £800,000 Eight per Cent. Guaranteed Fifteen Year Second Mortgage Debentures at ninety-eight per cent. in registered blocks of £50 and £100, repayable at £103 per cent. by equal annual drawings from 1926 to 1935. The Debentures are secured on the Newfoundland property and timber licences of the Company, and are also unconditionally guaranteed by the Associated Newspapers, Limited (*Daily Mail*), and the *Daily Mirror* Newspapers, Limited. The actual interest yield is 8⅛ per cent., and the premium on redemption is 5⅛ per cent. The high reward attached to an issue of such undoubted security attracted a flood of applications, and the lists had to be closed on Tuesday, September 14, a week earlier than the limit allowed for in the prospectus.

T. H. DOWNING AND CO., LIMITED.

The issue of 350,000 Eight per Cent. Preference shares of £1 each by T. H. Downing and Co., hosiery manufacturers and shippers, was over-subscribed, and the lists closed on Monday, September 13.

NAMAQUA RIVER LANDS, LIMITED.

Issue of 120,000 Ten per Cent. Tax Free Cumulative Participating Preference shares of 5*s.* each at par. The Ordinary shares to the value of £74,000, plus £5,000 in cash, have been accepted as purchase consideration by the vendors of the Namaqualand estates, which it is proposed to develop for agriculture and cattle raising. The promoters have guaranteed the whole issue without payment of a cash commission. The investment bears no definitely speculative aspect, but the management seems to [illegible] an expert at his work. The subscription lists closed on Friday, September 17.

QUINTUPLE CORPORATION LOAN.

Combined issue of £5,000,000 Six per Cent. Redeemable Stock, 1940-50, at £95 10*s.* per cent., by the Corporations of Brighton, Bristol, Plymouth, Portsmouth and Swansea, Brighton being responsible for £500,000, Bristol £1,500,000, and the others £1,000,000 each. Dividends payable half-yearly at the end of March and September. On March 31, 1920, a full six-months' interest will accrue, thus giving a slight "turn" on the first payment. The proceeds of the present issue will be applied to housing and other purposes. Each stock is secured separately upon its own Corporation revenues. Considering the complete absence of speculative risk, the interest, 6.28 per cent. net, is high. It certainly will not be obtainable on gilt-edge stocks when the present world-shortage of capital is made good. The subscription lists close to-day (Saturday).

BEXHILL WATER AND GAS COMPANY.

Offer at par of £50,000 Seven and a Half per Cent. Debenture stock, redeemable at one hundred per cent. in 1930. The object of the present issue is to provide for the growing demand for gas and water. Present profits amply cover the interest requirements on the £48,000 Four per Cent. Debentures already issued besides those now offered. The Company seems capably controlled, and the interest amply secured. Though the stock is not large enough to provide an active market, the issue will appeal to those seeking a sound investment.

Chartered Bank of India, Australia and China.—At an extraordinary general meeting to be held on October 1 two proposals [illegible] to shareholders. The first, that the present capital of the Bank, 100,000 shares of £20 each, be subdivided into 400,000 shares of £5 each; and the second, that the capital be increased to £3,000,000 by the creation of 200,000 new shares of £5 each. It will further be proposed that these new shares be offered to existing shareholders in the proportion of one for every two held, at a premium of £2 per share. The increased capital is needed to cope with the extension of banking business and the general demands of trade.

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MEETINGS
OF PUBLIC COMPANIES.

THE PEKIN SYNDICATE, LIMITED.

THE adjourned ordinary general meeting of the members of the Pekin Syndicate, Limited, was held at the Cannon Street Hotel, E.C., on September 13, Mr. Thomas A. Barson (the Chairman) presiding.

The Assistant Secretary (Mr. Charles Price) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—As you are doubtless aware, I have recently returned from my second visit to China. The country is not a health resort by any means, but I have some satisfaction in feeling that my visits have been of advantage to the interests of the Company. The Chinese governors and other high officials whom it has been my pleasure to meet, and with whom I have been able to establish the most friendly relationships, have less appreciation for a corporation which is not represented by its own "Headmen," empowered to give quick decisions not only on matters of detail, but on broad lines of policy. If I may say so, the personal equation is of supreme importance in a country where a certain naïve simplicity is combined with the utmost faith in straight dealing, and it is to the credit of the Britisher that with rare exceptions he has met the Chinese on perfectly square terms. All the same, Mr. Chinaman is a shrewd judge of character, and he likes to see the people he is doing business with. I have great pleasure in bearing testimony to the fact that I have experienced the greatest possible kindness and hospitality in every part of China I have visited, although some of the journeys had to be made under trying conditions. We hear a good deal about the unrest and unsettled conditions existing in the country, and, unfortunately these reports are largely true, but as everyone knows, there is world-wide unrest, and it would be unreasonable to expect that China should be entirely immune. Nevertheless, although we have suffered considerably from political troubles, they are not of such serious import as they would be elsewhere, and I feel convinced that in a short time the country will settle down to peaceful industrial developments which may astonish the world.

Profit and Loss Account.

With these few preliminary remarks, let me now turn to the report and accounts which have been presented to you. With your permission I will take them as read.

I have no doubt that most of you turned first of all to the profit and loss statement, and if you compared it carefully with last year's you will have found some cause both for congratulation and the reverse. On the credit side, apart from transfer fees, &c., which show that the public and the market have been taking increased interest in our Company, you will notice there is an increase of £1,800 in the receipts from interest, dividends, commissions, &c. If you compare this item with the corresponding item last year you will notice that the sentence "Difference in exchange" has been omitted. As a matter of fact, it has had unfortunately to be transferred to the other side, to which I shall refer in a moment; but you must remember that last year's total of £88,445 included £21,769 as profit on exchange. On the debit side in the items grouped under the head of "Chinese expenditure, loss on exchange" is responsible for no less than £9,419, which accounts for practically the whole increase of £11,030 shown. As business men you will realise that this question of exchange is just as much beyond the control of the board as the weather. We are glad to have its help when it is in our favour, and we must suffer the loss as cheerfully as may be when it goes against us. I am very sorry to say I can see no prospect of improvement in this respect in the near future; on the contrary, when the accounts are made up for the year ending June 1920 it is more than likely that we shall find ourselves penalised to a greater extent than in the year under review, and no relief can be expected until world monetary conditions become more normal. Combining the credit balance on exchange in 1918 and the debit balance in 1919, the net result on balance is a difference of £31,188, which is considerably greater than the decrease of £15,724 in the ultimate net profit carried to the balance sheet. French fiscal dues and Paris expenditure show such trifling changes that I need not refer to them in detail, but the increase of nearly £7,000 in London expenditure needs a word of explanation. No less than £4,200 of it is accounted for by income tax, and the balance of £2,800 is spread over several items, of which salaries and the higher cost of stationery, postages, telegrams, &c., constitute the bulk.

Assets and Investments.

Turning now to the balance sheet, there is practically no change on the debit side, except in the profit and loss account, which I have just explained. As regards assets, you will see that the cash at bankers and in hand has increased by nearly £300,000 to £627,391. This is mainly accounted for by a reduction of £325,000 to £111,000 in investments, and of £32,000 to £52,900 in railway and other loans in China; while shares in other companies have increased £77,000 to £311,000. If you compare the list of investments given on pages 4 and 5 of the report you will see that we have sold War Loans, and several Chinese securities have either been redeemed at maturity or disposed of on satisfactory terms. Practically the whole of the increase under the heading of shares in other companies is due to our larger interest in the Banque Industrielle de Chine and the Tientsin Wharf and Godown Company, to which I shall refer presently. With reference to the item of land and properties in China at cost, I indicated in 1918 our intention to dispose of our Tientsin yard, as it was not producing an adequate return on the capital invested. This has been done, and part of the proceeds invested in the Tientsin Wharf and Godown Company, who own the adjoining property and carry on a profitable storage business. Our purchase gave us control of that Company, and we have installed the Fu Chung Corporation as managers. Since that date the profits have increased considerably, and, after writing off liberally for depreciation, the Company was able this year to declare a larger dividend than ever paid before.

We have still our properties at Hankow and Pukow, the total value being far above the book valuation.

Stocks of coal at valuation are, as usual, the stocks we have on hand at the price which the Fu Chung Corporation were paying us at that date. Mining and other stores at cost show an increase of about £45,000. Our proportion of profits in the Fu Chung Corporation shows an increase, which would, however, have been more pronounced had it not been for internal troubles in the Chung Yuan Company, whom you will remember are our Chinese partners.

I had hoped that before this we could have produced a profit and loss account for the colliery. For some time after I arrived in China there was no chance of discussing this question owing to general conditions. We, however, eventually got together on the subject, and Government representatives were appointed to meet us. Nothing definite has as yet been arranged, but I am hoping that a satisfactory agreement will be come to shortly, both in the interest of the Chinese Government and ourselves. Negotiations were still proceeding when I left China between our agent-general, Mr. John P. Kenrick, and the Government representatives. Until this question is settled it is inadvisable to discuss the question of a dividend.

Water Difficulties.

I told you in December 1918 that, barring unforeseen accidents, from then onwards the colliery would show substantial profits. I am sorry to say that the unforeseen accidents occurred. The volume of water in the mines increased beyond expectations, and with the delay in the shipment of the necessary machinery to enable the engineers to cope with the difficulty came naturally an anxious and expensive time. The delay in the delivery of the plant was unavoidable owing to labour and other conditions here, of which you are all aware. The consequence was that coal of excellent quality that could have been sold at a good profit had to be burned under the boilers to raise sufficient steam pressure to avoid the loss of the collieries.

To give you an idea of this increased cost I may mention that the pumping charges for the first six months of the period under review were $1.336 per ton of output, compared with $0.842 for the corresponding period in 1918. The quantity of water dealt with was approximately 520,000 gallons per hour, an increase of practically 100,000 gallons per hour on the quantity raised in the previous year. I am pleased to say there has been no further increase since then, and with the completion of the new plant no difficulty is anticipated in dealing with this amount at a reduced cost.

The Agent-General's Report.

In connection with this perhaps I had better read to you our agent-general's report dated May this year on the subject. It reads as follows:

"In my report of September 30 last, under the heading of 'Prospects,' I stated as follows:—

"With the arrival of the new plant which is now on the way out here the collieries will not be subject to the frequent interruptions caused by the shutting back of the water underground, and the areas which are now reserved for standages will be opened out for production, thereby effecting an immediate increase in the output. Further, the flooded workings of No. 2 pit will be recovered and put on a producing stage, and the winning of the virgin area south of the pits, which, owing to the water difficulty, has had to be postponed for the last five years, will be taken in hand, and, providing no new feeders are encountered, an output obtained therefrom in from twelve to eighteen months' time. In addi-

tion to the above there is the development of the Li Feng area, from which a considerable output of coal will shortly be produced at a cost that, at the present selling price, will leave a fair profit. Therefore, provided we are not interfered with by political intrigues, and that the existing market conditions for the sale of our coal continue, the immediate future of the collieries is very promising.

I am still of that opinion, for although the delay in the arrival of the new plant unfortunately has caused a setback from which it will necessarily take a little time to recover, the developments now in hand should within the next few months place the production of the collieries on a satisfactory basis, both with regard to quality of output and cost, a position which it should not be difficult to maintain for many years to come."

Developments at Li Feng.

Developments of an important character are taking place at Li Feng, which is about four miles west and slightly north of our main shafts. In December last the arrival of the much-needed boilers allowed us to continue the delayed sinking of the main shaft, which cut the seam at a depth of 311 feet. I cannot do better than read you what our agent-general reports on the subject in May this year. He writes:—

"The coal is very hard and of excellent quality. The seam has also been cut in the two drifts, where it was found of equal hardness and quality to the coal proved in the shaft. This confirms the opinion I have previously expressed of this field containing a large area of coal of excellent quality. The drifts prove that the measures dip at a much flatter angle than was originally supposed, approximating probably nearer 1 in 7½ than 1 in 5. Every effort will now be made to push forward the development here to the production stage in order to secure as large an output as possible for next winter's trade. Our operations from the main shaft have drained the water from a number of native pits lying to the north thereof, and the sinking of these pits is now being resumed. In addition, negotiations are in progress to reopen and sink about fifty pairs of pits, so that we can confidently anticipate a very large output from this district when the operations are in full swing."

A tramming line has been laid from this district to the Tao-Ching Railway, where all arrangements have been made for preparing and loading wharf, at which the production will be handled.

The following highly satisfactory cablegram arrived from Mr. Kenrick a few days ago:—

"Situation at mines considerably improved. New power plant practically completed, and three new pumps installed ready for operation. Li Feng developments proceeding satisfactorily. Coal is of excellent quality, and a large output assured for many years. Twenty-eight native pits have renewed sinking operations, many being very close to coal, and we are receiving applications daily for permission to open up many more."

Railway Extensions.

As evidence of the difficulties one experiences in China in bringing business to a conclusion I may mention that it is only during the past three months that we have been able to definitely fix the terms of the concession granted to us in 1914 for the construction of the railway extension to Huai chingfu and Meng Hsien. Work will be commenced this year, and the opening of the line to traffic should be of considerable benefit to all concerned.

The further extension to Pingyangfu, for which we have the concession, is now under consideration. During my last stay in China I went over the proposed route on foot, making a round trip of about 450 miles through a country offering great possibilities. Notwithstanding repeated warnings from certain quarters as to the supposed ill-feeling towards the Syndicate, my journey was without unpleasant incident; in fact, I found the officials and natives quite friendly disposed and interested in the proposed construction.

You will, I am sure, be pleased to hear that our relationship with the Governor of Shansi Province is now most amicable. Tuchen Yen is recognised by all who know him as the most progressive Governor in China, and during my trip to Pingyangfu, and in the many visits I made to the capital, Taiyuan Fu, I had ample proof of his great endeavours in many directions. His efforts at road-making, forestry, education, and the suggested opening up joint account with foreigners of the mineral wealth of the province will bestow lasting benefits on his people. Many of you are, of course, aware of the history of the Retrocession Agreement of 1908, by which this Syndicate resold its rights in Shansi, with the stipulation that should the Provincial Authorities desire to use foreign capital in the opening up of its mineral resources, and for the building of railways to transport the production, we should be given first right.

Commercial Aviation in China.

At the last meeting I had the pleasure of addressing you I announced that we had been appointed agents for several well-known firms, such as Handley Page, Limited, Marconi Company, and Siemens. You will have read of our sale to the Chinese Government of six large Handley Page machines. We have also placed orders since then for a few smaller machines for training purposes. An aviation school has been started a few miles outside Peking, with Handley Page representatives in charge. The Chinese take very kindly to aviation, and will make excellent pilots. Commercial aviation in China is feasible. The greatest drawback to China at present is lack of communication, and anything that tends to improve that position is of the greatest assistance to her. In countries like England and America, where the roads and railways are good and allow of rapid communication, commercial aviation has to face serious competition, but in China, where distances are great and roads and railways practically do not exist, and even on the indequate railway system the fastest train only averages twenty-five miles per hour, aviation has more than a chance. In my opinion there is a big field there for British manufacturers, but there is serious competition to be faced from other nations who recognise the position, and while British manufacturers are being cramped by our own authorities on the ground that the machines wanted by the Chinese Government are for military use, and therefore under the agreement between the Powers such material must not be supplied, other nations take a less strict view, and in my opinion very rightly so. Aeroplanes without guns are no more war material than horses which might be used for cavalry or other purposes. Their use for passenger and mail-carrying was proved by us in May last, when we made the first passenger and mail trip from Peking to Tientsin and back, and had the great honour of carrying His Majesty's Minister, Sir Beilby Alston, the British Commercial Attaché, Mr. Archibald Rose, and some leading business men in Peking—fifteen passengers in all. Sir Beilby was the first Minister to fly in China, and well deserves all the credit we can give him for his enterprise, which gave the Chinese the proof necessary of the belief the British have in the reliability of their machines.

Formation of Agency and Trading Company.

It is perfectly plain that this agency and trading business can be much improved by the formation of a separate company co-operating with the Chinese, to be managed in China. This company is in course of formation, and will have sufficient capital to carry on its business, even to the extent of financing Government and local enterprise. You will have a certain number of shares allotted for the purchase of your existing agencies, and the board have decided to take a further interest against cash. I am returning to China on September 25 to take charge of this company, as well as to assist our agent-general, Mr. J. P. Kenrick, in the many other enterprises we are undertaking.

An excellent pamphlet has recently been issued by our department of overseas trade on the conditions and prospects of British trade with China, compiled by Messrs. Fox, Rose and Brett, the British commercial representatives in China.



and those of you interested in the subject will find it most interesting. There is, however, one point in particular on which I beg leave to differ from these gentlemen. They say "China's local factory products will in time compete with imported goods, but there would appear to be little reason for British manufacturers to fear this competition for many years to come, as the native factories will certainly devote their attention mainly to the production of the cheaper goods, and as the general prosperity of the country advances there should be a growing demand for imported articles of a higher quality than can be supplied locally." If these local factories were entirely Chinese perhaps the serious competition with imported articles would be likely to be delayed, but there is a distinct tendency on the part of the Chinese to join hands with foreign manufacturers, and in my opinion such enterprises will become serious competitors from the time they start producing. Such factories can produce goods of the quality demanded by the people at the various stages of their advancement, and would have every chance of successfully competing with most imported articles, particularly as the pamphlet rightly states, "Almost every form of raw material known in commerce is produced in China," and "China's mineral resources if fully exploited would furnish all the raw material required for the full development of her engineering, shipbuilding, and similar industries. Labour is plentiful and cheap." In England to-day the motto of the workmen appears to be "more money and less work," whereas the only salvation of the country is increased production so as to leave a good surplus for sale abroad. Unless this country sets a move on they will find that foreign manufacturers will, either by co-operation with the Chinese or by giving some serious consideration to the Chinese markets, so firmly establish themselves in that country as to make business for us much more difficult than ever should the time arise when they are either in the mood or position for Chinese trade. The Chinese are well disposed towards the British, and would, I think, prefer to deal with them on anything like equal terms, but our prices are so much higher, and deliveries so much slower, that it makes business almost impossible. I saw a case shortly before I left where railway material was purchased from America at about half the price quoted from this country. If that material is up to specification English firms cannot hope to compete under present conditions and prices. Our new trading company will carry out the policy of joint working with the Chinese in whichever direction appears the most suitable.

Progress of the Banque Industrielle de Chine.

The Banque Industrielle de Chine continues to make excellent progress. They have now twenty-two branches open, including ten in China, one in Eastern Siberia, one in Japan, three in Indo-China, one in the Straits, three in France, one each in England, Belgium, and America. To give you an idea of the progress made I cannot do better than quote in round figures from their report on the financial year of 1919. The total of their balance sheet was :—

	Frs.
On December 31, 1914	98,000,000
.. .. 1915	100,000,000
.. .. 1916	162,000,000
.. .. 1917	247,000,000
.. .. 1918	380,000,000
.. .. 1919	1,089,000,000

The current and deposit accounts ran from 124 in 1914, representing Frs. 1,148,000, to 20,000 in 1919, representing Frs. 675,000,000; the bills receivable account from Frs. 45,000 in 1914 to Frs. 235,000,000 in 1919; advances on goods account from Frs. 31,000,000 in 1914 to Frs. 282,000,000 in 1919. The reserves and profits carried forward increased from Frs. 16,000 in 1914 to Frs. 16,000,000 in 1919.

The capital of the Bank has since been increased to Frs. 150,000,000, the new issue being a great success.

In 1918 I announced an arrangement with the Eastern Pioneer Compay which was based on a letter from them confirming a verbal understanding. At the last moment one of their members who has a large share interest in that company repudiated the business, which we allowed to drop, publishing for your information the correspondence that passed between us. As a matter of fact, nothing has been lost to us by the cancellation of the understanding.

Exploration of Petroleum.

Since the formation of the Chinese Mining Corporation we have investigated many properties, and are still continuing negotiations. We have secured a permit for the exploration of petroleum, and as soon as general conditions in China allow we hope to start working.

Summing up the position of this Company, I must say that the more I see of China the more I am convinced of its possibilities, particularly on the lines of co-operation with the Chinese. The delays are annoying, and I fully sympathise with the shareholders in their natural desire for dividends, but I venture to suggest that the board's deliberate policy of building up a large cash position has been perfectly sound, and it is one you will appreciate a little later. Instead of having to search the country for money to carry out the various enterprises we have in view, and under present conditions with almost certain failure to secure support, we have a large cash balance which will enable us to undertake business that would otherwise be lost to us.

Our Consulting Engineer is on his way to China to report and advise on our properties, but his representative, Captain Sproston, is here, and will answer any technical questions that you care to put to him. If you wish any further information from me as to the position of our affairs in other directions I shall be pleased to do my best to satisfy you.

In conclusion, I wish to place on record my appreciation of the untiring energy of our agent-general, Mr. J. P. Kenrick, and his assistant, Mr. G. W. Frodsham. The other members of the staff both at the mines and elsewhere also deserve our thanks.

I now beg to move : "That the report and accounts for the year ended June 30, 1919, be and the same are hereby adopted," and will call on Mr. Berthelot to second same.

Mr. André Berthelot (Managing Director) seconded the resolution.

In reply to a question, the Chairman said that he did not think it would be possible to publish the colliery output every month, but he saw no objection to publishing it more frequently than they did at present if the shareholders so desired.

The resolution was carried unanimously.

Mr. Berthelot then moved the re-election of the retiring directors, Mr. T. A. Barson, Col. Brinsley J. H. FitzGerald, C.B., and Comte de Seguier.

M. René De Cérenville seconded the motion, which was unanimously agreed to.

The auditors (Messrs. Cooper Brothers and Company) were reappointed, and on the motion of M. De Cérenville, seconded by M. Henri Lejeune, it was unanimously resolved : "That the directors be authorised to pay to Mr. T. A. Barson, the Chairman of the Company, in respect of his extra services and special exertions in China, additional remuneration calculated at the rate of £2,000 per annum, free of income tax."

The proceedings then terminated.

PRUDENTIAL ASSURANCE COMPANY, LIMITED.

An extraordinary general meeting of the shareholders of the Prudential Assurance Company, Limited, was held at the Head Office, Holborn Bars, on September 16, for the purpose of electing as President of the Company Sir Thomas Dewey, Bart., on the occasion of his retirement from the position of Chairman. In his annual address to the shareholders in March last, Sir Thomas intimated his desire to vacate the chair, on reaching his eightieth birthday, which occurred a few days ago.

At the opening of the proceedings, Sir Thomas Dewey took the chair and received a very warm welcome. He said he was there to announce that he had that morning tendered his resignation as Chairman of the Board, and that the directors had accepted it. In his place they had appointed as their Chairman Mr. A. C. Thompson, the General Manager. He would therefore vacate the Chairman, and ask Mr. Thompson to occupy it. This he did amid loud applause.

Mr. Thompson said he wished to thank the shareholders for their endorsement of the action of the directors in electing him to the chair. It had been anticipated that the board might have had the opportunity of considering the claims of the Deputy Chairman, Mr. Edgar Horne, for election, but owing to the pressure of his Parliamentary and other duties he did not see his way to allow himself to be nominated for the office. It was a matter for great satisfaction that Mr. Horne was willing to retain the office of Deputy-Chairman under the new arrangement. (Applause.)

Sixty-Three Years' Work.

Mr. Edgar Horne, who was also cordially received, then proposed that Sir Thomas Dewey should be President of the Company. He stated that Sir Thomas had first become associated with the Prudential about 63 years ago. Sir Thomas was appointed manager of the industrial branch in 1873, and in 1904 he became General Manager. Six years later, after having served about three years in the capacity of Deputy-Chairman, he was elected by his fellow directors to be Chairman of the Company. In following in the steps of his predecessor, the late Sir Henry Harben, Sir Thomas thus became the second occupant of the position of President. In that time the premium income had increased from just over £5,000 to about £22,000,000, which must be considered a wonderful tribute to the untiring energy and admirable foresight displayed by its new President. It was a source of great satisfaction that they were not parting with him, but only giving him greater leisure. He also spoke of the pleasure it gave him to see his old friend, Mr. Thompson, in the chair. (Applause.)

Sir William Lancaster paid an eloquent tribute to the work of Sir Thomas Dewey in seconding the resolution. Sir Thomas, he said, was one of those keen, clever, shrewd, far-seeing business men who had the power of ruling men with firmness and justice. The great respect and affection which they had for him was the highest possible tribute to the way in which Sir Thomas had exercised his high position.

Shareholders' Congratulations.

Mr. Arthur Willey, on behalf of the shareholders, said he wished to endorse the eloquent speeches of the mover and seconder. It was a day of great rejoicing for the Prudential. Sir Thomas Dewey had the heartfelt thanks of all

the shareholders for the choice with which he had never only years he had been a faithful servant to the Company. He also cordially endorsed the appointment of Mr. Thompson as Chairman.

Sir William Davison spoke of the splendid way in which Sir Thomas Dewey had piloted the Company through the anxious days of war.

Mr. W. J. Hunt, on behalf of the staff in London, congratulated Sir Thomas Dewey on taking the position of President, and spoke of his great popularity among the London staff. He also alluded at some length to the other appointments, with which he expressed great satisfaction.

The resolution was carried unanimously, and Sir Thomas Dewey, amid a prolonged outburst of enthusiastic cheering, rose to respond. He said he was very pleased to be appointed to the proud position of President of one of the greatest companies in the kingdom. He had been greatly helped by his colleagues and splendidly served by all the staff. He congratulated Mr. Thompson on being appointed Chairman, and he could only say he was leaving the chair in Mr. Thompson's hands with the utmost confidence. They could look forward to even greater results in the future. Loud applause.

It was announced during the meeting that the position of General Manager vacated by Mr. Thompson had been filled by the appointment of Sir Joseph Burn, who had been Actuary to the Company since 1912. Sir Joseph was retaining the position of Actuary to the Company. The board had made further changes among the officials by appointing the Assistant Managers, Messrs. A. R. Barrand, M.P., F.I.A., F. Denny and H. E. Gray, to be Deputy General Managers. They had also appointed the Assistant Actuary, Mr. F. P. Symmons, F.I.A., to be Deputy Actuary, and Mr. W. C. Sharman, F.I.A., the present Assistant Secretary, to be Deputy Secretary.

ARAMAYO FRANCKE MINES, LIMITED.

The adjourned fourteenth ordinary general meeting of the Aramayo Francke Mines, Limited, was held at 124, Bishopsgate Street, E.C., on September 16, Mr. Bernard Dale presiding.

The Secretary (Mr. H. F. Ings) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—In view of a recent announcement in *The Times* newspaper, I should much have wished that Mr. Aramayo could have been here personally; but circumstances have otherwise ordained, and all we can now do is to request the Secretary to convey to Mr. Aramayo the congratulations of each and all of us upon his appointment as Minister Plenipotentiary to the Republic of France and as delegate representing Bolivia on the Council of the League of Nations. (Hear, hear.) I do not think that there are any items in the accounts upon which I need detain you, for whether we look at the balance sheet or the profit and loss account, we see that nearly all the items are of a recurring nature, varying only in amount in response to the changes brought by lapse of time and, of course, to the operations at the mines, which are so exhaustively dealt with by Mr. Aramayo in his annual report, that I think I shall be economising your time if I at once proceed to read it.

Mr. Aramayo's Report.

"To the Chairman of Aramayo Francke Mines, Ltd., London.

"Regretting to have to deprive myself again this year of the pleasure of taking the chair at the ordinary general meeting of the Company, I hereby request you to convey to the meeting the following brief report:—Your attention has already been called to the fact that the accounts under consideration cover a period of nineteen months, due to the necessity of closing our financial year on December 31 instead of May 31, as hitherto, in order to comply with the new laws passed in Bolivia to this effect. It is gratifying to me to be able to point out that the results of the nineteen months under review compare favourably with those which were obtained during the previous year. You will have noticed that the revenue account shows a net profit of £667.121 10*s.* 10*d.*, or an average of £421.339 18*s.* 5*d.* for twelve months, as against £274.148 15*s.* 4*d.* of the preceding year ended May 31, 1918. The principal cause of this increase has been the realisation at good prices of accumulated stock of minerals. The total sales of black tin reached 4,149 tons, or £617.187 16*s.* 3*d.*, during the first twelve months, as against 1,607.60 tons, or £180.992 3*s.*, the year before, at an average price of £148 15*s.* per metric ton instead of £112 11*s.* 10*d.*, or £36 3*s.* 2*d.* increase per ton; the sale of the last seven months having amounted to 725.50 tons, or £82 451 2*s.* 4*d.*, at the rate of £113 19*s.* 9*d.* per ton. The sales of wolfram decreased to 135¾ tons, or £26.989 14*s.* 5*d.*, during the first twelve months, as against 210.40 tons, or £38.214 1*s.* 2*d.*, in the previous year, although the average price was £16 17*s.* better. During the next seven months the sales were reduced to 95.10 tons, at an average price of £199 14*s.* 5*d.* per ton. The sales of copper matte were 151.64 tons, or £3,919 15*s.*, during the first twelve months, as against 180 tons, or £4,323 8*s.* 1*d.*, during the previous year, with an increase of price of £21 per ton per ton; while during the last seven months they amounted to 100 tons, or £2.003 13*s.* 11*d.*, at a reduction of nearly £4 per ton. Copper precipitate of 36 tons were sold for £4,677 [illegible] at the rate of £57 [illegible] per ton, as against 14 tons, or £4,242 2*s.* 7*d.*, at £64 15*s.* 4*d.*, during the previous year, and to the last seven months [illegible] tons, or £470 13*s.* 6*d.*, at £55 19*s.* 1*d.* The sales of silver sulphides amounted to 2,267.74 [illegible] tons, or £77.763 0*s.* 6*d.*, for the first twelve months, as against 40.679.35 marcos, equal to 300.864 oz., or £54.500 10*s.* 2*d.*, in the previous year, with an increase of 4*s.* 10.80*d.* per marco, or 7.95*d.* per oz., while during the last seven months the sales were 30,252.32 marcos, equal to 223.376 oz., at a further increase of 8*s.* 3.45*d.* per marco, or 13.45*d.* per oz. The sales of silver ore amounted to only 20 tons, or £9.224 17*s.* 1*d.*, in the first twelve months, as against 124 tons, or £35.903 9*s.* 10*d.*, in the previous year; but the price obtained was £461 4*s.* 10*d.* per ton, as against £289 10*s.* 11*d.* of the year before, on account of higher grade, while during the last seven months the sales amounted to 20 tons, or £9,476 8*s.* 1*d.*, at the rate of £473 16*s.* 5*d.* per ton. The sales of bismuth during the first twelve months were reduced to the extent of £41.009 1*s.* 3*d.* compared with the previous year, although the average price was 1*s.* 2½*d.* better and the sales [illegible] proportionate rate.

Production.

"The output of [illegible] was 3,552.65 tons, or, in the proportion of 2,100 for twelve months, as against 1,845 in the previous year, although the proportion of ore ground was 31,527.9 tons, as against 36.607 in May, 1918, accounted for by a better average assay of seven per cent., instead of 5.5 per cent. of the previous year. The development work carried out at the various mines, counting at the rate of twelve months, corresponds to 3,660 metres, against 3,675 metres in 1918, and including the advance made on the Oploca adit, of 780 metres in twelve months, it reaches 4½ kilometres, which is a record, and, considering the difficulty of obtaining labour and materials, gives credit to the local administration. The production of bismuth corresponded to an increase of 17 tons per year over the previous financial year. The productions of silver sulphide and cement corresponded to an average per year of 61,651 marcos, equal to 455.970 oz., as against 46.734½ marcos, equal to 345.648 oz., to May 31, 1918. The output of rich silver ore in the year ended May, 1918, was 8,362 marcos, equal to 61.845 oz.; in the next year, down to May, 1919, 10.748½ marcos, equal to 79,495 oz.; and in the last seven months, 21,934 marcos, equal to 162,223 oz., the extraction having been increased in view of the high price obtainable. This favourable production cannot be continued on account of the limited capacity of our Asllani mill, because picking the best ore would prejudice the general extraction of tin and silver from the mine in the future, and it is preferable to wait for the termination of the new Telamayu plant. Notwithstanding the continued rise in the price of materials, the cost of production of black tin has not risen more than Bs. 0.33 per metric quintal over the high price reached in the previous year, which was Bs. 85.29 per quintal. We cannot say the same of bismuth metal, the cost of which has increased more than Bs. 0.60 per kilo. The suspension of smelting in Quechisla, awaiting the completion of a new electric condensation plant, has contributed to the increase as well as the continuation of bismuth exploration works in Espiritu and La Reforma in Chorolque. The production of small quantities of wolfram resulted in excessive cost, and work was suspended. In the cost of production of silver sulphide, cement, and export ore, there was a small increase of Bs. 0.25 per marco.

Satisfactory Developments.

"We have continued to make strenuous efforts to obtain some better result in depth in the section of Chorolque, with disappointing results, and we are reaching a time when the limited output and the consequent high cost of production will determine the suspension of the mines, except for the principal investigation galleries and pits at dead cost. The bismuth mines of Tasna have continued to develop satisfactorily, opening out more new ground than that which has been worked out. The only section which continues to show marked improvement, without drawbacks, while the price of silver remains high, is Chocaya. We have not been able to penetrate below the depth of 125 metres, which has been the

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water level until recently; but our galleries above that depth have doubled our reserves of ore standing in backs, which is calculated at 80,000 tons in veins Colorada and Santa Rosa, assaying on an average .75 oz. per ton of silver and nine per cent. of black tin, besides 15,000 tons of silver ore of similar assay, but without tin on vein Llampora, the development on which has been comparatively small. It is evident that there will be plenty of material for the new Telamayu plant, the completion of which has already been delayed almost a year on account of ever-increasing difficulties in the delivery of machinery and other materials; and it is inevitable that the installation will cost almost double what we had anticipated. On the other hand, I have pleasure in informing you that the Socavon Oploca, having advanced to 2,000 metres in June last, reached the Siete-Suyos vein, which will probably drain the whole region to a level of 168 metres below our present 125 level. The level of the water is already gradually going down at the rate of 40 centimetres per week, and the explorations in depth will continue at the same rate.

Current Year's Output.

"Now, referring to the work done during the first six months of the present financial year, I have to report that the output of black tin has decreased by 192¾ tons, as compared with the same period of last year; that of wolfram by 78.30 tons, and that of bismuth by 81.28 tons. On the other side, there has been an increase of 22,780.70 marcos, equal to 168,480 oz., of silver in the form of export ore, and 11,909.43 marcos, equal to 88,082 oz., in the form of sulphides and copper cement. The only other item which I wish to mention is that we have not yet settled with the Antofagasta Railway Company the extension of their line to join our Telamayu works and the mines. Again, I am glad to be able to inform you that the staff in Bolivia has continued to give all satisfaction, and that the Local Board has already acknowledged their good services by distributing among them an adequate premium on New Year's Day.

Pending Litigation.

"Before closing it is my duty to bring to your notice the uncertain position of our finances and standing on account of pending litigation. It will be remembered that in August 1916 we decided to change our domicile to Geneva, where a purchasing company was registered, to which we sold our undertaking, and which constituted a board of directors, established an office, and have since been paying local taxes and patents in expectation of a prompt settlement of affairs in England. The Public Trustee prevented the completion of this contract on the ground that by going to Switzerland the Company might, under pressure of enemy Governments, be forced to sell to enemy hands our metals, which 'were extremely valuable to the British Government,' although we offered every possible security that such would not be the case and that the metals would continue to be shipped to England, our only object in changing domicile being to avoid what we considered excessive taxation. The Court appointed a Controller, with apparently the sole object of preventing our going to Switzerland; but he had access to the accounts, minutes, and affairs of the Company, and presented periodical reports. It will also be remembered that we were afterwards legally advised to alter our Articles of Association and place all the management of the affairs of the Company in the hands of a local board in Bolivia, which we did to avoid a taxation which we did not consider fair in our case. Under the circumstances, the Commissioners of Income Tax thought, in accordance with established precedents, that they had no right to assess the Company, but have lately, it would appear, decided to assess them, in the name of the firm of Avelino Aramayo and Company, as their agents. What I cannot understand—and I think you will bear me out in this—is that the Company should be held under British jurisdiction against their will, by reason of the War, and yet compelled to pay income tax and, forsooth, any other burdens imposed for the time being upon British subjects, as if of their own accord the Company had consented to remain under British jurisdiction. Besides, it is difficult to understand what useful purpose would be attained by holding all foreign companies trading with England as liable to income and other taxes in the person of their correspondent. The worst of it is that in our case all this litigation is in the nature of a cloud which threatens to hang over us for some considerable time, impeding our operations to an extent which may assume the form of a severe burden.

The Public Custodian: An Aggravating Claim.

"This is not all. Lately the Company has, for the present, been adjudged to account again to the Public Custodian for the dividends already received by the shareholders residing in Germany. The case is a hard one, and I must put it before you. It will be remembered that at the outbreak of the War the Company had large stocks of minerals in Germany which were being realised by their agents under the control of our former co-director, Mr. Michaelis Braun, a Bolivian by birth. In January 1915 a first dividend was declared by your directors, with my approval and consent as sole managing director under the Articles of Association, and with the full knowledge of the Board of Trade, subject to the conditions that 'as regards shareholders resident in Germany, Austro-Hungary, and Turkey, the dividends should be payable only out of assets in Germany, and other shareholders only out of assets in the United Kingdom.' Subsequent declarations of dividends were declared in the like form, save that after the constitution of the local board the necessary variations were made. Now, after the lapse of five years, a claim has been lately introduced against the Company by the Public Custodian that all dividends which have been declared on the shares belonging to enemy shareholders should be paid to him. The Court, so far, has held that the resolutions of the directors were good, so far as they directed payment of dividends, but were invalid so far as they imposed conditions as to the dividends being payable out of certain funds to some shareholders and out of other funds to other shareholders, which it was assumed to be beyond the powers of the directors. But whatever the legal interpretation of the powers of the directors may be, I consider that the exceptional situation created by the state of war has been ignored, and still more the unique circumstances of this case, resulting in a monstrous injustice.

The Amount Involved.

"The Company, assuming that on the further consideration of the case the finding of the Court is not modified, is condemned to pay in England between £70,000 and £120,000, and to recur against Mr. Braun, who is supposed to have exceeded his authority and committed a blameable act. Let us be fair with him. He had control of all the funds belonging to the Company as the result of sale of metals, which were being gradually made in Germany, and he knew at the same time of the existence in Germany of certain creditors of the Company, including himself, as the result of dividends declared to the shareholders. He thought that the best way to safeguard the funds and serve the interests of the Company was to apply them to the satisfaction of those credits, and proceeded accordingly in the absence of all communication with London. As sole Managing Director of the Company's business, I have no hesitation in approving of his action, believing, as I sincerely do, that he acted for the best and from motives absolutely free from suspicion. I think that he did a commendable act, and that it would be not only useless, but unjust, to fall upon him for the return of the moneys thus distributed. Therefore, if, on the further consideration of the case, we cannot secure a decision in conformity with the justice of our claim, all the stocks which we had in Germany, and which have been realised at a considerable profit, will have been totally lost to the Company. Under the circumstances, I think it is advisable to keep a strong reserve to meet eventualities, and not to declare a final bonus.—Believe me, yours faithfully,

F. A. ARAMAYO."

I must say that I cordially endorse what Mr. Aramayo says as regards Mr. Braun, for I consider that he was placed in a position of the utmost difficulty, being shut off from all communication with England, and in total darkness as to what was transpiring in this country. I feel certain that he acted for the best, and it would be unfair to judge the finesse by the result, because we must all bear this in mind—that almost up to the last it was a matter of doubt as to which of the two contending parties would ultimately assume the commanding attitude of a conqueror. I think, gentlemen, it will not be necessary for me to detain you any longer, for as regards the concluding paragraph of Mr. Aramayo's report—the one which refers to a bonus—I shall ask my friend, Mr. Kensington, to deal with this when he seconds the adoption of the report and accounts, which I now accordingly request him to do. (Applause.)

Directors' Conservative Policy.

Mr. L. A. Kensington: I have pleasure in seconding the resolution before the meeting: "That the directors' report and statement of accounts, to December 31, 1919, be and are hereby adopted." I am quite sure that all the directors would have been most pleased to have proposed a final bonus for the year, but, after going into the matter very carefully, they decided that it was prudent not to do so. You will remember that the success of this Company in the past has really been due in very large measure to the conservative manner in which they have managed their business, especially as regards the distribution of profits. I have only to recall to you the year 1914-15, when business was practically at a standstill. This Company, nevertheless, was not only able to carry on without borrowing one single penny, but they even went so far, I believe, as to pay dividends. Therefore I think that proves to you that the policy the directors have carried out in the past was the right one to pursue. Another point is this: If you look at the balance sheet you will see that we have the enormous sum of £530,000 invested in stocks. Our Company, like many other companies, has not a lot of liquid capital. We have to produce stocks to a great extent out of current profits, and a certain portion of that £530,000 is represented by what I call a revolving stock—that is to say, it is a continuous investment of money in stocks—because you can readily understand that if we sell one ton of tin ore we are producing one ton of tin ore at the same time, and the only thing that comes into the coffers of the Company is the difference between the sale price and

the cost price. Again, Mr. Aramayo has referred in his report to the litigation which is pending. I do not want to say anything about it because Mr. Dale tells me I had better not. At the same time, we hope to [illegible] for eventualities; we may have to pay [illegible]

Cost of the Telamayu Mill.

Then we come to the Telamayu Mill. I estimate that that mill, before it is [illegible] anything up to £[illegible], a month probably over [illegible] before the War. I do not think that it would be at all wise for this Company to rely upon current profits to meet that expenditure, because [illegible] people connected with the [illegible] Mr. Barber is here, and I know he will be able to confirm what I am saying—that the demand at the present time for products such as this Company produces is by no means good; indeed, there is a considerable falling off in trade generally, and besides that the prices of tin, antimony, wolfram, and practically all other metals which come from that part of the world, have fallen very considerably. You must remember that tin has been up to the high price of £400—I believe it was [illegible] and it is now [illegible] I do not think it will go up very much higher. Besides, this year, or the nineteen months that we are considering, was an abnormal period. If you were able to follow the figures of Mr. Aramayo's report—and I own that it must have been very difficult for you to [illegible]—you would have seen that the sales of tin ore during the first twelve months of the period covered by the accounts represented 4,148 tons. You have [illegible] production of your Company. Therefore you can see that the accounts are abnormal. I do not wish to be pessimistic, but I do not want you to go away with a false impression. I must say, however, that I do not believe the accounts of this year will compare favourably with the profit of £400,000 which we made during the twelve months of the period under review, and, that being the case, we have to be moderate and careful in what we do. I do not think I can say anything else, but I believe from what I have said you will be able to judge that our action in being conservative in the distribution of these profits is a right and proper one to have taken. (Applause.)

Shareholders' Impressions.

Mr. H. S. Wheatley: Gentlemen,—I should like to make a few remarks. I quite agree that it would be very difficult for anybody to follow the report of Mr. Aramayo, what with marcos, bolivianos, quintals, metres, and centimetres, so I must wash that out. But I believe I gathered that some of the mines are not looking too well. Is that so, sir?

Mr. Kensington: Yes, that is the Chorolque.

Mr. Wheatley: That is the only mine that is not looking well. I do not know that we need mind that, because when one bobs down another bobs up. With regard to the profits, of course they are abnormal; we expected them to be abnormal, and we hoped to get an abnormal dividend. Matters have arisen, however, which require reserves; but I should imagine—of course, I may be wrong—that you have a lot more money than you say you can handle. I quite appreciate that a business like this requires a great deal of money, because you cannot get a ton of ore out and sell it the next minute. You have to carry it, and if you cannot carry it you have to pay bank charges and that sort of thing. If I remember rightly you have about 30s. per share cash in hand, or at least assets to that amount; after deducting all debits you have an equivalent of 30s. in stocks, stores, &c. I know they are not readily realisable, but I think that should have been brought out to the shareholders, because I do not think that the speeches we have heard to-day have been what I term optimistic. On the contrary, they have been pessimistic—(A voice: "They always are.")—unduly pessimistic. You say that you have got to pay for this Telemayu Mill. Silver is not going to fall—it must go higher [illegible] but it is not going to fall a great deal. You are going to make a ton of money if you get out two million ounces of silver per annum, because it will be a by-product to you. Then there is another matter which I do not quite understand, and that is the claim by the British Government of from £70,000 to £130,000 against our Managing Director in Germany. I take it, sir, that if they win in this country that is not a total loss to us. (A voice: "It will be paid back later on.") Yes, that is so; so it will not be a total loss. I do not know that you have made that very clear. I trust that Mr. Dale, when he replies, will put a better complexion on matters than has been done in the speeches we have heard.

Liverpool Shareholders' Inquiry.

Mr. Lionel Barber: Mr. Chairman, a great many of the shares of the Company are held in Liverpool, and some of my friends there have requested me, knowing that I would be at the meeting to-day, if it did not come out in your speech, one point in connection with the publication of the decision of the Courts with regard to the payment referred to by Mr. Wheatley, and which is to pay to the [illegible] £70,000 and £130,000 in respect of the dividends due to the German shareholders which you explained had been previously paid by the agent in Germany, because, taking a different view to that of Mr. Wheatley, they fear that the funds received by the Public Trustee here will go into hotchpot in connection with German debts, and you would not have a recovery of the whole sum unless there was an equivalent amount due by England to Germany. I do not think those claims have been quite settled yet, and they wondered if you could say with discretion—not binding yourself in any way—what proportion of that sum would be lost, first, if we had to pay it—I take it that is not quite decided—and, secondly, if we have not a set-off against what Mr. Michaelis Braun has already paid away—I mean if you were to lose the whole of the proceeds from tin which has been realised in Germany and not be able to recover much on account of this dividend. The point is whether it would be a full recovery or only a partial one, and to what extent. Now, Mr. Kensington mentioned my name in connection with the realisation of the stocks and so forth. I think the directors have acted very wisely in not distributing a bonus at the present time. Those who are in the metal trade know what an anxious time we are passing through. Only recently the largest tin refiners in this country have given notice to all their contractors that, should the coal strike come off, they will decline to take delivery under the *force-majeure* clause of their contract of any tin they have bound themselves to buy. Whether they could enforce that clause is questionable, but undoubtedly they will try to do it, and meanwhile importers—that is to say, a company like this—would have its stocks hanging upon its hands indefinitely. They must keep a large sum of money in order to go on paying their wages and expenses at the mines, regardless of whether they are able to sell their output or not, so from every point of view, while I am disappointed, like everybody else, that there is no bonus, I cannot but think that the directors have done the right thing in not making a further distribution at present. I suggest that possibly, if during the next few months things improve, they might come along [illegible] and give us a surprise [illegible] done many times in the past. (Hear, hear.)

The Chairman: Gentlemen,—I feel sure Mr. Barber will not think that I am lacking in courtesy or anxious to withhold information when I say in reply to the question which he asked that it is extremely difficult for me to answer it without indirectly discussing the litigation which is now pending in the Courts. I have had some legal training, and I do not think it would be politic, and certainly it would not be becoming. I think you understand thoroughly what I mean.

Mr. Barber: I did not ask for anything not discreet.

The Chairman: I know that, sir.

The resolution was then put to the meeting and carried unanimously.

Re-election of Mr. Dale.

Mr. Joseph Macandrew: Gentlemen, I have the pleasure to propose the re-election of Mr. Dale as a director of the Company. Mr. Dale is not only a director, but he is a lawyer by profession, and the board is well aware that his legal experience has been extremely useful and satisfactory to the Company, and I am quite sure that this meeting, which is more largely attended than usual, will join me in agreeing to re-elect Mr. Dale as a director of the Company. He has given a very lucid account of our affairs by reason of the absence of Mr. Aramayo, who is no longer resident in London, and we on the board at all events feel quite certain that Mr. Dale as a colleague is of great value to this Company. (Hear, hear.)

Mr. Kensington seconded the motion, which was unanimously agreed to.

On the motion of Mr. Ballard, seconded by Mr. Thomas, Messrs. Tribe, Clarke, Painter, Darton and Company were re-appointed auditors.

Sir Robert McCheyne Anderson: Gentlemen, I think a duty remains to be performed. I have pleasure in proposing a vote of thanks to the directors, and I was glad to hear the Chairman suggest that the warm congratulations of the shareholders should be sent to his Excellency, our Chairman, on his appointment to such a distinguished position by the Bolivian Government. I hope his interesting report will be printed and distributed among the shareholders. I thoroughly appreciate what the directors have done, but may I suggest that in future you should put in the report your cost of production, so that we may be in a position to judge for ourselves? Considering the present [illegible]

Furniture
for Cash.
[illegible]
Wm. SPRIGGS & Co., Ltd.

metals and the outlook generally, I do not think it would have been in accord with your duty to have given us anything but a very sober report. I propose, therefore, that the thanks of this meeting be accorded to his Excellency the Chairman, to his colleagues, and the managers in Bolivia. I speak as quite a recent shareholder, and a considerable number of my shares cost me over £5, but I am not in the least bit nervous about them. Probably I should have been more pleased if they had cost me £3. My only desire is that they will go down to 30s. in order that I may buy more, because I am quite satisfied as to the future of this Company.

Mr. H. B. Rayner: I have much pleasure in seconding the vote of thanks to you, sir, for the very able speech you have made, and also the congratulations of shareholders to Mr. Aramayo on his appointment.

The vote was unanimously accorded.

The Chairman: We are very grateful for your very kind expression of confidence—I was going to say of sympathy with us in not receiving a bonus. I think that the shareholder who spoke the last but one, as well as Mr. Barber, came to the right conclusion; at all events, it is a conclusion which is in harmony with the views of Mr. Aramayo, who is our manager, and who, I think, has shown on more than one occasion that as a pilot of a large enterprise he has no equal. (Hear, hear.)

The proceedings then terminated.

AMALGAMATED TEXTILES, LIMITED.

10% Interim Dividend.

The statutory meeting of the shareholders of Amalgamated Textiles, Limited, was held on Tuesday at Winchester House, Old Broad Street, E.C., Mr. T. Henry Morris, D.L., J.P. (the Chairman), presiding.

The Secretary (Mr. S. J. Gordon) having read the notice convening the meeting and the auditors' certificate,

The Chairman said: Gentlemen,—I am pleased to report to you that the two concerns—William Morris and Sons, Limited, and John H. Beaver, Limited—continue to make satisfactory progress. Doubtless it is well known that recently there has been a heavy fall in the value of all classes of wool to an extent of from thirty per cent. to fifty per cent., which has so far been met without any serious difficulties in the trade. It is greatly to the advantage of the industry and the consuming public that we should be able to move back to pre-War conditions and values at an early date.

The world is bare of all commodities, and especially clothing. The demand for wool products is ever growing, and as it will probably be some years before countries like France, Germany, and Belgium can secure their pre-War output, there must be a large demand for supplies for our own country and the Empire beyond the seas, especially if exchange difficulties could be satisfactorily arranged from every country in the world. In such circumstances the prospects are bright if the workpeople will lend a hand and do their best to increase the output and take advantage of prosperous times.

At an early date—probably the end of October or beginning of November, a date which may depend upon whether there is a coal strike or not, and other like circumstances—it is the present intention of your directors to distribute some of the profits, and I am authorised by the board to say that we contemplate declaring an interim dividend of ten per cent. to all shareholders who will then be upon the Company's register. This dividend will correspond roughly to the first half-year's working of this Company; in other words, we have it in mind that we are in a position to distribute profits at the rate of twenty per cent. per annum on the Ordinary share capital of the Company.

The object of this Company is to acquire or buy intereste in the shares and securities of companies or firms which possess combing and spinning mills. At the present moment we are in negotiation for the acquisition of an important spinning business on terms which your board regard as highly satisfactory.

CHENDERIANG TIN DREDGING, LIMITED.

An Additional and Valuable Asset.—New Capital.

The sixth annual general meeting of this Company was held on September 14 at the registered offices, 7 Martin's Lane, E.C., Mr. John I. Philips (Chairman of the Company) presiding. The Chairman said: Gentlemen,—The report and accounts now before you indicate a gratifying improvement on the results of the previous year, and the net profit is the highest yet realised by this Company. I have no doubt you will have seen that the improved result is due to the increased output from the dredging section of the mine. The ground treated exceeded the previous year's figures by 40,000 cubic yards, and the dredge recovered 117 tons more of tin ore, the average value being over 50 per cent. higher than last year. The price realised was approximately the same, while the working costs have further increased to 7.36*d.* per cubic yard. It is interesting to note that our dredge is now working on the Company's own land, which means that we no longer have to pay the lessor any tribute in respect of the dredging section of the property. The total area now owned by the Company approximates 1,400 acres, and it is still being added to by the acquisition of small contiguous areas as opportunity offers. The greater portion of this area is not suitable for treatment by dredging, but it is estimated that the life of the dredgeable area with one dredge is still about twenty years, and, so far as boring results indicate, we may reasonably expect that the average value obtained during the past year will obtain throughout the remaining dredgeable land.

With regard to the remaining area, additional pipelines have been installed, with a view to extending the area under tribute by the inclusion of that portion known as the Narrow Neck, which joins the northern and southern portions of the Company's property. This still leaves a very large area of tin-bearing land not being worked. I indicated when I last addressed you that the board had under consideration a scheme for developing the Company's operations in this direction. These extensions depended upon the acquisition of valuable water rights from the Kinjang Falls, and the Government have consented to grant the Company's application for the use of this water, subject to certain reasonable conditions. Doubtless this will also involve the raising of further capital, but there is no doubt whatever that any expenditure involved will be amply repaid.

The Company has a long and (I am confident) a very prosperous future before it, and you, I am sure, will associate yourselves with me in expressing the directors' appreciation of the work accomplished by the Company's staff in the East.

I now have much pleasure in moving: "That the directors' report and statement of accounts for the year ended March 31, 1920, be and they are hereby received and adopted, and that a dividend for the year of ten per cent., free of tax, be declared and paid."

Sir Ernest W. Birch, K.C.M.G., seconded the motion, which was unanimously adopted.

Books Received.

Spanish America: Its Romance, Reality, and Future. By C. R. Enock, C.E., F.R.G.S. Two vols. Price 30*s.* net. (London: T. Fisher Unwin.) Mr. Enock is well known as a writer on South American affairs, and in his two new volumes affords much interesting and instructive information concerning the Latin half of the New World. At present, when so much interest is being concentrated upon South America, this new work should prove of exceptional interest. His field is an enormous one, containing some of the richest and most fertile, though at present but very thinly peopled, portions of the earth. The author deals at length with the conditions and possibilities of each State separately, and points out the prospects held out to the enterprising in the way of trade and finance. The result of his study is two very readable books.

Debentures: The Purposes they Serve, and How they are Issued. This work by Mr. Herbert W. Jordan has now attained its ninth edition. The price is 1*s.* 6*d.* net. Copies can be obtained from Messrs. Jordan and Sons, Limited, 13 Broad Street Place, E.C. 2.

Su le Condizioni della Circulazione e del Mercato Monetario durante e dopo la Guerra. (Casa Editrice Italiana, Roma.) Issued by the Banca d'Italia. Gives a detailed history of the course of Italian public finance from August 1914 to December 1919. Appended are tabular statements, with coloured diagrams, showing the monthly variations during the same period in money and exchange rates, bank reserves, and foreign trade.

Monthly Abstract of Statistics. June 1920. Volume VII. Part VI. Price 9*d.* Government of New Zealand, Wellington.

Sperling's Journal. September 1920. Price 2*s.* 6*d.* (London: Sperling and Company, Basildon House, Moorgate Street, E.C. 2.)

We have received an advance copy of a booklet on the forthcoming British Industries Fair to be held in London at the "White City," and in Glasgow and Birmingham, between February 21 and March 14 next. The booklet is to be distributed overseas, and will be printed in seven languages. The Fair is organised by the Department of Overseas Trade, with a view to extending the export trade of the country, and meeting the competition in which many other nations are actively engaged.

Hannevig's Bank. Change of Title.

[illegible] Bank, Limited," will now be altered to "British American Continental Bank, Limited." John Blair MacAfee, Esq., of Messrs. MacAfee and Co., merchant bankers, has been elected Chairman, and associated with him as directors will be the following gentlemen: Francis E. Powell, Esq. (Chairman, Anglo-American Oil Company, Limited); Geo. A. [illegible] (Director, MacAfee and Company, Limited); Capt. Hans Hannevig (Director, Hannevig Bros., Limited, London); Edward Hannevig, Esq. (Director, Hannevig Bros., A.S., Christiania); Louis Hannevig, Esq. (Director, Hannevig Bros., A.S., Christiania). In view of the Bank's growing business the directors have decided to call an additional 15s. upon each share of stock now outstanding, which will bring the amount paid per share up to 40s., and increase the paid-up capital to £500,000, the subscribed capital being £1,242,360.

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Claims Paid Exceed - - - £30,000,000

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All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

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The Statist.

LONDON, SATURDAY, SEPTEMBER 25, 1920.

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The Money Market.

[illegible], September 21, 1920.

	Current Rate %	Previous Rate %	Previous Rate
Bank of England Rate ..	7	(Apr. 15, '20)	6 (Nov. 6, '19)
Deposit Rates:—			
Banks & Discnt. Hs (Call)	5	(Apr. 15, '20)	4½ (Nov. 6, '19)
Discount Houses (Notice)	5¼	(Apr. 15, '20)	4½ (Nov. 6, '19)

The special rate of 4½ allowed to the Bank of [illegible] has been cancelled.

Discount Rates :—

	60 Days %	3 Mos. %	4 Mos. %	6 Mos. %
Treasury Bills ...	—	6½	—	—
Bank Bills	6-6¼	6½-¾	6 7	7
Trade Bills	—	7-7¼	7¼-½	7½

RENEWED STRINGENCY.

Towards the [illegible] Bank return indicates the extent of this influence. [illegible] to have been calling in money, and it is [illegible]

arranged at 6 per cent and there was a firm demand for weekly fixtures at 5½ per cent.

Business was quiet in the discount market, and rates were not much affected by the tightness of money, as easier conditions in October are generally anticipated, though the present stringency is expected to last till the turn of the quarter. November paper hardened to 6⅛-¾ per cent., which was also the range of quotations for three-months' maturities, but 6⅛ per cent. was the more general rate for Novembers. Four-months' and six-months' paper was unaltered, 6⅝-7 per cent. being the usual rates. October maturities were again discounted at the Bank, the proceeds going into Treasury bills.

Foreign Exchanges.

The most prominent feature of the week in the Foreign Exchange Market was an improvement in French and Belgian francs. With the exception of a slight set-back on Tuesday and Wednesday the improvement was consistent and fairly well maintained, and to-day's rates are substantially better than those ruling a week ago, being respectively 51.75 and 49.17½. The Belgian rate was less steady towards the close. Italian lire, in contrast, moved irregularly, and closed higher on the week at 83. The break in the value of the German mark to 243 on Saturday last did not continue over the week-end, and up to Wednesday an improvement took place, the quotation on that day being 208. A reaction began on Thursday, and to-day the quotation rose again to 222½. Finnish marks depreciated further to 118½. Polish marks rose to 850 on Wednesday, but have since shown an improvement to 830. Austrian kronen were remarkably steady about 805. Of neutrals Madrid went against us consistently to 23.81, Switzerland after an initial favourable movement declined to 21.68, and Lisbon was weaker at 11. Holland moved adversely, but was inclined to weaken to-day, the quotation being 11.25. In the Scandinavian group Copenhagen opened the week with an upward movement till 25.80 was reached on Tuesday, but since then quotations have gone against us to 25.60. Sweden showed a similar movement, being quoted at 17.38 on Tuesday, but after a slight set-back on the following day the favourable movement continued to 17.44 to-day. Christiania was as low as 25.62½ at the start of the week, but after much fluctuating moved on balance in our favour to 26.30. The New York Exchange began a further downward movement on Monday, which continued until Wednesday, when 3.48 was the quotation. A recovery occurred subsequently, but at 3.50¾ to-day's rate is considerably under that of a week ago. The South American rates moved adversely, but showed a firmer tendency at the close in sympathy with the dollar-sterling exchange. In the Eastern group the Shanghai tael, following the course of prices in the Silver market, became cheaper at 5*s.* 11*d.* The Hong Kong dollar was steady at 4*s.* 3½*d.* The Japanese yen was subject to fluctuations, but on balance it moved adversely to 2*s.* 11¼*d.* The rupee again displayed weakness, owing to unfavourable reports of the jute crop, the closing quotations for telegraphic transfers being: Bombay 1*s.* 10*d.*, and Calcutta 1*s.* 10¾*d.*

Income and Expenditure.

The latest income and expenditure return shows that a welcome improvement took place in the National Accounts last week due to the coincidence of an unusually large revenue and comparatively small maturities of Treasury bills. Excise receipts at £13.2 million, and special miscellaneous receipts at £6.7 million, were responsible for raising ordinary revenue to £30.1 million, as compared with £20.6 million for the previous week. Though expenditure was £4.4 million higher, a surplus revenue of nearly £10.4 million was available for debt redemption. This surplus was increased by net receipts for Treasury bills amounting to nearly £17.2 million, maturities for the week being only £41.7 million. The actual reduction in Ways and Means Advances by the Bank was not as great as this fortunate combination of circumstances allowed, being only from £43¼ million to £31 million. Advances by public departments, however, were reduced by £9¼ million to £144,441,000, making a net reduction in the floating debt of £4,274,000 to £1,258,540,000. Besides this, £1,384,489 were cancelled of War Loans, Exchequer Bonds, &c., tendered in payment of excess profits duties, and £3,068,552 of short-term foreign indebtedness were repaid, making a debt redemption for the week of £8,727,041 altogether.

Currency Notes

In contrast to the expansion in Bank of England notes during the week ending on Wednesday last, Currency notes show a contraction during the same period of £1,273,448, leaving the total outstanding at £349,667,412, as compared with £347,062,178 a year ago. The fiduciary issue was reduced by the same amount to £302,517,412, and the reserve ratio shows accordingly a slight improvement at 13.5 per cent.

Bullion.

Supplies of gold were again so small that quotations were practically nominal on some days. The price remained at 117*s.* 6*d.* all during the week until to-day, when 117*s.* 9*d.* was the quotation. India was again a buyer.

In the Silver market offerings from the Continent were on a larger scale, but were fairly readily absorbed by Chinese buyers. There was also a demand for bear covering by the Indian Bazaars. In spite of the increased supplies, prices did not vary much from the level ruling at the close of last week. On Tuesday the spot price rose ⅜*d.* to 59⅞*d.*, and on the following day a further advance of ⅛*d.* occurred, but a reaction began on Thursday, and to-day's quotation was 59⅜*d.* Forward silver went to a premium of ⅛*d.* on Tuesday, which it has since retained.

Bank of England.

The Bank Return for the week ending on Wednesday last shows a substantial improvement as regards the reserve ratio, though this has been effected at the expense of the Market's balances with the Bank.

The reserve was reduced by £349,000 to £16,029,000 on account of an expansion of £322,000 to £125,486,000 in the active note circulation, and a decline of £27,000 to £123,065,000 in the total coin and bullion holdings. Other deposits fell by £17,127,000 to £105,448,000, and this was responsible for raising the reserve ratio from 11.9 per cent. to 13.1 per cent.

The most striking feature in the Return is a decline of nearly £20.6 millions in Government securities, a movement which indicates a further reduction in Ways and Means Advances by the Bank during

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maturities have been discounted at the Bank.

NEW YORK.

deposits of fully $122.1 million. The violence of these movements will at once attract attention. In fact, they constitute a reaction against movements which have been featuring consistently in the statements of these Banks ever since the commencement of the current half-year. For instance, the aggregate reserve had [illegible] week's increase, noted above, makes the present total [illegible] July 17. Similarly, the average excess reserve is unsurpassed by that for any week since the opening of the half-year. The increase in net demand deposits is the largest since a year ago, when similar violent movements occurred, but the decline in this item had been so rapid in previous weeks that the present figure ($4,678,240,000) is back only to the level ruling about the beginning of last month. It is this fact, presumably, which enabled last week's expansion to be made in the lending operations of the banks, for the present total of loans is the highest since the beginning of February last.

The quarterly collection of income tax, now in pro[illegible] in U.S. deposits.

As is usual after the [illegible] able statement, the New York Federal Reserve Bank has to record a weakening of its position. Last week it lost $31.8 million in gold, and its total reserves are $27.3 million lower than on the previous week. On account of a corresponding shrinkage in liabilities, however, its ratio of total reserves to net deposit and Federal Reserve note liabilities combined is practically the same as on the preceding week at 39.5 per cent.

The combined statement of the Federal Reserve Banks shows an improvement as regards the reserve ratio, but registers the unfavourable movement of a [illegible] rediscounts, and the total bill holdings, at $2,831,810,000, are $160,370,000 below the previous [illegible] siderable decline, and so a reduction of the large total of notes in circulation is a probable development during [illegible] decline in the note circulation was only $5½ million. On the previous week, it may be remembered, it had [illegible]

ties, the ratio of total reserves to net deposit and Federal Reserve note liabilities combined improved to 43.8 per cent., as compared with 42.8 per cent. the previous week and 52.5 per cent. a year ago.

Conditions in the Money market were easier during the week than for many months past, as evidenced not so much by the position of the call loan market, in which seven per cent. continues to be the ruling rate, but by the fact that time funds are being offered in increasing quantities at reduced rates, loans for two [illegible] mixed collateral. This feature is all the more remarkable as this is the period when large tax collections have to be made, but it is also the period when the cotton season ends and the grain season begins. Several factors were responsible for the ease, foremost among which are a depression in trade and a strengthening of banking reserves. As regards the former, a slackening of trade activities, due to scarcity of working capital and high prices, has become increasingly evident in America of late, as well as here, but there it has been accompanied by a reduction in prices. For instance, the Ford motor price-cuts as announced in the papers during the week quickly gave rise to extensive reductions not only in the motor, but in other industries as well. As regards the strengthening of reserves, the gold holdings of the Federal Reserve system, which would otherwise have been diminishing, are being replenished by continued imports of gold, especially from London and Paris, while recent statements of the National and State banks show improving reserve positions. In considering the future course of events in the Money market, it must not be forgotten that the banks have now very large loans outstanding, and reserve ratios are so near legal requirements that any further credit extensions must be preceded by an increase in reserves. Whether money will begin to return to the banks depends largely on the extent to which the grain crops have already been financed. The Stock markets have not been able to take advantage of the ease in the Money market. On the contrary, though feeling was bullish last week, this week the suspension of dividends by the Central Leather Company and other large companies due to trade depression has unsettled sentiment and induced a bear raid in industrial securities, railway descriptions being the only stocks to offer any resistance.

Stock Exchange.

BUSINESS for the week has, as before, been restricted to the smallest possible dimensions. The coal crisis imparting caution rather than pessimism, holders have not been anxious to liquidate; and, consequently, the appearance of the slightest buying inquiries had the effect of immediately forcing up quotations. The near approach of the fateful twenty-fifth made no impression on the firmness of the undertone, and the eventual [illegible]

TRADE WITH THE NEAR EAST

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[illegible] but showed stronger as the week wore on. Consols and War Fours, however, failed to make good an early loss. War Fives and Victory Bonds, despite an eventual rally, left off at lower levels, but Funding Loan exhibited an unusual buoyancy and registered a net appreciation. India Three per Cents were quiet, and the Three-and-a-Half Cents were marked up slightly. County and Corporation stocks were featureless, no price movements worthy of note being recorded. As regards the recent quintuple issue, Brighton is already at a premium, and the discount on the others is rapidly diminishing. Colonials developed very little activity.

Among foreign stocks, Japanese bonds were again [illegible] steady rise in prices, and though eventual profit-taking brought a reaction, closing figures exhibited a marked improvement on the week. Chinese Fives also showed a rising tendency towards the end. Mexicans have lost their recent popularity, but quotations are maintained at previous levels. The extremely sharp advance registered last week in French bonds has been followed by an equally sharp reaction which a partial mid-week rally failed to neutralise. German three per Cents, Honduras, Greek Monopoly, Cuban Ports, and Egyptian Unified were all slightly lower.

The disbelief of the market in the probability of a coal strike was amply borne out by the cheerfulness of Home Rails. Appreciations, though not very marked, were numerous. Undergrounds continued prime favourite, the Income Bonds again registering a rise of two points on Monday. Profit-taking operations, however, eventually made a slight reduction in quotations. Among the heavies, the only depreciation was in London and North-Western shares.

Among Foreign Rails, Argentine prices (to which we had occasion to draw attention last week) were marked up generally on Monday and Tuesday. The dividend declarations of the main lines failed to create any further buying interest, however, and the increased quotations were barely maintained. Brazilian railways were a feature of distinct weakness. The slump in San Paulos, initiated by the failure of the appeal for rates increases, continued. Leopoldina and Entre Rios also exhibited a remarkable series of declines, and the unsatisfactory condition of Brazilian affairs precludes any hope of an early recovery. Mexican rails failed to improve on the previous week's rise, and developed a tendency to sag towards the close.

The general Industrial market was quite apathetic and price movements were small and infrequent. British Oil and Cake Mills, after several minor declines, made a sharp recovery on revival of rumours of amalgamation with the African and Eastern Trade Corporation. Dunlops were again marked down. Nitrate, Gas and Shipping shares displayed little activity. Motors and Textiles suffered from realisations, sentiment in the former not being improved by the announcement of Ford's to revert to pre-war prices. Egyptian securities exhibited a pronounced decline all round. Iron and steel descriptions shared the general apathy, but prices evinced a disposition to recover towards the close. The Bank section suffered from quiet liquidation. The Insurance market, in contrast with the prevailing dulness, displayed increased activity, and substantial appreciations were frequent.

Oils opened very quietly. French support was withdrawn, and operations on this side were mainly confined to professionals. Profit-taking on the recent rise caused many minor declines, but the improved outlook towards the end of the week combined with a return of French inquiries strengthened the market, and numerous fractional appreciations were recorded. The close was strong all round, and the upward movement bears the probability of being continued.

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Mining Topics.

The close approach of the coal strike again dominated the Mining market during the week. Thus handicapped it opened weak. Furthermore, Paris was engaged on a burst of liquidation with the laudable desire of securing funds for subscribing to the new French loan. Accordingly Crown Mines dropped $\frac{7}{8}$ to $2\frac{1}{4}$. Central Mining $\frac{1}{8}$ to $8\frac{1}{4}$, Rand Mines $\frac{1}{16}$ to $2\frac{3}{4}$, and East Rands 1*s.* to 8*s.* 6*d.* Knights Deep fell sharply to 3*s.* 6*d.* on news of the fire which destroyed the mill and mill-engine house totally. On Tuesday, however, Paris had finished selling, and a firmer tone became manifest in the market. Paris now turned purchaser of Crown Mines, which recovered to $2\frac{7}{8}$, whilst Rand Mines remained firm at $2\frac{3}{4}$, and East Rands moved up to 9*s.* 3*d.* De Beers, however, which had reacted to 18 on Monday, were again weak, closing at $17\frac{3}{4}$. In a dull Kaffir Circus, Knights Deep provided a relief on Wednesday with a spurt to 5*s.* 9*d.* on anticipation of a good breaking-up value, and Van Ryn Deep finished $\frac{1}{8}$ to the good at 4. Thursday found the market idle, awaiting developments as regards the coal crisis. Rand Mines were a good feature at $2\frac{1}{16}$ and Johnnies at 28*s.* 6*d.*, whilst inquiries from Paris caused De Beers to move up to 18.

We publish elsewhere an interesting circular from the Broken Hill Proprietary Company, announcing the issue of £1,500,000 seven per cent. Debentures at ninety-seven, and the proposal to offer 420,000 Ordinary shares of £1 to existing shareholders *pro rata* at a price of £2 5*s.* per share. These funds are required to meet the outlay involved in the extensive additions that are being made to the Newcastle Steel Works in order to cope with the growing Australian demand for iron and steel.

The Mexican section was again the centre of greatest activity during the week. Esperanzas as usual took the lead. The cable announcing the development of the 5th level for the week ended September 16 continues to disclose abnormal values. An advance of the north drift for 16 feet revealed 40.51 ounces gold and 664 ounces silver per ton, over a width of 25 inches. This gave the shares an impetus which lasted for the week. The closing prices were as follows: Monday, 18*s.*; Tuesday, 18*s.* 6*d.*; Wednesday, 20*s.* 3*d.*; Thursday, 24*s.* 3*d.* Despite the fact that the results from the south drift towards El Oro were by no means as satisfactory, the El Oro shares on hopes of like developments moved up from 13*s.* 6*d.* on Monday to 15*s.* 9*d.* on Thursday. Early in the week Mexico of El Oro suffered from Paris liquidation, dropping from $6\frac{1}{2}$ at the opening to $6\frac{1}{8}$ on Tuesday. But with Paris turning buyer after Wednesday the shares improved steadily to $6\frac{3}{4}$ on Thursday.

NEW MODDERFONTEIN.

[illegible]

With the report for the year ended June 30, 1920, it is possible to discover the full effects of the premium on gold and the working expenses of the mines on profits in the Rand for a whole year. The tonnage milled during the year reached 968,560 tons, or 18,000 tons more than the quantity treated in 1918-19. Satisfactory as was this figure, it by no means represented the full working capacity of the plant. In the report issued at the last general meeting it was stated that in order to secure the maximum results, extensive expenditure had been incurred [illegible] Owing, however, to an acute shortage of native labour, [illegible] possible to work the plant to the best advantage. [illegible] of the year with the result that the average tonnage [illegible] 80,560 tons per month, as against 74,850 tons for the first half, the mine was still without its full complement of natives, and only [illegible] Calculating the value of the output on the basis of the par value of gold in order to maintain an effective [illegible] with the results of previous years, the gold revenue per ton was 8*d.* lower than in 1918-19, being estimated at 13*s.* 2*d.* On the other hand, despite the increase in the quantity of ore treated, working costs per ton increased from 20*s.* 2*d.* to 21*s.* 11*d.* Advances in white wages constituted the main factor in the growth, white wages per ton being equivalent to 6*s.* 11*d.*, as against 6*s.* in the previous year. The increased contribution under the Miners' Phthisis Act added a further 8*d.* per ton, while 3*d.* per ton represented the increase in native wages. Thus the working profit dropped from 23*s.* 8*d.* to 21*s.* 3*d.* per ton. The presence of the premium on gold altered [illegible] at an extra yield of 9*s.* 7*d.* per ton, thereby increasing the revenue per ton to 52*s.* 9*d.*, and the profit per [illegible] to the record figure of 30*s.* 10*d.* In all, the gold premium reached £472,698. But, deducting the [illegible] it represented a net [illegible] £161,057. [illegible] for the addition of over forty-five per cent. to the working profit that would have been earned in its absence, and it is doubtful whether the full addition is not nearer to fifty per cent. For it appears that after January 1, an estimate of the gold premium was included in the monthly declarations of profits; but, as considerable fluctuations took place between the production and the realisation of the gold, not only in the gold premium but also in the realisation charges, substantial adjustments were necessary from time to time. Thus it was found necessary to add £60,222 [illegible] for the quarter ended March 31, 1920. There was reason for believing that the estimates for the June quarter were not of the same conservative nature. No [illegible] is made in the accounts in respect of this period. Consequently, it may be found ultimately that there is a further amount which ought to have been credited to the accounts under review. However, be [illegible] the [illegible] New Modderfontein [illegible] gold profit of nearly £500,000 from the premium [illegible] Having [illegible] £1,101,960 in 1918-19, [illegible] £1,518,188—[illegible] [illegible] be seen that the [illegible]

[illegible] Meanwhile, the balance carried forward to the next accounts is increased from £255,867 to £344,026.

Notwithstanding the shortage of labour, greater attention was paid during the year to development work with very satisfactory results. The total footage was returned at 17,449 feet, as compared with 9,477 feet in 1918-19. Ore was developed for 9,139 feet, as against 5,431 feet in the previous years. More satisfactory still were the assay results. Ore of 53.6 [illegible] than 6,885 feet, over a stoping width of 12 in. Thus, whilst in the previous year the estimated tonnage of payable ore developed amounted to 723,600 tons, the amount developed during the year under review reached 1,113,800 tons averaging 10.1 dwt. How this improvement affected the position of the ore reserves can be seen in the following table:—

[illegible]	[illegible]	(Sterling)	[illegible]	[illegible]
1917 ...	8,014,400	36 1	[illegible]	2,381
1918 ...	[illegible]	[illegible]	[illegible]	[illegible]
1919 ...	8,854,300	[illegible] 1	[illegible]	[illegible]
1920	[illegible] 0	[illegible] 8	67	[illegible]

[illegible]

In the light of all these facts it is not difficult to understand the optimistic outburst of the Consulting Engineer: "The mine is in a stronger position to-day than at any time in its history." Neither can it be denied that the outlook for the current year is at least no less promising than that of 1919-20. Granted a full complement of labour, the mine is now so completely equipped with all the requisite labour-saving devices that it could soon reach its maximum tonnage. Unfortunately, the August returns of the native labour force on the Rand indicate a further decline, the total being, as we stated last week, unduly low. However, there is no reason for anticipating any undue growth in working costs, whilst the gold premium is again at a very high level, whilst realisa- [illegible] July with gold estimated at an average of £5 5*s.* per ounce and realisation charges at 1*s* 6*d.*, the mine recorded a working profit of £153,371. August, with [illegible] there is good reason to look forward to an interim dividend for the current year of fifty per cent. unless for the remaining months of 1920 the labour shortage should interfere unduly with the tonnage crushed. Financially the position of the Company as disclosed in the balance sheet dated June 30, 1920, is very sound. Current liabilities amounting to £961,635 are covered by the total of £1,085,691 in cash, gold, and investments alone. In the market the 10*s.* shares—to which denomination the old £4 shares were reduced during the year by universal agreement, each shareholder receiving eight shares of 10*s.* for each £4 share—are quoted at 7*4s.* 4½*d.*, and, assuming a dividend of ninety per cent. for the current year, return at this price a yield of twelve per cent.

ROPP TIN.

Year ended Dec. 31,	[illegible]	[illegible]
1916	[illegible]	[illegible]
1917	[illegible]	[illegible]
1918	[illegible]	[illegible]
1919	[illegible]	[illegible]

[illegible] INCOME TAX.

[illegible] 1918, trading operations [illegible] 1919.

[illegible]

stores and materials by rail and in finding summer passages for returning engineers. The tin was disposed of at an average price of £179 11s. 7d. per ton, and as working costs amounted to £106 4s. 4d. per ton, there was left a working profit of £73 10s. 3d. Thus a net profit of £55,147 accrued, as against £52,150 for 1918. The dividends paid to shareholders amounted to seventy-five per cent., as in 1917 and 1918. But owing to alterations in the capital foreshadowed at the general meeting in June, 1919, the dividend absorbed £50,400, in contrast with £41,250 in the previous year. At the end of 1918 the issued capital stood at £49,541 in shares of 4s. Between the closing of the accounts and the holding of the general meeting it was increased to £55,000—the full authorised capital—by the issue of 27,294 shares at a premium of 12s. At the general meeting it was agreed to raise the authorised capital to £75,000 in order to clear off the loans obtained for purposes of capital expenditure. Subsequently 55,000 shares were issued at a premium of 13s. 6d. per share, and 6,000 shares at a premium of 17s. 3d. per share. This gave at the end of 1919 an issued capital of £67,200 and a net share premium account of £100,800. It was upon this capital that dividends were paid in respect of 1919. Since the closing of the 1919 accounts the authorised capital was increased to £168,000, and 504,000 bonus shares were issued fully paid to existing shareholders in the proportion of three shares for every two shares already held. The scheme was financed by the £100,800 in the share-premium account. It is therefore this greatly increased capital of £168,000 that will rank for dividends in the current year. Prospects so far appear to be rather uncertain. Tin has failed to maintain the high level of prices attained during the first quarter of the year, and is now moving sluggishly around £275 a ton. Furthermore, the output for the first five months only reaches 305 tons. This is attributed not only to a pronounced shortage of labour, but also to a deficiency in the rain supply, and to the fact that for a part of the time the dredges were taken up with treating the tailings. Finally, the new hydraulic plant, which is expected to produce an increased tonnage at a reduced working cost, has been unduly delayed in transit. Whilst in the light of these facts it is somewhat difficult to estimate the outlook for 1920, no doubt remains as to the general good prospects of the concern. Despite the increased output during 1919, there was no depletion of the reserves. On the contrary, they amounted to 10,993 tons at the end of 1919—an increase of seven tons as compared with 1918. It appears also that the superintending engineer anticipates a further increase in the reserves as the result of prospecting operations to be undertaken in the near future. Financially the Company is in a position of great strength. The balance sheet dated December 31, 1919, shows that current liabilities, including the final dividend absorbing £16,800, do not exceed £57,062, and if the small balance of unredeemed loans and Debentures be included, £66,981; whereas liquid assets are available to a total of £77,917. In the market the 4s. shares are quoted at 8s. 6d., at which price, assuming a dividend of twenty per cent. for 1920—and in view of the bonus issue and the condition of affairs to date we consider that this is not likely to be exceeded—they afford a return of nearly nine and a-half per cent.

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TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, September 22, 1920.

Issue Department.

Notes Issued	£140,008,755	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,558,755
	£140,008,755		£140,008,755

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£35,518,129
Rest	3,548,456	Other Securities	88,722,611
Public Deposits	16,707,309	Notes	14,522,625
Other Deposits	105,447,908	Gold and Silver Coin	1,505,891
Seven-day and other Bills	12,583		
	£140,269,256		£140,269,256

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
1920.	£	£	£	£	£	£	£	%	%	%
Sept. 22	125.4	123.1	16.7	105.4	35.5	88.7	16.0	13·1	7	8[illegible]
Sept. 15	125.1	123.1	15.2	122.5	38.1	83.4	15.4	11·9	7	8[illegible]
Sept. 8	125.9	123.0	16.5	118.9	59.6	76.3	15.8	11·7	7	8[illegible]
Sept. 1	126.5	123.0	16.4	113.3	57.4	75.4	14.9	11·6	7	8[illegible]
Aug. 25	124.8	123.0	15.3	100.5	41.5	75.8	16.5	14·3	7	61
5 y'22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2[illegible]

• July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; Aug. 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Sept. 24, 1920	Sept. 24, 1919	Sept. 25, 1918	Sept. 26, 1917	Sept. 23 1910
Circulation	£125.4	£81.6	£60.5	£41.2	£27.8
Public Deposits	16.7	19.4	31.9	44.3	12.5
Other Deposits	105.4	97.4	134.0	121.7	43.5
Government Securities	35.5	26.2	54.2	58.2	15.3
Other Securities	88.7	83.7	100.3	93.6	29.1
Reserve	16.0	25.0	29.5	32.4	29.9
Ratio to Liabilities	13·1%	21.42%	17 78%	19 49%	53·36%
Coin and Bullion	123.1	88.2	71.5	65.1	33.1
Money:					
Bank of England Rate	7%	5%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3%	3⅛%	4⅛%	2⅞%
Exchanges:					
Paris Cheque	52 07	35·59½	26·06½	27·51½	25·23
New York 60 days	3 44⅛	4·18	4·73	4·72½	4 83·60
Bombay Telegraphic Transfers	1/10⅛	2/0⅛	1/5⅜	1/4⅝	1/4
Prices:					
Consols 2½% Cash	45⅞	51	58½	54⅛	80⅛
French Rentes 3% Money	54·20	60·65	62·75	60·60	97·35
Silver, London spot per oz.	68½d.	63⅛d.	49⅛d.	49⅛d.	24⅞d.
Wheat, *Gazette* average qr.	90 5	73/4	72/6	70/8	30/11
Cotton, Mid Upland lb.	24 88⅛.	19·55d.	23 43d.	18 62d.	7·80d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	55/0

CURRENCY NOTE ISSUE.

	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
Week to	£	£	£	£	£	%
Sept. 22, '20	7,001,472	8,274,910	349,637,412	28,500,000	18,650,000	13·7
Sept. 15, '20	6,848,314	7,467,105	350,940,860	28,500,000	18,650,000	13·4
Sept. 24, '18	6,622,219	6,075,104	331,174,347	£28,500,000	—	8·6
Sept. 25, '18	6,128,719	4,037,215	275,168,594	28,500,000	—	10·3
Sept. 26, '17	5,325,783	3,370,626	178,839,765	28,500,000	—	15·9
Sept. 27, '18	4,911,359	3,992,798	131,525,480	28,500,000	—	21·6

Balance Sheet, September 22, 1920.

Notes outstanding—	£	Advances—	£
One Pound	275,460,827	Other Bankers ...	—
Ten Shilling	41,626,585	Trustee Savings Banks	—
Certificates outstanding ...	32,580,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	349,667,412	Bank of England Notes...	18,650,000
Notes called in but not yet cancelled	3,370,667	Government Securities ...	321,925,160
Investments reserve A/c ...	16,300,304	Balance at Bank of England	263,223
Total	369,338,383	Total	369,338,383

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Net +	Cash Balance
Sept. 18	£30,136	£19,766	£19,770†	£70,532	£80,121	—£9,589	£3,935
Sept. 11	20,642	15,321	5,321†	74,136	79,961	— 5,825	3,164
Sept. 4	16,029	29,101	13,072	97,335	84,480	+12,855	3,668
171days.'20-21	571,331	476,479	94,852†	3,422,288	2,576,509	—104,221	— 5,434
173days'19-20	431,032	691,828	260,796	3,116,883	2,864,763	252,100	— 8,695
Yr. '20-21*	1,418,300	1,184,102	234,198†	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	5,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services.
Sept. 18	£14,070	£2,952	£3,462	£3,562	£1,261	£795	£17,710
Sept. 11	4,856	3,758	3,825	8,163	2,746	41	12,534
Sept. 4	3,774	5,841	3,071	3,363	18,491	246	10,564
171days'20-21	146,893	119,178	101,596	203,564	159,328	8,972	308,179
173days'19-20	117,210	105,073	125,538	83,213	159,093	4,306	528,424
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,588
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT.	[000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Sept.	18, 1920 ...	£1,033,099	£170,441	£1,253,540	£10,319
Sept.	11, 1920 ...	1,065,873	198,941	1,264,814	10,729
Sept.	4, 1920 ...	1,069,059	197,941	1,266,950	10 579
Aug.	28, 1920 ...	1,066,738	182,491	1,249,227	10,399
June	30, 1919 ...	798,150	774,237	1,570,387†	—

• Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS :

[In £'s Sterling—000's omitted.]

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10,977	£833	£11,810	£41,925	£51,900	£6,283
" 9, '20 ...	10,881	1,062	11,728	22,881	224,913	63,318
Sept. 16, '20 ...	10,630	1,070	11,730	22,824	225,959	53,980

	Claim on Austro-Hung. Bank	Contingent Liabr. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *						
Aug. 7, '20...	1398,475	198,923	£39,878	£ 83,162	£388,255	£45,582
Aug. 31, '20...	398,687	88,923	32,581	89,256	418,955	47,828
Sept. 7, '20...	398,701	88,923	37,459	91,020	411,117	50,630

	Cash			Discounts	Balance Abroad	Circulation	Deposits
DENMARK.	Gold	Silver	Total				
July 31, '14 ...	£4,100	£341	£4,441	£8,197	£788	£8,893	£47
July 31, '20 ...	12,658	143	12,801	13,755	2,045	30,033	2,521
Aug. 31, '20 ...	12,643	145	12,788	15,029	1,493	30,129	2,980
Aug. 30, '19 ...	10,382	167	10,549	8,704	2,589	24,203	981
Aug. 31, '18 ...	10,366	137	10,503	3,450	3,781	21,773	867

	Gold	Total Cash	Other Notes	Loans & Discounts	Circulation	Deposits—Public	Deposits—Private
FRANCE.	In Bank	Abroad	incl'g Silver	Bills			
July 30, '14 ...	£165,654	£190,687	£97,768	£287,327	£15,302	£37,903	
Sept. 16, '20 ...	141,691	79,131	231,022	74,389	1,546,629	1,344	121,043
Sept. 23, '20 ...	141,307	79,275	230,024	78,586	1,547,589	2,375	121,004
Sept. 26, '19 ...	143,822	79,131	231,659	37,709	1,431,472	3,740	111,396
Sept. 26, '18 ...	136,031	81,484	230,337	34,051	1,198,935	2,293	124,274

	Cash			Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.	Gold	Silver	Total				
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£34,545	£47,198
Aug. 31, '20...	64,579	354	64,933	934,430	2,319,449	2,920,040	603,533
Sept. 7, '20...	64,579	337	64,916	932,558	2,244,712	2,937,913	603,724
Sept. 6, '19...	55,118	980	56,106	427,038	1,441,473	1,420,402	420,276
Sept. 7, '18...	117,413	5,932	123,345	111,529	850,306	690,234	435,128

	Cash			Discounts	Advances	Circulation	Deposits
HOLLAND.	Gold	Silver	Total				
Aug. 1, '14 ...	£13,498	£249	£13,745	£13,422	£10,332	£35,680	£1,437
Sept. 13, '20 ...	53,028	1,425	54,453	11,461	28,435	83,625	6,161
Sept. 20, '20 ...	53,028	1,465	54,493	11,583	26,247	85,815	5,864
Sept. 20, '19 ...	52,641	498	53,059	14,865	17,622	82,463	6,391
Sept. 21, '18 ...	58,901	668	59,567	10,097	8,423	79,932	6,334

	Cash			Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.	Gold	Silver	Total				
July 31, '14 ...	—	—	£48,456	£25,017	£69,204	£9,887	
July 20, '20 ...	£32,191	£2,438	35,189	15,591	207,782	518,245	72,292
July 31, '20 ...	32,329	2,998	35,327	15,451	211,853	555,957	64,350
July 30, '19 ...	32,204	2,980	35,184	19,863	70,204	403,792	62,783
June 31, '18 ...	32,728	3,068	35,796	9,748	56,707	319,582	61,787

	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
JAPAN.						
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
July 24, '20 ...	99,797	21,289	26,863	111,773	107,207	9,555
July 31, '20 ...	100,888	22,624	29,265	120,243	106,155	5,810
Aug. 2, '19 ...	73,023	11,443	43,326	101,622	110,234	4,449
Aug. 3, '18 ...	65,271	4,863	31,116	74,292	77,233	3,721

	Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Sept. 11, '20 ...	£18,696†	107,188	1,025,526	£791,216	£54,432	849,204	2,033
Sept. 18, '20 ...	18,684†	111,550	1,036,028	815,645	56,236	898,324	3,314
Sept. 20, '19 ...	19,218†	125,666	1,044,118	860,448	50,546	932,606	17,278
Sept. 21, '18 ...	20,024†	108,534	914,840	745,522	31,120	824,288	9,822

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Discts and Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2,960	£1,678	£493	£4,868	£6,752	£793
Sept. 7, '20 ...	8,119	2,584	578	25,292	25,794	5,211
" 15, '20 ...	8,120	2,610	578	24,495	25,481	5,701
Sept. 15, '19 ...	8,165	4,614	678	16,748	23,360	2,589

	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.						
June 2, '20 ...	£1,906	£3,921	£5,827	£20,406	£90,436	£16,635
June 9, '20 ...	1,906	3,921	5,827	22,567	94,858	8,858
June 11, '19 ...	1,905	3,935	5,840	8,193	65,033	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	48,378	2,186

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
June 5, '20 ...	£82,809	£15,779	£3,794	£19,573	£183,443
June 12, '20 ...	62,809	16,587	3,463	20,050	187,704
June 19, '20 ...	64,009	18,182	3,514	21,976	189,444
June 21, '19 ...	39,881	9,712	1,910	11,622	117,089

	Gold In Bank	Gold Abroad	Total Cash Incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 28, '17...	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Sept. 11, '20 ...	86,086	35,760	121,866	87,169	13,779	169,511	31,[illegible]
" 18, '20 ...	98,101	23,[illegible]4	121,[illegible]	87,363	13,779	169,[illegible]	31,[illegible]
Sept. 20, '19 ...	98,412	25,616	124,028	88,241	13,773	143,[illegible]	33,304
Sept. 21, '18 ...	87,995	26,[illegible]4	114,993	53,116	13,777	119,[illegible]	44,[illegible]

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£6,717	£6,150	£1,555	£7,495	£13,432	£3,803
Sept. 11, '20 ...	14,514	5,171	2,519	35,893	31,183	11,[illegible]
Sept. 18, '20 ...	14,614	5,498	2,519	36,139	40,747	13,553
Sept. 20, '19 ...	16,676	7,784	2,893	[illegible],533	37,[illegible]	12,[illegible]
Sept. 21, '18 ...	14,679	7,180	6,417	15,952	34,[illegible]	[illegible],[illegible]

	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£[illegible],[illegible]6
Sept. 7, '20 ...	21,004	3,667	24,671	14,915	37,337	[illegible],[illegible]9
" 14, '20 ...	21,613	3,720	25,333	13,850	36,748	5,619
Sept. 15, '19 ...	18,696	2,580	[illegible],276	10,438	35,278	18,[illegible]
Sept. 14, '18 ...	15,320	2,043	17,363	16,103	30,161	9,[illegible]

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

	Gold	Silver	Total	Bills	Deposits	
U. STATES FED RES. BANKS.						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept. 20,'19 ...	157,522	260,972	432,412	329,178	70,764	15,626	322,910	524,252
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

II.—CURRENT BANK RATES OF DISCOUNT.

[illegible]	[illegible]	1.15	Lisbon ...	[illegible]	Jan.	15.14
Berlin ...	[illegible]	[illegible].14	Madrid ...	[illegible]	Nov.	10.19
[illegible]	Aug.	21,'19	Paris ...	[illegible]	Apr.	8,'20
Bombay ...	July	29,'20	[illegible]	[illegible]	July	29,'14
Brussels ...	Apr.	28,'20	[illegible]	[illegible]	[illegible]	[illegible]
Calcutta ...	June	5,'19	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	June	25,'20	Tokio ...	8.03	Nov.	18,'19
[illegible]	[illegible]	[illegible].00	[illegible]	[illegible]	[illegible]	[illegible].14

III.—FOREIGN EXCHANGES.

LONDON ON	24,'20	17,'20	10,'20	Sept. 3,'[illegible]
[illegible]	[illegible]	[illegible]	188m.	177m.
[illegible]	49fr. 17c.	[illegible]	49fr. 25c.	[illegible]
[illegible]	25kr. 60	25kr. 62	[illegible]	[illegible]
[illegible]	11fl. 25c.	11fl. 27c.	[illegible]	11fl. 16c.
Italy ..... do.	[illegible]	[illegible]	80fr. 50	[illegible]
[illegible]	11d.	[illegible]	[illegible]	12d.
[illegible]	[illegible]	[illegible]	[illegible]	$3 56
[illegible]	[illegible]	[illegible]	$3 53¾	$3 57
Norway ...	26kr. 30	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	53fr. 05c.	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	49[illegible]	[illegible]
[illegible]	23fr. 81	23fr. 95	23fr. 87	23fr. 85
[illegible]	17kr. 44	17kr. 33	17kr. 22	17kr. 71
[illegible]	22fr. 18c.	[illegible]	[illegible]	22fr. 16c.
[illegible]	21fr. 64c.	21fr. 65c.	21fr. 55c.	[illegible]

ON LONDON	24,'20	17,'20	10,'20	Sept. 3,'[illegible]
[illegible]	97[illegible]	97[illegible]	97[illegible]	[illegible]
[illegible]	11fr. 25c.	11fr. 27c.	11fr. [illegible]	12·107c
[illegible]	33kr. 31	33kr. 07	32kr. 95	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	49fr. 22c.	49fr. 32c.	49fr. [illegible]	[illegible]
[illegible]	57[illegible]	56[illegible]	57[illegible]	[illegible]
[illegible]	1s. 10[illegible]	1s. 10[illegible]	1s. 10[illegible]	1s. [illegible]
[illegible]	26kr. 20	25kr. 63	25kr. 76	18·158kr.
[illegible]	25kr. 56	25kr. 65	25kr. 90	18·159kr.
[illegible]	127m.	114m.	110m.	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	81fr. 00c.	81fr. 50c.	80fr. 80c.	25fr. 22½c.
[illegible]	11fl.	11fl.	11fl.	53fl.
[illegible]	1s. 10[illegible]	1s. 10[illegible]	1s. 10[illegible]	[illegible]
[illegible]	23fr. 77	23fr. 95	23fr. 82	[illegible]
[illegible]	53fl.	57fl.	57fl.	51fl.
[illegible]	$3 68	$3 67	$3 68[illegible]	$3 68[illegible]
[illegible]	$3 47[illegible]	$3 48[illegible]	$3 50[illegible]	[illegible]
New York 60	$3 44[illegible]	$3 45[illegible]	$3 50	[illegible]
[illegible]	$3 48[illegible]	$3 49	$3 54[illegible]	$3 56
[illegible]	52fr. 07c.	52fr. 07c.	52fr. 42c.	26fr. [illegible]
[illegible] 90	12[illegible].	12[illegible]	[illegible]	16fl.
[illegible]	5s. 11[illegible]	6s. 0[illegible]	[illegible]	[illegible]
[illegible]	2s. 3[illegible]d.	2s. 3[illegible]d.	2s. 3[illegible]d.	[illegible]
Stockholm ..... do.	17kr. 54	17kr. 52	17kr. 21	18·159kr.
[illegible]	21[illegible]. 65c.	21[illegible]. 65c.	21[illegible]. 4	[illegible]
[illegible] 90	11[illegible]	11[illegible]	11[illegible]	18[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON	24,'20	17,'20		
Amsterdam, sight ...	39 87½	39 75c.	40 20c. for 1 guilder	[illegible]
[illegible]	32 50c.	[illegible]	48 69c. for 1 rupee	[illegible]
Buenos Ayres, cheques...	118 75	122 00	[illegible]	[illegible]
[illegible]	13 15c.	13 75c.	26 80c. for 1 [illegible]	[illegible]
Copenhagen, cheques ...	13 65c.	13 70c.	26 80c. for 1 kroner	26 85c.
Greece, cheques ...	10 42c.	10 50c.	19 295c. for 1 drachma	[illegible]
Hongkong, cheques*	47 5[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	23 10[illegible]	23 52[illegible]	[illegible]	[illegible]
Lims, cheques	4 99[illegible]	4 99[illegible]	[illegible]	[illegible]
Mexico, cheques ...	48 75c.	46 70c.	50c. for 1 peso	49 8[illegible]
[illegible]	10% disc.	[illegible]	[illegible]	[illegible]
[illegible]	14 75fr.	[illegible]	[illegible]	5·16fr.
[illegible]	[illegible]	[illegible]	[illegible]	51 37½c.
[illegible]	5 75[illegible]	5·53mil.	[illegible]	[illegible]
Shanghai, cheques ...	107c.	107·50c.	[illegible]	[illegible]
[illegible]	46 70c.	46 70c.	56 77c. for $1	[illegible]
[illegible]	11[illegible]	14 52[illegible]	[illegible]	[illegible]
Stockholm, cheques	20 00c.	20 25c.	26 80c. for 1 kroner	[illegible]
Switzerland, cheques ..	6 23fr.	6 24fr.	[illegible]	[illegible]
[illegible]	19 00c.	19 00c.	[illegible]	[illegible]
[illegible]	[illegible]	51 00c.	49 84c. for 1 yen	[illegible]

IV.—BANKERS' CLEARING-HOUSE RETURNS.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	£40,459
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	12,319
MANCHESTER ...	[illegible]	[illegible]	[illegible]	[illegible]
NEWCASTLE ...	[illegible]	[illegible]	[illegible]	[illegible]
NOTTINGHAM ...	[illegible]	[illegible]	[illegible]	[illegible]

V.—FREIGHTS.—According to Mc[illegible]

HOMEWARDS.	1920	1920	1913	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

	SEPT. 24, 1920.	SEPT. 26, 1919.	JUNE 30, 1914.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ton	231 0	166/0	57/0
— Middlesbro' warrants ton	225/0	160/0	51/0
— Hematite warrants ton	260 0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£22 10—£23	£8 10
— Common bars ton	£30 10—£32	£22 10—£23	£6 16
Steel Rails ton	£26	£16 10	£6 2/6
Galvanised Sheets ton	£41—£42	£32	£16 17/1
Copper—Standard ton	£96	£102—£102 5	£66
Tin—English Ingots ton	£266	£275	£142 15
— Straits ton	£272	£278	£139 10
Tinplates, I.C. Coke, S. Wales...bx	65/0—66/0	26/0—28/0	11/10½—12/0
Lead—Soft Foreign ton	£34 17/6—£35	£25 12 6—£26 5	£19
Spelter—Ord. Foreign ton	£40 17/6 £41 17/6	£41—£41 15	£21 7/9
Quicksilver—(75lb.) bottle	£18—£18 10	£23 10	£7
Aluminium lb.	£165 home	£156	£82
Antimony—Regulus Foreign ton	£43—£45	£42	£27 10
— English ton	£52—£55	£45	—
Coal—(best) Yorkshire ton	37 2—38 2	29/6—30/6	17/6
— Steam (best) Newcastle ton	50/2—55 2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, unrefined ton	15/6	9/4	7/4
Soda—Crystals ex wharf ton	110/0	129/0 —130/0	42/6—45/0
Copra—Malay and States ton	£87 10	£55 10 £23 15—£24	7/6
Gambier—Good marks ton	42 6 45 0	51/0	16/10½
Indigo—Bengal good to fine lb.	13/0—16 6	8/0—10/6	3/2—3/8
Linseed Oil—Raw ton	£85	£83	£25 5
Linseed—Calcutta, spot ton	£41—£41 10	£38	£13 16/8
— Cakes, U.K. made, ex mill ton	£22 5—£22 10	£25	£7 17/6
Olive Oil—Spanish ton	—	nom.	£49–10
Palm Oil—Lucca ton	£85	£87—£87 10	£31 10
Petroleum—American gallon	2/4	1/6½	7½d.
Rape Oil—Refined English ton	£90	£105	£32
Soya Oil—Refined ton	£80	£84	£24 10
Tallow—Imported cwt.	74/0—78/0	98/0—108/0	29/3—33/3
Turpentine—American cwt.	145 0	122/6	33/7½
Rape Seed—Toria ton	£56 10	£44—£45	£13 5
Rubber—Para, spot lb.	1/7½	2/6½	2/9½
— Fine plantation (crêpe) lb.	1 6½	2/2½	2/2
— World's Production† July tons	27,625	26,980	8,467
Shellac—T.N. Orange, fair cwt.	£40 0	482 6	63/0—64/0
TEXTILES.			
Cotton—Middling Upland lb.	24.96d.	19.65d.	7.53d.
— Egyptian, good fair lb.	41.50d	29.75d.	8.75d.
— Pernambuco fair lb.	23.48d.	22.45d.	7.79d.
— Midland Trd. New York lb.	31.00c	31.80c	13.25c.
— Stock, Liverpool† 17 ports bales	872,070	818,320	934,600
Flax—Petrograd, Yarasol ton	—	nom.	£28
Hemp—New Zealand ton	£56	£46 10—£47	£25 10
— Manila, Tair ton	£68 10	£47—£50	£26 10
Jute—Fine Marks ton	£60	£75	£26 15
— Red SCC ton	£48	£60	£24 15
Silk—Fine Elephant lb.	32/0	31/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	4/4	3/10	11½d.—1/0
— Lincoln Half Bred lb.	1 7½	2 0	1/0½
Hides—Ex. Ox, 16/20 lt. up lb.	13d.	12½d.—13½d.	7½d.
Leather—Dressing Hides lb.	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supplies U.S. bus.	42,610,000	103,405,000	34,640,000
—Red, price, N.Y. 60lb. bushel	270c.	237¼c.	67¼c.
—English Gazette, aver. 480lb. qr.	50 5	73/4	34/3
Flour—G.R. 280lb.	68/0	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	80 7	94 7	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	54.11	61/3	20/0
Maize—N.Y. (new bushel) 56lb.	—	165¼c.	76¼c.
— American, Liverpool 480lb.	nom.	nom.	32/4
— La Plata 480lb. qr.	73 0	65/0	25/9
Potatoes—Good English ton	200 0	168/0	70/0—75/0
Rice—Bassein cwt.	* 45/0	26/0	7/0—7/6
Tapioca—Pearl, medium cwt.	36/0—40 0	48/0	14/0—17/8
Hay—best 2-cl'n	—	—	82/6
Hops—English cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hinders 8lb.	6 8	6 6	3/8—3/10
— Scotch sides 8lb.	10/0	8 6	4/6—5/0
— English 8lb.	10/0	8 6	4/6—4/8
Mutton—Scotch, wethers 8lb.	14 8	9/0	5/6—6/0
— English wethers 8lb.	14 8	9/0	4/6—5/4
— New Zealand frozen 8lb.	4/0—4 6	7/0	2/4—3/2
Pork—English and Irish 8lb.	16 0	10 8	3/6—4/0
Bacon—Irish, delivered cwt.	†280 0	190 6	60/0—74/0
— Danish cwt.	†208 0	†187 0	58/0—68/0
— Canadian ex Port cwt.	†203 0	†187 0	—
— American ex Port cwt.	†160/6—187 0	†187 0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†218/0	†190/0	75/0—79/0
— short cut, ex Port cwt.	†218/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port cwt.	†156 6	†188 6	51/9—52 9
Butter—Danish cwt.	†303/4	†252/0	117/0—120/0
— French cwt.	†303/4	†252/0	96/0—108/0
— Australian cwt.	†303/4	†252 0	98/0—110 0
— New Zealand cwt.	†303/4	†252 0	108/0—114/0
Cheese—Canadian cwt.	†160 0—162 0	†144 8	66 0—68/0
— United States cwt.	—	†144/8	—
— Dutch cwt.	†94/0—168/0	†144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Aug. 31 cwt.	19,047,713	22,393,365	19,777,254
— Home consumption to Aug. 31 cwt.	16,176,823	20,077,635	17,272,000
— In Bond Aug. 31 cwt.	7,958,000	7,987,000	6,308,000
— Price, Java, 96 Test cwt.	70 0	36 0	10 3
— — Yellow crystals cwt.	112 0	57 9	12 6—14 0
— — Tate's cubes No. 1 cwt.	116 0	64 9	18 0
Coffee—Imports to Aug. 31 cwt.	624,433	881,115	720,360
— Home consumption to Aug. 31 cwt.	506,775	706,677	141,410
— Exports to Aug. 31 cwt.	316,451	383,750	340,250
— In Bond Aug. 31 cwt.	625,000	886,000	484,000
— Price, Costa Rica gd. to fine cwt.	128 0—148/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good cwt.	60/0—64/0	68/0	41/6
Tea—Imports to Aug. 31 lb.	286,894,974	289,895,5[illegible]	123,230,77[illegible]
— Home consumption to Aug. 31 lb.	247,969,09[illegible]	255,90[illegible]	155,447,972
— Exports to Aug. 31 lb.	27,501,978	18,722,76[illegible]	26,561,765
— In Bond Aug. 31 lb.	222,478,000	133,138,000	78,292,000
— Price, Indian Com. Sorts, gd. lb.	60	1 4	8½
— — Ceylon, Pek. Sou. Ord. lb.	55	1 4	8½
— — Common Congou lb.	—	1 4	8½
Cocoa—In Bond Aug. 31 cwt.	1,547,000	1,409,000	309,000
— Grenada, good to fine cwt.	78/0—80 0	85 0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	July	$17,376,000	+2,656,000	$1,819,000	—$1,377,000
	7 mos. to July	109,434,000	+17991000	13,047,000	— 2,136,000
Grand Trunk	July	£1,560,000	+ £322,700	£210,400	— £22,900
	7 mos. to July	8,438,100	+1,222,500	225,500	— 324,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
INDIAN.							
Assam Bengal	Aug.	1,044	R1,89,012	+ 3,513	20	40,00,642	+ 2,17,475
Barsi Light	Aug.	118	2,832	+ 9,100	21	6,97,900	+ 20,300
Bengal & N.W.	Aug.	2,067	4,18,800	+ 3,67,847	20	1,01,65,271	— 2,83,425
Beng. Dooars	Aug.	158	25,937	— 12,912	20	5,68,152	— 9,474
Beng. Nagpur	Aug.	2,695	10,25,000	— 51,000	20	2,45,53,000	— 15,74,000
Bomb. Baroda	Sept.	2,871	16,31,000	+ 1,97,000	24	4,32,82,000	+ 19,20,000
Burma	Aug.	1,342	4,63,267	+ 17,169	20	1,07,96,642	— 39,324
Del. Um. Kalk.	Sept.	11	239	80,400	— 38,083	24	22,49,360	— 17,106
East Indian	Sept.	1,872	26,36,000	— 3,39,000	25	6,83,27,000	+ 40,87,000
Gt. Indian Pen.	Sept.	11	23,88,800	+ 3,67,200	24	5,92,02,500	+ 6,74,853
Madras & S.M.	Aug.	28	3,152	11,75,000	— 71,066	21	2,73,47,290	+ 1,44,305
Nizam's Guar.	Nov.	14	900	2,67,610	+ 28,412	19	66,80,088	+ 13,450
Rob. & Kumn.	Aug.	21	576	88,225	— 13,369	20	24,44,746	+ 1,95,174
South Indian	Aug.	21	1,852½	8,11,962	+ 88,681	20	1,65,74,586	+ 5,86,008
South Punjab	Sept.		716	9,72,545	+ 4,27,205	1*m*	—	—
COLONIAL								
Can. Northern	Sept.	14	9,704	$1,473,600	+ 259,400	36	40,434,923	+ 6,541,024
Can. Pacific	Sept.	14	13,388	4,268,000	+ 495,000	36	135,258,000	+ 21,170,000
Grand Trunk	Sept.	14	3,616	£382,630	+ 54,143	36	10,794,787	+ 1,467,424
Mashonaland	June		810	91,152	+ 21,431	9*m*	662,619	+ 178,922
Mid. W. Aust.	July		277	8,036	+ 1,466	1*m*	—	—
NewCapeCent.	Aug.	14	205	2,[illegible]	— 57	53	99,793	+ 16,985
Rhodesia Rlys.	June		1,397	134,202	+ 29,272	8*m*	—	—
Temiscouata	June		—	$35,369	+ 6,147	6*m*	187,427	+ 11,302
W. Pass. & Yuk	Dec.		122	1,568,626	+ 124,546	12*m*	1,368,626	+ 124,546
FOREIGN.								
Argentine.								
Arg. N. East...	Sept.	17	752	£ 13,500	+ 100	11	133,400	+ 9,900
Arg. Transand.	Sept.	18	211	£ 2,579	+ 2,119	12	18,778	+ 13,330
B. A. & Pacific	Sept.	18	3,536	£ 103,000	— 47,000	12	1,580,000	+ 26,000
B.A.Gt. South	Sept.	18	3,792	£ 153,000	— 33,000	12	1,840,000	— 231,000
Do.	Sept.	18	Net	£ 28,000	— 45,000	12	153,000	— 409,000
B. A. Western	Sept.	18	1,882	£ 74,000	— 32,000	12	843,000	— 265,000
Do.	Sept.	18	Net	£ 4,000	— 38,000	12	132,000	— 209,000
B. A. Central	July		190	£ 54,127	+ 9,106	1*m*	—	—
Cent. Argent.	Sept.	18	3,305	£ 206,000	+ 23,000	12	2,327,000	+ 559,000
Cord. Central	Sept.	18	1,205	£ 56,700	— 8,500	12	669,000	— 31,250
Entre Rios	Sept.	11	811	£ 21,100	— 900	11	228,300	— 4,500
Brazilian.								
Brazil Gt. South	Aug.		110	M 41,000	— 5,250	8*m*	372,950	— 23,471
Brazil Railway	Dec.		3,530	M 4,859,000	— 141,271	12*m*	57,772,000	+ 7,819,243
Gt. W. Brazil	Sept.	18	1,010	£ 17,700	+ 700	37	794,700	+ 95,700
Leopoldina	Sept.	18	1,831	£ 62,502	+ 6,002	36	1,981,342	+ 518,831
Mogyana	Dec.		1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,851
Paulista	Dec.		766	M 2,650,000	— 806,038	12*m*	32,479,000	+ 1,225,892
San Paulo	Sept.	19	1534	£ 47,685	+ 11,870	37	1,722,398	— 445,747
Sorocobana	Dec.		1,003	M 1,749,000	— 246,168	12*m*	21,953,000	+ 975,698
S.of Bahia S.V.	July		52	M 130,000	+ 18,000	7*m*	601,000	+ 89,000
Chilean and Peruvian.								
Antofagasta	Sept.	19	838	£ 44,665	+ 22,630	37	1,739,365	+ 800,790
Arauco	June		84	£ 12,000	+ 500	6*m*	76,000	+ 10,700
Nitrates (2wks.)	Sept.	15	390	£ 18,562	+ 30,132	34	720,010	+ 397,838
Peruvian Corp.	Sept.		1,140	S 1,191,793	+ 25,511	2*m*	2,324,145	+ 99,311
Talca	Aug.		180	£ 33,510	+ 24,967	2*m*	59,033	+ 43,035
Cuban.								
Cuban Central	Sept.	18	362	£ 22,745	+ 6,955	12	265,937	+ 64,321
Havana Cent.	Sept.	11	70	£ 13,190	+ 3,725	11	136,353	+ 28,665
U. of Havana	Sept.	18	681	£ 67,506	+ 13,378	12	789,994	+ 137,155
W. of Havana	Sept.	18	165	£ 11,164	+ 2,895	12	141,725	+ 34,393
Uruguayan.								
Cent. Uruguay	Sept.	18	273	£ 17,879	— 1,032	12	216,868	— 17,335
,, (N. Ext.)	Sept.	18	311	£ 4,703	+ 381	12	54,524	— 166
,, (N. Ext.)	Sept.	18	185	£ 2,507	— 1,862	12	32,594	— 9,170
,, (W. Ext.)	Sept.	18	211	£ 2,662	— 17	12	26,444	— 1,551
Mid. Uruguay	Aug.		319	£ 17,873	— 1,389	2*m*	33,829	— 2,779
N.W. Uruguay	Aug.		113	$ 5,774	— 255	2*m*	11,702	— 813
Urug. Northn.	Aug.		73	£ 2,287	+ 93	2*m*	4,202	+ 153
Miscellaneous								
Alcoy & Gandia	Sept.	4	33	Pts. 10,000	+ 3,000	35	468,300	+ 100,900
Bilbao	Aug.		15	£ 2,712	+ 622	8*m*	27,188	+ 6,615
Bolivar	Aug.		136	£ 7,504	— 998	8*m*	85,497	— 9,140
Colomb. Natnl.	June		86	£ 21,540	+ 5,380	6*m*	108,150	+ 33,870
Costa Rica	June		189	£ 23,119	+ 781	12*m*	317,253	+ 48,254
Dorada Ext.	July		70	£ 18,500	+ 3,500	7*m*	118,178	+ 45,078
Egyptian Delta	Aug.	31	559	£ 15,282	+ 4,372	22	190,872	+ 90,782
Gt. S. of Spain	Sept.	11	104	Pts. 103,080	+ 37,689	37	3,213,811	+ 866,925
La Guaira & Ca.	Aug.		22	£ 12,850	+ 3,650	8*m*	112,600	+ 46,410
Ottoman Rys.	Sept.	11	379	£ 18,176	— —	—	—	—
Pataguay Cent.	Sept.	18	274	£ 2,591	+ 636	11	59,690	— 2,700
Puerto Cabello	Aug.		34	£ 5,250	+ 1,250	8*m*	44,000	+ 7,875
Salvador	Sept.	11	100	£ 3,388	— 149	11	34,411	— 2,231
Santa Fe Prov.								
French Rys.	July		1,181	£ 149,864	+ 976	7*m*	1,129,304	+ 3,076
Sta. Fe Northern	Aug.		80	£ 11,460	+ 5,500	8*m*	122,083	+ 23,375
Zafra & Huelva	Aug.		112	£ 11,422	+ 5,559	7*m*	84,852	+ 20,537
TRAMS.								
Anglo-Argent.	Oct.	19	400	£ 79,336	+ 13,504	37	2,790,302	+ 691,219
Auckland Elec.	June	30	27	—	—	52	282,502	— 2,063
Bombay Elec.	July		39	R. 8,40,311	+ 77,990	5*m*	39,77,054	+ 5,50,851
Brazilian Tr.	July		3784	M 11,745,000	+ 1,675,000	7*m*	72,785,000	+ 8,752,000
Brisbane Elec.	Aug.		40	£ 46,850	+ 4,105	8*m*	367,590	+ 63,190
Brit. Columbia	July		334	$ 642,090	+ 98,110	1*m*	—	—
B. A. Lacroze	Aug.		61	£ 63,952	+ 7,166	2*m*	105,460	+ 13,392
Calcutta Elec.	Sept.	18	35	R. 19,898	+ 1,911	39	34,54,396	+ 2,89,433
Cap. Electric	May		42	£ 30,560	+ 2,010	5*m*	3,09,204	+ 34,720
Carth. & Herr.	Aug.		9	£ 3,721	+ 730	8*m*	36,491	+ 12,526
Chatham's Dist.	Sept.	8	15	£ 1,958	+ 103	36	62,662	+ 6,627
Havana Elect.	May		86	$ 946,301	+ 205,997	5*m*	4,587,376	+ 1,010,561
Isle of Thanet	Sept.	15	20	£ 2,462	+ 280	50	60,568	+ 13,388
Kalgoorlie	June		20	£ 3,029	+ 383	6*m*	17,943	— 454
Lanarkshire	Sept.	9	28	£ 4,474	+ 1,171	36	151,879	+ 21,456
Lima Light	July		85	£ 59,655	+ 10,653	7*m*	402,886	+ 70,800
London C.C.	Sept.	22	141	£ 87,273	+ 9,181	24	2,130,391	+ 100,302
Madras (2wks.)	Sept.	15	15	R. 55,962	+ 4,769	34	8,45,941	+ 1,48,488
Manila Electric	July		55	$ 282,260	+ 92,607	7*m*	1,904,254	+ 488,095
Pernambuco	Sept.	19	69	£ 5,684	— 513	37	258,512	+ 64,684
Provincial	Aug.	14	21	£ 4,977	— 129	46	150,382	+ 14,392
Rangoon Elec.	Aug.		25	£ 7,856	+ 1,361	8*m*	56,786	+ 11,578
Shanghai Elec.	Aug.		284	M $1,857,000	+ 13,403	8*m*	1,175,854	+ 177,854
SingaporeElec.	Aug.	21	26	$ 18,289	+ 3,717	32	801,821	+ 162,326
U. of Montevid.	Aug.		90	£ 42,771	+ 7,898	10*m*	429,706	+ 60,767

The Statist.

LONDON, SATURDAY, SEPTEMBER 25, 1920.

THE WORLD'S COAL SHORTAGE.

In the verbatim report of the first conference at the Board of Trade between Sir Robert Horne and Mr. Smillie, the latter is represented as having repeatedly asked for an impartial inquiry into the causes of the present reduced output of coal in the United Kingdom. In face of the greater issues of the moment the subject was set aside, but we hope only temporarily, as it is one in which every citizen, both in his private capacity and as an economic unit in the life of the nation, is interested. As matters stand at present, the world is verging towards an acute coal crisis, the gravity of which will be seriously accentuated by any cessation of production in British mines. To enable our readers to grasp the extent of the world's coal shortage, we show in the following table for different countries the normal production and consumption and the normal imports and exports:—

			Deficit.
	Tons.	Tons.	Tons.
United States	600,000	30,000	
United Kingdom	220,000	240,000	20,000
Germany	119,000	112,000	7,000
France	36,000	60,000	24,000
Italy		12,000	12,000
Belgium	24,474	22,000	2,474
Poland	6,000	13,000	7,000
Austria	2,040	13,872	11,832
Czecho-Slovakia and Jugo-Slavia	17,500	15,000	2,500
Spain	4,000	1,151	2,849
Holland	2,400	10,000	7,600
Denmark	—	1,000	1,000
Sweden	500	5,000	4,500
Norway	—	2,000	2,000
Portugal		1,000	1,000
Canada	13,000	30,000	17,000
Argentina and Brazil		6,000	6,000
Australia	12,000	10,000	2,000
Other Countries	5,200	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Net deficit 72,097,000 tons.

In the case of the United States the possible production for the year of both bituminous and anthracite coal is given, and the exports are returned at the figure estimated by leading authorities. For the United Kingdom, the comparatively low estimate which has been included compares with a pre-War production of from 250 million to 280 million tons. Our present exports at 20 million tons represent less than one-tenth of the output, though, in the years before the War the coal shipped abroad, including coke and patent fuel converted into their equivalents in coal, amounted practically to one-fourth of the output, and with the addition of coal shipped as bunkers in foreign-going vessels, amounted to nearly one-third. Exclusive of bunkers, the exports of British coal to all countries in 1913 was 73,400,000 tons, and the diminution in 1920 contrasts markedly with the expansion in the United States, a change that American shipowners have not been slow to turn to their advantage. American exports from 1912 onwards have been:—

	Tons		Tons
1912	17,889,000	1916	23,252,000
1913	20,500,000	1917	24,169,000
1914	19,661,000	1918	25,804,186
1915	15,905,000	1919	22,412,905
	1920 (January to June)		14,018,177

Record figures supplied by the Geological Survey of New York.

Inclusive of foreign bunkers—21,037,000 tons—our total exports in 1913 reached 94,437,000 tons; but now America threatens the position, though it is not easily regained, since we have the great advantage of close proximity to the Continental markets, which are the principal customers for coal.

The statistics included for Germany are based on the 1919 output, which, exclusive of Lorraine and the Saar area, was 116 million tons. A slight increase has been allowed for. The production and the requirements of ceded territory have, of course, been omitted from the calculation, but we have not taken account of the twenty-four million tons per annum which, according to the Spa agreement, are to be divided amongst our Allies on the Continent, France and Italy receiving the major portion. If only seven million tons are available in the ordinary way for export, as is shown in the table, the remainder must be found by a drastic curtailment of home consumption. But it is not unlikely that the agreement may fail to be carried out to the letter, and as the amounts which may be delivered under it are, therefore, uncertain, they have been omitted. In the case of France, Italy, and Belgium, however, the figures of production have been raised to allow for the receipt of some portion of this Treaty coal. For Poland the estimated production is based on the 1919 output, which was 5,900,000 tons. The result of the plebiscite in Upper Silesia may be that Poland will find a new addition to its productive capacity; but, though this would reduce the Polish deficit, it will diminish *pro tanto* the supplies available for other countries, and so not affect the final result. On the basis of the above table, the aggregate world's coal shortage in the coming year will be 72,097,000 tons, and any stoppage of work in the mines, either here or abroad, will further increase the gap between production and requirements. The possible substitutes for coal are few, and in themselves inadequate, as difficulties of supply arise here also. Oil has already become scarce; wood-fuel, though extensively used in Norway, Sweden, and other countries, is admittedly unsuitable for many purposes. The development of water-power in countries naturally poor in coal has made some progress, especially in Switzerland and Italy, but [illegible] in a sufficiently short period to avoid hardship, and perhaps worse, if the situation is aggravated by dislocations in any of the chief producing countries. In the following table we give statistics for these countries, and estimated outputs for the world in various years since 1870:—

World's Coal Production, 1870-1918.

(In tons of 2,000 lb., 000's omitted.)

	United Kingdom	Germany	[illegible]	[illegible]	%
	Tons	Tons	Tons	Tons	
1870	[illegible]	37,190	33,038	236,740	14·0
1880	[illegible]	65,179	37,182	368,746	19·5
1890	[illegible]	98,400	137,770	663,700	[illegible]
1900	[illegible]	164,801	268,695	[illegible]	[illegible]
1910	[illegible]	245,039	[illegible]	1,279,016	[illegible]
1913	[illegible]	305,700	[illegible]	[illegible]	[illegible]
1914	[illegible]	270,611	[illegible]	1,347,618	[illegible]
1915	283,560	258,585	[illegible]	1,410,700	[illegible]
1916	287,117	234,111	[illegible]	[illegible]	[illegible]
1917	278,289	246,910	651,100	1,419,700	[illegible]
1918	[illegible]	210,[illegible]	[illegible]	[illegible]	[illegible]

The percentage of American production has grown steadily, and now amounts to almost one-half of the world's output. Though the exportable surplus, as may be seen from the first table, is at present in excess of our own, it will still need the combined efforts of all countries to maintain supplies adequate even to [illegible] needs of the world.

AUSTRIAN INDEBTEDNESS.

In reading the Treaty of St. Germain one is immediately struck by its similarity to the Treaty of Versailles. The two seem drawn on a single model, and the provisions of one are reproduced in the other. Chimerical as now appear the hopes raised by the elaborate reparation and indemnity provisions in the Treaty with Germany, like hopes of [illegible] appear equally unreal in the Treaty of St. Germain. [illegible] Austria is [illegible] smaller and more compact than Germany, and the [illegible] of the Hapsburgs. If the [illegible] of the Austrian Empire [illegible] Austria [illegible] industries [illegible] Austria [illegible] Austria [illegible] Austria

become largely dependent on outside sources for supplies of food, coal, and raw materials; and, finally, has lost its seaboard. With the cession of the industrialised areas of Bohemia, Moravia, and Silesia, the country has been shorn of eighty per cent. of its productive capacity as regards textiles, and of percentages varying from sixty to seventy in the case of other industrial groups. Formerly self-supporting, it now requires to import practically three-fourths of its food. Upper and Lower Silesia are the only two fertile provinces, the remaining districts of Styria, Carinthia, Salzburg, and the Tyrol being very mountainous and unsuited to cultivation.

The new Austrian Republic has left to it the timber industry with its concomitant, paper manufacture, and various iron and steel works, engaged mainly in the production of engines and automobiles. Coal and raw material are, however, lacking, and with the pound at 805 kronen, as compared with a pre-War parity of 24.02 kronen, it is difficult to finance imports even if supplies were forthcoming. Austria's monthly requirements of coal are 1,156,000 tons. If we take seventy per cent. of this, or 800,000 tons, as the minimum, we find that Austria's production, which is approximately 170,000 tons per month, falls short of the amount by 630,000 tons. The monthly imports are 410,000 tons, leaving a deficit of 220,000 tons. These figures refer to soft coal; and in regard to hard coal and coke, the position is even worse.

While it suffers from the economic handicap which this great shortage of fuel entails, it is difficult to expect any material recovery in Austria, and the settlement of our claims on that country is inevitably held up. Apart from claims as between Governments, the debts of Austrian to Allied nationals fall into two categories: those repayable in the currency of the particular Allied country, and those repayable in Austrian currency. As regards Great Britain, by far the greatest portion of the obligations are pound sterling debts; while, on the other hand, Austrian obligations to France are mainly in kronen. The extent of the pound sterling debts is probably between five and six millions; and while the other variety is much less, one of the provisions of the Treaty is that kroner obligations have to be paid in the currency of the creditor country at pre-War rates of exchange. This, of course, involves additional hardship, and, moreover, to remit one million pounds, which would require only 24,020,000 kronen before the War, now requires 805 million kronen. The figure of five and a-half million pounds, taking this as the amount of the sterling debts, would, therefore, require 4,427,000,000 kroner. As a set-off, however, there is the amount of Austrian claims on England because of bank deposits and property held by Austrian subjects here prior to the outbreak of the War. These sums have been found to be much larger than was at first expected, and under the Treaty they are liable to be held in satisfaction of British claims. The Austrian Government is jointly responsible with the real debtors for both the sterling and the kroner debts, and, in regard to the latter, must undertake their collection at once, in addition to providing for interest at the rate of five per cent. per annum. The various items entering into the international account between the two countries may be set out according to the information at our disposal, as follows:—

DEBTOR.

Property in Austria belonging to persons in U.K. ...	£17,555,000
Debts due by Austrians	15,115,000
Total	£32,670,000

CREDITOR.

Property in United Kingdom belonging to Austrians ..	£17,694,000
Debts due to Austrians	2,184,000
Total	£19,878,000
DEFICIT IN VISIBLE AUSTRIAN ASSETS	£12,792,000

This table takes no account of the proceeds of the sale of certain property that has already been liquidated. It shows a balance owing to us of £12,792,000, but in certain Austrian quarters lately the balance has been placed at an even higher figure.

The establishment of a Clearing Office in each country for the purpose of settlement was recently announced. This does not preclude the possibility of direct communication between the parties affected, with the consent of the Clearing Offices. To facilitate these private arrangements, Austrian property here may be released, with the proviso that debts due to Austrians must be used to offset more than their equivalent in pounds sterling. For example, £1,000 owed by a person in the United Kingdom to an Austrian must be taken in satisfaction of a debt of, say, £1,300 to a resident in the United Kingdom by an Austrian. The greater part of the sums owed in England is, we have ascertained, due by Austrian bankers in respect of acceptances by English banks of bills financing imports, particularly of raw materials such as cotton and wool, into Austria. The Austrian Government is, further, bound to pay half-yearly, commencing with March 31, 1921, £250,000, or 140 million kronen, whichever is the greater, reducible each half-year by a certain amount. The first payment is to include the proceeds of liquidation of the property of British nationals in Austria. These annual payments of £500,000, in addition to the responsibility for kroner and sterling debts, constitute a burden which the Austrian Government will almost certainly be unable to carry. During next year it is anticipated that food to the value of thirty-five million pounds must be imported, and the financing of this large movement will occasion no little difficulty, especially in view of the depreciation in the kroner since June last, the extent of which may be gathered from the following table:—

Exchange Rates between Vienna and London during 1920.

	K roner to £		Kroner to £
January	975 to 1,175	July	550 to 557
February ...	1,100 to 1,175	August	630 to 650
March	830 to 950	September 1 ...	765 to 790
April	790 to 800	September 20 ...	770 to 800
May	790 to 810	September 21 ...	800 to 810
June	560 to 620	September 24 ...	775 to 825

PRICE VARIATIONS SINCE THE ARMISTICE.

It need hardly be pointed out that many of the present-day social and economic disorders are due to the rapidity with which prices have been prone to fluctuate ever since the removal of the gold standard at the outbreak of the War. In pre-War days price fluctuations were so tame as to be of little importance except over long periods, and they were accordingly only of academic interest. Now, on the other hand, commodity prices are liable to a greater change within a single month than they were formerly within several years, and so their movements are of supreme interest to all classes—workers, manufacturers, and consumers alike. It is not surprising, therefore that greater interest should be shown in index-numbers than ever before.

At the moment the general price-level seems to be at a standstill, and has been so for the past two months; indeed, for the month of August price changes were the smallest since the commencement of the War. The present is, therefore, an opportune time to review the course of commodity prices during the period since the country began to resume its peace-time activities. Broadly speaking, the general level of commodity prices fell for the first six months after the cessation of hostilities, but in April 1919 renewed its War-time advance until April of this year, when the peak was reached. The price-level was then 127.3 per cent. above that of June 1914. Since April prices have declined month by month until July, when a period of stagnation began, the total decline during the past four months being 4.7 per cent. At the end of August, according to THE STATIST'S index-numbers, compiled

from the prices of forty-five of the most representative commodities, the general level of prices was 28·7 per cent. above the average for the three months August, September, and October, 1918, which may be taken to represent the level ruling at the time of the Armistice. As compared with the average for the three years 1912-14, it had advanced 112·2 per cent. Reverting to former landmarks in the course of commodity prices, the August level is forty-eight per cent. above that ruling before the close of the Napoleonic wars, 128 per cent. above the average for 1873, after the Franco-Prussian war, 222 per cent. above that for 1908, following the financial crisis in New York, and 286 per cent. above that for 1896, the year of lowest prices.

The following table shows the quarterly movements of the different groups of commodities since the Armistice. For each group the level of prices ruling at the time of the Armistice has been taken as equal to 100; the figures, therefore, represent percentages of that level:—

Quarterly Movements of Prices since the Armistice.

	Food-stuffs	Ma-terials	Total
[illegible]	103·5	96·7	99·3
[illegible]	93·1	92·6	95·5
[illegible]	97·4	98·6	97·9
[illegible]	102·1	110·1	107·3
[illegible]	113·2	121·0	116·8
[illegible]			
I.	121·2	135·0	129·8
II.	136·9	129·4	132·4
III.	133·4	122·9	129·6
Average	136·9	123·6	128·7

Comparing first the movements in the two main categories of foodstuffs and materials, we find that the latter shows much more violent fluctuations, a fact due to the smaller extent of Government control over the commodities comprised therein. It will also be noticed that, while materials declined again after the rise which followed the post-Armistice break in prices, foodstuffs, on the other hand, show, with the exception of a seasonal fall in August, a steady advance since the lowest point touched in the first quarter of 1919, so that foodstuffs are now 36·9 per cent. above the Armistice level, as against 23·6 per cent. in the case of materials.

The causes of these divergent movements are of interest, as they will probably be powerful factors in determining the future course of prices. Considering first the case of foodstuffs, the main cause of the continued appreciation in value was the decontrolling of various commodities just at the period when the prices of commodities in the materials group were beginning to show a downward tendency. This was especially illustrated in the animal-food group, where pork and pork products and home-killed beef and mutton advanced immediately after the removal of Government control. The movements in the remaining two groups of the category were due to influences peculiar to themselves. In the case of vegetable food, comprising chiefly cereals, the sharp advance in the second quarter of this year may be ascribed mainly to panic talk of a world-wide crop shortage [illegible] the spring; and the subsequent decline was induced by the publication of statistics showing that famine fears were groundless. That this decline will continue during the coming months is not likely, considering the present low level of the American exchange, a level considerably below that of any previous autumn, and it must be remembered that the bulk of our grain imports has yet to come. In the case of sugar, coffee, and tea the movements were more violent than in any other group, on account, of course, of the fluctuations [illegible] the average level of these commodities in the second quarter of this year was nearly double that of the quarter August-October 1918. The enormous demand for sugar which arose in the United States after the adoption of prohibition, in face of reduced crops of both cane and beet sugar, was the primary cause of this violent movement. During the past few months the amount of sugar imported into the United States has been the greatest for any similar period in the history of the country, and it seems to have been in excess of requirements. At any rate, prices for sugar have latterly shown a downward trend in America, and we have been able to increase our own supplies. As there are only three commodities in this group, the violence of the changes was reflected only to a small extent in the general movements of the foodstuffs category.

The chief factors which brought about a decline in the material category since the first quarter of the current year have their origin in financial developments. Large stocks of commodities were being carried on borrowed money in expectation of higher prices at a time when the lending power of the banking community was being diminished. The result was that the banks began to press for repayment of loans made for these speculative purposes, and the accumulated stocks had to be unloaded rapidly on the markets. This was notably true in the case of textiles, in which the fall was most rapid. It was also true in the case of some minerals, but here its effects were nullified by advances in other commodities in the group. The movements in the sundry materials group, which comprises the least important commodities, were of a comparatively tame nature.

In the final Index-Numbers column of the table it will be noted that the present level is below that of the opening three months of the year.

Taken in conjunction with the above table for the United Kingdom, the following will prove interesting as showing how prices moved in other countries since the Armistice. As before, the average for the three months, August-October 1918, has been taken as equal to 100 in each case:—

International Wholesale Price Movements since the Armistice.

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919							
I.	95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
II.	90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
III.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IV.	110·3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920							
I.	[illegible]	[illegible]	110·5	[illegible]	[illegible]	[illegible]	[illegible]
II.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	126·5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

In all the above foreign countries, as in the United Kingdom, a fall in the price-level followed the cessation of hostilities, but in only two cases, the United States and Sweden, is the present level below that ruling at the time of the Armistice. The extent of the fall ranges from 2·3 per cent. for Italy to ·3 per cent. for Japan. The figures for France and Italy [illegible] countries the post-War decline continued into the second quarter of 1919, the subsequent reaction was much more rapid in the case of France, for which the net advance in prices since the Armistice was the greatest for any of the countries comprised in the table. It will be noted that in the United States prices did not rise very much above the Armistice level. The Federal Reserve Board, however, intervened [illegible] a rigid policy of deflation. The result of these efforts may be seen in the table. The factors which influenced price movements in Japan since the Armistice

are worthy of separate study, but space forbids us to give more than a general outline. They are bound up with developments which had been going on in the country all during the War, chief among which were an inordinate speculation in nearly every commodity and a rapid inflation of currency and credit. When hostilities ceased, the demand for Japanese goods began to weaken, but speculation continued and inflation become more pronounced, with the result that only a minor fall in prices took place. Subsequently, the markets for Japan's products became narrowed still further, and a series of financial crises took place, bringing about violent fluctuations in the commodity markets. A glance at the figures for Japan in the table will give an indication of the extent of these fluctuations.

IMPERIAL EXCHANGES.

The banking community has served at times as a text for mistaken homilies on conservatism, and it is all the more refreshing, accordingly, to see this imputation disproved by the closely-reasoned proposal of one of our London bankers for the stabilisation of inter-Empire exchanges. In an address delivered at Toronto before the Congress of Chambers of Commerce of the British Empire, Mr. John F. Darling suggested that to develop Imperial resources and promote Imperial trade a common currency should be established for the Empire in which the precious metals should not be used as the primary basis, because their sources of supply are uncertain, and subject to change, while the demand for these metals for currency purposes has to compete with demands coming from industry and the arts, and from various countries such as India and China, where they serve a multitude of purposes. The main basis proposed is the self-liquidating bill of exchange payable in London. The suggestion may, we admit, seem revolutionary, but it is not altogether novel, since, to take a leading example, the United States already use bills of exchange, under the Federal Reserve Act, as a partial basis for currency. Latterly bills of exchange have by statute been added to gold as a currency foundation in South Africa. The bills would be drawn, in Mr. Darling's scheme, only against movements of commodities within the Empire or between it and foreign countries. An Imperial currency is a necessary item in the framework, especially as bills of exchange of the kind mentioned might not provide a sufficiently wide basis for the monetary systems of the Empire. Instead of going into circulation the Imperial Notes would be used as a base for currency expansion. To handle the project the establishment of a Central Bank is recommended by Mr. Darling, not competing in ordinary banking business, but acting as the banker of the various Governments concerned and of other banks. The head office of the new institution would be in London, with branches throughout the Empire, and, in addition to supervising the note issue, it would hold all the reserves, issuing cable transfers at par when required.

The idea is something more than merely Imperialistic, since the operation of the scheme, if initial difficulties were overcome, would undoubtedly stimulate trade, speed up credit machinery, and enable us to present a united front to foreign exchanges. Exchange conditions are, for example, very trying in Canada, where the dollar stands at a premium compared with sterling, but at a discount compared with the United States dollar. Similarly in India the rupee exchange, which was once described as neither a gold nor a gold-exchange standard, has recently been based on gold, though with what success the experiment will meet cannot yet be determined. In South Africa, as Mr. Darling points out, the exchange has with increasing difficulty been kept not so very far from sterling. Up to a short time ago South African exporters could negotiate all bills at par, and foreign exchange was thus a factor of minor importance in their calculations. When the South African banks fixed a rate of discount of six per cent., exporters grumbled loudly, and their complaints have not yet ceased. Here is a typical instance where the adoption of Mr. Darling's proposal would be of service. The sterling par has been kept practically intact in Australia and New Zealand, but the position is one of increasing difficulty.

Attempts to unify the currency throughout the Empire would provoke a storm of opposition, based partly on political, partly on economic grounds. Besides, such a course would involve the forfeiture by the Dominion Parliaments of their sovereign rights as regards currency, to which they are unlikely to consent now, whatever might have been their attitude in the days before they assumed a status of practical independence. Moreover, the economically weak members of the Empire would benefit at the expense of the strong, and an altruistic surrender of their advantage on the part of the latter is scarcely to be expected. It might also be urged that the United Kingdom was zealously seeking to conserve its financial position by drawing to it the resources of overseas Dominions. The proposal is, however, of a striking character, and deserves to be thoroughly ventilated at the Imperial Conference. We might add that the late Sir Edward Holden was a staunch supporter of the bill on London as a basis in a monetary scheme. In Germany prior to the War the Reichsbank could issue notes against gold and also against first-class bills bearing certain names, and the elevation of the bill to a similar function in these countries might on investigation prove to be advisable.

NITRATE POSITION.—IV.

Having dealt with what may be termed the historical and commercial sides of the industry, we will pass on to a short description of the pampas and the method of working them.

So far the leading geologists and chemists who have studied the pampas have failed to agree as to the originating causes of the wonderful deposits which are peculiar to Chili. By some it is contended this part of the coast has been submerged many times, and that the deposits of caliche are the product of gigantic accumulations of seaweed and other marine plants. Others trace the origin to extraordinary volcanic or electrical disturbances; another body of scientists attribute it to unknown centuries of subterranean filtration from the Andes, and so on. But as so many specialists can apparently find no common ground of satisfactory explanation, it would be idle for us to speculate too deeply thereon. We must accept them, as we have to accept so many other marvels, and these barren stretches of desert, incapable as they are of producing, and yet the means of intensifying the production of other distant lands, are truly marvellous and in a way beautiful. The last adjective may be questioned by those who know these grounds only by hearsay or report, but at certain hours of the day, and more particularly perhaps at night, the colouring of the hills and plains is most weird and charming. The loneliness, the clarity of the air, the pale blue of the sky, the glitter of the stars, make themselves felt in a subtle and weird manner which appeals strongly to one's imagination and senses. There is but little animal and vegetable life—a few stray foxes, or animals resembling them, some birds and small lizards fed by the innumerable flies, which in certain oficinas where proper sanitary and other precautions are not observed are most unpleasant. Round some of the oficinas small gardens have been cultivated, to which birds of paradise, strangely enough, find their way, and here and there are little oases and chacras, the growths of which are most restful. Of water there is a great scarcity, and

often this important [illegible] miles by pipe-lines to the oficinas. When found, it is sometimes potable, but is generally [illegible] and unfit for man or beast.

The working of nitrate [illegible] depends to a great extent upon their character. The caliche is found from two to thirty feet from the surface. In the first instance a hole is bored [illegible] known as a "barretero." This is a tedious process, and in some oficinas a jack-hammer drill is employed, but, although many of these are in operation, certain improvements will have to be effected before they can be considered perfect. The aforesaid hole is sunk through the [illegible] known as "[illegible]" [illegible] appreciable quantity of nitrate, and the "caliche" until it reaches the "conjelo" or "coba," the substratum on which the "caliche" rests, and beyond which it is rarely found, although there have been cases where this has occurred. The hole is then enlarged at the base into a cuplike shape called "[illegible]" and a charge of [illegible] is introduced. This is blown up by means of a fuse, and from the broken ground the caliche is extracted by the "particulares." This is thrown into cars and conveyed by mules or locomotives to the crushers, where it is broken into small pieces. It is then taken to the cachuchos (boiling tanks) and treated with water and "agua vieja" under steam. After boiling for some hours the solution known as "caldo" passes along open canallings to the bateas, or cooling tanks. After an interval of ten to twelve days the liquor is drained off and the crystals thrown out on to the canchas or drying floors to properly dry off. Later it is packed into sacks of two quintals each (202 lb.) and transported by rail to the nearest shipping port. A branch of this rail, or ramal, as it is called, passes through the canchas, and at the port the main line crosses the weighing-bridges of the Customs House, so that the correct weight for duty purposes may be ascertained. This charge is a heavy one; nominally it is 2*s*. 4*d*. per quintal, but, owing to the manner of collection, partly in currency, partly in bills of exchange, and partly in gold, it is actually larger. Under the latest decree the 2*s*. 4*d*. is collected in the following manner:—Thirty per cent. in gold, thirty per cent. in currency, and forty per cent. in drafts.

Besides those parts of the plant already mentioned, the maquina comprises boilers, pumps, Diesel engines, water and oil tanks.

The term oficina includes administration houses, pulperia, bodegas, offices and school, entertainment hall, playing grounds, offices and workmen's camps. Each oficina is practically a small village dependent upon its own supplies. All foodstuffs, clothes, and other necessaries are sent up from the port and sold to the workmen. The truck system prevails to a certain extent, as the men are paid in fichas (tokens), only receiving actual dollars once or twice a month. These tokens are received as cash in the pulperias. It is pleasant to be able to say that the conditions of the [illegible] have improved [illegible] in recent years, but much remains to be done in that direction. In former times Chilians, Peruvians, and Bolivians worked together fairly amicably, but owing to the revival of political troubles most of the two [illegible] the [illegible] experienced labourers is much to be regretted, and it is to be hoped, when wiser counsels prevail, some at least will return. The standard of living is a low one, but this should be improved.

Our [illegible] have devoted considerable care and attention to [illegible] welfare work in the United States, and [illegible] it profitable not only from a moral but from a commercial point of view, have extended their efforts to coal-takings controlled by them in foreign lands. In their [illegible] works at Chuquicamata their efforts have met with considerable success, and much might be done on their lines by the English and native companies at other places. Of late years, certainly, most of the English companies have instructed their managers to pay greater attention to this side of the administration, but undoubtedly a great deal remains to be done. The co-operation of the Chilian Government should be obtained in the suppression of the liquor traffic, the appointment of suitable schoolmasters and schoolmistresses, and the establishment of religious teaching. On the other hand, the nitrate producers should provide better camps, more entertainments, encourage sports, and take every precaution that their employees and their wives and children are treated absolutely fairly in their purchases at the pulperias and stores. In fact, more consideration is due, and should be given, the writer thinks, to the social welfare and bodily comfort of the vast army of willing and hard workers, and the women and children dependent upon them, than has been accorded in the past, and such consideration would, in his opinion, promote a better feeling and lessen the frequency of troubles, which of late have [illegible] to the fore.

TRADE RELATIONS WITH CHINA.

The Department of Overseas Trade [illegible] have during the past few months repeatedly and rightly drawn the attention of British commercial men to the urgency of strengthening the business relations maintained between this country and China. From a political standpoint these relations have always assumed a friendly complexion, and our foreign policy has, in the main, been directed towards the preservation of China's rights as an autonomous nation. Furthermore, the part played by British capital (not less than fifty-three and a-half millions worth of securities being quoted on the London Stock Exchange) and British officials in the development of the country has not been forgotten and should do much to stimulate the expansion of our existing trade connections.

Subjoined are figures which help towards an understanding of the interchange of commodities between the United Kingdom and China. It will be observed that the annual balance has always been in our favour

Year	Total Exports from U.K. to China	Total Imports into U.K. from China
	£	£
1912	11,423,[illegible]	2,[illegible]
1913	12,[illegible]	4,671,000
Half-year ended		
June 30, 1913	7,184,000	[illegible]
,, 1919	7,174,000	8,546,000
,, 1920	[illegible]	12,709,000

[illegible] Total [illegible] Exports [illegible] Hong Kong [illegible] Portugal [illegible] and other countries included.

The 1920 [illegible] year, but it is essential that British merchants should recognise that in the era before them competition in this market will be much more intense than i[illegible]

indicated below:—

	1913	1920
[illegible]	[illegible]	38,6[illegible]
Russia	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]
U.S.A.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

20.50. As clearly conveyed by the table the United States and Japan have, on the contrary, substantially improved their position. With characteristic energy the Americans, through the medium of a rapid multiplication of banks, shipping companies, and mercantile firms in Shanghai and other ports, have made great endeavours in recent years to extend their business with China. To promote still further this design Chinese students are encouraged and facilitated to take up courses in the engineering or other professions in the United States.

Dependent as it is on the price of bar silver, the constant fluctuations in the value of the Shanghai tael have been, for a considerable time, a source of embarrassment to the Chinese trade. With a view to the protection of the dollar exchange an arrangement entered into, in the earlier part of this year, between the head offices in New York of the three American exchange banks and the United States Treasury provided that the latter will not in future deliver silver dollars against current funds except to these three banks. Dollars would, of course, still be delivered against silver certificates, but the amount derived from this method is limited. Under the terms of the preliminary contract, the Treasury agreed to deliver to the banks up to twenty million United States silver dollars if required—at a price of 1.35 dollars per fine ounce of silver laid down in Shanghai. Further amounts were to be provided if needed, the terms of the Pittman Act being availed of in this connection. The banks are merely acting as the Treasury's agents in this transaction, but it can well be imagined that the allocation of an adequate amount of silver at a fixed price will, from its steadying effect on the dollar exchange, tend to encourage business relations between both countries.

Geographical position would, in any case, induce Japan to seek a market in China for her surplus products. The growth of Japanese manufacturing industries during the War, when her exports rose from 591,101,461 yen in 1914 to 2,098,872,617 yen in 1919, makes the cultivation of the Chinese market a prime necessity. No doubt the operation of the Chinese boycott of her goods acts to her disadvantage, but not to the extent generally imagined. Japan has of late made great strides in the amount of business done with China in certain classes of cotton goods, but it seems evident that neither she nor America will be able to supplant in the eyes of the Chinese consumer such British products as high-grade dyed and figured cloths. It is more than likely, however, that Japan will retain in China a large custom for glassware, brushes and matches.

For more than a century big British houses have been represented in the ten chief Treaty ports, through which pass ninety per cent. of China's imports and exports. They have established firm business connections with Chinese houses and have, ready to hand, the essential machinery for the development of trade. Where modifications are needed, such as securing the representation of British concerns by agents possessing knowledge of the articles they are selling, no difficulty should be experienced in their introduction. The extension of the system of setting up branch factories in China, already adopted to some extent, also seems to be desirable, as the adoption of this procedure would enable certain categories of goods—soaps, candles, and cigarettes—to be more cheaply turned out. On other points criticism is frequently directed against British manufacturers. Thus, it is said that their allocations of stock to their agencies in China are often scanty and their credit terms illiberal. The plea that at the present juncture they should give some sort of priority to Chinese orders rests on a sound basis, as the demand in the Far East for machinery, dyes, and other descriptions, if satisfied from other quarters, may lead from our point of view to a permanent loss of business.

BRITISH RAILWAY RETURNS.

STATISTICS relating to the working of British railways in the four weeks ended July 18, just published by the Ministry of Transport, show that the freight traffic conveyed amounted to 26,929,668 tons, or 1,340,859 tons in excess of the previous period, which covered the Whitsun holidays. The average length of haul was: for general merchandise, 91.37 miles; for coal, coke, and patent fuel, 48.91 miles; for other minerals, 51.82 miles; and for all classes of freight, 58.25 miles, as compared with 58.20 miles in the preceding four weeks, a slight increase of .05 miles. Coal, iron, steel and building materials showed substantial gains in the amount carried, but ironstone and iron ore decreased heavily, a tendency that has already been noted in previous returns.

With regard to receipts, we show in the following table the gross earnings, the number of ton miles, and the gross receipts per ton mile, including cost of collection and delivery, and exclusive of this item, where data are available: —

Receipts, and Receipts per Ton-Mile, of Controlled Railways in Great Britain.

	Four weeks ended	Estimated Freight Train Receipts—Working Gross £	Estimated Freight Train Receipts—Working Net Excluding Cost of Collection and Delivery £	Ton-Miles	Receipts per Ton-Mile—Gross d.	Receipts per Ton-Mile—Net Excluding Cost of Collection and Delivery d.
General merchandise including live stock	July 18	6,017,611	5,139,139	196,201,568	2·911	2·486
	June 20	5,986,679	5,152,133	182,571,995	2·976	2·561
Coal, coke and patent fuel	July 18	2,592,795		711,982,637	·870	- -
	June 20	2,548,806		691,208,961	·925	-
Other minerals	July 18	3,343,255	-	292,167,880	1·078	
	June 20	1,440,011		285,226,401	1·122	-
Total in bulk	July 18	9,925,689	9,045,188	1,563,952,085	1·584	1·441
	June 20	9,870,976	9,005,730	1,429,896,267	1·657	1·517

The total gross earnings display a slight advance; but owing to the greater relative increase in the number of ton-miles the gross receipts per ton-mile fell from 1.657*d.* to 1.584*d.*, or if we exclude cost of collection and delivery, from 1.517*d.* to 1.444*d.* What effect this will eventually have on net profits depends on the detailed figures of expenses which are not yet available. The rise in the number of ton-miles naturally led to a corresponding increase in the number of net ton-miles per ton-engine hour, and also to a gratifying expansion in the average ton load from 132.84 tons to 134.33 tons, while the average wagon load rose from 5.40 tons to 5.47 tons. In the annexed statement we show the average load for England and Wales, for Scotland, and for Great Britain as a whole:

	Four weeks ended 1920	Average train load Tons	Ton-miles per Route-mile
England and Wales	July 18	140·88	85,595
	June 20	139·62	80,660
Scotland	July 18	98·42	44,854
	June 20	96·[illegible]	46,075
Great Britain	July 18	134·35	77,942
	June 20	132·84	74,096

The train loads, it will be noted, are much heavier south of the Trent, though in Scotland the tendency towards an increasing average is shown, as in the case of England and Wales. The rise in the number of ton-miles per route-mile, which may be gathered from the figures in the table, is also an encouraging feature, as it signifies that better use is being made of the permanent way and a potential development of earning capacity is foreshadowed.

With regard to engine miles, the total number increased in the last four weeks by 1,577,065 to 44,322,510 miles. Of this total, the coaching miles accounted for 17,483,992, and the freight miles for 11,663,727 miles. Shunting miles, which are naturally an undesirable feature as tending to increase expenses and reduce profits, still maintain a fairly high proportion in both coaching and freight traffic, the former having risen to 1,344,309 miles and the latter

to 9,092,523 miles. Owing to the [illegible] passenger [illegible] during the [illegible] ended July 18 was 6,000,000 miles in excess of the previous four weeks.

In publishing the statistics relating to [illegible] ing the Ministry of Transport is performing a service, the value of which will increase as the records accumulate, and enable comparisons to be drawn between the working results of different years.

THE GERMAN MERCANTILE MARINE.

The [illegible] for sale of 2,000,000 [illegible] ping on behalf of the Reparations Commission carries a reminder of the diminution which the great German merchant fleet has suffered since 1913. Reckoned at 5,135,000 gross tons in that year, it was estimated at 419,000 tons gross in June 1920, a decrease of 4,716,000 tons gross. The widespread movement of this shipping fleet in 1912, as indicated by entrances [illegible]

[illegible]

The growth of the mercantile marine of Germany in pre-war years was a natural accompaniment of the great development in her sea-borne trade, of which the following particulars, enabling a comparison to be drawn of the position in 1901 and 1913, may prove [illegible]

German Foreign Trade (1901 *and* 1913).

						Inc.

in the higher districts it is to some extent cultivated, and produces the tropical and sub-tropical products to which we have already referred. It is by far the most extensive, although the least populated, part of the Republic. The population of Bolivia at present lives on the high plateaus and in the mining districts of the mountains. It is, however, in the development of the Yungas and their opening up by means of roads and railways that the potential development of Bolivia must ultimately be sought. This vast region is capable of growing, at various degrees of altitude, almost all the foods, and almost all the raw materials, needed for the sustenance and covering of man. In the higher regions it is capable of producing the foods and cereals to which we are accustomed in the temperate zones of Europe; and in the low valleys towards the river system referred to above it is, of course, capable of producing all the products which we associate with the hottest regions of the tropics. Nearly the whole district receives a heavy rainfall, particularly in the low regions, as the river valleys are approached. At present there are no railways, there are no roads, the country is wholly undrained, and consequently exceedingly unhealthy. With its present economic resources, and with its present population, it would be absolutely impracticable for the Bolivians unassisted to attempt a serious opening up of this region. Nevertheless, there are immense herds of cattle, which could in a comparatively short space of time be made suitable for the freezing-houses, and consequently for the feeding of the congested districts of the world; while the hotter lands below can be used for growing to an almost unlimited extent cocoa, sugar, cotton, or other tropical and sub-tropical products, which are so urgently needed in Europe, in America, and even in Asia at the present time.

THE EXCHANGE FACTOR IN INVESTMENTS.

The recent fall in the value of the pound sterling in terms of various currencies directs attention to a matter that has hitherto not received the notice which it deserves amongst investors. It is a condition attached to quite a number of issues that the dividends are payable regularly either in London or in some foreign centre at the option of the holder. Naturally, it is to the interest of the holder to cash his coupons abroad in countries where the pound stands at a discount, and so reap on remittance to the United Kingdom an extra profit, this profit being directly proportional to the depreciation of the pound. Where the option is exercisable at more than one foreign centre, that centre will obviously be selected for encashment whose currency commands the greatest premium as regards the pound. Last year we drew attention to the value of this option in connection with the Six per Cent. (Tax Free) Income Bonds of the Underground Electric Railways of London. Half-yearly coupons attached to these bonds, payable in March and September, may be cashed in New York at the fixed rate of $4.86⅔ to the pound, or in Amsterdam at 12.12 florins to the pound. The same rights are held by the Four-and-a-half per Cent. Bonds of 1933. At the present rate of approximately $3.50 to the pound, the holder of each £100 of stock, by getting a half-yearly three-per-cent. coupon cashed in New York, receives $14.60, with which he can buy £4 3*s.* 3*d.* in London. Similarly, with regard to Amsterdam, the present quotation of 11.26 florins enables the holder of £100 worth of stock to obtain a dividend of £3 4*s.* 7*d.* instead of £3 by encashing his coupon in Holland and buying sterling there at current rates. We give at the foot of this article a representative list of securities benefiting from the present peculiarity of the exchange position, which was certainly not foreseen at the time the various options were given, and which entails an additional burden on the various Governments, corporations, and other bodies concerned. Amongst them, it will be noted, are several South African securities, on which a turn in exchange can also be made. Various Japanese, Mexican, South American and Canadian securities also figure. We hope to be able to follow up this list in coming weeks with others of a similar character.

FOREIGN BONDS—

Japanese 4½% Sterling Loans, First and Second Series, £12,675,...
Payable in New York at $4.87 to £.

Japanese 4% Sterling Loan, 1905, £24,999,520.
Payable in same manner.

Russian 5% Sterling Bonds, Gold Loan, $1,500,000.
Payable in New York in gold.

Mexican 4% Gold Bonds, $57,037,500.
Payable in New York in gold coin. Coupons attached for ... to 1914.

ARGENTINE—

5% Internal Gold Loan, 1907, £2,100,000.
Payable in gold in Buenos Ayres at 1.42 per £.

4% Bonds, 1909, £754,500.
Payable in Buenos Ayres at 1.87 per $.

5% Internal Gold Loan, 1909, £2,765,920.
Payable in Buenos Ayres in gold at 1.42 per gold peso.

5% Internal Gold Loan, 1910, £1,892,160.
Payable in Buenos Ayres in gold at 1.42 per gold peso.

4% Loan, 1910, £903,000.
Payable in Buenos Ayres at 1.87 per $.

Part of the Capital 5% Bonds, £1,578,500.
Payable in Buenos Ayres at 1.87 per $.

5% Sterling Irrigation Bonds, £1,152,100.
Payable in Buenos Ayres at 1.87 per $.

CORPORATION STOCKS—FOREIGN AND COLONIAL.

City of Copenhagen 4% Loan, 1901, £888,700.
Payable in New York at 4.87 to £.

City of Lyons 5% Loan, 1911, £584,000.
Payable in New York at $4.80 to £.

Province of Saskatchewan Sterling 4½% Debentures (1928-42), £1,250,000.
Interest payable January 1 and July 1 at Bank of Montreal, 47 Threadneedle Street, E.C., or at option of holder at Bank of Montreal, Toronto, or Montreal in currency at par of exchange. £1 = $4.8[illegible].

City of Calgary Sterling 4½% Debentures (1928-37), £124,800.
Interest payable April 1 and October 1 at Bank of Montreal (London) or Calgary or Montreal at option at par of exchange.

City of Calgary 5% Debentures (1933-41), £700,000.
Interest January 1 and July 1, same option.

City of Edmonton (Alberta, Canada) Sterling 4½% Debentures (1932-52), £350,000.
Interest payable April 1 and October 1 at Lloyds Bank, London, or Montreal at par of exchange.

City of Edmonton (Alberta, Canada) 5% Sterling Loans (1923-53), £1,088,000, same conditions.

City of Edmonton (Alberta, Canada) 5% Sterling Loans (1924-56), £900,700, same conditions.

City of Edmonton (Alberta, Canada) Sterling 5% Debentures (1926), £200,000, same conditions.

City of Port William 4½% Debentures, £198,400 (1925-41), same conditions.

Greater Winnipeg 4½% Stock (1954), £263,652, same conditions.

City of Cape Town 5% Municipal Loan, Consolidation £11 [illegible], Redeemable 1922.
Principal and Interest payable in London or Cape Town at option of holder.

City of Cape Town 4% Municipal Loan (£118,8[illegible]), same conditions.

City of Cape Town 5% Debentures (1918), £411,000, same conditions.

City of Cape Town 4% Inscribed Stock (1950), £1,823,[illegible], same conditions.

City of Cape Town, Suburbs Municipal Waterworks 4% Inscribed Stock (1951), £[illegible], same conditions.

City of Cape Town Corporation 5% Stock £18,500, same conditions.

SOUTH AND CENTRAL AMERICA.

BRITISH TRADE IN SOUTH AMERICA.

If *Wileman's Brazilian Review* is not too optimistic, and the British trader and manufacturer is really and seriously considering the importance of ascertaining what are the real demands and wishes of his potential customers, there can be no reasonable doubt that the prospects of trade between Brazil and England are exceedingly promising. Trade between two peoples dealing precisely in the same commodity is naturally difficult. But in trade between the United States of Brazil and the United Kingdom there is hardly anything that is produced in the one country that is also produced in the other. Practically everything that Brazil is capable of producing we want; and practically everything that we are capable of producing Brazil would be quite willing to take on a reasonable economic basis. Manufactures, agricultural implements, dredges—she badly wants dredges—all kinds of plant for developing her river systems, any and every kind of railway plant, road-making plant, automobiles, almost every kind of machinery, especially, of course, agricultural machinery, but very many others besides, which could be found in the catalogue of the machine

ships, [illegible] a great deal of interest in Brazil, [illegible] and [illegible] large quantities, almost [illegible] from the Germans, north of the American Basin, right down to Rio Grande do Sul. Probably [illegible] is situated so favourably as the ports of Brazil to supply the requirements of England on a certain basis. The distance between the two countries is relatively not great. Brazil has one of the most beautiful climates in the world, and a soil, taking it throughout, of unsurpassed fertility. She is actually bigger [illegible] than the United States of America. She has in this vast country a population of between twenty-six and twenty-seven millions of people. Consequently, [illegible] capable of growing almost anything from cabbages to cocoa; all the products of the temperate zone, owing to her varied degrees of altitude; and all the products of the tropical zone, owing to the fact that so large a proportion of the area of the Republic is actually situated in the tropics.

We restart trade after the prolonged period of the War, and the equally exotic period which has elapsed since the conclusion of the Armistice in November 1918, under extraordinarily favourable circumstances. Restart, says the intelligent reader. Surely our trade with Brazil was never so active as it was during and has been since the War. That is, of course, quite true; but it was an exotic trade, which it will not be possible to maintain unless it is to be founded upon a really sound economic basis. It is not our business here to lecture the Brazilian trader. He has any number of competent authorities on his side to give him advice, whenever such advice is needed. We will only refer very briefly to the meat trade between this country and the United States of Brazil. It will be remembered that at the outbreak of the War [illegible] between Brazil and England. Brazil exported what was known as dried, salted, or xarqué beef. But she had no international meat trade in the sense of having freezing-houses and of preparing the type of beast which is suitable for the freezing-houses. Now, she had a unique opportunity at the outbreak of the War for developing the freezing-house trade, which might have given an object-lesson in one or two not distant quarters that could well do with it. No doubt, under the difficulties in which she was placed she did remarkably well. She developed an extraordinary trade in Rio Grande do Sul, [illegible] But, unfortunately, although the trade developed within [illegible] meat, particularly in the later period of the War, fell [illegible] As a result, the Brazilian meat [illegible] to-day as it did in the early days of the War. Naturally, [illegible] was felt that very soon she would improve as she got [illegible] As a matter of fact, [illegible] Consequently, the Brazilian [illegible] as we have said, [illegible] as high as it did. This, however, is not really a [illegible] We [illegible] want it very badly. In fact, we must get meat. There are not a great number of countries in the world capable [illegible] a sound economic basis. Brazil is peculiarly well situated for doing so. Consequently, all that is necessary is for the Brazilian breeder and the various interests which control the freezing-houses in Brazil [illegible] herself, are very well acquainted. Practically, what [illegible] in the same way as we are capable of meeting [illegible] Brazil is capable of supplying [illegible] of excellent [illegible] a country which [illegible] see that the quality of the article sent out, and the packing, if necessary, is at least equal to a similar class of goods furnished by competitors with which those engaged in this particular Brazilian trade will be [illegible]

Now we have practically a century of well-established trade between Brazil and England. British [illegible] of Recife to southern Porto Allegre; the British flag, the British steamer, and the British sailing ship are known, and have been known, throughout the life of three generations. We have said above that trade follows investment. Writing on South and Central America some time ago, we said that it was practically impossible—at any rate we found it most difficult—to apportion the value of the shipping in any particular South American country. We estimate that altogether the value of the shipping—and this is a conservative estimate on the basis of present values of trade with South America—is about twenty millions sterling, or it may be thirty millions. But what proportion of that one should allocate to Brazil it would be exceedingly difficult to say. Very few of the British steamers confine themselves entirely to the Brazilian trade. They visit various countries of South America because it is convenient to do so. Brazilian ships, of course, do the same. Consequently, it is exceedingly difficult to say what proportion of our investments in shipping should be allocated to Brazil as distinct from any other part of South America. Altogether, it may be estimated on a conservative basis that we have at least 200 millions sterling invested in Brazil by British subjects. [illegible] may call Stock Exchange investments—that is to say, companies not necessarily quoted in the London Stock Exchange Official List, but companies of a public or semi-public character. In addition to this, everyone who is at all acquainted with Brazil knows that there are a large number of British traders located in Brazil. Those who are in any way engaged in business in Brazil, or are seriously interested as investors in Brazilian enterprise, are aware that we are also financiers. We do not own a very large number of coffee plantations in Sao Paulo, or in any other State; but we do very largely finance the coffee industry, and always have done in that as in other States of the Republic. We do not largely own the tobacco plantations of Bahia; nor do we own the sugar-cane plantations. But although we are not interested to the same extent as we are in coffee, nevertheless, a good deal of British money from time to time has found its way into Bahia. Consequently the British trader has enormous advantages in pushing his wares in Brazil. All he really requires to do is to make himself acquainted with the Brazilian language, which is Portuguese, and Brazilian trade customs.

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Financial Notes.

The Brussels Conference.

The International Financial Conference, which opens to-day at Brussels, does not seem to have attracted here, as it has on the Continent, that attention which its importance deserves. From a perusal of the reports already submitted by experts, a good idea can be formed of the lines on which the Conference will work, and perhaps the most significant of the proposals to be discussed will be the measures necessary for reconstructing the social and economic fabric of Central European countries. The necessity for some such measures not merely from the point of view of humanity, but also from that of self-interest, is now generally recognised, when most of the animosities raised by the War have subsided, but their urgency in point of time, which was insisted upon as early as January last, when the present Conference was first proposed, is not yet fully appreciated in face of the alarming spread of famine and fever in Poland, Galicia, Czecho-Slovakia, Serbia, Lithuania, Austria, and Hungary. The first step taken will probably be the granting of credits to the above countries to enable them to purchase and transport foodstuffs and raw materials. The countries providing the necessary funds, services, and materials will be Great Britain, the United States, Argentina, Canada, Denmark, Holland, Norway, Sweden, and Switzerland. Many millions of pounds will have to be raised, and in none of the countries here mentioned do financial conditions permit of further credit creations on a large scale. On this account, the precise method of raising the money will have to be considered very carefully in order to avoid further inflation in the lending countries—that is to say, in order to ensure that the funds come from the genuine savings of the community. If loans can be arranged the resultant benefits are obvious. The borrowing countries would become responsible to the lenders for increasing production and for conducting their financial operations on more stable principles. If this were done the much-depreciated currencies of those countries would begin to improve and trade with them would not be that extremely speculative matter it is under present conditions.

Brick-making Industry.

The investigations of one of the sub-committees of the Standing Committee on Trusts under the Profiteering Act into the profits of the brick trade have led to the publication of an interim report, which, as in the case of recent similar reports, practically acquits the trade of any charge of profiteering. It was found that, though there are several associations in the brickmaking industry, having for their chief purpose the regulation of prices and wages, the profits made, both by the manufacturer and the retailer, are low in proportion to the amount of capital involved. The trading discounts received by factors and distributors are declared to be not unreasonable. On the question of stabilising the price of bricks the sub-committee state that labour and fuel form such important factors that there is no hope of making prices steady while these factors continue their rising tendency. From various data and evidence the conclusion is reached that, if the whole average profit on the bricks used in the erection of a house under a standard housing scheme were eliminated, the cost per building would not be reduced by more than £10. This conclusion effectually disposes of many rumours current as to the gargantuan profits of brickmakers.

The New French Loan

Considerable attention is being directed in the City to the new French issue of six per cent. perpetual rentes, particulars of which appeared in THE STATIST of September 4. On consideration of the issue from the point of view of the investor here, it seems unlikely that subscriptions will be attracted from this side, as those French rentes which are already dealt in on the London Stock Exchange can be acquired on more advantageous terms. If the new loan is intended to interest the British investor the end could be achieved either by allowing a larger portion—say eighty per cent.—of the subscriptions to be made in the form of already existing French rentes, or by raising the price at which these rentes will be accepted. From the point of view of the French investor, on the other hand, there is little doubt that the issue will prove a success, though it should be noted that it appeals less to the *petits épargneurs* than to the *grands rentiers*. It is not generally known that though the public subscription list will not open until October 20, applications will be received meanwhile in denominations of 100 francs, the money so subscribed to bear interest until November 30 at the rate of five-and-three-quarters per cent. per annum. In fact, a large number of subscriptions have already been received from French financial houses. The proceeds of the loan will presumably be used in funding the short-term obligations of the French Government, and also it seems likely that one of the main objects of the issue is to give the authorities a greater control over the paper circulation.

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American Topics.

UNITED STATES TRADE WITH JAPAN.

There is a very interesting article in the September issue of the monthly circular of the National Bank of Commerce of New York on the rapid progress during recent years of trade between Japan and the United States of America. Naturally the War had a remarkable influence upon the course of international trade in various countries. It does not necessarily follow that under conditions of peace the rapid growth of trade which grew up between various non-European countries will be maintained. On the other hand, experience alone can show to what extent the new conditions will gradually assume a permanent character. Trade will naturally follow the lines in which it can be most profitably conducted. During the War there was an abnormal demand for all classes of commodities as well as for food and raw materials in Europe, while Europe, owing to its pre-occupation in the War, was unable to supply its own needs, still less to have a surplus for export. As Europe recovers, it will in course of time be able to regain those markets which it is capable of supplying upon a sounder economic basis than other countries. On the other hand, the necessities under which various States in the world found themselves during the War of obtaining commodities from new sources may have revealed many instances where it is sounder economic policy for those countries to deal direct than through the intervention of Europe as formerly. Excluding the Overseas possessions of Japan, the total area of Japan proper is only some 147,000 square miles.

Geographically, Japan is situated very much as we are in these islands. Her people, like ours, from time immemorial have been compelled to seek the sea for a living to supplement the products of the land. Fish and rice constitute their principal articles of diet. As her overseas possessions are gradually developed in an economic sense, Japan will obtain immense supplies of raw materials to feed her growing industries, as well as the means of feeding the people themselves. But the time is not yet. We have been in a sense an Imperial nation with outlying possessions for more than two centuries. Yet, as our readers are aware, not only is the Imperial trade relatively small compared with the trade that we do with countries outside the British Empire, but, with vast possessions partly empty, we have to search the world for [illegible] materials essential for keeping the bulk of our people employed.

Japan, with a productive area within the islands proper actually smaller than our own, has to maintain a population which amounts to approximately [illegible] any reasonable basis of comfort out of the [illegible] up our minds that we would grow sufficient food for our own population. In addition to merely feeding her people, Japan has to maintain a great Imperial position in the world. She was our valued Ally in the late War, and she rendered most material and valuable service to the Entente Alliance. To render these services she had to maintain a powerful fleet and a great military establishment. The maintenance of powerful fleets and great armies, as has been recently amply demonstrated, constitutes an enormous strain upon the economic resources of any country, however rich and however well provided with resources that country may be. A navy and a foreign trade are as essential to Japan as they are to ourselves. Neither England nor Japan could maintain their present population, not to speak of their position in the world, without a great mercantile marine and a great foreign trade, and these necessarily have to be protected. Whether Japan will be able to maintain the whole of the great trade she secured with the United States of America of course remains to be seen. It is, however, a reasonable certainty that a people so enterprising and so resourceful as the Japanese have shown themselves during the past two generations will see to it that whether or not they are able to maintain the growth which took place in any particular direction they will find means of developing their trade, at least to such an extent as will enable them to maintain the great position to which they have attained in the comity of nations.

China, Japan, and India are the three great sources from which the international markets of the world derive their supplies of raw silk. Japan in recent years has developed the breeding of the cocoon to a very great extent, and she is now one of the most important sources upon which the international markets of the world are able to rely. Considerably more than half the total foreign trade of Japan is with the United States of America, Great Britain, and the Colonies. Trade between Japan and the United States is a reciprocal trade and should be susceptible of development. The United States buys from Japan what she either cannot provide for herself, or, at any rate, cannot provide upon an equally sound economic basis. Japan during recent years has purchased from the United States mainly those things which she not only could not conveniently provide for herself, but owing to the exigencies of the War she could not obtain elsewhere. Raw silk constitutes at present more than sixty per cent. of the total imports of Japanese products into the United States. During the first half of the current year, the United States purchased from Japan raw silk of the value, if continued for the twelve months, of more than 300,000,000 dollars. Japan is the principal source of the world's supply of camphor, and the United States [illegible] various kinds as well as large quantities of textiles, including cotton cloths and various kinds of matting, are important items in Japan's exports into the United States. Amongst the most important, however, are [illegible] coconut palm and the peanut, and particularly the latter, and if we include these crushed and uncrushed they constitute the second largest item in value after silk. [illegible]

DECLINE IN COTTON.

THE fall in cotton futures which took place in New York on Wednesday, when the market closed at forty to ninety-five points net loss, was continued on Thursday, when the decline on the day ranged from thirty-five to ninety-five points. There was a sympathetic movement in spot cotton, which, at 30.50c. on Wednesday evening, was fifty points easier, and lost a further 100 points to 29.50c. on the following day. The favourable weather reports from the cotton belt and bearish trade news were in the main responsible for the decline; but the movement seems, temporarily, at any rate, to have gone too far, as many operators sold short, and subsequent bear coverings led to a partial rally. The unsettling of the market for finished cotton goods owing to the heavy cancellation of orders is, however, a feature that makes for further depression, especially if the bullish reports at present prevailing as to the extent of the cotton crop prove to be well founded. Storms recently experienced in the cotton-growing area have not done as much damage to the crop as early advices indicated, and this news will be welcomed by Lancashire interests. A reduction in cotton goods prices also reported will not, however, be received with enthusiasm. The Amoskeag Manufacturing Company announced a cut of 33⅓ per cent. in quotations early in the week, but how far the move foreshadows a permanent or a general policy is not clear. The step seems to be rather in the nature of a precaution against an undue falling-off in demand, though it is but natural to expect some reaction from the era of unprecedentedly high prices through which we have passed.

Monetary conditions in the United States at the moment favour a fall in price levels of the raw material, though there has been an improvement in the credit situation. This improvement, as pointed out in a cable received at the London Office of the Guaranty Trust Co. of New York, is, however, likely to be only temporary in character. The rate on time loans has eased during the last fortnight, and rates on practically all classes of advances for industrial purposes have also shown a tendency to decline; but henceforth demands for accommodation will probably be on the increase, and it is almost certain that the peak of the crop-movement demands will not be reached for another month.

It will be interesting to follow the course of events in the cotton-manufacturing industry, and see how far they will eventually parallel what has taken place in another section of the textile industry, that concerned with wool. In the case of the latter, a depression set in some time ago which, gradually becoming more marked, resulted in the closing down of a number of mills in both the spinning and weaving sections. In consequence quite a number of operatives were thrown out of employment, but the break in prices, which threatened at one time to be severe, was partly stopped by the curtailment of production. So far there are no signs that the cancellation of orders, which has been widespread as regards the United States cotton industry, and has also affected this country, will bring about a serious contraction in the number of spindles or looms at work. A revival of the demand from Eastern markets may at any time restore old price-levels, and in any event a diminution of the cost of the raw material would prove a considerable benefit to the manufacturer, and finally to the public, though the cotton-growers, especially those who had been keeping stocks back from the market, would be liable to suffer heavily.

Throughout the Southern States there have recently been signs of an increasing tendency amongst the growers to unite for the protection of their interests, as distinct from those of the manufacturing and exporting sections. Such a movement has, however, been attempted on a large scale before, and it has fallen through because of the impossibility of reconciling the views of the large and small

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CORRESPONDENCE INVITED.

Rubber Topics.

RESTRICTION OF OUTPUT.

SHAREHOLDERS and those who are genuinely interested in the welfare of the rubber industry will learn with satisfaction that steps have at last been taken by the Rubber Growers' Association to cope with the unhealthy situation produced by the steady slump in the price of rubber, which dropped to the record low level of 1*s.* 5½*d.* per lb. on Tuesday. It has been evident to those who have been following this market during the last six months that the pronounced absence of the American demand, which has not been compensated for by any revival on the part of the Continent, was bound to lead to a slump in face of the steady increase in the crop returns for the current year. In trade circles the general belief is that the consumption of rubber for 1920 cannot be expected to exceed the 1919 figure of 350,000 tons; whereas, if production continues unchecked, it will reach 384,000 tons. Thus, leaving out of account the stocks held by the consuming countries, the producing areas would find themselves left with 34,000 tons at the end of 1920, in addition to the stocks held by them at the end of 1919. With such a surplus on hand it is obvious that low prices would continue to rule until it was sold. Even at 1*s.* 6*d.* per lb. the margin of profit left to many rubber companies is unduly narrow, and should lower levels still be reached—and such a contingency is by no means unlikely under existing conditions—this margin would soon disappear. Face to face with this situation the Rubber Growers' Association have, with that spirit of enterprise that has been the dominant characteristic of the Association, taken the initiative in proposing a scheme of temporary restriction of output to be adopted by rubber companies until the demand and supply of rubber are once more in equilibrium. The scheme which this Association proposes to its members involves a curtailment of production of twenty-five per cent. of the estimated normal monthly output to come into force on and after November 1, provided that members of the group owning or controlling not less than seventy per cent. of the producing area consent. The methods by which such reduction is to be effected are also indicated. For estates on which daily tapping is in vogue the result can be attained by adopting alternate daily tapping without increasing the length or number of cuts over one half of the tapping area. Should they prefer, the estates can follow the plan suggested for properties on which alternate daily tapping has been in force for two years, viz. to rest one quarter of the tapping area. Whilst these are the two suggestions put forward, they are not intended to preclude the adoption of any system which will bring about the desired reduction.

There is good reason for believing that this scheme will meet with a far greater measure of support than was accorded to the plan brought forward to meet the particular circumstances of 1918. Even then, although only seventy-five per cent. of the area controlled by the members participated in the scheme, its

moral effect was more widespread. It is estimated that as a result of the scheme the 1921 crop was reduced by 35,000 tons to 215,000 tons. Even the Rubber Growers' Association is [illegible] ful position, controlling as it does no less than one-third of the total area under rubber. It [illegible] of the Government's support of the scheme followers. Moreover, this time Malayan companies have agreed to join the scheme, and the only question as regards Ceylon is [illegible] should not be postponed until 1921. Opinions are being exchanged with the Dutch companies, and it is generally thought that they too will ultimately come into line. The experience derived from the 1918 scheme affords some indications of the probable effects of this plan. In the first instance, as we have already stated in recent issues, it will be reflected temporarily in a rise in the "all-in" cost for the period during which it is in force. At present it is not possible to decide to what extent the resulting rise in the price of rubber will offset this factor, but it is none the less pertinent to remark that already the effect of the proposal only has been to bring standard crêpe back to 1*s.* 7*d.* per lb. to-day. On the other hand, it is none the less clear that the entire resting of some areas and the partial resting of others that is involved in alternate daily tapping, will enable the estates to produce more and better rubber at a lesser cost in the future. In the interval, whilst it is in force, America will have time to reconstruct her finances and to dissipate the marked financial stringency which has been a considerable factor in restraining her demand for rubber. We trust that this scheme will meet with the wholehearted support which it merits. To shareholders we would point out that just as a prosperous 1919 followed the mediocre results of 1918, so also will a prosperous 1922 follow a rather poor 1920. Indeed, should the restriction be very generally adopted, it may be that the good effects would make themselves felt in the 1921 results.

ANNUAL REPORTS ANALYSED.

KLABANG RUBBER.

Issued Capital: £100,000 in £1 Shares.

Results for Years to December 31

	Total Area Planted	Area in Bearing	Rubber Output	Av. Yield per Acre	Bearing Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	Dividend %
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916	1,093	791	228,081	289	2/7·6	1,1[illegible]	14,58[illegible]	7,[illegible]	14
1917	1,269	1,001	302,147	[illegible]2	2/0·9	1/2·1	13,[illegible]	[illegible]	4
1918	1,269	609	194,865	320	1/8·4	1,8·44	324	5,740	74
1919	1,269	—	357,[illegible]	—	[illegible]	[illegible]	17,51[illegible]	1,[illegible]	2[illegible]

*Loss of £44 [illegible]

Price of Shares, 27/6. Market Capitalisation per planted acre, £107.

It will be recollected that during 1918 this Company only harvested 194,865 lb., against a restricted estimate of 243,000 lb., because it availed itself of the opportunity to rest all areas of the estate that would benefit by so doing. Consequently, as against 1,001 acres in bearing in 1917, only 609 were tapped out of a total of 1,269 in 1918. The final crop of 357,416 lb. not only exceeded the crop of the previous normal year of tapping (1917), but also was over 17,000 lb. more than the estimate. For 1918, with its small crop, the f.o.b. cost soared up to 1*s.* 4.95*d.* per lb., and the "all-in" cost to 1*s.* 8.44*d.* per lb., thus leaving a small deficit of £44 on the working of the crop in view of the serious decline in the average price realised for the rubber. For the year under review, however, the f.o.b. cost dropped to 1*s.* 0.35*d.* per lb., whilst the "all-in" cost was reduced to the more normal level of 1*s.* 3*d.* per lb. And this decline in the cost of production coincided with the no less satisfactory improvement in the price realised by the sale of the crop to 2*s.* 0.6*d.* per lb. Thus the nominal profit of £324 in 1918 was replaced by the more substantial figure of £17,516 for 1919. This amount was further swelled by the addition of £4,741 in respect of taxation adjustments owing to the poor results of 1918, no less than £4,561 being refunded in connection with the excess profits duty. Consequently, shareholders, who had to content themselves with the mediocre dividend of four per cent. in 1917 in view of the uncertainty of the outlook and of the scarcely less poor dividend of seven and a-half per cent. in 1918, received the generous distribution of twenty-five per cent. for the year under review. The balance carried forward to the next accounts stands at £12,931, and is liable to deduction in respect of excess profits duty for the year, which is estimated at £5,300.

Shareholders, however, also received a share bonus. Participating in the general movement of reconstruction, the Company went into liquidation, and its new capital consists of £100,000 in fully-paid shares of £1. Thus each shareholder in the parent concern received two fully-paid shares in the new Company for every share held in the old. Hence in estimating the dividend for 1920 it is essential to realise that £100,000 ranks for dividend, as against £50,000 in previous years. Furthermore, as the accounts of the Company show, it suffers rather heavily under the incubus of the excess profits duty. Thus in 1916, out of a profit of £14,586, it had to pay in excess profits duty no less than £6,745. Similarly, with a rate of forty per cent., the 1919 liability on £17,516 is estimated at £5,500. Thus it has a low datum line, and will consequently be mulcted rather heavily under the increased rate of sixty per cent. for 1920, in addition to which it has to meet its liability the new corporation tax. No estimate is furnished of the anticipated crop. However, the return of 249,800 lb. for eight months of the year foreshadow a crop in excess of the large yield for 1919 with possibilities of a further decline in the cost of production, which would help to counteract the low price of rubber to some extent. Financially the position of the Company, as seen in the balance sheet dated December 31, 1919, is sound. Current liabilities, including the final dividend of £10,000, amount to £16,423, whereas liquid assets are available to a total of £29,906. The £1 shares stand in the market at 27*s.*, at which price they afford a return of seven and a-third per cent. on the basis of a dividend of ten per cent.

SUNGEI MATANG (PERAK).

Issued Capital: £56,602 in 2/0 Shares.

Results for Years to December 31

[illegible]

Price of Shares, 8/7½. Market Capitalisation per planted acre, £112.

[illegible]

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1919 the record crop of 367,522 lb., exceeding the harvest of 1918 by nearly 60,000 lb., and being over 7,500 lb. more than the estimate. Moreover, owing to the general improvement in transport facilities, and in the rubber market in general, the average price realised by the sale of the crop amounted to no less than 2*s.* 1.1*d.* per lb., as against the poor figure of 1*s.* 4.2*d.* per lb. for the previous year. Notwithstanding the general rise in the price of materials and the serious advance in the cost of rice for the coolies, the crop was harvested, thanks to the efficient administration and the substantial increase in the quantity of rubber secured, at a reduced cost of production. The 1918 f.o.b. cost of 1*s.* 0.29*d.* has been lowered to 10.48*d.*, whilst an "all-in" cost per lb. of 11.9*d.* replaces one of 1*s.* 1.1*d.* Hence after allowing for depreciation at the rate of ten per cent. on plant and buildings, the net profit for the year amounts to £20,798. This again constitutes another record in the history of this comparatively young producer, comparing with the extremely low return of £3,824 for 1918, and the figure of £12,487 for 1917. Out of this there is transferred to the taxation reserve account a sum of £5,814, the total of which is stated to be £7,430. In view of the satisfactory profits thus resulting, shareholders received a dividend of twenty-five per cent., absorbing £14,150. Here is still a third record; for this dividend not only dwarfs the five per cent. of 1918, but represents a considerable advance on the 1916 record of seventeen and a-half per cent. The balance carried forward to the next accounts has been increased from £2,466 to £3,300.

In view of the heavy burden involved under the Finance Act of 1920, as well as the extremely low prices now commanded by rubber, it is not a simple task to forecast the outlook for the current year. On one side ranges the fact that—in the words of the visiting agents—"the estate is in excellent order, with a labour force second to none, and its management is most economical and efficient." Again the estimate provides for a crop of 400,000 lb. at a calculated f.o.b. cost as low as 9.73*d.* per lb., thereby indicating another decline in the "all-in" cost. However, crop returns for the first eight months of the year give a harvest of 253,960 lb., which, whilst promising a total harvest in excess of that of 1919, still gives rise to a doubt whether the estimate will be fully realised. Any restriction adopted in the closing months would convert the doubt into a reality. But the present stagnant condition of the market for the raw material is undeniably a depressing factor. With rubber being quoted below 1*s.* 6*d.* per lb., possibilities of a maintenance of the 1919 profits fade away. This influence is counteracted to some extent by the fact that forward contracts have been arranged covering the sale of some 112,000 lb. at the satisfactory price of 2*s.* 4½*d.* per lb. No less vital a consideration is the sixty per cent. excess profits duty and the corporation tax, which are bound to take a heavy toll of the profits of this young producer. Bearing all these facts in mind, we do not consider that the Company can with reason be expected to maintain its 1919 dividend for the current year, and, whilst it is somewhat difficult to estimate beforehand in view of the uncertainty of the situation, we are inclined to regard fifteen per cent. as a likely maximum. Financially, the position of the Company as disclosed in the balance sheet dated December 31, 1919 is exceptionally sound. Including the final dividend absorbing £8,490, current liabilities amount to £11,988, and are more than covered by a total of £14,192 representing cash and gilt-edged investments, whilst in addition there are available other liquid assets in the form of debtors and rubber to the extent of £18,721. Quoted in the market at 3*s.* 7½*d.*, the shares return on the basis of a dividend of fifteen per cent., a yield of nearly eight and one-third per cent.

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Insurance Notes.

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The enterprises of this great and successful Company extend to all descriptions of insurance usually transacted by joint-stock undertakings; and the Company, not alone through its direct activities, but assisted by those of its subsidiaries, is prominent in each of the life, fire, accident, and marine sections of the business. The subsidiary companies referred to are the "Railway Passengers," "Ocean Marine," and "Fine Art and General," whose accounts are appended to those of the North British and Mercantile, which owns their capital and controls their operations.

As a life office the Company takes very high rank, and the report for 1919 shows that in that year it participated to a great extent in the general revival of life business which has been so remarkable in this country since the close of hostilities. New life policies were issued for £4,256,431, of which £496,886 was reassured, the sum retained at the sole risk of the Company thus being £3,759,545, showing an increase of £2,078,553, as compared with the corresponding figure for 1918. The total net life premium income was increased by £116,920 to £1,360,216, of which expenses, inclusive of commission, seem to have absorbed about 16.5 per cent. The expense ratio is about two per cent. higher than in 1918, but of course an increase in this respect was to be expected looking alone to the greater proportion of new business in 1919, apart from the inevitable enhancement of the cost of clerical and administrative labour. The year's claims in the life section amounted to £1,133,216, of which £812,317 related to death and £320,899 to survivance. Through the year's operations the life assurance fund was increased by £486,089 to £15,558,426, and the net average yield thereon seems to have been about £3 11*s.* 2*d.* per cent., after deduction of income tax, as compared with the actuarial assumption that three per cent. would be earned. The annuity account shows that the sum of £383,099 (as compared with £268,576) was received as consideration for new annuities. The Company's annuity rates are amongst the most attractive now before the public, and under the conditions prevailing during last year special attention seems to have been given to the cultivation of this class of contract. The annuity fund was increased during 1919 by £256,281 to £3,104,646. The sinking fund revenue account shows the receipt of £18,462 as premiums, and that the relative fund at the close of the year amounted to £171,055.

A quinquennial valuation of the life department falls to be made on December 31, 1920, and the life operations of 1919 have no bearing upon the profits taken into account in respect of that year.

The fire account for 1919 shows a very satisfactory result. The relative premium income was increased by £565,273 to £3,648,739. After adjustment of the reserve for unexpired risks, as is usual in this Company at the end of each year on a basis of forty per cent. of the premiums, the trading surplus amounted to £110,447, or to about 12.7 per cent. of the year's premiums, which represents a higher proportionate

profit than the Company has shown for [illegible] years past. In addition, the net interest earnings on the fire fund amounted to £98,347, so that the total profit from the department, transferred to profit and loss account, amounted to £508,794.

No profits seem to be taken into the North British and Mercantile profit and loss account from the operations of the subsidiary companies beyond the dividends on shares held in those companies, which presumably are included in interest earnings appearing in that account for the net sum of £162,731, after deduction of income tax. Transfer fees of £13 are also added to the profit and loss revenue. On the other hand, profit and loss account is debited with £132,134 for income tax, and with £16 for irrecoverable balances.

The profit [illegible]

Fire [illegible]	[illegible]	[illegible]
Profit [illegible]	[illegible]	[illegible]
Less [illegible]	[illegible]	

The allocation of these profits appears to be as follows:—

(1) The [illegible] which on December 31, 1919, £[illegible] was [illegible] £2,432,[illegible] £[illegible] [illegible] at the rate of £2 [illegible] [illegible] ordinary shares [illegible] [illegible] [illegible]

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Commercial.

THE AUSTRALIAN WOOL MARKET.

TWELVE months have now elapsed since we first urged all business men, connected in any way with the wool trade, to study carefully the various measures taken by the Government in London, the final stages in the de-control of wool, and during the interval a number of articles have appeared in these columns dealing with the various changes in the situation. The reasons adduced at that time bear with equal force upon the resumption of private trading in Australasian wools, which is now imminent, and which is in reality the complement of the problem of liquidating the Government stocks of this raw material. The possession of a clear idea of the general trend of events and of the future prospects is so important that we make no apology for dealing with the subject from time to time as fully as the space at our disposal will permit. The situation now existing in the wool trade is without precedent, and trades of all kinds will need during the next twelve months to exercise all possible foresight and skill if serious mistakes, and the consequent losses, are to be avoided.

Our readers will remember that on June 30 last the Imperial Government owned nearly 3,000,000 bales of Colonial wools or more than the equivalent, in bulk, of a year's production of Australia and New Zealand together. The quantities sold since that date have not been very large, and it is probably quite safe to say that, at the moment when the "free" sales are being reopened in Australia, there is in existence a surplus of wool equal to the Australasian clips for one year. No very definite indications will be forthcoming the types of wool now held by the Government, but there is no doubt that the surplus contains a large proportion of coarse and faulty material, and a comparatively small amount of the sound fine wools, which are desired by the English worsted trade. The new clip, now coming on the market, will also be deficient in these best types of wool, owing to the effects of the drought in Australia during the past season. It appears certain, therefore, that our home-trade will be carried on in the immediate future under a distinct handicap because of the short supply of the classes of wools we are able to manipulate, compared with the enormous quantities of the lower classes of material, which our continental competitors have hitherto manufactured with such success.

We are glad to note that the Ministry of Munitions have issued an official notice making it quite clear that the Government do not intend to have anything to do with any scheme for artificially propping the Colonial wool market. The Department announced in August that the State-owned wool remaining in Australasia on August 31 would be shipped slowly as required to replenish the stocks held by the Government in Europe, and it is now officially stated that the liner companies under contract with the Government "must allot liberally to every wool exporter shippers, without any restrictions whatever." This is an important statement which, if rather belated, is of interest to firms who have already despatched their wool-buyers to Australia. Still more important, however, is the remainder of the official notice which, after relating the well-known fact that discussions are proceeding in London with accredited representatives of the Australian and New Zealand wool-growers on the question of the simultaneous marketing of the old and new clips, proceeds to state that the present position is that "both parties possess absolute liberty of action," and that "the Wool Department neither possesses nor seeks to obtain, any power beyond that of regulating the disposal of the old clip wool, which is the property of the Government." The communiqué concludes by adding that "if any method of regulating the disposal of new clip wool should be put into force it will be by the action of the wool-growers themselves, or of the Dominion Governments in the interests of the wool-growers."

It will be recalled that various schemes for obtaining high prices for wool have been advocated in Australia but that, to all appearances, these efforts to substitute private—or semi-private—control for the Government control have borne no fruit. It must, however, be noted that the total quantity to be offered at public auction in Australia during October is reported to be only 100,000 bales; and, if this statement proves to be correct, it is evident that some strong influences are at work to restrict the amount of material placed upon the market. In this connection it must be remembered that, during the next two months, over £13,000,000 will be distributed to wool-growers by the Australian Central Wool Committee as part of the growers' share of the profits on the sale of wool, and to liquidate a portion of the "retention money." This fact will have some influence on the position by strengthening the finances of the growers and better enabling them to withstand the temptations to dispose of their new clips rapidly. It is thus all the more important that the Ministry of Munitions should safeguard the interests of the manufacturing community in this country by maintaining sufficient supplies of Government wools on this side to meet any eventuality and also by retaining absolute liberty of action. Of course, it may be that a definite scheme will be agreed to by both the Australian growers and the home users, but this is unlikely.

In the meantime, many persons are busy estimating the probable level of values, which will be disclosed in Australia during the coming month. One report states that a sale of 300 bales of scoured super-combing merino wool has been sold at 66*d.* per lb., and the general idea is that a good average merino type of 64s quality should be possible at about 70*d.*, compared with the current prices of 80*d.* to 90*d.*, and with 90*d.* to 110*d.* at the beginning of September. It is of little use, however, attempting to speculate upon such an uncertain matter, as it can only be determined by buyers and sellers on the spot. It appears possible, however, that the growers' ideas in regard to the finer classes of wools may be met, but

some difficulty as to [illegible] the cessation of cotton [illegible] and [illegible] demand [illegible] that possible the [illegible] these [illegible] [illegible] mills into full working order, but the possibility of fulfilling this condition is so remote that it would be useless to [illegible]

Industrial Companies.

AFRICAN AND EASTERN TRADE CORPORATION.

Issued Capital: £2,455,366, in Ordinary shares of £1, and £2,048,850 in 6% Cumulative Preference shares.

[illegible] £

[illegible] to exchange the woollen and cotton goods of old England for the spices, the silks, the ivory, and the gold of the East. But if these daring traders are dead [illegible] pany, and East India Company are now relegated to the [illegible] initiative that sent them forth to open up vast empires for the benefit of their country is with us still to-day. Now, however, conditions are changed. Voyages are no longer encompassed with those dangers which the small sailing vessel had to encounter. Modern science has produced the steamer equipped with wireless to secure prompt assistance [illegible] to India and Africa can now be undertaken weekly, instead of being dependent on the wind and weather, and occupy days where the sailing-vessel took weeks and months. Nevertheless, the fact remains that modern trade calls for no less striking qualities and is no less exacting in its demand if success is to be attained. To-day we live in an era of large scale organisation in which the determining factors in success are the extent of the available capital and the skill displayed in utilising this capital to the best advantage. Having by judicious amalgamations built up a powerful organisation and acquired adequate working capital, the African and Eastern Trade Corporation may be regarded in a sense as the counterpart of that celebrated African Company which, formed in the same year (1553) as the Russia Company, [illegible] types of that form of industrial structure of which the African and Eastern Trade Corporation represents the modern development—the English joint stock company.

The accounts furnished by this West African trading association for the year ended December 31, 1919, are of such a nature that no useful comparison can be made with those of the previous periods. During the year this firm, which had hitherto passed under the title of the "African Association Limited," amalgamated with some of the principal firms engaged in the West African trade, and changed its name to the "African and Eastern Trade Corporation." The combine now includes the firm of F. and A. Swanzy, which has been established on the Gold Coast for over a century, Miller Brothers, Liverpool, the Lagos Stores, the African Traders, Hatton and Cookson, [illegible] Company and W. D. Wesson and Company. Negotiations were also undertaken with a view to the acquisition of the British Cotton Mills, but owing to the premature disclosure of the fact, the shares in the latter company appreciated to such an extent that an [illegible] could be concluded. In addition to these purchases [illegible] controlling interests have been acquired in several Lancashire mills which specialise in the West African trade, and [illegible] much attention to silk goods for the same market. Having thus guaranteed a satisfactory supply of commodities for disposal abroad, the combine have pur[illegible] with a view to securing a market for their raw materials. This purchase followed closely on the [illegible] provide an outlet for their cotton. Finally, to facilitate their shipping operations, an important site has been secured at Ellesmere Port with a large frontage on the [illegible]

In the light of these facts it becomes easier to [illegible] during the year in the accounts of the association, the main features of which are supplied at the head of this article. On December 31, 1918, the African Association had an authorised capital of £1,600,000, and a total issued capital of £628,776. On December 31, 1919, the African and Eastern Trading Corporation reported an authorised capital of £10,000,000, and an issued capital £4,504,216. That the market looks favourably on the shares may be seen from the fact that 150,000 Ordinary shares were issued successfully at a premium of 25s. [illegible] £217 Ordinary shares at a premium of 30s. at the close of the year. During the current year a further successful issue has been made of 820,000 Preference and 820,000 Ordinary shares, from which the Company expects to derive an additional working capital of £2,645,000. This metamorphosis in the capital of [illegible] is reflected [illegible] the results of the trading operations for the year. After allowing £720,000 to provide for liability under income tax and excess profits duty, the net profit for 1919 amounts to £1,001,618, near which the total of £154,582 for 1918 appears insignificant. How satisfactory this profit has been may be seen from the fact that it does not include the full effects of the important alliances and amalgamations concluded during the year. Moreover, in the early part of the year the main products from West Africa were all controlled by the Government at prices bearing little or no relation to their intrinsic value. Thus palm oil was controlled at £48 at ton, whereas as soon as decontrol set in it rose to £95. Out of this profit a sum of £350,000 was allocated to the general reserve fund, thereby raising it to £5,175,000. That an issued capital of £4,504,216 should exist side by side with a general reserve of £5,175,000 furnishes, perhaps, one of the best indications available of the financial strength of this great corporation. Including the depreciation fund of £220,519 and the insurance fund of £231,045, the reserves exceed £5,451,714. This position is again the outcome of the successful fusion of interests, as in the balance sheet at the end of 1918 the total reserves, including the allocation of £30,000 made in that year to the general reserve, did not amount to £577,900. After paying £28,207 in respect of the dividend of six per cent. on the A and B Preference shares, the Ordinary shareholders received out of the profits of the year under review a dividend of no less than thirty per cent. Thus the increased capital of the concern has not caused any decline in the rate, for thirty per cent. was also paid in 1918, but only twenty per cent. in 1917. Indeed, taking into account the attention and time involved in the amalgamations, which can in future be devoted to extending the scope of trading operations, the maintenance of the dividend, in conjunction with the substantial [illegible] manifest.

[illegible] the current year is [illegible] of the directors in the prospects are to some extent [illegible] existing shareholders in respect of every twenty shares

already held. Furthermore, it appears that were it not for the rather clouded industrial outlook at the moment, capitalisation would have taken place on a larger scale. The chairman stated at the general meeting that as soon as the directors could visualise the future more clearly the question of capitalisation of reserves would again be considered. "Meantime," he continued, "I am able to assure you that the prospects of the Company this year (1920) are already assured. I do not think I am too optimistic in saying that the present dividend can be maintained for the present year, not only on the present issue of capital, but including the bonus shares and the new issue." When the widespread ramifications of this association are considered, it is not difficult to share in the optimism thus displayed. Not only has it consolidated its already important interests in West Africa, but it is now engaged in the opening-up of East Africa, having conceived the ambitious plan of establishing a chain of trading stations between East Africa and the Congo. Branches are also operating in Morocco, Syria, Palestine, Mesopotamia, Persia, Constantinople, Rumania, Bulgaria, and Singapore, and it is intended to start activities in Egypt and China in the near future. A business with a turnover exceeding £22,000,000 for 1919, of which West Africa contributed three-fourths, and which has a wide-world trading connection, is, comparatively speaking, immune from the more serious effects of trade depressions in any one or more centres. What the African and Russian companies were in the sixteenth century, the African and Eastern Trading Corporation aspires to be, and will be, to-morrow if its current progress is any measure of its future growth. Reference has already been made to its great financial strength as evidenced in its powerful reserves. No less striking a testimony is furnished by the figure of £6,759,635, representing the value of its investments mainly in allied and subsidiary companies. Furthermore, current liabilities, including the final dividend of £304,179, do not exceed £2,779,746, and are more than covered by the total of £2,934,108 representing cash and sundry debtors; whereas if all liquid assets are taken into account, the total available for this purpose exceeds £5,983,220. The prices and yields of the shares of the Association, the yield of the Ordinary shares being based on a dividend of thirty per cent., are embodied in the following table:—

	6% Cum. Pref.	Ordinary Shares.
Price	1⅛	68s. 6d.
Yield	7·3%	9%.

THE VICTORIA FALLS AND TRANSVAAL POWER COMPANY, LIMITED.

Issued Capital: £3,000,000, in 1,000,000 Ordinary shares of £1 each, and £2,000,000 6% Cum. Participating Preference shares of £1 each. Debenture stock, £3,743,460, in £2,400 000 5 First Mortgage Debentures, and £1,343,460 5½% Second Mortgage Debentures.

Year to Dec. 31	Net Trading Profit	Interest, Depreciation and Income Tax Debs.	Reserve	Preference Dividends	Rate	Ordinary Dividend	Rate	Carry Forward
	£	£	£	£	%	£	%	£
1916 ..	800,626	229,715	305,713	150,000	10	85,750	5	75,448
1917 ..	836,301	236,273	347,262	150,000	10	87,500	5	97,566
1918 ..	861,687	229,715	119,811	50,000	10	75,621	5	93,536
1919 ..	789,274	219,160	394,488	..	..	139,997	10	94,329

THE recently published statement of accounts of this Company for the year ended December 31, 1919, show that a net trading profit was obtained of £789,274, or £75,413 less than the profit for the previous year. Deducting charges for interest and premium on Debentures amounting to £219,160, and £394,488 for depreciation and income tax, an actual net profit is obtained of £175,626, as compared with £224,128 for 1918. Adding £93,693 brought forward, there is a balance available for distribution of £269,319. Contrary to the usual practice, no allocation has been made to reserve, which stands at £250,000, but the dividend on the Preference and Ordinary shares is maintained at ten per cent. and five per cent. respectively, leaving £94,320 to be carried forward, as compared with £93,693 brought in from 1918. *Apropos* of the dividend payments, it may be remarked that the Preference shareholders of the Company are entitled to a six-per-cent. cumulative dividend, and participate *pro rata* with the Ordinary holders in the surplus profits of each year until they have received a total dividend of ten per cent. in respect of such year. They must therefore receive ten per cent. before a higher dividend than four per cent. can be paid to the Ordinary shareholders.

A survey of the balance sheet shows an increase of £183,000 to £907,206 in Debentures purchased and drawn for redemption, while sundry creditors have grown by £261,737 to £1,488,222. The value of leases, concessions, and undertakings purchased is reduced by £47,964 to £1,418,361, as compared with a diminution of £20,479 in 1918. The reduction is represented by sales, transfers, depreciation, and amounts written off. Power stations, buildings, equipment, and land at £1,876,382 are £47,964 less than in the previous year. The Company has £500,000 invested in its subsidiary, the Rand Mines Power Supply Company, Limited, but the loans to this concern have fallen by £122,627 to £2,358,903. Debtors have increased by £59,259, and Government investments by nearly £560,000 to the large total of £2,635,474, but cash holdings have fallen £158,363 to £219,999. Excluding stock, the total liquid assets amount to £5,862,852, against which there are current liabilities of £2,117,913, including Debentures drawn not yet presented for payment, leaving surplus liquid assets of £3,744,939, as compared with £3,829,606 for the previous year.

The financial position of the Company is obviously one of great strength, but as the directors' report which accompanies the statement of accounts deals only with the profit adjustment, the Chairman's detailed report at the annual general meeting on October 1 next must be awaited before a complete review of the activities of the Company during the past year can be obtained. In the meantime it may be suggested that the sudden fall in profits which has occurred after years of continued progress is probably attributable to unusually high costs of materials and labour which could not reasonably be passed on to the consumers.

This Company supplies the mining districts of the Transvaal and Rhodesia with electrical power from the Victoria Falls on the Zambesi River, and from steam-power stations at Johannesburg. The undertaking absorbed the General Electric Company, Limited, and the Rand Central Electric Works, Limited, and is in complete control of the Rand Mines Supply Company, Limited, holding in addition important exclusive rights which give it a monopoly over a large area. Owing to the nature of its activities, its prosperity is almost entirely dependent upon that of the South African mining districts, the prospects of which are sufficiently assured to justify the anticipation that steady revenue returns will continue to characterise the operations of the Company. The prices and yields of the different stocks of the concern are set out in the following:—

	Price	Yield
	£	
[illegible] Pref. 6% Participating Preference Shares	6[illegible]	11·9
[illegible] Shares	10/-	10 0
5% First Mortgage Debentures	[illegible]	5·3
5% Second Mortgage Debentures	97	5·7

NORTH OF IRELAND PAPER MILL CO., LTD.

Issued Capital: £160,000 in 160,000 Shares of £1 each.

Year ending Dec. 31	Net Profits	Paid Dec.	Rate	Stocks	Carry Sundry Debtors forward	Assets
	£	£	%	£	£	£
1916 ...	29,126(a)	15,000	15	80,517	54,121	248,8[illegible]
1917 ...	14,555(a)	15,000	15	23,891	53,927	59,524
1918 ...	23,126(a)	15,000	15(b)	51,471	7,354	52,503
1919 ...	35,253(a)	24,000	15	55,751	18,587	65,244

And in addition a bonus of 5s. per share free of income tax converted to 5/7 per annum.

(a) After charging interest, depreciation, bad debts and provision for war taxation.

(b) Free of income tax.

(c) Excluding stocks, but including Government investments.

FOR many years prior to 1913 the dividends paid by this Company were maintained steadily at 10 per cent.

per annum, free of income tax. The spell of poor sports was, however, interrupted in 1914 and 1915 by domestic troubles arising from the pollution of the water supply at Ballyclare Mill, and the obstacles raised during the War to the purchase of oats and coal. As a result, dividends were reduced in 1914 to two and a-half per cent. per annum, and in 1915 to four per cent. per annum, both free of income tax. By an arrangement with the Belfast Corporation the former trouble seems to have been disposed of, and the accounts issued since 1916 put the prospects of the Company in a more favourable light. As indicated by the above table, profits with the exception of those recorded for 1917, reveal a continuous, though not excessive, advance. Nothing [illegible] bad debts during the past two years, and the general benefit is no doubt felt in the distribution to the shareholders. For 1919 the [illegible] £35,233, and £33,126 in 1918, an increase of £1,807. The allocations therefrom in the former year on account of Ordinary dividends [illegible] to £24,000, the increased amount on the basis of a fifteen per cent. dividend being rendered necessary by the capitalisation of reserves in 1919. Shareholders have certainly no reason to complain, as when a comparison is made, this payment of £24,000 represents an increase of £4,000 over 1918, when the dividend and bonus combined, twenty per cent. free of income tax, absorbed £20,000.

The alteration in the character of the Company's capital was effected by the subdivision of the £5 shares into five shares of the more marketable denomination of £1 each. In addition, the reserve fund of £60,000 was capitalised and the proceeds allotted in the proportion of three new shares for every five £1 shares. As displayed in the accounts for 1918, the issued capital is £160,000. Since this Company does not specifically make provision for reserves, the amount £53,927 brought into the new accounts in 1918 was appropriated to this reserve fund, the remainder being probably made up from investments, and this partly explains the decrease in the carry forward for 1918. In another form, needless to say, this sum, £60,000, will still be available for the development of the Company's business.

For depreciation £4,117 was allowed in 1919, as against £4,456 in 1918; and land, buildings and machinery, figuring at £94,311 in 1913, now appear at £73,297, which is satisfactory considering the appreciation in money values. Stocks have advanced by £4,250 to £55,721. Investments at cost are down from £47,000 in 1918, to £33,000 in 1919. A similar decline from £40,022 to £12,640 is remarked under the heading of cash on hand and at bank and, in contrast, sundry debtors have advanced from £63,789 to £103,926. As against sundry creditors, however, the surplus of liquid assets in 1919 shows an increase of £10,711 on that of 1918, and, on the whole, this must be considered to add an element of strength to the Company's position.

Calculated on the basis of a [illegible] per cent. dividend, free of income tax, the £1 shares at its present price, £3, gives a yield of [illegible]

LILLEY AND SKINNER, LIMITED.

Capital: £234,480. in 160,000 Ordinary shares of £1 each partly paid up) and 20,000 Preference shares of £5 each.

Year to	Net Profits	[illegible]	Dividends	[illegible]	[illegible]
	£	£	£	£	£
[illegible]	[illegible]	[illegible]	1,377	7,483	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	3,721	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	3,597	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The trading results of this London boot Company for the twelve months ended October 25, 1919, show a net profit of £45,372 [illegible] £5,293 greater than the profit for the previous year, is nearly double the profit for 1917. The reserve allocations, which were only £5,000 in 1916, have been substantially increased annually, and last year's appropriation amounted to £30,000, bringing the reserve up to £105,000, or nearly forty-five per cent. of the total paid-up capital. The dividend for 1919 has been maintained at ten per cent., and the amount carried forward to the current year has been increased by £2,568 to £20,317.

In the balance sheet the figure for sundry creditors has been nearly doubled, the total now amounting to £1,002,873, as compared with £589,460 for the previous year. The increase is largely due to bank and deposit loans, which were £70,583 in 1918, and are now £243,021; while the figure for bills payable has jumped from £2,248 to £131,672, and liabilities to trade creditors have increased from £150,305 to £273,199. On the other hand, loans secured on properties have fallen from £105,108 to £44,956. These secured loans represented over forty per cent. of the current liabilities in 1915, and now form the smallest item among the creditors, representing less than five per cent. of the total. The large expansion in the figure for sundry creditors is reflected in the growth of stocks from £476,624 to £817,303, and in the book debts from £194,185 to £258,670. This increased proportion of capital locked up in stocks is a characteristic feature of many industrial undertakings in recent years, and while it is largely explained by high-price levels and expanding trade, it is also symptomatic of abnormal industrial circumstances. The fixed assets of the Company are reduced by £8,558 to £129,702 after writing off depreciation, while goodwill (at cost) remains unchanged at £30,000. The liquid assets, including stock, are found to exceed the current liabilities by over £201,500, as compared with a surplus of £160,400 in 1918.

As far as can be seen there is not any likelihood of a serious set-back in the continued prosperity which has attended the trading activities of this Company. The £5 Preference shares at their present price of £3 yield a return of 8.3 per cent., there being no quotation for the Ordinary shares, which [illegible]

The Commonwealth Bank of Australia, [illegible] it will be remembered is the only State-owned banking institution in the British Empire, has accumulated profits to the extent of £2,755,104 during its existence of less than eight years. All obligations being guaranteed by the Commonwealth Government, the Bank has no issued capital, and profits are, therefore, held to the credit of reserves. Balance-sheet figures for the half-year to June 30, 1920, show an increase in deposits of 1¾ millions to £58,985,310, and of 2 millions to £63,679,412 in assets. Cash items aggregate £29,487,306, and investments £17,975,463. Profits for the half-year are £392,604, making a total of £833,134 for the twelve months ending June 30, 1920.

The report of the Disconto Gesellschaft, Berlin, for the year 1919 provides a striking contrast to that for 1918. Total assets and total liabilities have each [illegible] marks. Among the assets cash on hand has increased [illegible] 4,236 [illegible] 1,[illegible] 2,[illegible] received among the liabilities [illegible] cent. in 1917.

New Issues.

5 15 YEAR TREASURY BONDS.

These bonds, which are still on offer at £100 per cent., payable on application, are repayable at par on May 1, 1935, or on May 1 of any one of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid half yearly on May 1 and November 1, at a minimum rate of five per cent. per annum, may be further increased during the period ended May 1, 1925, as follows: If in any half-year ended May 1 or November 1 the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a-half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year; if the aforesaid rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. Allotments may be obtained in Registered form, or in Bonds to Bearer.

LONDON HOUSING BONDS.

These bonds, available in amounts of £5 each and multiples thereof, bear interest at the rate of six per cent. (payable on September 30 and March 31), and are redeemable at par on the expiration of five, ten, or fifteen years. They are secured upon all the property and revenues of the L.C.C. and the rates of the Council outside London. Payment may be made in instalments for Bonds to the value of £20 or multiples thereof. Transfers executed free of expense. Each borough has a lien on money subscribed within its boundaries; and individuals may tender bonds at face value in purchase of dwellings erected by a local authority under the Housing Acts. Income tax is not deducted when holdings do not exceed £100.

CHARLES SEMON AND COMPANY.

Offer of 349,593 Seven and a-Half per Cent. Cumulative Preference shares of £1 fully-paid (with dividend accumulated from July 1, 1920) at the price of 17*s.* per share. The remainder of the capital, 250,000 Ordinary shares of £1 each, is held by the Textile Corporation, and no Debentures have been created. The present issue holds complete priority, therefore, as regards both capital and dividend, which in addition are guaranteed under deed by the Textile Corporation. The Preference dividend will require an annual disbursement of £26,250 a sum which is less than one-fourth of the present and prospective net profits, while the principal is covered twice over by the certified net assets. The yield of 8 4-5 per cent., coupled with such a strong guarantee, renders the shares a decidedly attractive investment. The list closed on Friday, September 24.

National Bank of India. The directors have decided to increase the issued capital to its authorised maximum, £4,000,000, by an offer of 40,000 shares of £25 each to the existing shareholders in the proportion of one new share for every three shares held. The sum of £12 10*s.* per share will be called up on the new shares, which will be issued at a premium of £7 10*s.* per share. The price works out, therefore, at £20 per share, £10 less payable on application, which will probably require to be made by about the middle of November, and £10 on or before December 15. As the shares are now quoted at 53, the bonus to the shareholders will be of a very generous nature. Each holder of three shares will have the opportunity of purchasing another share for £20 (excluding the call liability of £12 10*s.*), which, on the basis of market values of £50, yields a bonus of £30, or £7 10*s.* per share. The new issue will increase the total share capital by one-third, and the financial position of the Bank as revealed in the latest statement for the half-year ended June 30, 1920, shows a capacity for absorbing this amount without materially diminishing the market price of the shares. For the half-year to June 30 last an interim dividend of twenty per cent. per annum was declared, and the profit-earning capacity of the Bank will undoubtedly be increased with the additional resources placed at its disposal.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	1916
BANKS:					
Eastern Bank, £10 sh., £1 pd.	12½	7½	7½	6	5
BREWERIES:					
Tennent's Bonds	2½				
Do. Pref.	11	1½	1	1½	1½
Walker & Homfrays	3½	2½	1½	1½	1
COMMERCIAL:					
Agency Comm. £5 sh., £2½ pd.	Nil	7	5	6	6½
Asbestos Corp. of Canada, Ord.	12½	—	—	—	—
Do. Pref.	1½	—	—	—	—
Ash (Claudius)	(12½%)	5	15	7½	6
Bell Bros. Pref.	44	—	—	—	—
Bell's Asbestos	25	6	6	6	6
Bovril	50	5	5	5	5
Brit. Westinghouse 7% Cum. Pref.	50	7	7	7	7
Brotherton & Co. Ord.	50	12½	12½	12½	12½
Brotherton & Co. 6% Pref.	100	—	—	—	—
Brown & Tawse	15	Nil	5	Nil	Nil
Browett Lindley, Ord. 15s. sh.	4	8	10	4	—
Do. 6% Pref. £1 sh.	5	6	6	6	6
Bryant & May	40	17½	22½	—	—
Bunzl-Pulp Ord.	50	10	12½	15	12½
6% Cum. Pref.	30	6	6	6	6
Burt, Boulton & Hayward 1st Pref.	6	—	—	—	—
Burt, Boulton & Hayward 2nd Pref.	25	—	—	—	—
Calico Printers' Assn. Ord. 5%	25	10	Nil	5	Nil
Do. 5% Pref. £1 sh.	5	—	—	—	—
Cammell Laird & Co. £1 sh.	25	8½	8½	8½	8½
Central London Railway	5	5½	5½	—	—
Chemical Food & Fertilizer Ord.	10	—	—	—	—
Chemical Food Manu. Comp. Stk.	15	17½	17½	15	12½
Parker, Winder & Achurch, Ord.	30	6	6	6	6
Parker, Winder & Achurch, Ord.	25	7½	7½	6	6
Pascall & Sons	27½	15	30	27½	27½
Rego Concrete Syndicate	5	—	—	—	—
Rego Concrete Syndicate Pref.	25	6	5	5	7½
Salmon & Gluzier	25	10	10	11	6
Stone & Morton	50	10	15	8	4½
Tube Cleaning & Chemical 15s. sh.	10	10	10	10	10
United Dairies & Utilities	5	—	—	—	—
Cum. Pref., 12s. 6d. sh., 12½	7½	20	20	20	20
Watson & Sons, Ltd.	10	—	—	—	—
Whitaker Bros. Ord.	5	—	10	10	10
Whitaker Bros., Preferred, £10 sh.	2	—	20	20	20
ELECTRIC LIGHTING & POWER COS.					
Montreal Electric	10	—	—	—	—
Pfd. Ord.	6	—	—	—	—
Cum. Pref.	5	6	6	6	6
Philadelphia Co., Common	1½	—	—	—	—
Pref.	1	7	7	7	7
FINANCIAL TRUSTS:					
Alliance Trust, Ltd. Stk.	10	3½	19	19	19
Alliance Trust, Ltd. Cum. Pref. Stk.	2½	2½	1½	1½	1½
Alliance Trust, 4% Pref. Stk.	2½	4	4	4	4
Investment & Mercantile Trust, Ord.	12½	Nil	4	4	4
FOREIGN RAILS:					
Buenos Ayres & Rosario Ord.	—	—	15	15	15
Buenos Ayres Great Southern Ord.	14	3	2	4	4½
Do. Pref.	7	—	—	—	—
Entre Rios & Argentine Trust Stk.	14	4	2	3½	5
Great Western of Brazil Pref. Stk.	24	11	11	11	11
Do. Ord. Stk.	5	2	2	1½	1
Do. Deferred	6	Nil	Nil	Nil	Nil
GAS COS.:					
Alliance & Dublin Consumers' Gas	8½	7½	8½	9½	7½
INSURANCE COS.:					
Atlas Assurance £10 sh., 2½s. pd.	2½	4	4	4	4
Ethniki Insurance Co. of Greece	10	5	—	—	—
£5 sh.	10	5	—	—	—
Yorks Fire & Life, Ltd.	2½	5	5	5	5
£1 sh., f.p.	5	5	5	5	5
IRON, COAL & STEEL:					
Steel Co. of Canada 7% Cum. Pref. Stk.	14	—	—	—	—
MINES:					
Ferreira Deep	12½	12½	22½	25	25
Goldfields Consolidated	5	5	3½	3½	2½
Lake View & Star Consolidated	10	2½	8½	10½	10½
Johannesburg Cons. Invest.	17½	5	5	5	5
Kleinfontein	5	—	—	15	15
Pat. Kaap. Dev. Pref.	1	12½	15	12½	12½
Ord.	5	—	—	12½	12½
Simmer & Jack	22½	—	—	12½	12½
SHIPPING:					
Ellerman's Wilson Line Ltd.					
Cum. Pref. Ord. £5 sh.	10	6	6	6	6
Ellerman's Wilson Line, Ltd.					
Deferred Ord. £5 sh.	25	20	50	15	25
TELEGRAPHS & TELEPHONES:					
Eastern Extension Australasia & China	25	8	8	8	7½
WATERWORKS:					
Colombo Commercial Water Co. Rs. 50					
Ord.	10	8	8	8	8
Montevideo Waterworks, Ord. Stk.	10	8	8	8	8

† Less Income Tax. ‡ Free of Income Tax. § Free of Tax. ‖ Plus 5% in script of subsidiary.
a. Plus 1 share of Ord. Stock for every 5 held.
b. Plus 1 share of Ord. Stock for every 10 held.

MEETINGS
OF PUBLIC COMPANIES.

WALFORD LINES, LIMITED.

The first annual general meeting of the Company was held at Winchester House, Old Broad Street, E.C., on September 20.

The Chairman, Mr. George Peel Walford, in moving the adoption of the report and accounts for the year ended April 30, 1920, said that their first financial year ended while the purchase of, connected with John Harrison Line, was still in process of fulfilment, so that the balance-sheet contained no figures relating to that company.

The profit on the year amounted to £[illegible] and there remained a distributable balance of £[illegible]. Interim dividend paid on March 30, together with proposed final dividend absorbed £[illegible], leaving £[illegible] to meet all Government taxes and to permit of a substantial balance being carried forward.

The first question that all shipping companies must bear in mind was to provide adequate sinking funds for the depreciation of their fleets.

The cost of building new ships had not necessarily increased, although second-hand tonnage had been changing hands at reduced prices. Nearly all the steamers of the Walford Lines were new, and employed between fixed ports, so that eleven per cent. to cover the period up to April 30, 1920, was an ample provision for depreciation.

When he addressed the shareholders on March 31 it was the general belief that the excess profits duty would be either reduced or eliminated, but they now found themselves faced with an excess profits duty of sixty per cent. as well as Corporation profits tax, in addition to the income tax, so that the State was taking a share of the Company's revenue which the board expected would have been available for dividends or making provision for expansion.

Notwithstanding the present depression, the general trading results of the Company's steamers were very satisfactory. During the period under review the Company had 671 sailings from United Kingdom ports, and had carried out and home 514,752 tons of general cargo. From May 1 to the end of July outward the sailings numbered 193 and cargo 83,564 tons.

Continental Services.

They were now running a regular boat per week from London to Dunkirk and Ghent, Rotterdam, Dieppe; and Fécamp; from Liverpool, Manchester to Antwerp, Rotterdam, and Dunkirk; and from Goole to Treport. There were three sailings a week from London to Boulogne and back, and in conjunction with the Anglo-Polish Steamship Line there was a service between Liverpool, London, and Continental ports and Danzig, the results of which were profitable. They now enjoyed the full benefit of the combination with the John Harrison Line, giving them control of twenty-nine steamers, besides two others now building.

The John Harrison Line purchase enabled numerous economies to be effected, and they had been able to increase the number of sailings and to establish fresh regular services.

The John Harrison services between the United Kingdom and Treport, and between London and Antwerp, with three boats weekly, had been especially satisfactory, and provided exceptional facilities to shippers for the prompt and efficient conveyance of through traffic.

From January 1 to July 21 the John Harrison Line made 266 voyages outwards, and regular services were being gradually re-established from London, Manchester, Swansea, Newport, Whitehaven, Barrow, Workington, Liverpool, Bristol, and Belfast to Treport, with very satisfactory results.

The fleet of motor-lorries owned by that line had been increased with profitable results, and it was intended to [illegible] this branch further.

The Dividend.

Referring to the question of the dividend [illegible] A share and proportionate dividend on the "B" shares, he thought the shareholders would agree that the indications he gave at the extraordinary general meeting had been fully justified. The final dividend would bring up the total for the year to 2*s.* per share, less income tax, and although this worked out at ten per cent. on the "A" capital, if they took into consideration the dates at which the calls were paid, the yield was very much greater.

The Company's debenture issue was closed at £[illegible]. As the shareholders knew, the last issue was made under very adverse conditions, and the number of [illegible] was somewhat below their expectations, but was quite sufficient to enable the board to complete the deal with the John Harrison Company. The "A" share capital [illegible] at £599,272.

He would like to conclude by expressing their recognition of the very efficient services of the captains, officers, and crews of their steamers, also to commend the way in which the staff and the [illegible] Messrs. Lyon Walford (London), Limited, and of the John Harrison Company, had carried out their duties, and they would appreciate that it was due to incessant effort and intelligent activity [illegible] obtained.

The Chairman then moved that the directors' report and accounts for the year ended April 30, 1920, be adopted, and that a dividend of 6*d.* per share, less income tax, be paid [illegible] income tax, be paid on each of the "B" shares. Mr. Esmond Caillard seconded the resolution, which was duly carried.

At an extraordinary general meeting subsequently held, certain formal alterations in the Articles of Association were agreed to.

KINTA KELLAS RUBBER ESTATES, LIMITED.

The tenth ordinary general meeting of this Company was held on September 20 at the offices of the Company, 125 High Holborn, W.C., Mr. Edward Bedford, C.E. (the Chairman), presiding. The Chairman said: On the debit side of the balance sheet you will note that the share issue now stands at 1,275,000 shares of 2*s.* each, as compared with 1,139,270 shares. The difference of 135,730 shares was issued to shareholders early in the year at 4*s.* 3*d.* per share and all taken up. In making this issue the whole circumstances were most carefully considered by your board of directors, who finally decided on an issue at 4*s.* 3*d.* per 2*s.* share, equivalent to a premium of 112½ per cent. I think you will agree with me that with liquid assets of practically fifty per cent. of our issued capital the Company is in a very satisfactory position indeed. Coming to the profit and loss account, we have 700,023 lb. realised £70,383; in addition we have £2,015 realised from the sale of the balance of previous year's crop, which was taken into the last accounts at 1*s.* per lb. Our gross average price was 2*s.* 2.43*d.* per lb., and the net 2*s.* 0.48*d.* Costs again show a reduction at 8.83*d.* per lb., comparing with 9.41*d.* per lb. for the preceding year. As to the future, we have been planting up out of profits to replace areas lost in floods. We have now 2,258 acres of good rubber. The crop estimate for the current year is for 800,000 lb., to be produced at the somewhat increased cost of 9.59*d.* per pound. Our feeling is that under existing conditions of taxation it is to our interest to nurse our young rubber and [illegible] than go for a big [illegible] We are still short of labour, which is the general position of most of the estates in Malaya. We lose no opportunity to retain our labour force by attention to food and the care of the native staff, and we have every hope that we shall, with time, organise an adequate labour force to enable us to proceed with the extensions we contemplate. In conclusion I think that shareholders are to be congratulated upon a most satisfactory year's working. Last year I considered that we could look forward most hopefully to the future and there is certainly no reason now why we should not anticipate a steady and increasingly prosperous career for the enterprise. I now beg to move the adoption of the report and accounts. The Chairman next moved the confirmation of the payment of an interim dividend of seven and a-half per cent., [illegible] dend of twelve and a-half per cent. for the year 1919-20, and of an interim dividend of seven and a-half per cent. for the current year.

Mr. Martin seconded the resolution, which was unanimously agreed to.

KALIDJEROEK RUBBER COMPANY, LIMITED.

[illegible]

he thought they must regard as a highly satisfactory state-

interplanting coffee in rubber it was better to regard them as two distinct cultivations, more especially as the Company's interest in rubber was to be extended elsewhere, as mentioned in the report. They were associating themselves with the Batu Jawa Estates, Limited, in the purchase of a concession of some 6,000 acres of land in Dutch Borneo not far from the Port of Bandjermassin. He made a short reference to this arrangement recently when presiding at the annual meeting of that company. They considered it a very good arrangement for both companies. The conditions, geographical and otherwise, were very favourable, and work had already begun. The Borneo proposition would, so far as the directors could see, be exclusively rubber. All their capital had now been issued, and it represented very inadequately the value of their assets. His colleague, Mr. J. L. Burt, had visited their estates since the last meeting, and the directors were perfectly satisfied with the condition of things there. As the shareholders had probably anticipated for themselves, there were certain features in the current year's prospects which were not so favourable. Up to June rubber prices were fairly good, but they had since fallen away badly. Fortunately, the directors had to some extent mitigated the effects by selling forward. They had contracts still running "in store Java," seventy-five per cent. first grade, twenty-five per cent. Browns—for 1920, 30 tons at 1s. 9$\frac{7}{8}$d. and 34 tons at 1s. 10$\frac{3}{4}$d.; and for 1927, 60 tons at 2s. 2$\frac{1}{2}$d. It must be understood that 3$\frac{1}{2}$d. should be added to these prices when comparing them with prime sheet delivered "ex warehouse" London. Then there was the excess profits duty, raised to sixty per cent., as well as the new Corporation tax. In spite of these adverse factors he thought a fair dividend should be forthcoming the next time they met. He concluded by proposing the adoption of the reports and accounts and the payment of the final dividend mentioned.

Mr. J. L. Burt seconded the motion, which was carried unanimously.

Books Received.

Transport in Modern Warfare. Price 5*s.* net. (London: The Railway Gazette.) Under the above title our railway contemporary has just issued an excellent work describing the great part transport played in the recent War. An account is given of the war emergency organisation and methods of operation of British railways, and also of the organisation and work of the Transportation Directorate of the War Office. Accounts are given of the British transport organisation and work on the various fronts. The number is profusely illustrated with maps and diagrams and over 100 remarkable photographic reproductions.

"The Education Department and After." By Sir George W. Kekewich, K.C.B. Price, 26*s.* net. (London: Constable and Company, Limited.) Sir George, who was formerly Secretary of the Education Department, and was elected an Honorary Member of the National Union of Teachers, gives in this work a concise exposition of the foundation and working of that Department. The first part is devoted to a kind of personal record, but also gives a presentment of the Department, especially as regards its higher staff, as it was some fifty years ago. He goes on to criticise certain Ministerial administration and its absurdities; tell his readers to be on their guard in future against taking Ministers at their face value; and points out the difficulties which surround permanent officials desirous of doing their duty honestly.

"A History of the Chartist Movement." By Julius West. With an introductory memoir by J. C. Squire. Price, 16*s.* net. (London: Constable and Company, Limited.) This work, which is the product of a Russian student of history, since dead, surveys the causes that led to the growth of the Chartist movement. From the fact that he attended Bolshevist movements in Moscow, his sympathy with extremist movements in politics may be deduced. Incidentally he explodes the accepted view that the Charter originated with Daniel O'Connell, the author tracing it to Francis Place and his associates.

FORTHCOMING POLISH LOAN.

It is announced by the British Overseas Bank, on advices from the Anglo-Polish Bank, that the Polish Treasury are issuing, on October 1, a Four per Cent. State Premium Loan for an amount up to P.M.5,000,000,000 in 5,000,000 bonds of P.M.1,000 each. The emission will have a currency of forty years, with yearly coupons (free of tax), and during the first twenty years there will be a weekly drawing of one prize of P.M.1,000,000, the first drawing to take place on November 6 next. As the Polish State was only constituted by the decisions of the Versailles Conference, it has little or no financial history, but the national liabilities on October 1, 1919, were stated to be five and a-half milliards of Polish marks in short-term loans, while considerable sums were owing to the Allies and Holland. In consequence of the announcement Polish exchange improved, the quotation for the pound sterling falling to 845 marks. The proceeds of the loan are to be earmarked for the pressing expenditure under various heads with which the Polish Government is now confronted.

Dutch Indies Railway Company.—The accounts available for the year ending December 31, 1919, show a considerable excess of gross receipts over working expenses for the railway and the four tramway systems. The two recently installed automobile services are not, however, quite so satisfactory, Brinjin-Salatiga, the shorter of the routes, having been worked at a net loss, against which may be set a slight net gain on the Parakan-Ngadiredjo route. Total gross receipts have increased by £1,846,000 to £13,510,954, and total working costs by £1,126,400 to £7,387,240. After making the necessary allocations for reserves, depreciation, and interest on bonds, a dividend of seventeen per cent. on the Ordinary share capital of £11,450,000 is declared, as against fifteen per cent. in each of the two previous years.

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Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON, SATURDAY, OCTOBER 2, 1920.

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The Money Market.

Friday, October 1, 1920.

	Overnight Rate %	Previous	Past Month Rate %	Previous
Bank of England Rate	7	(Apr. 15, 20)	6	(Nov. 6, '19)
Deposit Rates:—				
Bankers Deposit Rate (Call)	5	(Apr. 15, 20)	4½	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, 20)	4½	(Nov. 6, '19)

The special rate of 4½ per cent. allowed by the Bank of England on July 29 has been withdrawn.

Discount Rates :—	3 Mos.	4 Mos.	6 Mos.
	%	%	%
Treasury Bills ...	—	—	—
Bank Bills	6½	6½	6½
Trade Bills	7–7¼	7–7¼	7–7¼

BANK RATE POSSIBILITIES.

RATHER disturbing rumours of a rise in the Bank rate have found currency during the week, and in some quarters it was even stated definitely that a rise in the rate had been decided upon. Though such statements will be taken guardedly by the experienced, there are a large number of investors who may be influenced to the extent of selling blocks of gilt-edged securities in order to avoid the depreciation which would follow on a rise in the Bank rate, a step which would only result in loss to themselves, to the benefit of the more astute. The reason generally given for the expected rise is the present money "squeeze" in Lombard Street, it being ignored that the causes of this are of a purely temporary nature. Conditions in the Money market during the past month could hardly have been easier, considering the large payments which had to be made to the Government, the comparatively small amount of September maturities held by the banks, the large amount of December maturities which had to be purchased, and the increased pressure for accommodation incidental to the approach of the quarter-end. During October, however, the demand for short loans is likely to show a falling off, while tax collections will probably be on a smaller scale. It must be admitted, however, that a disquieting feature in the situation is the large amount of Treasury bills which falls due during the current month, nearly £488 million. If sales of Treasury bills during October continue only on the same scale as in September the Government would be forced to borrow so largely on Ways and Means that they may have to resort to the expedient of putting up the Bank rate, adopted under similar circumstances in April last. The fact that January maturities are unpopular with the banks, new Treasury bills being now, of course, January maturities, and also that the banks will now want to buy two months' bills, which mature in December, seems to foreshadow a difficult period for the Exchequer. Moreover, the increasing supply of bills arising out of trade activities, coupled with the advance in discount quotations for such paper, is operating towards making ordinary bills a more attractive proposition than Treasury bills. On the other hand, the banks and the market will be so well supplied with funds this month that in all probability maturing Treasury bills will be renewed in sufficient amounts to obviate the necessity for very large borrowing from the Bank on Ways and Means, though, perhaps, borrowing to some extent will be unavoidable. These tendencies may not become pronounced next week, as considerable amounts fall due for repayment to the Bank. On the whole, it may be said that the current month will see the return of easier conditions in Lombard Street, though it will [illegible]

The factors governing the Money market during the week were the same as on the previous weeks, though [illegible] of the Bank's [illegible] to [illegible] extent as during October [illegible] December maturities to [illegible] December [illegible] preparation of balance sheets at the end of the year. This factor will grow more prominent towards the end of

the month, as, of course, end-of-December maturities were in strongest request, as indicated by the heavy purchases of Treasury bills during the four days to Thursday, mentioned below. Borrowing from the central institution was in progress all during the week, and the consequent large repayments which fall due to the Bank next week may postpone the expected return to easier conditions in October. Up to Thursday the demand was strongest for advances into October, for which seven per cent. was paid on Thursday. On Monday and Tuesday the demand was not so pronounced as latterly, and balances were occasionally placed at under five and a-half per cent. Yesterday being the last day of the month, the pressure for loans was keenest; interest was chiefly centred in overnight money, which commanded six and a-half to seven per cent., and a few transactions at seven and a-half per cent. were reported. Weekly fixtures were unobtainable under six per cent., while as high as seven per cent. was paid in some cases. The demand, however, seemed to have been over-estimated, for there appeared to be plenty of funds towards the afternoon, and closing balances were placed with some difficulty down to five and a-half per cent.

On to-day the amount due to the Bank was repaid without the necessity for any reborrowing. Demand was fairly brisk for day-to-day money at five and a-half per cent., and as there was only a narrow margin of credit supplies over requirements nothing was offered below this rate.

The discount market was remarkably quiet during the week, on account of the money stringency, and towards the end of the week business was almost at a standstill. December paper was marked down to 6½ to-day. January maturities were called 6¾; four months' and six months' bills were quoted at 6¾-⅞ per cent. Novembers were easier at 6 per cent.

Foreign Exchanges.

In the Foreign Exchange market Belgian and French francs and Italian lire displayed considerable weakness in the early part of the week, but later on recovered partially. The New York rate showed a better tendency on Monday and Tuesday, on which day cable transfers were called 3.50¾; on each of the two following days it developed weakness, being quoted at 3.46¾ yesterday, but, though under last Friday's level, it registered an improvement to-day to 3.49½. Of European neutrals the most remarkable feature was an adverse movement in the Dutch florin, which declined steadily till yesterday, when the quotation was 11.13½; to-day, however, it showed a partial recovery to 11.17. The Danish rate weakened to 24.50 yesterday, but rose to-day to 25.55, at which quotation it is more favourable than a week ago. Still more pronounced was the weakness of the Norwegian rate, which was, perhaps, connected with the Norwegian flotation in New York referred to in another column. Yesterday it was 24.02½, but to-day it improved to 24.27½, as against 26.30 a week ago.

Income and Expenditure.

For the week ending September 25 revenue was not as large as might be expected at this period, being only £24.5 million, as against £30.1 million on the previous week. The figure would have been only £19½ million were it not for the inclusion of £5 million from sales of Government property. Expenditure, on the other hand, was higher at £26½ million, exceeding revenue by £2,063,180. This deficit was amply covered by net receipts for Treasury bills amounting to £11.1 million, maturities being at the low figure of £39,075,000. Exchequer funds were further increased by temporary advances by Public Departments amounting to £8½ million net, and so a substantial reduction was effected in Ways and Means Advances by the Bank of England. The outstanding total of the latter on Saturday last was £16 million, as compared with £31 million at the end of the previous week.

For the four days ending on September 30 there seems to have been quite a rush for Treasury bills, applications and renewals amounting to no less than £70.6 million. As maturities were only £26,565,000 there was a surplus of £44 million. Owing to the large expansion in expenditure for supp'y services there was a revenue deficit of over £15 million during the four days under review. As, however, Ways and Means Advances by the Bank on Saturday last stood at only £16 million, the whole of this amount has since been repaid. In addition, advances by Public Departments were reduced by £9.8 million.

For the whole period from September 18 to September 30 revenue amounted to £47,968,055 and expenditure to £65,192,356, making a deficit of £17,224,301. Treasury bill sales and renewals at £120,817,000 exceeded maturities by £55,177,000. Ways and Means Advances by the Bank amounting to £31,000,000 on September 18 were repaid, and advances by Public Departments were reduced by £1,227 000 to £143,114,000. On balance the floating debt was increased by £23,368,000 to £1,281,908,000. The national accounts for the half-year since April 1 are reviewed under the head of "Financial Notes."

Currency Notes

In contrast to the comparatively large expansion in Bank of England notes for the week to Wednesday last, Currency notes increased by only £829,237. The outstanding total is now £350,496,659 and the fiduciary issue is £303,296,659, or about £17.3 million under the legal maximum. The note issue generally shows a tendency to expand at about this season, but this year on account of dulness of trade the usual large expansion seems to be delayed, but may possibly take place during the coming month.

Bullion.

The United States still continues a buyer in the gold market, the purchases being made presumably with the object of strengthening banking reserves. India also helped to absorb the rather large arrivals during the week. Following the downward trend of the dollar-sterling exchange the price advanced to 118*s.* 4*d.*

In the silver market the volume of buying both on Indian and Chinese account during the week showed a considerable diminution, with the result that the spot quotation fell from 59⅜*d.* on Monday to 59¼*d.* on Wednesday. Yesterday, on account of a falling-off in supplies, it recovered again to 59⅜*d.*, only to be succeeded by a further relapse to 59*d.* to-day. The Chinese buying for forward delivery, which had put forward silver to a premium of ¼*d.* last week, became less pronounced at the opening of this week, and on Monday the premium was replaced by a discount of ⅛*d.*, that widened on the following day to ⅜*d.*, at which it has since remained. It is possible that the weakness of the rupee, referred to in another column, will result in a slackening of the demand from the Indian bazaars, but no sudden change in the market is anticipated in the near future.

Bank of England.

Whilst not so favourable as that of the previous week, the latest Bank return is far removed from that adverse return of June 30 with its unprecedented ratio of reserve to liabilities of 8.5 per cent. This week the ratio stands at 11.1 per cent., as against 13.1 per cent. for the week ended September 22. This drop of two points represents the cumulative effect of different forces. In the first instance, the reserve has dropped to the extraordinary low level of £14,074,000, thus creating a new record for the current year and unparalleled except by the famous return of August 5, 1914, with its reserve of £9,967,000. If the market had any suspicion of this its fears of a higher Bank rate become more intelligible. This decline in the

amount of the reserve was due mainly to a large expansion in the note circulation, which increased by over £2,000,000 during the week to the record total of £127,491,000. The bulk of this expansion went into active circulation, as only £50,000 were transferred to the Currency Note Department account in connection with the contemporary increase in the issue of currency notes. As this expansion in the note issue was only offset by a trifling increase of £49,000 in the total bullion, the reserve was £1,956,000 down on the week. This reduction in the reserve coincided with a growth in the total liabilities from £121,168,000 to £127,179,000, thereby resulting in the lower ratio of 11.1 per cent. This increase was entirely the outcome of the expansion in other deposits by £5,579,000, against a small depletion of £568,000 in public deposits. In the Bank return the features already noted in the Money market resulted in an addition of £20,589,000 to other securities, thereby increasing the total indebtedness of the market to the Bank to £109,312,000. The present total of £21,888,000 constitutes a record low figure for Government securities for the year, the maximum of £90,478,000 coinciding with the adverse return of June 30.

NEW YORK.

Considering the freedom with which the New York banks were letting out money last week, a weakening of the reserve position of the Clearing Banks was to be expected, but the market was hardly prepared for the serious extent of the weakening as revealed by the actual return issued on Saturday last. Loans expanded during the week by $203,090,000—probably a record movement for any single week—and the present total is the highest since October of last year. Net demand deposits rose sympathetically by $64,910,000 to $4,143,150,000, and as the aggregate reserve at $561,010,000 is only $3,260,000 above the previous week's figure, the average excess reserve fell by $5,760,000 to $11,210,000, a figure not much above the low "record." The position does not seem to have improved towards the end of the week, for the average excess reserve on Saturday last was $8 million below that of a week previously, and was the same as the average figure for the week. The collection of the quarterly instalment of income tax is again reflected by the statement in a rise of $94 million to $180.9 million in U.S. deposits.

The abnormal expansion in loans noted above foreshadows a further weakening of the reserve position during the coming weeks unless the aggregate reserve is substantially increased. This feature, however, is a normal one for the present season of the year, but it is not till October and November, when the grain movements are at their largest, that the pressure for loans becomes greatest—a rather disturbing consideration in view of the abnormally low excess reserve of the banks.

In contrast to the statement of the above banks, the New York Reserve Bank records the favourable feature of an expansion of fully $92.1 million to $240.3 million in its gold resources. The reserve ratio, in consequence, advanced to 48.3 per cent., as compared with 39.5 per cent. in the previous week. Net deposits also expanded by $68.8 million, but the Federal Reserve note circulation declined by $5.9 million.

The weekly statement of the Federal Reserve Board reflects the increasing pressure for accommodation by member banks in an expansion of $195,260,000 in rediscounts. Bills held in the open market were reduced by $14,990,000, so that on balance the bill holdings were increased by $180,270,000, the present total being $[illegible]. Corresponding movements are shown in a gain of $16,710,000 to the gold reserves and a reduction of nearly $123 million in the holdings of Government paper. Deposits, excluding Government deposits, which show a substantial decline, advanced by $168.9 million to $1,611.9 million. The total Federal Reserve note circulation shows a small increase at $3,280,000,000. The net result of these movements on the reserve ratio was a decline to 43.6 per cent., as against 43.8 per cent. for the previous week and 51 per cent. a year ago.

Conditions in the Money market showed little change; call loans ruled generally at seven per cent., but time funds were a trifle easier and in greater supply. The decline in commodity prices continues, and reports concerning the railroad situation are more encouraging. It can hardly be said, however, that the worst of the credit stringency has been passed, and while the outlook is not regarded with pessimism, the months of October and November will in all probability prove a trying period for borrowers.

INDIA.

The decision of the Government of India, made on Wednesday last, to discontinue the expedient of selling reverse drafts is, to a certain extent, a confession of failure on the part of the Government to force the exchange value of the rupee up to the par of ten rupees to the sovereign recommended by the Indian Currency Committee and recently passed into law at Simla. When these drafts began to be sold for the express purpose of raising the open-market sterling quotations for rupees, we pointed out the futility both of attempting this end until the level of commodity prices in India had been greatly reduced, as well as of the method employed in achieving it. In recent months the rupee quotation in sterling has fluctuated around 1*s.* 10½*d.*, a level that is substantially higher than the pre-War level of quotations, on account, generally speaking, of the greater decline in the commodity value of the currency in these countries than in India. As neither the gold standard nor the gold-exchange standard is effective under present conditions, the level of rupee quotations will depend primarily, of course, on the relative indebtedness of India and the United Kingdom, but, taking a broader view, on the relation between the level of commodity prices here and in India.

But though the practice of selling drafts on London at rates higher than the open-market quotations may not raise the rupee to the level which the Government of India think is going to settle all their currency difficulties, at any rate its discontinuance will lower the market quotations for the rupee; for, besides the fact that the market will now have to furnish additional sterling remittances to the amount of £1,000,000 a week, the knowledge that the Government have more or less pledged themselves to support the market rates has had the effect hitherto of preventing the rupee from sinking below the 1*s.* 10*d.* level. Already, indeed, we note that the quotation for drafts on London in Bombay has fallen to 1*s.* 9½*d.* for the rupee.

Though this season is generally a strong one for rupees, the export trade of India shows a considerable falling-off this year as compared with previous years, while the value of imports has largely increased. Imports during August amounted to thirty crores, as against sixteen crores for August last year; exports, on the other hand, were only twenty crores, as compared with twenty-seven last year, so that instead of an excess of exports [illegible] favourable weather reports, moreover, as well as the state of the commodity markets here, do not indicate that the export trade of India is likely to show a sub-

Stock Exchange.

THE conciliatory attitude of the miners at the beginning of the week imparted a distinctly cheerful tone to the Stock markets, but business was effectively checked by the appearance of another enemy, the threat of a rise in the Bank Rate. This element of danger eventually disappeared, only to be replaced by another, the renewal of the probabilities of a coal war. The general depression is reflected even in the Oil section, which one would expect to be buoyed up by the prospects of a temporary disappearance of the rival fuel.

Of gilt-edged stocks, Funding Loan was an unusual and outstanding feature of strength, however, and shows decidedly stronger on the week. Victory Bonds followed the opposite trend and finished easy. India descriptions fluctuated, but showed better on balance. County and Corporation stocks remained perfectly featureless. Among the recent five issues, Brighton moved to a slightly higher premium, but the others still remain at a discount. Except for another minor decline in Capes and New Zealand Four per Cents., Colonials developed little interest.

Among foreign stocks, Japanese descriptions again exhibited decided buoyancy, following the movement of the dollar exchange. Peruvians were also supported, but prices eased away towards the finish. The market apparently considered that it has already discounted the recent improvement in Mexican affairs, for Mexican bonds displayed a sagging tendency in some descriptions. Brazilians, Portuguese, and Chinese Reorganisation Loan also showed weakness, and French War Fives and Fours both closed at lower levels.

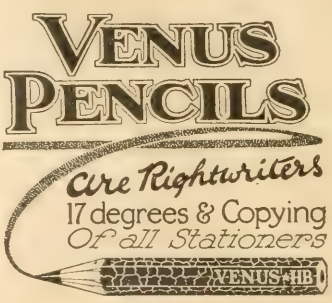
Home Rails, with the brighter prospects of a coal settlement which reigned early in the week, continued their upward movement. The change in sentiment, however, caused a marking down of prices which towards the end of the week became general. Even Underground Income Bonds were eventually marked down, though the dollar increased further in value.

Among Foreign Rails, Argentines continued to recede, and as yet do not seem to have found bottom. Mexicans and Brazilians were steady, with a tendency to droop, and the United Railways of the Havana finished at lower levels. Paraguays attracted some attention, the "D" Debentures making a substantial and almost daily appreciation.

Industrials opened firm, but were unable to maintain this tone throughout the week. Iron, steel, and engineering shares gave way towards the close under the increasing menace of a coal war. Textiles suffered from moderate realisation, but price changes were not very marked. Banks continued an all-round decline, the only real feature of strength being Anglo-South American shares. Insurance descriptions registered some further appreciations on Monday, but the unusual rise, to which we refer elsewhere, ceased, and the few movements in the latter part of the week were downwards. Nitrates, Shipping, and Telegraphs were quite dull, and quotations for Gas shares were subject to no marked alteration.

Oils continued to monopolise the bulk of the transactions of the House, and, despite several slight reactions, their initial firmness continued. The close, however, was somewhat unsettled by the breakdown of the coal negotiations, and numerous declines were recorded. Mexican Eagles were prime favourites, and finished slightly higher. Shells closed firm at somewhat lower levels, but Royal Dutch sagged badly and finished very weakly.

Business in the Tea-share market opened dull, and the tendency of price movements was generally in a downward direction. Some minor mid-week rallies failed to improve the unsettled tone, and closing quotations showed no firm features.



Mining Topics.

WERE it not for Esperanzas the task of reviewing the share movements in this market during the week would have been well-nigh monotonous. But with Esperanzas fully active from day to day interest centred definitely in the Mexican section. On Monday a mutilated cable was received announcing that the further development of the now famous Descubridora vein on the fifth level revealed ore in the north drift averaging 577 oz. of silver per ton over a width of twenty-five inches. The distance driven, as well as the value of gold, could not be deciphered. Values exposed in the south drift still continued poor. Aided by this news the shares promptly appreciated, closing 2*s*. 9*d*. to the good at 26*s*. 3*d*. Tuesday witnessed active dealings, with corresponding irregularity in price movements, owing to bouts of profit-taking. Consequently, although the shares rose to 26*s*. 9*d*., they closed weaker on the day at 25*s*. 6*d*. Wednesday brought the news that the gold contents, which were missing from the above cable, were 64.84 oz., and added the still more gratifying statement that good values were being disclosed below the third level of the Descubridora vein at a point some 150 feet above the rich ground now being developed on the fifth level. Hitherto operations on the third level had been unproductive. The shares responded with a rapid rise to 29*s*. 9*d*., but owing to subsequent profit-taking closed a little lower at 29*s*. Activity became most pronounced on Thursday. At first the price advanced quickly to 35*s*., and, after a temporary set-back, to 34*s*., moved steadily up to 37*s*. 9*d*. Profit-taking now set in, and the shares closed firm in the street at 36*s*. To-day's dealings in the shares were again brisk; prices fluctuated between 37*s*. and 43*s*. 5½*d*., closing at 39*s*. 3*d*. El Oros moved up in sympathy from 15*s*. 6*d*. on Monday to 20*s*. 1½*d*. to-day.

Continental liquidation, Cape selling, and the uncertainty of the coal situation kept the Kaffir Circus dull, with one or two exceptions. Johnnies advanced to 29*s*. 9*d*. on Tuesday, in view of the satisfactory report, with the dividend of twelve and a-half per cent. free of tax, as against seven and a-half per cent. in the previous year, but were quoted 27*s*. ex dividend on Thursday. In the Rhodesian coterie Falcons provided an unexpected feature, moving up slowly but steadily from 9*s*. on Monday to 11*s*. on Wednesday, and then spurting to 15*s*. 6*d*. on Thursday on a rumoured discovery of oil on the property. Springs suffered most from Cape selling, dropping $\frac{5}{32}$ on Wednesday to 1⅞, and again to 1¾ on Thursday. De Beers, on the other hand, moved up from 17¾ on Monday to 18¾ on Wednesday. A dividend of two and a-half per cent. has been declared by the Transvaal Gold Mining Estates for the period ended September 30. The gold output of Southern Rhodesia for August has risen by 2,500 oz. to 48,740 oz., and is valued at £241,270, of which £32,980 is in respect of the gold premium.

VILLAGE MAIN REEF.

Year ended Dec. 31	Ore Milled Tons	Gold Recovered £	Working Profit per ton £ s. d.	Working Profit £
1916 ...	230,885	289,857	1 5 5	341,000
1917 ...	222,000	279,800	1 5 11	329,000
1918 ...	205,000	258,300	1 5 10	303,000
1919 ...	218,000	264,100	1 4 11	291,000

* Exclusive of profits on sale of investments, additional working profit on gold premium, and interest on investments.
† Including premium on gold.
‡ Cost per ton milled £1 7s. 6d.

YET another South African gold mine is approaching the period of its exhaustion. The report of Village Main Reef for the year ended December 31, 1919, provides unmistakable evidence of the fact that the life of the mine can be measured in months. The decline in the quantity of ore treated to 218,900 tons was but the normal outcome of the position. Similarly, the decline in the grade of the ore treated, as evidenced by the yield per ton of 26s. 6d., as against 29s. 2d. in 1918, was testimony to the fact that the grade of the ore and the working proportion of payable ore mined. Moreover, with the general rise in price levels, involving a heavier outlay on stores and materials, the increase in wages, and the additional burden under the 1919 Phthisis Act, estimated at £750 per month, it was inevitable that working costs should rise. Spread over a smaller tonnage the rise became more acute, the working figure of 24s. 1.5d. per ton for 1919, in contrast with 22s. 6.2d. in 1918. Thus, whereas in 1918 there was a working profit of £80,431, or 6s. 8.7d. per ton, the working profit recorded for the year under review fell to £21,401, or 1s. 11.5d. per ton. Under such circumstances the advent of the premium on gold after July came as a great boon. It increased the working profit by no less than £32,138 in respect of that portion of the output disposed of between the end of July and the close of the year. Hence the gold revenue actually worked out at 29s. 3.2d. per ton, and the working profit at £53,539, or 4s. 10.7d. per ton. Consequently, there was left a net profit of £21,102, as against £59,270 in 1918. Seeing that this net profit included the £32,138 earned by the premium on gold, it is evident that in the absence of this premium such a loss would have been incurred on the working operations for 1919 as to bring up for immediate decision the question of closing the mine. Dividends paid to shareholders aggregated £153,400, equivalent to a rate of thirty-two and a-half per cent., free of tax, as usual, or forty-six and a-half per cent., subject to tax, leaving a balance of £50,922 to be carried forward to the next accounts, as compared with £188,645 brought forward from 1918. These figures suggest that this increased dividend was paid at the expense of the amount carried forward. In view of the general position of the mine and the meagre results of the year, the aggregate dividend must be regarded in the light of a *quasi*-final distribution of accumulated profits. This is borne out by the manner in which the dividend was paid. Only ten per cent. was paid in cash; the balance was paid by distributing the 118,000 shares of £1 held by the Company in Village Deep. For the purpose of dividend these shares were valued at 18s., so that for every four shares held in Village Main Reef shareholders received one fully-paid share in Village Deep.

Assuming that 18,000 tons are milled monthly, the life of the mine was estimated in March at fifteen months. Ore reserves, which were returned on December 31, 1918, at 378,510 tons of 7 dwt., had been reduced by December 31, 1919, to 284,180 tons of 6.3 dwt. With the reduction in the scale of operations and the necessity of including so large a proportion of low-grade ore, working costs must be expected to rise again during the current year. Development work has exposed additional payable Leader ore below the fourteenth level, whilst a fair proportion of payable ore has been opened up in the South Reef, now hitherto unpayable. But it is generally admitted that no further important discoveries can be expected. The

Half-Year to	Crude Ore Treated‡ Tons	Blister Copper Produced† Tons	Blister Copper Yield per Ton of Crude Ore %	Aver. Price of Electrolytic Copp. per Ton £	Working Costs per Ton of Crude Ore £ s. d.	Working Profit per Ton of Blister Copper £ s. d.	Working Profit £	Net Profit £
Aug. 31, '16 ..	51,457	3,100*	6.0*	120*	78 11	66½	165,124	56½
Feb. 28, '17 ...	42,163	2,710*	6.4*	100*	94 5	73½	64,530	28½
Aug. 31, '17 ...	52,000*	2,950*	5.6*	120	87 2	77	116,200	50
Feb. 28, '18 ...	42,360*	2,750*	6.5*	—	103 1*	79*	67,550	34½
Aug. 31, '18 ...	50,451*	3,000*	6.0*	—	101 1*	82*	61,126	30
Feb. 28, '19	30,135	1,759	5.8	—	114 1	97.*	31,000	16
Aug. 31, '19 ...	—	—	—	—	—	—	—	—
Feb. 29, '20 ...	46,71	3,360	7.2	140	107	75	74,471	37

* Approximate.
† Includes gold and silver. Excludes produce from treatment of custom ore.
‡ Excluding custom ore.
§ Working profit increased by [illegible] premium on gold.

mine materially in enabling it to treat lower grade ore at a profit. During May and June, when the price of gold was only in the neighbourhood of 105s. and realisation charges were as high as 8s. 9d., a working profit of £2,000 a month was recorded. However from the point of view of dividends this mine, which has since its first dividend in 1898 distributed a total of £4,080,143 on a capital of £472,000, may be said to be near the end of its career. With the £1 shares quoted at [illegible] be well advised to retain their holdings. The balance sheet as on December 31, 1919, shows that current liabilities do not exceed £125,400, whereas liquid assets are available to a total of £217,286. Thus, ignoring the breaking up value of the plant and machinery and the reversion value of the £20,000 due under the Bewaarplaats Act of 1917 and the return of taxation, there is a surplus of £91,886, which is almost equivalent to [illegible] per share.

HAMPDEN CLONCURRY COPPER MINES.

As had been generally anticipated, the report of this Queensland copper-mining concern for the six months ended February 29, 1920, records substantial improvement. For the corresponding period of 1919 a working loss of £51,393 was experienced as a result of the treatment of 30,135 tons of rather low grade ore. The succeeding half-year found the reduction works closed down and no ore treated. Consequently, for the year ended August 31, 1919, there was a total net loss of £89,730, of which £23,147 accrued during the latter half of the period. The resumption of smelting on a satisfactory scale after September 18, 1919, is reflected in the report issued for the half-year ended February 29, 1920. No less than 46,710 tons of ore were treated, as against 30,135 tons in the same period of 1919. Furthermore, ore of a higher grade was worked, 3,360 tons of blister copper being secured in comparison with 1,759 tons only for the last half-year in which smelting operations were in force. In considering the financial results of these operations allowance must be made for the general conditions of the period. The widespread rise in price levels, as reflected in the growing cost of stores and materials, the advance in railway freights owing to Government action, which was responsible for an additional outlay of £12,000 a year, and the increase in wages sanctioned by the Industrial Court equivalent to an extra burden of £23,000 a year, all tended to make for a high cost of production. That under such conditions the working costs per ton of ore dropped from 114s. 1d. for the last smelting period to 107s. 11d. for the half-year under review cannot be attributed only to the rise in the quantity of ore treated. Such a reduction must also be the outcome of a [illegible] fully organised administration and of an [illegible] labour force. And in these critical days, in which [illegible]

an improvement in the efficiency of labour, and there appears to be a willingness amongst the general body of employees to do better work than has been customary during the last few years." The result in so far as this mining Company is concerned is imprinted in the working profit of £74,471 for the half-year under review, as against a working loss of £3,507 for the six months ended August 31, 1920, and the greater loss of £51,393 for the previous half-year. Including sundry revenue, and providing for taxation and overhead charges, the amount transferred to the appropriation account was £58,979. Out of this there was allocated to the depreciation reserve a sum of £11,546, and to the plant expenditure reserve a sum of £1,000, leaving a balance of £46,433. Bearing in mind the fact that in respect of the losses on the previous two half-years a sum of £89,370 had to be transferred from the equalisation reserve, the carrying forward of this balance of £46,433 to the next accounts is a tribute to the wise policy of the directors.

Much less attention was paid to development work during the period, and the results were by no means so satisfactory as those of the previous half-year. In the Hampden mine operations were confined to rising and winzing in known ore bodies. Only traces of copper were revealed by a winze and a south drive in the Duchess mine. An extension of the south drive from the 500-foot level of the main shaft of the Trekelano mine from 114 to 192 feet was in ore for the first twelve feet only, the ore averaging ten and a-half per cent. over seventy-two inches. Further extensions since the close of the half-year have again opened up high-grade ore. The only other satisfactory disclosure was in the Answer mine, where ore of twelve per cent. over fifty-four inches was exposed for fifty-eight feet by a winze from No. 1 shaft at the 100-foot level. The ore body thus exposed is very promising, and justifies further development. This concentration on smelting operations and the comparatively poor development results are reflected in the position of the ore reserves, which were estimated on February 29, 1920, at 182,600 tons, containing 10,040 tons of copper, as against 218,000 tons, containing 13,020 tons of copper, on August 31, 1919. This total excludes, however, some 3,000 to 4,000 tons of high-grade ore in the Magnet and Mt. McNamara mines, containing 400 to 500 tons of copper, and 60,000 to 70,000 tons of low-grade ore in the Macgregor mines, containing 1,500 to 2,000 tons of copper.

Assuming the continuance of smelting operations on the same basis for the half-year just terminated, the prospects of this Company depend to a great degree on the efficiency of the labour force and the extent to which it was able to dispose of its output during the early half of the period. It appears that the shipping strike, in conjunction with the strike of the operatives at the electrolytic smelting works, prevented the realisation of the copper at the high prices prevailing between January and May. Consequently, not much benefit can be expected from this source. However, there is no reason for not anticipating a successful outcome to the trading operations of the half-year, although, owing to these facts, it is not possible to decide how such results will compare with those contained in the satisfactory report under review. Financially the position of the Company has improved considerably, for in the balance sheet dated February 29, 1920, there is a surplus of liquid assets over liabilities of £92,014, excluding the £72,022 locked up in stores, fluxes, and fuels; whereas to secure a surplus of £100,008 in the previous balance sheet it was necessary to include £121,694 in respect of these assets. The assets, moreover, do not include £45,375 representing shares held in subsidiary companies. In the market the £1 shares are quoted at 14*s.* 3*d.*, at which price they are a rather attractive investment to those who are prepared to wait until the mines are in full working order again and the price of copper has been restored to more remunerative levels.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, September 29, 1920.

Issue Department.

Notes Issued	£140,018,615	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,568,615
	£140,018,615		£140,018,615

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£21,833,129
Rest	3,542,842	Other Securities	109,312,765
Public Deposits	16,139,457	Notes	12,527,690
Other Deposits	111,027,414	Gold and Silver Coin	1,546,100
Seven-day and other Bills	11,951		
	£145,274,674		£145,274,674

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Sept. 29	127,5	123,1	16 1	111.0	21.9	109,3	14,1	11·1	7	6⅞
Sept. 22	128,4	123,1	16,7	105,4	33.5	89.7	15,3	13·1	7	6⅞
Sept. 15	125,1	123,1	15,2	122,5	56 1	83,1	15,4	11·9	7	6⅞-⅞
Sept. 8	125,9	123,0	18 5	118.9	59,6	76,3	15,9	11·7	7	6¾-⅞
Sept. 1	126,5	123,0	16,4	113,3	57,4	75.4	14,9	11·8	7	6¾-⅞
3 Y'22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 8, 1918, 8%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (In £'s sterling 00,000's omitted):	Oct. 1, 1920	Oct. 1, 1919	Oct. 2, 1918	Oct. 3, 1917	Sept. 30, 1910
Circulation	£127.5	£43.1	£62.3	£31.8	£27.9
Public Deposits	16.1	35.8	30.5	42.5	12.8
Other Deposits	111.0	121.9	137.1	128.7	42.4
Government Securities	21.9	70.7	57,7	59.7	15.3
Other Securities	109.3	81.9	98.7	98.4	30.4
Reserve	14.1	22.4	28.4	32.3	27.8
Ratio to Liabilities	11·1%	14.31%	16.91%	18.33%	50.39%
Coin and Bullion	123.1	88.1	72,2	65.8	37.3
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	3⅛-4%	3½-⅝%	4⅛%	3⅛%
Exchanges:					
Paris Cheque	62 10	35·57½	26·05¼	27·53	25·24½
New York 60 days	3 43⅛	4·22	4·73	4·72½	4 83⅛
Bombay Telegraphic Transfers	1/1⅜	2/08	1/5⅝	1/4⅛	1/4⅝
Prices:					
Consols 2½% Cash	46¼	51½	62	55	80¼
French Rentes 3% Money	54·25	61·00	62·25	60·60	97·30
Silver, London spot	59d.	63d.	49¼d.	46¼d.	24⅛d.
Wheat, *Gazette* average qr.	90/5	73/0	72/7	70/6	30/2
Cotton, Mid Upland lb.	22·65d.	19·91d.	23·03d.	20·37d.	7·82d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	54/10

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Sept. 29, '20	7,835,974	7,006,726	350,496,659	28,500,000	18,700,000	13·4
Sept. 22, '20	7,001,472	8,274,910	349,637,412	28,500,000	18,650,000	13·4
Oct. 1, '19	8,130,969	4,284,288	335,021,030	28,500,000	—	8·5
Oct. 2, '18	7,941,141	4,221,487	278,833,248	28,500,000	—	10·2
Oct. 3, '17	6,218,363	4,108,876	180,749,242	28,500,000	—	15·8
Oct. 4, '16	5,396,984	3,931,675	132,990,769	28,500,000	—	21·4

Balance Sheet, September 29, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	276,268,188	Other Bankers ...	—
Ten Shilling	41,858,471	Trustee Savings Banks	—
Certificates outstanding ...	32,430,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	350,496,659	Bank of England Notes...	18,700,000
Notes called in but not yet cancelled	3,298,249	Government Securities ...	322,424,871
Investments Reserve A/c...	16,215,084	Balance at Bank of England	385,121
Total	370,009,992	Total	370,009,992

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure Or.	Loans, Advances, &c. Dr.	Loans, Advances, &c. Net ←	Cash Balance
Sept. 25	£24,475	£26,538	£2,063	£152,330	£150,457	—£1,873	£3,741
Sept. 18	30,136	19,766	14,370†	70,532	80,131	— 9,599	3,935
Sept. 11	20,642	15,321	5,321†	74,136	79,981	— 5,825	3,164
178dys. '20-21	£95,806	593.017	92.789†	2,574,618	2,678,776	—102,158	— 5,824
180days '19-20	450,537	715,084	264,447	3,293,027	3,040,380	251,847	— 8,833
Yr. '20-21*	1,418,300	1,184,102	234,198†	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	13,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Sept. 25	£7,242	£3,629	£3,938	£9,666	£3,403	£670	£22,465
Sept. 18	14,070	2,952	3,462	9,582	1,281	795	17,710
Sept. 11	4,896	3,758	3,825	8,163	2,748	41	12,534
178days '20-21	154,135	122,807	103,631	213,230	162,731	9,641	330,644
180days '19-20	122,248	107,874	129,236	91,279	161,590	4,931	548,592
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,304
Yr. '19-20	283.023	359.099	290.045	407.404	332.034	16.171	1,317,589
Yr. '18-19	162.220	291.188	285.028	150.587	289.964	11.380	2,237,958
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	2,494,988

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Sept. 25, 1920 ...	£1,094,024	£168,949	£1,262,973	£11,099
Sept. 18, 1920 ...	1,083,089	175,411	1,258,543	10,219
Sept. 11, 1920 ...	1,065,873	196,941	1,262,814	10,729
Sept. 4, 1920 ...	1,069,009	197,941	1,266,950	10 579
June 30, 1919 ...	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS ‡

[In £'s Sterling—000's omitted.]

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£61,800	£23,283
Sept. 16, '20 ...	10,600	1,070	11,730	22,324	54,904	54,904
Sept. 23, '20 ...	10,660	1,067	11,727	23,550	56,515	59,060

CZECHO-SLOVAKIA *	Claims on Au-tro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (state Notes)	Deposits
Aug. 7, '20...	£398,475	£88,923	£29,878	£ 83,162	£383,265	£15,562
Sept. 7, '20...	396,701	88,923	37,459	90,000	411,117	53,610
Sept. 15, '20...	398,707	88,923	37,761	94,248	412,139	53,127

DENMARK.	Gold	Silver	Total	Dis-counts	Balances Abroad	Circula-tion	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£738	£9,693	£47
July 31, '20 ...	12,858	143	12,901	14,755	2,915	30,053	2,571
Aug. 31, '20 ...	12,844	145	12,789	15,629	1,451	30,150	2,493
Aug. 30, '19 ...	10,382	167	10,549	8,701	2,590	24,003	961
Aug. 31, '18 ...	10,366	137	10,503	3,450	3,781	21,773	667

FRANCE.	Gold—In Bank	Gold—Abroad	Total Cash Incl'g Silver	Bills	Circula-tion	Deposits—Public	Deposits—Private
July 30, '14 ...	£165,654		£190,667	£97,768	£287,327	£15,392	£37,903
Sept. 16, '20 ...	141,601	79,131	231,000	71,343	1,518,673	1,341	12,043
Sept. 23, '20 ...	141,307	78,875	230,624	178,588	1,547,589	2,375	14,031
Sept. 26, '18 ...	143,822	79,131	231,674	37,711	1,413,477	3,240	111,243
Sept. 26, '18 ...	136,031	81,484	230,337	34,051	1,193,215	2,791	124,271

GERMANY.	Cash—Gold	Cash—Silver	Cash—Total	Treasury & Other Notes	Loans & Discounts	Circula-tion	Deposits
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,955	£91,545	£17,199
Sept. 7, '20...	64,579	337	51,916	933,558	2,244,712	2,937,513	611,774
Sept. 15, '20 ..	64,579	331	51,910	912,536	2,413,944	2,944,344	873,341
Sept. 15, '19...	51,939	578	52,515	427,491	1,505,406	1,420,531	477,578
Sept. 14, '18 ..	117,415	5,918	123,333	115,318	874,717	702,430	414,195

HOLLAND.	Cash—Gold	Cash—Silver	Cash—Total	Dis-counts	Ad-vances	Circula-tion	Deposits
Aug. 1, '14 ...	£13,498	£249	£13,745	£13,422	£10,332	£35,669	£1,137
Sept. 13, '20 ...	51,028	3,425	54,453	11,451	26,475	83,625	6,151
Sept. 20, '20 ...	53,028	1,465	54,493	11,553	24,247	85,915	5,864
Sept. 20, '19 ...	58,841	498	53,050	14,865	17,622	82,483	6,331
Sept. 21, '18 ...	58,901	666	59,567	10,197	3,423	79,502	6,331

ITALY.	Cash—Gold	Cash—Silver	Cash—Total	Other Cash	Loans & Discounts	Circula-tion	Deposits
July 31, '14 ...	—	—	£48,456	—	£25,017	£69,204	£3,837
July 20, '20 ...	£32,191	£2,998	35,189	15,531	207,732	548,215	72,232
June 31, '20 ...	32,329	2,998	35,327	15,491	211,833	555,957	61,359
June 30, '19 ...	32,504	2,980	35,484	19,863	70,204	413,732	62,733
July 31, '18 ...	32,728	3,068	35,796	9,746	56,707	319,582	61,737

JAPAN.	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Aug. 14, '20 ...	102,436	17,459	94,666	103,925	104,318	7,132
Aug. 21, '20 ...	103,012	17,815	96,214	108,553	117,034	5,063
Aug. 23, '19 ...	75,194	6,784	43,877	96,555	120,437	3,159
Aug. 24, '18 ...	65,221	4,629	39,252	79,087	79,920	4,921

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Discts., Invest.,&c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Sept. 18, '20 ...	£18,684†	111,550	1,088,028	£815,618	£55,683	883,324	3,334
Sept. 25, '20 ...	18,742†	112,202	1,078,616	823,630	59,196	924,212	2,242
Sept. 27, '19 ...	19,294†	113,400	1,064,330	831,330	57,433	988,533	7,183
Sept. 28, '18 ...	20,396†	107,394	915,868	749,136	30,682	823,470	8,232

NORWAY.	Gold	Balance Abroad	Notes & For. Govt. Secs.	Disc'nts & Loans	Circula-tion	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,938	£3,752	£733
Sept. 15, '20 ...	8,120	2,810	578	24,695	29,431	5,731
Sept. 22, '20 ...	8,119	2,634	578	24,896	29,435	6,128
Sept. 22, '19 ...	8,164	4,383	678	15,503	23,441	2,254

PORTUGAL.	Gold	Silver	Total	Discounts & Note Advances	Circu-lation	Deposits
June 2, '20 ...	£1,906	£3,921	£5,827	£20,406	£93,436	£10,635
June 9, '20 ...	1,906	3,921	5,827	22,567	94,858	8,858
June 11, '19 ...	1,905	3,935	5,840	8,193	65,038	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	48,378	2,186

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
June 12, '20 ...	£62,809	£16,587	£3,163	£20,050	£187,701
June 19, '20 ...	61,009	18,482	3,514	21,976	189,414
June 10, '20 ...	65,209	18,897	3,602	23,419	193,812
June 12, '19 ...	41,613	10,027	2,120	12,147	124,031

RUSSIA.	Gold—In Bank	Gold—Abroad	Total Cash Incl'g Silver	Loans & Discts	Circula-tion	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,539	£109,911
Oct. 20, '17...	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash—Gold	Cash—Silver	Cash—Total	Loans, &c.	Spanish 4%	Circula-tion	Deposits &c.
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Sept. 18, '20 ...	98,101	23,774	121,875	87,360	13,778	150,040	36,454
Sept. 25, '20 ...	98,107	23,774	121,881	87,954	13,778	151,837	39,957
Sept. 27, '19 ...	96,408	25,620	122,028	88,929	13,778	148,016	34,054
Sept. 28, '18 ...	87,906	26,192	114,098	54,830	13,777	126,922	49,497

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circula-tion	Deposits
Aug. 1, '14 ...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,993
Sept. 11, '20 ...	14,514	5,171	2,319	33,893	41,493	14,937
Sept. 18, '20 ...	14,614	5,498	2,619	36,139	43,747	15,753
Sept. 20, '19 ...	16,676	7,781	2,898	22,581	37,955	12,131
Sept. 21, '18 ...	14,679	7,180	8,417	15,852	38,835	7,615

SWITZERLAND.	Cash—Gold	Cash—Silver	Cash—Total	Discounts & Advances	Circula-tion	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,718	£2,326
Sept. 15, '20 ...	21,613	3,720	25,333	13,850	35,746	5,611
Sept. 23, '20 ...	21,617	3,780	25,397	14,185	35,724	5,151
Sept. 23, '19 ...	18,716	2,556	21,272	17,463	35,420	4,121
Sept. 23, '18 ...	15,307	2,104	17,411	16,796	33,552	3,651

* Converted at 24 crowns to £1.
† Net reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold.	Total Reserves.	Bills Discounted.	Bills Bought.	Total Bills.	Circulation.	Deposits.
Aug. 27, '20 ...	[illegible]	£394,636	£426,613	£501,911	£64,522	£27,036	£315,636	£357,963
Sept. 27, '20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

II.—CURRENT BANK RATES OF DISCOUNT.

| | | |

VI.—WHOLESALE PRICES OF COMMODITIES.

		OCT. 1, 1920	OCT. 3, 1919.	JUNE 30, 1914
METALS, MINERALS, &c.				
Iron—Scotch pig warrants	ton	231/0	166/0	57/0
— Middlesbro' warrants	ton	225/0	160/6	51/0
— Hematite warrants	ton	260/0	200/0	61/0
— Staffordshire bars, London	ton	£33 10	£22 10—£23	£8 10
— Common bars	ton	£30 10—£32	£22 10—£23	£6 18
Steel Rails	ton	£26	£16 10	£6 2/6
Galvanised Sheets	ton	£41—£42	£32	£16 17/1
Copper—Standard	ton	£94	£103 5	£66
Tin—English Ingots	ton	£268 10—£269 10	£277	£142 15
— Straits	ton	£274 15	£279 10	£139 10
Tinplates, I.C. Coke, S. Wales	box	35/0—36/0	36/0—38/0	11/101—12/0
Lead—Soft Foreign	ton	£34 5—£34 7 6	£25 15—£26 10	£19
Spelter—Ord. Foreign	ton	£40 5—£41 5	£41—£41 15	£21 7/6
Quicksilver (75lb.)	bott.	£18—£18 10	£21 10—£22	£7
Aluminium	lb.	£165 long	£156	£82
Antimony—Regulus Foreign	ton	£43—£45	£43	£27 10
— English	ton	£52—£55	£45	—
Coal—Best Yorkshire	ton	32/2—38/2	29/6—30/6	17/6
— Steam (best Newcastle)	ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.				
Nitrate of Soda—Fob., Chile	cwt.	17/0	9/4	7/4
Soda—Crystals, ex wharf	ton	120/0—128/0	130/6	42/6—45/0
Copra—Mid. and ord. States	ton	£48 10	£53 10	£23 15—£24 7/6
Gambier—Good marks	cwt.	42/6	45/0	51/0	16/101
Indigo—Bengal good to fine	lb.	13/0—16/6	9/0—10/6	3/2—3/8
Linseed Oil—Raw	ton	£82	£81	£25 5
Linseed—Calcutta, spot	ton	£40 10	£38	£13 18/9
— Cakes, U.K. made, ex mill	ton	£22 5—£22 10	£25	£7 17/6—£8
Olive Oil—Spanish	ton	nom.	nom.	£49 10
Palm Oil—Lagos	ton	£25	£26	£31 10
Petroleum—American	gallon	7/4	1/6	73d.
Rape Oil—Refined English	ton	£90	£103	£32
Soya Oil—Refined	ton	£90	£81	£24 10
Tallow—Imported	cwt.	74/0—80/0	95/0—103/0	29/3—33/3
Turpentine—American	cwt.	148/0	128/0	33/7d.
Rape Seed—Toria	ton	£35 10	£36	£13 5
Rubber—Para, spot	lb.	1/7	2/6	2/8d.
— Fine Plantation (std. crepe)	lb.	1/6d.	2/2	2/2
— World's Productions' July	tons	27,625	26,820	8,467
Shellac—T.N. Orange, fair	cwt.	640/0	475 0	63/0—64/0
TEXTILES.				
Cotton—Middling Uplnd	lb.	22.65d.	19.91d.	7.53d.
— Egyptian, good fair	lb.	36.50d.	29.75d.	9.75d.
— Pernambuco fair	lb.	21.40d.	27.05d.	7.73d.
— Midland Upl. New York	lb.	25.50c.	19.25c.	13.25c.
— Stock, Liverpool	cwt.	854,060	785,290	934,800
Flax—Irrigated, Yor. pol	ton	—	nom.	£28
Hemp—New Zealand	ton	£55	£46—£47	£25 10
— Manila, Fair	ton	£89 10	£47—£53	£26 10
Jute—First Marks	ton	£57 10	£71—£73	£26 15
— Red SCC	ton	£48	£60	£24 15
Silk—Blue Elephant	lb.	32/0	31/0	11/3—11/6
Wool—Ft. Philip unwashed av.	lb.	4/4	4/2	11½d.—10½
— Lincoln Half Hogs	lb.	1/1	2/0	10½d.
Hides—Eng. Ox. best 70 lb. up	lb.	13d.	12½d.—13d.	7¼d.
Leather—Dressing Hides	lb.	3/0—3/6	3/0—3/6	1/4—1/8
VEG. FOOD, CORN, &c.				
Wheat—Visible supply U.S.	bus.	48,254,000	107,773,000	34,640,000
— Red, price, N.Y. 60lb.	bushel	264c.	237c.	67½c.
—English Gazette, aver. 480lb.	qr.	50/5	73/0	34/3
Flour—G.R.	280lb.	86/0	44/3	23/6
Barley—Eng. Gaz., aver. 400lb.	qr.	80/2	55/2	28/4
Oats—Eng. Gaz., aver. 312 lb.	qr.	55/5	40/2	20/0
Maize—N.Y. (new bushel)	56lb.	—	165c.	76½c.
— Amer. mixed, Liverpool	480lb.	nom.	nom.	32/4
— La Plata	480lb.	73/0	65/0	25/9
Potatoes—Good English	ton	210/0	160 0	70/0—75/0
Rice—Bassein	cwt.	44/0	26/0	7/0—7/3
Tapioca—Pearl, medium	cwt.	36/0—40/0	42/6	14/0—17/6
Hay—best	2.018lb.	—	—	82/6
Hops—English	cwt.	—	—	£6 5—£7
ANIMAL FOOD.				
Beef—Argen., chilled hndqrs	8lb.	6/8	6/6	3/8—3/10
— Scotch sides	8lb.	9/10	8/6	4/6—5/0
— English	8lb.	9/10	8/6	4/2—4/5
Mutton—Scotch wethers	8lb.	9/0	8/6	5/8—6/0
— English wethers	8lb.	13/4	9/0	4/6—5/4
— New Zealand frozen	8lb.	4/0—4/6	7/0	2/4—3/2
Pork—English and Irish	8lb.	11/4	10/8	3/6—4/0
Bacon—Irish, delivered	cwt.	1280/0	190/6	60/0—74/0
— Danish	cwt.	1208/0	1187/0	58/0—68/0
— Canadian, ex Port	cwt.	1203/0	1187/0	—
— American ex Port	cwt.	1185/6—192/0	1187/0	72/0—74/0
Hams—American, ex Port	cwt.	1208/0	1190/0	75/0—79/0
— — short cut, ex Port	cwt.	1218/0	1190/0	71/0—74/0
Lard—Amer. boxes, ex Port	cwt.	1186/6	1198/6	51/9—52/9
Butter—Danish	cwt.	1336/0	1252/0	117/0—120/0
— French	cwt.	1336/0	1252/0	96/0—108/0
— Australian	cwt.	1336/0	1252/0	98/0—110/0
— New Zealand	cwt.	1336/0	1252/0	108/0—114/0
Cheese—Canadian	cwt.	1160/0—162/0	1144/8	66/0—68/0
— United States	cwt.	—	1144/8	—
— Dutch	cwt.	1168/0—230/0	1144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.				
Sugar—Imports to Aug. 31	cwt.	19,047,713	22,393,355	19,777,254
— Home consump'n to Aug. 31	cwt.	16,176,523	20,077,635	17,272,000
— In Bond Aug. 31	cwt.	7,938,000	7,987,000	6,308,000
— Price, Java, 96° Pol.	cwt.	17/0	36/0	10/3
— — Yellow crystals	cwt.	17/9	37/9	12/6—14/0
— — Tate's Cubes, No. 1	cwt.	116/6	64/9	18/0
Coffee—Imports to Aug. 31	cwt.	824,423	881,185	720,360
— Home consumpt'n to Aug. 31	cwt.	200,275	206,072	141,410
— Exports to Aug. 31	cwt.	316,451	398,730	340,250
— In Bond Aug. 31	cwt.	825,000	886,000	484,000
— Price, Costa Rica good to fine	cwt.	125/0—148/0	145/0—155/0	80/0—93/0
— Brazil (Santos) Good	cwt.	75/6 nom.	85/9	41/6
Tea—Imports to Aug. 31	lb.	286,892,974	289,895,917	123,230,277
— Home consump'n. to Aug. 31	lb.	247,969,095	255,955,589	155,447,972
— Exports to Aug. 31	lb.	27,501,978	18,722,762	26,561,765
— In Bond Aug. 31	lb.	222,478,000	133,138,000	78,292,000
— Price, Indian, Pek. Soug. gd.	lb.	2½d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord.	lb.	5d.	1/4	8½d.
— — Common Congou	lb.	—	1/4	8½d.
Cocoa—In Bond Aug. 31	cwt.	1,547,000	1,469,000	309,000
— Grenada, good to fine	cwt.	75/0—78/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Aug.	$17,995,000	+2,711,000	$4,201,000	+$1,577,000
	5 mos. to Aug.	127,428,000	+20702000	15,249,000	+ 3,712 000
Grand Trunk	Aug.	£1,585,400	+ £214,600	£308,300	— £38 100
	5 mos. to Aug.	10,033,500	+1,337,100	531,300	— 362,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Aug.	21	1,044	R1,99,012 +	3,513	20	40,00,642 +	2,17,479
Barsi Light	Aug.	28	118	22,500 +	9,100	21	6,97,800 +	20,300
Bengal-N.W.	Aug.	21	2,067	4,18,490 +	33,847	20	1,01,65,271 +	2,83,425
Beng. Dooars	Aug.	28	158	36,375 +	5,937	21	6,04,527 —	6,541
Beng. Nagpur	Aug.	21	2,895	10,25,000 —	51,000	20	2,45,53,000 —	15,74,000
Bomb. Baroda	Sept.	18	2,871	18,55,000 +	3,70,000	25	4,50,51,000 +	22,04,000
Burma	Aug.	21	1,342	4,63,267 +	17,169	20	1,07,96,642 —	39,324
Del Um. Kalk.	Sept.	18	239	85,430 —	32,340	25	23,34,960 -	15,234
East Indian	Sept.	25	2,722	26,58,000 —	3,17,000	26	7,09,85,000 +	37,70,000
Gt. Indian Pen	Sept.	18	3,1211	21,45,500 +	86,400	25	6,13,47,705 +	7,50,510
Madras & S.M	Aug.	28	3,162	11,75,000 +	71,065	21	2,73,47,280 +	1,44,305
Nizam's Guar	Aug.	28	900	2,33,109 +	22,536	21	66,15,307 +	97,197
Rohi. & Kumn	Aug.	21	576	88,228 —	13,369	20	24,49,746 +	1,95,174
South Indian	Aug.	28	1,852‡	7,63,297 +	27,457	21	1,74,84,558 +	7,60,160
South Punjab	Sept.		716	9,72,545 +	4,27,206	1m.	—	—

COLONIAL								
Can. Northern	Sept.	21	9,704	$1,402,000 +	80,300	37	41,836,923 +	6,821,324
Can. Pacific	Sept.	21	13,388	4,605,000 +	712,000	37	139,363,000 +	21,882,000
Grand Trunk	Sept.	21	3,616	£381,328 +	48,585	37	11,176,115 +	1,516,009
Mashonaland	June		810	91,152 +	21,431	9m	662,619 +	178,922
Mid. W. Aust.	July		277	8,636 +	1,469	1m	—	—
NewCape Cent.	Aug.	2	205	2,356 +	46	35	104,407 +	17,304
Rhodesia Rys	July		1,397	141,931 +	36,354	10m	1,115,701 +	237,998
Temiscouata	June		—	$35,361 +	6,147	6m	187,427 +	11,302
W. Pass. & Yuk	Dec.		122	1,568,626 +	124,546	12m.	1,568,626 +	124,546

FOREIGN.								
Argentine.								
Arg. N. East	Sept.	18	752	£ 12,000 —	1,300	12	145,400 +	8,600
Arz. Transand.	Sept.	25	111	£ 2,183 +	1,583	13	20,958 +	13,913
B. A. & Pacific	Sept.	25	3,536	£ 59,000 —	47,000	13	1,689,000 —	75,000
B.A.Gt. South	Sept.	25	3,792	£ 150,000 —	8,000	13	1,790,000 —	299,000
Do.	Sept.	25	Net	£ 25,000 —	21,000	13	178,000 —	430,000
B. A. Western	Sept.	25	1,882	£ 75,000 —	25,000	13	918,000 —	290,000
Do.	Sept.	25	Net	£ 1,000 —	37,000	13	133,000 —	246,000
B. A. Central	Aug.		190	£ 55,463 +	7,630	2m	110,073 +	17,226
Cent. Argent.	Sept.	25	3,305	£ 208,000 +	31,000	13	2,535,000 +	590,000
Cord. Central	Sept.	25	1,205	£ 58,100 —	3,200	13	727,250 —	34,450
Entre Rios	Sept.	18	811	£ 23,000 —	1,000	12	252,300 —	5,500
Brazilian.								
Brazilian South	Aug.		110	M 41,000 —	5,250	8m	372,950 —	23,471
Brazil Railway	Dec.		3,530	M 4,859,000 —	141,271	12m	57,772,000 +	7,819,243
Gt. W. Brazil	Sept.	25	1,010	£ 19,600 +	4,400	38	814,300 —	100,100
Leopoldina	Sept.	18	1,831	£ 52,502 +	6,005	36	1,981,342 +	518,831
Moryana	Dec.		1,180	M 1,561,000 —	956,490	12m	22,267,000 —	2,474,851
Paulista	Dec.		766	M 2,850,000 —	906,038	12m	32,479,000 —	1,225,892
San Paulo	Dec.	26	153‡	£ 19,603 +	10,825	38	1,772,001 +	456,572
Sorocabana	Dec.		1,003	M 1,749,000 —	246,168	12m	21,953,000 —	976,692
Sod Bahiana W.	July		52	M 130,000 +	18,000	7m	601,000 +	89,000
Chilean and Peruvian.								
Antofagasta	Sept.	25	838	£ 43,095 +	15,570	38	1,782,460 +	816,360
Arauco	June		84‡	£ 12,000 +	500	6m	76,600 +	10,700
Nitrate(2wks.)	Sept.	15	390	£ 43,562 +	30,132	34	720,010 +	397,839
Peruvian Corp.			1,140	£ 1,191,795 +	25,511	2m	2,324,145 +	99,131
Talcal	Aug.		180	£ 33,510 +	24,967	2m	59,033 +	43,035
Cuban.								
Cuban Central	Sept.	18	362	£ 22,745 +	6,955	12	265,937 +	64,321
Havana Cent.	Sept.	18	70	£ 13,239 +	3,614	12	149,592 +	32,179
U. of Havana	Sept.	25	681	£ 66,190 +	11,347	13	856,18? +	148,502
W. of Havana	Sept.	25	155	£ 9,514 +	716	13	151,239 +	35,109
Uruguayan.								
Cent. Uruguay	Sept.	18	273	£ 17,879 —	1,032	12	216,838 —	17,335
,, (E. Ext.)	Sept.	18	311	£ 4,703 +	391	12	54,524 —	166
,, (W.Ext.)	Sept.	18	185	£ 2,507 —	1,382	12	32,594 —	9,170
,, (W.Ext.)	Sept.	18	211	£ 2,562 —	17	12	26,444 —	1,551
Mid. Uruguay	Aug.		319	£ 17,879 —	1,369	2m	33,823 —	2,779
N.W. Uruguay	Aug.		113	£ 5,774 —	255	2m	11,702 —	812
Urug. Northn.	Aug.		73	£ 2,287 +	93	2m	4,202 +	153
Miscellaneous								
Alcoy & Gandia	Sept.	25	33	Ps. 13,000 +	5,000	33	499,300 +	109,400
Bilbao	Aug.		15	£ 2,712 +	622	8m	27,188 +	6,615
Bolivar	Aug.		138	£ 7,504 —	998	8m	85,497 —	9,140
Colomb. Natnl.	Aug.		86	£ 22,000 +	5,520	8m	152,416 +	43,756
Costa Rica	July		189	£ 28,910 +	10,284	1m	—	—
Dorada Ext.	Aug.		70	£ 17,730 +	3,250	8m	135,928 +	48,328
Egyptian Delta	Sept.	10	559‡	£ 14,937 +	5,933	23	205,809 +	98,725
Gt. S. of Spain	Sept.	18	104	Pes. 131,228 +	67,065	38	3,345,037 +	799,857
La Guaira & Ca.	Aug.		22‡	£ 2,482 +	3,650	8m	11,600 +	46,410
Ottoman Ry.	Sept.	16	379	£ 18,633 —	—	—	—	—
Paraguay Cent.	Sept.	25	27‡	£ 5,420 —	—	13	65,110 —	2,700
Puerto Cabello	Aug.		34	£ 5,250 +	1,250	8m	44,000 +	7,875
Salvador	Sept.	18	100	£ 3,221 +	1,086	12	37,532 —	1,145
Santa Fe Prov.								
French Rys.	July		1,181	£ 149,864 +	976	7m	1,129,304 +	3,076
Sta'nda & St'go	Aug.		80	£ 11,960 —	5,300	8m	122,083 +	23,375
Zafra & Huelva	Aug.		112	£ 13,800 +	852	8m	97,752 +	21,388

TRAMS.								
Anglo-Argent.	Sept.	23	400	£ 79,277 +	17,431	38	2,870,079 +	708,650
Auckland Elec.	June	30	27	—	—	52	292,502 —	2,063
Bombay Elec.	May		39	R. 8,40,311 +	77,990	5m	39,77,054 +	5,50,851
Brazilian Trac.	July		378‡	M 1,745,000 +	1,675,000	7m	72,785,000 +	8,752,000
Brisbane Elec.	Aug.		40‡	£ 8,650 +	4,105	8m	367,593 +	63,190
Brit. Columbia	July		334	$ 642,080 +	98,110	1m	—	—
B. A. Lacroze	Aug.		61	£ 5,862 +	7,106	2m	103,430 +	13,392
Calcutta	Sept.	25	35‡	R 89,732 —	1,456	39	35,44,168 +	2,87,977
Cape Electric	Aug.		42‡	£ 28,797 +	13,938	2m	53,814 +	28,666
Carth. & Herr.	Aug.		9	£ 3,721 +	730	8m	36,491 +	12,526
Chatham & Dist	Sept.	16	15	£ 1,980 +	277	37	64,244 +	6,904
Havana Elect.	May		86	$ 946,301 +	205,997	5m	4,587,376 +	1,010,561
Isle of Thanet	Sept.	22	20‡	£ 1,748 +	148	51	82,338 +	14,057
Kalgoorlie	June		20‡	£ 3,029 —	383	6m	17,943 —	454
Lanarkshire	Aug.	16	28‡	£ 4,603 +	335	37	156,478 +	21,791
Lima Light	July		85	£ 59,865 +	10,853	7m	404,888 +	70,800
London C.O.	Sept.	29	141‡	£ 94,180 +	2,346	25	2,224,310 +	102,337
Madras (2wks.)	Sept.	15	15‡	Rs. 65,962 +	4,789	34	8,43,941 +	1,46,485
Manila Electric	July		55	$ 282,260 +	92,607	7m	1,903,254 +	488,095
Pernambuco	Sept.	26	59	£ 6,521 —	85	38	284,033 +	64,599
Provincial	Aug.	18	21‡	£ 3,933 —	124	51	172,343 —	14,130
Rangoon Elec.	Aug.		28‡	£ 7,856 +	1,388	8m	53,768 +	11,573
Shanghai Elec.	Aug.		261‡	M x,$157,400 +	19,300	8m	1,175,854 +	177,854
SingaporeElec.	Aug.	21	26‡	$ 18,289 +	3,717	34	801,821 +	282,326
U. of Montevid.	Aug.		90‡	$ 42,771 +	7,898	10m	429,706 +	60,757

The Statist.

LONDON, SATURDAY, OCTOBER 2, 1920

THE WORLD CRISIS IN FINANCE.

We have previously urged that it would be unwise to attach too great hopes to the Brussels Conference, on the ground that even the strongest States are but Homeless to some degree financially embarrassed, while their weaker neighbours are not in a position to offer the security desired by creditors who would help them, if at all, not in a philanthropic spirit, but with a view to eventual repayment of all debts. We pointed out that the chief aid to the stricken countries must come from the United Kingdom and the United States, and that but little could be expected from us in view of our present excessive burden of taxation. Direct imposts at £14 7 and indirect imposts at £7 5 make a total of £22.2 per head for the population of these islands, as compared with an aggregate of $56.5 per head of the American population. In terms of dollars, therefore, taking the exchange at par, our annual burden exceeds the American by $43.5, or seventy-seven per cent. Despite the strength of its position, the United States has been reluctant to participate in the Brussels meeting, and the reason for the official attitude may be gathered from the pronouncement of Governor Harding of the Federal Reserve Board several months ago, when the idea of assistance was first strongly mooted. He stated that to encourage European countries in any efforts to obtain large loans from the Government of the United States "would be merely raising hopes that would be likely to meet with disappointment." The single official representative of the United States who addressed the Conference during the week emphasised this attitude of aloofness. He declared that while the Conference might lay down financial and economic principles which would exercise an influence on the public in various countries, he regretted that expectations with regard to the outcome of its deliberations ran unusually high. The tenor of his speech was that there was no panacea for the ills of the time, and that the economic reintegration of the world must proceed slowly and cautiously. These truisms are, however, of little comfort to countries beset by financial difficulties at the moment, and only separated by a very thin partition from national bankruptcy.

As regards the official attitude of the British Government towards meeting the monetary needs of European countries, we need only recall the Chancellor of the Exchequer's declaration that he could not overburden the British taxpayer in order to aid countries less heavily taxed. It is possible, of course, for foreign Governments to borrow in the London and New York markets, but in this country the prior consent of the Chancellor must be secured. Norwegian attempts to raise money here recently fell through, because it was considered inadvisable to grant facilities to neutrals while such facilities were in effect being withheld from Allies. The New York market is, in contrast with pre-War days, now much freer than our own for the floating of international loans, as is shown by the recent examples of the Swiss, French, and Norwegian issues. It has been intimated by Governor Harding that while foreign loans could be floated in New York on their merits, a shoal of applications would not be regarded with favour. As showing the money rates ruling across the Atlantic for exceptionally sound securities, we might point out that first-class railroad bonds are now selling on a seven per cent. basis in New York. The emissions by Switzerland, France, and Norway bore interest at the rate of 6½ per cent., and though the first met with a poor reception, both the other loans were rapidly over-subscribed, [illegible] premium. The interest will, however, on account of the condition of exchange, work out at ten per cent. at least for the French Government, and will cost the other Governments something less, but still substantially more than the nominal rate.

The present position in the New York market does not lend credence to the belief that rates are likely to become easier there. By reference to the Money article, where the subject is dealt with more fully, it will be seen that the loans of the New York City Banks and Trust Companies associated with the New York Clearing House expanded in the week ended Saturday last by 203 million dollars, while the average excess reserve fell to the abnormally low level of $11,210,000.

The demand for money for domestic purposes is so great in the United States, and so likely, on account of the home-keeping instinct of the average American investor and financier, to receive preferential treatment as compared with foreign demands, that the prospects of financially crippled countries seeking aid in the New York market cannot be said to be very bright. The admonition addressed to the American official delegate before he left for Europe was that he should be careful, and in explaining the viewpoint of the Americans he emphasised a factor in our international relationships which we are inclined to overlook, viz. the number of enmities and rivalries that still distract the Continent. It is obvious that Americans will not lend when the funds that they abstract from the use of home industries may be used in Europe in some petty war or in preparation for some border foray. The present political chaos is no guarantee of economic security, and until such guarantee is forthcoming the purse-strings of the United States are not likely to be loosened. The doctrine is a salutary one, and it remains for European nations to take it to heart and mend their ways in accordance with its dictates.

It would be advisable to expedite the deliberations of the Conference so that its report might be ready for submission to the assembly of the League of Nations at Geneva on November 15. It will be difficult, of course, to smooth over the divergence of interests that has already manifested itself so acutely; and to arrive at some understanding it will be necessary for the stronger nations to exercise greater forbearance, financially, towards their more needy brethren. In this connection the speech of an Italian delegate at the afternoon sitting of the Conference on Thursday last may be singled out for special mention. He appealed for international co-operation, and at the same time signalised as its greatest enemy the profiteering indulged in by certain of the more favourably situated countries, under the guise of friendship and economic concessions. He instanced cereals, coal, and raw materials as [illegible] for which Italy, in common with other countries poorly endowed by Nature, had to pay excessive prices. The indictment is obviously levelled against the United States and Great Britain, and of its truth there can be little question. With regard to the proceedings, one feature is noticeable—that the hesitancy displayed at the initial sittings by a number of the delegates seems to have vanished as the Conference proceeded, and with its disappearance has come also a slightly less pessimistic view as to the eventual outcome of the present deliberations. The resolve of Europe to exert itself to the utmost on its own behalf must, however, be unequivocally demonstrated before the chief food producing and manufacturing countries [illegible] come to its aid with commodities and credits on easy terms. To the end [illegible] public Bodies must [illegible] expenditure, [illegible] debt must be funded [illegible] or, where conditions admit, reduced; trade [illegible] must be revived, and [illegible] to [illegible] goods to producers.

ANARCHY IN IRELAND.

THE last pretence of the British Government to maintain law and order in Ireland has been given down. Its agents have become reckless and scarcely known even [illegible] the Black and Tans, whose acts of their actions at Balbriggan, which were at one time urged by the German Government in defence of its conduct towards [illegible] Belgium. Against us there is the argument that our actions have not the justification of war, and in any event a Government worthy of the name, if unable to prevent murder, should not imbrue its hands in blood. We do not speak figuratively, since the Irish Command, which seems to have superseded the machinery of government, ordered [illegible] authorised reprisals in direct contradiction to its own recent proclamation. At Glengariff, in County Cork, a copy of a notice that had been distributed by soldiers threatening [illegible] to General Sir Nevil Macready. The Commander-in-Chief of the Forces in Ireland did not disavow it, claiming, indeed, to be "[illegible] the notices," and thus he stultified the effects of his own proclamation. The binding force of the latter on the military and police cannot in the circumstances be very great, and we must not be surprised if they disregard it. It would be amusing if it were not so tragic to find that the loyalist section of the population whom the Government profess to protect through their over-zealous agents stand [illegible] their guardians. "Quis custodiet ipsos custodes?" is a question that is beset with formidable difficulties in Ireland. To revert to the instance of Glengariff, the notices distributed by the soldiers stated that "for each loyalist house destroyed the house of a republican leader will be similarly dealt with." It appears, however, from the statement of an Englishman actually in residence in the village at the time, Mr. Norman Bryce, a brother of Viscount Bryce, and member of Parliament for Inverness from 1906 to 1918, that the only damage to loyalist premises in the neighbourhood was done by police. This bears out what has all along been obvious to those whose knowledge of the situation in Ireland is first hand. The methods employed by the forces of the Crown under the direct encouragement of their official superiors are alienating a large number of those sympathetic to British rule. The people so alienated have taken the law into their own hands when they suffer an especial injustice. The bad example once set spreads rapidly, and leads to indiscriminate shooting. In a recent instance in Belfast two Catholic policemen guarding a Catholic Convent were shot, a crime that obviously cannot be put down to Sinn Fein. The wrecking of Irish towns—witness Tuam, Balbriggan, Trim, and during the week Mallow—is obviously only part of a deliberately organised scheme, and any plausible reason which comes to hand at the moment is urged in extenuation. If the military at Mallow failed to protect their property against the Irish Volunteers, who have treasonably declared war upon the forces of the Crown, that was obviously not a reason why the latter should burn the Town Hall, together with mills, business premises, and private residences, and on account of their unbridled fury practically compel the civil population, which had already anticipated trouble, to evacuate the town. It is said to think that the semi-military force guilty of these acts of terrorism is, according to Government admissions, recruited largely from ex-officers. There seems to be more than a suspicion, judging from statements that have been allowed to pass uncontradicted by the Government, that criminals have been released from British gaols to assist in the barbarous policy of repression now being pursued. The passive portion of the population, which in Ireland as in other countries constitutes the great majority, is ground between the upper and nether millstones, and, losing patience with its nominal masters and protectors, is in danger of going over to the opposition. Such loyalty as exists will become more and more undermined if we persist in present methods, and then the only alternative, if we wish to retain the country in our hands, will be a Cromwellian policy of extirpation.

The Government will act only under pressure from British public opinion, and the British public, on account of the misrepresentation and distortion of news from Ireland, find it difficult to reach a considered decision on the Irish question. On general principles, however, the lawless employment of force is undesirable, and all right-minded men must insist that such tactics, which are the clear signs of an Administration at bay, and hopelessly bankrupt of any power over its subordinates, should immediately cease. The present condition of affairs in Ireland is a menace to the safety of the United Kingdom, as well as a disgrace to the name of England throughout the civilsed world. In the last year 110 towns and villages have suffered in greater or less degree at the hands of British Forces. Business has become disorganised through terrorism, confidence is being dispelled, and the economic fabric of the country is threatened with collapse. What would we say in London if Scotland Yard, when it did not find a murderer, even though the victim was one of their own ranks, proceeded to burn a co-operative store? Yet murders in Ireland lead to the wrecking of creameries; the representatives of order, on provocation sometimes of a most doubtful character, shoot up a town after the manner of Wild West desperadoes, terrifying an unarmed civilian population. If this is the net result of several hundred years of British rule in Ireland, and if we are content to perpetuate the system of misgovernment in its present form, the sooner we abdicate our functions the safer it will be for our self-respect and for our international reputation. In all parts of Ireland the appearance of our troops and police has synchronised with the outbreak of disorder, and in the circumstances no good purpose seems to be served by their retention. On August 7 last we said: "It is a vain hope that the multiplication of troops in Ireland will quell the present temper of the people," and subsequent events have proved the truth of our assertions. So eminent a statesman as Viscount Grey of Fallodon goes even further, and proposes the withdrawal of our Forces and all machinery of government after two years, leaving the people to adjust their own differences. The solution may not commend itself to many, but that it should be made at all, especially by so sane a thinker and so experienced a politician, who cannot be accused of extreme tendencies in politics, is a measure of the lengths to which Governmental folly has brought us in Ireland.

NITRATE POSITION.—V.

IN addition to the production of ordinary and refined nitrate of soda with a commercial content of ninety-five per cent. and ninety-six per cent. respectively, used chiefly as a fertiliser—more particularly in the cultivation of beet-sugar, but also employed in the manufacture of sulphuric acid, nitric acid, nitrate of potash, arsenate of soda, fireworks, fusing mixtures, steel, glass, minium, chlorine, and bleaching powder—there are the by-products, iodine, potassium nitrate, and perchlorate of potash, the chief of which is the first-named. Most caliches contain iodate, but some are richer than others, and, consequently, certain oficinas are able to produce much larger quantities than others. The manufacture demands care and experience, and a good iodine cutter is always regarded as a valuable employee.

The common method employed is to mix "agua vieja" with a solution called "salnatron," which is prepared in the oficina. This is made of nitrate and

coal dust and burnt until it runs. It is then allowed to harden. By this time half the weight of the original material has been lost. The last compound is crude carbonate of soda. This is dissolved in water in open tanks, and the solution is pumped into cylinders through which sulphur fumes are drawn. The result is bisulphide of soda in solution. This liquor is run into wooden troughs which contain agua vieja. The whole is gently stirred and allowed to settle for about twenty hours. The surface liquor is then drained off. The deposit, a sludge-like substance of a purple colour, is emptied through an opening at the corner of the trough into filter sacks of unbleached calico, and after some hours is placed in a press, where all the moisture is extracted. Finally, the mass in a cheese-like shape is put into an iron retort and subjected to a gentle heat. The resultant fumes are given off into a long cylinder formed of earthenware drain-pipes, where they solidify into practically pure iodine.

The iodine industry is controlled by a combination most admirably administered by Messrs. Antony Gibbs and Son. This has been renewed from time to time, and the present arrangement terminates on April 1, 1923. Certain revisions of quota should have been made in April 1918, but owing to the disturbed conditions generally prevailing these have now been deferred to the end of the present year.

The uses of this valuable commodity are varying, and might, if more research work were done, be extended. To-day it is chiefly employed in dyes and medical and veterinary preparations.

The consumption steadily increases, having risen from 6,655 quintals in 1909 to 9,124 quintals in 1910 and to 18,233 quintals in 1918. In 1919 there was a serious falling off, but during the current year it is expected about 15,000 quintals will be disposed of. Another satisfactory feature of the business is the steadily increasing price. In addition to the iodine produced in Chili, certain quantities are manufactured in other countries from seaweed, &c. For potassium nitrate (KNO_3), which of late years has been chiefly derived from nitrate of soda, there is a good demand. It is employed in the manufacture of artificial fertilisers and for pickling and salting meat.

The market for perchlorate of potassium ($KCLO_4$) is but small. Its chief use to-day is in the manufacture of explosives. Other fields might be found if it were cheaper.

As already mentioned, many processes for a more economical treatment of the caliches have been invented and tried, but so far no radical improvement on the present lixiviating method has been discovered. In more recent times, however, most managers have inclined to the belief that a better "rendimiento," or yield, can be obtained from the raw material by an elimination of the fines, or smaller pieces, and a distinct and separate treatment thereof. In this connection the "Butters filter plant," established in several oficinas, has achieved very promising results, and a short description of this may not be amiss. It consists of a "fines" bunker, cooking tank, pressure filter, liquor and crystallising tanks, all of which supplement the ordinary machinery, and are designed to treat the fines referred to above. When the raw material is crushed it passes over a screen of ½-in. mesh, so that everything smaller falls on to a tray and is carried to a bunker which feeds the cooking tank, previously charged with agua vieja; from this, after a cooking of about an hour, the liquor is run off into the filter. The filter is caused to revolve and compressed air simultaneously admitted. The compressed air, by reason of its pressure, separates the liquor from the solids, the former escaping by nozzles into the crystallising tanks. As the filter revolves the solids are built up upon its inner surface, layer by layer, into a cake held fixed by the air pressure. Filtration is continued until the formation of the cake is complete, and the signal of this stage having been reached is the issue of air instead of liquor from the nozzles. The cake is then washed with [illegible] and the air pressure, whereupon it falls from the side and is removed by means of angle irons. Messrs. Butters have demonstrated that the "repio" from their filter contains less than two per cent. of nitrate, and claim that the rendimiento in the cachuchos of the main plant is also considerably improved. This system will, of course, benefit every oficina, but should be particularly helpful to those which have now to depend chiefly upon a much lower grade of ore than was available in the past. Certain technical difficulties have, we understand, still to be overcome, but the industry, in our opinion, is greatly indebted to Messrs. Butters and Company for the study and time they have devoted to it.

Earlier in these notes reference was made to the pampas of Tocopilla, Antofagasta, and Taltal. Needless to say, these have long since been exploited, and to-day are producing more nitrate than is now obtained from the Tarapacá district.

In the year 1907 the Government of Chili appointed a Special Commission to report on the nitrate territory, and considerable extensions of ore-bearing grounds were located. It may be that further discoveries have yet to be made. In other countries, where the meteorological, geological, and geographical conditions correspond more or less to those of Chili, similar beds may exist, and from time to time the world is startled by reports of such finds. Most of our readers will remember the wonderful tales told of the Death Valley District in the United States of America. So far, however, the deposits have proved on examination to be of little or no value. In addition to these great virgin stretches of nitrate pampas remaining to be worked, it must not be forgotten that in the worked grounds many millions of tons of poor-grade material are still to be found, all of which, together with the enormous quantities of "repios" (refuse), can and will one day be treated when a suitable process has been perfected. Therefore, any fear of an insufficiency of nitrogen can, we think, be banished from our minds.

The nitrate fields are served by the Nitrate Railways, the Antofagasta Railway, the Taltal Railway, the Junin Railway, the Agua Santa, and the Anglo-Chilian Railways. With the exception of the first-named, these lines are well equipped and satisfactorily cope with the up and down traffic. Unfortunately, the services of the Nitrate Railways leave much to be desired, owing to the difficulties in obtaining rolling-stock, although the management on this and the other side apparently do their best to deal with the many troubles with which they are beset. It is understood that locomotives will shortly be despatched from the United States, nitrate and goods trucks from England, and oil-tank cars from Belgium; also that the water shortage is to be dealt with. It is rumoured that part of the line from Iquique is to be electrified. In a short number of years the concessions under which the present Company owns the line will expire, and it would appear as if guarantees of the renewals of these should be obtained as quickly as possible, because the Company cannot be expected to make the very large disbursements which will be involved if the line is to be put into proper running order, without a definite assurance that such important outlays will be recouped.

The ports [illegible] notice. They are: Iquique, Antofagasta, Mejillones, Taltal, Tocopilla, Pisagua, Junin, Caleta Buena, and Caleta Coloso. [illegible] superintendents. The [illegible] coals [illegible] [illegible] [illegible]

its open and exposed position, which makes all loading and discharging very difficult. An important breakwater is now in course of erection, and when completed should certainly improve the very large volume of business already established. Alongside is the port of Mejillones, almost landlocked, so that it is very safe. This is, however, only a port "menor," and not likely to ever become important on account of the opposition offered by the people interested in its larger neighbour. Taltal is the terminus of the Taltal Railway, and the garden of the Manager of that line is a charming little spot with its wonderful flowers of all shapes and colours. It is a small place, having a population of about 10,000, for whom there appears to be plenty of work. Tocopilla is a considerably larger place, boasting a population of about 30,000. This port is the terminus of the Anglo-Chilian Railway, which serves a number of important English and German oficinas situated from eighty to one hundred miles in the interior. At Pisagua there is a small town. Junin, Caleta Buena, and Caleta Coloso are merely loading stations.

COAL EXPORT TRADE.

THE decentralisation of the authority of the Coal Mines Department of the Board of Trade early in the year, when the Supply Committees of the different coal-producing areas were vested with powers that had hitherto been exercised from London, was not accompanied by any delegation of the Coal Controller's prerogative in fixing the permissible amount of coal exports. The quantity which he decided on at the time was 1,750,000 tons per month, or 21 million tons per annum. The big decline which this represents on previous years may be gathered from the following table:—

UNITED KINGDOM.

Coal Production, Foreign Bunkers, Exports, and Home Consumption.

(In Thousands of Tons.)

Year	Output	Foreign Bunker	Export	Retained for Home Consumption
1913 ...	287,430	21,032	73,100	192,998
1914 ...	265,664	18,556	59,019	188,088
1915 ...	253,296	13,651	15,555	196,040
1916 ...	256,577	12,988	58,552	205,035
1917 ...	248,199	10,228	31,996	205,275
1918 ...	227,987	8,756	31,753	187,378
1919 ...	229,743	12,021	35,100	178,122

Exclusive of coal equivalent of coke and manufactured fuel exported on 1919, 1,508,000 tons of coke and 1,758,000 tons of manufactured fuel were shipped, but inclusive of coal used by colliery owners.

The lowest figure reached was 31,753,000 tons in 1918. For the eight months ended August last 18,375,932 tons, or at the rate of 2,296,991 tons per month, were shipped. The monthly figures were as follows:—January, 3,358,572 tons; February, 2,601,046 tons; March, 2,406,151 tons; April, 1,995,895 tons; May, 2,139,261 tons; June, 1,930,608 tons; July, 2,096,996 tons; August, 1,847,403 tons. While the monthly quantity has been declining it is still in excess of the original quota, which has, however, been varied from time to time as circumstances allowed. The figures given refer only to cargo coal, and exclude bunker coal for vessels proceeding to foreign destinations and coal supplied for the use of the Admiralty. The course of events in the trade in the last six years will be better appreciated from the following percentages table which has been worked out by taking the 1914 figure under each head as equivalent to 100:—

UNITED KINGDOM.

Year	Output	Foreign Bunkers	Exports	Home Consumption
	£	£	£	£
1913 ...	100·0	100·0	100·0	100·0
1914	92·4	80·4	80·4	97·5
1915	88·1	59·3	61·8	101·6
1916	89·2	52·2	61·8	106·2
1917	86·5	47·7	18·6	105·3
1918	79·3	15·3	11·6	97·1
1919 ...	79·7	57·1	18·2	92·4

From the table it will be seen that, contrasting 1919 with 1913, output has fallen 20.3 per cent., foreign bunkers 42.9 per cent., exports 51.8 per cent., and home consumption 7.6 per cent. In 1915, 1916, and 1917 domestic consumption was actually larger than in the pre-War year; in 1918 the figure was practically the same, but a substantial decrease was recorded in 1919. On the basis of Mr. Flux's estimate we have prepared the following table, showing the coal consumption in different branches of industry in the United Kingdom:—

UNITED KINGDOM.

Estimated Coal Consumption in Industry.

Groups of Trades	Estimated consumption Tons
Mining ...	18,790,000
Iron and steel, shipbuilding and engineering	15,850,000
Other metal trades ...	1,500,000
Textile ...	10,250,000
Clothing ...	850,000
Building, pottery and allied trades ...	8,000,000
Manufacture of chemicals, and allied trades ...	3,625,000
Preparation of food, breweries, distilleries, and allied trades ...	1,125,000
Public undertakings ...	5,300,000
Paper and allied trades ...	2,150,000
Timber working trades ...	750,000
Leather and allied trades ...	600,000
Miscellaneous ...	1,000,000
Total ...	72,248,000

Though this estimate is a conservative one the total is in excess of the pre-War aggregate, a curious anomaly when we consider that in practically no case does the output of our chief manufacturing industries now equal the pre-War level. Shorter working hours and the disappearance of night shifts in many trades should entail reduced consumption, especially as the demand for the home market necessarily reduces the amount available for export. In the United States, on the contrary, as shown in the table published in these columns last week, coal exports have increased as follows:—1913, 20,709,000 tons; 1914, 19,664,000 tons; 1915, 18,095,000 tons; 1916, 22,628,000 tons; 1917, 24,169,000 tons; 1918, 25,894,166 tons; 1919, 22,412,905 tons; and 1920 (January to June), 14,018,137 tons. The maximum was reached in 1918, but in the first six months of the current year exports were at an average rate of 2,336,356 tons per month. Comparing these with the British monthly figures quoted at the commencement of this article, we see that they are substantially in excess of the latter. The principal coal markets for the United States are Europe and South America, and the amount distributed to various countries in the two continents are shown in the following table:—

UNITED STATES.

Exports of Coal to Europe.

(In Thousands of Tons).

Yr. ended June 30—	1914	1915	1916	1917	1918	11 Months ended May 1919	1920
Italy ...	756	1,628	2,855	1,100	261	161	2,312
Spain	43	101	161	230	11		—
France	17	31	180	121	22		—
Norway ...		64	15	68			
Portugal ...		17	32	55	10		
Sweden ...		46	251	33		10	505
Other countries	57	154	156	50	52	159	1,917
Total to Europe	923	2,041	3,638	1,657	379	330	4,735

Exports of Coal to South America.

(In Thousands of Tons).

Year to June 30—	1914	1915	1916	1917	1918	11 Months ended May 1919	1920
Brazil ...	230	527	681	758	626	625	476
Chili	84	58	152	231	325	197	140
Argentine ...	159	564	783	709	255	185	81
Uruguay ...	62	101	155	162	109	259	147
Peru ...		4	21	100	25		
Other countries	56	33	58	19	36	392	240
Total to S. America	590	1,290	1,850	2,049	1,376	1,661	1,812

Particulars not yet available.

In the eleven months to May 1920 the exports to Europe show a surprising increase, while the figure for South America also moved upwards. Mediterranean ports are the chief destinations of American

coal exports, and it is here that we [illegible] the fastest [illegible]. As showing the possibilities of the world's coal [illegible] we subjoin the following table official figures for all coal-producing countries for the latest available [illegible]:—

World's Production of Coal.

[illegible]	[illegible]	[illegible]	[illegible]
United States (1913)	[illegible]	[illegible]	[illegible]
Great Britain (1913)	321,922,150	[illegible]	[illegible]
Germany (1913)	[illegible]	[illegible]	[illegible]
Austria-Hungary (1913)	[illegible]	[illegible]	[illegible]
France (1913)	[illegible]	[illegible]	[illegible]
Russia (1913)	[illegible]	[illegible]	[illegible]
Belgium (1913)	[illegible]	[illegible]	[illegible]
Japan (1913)	[illegible]	[illegible]	[illegible]
Canada (1913)	[illegible]	[illegible]	[illegible]
India (1913)	[illegible]	[illegible]	[illegible]
Canada (1913)	[illegible]	[illegible]	[illegible]
New South Wales (1913)	[illegible]	[illegible]	[illegible]
Spain (1913)	[illegible]	[illegible]	[illegible]
Transvaal (1913)	[illegible]	[illegible]	[illegible]
Natal (1913)	[illegible]	[illegible]	[illegible]
New Zealand (1913)	[illegible]	[illegible]	[illegible]
Queensland (1913)	[illegible]	[illegible]	[illegible]
Algeria (1913)	[illegible]	[illegible]	[illegible]
Chile (1913)	[illegible]	[illegible]	[illegible]
Queensland (1913)	[illegible]	[illegible]	[illegible]
Mexico (1913)	[illegible]	[illegible]	[illegible]
Orange Free State (1913)	[illegible]	[illegible]	[illegible]
Cape (1913)	[illegible]	[illegible]	[illegible]
Victoria (1913)	[illegible]	[illegible]	[illegible]
Tasmania (1913)	[illegible]	[illegible]	[illegible]
Queensland (1913)	[illegible]	[illegible]	[illegible]
Victoria (1913)	[illegible]	[illegible]	[illegible]
Tasmania (1913)	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]

predominates. Expressed as a percentage of the finished product, the cost of Canadian materials works out at fifty-three per cent., and in Australia it is reckoned at the enhanced figure of sixty-four per cent. This difference must, however, be considered in the light of the circumstances prevailing in the year under review, 1917, and it is also affected by Canada's ability to draw on that great storehouse, the United States. As a slight measure of compensation, salaries and wages in Australia claim approximately seventeen per cent. of the value of the finished product, against eighteen per cent. in Canada. To the War is traceable a great fillip given to industrial progress in these Dominions. Reference to the Australian figures for 1913 no doubt indicates a decline in the number of factories and employees, but, on the other hand, the horse-power used has increased by twenty-six per cent. Apart from manufactured foodstuffs, clothing and apparel, the principal developments are concerned with woollen goods, shipbuilding, iron and steel, leather and leather goods. The growth of the textile industry, particularly on account of Australia's pre-eminence as a source of raw wool, may lend some interest to the following data:—

	1914	1917
Scoured wool used in the ...	6,6,0,5,7	9,774,556
Tweed and cloth made in the ...	3,221,950	4,161,069
Boots and shoes made in the ...	6,222,501	6,077,108
Jackets, pants, and shawls (No.) ...	1,060,913	1,1,217

As regards Canada, the increase in establishments and employees between 1917 and 1915 has been sixty-one per cent. and thirty-four per cent. respectively. Secondary production has attained the highest degree of expansion in the Province of Ontario, but in the other provinces developments of various kinds are also taking place. The Prairie Provinces are associated with flour-milling and other manufacturing industries connected with foodstuffs. Saw-milling, fish-curing and packing, and smelting characterise British Columbia's range of activity, while in New Brunswick and Nova Scotia the lumber industry and cotton mills of the former and the fish-preserving and iron and steel industries of the latter are the more prominent.

How the newly established industries in these countries will fare when subjected to severe competition from outside quarters is a matter for the future. In favour of many is a plentiful supply of raw material, and with tariffs and other forms of State encouragement there is a distinct likelihood that they will achieve a permanent success. This factor may modify the character of the trade carried on by certain classes of British manufacturers, but eventually the expanded purchasing power of the Dominions should benefit the disposal of the products of British industry.

AUSTRIAN PUBLIC FINANCE.

Austria, in common with other countries, has suffered severely from inflation of the currency, and the small extent of the present Austrian Republic precludes the possibility of its taking over the financial burden that was piled up under the Empire. The Treaty of St. Germain provides that suitable portions of the note issue should become liabilities of the ceded territories which fell to Hungary, Czecho-Slovakia, Poland, and the State of the Serbs, Croats, and Slovenes. The old Empire of the Hapsburgs had an area of 625,417 square kilometres and a population of 50.6 millions, while its successor boasts of only 83,948 square kilometres and a population of little over six millions. Physically the country has now been reduced to practically one-eighth of its former dimensions. Far removed from the sea coast, it is hemmed in on the south, east, and the north by States that are not altogether friendly, and the discouragement thus afforded to trade makes the rehabilitation of the agricultural, industrial, and commercial fabric of the country all the more difficult. Though taxation is high, Government expenditure is not easily met. In the following table we show the Budget estimates for 1919-20, under various heads:—

REVENUE:	In Millions of Kronen
Direct Taxes ...	345
Railroad Taxes, Excise and Customs Duties ...	814
Stamp Duties, &c. ...	2601
State Property (Forests and Mines) ...	52
State Trading Enterprises (Railways, Posts, Works, Coal and Metropolis ...	2,188
Tobaccos, Salt, Sugar, Lotteries ...	1
Post and Telegraph ...	111
Other Revenue ...	855
Total Revenue ...	6,295
EXPENDITURE.	In Millions of Kronen
Collection of Taxes ...	12
Civil Administration ...	117
Education ...	240
Army ...	1000
State Trading Enterprises and Metropolis ...	2,850
Post and Telegraph ...	626
War Pensions and Other Liabilities ...	551
Food, Clothing, Housing, &c. ...	7,676
National Debt:	
Interest ... 1,649	
Amortisation ... 125	1,762
Other Expenditure ...	1,955
Total Expenditure ...	16,872

According to this table, the revenue would meet but 37.3 per cent. of the expenditure, of which it falls short by 10,577 million kronen. We have been assured from authoritative sources that the deficiency in the current half of the financial year 1920-21, which began on July 1 last, will be about 6,000 million kronen. In addition to the burdens thereby imposed, the Government must assume responsibility under the Treaty of St. Germain for a certain portion of the debt of the old Empire. The exact amount so transferred has not yet been fixed, but apart from this are the War debts, which may be set out as follows:—

Debts of New Austria.

(Excluding debt on the Old Empire assigned under the Treaty of St. Germain.)

New Debts as at December 31, 1919.

		In Millions of Kronen
INTERNAL DEBT:		
Funded Debt ...		573
Floating Debt ...		6,283
		6,856
EXTERNAL DEBT:		
Short-term Loan in German marks ...	2,00 in ... marks	
Short-term Loan in Dutch florins ...	11 ...	florins
Dollar Loan (terms of repayment not yet fixed) ...	18 ...	dollars

At the par value of the kronen, 24.02 kronen per £1 sterling, the amount of the debt, excluding the sum assignable under the Treaty of St. Germain and other obligations thereby imposed, is colossal. To add to the difficulties of the situation, it will be absolutely necessary, in order to support the population and to revive industry, to import large quantities of food and raw materials. It is anticipated that in the next year food to the value of thirty-five million pounds must be imported, and the financing of this large sum will in itself present a problem difficult of solution.

Trade recuperation is hindered by the system of tariff barriers which the trading jealousy of the different States, especially of those newly created, has driven them to erect. Political prejudices and the slowly expiring hatreds that linger after the War, mingled with a not unnatural sense of race antagonism, have held up that mutual co-operation which alone can set Central and Eastern Europe on its feet. No less than six countries march along the Austrian borders—Italy, Switzerland, Germany, Czecho-Slovakia, Hungary, and the Serb-Croat-Slovene State—and a large amount of smuggling to evade trade tariffs and various restrictive regulations on commerce has been taking place. Smuggling has grown since the change that followed the first months of the financial year 1919-20, when there was a considerable amount of what was practically free trade. As to the extent of the trade intercourse, no reliable data of either weight or value are procurable, though Austrian duties are payable on weight. The chief imports of the country are: Corn, fat, flour, sugar, potatoes, vegetables, rubber, coal and coke, mineral oil, fertilisers, cotton and other raw material for textile industry, copper, cast iron, tanning materials,

leather, drugs, and cement. These exports come from the following countries in the order of their importance: Czecho-Slovakia, Germany, Poland, Italy, Yugo-Slavia, Hungary, and Switzerland. To pay for its needs, Austria's prime products at the present time are: Wood, magnesite; wooden ware, iron and hardware, machines, paper and stationery, electrical machinery, coppersmiths' wares, and rubber goods; but all attempts at renewing the pre-War activity of these industries is hampered by lack of food for the workers and lack of fuel and raw materials for the factories.

THE WEST INDIES.

NEEDS TO BE FACED.

In returning from a tour of different parts of the British Empire the Prince of Wales has recently been visiting various of our West Indian colonies. The visit will do good in two ways. It will have enabled the Prince himself to see what the West India Islands are like; and it will attract, further, the attention of the peoples of the Empire to their actual existence. Outside the Colonial Office and a few British traders the very existence of the West Indies has been practically ignored by the Empire. Had we in the past, when money was plentiful and opportunities of various kinds offered themselves, developed those outlying portions of the King's dominions we should have now an ample supply of sugar, as well as of other tropical products, which, in addition to supplying the needs of the population in these islands, would afford a surplus for export to various parts of the world. The difficulties in the way, no doubt, were great. But the existence of those difficulties, while offering a palliative, certainly do not afford an excuse for our neglect of the British West Indies.

Writing some months ago, we asked the question, What do we mean by the West Indies? and particularly, What do we mean when we talk of the British West Indies? We will confine ourselves to-day to considering the economic interests of the British West Indies as they are themselves affected, and as they affect, mainly from the economic standpoint, the general interests of the Empire taken as a whole. Now, the British West Indies consist of various small islands, of which the principal is Jamaica, in all constituting an area of a little over 12,000 square miles. In addition, it is customary to include, both for purposes of administration and in an economic sense, British Guiana and British Honduras. Altogether the area of the British West Indies, situated as just stated, extends to between 112,000 and 115,000 square miles. With the exception of Barbadoes, no single one of these islands can be described as developed in any real economic sense. Naturally, the islands have been more developed than the two large States, one situated in Central America and the other on the mainland in South America, with a sea front to the Caribbean Sea. Even the islands, as we have said already, are in no real sense developed. Even Jamaica has still large areas of practically unexplored forest, as the recent correspondence—which, no doubt, our readers may have noticed—in one of our daily contemporaries amply demonstrated. So far as British Guiana and British Honduras are concerned, they have been to a large extent wholly neglected, and more especially is this true of British Honduras. This colony is about the size of Wales, and with the exception of Belize, the capital, which is a very small town, there are hardly any settlements, while the colony, so far as it can be said to have any economic existence at all, is practically dependent upon the mahogany industry. It is, in fact, a vast forest, capable of being developed, first, as a source of supply for tropical timber, and, later, for various forms of tropical agriculture. It is capable of growing, as the dense vegetation amply demonstrates, sugar, cocoa, rice, and the various products which we are accustomed to associate with tropical regions. The higher lands could be used, but are not, for the development of the cattle industry. As things [illegible] British Guiana is concerned, very little has so far been done in opening up the interior. The coast lands have, however, been developed to some considerable extent, and Demerara raises considerably over 100,000 tons of sugar each year. But with capital and enterprise this great colony is capable, even on the coast [illegible] greater extent than it has ever been developed so far.

Now there are two points that immediately strike [illegible] training, and is at all acquainted with the composition, populations, and the economic and social needs of the Empire, on visiting these regions. The first is the need for British investment in the West Indies; and the second, the encouragement of immigration into the islands, and particularly into the two great colonies on the mainland, from other parts of the Empire. The reader may say that, so far as investment is concerned, this is very true, and is very easy to write about, but that we have got ourselves into such a muddle over our finances in connection with the recent War that it is idle to talk of British investments at a time like the present. The opportunity was lost, and we must wait for an indefinite period for recuperation. This, however, we would venture to point out, is an exceedingly short-sighted way of looking at the subject. It has been shown again and again that while it is true to some extent that trade undoubtedly follows the flag, trade follows still more closely the investor. One of two policies is always open either to an individual, or to a combine of individuals which we call a nation, who have got themselves into difficulties. A trader, a landowner, or the owner of a plantation, finding that he has been living for some time beyond his means, or has engaged in some kind of enterprise which has been more or less disastrous, either sits down in despair and allows things to drift from bad to worse, or he carefully consults with his friends and advisers as to whether there are any means of recuperation, and, if so, what policy it would be best to adopt? It may be urged, and, no doubt, will be urged in the present case, that this country owes thousands of millions expended during the recent War, and the only possible policy is to save every penny that can be collected in the hope of, sooner or later, paying off this vast debt. Precisely the same argument is used to the individual or company which gets itself into financial difficulties. We must endeavour, says the over-cautious adviser of the individual, to carry on our small peddling business to the best of our ability, and save out of a small revenue as much as possible. Is it not sometimes advisable to adopt a somewhat bolder policy? Assuming that the business is capable of development, to endeavour to develop that business so that, instead of having a comparatively small revenue [illegible]

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save each year some trifling amount towards paying off debt, to put in new plant and endeavour to develop the business to such an extent that it will be possible to pay off the debt incurred with comparative ease. "Are we justified?" asks the cautious reader. Well, it is a question entirely of policy. Would it, or would it not, be better to develop those rich outlying portions of the Empire, which are capable of yielding a very large revenue and affording our traders greater scope for their enterprise, and so bring about a greater aggregate revenue for the nation, taken as a whole, out of which to meet the taxes which are imposed upon us year by year? Such a policy, it will be argued, would, of course, delay the payment of the debt. This naturally must be admitted. But to allot, say, this year a given proportion of our savings for the purpose—to use a convenient phrase—of putting in new plant may, and presumably would, enable us in a year or two to pay off a relatively greater proportion of debt than would have been possible had we confined ourselves to a peddling policy, and continued to carry on business on comparatively small lines until such time as our debts were liquidated. The most urgent need of the economic world, not merely of the recent belligerents, at the present time is an increased supply of food and raw materials. Unless we are able to increase our supplies of these essential primary products there will continue to be a shortage for an indefinite period. If we were able, by apportioning a part of our savings which otherwise would be required for the liquidation of debt, to putting in, as we have said above, new plant with the object of developing large revenue-producing areas, and particularly those capable of supplying us with food and raw materials, it should be very much easier to meet our obligations in the coming years, and, as we have said above, to meet them upon a relatively much higher basis than would be possible if the contrary policy were pursued of merely saving out of our existing revenue what we are capable of accumulating by careful self-denial. Self-denial, will, of course, be inevitable in any case. Vast sums beyond our means have been spent, and it is only possible by careful saving in the future that we can gradually readjust the balance. All we are arguing for here is a question of policy. Is it [illegible] accumulate, and pay off debt at once, or to re-equip certain areas in the hope that in the near future we may be able to pay off a very much larger proportion of debt?

Accompanying this question of the need for investment in those parts of the Empire which are capable of supplying us with increased quantities of food and raw materials is the question of the need of population. The greater part of the British Empire as it stands at present is more or less an empty waste. Sooner or later, it cannot be doubted, we shall be challenged as to what use we make of the thirteen million square miles which at present constitute the area of the British Empire. A very large part of that Empire does not produce food, does not produce raw materials, and does not, in fact, produce anything of economic value, although the natural conditions of climate, soil, and environment make it evident even to the casual observer that it is capable of doing so upon an immense scale. A striking illustration of the need for increased production is afforded at the present time in the fall in the price of rubber, and the difficulty of disposing of the large supplies which have gradually accumulated in the producing centres. "You want increased supplies of raw materials," says the pessimist, "and when plenty of rubber is produced you do not know how to use it." If the critic will examine the question further, he will see that the difficulty is not that the world is unable to use increased supplies of rubber, but that raw rubber is only one of the constituents of the various articles of commerce in which it is employed. It is the absence of adequate supplies of the other constituents, which are only obtainable upon an extravagant economic basis, that constitutes the real difficulty in employing the large quantities of rubber available.

To return to the question of immigration. Those who know the West Indies well will remember that it is constantly said out there that the development of the various regions is retarded by the perennial shortage of labour. Until capital is found in adequate quantities to afford means whereby that labour can be employed it is idle to talk of increasing the present supply of labour, either in the West Indies or anywhere else. Within the confines of the British Empire there are, unfortunately, vast numbers of men and women who find it exceedingly difficult to earn a living, and were sufficiently attractive terms offered there would be no difficulty in attracting immigration to the West India Islands, to British Guiana, and to British Honduras.

The British West Indies, or at least the greater part of the area, are for practical purposes situated within the limits of the tropics. It is argued that only the coloured man—although this fact is very much disputed—is capable of performing manual labour in those regions. It is not our purpose to argue that aspect of the question now, mainly because it happens that we have an enormous surplus of coloured labour within the British Empire, and a shortage of white labour. More than seventy per cent. of the total population of the British Empire are coloured people; and, consequently, it is urgently needed that we should find employment for as large a proportion of that coloured labour as possible. Unfortunately, certain areas of the British Empire, which are no longer directly under the control of the Home Government, decline to welcome our coloured fellow-subjects. It is an exceedingly dangerous policy to pursue, and cannot, if continued, fail in the sequel to cause very serious embarrassment, not merely to the areas affected, but to the whole British Empire. That a British subject should be denied access to any part of the Dominions of which he is a subject is surely a most unsatisfactory state of things. But, unfortunately, as things are at present, this fact cannot be denied. There is, happily, in the West Indies no prejudice against our fellow-subjects because they do not happen to conform to the colour common to the inhabitants of the white regions of the Empire. Consequently, the British West Indies, if sufficient capital can be found for their opening up and proper economic development, offer a great field of immigration for our coloured fellow-subjects from various parts of the British Empire.

THE BANK OF ATHENS.—The profits of this progressive institution for the half-year ending June 30, 1920, amount to Drs. 13,805,000, a sum which exceeds the profits for the whole year 1919. An interim dividend of five per cent. absorbs Drs. 2,400,000, leaving Drs. 11,405,000 to the credit of profit and loss. The balance sheet totals have grown since December 31, 1919, by Drs. 83,874,349 to Drs. 570,234,312, of which liquid assets at Drs. 238,946,028 represent an increase of Drs. 46,993,373, and current and deposits accounts at Drs. 505,520,399, an increase of Drs. 72,506,450.

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INVESTMENTS BENEFITING FROM THE EXCHANGE.

As promised in our issue of last week, dealing with the exchange factor as affecting investments, we subjoin a further list of securities the interest on which is payable both in London and abroad at exchanges where the pound sterling has fallen to a discount. The present selection is confined to Colonial bonds and Colonial Corporation stocks quoted on the London Stock Exchange. The dividends are payable here, as well as in Montreal, Toronto, Winnipeg, and in a few instances in New York. It is to the holder's advantage to secure payment in some Canadian city in preference to London, and in New York in preference to Canada, on account of the difference in the dollar-sterling rate in the two countries. We intend to follow up this list next week with another of a similar character.

COLONIAL BONDS.

Province of Manitoba Government 4½ per cent. Stock (1965), £250,000.
Principal and interest payable at the Canadian Bank of Commerce, London, or, at holder's option, in Toronto, Winnipeg, or Montreal, in Canadian currency, at option of holder, equal to £1 sterling = $4.86 2/3 Canadian.

Alberta Government 4½ per cent. Debentures (1955), £8872.
Principal and interest payable in London, or at par of exchange in Edmonton, Toronto or Montreal.

Alberta Government 4½ per cent. Registered Stock (1942), £12,850, same options.

Province of Saskatchewan Government 4½ per cent. Registered Stock (1951), £257,250.
Principal and interest payable in London, or, at holder's option, at par of exchange in Regina.

Province of Saskatchewan 4% Ten-Year Debentures (1923), £958,800.
Principal and interest payable in London or, at holder's option, at par of exchange in Regina, Toronto or New York.

Province of Saskatchewan 4½ per cent. Stock (1951), £259,171.
Principal and interest payable in London or, at holder's option, in currency at par of exchange in Regina.

Province of Saskatchewan 5% Loan (1943-53), £950,000 (also 1953 option.

COLONIAL CORPORATION STOCKS.

Barnaby, Municipality of, 4½ per cent. Debentures, £17,000.
Principal and interest payable in London in sterling, or, at holder's option, at Montreal, Toronto, Winnipeg, or Moosejaw, in Canadian currency at par of exchange.

City of Lethbridge 4½ per cent. Debentures (1912-31), £141,000.
Principal and interest payable in currency in Montreal, Toronto, or Lethbridge at par of exchange.

Melbourne Hill, City of, 5½ per cent. Debentures (1934-54), £162,800.
Principal and interest payable in London in sterling or, at holder's option, in Toronto, Montreal, Winnipeg, or Moosejaw Hill in currency at par of exchange.

City of Montreal 4½ per cent. (Town of St. Louis) Bonds (1949), £125,000.
Principal and interest payable at the Bank of Montreal, either in London in sterling, or, at holder's option, in Montreal or New York at the rate of $486.66⅔ per bond (£100 = $486.66⅔ Canadian).

Corporation of Point Grey 5½ per cent. Debentures (1953-62), £84,500.
Principal and interest payable in London in sterling, or, at holder's option, in Vancouver, Montreal, and Moosejaw at par of exchange.

City of Quebec Sterling 4½ per cent. Debentures (1965), £241,000.
Principal and interest payable in London, or, at holder's option, in Quebec or Montreal at par of exchange.

City of Regina 5½ per cent. Consolidated Registered Stock (1941-60), £66,200.
Principal and interest payable in London, or, at holder's option, at par of exchange in Regina.

City of Saskatoon 4½ per cent. Consolidated Stock (1941-61), £220,000.
Principal and interest payable in London, or, at holder's option, at par of exchange in Saskatoon.

City of St. Catharines 5½ per cent. Debentures (1941-61), £65,000, same options.

City of Vancouver 4½ per cent. Local Improvement Debentures (1921-40), £150,000.
Principal and interest payable at the holder's option in sterling in London, or currency in New York, London or Vancouver at par of exchange.

Westminster, City of, 4½ per cent. Debentures (1941-60), £85,000.
Principal and interest payable at holder's option in London or Montreal.

City of Winnipeg 4½ per cent. Registered Stock (1940), £1,000,000.
Principal and interest payable in sterling or, at holder's option, in currency at par of exchange in Winnipeg.

City of Winnipeg 4½ per cent. Redemption Stock (1911-31), £1,200,000, same options.

City of Winnipeg 4½ per cent. Redemption Stock (1941-61), £2,000,000, same options.

CONDITIONS IN CANADA. According to the Canadian trade returns for August imports from the United Kingdom amounted to $21,471,000, as compared with exports thereto worth $56,920,000. Exports of newsprint during the month amounted to $7,200,000, wood pulp shipments during the same month being $9,511,000. Newsprint paper exports to the United Kingdom amounted to $1,150,000; to Australia, $585,000; and to South Africa, $108,000. The total value of the imports into the United Kingdom during the eight months ended August 31 was $168,000,000, and exports thereto were worth $224,358,000. Extensions of the Canadian pulp and paper industry already under way will, it is believed, assure a newsprint output in 1923 amounting to 1,000,000 tons. Business conditions are good throughout Canada. Bank clearings for the week ended September 23 show fifteen per cent. in excess of those for the corresponding period last year.

THE BANK OF TAIWAN, Ltd.

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Capital Paid up .. .. Y. 45,000,000
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Financial Notes.

The National Accounts for the Half-Year.

In the subjoined table are summarised the features of the National accounts for the half-year ending on September 30, contrasting the figures for the first half of the financial year, 1919-20 being provided for comparison:—

(In £'000's of £'s.)

	1919.	1920.	Increase.	Decrease.
Revenue	434,299	148,900	—	285,399
Expenditure	341,052	744,344	403,292	—
Miscellaneous Receipts	103,151	44,763	—	58,388
Excess Revenue (+) or Expenditure (—)	+7,627	—281,345	—	288,972
Treasury Bills	1,305,515	1,172,231	—	133,284
	1,922,536	1,777,786	—	144,750
Excess sales (+) or Inc. (+) or dec. (—)	+616,021	+605,555	—	10,466
Govt. secs. redeemed debt	—16,151	+38,407	—	—12,224
Net receipts for	3,470	2,200	28,800	1,270

Comparing first the half-year just expired with the corresponding period last year, we find that both revenue has greatly increased and expenditure has decreased, the net difference to the National Accounts being £358,973,000; while last year there was a revenue deficit of £281,345,000, this year there was a surplus of £77,267,000 available for debt redemption. This result appears less gratifying when it is pointed out that while last year miscellaneous receipts, which are chiefly proceeds from the sale of Government assets, amounted to only £44,763,000, this year they were £115,368,000 higher, and, in fact, but for this item there would have been a substantial deficit. In spite of this, however, it need hardly be pointed out that a great improvement has taken place in the national finances as compared with a year ago. It will be noticed that, as compared with the first quarter of the current financial year, revenue in the second quarter shows a falling off, though this was more than compensated for by a decline of £27,784,000 in expenditure. In reality, as miscellaneous receipts are over £46,000,000 higher, ordinary recurring revenue shows a large increase. As compared with the first half of the financial year 1919-20, Treasury bill sales show an expansion of £481,451,000; again, comparing the two quarters, Treasury bill sales [illegible] £248,615,000 [illegible] than in the first. This latter movement [illegible] subscriptions to Treasury bills on July last, a feature which, as we point out elsewhere, is likely to cause considerable embarrassment to the Government [illegible]

expected were only £3,219,000, as compared with £7,330,000 for the quarter ending June 30, a fact which sufficiently demonstrates the failure of this expedient for reducing the floating debt.

The Floating Debt

It will be interesting to compare the amount of the various components of the floating debt at the end of the different periods, as tabulated below:

(In thousands of £'s.)

	Sept. 30, 1920	Sept. 30, 1919	June 30, 1920	+or—Sept. 30, 1920 on Sept. 30, 1919	+or—Sept. 30, 1920 on June 30, 1920
Advances by Bank of England	Nil	203,000	69,750	—203,000	—69,750
Advances, 1925					
Departments	143,114	190,582	173,941	— 46,968	— 30,827
Treasury Bills	1,138,794	851,515	1,050,090	+287,479	+88,704
Total	1,281,908	1,244,397	1,293,781	+ 37,511	—11,873

A study of this table reveals the fact that while temporary advances by the Bank of England, which, being pure creations of credit, are the most undesirable form of the floating debt, were entirely repaid during the past half-year, advances by public departments being also substantially reduced, this desirable result has been effected at the expense of the liability under Treasury bills, which is £287,479,000 higher than a year ago and £88,704,000 higher than three months ago. The huge amount now outstanding, £1,138,794,000, will probably be reduced during the coming quarter by increasing the indebtedness under Ways and Means. A more exhaustive comment on this subject will be found under the head of "The Money Market."

U.S. Gold Situation.

How the gold situation has changed in the United States is strikingly illustrated by the statistics for imports and exports of the precious metals compiled by the United States Department of Commerce. It may be as well to point out that as the United States of America maintains a free gold market, gold movements to and from the country are of great interest to all concerned with the New York Money market. The position is summarised in the following table. The figures for August and September are not yet available, but those given are sufficient to show the trend of events:—

United States Imports and Exports of Gold.

(In thousands of dollars.)

		Imports	Exports	Excess of—Imports	Excess of—Exports
7 months ending July	1920	144,269	71,280		73,020
" "	1919	52,293	151,682	—	99,389
" "	1918	52,721	28,703	24,018	
Total	1918	76,534	368,185	—	291,651
"	1918	62,043	41,070	20,973	
March		16,985	47,050	—	30,075
April		48,522	44,645	3,877	
1920 May		15,688	7,562	8,126	—
June		26,765	5,320	21,445	
July		19,818	21,873	—	2,055

Causes of the Movements.

Three outstanding features are to be noted in the foregoing table—that imports since March have been unusually large; that exports have shown an enormous expansion during 1919 and 1920; and that, in consequence of these, a net gain of gold in 1918 was followed by a large loss in 1919, to be succeeded again by a substantial gain since March last.

The first feature is, of course, due to imports of the precious metals from London and Paris in order to meet the Anglo-French obligation maturing on October 15. When the figures are available for the past two months it will doubtless be seen that this particular movement will have become more rapid since July, as it is only recently that the French Government have sent the bulk of their gold exports. Imports from Canada have also been very large.

As regards the second, it may be recalled that it was in the early part of June 1919 that the embargo on the export of gold was removed in New York. The huge expansion in exports for 1919 and 1920 noted above did not begin, in fact, until June 1919, and is directly to be attributed to the removal of the embargo. The bulk of the exports have, of course, gone to those countries whose exchanges with the United States are adverse to the latter. The countries, in order of importance, are: Argentina, Uruguay, Spain, China, Japan, Mexico, and the Dutch East Indies.

The third feature referred to above, which is the outcome of the other two, is responsible for the vicissitudes of the New York Money market during the past six months. Whereas during the year to June 1, 1919, there was an excess of gold imports amounting to $31,816,000, during the period June 1, 1919, to March 1, 1920—that is to say, from the removal of the embargo on export until the first arrival of gold in connection with the payment of the Anglo-French loan—there was a net loss of gold amounting to $376,275,000. Since May 1, 1920, these abnormal exports have shown a considerable falling off, mainly on account of an improvement in the exchanges with Argentina and Spain, and during the three months, May-July, imports have exceeded exports by $27,516,000. This influx has provided relief to the credit situation during a critical period, when the lending power of the banks was exhausted by the previous outflow of gold, and was instrumental in averting the crisis which seemed imminent in March last.

As regards the present position, the returns when published will probably show that the balance of gold movements is still on the side of imports, for, in addition to the shipments of French gold already noted, United States purchases in the London market to finance the autumn crop movements have been unusually heavy and protracted this season, while the exchanges with Spain and Argentina have turned definitely in favour of the United States. As regards the latter, we note that the Argentine Government have removed the embargo on gold exports. It is not at all unlikely that this will mean further imports of the precious metal for the United States.

Norwegian Loan in New York.

Whatever may have been the reason why the Norwegian loan was not issued here, as rumoured recently, at any rate, the authorities have no cause to regret their decision to float the loan in New York instead, the issue, we learn, having been rapidly over-subscribed, though, of course, they could place it less expensively here. The interest basis, eight per cent., is the same as that of the recent French flotation in New York, which, it will be remembered met with an immediate success and rose rapidly to a premium in the markets. It is understood that the object of the loan is to pay for ships ordered in the United Kingdom to restore the losses sustained by the Norwegian mercantile fleet during the War. In that case the proceeds of the loan may be used in purchasing sterling in New York, and this would help to sustain quotations. As the amount of the issue, however, is small—only $20,000,000—its influence in this direction will not be very great.

SOUTH AND CENTRAL AMERICA.

MR. ENOCK'S BOOK.

It has been said that Herbert Spencer accomplished but little because he attempted too much. Mr. Enock proposed to himself an impossible task when he essayed to write in two volumes the history, present conditions and topography of Spanish America from Mexico to Patagonia. The book before us is entitled "Spanish America, its Romance, Reality, and Future," by C. R. Enock, C.E., F.R.G.S., and is published by Messrs. T. Fisher Unwin, Limited. The book is, of course, exceedingly well written, as all Mr. Enock's books are. It is exceedingly interesting in a sense, but no sooner

has Mr. Enock directed the attention of the reader to one particular aspect of the question that he hurries off to some other part of South America or elsewhere upon another subject. Mr. Enock commences with an account of Cortes' celebrated expedition to Mexico. The author gives a brief account of the political, economic, and social conditions of the monarchy at the time Cortes undertook and accomplished the conquest of Mexico. Mr. Enock has travelled extensively over the greater part of Spanish America. He has, as his various works show, carefully studied his subject in its various aspects. In this book, however, he just gives enough information upon each aspect of the question which he tackles to make the reader wish for more. No one subject dealt with is sufficiently clearly explained to give the reader adequate information to enable such reader to really understand the accuracy or otherwise of the conclusions at which the author arrives. Mexico is dealt with in a sense—that is to say in a chapter or two—from the time of the conquest by Cortes to the period under the late ex-President Carranza. Before we have mastered the history and present conditions of Mexico we are invited to study Peru from the time of Francisco Pizarro to the state of things existing under President Leguia. We pass on rapidly through Chili to Argentina, and are given an attractive illustration of the sea front at Mar del Plata, the fashionable watering-place, so much frequented by the well-to-do classes of Buenos Ayres during the months of December and January. To readers who are wholly unacquainted with South America, its history, and the composition of its people, the book may be recommended as an introductory study of South America as it has existed since the Colonial period. It will only, however, be really useful even to such readers if it has the effect of inducing them to study the subject further. The author himself has in the past published some exceedingly interesting works on the Andes and the Amazon, on Peru, on Mexico, and on Ecuador. The easy style in which Mr. Enock states his facts and deduces his conclusions may, we would venture to hope, induce the reader who has perused this work, which he can easily do in a couple of evenings, to seek further sources of information upon a subject interesting at the present and likely to be of far greater interest to Europe in the near future.

While criticising Mr. Enock upon his too brief review of too many subjects we must endeavour ourselves not to fall into the same error.

Mr. Enock describes all too briefly the question of the present condition and the potentialities of that vast region, which the author estimates to extend to four-tenths of the whole of South America, which is known as the vast basin of the Amazon and its affluents. This immense region, as the author points out, is of enormous extent, almost wholly unpeopled, and the greatest existing tropical forest area in the world. It is at present a virgin region, extending over [illegible] anything in reason could be developed. It is one of the great unoccupied spaces of the earth awaiting development. Its future will depend largely upon [illegible] and by whom that development is undertaken, and upon the lines and [illegible] development will follow, particularly in their initial stages. It is probably, taken altogether, potentially the most fertile region for the development of the animal and vegetable kingdom. At present it is one tangled mass of great forest and luxuriant vegetation, intersected by enormous rivers, nearly all of which overflow their banks. It is capable of supplying the world with enormous quantities of food and raw materials. As the whole of it lies within the tropics it is capable of being continuously cropped, provided always that adequate fertilisers are forthcoming.

In the early stages of its development no fertilisers will be required. When the time comes to apply fertilisers, we shall have to make experiments as to what fertilisers are suitable for application in those [illegible]. We [illegible] All the evidence we have appears to show that the fertilisers suitable for the temperate regions of the earth cannot be applied with advantage to the region of the Amazon basin; but even on this subject we would speak with caution, because such experiments as have been made have hardly been carried far enough to warrant us to arrive at any well-defined conclusion. Mr. [illegible] the heavy flooding of the lowlands in these regions twice a year is only an apparent, and not a real, disadvantage. It is a question of drainage, and drainage upon a [illegible]. At this present there is, of course, far too much water for any permanent settlement, but, as Mr. Enock truly points out, there is plenty of arid land in the near vicinity of this flooded country which could be made more fertile than at present by means of irrigation. There are, of course, highlands in the region described in Mr. Enock's book. These are capable of growing, on account of their altitude, the cereals and fruits to which we are accustomed in the temperate region; but the highlands do not affect the aspect of the question dealt with in the book and to which we are here directing attention.

It has to be remembered that the Amazon, in addition to being the greatest river in the world, flows from the high lands in the Andes almost throughout its length on the line of the Equator. There is no other river in the world situated in a comparable position. The result is that the Amazon is fed by the rainy season of the Northern Hemisphere, while again it receives supplies from the rainy season of the Southern Hemisphere. In other words, it derives supplies, and supplies furnished in enormous quantities, from its tributary rivers in the Guianas in the rainy period that affects those regions north of the Line. Before this enormous supply has time to become depleted the rainy season south of the Line, that is in Brazil proper, has commenced, and the Amazon receives supplies from those rivers which receive torrents of rain in the rubber-bearing area of Northern Brazil. As a consequence, at certain periods of the year, when the river is receiving enormous supplies from the south before it has time to discharge its northern supplies into the Atlantic, it is liable to rise, and does rise, fifty feet and sometimes as much as sixty feet. Now this does not matter much east of Manaos, because there the great river has cut a deep channel for itself and the banks are high. West of Manaos and between that city and the foothills of the Andes the position is very different. This vast area is comparatively low-lying. Consequently, it is greatly influenced by the rise and fall of the various great rivers by which it is intersected, and particularly by the Amazon itself.

It will be observed that those who attempt the development of this region will be faced with conditions which do not exist to the same extent or upon the [illegible]. We [illegible] lay down a cut-and-dried plan. The capable will have [illegible] regions of the earth, both from the agricultural and mineral points of view, practically according to their own ideas. The whole region requires to be drained. It [illegible] kinds of fertilisers the various soils of this region require. [illegible] and again, and of yielding its fruits in [illegible] scale experienced in no other part of the world [illegible]

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LONDON:
Chief Office,
1 Cornhill, E.C. 3.

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TOTAL CLAIMS PAID over £97,000,000

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American Topics.

NEED FOR CAUTION.

In this country our banks for some time past have been very wisely restricting the accommodation which they afford to their various customers, so far, of course, as practicable, to the actual needs of trade proper. In this they have shown a caution which is highly to be commended. They have done even more. They have in no sense pressed any of their clients who have had a real and legitimate claim upon them. On the other hand, while treating with consideration the reasonable claims of their customers, and while not using their power in any drastic sense, they have at the same time taken adequate measures to discourage anything in the nature of rash speculation or gambling. The Stock Exchange has received a reasonable consideration, to which it is entitled, but at the same time operators have been given clearly to understand that they must not expect financial assistance which would enable them to hold securities indefinitely, for purely speculative purposes. It has been felt in the financial world, as well as by intelligent operators themselves, that the international financial situation is far too delicate to permit the existence of what is technically known upon the Stock Exchange as a large speculative account in any market.

Practically the same principle has been applied to the produce market. While every consideration, and even in many instances liberal treatment, has been meted out to those traders who are genuinely engaged in the importing and exporting of commodities, the trading community has been given clearly to understand that they cannot expect financial assistance which will enable them to carry large quantities of produce for purely speculative purposes. In following this course there can be no reasonable doubt that the banks are serving a useful public purpose, and relieving the market from anxiety for the outlook in the immediate future.

It has to be remembered that owing to the magnitude of our foreign debt, which Lord Chalmers has estimated this week at £1,278,000,000 sterling, our heavy floating debt and our adverse trade balance with the United States, London no longer controls the international markets in the sense that she was able to exercise her influence upon the exchanges previous to the outbreak of the War. In a sense that position has to some extent been shifted to New York, although New York, for reasons into which we have not space to enter here, does not exercise the influence over the international exchanges either in the sense or to the extent which London was accustomed formerly to do.

Nevertheless, financial conditions in the New York Money market are at the moment, and are likely to continue at least throughout the present year, the dominant factor in the international financial situation. There has recently been a measure of apprehension regarding the position in New York partly due to action which has been taken, and which, indeed, it was necessary to take on the part of the United States Government with regard to at least one important financial institution of that city, and in part to other happenings which have also occurred during the past few weeks at that centre. As far as we are informed, and we have every ground for believing that our information is correct, there is no real ground for serious apprehension. It would appear that the United States Government and the banks of the United States have the situation well in hand. As has been the case with the bankers here, accommodation on the other side of the Atlantic has been for several months past restricted to the actual needs of trade. Wall Street has received every consideration from its bankers to which it was entitled, but operators have been given clearly to understand that accommodation would be restricted if necessary very rigorously in the event of any serious speculative position being disclosed. The necessary credit has been readily forthcoming for the purpose of moving the crops and for assisting the export of cereals, other foodstuffs, cotton, and tobacco. At the same time traders have been informed that the banks could not look with approval upon any attempt upon a considerable scale on the part of traders or others to hold stocks of produce for purely speculative purposes.

On the other hand, as we have already said, so far as our information goes, there is no reason for anything in the nature of apprehension, but there is every reason for the utmost measure of caution both on the part of bankers and traders consistent with carrying on the necessary routine of trade between the various countries of the world. The reason is, of course, quite simple and quite evident. Credit not merely in Europe but everywhere rests upon an inadequate basis. If that were not so this country, for example, which has come out of the War in a far sounder economic position than most of the belligerents, would be in a position to render equivalent economic values to the United States for the debts incurred. The reader is, of course, as well aware as we are that this country is not as yet in a position to do so. While it is true in a sense that a more than adequate supply of gold has been accumulated by the United States Treasury and in the vaults of the United States banks, the superstructure of credit, both national and international, which has been erected on this foundation is out of all proportion to what we should have regarded as reasonable and safe trading during nearly the whole period of the nineteenth century. It has been said, and with a measure of truth, that the United States has benefited enormously as a result of the recent War. On the miseries of Europe it finds itself a creditor of the world. This is partly true, but only true in a very restricted sense. Doubtless most of the countries of the world, particularly of Europe, are debtors more or less to New York, but New York cannot get in the money, and has no prospect of getting it in in the immediate future. The United States itself, in order to cope with the enormous amount of foreign business during the War coming from impecunious customers, had to create a huge superstructure of credit upon a very inadequate foundation. She had to enlarge, and in some cases to create, fresh plant in various branches of industry. The result has been an extravagant rise in prices, partly owing to her own creation of that credit, and partly due to the inability of her impecunious customers to meet their various obligations. Now she is faced with two difficulties. The one is that her foreign trade is threatened on the present basis of prices because the outside world is unable to purchase

low commodities to [illegible] beyond those in which they already find themselves. Finding that foreign markets cannot absorb the products of the United States upon the scale which they have recently been accustomed to do, traders all over the various States of the Union are restricting their operations, and this means a measure of unemployment and less available money to spend in the home market. As we pointed out some time ago, the day when the spending power of the various nations was based upon the printing press has now passed. We are all of us, whether in Europe, in the United States, or elsewhere, only able to purchase commodities within the circumscribed limits of our actual earning capacity. Consequently, traders in the United States, as well as traders in Europe, are now coming to realise that they can only hope to find a market for goods either at home or abroad if they can produce them upon a basis which the earning capacity of the various peoples of the several nations will admit of their paying.

DIVIDENDS ANNOUNCED THIS WEEK.

BANKS:					
Banco Nacional Ultramarino ...					
Colonial Bank, £20 sh. £6 pd. ...					
COMMERCIAL:					
[illegible]		15	15	15	15
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
FINANCIAL LAND:					
[illegible]					
FINANCIAL TRUSTS:					
[illegible]					
[illegible]					
[illegible]					
FOREIGN RAILS:					
[illegible]					
GAS:					
[illegible]					
INSURANCE:					
[illegible]					
[illegible]					
Federated British Insurance ...					
IRON, COAL AND STEEL:					
[illegible]					
[illegible]					
[illegible]					
Vulcan Foundry					
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MINING:					
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SHIPPING:					
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An estate cost of 11.62*d.* per lb. in 1918 is reduced to 8.81*d.* per lb.; an f.o.b. cost of 1*s.* 4.5*d.* per lb. is reduced to 1*s.* per lb., whilst an "all-in" cost of 1*s.* 2.7*d.* per lb. replaces one of 1*s.* 9*d.* per lb. Moreover, this reduction in the working cost coincides with the no less necessary improvement in the price realised by the sale of the crop, which averaged 1*s.* 11*d.* per lb., or 3½*d.* per lb. more than in 1918. Consequently a net loss of £1,007 in the previous year gives way to the record profit of £28,059 for the year under review. Thus shareholders, for whom 1918 was a barren year, find themselves compensated with the generous dividend of twenty per cent., absorbing £24,000. Even then the balance carried forward to the next accounts is increased from £7,593 to £11,652.

The original capital of the Company is now fully issued, 9,993 shares having been taken up at par during the year by the shareholders. Realising the necessity of being in a position to secure funds for the development of the estate, the authorised capital has been increased from £120,000 to £250,000. Some 2,105 acres are now planted with rubber, and an estimated area of forty acres is being reclaimed. It is thought that a survey now being conducted will reveal an area somewhat in excess of these figures. But of these 2,105 planted acres, 399 are still immature. The growth is, however, said to be excellent, and it is asserted that the estate promises to rank amongst the best in Java. During the current year the estimate provides for a crop of 750,000 lb. Returns for the first eight months show that 486,869 lb. have been harvested, thereby indicating that normally speaking this estimate would have been realised. The proposed restriction for November and December will probably reduce the total crop to some 675,000 lb. or thereabouts. Apart from the problem of taxation, the prospects of the year largely depend upon the extent to which the Company has disposed of its crop by forward contracts. The low price which rubber has now commanded for months does not promise much profit to a company which had an "all-in" cost of 1*s.* 2.7*d.* per lb. in 1919. Financially the position of the Company as disclosed in the balance sheet dated December 31, 1919, is sound. Liquid assets to the extent of £56,883 are available to meet current liabilities which, including the final dividend of £18,000, the income tax reserve and the balance due on drafts to Harrisons and Crosfield, do not exceed £35,610. In the market the £1 shares are quoted at 37*s.* 6*d.*, at which price it would require a dividend of nearly nineteen per cent. to afford a return of ten per cent.

TALI AYER (PERAK).

Issued Capital : £300,000 in £1 Shares.

Results for Years to April 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Acre lb.	Working Cost per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Rate %
1916-17	3,817	3,000	1,095,376	341	2*s.* 6*d.*	1*s.* 9½*d.*	78,853	45,000	15
1917-18	4,055	—	940,560	293	1*s.* 3½*d.*		18,741	37,500	12½
1918-19	4,611	—	847,559	264	1*s.* 0.3*d.*		28,902	36,000	10
1919-20	4,803	—	916,078	285	1*s.* 0.3*d.*	1*s.* 2.7*d.*	39,110	24,000	8

Approximate crop.

Price of Shares, 30 7½. Market Capitalisation per planted acre, £94.

Although freed from the restriction in output which was responsible for the reduced crop of 1918, the Tali Ayer Rubber Estates had to face other obstacles during the year ended April 30, 1920, which prevented them from reaping to the full the benefits that might otherwise have been derived from the resumption of normal tapping. With the assistance of an adequate labour staff the crop was harvested in such proportions as were necessary to secure the estimate of 930,000 lb. until the beginning of 1920. Then climatic conditions, ever an uncertain factor, began to develop unfavourably. From February onward there was a persistently heavy rainfall, followed between March 18 and May 3 by hurricanes of unprecedented severity, which swpet over the Tali Ayer and Sungei Bogak estates, uprooting or causing permanent damage to no less than 38,388 trees. Thus handicapped, the final harvest of 916,078 lb. represents a creditable achievement. Unfortunately, owing to the higher salaries that had to be paid, the high level of prices, resulting in a heavier outlay on stores and material, the increase in native wages, and the loss involved in the sale of rice below cost price to the coolies, this increase in the crop was not accompanied by the usual decline in the cost of production. However, because of the greater crop harvested the addition caused by these items was kept low. Thus the f.o.b. cost advanced from 10.11*d.* per lb. in 1918-19 to 11.02*d.* per lb. in the year under review, whilst the "all-in" cost rose from 1*s.* 0.3*d.* per lb. to 1*s.* 1.6*d.* per lb. Nevertheless, this increase in the cost of production was more than counterbalanced by the improvement in the price realised by the sale of the crop to 1*s.* 9.3*d.* per lb. Consequently there was secured a net profit of £39,110, or £10,200 more than in the previous year. Including the balance brought forward from the last accounts there was available for distribution a sum of £54,382. Out of this a sum of £2,500 was transferred to the reserve for development, thereby raising the total to £12,500, which it is anticipated will be sufficient to bring to maturity the 1,039 acres of rubber on the Padang estate. The dividend paid to shareholders is at the rate of ten per cent., as in 1918-19, leaving a balance of £21,882 to be carried forward to the next accounts. This amount is subject to the deduction of £2,246, of which £660 represents the amount due under the new corporation tax for the four months of 1920, £108 represents liability under the sixty per cent. excess profits duty, and £1,478 for a similar liability in respect of previous years. Nevertheless, allowing for this, there is carried forward a sum of £5,812 more than in 1918-19. This conservatism in dividends is mainly due to the wisdom of the directors in deciding to meet the expenditure involved in repairing the damage due to the hurricanes out of revenue. Some 200 acres have to be replanted at a cost of £5,000, spread over five years. Consequently, ample provision is made to meet this liability without encroaching on capital or on future profits.

In forecasting the prospects of the Company for the current year allowance has to be made for the loss of the crop necessitated by the destruction of eleven and a-half per cent. of the total number of trees on the estate. Before this damage took place the estimated crop for the current year amounted to 975,000 lb., but is now reduced to 884,500 lb. Returns for the first four months give an aggregate of 320,353 lb., as against 326,462 lb. from the full estate for the corresponding period of 1919-20, thus indicating the conservative nature of the estimate. On the other hand, however, the participation in the restriction of output advocated with such good reason by the Rubber Growers' Association will probably call for a further reduction in this estimate. With prices still high it must be expected that a reduced crop can only be obtained at a higher cost of output. Against these adverse factors stand the excellent condition of the estates, which are remarkably free from disease, and the satisfactory forward contracts, under which nearly half of the current crop has been disposed of at an average gross price exceeding 2*s.* per lb. Moreover, the effect of the proposed restriction of output on the price of rubber yet remains to be seen. Again, as the accounts under review illustrate, the Company has such a reasonable datum line that it was only liable for £108 for excess profits duty during 1919-20. Furthermore, it is well to bear in mind that, whilst 200 acres are out of commission *pro tem.*, they could only be expected under current conditions to contribute £1,500 a year to the net profit, and that the 1,039 acres on the Padang estate will begin to contribute their quota in less than three years. Thus, whilst for the present a restricted output and a low price of rubber may keep profits rather low, the estate will be in a position to produce a large harvest at a reason-

the Company is in a strong financial position. Accord- current liabilities, including the income-tax reserve of £45,855, liquid assets are available to a total of £94,490. At the current market price of 30s. 7½*d.* the £1 shares afford on the basis of a ten per cent. dividend a return of over six and a-half per cent., and are

JUGRA ESTATE.

Issued Capital: £75,000 in 2s. Shares.

Results for Years to March 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Profit £	Dividend Amt. £	Dividend %
1917	...	...	...	...	...	...	...	...	...
1918	...	...	...	...	...	...	...	...	...
1919	...	...	...	...	...	...	...	...	...
1920	...	...	...	...	...	...	...	...	...

* [illegible] † [illegible]

‡ [illegible]

Price of Ordinary Shares, 7 4½. Market Capitalisation per planted acre, £176, excluding 777 acres under coconuts and coffee.

A [illegible] satisfactory from all points of view is presented by the report issued by the Company for the year ended March 31, 1920. In view of the disappearance of the restrictions on output which were responsible for the low crop of 1918-19, the estimate looked forward to a crop of 495,000 lb for the year under review. The actual crop harvested exceeded this sanguine estimate by over 35,000 lb., being equivalent to an average yield of 360 lb. per bearing acre. Field XII. proved very prolific for its age, returning 384 lb. per acre; and it was to the high yield from some 612 acres (including the 181 acres of Field XII.) that the resulting successful crop was due. With this substantial increase in output came a pleasing decline in the cost of production. Despite the general upward movement of price levels, the advances in wages, the loss on subsidised remittances to India, and a loss, owing to the shortage of the rice crop, on the sale of food to the native labour force equivalent to an extra halfpenny per lb. of the output of rubber, the f.o.b. cost fell from 9.18*d.* per lb. to 8.18*d.* per lb. The resulting "all-in" cost of 9.27*d.* per lb. represents a very creditable achievement, and one which, if continued, will prove of great advantage to the Company with the prevailing low price of rubber, enabling it to earn a minimum profit of 9*d.* per lb. Securing an average sale price of 1*s.* 9.27*d.* per lb. on its rubber, the Company thus obtained a net profit of 1*s.* per lb., equivalent to £26,584. But it has also 652 acres under coffee, which yielded 28 tons of coffee, as against an estimate of 39½ tons, the deficiency being accounted for by a spell of excessively dry weather in June and July of 1919. The crop was disposed of locally at an average of £63½ per ton, contributing £1,657 to the profit. More remunerative, [illegible] the results from the coconut plantations of 165 acres. These 212 [illegible] acres secured, the crop being disposed of for £8,165, which left a profit of £5,839. Including sundry revenue, the total net profit accruing to the Company amounted to £35,216 for the year under review, or [illegible] as the most profitable in the [illegible] years. Ordinary shareholders participated to the full in the prosperity of the year, receiving a total dividend of 125 per cent., of which twenty-five per cent. was [illegible] as an interim distribution, thereby increasing it to £39,897. There is carried forward to the next [illegible] a balance of £1,740.

In estimating the prospects of this Company for [illegible] construction of capital approved of at the general meeting. It was agreed in the first instance to abolish [illegible] entitled to a prior dividend of ten per cent. out of the profits, and then ranked *pari passu* with the Ordinary shares for further distributions. Consequently the Preference dividend always exceeded the Ordinary dividend by ten per cent. Preference shareholders have agreed to surrender this right, and are compensated by the conversion of the 50,000 Preference shares into 65,000 Ordinary shares. Thus the capital has been increased to £37,500 in Ordinary shares of 2*s.* each. But it was, furthermore, agreed to capitalise £37,500 of the reserve for the purpose of issuing 375,000 bonus shares to existing shareholders in the ratio of one share for every share held. Consequently, capital ranking for dividend during the current year amounts to £75,000, as against £36,000 in the year under review. As a result of the transformation the reserve has been depleted of £39,000, thereby being reduced to £9,897. At the same time, the low cost at which the Company is able to produce its rubber enhances its outlook for the current year. The estimate provides for a crop of 590,000 lb., of which 158,606 lb. have been secured in the first four months, as against 153,979 lb. for the corresponding period of last year. Pending the final decision of the Rubber Growers' Association as to the mooted restriction of output, it is not possible to say whether such a crop will ultimately be realised. If it is—and the report looks forward to a yield of 400 lb. per acre from some of the older fields for the current year—there should be another decline in the "all-in" cost. The shortage of labour, whilst not interfering with the harvesting of the crop, nevertheless retards development work; whilst the rice shortage, in addition to the loss incurred, keeps a portion of the estate devoted to foodstuffs instead of to rubber. Recollecting the extent to which the price of rubber has dropped, it is, satisfactory to note that forward contracts have been arranged for the disposal of ninety-nine tons of the current crop at Singapore at an average price of 2*s.* per lb. Forward sales between January and December 1921 relate to seventy-two tons at 2*s.* 4½*d.* per lb.; between January and December 1922 to 132 tons at 2*s.* 6*d.* per lb.; and between January and December 1923 to sixty tons at 2*s.* 8*d.* per lb. To realise the full significance of these satisfactory sales it is only necessary to quote the statement of the Chairman at the general meeting: "Our sales of the next four years amount to one-third of our probable production, and the proceeds will suffice to cover the cost of the whole outturn, leaving the remaining two-thirds as profit." Judging by the balance sheet dated March 31, 1920, the Company is in a position of great financial strength. Including the final dividend, absorbing £27,250, current liabilities are estimated at £30,967, and are more than covered by the total of £35,740 representing Government securities, in addition to which there is available a cash balance of £13,512; whilst the remaining liquid assets amount to £8,630. Assuming a dividend of thirty per cent. for the current year, the shares yield at the existing [illegible] quotation of 7s. 4½*d.*, a return of over [illegible] per cent.

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Invested Funds (1919) £40,000,000
Annual Income (1918) £5,500,000

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Insurance Notes.

STANDARD LIFE ASSURANCE COMPANY.

New life assurances for £2,262,231 were completed in this Company during its last financial year, which ended on November 15, 1919. Of this amount, re-assurances were effected for £302,398, and the net sum retained at the Company's own risk was thus £1,959,833, which exceeds the corresponding figure of the preceding year by £789,427.

The Standard Life Office was established, with headquarters in Edinburgh, ninety-five years ago, and it was one of the first British life assurance companies to cultivate life assurances in the East and West Indies and in Canada. It has more latterly established branches in South Africa, some European countries, and South America, and for a long time has been perhaps the best known of our life companies amongst overseas British communities. Concurrently a large business has been done in the United Kingdom, and the chairman, at the last annual meeting, was able to make the gratifying announcement that the record in this respect for the last financial year was the largest in the Company's long history. An increase in the Canadian business also was reported. Special attention was given during the past year to the establishments in India, the administrative control of which is in Calcutta.

Two of the more important European branches were located in Belgium and Hungary, both of which countries were, of course, cut off from communications with the head office during the War. In 1918-19, for the first time since the War commenced, full and complete returns were received from Belgium. As regards Hungary, full communication, especially with outlying agencies, had not been restored up till the date of the annual meeting. The situation of the Company's business in that country was being investigated by a head office official at Budapest, and the chairman stated at the meeting that the reports received from him so far showed that the affairs of the Hungarian branch had stood the strain of war in a much more satisfactory way than might have been anticipated. It has been decided to accept no new business in Hungary on behalf of the Company, but it is stated that the liquidation of the existing business in that country will not involve the Company in any loss whatever.

The Company's total net life premium income amounted in 1918-19 to £919,545 (of which about 18¾ per cent. seems to have been absorbed in expenses and commission), apart from a sum of £36,510 received as consideration for new annuities granted. During the year the claims under life policies entered as paid and outstanding in the revenue account amounted to £1,038,103 (after deduction of reassurances), of which £673,111 related to death and £364,992 to survivance. Through the year's operations the life assurance and annuity fund was increased by £169,211 to £13,957,855. The average net interest yield by the application of the usual formula to the revenue account would appear to have been about £4 13*s.* 8*d.*, as compared with the rate of three per cent. assumed for valuation purposes, which is a very satisfactory result. The revenue account relating to capital redemption and annuity certain business for 1918-19 shows a premium income of £5,033 and a relative fund of £26,418 at the close of the year.

The total assets as shown in the balance sheet as at November 15, 1919, amounted to £14,586,288. Of this £6,084,958 was invested in British Government securities. The chairman stated at the meeting that during the War the policy had been adopted of investing practically all the available funds in these securities, and that in the last financial year considerable sums from abroad were sent home on favourable terms and were reinvested in that way. Three-fourths of the amount invested in British Government holdings represent bonds with only short periods to run to redemption dates.

A quinquennial valuation falls to be made on November 15, 1920. The paid-up capital amounts to £120,000 in shares for £10, with £2 8*s.* paid on each. The annual dividend paid during the current quinquennium has been at the rate of ten per cent., less tax.

NORWICH UNION LIFE ASSURANCE SOCIETY.

So far as new business returns are concerned, this mutual life office has for many years occupied first place amongst British companies not possessing life industrial departments. All its own previous records in this respect, however, are far and away outdistanced by the volume reported as having been effected in 1919. New life policies were issued for £8,182,184, of which £290,166 was reassured, the net retention at the Society's sole risk thus being £7,892,018, which marks an increase of £3,632,548 as compared with the corresponding figure for 1918. The Society transacts a large business beyond our own shores, principally in British colonies, but the net amount of the new policies, less reassurances, effected within the United Kingdom was £4,963,296, which constitutes another record in the experience of ordinary British life offices. The total net premium income was increased by £326,565 to £1,934,264, apart from a sum of £67,624 received as consideration for new annuities, and premiums of £22,621 relating to the acquired business of the Scottish Imperial Insurance Company. The expense ratio appears from the life revenue account to have been about 16.9 per cent., which must be admitted to be a very moderate proportion, looking to the large amount of the Society's new business. The claims for the year in the main life account amounted to £1,052,417, of which £666,927 related to deaths and £385,490 to maturity. The death claims are stated in the directors' report for 1919 to have been less by £54,012 than "expected," according to the usual mortality investigation. Through the year's operations the life funds were increased by £1,033,105.

to £14,549,615. The net interest yield on the total funds, after deduction of income tax, is reported to have been £4 7s. 10d. per cent., against £4 17s. 10d. per cent., in excess of the rate at which it is assumed at the last quinquennial investigation. On December 31st, 1919, the annuity fund amounted to £905,616, the capital redemption fund to £1,159,584, and the Scottish Imperial life assurance fund to £545,820. The total assets shown in the Society's own balance sheet amounted to £16,931,969, apart from £599,755 shown in the Scottish Imperial balance sheet.

Prior to the Great War, which upset most records of the kind, the bonus record of the Norwich Union Life Office was one of the best, as might have been expected, looking to the conditions under which it works—to the mutual system according to which all distributed profits are allotted to participating policyholders, to the stringency of its valuation assumptions, and to its extraordinarily ample and economically purchased new business, which exercises a beneficial effect on the average vitality of its members as a whole. The last quinquennial valuation was made on June 30, 1916, in the middle of the War, when the whole of the ascertained surplus amounting to £383,575 was carried forward as a floating war contingency fund after writing down securities by £617,707. Although there was no general distribution of bonus on the occasion referred to, provision was made for the payment of interim bonuses on policies becoming claims before the next distribution and ranking retrospectively from June 30, 1911, on the basis of eighty per cent. of the yearly bonuses then added, which bonuses on new series policies issued prior to June 30, 1896, were the reversionary equivalents of thirty-three per cent. of the premiums contributed during the 1906-1911 quinquennium on a whole-life footing, while the reversionary bonuses on new series policies issued subsequently to June 30, 1896, were at rates varying from 36s. to 68s. per cent. per annum, according to ages at entry and durations of policies.

In ordinary course another quinquennial valuation would have fallen due on June 30, 1921, but it has been decided to ante-date it by six months, and to make

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the next valuation as at December 31, 1920. It has been an anomaly in the past that while the annual accounts synchronised with the calendar year, the quinquennial valuations were made in the middle of that year, so that the alteration in the manner indicated will no doubt [illegible] general approval.

RECENT ACTIVITY IN INSURANCE SHARES.

The recent demand for insurance shares, arising at a period of low vitality in Stock Exchange business, caught the market unawares, and resulted in a general appreciation, which was not in all cases quite merited by the intrinsic value of the security. The present position is shown in the appended table, a perusal of which will reveal the existence of a number of curious anomalies and of a general lowness in yield. The latter, of course, is calculated on the past year's dividends; but insurance dividends, on the basis of present working, show no very strong prospects of an increase next year. The upper movement in most descriptions has now practically ceased. Motor Unions are an outstanding feature with a return of over fifteen per cent. Yet they show no improvement on the month; while North British, Scottish Union "A," Sea and Royal Exchange, with very low yields, registered strong appreciations. The extent of the variations, together with the yields and highest and lowest prices so far registered in 1920, may be set out as follows:—

[illegible]											
Alliance	2	2	1	15½	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Atlas	10	1	1	19½	18½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commercial Union	25	5	1	44	39	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]											
Eagle	1	10	[illegible]	4 6	3 9	4½	4½	4 6	3 9	[illegible]	[illegible]
Empire	25	2½	[illegible]	28	24	[illegible]	[illegible]	26½	[illegible]	[illegible]	[illegible]
Employers' Union	5	2½	[illegible]	5 6	2 6	2½	2½	2½	2 6	[illegible]	[illegible]
Equity & Law	5	5	[illegible]	18½	13	5½	13	5½	13	[illegible]	[illegible]
Employers' Liability	1	5s.	[illegible]	2 3	[illegible]	[illegible]	[illegible]	50 6	[illegible]	[illegible]	[illegible]
General Accident	5	1 5 0	1 1 0	63 6	[illegible]	[illegible]	[illegible]	[illegible]	73 9	6 1 0	[illegible]
General Reinsce.	1	10s.	8 0	7 6	6 1½	[illegible]	[illegible]	6 –	[illegible]	[illegible]	[illegible]
Gresham Fire	1	1 0	12 6	11 6	12 1½	[illegible]	[illegible]	12 10½	[illegible]	[illegible]	[illegible]
[illegible]	5	1 0	[illegible]	[illegible]	[illegible]	5½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guardian Eastern	1	1 0	16 3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
International Marine	1	1 0	[illegible]	12 6	13 3	[illegible]	[illegible]	13 9	[illegible]	[illegible]	[illegible]
[illegible]											
Deb.	[illegible]	1 0 0	[illegible]	74½	72	72	72	72	[illegible]	[illegible]	[illegible]
London Scottish	5	1	1 6 0	6 8 1½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]											
[illegible]	1	1 0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Motor Union	1	1	1 2 0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
North Britain	25	[illegible]	[illegible]	46½	42	[illegible]	[illegible]	44	[illegible]	[illegible]	[illegible]
Northern	10	1	2½	15	13½	13½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Northern Assur.											
Def.	[illegible]	1 0 0	[illegible]	81	67½	[illegible]	[illegible]	67½	[illegible]	[illegible]	[illegible]
Provincial	10	1	1 0	5½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal Exchange	100	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal	1	1 5 0	23½	16½	17	17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scottish Union "A"	20	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sea	1	1	1 2 6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sun	10	2	3 0	14½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Western Assurance	1	1 0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Auxiliary	1	1 0	18 0	14 0	14 0	14 0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The Bank of Victoria, Limited. [illegible] for the year ending June 30, 1921 show [illegible] net loss on current [illegible] £182,750, [illegible] £107,000 [illegible] to the payment of a seven per cent. dividend on both the Ordinary and Preferred shares and £50,000 to the reserve fund, [illegible] £525,000. Notes and bills in circulation amount to £[illegible],617, [illegible] and deposit liability of £10,577,652. Bullion, cash [illegible] call and Treasury bills at £2,088,614, bringing total [illegible] drawn up in commendable detail, and, except for the consolidation of the item coin, bullion, Australian notes and cash at bankers, is as informative as could be expected.

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Commercial.

STRAITS TIN AND RUBBER.

THE importance of the Straits Settlements as a trading unit in the British Empire is not widely realised, though the value of both imports and exports has been steadily improving during and since the War, and an adverse balance of £5,800,000 in 1914 was converted in 1919 into a favourable balance of £2,654,000. The following figures show the movements during the last six years, exclusive of coin and bullion:—

Trade of Straits Settlements.
(In Thousands of Pounds.)

	Imports	Exports	Imports Inc. over the Preceding Year	Exports Inc. or Dec. over the Preceding Year
	£	£	£	£
1914	43,856	38,032	—	—
1915	48,803	46,495	5,947	+ 8,463
1916	61,855	56,964	12,052	+ 10,469
1917	75,987	72,507	12,132	+ 15,543
1918	81,618	71,922	7,631	— 585
1919	96,664	99,318	15,046	+ 27,396

The value of the inter-port trade, including treasure, was as follows, in thousands of pounds sterling:—

	Imports	Exports	Imports Inc. over the Preceding Year	Exports Inc. over the Preceding Year
	£	£	£	£
1914	3,146	3,002	—	—
1915	4,220	4,249	1,074	1,247
1916	6,412	6,488	2,192	2,239
1917	8,137	8,720	1,725	2,232
1918	*9,183	*9,584	1,046	864
1919	†13,164	†13,235	3,981	3,651

* Excluding coin and bullion.
† Coin and bullion included for second half of 1919 only.

The aggregate trade for the year 1919 was therefore £195.9 million, against £153.5 million in 1918 and £81.9 million in 1914, an increase of £42.4 million over 1918 and of £114 million over 1914. The figures given are extracted from a report presented to the Department of Overseas Trade, emanating from the office of the Colonial Secretary. Distributed according to classes the foreign trade records, in thousands of pounds sterling, are as follows:—

	Imports 1918	Imports 1919	Exports 1918	Exports 1919
	£	£	£	£
1. Live animals, foods, drinks, and narcotics ...	28,819	34,901	22,861	26,659
2. Raw materials ...	37,826	44,767	40,441	60,112
3. Manufactured, and partly manufactured articles ...	14,973	16,996	8,620	12,547
Total ...	81,618	96,664	71,922	99,318

The returns for all classes exceeded those of the previous year, as prices were on the whole much higher than in 1918. Excluding gambier the volume of Straits produce shipped was, however, more than in 1918, and all articles of Straits produce, except tin and Borneo rubber, gave larger average prices.

With regard to tin, the imports of the metal and its ore in 1919 were 179,000 and 1,038,000 pikuls respectively, as against 85,000 and 1,059,000 pikuls respectively in 1918, as shown below:—

	1918 Tin Pikuls	1918 Tin Ore Pikuls	1919 Tin Pikuls	1919 Tin Ore Pikuls
Malay States ...	78,000	776,000	133,000	737,000
Netherlands Indies	—	50,000	38,000	113,000
Siam ...	7,000	192,000	6,000	207,000
Other countries ...		41,000	2,000	32,000
Total ...	85,000	1,059,000	179,000	1,038,000

The exports of tin in 1918 and 1919 were as follows:

	1918 Pikuls	1918 Value $	1919 Pikuls	1919 Value $
United Kingdom ...	175,000	27,125,000	324,000	113,547,000
United States of America ...	578,000	89,944,000	454,000	59,928,000
Other countries ...	172,000	26,219,000	219,000	27,445,000
Total ...	925,000	143,618,000	997,000	128,720,000

Of another important commodity, Para rubber, the imports in 1918 from the following countries were:—

	1918 Pikuls	1918 Value $	1919 Pikuls	1919 Value $
Malay States ...	1,351,000	96,882,000	1,412,000	137,093,000
Netherlands Indies ...	328,000	22,555,000	456,000	31,087,000
Other countries ...	59,000	4,115,000	79,000	6,625,000
Total ...	1,738,000	122,302,000	1,947,000	175,805,000

The exports of Para rubber in 1918 and 1919 to the undermentioned destinations were returned as follows:

	1918 Pikuls	1918 Value $	1919 Pikuls	1919 Value $
United Kingdom ...	153,000	13,338,000	406,000	44,888,000
United States of America ...	1,334,000	113,971,000	2,310,000	230,511,000
Other countries ...	348,000	37,250,000	254,000	24,227,000
Total ...	1,841,000	154,559,000	2,970,000	298,826,000

It will thus be seen that there was a small increase in quantity of tin exported in 1919; but values decreased by over fourteen million dollars.

As regards Para rubber, both imports and exports showed large increases in quantity and value as compared with the previous year. The value of imports increased by over fifty-three million dollars, and that of exports by over 144 million dollars.

The following statement shows the position of the Colony in the years 1918 and 1919 as a market for British, European, American, Japanese, and other foreign goods. The value of the trade in merchandise with the United Kingdom, continent of Europe, United States of America, and Japan is shown in thousands of pounds sterling:—

	Imports 1918	Imports 1919	Exports 1918	Exports 1919
	£	£	£	£
United Kingdom ...	6,559	6,385	6,428	15,846
Belgium ...	—	9	—	114
Denmark ...	9	9	55	1,083
France ...	158	267	2,521	3,229
Holland ...	25	155	5	206
Italy ...	140	139	985	797
Norway ...	4	5	—	8
Sweden ...	6	6	—	25
Spain ...	45	19	9	35
United States of America ...	2,408	3,141	27,289	35,271
Japan ...	3,880	4,165	3,113	2,965

The articles which gave the largest increased values from the United Kingdom were hardware and ironware (including cooking utensils), yarns, steel, paper and stationery, linseed oil, canvas, paints, machinery (including electrical goods), biscuits, tinplates, and cotton handkerchiefs, and sarongs. The articles showing declines in values from the United Kingdom were cotton piece-goods, cigars and cigarettes, whisky, malt liquors, indiarubber goods (including tyres) and brandy.

From the United States of America increased imports were recorded in machinery, wire nails, tinned provisions, including fruits, milk, drugs and medicine, petroleum, rubber tyres, paper and stationery, motor cars and accessories, tramway and railway materials, tinplates and apparel, and decreases in cigars and cigarettes, corrugated iron, wooden ware, and iron bars.

From Japan the following show advances in imports: Tinplates, indiarubber goods, silk piece-goods, canvas, and cabinet and wooden ware. Coal, matches, chemicals, paper and stationery, cotton piece-goods, fish, dry and salted, apparel, beer and ale, and cement show a decline, and the decrease is to some extent likely to be permanent. Japanese competition does not, indeed, seem very serious on the surface, but the large number of firms which have been established recently and the quantity of Japanese shipping calling at Straits ports undoubtedly show that great efforts are being made to capture a permanent share of the trade of the Colony. The Americans are much more prominent, and there has been a veritable invasion of rubber buyers from the United States in recent years. Several mercantile firms have also established themselves, and American shipping lines now run regular services from both the Pacific and Atlantic coasts.

ECONOMIC TURKEY.—I.

We are indebted for a copy of the *Journal of the British Chamber of Commerce of Turkey and the Balkan States* [illegible] surprise many readers that, in spite of the long war in which Turkey was engaged as an enemy of the Entente Powers, our trade with Turkey, or perhaps it would be more correct to say with those various States which formerly constituted part of the Turkish Empire, has increased very materially since the conclusion of the War. According to figures taken from the British Board of Trade Returns by the *Chamber of Commerce Journal*, to which we have referred above, our exports during the first five months of the current year were at the rate of about 24 millions sterling for the whole of the twelve months. The trade of the whole of these countries is all lumped together as the trade with Turkey in the official returns, and is copied in the same way in the *Journal*. The articles we export to those countries consist of copper plates, tin blocks, cotton yarn, cotton piece-goods, handkerchiefs, woollen tissues, worsted tissues, and jute of various kinds, principally gunny bags. We import from those countries wheat, barley, dried beans, oats, raisins, wool, and mohair, but principally mohair. Formerly we exported large quantities of coal and iron and steel goods, and tin, as well as tin plates. In addition to the textiles above enumerated, it need not be said that our coal exports have been very materially reduced during the present year. Of foodstuffs, with the exception of raisins, we have been able to obtain exceedingly little since the War. Formerly from these Balkan and Danubian States we obtained large quantities of cereals, particularly barley.

According to the information published in the *Journal* there is very little hope of our getting any substantial supplies of wheat or, indeed, of any kind of grain from those various States, at least during the present season. There are considerable supplies available which should be sufficient for home needs, and, consequently, it is hoped that it will not be necessary to import food into these States from other sources. If this information is correct, it is of material importance, as it will tend to restrict the strain upon the resources of other parts of the world. Various commentators on the British Board of Trade Returns have taken a somewhat gloomy view of the growth of our trade, which has been a feature month by month of the Returns, on the ground that our exports are very largely made to countries which at the moment are not in a position to meet their obligations. In a sense the criticism is, of course, justified, but it is neither far-sighted nor really sound. It is argued, and with a measure of logic, that while we are not exporting to any large extent to the United States, we are sending ever-increasing amounts of goods to the various devastated areas of Europe, which for the moment are not in a position to supply us with either food or raw materials. It is argued that, since we owe in actual debts, and in the adverse balance of trade, something like 2,000 millions sterling to the United States, it is very little consolation to find a growth in our trade in countries that can neither pay us nor assist us in liquidating our debt on the other side of the Atlantic. This, however, as we have said, is by no means a far-sighted way of looking at the matter. The different countries of Europe, particularly of South-Eastern Europe, to which we have been exporting during recent months, require assistance to enable them to reconstruct their various industries. As a matter of fact a great majority of these countries are potential sources of supply of food and raw materials which we stand at the present time very urgently in need. If we are able to obtain these supplies it will be possible thereby for us to [illegible] to liquidate our heavy debt incurred in America. In reality it is a long time since we exported a large quantity of goods to the United States. The United States deliberately has built up an industrial system for itself, and raised such a high tariff, that it has been for long exceedingly difficult for us to compete with her home manufactures. Even before the War the cost of living in the United States was exceedingly high, and it was largely due to the fact that nearly all manufactured goods were protected with the express object of keeping out foreign competition. This course was justified on the ground that it was desirable for American citizens to supply one another with their needs. In the present state of economic development of that country, with its comparatively limited population to its extensive area, it was not possible for it, and is not possible for it, to manufacture upon a great scale upon the same economic basis of value as is possible for European or other States having a large population relative to their area.

Industrial Companies.

BRUNNER, MOND AND COMPANY, LIMITED.

Issued Capital: £9,470,380, in 150,000 7 [illegible] Preference £10 Shares and £7,970,380 £1 Ord. Shares.

Year to March 31	Net Profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	£	£	£	£	£	£	£
1915	700,522	14,561	5%				
1916	1,000,000	200,000	5%				
1917	1,150,000	341,667	7%				
1918	1,000,251	357,967	10	250,000			
1919	1,486,981	256,333	10				
1920	1,121,103	2,981,224	10½				

[illegible]

March 31, 1920).

§ After providing for Depreciation (£150,000).

[illegible] Co., Ltd.

In many respects the report of this chemical undertaking for the twelve months ended March 31 last is of particular interest. Absorptions and amalgamations have always been leading features in the Company's history, but the accounts for the past financial year show that the concern, besides making fresh acquisitions has disposed of its large holdings in Joseph Crosfield and Sons and William Gossage and Sons to Lever Bros., Limited, through the intermediation of Associated Industries, Limited, [illegible] it will be remembered legal proceedings were taken in 1917 against Brunner Mond and Company relative to their respective rights in these undertakings. This sale means the withdrawal of the Company from the soap business. A capital profit of £2,100,000 has been made on the deal, and this huge sum is treated as a "[illegible] profit, [illegible] transferred to an "investment surplus reserve," after allocating £500,000 therefrom to a depreciation account. The proposal to distribute £100,000 of the surplus for scientific research work in universities not meeting with the necessary support from the shareholders at the general meeting was withdrawn, but the grant was sanctioned recently, and as the directors decided that the surplus being purely of a capital nature could not be treated as available for distribution as ordinary revenue, the shareholders have to content themselves with the fact that the profit has actually been made, and that ultimately they will benefit in some form. Particulars of progress in the direction of fresh acquisitions show that the purchase outlined [illegible] Limited, [illegible] of an [illegible] Alkali Company, Limited, and the [illegible] Limited, [illegible]

£150,000 for depreciation, whereas no such deduction was made in arriving at the profit for the previous years, the actual return estimated on the previous basis is £1,277,150, as compared with £1,010,081 in 1919, or an increase of nearly £267,070. The appropriations out of profits to "suspense" account in previous years included provision for depreciation, but in consequence of the decision to show depreciation separately, the allocation to "suspense" account this year amounts only to £50,000. On the old basis, however, the appropriation would amount to £200,000, or double last year's figure. Of the available profits the Preference dividend absorbs the usual sum of £105,000, and an Ordinary dividend is declared of 11¼ per cent. for the year, absorbing £896,668, as compared with ten per cent. requiring £785,753 in 1919, part of the larger distribution being due to an increase of £13,775 in the capital in consequence of the issue of shares to the former shareholders in the Buxton Lime Firms Company, Limited. In addition, there is a provision made of £87,556, representing the participation of the shareholders of the Castner-Kellner Alkali Company, Limited, and the Electro Bleach and By-Products Company, Limited, in the final dividend at the rate of 12½ per cent. per annum, the distribution being in respect of shares allotted to them since March 31 last under the transfer scheme. The total Ordinary distribution is therefore £984,224, against £785,753 in 1919. An allocation of £50,000 is made to "suspense" account as already stated, and the balance of profit, amounting to £126,241, is carried forward, representing a reduction of £12,158 over the previous figure.

The changes during the year are in large part reflected in the balance sheet. The issued capital is shown at £9,470,380, but as the exchange of shares in the Castner-Kellner Alkali Company, Limited, and Electro Bleach and By-Products, Limited, did not occur during the financial year ended March 31 last, the capital in the balance sheet does not therefore reflect those transactions. It may be remarked, however, that the total issued capital in June last amounted to £10,967,621, or an increase since March 31 of £1,497,241. The general reserve stands in the balance sheet at £617,683, representing an addition of £13,775 received from premiums on shares issued during the year to the former shareholders of the Buxton Lime Firms Company, Limited. The newly created depreciation account with the allocations from ordinary revenue and the "investment surplus reserve" amounts to £650,000, and the "suspense" account, which was depleted during the year by £90,302 to £34,975, is raised to £84,975 by this year's allocation. Sundry trade creditors are £610,027, the greater at £1,893,989, but the bank overdraft of £273,305 shown in the previous balance sheet has disappeared, and the net addition to the total creditors is found to be not more than £319,391. The other side of the statement shows additions of £446,290 to the fixed assets, as compared with less than £203,490 for the previous period. Investments are down from £5,623,842 to £3,599,821—a net decrease of over £2,024,000. The Company has disposed of all its War Loan investments, which stood in the previous year's balance sheet at £303,852, and this sale, together with the disposal of the Crosfield and Gossage holdings, less further investments in other subsidiary concerns, resulted in the net reduction stated above. Relative to investment holdings it may be remarked that the profit and loss account shows the actual dividend revenue derived therefrom to amount to £460,577, which is more than fifty per cent. of the net profit derived from the ordinary trading operations of the Company. This is the first time that the investment revenue has been shown as a separate item, and the innovation is a step in the right direction. General stocks at £2,454,665 are £850,609 greater than the previous figure, which is partly explained by higher prices and partly by large purchases of railway wagons, an ample supply of which has been found essential to ensure quick deliveries of fuel and other raw materials. Sundry debtors have increased by £3,225,247 to £3,775,741, but the greater part of this huge addition is represented by that part of the purchase price of the Crosfield and Gossage shares remaining unpaid by Lever Bros., Limited. Largely as a result of this sale cash holdings are now £267,554, as compared with £8,735 previously, and as the bank overdraft is now repaid, there is therefore an actual improvement of £532,124 in the cash position. Notwithstanding the great increase in stocks, the liquid assets exceed current liabilities by nearly £5,013,470, which compares with a surplus last year of £4,059,999.

It is not necessary to comment on the great financial strength of this concern, as the balance sheet figures speaks for themselves. The chemical industry has assumed a position of premier importance in recent years, and the trade prospects have become correspondingly brighter. The outlook is at present clouded by labour troubles, but far greater difficulties than those which exist to-day have been overcome, and conditions seem to warrant the expectation that industrial prosperity will not show any falling off during the current year.

The prices and yields of the different shares of the Company are shown below, the yield on the Ordinary shares being calculated on a basis of a dividend of 11¼ per cent.:—

	Price	Yield
7% Pref. shares	£104½	£ s. d. 6 13 0
Ordinary £1 shares	4	2 16 0

HART AND LEVY, LIMITED.

Issued Capital: £360,000, in 180,000 5½% Preference Shares of £1 each and 180,000 Ordinary Shares of £1 each.

Year to December 31st	Net Profit*	Capital Expenditure Written off	Reserve	Preference Dividend	Ordinary Dividend	Carried Forward
	£	£	£	£	£	£
1914...	38,635	—	5,000	9,900	22,500	15	10,979
1915...	74,986	5,000	30,000	9,900	30,000	20	36,045
1916...	13,607	—	5,000	9,900	24,000	16	10,751
1917...	35,291†	3,000	2,000	9,900	24,000	16	7,143
1918...	48,258†	5,000	2,000	9,900	28,800	16	9,701
1919...	130,311†	50,000	2,000	9,900	45,000	25‡	33,112

* After providing for all charges, including income tax. The subject to provision for income tax and excess profits duty.
† After providing for excess profits duty.
‡ Including 5% bonus.

The report of this Leicester firm of clothiers and woollen merchants for the year ended December 31, 1919, shows that after providing for income tax and excess profits duty a net profit was obtained of £130,311, as compared with £48,258 in 1918. The profit is, in fact, far in excess of the combined results of the three preceding years, and as last year represented the first full post-War trading period the result is certainly remarkable. The record achieved has enabled the Company to increase the allocation to reserve from £5,000 to £50,000, to write £2,000 off capital expenditure, to raise the dividend from sixteen per cent. to twenty-five per cent., and, in addition, to carry forward £33,112 to the current year's accounts, as compared with only £9,701 brought in from 1918. The reserve account, from which £30,000 was capitalised in 1918, now amounts to £66,000.

In the balance sheet the issued capital remains the same at £360,000. Sundry creditors (including provision for income tax and excess profits duty) have increased by £56,632 to £155,824. The additions to the fixed assets during the year amounted to £22,934, as compared with a capital expenditure of less than £8,805 in 1918, the increase being mainly upon extensions at Leicester, Rotherham, and Scarborough. Stocks are only £12,033 the greater at £213,585, but sundry debtors have grown from £69,475 to £141,186. Loans and bills receivable show a slight increase, and cash holdings are now £13,792, as compared with only £818 in the previous accounts. Investments (at cost),

which are entirely composed of Government securities, figure at £25,548, representing a slight increase. The financial position as revealed in the balance sheet presents a satisfactory appearance, and, in framing stocks, the liquid assets exceed current liabilities by £213,719, as compared with £196,944 in 1918. The prospects of the Company for the current year, if the conditions prevailing in 1919 can be taken as any index, suggest the likelihood of continued prosperity, although presently there are indications of nervousness in the textile trade. At their present quotation of 17*s.* 3*d.* the five and a-half per cent. Preference shares yield a return of 6.4 per cent., and the Ordinary shares are not quoted, being held privately.

BRYANT AND MAY, LIMITED.

Issued Capital: £1,280,000, in 480,000 14% Cum. Pref. Shares and 800,000 Ord. Shares of £1.
4% Debenture Stock: £180,009. £300,000 7½% 5-Year Notes.

securities, railway and other Debentures, Preference and guaranteed stocks, &c., are raised, at book values, by £91,273 to £280,390. The difference between the book and market values of these investments as for the last accounting year is, it is stated, fully provided for in the reserves.

For the first time since its formation in 1893 the concern, on account of the dislocation of its business by the War, was forced in 1915 to pass by its Ordinary dividend. No appropriation was made to reserves for that year, but from 1917 onwards allocations have been made to one or another of the various reserves this Company maintains—reserve fund, general contingencies fund and reserve for business maintenance development and general purposes. The first mentioned stands in the latest balance sheet at £150,000. [illegible] was raised by the addition of £10,000 in 1919. The second, which was created in 1918 in order to make provision for taxation and depreciation in investments, is now, with the transfer of £10,000 in 1920, brought up to £60,000, while reserve for business maintenance, etc., benefiting from a transfer of similar amount in the same period, is now entered at £40,390.

At their present market prices the yields on the share capital and irredeemable Debenture stock are as follows:—

	Par	Price	Yield
	£	£ s. d.	%
Ordinary	5	3 12 6	12·4*
6% Cum. Pref.	5	3 2 6	9·6
5% Irred. Deb. stock	100	64 12 6	7·85

* On the basis of a tax level of 30%, less income tax.

THE PEARSON AND KNOWLES COAL AND IRON COMPANY, LIMITED.

Issued Capital: £1,608,500 in 250,000 6% Cum. Pref. Shares of £1 each, 250,000 6½ Cum. Pref. Shares of £1 each, and £1,108,500 Ordinary Shares of £1 each.

Year to June 30	Net Profit	Capital Expenditure Written Off	Reserve	Ordinary Dividend	Carry-forward
	£	£	£		£
1915 ...	122,329	8,251	47,500	7½	24,041
1916 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917 ...	527,179	32,621	120,000	15	95,559
1918 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919 ...	248,141	34,922	50,000	15	101,599
1920 ...	228,318	[illegible]	96,000	15	101,301

After paying Debenture interest, Directors' remuneration, Auditors' fees, and Income Tax, but before providing for Excess Profits Duty.
† Including new issue expenses £17,661.
‡ Income Income Tax.

THE trading results of this Company for the year ended June 30, 1920, show a net profit of £228,318 after providing for depreciation, excess profits duty, and corporation tax. This profit, although £19,800 less than that for the previous financial year, is still far above the average return obtained during the War period. The Ordinary dividend, which amounted to fifteen per cent. for each of the four preceding years, has been nominally reduced to ten per cent., but the latter is declared free of tax, whereas only five per cent. of the total dividend was free of tax in 1919, and the full fifteen per cent. was subject to tax in the preceding years. The actual distribution for this year is accordingly equivalent to fourteen and a-quarter per cent., subject to tax. In addition, it is to be noted that the dividend is also payable upon a reserve capitalisation of £366,000 made in the beginning of last year, and which was equivalent to sixty per cent. of the Ordinary capital. Besides, the allocation of £96,000 to reserve this year is nearly double the amount allocated in 1919. Last year, however, capital expenditure and new issue expenses amounting to £34,922 were written off, but no provision is made under these headings now. No effective comparison can be made with the results in each of the three years from 1915 to 1918, as owing to difficulties with the Inland Revenue relative to taxation assessments, the annual accounts were not presented for that period. The results for the present year can, however, be regarded as decidedly satisfactory. The dividend on the First and Second Preference shares is at the rate of six per cent. and six and a-half per cent. respectively, and after providing for the Ordinary dividend and the reserve allocations there is a balance of £101,301 carried forward to next year.

By the addition of £65,820 the Ordinary capital is now fully paid up at £1,108,500, and the reserve fund amounts to £350,000. Among the liabilities creditors have grown by £142,000 to £795,954, while on the assets side of the balance sheet investments are down by nearly £103,300, stocks by £23,716 at £680,792, and cash by £210,650 to £115,714. The reduction in stocks is an unusual feature, especially in view of the large expansion under this heading in the Company's subsidiary—the Partington Steel and Iron Company, Limited. Sundry debtors at £1,033,372 are over £576,300, the greater representing an increase of nearly 125 per cent.

It will be remembered that early in the present year negotiations were completed, as a result of which the bulk of the Ordinary shares of the Company were purchased by Sir W. G. Armstrong Whitworth and Company, Limited, at the price of £1 10s. for each of the £1 fully-paid Ordinary shares. The interest of the ordinary investor has naturally been reduced in consequence. As the subsidiaries of Pearson and Knowles have been included in the general scheme, the Armstrong interests likewise preponderate in the Partington Steel and Iron Company, Limited. The financial position of the Company as disclosed in the balance sheet is quite satisfactory, and with the fusion of interests referred to above, the position is further consolidated.

The outlook for the current year, in view of the impending coal strike, which very intimately concerns the iron and steel industries, cannot be considered as particularly bright; but assuming that the strike will be averted, no diminution in trade is likely to be experienced. The prices and yields of the different shares of the Company are subjoined, the yield on the Ordinary shares being calculated on the basis of a dividend of ten per cent., free of tax:—

	Par	Price	Yield
	£	£ s. d.	%
6% Cum. Pref. Pref. Shares	1	0 16 10½	7·1
6½% Cum. Second Pref. Shares	1	0 16 0	8·1
Ordinary Shares	1	1 2 0	9·1

Books Received.

Rubber Producing Companies. Price 10*s.* 6*d.* net., by post, 11*s.* 3*d.* This is the eighth edition of this standard and official work on rubber companies, compiled by the Mincing Lane Tea and Rubber Share Brokers' Association, Limited. Full particulars of more than 600 companies are supplied, including the various reconstructions and amalgamations, new issues of shares, and new companies formed since the last issue. Publishers: *The Financial Times*, 72 Coleman Street, E.C. 2.

The "Financial Times" Income Tax Guide. 1920 edition. Price 1*s.* net. The new edition, covering the provisions of the Finance Act, 1920, will be welcomed. It contains in a concise form particulars of the radical revision that has been made in the working of the income-tax system, which renders previous books on the same subject more or less obsolete.

ANGLO-SOUTH AMERICAN BANK, LTD.—The results of the past year's working of this institution must be very gratifying to the directors and in the highest degree satisfactory to the shareholders. For the year to June 30 last the net profit of £1,024,000 was not far short of double that secured for the previous year. The total distribution for the year is twenty-five per cent., which includes a special interim dividend at the rate of twenty per cent. per annum. An amount of £211,000 is placed to reserves of various kinds, and £393,000 is carried forward. A sum of £58,600 has been applied in payment of the expenses in connection with the acquisition of the shares of the British Bank of South America.

MEETINGS
OF PUBLIC COMPANIES.

ROYAL BANK OF IRELAND, LIMITED.

Big Expansion of Business. A New Chairman. References at the Annual Meeting.

The eighty-fourth annual general meeting of shareholders and shareholders of the Royal Bank of Ireland, Limited, was held [illegible] September 24, Mr. M. Barrington-Jellett, J.P., Chairman, presiding.

The report [illegible] been to [illegible] August 31 last, showing a net profit, [illegible] £48,292 18*s.* 1*d.*, which, with amount brought forward from last [illegible] and after [illegible] been distributed, leaving a balance of £46,285 18*s.* 7*d.* Of this [illegible] and officers' superannuation the sum of £31,003 1*s.* 4*d.*, [illegible] A further dividend at the rate of eight per cent., amounting to £8,400, leaving a balance of £6,882 17*s.* 3*d.* to be carried forward to the credit of next year's account.

The report further stated that the directors regretted that Sir James Murphy had found it necessary to resign the [illegible] but were pleased that he retained his seat on the board. Mr. M. Barrington-Jellett had been elected Chairman.

In moving the adoption of the report and statement of accounts, the Chairman said he much regretted that Mr. John Edward Pottinger, a director and formerly a commercial circles, had passed away since they last met, and they had co-opted Mr. Jones, their popular Secretary, to a seat on the board. The report showed that the Royal Bank, although small, was alive and progressive. Despite shorter satisfactory increases, and the business with customers at large expansion. The reserve fund had been brought up to £80,000, thus still further strengthening the financial position of the Bank, and they [illegible] large increases they had made to the salaries and bonuses paid to the staff during the year. The success which had attended the opening of their new branches at Ranelagh and Dolphin's Barn had shown that the Board's action had been fully justified, and they had every reason to believe that the business in these rising suburbs would expand. They had in contemplation the opening of one or two other branches in the near future.

Increasing Business.

The more effectually to meet the discharge of the increasing business, the board had constituted a committee of themselves, consisting of Major Cusack, Mr. Clive Brooks, and himself, and had also appointed Mr. Stanley and Mr. Longworth, formerly managers at Cornmarket and Ranelagh, manager and sub-manager respectively at head office. The result had proved eminently satisfactory, and the discharge of customers' business had been greatly facilitated.

The auditors had called the attention of the board to the increased work thrown upon them by the expansion of the Bank's business, and they asked that their remuneration should be increased by fifty guineas each. In the board's opinion that was a reasonable amount, and they suggest that they should accede to their request, and that the increase should be [illegible]

In which connection the board desired to point out that their work, and especially that of the Chairman and Committee, had also greatly increased, and they suggested to the shareholders that £1,000 per annum should be added to the present remuneration of the directors, which was fixed in the year 1858, and that the sum should be voted to them in respect of last year's working.

In conclusion, he added that he looked forward with confidence to the future of the Bank and to the shareholders reaping before long the benefit of the conservative policy adopted by the board. (Hear, hear.) He formally moved the adoption of the report.

Major Cusack, D.L., seconded the motion.

The Right Hon. Lawrence Waldron said the report presented was one of the most satisfactory they had had for some time and [illegible] securities they would have the old ten per cent. dividend.

More Branches Essential.

Mr. C. J. Reddy said he would have come with the times, and besides [illegible] large volume of business which was going [illegible] were many accounts, both deposit and current [illegible] which they could get, and he thought his suggestion [illegible] of any bank in or near Belfast was to prevent there being [illegible] accommodate themselves with the popular views.

The Chairman, in replying, said the policy the directors [illegible] patience there would be better results, and before long [illegible] by Mr. Reddy would receive consideration from the board; he was a good client of the Bank, and anything he said they [illegible]

On the motion of the Chairman, a dividend of eight per cent. was declared, less income tax, for the half-year ended August 31 last. It was also decided that the directors' remuneration be increased to £5,000 per annum, free of income tax.

THE SHEEPBRIDGE COAL AND IRON COMPANY, LTD.

[illegible] annual meeting of the Sheepbridge Coal and Iron Company, Limited, at Sheffield, said they met under happier circumstances [illegible] was always an optimist. It was not merely a question of wages. The movement which was headed by the Executive of the Miners' Federation—he supposed rather forced from behind the scenes—involved practically the whole of the financial situation of the country, and he thought that, having read the speeches that took place at the deputations to the Prime Minister and to Sir Robert Horne, they could not help feeling that the responsible leaders of the Miners' Federation had thoroughly grasped that aspect of the case, and it was a great source of gratification to all who were interested in the economic development of the country and the continuance of the prosperity of the working classes that the parties had at last met to settle their differences with every evidence of good feeling. He had been to some extent in touch with both sides, and he knew that there was no bitterness at all on the part of the men, and he was perfectly certain that he could speak for the owners that they, during these negotiations, would meet the leaders of the Miners' Federation with a very friendly feeling towards them. He expected that it would be found that the parties would settle a datum line of something like 240,000,000 tons, which was well below what the men could produce, and, in fact, had produced. The great difficulty, of course, would be to settle the proportion of increase of wages in relation to the increased general output over the country, but he had every confidence that the skilled men who had this matter in hand would be able to [illegible] satisfactory conclusion. The great thing needed in this country was increase of output. That lay at the foundation of everything, and that was a matter entirely in the hands of the men themselves. Attempts had been made to suggest that coal owners had themselves tried to reduce output. There was not a shadow of foundation for such a statement. Of course the development of collieries had during the last few years been very much impeded, if not stopped, by the shortage of men, by the [illegible] also by the difficulty of getting capital. Because at a time when Socialist agitation was going on practically amounting to threats of confiscation, it was not at all likely that people would be willing to put their money into risky and speculative operations like collieries until there was a reasonable prospect of things settling down.

Comparison of Output per Man.

[illegible] twenty-four per cent. less than it was before the War. [illegible] country. They must not forget that they were very nearly

fifty million tons short of pre-War production. That affected the country in every possible way. It affected their foreign trade and food supplies, because every ship that used to take coal out to Argentina and various parts of the world brought back foodstuffs and raw materials, and the freight for the double voyage was not greater than the single voyage home now, with the result that the country got its food and raw materials at a much cheaper rate than it could get them to-day with no coal being sent abroad to relieve the situation. That, of course, affected the cost of living for the poorer classes. It restricted the output of ships, and that restricted the output of steel, and that, in turn, restricted the output of iron. The whole thing worked back to the output of coal in the home collieries, and that, he hoped, had now been understood by the leaders of the miners, and he hoped they would try and pull together with the coal owners, not merely for the sake of higher profits for anybody, or for the sake of higher wages, but for the sake of the trade of the country as a whole. They owed something to their Allies, the French and the Italians, who got practically all their coal from this country, and at present were getting a very, very small quantity, and that at an enormous price. That, of course, was not conducive to international happy relations. What they all wanted was the greatest good of the greatest number, and he (Lord Aberconway) did think that the circumstances in which the Conference was that day being held all pointed to a recognition of that fact by those responsible for the working of the coal trade.

Increased Costs.

He would turn to one or two points in connection with their own Company. Of course, as the shareholders all knew, they were still under legislation, which strictly limited their profits to the pre-War standard, with certain allowances for increased capital. As to their output, the total output of the Sheepbridge and its subsidiary companies amounted to about 2½ million tons, but this had been produced by a very much larger number of men. With regard to developments, they were sinking to the lower seams at Clapwell. The cost of working was very much greater than it was in 1914, the wage percentage, as well as the standard, having gone up enormously. Then they had had to meet a great increase in the cost of materials. Timber had gone up 300 per cent. greater than it was in 1914; rails 280 per cent.; wire ropes 300 per cent., and so forth. There was a tremendous demand for their products, and full employment in the coal trade seemed to be assured for many years to come. He wished they had fewer absentees. It was very serious to find that in the year ended June 1920 the absentees amountd to, in some cases, as much as 25 per cent. He need hardly point out that if the men would work and do their best there would be no shortage of coal for export. As to Ironstone, they had opened another mine at Roxby in the Frodingham district. A new modern furnace was being erected, and other devlopments were taking place at their ironworks. Cottages were being built as fast as possible, although it was a very expensive job. They hoped to make the cottages comfortable for the workmen.

Balance Sheet Items.

Turning to the balance sheet, he explained that they were dealing with a larger share capital than in the previous year, involving a larger distribution for the same percentage of dividend. Sufficient provision had been made in the accounts to cover certain taxation questions still unsettled with the authorities. The profits were somewhat better this year owing to a better return from their investments and from the ironworks. Stocks were higher in value, and this, as well as the increase in trade debts, was due to the higher prices of all materials. He thought they would agree with him that the finances of the company were in first-class order, and concluded by thanking the Secretary and his staff for the manner in which the accounts were kept.

A Shareholder's Question.

A Shareholder asked whether it was true that the decreased output was due to want of waggon facilities and other causes which had hindered the men working up to their full capacity. He also suggested that the miners should pay the same price for their coal as other people. The Chairman replied that as to the waggons there was no doubt, during the war, a great shortage, which had, however, been gradually overcome. No doubt there were always, in every pit, certain difficulties to contend with which could not be overcome at once, but he was quite sure that their management was doing everything possible to ensure rapid clearances and the biggest output. With regard to miners' coal, that was a very old-established custom, and he was afraid that they could not deal with it. As to Mr. Smillie, who had been referred to, they must not be too hard on him. Mr. Smillie showed some of the instincts of a statesman at the finish of the negotiations. He played the game as he was entitled to do on behalf of the miners, but they must not forget that things might have been different if he had not thrown his influence into the right scale at the end.

The motion to adopt the report was seconded by the Right Hon. Sir Henry Norman, Bart., M.P., and carried unanimously.

The dividend recommended, making a total of ten per cent. for the year, was approved; Sir Henry Norman and Mr. R. W. Fowler were re-elected as directors, and Messrs. Alfred Tongue and Co., chartered accountants, of Manchester, were reappointed auditors.

The directors present, in addition to Lord Aberconway, were the Right Hon. Sir Henry Norman, Bart., M.P., Mr. W. H. McConnel, Mr. R. W. Fowler, Mr. M. Deacon, Mr. W. B. M. Jackson, together with the Secretary, Mr. T. E. Haslam.

BOLCKOW, VAUGHAN AND CO., LIMITED.

THE annual general meeting of this Company was held on September 30, at the Midland Hotel, Manchester, Sir J. E. Johnson-Ferguson, Bt. (the Chairman), presiding.

The Chairman said: Ladies and Gentlemen,—We are to-day in the peculiar position of having to deal with the accounts of the years ending June 30, 1919, and June 30, 1920, and in the first instance our meeting is an adjournment of that held twelve months ago. I propose, therefore, to ask our Secretary to read the notice convening the meeting adjourned from last year and the auditors' report on the 1919 accounts, and I will then formally move the two resolutions relating to the accounts of 1919. That will enable us to close the adjourned meeting, and I will then call on the Assistant Secretary to read the notice convening the meeting of 1920 and the auditors' report on those accounts; and, having done so, I will then go through the accounts of 1919 and 1920, explaining them to you in the usual way and dealing with the other matters in which you may be interested. That seems to me the simplest and most satisfactory way of bringing us back to the normal position, and I therefore now call on the Assistant Secretary to read the notice convening the adjourned meeting and the auditors' report on the accounts for 1919.

The notice having been read,

The Chairman continued: I beg, therefore, formally now to move the following resolution: "That the report and statement of accounts and the proceedings of the directors for the year ended June 30, 1919, be approved and adopted."

Major E. A. J. Johnson-Ferguson seconded the resolution, which was carried unanimously.

The Chairman, proceeding, said: I will now move the next resolution, "That the further dividend of eight per cent. paid to the members of the Company in proportion to their shares in October 1919 be the final dividend for the year ending June 30, 1919."

Mr. Walter W. Storr seconded, and the motion was carried unanimously.

The Chairman: That completes our meeting adjourned from September 1919, and I will call on the Secretary to read the notice convening the meeting for 1920 and the auditors' report on the accounts of that year.

The notice having been read,

The Chairman, continuing with the business of the 1920 meeting, said: Ladies and Gentlemen,—We are now in the happy position of being able to present to you not only the balance sheet of a year which was completed fifteen months ago, but also the balance sheet for the year ending June 30 last. Up to 1916 we were always able to hold our annual meeting and present the year's accounts within three months of the close of our financial year. The War, with its attendant legislation and taxation, rendered this impossible, and from 1916 onwards we have had to ask your indulgence and present to you accounts which, in fact, were fifteen months old. Thanks to the energy of Mr. Tongue, our auditor, and of Mr. Reid and Mr. Rawson, the accounts for the year 1919 have had cleared out of them the serious questions pending between the Government and ourselves, and the figures we give you in that account represent the final results of their long negotiations. In the accounts for 1920 there are still many questions unsettled between ourselves and the Government, but our auditor assures me that in the figures presented to you we have made ample provision to cover any liability on our part, and we have not taken credit for any sum due to us, the exact amount of which has not actually been settled.

Comparison of Accounts.

I will now go through these accounts and compare them with those of 1918—the last which you had before you—and give such explanations as are necessary to enable you fully to understand them. In 1918 our share capital stood at £3,218,380. Owing to the issue of the million fully-paid Ordinary shares and the small balance of our previous shares which were unissued, our share capital rose in 1919 to £4,225,919, and is now £4,227,720. Of this share capital 1,860,900 shares are only 12s. paid, the balance being fully paid. There is, therefore, a reserve of £744,360 of uncalled capital, which is a very valuable asset should we at any time require to increase our loans or debentures. In 1918 our outstanding debentures were £555,600; in 1919 they were £472,000; and in 1920 they were £404,900; while since then a further 200,000 matured and were paid off, so that, in round figures, there is only about 200,000 of our old debentures outstanding. (Hear, hear.) In 1918 we had in loans and deposits £113,442; in 1919 it was £61,214; and in 1920 it was £410,527. Now these loans and

deposits are mainly sums placed in our hands for short periods by concerns in which we are interested, or with whose alliance also happen at the moment to have considerable sums to their credit which they are not requiring in their own business and they are glad to lend them to us for a short period on terms which are an advantage to both us and themselves. The Preference dividend is a fixed charge, in which there is no variation.

The next item which appears in the balance sheet of 1919 is "amounts owing to sundry creditors, including provision for war-taxation," £1,331,181. In 1919 the provision for war taxation disappears: the various matters having been at length cleared up and the exact figures due to the Government having now been definitely settled, they are simply included in the usual way in sundry creditors which, in 1919, stood at £880,069. In 1920 the figure of sundry creditors stands at £1,521,105, but there again we have had to include provision for taxation the figures of which not having been adjusted, but, as I have already told you, our auditor is quite satisfied that the figures as given above are perfectly safe to cover whatever liabilities may be found to be due by us. In 1918 we owed our bankers £695,251; in 1919 we had £42,462 at our credit, and in 1920 our account with our bankers was £87,724 at debit. The amount due for wages in 1918 was £65,668; in 1919 they were £76,273; and in 1920 £146,038; but, as I have explained to you before, those largely depend on the number of days between the last pay-day and the end of the month.

Royalties and Share Premium Account.

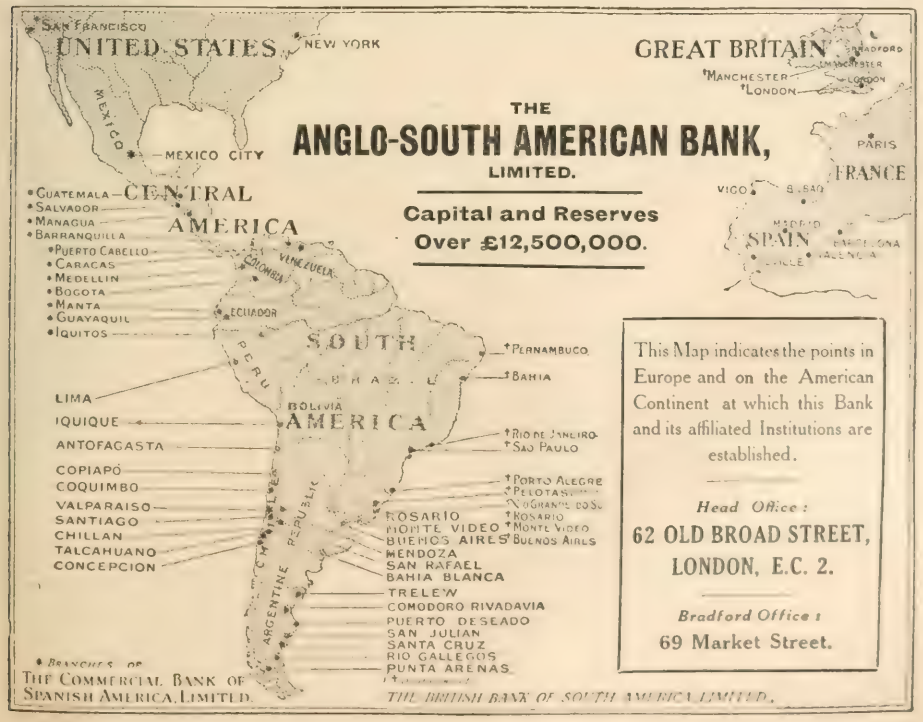
The sum owing for royalties on minerals was in 1918 £40,188; in 1919 £39,393; and in 1920 £51,962. Unfortunately the royalty on one of the collieries held from what is practically a Government Department is on a sliding scale, dependent on the price of coal, and the present high price has very seriously increased the royalty which we have to pay at that colliery, and that accounts for the increase of something like £12,000 in the sum owing. The directors' and auditors' remuneration stood in 1918 at £7,000, and in 1919 and 1920 at £7,300, the additional sum on each occasion being the increase in the remuneration which you voted to your auditor. The next item which appears in the 1919 account, and not in that of either 1918 or 1920, is share premium account. You will recollect that we offered you a million fully-paid Ordinary shares at the price of 22*s.* 6*d.* per share, the 2*s.* 6*d.* being premium. We have dealt with that premium by transferring £100,000 to the general reserve, and £26,167 to the fire insurance fund. We think that a proper appropriation of it, and one which I have no doubt you will approve of. (Hear, hear.) The next item is the accident and fire insurance reserves. In 1918 they stood at £73,135; in 1919 they are £107,342; and in 1920 £164,715. You may recollect that I told you some couple of years ago that we proposed to increase the sum placed to these various reserves. The result of that is shown by the [illegible] in 1919 and the [illegible] through fire at our basic slag works in August 1919. Our [illegible] 1919 they increased to £196,505; but in 1920 they have dropped to £100,948. The cause of this is that during the past year we have had many very heavy claims on these repairs arising out of the War, and the fact that we have been able to carry out those repairs without trenching on our general reserves shows the importance of maintaining these reserves at a large figure.

Increase in General Reserve.

[illegible] At the [illegible] ment of 1918 is stood at £500,000. At our meeting last year we transferred to it £100,000 out of the profits of 1918, bringing it up to £600,000. If you cast your eye down the account for 1919 you will find that, in addition to the £100,000 from share premium, we have transferred out of the profits of the year a further £100,000, making the reserve fund at the close of 1919 £800,000—(cheers)—which is the figure at which it appears in the accounts for 1919 and 1920.

Growth of Capital Assets.

Now let me pass to the assets side of our balance sheet. At the close of the year 1918 our capital assets, land, buildings, &c., stood at the figure of £4,443,974. The expenditure which we have debited to that account in 1919 is £141,723, and in 1920 £425,277. Now you must not suppose that the sum of £141,723 is anywhere near the amount which was expended that year; it is merely the balance left over from that actual expenditure after deducting therefrom the sums accruing through the adjustment of various outstanding claims. That does not apply to the figures of 1920, no such adjustment having yet been possible with respect to many other claims which are still unsettled for this year, and which will have to be dealt with in future accounts. Deducting from these figures the receipts from the sale of land, &c., and general depreciation, we see that, while in 1918 our capital assets stood at £4,443,974, in 1919 they stood at £4,470,804, and in 1920 at £4,779,256. The investments stood in 1918 at £714,994; in 1919 at £792,474; and in 1920 at £583,535, the variation being merely due to variations in our holding of Government and the War Loans. In 1918 the value of our stocks stood at £1,381,907; in 1919 they rose to £1,435,056; while in 1920 they stand at £2,026,262. Of course, a certain part of that sum—£645,000—by which our stock in 1920 exceeds what it stood at in 1918, is due to the increased value of everything which we use and produce, but by far the largest part of this sum, and it is a most serious [illegible] the



enormous amount of finished material which we have on hand waiting for transport. As I shall have to say something further about this in the latter part of my remarks, I will pass on to the next item. Royalties on coal and ironstone paid in advance are merely a small item, which fluctuates from year to year, and requires no comments.

In 1918 the amount owing to us for sundry debtors was £753,079; in 1919 it was £620,321, and the amount owing to us in 1920 is £1,023,982. Now the £260,000 by which the amounts owing to us in 1920 exceed what they were in 1918 is due in the first place to the increase in the actual amount of our business, and in the second place to the very large increase in the value of our products. The loans and advances have increased from £58,653 to £64,971 in 1919, and to £75,789 in 1920. Those are mainly sums which we have advanced to our subsidiary concerns. That, I think, completes the various items of our balance sheets.

Allocation of Profits.

I now pass to the way in which we have dealt with the balance of 1919, and the way in which we propose to deal with that of 1920. As I need hardly remind you, this time last year we paid you a dividend of eight per cent., less income tax, making with the previous dividend twelve per cent., and you have accepted that eight per cent. as the final dividend for the year 1919. We transferred £100,000 of our profits to the general reserve, which, with the £100,000 we took from the share premium account, brought up our general reserve fund to £800,000, and we carried forward towards this year £206,419. Now this year we recommend you, out of the balance of £712,945 available for distribution, to declare a final dividend for the year 1920 of eight per cent., less income tax, which, with the interim dividend of four per cent., which we paid you on March 31, gives twelve per cent. for the year. We also recommend that £200,000 should be transferred to the general reserve, bringing it up to the round figure of one million sterling, and that the sum of £212,494 be carried forward to next year's account. The reserve fund of one million is equal to very nearly twenty-five per cent. of our total paid-up capital, and more than twenty-five per cent. of what is paid up on our ordinary shares. It is a satisfactory position, and one which our shareholders and the general public will, I feel sure, appreciate in estimating the value of your property.

The year which has just closed is the first completed year since the conclusion of peace, and even yet, technically, I suppose, complete peace does not exist. It has been a trying year to everyone. Shortage of material, difficulties of transport, and unrest in Labour have constituted 1920 a year which will long be remembered as one in which difficulties were almost overwhelming. The fact that we have been able to present you with what, I think, even the most exacting of you will admit is an excellent balance sheet is largely due to the untiring and self-sacrificing energy of our staff, to whom I wish publicly to convey the thanks of our board and of our shareholders for what they have accomplished.

No material alteration has taken place at either our collieries or mines, but considering the enormous increase in the railway carriage of bricks which came into operation on the first of this month, and which has led the Scotch makers, both of silica and other bricks, to threaten to close their works, if not actually to do so, I think it is fortunate that we have added the production of silica and firebricks to our subsidiary trades.

Steel Works: New Plate Mill.

At our steelworks the first part of our large extension has been completed and working for most of the year, and fully comes up in every way to our anticipations. The second part of the extension, our new plate mill, has been completed for some two or three months and was working during the early part of July. Some of the furnaces in connection with it are at work, and the remainder will soon be completed. Since the middle of July, I am sorry to say that the new plate mill has been standing, not for any fault of the mill, but because of its very perfection, which has led certain of the men to go on strike. They claim to have a veto on and voice in the selection of the men who are to work this mill. It is the same claim in another form which has led to the lock-out of the electrical engineers, and it is a claim which neither we nor any other employer can admit. I hope, however, that wiser counsels will prevail, and that the men will not persist in trying to kill the goose which lays the golden egg.

Already the exceptional demand for ships has passed. Freights, which were up at 60*s.* to 80*s.* per ton, are down to 20*s.* On all hands you hear of shipowners trying to cancel orders they had placed for ships, and in many instances paying considerable sums as damages to get those orders cancelled. You have only to read the speeches which the chairmen of the leading shipping companies have addressed to their shareholders during the last three months to learn the ground of such action. They tell their shareholders that the present cost of ships is such that ships built at present prices cannot in the future be made to pay. Until that cost is materially reduced the demand for ships will apparently fall off, and that must affect the demand for plates. Those who cannot produce them at the very lowest price possible will undoubtedly be obliged before long to close down their mills. Employers will not go on producing at a loss merely to find employment for men who resist the introduction of improved machinery or methods. It is true that the best modern plant involves labour-saving appliances. By that, and by increased output alone, can cost be reduced. Probably also in many cases it is opposed to old ideas or customs, but it is a well-known fact that the more cheaply an article can be produced the more demand there is for it, and therefore the more employment there ultimately is. Nothing leads so soon to unemployment as the retention of old and out-of-date machinery or methods of production.

I reported to you at our meeting last year that in August 1919 our basic slag works, which we had purchased from the Government at the beginning of the War, had been burnt down. I am glad to say that Mr. Ritchie has been able to reconstruct them on much improved lines. They are now again fully going, and I think the fire, though it cost us £22,000, may be regarded as having been a b'essing in disguise.

Inefficiency of Railway Service.

One of the most serious difficulties that we have had to contend with in the course of the year is the inefficiency of the railway service, the result of which is reflected in the figures of our balance sheet. On June 30, when our books were closed, our stock of finished steel waiting to be dispatched was 22,380 tons, worth considerably over half a million sterling; nine months before—that is, at the end of October 1919—the stock was 8,755 tons, or little more than one-third what it is now. Since then it has been steadily increasing month by month, until it stands at the present appalling figure. Not only does it lock up unnecessarily at least £500,000, but it seriously inconveniences our customers, and puts us to heavy expense in the handling of this stock.

It is a very serious matter that during the last nine months, when we might reasonably have expected that the carriage facilities would have been steadily getting better, the railway companies, on whom we depend for moving the principal part of our finished material, should have shown themselves to be absolutely incapable of dealing with it. Whether it is the fault of an individual railway company or of the Ministry of Transport I have no means of judging, and therefore do not attempt to express an opinion, but if that is a specimen of the reconstruction under Government control of which we hear so much, all I can say is Heaven defend the country from it.

Darlington Rolling Mills.

In 1916 I informed you that we had purchased the share capital of the Eston Sheet Works; we are entirely satisfied with the result of that purchase, which has formed a valuable outlet for some of our semi-finished products, and we are now engaged in extending those works. Following out the policy we pursued in purchasing the Eston sheet mills, we have, during the past year, acquired a controlling interest in the Darlington rolling mills. Not only will this concern be a valuable customer for our semi-finished products, but it will enable us to supply the requirements of our customers in many sections lighter than it suits our machinery to roll. I feel confident that we shall find these works a very valuable adjunct to our trade. Mr. George Sisterson, the Chairman of that company, has taken a seat on our board, and I am sure that his knowledge of that business and of the iron-merchant business in which he is also engaged will be very valuable to us. In a letter to our Secretary, written about a month ago, one of our shareholders drew our attention to the alliance which had been effected by a leading concern in another part of the country, and asked the question whether we did not think it desirable to do something similar. I have read very carefully, as I always do, the speech which the Chairman of that company addressed to his shareholders at their recent annual meeting, and I have also examined their accounts, and I may tell our friend that I think our accounts which we have presented to you do not look any the worse for comparison with those of the company to which he alluded. But the view which I take—and I think the majority at all events of my colleagues agree with me on this matter—is that wherever real advantage by an alliance such as that to which our friend alluded can be secured we are prepared to consider it: if it can be carried out on such terms as we consider advantageous to the Company we are prepared to carry it through, but we are not prepared to sacrifice the individuality of this concern, nor are we prepared to agree to an alliance on terms which we believe would not be advantageous to the interests of our shareholders. I should not have answered the inquiry so fully as this had not our friend specially asked that I would give him a clear statement of what my views on the subject are, and I felt that he was entitled to an answer. It may interest you to know that we have 10,625 shareholders, and that the average amount of their holding is £605.

When we met you here last year the country was in the middle of the railway strike, and I think the members of our board deserve great credit that not a single member was absent from our meeting. This year we meet under the shadow of a coal strike—a strike which most people engaged in business have for a long time regarded as inevitable.

Significant Coal Figures.

While I do not think that at the present moment it is desirable that I should enter into a general discussion of the question, I think the following figures relating to our own concern may be interesting to you and are certainly enlightening. In June 1914 we employed at our collieries 8,844 men. They drew in wages during the year ending June 30 1914, £775,236 or an average wage of £5 5s. 6d. per man. The total tonnage of coal raised at our pits was 2,320,410 tons, of which 2,137,852 tons was saleable coal, the difference being colliery consumption and workmen's coal. The coal tonnage raised per man was 262.37 tons, and the wages cost was 6s. 4.04d. per ton. I will now give you the figures for the year ending June 30 1920. The number of men employed at our collieries then was 9,487. The total wages earned were £1,589,036, or an average wage per man of £167 10s. The total tonnage of coal raised during the year was 1,616,233 tons, and the amount of saleable coal was 142,661 tons, the tonnage of coal raised per man was 170.36 tons, and the wages cost per ton was 19s. 7.96d.

Let me summarise these figures. In the year just ending we had 643 more men employed in our collieries than in 1914. The total wages earned were £853,800 more than in 1914, or rather more than double, and the wages of the individual men were £81 7s. 4d. more, or rather more than double what they were in 1914. In 1920 they raised 704,177 tons less than they did in 1914, or little more than two-thirds of the tonnage raised in 1914, while the average output per man employed at the collieries was only 170.36, as compared with 262.37 tons. The wages cost of a ton of coal in 1920 was 19s. 7.96d., as compared with 6s. 4.04d. in 1914. I may also remind you that in Durham, where our collieries are situated, the men have a free house, or, where that cannot be provided by the colliery company, an allowance for house rent, and in all cases a more than generous allowance of free coal. Further comment on these figures is, I think, unnecessary, but I think it is desirable that every shareholder in our Company should have them before him at the present juncture. (Hear, hear.)

Increased Turnover.

There is one other piece of information which, though not arising out of our reports and balance sheets, may be of interest to you. Our turnover—that is, the value of the goods we sold—in 1915 was £3,157,000, whereas in 1920 it has risen to £7,437,000, or very considerably more than double. (Cheers.) During the last three years we have not made a single bad debt, and the total we have lost through bad debts during those six years only amounts to £2,894, a sum absolutely infinitesimal, when compared with the total amount of our sales in that period. There [illegible] total 10,625, and the average amount of their holding is £695. That does away with the statement that we, at any rate, are a concern held by a few bloated plutocrats. (Laughter.) The chairman concluded by moving the adoption of the report and balance sheet.

Captain the Hon. Roland D. Kitson seconded.

The Chairman, answering questions by Mr. H. E. Hamilton and other shareholders, said there was no move at present in regard to Kent Coalfields. There was not the remotest truth in the story that any works of Bolckow's had been built on bad ground. The directors would be pleased to consider the question of holding shareholders' meetings alternately in Manchester and Middlesbrough. Mr. Hamilton had been defending combination, and another shareholder complained that they could not get their benzol from Bolckow's any longer. The reason was because of combination. They had joined other benzol makers in a benzol combine, and it was only there that benzol could be now obtained.

The resolution was carried unanimously.

The Chairman moved a resolution recommending payment of a dividend of twelve per cent. per annum for the year on the Ordinary shares.

Mr. Illtyd Williams seconded, and the motion was carried unanimously.

On a resolution of the Chairman, seconded by Mr. P. Smith, Mr. Illtyd Williams, the Hon. Roland D. Kitson, and Mr. George E. Sisterson were re-elected directors of the Company.

Mr. George Sisterson moved that the sum of £2,000 be placed at the disposal of the directors for the purpose of assisting religious, charitable, and other institutions situated in the neighbourhood of the various properties of the Company.

The Hon. Henry D. McLaren, M.P., seconded the motion, which was carried unanimously.

Messrs. Alfred Tongue and Company, Manchester, were re-elected auditors.

Mr. John Greenwood moved a resolution thanking the directors, secretary, managers, and various officials of the Company for their services.

Mr. William Heyhurst seconded the resolution, which was carried with acclamation.

Mr. Storr replied on behalf of the directors, and Mr. George Ritchie on behalf of the staff.

A vote of thanks to the chairman for presiding, moved by Mr. Hamilton, seconded by Mr. John Bodden, was carried amid cheers.

The Chairman, responding, assured shareholders that he, along with his fellow-directors, would continue to do everything in his power for the great concern of Bolckow, Vaughan and Company.



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EDWARD LLOYD, LIMITED.

Capitalisation of Reserves.

An extraordinary general meeting of Edward Lloyd, Limited, was held on September 27 at the Cannon Street Hotel, London, E.C., for the purpose of passing resolutions to carry out the directors' proposals for the capitalisation of £600 000 of the reserves and undivided profits of the Company and increasing the Preference share dividend from five and a-half per cent. to seven per cent. per annum.

Mr. Frank Lloyd (Chairman and Governing Director of the Company), who presided, said: Gentlemen,—Those of you who were present at the last annual meeting in July will remember that in my speech from the chair, a copy of which was addressed to all the shareholders on the register at that time, I told you that the directors had it in contemplation to recommend the capitalisation of £600.000 of the Company's reserves and undivided profits. The meeting to-day is convened for the purpose of carrying out this proposal and passing other resolutions, as fully explained in the circular letter accompanying the notice convening the meeting.

So far as the capitalisation of profits is concerned, while this makes practically no difference to the position of the Ordinary shareholders, inasmuch as the assets of the Company will remain exactly the same, it considerably strengthens the position of the Preference shareholders, because £600.000 of profits, two-thirds of which the Ordinary shareholders might as matters now stand divide in dividend, will be capitalised in the form of share capital, and will consequently no longer be available for distribution. The effect, therefore, as far as Preference shareholders are concerned, is to put behind them for all time £600,000 of additional assets as further security for their shares.

The advantage that the Ordinary shareholder will reap is the advantage which the Company itself obtains—namely, that its share capital in its balance sheet will be brought into a nearer relation to the actual capital employed in the business, and in future the dividends which are declared will be declared on substantially the whole capital that is employed instead of only upon a part of that capital.

Increase of Preference Dividend.

The resolutions provide not only for the capitalisation of these reserves, but also for the increase of the Company's capital in the future and for certain alterations in the articles of association. We were advised that these alterations could be made without the consent of the Preference shareholders, under a decision of the Court of Appeal given some few years ago. At the same time, we considered that it would hardly be fair to the Preference shareholders that the alterations proposed should be made without consideration of the Preference shareholders' special interests. We therefore determined to recommend the Ordinary shareholders to agree to an increase of one and a-half per cent. per annum in the rate of dividend payable to the Preference shareholders.

That the general body of the Preference shareholders have greatly appreciated the consideration shown them by the Ordinary shareholders is evident from the overwhelming number of proxies which have been received from Preference shareholders in favour of the scheme. In some very few cases Preference shareholders have complained that their rate of dividend was not still further increased. The only answer I can make to this is that seven per cent. on what is practically a gilt-edged security—for there are no Debentures or prior charges whatever in front of them—is a very good return on a 1911 issue with such a wide margin of security. I have no hesitation in saying that the only shareholders who have any possible ground for objecting to the scheme now proposed are the Ordinary shareholders, inasmuch as they are asked to give up to the Preference shareholders one and a-half per cent. per annum on the amount of the Preference shares, which comes to £10,125 per annum, as compensation for agreeing to something which we are advised can be done without their consent. However, as we anticipated, none of the Ordinary shareholders have shown any inclination to grudge the Preference shareholders this sensible improvement in their position.

Excellent Prospects.

Before submitting the resolution, I daresay you will like me to say a few words as to the future prospects of the business. I can only say that they are excellent in every way, and I look with confidence to still better results than we have attained in the past. We have the advantage of a very able, experienced, and enthusiastic staff, animated by that *esprit de corps* which counts for so much in the successful prosecution of big enterprises; we have the confidence and good will of all our customers—an asset of incalculable value—and, thanks to the conservative policy of the directors, we have sufficient working capital to carry us through the difficult financial period we have now entered upon.

I will now move the resolution, as set out in the notice convening this meeting, and after the resolution has been seconded I shall be glad to reply to any questions that arise on the business before the meeting.

The motion was seconded by Mr. Harry Lloyd and carried unanimously, and the proposals were subsequently sanctioned and approved at separate meetings of the Preference and Ordinary shareholders.

A vote of thanks to the Chairman terminated the proceedings.

RUBANA RUBBER ESTATES.

Increased Profit.—Production and Consumption.

The tenth annual general meeting of this Company was held on September 27 at Winchester House, Old Broad Street, E.C., Mr. E. L. Hamilton (the Chairman) presiding.

The Secretary (Mr. F. E. Maguire) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The report and accounts now submitted are for the year ended April 30 last, and I presume I may take them as read. If you will refer to the balance sheet you will see that the authorised capital of the Company is now £400,000 and the issued capital £300,000. This is in accordance with the scheme submitted to and approved by the shareholders in April last. The authorised and issued capital was previously £250,000. By capitalising £45.000 formerly standing to the credit of reserve for development and £5.000 out of profits the issued capital has been brought up to £300,000. Out of this we have spent up to the close of these accounts £295,111, leaving available at April 30 last £4,889 of unspent capital.

We have under cultivation 3,482 acres, all of which is mature except 523 acres planted 1917-20. We have a further 1,240 acres suitable for growing rubber, and when planted this will bring the total cultivated area up to 4,720 acres. Our programme for the current year is to plant 200 acres. Mr. William Duncan, our general manager, in his annual report, says that the land recently planted is of excellent quality, and so far as can be seen the land yet to be planted is equally good. The property was upkept in first-rate condition throughout the year. The labour position, which during the past year has become a matter of concern in many parts of the country, is so far very satisfactory on Rubana. The coolies are healthy and contented, and everything possible is done to maintain the excellent conditions existing on the estate such as good houses and a plentiful and wholesome supply of water. The European staff have carried out their duties to the entire satisfaction of the general manager.

The Year's Profit

The profit earned during the period we are reviewing was £43,046, equivalent to 14⅓ per cent. on the present issued capital, or 17¼ per cent. on the old capital. This compares with £33,282 profit for the previous twelve months, equivalent to 13½ per cent. We recommend a dividend of 12½ per cent., which, in accordance with the scheme for increasing the capital, will be paid on £300.000 and will absorb £37,500, and leave £15,110 to be carried forward. This latter amount is subject to corporation profits tax, estimated at £730, for the four months for which the Company is liable. The net carry-forward is, therefore, £14,380, against the net amount brought into the accounts of £9,563, an improvement of £4,817. Various items of expenditure, such as packages, immigration, and loss on rice supplied to coolies, have substantially increased during the year, and it is very creditable to the management that the cost of production is only .30*d.* higher than during the previous year. (Hear, hear.) I am afraid I cannot hold out any hope that there will be a reduction in costs during the current year; in fact, with the inevitable increase in salaries and wages to meet the enhanced cost of living, the tendency is towards a higher cost of production.

The immediate prospects of the rubber market are far from bright, and the article has been selling at round about 1*s.* 6*d.* per pound, which, as you probably know, is the price for No. 1 quality, representing about eighty per cent. of the output of an estate. The lower qualities, representing the remaining twenty per cent., are selling at much lower prices, consequently the average selling price of the whole output of an estate on this basis would be below 1*s.* 6*d.* per pound. We are fortunately in the comfortable position of having sold for forward delivery a considerable portion of the current year's crop. Our sales amount to 562,240 lb., at an average gross price of 2*s.* 1*d.* per pound, and we have also sold for the next accounting period 268,800 lb. at an average price of 2*s.* 1.66*d.* per pound.

Proposed Restriction of Output.

You have no doubt seen in the Press that there is a movement on foot, organised by the Rubber Growers' Association, to bring about a reduction in the output of rubber in order to relieve the present position. Undoubtedly there is more rubber being produced at the present time than is going into consumption. In my belief it is only a temporary over-supply arising out of a falling off of consumption due to abnormal conditions, and there is no need to get into a panic about it. In the circular issued by the Rubber Growers' Association the position is clearly set forth, and indicates at the present rate of production an unabsorbed surplus at the end of the year of 34,000 tons.

The position is primarily due to the fact that the United States of America, our principal customer, is suffering from a general dislocation of trade due to the effects of the recent railroad strike in that country, and to restricted credit; also, but in a lesser degree, to the unsettled conditions throughout the world. When the world gets to work again I am confident that all the rubber produced will be required, but in the meantime, until conditions are normal, it certainly

seems foolish for producers to waste their capital assets by using up bark in order to produce more rubber than can be sold at a reasonable profit. The proposal of the Rubber Growers' Association should therefore meet with the approval of all those who have the interests of the industry at heart, but it will not be sufficient for the movement to be supported only by those inside this particular Association. Other associations representing local companies in the East and large interests in the Netherlands Indies outside the Rubber Growers' Association, and represented in Holland, will have to come into line if the movement is to be a success. We cannot expect the members of the Rubber Growers' Association to shoulder the burden as they did in 1918, and leave those outside the association to benefit by their sacrifice.

The indications, I am glad to say, are that the movement will have the support of the other associations, and on the amount of that support will depend whether the scheme is adopted or not.

The Object of the Scheme.

The movement has not the object of artificially raising the price unreasonably. The purpose in view is to prevent prices falling to an unremunerative level caused by what we believe to be temporary conditions, and to get for our product what we consider the industry is entitled to expect for the risks run. It is only on this understanding that the proposal would have the support of your directors, and I am sure you will approve whatever action they decide to take. (Hear, hear.)

Rubber is, I believe, the only important article which is selling to-day below pre-War price, while the cost of producing it, like all other articles of commerce, has materially advanced. Even with the increased cost of production an average gross selling price round about 2s. per pound would still give a good return for all well-managed concerns, and is one with which we should be satisfied. We, as producers, do not want to see an advance in prices which would in any way check consumption. I now beg to move: "That the statement of accounts and balance sheet at April 30, 1920, and the reports of the directors and auditors be received and adopted."

Mr. T. Cuthbertson seconded the resolution, which was carried unanimously.

The Chairman next moved: "That a dividend of twelve and a-half per cent., less tax, be, and it is, hereby declared payable on September 27, 1920, to the shareholders on the books of the Company on September 20, 1920."

The motion was seconded by Mr. Cuthbertson and unanimously agreed to.

The retiring director (Sir John F. Ramsden, Bart.) and the auditors (Messrs. McAuliffe, Davis, and Hope) were re-elected, and a vote of thanks to the Chairman, directors, and the staff in the East concluded the proceedings.

TALI AYER RUBBER ESTATES.

Substantial Increase in the Profits.—Particulars of Forward Sales.

THE ninth annual general meeting of this Company was held on September 27 at Winchester House, Old Broad Street, E.C., Mr. E. L. Hamilton (the Chairman of the Company) presiding.

The Secretary (Mr. F. E. Maguire) having read the notice convening the meeting and the report of the auditors,

The Chairman said: With your permission I will take the report and accounts as read. The result of the year's working discloses a profit of £39,110, as compared with a profit of £28,902 earned during the preceding twelve months. Although the profit is £10,208 greater, we propose to pay the same dividend as a year ago—viz., ten per cent., which will absorb £30,000. Our conservatism is due to the loss incurred by windstorms, to which we refer in our report, and regarding which I shall have a few words to say presently. We recommend placing to reserve for development a sum of £2,500, which will bring this fund up to £12,500, and provide, I hope, sufficient to bring to maturity the 1,039 acres of rubber on our Padang estate—a small property in Kedah which, you will remember, we acquired in January 1917, and which promises to be a valuable asset.

You will observe that we brought into the accounts which we are now reviewing a sum of £15,271. This was brought in subject to a liability of £1,478 for excess profits duty up to the end of the previous year; consequently the net amount brought in was £13,793. We propose to carry forward £21,881, which is subject to an estimated liability of £2,246 for excess profits duty and the new corporation tax; consequently the net carry forward is £19,635, or £5,842 more than brought in. The £2,246, to which I have just referred as a liability, includes the £1,478 for excess profits duty up to the end of the previous year, and £108 only in respect of the year we are reviewing. It also includes £660 for corporation tax for four months, that being the period we are liable for under these accounts.

Damage by Windstorms.

It is unnecessary for me to detain you by referring in detail to the various items in the balance sheet and profit and loss account, as they are all clear and self explanatory, but I must explain the note under property account in the balance sheet which refers you to the directors' report regarding damage by windstorms. This note has been inserted at the request of the auditors, who, very rightly, hold the view that the cost of replanting the 200 acres should be made good out of revenue. (Hear, hear.) In our report we have stated that this will be done as and when the expenditure is incurred. Our General Manager (Mr. William Duncan) estimates that the cost of replanting the 200 acres will be approximately £5,000 spread over a period of, say, five years, but as we are increasing our carry-forward to-day by £5,842, we are making provision out of these accounts for the outlay. Apart from this, we are putting aside to-day £2,500 for the development of Padang estate, which is a set-off against the loss of trees on Tali Ayer and Sungei Bagak estates. These two estates, as we have mentioned in our report, suffered serious damage from several successive hurricanes which passed over both estates between March 18 and May 3. It was not until late in April that we had details of the damage done by the first storms, and as soon as these details were to hand reporting 22,000 trees uprooted, we informed the shareholders on April 28 by postcard, but unfortunately this was not the end of our troubles, as a few days later the estates were visited by another severe hurricane, which brought the total number of trees uprooted or permanently damaged to 38,388, the number mentioned in our report. This, no doubt, will seem to you a great number of trees, representing as it does eleven and a-half per cent. of the total number of trees on the two estates, but on the areas other than the 200 acres which have to be replanted the gaps will disappear in time, and our General Manager states that the loss of crop from these areas will not be great. We shall, of course, lose the crop from the 200 acres until they again reach maturity, but against this we have our Padang estate of 1,039 acres coming along, which will be beginning to produce in less than three years time.

Revised Estimates.

While not wishing to minimise the damage, I think I can reassure you that the loss of revenue will not be very serious. The loss of crop from the 200 acres may be put down at 60,000 lb. rubber per annum, and assuming a profit of 6*d*. per lb., which is not obtainable on the present market, it would mean a loss of £1,500 per annum, equivalent to one-half per cent. dividend on our capital. The crop for the year ended April 30 last was 916,078 lb. The original estimate for the current year, made before the damage occurred, was 975,000 lb. This has now been reduced to

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884,500 lb., or 90,500 lb. less than the original estimate. It looks as if the revised estimate may prove to be a conservative one, as the crop harvested for the first four months of the financial year is 33,000 lb. in excess of the estimate for that period. These estimates may be subject to revision in connection with the proposed curtailment of production, to which I shall refer before I sit down. The storms to which I have been referring are believed to have been unprecedented in violence, and it is an unfortunate combination of circumstances that we had very dry weather in January, consequently wintering set in early, then in late February heavy rains fell and continued through March and April, with the result that an enormous weight of new leaves was carried by the trees, which rendered them top-heavy and offered a resistance to the winds greater than the root system could withstand. We can only hope that this combination of circumstances will not occur again; but windstorms, like pests and diseases, are among the risks of the rubber-growing industry. I am glad to be able to say that the estates are particularly free from pests and diseases, and on the whole of the Company's property have given cause for little or no concern. The labour force was sufficient for ordinary requirements, and the health of the coolies was particularly good throughout the year.

Costs, Prices, and Forward Sales.

The cost of production was exactly the same as in 1917-18, but was 0.90*d.* per lb. higher than 1918-19, the previous accounting period, and with the continued increase in the cost of all materials, higher salaries and wages; and loss on rice supplied to the coolies, the tendency is towards a still higher cost of production. The average net price realised for the crop was 1*s.* 9½*d.* (equivalent to about 2*s.* per lb. gross), and the profit was 9½*d.* per lb., which is nearly 2*d.* more than the previous year. I would not like to venture an opinion as to what the profit per lb. may be for the current year, for, as you no doubt know, we are suffering from a temporary over-production of rubber, and the article has been selling at round about 1*s.* 6*d.* per lb. gross. This, remember, is the price for the No. 1 quality, which represents only about eighty per cent. of the crop, and the lower qualities, representing twenty per cent., fetch much lower prices; consequently, for sales in the market on this basis, the average price would be less than 1*s.* 6*d.* per lb. gross. Fortunately, with our forward sales, we are in a fairly comfortable position, having made contracts for about fifty per cent. of the estimated crop for the current year at prices averaging over 2*s.* per lb. gross. We have also sold approximately twenty per cent. of the crop for the following year at about 2*s.* 2*d.* per lb. gross.

The Chairman then dealt with the proposal of the Rubber Growers' Association with regard to reducing output, in the same terms as at the meeting of the Rubana Company, reported in this issue. He concluded by moving: "That the statment of accounts and balance sheet at April 30, 1920, and the reports of the directors and auditors, be received and adopted."

Mr. C. R. Hoare seconded the motion, and it was carried unanimously.

On the motion of the Chairman, seconded by Mr. Hoare, it was unanimously resolved: "That a dividend of ten per cent., less tax be, and it is hereby declared payable on September 27, 1920, to the shareholders on the books of the Company on September 20, 1920."

The retiring director (Mr. E. L. Hamilton) was re-elected, and the auditors (Messrs. McAuliffe, Davis, and Hope) were reappointed.

A vote of thanks to the Chairman, directors, and staff in London and in the East terminated the proceedings.

PADANG JAWA RUBBER ESTATE.

THE tenth annual general meeting of this Company was held on September 28 at the registered offices of the Company, 7 Martin's Lane, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding. The Chairman said: Gentlemen,—I move: "That the directors' report and accounts for the year ended March 31, 1920, as submitted to this meeting, be approved and adopted, and that a final dividend of ten per cent., making a total dividend of twenty per cent. for the year, be declared and paid." It is a source of gratification to my colleagues and to myself to be able to present to you at this, the tenth annual meeting, accounts showing a net profit of £24,038, as compared with £4,357 for last year. This increase has been secured by the excellent average net price obtained for the output harvested and the exceedingly low cost of production, due to efficient and economic local management. I think, gentlemen, you are all aware of the position of the Rubber market at this juncture, but I think you will agree that the Company is in a sufficiently strong financial position to withstand the present depression in the industry. Having regard to this, however, your directors have decided on the conservative policy of recommending that a dividend of ten per cent. be now declared, making the total for the year twenty per cent., that a sum of £3,000 be transferred to reserve account, and that the balance of £12,956 be carried forward to the current financial year, after providing for the usual reservations. As you have probably noticed, the depression has been the subject of serious consideration by the Council of the Rubber Growers' Association (of which Association this Company is a member), and details of a scheme have been put forward whereby it is recommended that the output from all estates should be voluntarily restricted by twenty-five per cent. as from November 1 next "until the economic position justifies its modification." If this restriction receives the unanimous support of all rubber-estate owners, whether they be members of the Association or not, the effect will be far-reaching, and should lead to a basis of closer co-operation among rubber growers, the lack of which has been one of the most regrettable features of the past. To return to our Company, it is hardly necessary for me to report that the condition of the estate and the management is all that can be desired—the excellent result of last year's working speaks for itself. I feel sure I shall be correctly interpreting your wishes by recording our unanimous appreciation of the services rendered by the estate staff, including our visiting agent, Mr. E. B. Prior, and Messrs. Kennedy and Company, the agents in Penang. I will ask Mr. Harold de Winton to second the resolution.

Mr. Harold de Winton seconded the motion, which was unanimously adopted.

EASTERN INTERNATIONAL RUBBER AND PRODUCE TRUST, LIMITED.

THE eleventh annual general meeting of this Company was held on September 30 at the Canon Street Hotel, E.C., Mr. Frank Copeman (the Chairman) presiding. The Chairman, in moving the adoption of the report and accounts, said that the total revenue for the year ended June 30 last was £26,423, as compared with £17,858 for the previous year. The net profit amounted to £18,690, as compared with £11,580. During the past year the directors had taken advantage of opportunities to make a change in certain investments, by which they had secured a capital appreciation of £55,735. On the valuation of the securities they found an appreciation at June 30 of £167,435. A revaluation of the securities made on the previous day showed that the appreciation had been reduced since June 30 to £154,000.

Proceeding, the Chairman said: I know that the tea position to-day is very bad, and I am aware of the anxiety of the shareholders as to the amount we have invested in tea. Tea will assuredly come by its own again, and meantime there may be possibilities for those who take the long view for the profitable investment of capital in the tea industry.

Proposed Restriction of Output.

Shareholders in rubber companies have viewed with alarm the steady fall in the price of rubber since the beginning of the year, and they and the public generally have now been made aware of the causes which have contributed to that fall. The Rubber Growers' Association have recently issued a circular reviewing the position and urging on producers to restrict output until the economic position justifies normal production. Briefly, the position is this: There is a temporary over-production of rubber. I use the word "temporary" advisedly. I have expressed to you that, given normal conditions of trade, the world can and will consume as much rubber as can be produced from the present planted acreage and more. The present position arises from the fact that the world is taking a longer time to recover from the effects of the long and disastrous War than was anticipated. If normal production continues to the end of the present year there will be from 35,000 to 40,000 tons unabsorbed surplus of rubber, without taking into account the exceptionally heavy stocks in consuming countries. If normal production continues beyond the present year, the unabsorbed surplus will grow and the position become worse, unless and until

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demand improves and development is resumed. In my opinion demand will improve gradually. The effect of the previous voluntary restriction of output in 1919 by which time heavy stocks in the East had been absorbed and we had the advantage of a moderately normal year. It is common knowledge to-day that all consuming countries are sympathetic towards restriction, but all are not agreed as to the method by which it can be achieved.

Objections to Restriction.

I would like to deal with some of the objections to restriction of output which I have heard. It has been said that there is no occasion to restrict because even at present low prices many large and well-managed concerns can produce at a profit, and such concerns are not called upon to make sacrifices for weaker or badly managed concerns, which should be allowed to go to the wall. The average price of rubber is well below the published figures, and when top grades are as low as at present there is little demand for the poor grades, which sometimes become unsaleable. I doubt if there are many concerns which can profitably produce at present average prices. I have recently returned from the East, and I can tell you that costs have gone up enormously. The present price or anything like it does not provide a fair return on capital.

We are told that when Germany and Russia come into the market they will demand more than their pre-War consumption. The business of these countries in exported goods has been done by Great Britain, America, and Japan, and the absence of Germany and Russia from the export market has not affected the consumption of crude rubber.

Then we are told that restriction of output will interfere with the development of the manufacturing industry. I would strongly object to any restriction which meant the forcing up of prices to an unconscionable extent.

Present-day prices may not be the average for the year. If restriction comes about we may yet have a fair average price for the year. There is no occasion for panic, only for caution and foresight. The price of coffee is still profitable to us; the same applies to coconuts, and the price of copra yields us a very fair profit. As to cocoa, the price is now at about the pre-War figure, but our interests in that product are limited to a mortgage which is well secured on one estate only.

With regard to the proposed new issue of shares, the present position affords many opportunities for the employment of additional capital with the prospect of great advantage. We propose to offer to the shareholders, in the first instance, one share in four of their holdings, but they will have the right to take up more if they are available. After referring to his recent visit to the East, the Chairman concluded by moving the adoption of the report and accounts.

Mr. P. K. Read seconded the resolution, and it was carried unanimously.

RUBBER PLANTATIONS INVESTMENT TRUST, LIMITED

THE eleventh ordinary general meeting of the Rubber Plantations Investment Trust, Limited, was held at the Cannon Street Hotel, Cannon Street, E.C., on October 1, Mr. H. J. Welch presiding.

Mr. Richard T. Bartley, A.C.A., representing the Secretaries (Messrs. Harrisons and Crosfield, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen, In the unavoidable absence of our Chairman, Mr. George Croll, my colleagues have asked me to occupy the chair to-day. Mr. Croll is suffering from overwork and has been ordered a rest, and I am sure you will all share the satisfaction of the board in hearing that he is making good progress towards complete recovery. (Hear, hear.)

The accounts before you show a net profit on the year's working of £174,921, and the total amount standing to the credit of profit and loss account is £178,221, subject to Nederland Indie War tax (if any). Out of this sum the directors recommend that a dividend of six per cent. (less tax) be paid, and there will remain a sum of £106,470 to be carried forward

Capital and Liabilities.

Before dealing further with the profit and loss account, may I be permitted to direct your attention to certain items on the balance sheet? In the first place, you will notice that the issued capital of the Company as at March 31, 1920, had been increased to £1,244,300 due to the fact that during the year 84,868 shares have been allotted in respect of options exercised.

The majority of shareholders who made deposits with the Company in May 1918 have now converted such deposits into shares as from April 1 last; 965 [illegible] shares have been allotted in this respect, leaving only £570 of the loan outstanding.

Our issued capital now thereby stood at £1,279,874.

Last month the board decided that it would be in the interests of the Trust to issue the remainder of its nominal capital and accordingly 20,126 shares were offered for subscription by the shareholders at par. The issue was largely oversubscribed. About 9,000 shares [illegible] were allotted to shareholders who made deposits in 1918, and when these [illegible] the Company will amount to £2,000,000.

The reserve remains at £500,000.

Temporary loans from our bankers amounted at March 31 last to £30,051. This sum has now been repaid.

Investments and Properties.

On the assets side of the balance sheet investments in shares, Debentures, and options (less the credit to realisation account) stand at £635,702, being an increase of £20,054.

Sales of investments realised £152,981, and showed a surplus over cost of £72,187, which has been taken to realisation account.

At March 31 last [illegible] Debentures, and options was made by the Company's brokers, Messrs. Laurence, Sons and Gardner, and this valuation showed a surplus over the amount at which they stood in the balance sheet of £710,691, as compared with £428,327 a year ago. The position taken out yesterday shows a surplus of £397,520, being a decrease on the March 31 figure of £313,171.

The [illegible] properties (including working capital) now stands at £1,715,636, being an increase of £165,410. This increase is represented by expenditure on the immature areas, buildings, and machinery, and by the purchase of new interests in land in Sumatra and in Malaya.

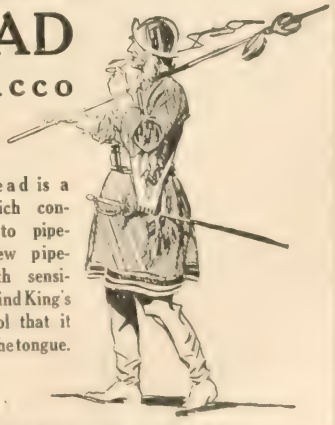
Loans receivable amounted at the date of the balance sheet to £143,277, being a decrease of £166,855, as compared with the previous year. With small exceptions, these loans are advances to companies in which we are largely interested, and are well secured.

It is anticipated that the average net cost to the Trust of the acreage represented by its investments and properties at March 31, 1920, is not likely to exceed £63 per planted acre when in full bearing, after allowing for the amount standing in the balance sheet to the credit of reserve account, but without making any allowance for the value of the reserve lands held in connection with the Company's plantations.

Turning to the profit and loss account, the profit shown on produce from the Company's estates, amounting to £151,066, compares with a loss of £106,620 for the previous year.

This year's figure includes, however, a profit of £32,364 on the valuation of the balance of our 1917 and 1918 tea crops, which you will remember had been shipped to America

KING'S HEAD
Tobacco



King's Head is a tobacco which converts men to pipe-smoking. New pipe-smokers with sensitive palates find King's Head so cool that it never burns the tongue.

THREE NUNS
—a milder blend

Both are sold everywhere at 1 2 per oz.
Tins: 2-oz 2 5 4-oz 4 8

"THREE NUNS" CIGARETTES

MEDIUM	6d	1 -	2 5	4 8
HAND MADE	8d	1 4	3/4	6/8

and Canada owing to importation into the United Kingdom of foreign-grown teas having been prohibited.

Dividends, interest, &c., amount this year to £58,383 (net), as against £29,161 last year. Allowing for income tax deducted on payment, the amount received from these sources was equal to about five per cent. upon our total issued capital at March 31 last.

Plantations

I will now deal with the plantations owned exclusively by the Trust, all of which I personally visited in December and February last during my recent tour through the East. I found them all in good condition and well managed. They have been planned and equipped on first-class lines, and are very well and efficiently maintained.

Our South Indian property continues in excellent condition, and the output of both our products has increased. The tea and rubber show satisfactory profits. New clearings have been commenced during the current year, 100 acres for rubber and thirty-five acres for tea.

Sumatra Tea Properties.

From our Sumatra tea properties during the calendar year 1919 we harvested 6,056,544 lb., which was an increase of 551,062 lb. over the figure of the previous year.

The cost of production free on board at port of shipment (including provision for commission to staff, &c., but excluding loss on exchange) was 9.90*d.* per lb., as against 8.14*d.* The loss on exchange works out at .59*d.* per lb., and the loss on rice at 1¼*d.* per lb. The crop realised a net average price of 1*s* 0.96*d.*

The actual profit on the 1919 tea crop was £65,295.

The estimated crop for the calendar year 1920 is 7,000,000 lb., and to the end of August 4,628,489 lb. had been harvested. Unfortunately, however, the fall in the selling price of tea, combined with the loss on exchange and on the supply of rice to our labour in Sumatra, will cause us a considerable loss on the tea produced during the current year.

With regard to our loss on rice, the Dutch Government early in the year insisted upon our ensuring supplies for twelve months ahead, and at a time when the price was at its highest. Consequently, our loss on rice will be equivalent to about 3*d.* per lb., and but for this we should have been anticipating a profit instead of a loss on our tea this year.

Our total acreage under tea in Sumatra at December 31 was 9,455 acres. The greater part of this acreage is not yet in full bearing, notwithstanding which the average yield per acre over the area in bearing was 778 lb., as against 761 lb. last year.

Sumatra Rubber Plantations.

I will now turn to the Sumatra Rubber Properties. The planted acreage remains unaltered at 3,013 acres. The crop harvested during 1919 was 1,013,727 lb., against 500,595 lb. in the previous year. The yield per acre was 379 lb., as against 355 lb. last year. The net price realised was 1*s.* 10.30*d.* per lb., and the f.o.b. cost (including loss on exchange) was 11.99*d.* per lb.

The total amount of £1,715,636, which is shown by the balance sheet to be invested in our properties and in working capital therefor, is represented by approximately 11,098 acres of tea planted and in course of planting, 4,084 acres of rubber planted and in course of planting, and 83,630 acres of reserve land.

Reserve Lands.

You will notice that our reserve lands have been increased during the year by 43,698 acres; this increase is represented for the most part by the purchase of interests in large tracts of first-class land in Sumatra on extremely favourable terms.

I should like here to express our cordial appreciation of the valuable services during the year of our able visiting agent, Mr. Victor Ris, our indefatigable general manager, Mr. Slotemaker, and of our various estate managers and members of staff in Sumatra and Southern India.

Directors' Remuneration.

The directors are submitting for your approval certain alterations in the method of calculating their remuneration. It is proposed that the existing nominal fixed fees should be increased, but in place of ten per cent. of the profits distributed as dividend in any year, two and a-half per cent. should be substituted. The directors consider the proposed alterations, if adopted, will prove a valuable concession to the Company, and provide a more equitable basis for their future remuneration.

The Tea Industry.

With your permission, I now propose to give you a resumé of the recent course of events in the tea industry.

Prices rose rapidly in the early autumn of 1919, but towards the end of that year tea was shipped in abnormal quantities, the market became flooded, and prices fell.

The quantities of tea upon which duty payments were made in the United Kingdom continued on a very large scale until the end of October, but subsequently they showed a decline, falling from an average of 36½ million lb. between April and September 1919 to 30¾ million lb. between April and August 1920.

The stock of tea in bond in the United Kingdom, as shown by the Board of Trade returns, rose rapidly during the last four months of 1919, and at the close of the year it stood at the unprecedented figure of 226 million lb. This compares with 135 million lb. at the end of 1918 and 138 million lb. at the end of 1913.

The returns show that at the end of August last the stock amounted to 222½ million lb., against 133 million lb. and 82 million lb. in the corresponding months of 1919 and 1913.

At that date there were, in addition, considerable quantities in London and other ports awaiting allocation to bonded warehouses.

There are also large stocks in Northern India, which have accumulated as a consequence of the efforts to retard shipments.

The following comparison of prices in London public sale is instructive :—

	Early Nov. 1919.	End Sept. 1920.
Average of Indian tea	1*s.* 9⅞*d.*	10½*d.*
Common Indian tea	1*s.* 6½*d.*	4½*d.*

The decline in prices has been most marked in the case of the commonest kinds of tea, which have been sold in public sale at prices that did not even cover the shipping expenses and landing and selling charges.

Re-exports from this country during the year have been of reduced dimensions.

The market in Holland has been considerably oversupplied, and the demand from France has also been very small.

Another feature which has tended to depress the market has been the growing financial stringency.

Restriction of Output Advocated.

It will be apparent to all that as tea generally is being marketed below the cost of production, and the loss involved on the lower grades is exceedingly heavy, it is necessary that production should be generally curtailed until such time as the abnormal stocks existing have been reduced, and the prices brought up to a level which will at least cover the cost of production. Whilst the efforts to secure concerted action to curtail production have not yet matured, fortunately there is now a prospect that they will succeed.

It perhaps should be pointed out that an effective scheme for the reduction of output is as much in the consumer's interests as it is in that of the producer. If continuity of supply is to be ensued the producer must at least cover his cost of production until, with a return of normal conditions, he is able to earn a reasonable profit on his produce.

Whilst it will be difficult to make a large reduction during 1920, by next year, provided the proposals to reduce outputs by about twenty per cent. are generally adhered to by the producers, the reductions should rapidly tend to stabilise conditions, and prepare the way for the reduction of stocks and a recovery in prices to an economic level.

Producers will appreciate that by keeping down stocks the restrictions will tend to maintain the price of tea for two or three years to come at a reasonably remunerative price.

I sincerely hope that, as a result of the efforts which are being made, successful concerted action to restrict production will promptly be taken in India, Ceylon, and the Dutch East Indies, and that such restriction will be continued until stocks and prices justify its termination.

There are one or two things of a more hopeful nature in relation to tea to which I should like to draw your attention.

With regard to home consumption, taking the duty payments even during the past five months of this year as an indication, we arrive at an annual consumption of 369 million lb., as compared with 305 million lb. in 1913.

The Board of Trade returns for last year give the amount entered for home consumption at 388 million lb. We think, therefore, the increase of home consumption over 1913 can be placed at fully twenty-five per cent.

Another satisfactory feature is the growing consumption of tea in India, which, it is estimated, has now reached fifty million pounds, whereas in 1914 it did not exceed about twenty million pounds.

I should like also to remind you that the actual shipments of all kinds of tea from all countries to Russia in 1913 amounted to 191 million pounds. With such a large consuming country out of the market for three years, it is, indeed, remarkable that the world's crops have been absorbed as successfully as has been the case. If that country were again in a position to resume buying on anything approaching the pre-war scale, the effect on prices would be very considerable.

We are convinced, therefore, that when economic conditions are restored throughout the world we shall rapidly see the world's demand for tea overtaking and passing the world's production.

The Rubber Industry.

With regard to rubber, from the best information now available, it would appear that the total area under plantation rubber at December 31, 1919, was 3,200,000 acres, of which about 2,210,000 acres were in bearing. Particulars of areas under large holdings are still incomplete, while that for small native holdings is very scanty indeed.

On the information available, however, it does not appear probable that the estimate which was given at last year's meeting of the potential output in 1926 of 500,000 tons of plantation rubber will be exceeded, unless the present general average produced per planted acre in bearing can be increased.

Turning now to the present position of rubber, the high hopes which were almost universally held at the end of last year have not been fulfilled. These hopes were doubtless stimulated by the remarkable manner in which the whole of the 1919 output, together with the large accumulations of some 50,000 tons in the East at the end of 1918 was absorbed. Over 390,000 tons were shipped from the various producing countries in 1919, and of this quantity 350,000 tons came from the East.

The Rubber Growers' Association had recently sent to its members a circular (to which wide publicity has been given), asking them to agree to restrict their outputs to the extent of twenty-five per cent. In that circular they have dealt fully with the causes which have brought about the present position, and there is, therefore, little need to refer to them here.

The kernel of the whole matter is this—that stocks of rubber have reached an abnormal height, and for some time the price has been steadily falling. From the statistics and estimates which accompany the circular of the Rubber Growers' Association it appears that if there is no restriction of output there may exist at the end of this year accumulations of rubber of between 35,000 tons and 40,000 tons, in addition to the normal stocks held by the producing and consuming countries. Estimates of the future course of trade and the consuming power of the various nations are always difficult and dangerous, and at the present time are especially so. But the existing large stocks and the fall in prices are obvious facts which call for prompt combined action by the producers.

How long the proposed restriction will be necessary depends upon the course of events.

It will, however, be appreciated that the effect of preventing an additional inflation of stocks will not only influence the price in the year of restriction, but in subsequent years also. Further, by restriction bark is conserved and the capital value of the trees improved.

As you are aware, the American automobile industry is the most important factor in settling the price of raw rubber. Seventy per cent. of the world's output in 1919 was absorbed by America, and of this proportion it has been estimated that about three-fifths was used in the motor industry. During 1919, 2,000,000 motor-cars and trucks were built in America, and the total number of automobiles registered there at the end of that year had reached the colossal figure of 7,550,000, of which 6,800,000 were cars and the remainder motor lorries. America has thus one automobile to every fourteen of her population, while the proportion for the United Kingdom is estimated to be one to every 110.

The high consumption of rubber and the number of cars per head of the population of America, compared with the other countries of the world, suggest that a huge potential demand exists in these other countries far in excess of their present consumption.

During 1919 Great Britain, France, Italy, and Japan took 84,000 tons of raw rubber, but at present it is estimated their total requirements this year will not exceed 56,000 tons. Had the demand for these countries alone during the present year kept even at the level of the demand of last, the price of the commodity to-day would doubtless have been much more satisfactory.

New Uses for Rubber— £5,000 Prize Scheme.

I have been asked to call your attention to the "Prize" Scheme initiated by the Rubber Growers' Association for ideas and suggestions which will extend present uses and encourage new uses for rubber. The increase of the consumption of the product is naturally of prime importance to all those interested in rubber-producing companies, and the scheme does not, therefore, need any recommendation. The prizes offered in this connection amount in value to £5,000, and the conditions governing the offer can be obtained from the Secretary of the Rubber Growers' Association.

General Financial and Economic Conditions.

Before closing, perhaps you will permit me to refer to the general financial and economic conditions prevailing throughout the world, as the tea and rubber position and prospects are inextricably bound up with them. In spite of Great Britain's extensive floating foreign debts of over 1,000 millions sterling, it is generally conceded that, from a purely national point of view, we are in a better financial and economic position than our European Allies or our late enemies; and were it not for the derangement of their finances and industries, there is little doubt that, with the combined efforts of all classes, we could surmount our own financial and economic difficulties. But this War has shown how closely the interests of the different nations are knit together, and that the sufferings and misfortunes of a great war are shared by the victorious and neutral nations as well as by the vanquished. (Hear, hear.) Large balances of export and import trade exist in favour of or against the various nations, causing instability of and differences in the exchange values, for the amounts and fluctuations of which there are no precedents. This makes international trade very difficult. Whilst half the world cannot afford to buy from other nations any but the barest necessities, the trade of all must suffer. It is consequently essential in the interests of all nations (whether victors, vanquished, or neutrals) that means should be found to re-establish the international financial position upon a firm basis and to stabilise the various exchanges. The financial and trading interests of the whole world, therefore, await anxiously the proposals of the International Conference now sitting at Brussels for the solution of the financial problems from which all are suffering, and which not only seriously hamper foreign trade, but are a material cause of the continuing increase of the cost of living, of money, and of credit.

No one believes that the present world-production of goods equals the world's requirements. The destruction of assets during the War must be made good, and there is a general shortage of necessaries. Yet we are threatened with a trade slump which is almost universal.

The explanation is partly to be found in the international financial difficulties to which I have referred, but also in a great measure in the continued internal troubles of various kinds, the general labour unrest, and the Government and private extravagance which has followed the War. (Hear, hear.)

The effect of these latter on trade and upon national reconstruction cannot be over-emphasised. Confidence—upon which trade and credit so largely depend—is shaken, with the result that traders' stocks are reduced, orders are minimised, and credit generally is restricted.

The fundamental conditions of national recovery and of the improvement of standards of living are peace, greater production, and national and personal economy. (Hear, hear.) In my opinion, if the British people will appreciate and act upon this simple truth the country's recovery is assured. (Hear, hear.)

The foreign trade of the world promises enormous expansion over pre-War quantities. Everywhere in the East I was told by experienced men of business that people want British goods and prefer British methods. Never before, I believe, has Britain's commercial prestige stood so high, or her potential commercial possibilities been greater. We have only to work hard, to economise and pull together, and there is nothing to prevent the nation achieving a world position in commerce such as was never even dreamed of in pre-War days. (Hear, hear.)

Trusts' Position Reviewed.

To return to our own immediate affairs, for the five years 1910 to 1914 the Trust paid dividends averaging twelve per cent. per annum, and taking the comparatively small dividends paid since 1914 into account, the dividends for the last ten years average seven and a-half per cent. per annum.

Since 1914, also, over 500,000 shares have been issued to the shareholders at par, and these issues—taking the break-up value only of the Trust shares into account—represent substantial bonuses to the great majority of the shareholders who availed themselves of the opportunities to subscribe.

Taking the valuation of our properties at cost, our investments at yesterday's valuation, and after deducting all liabilities, the balance sheet shows a surplus over capital issued of 12s. per share.

Further, the financial position of the Trust has never in recent years been sounder or easier than it is to-day.

The War and post-War conditions have unfortunately caused a reduction of our dividends, but the intrinsic value of the Company's assets has not been diminished, and as, owing to the rise in the cost of material and labour, areas of rubber or tea cannot in future be planted and equipped at anything like the average pre-War cost, the capital value of our various interests should be maintained, if not increased.

We are confident that the existing conditions affecting our dividends will not be permanent, and equally confident that the future will demonstrate that the Trust holds interests of a value far in excess of its subscribed capital, the dividend-earning power of which will ultimately adequately compensate us for these leaner years. (Applause.)

I will now move: "That the balance sheet made up as at March 31, 1920, and the directors' report be received and adopted." I will ask Mr. Hamilton to second the motion.

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The best stock is bought at
LOWEST PRICES
for excellence of quality and Design.
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tion, and after he has done so we shall be glad to listen to any comments or questions that shareholders may desire to make or to put to us.

Mr. E. L. Hamilton: Ladies and gentlemen,—We all much regret the absence to-day of our Chairman, Mr. Croll, but I am sure you will agree with me, after the address you have heard, that we are fortunate in having Mr. Welch to take his place to-day. Mr. Welch has given you a very full account of our valuable rubber and tea properties in Sumatra, and in doing so he has had the advantage of having recently visited these properties. Both articles of produce in which the Trust is so largely interested are passing through a critical period, but I look upon the troubles as temporary, due to the aftermath of the War, and, as soon as the world gets to work again, I anticipate that there will be a good demand for our products at satisfactory prices, and the shareholders will then reap the reward they are entitled to expect. With these remarks I have pleasure in seconding the adoption of the report and accounts.

No questions were asked, and the resolution, on being put to the meeting, was carried unanimously.

The Chairman moved: "That a dividend of six per cent. in respect of the year ended March 31, 1920, as recommended in the report, be paid, less tax."

Mr. H. W. Morrison seconded the motion, which was unanimously approved.

Mr. C. Heath Clark proposed the re-election of Mr. W. R. Hoare and Mr. W. Megginson as directors.

The motion was seconded by Mr. Morrison and approved.

On the motion of Mr. Winchester, seconded by Mr. Hugh Doherty, Messrs. Ford, Rhodes and Ford were reappointed auditors at a fee of 300 guineas.

On the proposition of the Chairman, seconded by Mr. Hoare, the article dealing with the remuneration of the directors was altered so as to provide remuneration at the rate of £500 per annum for each director other than the Chairman, and £1,000 for the Chairman, and two and a-half per cent. of the profits declared as dividend instead of the ten per cent. as at present.

Mr. A. Gardner proposed a vote of thanks to the Chairman, directors, the visiting agent, and managers and staff for their conduct of the business during the past year, and a vote of sympathy with Mr. Croll in his illness. The motion was seconded by Mr. F. Crosbie Roles and unanimously agreed to, and the Chairman having acknowledged the compliment, the proceedings terminated.

KAWIE (JAVA) RUBBER ESTATES, LIMITED.

The tenth ordinary general meeting of this Company was held on October 1, at Winchester House, London, Mr. R. F. McNair Scott presiding.

The Chairman said that there now appeared in the balance sheet for the first time the item "share premium account," the amount of premium brought in being—after deducting expenses £13,391. This, together with the estates reserve account, made a total of £25,391, or what might be termed a general reserve equal to about one-third of the Company's issued capital. The estates, including buildings and machinery, stood at £87,455, or an average capital value of under £39 per acre. The total sales for the year amounted to £53,938, against £40,329 for the previous year, and the profit amounted to £36,935, against £23,938. In other words, the profit had increased £13,000 for an additional expenditure of under £2,000. With the amount brought forward there was a total of £48,685, and, after making due allowance for British and Dutch income tax, excess profits duty for previous years, and the payment of the interim dividend of five per cent. last January, there was an available balance of £36,952. The directors recommended the payment of a final dividend of fifteen per cent., less tax, making a total dividend of twenty per cent. for the year, and leaving a balance of £25,702, subject to the usual additional remuneration to directors and Eastern staff, excess profits duty, corporation tax, and Dutch War tax. Perhaps the present was a suitable opportunity for emphasising the extremely hard measure which the Company had had meted out to it under the inequitable taxation of the last few years. As a young company they had been imbued with the old-fashioned but sound idea that capital should not be inflated, but kept as low as possible. Hence their pre-War standard of capital was low, and they were accordingly penalised. What was the result? Shareholders in the Company had received during a period of ten years net dividends totalling about ninety-one per cent., whereas in the last six years the Company had been mulcted by its compulsory partner, the British Government, in amounts equalling 114 per cent. If this crushing taxation in England were prolonged much further, companies like theirs, operating abroad, in order to throw off the incubus, would have no alternative but to consider a change of domicile. They had no desire to escape their proper share of the heavier taxation due to the War, but they did complain of the unfair incidence of the excess profits duty. The course of the market in rubber had been very disappointing to producers, and for the moment the demand was unable to keep pace with the supply; but it was interesting to note that the mere prospect of lower outputs as a result of the proposed restriction scheme had had the effect of improving the price of the commodity.

The report and accounts were unanimously adopted.

THE VICTORIA FALLS AND TRANSVAAL POWER COMPANY, LIMITED.

At the annual meeting of shareholders of the above Company, held on October 1, the Chairman (the Marquess of Winchester), in submitting the report and accounts for the year ended December 31, 1919, referred to the satisfactory position of the Company's business. Notwithstanding the continued and ever-growing increase in cost in all classes of material and in wages, &c., and in spite of the heavy taxation, the year's trading had enabled the Company to maintain the same dividends as last year, and, without reducing the carry-forward to the current year.

Profit and Loss Account.

The profit and loss account showed a revenue of £829,470, the net result for the year, after providing for interest, premium and expenses of debentures, depreciation and British taxation, being a profit of £175,624, out of which profit, *plus* the amount of £93,693 brought forward from the previous year, dividends at the rate of ten per cent. on the Preference shares and five per cent. on the Ordinary shares, both less income tax, had been paid, leaving a balance standing to the credit of the profit and loss account of £94,320, which had been carried forward to the year 1920. No addition had been made to the reserve fund, which still stood at £250,000.

Referring to the assets of the Company, the leases and concessions of the various undertakings, and the Company's power-stations, buildings, equipment, and land stood at £3,294,743, the Chairman stating that at the prices ruling to-day similar machinery could not be installed at anything like the figure at which the existing installations stood in the Company's accounts. The loan to the Rand Mines Power Supply Company, Limited, and the 500,000 shares in that Company stood together at £2,858,903, and the cash and investments amounted together to £2,854,673, and covered the liability to creditors, the reserve fund, and the balance of the profit and loss account.

Dealing with the affairs of the Company generally, the Chairman stated that the Company was still without any settlement of the relief from British income-tax in respect of Colonial taxation; since the last meeting their claim had been heard by the Special Commissioners of Income-Tax, and was proved to their satisfaction on every point, so that there was now nothing to stand in the way of a settlement.

FOREIGN CREDIT CORPORATION

30 PINE STREET NEW YORK

Acceptors and International Bankers

Under Supervision of Federal Reserve Board

Condensed Statement June 30, 1920*

RESOURCES

Bankers Acceptances & Collateral Loans	$6,563,787.00
Cash on Hand and in Banks	406,025.13
Securities Belgian Government	642,220.00
Sundry Debits	71,947.43
Notes Receivable arising from Exports	5,756,332.46
Customers Liability a/c Letters of Credit & Acceptances	9,456,691.47
	$22,897,003.49

LIABILITIES

Capital	$5,000,000.00
Surplus	1,000,000.00
Undivided Profits (9 months)	449,338.34
Reserves for Taxes, Interest, etc.	202,895.11
Sundry Credits	6,460.45
Deposits as Security for Acceptances & Loans	130,776.45
Anticipations a/c Acceptances	412,343.65
Obligations to War Finance Corporation	6,238,498.02
Letters of Credit & Acceptances	9,456,691.47
	$22,897,003.49

*Opened for business September, 1919.

Acceptance Credits domiciled in the United States or in foreign banking centers; Commercial Letters of Credit; foreign collections; all other lines of international banking consistent with the scope of the Corporation's business.

STOCKHOLDING BANKS:—Central Union Trust Company, New York; Chase National Bank, New York; Guaranty Trust Company of New York; Liberty Securities Corporation, New York; Philadelphia National Bank; Shawmut Corporation of Boston; Union Trust Company of Pittsburgh.

With regard to the question referred to last year of the renewal of the earlier contracts, the first of these to fall in had been renewed by the consumer for a further period of five years, pursuant to the right to renew contained in the contract.

Low-Grade Mines.

Referring to the low grade mine the Chairman stated that at the last two meetings he had spoken to the shareholders about the anxiety felt as to the position of the low-grade mines, whose payability was so easily affected by increased costs of mining. This matter had since become a subject of wide interest, being of great importance to all concerned in gold mining at Johannesburg. It was, of course, common knowledge that the free market for gold had so far provided the counter-balance in a very large number of cases against immensely increased working costs, and had enabled many of the low-grade mines to continue operations. The future, however, was not open for anyone to foresee, but it was only to be expected that a substantial premium on gold will rule for some time, and as this disappears it was to be hoped that there would be a cheapening in the price of commodities and a reduction in the price of living, a reduction which would still make it a profitable enterprise to mine low-grade ore.

Efficiency of Management.

The Chairman expressed the great appreciation of the board for the good work done by the management and the staff, which was evidenced by the fact that during the current year the business had so far been satisfactorily maintained, and the amount of power sold corresponded with that of the previous year. Throughout the period under review an excellent service had been maintained and the whole plant had worked satisfactorily, the high efficiency of generation obtained being a great testimonial to the ability of the Company's operating and maintenance staff.

In conclusion, the Chairman referred to the recent meeting of the First Mortgage Debenture holders, and stated that the trust deed had now been altered so that the service of the issue was now established in London.

The report and accounts were unanimously adopted.

New Issues.

5-15 YEAR TREASURY BONDS.

Particulars of these bonds, which are still on offer, appeared in THE STATIST of September 25 and preceding weeks.

LONDON HOUSING BONDS.

Full particulars were given in our issue of last week.

MORLEY AND IMPEY, LIMITED.

Offer of 75,000 Seven per Cent. Cumulative Preference shares of £1 at par, 25,000 Six per Cent. Preferred Ordinary shares of £1 at 24*s.* per share, and 100,000 Deferred Ordinary shares of 1*s.* each. The Deferred will be available only to applicants for capital amount of Preference or Preferred Ordinary shares, and will be repurchased by the directors at 3*s.* 6*d.* per share if offered by the holder during the next twelve months. This novel proviso enables the investor to reduce the cost of the Preferred shares and raise the yield to that generally obtainable at present, or to participate in the surplus profits of the Company if he considers prospects justify their retention. The Preference shares now offered will rank *pari passu* with the 75,000 shares of the same class already issued, and will hold priority as to capital and dividend over all other capital of the Company. The Preferred Ordinary shares will be on the same footing with the 40,970 shares of the same class already issued, and are entitled to a dividend of ten per cent. per annum in priority to the Deferred Ordinary.

As manufacturers of "Kalamazoo" loose-leaf books the Company holds a premier position in the home trade, and has developed an excellent export organisation. Its wide market is independent of local or national depressions, but, on the other hand, is liable to be virally affected by fresh inventions or developments in office organisation. The certified total net assets at present equal £131,884, and the Preference share capital equals £75,000. The new Preference issue is, therefore, well secured. The Preferred Ordinary are in a much less secure position, and in the unlikely event of an early liquidation would scarcely stand a good chance of being repaid at par. We consider the Preference shares a sound investment, and the Preferred Ordinary a relatively safe lock-up. The Deferred Ordinary, however, as an income earning security are a decided speculation.

CALDWELL'S PAPER MILL COMPANY, LIMITED.

Offer of 292,993 Ordinary shares of £1 each at par. The Company has been formed to acquire the business of Caldwell and Co., paper manufacturers, as and from October 1, 1919. The issued capital, including present emission, consists of £300,000 Ordinary shares and £250,000 eight per cent. Debentures. There is no mention in the prospectus of the contracts with the vendor or of the actual issue of Debentures, and no independent valuation of the assets is given. We presume that, despite the obscure wording, they have been issued as purchase consideration. The London Investment Syndicate received a commission of £19,509 for the placing of the 292,993 shares, of which the directors and their friends agree to take 120,000. The prospectus is not sufficiently informative to allow judgment on what may quite possibly be a sound speculation.

NATIONAL BANK OF INDIA, LIMITED.

NOTICE IS HEREBY GIVEN that the Transfer Books of the Bank will be Closed from the 6th to the 12th October, both days inclusive.

C. NICOLL, Manager.

26 Bishopsgate, London, E.C., 28th September, 1920.

THE ANACONDA COPPER MINING COMPANY have declared a Dividend of $1 per share, payable 2nd November, to Stockholders of record on 15th October, 1920.

Wesleyan & General Assurance Society.

Established 1841. Incorporated 1914.

PRINCIPAL OFFICE: BIRMINGHAM.

London Branch Office: 20-23 Holborn, E.C. 1.

ANNUAL INCOME EXCEEDS ... £1,350,000

CLAIMS PAID EXCEED ... £10,000,000

All classes of Life Assurance and Annuity Business transacted.

Under the latest Tables an Annual Bonus of £3 per cent. is guaranteed.

Write for Prospectuses or quotations to meet your individual requirements.

ARTHUR L. HUNT, F.S.S., F.C.I.I., General Manager.

P A

If you under-insure your home and have a fire the loss falls upon yourself.

If you under-insure your life the loss falls upon your wife and family.

PROTECT YOUR FAMILY by effecting a LIFE POLICY and a FIRE POLICY with the

PRUDENTIAL ASSURANCE CO., LTD.

C Ld.

The National Bank of Scotland Limited

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT. ESTABLISHED 1825

Capital Subscribed, £5,000,000.

Paid up, £1,100,000. Uncalled, £3,900,000.

RESERVE FUND, £1,000,000.

Head Office—EDINBURGH.

WILLIAM CARNEGIE, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD STREET, E.C. 4.

T. C. RIDDELL, Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the Collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

There is a specially equipped Foreign Department at the principal Glasgow Office.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817

Paid-up Capital, $22,000,000.
Rest, $22,000,000.
Undivided Profits, $1,190,440.
Total Assets (30th April, 1920) $571,150,138.

BOARD OF DIRECTORS.

Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq.

Head Office: Montreal.

General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:

47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.

PARIS AGENCY: BANK OF MONTREAL (FRANCE)

17 Place Vendome, Paris.

London Committee: Sir Thomas Skinner, Bart. Lieut.-Col. F. R. S. Balfour.

Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869.

Capital Paid up	**$19,000,000**
Reserve Funds	**$19,000,000**
Total Assets	**$584,000,000**

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President.* E. L. PEASE, *Vice President & Managing Director.* C. E. NEILL, *General Manager.*

700 Branches in Canada and Newfoundland; in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia.

IN BRITISH WEST INDIES AT:

Antigua, Barbados, Grenada, St. Kitts, Bahamas, Dominica, Jamaica, Trinidad, British Guiana, British Honduras.

ARGENTINE	**Buenos Aires.**
BRAZIL	**Rio de Janeiro, Santos,**
URUGUAY	**Montevideo. Sao Paulo**
BARCELONA, SPAIN ...	**Plaza de Cataluna 6.**
NEW YORK AGENCY ...	**68 William Street.**
LONDON OFFICE ...	**Princes Street, E.C. 2.**

FRENCH AUXILIARY.

THE ROYAL BANK OF CANADA (FRANCE).
PARIS—28 Rue du Quatre Septembre.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2

Paid-up Capital	**£4,765,700**
Reserve Fund	**3,275,000**
Reserve Liability : Proprietors	**4,765,700**
	£12,806,400
Aggregate Assets, 31st March, 1920	**£75 544,242**

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM,
Assistant Manager

BANQUE NATIONALE DE CREDIT.

CAPITAL	**Frs. 500,000,000**
RESERVE FUND	**„ 62,000,000**
DEPOSITS	**„ 2,600,000,000**

Head Office:

— PARIS. —

270 Branches in France.

4 Branches in the Rhenish Provinces.

GENERAL BANKING BUSINESS.

"The Bank of Swedish Commerce."

SVENSKA HANDELSBANKEN

HEAD OFFICE: STOCKHOLM
TEL. ADDR.: HANDELSBANK

254 branches throughout Sweden

PAYMENTS. COLLECTIONS.
DOCUMENTARY CREDITS.
TRAVELLERS LETTERS OF CREDIT, ETC.

CAPITAL & RESERVES
KR. 180,000,000:—

SVENSKA HANDELSBANKEN 1871

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament, 1865.)

Paid-up Capital	**£500,000**
Reserve Fund	**570,000**
	£1,070,000
Uncalled Capital	**125,000**
Reserve Liability of Proprietors ...	**625,000**
	£1,820,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
Sydney Office: 105 PITT STREET.
Melbourne Office: 267 COLLINS STREET.

Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.

London Office—11 LEADENHALL ST., E.C.3.
PERCY ARNOLD, O.B.E., *Manager.*

NATIONAL BANK OF NEW ZEALAND.

LIMITED.

HEAD OFFICE—17 Moorgate Street, E.C. 2.	
AUTHORISED CAPITAL	£7,000,000
SUBSCRIBED CAPITAL	3,500,000
PAID-UP CAPITAL	1,400,000
RESERVE FUND	1,600,000
UNCALLED CAPITAL	2,100,000

Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application.

Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent for collection.

ARTHUR WILLIS,
Secretary & London Manager.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C.3.

Capital Authorised	**£3 000,000**
Capital Paid up	**1,050,000**
Reserve Fund & Undivided Profits	**1,146,430**

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA AND PORT LOUIS, MAURITIUS.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.

Fixed Deposit Rates will be quoted upon application.

On current accounts interest is allowed at per cent. per annum on daily balances.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	**$3,000,000.00**
SHAREHOLDERS' LIABILITY	**$3,000,000.00**
SURPLUS AND PROFIT ...	**$7,500,000.00**

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States.

Correspondence Solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON JOINT CITY & MIDLAND BANK, LIMITED.
LLOYDS BANK LIMITED.
Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	Kenya
Madras	Rangoon	Nairobi	Colony,
Karachi	Mandalay	Nakuru	British
Cawnpore	Aden and	Kisumu	E.A.
Lahore	Aden Point		
Amritsar	Colombo	Entebbe	Uganda
Delhi	Kandy	Kampala	
Tuticorin	Nuwera Eliya	Jinja	
	Dar-es-Salaam	Tanganyika Territory.	
	Tanga		

SUBSCRIBED CAPITAL	£3,000,000
PAID-UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

LONDON BANKERS—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	**£2,000,000**
Called up	**£1,000,000**
Reserve Liability of Shareholders	**£1,000,000**
Reserve Fund	**£225,000**

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD CASSON, BART.,
SIR JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G.,
JAMES H. BATTY, ESQ., G. BROMILEY MARTIN, ESQ.,
EMILE FRANCQUI, ESQ., J. S. HASELL, ESQ.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

THE UNION DISCOUNT COMPANY OF LONDON, LIMITED.

Telegrams: "Udisco, London." **39 CORNHILL, LONDON, E.C. 3.** *Telephones:* 514 Avenue (3 lines).

Capital Authorised and Subscribed	**£2,000,000**
Capital Paid up - - - -	**£1,000,000**
Reserve Fund - - - - -	**£1,000,000**

The Company Deals in Treasury Bills of any Maturity.

Printed by SPOTTISWOODE BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*October 2, 1920.*

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,084,450

FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £8,526,459

LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for Two Hundred Years.

ABSTAINERS AND GENERAL
INSURANCE COMPANY LTD.
Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.
Reduced Rates for Abstainers.
Fire, Burglary, Plate Glass, Personal Accident.
Forward postcard for Company's popular booklets, "Total Abstinence an Asset in Life Assurance" and "Homes and How to Own Them."

BRITANNIC ASSURANCE Co., Ltd.,
(Established 1866.)

Annual Income £2,200,000
Total Funds.. .. .. £5,500,000
Total Claims Paid .. £14,500,000

All classes of Life Assurance business transacted.
Attractive Up-to-date Tables.

Chief Offices: Broad Street Corner, Birmingham.

LONDON & MANCHESTER
ASSURANCE COMPANY, LIMITED.
Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.
Allied with National Amalgamated Approved Society for National Health Insurance.

PREMIUM INCOME exceeds ... £1,000,000
FUNDS exceed £2,500,000

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.
Annual Income Exceeds - £5,400,000
Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

Subscription to "The Statist," to include all Special Numbers.
Payable in advance.

Inland (Post Free):
One Year (52 weeks) £1 12 0
Half-Year (26 weeks) 16 0

Colonies and Abroad (within Postal Union, Post Free):
One Year (52 weeks) £1 17 4
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Offices: 51 CANNON STREET, LONDON, E.C. 4.

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,
51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

The Statist.

LONDON: SATURDAY, OCTOBER 9, 1920.

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The Money Market.

	CURRENT RATE	PREVIOUS RATE	
	%	%	
Bank of England Rate ..	7	(Apr. 15, '20) 6	(Nov. 6, '19)
Deposit Rates:			
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20) 4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20) 4½	Nov. 6 '19

The special rate of 4½% allowed by the Bank of England has been abolished.

† Deposits with certain Banks at Special Rates only upon deposits for a week.

Discount Rates :—	60 Days	3 Mths.	4 Mths.	6 Mths.
	%	%	%	%
Treasury Bills ...	—	6½	—	—
Bank Bills	5⅞	6	6⅛	6⅛
Trade Bills	-	7-7½	7½-⅝	7½

A NEW GILT-EDGED ISSUE.

conversion, whereas holders of the new Local Loans Stock would not be so affected.

An abundance of funds during the week was the prevailing feature in the Money market. This fact, coupled with the ease with which repayments to the Bank were being effected and the increase in Government borrowing on Ways and Means shown in the Bank return, make it clear that large lines of Treasury bills are being allowed to run off. At the same time the banks seemed to be inquiring for bills maturing within the year, especially in December. To the possibility of this trend of events and its dangers to the National Exchequer we drew attention in these columns last week; in the circumstances, the income and expenditure return for the period to the 9th inst. will be awaited with more than usual interest. More than 5½ per cent. was rarely asked for day-to-day money during the week, and the more usual rate was 5 per cent. The supply of credit appeared to be increasing towards the end of the week notwithstanding the fairly heavy repayments which had to be made to the central institution, and 5 per cent. was latterly the highest rate paid, while surplus balances were frequently offered down to 4 per cent. Weekly money was in fair request at 5½ per cent. The demand appeared to be brighter in the Discount market, but the supply of bills coming forward was again on a small scale, and under the circumstances business is so restricted that the quotations can hardly be taken as a test of the market. November paper eased from 5⅞ per cent. on Monday to 5⅞ per cent. yesterday, and was again a turn easier to-day at 5½ per cent. in spite of the increase in the paper currency and the movements shown in the Bank return. The same was true of December bills, which were dealt in around 5⅝ per cent. to-day, special dates being taken at 5⅝ per cent. Rates for longer maturities were fairly well maintained, four months' paper being quoted at 6⅛ per cent. and six months' at 6⅛ per cent.

Foreign Exchanges.

In the Foreign Exchange market the New York rate improved fairly consistently during the week, to-day's quotation being 3.51. As we know from official announcements on the subject, arrangements have now been completed for retiring the Anglo-French loan maturing on Friday next, so that this factor can be eliminated in considering the future course of the dollar-sterling exchange. Wednesday was signalised by an all-round appreciation of sterling, but since then it has shown weakness in many centres. Of Continental currencies the lira was conspicuous with a jump to 91 on Wednesday, but it has since recovered to 88½. French and Belgian francs are weaker on the week at 52.45 and 49.82½ respectively. German marks weakened to 222, and Finnish marks to 128. The Dutch rate moved in our favour. Of the Scandinavian group, Norwegian and Swedish kroner moved favourably, but the Danish rate moved adversely. Eastern currencies showed remarkable weakness, the Shanghai tael declining to 5*s.* 6*d.*, the Hong-Kong dollar to 4*s.* 1*d.*, and the rupee to 1*s.* 7½*d.* The Japanese yen was steadier at 2*s.* 10⅛*d.*

Currency Notes

Yet another expansion in the outstanding note issue is shown in this week's Currency note return. Fresh issues of notes and certificates amounted to £9,176,192, against cancellations amounting to £6,726,006, making an increase of £2,450,186, as compared with the previous week's expansion of £829,247. The total outstanding now amounts to £352,946,846, the highest since August 11 last, and the fiduciary issue stands at £305,696,846, or £14,903,154 below the legal maximum. That the authorities fear a further expansion is indicated by their placing again this week £50,000 Bank of England notes in the reserve. The total of Bank of England notes so utilised now amounts to £18,750,000, the gold reserve being £28½ million. On the other hand, the step may be dictated merely by a desire to maintain the reserve ratio, which stands at present at 13.4 per cent. In either case, as we have frequently pointed out in these columns, the expedient is a fallacious one, especially at the present time, when the Bank of England's reserve ratio is at such a low level.

Bank of England.

The latest return of the Bank of England is a phenomenal one in more than one respect, and shows that the arrangements for financing the usual quarter-end requirements have had a more unfavourable effect on the central institution than was generally anticipated. The fact that a large amount of Treasury bills are being allowed to run off is, for the greater part, indirectly responsible for a further severe decline in the reserve ratio, while in the light of the movements brought about in the return by this feature, the present plenitude of funds in Lombard Street is easily understandable.

As to details, the gold holdings rose by £81,000 to £123,195,000, the highest since the record figure of July 28 last; the active circulation expanded by £313,000, of which, as mentioned above, £50,000 was allocated to the currency note reserve account, the present amount outstanding being £127,804,000, a figure which constitutes a new high "record." As a result of these movements the reserve declined by £232,000 to £13,841,000, which is the lowest for this item since the figure of £9,967,000 in the return issued on August 5, 1914. For a previous lower reserve one must go back to 1893, in which year £13,794,000 was returned on May 14.

On the liabilities side "other deposits" rose by £23,735,000 to £134,762,000—the highest since June 9 last—and this expansion, taken in conjunction with the decline in the reserve, was sufficient to force the

STANDARD BANK OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Authorised Capital	£10,000,000		
Subscribed Capital ...	£6,250,000	Reserve Fund	£2,200,000
Paid-up Capital	£1,562,500	Uncalled Capital... ...	£4,687,500

BOARD OF DIRECTORS.

WM. REIERSON ARBUTHNOT, Esq. | ROBERT E. DICKINSON, Esq. | WILLIAM SMART, Esq.
SIR DAVID M. BARBOUR, K.C.S.I., K.C.M.G. | JAMES FAIRBAIRN FINLAY, Esq., C.S.I. | RT. HON. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.
EDWARD CLIFTON BROWN, Esq. | HORACE F. EELY, Esq.

Head Office: 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

West-End Branch: 17 NORTHUMBERLAND AVENUE, W.C.2 (Adjoining the Royal Colonial Institute).
New York Agency: 68 WALL STREET. Rotterdam Branch: 15 COOLSINGEL. Amsterdam Branch: 69 ROKIN.
Over 390 Branches, Sub-Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and DEPOSITS RECEIVED for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and COLLECTED.
DRAFTS issued, MAIL and TELEGRAPHIC REMITTANCES made.
LETTERS OF CREDIT and COMMERCIAL CREDITS established.
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE and SALE of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and COUPONS COLLECTED.
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realised.
EXECUTOR AND TRUSTEE business undertaken.

The Offices of the Bank are equipped to deal with the transaction of all exchanges.

FRANCIS SHIPTON, *London Manager.*

reserve ratio is to be 2.2 per cent. to 3 per cent., the latter being the record ratio at the end of the present quarter on June 30, 1920.

Of other items, public deposits [illegible] £5,111,000 to £21,250,000, no doubt owing to the repayments by the market during the week, "other securities" showing [illegible] £15,263,000.

The most significant feature of the return is a rise of £41,901,000 in Government securities indicating fresh borrowing or Ways and Means advances by the Government, presumably to provide for the large maturities of Treasury bills.

Bullion.

Arrivals of gold were again on a large scale [illegible] and the United States [illegible] amount was sent to the Continent. The price ranged from 118s. on Monday to 117s. to-day. The decline in the values of the rupee and the Shanghai tael seemed to have the effect of withholding Indian and Chinese orders from the London bullion market, and the result was a steady market throughout. The spot price declined to 57¼d. on Monday. On Tuesday it lost ¼d. on Wednesday ¼d. and on Thursday ¼d. To-day there was a recovery to 56¾d. On Monday the forward delivery was ¼d. cheaper than the spot, the following days the discount was ½d., and to-day the two months' quotation was 56d.

NEW YORK.

Another large addition to the outstanding loans and a slight improvement in the reserve position is shown in the average weekly statement of the New York City Banks and Trust Companies associated with the New York Clearing House issued on the 2nd inst. On the previous week, it may be recalled, loans expanded by over $203 million. Last week the expansion was $26.5 million, and the present outstanding total is the highest for nearly twelve months. During the week the aggregate reserve rose by $2.2 million to $563,170,000. Liabilities also expanded, net demand deposits being nearly $7 millions higher at $4,150,130,000. This expansion, however, was not sufficient to prevent an increase of $1,370,000 to $12,580,000 in the average excess reserve. The excess reserve at the close of the week, at $11,040,000, was $170,000 below that of a week previously.

According to its latest weekly statement, the New York Federal Reserve Bank did not maintain its phenomenal improvement of the previous week. The gold reserves lost $43.8 million to $196,530,000 and the total reserves are $47.1 million lower at $625,020,000. Net deposits fell by $26.7 million to $654,130,000, but the note circulation expanded by $10.4 million to $866,090,000. The net result of these movements was a decline to 41.1 per cent. in the ratio of total reserves to net deposit and Federal Reserve note liabilities combined. The preceding week's ratio was 43.8 per cent. and the [illegible] previous to this was 39.5 per cent.

The combined statement of the Federal Reserve Banks shows a gain of $13.2 million to the total gold reserves, doubtless a result of the large purchases of gold made in the London market. These gold purchases figure first in the return of the New York centre and afterwards drift rapidly to the interior. The present amount of the gold reserves, $2,003,070,000, is the largest since the beginning of February last. An expansion of $5.1 millions to $2,709,600,000 in rediscounts was counterbalanced by a decline of $6.1 million in the holding of bills bought in open market, so that the total bill holdings declined by one million to $3,011,110,000. Deposit liabilities show a considerable expansion, but the effects [illegible] were more than counteracted by an expansion of $24.7 million in the Federal note circulation, a feature which we foreshadowed recently in these columns. The [illegible] outstanding is $3,364,600,000 [illegible] results

reserves and the decline in deposit liabilities, the reserve ratio [illegible] 43.7 per cent. [illegible] ago.

A comparison of the average monthly reserve ratios of the Federal Reserve system since January 1919 is afforded by the subjoined table. The figures represent the [illegible] combined:—

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

The lowest ratio ever recorded was 42.2 per cent. on May 17, 1920.

Call money was rather firmer during the week at 7-8 per cent.; little development occurred in the time-loan market, and prime commercial paper continued [illegible] per cent.

INDIA.

[illegible] as usual, mark the commencement of a strong season for the rupee, but the fact that its value has fallen below 1s. 8d. since the beginning of October shows that the effect of the Government's decision to withdraw their weekly offer of reverse drafts at rates above those ruling in the market is greater than could have been anticipated. If the present weakness of the rupee continues it is probable that the sale of reverse Councils may be resumed, as a half-promise to this effect has been given by the authorities. On the other hand, this sudden decline in the rupee on the unexpected discontinuance of Government support may prove to be only temporary, as its cause has been one of psychology more than anything else. This month the cotton and oil-seeds seasons commence, but the present instability of the market for these commodities does not augur well for the Indian exporter. As is well known, the jute crop is the worst for seventeen years. The final forecast places the crop at 5,960,000 bales, or more than two and a-half millions below last year's. As the Calcutta consumption will this year be in the neighbourhood of 6,000,000, the outlook for the Dundee jute industry is a very serious one. As the price is rising rapidly, however, the total value of the Calcutta exports of the manufactured article will probably be greater than in previous years, a circumstance which may benefit the rupee later on. Again, one of the causes of the decreased jute output has been that, attracted by the high prices for rice, cultivators have turned their attention more to the production of the latter, so that the effect of a diminished jute crop may be counteracted by the increased value of the rice crop. As the bulk of this is raised in Burma, which has always a plentiful supply of rain, the value of the rice exports should be considerably above that of previous seasons. The wheat crop has been a good one, the final forecast being 10,092,000 tons, as against 7,562,000 tons in 1918-19 and 9,222,000 tons in 1917-18. The embargo on the export of wheat, however, has prohibited the effect of this being felt by the Rupee market. Now comes the announcement that the Government of India have [illegible] price limit of Rs.6.2.6 per maund f.o.r. Karachi having [illegible] period until March 1921, the rupee is not likely to benefit very much from the announcement.

[illegible] been but an indifferent one [illegible] effect of diminishing imports [illegible] exports.

Stock Exchange.

Until a definite settlement is effected in the coal dispute, it is futile to expect any marked revival in Stock Exchange business. Funds exist in plenty, but investors are confining themselves for the moment to the many excellent fixed-interest prior-charge securities which are being put on the market. The favourable reception accorded to the recent flood of new issues forms a marked contrast to the stagnation of business in the House.

The Gilt-edged section opened strong, and many appreciations were registered in the early part of the week. The rumours of an impending Government loan eventually depressed quotations, however. War Fours closed at slightly higher levels; Funding Loan exhibited no net alteration; but Consols, War Fives, and Victory Bonds were weaker. Local Loans 3 per Cent., on the publication of the details of the new issue, immediately relapsed to 50. India descriptions displayed early signs of strength, but eased away finally. Among Colonial stocks Queensland issues slumped on the renewed repudiation threats of the Premier.

The Foreign Bond market opened with considerable animation, but business tailed off towards the close. The outstanding feature was a spectacular rise in Cuban Ports from 20 to 34 on receipt of the official statement that the option held by Cuban interests on the Havana Marine Terminal property had been exercised. Quotations dipped below 30 eventually. Brazilian descriptions receded on Monday, and after a partial mid-week recovery closed decidedly weak. Chinese bonds were subject to some buying inquiries and improved to a slight extent. Japanese issues rose on American demand, and, despite some later liquidation, showed better on balance. Rumours of the instability of the Bolshevik *régime* buoyed up quotations for Russian securities, but prices fell back again towards the close.

Improved coal prospects at the beginning of the week infused new optimism into the Home Rail section, and the heavy stocks in particular were subject to an all-round marking up. The buying power gradually disappeared, however, and prices shaded off again to opening levels. The financial position of the lines is elsewhere discussed at length.

The Foreign Rails section failed to develop any outstanding features. Argentine descriptions eased away fractionally and Brazilian issues were also weak, with the exception of San Paulo, which benefited from the unexpected maintenance of the dividend. Mexican stocks remained unaltered, though traffic returns received were considered favourable.

Among Industrials, iron and steel shares displayed numerous declines, and quotations showed no sign of improvement before the close. Textiles also evinced a tendency to sag, and Motors were equally weak, though eventually improving somewhat. In the case of Shipping descriptions the effects of the general dulness were accentuated by the impaired freight outlook. Nitrates, Banks, Telegraphs, and Electrics were idly steady. Insurance prices followed no particular tendency, but firm features were not numerous. Brewery stocks displayed the same quiet strength which has characterised them for some time past, alterations, while not numerous, being all in favour of holders.

The Oil market, while retaining the bulk of the business of the House, lost much of its recent buoyancy. The flotation of the new French loan resulted in heavy liquidation from Paris, and Dutch support was forthcoming only to a limited extent. The leaders were all much weaker on balance. Kerns reacted on the proposed increase in capital, but the price eventually hardened. Trinidad Centrals were a strong feature as a result of optimistic dividend estimates, and Tampicos registered a similar improvement.

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Mining Topics.

The Mexican section again constituted the salient feature of the Mining market during the week. Esperanzas opened buoyant, moving up rapidly to 2⅜ but easing off to 2⅛ on receipt of the cable referred to in our article on this mine giving development results for the week ended September 30. Profit-taking became pronounced on Tuesday, causing a steady reaction to 2, after which the price recovered to 2⅜. Buyers were again persistent on Wednesday, forcing the price up to 2⅞. Realisations now took place and the shares dropped to 2¼, closing unchanged, however, at 2⅛. Interest began to slacken on Thursday, dealings taking place between the limits of 2⅛ and 2⅜, the price closing easier at 2½. It is of interest to note that the August returns again report a loss; but the discovery of this rich ore is bound to be reflected in the results for September. To-day dealings in the shares were on a small scale, prices fluctuating between 2⅜ and 2¼. Mexico of El Oro were also prominent, improving from 6⅜ on Monday to 7½ on Wednesday, reacting slightly to 7⅞ on Thursday. This movement was attributed in the main not to the Esperanza developments so much as to developments in connection with the Exploration Company, in which Mexico of El Oro has an extensive interest. Movements in El Oros were less marked and more irregular. Reacting from 19*s.* 6*d.* on Monday to 17*s.* 6*d.* on Tuesday, there was a recovery to 18*s.* on Wednesday, followed by a slight set-back to 17*s.* 9*d.* on Thursday.

In comparison with Mexican descriptions business in the Kaffir Circus was on a much smaller scale. The market opened firm, however, in anticipation of bumper returns for September. Rand Mines put on 3/32 to 2⅛, and Brakpan ⅛ to 2¾. East Rands also came in for attention, and the shares closed 9*d.* to the good at 10*s.* 3*d.* Having been duly confirmed, the subdivision of Modder B shares of £1 into four shares of 5*s.* each has taken place. Quoted in their new form for the first time on Monday, the shares closed firm at 1⅛. Rumours of favourable developments were reflected in a rise of 1*s.* 3*d.* in Falcons to 15*s.* 9*d.* Globes were also a good feature, putting on 1*s.* 6*d.* to 18*s.* 6*d.*, a cable having been received notifying ore of 51 dwt. over stoping width for 75 feet sampled of No. 14 level footwall Leader. The reef is said to have an average width of 8 inches and to look promising in north and south faces. A south drive at the 18th level exposed ore averaging 17 dwt. over a stoping width of 18 inches for 50 feet. Chartered were also in demand, closing 6*d.* to the good at 16*s.* 6*d.* On Tuesday Kaffirs continued cheerful. Rand Mines gained 1/8 to 2⅞ and East Rands were strong at 10*s.* 6*d.* A cable from Johannesburg stated that Knights Deep on liquidation were expected to realise

a distribution of 8s. to 10s. per share. The quotation accordingly improved from 4s. 6d. to 6s. 3d. on Thursday. There was some demand for De Beers, which put on ¼ to 1s. Falcons, on the other hand, were easier at 15s. 6d. The announcement that the long-drawn-out strike at Broken Hill was to be terminated as a result of the award of the tribunal was well received, and the decision of the owners to reopen the mines gave a steady tone to the shares. Wednesday opened under the depressing influence of liquidations on Paris account. Relapses were rather general. Rand Mines were weaker at 2⅛. East Rands reacted to 10s., and Chartered dropped to 16s. 3d. A meeting of Glencairn Main Reef Gold Mining Company is announced for December 8 to submit resolutions to enable the Company to go into voluntary liquidation. Thursday found the market still in the throes of Continental selling. Rand Mines reacted to 2⅛. Central Mining to 8¼, and Johnnies to 26s. 6d. The belief now gained ground that East Rand returns for September were not likely to be much better than those for August, and the shares were accordingly marked down to 9s. 3d. Paris was disposing rather liberally of De Beers, which closed ¾ weaker on the day at 17¼. There was a fair number of inquiries for Modder B shares in their new form, and the price having risen to 35s. reacted at the close to 34s. 4½d. A second interim dividend of 25 per cent. has been declared by Lonely Reef. Thus for the current year 50 per cent. has been already distributed, as against a total of 75 per cent. for 1919 and only 25 per cent. for 1918. The price of the shares improved in consequence from 54s. 2½d. to 55s. 7½d. A final dividend of 6d. per share is announced by the Gold Fields Rhodesian Development Company for the year ended May 31, 1920, making with the interim dividend of 6d. per share a total of 10 per cent. for the year, as in 1918-19. After paying the final dividend there is carried forward to the next accounts a balance of £111,966, in contrast with £111,136 brought forward from 1918-19. An interim dividend of 2½ per cent., equivalent to 6d. per share, has been declared by the Gold Coast Amalgamated Mines in respect of the year ending March 31, 1921. The Ooregum Gold Mining Company of India announce a Preference dividend of 1s. per share and an interim dividend of 9d. per share on both Preference and Ordinary shares for the year ending December 31, 1920. The Preference and Ordinary shares of this Company are of the nominal value of 10s., the former being entitled to a prior dividend of 10 per cent. and then ranking *pari passu* with the Ordinary shares for any further distribution of profits.

ESPERANZA, LIMITED.

Results for Years ended December 31.

	Ore Treated	Value of Output		Working Profit	Working Profit Per Ton	Dividend	
	Tons	$	Per Ton $	$	$	$	
1916	126,318*	787,552	6·01	677,189	5·41	79,865	56,250
1917	200,129*	1,892,317	9·01	1,445,156	7·17	367,081	112,500
1918	200,015*	1,636,172	8·18	1,168,167	7·34	168,005	135,000
1919	267,258	1,497,160	5·60	1,375,157	5·14	122,325	45,000

* In the 1916-18 ore was given in terms of metric tons, which have been converted approximately into short tons for purposes of effective comparison with the return for 1919.

Excluding lease rentals.

THE recent developments in the now famous Esperanza mine have given rise to a boom in the shares, especially since the middle of September. That our readers may appreciate to the full the nature of these phenomenal developments we furnish at the head of this article the results of the working operations of this Mexican mine for the last four years. In neither of the four years was anything like a substantial dividend declared. For the last year, ended December 31, 1919, results were at best very poor. Despite the high prices ruling for silver and gold as compared with 1918, a working profit of only $122,325 was secured, as against $168,005 in 1918, and that despite the decline in the working costs per ton from $7·34 to $5·14. The latter was largely due to the great increase in the quantity of ore worked from 200,015 short tons to 267,258 short tons. On the other hand, as the best criterion of results indicate, the ore was of much lower grade, the average value of the output per ton being only $5·60 as against $8·18 in 1918 and $9·01 in 1917. After allowing $45,747 for depreciation, and $12,380 for administrative expenses and losses on investments, the net profit for the year only amounted to $41,168. Consequently, the poor dividend of 10 per cent., as paid in the previous year, on the 450,000 shares of $5 each, absorbed $45,000, reducing the balance to be carried forward to $171,219.

Of the 450,000 shares of $5 comprising the issued capital of the Company, no less than 449,800 are held by Esperanza, Limited. How this holding concern has fared under the indifferent mining results of the period 1916-19 may be seen from the following table:—

Results for Years to December 31.

	Expenses, Debenture Interest, &c.	Net Profit	Dividends	Balance carried forward
	£	£	£	£
1916	11,699	11,851	12,500	[illegible]
1917	25,065	25,185	12,500	[illegible]
1918	27,689	27,876	25,000	1,176
1919	9,227	9,491	5,000	4,851

Beyond the payment of a mediocre dividend of five per cent. for 1917 and 1918, the period has been barren of results. For 1919 the Esperanza dividend accounted for £9,227 out of a total revenue of £9,491, whilst working costs absorbed £8,331. To provide against the recent depreciation in the £1 sterling an exchange reserve of £800 was created, leaving, with the £4,491 brought forward from 1918, a sum of £4,851 to be carried forward to the next accounts.

With its revenue to all intents and purposes made up of the dividends received from the Esperanza mine, it is evident that the prospects of the holding Company were intimately dependent upon those of the mine. During 1919 development work in the mine reached a total of 1,975 feet, but the results were by no means encouraging. With very little high-grade ore left, the mine depended for its revenue upon the economic treatment of a large tonnage of the low-grade ore. For only by working on a large basis could the working costs be reduced so as to give a reasonable margin of profit. An attempt to compensate for the poverty of these results was made by exercising the option on the Union en Cuale property in Jalisco, which was acquired in the autumn of 1919 for $250,000. These mines were known to contain payable zinc ores in large quantities, associated with varying quantities of silver, lead and gold. It was hoped, too, that further development would reveal payable silver ore. Simultaneously, development work was to be carried on in the Esperanza mine north of the Esperanza fault in the hope of striking the reef in the Descubridora vein. Financially, the position of the mine as seen in the balance sheet at the end of 1919 was satisfactory. At an exchange rate of $4 to the £1 assets exceeded liabilities by £312,619, of which £182,000 represented liquid assets. Similarly, the holding Company was in a sound financial position. Current liabilities did not exceed £11,966, whereas liquid assets were available to a total of £12,623.

Such, in brief, was the position when a cable was received at the end of August of the current year announcing that the Descubridora vein had been struck by a cross-cut at the fifth level and that high values were being met. Within a few days it was known that the preliminary assay revealed 0·72 oz. of gold and 38·48 oz. of silver per ton, and that the vein was four feet wide. Development work was continued with increasingly satisfactory results. The climax was reached on September 20 with a cable announcing that development work in the north drift for the week ended September 16 showed ore averaging 40·51 oz. of gold and 664 oz. of silver per ton for a distance of sixteen feet [illegible]

Realising [illegible] directors wisely struck a note of caution and advised shareholders that [illegible]

less, the discovery set the market on fire, and the shares, which early in the month could have been purchased around 11*s.*, went quickly above par, the closing quotation on September 23 being 24*s.* 3*d.* It was not every day that mines were met with ore worth some £400 a ton at the current prices of silver and gold. Furthermore, how this discovery changed the outlook of the mine may be gauged from the fact that the July operations resulted in a working loss of £3,154. Events now succeeded each other with startling rapidity. The shares continued to move up steadily, despite frequent bouts of profit-taking on the part of the more cautious. Meanwhile development work for the week ended September 23 revealed still richer ore. For a drive of ten feet in the north drift ore averaging 64.84 oz. of gold and 577 oz. of silver was exposed over a width of twenty-five inches, representing an average value of £500 per ton of ore. The boom in the shares continued, a price of 43*s.* 5½*d.* being attained on October 1. On the other hand, development work in the south drift continued to reveal poor values, no more than 0.75 oz. of gold and 17.61 oz. of silver being secured per ton. The latest cable summarising the work for the week ended September 30 justifies the wisdom of the directors in the cautious attitude they adopted from the beginning. Poorer results than ever are reported from the south drift, whereas values in the north drift, whilst still very high, show a large decline from those of previous weeks. This time, however, the results are expressed in terms of tons of 2,000 lb., instead of 2,240 lb. as in the previous cables. For the week in question the north drift was extended twenty-one feet, ore being exposed over a width of twenty-five inches averaging thirteen oz. of gold and 397 oz. of silver. Nevertheless, these values represent £200 per ton of 2,240 lb., as against £500 per ton in the previous week. Subsequent results will be followed with interest; but the fact remains that this disclosure of abnormally rich ore for a distance of forty-seven feet transforms the future of the mine. Again, it is now certain that high-grade ore exists below the third level of the Descubridora vein at a point some 150 feet above the rich ground struck on the fifth level. Until the values of this ore have been revealed the full extent of the discovery will not be known. Should these values prove favourable this Mexican mine will have struck a record bonanza. In a way it is a peculiar coincidence that such a rich discovery should be made at a time when the political outlook in Mexico should be so favourable. Under the new *régime* there is every reason to anticipate that mining and industrial activities in general will meet with every assistance from the Government. Consequently the prospects of this Mexican mine are of the best. Even allowing for a subsequent decline in the record values of the ore, there is good reason for hoping that the ore to be yet exposed will be of such a high grade as to yield remunerative profits. Let it be recollected that it is generally estimated that 1,360 tons of the ore exposed in the week ended September 23 would be equal in value to the £450,000 representing the issued capital of Esperanza, Limited. Purchase of the shares at a price of £2 or over must nevertheless be regarded in the nature of a rather great speculation. On the other hand, should any serious set-back occur not warranted by unfavourable development results, the speculative element in the transaction would be reduced accordingly.

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FRED. C. SALTER, European Traffic Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, October 6, 1920.

Issue Department.

Notes Issued	£140,119,055	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,669,055
	£140,119,055		£140,119,055

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£63,789,255
Rest	3,072,409	Other Securities	95,018,994
Public Deposits	21,249,755	Notes	12,315,080
Other Deposits	134,762,490	Gold and Silver Coin	1,528,339
Seven-day and other Bills	12,074		
	£173,649,728		£173,649,728

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Oct. 6	127.8	123.1	21·2	134.7	63.7	93·0	13.8	8·9	7	6½
Sept. 29	127.5	123.1	16.1	111.0	21.8	109.3	14.1	11·1	7	6⅛
Sept. 22	125.4	123.1	16.7	105.4	35.5	89.7	15.0	13·1	7	6½
Sept. 15	125.1	123.1	15.2	122.5	56.1	83.4	15.4	11·9	7	6⅛
Sept. 8	125.9	123.0	16.5	118.9	59.6	76.3	15.8	11·7	7	6⅛
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.8	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Oct. 6, 1920	Oct. 8, 1919	Oct. 9, 1918	Oct. 10, 1917	Oct. 5, 1910
Circulation	£127.8	£44.4	£62.8	£41.7	£29.2
Public Deposits	21.2	23.2	28.3	42.2	7.8
Other Deposits	134.7	120.3	137.6	119.6	44.1
Government Securities	63.7	57.2	59.2	58.3	15.0
Other Securities	98.0	81.7	95.5	83.9	23.9
Reserve	13.8	22.2	28.8	32.3	14.7
Ratio Liabilities	8·9%	15·5%	17·31%	19·31%	48·67%
Coin and Bullion	123.1	88.1	73.1	65.5	34 4
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	4⅝%	3⅛-5%	4⅛-4⅜%	3⅝%
Exchanges:					
Paris Cheque	52 47	35·57½	26·12½	27·54	25·23½
New York 60 days	3 49¼	4·22	4·73	4·72	4 85½
Bombay Telegraphic Transfers	1/8	2/0½	1/5⅜	1/4⅝	1/4⅛
Prices:					
Consols 2½% Cash	45½	51½	61	56	80⅝
French Rentes 3% Money	53·80	61·30	82·00	61·25	97·30
Silver, London spot per oz.	56¾d.	82¾d.	49½d.	44½d.	25¼d.
Wheat, *Gazette* average qr.	90/7	73/4	72/8	70/8	30/1
Cotton, Mid Upland lb.	21·30d.	20·51d.	21·92d.	19·72d.	7.70d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	53/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes to Gold to Notes %
Oct. 6, '20	9,178,192	6,726,036	352,946,846	28,500,000	18,750,000	13·4
Sept. 29, '20	7,835,974	7,006,728	350,496,659	28,500,000	18,700,000	13·4
Oct. 8, '19	7,787,110	3,316,872	339,486,288	28,500,000	—	8·4
Oct. 9, '18	7,641,695	4,304,846	282,225,797	28,500,000	—	10·1
Oct. 10, '17	6,813,878	4,454,359	183,108,781	28,500,000	—	15·6
Oct. 11, '16	5,449,483	5,312,859	134,527,393	28,500,000	—	21·2

Balance Sheet, October 6, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	278,716,088	Other Bankers ...	—
Ten Shilling	42,210,760	Trustee Savings Banks ...	—
Certificates outstanding ...	32,020,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	352,946,846	Bank of England Notes...	18,750,000
Notes called in but not yet cancelled	3,229,479	Government Securities ...	325,655,000
Investments Reserve A/c ...	18,944,804	Balance at Bank of England	216,129
Total	373,121,129	Total	373,121,129

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c. Cr.	Loans, Advances, &c. Dr.	Net +	Cash Balance
Sept. 30§	£23,493	£38,654	£15,161	£224,703	£207,795	—£16,908	£3,618
Sept. 25	24,475	26,538	2,063	152,310	150,457	— 1,873	3,745
Sept. 18	30,136	19,766	*10,370*†	70,532	80,131	— 9,599	3,935
183dys. '20-21	619,299	541,671	*77,628*†	2,543,991	2,733,838	—186,997	— 5,751
183days '19-20	458,999	740,344	281,345	3,358,059	3,083,035	273,024	— 8,320
Yr. '20-21*	1,418,300	1,184,102	*234,198*†	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	8,092,709	5,768,507	326,202	8,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,804	3,616,023	1,963,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Sept. 30§	£2,545	£3,528	£3,786	£13,634	£2,255	£53	£36,348
Sept. 25	7,242	3,629	3,936	9,686	3,493	670	22,465
Sept. 18	14,070	2,952	3,462	9,564	1,261	795	17,710
183days'20-21	156,880	126,330	109,400	226,881	164,936	5,684	368,931
183days'19-20	123,105	109,517	129,887	96,490	163,564	4,991	571,788
Yr. '20-21*	348,650	335,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,186	285,042	150,537	269,864	11,380	2,297,938
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Sept. 30§, 1920 ...	£1,138,734	£143,114	£1,281,908	£11,144
Sept. 25, 1920 ...	1,094,024	168,949	1,262,973	11,069
Sept. 18, 1920 ...	1,033,033	170,441	1,203,540	10,919
Sept. 11, 1920 ...	1,065,873	196,941	1,262,814	10,729
June 30, 1919 ...	736,150	774,437	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue. §5 days.

FOREIGN BANKS :

[In £'s Sterling.—000's omitted.]

		Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£833	£11,810	£41,925	£50,800	£8,763
Sept. 23, '20	...	10,689	1,087	11,727	24,551	72,515	54,681
Sept. 30, '20	...	10,689	1,071	11,731	24,361	249,115	57,502

		Claim on Austro-Hung. Bank	Continental Exch. on Bank Notes	Discounts	Advances	Circulation (whole Notes)	Deposits
CZECHO-SLOVAKIA *							
Aug. 7, '20	...	£398,475	£89,923	£39,678	£ 83,162	£398,735	£45,552
Sept. 15, '20	...	396,707	83,923	37,961	42,748	412,149	53,121
Sept. 23, '20	...	397,957	84,923	41,387	2,703,953	417,135	51,897

		Cash			Discounts	Balances Abroad	Circulation	Deposits
DENMARK.		Gold	Silver	Total				
July 31, '14	...	£4,100	£341	£4,441	£8,197	£796	£9,643	£47
Aug. 31, '20	...	12,643	145	12,788	15,024	1,433	44,174	2,931
Sept. 30, '20	...	12,644	145	12,789	14,703	1,629	30,021	2,841
Sept. 30, '18	...	10,416	129	10,545	7,015	2,041	25,701	3,749
Sept. 30, '18	...	10,455	140	10,595	3,613	3,371	22,197	783

		Gold— In Bank	Abroad	Total Cash In Bank	Silver	Bills	Circulation	Deposits— Public	Private
FRANCE.									
July 30, '14	...	—£185,654—		£109,667	£97,783	£287,377	£15,102	£17,903	
Sept. 30, '20	...	141,777	77,935	219,443	90,572	1,566,413	5,317	130,966	
Oct. 7, '20	...	141,849	77,935	219,542	94,218	1,581,691	1,324	128,250	
Sept. 9, '18	...	143,848	70,131	231,633	37,143	1,481,753	2,268	110,418	
Sept. 10, '18	...	136,086	81,484	230,372	34,719	1,221,590	3,406	115,477	

		Cash			Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.		Gold	Silver	Total				
July 23, '14	...	£67,843	£16,727	£84,570	£5,379	£14,955	£84,515	£47,198
Sept. 15, '20	...	54,579	331	54,910	842,586	2,413,911	2,913,345	660,344
Sept. 23, '20	...	54,579	352	54,931	918,110	2,347,153	2,933,133	700,980
Sept. 23, '18	...	54,949	972	55,921	431,173	1,423,077	1,430,951	415,224
Sept. 23, '18	...	122,361	5,906	128,267	117,163	879,845	721,483	455,324

		Cash			Discounts	Advances	Circulation	Deposits
HOLLAND.		Gold	Silver	Total				
Aug. 1, '14	...	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,427
Sept. 20, '20	...	53,028	1,485	54,493	11,583	23,217	85,815	5,864
Sept. 27, '20	...	53,028	1,479	54,507	11,798	23,202	85,993	5,855
Sept. 27, '19	...	53,047	417	53,064	14,355	18,042	83,361	5,419
Sept. 28, '18	...	53,059	670	53,729	10,135	9,393	81,392	5,011

		Cash			Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.		Gold	Silver	Total				
July 31, '14	...	—	—	—	£48,456	£25,017	£69,204	£3,837
July 30, '20	...	£32,191	£2,808	35 149	15,531	207,742	549,745	72,212
July 31, '20	...	32,439	2,908	35,357	15,451	211,833	555,957	61,351
July 30, '19	...	32,304	2,980	35,284	19,868	70,204	473,742	62,783
June 31, '18	...	32,728	3,068	35,796	9,746	56,707	319,582	61,787

		Gold	Discounts	Advances	Notes	Deposits— Public	Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Aug. 14, '20	...	102,436	17,459	24,666	108,925	103,348	7,132
Aug. 21, '20	...	103,012	17,835	26,214	108,553	117,031	5,065
Aug. 23, '19	...	75,194	6,784	43,877	93,555	120,487	3 159
Aug. 24, '18	...	65,221	4,629	38,252	79,087	79,920	4,921

		Cash Own Vaults	Loans, Aggregate Reserve	Discts, Invest., &c.	Net Deposits— Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,239	—	—	£387,185	£1,720
Sept. 25, '20	...	£18,742‡	112,202	1,078,648	£823,630	£59,398	924,212	2,242
Oct. 2, '20	...	17,942‡	112,634	1,032,745	853,026	58 160	921,631	2,208
Oct. 4, '18	...	19,270‡	115,866	1,071,128	836,346	52,830	966,174	4,476
Oct. 5, '18	...	20,004‡	109,870	931,050	752,222	30 430	837,118	10,306

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,980	£1,678	£493	£4,888	£8,752	£733
Sept. 22, '20	...	8,119	2,634	578	24,858	25,405	6,128
Sept. 30, '20	...	8,119	2,711	578	25,718	26,314	6,115
Sept. 30, '18	...	8,162	4,342	678	18,193	23,977	3,374

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
June 2, '20	...	£1,906	£3,921	£5,827	£20,406	£20,436	£10,635
June 9, '20	...	1,906	3,921	5,827	22,567	24,858	8,858
June 11, '19	...	1,905	3,935	5,840	8,198	65,039	3,474
June 12, '18	...	1,905	3,475	5,380	8,822	48,373	2,186

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
June 12, '20	...	£52,809	£16,587	£3,463	£20,050	£187,704
June 19, '20	...	64,009	18,482	3,514	21,976	189,441
July 10, '20	...	65,209	18,837	3,602	23,499	193,812
June 12, '19	...	41,643	10,027	2,120	12,147	124,031

		Gold— In Bank	Abroad	Total Cash In Bank	Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.									
July 21, '14	...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911	
Oct. 29, '17	...	129,623	230,865	378,205	1,869,559	1,836,217	15,783	345,550	

		Cash			Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.		Gold	Silver	Total				
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£777,557	£18,955
Sept. 25, '20	...	98,107	23,774	121,881	87,934	13,778	1,181,837	38,910
Oct. 2, '20	...	98,115	23,655	121,770	90,833	13,779	1,185,51	36,393
Oct. 4, '19	...	98,406	25,356	121,762	92,535	13,778	1,151,812	39,663
Oct. 5, '18	...	88,214	25,968	114,182	55,671	13,777	1,121,991	45,229

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Sept. 25, '20	...	15,512	5,252	2,519	34,383	59,380	12,403
Oct. 2, '20	...	15,565	4,836	2,519	34,269	43,496	11,409
Oct. 4, '19	...	16,865	7,501	2,882	22,985	41,455	6,310
Oct. 5, '18	...	15,186	7,349	6,417	19,301	41,638	5,899

		Gold	Cash— Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 31, '14	...	£7,202	£758	£7,960	£4,817	£10,718	£2,026
Sept. 23, '20	...	21,617	3,780	25,397	11,766	46,750	5,145
Sept. 30, '20	...	21,619	3,957	25,576	14,032	39,049	4,193
Sept. 30, '19	...	18,852	2,516	21,368	19,100	35,842	4,016
Sept. 30, '18	...	15,301	2,118	17,419	19,234	32,538	4,855

* Converted at 24 crowns to £1.
† Not reserve. ‡ Converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

[illegible]	—£397,938—	£430,320	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

II.—CURRENT BANK RATES OF DISCOUNT.

[illegible]	[illegible]	4 1/2	[illegible]	[illegible]
[illegible]	[illegible]	23/4	[illegible]	[illegible]
[illegible]	[illegible]	21/2	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	2 1/2	[illegible]	[illegible]
[illegible]	[illegible]	2 1/2	Tokio ..	[illegible]
[illegible]	[illegible]	16/20	Vienna ..	[illegible]

III.—FOREIGN EXCHANGES.

LONDON ON		Oct. 1, '20		Sept. 17, '20
[illegible]	... Cable	222m.	214m.	[illegible]
[illegible]	[illegible]	[illegible]	49fr. 42c.	[illegible]
[illegible]	.. Cable	25kr. 02	[illegible]	25kr. 62
[illegible]	[illegible]	110. 23c.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	83fr. 50	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	$3 51	$3 43	$3 49
[illegible]	[illegible]	$3 52½	[illegible]	$3 52½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	... 3 mos.	[illegible]	52fr. 82c.	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	51fr. 75c.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	17kr. 67	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	22fr. 15c	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ON LONDON		Oct. 8, '20	Oct. 1, '20	Sept. 24, '20	Par.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	11 [illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	49fr. 0c.	49fr. 37c.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	47 58½	[illegible]
Calcutta	... do.	1s. 8d.	[illegible]	[illegible]	[illegible]
Christiania	... Sight	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	25. 0d.	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	4s. 11d.	[illegible]	127m.	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	... Sight	[illegible]	83fr. 62c.	83fr. 00c.	25fr. 221c.
Lisbon	... do.	[illegible]	[illegible]	[illegible]	[illegible]
Madrid	... do.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	23fr. 89	23fr. 75	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	58fr.	58fr.	51fr.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New York	... [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	OCT. 8, 1920.	OCT. 10, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	231/0	166/0	57/0
— Middlesbro' warrants ...ton	225/0	160/0	51/0
— Hematite warrants ...ton	260/0	200/0	61/0
— Staffordshire bars, London ton	£33 10—	£22 10—£23	£8 10
— Common bars ...ton	£30 10—£32	£22 10—£23	£6 16
Steel Rails ...ton	£26	£16 10	£6 2/6
Galvanised Sheets ...ton	£41—£42	£30	£16 17/1
Copper—Standard ...ton	£98	£104 15	£68
Tin—English Ingots ...cwt	£252—£254	£280	£142 15
— Straits ...ton	£288 10	£283 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	55/0—56/0	36/0—38/0	11/01—12/0
Lead—Soft Foreign ...ton	£34 5—£34 7/6	£27 12 6—£28 7/6	£19
Spelter—Ord. Foreign ...ton	£40 2/6—£41 7/6	£42 15	£21 7/9
Quicksilver—(75lb.) ...bottle	£18—£18 10	£19 10	£7
Aluminium ...cwt	£165 home	£150	£92
Antimony—Regulus Foreign ...ton	£43—£45	nom.	£27 10
— English ...ton	£52—£55	£45	—
Coal—(best) Yorkshire ...ton	37/2—38/0	29/6—30/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/0	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, perquinta	15/0	9/6	7/4
Soda—Crystals ex wharf ...ton	110/6	129/0—130/0	42/6—45/0
Copra—Malay and States ...ton	£57 0	£53 10	£23 15—£24 7/6
Sambier—Good marks ...cwt	41/0—42/6	51/0	16/10½
Indigo—Bengal good to fine ...lb	13/0—16/6	9/10	3/2—3/8
Linseed Oil—Raw ...ton	£77	£80	£25 5
Linseed—Calcutta, spot ...ton	£38	£39	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£23—£23 10	£25	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom	£49 10
Palm Oil—Lagos ...ton	£63 10	£79	£31 10
Petroleum—American ...gallon	2/4†	1/6†	7½d.
Rape Oil—Refined English ...ton	£90	£100	£32
Soya Oil—Refined ...ton	£90	£81 10	£24 10
Tallow—Imported ...cwt	73/0—81/0	96/0—108/0	29/3—33/3
Turpentine—American ...cwt	141/0	124/6	33/7½
Rape Seed—Toria ...ton	£36	£41	£13 5
Rubber—Para, spot ...lb	1/7	2/6	2/9½
— Fine plantation (stnd.crepe) lb	2/3	3/1	2/2
— World's Production* July ton	27,525	28,870	8,467
Shellac—T.N. Orange, fair ...cwt	650/0	470/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	21.30d	20.51d	7.53d.
— Egyptian, good fair ...lb	24.50d	28.05d	8.75d.
— Pernambuco fair ...lb	20.55d.	20.71d.	7.73d.
— Midland Upl. New York ...lb	25.95c	32.50c	13.25c
— Stock, Liverpool(excl. ½) bale	660,340	789,100	934,600
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£55	£49	£25 10
— Manila, Fair ...ton	£68 10	£47—£53	£26 10
Jute—First Marks ...ton	£54	£71—£73	£26 15
— Red SCC ...ton	£46	£60	£24 15
Silk—Common raw style 3 ...lb	37/0	31/0	12 0—12/6
Wool—Pt. Philip unwashed av. lb	3/5	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb	1/7	nom.	1/0½
Hides—Eng. Ox, best 70 lb. up lb	13d.	12½d.—13½d.	7½d
Leather—Dressing Hides ...lb	3/0—3/6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	54,087,000	114,781,000	34,640,000
— Red, price, N.Y. 60lb...bushe	234c.	237c.	67½c.
—English Gazette, aver. 480lb. qr	50/7	73/4	34/3
Flour—G.B. ...sack	86/0	44/3	28/6
Barley—Eng. Gaz., aver. 460lb. qr	87 6	94 4	25/4
Oats—Eng. Gaz., aver. 312 lb. qr	55/11	59 8	20/0
Maize—N.Y. (new bushel)...56lb	121	165c.	76½c.
— Amer. mixed, Liverpool...480lb	72 0	nom.	32/4
— La Plata ...480lb. qr	68/0	65/0	25/9
Potatoes—Good English ...ton	205/0	200/0	70/0—75/0
Rice—Bassein ...cwt	44/0	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt	38/0—40 0	46 0	14/0—17/8
Hay—best ...2.019lb. load	—	—	92/6
Hops—English ...cwt	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb	6/8	9 0	3/8—3/10
— Scotch sides ...8lb	10/6	10 0	4/6—5/0
— English ...8lb	10/6	10 0	4/2—4/5
Mutton—Scotch wethers ...8lb	14/9	10 0	5/8—6/0
— English wethers ...8lb	14/6	10/0	4/6—5/4
— New Zealand frozen ...8lb	4/0—4 6	7/0	2/4—3/2
Pork—English and Irish ...8lb	18/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt	1280/0	190/6	60/0—74/0
— Danish ...cwt	1208/0	1187/0	58/0—68/0
— Canadian, ex Port ...cwt	1203/0	1187/0	—
— American ex Port ...cwt	1186/6—1820/0	1187/0	72/0—74/0
Hams—Amer. long cut, ex Port ...cwt	1218/0	1190/0	75/0—79/0
— — short cut, ex Port ...cwt	1218/0	1190/0	72/0—74/0
Lard—Amer. boxes, ex Port ...cwt	1156/6	1198/6	51/9—52/9
Butter—Danish ...cwt	1336/0	1252/0	117/0—120/0
— French ...cwt	1336/0	1252/0	96/0—108/0
— Australian ...cwt	1336/0	1252/0	98/0—110/0
— New Zealand ...cwt	1336/0	1252/0	108/0—114/0
Cheese—Canadian ...cwt	1160/0—1620/0	1144/8	66/0—68/0
— United States ...cwt	—	1144/8	—
— Dutch ...cwt	1168/0—2320/0	1144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Aug. 31 ...cwt	19,047,713	22,393,355	19,777,254
— Home consumpt'n to Aug. 31 ...cwt	16,176,823	20,077,635	17,272,000
— In Bond Aug. 31 ...cwt	7,938,000	7,987,000	6,308,000
— Price, Java, 96° Pol. ...cwt	20/0	36/0	10/3
— — Yellow crystals ...cwt	112/0	87/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt	116/0	84/0	15/0
Coffee—Imports to Aug. 31 ...cwt	624,423	881,185	720,360
— Home consumpt'n to Aug. 31 ...cwt	200,275	206,072	141,410
— Exports to Aug. 31 ...cwt	316,451	398,730	340,250
— In Bond Aug. 31 ...cwt	825,000	886,000	484,000
— Price, Costa Rica, plantation fine cwt.	125/0—148/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ...cwt	£0 6s/0	85/9	41/6
Tea—Imports to Aug. 31 ...lb	286,892,974	288,895,917	123,230,277
— Home consumpt'n to Aug. 31 lb	247,969,093	255,955,599	155,447,272
— Exports to Aug. 31 ...lb	27,501,978	18,722,762	26,561,765
— In Bond Aug. 31 ...lb	122,478,000	133,138,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	5/ 0d.	1/4	8½d
— — Ceylon, Pek. Soug. Ord. lb.	4/ 6d.	1/4	8½d.
— — Common Congou ...lb.	—	1/4	5½d.
Cocoa—In Bond Aug. 31 ...cwt	1,547,000	1,469,000	309,000
— Grenada, good to fine ...cwt	75/0—78/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Aug.	$17,995,000	+2,711,000	$2,201,000	—$1,577,000
	5 mos. to Aug.	127,428,000	+2070,2000	15,749,000	— 3,712,000
Grand Trunk	Aug.	£1,685,400	+£214,600	£306,300	— £38 100
	5 mos. to Aug.	10,033,500	+1,337,100	531,900	— 382,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Benga	Aug. 28	1,044	B2,29,488 +	32,567	21	42.36.131 +	2.50.046
Barsi Light	Sept. 4	118	17.600 +	2.500	22	7.15.500 +	22.800
Bengal &N.W.	Aug. 28	2,067	4,29,640 +	68,868	21	1.05.94.911 —	2.16.557
Bengal Dooar	Aug. 28	158	36,376 +	2,933	21	6.04.527 —	6.541
Benz. Nagpu	Aug. 28	2,695	11,70,000 +	1,52,000	21	58.76.638 —	12.68.455
Bomb. Baroda	Sept. 25	2,871	18,95,000 +	4,10,000	26	4.84.46.000 +	26.14.000
Burma	Aug. 28	1,342	4,48,510 —	50,495	21	1.12.41.301 —	93.670
Del Um. Kalk	Sept. 18	239	85,400 —	32,340	25	23.34.960 —	15.234
East Indian	Sept. 2	2,772	29,68,000 +	3,67,000	1	—	—
Gt.Indian Pen	Sept. 30	3,1211	30,80,400 +	67,900	27	6.44.28.105 —	6.21.818
Madras & S.M	Aug. 28	3,162	11,90,000 +	24,676	22	2.85.37.280 +	1.68.981
Nizam's Guar	Aug. 28	900	2,33,109 +	22,539	21	66.15.387 +	97.197
Rob. & Kumn	Aug. 28	576	103.35 +	8.67	21	55.48,99 +	1.86.547
South Indian	Aug. 28	1,852	7,63,297 +	27,457	21	1.74.84.558 +	7,60,160
South Punjal	April	716	9,72,545 +	4,27,205	1m	—	—
COLONIAL							
Can. Northern	Sept. 30	9,704	$1,984,200 +	399,800	38	43,521,123 +	7,021,124
Can. Pacific	Sept. 30	13,388	6,849,000 +	886,000	38	147,131,000 +	22,891,000
Grand Trunk	Sept. 3rd	3,616	£527,585 +	51,961	38	11.703.884 +	1.567.960
Mashonaland	June	810	91,152 +	21,431	9m	662.619 +	178,922
Mid. W. Aust.	July	277	9,036 +	1,469	1m	—	—
NewCapeCent.	Sept. 11	205	2,383 +	117	37	109,406 +	17,850
Rhodesia Rlys	July	1,387	141,931 +	36,364	10m	1.115.981 +	237.098
Temiscouata.	June	—	$35,361 +	6,147	6m	187,427 +	11,302
W. Pass.&Yu	Dec.	122	1,568,626 +	124,546	12m	1,568,626 +	124,546
FOREIGN.							
Argentine.							
Arg. N. East	Sept. 25	752	$ 13,100 —	500	13	158,500 +	8,100
Arg. Transand.	Oct. 2	111	$ 2,778 +	2,228	14	23,737 +	16,141
B. A. & Pacific	Oct. 2	3,538	$ 104,000 —	44,000	14	1.783.000 —	118,000
B.A.Gt. South	Oct. 2	3,792	$ 153,000 —	29,000	14	1.943.000 —	328,000
Do.	Oct. 3	Net	$ 28,000 —	42,000	14	206,000 —	472,000
B. A. Western	Oct. 2	1,882	£ 75,000 —	30,000	14	993,000 —	320,000
Do.	Oct. 2	Net	£ 1,000 —	39,000	14	134,000 —	285,000
B. A. Central	Aug.	190	£ 55,463 +	7,630	2m	110.079 +	17,226
Cent. Argent.	Oct. 2	3,305	£ 210,000 +	26,000	14	2.745.000 +	616,000
Cord. Central	Oct. 2	1,205	£ 58,500 —	4,000	14	785,750 —	39,450
Entre Rios	Oct. 2	811	£ 21,500 —	300	14	286,600 —	3,900
Brazilian.							
Brazilian South.	Aug.	110	M 41,000 —	5,250	8m	372,950 —	23,471
Brazil Railway	Dec.	3,530	M4,859,000 —	141,271	12m	57,772,000 +	7,819,243
Gt. W. Brazil	Oct. 2	1,010	£ 19,200 +	3,700	39	833,500 +	103,900
Leopoldina	Oct. 2	1,831	£ 47,163 —	3,248	38	2,072,103 +	505,551
Maranhao	Dec.	1,180	M 1,561,000 —	856,490	12m	22.267.000 —	2,474,851
Paulista	Dec.	766	M 2,850,000 —	806,038	12m	32,479,000 —	1,225,892
San Paulo	Oct. 3	1534	£ 54,502 +	15,968	39	1.826.503 +	472,540
Sorocabano	Dec.	1,003	M 1,739,000 —	246,168	12m	21.953.000 +	976,692
S.of BahiaS.	July	62	M 130,000 +	18,000	7m	601,000 +	89,000
Chilean and Peruvian.							
Antofagasta	Oct. 2	838	£ 50,870 +	20,685	39	1,833,330 +	837,045
Arauco	June	84	£ 12,000 +	500	6m	76,000 +	10,700
Nitrate(2wks.)	Sept. 30	390	£ 39,101 +	23,088	36	459,111 +	420,327
Peruvian Corp.	Sept.	1,140	M 1,187,300 +	204,550	3m	3,511,445 +	303,681
Taltal	Aug.	180	£ 33,510 +	24,967	2m	59,033 +	43,035
Cuban.							
Cuban Central	Oct. 2	382	£ 21,586 +	5,185	14	310,747 +	76,989
Havana Cent.	Oct. 2	70	£ 11,860 +	1,991	14	174,628 +	36,504
U. of Havana	Oct. 2	881	£ 62,964 +	7,982	14	919,148 +	158,485
W. of Havana	Oct. 2	155	£ 10,116 +	1,443	14	161,355 +	36,552
Uruguayan.							
Cent. Uruguay	Oct.	273	£ 21,023 —	531	14	255,116 —	19,064
,, (E. Ext.	Oct. 2	311	£ 5,468 —	76	14	64,239 —	203
,, (E. Ext.	Oct. 2	185	£ 3,105 —	668	14	38,163 —	11,589
,, (W.Ext.)	Oct. 2	211	£ 2,859 +	116	14	31,863 —	1,209
Mid. Uruguay	Aug.	319	£ 17,879 —	1,389	2m	33,829 —	2,779
N.W. Uruguay	Aug.	113	$ 5,774 —	255	2m	11,702 —	812
Urug. Northn.	Aug.	73	£ 2,287 +	93	2m	4,202 +	153
Miscellaneous							
Alcoy& Gandia	Oct. 2	33	Ps. 12.500 +	5,800	39	511,800 +	115,200
Bilbao	Sept.	15	£ 2,440 —	214	3m	39,829 +	6,401
Colomb. Natnl.	Aug.	136	£ 7,504 —	938	8m	85,487 —	9,140
Costa Rica	July	86	£ 22,000 +	5,520	8m	152,416 +	43,756
Dorada Ext.	Aug.	189	£ 28,910 +	10,284	1m	—	—
Egyptian Delta	Sept. 20	70	£ 17,750 +	3,250	8m	135,928 +	48,328
Gt. S. of Spain	Sept. 25	559	£ 15,343 +	4,657	24	221,152 +	101,382
La Guaira&Ca.	Aug.	104	Ps. 104,548 +	50 614	39	3,449,685 —	749,243
Ottoman Ry.	Sept. 18	222	£ 12,850 +	3,850	8m	112,600 +	46,410
Paraguay Cent.	Sept. 25	379	£ 18,851 —	—	13	—	—
Puerto Cabello	Aug.	274	£ 5,420 —	1,250	13	65,110 —	2,700
Salvador	Dec. 2	34	£ 5,251 +	1,250	8m	44,000 +	7,875
Santa Fe Prov.		100	£ 2,687 +	437	14	44,832 +	1,146
French Rys.	July	1,181	£ 149,864 +	976	7m	1,129,304 +	3,076
S'ia'na&S'ti'go	Aug.	80	£ 11,980 —	5,500	8m	122,083 +	23,375
Zafra & Huelva	Aug.	112	£ 12,900 +	852	8m	97,752 +	21,388
TRAMS.							
Anglo-Argent.	Sept. 30	400	£ 78,304 +	17,348	39	2,948,383 +	725,998
Auckland Elec.	June 30	27	— —	—	52	292,502 —	2,063
Bombay Elec.	May	39	R. 8,40,311 +	77,990	5m	39.77,051 +	5,50,651
Brazilian Trac.	July	378½	M11,745000 +	1,675,000	7m	72,785,000 +	8,752,000
Brisbane Elec.	Aug.	40½	£ 48,650 +	4,405	8m	367,590 +	63,190
Brit. Columbia	July	33	£ 642,090 +	98,110	1m	— —	— —
B. A. Lacroze	Sept.	51	£ 51,603 +	8,243	3m	159,063 +	21,685
Calcutta Elec.	Sept. 25	35½	R. 89,732 +	1,456	39	35,44,168 +	2,87,977
Cape Electric	Aug.	42½	£ 28,797 +	13,898	2m	59,614 +	26,666
Carth. & Herr.	Sept.	9	£ 2,273 +	724	9m	38,764 +	13,260
Chatham&Dist	Sept. 23	15	£ 1,831 +	306	38	66,073 +	7,210
Havana Elect.	May	86	$ 946,301 +	205,937	5m	4,587,376 +	1,010,561
Isle of Thanet	Sept. 29	20½	£ 1,392 +	326	52	63,700 +	14,383
Kalgoorlie	June	20½	£ 3,029 +	383	6m	17,943 —	354
Lanarkshire	Sept. 23	28½	£ 4,810 +	457	38	181,068 +	22,245
Lima Light	July	85	£ 59,885 +	10,653	7m	402,886 +	70,809
London C.C.	Oct. 6	141½	£ 100,863 +	9,356	26	2,325,19 +	111,875
Madras (2wks.)	Sept. 30	15½	R. 50,738 +	6,151	38	8,96,549 +	1,52,637
Manila Electric	July	65	$ 282,260 +	92,607	7m	1,904,254 +	488,095
Pernambuco	Oct. 3	59	£ 5,314 —	556	39	209,347 +	64,043
Provincial	Sept. 18	21½	£ 3,993 —	124	01	173,344 +	14,130
Rangoon Elec.	Aug.	25	£ 7,856 +	1,484	8m	56,766 +	11,678
Shanghai Elec.	Sept.	264	M $1,180,757 +	21,757	9m	1,336,611 +	189,611
SingaporeElec.	Aug. 21	28½	$ 18,289 +	5,711	34	804,821 +	282,326
U.of Montevid	Aug.	80½	£ 42,771 +	7,898	10m	429,706 +	60,767

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The Statist.

LONDON, SATURDAY, OCTOBER 9, 1920.

BRITISH RAILWAY FINANCE.

With commendable promptitude the Ministry of Transport has issued a statement, which deserves the attention of railway shareholders, showing the financial results of the working of controlled railways in the United Kingdom for the five months ended August 31 last. Previous monthly figures covered the period to the end of July, and the deficit that they revealed still continues. The net Government liability, which was £13,515,677 in the five months ended with July, or an average of £3,378,919 per month, increased in August by only £2,119,894 to £15,635,571. For the five months the gross revenue earned amounted to £108,535,991, of which £52,873,859, or 48.7 per cent., was derived from passenger-train traffic and £55,662,132, or 51.3 per cent., from goods-train traffic. Deducting expenses of collection and delivery, £5,307,907, and mileage, demurrage and wagon hire, there remains £103,227,103, which, with miscellaneous receipts of £939,276, makes the total earned revenue £104,166,679, an average of £20,833,336 per month, as compared with the following results in the individual months:—August £22,988,050, July £23,228,147, June £19,526,042, May £19,656,271, and April £18,773,869. The average has thus been raised considerably above the level of the earlier months, and this is, of course, in part accounted for by the advanced charges, the effect of which should be particularly noticeable from September onwards. The revised higher schedule of passenger fares came into force on August 3, and the receipts from passenger-train traffic in that month were £13,044,275, compared with £12,654,058 in July, so that the August increase should be recorded in September, despite the diminution in holiday traffic, which was, it might be noted, stimulated to some extent during July by the prospect of [illegible] than in the preceding month by £1,868,268. The aggregate results on both the income and expenditure sides of the account are set forth in the following table:—

Controlled Railways. Revised Revenue Account of Working during the Five Months ended August 31, 1920.

	£	£	£
[illegible]	[illegible]	13,044,275	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
TOTAL	[illegible]	25,830,905	[illegible]
Less Excess of cost of collection, &c.	4,245,016	[illegible]	[illegible]
Total traffic revenue earned	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	92	[illegible]
Miscellaneous	[illegible]	219,884	939,276
Total revenue earned	81,178,629	[illegible]	[illegible]
EXPENDITURE			
Maintenance and renewal of way and works	11,707,097	3,031,777	[illegible]
Maintenance and renewal of rolling stock	15,131,103	3,827,680	18,958,783
Locomotive running expenses	19,771,254	[illegible]	[illegible]
Traffic expenses	24,[illegible]	[illegible]	[illegible]
General charges	[illegible]	[illegible]	[illegible]
Law charges and Parliamentary expenses	111,921	[illegible]	[illegible]
Compensation for accidents	911,690	244,407	[illegible]
Rates, taxes, &c.	3,118,606	[illegible]	[illegible]
Payments under National Insurance Act, 1911	181,615	[illegible]	245,054
Running powers	[illegible]	[illegible]	[illegible]
Miscellaneous	165,705	39,892	[illegible]
Miscellaneous	182,189	40,757	[illegible]
Allowances to dependants of men serving with H.M. Forces	4,469	[illegible]	[illegible]
Total expenditure	77,993,264	19,969,908	[illegible]
Balance of revenue over expenditure or excess of expenditure over revenue carried [illegible]	3,185,365	[illegible]	[illegible]
OTHER BUSINESSES. EXCESS OF EXPENDITURE OVER REVENUE EARNED			
Passenger road vehicles	[illegible]	[illegible]	[illegible]
Docks, harbours and wharves			
Hotels, refreshment rooms & cars			
Other separate businesses ...			
Total EXCESS OF EXPENDITURE OVER REVENUE EARNED ...	2,081,25[illegible]	[illegible]	[illegible]
GOVERNMENT GUARANTEE:—			
Standard Year Proportion of net receipts	[illegible]	[illegible]	[illegible]
Interest on capital works brought into use	369,000	[illegible]	[illegible]
TOTAL	[illegible]	[illegible]	[illegible]
NET GOVERNMENT LIABILITY	13,515,677	[illegible]	[illegible]

NOTES.—(1) The figures are subject to audit, and as regards Government traffic in Ireland the rates at which the charges are to be raised are not finally agreed.

(2) No amount has been allowed for [illegible] Government in respect of Representative stock of stores [illegible]

(3) Abnormal wear and tear.

(4) Arrears of maintenance.

The excess of expenditure over revenue earned in August was £2,948,106, but the Government guarantee in respect of the "standard" revenue plus interest on capital works newly brought into use amounted for the month to £5,068,000, leaving a balance of £2,119,894 to be met by the Treasury. The deficit for the five months is £15,635,571, or at the rate of £3,127,114 per month, making approximately £37,000,000 per annum. Government liability in respect of August is thus much reduced below the previous level, and how the figure compares with previous years may be gathered from the following table [illegible] the total amount of compensation [illegible] paid per month to the controlled companies on the basis of their net receipts in 1913:—

Compensation Paid [illegible]	
August 1914	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]

The estimated deficit for the financial year to March 31, 1920, was £45,000,000, or at the rate of £3,750,000 per month, the largest monthly average since the commencement of the period of control. The size of the deficit was due to the fact that many classes of traffic, especially in the goods section, were being carried at unremunerative rates; but when the accounts are finally made up it may show a reduction, as increased rates were to be allowed in respect of Government traffic carried during the year.

Coming to 1920-21, the Ministry of Transport estimated a deficit of £40,500,000 on the basis of old charges, and it was mainly in consequence of this estimate that the Rates Advisory Committee were called on to revise charges and so restore the financial equilibrium of the lines. The Committee presented two reports, one dealing with passenger and the other with goods traffic, and in consequence of its recommendations season tickets were raised to fifty per cent. and ordinary tickets by 16⅔ per cent. to seventy-five per cent. above pre-War level. Workmen's fares were increased according to distance as from September 1, the date on which the Committee's recommendations as to freight rates and charges, which had also been approved by the Cabinet, came into force. All rates ruling before January 1920, except those affecting coal, coke, and patent fuel, have been doubled, and, in addition, certain flat-rate charges have been made. The various increases should much more than cover the estimated deficit, unless traffics show a serious falling off, and thus the finances of the companies, in the absence of any large expansion in operating expenses, should register substantial improvement.

On the question of decontrol much uncertainty still exists in railway circles, but it is possible that the findings of the Departmental Committee on Railway Agreements, whose appointment by the Ministry of Transport was announced on Thursday last, will facilitate a speedy decision on the matter. The Committee will report on the nature and terms of the agreements between the Government and the railway companies, and also on the extent of the outstanding liabilities of the State, according to the interpretation which they place on the agreements. If the interpretation is favourable to the railway interests, especially in the matter of depreciation and allowance for capital expenditure, stockholders should benefit to some extent.

THE IRISH TRAGEDY.

At the General Election of 1918 eighty-three per cent. of the members returned for Irish constituencies specifically pledged themselves to abstain from attending Parliament and promised to support a new political policy which aimed at the establishment of an Irish Republic. This was the new aspect of the Irish situation that confronted the Government at the end of that year, and to an acute observer it was eminently not a case for the pursuit of its traditional policy of compromise. Against this was the composite character of the Government, largely recruited from a party deter-

measure of legislative freedom that would place the

convulsing Ireland to-day. Wise statesmanship in 1918

Government's advances half-way; but this opportunity was thrown away and the generosity of a future offer

The British public must thoroughly understand that ordinary forms of constitutional procedure have ceased to exist in Ireland, and that both the Irish Government and the Sinn Feiners have definitely committed themselves to the adoption of a policy of physical violence. Sir Hamar Greenwood has pointed out that already 100 policemen have been murdered. The Sinn Feiners, on their part, allege that since 1918 sixty-six civilians have been shot by military and police, and that up to the end of August 515 magistrates have resigned as a protest against the methods of government now in vogue. In spite of all denials to the contrary there seems every reason to believe that the reprisals policy is officially countenanced by the authorities. The sequence of cause and effect is too natural to believe otherwise. We have before us a list of 110 towns and villages that have been partially or completely wrecked by military and police. In every case the attack has followed as a result of an outrage by Sinn Feiners. No effort has been made by utilising the ordinary forms of criminal detection to fix the responsibility on the guilty parties. The entire town or village is assumed to be responsible for the crime, and bombs and bullets afford the means of punishment. The authorities shelter themselves under the plea that human nature impels the uniformed man to avenge his murdered comrade. If so, this is the behaviour of a mob, not of a disciplined force. The loss of human life in these forays has not so far been heavy, but the wanton destruction of business premises and private houses makes pitiable reading. Clearly the underlying idea is that reliance on this species of intimidation will secure the re-establishment of law and order. Opinions differ as to its success in this direction, but from historical parallels it is likely to give birth to passions fiercer than it is designed to suppress.

Indirectly the effect of the political disturbance on the economic life of the nation is manifesting itself in a reluctance to carry large stocks, to extend premises, or invest money in new enterprises. A concrete estimate of the amount of damage done is at the moment unobtainable, but it undoubtedly runs into many hundreds of thousands of pounds. The dairying industry has suffered severely, and the production of butter and cheese, commodities which are sent in large quantities to this market, will undoubtedly be restricted. From the *Irish Homestead* of August 14, 1920, edited by Mr. G. W. Russell, who certainly cannot be accused of holding any pronounced partisan views, we extract the following: "On April 14 last the Kilronan Auxiliary to the Drumbana Dairy Society was burnt by a body of soldiers and members of the Royal Irish Constabulary. The damage done was estimated to be £1,032 or thereabouts. On the 10th day of the same month a party of soldiers and police entered the Kilcommon Co-operative Creamery and partially wrecked the machinery and buildings, the staff being forced onlookers, restrained by men with bayonets from intervention with the work of destruction. The damage done on that occasion, we understand, is about £500." Without entering into further descriptive particulars we give below a list of some wrecked or partly wrecked creameries and an estimate of the

Creamery	Estimate of Damage £
Kilronan Auxillary	1,032
Kilcommon	500
Knocknure	2,500
Ross	800
Newport	13,000 at least
Newcastle West	8,000
Garryspillane	10,000
Rear Cross	2,446

In all, eighteen creameries are said to have been destroyed during the past five months. Sir Horace Plunkett has pressed for an open inquiry into the facts and an authoritative assurance that where the destruction of property is traced to servants of the Crown full

compensation will be provided from the Imperial Exchequer, and not charged, through the local rates, on the people whose property is so destroyed. In reply Sir Hamar Greenwood evades the suggestion of an inquiry, and states that if evidence is brought forward proving that any servant of the Government is guilty of any such outrage the offender will be dealt with severely. Regarding compensation, he adds that no question of the charge of compensation against public funds can arise until the claims have been preferred in the ordinary way in the courts, and the courts have adjudicated upon them. In view of the difficulties attendant on this form of procedure we think that the moment is opportune for the appointment of a Royal Commission fully empowered to determine the responsibility for the wreckage of towns and business premises and the loss of human life. Compensation claims to the amount of £90,000 have already been lodged in respect of the disturbances in West Clare. If Government agents are proved to be responsible for this destruction it is manifestly unfair that the local ratepayers should be saddled with the burden of paying for the destruction of their own property by armed guardians of the peace.

The rates at which insurance is now done afford eloquent testimony of the insecurity of property in Ireland. These rates, though continually fluctuating, show a marked upward tendency and at present they are as high as eight per cent. per annum.

RUSSIAN INDEBTEDNESS.

A storm of dissent has arisen on the publication of the Government's draft agreement for the resumption of trade with Russia, chief criticism being levelled at certain clauses which are construed into a renunciation on the part of our Government of all attempts to recover national, municipal, and private debts from our former Ally. The criticism is, however, mainly of an interested character, and, moreover, emanates to a large extent from quarters where political bias tends at times to obscure the truth of facts. A careful reading of the draft agreement which has provoked such an uproar shows that it is nothing more than a preliminary arrangement to facilitate trade, without prejudicing larger issues, such as the full recognition of the Soviet Government and its responsibility for the debts of the Imperial *régime*. Unless words have lost their meaning, Clause 8 of the published draft contains an ample assurance on this point. It reads as follows: "The Russian Soviet Government hereby declares that it recognises its liability to pay compensation to British subjects in respect of goods supplied or services rendered to it, or to the former Government of Russia, or to Russian citizens, for which payment has not been made owing to the Russian Revolution. The detailed mode of discharging this liability, together with all other questions with regard to the liability of each of the parties towards the other party or its nationals, shall be regulated by the Treaty referred to in the preamble." The Treaty is the important factor in determining the status of pre-Revolution debts, as it alone can regulate the permanent economic and political relations between the two countries. It is imperative, of course, that British holders of Russian securities should have their long-deferred claims met as soon as possible, but the chance of payment will not be enhanced by insisting on the further economic strangulation of the country. The amount of debt outstanding is too great to be satisfied by any other means than aiding Russia along the path of industrial and agricultural revival. We must disregard such questions as the internal structure of the system of production and distribution, which is at most only an adventure, though perhaps a bloody one, into a new scheme of social order. Estimates of the total public debt are difficult to frame, but in the following table all possible precautions to ensure accuracy have been taken:—

Loans to Warring States	[illegible]
Imperial [illegible]	7[illegible]
Municipal [illegible]	[illegible]
Railway [illegible]	[illegible]
Other obligations ...	[illegible]
	[illegible]

The exact amount of Russian debt held locally is altogether uncertain, and, further, the figures above given exclude [illegible] principal, which cannot be put at less than one hundred millions sterling.

Certain conditions remain to be fulfilled before the trade negotiations with the Russian delegates can be resumed with any prospect of success. All hostilities and propaganda work detrimental to our interests must cease, and the repatriation of British prisoners must be unconditionally carried out. Unless effective guarantees under these heads are provided by the Moscow Government it would be undignified on our part to proceed further. At the same time, it is absurd to expect Russia to pay if we make it impossible for her to work. Moreover, many Russians feel sore on the subject of pre-War debts, which were in not a few instances secured by the Tsarist Government for the purpose of perfecting its repressive measures and subjecting the mass of the population to the most odious tyranny in modern history. As far back as 1905, when a wave of unrest passed over the country, owing to the miserable failure of the bureaucrats in the Russo-Japanese war and the economic pressure which such failure entailed, warning was conveyed to France that when the people became masters in their own house they would disclaim the liabilities of their oppressors. The warning was not heeded either in France or England, and if the Russian people now cherish no great tenderness towards the political loans raised by the Romanoffs, at least their feelings in the matter can be understood. No disavowal of obligations should, however, be permitted in regard to railway loans and other debts contracted for reproductive purposes; but as the position in this respect is not prejudiced by the draft agreement, there seems no sufficient reason for not continuing negotiations, subject to the provisoes above mentioned, until they reach a successful issue.

While it is desirable that any *rapprochement* with Russia should, if possible, be made in concert with our Continental Allies, recent events have not tended to bring England, France and Italy into line in regard to their Eastern European policy. Italy has done its utmost to reopen trade connections with the Soviets mainly because the food position gives cause for alarm, especially in view of the high premium on dollar exchange. The conclusion of peace between Russia and Poland, which seems assured, if no further hitch develops, should help to bring us into line with the Italian view-point, and then France, which is already in a more conciliatory mood, might also be induced to make common cause with her Allies.

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STERLING EXCHANGES—MAY TO OCTOBER.

In the last five months the value of sterling abroad, as shown by the course of exchange on the principal centres, has varied considerably; but on a careful scrutiny of the quotations two movements emerge which are to some extent inconsistent. The premium on the British pound has been increasing, and at the same time the discount at which it stood in a number of countries has also evinced an upward tendency. Absolute uniformity has not, however, characterised either the premium or the discount groups—as is shown by the following tables, which include the actual variations in the rates, as well as the percentage premium or discount:—

Exchanges Favourable to U. K.

	Par.	Oct. 1	Average for Sept.	Average for Aug.	Average for July	Average for June	Average for May
Berlin	Kr. 20·43	214·m	208·m	173·m	155·m.	157·m.	180·m.
Brussels ..	f. c. 25·22½	19·42½	18·67 fr.	17·43 fr.	14·97 fr.	17·47 fr	34·24 fr.
Christiania ..	Kr. 18·159	24·67kr.	25·28kr.	24·62kr.	23·40kr.	21·97kr.	20·78kr.
Copenhagen .	Kr. 18·159	24·80kr.	25·19kr.	24·36kr.	23·62kr.	23·46kr.	22·05kr.
Rio de Janeiro ...	16d.	12·43/32	12·1/8	13·1/8	11·7/8	11·31/32	
Paris	f. c. 25·22½	52·02	52·29	50·54	48·14	50·97	57·03
Rome .. .	f. c. 25·22½	83·50	80·44	75·09	67·70	66·81	74·50
Stockholm .	Kr. 18·159	–	–	–	–	—	18·17

Exchanges against U. K.

	f.						
Amsterdam	12·107	11·17	11·22	11·00	11·05	10·91	10·58
Berne .	f. c. 25·22½	24·63	24·65	24·55	22·05	24·69	24·79
Buenos Ayres .	d. 47·58	37·1	37·1	37·1/16	37·1/16	38	40·0
Monte Video ..	51·d	38	37·1	37·1	36·7	39·5	42·1
Madrid	25·22½	23·75	23·86	24·00	24·25	23·85	23·32
Montreal .	$ 4·86·3	3·84·1	3·88·1	4·07	4·39·1	4·18	4·28
New York .	$ 4·86·3	3·44·1	3·52	3·69·1	3·87·1	3·95·1	3·85·1
Yokohama ...	d. 24·58	2·11	2·14·7	2·9·7	2·7·1	2·7·1	2·8
Stockholm	Kr. 18·159	17·43	17·42	17·62	17·67	18·11	–
Rio de Janeiro .	16d						10·1/32

Percentage Premium.

Berlin	947·1	893·6	746·8	688·7	668·1	781·0
Brussels ...	95·9	92·5	88·0	78·3	93·1	115·0
Christiania ...	35·9	39·2	35·9	29·2	20·9	14·1
Copenhagen ..	36·6	38·7	37·6	30·1	29·2	26·9
Rio de Janeiro ...	29·0	28·0	15·1	12·6	6·6	–
Paris	106·2	107·3	100·3	90·9	101·6	126·1
Rome	231·0	218·9	197·7	168·3	164·8	195·3
Stockholm	–	–	–	–	—	1

Percentage Discount.

Amsterdam	7·8	7·4	9·2	8·7	9·9	12·6
Berne	14·3	14·3	13·8	12·6	14·1	13·6
Buenos Ayres	16·7	16·9	16·5	16·5	18·0	20·9
Monte Video	12·1	11·5	10·9	9·6	11·4	17·9
Madrid	5·9	5·5	4·9	5·9	5·4	7·6
Montreal	21·3	20·2	16·4	9·8	8·1	12·1
New York	28·4	27·7	26·0	20·5	18·9	20·9
Yokohama	32·7	29·5	27·8	23·3	21·1	26·3
Stockholm	14	14	5·6	2·7	·5	–
Rio de Janeiro			–	–	—	3·1

The monthly averages, which are given from May onwards, are calculated on the end-of-the-week quotations. The quotation for the pound in German marks fell from 180 in May to an average of 155 in July, rising in subsequent months until it reached 214 marks on October 1. Brussels has, on the contrary, improved its position substantially since May, though the high value of the franc reached in July has not been maintained. The changes in the French franc have been of a like character, and, on balance, it has also improved since the spring. In Christiania, Copenhagen, and Rome the premium on the pound has, however, risen, the greatest change in our favour having taken place in the first-named centre. The latest quotation for Norwegian kronor is 25.25, for Danish 24.95, and for Italian lire 90.50, the movement thus continuing to the advantage of London. In Rio, where the £ was quoted at a discount of 3.1 per cent. in May, the margin turned to our advantage in June, and has since rapidly expanded to 29.0 per cent. on October 1. The milreis from a parity value of 16*d.* had fallen on October 1 to 12 3/32*d.*, and it has declined since to 12¼*d.* A premium of .1 per cent. for the Stockholm kronor in May has changed to a discount of 4.1 per cent. in September, but recent quotations show an upward trend in sterling.

With regard to exchanges which have been uniformly unfavourable to the United Kingdom sterling values have declined in the important centres of New York, Montreal, Berne, and Yohohama, but have appreciated in Amsterdam and Madrid and certain South American centres, such as Buenos Ayres and Monte Video. The decline of the £ in Montreal has been more marked than in New York, but the discount in the latter place is still greater, 28.4 per cent., as compared with 21.2 per cent.

NITRATE POSITION.—VI.

In conclusion we will deal with present prospects of production and consumption, and indulge in a forecast as to the statistical position at June 30, 1921, which may be regarded as the close of the next season.

The productive capacity of the pampa has recently been computed by the Asociacion at 87,695,200 quintals, made up by: Associated producers, 73,395,200 quintals; non-Associated producers (Americans and Germans), 14,300,000 quintals; total, 87,695,200 quintals. In other words, it is calculated that, if all the producers were working at full speed, the aggregate output would amount to that figure; from which, however, must be deducted at least fifteen per cent. for mechanical breakdowns, labour troubles, fuel shortage, and other factors, leaving a net quantity of 74,540,920 quintals.

From July 1, 1913, to June 30, 1914—the last complete year before the War—59,099,828 quintals of nitrate were consumed. Provided that Germany again takes nitrate—and it is known that already several cargoes have been shipped to its ports—and allowing for the expansion of trade in the United States and other parts of the world, an increase of certainly not less than twenty-five per cent., representing four per cent. per annum for the past six years, might be added to the above 59,099,828 quintals, making 73,874,785 quintals, as compared with a possible output of 74,540,920.

	Quintals.
On June 30 last the stocks on the coast were .	27,546,464
To which must be added the July and August makes	9,481,963
Making in all	37,028,427
From which must be deducted the July and August shipments of	7,136,594
	29,891,833

Assuming a total monthly production of 4,750,000 quintals from September to June next, providing for the sales already made and to be made by the Asociacion with deliveries between now and June next, and estimating that the outside producers will succeed in disposing of eighty per cent. of their productive capacities, the stocks at the end of June next should be 16,091,833 quintals. These figures are arrived at in the following manner:—

		Quintals.
Coast stocks September 1, as above ...		29,891,833
Production September to June 30, 1920 (ten months at 4,750,000 quintals per month)		47,500,000
		77,391,833
Sales already made by the Asociacion with deliveries to April	34,300,000	
To be made about	11,000,000	
Estimated sales by outside producers, say	10,000,000	
		55,300,000
		22,091,833
Estimated total further sales, May and June deliveries, by all producers ...		6,000,000
		16,091,833

This represents about three and a-half months' production and cannot be regarded as excessive. The coast stocks at the corresponding date in 1912, 1913, and 1914 were 13,695,311, 13,422,893, and 16,664,935 quintals respectively.

At the present moment the whole world is most undoubtedly suffering from a shortage, and a most serious shortage of foodstuffs. This can only be made

up by an extension of the ground area already under cultivation, and by a more careful scientific treatment thereof. Consequently, the demand for fertilisers of all kinds must be very great. Moreover, it must be borne in mind that this lack of food is not temporary, but is likely to endure—for all time we were on the point of writing, and perhaps we should not be far wrong—because the purchasing power of the masses, who in old times were always underfed, is now and must continue to be much greater. In fact, it is not easy to imagine how in the future the daily demands for bread and butter alone can be met, to say nothing of those for meat, sugar, and other necessaries.

We, therefore, are of the opinion that nitrate of soda, with its many advantages of quick, sure action, safe and easy handling, will always find a good market at a reasonable price, and need have no apprehension of any competitor.

For the benefit of our readers we intend to publish, commencing with next week, a series of articles showing in detail the financial position and the prospects of the different nitrate companies.

JAPAN.—At the end of last month general trade conditions in Japan were still depressed, the only exception being the textile trade, where some little animation was in evidence. The report of a sharp fall in the prices of American cotton was responsible for exceptional dulness in the Cotton-yarn market. This, in turn, induced considerable selling of cotton-spinning shares, and the fall in these brought down nearly all other shares. Rice, too, fell to twenty-four yen per koku, the koku being, roughly, equivalent to five English bushels. The Imperial Filiature Company, recently formed by the raw-silk merchants and others for the purpose of relieving the hard condition of the silk trade, has not commenced business, and the trade is again quiet, the price of the commodity standing at 1,500 yen.

At Constantinople—

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HOME AND FOREIGN EXPORT CREDITS.

In the absence of production on a practically normal, or at least restored to some semblance of, pre-war standards, a substantial all-round reduction in prices would no doubt have been already effected. As everybody is aware, however, the conditions prevailing on practically the entire European continent are still highly abnormal, and the shortage of foodstuffs and raw material for further manufacture is still felt to a marked degree. The incidence of this shortage varies greatly; in France and Italy it is severe, but is still further accentuated in the case of enemy countries and in practically all the newly-created States. Impoverished nations would in any event have some difficulty in satisfying their requirements in view of the enhanced competitive prices operating on a restricted world-supply, but the problem is for them further complicated by depreciated exchanges, which are continually subject to violent fluctuations. The discount on some currencies in New York at various periods, as shown below, gains some interest from the fact that to America the countries concerned must largely look for the replenishment of their stores of [illegible]:—

Rates of Exchange.

New York selling Rates				Dis-count
	Dec. 26, 1919	June 30, 1920	Dec. 31, 1919	
[illegible]				
[illegible]	10·36	[illegible]	[illegible]	77·76
[illegible]	6·15	6·8·16	[illegible]	90·13
Holland (2·50 cents = 1 guilder)	39·25	39·77	[illegible]	94·96
Switzerland (Swiss Franc = 1 franc)	4·35	7·8·54	4·10	4·15
Roumania (19·30 cents = 1 leu)	10·69	4·1·8	[illegible]	83·41
[illegible]	4·15	7·9·11	3·85	95·71
Hungary (no quotation)				·66
Bulgaria (19·30 cents = 1 lev)	11·00	5·7·00	[illegible]	87·05
Germany (23·83 cents = 1 mark)	7·00	6·6·85	[illegible]	2·61
[illegible]	8·4·1	35·34	[illegible]	16·75
France (5·18½ frs. = 1 dol.)... Francs	6·47	19·00	10·86	52·28
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

In half-yearly periods, embracing in all practically a complete year, New York's valuation of these currencies has been characterised by its continuously low level. Worse still, this level is subject to extreme changes, and this instability presents a serious barrier to trading relations, the full resumption of which is a vital matter for all nations. New York's relation to the above exchanges is shared by London, although not quite to the same degree, and by Paris to a lesser degree.

With the object of solving the difficulties incidental to exchange and permitting the traders in countries saddled with depreciated currencies to make payment for goods received when conditions would possibly be more favourable, various export credit schemes have been drawn up by Great Britain, the United States, and France. The main object of the British scheme, originally announced by the Prime Minister on August 18, 1919, was to supply long-term credits of one, two, or three years, and insurance against abnormal risks for the furtherance of trade in manufactured goods with Roumania, Finland, the Baltic Provinces, Poland, Czecho-Slovakia, Yugo-Slavia, and South Russia. Through the Export Credits Department of the Board of Trade the maximum of £26,000,000 provided for the purpose was prepared to make advances to a duly authenticated Russian exporter of [illegible] the goods exported to those countries, providing, of course, certain conditions were fulfilled. The promise of the early release of the greater part of this capital sum has not so far inclined to any substantial measure of support for the scheme, the amount involved up to the end of last June being [illegible] figure of £28,000. Probably the explanation for this poor response lies in the more profitable trade openings found elsewhere, the risks attendant on securing the repayment of the remainder of the value of the goods, twenty per cent., and the somewhat onerous conditions

of the agreement between the exporters and the Department. No doubt a certain amount of trade with these countries is financed by ordinary banking methods, but the paucity of statistics, unfortunately, does not permit of an estimate of its volume. It is unlikely to be very large, and considering that other competitors are endeavouring to gain a firm foothold in the markets of the newly-created States—the loan of $5,000,000 by the War Finance Corporation for financing the export of American locomotives to Poland may be recalled in this connection—a desire on our part to open up connections at a later date will involve competition with more or less vested interests.

Having regard to the stimulus given by the War to production and industry in the United States, and the surprising growth of her export trade and her preparations to dispute the financial and commercial hegemony of the world with Great Britain, it will cause no surprise to learn that elaborate plans have been made for providing the American exporter with the necessary financial machinery. Apart from the pursuit of ambitious ideals by the United States, this, it must be admitted, would have been in any case a necessity, as American exporters did not possess the banking facilities to enable them to grant the long-term credits needful to allow foreign clients an opportunity of awaiting a more favourable turn of exchange before settling their debts. As originally established, the War Finance Corporation, the capital stock of which was issued and held by the American Treasury, aimed at the provision of financial facilities for banking and industrial concerns whose operations were necessary to the prosecution of the War. But on March 3, 1919, anticipating, it will be observed, the British scheme, the policy of the Corporation was altered to enable it to make advances to exporters and bankers engaged in the export trade. Up to March 25, 1920, these totalled $43,000,000, but on May 10 the Government decided to suspend further advances, deeming intervention in the export trade no longer necessary, since private enterprise by means of the Edge Act of December 1919 was free to organise such corporations as strictly limited their operations to the spheres of foreign and international commerce. The majority of the shares of these corporations must be subscribed by Americans, and their minimum capital is fixed at $2,000,000. In addition to exercising ordinary banking functions they may advance cash to foreign purchasers of American exports on such security as a foreign manufacturing plant or similar collateral. By means of this measure and the Webb Pomerene Act of 1918, which amended the Sherman and Clayton anti-trust laws, the right of combination is freely accorded to American associations engaged solely in the export trade.

Before the War the French exporter obtained but little facility from native sources for discounting his overseas bills and obtaining information of the standing of foreign customers. In consequence he was obliged to look for credit to London or Hamburg, and accordingly foreign banks gained a strong foothold in Paris. The establishment of the French National Bank for foreign trade, which is backed by the Bank of France, is an endeavour to meet the convenience of French exporters. It seeks to do this by simply transforming long-term bills on foreign countries into credits negotiable in France and in keeping with French practice.

Especially on the part of traders in countries with heavily depreciated exchanges there will at present be a manifest temptation to deal with a nation dispensing the most favourable credit terms. Our pre-eminence in furnishing these facilities was in former days unquestionable, the bill on London being esteemed as one of the most popular forms of international currency. The invasion of a sphere which we were long content to regard as our own has consequently an important bearing for us.

AUSTRIAN BANKING AND FINANCE.

(Specially Communicated.)

Vienna: October 4.

Some interesting movements have lately taken place here as regards the permeation of Austrian banks with foreign capital. Thus, the Lombard and Escompte Bank, in which Belgian interests have always figured, is raising its capital from twenty to one hundred million kronen; and the new shares are taken over by a Belgian group, led by the Société Générale, and by an Italian group, the Banca Commerziale Triestina. Also a combination of the spirit distillers of Czecho-Slovakia has taken shares, and altogether gone over from the Depositen Bank to the Lombard and Escompte Bank. It is said that this Bank has succeeded in making a favourable arrangement with regard to pre-War debts in Paris and Brussels. The Depositen Bank, on its side, has come altogether under Italian control and, together with its Italian friends, especially the Banca Commerciale Italiana, is taking over the new shares of the Bömische Union Bank in Prague. Thus the Banca Commerciale has succeeded in getting together quite a ring of banks in Central and Eastern Europe; and so great has been their achievement that many wonder how the Italians, who have sufficient troubles of their own, can afford to embark on all these ambitious enterprises.

The Austrian Länderbank may already be considered a French undertaking and probably will remove altogether to Paris; but the Bank's branch in London is not likely to be reopened. Everybody is asking himself how it is that the English banks and English capital are not taking more interest in Austria and allows it to fall under French and Italian financial domination.

There was a time when the shares of the Southern Railway, better known as Lombards, had a certain market in the London Stock Exchange. It might therefore be of interest to hear that the Italian Government has invited the railway company to send delegates to Rome to negotiate with regard to the Italian lines of the Company, now taken over by Italy. Negotiations are also to take place regarding the indemnities due to the company, and the annuities which the Italian Government, up to the outbreak of the War, paid as purchase consideration for those lines of the Southern Railway taken over after the war of 1866.

The Italian Government, meeting the wishes of the Trieste mercantile community, has decided that for 100 kronen 60 lira must be given. This will make it possible for the Trieste branches, the Vienna banks, and the local banks to resume payment. The same rate of exchange is in force for all other former Austrian territory acquired by Italy.

In order to put a stop to the pernicious system of floating short-term debts, the Austrian Government is now issuing six years' Treasury notes that carry interest at six per cent. So as to induce foreigners who own kronen to buy these new notes they have been made repayable at any time on three months' notice being given by holders. For about 2s. 6d. one can buy 100 kronen of six per cent. loan and either get one's money back any time at three months' notice, or have a fair speculative chance of the value of the krone rising.

The tendency of falling prices, as reported from other countries, in Austria certainly has not set in yet. We read with wonder that in other countries merchants are overstocked. Ours certainly are not; and just because they are not the profiteers are able to play battledore and shuttlecock with goods and make them disappear and reappear just as the movement of prices demands. The adverse rates of exchange naturally compel the Government to look askance at unlimited imports, but this increases the general hunger for goods, and in consequence raises the prices. It is the low and unstable rate of exchange that is at the bottom of all our troubles. A single instance may be given. Thanks to the kindness of the Swiss Govern-

condensed milk at an extremely reasonable price. A [illegible] to-day nearly forty kronen. The great mass of the [illegible] so the Government is doling the milk out at fifteen and twenty-one kronen, with a corresponding loss to the Exchequer. Nor can it be said that private enterprise [illegible] tinned milk, but that milk costs considerably over forty kronen. Pork and fat also are free articles, yet decontrol has only helped to raise prices still higher, and the end of our food difficulties seems as far away as ever.

BRAZIL.

DEVELOPING TRANSPORTATION.

According to a [illegible] by the *Revista Americana*, from Rio de Janeiro, the Brazilian Government has approved the expenditure of more than half a million sterling for the construction of a railway between Petrolina and Therezina in the State of Pernambuco. Pernambuco is the great sugar State, just as Bahia is the tobacco State, and just as Sao Paulo grows nearly ninety per cent. of all the coffee produced by the United States of Brazil. Probably many readers who endeavour to keep themselves well informed in matters regarding the continent of South America in general and the Republic of Brazil in particular have failed to notice the short cable message to which we have just referred. Nevertheless, development of transportation facilities is going on always, more or less improving the condition of various parts of the continent as well as of the several States. Each and all of the various South American States have profited very largely as a result of the recent European War. As we explain elsewhere, probably no continent is so favourably situated for the supply of food and raw materials upon an enormous scale; and South America, taken as a whole, and its several States, as parts of the continent, did, in fact, supply enormous quantities of food and raw materials during the War to the belligerent countries of Europe as well as to other parts of the world, and have profited enormously thereby. The revenue resulting to the State from this prosperity is being widely used—perhaps in no way could it be used to better advantage—in increasing the transportation facilities of the various States as well as of the Republic taken as a whole. It will be remembered that some time ago we commented upon the very great improvements that have been made in the roads in and about Rio de Janeiro itself. Also improvements have been made about Santos. These two great ports are, of course, well known to Europeans, particularly Rio, the capital. There have been improvements about Petropolis, the fashionable resort in the mountains patronised by the well-to-do classes from Rio. All this is to the good. It attracts visitors, improves the means of travelling, and gives the [illegible] should be, and of what roads are like in the economically highly developed countries of the world. There is nothing like seeing what other people are able to do to encourage effort in a people whose own district is exceedingly backward. A man, for example, coming [illegible] at any rate with a measure of admiration, upon what has been done in and around Rio de Janeiro, and even in fashionable resorts like Petropolis. He is naturally [illegible] sort of official position to enable him to do so, he will [illegible] village or of his native State. The improvement of [illegible] where. But it has to be remembered that no over, very restricted areas for the improvement of even such an urgent need as transportation facilities in a country like Brazil. Rio de Janeiro is an enormous city with practically a million of inhabitants, and considerably more if we include the suburbs like Nictheroy and the various outlying places on the Bay, whose population work in the city during the day, but live in various outlying places surrounding the beautiful Bay of Rio. Petropolis, as we have said [illegible] summer residence. In any case, it is only suitable for people whose condition does not require them to be in Rio at a certain hour every morning. Consequently, about Rio, its suburbs, and a very wealthy suburb like Petropolis, if we may call it a suburb, it is possible to expend public money, and expend it lavishly, because it benefits economically the actual residents; attracts settlers capable of benefiting the city further economically; and, finally, attracts wealthy visitors who are in a position to spend largely during their stay in or around the city. Consequently the more the Government, within reason, improves the roads and improves the transportation facilities and general amenities of Rio, taken as a whole, the more certain it is to increase the development of the city and add to its own revenue. This is the safe and reasonable means of improvement which, far from adding to the burdens of the State, will, in the course of a very short time, so increase the revenue that the expenditure will over and over again be repaid.

Now, in Pernambuco, to which we have just referred, the construction of a railway, assuming that the Government has taken the usual advice, as Governments generally do in these cases, can hardly fail to be a highly profitable one. We are only acquainted with the actual conditions existing in part of the territory which it is proposed to open up, but, assuming that that is characteristic of the whole, there can be no reasonable doubt that the railway will pay handsomely. Very much what we have said with regard to the opening up of the region about Rio applies to road building in Pernambuco or any of the old States which have been long settled. There is an established business, there is every facility for increasing that established business and engaging in purely new enterprises. Consequently, any expenditure devoted to the building of either roads or railways, the construction of a canal connecting up two river systems, the dredging of an existing river, and particularly any expendi- [illegible] advantageous. As we have said, these improve- [illegible] the Atlantic, which have long been settled, and where a prudent Government is well justified in improving the existing facilities. Excellent as this is, and much [illegible] prise, it is a very long way [illegible] its citizens, with the [illegible]

Government to engage in speculative enterprises in the hope of achieving brilliant results in some distant and unascertainable future. Brazil constitutes in area very nearly half the whole continent of South America. Her population is probably more than half the whole population of the continent. But Brazil, like South America, is badly in need of population, and is badly in need of transportation facilities. In the present stage of Brazil's economic development it will not be practicable for private enterprise to build roads. These will come in due course, provided Brazil in particular, and South America in general, is opened up by other means. At present, and as things are, probably the most promising way of opening up either Brazil or any other State of South America would be the building of railways upon an extensive scale, and that it would pay, provided they were built with reasonable regard to cost and were administered with reasonable ability, there can be no reasonable doubt. The enormous natural resources of nearly all the States of South America offer attractions which are afforded in the same degree perhaps in no other part of the world. Brazil at the present time needs to an exceptional extent a railway which would open up her rich natural resources, running from north to south—say, from somewhere on the frontier of the Guianas going through Matto Grosso and Minas Geraes right into the capital. If such a railway were opened it would be possible to grow almost all the foods and raw materials needed by man—in the higher altitudes the cereals and leguminous plants we are accustomed to in the temperate zone, and in the lower parts products such as sugar, cocoa, and products other than coffee, which is already provided by Brazil more than, perhaps, is necessary. Finally, all its regions are capable of supplying cattle to an enormous extent. It has to be remembered that the contour of the continent of South America is very peculiar. You have the highlands of the coastal region, then you have the great central plain, and beyond that the trough or depth which runs from the Amazon basin right away far beyond the Rio de la Plata. In fact, in a sense it may be said that the lake district of Patagonia is only a continuation of the low-lying lands which run, in a sense, from the Amazon right through the South American continent. It will be seen, therefore, that railway enterprise in the centre of the continent is by no means as formidable as railway enterprise on either of the coastal areas, whether one approaches it from the Atlantic or from the Pacific.

INVESTMENTS BENEFITING FROM THE EXCHANGE.—II.

In our issues of the last two weeks we published lists of Foreign and Colonial bonds and Corporation stocks, the dividends or interest on which are payable both in London and abroad. At the foot of this article we append another list of Foreign Corporation stocks quoted on the London Stock Exchange. The holders of such stocks can with benefit to themselves exercise the option attached to these various stocks of receiving their dividend or interest payments abroad in countries where the £ sterling stands at a discount, and making an extra profit on remittance to the United Kingdom, this profit being, of course, directly proportional to the depreciation of the £. The table given below contains securities of Scandinavian countries—Norway, Denmark, and Sweden—and of Finland and Brazil. The Norwegian kronor, which has been moving steadily downwards since the commencement of the year, is by no means at a premium in terms of sterling, and consequently the option of securing interest payments in kronor on the loans of the City of Bergen and City of Christiania, mentioned in the table, is not in itself valuable, but the option extends to other centres, such as Stockholm, Amsterdam, and Switzerland. The discount on sterling in Stockholm is slight, but it is greater in Amsterdam, and still greater in Zurich. As regards several of the securities quoted, the option is exercisable at various other centres on the Continent, such as Hamburg, Antwerp, and Copenhagen, where the present course of exchange is strongly in favour of this country, and details as to such centres have, in most cases, been omitted from our enumeration, since they are of little interest to the holders or would-be holders of the securities. Particulars as to redemption have been included for all the redeemable stocks.

In connection with the Five per Cent. Gold Bonds of the Federal District of Rio de Janeiro, and the Four and a-Half per Cent. Consolidated Sterling Loan of the same city, their value as affected by the exchange situation does not depend on the fact that the interest is payable in Rio, where the milreis, which at parity is equivalent to 16*d.*, stands now around 12*d.* The issues are redeemable at par within twenty-six years and thirty-nine years from their respective dates of emission, 1909 and 1912, and both interest and principal are payable in Holland. A fractional difference in the fixed rates of exchange allowed, 12.05 and 12.06 florins to the £1, may be noted, but the present discount on sterling in Amsterdam, which amounts to eight per cent. approximately, renders the difference insignificant to the holder.

FOREIGN CORPORATION STOCKS—

Bergen City of, 4%, Loan of 1901, £186,500. Repayable at par within 60 years from 1965.
Principal and interest payable in London, Bergen, Christiania, Stockholm, Hamburg and Antwerp at fixed rates of exchange of kr. 18·14, fl. 12·10 per £ sterling.

Christiania, City of, 4%, Loan of 1900, £626,400. Redeemable at par at the rate of £15,800 each six months.
Interest payable in London, Stockholm, Amsterdam and elsewhere at fixed rate of exchange of fl. 12·10, and kr. 18·14 to the £ sterling.

Christiania, City of, 4½%, Loan of 1911, £384,620. Redeemable within 38 years from 1917.
Interest payable in London in sterling, in Switzerland in francs, and in Holland in florins at the rates of exchange fixed on the bonds.

Copenhagen, City of, 4%, Loan of 1901, £888,700. Repayable at par within about 47 years from 1962.
Interest payable in London, Amsterdam, New York and elsewhere at fixed rates of exchange of kr. 18·16, fl. 12·10, and $4·85 to the £ sterling.

Copenhagen, City of, Loan of 1908, £2,074,800. Repayable at par within about 60 years from 1908.
Interest payable in London, and Amsterdam at fixed rate of exchange of fl. 12·10 per £ sterling.

Copenhagen, City of, Loan of 1910, £2,101,800. Repayable at par within about 60 years from 1910.
Interest and principal payable in London, Amsterdam, Zurich, Geneva, Basle and elsewhere at fixed rates of exchange of fl. 12·10 and frs. 25·20.

Copenhagen, City of, 4%, Loan of 1911, £1,057,240. Redeemable at par within 60 years from 1911.
Same option.

Gothenburg, City of, 4%, Loan of 1899, £283,500. Repayable at par within 40 years from 1899.
Interest and principal payable in London in sterling, or in Sweden at kr. 18·15 per £.

Gothenburg, City of, 4½%, Loan of 1911 (First Issue), £170,500. Repayable at par within 40 years from 1915.
Same option.

Gothenburg, City of, 4% Loan of 1909, £769,700. Repayable at par within 40 years from 1969.
Interest and capital payable in London in sterling, or in Sweden at kr. 18·16 per £.

Stockholm, City of, 4%, Loan of 1900, £995,600. Repayable at par within 11 years from 1960.
Coupons and Bonds payable in London in sterling, and in Stockholm at kr. 18·15 per £.

Stockholm, City of, 4½% Loan of 1913, £907,800. Repayable at par within 39 years from 1913.
Interest and principal payable in London in sterling, in Stockholm in Swedish kronor, and in Switzerland in francs, at the exchanges fixed on the Bonds.

Helsingfors, City of (Finland), 4½% Loan of 1909, £660,200. Repayable at par within 52 years from 1909.
Interest and principal payable in London in sterling, or in Sweden at kr. 18·15 per £.

Tammerfors, City of (Finland), 4½% Loan of 1910, £104,360. Repayable at par within 10 years from 1910.
Bonds and coupons payable in London in sterling, and in Switzerland at frs. 25·17½ per £.

Rio de Janeiro, Federal District of, 5% Gold Bonds, 1909, £1,431,730. Redeemable at par within 26 years from 1909.
Bonds payable in London in sterling, in Holland at fl. 12·05 per £, and elsewhere.

Rio de Janeiro, City of, 4% Consolidated Sterling Loan of 1912, £2,265,520. Redeemable at par within 39 years from 1912.
Interest and principal payable in London in sterling, in Holland at fl. 12·06 per £, and elsewhere.

THE AUSTRALIAN BANK OF COMMERCE.—The accounts for the year ended June 30, 1920, reveal a total net profit of £118,391, as compared with £97,255 for the previous year. £40,000 is transferred to the reserve fund, which is now £200,000, and £65,967 is absorbed by a dividend payment of five and a-half per cent. for the year, as against the previous rate of five per cent. Liquid assets have increased by £616,006 to £4,359,093, and deposit and bill liabilities by £990,670 to £9,171,577, the ratio thus increasing from 9s. 1*d.* in the £ to 9s. 5*d.*

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Financial Notes.

Economic Position of Finland.

THE considerable body of people here who carry on trade with Finland will welcome the news, recently announced here, of a conclusion of peace between the Finnish and the Soviet Governments. The terms of the treaty constitute a triumphant climax to the Finnish War of Independence begun at the end of 1917. The chief matters of dispute in the negotiations preceding the treaty were the ownership of the strip of coast around the Varanger Fiord on the Arctic Ocean, and of the islands Hogland, Lovensari, and Seskar in the Gulf of Finland. The Soviet Government, being apparently anxious to remove the Finnish menace, so as to be able to concentrate their forces on the Polish and Southern fronts, have agreed to the neutralisation of the former zone, thus allowing Finland free access to the port of Pechenga, and have made concessions as regards the islands referred to which will give the new Republic a substantial degree of control over the Gulf of Finland. The most important result of the treaty, however, is that it will allow Finland to resume trade relations with Russia, which is naturally its chief customer, and, given a return to quieter conditions on the part of Soviet Russia, it should advance rapidly in prosperity. Though the population is only 3.3 millions the country is exceedingly rich in natural resources. Of the total area, 125,700 square miles, or two and a-half times the area of England, about 13,800 square miles are covered by water, for the most part navigable, and over 100,000 square miles represent pine and spruce forests. The numerous slow and rapid rivers provide excellent sources of water-power, and are utilised very largely. The chief industries are agriculture, lumbering, and paper-making, but the iron, textile, and chemical industries provide important sources of income. Finland's foreign trade was almost at a standstill during the War with Russia, but since the beginning of 1920 it has developed again very rapidly. This revival, however, does not seem to include an extension of trade relations with Great Britain, and henceforward Russia, Germany, Sweden, and Norway will probably be the predominant countries in the markets of Finland. The latest published figures [illegible] likely to continue during the remaining months of the year, and though, perhaps, the 1920 trade figures will [illegible] is still much ground to be covered before imports can be paid for by exports. The Finnish national debt at present amounts to F.M. 1,292,000,000 (nominally £51,680,000), but against this [illegible] forests, waterfalls, lands, railways, canals, mines, and [illegible] F.M. 7,538,000,000 (£301,520,000), producing an annual income of about F.M. 715,300,000. The following table shows the revenue and expenditure for the past five years, as well as the estimates for the current year:—

Millions of Finnish Marks.—F.M. 25.22 = £1.

	1915	1916	1917	[illegible]	[illegible]	[illegible]
Revenue ...	516.7	284.6	440.—	[illegible]	[illegible]	[illegible]
Expenditure .	529.4	281.5	1.8.—	1,435.—	1,578.8	[illegible]
Excess revenue	88.6	37.6	2.—	8.6	14.02	[illegible]

These figures, taken in conjunction with those for the national debt, are sufficient evidence of the satisfactory state of the national finances. The winning of independence, however, will cost the country a very large amount for maintaining an army of defence, and on this account, in addition to the ordinary expenditure for 1920 given above, a sum of F.M. 580,044,000 will be required. As regards the paper currency, the position of the country is less satisfactory. At the end of July the outstanding note issue of the Bank of Finland amounted to F.M. 1,207,100,000, while the gold reserve was only F.M. 42,500,000, or 3.5 per cent. This is doubtless responsible for the great depreciation of the Finnish mark, amounting at present to about eighty per cent. in terms of sterling. The stringent regulations for dealing in foreign exchange imposed by the Finnish authorities in February last, though improving for a time the value of the currency, seem at present powerless to effect anything except to place serious impediments in the way of the foreign trade of the country, and it is not unlikely that they will soon be removed.

Profits in the Oils and Margarine Trade.

The Sub-Committee appointed by the Standing Committee on Trusts to inquire into the existence of any combinations in the nature of a monopoly in the oils, fats, and margarine trade have satisfied themselves that no such combination exists for the purpose of controlling sources of supply or prices, and, furthermore, express the opinion that a corner in any particular [illegible] seed by any one group would be impracticable. The report does not enter into detail as regards the organisation of the industry and the extent to which combines exist, and is mainly a history of the trade during the War. The outbreak of War found the industry unprepared for the shutting off of Continental markets, and the large stocks which were held here could not be absorbed except at lower prices, and accordingly the prices of oil-seeds, oils, and fats dropped rapidly. A recovery began in September 1914, and by the end of 1915 prices had increased considerably [illegible] War prices. In 1917 the obtaining of supplies became a matter of extreme difficulty, and the Government took control of the industry. Prices were then from 60 per cent. to 100 per cent. above the pre-War level. In 1919 control was removed, and so keen was the ensuing competition for supplies that, to quote from [illegible] profits were not, in the opinion of the Sub-Committee, sufficient to charge the trade with profiteering, in view [illegible] however, the report is rather obscure, the information

furnished being of a very scanty nature. To illustrate the course of prices in the industry we show the changes in the prices of two representative commodities since the start of the War—tallow and palm oil:—

	1914	1915	1916	1917	1918	1919	First 9 Mos. 1920
Tallow	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	87/8	92/1
Palm oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	75/7

It will not escape attention that the average for the first nine months of this year is in each case considerably above the average for 1919—the previous highest. In the following table showing the course of prices this year of five of the chief commodities used in the trade, it will be noticed that this is true in all cases, despite the decline since April last, while the high "record" for last year has been passed in the early part of the current year. Moreover, the average monthly level of prices ruling since the trade was decontrolled has in no instance fallen below the controlled prices.

	Palm Oil (Lagos) Per Ton £	Rape Oil (Ref. Extra) Per Ton £	Soya Oil (Refined) Per Ton £	Tallow (Imported) Per Cwt. s.	Rape Seed (Foreign) Per Ton £
1920 Aver.*	75·7	109·4	114·4	92/1	41·5
Sept. ...	64·5	90·0	90·0	77/0	35·0
Aug. ...	68·0	82·5	90·0	75/0	33·4
July ...	54·2	87·0	81·0	77/0	31·8
June ...	58·5	101·0	102·5	85/5	37·8
May ...	70·8	110·6	105·0	88/0	41·1
April ...	82·7	124·7	118·7	105/0	39·4
March ...	90·7	130·0	134·7	111/0	51·1
Feb.	88·5	135·0	125·4	109/0	54·0
Jan.	98·1	117·8	109·1	105/0	47·9
1919					
Highest ...	93·0	121·0	116·0	110·0	50·0
Lowest ...	44·0	71·0	75·0	63/5	22/7
Average ...	71·5	94·7	82·7	87/8	37·6

* First nine months.

These figures are contrary to the tenor of the Sub-Committee's report, and, moreover, considering recent reports of a similar nature, we should suggest that the investigations of the Standing Committee on Trusts, if they are to serve any useful purpose, should, in future, be more exhaustive than is evidenced by the report under review.

Barsi Light Railway.—The reports to be submitted to the shareholders' meeting on the 15th inst. show that net earnings for the year to March 31 last, less Indian income tax and super-tax, amounted to £59,213, or adding the exchange adjustment of £29,181 to £88,394. After providing interest on Debenture stock, £11,249, there remains a balance of £77,145, which, with the sum bought forward, makes £88,355. An interim dividend of three per cent. and a bonus of two per cent. were paid in April, and a final dividend of three per cent., *plus* a bonus of four per cent., are now recommended, making in all twelve per cent. for the year, leaving £11,859 to be carried forward. Last year the distribution was at the rate of eight per cent., and £11,210 was carried forward.

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SOUTH AND CENTRAL AMERICA.

PRESIDENT ALESSANDRI.

Señor Don Arturo Alessandri, whose election as President of Chili has just been announced by cable received through the Havas Agency, was born at Longavi, in the Department of Linares, in 1869, and was educated at the School of the Padres Franceses in Santiago. In 1897, when only twenty-eight years of age, he had become a Minister of State with the portfolio of Industry and Public Works, devoting himself to social and labour problems. The experience thus gained no doubt largely contributed to his becoming the recognised leader of the progressive forces of the Republic. In 1918 he was appointed Chief of the Cabinet for the Department of Home Affairs, and in the present year the advanced sections of the groups of parties forming the Alianza Liberal, nominated him as candidate for the Presidency of the Republic. It may be remembered that though the voting of the Presidential electors took place in June last, and the candidate of the Alianza Liberal obtained a majority of five votes, there were accusations of irregularities at the polls by both the contending parties. In view of this it was unanimously agreed to submit the validity of the election to a Court of Honour. It is in accordance with the decision of this Court that Don Arturo Alessandri has been duly elected President of Chili, and will be inaugurated on December 23 next.

DEVELOPED WITH ECONOMY.

A very interesting article appeared in a recent number of the *British Chamber of Commerce Journal of Sao Paulo* on "Tea-growing in Brazil." It does not, of course, refer to the well-known Yerba matte which is grown so extensively throughout the State of Parana, and, indeed, in other parts of Brazil as well, because this is an indigenous plant. Brazil, primarily, and Paraguay and certain parts of Argentina and Uruguay are naturally suited to the growth of Yerba matte, and perhaps no part of the world is better suited, or even so well suited, as the State of Parana. We are glad to see that Europe is at last gradually becoming appreciative of the very great merits of Yerba matte. In a sense, it is superior to any ordinary tea with which we are acquainted. It is exceedingly cheap; has, as we have said, many excellent qualities; and, we think, the more popular it becomes in Europe the better for Europe. The article on tea, however, to which we refer is the tea with which Europe is familiar, coming from Asia, the tea presumably originally grown in China, which has been developed in the Far East generally, and particularly in recent years in certain districts of Bengal, in India, and in the island of Ceylon. The growth of this Asiatic tea was encouraged and produced to a very considerable extent in Brazil in the first and second quarters of last century. Naturally, after a time the area under tea gradually declined, and, although some was exported, it was found to be hardly profitable to continue with the trade, the result being that first sugar and then coffee took the place of tea.

In the article to which we have referred the writer appears to be an enthusiast for the growth of Asiatic tea, and he urges that every possible encouragement should be given to such tea as is grown, and that the area under Asiatic tea should be increased. The writer clearly sees that it will not be possible for Brazil to grow tea—that is, Asiatic tea—to any considerable extent for the purposes of export. She has, as we have said already, an excellent tea which she does export in large quantities and the export of which it would be desirable to increase very much. But is it desirable that any appreciable area of Brazil should be devoted to the growth and export of Asiatic tea? In a country so new in an economic sense as Brazil it is, of course, desirable to try various experiments. But the growth of Yerba tea has already

has tried, and has not proved by any means unsuccessful, not, of course, because Brazil cannot grow Asiatic tea or grow almost any other herb which it is desirable to cultivate within her borders. It has to be remembered, however, that there is no shortage, so far as we are aware, in any part of the world of Asiatic tea. It has to be remembered, moreover, that we are not in a period when there is a shortage of almost every kind of produce and when prices are so low that it is difficult to find a market for the enormous quantities collected in all the great producing countries of the world. In the early 'nineties of last century it was no wonder that producers and those who wanted to occupy to some useful purpose any particular area should consider carefully what it was possible to do that was not already being done to repletion. But those days are long since past, and, instead of having a superabundance of every kind of commodity, prices are so extravagantly high that it is hardly possible for the consumer to earn sufficient on any reasonable economic basis of payment to enable him to purchase any considerable supply of commodities, as he would naturally desire to do. Consequently, there is a field such as has not existed since the early days of the opening up of Europe and of the newer countries of the world by means of railways for the extension of the production of food and raw materials. No one with a fruitful field, a good climate, and ability to produce anything need worry himself about the necessity of finding something profitable to grow on his broad acres. Brazil is in no need to compete with Assam, with Ceylon, or with China, or anywhere else in finding highly profitable occupation for her land and for her population.

It can be laid down as a practically unassailable proposition that it is never good policy either for an individual, a company, or a country to engage in the production of what is already being produced in more than adequate quantities and at a reasonable economic rate elsewhere. Moreover, at the present time, Brazil in particular, and South America taken as a whole, is capable of serving the world to far better purpose by producing those commodities of which the economic world is at present so urgently in need, and which South America is capable of producing upon a relatively low economic basis. In the recent War we have destroyed enormous quantities of power-producing units in the form of coal, and we have used up vast quantities of food and raw materials. Unless, and until, these are produced once more upon the scale to which we were accustomed previous to the outbreak of the recent War, the world in general, and Europe in particular, will remain poor and have to content itself with living upon a relatively lower standard than that to which we have recently been accustomed. It is not really a question of money values. Higher wages may be paid workmen, and higher salaries to the directing classes of industry, and even higher rates of interest to the capitalist who finds the money for enabling those industries to work at all. If those money values do not admit of our purchasing as relatively large amounts of commodities as they would have attained to prior to the year 1914, we shall not be so well off. The real difficulty is that we cannot, even on the basis of present prices, obtain the same quantities of commodities to which we were formerly accustomed. Consequently, the only way to enable the world in general to live as well as it was formerly accustomed to live is by the production of articles, particularly of prime necessity. There are already signs in Europe, in the United States, and in the manufacturing countries generally of a recovery in the sense that those manufacturing countries are able to produce steadily growing quantities of manufactured goods. But they cannot obtain adequate supplies of raw materials from which to produce them. As a result these manufactured goods have become steadily dearer and we are no longer able to purchase them upon the basis of the value which we have assigned to them in the past. We are getting less and less of our actual earning capacity. It has to be remembered that it is upon this earning capacity that the producers must rely now for their market either at home or abroad. The period, as we pointed out last week, when the manufacturer could rely upon the printing press as a standard of value has passed. He must now rely upon the earning capacity of his customers. We have endeavoured to show that the real difficulty at the present time is the scarcity of articles of prime necessity, principally what we call food and raw materials. Now, in the production of food and raw materials South America is capable of assisting the world to perhaps a greater extent than any other of the continents. She has an exceptionally fertile soil, an exceptionally good climate, and, speaking generally, there is an absence of drought in South America to an extent that is not true of any other of the continents, with the possible exception of Europe itself. Europe, however, is already too crowded to produce adequate supplies of food and raw materials for her own needs.

Now what is it that South America could produce upon a relatively lower economic basis than, perhaps, any other group of countries taken as a whole? We have said above that there has been a terrible destruction of power-units in the form of coal. South America could assist in restoring the balance by a far greater production than she puts out at present of power-units in the form of petroleum. But it is in the production of food and raw materials, other than minerals, that South America can give greatest assistance. In the period that preceded the great coffee production in Sao Paulo, sugar, rubber, and hides were the main staples of South American trade. Now there is a world-wide shortage of sugar, and it will take a considerable time before the countries of Central Europe are in a position to produce the supplies of sugar which they were accustomed to furnish the world with in the period before the War. We want at present meat, hides, cotton, and wool. And probably we want those four commodities more urgently than possibly any other commodities at the present moment. It is notorious that no part of the world is so capable of producing meat upon a great scale and at a relatively low economic value than the continent of South America. Consequently, the more good beasts the South American farmer and ranch-owner has upon the hoof, particularly those suitable for the freezing-houses, the better for the economic world in general and for the working populations of Europe in particular. These beasts will furnish food, and they will also furnish hides, so urgently needed at present, and likely to be urgently needed for a very considerable time to come, in the leather industry. There is, and, as we say, for some time must be, a shortage of hides; and increased production of hides will materially assist in supplying the demand for this article of raw material for the various purposes for which leather is used. Secondly, sheep are being raised in increasing amounts in Southern Patagonia, both east and west of the Andes; and sheep, as the freezing-works at Puntas Arenas are increased, would be capable of giving us food and, in addition, wool, for which it is not necessary here to add there is, and is likely to remain for some years, a very keen demand.

Having increased the supply of cattle, hides and wool, there remains the tropical and sub-tropical products which South America is capable of growing upon an enormous scale, and [illegible] relatively low economic value. We have mentioned sugar, which, as we have pointed out on more than one occasion, is a real necessity [illegible] planted and harvested with [illegible] Brazil [illegible] advantage.

of the world. To grow cotton upon a very extensive scale in South America is probably not a very easy proposition to tackle, owing very largely to the scarcity of suitable labour. Nevertheless, nearly all of the principal States in South America have at one time or another grown cotton to some extent, and most of them continue to do so to this day. Consequently, there is a certain proportion of trained, skilled labour available for cotton-growing more or less in every State where the climate, conditions of soil, and environment make the growing of cotton a reasonable proposition. The present extravagant price of cotton shows the urgency of the need for this staple if it can be produced in adequate quantities. None of the existing great sources of supply, with the possible exception of India, seem capable of growing in adequate amounts the type of cotton which is required by the mills of Lancashire. It has to be remembered that the great demand for cotton at the present time is not merely, or even primarily, the demand occasioned for that staple as an article of clothing. During the last few years the motoring industry has grown by leaps and bounds, and this growth has occasioned a demand for cotton out of all proportion to the growth in production which in some few instances has taken place. Speaking generally, although the increase has not been large, and has been far from adequate, it seems to be generally admitted that on the whole there has been an increase in the production of cotton, say, during the last ten or twenty years. One of the few raw materials the production of which has increased enormously since the end of the European War in the beginning of November, 1918 has been raw rubber. But it is practically impossible to use the increased supply which is now available because it is only serviceable as one constituent in the production of the articles for which it is required. One of the most important of these constituents is cotton itself. The result is that, although there is plenty of rubber available, there is no adequate supply of cotton to mix with it, and consequently it is not possible to make tyres in sufficient quantities and upon a sufficiently low economic basis to render them available for the world's markets.

THE WORLD'S WHEAT.

According to the *Annuaire International de Statistique Agricole*, 1917 *et* 1918 (Price 15 fcs. Rome: Imprimerie de l'Institut International d'Agriculture), the world's average yield of wheat in the year 1914-18 is given as 98.3 million metric tons, or slightly lower than that of the previous five years, when the average was 100.6 million tons. In spite of all the inducements held out to farmers by the various European Governments to ensure adequate crops, there was a decrease from an average of fifty-two million hectares in the five years, 1909-1913, to forty-six million during 1914-18, a decline of ten per cent. Moreover, the aggregate yield, which in 1913 was 57.5 metric tons, fell to 41.3 million tons in 1918. The gravity of this situation was quickly realised in countries outside of Europe; and North America increased its area under wheat from twenty-three million to twenty-eight million hectares; Asia advanced from nineteen to twenty-one millions; and Australia from three to four millions, with corresponding increases in the average yield. The final summary of the compilers of the Year-Book is that the decrease in the European yields amounted to about ten million tons, which was to some extent balanced by the increase of eight million tons produced by other countries, so that there is a net deficit of no more than two million tons. We may add that the *Annuaire*, from which the above information is taken, is a volume of over 700 pages, printed in French. It is made easy of reference by the fact that separate indices are given in German, Spanish, English, and Italian. Copies can be obtained in London from the Board of Agriculture and Fisheries, 3 St. James's Square, S. W. 1.

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American Topics.

UNITED STATES AND CHINESE TRADE.

There is an exceedingly interesting article in the September circular of the National City Bank of New York on trade between China and the United States of America. The article is written by Mr. Paul Page Whitham, who is American Trade Commissioner of the Bureau of Foreign and Domestic Commerce. The article is entitled "American trade with China: Past, Present, and Future." The value of the foreign trade between the United States and China during the fiscal year ended June 30 last amounted to $340,000,000. The trade has multiplied five times over at least in value during the first two decades of the present century. It grew slowly until the outbreak of the recent European War, when it began to develop, and has since developed by leaps and bounds, so urgent were the needs, particularly on the part of the United States, for the supply of certain Chinese goods, especially silk, which was not obtainable readily elsewhere. The United States found it convenient to pay extravagantly high freights to Japanese merchant vessels, and even to build ships in American yards for the purpose of obtaining the goods required. In the years that preceded the outbreak of the European War the United States obtained the bulk of the goods needed from China in British bottoms, and, in addition, despatched a large part of the commodities the United States was accustomed to send to China by availing herself of the offices of the same public carriers.

The United States imports from China goods to a greater value than she sends there. The principal articles which America needs from China and cannot readily obtain elsewhere are silk and silk waste, raw cotton, various vegetable oils, hides and skins, pig iron, beans, tin, eggs, wool, wheat, flour, and various mineral oils. Other commodities are imported in small quantities, certain cereals, such as rice, for example, bristles, wood extracts, cheap cotton goods, tobacco, and various kinds of skins, including those of sheep and goats. The principal exports of the United States to China are cotton goods, sugar, metals, petroleum, and cigarettes, and during the more recent period rice has been added.

In his article Mr. Whitham does not specifically, but does, in fact, ask the question whether the recent

growth in the trade between the United States and China can be maintained, and, indeed, can it be increased. Experience alone can finally answer the question. It certainly can be maintained if a wealthy country like the United States is willing to promote it without regard to cost. If the United States business men and the country taken as a whole are willing to subsidise American shipping to a sufficient extent, there can be no reasonable doubt that they could if they wished reduce freights as between the Chinese ports and those of the United States to such a level that no other shipowners could compete who intended to run ships as industrial enterprises. Is it likely, however, that the keen men of business of America will be willing to find the wherewithal to supply the subsidies?

It seems reasonably certain that the international trade between China and the United States will grow only to such an extent as it rests upon a sound economic basis. To deduce a thesis based merely upon the experience of the various trading nations of the world during the period of the recent European War is hardly practicable. It was a wholly exceptional experience, and cannot be expected to recur until the great trading and maritime nations of the earth are once more engaged in a world-wide war. The European countries and even the United States itself were, during a large part of the time, creating credits for the purpose of obtaining various commodities without regard to their economic cost. The commodities thus obtained were not produced for the purpose of being sold upon an economic basis, but with the object of supplying the needs of the country engaged in a life-and-death struggle. In peace-time, on the other hand, it is quite evident that only such trade as really rests upon a sound economic basis can hope to survive. Consequently, only experience can show to what extent the great expansion which has taken place in the trade between the United States and China will be permanent. There are, of course, exceptions, as, for example, silk, tea, and certain other commodities which we have enumerated above which the United States can obtain more readily from China than from elsewhere. This class of trade has existed for a long time and may reasonably be expected to develop. It is, however, far from furnishing a basis upon which a great trade as between the United States and China could be built up. Speaking very broadly, and bearing in mind the exceptions already referred to, it may be said that both China and the United States supply too much the same class of commodities to make it likely that a great international trade would naturally develop between them under existing economic conditions.

There remains the question of large investments of capital by the monied classes of the United States of America in China for the purpose of its development, and particularly with the object of increasing the transportation facilities existing in that great Eastern country. At the present time the railway mileage of China is only some 6,000. Even the great rivers of China require dredging, embanking, and generally improving for the purposes connected with river navigation. The canals, which formerly existed when China was a great and civilised Empire, practically require to be re-cut, while hundreds of thousands of miles of roads require to be either repaired or wholly reconstructed before it could be said with any degree of accuracy that the transportation facilities of the country are at all adequate for that country's economic needs. Would it, or would it not, be sound policy for the United States of America, with her relatively small population to her extensive area and her own resources so partially developed, to devote thousands of millions of dollars for the purpose of furnishing China with an adequate railway system, roads suitable for the economic requirements of some four hundred millions of people, and equipping her naturally magnificent river system for the needs of the proper navigation of those rivers. If the United States proposes to engage in such a task it would be [illegible] undertaking, would inevitably retard her own economic development, and would absorb the whole of the savings which the thrifty classes of the United States may be expected to make for at least two generations. It may be contended that such a scheme would naturally and inevitably bring an enormous accession of business to the United States, but at a cost which would threaten the economic well-being of the United States itself. It has to be remembered that China proper—that is, the eighteen provinces—is in extent of area greater than that of the United States itself, while if the usual estimate of populations be accepted, there are four times as many people in China as there are in the United States. The United States has a railway mileage exceeding a quarter of a million. There can, we venture to think, be no reasonable doubt that if China were even moderately supplied with railway facilities that would really assist in the opening up of the vast resources of that great oriental country, half a million miles of railroad would be a moderate estimate of her requirements. To build half a million miles of railway in China in a few years might well keep the steelworks, extensive as they undoubtedly are, of the United States employed to their full capacity for a considerable time to come, but is it reasonable to expect that the investing classes of the United States would be willing, during the life of the present generation, to find the means?

It has to be remembered that even the existing railway system in the United States requires renewal of plant to a very large extent. Moreover, it has long been apparent that the existing railroad mileage in the various States of the Union is quite inadequate for the growing population of the United States with its extending trade demands.

Moreover, the greater part of the United States is hardly occupied at all. Its mineral resources are only very partially worked, while the Bureau of Agriculture is constantly pointing out that the yield of produce per unit of area of production is quite inadequate to the area occupied in producing. It would appear that for a long time to come the United States will require the vast bulk of the savings which her investing classes are likely to be able to accumulate for the development of the great natural resources of the homeland.

Modern Tariff History—Germany, United States, France. By Percy Ashley, M.A. Third edition. Price 16s. net. (London: John Murray.) The first edition of this work was published in 1904, and was based upon lectures delivered at the London School of Economics during that year. The present edition carries the narrative up to the outbreak of the recent War, with the addition of a chapter on the United States Tariff of 1913, and includes statistics relating to the years 1909-1913.

Census of Industry, 1918. Part II. Dairy Factories, 1918. (Dominion Bureau of Statistics, Canada.) Prepared in collaboration with the Dairy and Cold Storage Branch of the Dominion Department of Agriculture, the Quebec Bureau of Statistics, and the Dairy Branches of the Provincial Departments of Agriculture. Price 20 cents.

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Rubber Topics.

THE first half of the week has again been characterised by marked weakness in the Commodity market. This was generally attributed mainly to the unloading of stocks in New York. Standard crêpe, which had opened at 1*s.* 5¾*d.* per lb., had dropped to the new low record of 1*s.* 5*d.* by Wednesday, with smoked sheet relapsing in sympathy to 1*s.* 3*d.* Thursday witnessed a recovery to 1*s.* 5¼*d.* for crêpe, but left smoked sheet still at 1*s.* 3*d.* To-day the recovery was not only maintained, but accelerated crêpe being quoted at 1*s.* 6¼*d.*, whilst Para improved ¼*d.* to 1*s.* 7*d.* per lb.

Under such circumstances weakness in the Share market was but a normal feature. Rubber Trusts dropped steadily from 25*s.* 6*d.* on Monday to 23*s.* 10½*d.* on Wednesday. The depression on Wednesday was accentuated by liquidations from Paris. Kuala Lumpur was, as usual, a heavy sufferer, losing ⅞ to 3¼, whilst Malacca finished ¼ weaker at 3½. It is to be hoped that shareholders, who have hitherto displayed the courage of their convictions in retaining their holdings in this promising industry, will not allow themselves to be stampeded into disposing of their shares at the present unremunerative levels. The existing weakness in the Commodity market is but a temporary phase. As soon as the restriction of output proposed by the Rubber Growers' Association has begun to make itself felt share values are bound to appreciate again. Despite the gloomy outlook of the moment, we repeat what we have so often said: "There is nothing like rubber." In this connection it is interesting to note that, whilst they are not able at present to decide definitely how long such restrictions should continue, the Rubber Growers' Association have, however, placed the maximum time limit at December 31, 1921. Consequently, at the worst shareholders can count on a return to their usual dividends in the year 1922. It is gratifying to note that the efforts of the Association to promote the uses of rubber are meeting with a good measure of success. Numerous entries have already been received for the prizes of £5,000 offered for the most practical ideas and suggestions for extending the uses of this commodity, although the competition does not close before December 31.

ANNUAL REPORTS ANALYSED.

SELANGOR RIVER.

Issued Capital: £246,410 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Bearing Acre lb.	Av. Yield per Acre Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend* Amt. £	Dividend* %
1916	2,316	2,211‡	722,6[illegible]	327	2/6¼	-/9.91	62,374	14,784	30
1917	2,564	2,211	665,824	314	2/3½	1/2.4	39,081	7,392	15
1918	2,579	—	604,060	—	1/7½	1/0	16,857	7,392	15
1919	2,627	—	865,357	—	2/1½	-/9.56	50,656	29,569	60

* Dividends free of tax. ‡ 219 acres in partial bearing. † Net price.

Price of Shares, 23/0. Market Capitalisation per planted acre, £108.

THE report issued by Selangor River for the year ended December 31, 1919, not only records a satisfactory recovery from the effects of the restricted output of the previous year, but also demonstrates beyond doubt that this first-class rubber Company is one of the cheapest, if not actually the cheapest, producers on the market. As against an estimate of 766,300 lb. and a crop of 604,260 lb. in 1918, there was harvested during the year under review the record crop of 865,357 lb. This substantial increase in the output synchronised with a marked decline in the cost of production. The f.o.b. cost dropped to the record low level of 6.14*d.* per lb. This compares with 8.81*d.* per lb. in 1918, 10.53*d.* in 1917, and the previous record of 6.40*d.* in 1916. Equally striking was the reduction in the "all-in" cost. Hitherto the record was claimed by 1916 with a figure of 9.91*d.*, which gave way, however, to 1*s.* 2.68*d.* in 1917, which in turn was replaced by 1*s.* 0.39*d.* in 1918. For the year under review the crop was harvested at the remarkably low "all-in" cost of 9.56*d.* per lb. Allowing for the decline produced by the increased output, this drop of over 2¾*d.* per lb. speaks eloquently for the efficiency of the administration when it is recollected that during 1919 wages, as well as stores and materials, involved a heavier outlay. Meanwhile, with the improvement in transport facilities and trade conditions generally, the crop was disposed of to better advantage, an average net price of 2*s.* 1.02*d.* per lb. being realised, as against 1*s.* 7.73*d.* per lb. in 1918. Thus, with a profit of nearly 1*s.* 3½*d.* per lb., in contrast with less than 7¾*d.* per lb. in 1918, a net profit of £59,656 was secured, in comparison with £16,857. After reserving £22,500 to defray liabilities under the excess profits duty and £7,271 to meet income tax and directors' extra remuneration, dividends paid to shareholders amounted to £29,569, leaving a balance of £6,265 to be carried forward to the next accounts. The dividend again constitutes a record, being at the rate of sixty per cent. free of tax (eighty-five and five-sevenths per cent. subject to tax), in contrast with fifteen per cent. for 1917 and 1918 and the previous record of fifty per cent. in 1915.

The reward of shareholders was not, however, confined to this record dividend. The Company went into voluntary liquidation early in 1920 with a view to reconstruction. To be able to raise funds, should the acquisition of other rubber properties be deemed desirable, the nominal capital was increased from £50,000 to £500,000. Simultaneously, in order to redress the balance between the value of the assets and the existing issued capital, shareholders received five fully-paid shares of £1 each in the new Company for each £1 share held in the parent concern, thus replacing an issued capital of £49,282 by £246,410. Thus a very substantial share bonus was conferred upon shareholders. It was furthermore decided to redeem the outstanding Debentures of £12,000, so that the shares in the new Company would find no prior charge on the profits. The outlook for the current year is brighter here than in many instances. The ability of the estates to produce rubber at 9.56*d.* per lb. is a very valuable asset in a year in which rubber has dropped to the low level of 1*s.* 5*d.* per lb. In this connection it is of interest to note that this Company has disposed forward of sixty tons of the 1920 crop at 1*s.* 11*d.* per lb. ex-Singapore. No estimate is provided of the crop, but the returns for the first eight months reach 585,507 lb., as against 534,553 lb. for the corresponding period of 1919. Allowing for the proposed reduction of twenty-five per cent. for November and December, this would promise a total crop of some 850,000 lb., thereby indicating that the "all-in" cost may again be below 10*d.* per lb. On the other hand, the sixty per cent. excess profits duty, as well as the corporation tax, will take their toll of the profits. Financially the position of the Company is very strong. Including the final dividend of £19,713, current liabilities, according to the balance sheet at the end of 1919, did not exceed £29,197, whereas liquid assets were available to a total of £72,311. In view of the great alteration in the issued capital and the depressed condition of the Rubber market, it is not easy to fore-

RUBANA (PERAK).

Issued Capital : £300,000 in £1 Shares.

Results for Years to April 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916-17	5,154	1,602	676,661	422	1/6.6	1/0.8	19,387	15,750	15½
1917-18	5,119	2,000	800,000	348	2/1.88	1/3.17	36,450	25,000	25
1918-19	3,379	—	850,363	—	1/7.3	1/3	33,582	25,000	25
1919-20	5,182	2,559	965,241	377	1/8.1	1/2.2	43,047	37,500	37½

Price of Shares, 26/3. Market Capitalisation per planted acre, £113.

A satisfactory report is presented by the Rubana Rubber Company for the year ended April 30, 1920. Enjoying a full crop of normal tapping, the final crop harvested exceeded the estimate by 27,511 lb.; and this result was achieved despite a shortage of Tamil labour on the estates during part of the year. On the other hand, working costs called for a much heavier outlay, not only because of the general rise in price levels, which made stores and materials more expensive, but also because of the expense involved in the importation of extra native labour and in the payment of higher wages and of the loss incurred on the rice supplied to the coolies below cost price. Under such circumstances an increase in the cost of production per unit was inevitable. Were it not for the efficient administration of the estate, in conjunction with the great increase in the quantity of rubber harvested, there might have been a return to the high levels of 1917-18. As it was, the f.o.b. cost only moved up from 9.06*d.* per lb. to 9.36*d.* per lb., whilst the "all-in" cost of 1*s.* 0.2*d.* per lb. compared favourably with the figure of 11.6*d.* per lb. for the previous year. However, this increase in the "all-in" cost was more than offset by the improvement in the average price realised by the sale of the crop from 1*s.* 7.4*d.* per lb. to 1*s.* 8.3*d.* per lb. Accordingly, there was secured a net profit of £43,047, as compared with £33,282 in the previous year. Out of this shareholders received a dividend of twelve and a-half per cent., absorbing £37,500, as against a dividend of ten per cent., absorbing £25,000, in 1918-19. A contrast of the amount of the dividends would indicate that the rate for the year under review was fifteen per cent. rather than twelve and a-half per cent. The explanation resides in the capital adjustment that took place prior to the declaration of the dividend. The authorised capital was increased from £250,000 to £400,000, and the issued capital from £250,000 to £300,000. The latter increase was accomplished by capitalising £50,000 from the reserve fund of £45,000, and the balance from the profit and loss account, and giving to each shareholder the agreeable bonus of one fully-paid share in respect of every five shares held. Even at par this distribution was equal to a dividend of twenty per cent. It was on this increased capital of £300,000 that the dividend of twelve and a-half per cent. was paid, which is consequently equivalent to a rate of fifteen per cent., [illegible] this dividend a balance of £15,110 is carried forward to the [illegible] £9,564 brought forward from 1918-19. This amount is subject to deduction in respect of the corporation [illegible] the [illegible] £730.

[illegible] rubber [illegible] current [illegible] would [illegible] still [illegible] depressed [illegible] it is evident that no compensation can be expected in this direction. With the best quality rubber [illegible] a reasonably profitable average sale price, except in [illegible] having disposed in advance of 562,240 lb., at an average of 2*s.* 1*d.* per lb., of the current crop, which is estimated to reach 1,055,000 lb. For the first four months there have been harvested 339,927 lb., which is in keeping with this estimate. However, the reduction of twenty-five per cent. advocated so cogently and [illegible] by the Incorporated Association [illegible] factors have, however, one bright side: they lessen the burden of the sixty per cent. excess profits duty, and even in some cases will enable rubber companies to recoup themselves for their poor profits in the current year out of the proceeds of former payments to the Exchequer. But if the outlook for the immediate future is uncertain, the prospects of this Company in the more distant future are decidedly encouraging. Some 523 acres planted since 1917 have yet to come into bearing, and arrangements are being made to plant 200 acres in the current year. Hence when the present condition of over-production in relation to the demand will have passed away Rubana can count on an increased crop at a lower cost. Financially, the position as seen in the balance sheet on April 30, 1920, is very sound. Current liabilities, including the dividend of £37,500, do not exceed £51,312, whereas liquid assets are available to a total of £67,337. Quoted in the market at 26*s.* 3*d.*, the £1 shares possess attractions as a good lock-up investment, affording a return of ten per cent. on a dividend of thirteen and one-eighth per cent.

LANADRON.

Issued Capital : £295,000 in £1 Shares.
Convertible Loan, £65,000.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	5,187	4,350	1,282,188	301	2/8.5	1/4	87,498	24,500	8½
1917 ...	5,205	4,896	1,401,373	304	[illegible]	1/5	145,850	14,500	5
1918 ...	5,532	—	1,114,562	—	1/9.4	1/7	1,295	12,500	4½
1919 ...	5,510	—	1,245,745	—	1/10.5	1/4	41,402	9,000	3

Price of Shares, 37/6. Market Capitalisation per planted acre, £116, including loan convertible into shares at par.

Taking all circumstances into account, the report of this well-known rubber Company for the year ended December 31, 1919, bespeaks a healthy recovery. The crop harvested amounted to 1,245,745 lb., or over 120,000 lb. in excess of the restricted output of 1918, but nearly 180,000 lb. below the original estimate. This deficiency must be attributed to the joint action of two adverse forces. Following the removal of the drastic restrictions on output it was not found possible to secure at once an adequate supply of tappers. Finally, when sufficient Chinese coolies had been hired for this purpose it became evident that the existing machinery and drying space were not able to cope with the available crop, and accordingly, both on the Lanadron and the Jementhah estates, the crop had to be restricted towards the close of the year. The average price realised by the sale of the crop was [illegible]

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returned at 1*s.* 10.33*d.* per lb. On the other hand, the increased crop was garnered in, thanks to the efficiency of the administration, at a gratifying decline in the cost of production. Against an f.o.b. cost of 15.97*d.* per lb. in 1918 there stands for the year under review an f.o.b. cost of 13.36*d.* per lb., with a corresponding reduction in the "all-in" cost from 1*s.* 7*d.* per lb. to 1*s.* 4½*d.* per lb. The creditable nature of this achievement stands out more clearly when it is remembered that 1919 was a year of rising price levels, and that in consequence a heavier outlay had to be incurred on stores and materials; that increased allowances had to be made to the European staff; and that the native labour force had to be supplied with rice at a loss equivalent to 0.65*d.* per lb. of the output of rubber. With an increased crop yielding a larger profit per lb. the net profit for the year works out at £44,002, as against £13,105 in 1918. The refund of excess profits duty owing to the poor returns of the previous year amounted to no less than £28,565. Consequently, taking this into consideration, as well as the balance of £4,023 brought forward, there was available for dividends a sum of £76,590. Out of this £5,000 was allocated to the income-tax reserve account and £1,500 to the employees' bonus fund, and shareholders received a dividend of twenty per cent., absorbing £59,000, in contrast with a dividend of six per cent. in 1918, five per cent. in 1917, and ten per cent. in 1916. Thus the increased dividend may be regarded in part as a deferred payment in respect of these years, especially of 1918. The balance carried forward to the next accounts is increased from £4,023 to £11,090.

It is a matter of some difficulty to estimate the prospects for the current year. Arrangements have been made for an extension of the factory facilities on both estates to permit of the handling of a larger crop; but, owing to the difficulty of getting contracts completed, it is not certain that these facilities will be fully available before the close of 1920. At present, given the requisite machinery and drying space, a crop of 1,700,000 lb. could be secured in the current year. That this is no mere conjecture can be seen by referring to the output for the first seven months of the year, which amounts to 826,315 lb. Against any reduction in the "all-in" cost which any increased crop renders feasible must be counted the loss on the rice and on the subsidised remittances of the coolies to India. No less vital a factor from the point of view of the shareholders is the problem of taxation. During 1919 no liability was incurred in respect of excess profits duty. But this year the Company will have to face the corporation tax and the likelihood of a sixty per cent. excess profits duty. Liability under the latter tax in particular is dependent upon the sale price of the crop, and unless there is an improvement in the price of rubber before the close of the year the Company may not have to meet any charge in this connection. Financially the position of the Company is exceptionally strong. All its Debentures have now been redeemed, and it is anticipated that the shareholders' loan of £65,000 will be converted into shares at the end of the current year. Including the final dividend of £44,250, current liabilities at the end of 1919 did not exceed £73,888, and were amply covered by cash and Government investments to a total of £94,326, in addition to which there was on hand a stock of rubber valued at £46,312. Assuming a dividend of fifteen per cent. for the current year—and we consider this to be a maximum—the shares yield a return of eight per cent. on the market quotation of 37*s.* 6*d.* Bearing in mind the fact that, even allowing for the conversion of the shareholders' loan, the market capitalisation per acre is £116, we are of opinion that, even at a price of 37*s.* 6*d.*, the shares are by no means an unattractive investment to those who are prepared to possess their souls in patience for a year or two.

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Insurance Notes.

YORKSHIRE INSURANCE COMPANY, LIMITED.

Annual Report and Quinquennial Life Valuation.

Shareholders and participating life policyholders are alike to be congratulated on the results disclosed in the report and statements up to December 31, 1919, presented by the directors of this enterprising Company, whose sphere of operations embraces all usual kinds of insurance business. Unlike the majority of its life assurance contemporaries the Company has been able to maintain its bonus standard at the high level reached on previous occasions, as the outcome of the quinquennial life valuation made at the close of last year, which is in itself a sufficiently noteworthy achievement. The trading in the fire and marine sections for last year moreover shows highly satisfactory results, and the result of the whole operations is the declaration of a most excellent dividend, which is more than covered by interest earnings, leaving free a large balance of profits for the augmentation of reserves and for other useful purposes. The subscribed capital amounted on December 31, 1919, to £883,946, of which £129,053 was paid up in 45,226 fully paid shares of £1 each, and 167,654 shares of £5 with 10*s.* paid on each. The dividend is declared at the rate of 14*s.* per share on the fully paid shares, and 7*s.* per share on the partly paid shares, free of income tax. An interim dividend of 5*s.* and 2*s.* 6*d.* per share respectively had been paid on October 22, 1919, in respect of last year's operations, leaving a balance of 9*s.* and 4*s.* 6*d.* per share respectively to be paid on May 12, 1920.

In the life department new policies were issued in the course of last year for sums of £1,458,491, of which £136,578 was reassured, the net retention at the Company's sole risk thus amounting to £1,321,913, as compared with £539,398 in 1918. Thus the Company has participated to a gratifying degree in the general revival of life assurance business following the conclusion of hostilities. The total net life premium income shows an increase of £40,526, as compared with the preceding year, amounting to £279,236, apart from a sum of £62,453 received as consideration for new annuities granted. Expenses, inclusive of commission, seem to have absorbed almost fourteen per cent. of the premium income, after making a small but suitable allowance for the expenses of the annuity business, and this ratio is moderate, especially in view of the large proportion of new transactions and the necessarily increased cost of clerical labour. The

claims by death (£127,009) and in maturity (£37,028) amounted to £164,127. Through the year's operations, after writing down securities by £120,000 in connection with the quinquennial valuation, the life assurance and annuity fund was increased by £62,327 to £3,141,783, and the net interest yield after deduction of income tax seems to have approximated to four per cent. In the subsidiary sinking fund and capital redemption insurance account the premiums amounted to £16,681, and the relative fund (at close of year) to £100,827.

The quinquennial life valuation—the nineteenth in the Company's long history—was made on the same basis as had been assumed on the preceding occasion (on December 31, 1914), the British offices O^M and $O^{M^{ss}}$ Mortality Tables being employed for whole of life assurances, and the O^M Table for endowment assurances, in combination in both cases with net O^M premiums and three per cent. interest. The investigation on these lines disclosed a surplus of £235,539, whereof £160,200 has been allocated for distribution to policyholders and £17,800 to shareholders (of which, however, only £3,560 appears in the 1919 accounts, leaving a balance of £57,339 to be carried forward to the new current quinquennium. The participating policyholders became entitled to the same rate of bonus as was declared at the last quinquennial distribution, and it is stated that this maintains an unbroken bonus record averaging over 30s. per cent. per annum for sixty years past. This result is the more remarkable, looking to the fact that the writing down of the Stock Exchange securities to the prices prevailing at the close of last year involved the outlay, as previously referred to, of £120,000, and that War claims of £106,132 were paid during the quinquennium.

The fire premium income increased by £17,002 amounted in 1919 to £740,802. After adjustment of the reserve for unexpired risks, as in previous years, on a forty per cent. of the premium basis, the fire trading profit seems to have amounted to £94,402, or to about 12.7 per cent. of the premiums, which is a satisfactory ratio, apart from interest earnings of £11,698. Thus the total departmental surplus amounted to £106,100, of which £101,100 was transferred to profit and loss account, and £5,000 to the fire fund apart from the reserve for unexpired risks.

The accident insurance revenue account for 1919 shows a premium revenue (increased by £4,170) amounting to £17,297. Departmental interest earnings amounted to £769. After adjustment for unexpired risks the trading in this section seems to show a deficiency of £351. The sum of £2,000, however, was transferred to profit and loss account, the accident fund (apart from reserves for unexpired risks and outstanding losses) being reduced by £1,582.

Employers' liability (within the United Kingdom) premiums (increased by £35,822) amounted to £167,769, and the trading profit in this account was apparently £25,755 (or about 14.1 per cent. of the premiums) apart from interest earnings of £7,111. The sum of £25,000 is transferred to profit and loss account, and the departmental fund, apart from the reserves for unexpired risks and outstanding losses, is increased by £7,866.

In the general [illegible] (including burglary, livestock, motor-car, fidelity, third-party, plate-glass, boiler, and miscellaneous insurance) the premium income of £552,587 marks an increase of £183,454. Departmental interest earnings amounted to £10,197, but the trading apparently shows a deficiency of £9,478. The sum of £10,000 was carried to profit and loss account, and the departmental fund [illegible] ing losses) is reduced by £9,281.

[illegible] £865,282, as compared with £1,220,629 in 1918. The [illegible] and as the sum of £380,000 is transferred to profit and loss, the amount of the assumed trading profit appears to be £338,401. It will be seen, however, that, like the other departmental profits, this gross amount is subjected in profit and loss to very heavy deductions for taxes.

Profit and loss account is credited with £38,239 for net interest earnings not carried to other accounts, and is debited with expenses of £7,000 not elsewhere charged, and also with a provision for income tax on profits and excess profits duty amounting to the [illegible] £241,000.

Putting the relative figures above detailed together the net outcome of the whole year's operations (apart from some operations in connection with the general reserve fund) appears to be as follows:—

[illegible]

The allocation is as follows:

[illegible]

The Company's balance sheet, as at December 31, 1919, shows total assets of £8,068,043, which in the aggregate are stated to be, in the belief of the directors, fully of the value stated.

Apart from capital, life assurance and annuity funds, sinking fund, investment reserve fund (£50,000) and superannuation and guarantee fund (£123,797), and after deduction of amounts reserved for dividends and outstanding losses, the reserves carried forward to 1920 are as follows:—

[illegible]

This represents about 111 per cent. of the aggregate premium income (£2,345,736) in the fire, accident, employers' liability, general, and marine insurance departments, and discloses a very strong financial position.

[illegible] Company, Limited. This is an exposition of the conference which sat at Washington towards the close of 1919. The author has entered into considerable criticism, and adds observations on the general [illegible] Versailles, which is the Charter of the Organisation:

F. W. Baumgartner. Iss[illegible]tin of the Departments of [illegible]

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ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

THE DECONTROL OF WOOL.

THE long anticipated resumption of private trading in Australasian wools has at last matured. The opening sale was held at Adelaide on Friday, October 1, with an offering of about 20,000 bales of good merino wools. The information received at the time of writing indicates that good competition, mainly from American buyers, took place for the best classes of material, but that burry and seedy wools were entirely neglected. English buyers declined to operate, and the total quantity sold was only about 6,000 bales. This result will probably be disappointing to those Colonial growers who professed to expect active sales and high prices for their products. When it is remembered that this same day, October 1, saw the premature termination of the last London wool sales owing to the absence of demand, it will be realised that the Australian sales have not been reopened in the best conditions, judged from the growers' point of view. The details to hand are hardly sufficient to enable a comparison of prices to be made with those recently obtained in London, but it appears that a slight fall has taken place. It is impossible, however, to draw any reliable conclusions from the brief particulars available of this first sale of the Australian season, particularly when the wools offered were of the only type for which there is any demand at present, and when less than one-third of the quantity offered was actually sold.

Whilst we reserve our comments upon the reopening of these Colonial sales, we must warn our readers against the assumption that pre-War conditions are now existing once more in the Commonwealth. The fact that only 100,000 bales are to be offered during October is evidence that some influences, at present only partially known in this country, are at work restricting the quantity of material placed upon the open market. If this private restriction of trading for the maintenance of high prices proves to be at all effective, the attitude of the British Government will become a matter of great importance because of the enormous wool stocks still remaining unsold in their hands. It will be useful, therefore, to examine the policy of the Government in the light of their past actions.

In an article published on September 25 we commented upon an official notice of the Ministry of Munitions regarding the discussions taking place in London with representatives of the Australasian wool-growers regarding the simultaneous marketing of the old and the new clips. This communication indicated that if any method of regulating the disposal of the new wool should be put into force, it would be by the action of the wool-growers or the Dominion Governments only; that the Wool Department do not seek any powers beyond that of regulating the sale of the old clips; and that up to the present both parties possess absolute liberty of action. We hope that this statement means that, if prices in Australia are artificially inflated, then the British Government will safeguard the interests of the trade in this country by keeping the industry amply supplied with materials from the Government surplus stocks. Such action would, however, be a complete reversal of the policy of the Ministry of Munitions, and it is necessary for traders to watch events very carefully. We do not mean that the Government have deliberately starved the industry, for such has not been the case, but at the same time the past policy of the Ministry has been to secure the highest possible prices for their wools, and during the last four months they have not hesitated to support a falling market by reducing the supplies. It may be that the Government, having lost their position as monopolists of Australasian wools, would now regard with disfavour any similar action on the part of the growers, and would use their State-owned supplies to keep the industry going.

We may remind our readers that this decontrol of wool, the final stage of which has now arrived, was really begun in April of last year, when the rigid rationing of raw material was discontinued and the ordinary auction sales were reopened in London. Trade in the early months of 1919 had been very quiet, and in March the Government, with the object of stabilising the market, issued a reduced schedule of prices, upon which were based the reserve prices at the London sales. When these auctions began values showed a substantial rise and prices continued to increase, for all except the lower types of wool, for some twelve months. On one occasion, in the autumn of 1919, it seemed that prices had at last reached a stable level, but the Ministry, by throwing open the sales to unrestricted foreign competition, succeeded in securing still higher prices. It is unnecessary to recall other incidents of a similar nature, because in a recent White Paper the Government frankly stated that they regarded themselves as partners with the Australasian growers, and considered it their duty, under the agreements made with the Dominion Governments, to sell their wools at the highest prices obtainable. The course of these prices may be traced by taking the approximate cost of 60s super tops in oil, made from wool purchased at the London sales. Prior to April 1919, the Government schedule price for this top was 73*d.* per lb., and the fixed price for direct issues after April 1 was 69*d.* From the April 1919 sales tops of this quality cost about 74*d.*, and this price advanced rapidly at every succeeding sale, touching 138*d.* in November 1919, and reaching no less than 156*d.* in April 1920. In June last a fall to 105*d.* occurred, and the Government immediately reduced their selling programme, but in spite of this a further decline to 84*d.* took place at the July and early August auctions. We protested at the time against this continued restriction of selling facilities on the ground that a small buying movement was probable and that a temporary and artificial advance from the new lower prices was very undesirable from many points of view. This buying took place at the sales held towards the end of August, and the cost of the quality of top we are considering actually rose to 90*d.*

about 70*d*. It will be noted that, starting from the twelve months the cost of this 60s top rose to 156*d*., or an increase of no less than 114 per cent., whilst in the five succeeding months the value declined to 70-72*d*., or slightly below the level existing at the beginning of the decontrol period. The changes in value of this particular quality also occurred to a greater or less extent in all fine, soft, handling wools. The abnormal demands for this class of goods contributed largely to these wild fluctuations, but the extreme prices realised by the Government during the greater part of the decontrol period were attributable in were marketed.

The point which we wish to bring out in tracing these fluctuations in prices is that during the whole period from April 1919 to August 1920 the Government retained the same reserve prices for all classes of wool. When the fall took place in June last no attempt whatever was made to meet the falling market, or to assist the industry in fixing a new and lower level of values.

Had such action been taken promptly, it is probable that the interval from June to September or October would have seen active trading continued, and the present under-employment in the industry might have been avoided entirely. The Ministry of Munitions, instead of taking this course, cancelled a number of sales and reduced the quantities offered. It is true that some slight reduction of the reserve prices for cross-bred wools was observed at the September sales, but this alteration has not been officially announced, and, in any case, it has come too late to be of any assistance. It is generally assumed that the main consideration of the Government in following this policy has been the avoidance of friction with the Australian growers. If there is any foundation for this belief, it is all the more unlikely that the Ministry will be prepared to use their surplus stocks to break any organised attempt in the Commonwealth to maintain the present high values.

The trend of events in Australia in the immediate future may quite easily be of such a nature as to require a complete change in the Government's practice, if the interests of the industry and consumers in this country are to be safeguarded. Such changes are not readily carried out unless they are insisted upon by the parties concerned at every possible opportunity.

We regret that the conclusion of the article on "Economic Turkey" is unavoidably held over this week owing to pressure on our space.

Industrial Companies.

THE BRITISH COTTON AND WOOL DYERS' ASSOCIATION, LIMITED.

Issued Capital : £580,624 in 5s. Ord. Shares.
Debenture Stock : Issued, £620,000 4 First Mortgage.

Year	Net Income	Depreciation	Debenture Interest	Ordinary Dividend	Reserve	Carried Forward	Stocks	Surplus Assets
	£	£	£	£	£	£	£	£
1915	125,661	30,000	27,714	116,248	25,000	5,135	125,667	138,748
1916	178,***	30,000	27,714	116,248	50,000	6,173	179,854	178,***
1917	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	218,***	30,000	24,800	116,248	50,000	7,138	234,000	224,000
1920	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* After deducting all expenses, including debenture interest.
† Exclusive of reserves.

The [illegible] taking for the year ended March 31 last were carried on under difficulties which presented a very serious [illegible] The [illegible] affected the output of the branches in the district, and the railway strike temporarily paralysed deliveries of raw material and finished goods, while the moulders' and machinery in good working order. Despite these difficulties, however, the year's operations resulted [illegible] greater than that for the previous financial year, and is, indeed, a record in the Company's history. Provision has been made for income tax, excess profits [illegible] revenue, but there is no indication of the extent of this provision or of the comparison it bears with that in the preceding years. The allocation to the depreciation fund is £33,644, as compared with £25,000 previously, and the charge for specific depreciation is slightly over £1,000 greater than in 1919; but repairs £106,136, and, in consequence, the actual net surplus of profits is not more than £42,294 greater than that for the previous year. The charge for Debenture interest is the same at £24,800, and the dividend is maintained at ten per cent. As the capital was increased by fifty per cent. during the year from £387,083 to £580,624 by a bonus share distribution of £193,541 from reserve, the dividend therefore absorbs £58,062, as compared with £38,708 previously, but, as the capital issue did not mean any addition to the funds of the Company, the dividend distribution is actually equivalent to fifteen per cent. on the previous capital basis, and is, accordingly, a very satisfactory improvement. The Company has increased the allocation to reserve from £50,000 to £68,541, and the balance, amounting to £39,003, is carried forward to the new accounts, as against £40,259 brought in from 1919.

Turning to the balance sheet, there are important changes in some of the items, to which reference may be made. The net addition to the fixed assets during the year amounted to £104,794, which compares with less than £29,400 in 1919 and with £107,480 representing the total additions from 1914 to 1918. The amount transferred from the depreciation fund for the purpose of writing down the assets is only £6,842, as compared with £171,802 in 1919. Stocks at £391,120 are up £140,519; debtors have increased from £326,369 to £539,147; and investments (at cost) from £63,750 to £86,061; while cash holdings have dwindled from £38,659 to £1,096; and, in addition, a bank loan has been created amounting to £75,025. Trade creditors are £245,501 the greater at £419,886, the total increase in creditors being, therefore, £320,526. The depreciation fund now amounts to £115,000, and the reserve fund to £125,000, as against a total issued capital of £580,624. Largely in consequence of the heavy capital additions and the considerable increase in stocks, the surplus of liquid assets over current liabilities, including dividend payments due, has been reduced from £225,467 to £85,837, and the stringency in cash holdings has been further accentuated by the heavy drain of Government taxation.

At the annual meeting of the Company the Chairman, reviewing the position of the British dye producers, commented upon the remarkable results which had been achieved in recent years, but pointed out that the market demand for variety of shades, brilliance, and fastness of colours was still far from being adequately satisfied by home producers. The difficulties presently being experienced by textile dyers with regard to colour supplies are of primary concern [illegible] the existing difficulties will be entirely overcome for [illegible] for the current financial year will exceed the previous

level. The prices and yields of the shares of the Company are shown below, the yield on the Ordinary shares being calculated on the basis of a dividend of ten per cent.

	Par	Price	Yield
	£ s. d.	£ s. d.	%
Ordinary shares	5 0	0 6 9	7·4
4% First Mortgage Debs. ...	100 0 0	57 0 0	7·0

IMPERIAL AND FOREIGN CORPORATION, LTD.

Issued Capital: £1,327,840, in 813,920 6% Cumulative Preference Shares of £1 each and 513,920 Ordinary Shares of £1 each.

Year to June 30	Re-serves	Loss on Ex-change	Russian Invest-ments Written Down	Income Tax Reserve	General Reserve	Pref. Div.	Ord. Div.	Carried Forward
	£	£	£	£	£	£ %	£ %	£
1914	72,592	754	—	—	—	35,667 6	32,656 9½	17,170
1915	52,151	—	—	—	—	48,835 6	— —	20,730
1916	68,077	14,000	—	—	—	48,835 6	— —	26,032
1917	90,165	21,875			—	48,835 6	12,818 2½	32,581
1918	140,471	25,104	—	10,000	25,000	48,835 6	25,696 5	40,417
1919	119,679	5,068	50,000	—	15,000	48,835 6	50,835 6	50,388
1920	113,406	—	94,959	—	—	48,835 6	— —	— —

[a] After providing for all administrative charges and income tax.

The reports of this finance Corporation for the year ended June 30 last show that after providing for all administrative charges and heavy Government taxation a profit was obtained of £113,406, as compared with £119,679 last year and £140,471 in 1918. No deduction has, however, to be made from this year's revenue for Russian exchange losses, and, consequently, the balance of profit is only slightly lower than that for each of the two preceding years. The Preference dividend absorbs the usual sum of £48,835, but the substantial surplus of £94,959 is appropriated for the purpose of adjusting the book values of investments in accordance with the scheme drawn up by the directors. The explanation of this decision to withhold the distribution of profits has been clearly presented to the shareholders, and is due entirely to the chaotic financial position in Russia. It will be remembered that the acquisition of the Russian and English Bank constituted one of the primary motives for the formation of this Corporation in 1911. The purchase cost £285,000, and the Company's interests in this and allied concerns expanded rapidly, making the enterprise highly remunerative. But the outbreak of the revolution produced a disastrous change, and towards the end of 1917 all the banks in Russia were nationalised. Subsequent events have tended to destroy all hope of ultimate compensation, and accordingly the Company wrote £30,000 off its Russian investments in 1919, besides making large annual provisions for exchange losses. This year the Company has resolved to face the inevitable by reducing its Russian interests to a purely nominal valuation. Thus, arising out of the loss of assets it has been decided to effect a corresponding capital reduction by cancelling capital which has been lost or is unrepresented by available assets to the extent of 10*s.* a share in respect of each of the 513,920 £1 Ordinary shares which have been issued, thereby involving a reduction of £256,960. The scheme provides for the issue of Participating Certificates of 10*s.* each to the existing Ordinary shareholders, conferring the right to have distributed amongst the holders *pari passu* any sums which may be recovered in respect of the Corporation's holding in the Russian and English Bank up to a maximum distribution of £256,960, or 10*s.* in respect of each reduced share. In addition, the unissued Ordinary shares, amounting to £486,080, are to be divided into 972,160 10*s.* shares, whilst the right is taken to convert 13,920 unissued Preference shares into 27,840 10*s.* Ordinary shares, thus providing a total of 1,000,000 10*s.* Ordinary shares for issue purposes. In order to preserve the position of the Preference shareholders arrangements have been made for the issue of at least 500,000 Ordinary shares at 10*s.* each, ranking equally with those already issued. What the prospects are of any ultimate compensation to the Ordinary shareholders it is impossible to judge, and for all practical purposes eventual reimbursement can only be treated as a very remote contingency. It is satisfactory at least to note that the recent deflection of the Company's activities to the industrial sphere at home has resulted in very substantial progress, although its net profits have naturally been affected by its Russian misfortunes. In future, however, assuming that the Company's earnings will be maintained at the level reached in recent years, the Ordinary shareholders should receive an ample return on their capital.

The balance sheet of the Company shows some important alterations in the principal items. Under liabilities creditors have increased by £182,200 to £379,772 and loans by £186,839 to £1,106,768, whilst the contingent liability in respect of calls on investments is £52,139 the greater at £145,328. The reserve remains at £80,000, to which it was raised by last year's allocation of £15,000. Amongst the assets, investments at book values have grown from £1,916,019 to £2,163,059, the increase being mainly due apparently to additional investments in British industrials. The figure includes the holding in the Russian and English Bank, and the adjustments referred to above will mean a corresponding reduction in the total investments shown in the balance sheet. Sundry debtors have increased from £235,643 to £391,262, and advances from £281,655 to £301,251, but cash holdings at £157,185 show a diminution of £19,472. A summary of the various items shows that the liquid assets other than investments amount to £849,699, against current liabilities (including Preference dividends due) of £404,189, leaving a surplus of £445,510, whilst the corresponding figures last year were £693,957 and £277,242 respectively, giving a surplus of £416,715. The Company is therefore in a position to provide substantial funds against any sudden demand for repayment of loans without drawing extensively upon its investment resources. The financial position will be further strengthened by the adjustment in the valuation of its investments and by the proposed issue of additional capital, the utilisation of which will increase the earning powers of the Corporation without involving any increase in the administration expenses.

The industrial outlook is at present uncertain, and, as the revenue of this investment Corporation is regulated by the general prosperity of industrial undertakings, it is impossible to attempt any safe forecast for the current year. The directors, in their reports, however, express considerable confidence in the prospects of the undertaking. The Cumulative Preference shares of the Corporation, at their present price of 11*s.* 6*d.*, yield a return of 10.4 per cent., while the reduced Ordinary shares, which are quoted at 9*s.* 6*d.* would require a dividend of 9.5 per cent. to give a yield of 10 per cent.

PARTINGTON STEEL AND IRON CO., LTD.

Issued Capital: £700,000, in £350,000 6% Cum. Pref. Shares of £1 each and £350,000 Ordinary Shares of £1 each.

£167,400 5% Debenture Stock and 300,000 5-Year 6½% Notes of £1 each.

Year to June 30	Net Profit	Reserve	Sundry Allo-cations	Pref. Dividend	Ordinary Dividend	Carry-forward
	£	£	£	£ %	£ %	£
1914 ...	70,479(b)	—	—	— —	— —	—
1915 ...	109,575	—	55,511 (c)	21,000 6	25,000 10	10,254
4 years to June 30, 1919 ...	225,161(d)	—	55,239 (c)	84,000 (e) 6	105,715(e) 10	10,739
1920 ...	171,691(d)	100,000	—	21,000 6	25,000 10	26,429

(*b*) Net loss.
(*c*) £55,239 allocated for purpose of writing off loss in 1914.
(*d*) After providing for depreciation, interest, excess profits duty, etc.
(*e*) Representing total dividend for four years.

This Company, which was formed in 1910 as an offshoot of the Pearson and Knowles Coal and Iron Company, Limited, was purely in the development stage until 1913. It then began its career as a manufacturing concern, but the first year's trading was characterised by abnormal industrial conditions and resulted in a loss of £70,479. With the outbreak of War, however, the Company's position was materially improved, and in 1915 a net profit was obtained amounting to £109,575. During the following three years no accounts were produced in consequence of

the inability of the Company to arrive at any settlement with the Inland Revenue authorities in respect of excess profits duty and income-tax until [illegible] difficulty was removed in 1919 and accounts were presented covering the four years' trading from June 30, 1915, and showing a net profit of £225,161, or an average for each year of £56,365. In view of this low average profit the net revenue, amounting to £171,691, for the twelve months ended June 30 last, marks a very considerable improvement. No accurate comparison can be made, however, owing to the alteration in the industrial conditions prevailing during the different periods and the absence of particulars, as to the actual profits earned in each of the four preceding years. The rate of dividend for the past financial year remains at ten per cent., beyond which it cannot be raised until a reserve has been created equal to the amount of the Preference capital, which is £350,000.

An initial allocation of £100,000 has been made to reserve this year, and this satisfactory step is therefore of particular interest to the Ordinary shareholders. The amount carried forward to next account is £26,429, as compared with £10,737 brought in.

The additions to the fixed assets during the year amounted to £323,431, after deducting depreciation, as compared with the net additions of £740,205 for the four preceding years. The Company issued £300,000 of five-year six and a-half per cent. notes in December last at ninety-eight, yielding £294,000; but apparently this was not sufficient to finance development, as loans from the Ministry of Munitions have increased by over £270,600 to £831,482. Creditors, at £803,345, are nearly £286,000 greater than in 1919, while stocks have grown to £403,724, which is over six times larger than the figure for the previous year. Debtors have increased by nearly £274,000 to £600,407, while investments and cash are the greater by £35,163 and £27,243 respectively.

As compared with £449,935 in 1919, the liquid assets, including stocks, now amount to £1,127,769, which gives a surplus over current liabilities of £268,424, in contrast with a deficiency of £67,451 in 1919; but it is to be noted that stocks now represent nearly fifty-five per cent. of the total liquid assets, as against less than fourteen per cent. in the previous year.

As the Ordinary shares are held by the Pearson and Knowles Coal and Iron Company, Limited, they are not officially quoted. The Preference shares, which are also absent from the list of quotations, are entitled to a cumulative dividend of six per cent., which is guaranteed by the controlling company until the general reserve fund is equal to the issued Preference capital. The five per cent. 1st Mortgage Debentures at their present price of 97½ yield a return of nearly 5.2 per cent.

THE ROVER COMPANY, LIMITED.

Issued Capital: £746,429, in 700,000 £1 Ordinary Shares, fully paid, and 350,000 £1 Ordinary Shares, partly paid.

	Net Profits	Employees' Insurance etc.	Depreciation	Excess Profits Duty	Income-tax	Property Reserves	Taxes, Excess Profits Duty and Contingencies	Dividends	Carried Forward
	£	£	£	£	£	£	£	£	£
1914*	138,974	20,000	30,000	50,000			32,539	10	36,435
1915†	80,500	7,500	5,000	14,000	15,000		11,805	10	40,360
1916‡	61,597		20,000		30,000		11,241	10	40,233
1917§	89,750	25,000		20,000	6,427		28,560	10	40,015
1918‖	99,634	21,000		10,000	14,854		5,000	10	17,851
1919¶	101,309	20,000	5,000				51,000	10	22,160
1920**	187,340	15,000	20,000				70,000	10	26,429

* After provision for [illegible]
† Year to August 31
‡ Reserve for Inland Revenue [illegible]
§ Free of tax
‖ Equal to 7s.
¶ Equal to 7s. 1d.
** Equal to £8, 1s. 6d. [illegible]

The striking record established during recent years by this firm of cycle and motor manufacturers has been completely surpassed by the results obtained for the financial year ended July 31, 1920. The net profit for the twelve months amounted to £187,340, as compared with £101,309 for the previous year, and as much heavier depreciation has been charged before arriving at this year's profit, the comparison is therefore further improved. A bonus of £15,000 is allocated to employees, and the transfer to general reserve is reduced from £50,000 to £20,000, but an appropriation of £78,101 has been made to the income-tax equalisation fund. As in 1919, no allocations are made to the plant and property reserves or to the contingencies fund created during the War. After the above adjustments there is an available balance of £96,428, as compared with £72,989 last year, but the rate of dividend is nevertheless reduced from twenty-five per cent. to ten per cent. (free of tax), which, however, absorbs £70,000, as compared with £51,078 in 1919. The explanation lies in the increase in the issued capital during the year from £237,500 to £746,429. As the major part of this increase was effected by a bonus share distribution of £350,000 from the reserve in August 1919, the reduction in the rate of dividend is quite intelligible, apart from the abnormally heavy reserve allocations which have been made this year.

The strong financial position is fully in keeping with the profits made by the Company. Thus, despite the distribution of large dividends and the bonus capitalisation of £350,000 last year, the combined reserves amount to approximately £333,000, or almost forty-five per cent. of the issued capital. Sundry creditors are down by £39,784 at £141,422, and debtors by £52,250 at £61,135, but stocks have grown from £225,143 to £366,032. Freehold and leasehold property at £145,528 has increased by £30,128, and plant and machinery figure at £114,562, as compared with £83,770 last year. A very remarkable expansion has occured in investments, which, figuring at £45,558 in 1918 and £261,582 last year, now amount to £491,798, the increase being mainly due this year to the growth of "other investments" from £216,757 to £444,615, and in leasehold redemption policies from £7,850 to £20,506. It is rather peculiar, however, that the statement of income shows only £5,608 as received in interest and dividends during the year. The receipts from "other investments" obviously cannot be included in this figure, and it would be interesting to ascertain what part they represent of the total profits earned. The cash holdings have been reduced from £250,608 to £154,154, whilst the item of £24,201 representing excess profits duty paid under appeal has disappeared from the assets in the balance sheet. The Company has not apparently succeeded in recovering this sum from the revenue authorities, and the annual liability for excess profits duty appears to be discharged from the income-tax equalisation fund. Despite the expansion in stocks and the growth in the fixed assets, the liquid resources of the Company have increased during the year from £625,577 to £707,089, and exceed current liabilities (including dividend payments due) by £480,667, as compared with £373,293 in 1919.

In view of the depression which has occurred in the motor manufacturing trades, this Company may experience during the current trading year some interruption in its regular progress, but its strong financial position will enable it to cope with any difficulties which may arise. The fully-paid Ordinary shares at their present price of 22*s.* 6*d.* yield a return of 8.9 per cent. free of tax.

Report of the Commissioners [illegible] *Statistics and Customs for the Year 1919-20.* London: H.M. Stationery Office. 1s. 6d. net.

Statistics of the Commerce [illegible] (Rome: Director-General of Customs and Indirect Taxes.)

New Issues.

5-15 YEAR TREASURY BONDS.

Particulars of these bonds, which are still on offer, appeared in THE STATIST of September 25 and preceding weeks.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier dates.

LEVER BROTHERS LIMITED.

Offer of £4,000,000 Eight per Cent. Cumulative "A" Preference shares of £1 each at par, the proceeds being required to provide for capital expenditure incurred in connection with the business of the Company and certain of its associated Companies. The authorised capital of this, by far the largest commercial concern in the United Kingdom, is at present 130 millions, of which over thirty-eight millions are fully paid up, as follows:—

	Paid up	Authorised
	£	£
7 Cum. Pref. shares (£1)	22,567,566	30,000,000
8 Cum. "A" Pref. shares (£1) ...	10,979,437	40,000,000
20 Cum. Pref. Ord. shares (5s.)	1,500,000	10,000,000
20 Cum. "A" Pref. Ord. shares (£1)	—	10,000,000
20 Cum. "B" Pref. Ord. shares (£1)	262,000	10,000,000
5 Cum. Pref. Ord. shares (5s.) ...	718,666	10,000,000
Ordinary shares (£1)	2,280,000	10,000,000
	38,007,669	130,000,000

The security of the present issue is unquestionable. Since 1914 the rate of Ordinary dividend has gradually risen, despite a continuous increase in paid-up Preferred shares, from ten per cent. per annum to twenty per cent. per annum (interim) on June 30, 1920. Since June an issue identical with the present has been placed, making, with the amount now offered, an increased Preference dividend liability of £640,000. The directors, however, expect to maintain the Ordinary rate for the current year. The Seven per Cent. Cumulative Preference shares are at present quoted at 18*s.* 7½*d.*, the Eight per Cents. at 20*s.*, and the Five Shilling Twenty per Cents. at 11*s.* 7½*d.*, making an average yield of eight per cent.

The efficiency of the management and staff, the wide sphere of operations, and the security from effective competition by the absorption of allied interests, are a guarantee of continued profit-earning capacity. And the practical zeal exhibited in the development of harmonious relations between employer and employed makes, not alone for increasing, but for what is perhaps more important, uninterrupted production. This factor largely explains the ready market found by the £15,000,000 Preference capital issued since November 1918. The present issue should meet with an equally eager response.

SOUTH SUBURBAN GAS COMPANY.

Offers of £150,000 Seven per Cent. Redeemable Debenture stock at par, to be redeemed at par on June 30, 1930. Interest payable at the beginning of January and July 1. The Company has already placed £368,837 Five per Cent. Debenture stock, which constitutes the only charge prior to the present issue. The annual interest on the stock, issued and offered, will require £28,942, which compares with a net revenue of £56,319 for 1919. Accumulated funds on December 31 last amounted to £91,257. The money to be raised by the present issue is required to meet the cost of extensions of the works and plant rendered necessary by the increasing demand for gas. Despite rising coal prices, the outlook for the industry, which has been improved by recent legislation, should improve still further with the progress of the various housing schemes. The South Suburban Gas Company serves a populous area of about 145 square miles in the counties of London, Surrey, and Kent, where it possesses an expanding *clientèle*. The fact that the investment does not yield as high a return as many well-secured industrial issues is discounted by its quasi-gilt-edge character. Investors, however, should not overlook the narrow limits of the market for the shares.

WIGGINS TEAPE AND CO. (1919), LIMITED.

The above firm of papermakers offer £350,000 Eight per Cent. First Mortgage Debentures, in denominations of £100 and £50, at ninety-eight per cent., redeemable by annual drawings at 102 per cent., commencing in 1922 and finishing by April 1, 1946. Interest is payable at the beginning of April and October, and shareholders, employees, and customers are to receive preferential allocation. The authorised capital of the Company is 750,000 £1 Ordinary shares, which are fully issued, and 750,000 £1 Seven per Cent. Preference shares, of which 700,000 are issued. The amount at present offered is part of an authorised issue of £500,000, and its object is to provide additional working capital to meet rising costs and increased output from the Company's mills, to provide extra operating funds for the recently acquired Hele Paper Company, Limited, and to meet expenditure in connection with the new photographic base paper mill, which is expected to commence production early in 1921. The Debentures form a first specific charge, secured by trust deed on the Company's land and buildings, fixed plant and machinery, and a floating charge on all other assets.

Of late the paper industry has been making numerous appeals for capital to the public, and in the last six months more than £4,000,000 has been offered. The large scale of applications is scarcely justified by the outlook of the industry, especially when sources of the primary materials, wood and wood-pulp, are under outside control. The Debentures under discussion, however, come from a first-class firm, and are amply secured both as to interest and capital. In pre-War days certified profits gradually decreased from £82,070 in 1911 to £60,946 in 1914, but during the War period they increased annually, reaching £214,178 in 1918, but dropped in 1919 to £149,882. The profits for the first eight months of 1920 are stated to exceed the total for 1919, and the estimated future profits, after allowing for excess profits duty, are £200,910. While there is no guarantee of the latter figure being attained, it is evident that the annual Debenture interest of £28,000 will be covered several times over. The net assets, without taking into account the proceeds of the present issue, are given at £1,641,396, on which the present issue forms a first charge, and is, therefore, unquestionably secured as to capital, though the valuation given is not certified. The net yield is £8 3*s.* 3*d.* per cent., and the premium on redemption £4 1*s.* 8*d.* per cent. Such a return, coupled with the soundness of the security, constitutes the issue a highly attractive investment. The issue was early over-subscribed.

CHARLES MORGAN AND COMPANY, LIMITED.

Offer at 21*s.* 6*d.* per share of 190,000 Ordinary shares of £1 each, being the balance of 300,000 £1 Ordinary shares authorised. Preferential consideration will be accorded to shareholders and customers. The object of the present issue is to provide the increased working capital necessitated by the rapid development of the firm's business.

The Company was formed in August 1919 for the purpose of acquiring the business of Messrs. Charles Morgan and Company, wholesale paper merchants and manufacturing stationers, and possesses a controlling interest in Messrs. Bennett and Wood, Limited, manufacturers of envelopes. Certified profits exhibit a steady increase from £7,359 in 1914 to £35,261 in 1919, and it is stated that net profits, before providing for excess profits duty, are for the first half of 1920 £45,000, approximately. War-time figures, however, do not form a very satisfactory basis for the calculation of post-War profits. One would require more detailed information before sharing the Chairman's confident anticipation of increased success. There are no Preference shares, Mortgages, Debentures, or Debenture stock outstanding, and net assets are valued, but not specifically certified, by the auditors at £137,310, which more than covers the existing £110,000 Ordinary capital. The investment partakes of a speculative character, but as the management is well acquainted with the paper trade its potentialities as a speculation may appeal to some, though the reason for the premium is not immediately apparent, despite the good working results of the first half-year.

WILLIAM HOLLINS AND COMPANY, LIMITED.

The Ordinary shareholders of the above Company have received an offer of 194,492 Ordinary shares of £1 each at 25*s.* per share, in the proportion of one new share to every four Ordinary shares held. The issue will not rank for dividend during 1920, but a tax-free payment of 1½*d.* per share will be paid with the Ordinary dividend in March 1921 on all new shares fully paid up on December 1, 1920. Letters of renunciation, including split forms, are provided.

The Company has an authorised capital of 400,000 £1

Five per Cent. Cumulative Preference shares, of which 350,000 have been issued, and 1,000,000 £1 Ordinary shares, the latter of which [illegible] 266,761 which is increased to 1,165,255 on the present basis. The Ordinary shares are at present quoted at 27s. 6d., excluding the last two years' dividends being equivalent to nine and a-quarter per cent., tax free. Though the Company has a very strong position in the textile industry and has passed a period of continued prosperity, the existence of a bonus in the present shares is rather obscure, as nominal appreciation in holdings, problematic. The cheapness of the shares as compared with many values seems to guarantee the [illegible] especially as the [illegible] may be increased or capitalised.

VAUXHALL MOTORS, LIMITED.

Issue of £1,000,000 Six per Cent. Seven-Year Notes in denominations of £10, £25, £50, and £100, redeemable at 105 per cent. on October 1, 1925. Interest is payable in April and October. Applications from shareholders, employees, and customers will receive preferential allotment.

The authorised and fully issued capital of the Company consists of 600,000 £1 Ordinary shares. No undertaking is provided that no Debentures or other charges will be created, other than to secure bank overdrafts, without the sanction of the majority of the noteholders. A [illegible] of £260,000 stands as collateral security for an overdraft of £138,949, both of which items will, it is to be presumed, disappear with the success of the present issue. Increased turnover and larger stocks make the provision of further capital necessary, and the directors consider that during the next five years there may be such an adjustment of prices as will make such additional capital unnecessary. Hence the short-term notes.

Ample cover is assured, as certified net assets figure at £1,260,455 without allowing for the Debenture collateral. Profit since the Company was formed in 1914 have been sufficient to allow a uniform dividend of ten per cent. Despite the recent cut in automobile prices the prospects of the market for Vauxhall cars is very promising. The excellent security of the notes as to capital and interest renders the investment particularly attractive.

HUGH STEVENSON AND SONS, LIMITED.

The above firm has issued a notification which, though not an invitation to subscribe for shares, is, in view of the application to the London Stock Exchange for permission to deal in the Preference shares, of interest to investors.

The Company has been formed to acquire the business of Hugh Stevenson and Sons, Limited, Manchester, cardboard box manufacturers. The issued capital consists of £450,000 in Nine per Cent. Cumulative Participating Preference shares of £1 each and an equal amount in Ordinary shares, falling short in each case by £50,000 of the authorised maximum. Purchase consideration is £900,000 in cash, and certified net assets are valued at £706,428, which is increased to £1,018,489 by taking into account goodwill and replacement value of machinery. Profits (before providing excess profits duty) increased from £108,250 in 1916 to £174,584 in 1919, and the directors look forward to a maintenance of the present rate after the new board mill has been erected. The Preference shares are entitled to half of the surplus profits left after a payment of nine per cent. on the Ordinary shares, but their prospects will appeal only to the speculatively inclined in the Share market.

AMALGAMATED TEXTILES, LIMITED.

Issue of £600,000 Eight per Cent. Seven-Year Notes at par, seven and a half per cent., in denominations of £10, £25, £50, £100, and £500, and 300,000 £1 Ordinary shares at 32s. each. The Company was incorporated early this year to acquire the businesses of John H. Beaty and William Morris and Sons. It has now taken over the property of Daniel Illingsworth and Sons, woollen spinners, for a purchase consideration of £1,415,877. The issued capital, exclusive of the present issue, consists of 210,000 £1 Seven per Cent. Preference shares and 510,000 shares, [illegible] £1 Ordinary shares out of 1,000,000. The certified net assets of the combined firms, exclusive of goodwill and [illegible] £2,000,000, or nearly twice the capital issued as to capital. Profits since 1912 vary considerably, and for the past four years average £273,357. The latest [illegible] £48,000. The value of the £1 Ordinary shares, at the [illegible] the high standing of the management, the premium seems rather large. The lists will close on October 16, 1920.

THE BRIDGE PAPER MILLS, LIMITED.

Offer of £50,000 Nine per Cent. Participating Preference shares of £1 each and £30,000 Twelve per Cent. Second Preference shares of £1 each, repayable at 110 per cent. on January 1, 1925. After the nine per cent. and twelve per cent. dividends are paid on the Preference shares [illegible] further participate in twenty-five per cent. of the remaining net profits, and the Ordinary shares will rank for dividend on the remaining fifty per cent. The Company undertake to confine future bond issues to £10,000 while the present amount is outstanding. After redemption of the latter the Preference shares will participate in fifty per cent. of the balance of the available divisible net profits.

The Company has been formed, with a share capital of £25,000, to take over as a going concern the "Bridge" Paper Mill, whose location is vaguely described as Staffordshire. In the course of a lengthy prospectus no valuation of assets is provided, nor is any clue to past profits revealed. The lease ends in twenty-five years' time, but there is an option of purchase, details of which are lacking. Preliminary expenses form an unduly large item at £7,000, and there is no mention of eventual dealings in the Stock Exchange. The excessively high return promised, combined with the very unsatisfactory nature of the prospectus, puts the issue altogether outside the pale of legitimate investment, except for those directly connected with the enterprise.

LOXLEY BROTHERS, LIMITED.

Offer at par of 125,000 Eight per Cent. Cumulative Preference shares of £1 each. In addition to the fixed dividend of 8 per cent. they will be entitled to one-fifth of the surplus profits left after a payment of ten per cent. on the Ordinary shares, but such extra payment will be subject to a maximum of two per cent.

The Company, whose authorised capital is £150,000 in Preference and £100,000 in Ordinary shares, has been formed to acquire four printing establishments, two in Sheffield and two in London. The purchase price is £169,176, payable as to £87,493 in shares and £81,683 in cash, and net assets are independently valued at £187,388. Profits for the past three years, without allowing for income tax and excess profits duty, have grown from £6,468 to £27,040. The company seems under capable control, and the investment is not unduly speculative.

DARTMOOR CHINA CLAY COMPANY, LIMITED.

Offer of 80,000 shares of £1 at par. The Company has been formed to take over another firm of the same name, and to develop the china clay deposits on the property acquired. The prospectus is a very unsatisfactory document. It fails to include any independent valuation of the assets or return of past profits or output. From the text it is evident that the 156,000 shares already issued consist of Preference and Ordinary, but no statement is made as to their relative proportions. The enterprise may be a very profitable one, but the details published are not calculated to attract the attention of the investor.

Other New Issues.—Bryce and Company, Limited: Shareholders are offered 7,000 Seven per Cent. £10 Cumulative Preference at par and 7,000 £10 Ordinary at £12. Mergui Crown Rubber Estates, Limited: Shareholders offered 99,993 shares of 2s. each in the proportion of one new share for every two [illegible] 3s. each. Screws: Shareholders offered 25,465 £1 Ordinary shares at par. Meekes, Limited, drapers, Sheffield, offer £5,000 Preference shares; Picture Palace House (Bolton), Limited, £14,750 Ordinary at par; Alliance Glassworks, Limited, £14,012 Preference and £14,004 Ordinary shares. The prospectus of [illegible] ments.

Pearce Issues.—[illegible] company with a capital of £142,500 divided into 80,000 [illegible] will be shortly offered at par.

MEETINGS
OF PUBLIC COMPANIES.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.

Increase of Capital.

An extraordinary general meeting of the Chartered Bank of India, Australia, and China was held on October 6 at 38 Bishopsgate, London, E.C., for the purpose of considering resolutions sub-dividing the shares and increasing the capital of the Bank. Sir Montagu Cornish Turner (Chairman of the Bank) presided.

The Chief Manager (Mr. W. E. Preston) having read the notice convening the meeting,

The Chairman said: Ladies and Gentlemen,—Our circular letter of September 16 last will have explained the object of our meeting here to-day, and, as regards the first resolution, few words on my part are required, I am sure, to recommend its acceptance by the shareholders. For some time past we have appreciated the fact that the denomination of our shares, £20 each, plus the premium attached thereto, made the share a rather heavy security to deal with in the market, and it has been somewhat difficult for the smaller class of investor to take up a share which, perhaps, commands a value of from £70 to £80 in the market—or even £90, as it did at one time—so that many desirable people, whom we would welcome as constituents of this Bank, are unable to enjoy the privilege of being shareholders in the Chartered Bank. Therefore it is with pleasure that I shall presently propose the resolution that the £20 share be sub-divided into four shares of £5 each. Then, as regards the second resolution, our letter states that, in order to meet the increased demands of trade and the greater volume of business that the Bank is now called upon to finance, the Court of Directors consider it desirable to put before the shareholders proposals for the increase of the Bank's capital. In my remarks at our extraordinary general meeting in September 1918 I gave particulars as to the gradual increase of the capital and reserves of this Bank. I need not refer to these figures to-day, but I will give you some figures which are of considerable interest. They show the growth of the business during the past two years, and also the necessity for our coming to you to-day with proposals for an increase of capital.

Growth of the Business.

Taking first the figures with regard to current accounts and fixed deposits, on December 31, 1918, when we made our last issue, they stood at £33,777,000. On December 31, 1919, they stood at £48,000,000—an increase of forty-two per cent. On June 30 of this year they totalled nearly £54,000,000; that is, an increase of fifty-nine per cent. over the figures of 1918. Bills of exchange at December 1918 totalled £22,244,000; in December 1919 they were £26,500,000, an increase of nineteen per cent. On June 30, 1920, they amounted to approximately £28,000,000, an increase of twenty-five per cent. over the figures of 1918. Bills discounted and loans in December 1918 were £12,600,000, and twelve months after that date they were £17,500,000, an increase of forty per cent. In June of this year they were £26,400,000, an increase of 109 per cent. over the figures for 1918. Bills of exchange rediscounted at December 1918 amounted to £4,500,000 in round figures, and in December 1919 to £16,000,000, an increase of 306 per cent. In June 1920 they stood at just about the same figure. Forward contracts outstanding we can only give up to December 31 last, because the year has not expired yet. At December 1918 they were £18,300,000, and on December 31, 1919, they were £48,500,000, an increase of 164 per cent. The total figures shown in our balance sheet, the total assets and liabilities, were £47,600,000 in December 1918, and £68,700,000 in December 1919, an increase of forty-four per cent. In June 1920 they were approximately £75,600,000, an increase of fifty-nine per cent. over the figures in 1918, when we made our last issue of shares.

Ladies and gentlemen, I think no further words are necessary on my part to show that we are fully justified in coming to you to recommend an increase of our capital. Our profits have also increased quite satisfactorily. In 1914 our net profits were £372,000. Then came, in 1916, that terrible tax, the excess profits duty; but in spite of that we showed an advance on 1914, the amount being £381,250. In 1917 the net profits were £402,500; in 1918, £409,000; and in 1919, £447,347, after payment of excess profits duty. I think, therefore, you will agree with me that, along with our increase of business, we are able to show an increase of profit, and for this year I do not anticipate a falling off from the profits shown last year. We have had a satisfactory half-year, and I hope we shall not have a very unsatisfactory six months ending December 31, 1920.

Terms of the New Issue.

As regards the terms of issue, I am sure the shareholders will appreciate the fact that they will now get one new share for every two old ones, as against two for every three on a previous occasion, and that the premium on the £5 share is only £2 10*s*. Had we made the issue on previous lines the premium would have been £5 per share; in other words, shareholders would have had to pay £10 for their share instead of £7 10*s*. We did this with the purpose of giving our shareholders a good turn. We think they deserve it, and we are able to make it. I was rather pleased at having a letter from one of our shareholders saying that he was astonished at our liberality and asking whether we could afford it. Well, gentlemen, we are just able to afford it. Then it was thought desirable that full payment of the new shares should be made by December 31 of this year, because by so doing they will rank for full dividend *pari passu* with the old shares as from January 1, 1921. There, again, you have an advantage which you did not have before, and which I hope you will appreciate. (Hear, hear.) With the issue of these shares, if the resolutions are confirmed, the capital of the Bank will in future stand at £3,000,000 and the reserve at £3,500,000. We shall have to build up our reserve again, and I hope we shall do so in the course of time. I should like to point out, however, that if we had made the premium £5 instead of £2 10*s*. we would have had a reserve of £4,000,000 instead of £3,500,000. There, again, we considered our shareholders. We must not forget that the large increase in our business, which is evidenced by the figures I have read to you to-day, has entailed considerably more work, far greater responsibility and devotion to duty on the part of our staff. It is only right and fair that their efforts should be suitably rewarded, and the directors have not overlooked this consideration. (Hear, hear.) I mention that because another shareholder wrote a letter in which there was a slight insinuation that we were considering the staff more than the shareholders. Well, it was very ungrateful, because I can assure you that that is not the case; we considered both alike. We should be absolutely failing in our duty, however, if we did not try to meet the fair and just demands of our staff, considering the increased cost of living, which is terrible in some parts of the East, the difficulty of housing, and the discomforts of living in a tropical climate. (Hear, hear.)

Shareholders' Question of Dividend.

Another shareholder has just written to me saying that he regretted he could not be present to support the resolutions to be submitted to-day, but he would be glad to have an assurance from me that we shall be able to maintain the present level of our dividends. I should like to ask that gentlemen if he can assure me what trade is going to do in the next twelve months, what is going to happen in the East and in the West, what is going to happen in the case of that remarkable coin, the rupee, and various other little considerations. We cannot tell, but we do hope that we shall not disappoint the expectations of our shareholders. (Hear, hear.) We do assure them that every effort will be made on our part to maintain that fair return on the shares of this Bank. We would not recommend at any time to give them what I call an outrageously big dividend, but we do try to give them a fair and just return on their investments in this Bank. As regards the present position of trade, undoubtedly we are in for a dull time. We are in, perhaps, for a period of anxiety and difficulty, but with calmness and moderation on the part of the directors of the Bank, and with fair treatment to our customers, who have always stuck so loyally to us in the past, I think we can assure you that there will be no great catastrophe as regards the business of the Chartered Bank, and I am fully convinced that once this cloud of unrest in the labour world, once this period of unrest, due to militarism, has passed away, we can be pretty well assured that trade in the East and in the West will not be much worse in the years to come than it has been in the past. We must not give way to pessimism or to despair—our trade and our commerce were not built up on those lines—but we must go on with courage, firmness, and conviction that all will be well when once the clouds roll by. Now, ladies and gentlemen, I have talked enough, and I beg to propose the first resolution: "That the present capital of the Bank—viz., 100,000 shares of £20 each—be sub-divided into 400,000 shares of £5 each."

The Right Hon. Lord George Hamilton, G.C.S.I.: Ladies and gentlemen, I have great pleasure in seconding that proposition.

Mr. Henley: I believe that in the original deed of settlement of this Bank, and for some years, the minimum sub-

scription of a shareholder was five shares. Is that the case now, and how will it affect the fresh arrangement?

The Chairman: So far as we know it will be still five shares. There is no reason to anticipate that any change will be made. I must also tell you that until recently under the terms of our articles of association we could not have issued the new shares of £5 each; that is to say, without having two classes of shares. There would have been one class of £20 and one of £5; but we have had the consent of the Treasury to make all the shares of one denomination. I do not think you need anticipate any trouble on that score.

The resolution was then put to the meeting and carried unanimously.

The Chairman next moved:—"That the capital of the Bank be increased to 600,000 shares by the issue of 200,000 new shares of £5 each, and that such shares be offered to the existing shareholders in the proportion of one new share for every two shares already held at a premium of £2 10s. per share, payment to be made as follows:—£5 on or before November 15, 1920; £2 10s. on or before December 31, 1920. Interest on these instalments will be paid at the rate of six per cent. per annum, free of income tax, from date of payment until December 31, 1920, after which date the new shares will rank in all respects *pari passu* with the existing shares."

Mr. Thomas Cuthbertson seconded the resolution, which was unanimously agreed to.

The Chairman announced that a confirmatory meeting would be held on the 27th inst., and the proceedings then terminated.

BUXTON LIME FIRMS COMPANY, LIMITED.

The annual meeting of the shareholders was held at the offices of the Company on Thursday, September 30, 1920. Mr. H. A. Haddersty in the chair.

The Chairman, in moving the adoption of the balance sheet and the directors' report, said that the general demand for lime in chemicals, iron and steel, textiles, leather, and agriculture, had been sustained in such constant volume throughout the year that the output in all classes of lime products had been totally inadequate to supply the demand. The shortage of man-power, mainly due to shortage of houses to house man-power, was still a cause of shortage of output.

He regretted that the signs of improvement in output per man that he mentioned last year had not been maintained, and, in fact, the unit output value of the worker as compared with pre-War standards had gone down in the earlier months of the year quite thirty-five per cent. In recent months, he said, the unit output value of the worker had improved somewhat, owing to better weather conditions and to better time-keeping; but the withdrawal of manual effort on the part of the worker generally still remained—a serious factor affecting general economic conditions in the industry.

Comparative Figures.

Comparing the year 1920 with 1913, he said the number of employees in 1920 showed an increase of forty-five per cent. on the number of employees in 1913. The total tonnage output in 1920 was 4.9 per cent. below total tonnage output in 1913. Taking the figure of 1,000 as representing the average unit output value of the man employed in 1913, the average unit output value of the man in 1920 is 654. Making a wages comparison: The total wages in money in 1913 as shown by the revenue account in the balance sheet, taken against the total output in tons in 1913, the wages cost in 1913 is represented by the figure 20. Total wages in money in 1920, as shown by the revenue account in the balance sheet, as against total output in tons, the wages cost in 1920 is 69.5—that is, against 20 in 1913. That is to say, wages cost, roughly, is *increased* 250 per cent., while output per man employed is decreased thirty-four and a-half per cent. Or, to put it in another way, the volume produced by every 1,000 men in 1913 requires 1,500 men to produce it in 1920, and every pound sterling wages cost in 1913 becomes seventy shillings wages cost in 1920. Or, again, every pound wages paid in 1913 is only worth in 1920 5.7 shillings in output on the plane of pre-War figures.

Speaking of the 250 per cent. advance in wages cost, he said this is not all advance in piece-work tonnage rates, or in hourly rates, but is made up of advances in wages rates, plus those additions to cost described as adjustments in working conditions, that is, in additional assistance which has to be paid for where such assistance was non-existent previously, or was included in the piece-work rate.

Organised Machine Production.

The greatest trouble, he said, throughout the year was shortage in production, and the greatest cause of this loss of output was loss of time by the workers. The management hope to mitigate the trouble of short production by improved equipment in the installing of labour-saving machinery and plant. It is not proposed to reduce the number of men employed, or to reduce wages rates, but it is anticipated that the average output per man employed will be so very considerably increased, by organised machine



No 1. This photograph shows how easily the back of a "cheap" Safe, fixed and riveted to the outside of the body, may be ripped off. The body of THE CHATWOOD SAFE is bent solid from one piece of steel. The back is then put in from the front and riveted to the back flanges, which are also bent solid with the four sides.

A FAVOURITE method employed by the burglar to open a "cheap" Safe is that of ripping off the back.

As the backs of many so-called "Safes" are riveted on *from the outside*—in much the same manner as the bottom is nailed on to the sides and ends of a packing-case—this process is quite a simple one.

The Burglar, after drilling out a few rivets, is able to strip off the back and get at the contents (*see illustration No. 1*). This method was successfully employed in the Hippodrome Burglary some years ago. It is interesting to relate that after this unfortunate occurrence THE CHATWOOD SAFE was installed.

It is impossible for any Burglar—however skilful—to force the back from THE CHATWOOD SAFE, as this is put in from the front and then riveted to the flanged edges from the *inside*. *See illustration No. 2.*

Consequently, even if it were possible for *all* the rivets to be drilled out, it is just as impossible to force off the back as it is before removing them.



No. 2. This illustration shows THE CHATWOOD method of construction.

Fire Proof Since 1858 *Burglar Proof Since 1835*

THE CHATWOOD SAFE

THE CHATWOOD SAFE BOOK, containing 48 pages, with many interesting details, profusely illustrated. Specifications, etc., gratis and post free.

THE CHATWOOD SAFE Co. LIMITED
BANKERS ENGINEERS
Head Offices and Works BOLTON, ENGLAND
LONDON MANCHESTER GLASGOW

production, that as deliveries of machinery on order from the manufacturers occur, and new plant is placed in commission, output will go on increasing as time goes on, so that the practically unlimited resources of the Company will pan out into practically unlimited output. Whereas the high cost of production goes on increasing as output is limited under existing conditions, it is hoped under conditions obtaining in massed machine production the cost of production will go down as output increases, resulting in all-round advantage to producers, users, and shareholders alike. He said the relations with organised labour continued to be of the most cordial character, and a happy spirit of co-operation appeared to prevail throughout all departments of works administration; and it is confidently hoped that, provided coal supplies can be maintained, production will be increased in the coming year.

Various Acquisitions.

During the year several additions had been made in the Company's field of operations by the purchasing and acquiring, on long leases, quarry lands in the Eastern Counties and in Wales, as well as in Derbyshire. In the early part of the year the shortage of trucks had been a disturbing influence, but that situation had been relieved by placing into commission a further 600 railway trucks and the purchasing of three new locomotives. Transport had also been improved by the opening up of canal transport and the placing into commission of several additional canal boats.

The balance-sheet figures were submitted as follows: After providing for Debenture interest and writing off £19,061 17*s.* 2*d.*, the net profit for the year showed at £31,455 6*s.* 9*d.*, which with the balance of £24,131 13*s.* brought forward from last year gives £55,586 19*s.* 9*d.* available for distribution. A dividend of six per cent. was declared, absorbing £28,066 16*s.*, and a balance of £27,520 3*s.* 9*d.* carried forward to profit and loss account.

The report and balance sheet were adopted unanimously.

Messrs. H. A. Hubbersty, F. G. Arkwright, and Major G. A. J. Cantrell-Hubbersty were re-elected directors.

Messrs. John Adamson, Son and Co., Manchester, were re-elected auditors.

A cordial vote of thanks to the Chairman closed the meeting.

J. HEPWORTH AND SON, LIMITED.

THE twenty-ninth ordinary general meeting of J. Hepworth and Son, Limited, was held on Tuesday, October 5, at the registered office of the Company, Providence Works, Claypit Lane, Leeds, Mr. H. M. Hepworth, the Chairman, presiding. The notice calling the meeting having been read the Chairman said: Gentlemen, you have the report and balance sheet with the auditors' report before you, and will doubtless allow me to take them as read. It is a pleasure to my colleagues and myself to be able to place before you what I think you will regard as a very satisfactory statement of the affairs of the Company. This is, of course, to a large extent due to the very large turnover done during the past year. It must not be overlooked, however, that we are reaping the benefit of much hard work done in reorganising every department of the business since 1911. Our stock is considerably higher than last year, which is due to more adequate stocking of the branches, and having a good reserve of cloth, &c., at the factory. It has, however, been all well bought and forms to-day a good reserve, seeing that raw materials are higher than when the bulk of our stock was bought, and I can see no chance of any immediate fall.

All cation of Profits.

The profit for the year, after making all proper charges and proviling for depreciation, income tax, excess profits duty, and directors' fees is £73,082 0*s.* 4*d.*, which after bringing forward the balance from the previous year, £9,908 3*s.* 8*d.* and deducting the Preference dividend, £6,000, leaves a balance available of £76,990 4*s.*

Coming now to dividends, where last year we paid eight per cent. dividend free of tax on the Ordinary shares, we have in the interval taken £104,000 from the reserve fund and allotted bonus shares to that extent in their due proportion to the Ordinary shareholders. We now propose to pay you a dividend of ten per cent. free of tax on the increased capital, including the shares allotted as bonus. Further, we are placing the substantial sum of £25,000 to the reserve fund and the sum of £5,000 goes to the benevolent fund. This latter fund has been of great value during the past year in helping urgent cases amongst our employees. We carry forward £9,442 14*s.* to the new year.

With regard to business, in my opinion it never was in a more healthy state. Our factories, plant and machinery, and the fittings at our 173 retail branches, are all in an excellent state of efficiency. I need scarcely remind you that the cost to-day of erecting factories with plant and machinery, added to the increased value of our 173 retail branches, would be infinitely greater than the figure at which they stand in our balance sheet. The difference between the balance sheet figures and to-day's value is a large additional reserve.

New Issue of Shares.

I have also the pleasure of announcing that in addition to the dividend of 10 per cent. free of tax which you will receive by post to-morrow, there will be an opportunity given to each shareholder, whether Preference or Ordinary, of acquiring new Ordinary shares in the Company at par in the proportion of one new for every three held as on September 29 last. This you will admit is in the nature of a substantial bonus, and the offer is being made to Preference and Ordinary shareholders alike. The new capital is required to meet the increased demands for the expansion of our business.

In conclusion I will only add that we have our shops in the best positions in most of the big towns and cities in England. Our works are modern and up to date; our branches are managed by keen salesmen, and I feel sure that this coming year will bring us a continuance of the great prosperity which we have so long enjoyed.

I beg to propose "That the report of the directors and the statement of accounts for the year ending July 31 be and are hereby received and adopted, and that a dividend of ten per cent. free of income tax be declared on the Ordinary shares." The motion was carried unanimously.

Mr. J. Gordon and Mr. P. McC. Wilson were elected joint auditors of the Company for the ensuing year.

JAVA PARA RUBBER ESTATES.

THE ninth annual general meeting of this Company was held in the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. R. J. Arnold, the Chairman, presiding. The Chairman said: Gentlemen, we have had quite a good year. We have harvested 739,000 lb. of rubber, against an estimate of 730,000 lb., and 3,400 piculs of coffee, which we estimate will eventually fetch about £98,000, after deducting £35,000 of produce on hand at the end of 1918. The profit shown for the year is £45,652, which is about twenty-eight per cent. on our capital of £160,000. Unfortunately for us, we are liable to excess profits duty, and it is therefore impossible for us to distribute more than twenty per cent. Our rubber last year fetched a good price—over 2*s.* per lb. —which is a very different figure from to-day's quotation of about 1*s.* 6*d.* A few judicious forward contracts helped the price, and you will see that we have still to deliver ten tons monthly until the end of 1920 ex warehouse Java at 2*s.* 4½*d.*, which is equivalent to 2*s.* 7*d.* London, and a further eight tons monthly all through 1921 at 2*s.* 3½*d.* Java, equivalent to 2*s.* 6*d.* London. For the moment we are passing through a bad patch, but I think that the restriction inaugurated by the Rubber Growers' Association will put matters right in the near future. I am afraid the world is not quite ripe for the very large crops of rubber which are at present coming forward. Our planting programme we shall now curtail. We have opened but little on the Wonokoyo estate last year—a mere trifle of ten acres—but we have brought the Tjikasso estate up to over 1,000 acres, where we shall now mark time.

The land which we leased on Wonokoyo seven years ago, which had to be handed back to us fully planted, reverted to this Company free of cost on December 31 last year. Our estimate for 1920 is 895,000 lb., but we are already restricting, and it may be that we shall have to restrict our output further for the general good of the industry. We, as a board, are rather troubled over the curious way this restriction will hit us. I am usually an optimist, but I dare not to-day be too optimistic; in fact, I cannot be with rubber at 1*s.* 5½*d.* per lb., which means that we only net 1*s.* 2½*d.*, taking freight and lower grades into account. I now beg to move the adoption of the report and accounts.

Mr. Noel Bingley seconded the resolution.

LEACH'S ARGENTINE ESTATES, LIMITED.

THE eighth ordinary general meeting of this Company was held at Winchester House, London, E.C., on October 8.

Baron F. A. d'Erlanger, who presided, said that the profit on trading for the past year, after providing for income tax and Corporation profits tax, amounted to £268,792, compared with £325,126 for 1918-19. The reduction was due mainly to a lower selling price for sugar consequent upon the country's total production being in excess of consumption, whereas last year the exact opposite was the case. The Company's subsidiary businesses had shown satisfactory progress. Bananas had yielded a profit considerably over that obtained in the preceding year, and this in spite of heavy losses of fruit owing to want of railway facilities. The sawmill and tannery had also shown substantial increases in sales and profits. In pursuance of the policy to maintain and, if possible, improve the efficiency of the Company's factory, the greater portion of the new machinery ordered had now been despatched, and it was hoped that in the near future the balance of the installation for which preparation had already been made would be shipped. Coming now to the situation as regarded the current crop, he had to report events of a remarkable nature. Early in July very severe frosts were experienced all over Argentina, snow actually falling in their own district, while the canefields throughout the Argentine were seriously

affected. It was considered that the total Argentine production as originally estimated would be reduced by at least one-third. The sugar situation was again completely altered; the price soared, and large quantities originally intended for export were realised locally at prices higher than those ruling for export. The Government at once stopped exportation, and early in August the Chamber of Deputies passed a Bill authorising the expropriation of 200,000 tons of sugar at the prices of $4.10 for refined and $3.50 for granulated (the Company's own quality). The Senate, which was the higher authority, did not receive the proposal favourably, and referred it back to the Chamber of Deputies, which had postponed consideration for the time being. The Argentine Parliament had now adjourned until May, and it was not certain whether a special session would be convened to discuss the project. There was no reason to suppose that the present Government was in principle antagonistic to the industry, but, to say the very least, it seemed very unfair and unjustifiable to propose expropriation at prices based on obsolete conditions of production and which, in existing circumstances, barely covered costs of manufacture and freight. From cabled advices just received, the total crop of the Argentine for 1920 was estimated to reach 186,500 tons, of which it was expected 13,300 tons would be produced by this Company.

The report and accounts were unanimously adopted, and the dividends recommended were declared.

MAPPIN AND WEBB, LIMITED.

(Jewellers, Goldsmiths and Silversmiths.)

Considerable Expansion in Business: Capital Increased.

Forthcoming Issue of Ordinary and Preference Shares.

An extraordinary general meeting and separate meetings of the Preference and Ordinary shareholders of Mappin and Webb, Limited, were held at the Savoy Hotel, London, on October 8, to pass resolutions increasing and reorganising the capital of the Company, Mr. William Harris (the Chairman) presided.

The Chairman said: Ladies and Gentlemen,—We are met to-day to consider the most important business which we have ever laid before you.

That business is fully set forth in the circular which you have received from the Secretaries.

You will no doubt require a few supplementary particulars before you can decide whether you are able to support the reorganisation of the capital which we propose, and you may have many questions to ask. I am often surprised at many of the questions asked by shareholders, and I am even more astonished at some of the questions which they do not ask.

I propose this morning to place myself for a few minutes in the place of an intelligent shareholder who has to make up his mind whether or not to agree to what we have suggested, and to ask myself a few questions. In satisfactorily answering those questions I may, perhaps, cover a good deal of ground which we have to go over. As to the need for further capital, this is largely accounted for by the continued and abnormal expansion of our business. The sales for the year 1919 are exactly three times as large as they were for any one year since the formation of the Company, and this year, up to September 30, they are thirty per cent. higher than the sales for 1919. I will elaborate this point a little. In 1913 we acquired in Montreal a jeweller's business. We have extended that business considerably. Our sales for the year 1920 will be more than ten times greater than they were when we acquired the business in 1913. Montreal, I may mention, is our largest branch, and is now making very substantial profits.

I next turn to what is called our contract department. This department is one which deals with orders from steamship companies, hotels, restaurants, clubs, and similar institutions.

Our sales in this department for the year 1919 were four times as great as they were for any year before the War. Amongst the many important firms and companies we supply I may mention the London and North Western Railway, the Midland Railway, the Great Eastern Railway, the London and South-Western Railway, the Central Argentine Railway, the Cordoba Central Railway, the Canadian Pacific Railway, the South African Railways, and many others.

Amongst the steamship companies are the Cunard Steamship Company, the Peninsular and Orient Line, the White Star Line, the Union Castle Line, the Royal Mail Steamship Company, the Pacific Steam Navigation, the Nippon Yusen Kaisha, the Norwegian American Line, the Nederlandsche Lloyd, the Compania Trans-atlantica, the Servizi Marittimi, and other lines.

Amongst the hotels are the Ritz-Carlton Hotel of New York, the Ritz-Carlton Hotel, Philadelphia, the Savoy Hotel, the Berkeley Hotel, Claridge's, the Carlton, the Hyde Park, Prince's Restaurant, the Ritz Hotel, the Café Royal, the Holborn Restaurant, Frascati's, and many other similar concerns.

Continental Branches.

For many years we have had an agency in Copenhagen; our manufactures are highly esteemed in Denmark, and we have done a substantial and profitable business there. Quite lately the owner intimated to us that he intended to retire from business, and we had the opportunity of acquiring the business. This we are doing from January 1 next.

At Biarritz, where for many years we had a business, an opportunity was given us to acquire the premises of a jeweller and silversmith who desired to retire. We acquired his business. The premises are more suitable than our former ones, and will call for a larger stock and more capital.

I told you at our last meeting that Mr. Herbert Mappin was absent in South America, visiting our branches. He returned with a glowing account of the importance and standing of our businesses in Buenos Aires, Rio de Janeiro, and San Paulo. By the law of the Argentine Republic a lease cannot be granted for more than ten years. We are therefore faced, periodically, with the fact that we might have to vacate our premises in Buenos Aires. The only satisfactory solution, therefore, was to acquire our own premises, and this we have done. We are already in Florida, which is the best shopping street in Buenos Aires, and our new premises will be in the same locality. It will be necessary for us to demolish the present building and erect a structure worthy of our productions.

At Rio de Janeiro our premises have been found altogether too small for our growing business, and we are therefore negotiating for larger premises in the Avenida Central. The premises we are holding at the present time are owned by Mappin Properties, Limited, a company in which you hold the whole of the share capital. We are advised that this building will realise considerably more than it cost some years back.

In Paris we have extended and beautified our premises in the Rue de la Paix at great cost, and we entertain no doubt that we shall earn a substantial rate of interest on the money we have spent there.

For some time our factory in Sheffield has been altogether inadequate to turn out the goods we require, and we have bought a plot of land in Sheffield, upon which we are now erecting a modern factory about double the size of our present factory, with the most up-to-date appliances.

I might mention many other instances where we have had to spend money, but those I have just related will, I hope, be sufficient to impress you with the fact that more money is urgently needed.

We ask you to agree to our increasing the dividend on the Preference shares from five and a-half per cent. to eight per cent. as from the 17th inst.



Dividends Increased.

The Preference shareholders will be required to agree to the increase of the Preference share capital from £450,000 to £900,000, the new Preference shares to rank *pari passu* with the old Preference shares.

The Ordinary shares we propose to increase from £300,000 to £600,000, the nominal capital will then have been doubled, and amount to £1,500,000.

The raising of the dividend on the Preference shares may not meet with the approval of a few shareholders, but I ask them to take a broad view of the matter. There is no doubt that investors owning securities where the interest has been fixed have suffered considerably through depreciation of their securities. The cause of this depreciation was the War, and I believe that we should not stand by our legal rights and deny an increase to the Preference shareholders, but that we should meet them generously. (Hear, hear.) In my opinion the ordinary shareholders can well afford to do this. The advantage to them would be that it will render it comparatively easy to raise additional Preference share capital, which, I believe, will bring to the Company profits considerably in excess of eight per cent., which surplus will go to the benefit of the Ordinary shareholders.

We paid an ordinary dividend last year of fifteen per cent., and we have just declared an interim dividend on account of the current year at the rate of 12½ per cent. I do not like to prophesy—one never knows the trend of trade and events—but to the best of my knowledge and belief we shall be fully able to maintain the dividend paid you last year.

Satisfactory Outlook.

You have a magnificent name, a name which stands everywhere for good workmanship and good faith. Our business is increasing, and every branch we have is profitable. We have in Sheffield eighteen months' work in hand, and, as far as I can see, I have every hope and belief that for some years to come the dividend we paid last year will be fully maintained. But this, please remember, is my belief only. There are many things which might interrupt our progress. I do not fear any strike amongst our men—they are very sensible; many of them have been with us fifteen, twenty, thirty, forty, and fifty years, and some even fifty-five years, and I think a few of them sixty years, and I am sure they would put forward no demands that were not reasonable, and, as a rule, we anticipate all their reasonable demands. But there are factors beyond our control which might interfere with our business. On the whole, however, I am very hopeful. I believe that we shall continue to progress, and progress substantially.

The Brazil Company.

I have now to deal with the Brazil Company. They have £100,000 Preference shares, which are in the hands of the public, and we hold practically all the Ordinary shares. At present these shares are at a low price, and some confusion is caused amongst a great part of the public as regards the shares of the Brazil Company and those of our own Company. By acquiring the Preference shares we shall own the company in its entirety, and, I hope, be able to economise in the administrative expenses, which will compensate us for the increased dividend we shall have to pay.

If you approve the resolutions which we are proposing we intend shortly after they become effective to make an issue of 200,000 Ordinary shares and 200,000 Eight per Cent. Cumulative Preference shares on terms which I feel sure will appeal to our many shareholders, from whom we expect an immediate response. Existing shareholders will be given priority in the allotment.

To illustrate the high repute in which we are held by the public, I may say that we are constantly having inquiries for the supply of goods not strictly in our line of business. The public know that with us they are in good and safe hands.

All your directors are present to-day with the exception of Mr. Haddock, who is busy in Sheffield, and of Mr. Walter Mappin and Mr. Herbert Mappin, who are paying a visit to our branch in Canada. This visit is long overdue, and I am sure will be fruitful.

I have now said all that I think I can usefully say. You may have some questions you wish to ask me, and if you have you may be sure I shall endeavour to answer the same as fully and as frankly as I can.

You have heard the resolutions read by the Secretary, and I beg to move that the same be and are hereby adopted, and that those numbered respectively 2, 3, and 4 be passed as extraordinary resolutions.

After the resolutions have been seconded, I shall refrain from putting them before the meeting until I hear what you have to say. (Applause.)

The various resolutions submitted were carried, only one shareholder dissenting, because he failed to see what the Ordinary shares would gain by increasing the Preference dividend.

Books Received.

The Household Account Book of Sarah Fell of Swarthmoor Hall. Edited by Norman Penney. Price 42*s*. (Cambridge: The University Press.) Much interesting information is afforded by this work on the conditions of life in the neighbourhood of Furness in the later years of the seventeenth century. The manuscripts have been for some years in the possession of the Society of Friends, which has now given permission for their publication. Sarah Fell, it may be of interest to note, was a stepdaughter of George Fox, founder of the body generally known as the Quakers, and was one of the chief organisers of the women's meetings of the Society in the Swarthmoor district at about the time of the Restoration. The Quakers were then suffering persecution at the hands of other religious sects, and, in fact, repeated mention is made in the accounts of fines and other payments made in that

To meet the wishes of our Ally, France, the Government has reduced the duty on



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Golden Guinea

The Finest Sparkling MUSCATEL.

GOLDEN GUINEA is a medium dry Sparkling Wine, possessing the well-known flavour of the Muscat Grape, which is so much appreciated.

If you cannot obtain supplies in your district, write for particulars to Wholesale Agents: GOLDEN GUINEA, 15 Charlotte Street, W. 1.

HIGHER FARES—WHY?

The London Electric Railways Fares Act, 1920, empowers the Underground Railway Companies to revise their fares to meet increased working costs under post-war conditions.

The purpose of the Act is defined in the Preamble in the following words :—

"Owing to the great increase in the wages paid by the Companies to their servants and employees, and the compulsory restriction of their working hours, and owing to the great increase in the cost of materials, repairs, renewals and maintenance, and generally in the cost of working and maintaining the said railways, the fares rates and charges which the Companies are respectively authorised to demand and take are insufficient, and it is expedient that the same should be so increased as to provide from time to time for working expenses, efficiently maintaining and renewing the undertakings, and a reasonable return on capital."

METROPOLITAN DISTRICT RAILWAY
LONDON ELECTRIC RAILWAY
CENTRAL LONDON RAILWAY
CITY & SOUTH LONDON RAILWAY

UNDERGROUND

A1 Reg 220

connection. The items in the accounts are, of course, almost purely domestic; and in the majority of cases, while the amounts paid are given, the quantities are omitted. However, we are told that two pigs cost 5*s.*; eight geese, 4*s.*; four capons and a chicken, 2*s.*; and a fat wether fetched 6*s.* 6*d.* in the market. Farm-work was performed by [illegible] and seemingly also "lived in" and were paid wages regulated, of course, by the Quarter Sessions. Women received from 1*d.* to 2*d.* a day, plus meat and drink. Domestic servants received £2 per annum. Mention is made of 4*s.* 2*d.* paid for meals for two mowers, presumably men, for three days. That is to say, their food cost 8*d.* per day. Two days later wages are entered for mowing at the rate of 6*d.* per day. Thus a mower's wages were actually less than the cost of his own food. As regards outside labour, an item given is "money paid to Charles Sill for working five days, 2*s.*" Twopence for shoeing horses seems rather absurd. Oats appear to have fetched anything from 5*s.* to 8*s.* per bushel. The accounts are interesting, but we think 42*s.* a rather long price.

Statistics of the State of Queensland for the Year 1918. In ten parts and Index. Compiled from Official Records in the Government Statistician's Office, Brisbane.

Monthly Report of the Trade of Canada, June 1920. (Department of Trade and Commerce, Canada.) Price 20 cents.

Annual Report of the Chief Inspector of Factories and Workshops for the Year 1919. Price 1*s.* 6*d.* net. (London: H.M. Stationery Office.)

Mappin & Webb, Ltd.—Reorganisation of capital.—Additional share capital is to be provided for financing the Company's increasing business. The present authorised capital is £750,000, which it is proposed to increase by an equal amount to £1,500,000, divided into 600,000 Ordinary shares of £1 each and 900,000 Cumulative Preference shares, also of £1 each. The dividend on the Preference shares is raised from 5½ per cent. to 8 per cent., in order to remedy the hardship entailed by the rise in interest rates on the holders of fixed-dividend securities. A full account of the extraordinary general meeting which approved these proposals yesterday will be found in our advertisement columns.

Selfridge & Co., Ltd.—In consequence of the rebuilding and extension of premises the directors propose to add to the capital of the Company by the creation of 1,000,000 Preference Ordinary shares of £1 each entitled to a fixed cumulative preferential dividend of 10 per cent. per annum, ranking after existing Preference shares, but prior to the Ordinary shares. There was much competition for the underwriting of the issue, which, we understand, has already been placed.

DIVIDENDS ANNOUNCED THIS WEEK.

[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
COMMERCIAL:					
[illegible]					
[illegible]					
[illegible]					
[illegible]

BANK OF MONTREAL

Established in 1817.
Paid-up Capital, $...,000,000.
Rest, $...,000,000.
Undivided Profits, $1,...,420.
Total Assets (31st April, 1920) $...,170,138.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq.
Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.
LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE)
17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart.
Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland, also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France

THE ROYAL BANK OF CANADA

ESTABLISHED 1869.

Capital Paid up $19,000,000
Reserve Funds ... ... $ 9,000,000
Total Assets $584,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, K.B., LL.D., *President.* E. L. PEASE, *Vice-President & Managing Director.*
C. E. NEILL, *General Manager.*

700 Branches in Canada and Newfoundland; in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia.

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ARGENTINE ... ... Buenos Aires.
BRAZIL ... ... Rio de Janeiro, Santos.
URUGUAY ... ... Montevideo, Sao Paulo
BARCELONA, SPAIN ... Plaza de Cataluna 6.
NEW YORK AGENCY 68 William Street.
LONDON OFFICE ... Princes Street, E.C. 2.

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE).
PARIS—28 Rue du Quatre Septembre.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2

Paid-up Capital	... ...	£4,765,700
Reserve Fund	... ...	3,775,000
Reserve Liability of	Proprietors	4,765,700
		£12,806,400

Aggregate Assets, 31st March, 1920 £75,544,242

The London Office issues Drafts on demand on its Head office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM,
Assistant Manager

BANQUE NATIONALE DE CREDIT.

CAPITAL .. .. Frs. 500,000,000
RESERVE FUND „ 62,000,000
DEPOSITS .. .. „ 2,600,000,000

Head Office:
— PARIS. —

270 Branches in France.

4 Branches in the Rhenish Provinces.

GENERAL BANKING BUSINESS.

THE

Merchants Bank of Canada

393 BRANCHES IN CANADA

Special attention given to Canadian and American collections. Letters of Credit and Drafts issued, and available at any bank ng point in Canada. Cable Transfers can al o be made.

COMPLETE BANKING SERVICE

LONDON OFFICE: 53, CORNHILL.

J. B. DONNELLY, D.S.O., *Manager.*

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital £250,000 0 0
(25,000 Shares of £10 each)
Reserve Fund £700,000 0 0
Reserved Profits £38 508 0 0
Reserve Liability of Shareholders, £250,000.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,
The Bank of Adelaide, 11 Leadenhall Street, E.C.

Kansallis-Osake-Pankki.

NATIONAL JOINT-STOCK BANK.
Head Office: Helsinki (Helsingfors) Finland.
Branches: 120 all over Finland.

Paid-up Capital .. Fmk. 150,000,000
Reserve Funds .. „ 8,000,000
Every kind of Banking and Exchange Business Transacted.

Telegraphic Address: "Kansallispankki"
London Agents: London Joint City & Midland Bank.

Ernesto TORNQUIST & Co.

LIMITADA,
BUENOS AIRES.
Established 1880.

Oldest Business Establishment in the River Plate.

Fully Paid up Capital, Reserves and Surplus, $14,192,498.91, Argentine Gold, equal to £2,815,972 Sterling.

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HEAD OFFICE ... TORONTO.
Paid-up Capital ... $15,000,000 (£3,082,192)
Reserve Fund ... $15,000,000 (£3,082,192)

President:
SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.
Vice-President and General Manager: SIR JOHN AIRD.
Assistant General Manager: H. V. F. JONES.

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A general Banking business conducted with ALL POINTS IN NORTH AMERICA.
C. CAMBIE, Manager.

NATIONAL TRUST COMPANY, LTD.

HEAD OFFICE: TORONTO, CANADA.
BRANCHES:
Montreal, Winnipeg, Regina, Saskatoon, Edmonton.

Executor and Trustee.

Paid-up Capital - £410,958 18 2
Reserve Fund - £410,958 18 2
Assets under Administration £18,275,599 15 9

Acts as Agents for clients and corporations and has exceptional facilities for investing British and Foreign Funds in carefully selected First Mortgages on Farms and Improved City properties in Canada.
Guaranteed Trust Investments.

Correspondence Invited.
28 Bishopsgate, A. L. NUNNS,
London, E.C. London Representative.
Bankers:—
Bank of Scotland. Canadian Bank of Commerce.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ... $3,000,000.00
SHAREHOLDERS' LIABILITY $3,000,000.00
SURPLUS AND PROFIT ... $7,500,000.00

Bills of Exchange
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Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States.
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LONDON JOINT CITY & MIDLAND BANK, LIMITED.
LLOYDS BANK LIMITED.
Cable Address—"FOURBANK"

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Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
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Bombay	Chittagong	Mombasa	Kenya Colony, British E. A.
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and Kamaran Point	Kisumu	
Lahore			
Amritsar	Colombo	Entebbe	Uganda
Delhi	Kandy	Kampala	
Tuticorin	Newera Eliya	Jinja	
Dar-es-Salaam			Tanganyika Territory.
Tanga			

SUBSCRIBED CAPITAL ... ... £...,000,000
PAID-UP CAPITAL ... ... £1,...,000
RESERVE FUND ... ... £...,000,000

LONDON BANKERS—Bank of England, National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

HONGKONG AND SHANGHAI BANKING CORPORATION.

CAPITAL, all paid up $15,000,000
STERLING RESERVE, held in London at Exchange of 2s. per $ =£1,500,000 ... ... $15,000,000
SILVER RESERVE ... 23,000,000
$38,000,000
RESERVE LIABILITY OF PROPRIETORS $15,000,000

Head Office—HONGKONG.
Chief Manager—N. J. STABB.

BRANCHES and AGENCIES:
Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe, Hiogo, Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yloilo, Yokohama.

COMMITTEE IN LONDON:
Sir CHARLES ADDIS, Chairman.
Hon. Cecil Baring. C. A. Campbell.
David Landale. Sir George Sutherland.
A. M. Townsend. C. F. Whigham.
W. M. BLACKIE, Accountant.
9 Gracechurch Street, London, E.C.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3

Authorised Capital (200,000 Shares of £10 each) £2,000,000
Called up £1,000,000
Reserve Liability of Shareholders £1,000,000
Reserve Fund £225,000

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD SASSOON, BART.
SIR JAMES LITHGOW-WOOD, K.B.E., C.B., C.M.G.
JAMES H. BATTY, ESQ., G. BROMLEY MARTIN, ESQ.
EMILE FRANCQUI, ESQ., A. S. HENSHALL, ESQ.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business connected with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

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NATIONAL BENEFIT

ASSURANCE COMPANY, LTD.

All classes of INSURANCE, including LIFE, FIRE, MARINE, MOTORS, ACCIDENT, PROPERTY INVESTMENT, EMPLOYERS' LIABILITY, &c., at very favourable rates. PROSPECTUS ON APPLICATION.

ASSETS EXCEED £1,500,000.

MANAGING DIRECTOR J. E. NICOL, O.B.E., J.P.

Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.

Marine Underwriting Rooms: 71 CORNHILL, LONDON, E.C.3.

REFUGE

ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

For the year ending December 31st, 1919.

Annual Income Exceeds - £5,400,000

Assets Exceed - - - £17,300,000

Claims Paid Exceed - - - £30,000,000

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

THE STATIST,

51 Cannon Street, London, E.C. 4.

Telegrams: "Statist Cent. London." *Telephone: City 5258-5259.*

The Statist.

LONDON, SATURDAY, OCTOBER 16, 1920.

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[illegible] 645

[illegible] 645

[illegible] 645

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The Money Market.

Friday, October 15, 1920.

	Current Rate.		Previous Rate.	
	%		%	
Bank of England Rate...	7	(Apr. 15, '20)	6	(Nov. 6, '19)
Deposit Rates:				
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20)	4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20)	4½	(Nov. 6, '19)

The present rate of 4% is fixed by the Bank of England as a minimum and has been abolished.

† Foreign exchange Banks grant special Rates only upon deposit for a fixed period.

Discount Rates:—	3 Mos.	4 Mos.	6 Mos.
	%	%	%
Treasury Bills ...	—	—	—
Bank Bills	5	6⅛ ⅞	6⅞ ⅞ 6⅞-7
Trade Bills		7-7⅛	7⅛-¼ 7¼

FINANCING THE EXCHEQUER.

The [illegible] of the Treasury's [illegible] in the open market during the [illegible] Saturday last [illegible] had already foreshadowed in these columns, but, considering the large interest payments the Government had to make, it must be confessed that the amount borrowed on Ways and Means or new Treasury bill [illegible] was less than might have been expected under the circumstances. Sales of new Treasury bills during the period to Saturday last [illegible] the comparatively high figure of £105,000,000, and considering the ease which characterised the Money market last week and the large amount which had to be repaid to the Bank, it may be presumed that a large part of this money was subscribed by the public, though the bulk of the maturities were held by the banks. There is not wanting evidence that the position has improved considerably since Saturday. Conditions in the Money market grew less easy as the week progressed, a circumstance due, apparently, to increased applications for Treasury bills on the part of the banks. As will be seen below, the Bank return shows a decline in the item "Government Securities" during the week to Wednesday last, and from the figures given it may be gathered that [illegible] £60,000,000 due to the Bank of England on Saturday last, about £18,000,000 were repaid in the first half of the current week. Since Wednesday, when the Bank return was issued, there has been a noticeable slackening in the inquiry for bills maturing within the year, while the financing of Treasury bill maturities seemed to be still absorbing balances, so that it is possible that the outstanding Government debt to the Bank under Ways and Means has been still further reduced. Whether this desirable state of things will continue during the remainder of the month is extremely doubtful, considering the very large amount of Treasury bills [illegible] fall due for repayment. On the other hand, any serious development is unlikely provided the demand for loans in Lombard Street does not show an unusual increase, as the banks seem to have obtained the bulk of their requirements of December maturities.

Last week's [illegible] in the Money market did not continue into the present week, though conditions were again very comfortable. As stated above, the increased applications for Treasury bills [illegible] the figures of the Bank return, the repayments which had to be made to the central institution were responsible [illegible]

At the end of last week [illegible] stringency incidental to the beginning of the quarter would reappear, as the clearing banks were demanding over 5½ per cent. for short loans, but in the current week day-to-day money was easily obtainable around 1½ per cent. [illegible] Supplies [illegible] the week progressed.

Business in discounts was again extremely restricted. [illegible] inquiry for bills maturing within the year, but this

week. The supply of bills coming forward did not appear to be larger. December maturities were bought fairly freely on Monday at 5⅜ per cent., with some business in special dates at 5¼ per cent. Subsequently, however, the rate hardened to 5½ per cent. November paper was dealt in at 5¼, and October dates commanded 5⅛ per cent. Longer dates were steady to firm. Three months' bills were quoted 6⅛ to 6⅛ per cent., four months' 6⅛ per cent., and six months' 6¾, but business in these was so small as scarcely to test the market.

Foreign Exchanges.

As we forecasted in these columns last week, the repayment of the Anglo-French loan, which matured to-day in New York, had little effect on either the franc or the sterling exchanges with America. It is true that the dollar value of both sterling and French francs was somewhat lower to-day, but this was chiefly due to the present extreme sensitiveness of the exchange market in New York. On this side it began to be realised a few weeks ago that arrangements for retiring both the British and the French portions of the loan were almost completed on the success of the French issue in New York, but considerable misapprehension existed on the point up to the last moment in the United States. This fact will go far to explain the sudden movements which have recently characterised the New York exchanges with Paris and London; and it is possible that this factor being now eliminated, these exchanges may take a favourable turn from the British and French points of view. To-day New York cables were quoted at 3.47¼, at which they are 4½ points below the quotation of a week ago. The French franc rose to 53.25, and the Belgian franc depreciated in sympathy to 50.57½. Italian lire, which showed a good recovery in the early part of the week, were weaker to-day at 88.75, but this quotation is under the worst for the week. The Eastern silver currencies showed a better tendency on Wednesday and Thursday, but took a turn for the worse again to-day, when the Shanghai tael was quoted at 5*s.* 4*d.*, as against 5*s.* 7½*d.* a week ago, and the Hongkong dollar at 4*s.*, as against 4*s.* 1½*d.* The rupee moved similarly, declining to 1*s.* 7⅛*d.* on Monday, but recovering to 1*s.* 8⅛*d.* on Thursday. The nervousness of the market in India was responsible for a subsequent weakening, and to-day Bombay transfers were called 1*s.* 7¾*d.* and Calcutta transfers 1*s.* 7¼*d.* The Yokohama exchange maintained its firmness, the yen being quoted at 2*s.* 10⅛*d.* to-day. Movements in the Scandinavian group were again very irregular. The Swedish crown developed considerable weakness early in the week, rising as high as 17.84, but has since recovered partially, to-day's quotation being 17.67. Norwegian currency weakened steadily to 25.40, and the Danish rate, after an initial adverse movement, rose to 25.10. With the exception of Poland and Austria the currencies of Central Europe showed further depreciation. German marks depreciated to 244 and Finnish marks to 130. South American quotations moved adversely up to Wednesday, but have since improved, and on balance show little change on the week. Of European neutrals, Spain moved favourably until yesterday, when the quotation was 24.23. To-day there was a relapse to 24.16¼. Switzerland showed a similar movement. Dutch florins became dearer at 11.25.

Income and Expenditure.

The outstanding feature of the public income and expenditure return for the eight days ending on Saturday last was a renewal of Government borrowing from the Bank occasioned by a large excess of Treasury Bill maturities over sales and renewals. On account of rather heavy interest disbursements, there was a substantial revenue deficit, which accentuated the shortage of Exchequer resources.

As to details, revenue amounted to £26,701,076, including £6,846,076 from miscellaneous receipts, of which £6,107,249 were "special receipts." Interest payment on War Debt reached £25,421,666, increasing ordinary expenditure to £36,459,424. The deficit thus occasioned—£9,758,348—was concurrent with a deficit of £59,906,000 on Treasury Bill sales, maturities amounting to £165,875,000. War Loan, Exchequer Bonds, &c., tendered in payment of excess-profits duties necessitated an Exchequer issue of £1,053,038, and short-term foreign indebtedness was reduced by £1,330,000. Other items call for no comment. £68¼ million had to be provided by temporary advances, and of this £60 million was advanced by the Bank and the remainder by public departments. Accordingly the floating debt shows an increase on balance of about £8.3 million to £1,290,003,000.

Currency Notes.

Yet another increase in the currency note circulation took place during the week ending on Wednesday. The expansion, however, was not on the same scale as during the two preceding weeks, being only £358,997. This brings the net increase since September 22 to £3,638,431, and the present total, £353,305,843, is the highest since August 11 last. As no change was made in the amount of the reserve the fiduciary issue has advanced to £306,055,843. Next week's return will be especially interesting, as it will probably record the effect of last week's Government borrowing on Ways and Means.

Bank of England.

The evidences in the early part of the week that Treasury-bill sales were progressing satisfactorily, and that the Government in consequence were reducing their indebtedness to the Bank, prepared City circles for an improvement in the position of the central institution. The improvement, though a welcome one considering last week's unfavourable position, is yet much less than is to be desired in view of the probability of the Government having to borrow again from the Bank during the coming weeks.

In contrast to the increase in the Currency note circulation noted above, the circulation of Bank of England notes shows a contraction of £681,000 during the week to Wednesday last. Hence the combined circulation of Currency notes and Bank notes has declined during the week by approximately £322,000. The present outstanding Bank of England note issue is £127,123,000. During the week under review the total bullion declined by £41,000 to £123,154,000, so that the reserve rose by £640,000 to £14,481,000. On the liabilities side deposits, other than Government deposits, which are £3 million lower, declined by nearly £11 million to £123,970,000, so that the reserve ratio rose by 1.3 points to 10.2 per cent. As already indicated in a previous column, Government securities show a decline. On the 6th inst. this item amounted to £63,789,000 on account of an increase of £41,901,000 during the week to that date.

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The present amount is only £81,000 below that level, and, consolidating these figures with those of the income and expenditure return, the amount of Ways and Means Advances outstanding to the Bank on Wednesday last would appear to be £42,440,000. This indicates a reduction of £18,000,000 during the first three days of this week. The repayment of the market's indebtedness to the Bank is reflected in a further decline of £14,313,000 in "other securities." As nothing was renewed last week, the whole of the amount borrowed over the quarter-end has now been repaid.

Bullion.

The Indian demand was again very small in the Gold market, and most of the arrivals were taken for the United States. The price ranged between 117s. and 118s., which was quoted to-day.

According to Messrs. Samuel Montagu and Company, the imports of gold in September amounted to £2,248,753 and the exports to £7,369,563, making an excess of exports of £5,120,810. Of the imports, the greater portion, of course, came from the Transvaal, and of the exports £6,188,390 went to the United States, India taking only £573,000. £309,100 was taken for Switzerland and £249,990 for South American countries.

The continued weakness in the exchanges with China and India was again a depressing factor in the Silver market. India began selling at the end of last week, and under this influence the spot price declined from 56⅝*d.* on Friday last to 55⅞*d.* on Monday. At this price orders began to arrive from the Indian bazaars to provide "bear" covering, and a recovery occurred to 56¼*d.* by Wednesday. Afterwards renewed weakness was developed, and to-day the price slumped to 53½*d.* The forward discount had widened from ⅛*d.* to ¼*d.* by Monday. On Wednesday it increased to ½*d.* and on Thursday to ¾*d.* To-day's forward price was 53½*d.*

Chinese orders were entirely absent from the market during the week, and, considering the alarming spread of famine in the interior of the country and the disturbed political situation, it is unlikely that any support to the Silver market will be forthcoming from that quarter in the near future. The Shanghai tael, which had ruled about 6*s.* up to a fortnight ago, is now down to 5*s.* 4*d.* The Indian exchange exhibited signs of strength towards the close of the week, and, as we explained in these columns last week, is likely to improve still further. On the movements of these exchanges will depend to a large extent the course of silver prices in the immediate future.

Recent movements in the Indian Currency Returns are shown below:—

	Note Circulation	—Silver— In India	Elsewhere	Total	—Gold— In India	Elsewhere	Bank Deposits	Government Securities	Other Securities
1920	Lacs	Lacs	—	Lacs	Lacs	—	Lacs	Lacs	Lacs
Sept. 30	15,763	5,866	—	5,866	4,015	—	59,8	4,714	1,628
Sept. 22	15,634	5,650	—	5,650	3,642	—	59·4	4,714	1,628
Sept. 15	15,802	5,665	—	5,665	3,766	—	59·1	4,714	1 777
Sept. 7	16,125	5,545	—	5,545	3,813	—	58·2	4,809	1,928
Aug. 31	16,327	5,529	—	5,529	3,912	—	57·8	4,793	2,15
Aug. 22	16,200	5,333	—	5,333	3,981	—	57·5	4,793	2,153
Aug. 15	16,295	5,329	—	5,329	4,180	—	57·7	4,793	2,153
Aug. 7	16,253	5,116	—	5,116	4,251	—	57·6	4,569	2,377
July 31	16,387	5,936	—	5,036	4,462	—	58·0	4·062	2,827
June 30	16,434	4,555	—	4,555	4,348	249	55·7	3,525	3,727
May 31	16,692	4,137	—	4,137	4,286	74	50·9	3,118	3,977
April 30	17,074	3,937	—	3,937	4,538	95	50·2	2,377	6,177
March 31	17,452	3,985	—	3,985	4,437	345	50·2	1,959	6,672

NEW YORK.

Though the movement is not so marked as in previous weeks, yet another expansion in loans is recorded in the latest average weekly statement of the New York City Banks and Trust Companies. At the same time the deposit liabilities declined, while the aggregate reserve increased, so that another improvement in the reserve position is to be noted.

As to details: loans, discounts, investments, &c., expanded by $17.6 million to $5,[illegible] million. These items combined have been increasing fairly steadily since the second week of August last, the net increase [illegible] $[illegible],000,000. However, the expansion has been much more rapid, being as great as $303,680,000. The present amount constitutes a high "record." Net demand deposits fell during the week by $12.2 million to $4,137,960,000, and, as the aggregate reserve is $2.1 million higher than that of the previous week at $14,670,000. The reserves must have been strengthened considerably towards the end of the week, for the actual excess reserve at the close was $21½ millions above the average figure at $36,200,000.

The statement of the New York Federal Reserve Bank shows a further weakening of the position during last week. This was in spite of an increase of over $7½ million in the gold holdings, which now stand at $204,050,000. The total reserves declined by over $19½ millions to $605,470,000. On the liabilities side the note circulation declined slightly, but net deposits rose by $55.4 millions to $709,520,000. The combined movements were responsible for a fall to 38.5 per cent. in the ratio of total reserves to Federal Reserve note and net deposit liabilities, as compared with 43.8 per cent. two weeks previously. The gold position has improved of late, though it is still very weak. The total gold holdings cover only 29 per cent. of net deposit liabilities alone.

The weekly statement of the combined Federal Reserve banks is again of an unfavourable nature, and illustrates strikingly the abnormality of the present monetary situation in the United States. The reserve ratio on account of a depletion in reserves, coincident with a large expansion in liabilities, dropped to a level which is only 0.7 point above the lowest ever recorded.

During the week to Saturday last the gold reserves declined by $6¾ million to $1,996,320,000. At the same time deposits, other than Government deposits, expanded by about $67 million, while the Federal Reserve note circulation was further increased to $3,322,120,000. The outcome of these movements was a decline in the ratio of total reserves to the net deposit and Federal Reserve note liabilities combined of 0.8 points to 42.9 per cent. The lowest ratio in 1919 was 43.8 per cent. on September 11, and the lowest ever reported was 42.2 per cent. on May 17 last. Rediscounts during the week under review increased by $86.1 million to $2,795,670,000, and the total bill holdings expanded by $90¼ million to $3,101,360,000.

The present figure for rediscounts exceeds the previous highest reported by $50,740,000; the present amount of the note circulation is also a high "record," and considering the trend of movements in rediscounts it is probable that it will be surpassed in coming weeks.

The ease of last fortnight in the New York money market has given way to renewed stringency under the influence of severe pressure for funds by the interior banking centres. During the week call money was in very great demand, and the rate touched as much as 10 per cent. on Thursday. For the moment interest is centred in the demand of associations of the cotton growers in the South and [illegible] West that the Federal Reserve Board should moderate their credit policy so as to allow them to obtain loans freely for the purpose of carrying [illegible] and grades until [illegible]. The demand of the Board still is [illegible]. As the trend in commodity prices, instead of being checked, is becoming more extensive, the prices of industrial stocks are being marked down in Wall Street. Railway issues, however, continue in popular favour.

Stock Exchange.

DESPITE the apparent inevitability of a strike, the dulness of Stock Exchange business for the past week has not been any more marked than usual. Foreign issues show few notable alterations in price. Shares in home enterprises have declined in value, but against this fact must be set the favourable reception accorded to the large number of new issues floated. The outlook of the public seems on the whole to be one of quiet confidence.

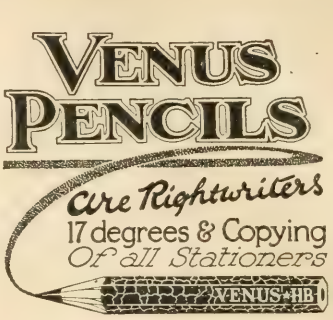
British Funds opened with a rising tendency, but a reaction set in on Tuesday and continued till the close. The section was consistently the steadiest in the House, and reductions were not very large. Consols, War Fives and Fours, Funding Loan, and Victory Bonds all closed at slightly lower levels, but Four-and-a-Half per Cent. War Loan showed better on balance. India descriptions were also higher. Local Loans stock ruled firm at fifty. County and Corporation stocks showed no activity except for a few minor improvements in Brighton, Bristol, and Swansea Six per Cents. Among Colonials, Cape Inscribed again receded and Natal Inscribed moved similarly.

Foreign stocks exhibited marked weakness, mainly due to heavy Continental liquidation. Brazilian bonds in particular suffered from heavy selling pressure. Japanese Four-and-a-Half per Cents, Chinese Reorganisation Loan, Mexican Fives, and Greek Monopoly shared the depression. The financial crisis in Cuba reflected itself in the sudden drop of 6 to 94-97 in Cuban Five per Cent. Treasury Bonds. Cuban Ports, moving in sympathy, shed part of their recent gain. French War Loans were the only feature of outstanding firmness in the section. Buyers were optimistic as to the conditions of conversion for the new French loan to be raised here, and quotations benefited accordingly.

Transactions in the Home Rails section were not numerous, but prices reacted all round on the unfavourable nature of the miners' ballot. The Heavies were notably weak, but Great Western, Midland Deferred, and London and North Western were firmer at the close. Underground Electrics appreciated substantially on Monday, but prices gradually shaded off to opening levels. Among Foreign Rails, business continued to dwindle. Argentine stocks drooped slightly. United of the Havana was depressed by the disturbed financial conditions in Cuba. Among Brazilian descriptions, San Paulo and Entre Rios were supported, but Leopoldinas depreciated slightly.

Among Industrials, the iron, steel, and engineering group clearly reflected the gloomy coal prospects. Declines were substantial and numerous, firm features being conspicuously absent. Bengal Irons and English Electrics were in some demand early in the week, but reacted later in sympathy with the general movement. Motors, however, displayed some strength, Straker-Squires being a particularly firm item. Recent rumours of a general break in prices helped to depress Dry Goods and Stores shares. Textiles and Land shares reacted under similar influences. Shipping issues continued to decline on the unfavourable freight outlook. Egyptian securities closed generally at lower levels. Banking quotations exhibited an unusual lack of stability, and Insurance prices, though showing few alterations, shared the general tendency to sag.

The undertone of the Oil market continued quite firm, but continual heavy selling from Amsterdam and Paris caused an all-round lowering of values. Scottish Americans reacted on the news of an impending expansion of capital. English Oilfields opened strong under the influence of optimistic rumours, but finished even. Prices pursued a downward trend towards the close, though firm features were not missing. Tampicos lost some of the previous week's gains, but eventually hardened. Tankers and Indo-Burmas, lower on balance, moved similarly.



Mining Topics.

SEPTEMBER RETURNS.

WHEN it is recollected that in the August returns gold was valued at 112s. 6d., less realisation charges, which had been reduced in the leading cases as low as 6d. per oz., and that in the returns to hand for September gold is valued at 115s., less 6d. per oz. realisation charges, plus, in some instances, premium on remittance, it must be admitted that the September returns for the Rand have fallen short of expectations. Before dealing with the returns in detail it is well to remember that the estimate of 115s. errs on the right side: that, since gold did not fall below 115s. during September and rose above 118s., the actual results must have been better. The Transvaal output is as low as 682,173 oz., which is nearly 20,000 oz. less than the August yield, which had been unfavourably influenced by the Sunday strike. The explanation is furnished by the contemporary return of native labour, according to which the number employed on the Rand gold mines at the end of September had fallen to the low level of 163,132. This is the lowest total returned for the current year, and compares unfavourably even with the figure of 164,671 for November 1919. With this very inadequate supply of labour, the consequent reduction in tonnage crushed during the month becomes comprehensible. However, owing to the increase of 2s. 6d. per ounce in the value of the gold, the declared value of the Rand output for September works out at £3,922,495, or only £65,000 below the value for August, and is above the declared value for any other month of the current year.

With the mines controlled by "Johnnies," whose accounts we have reviewed below, the ore treated dropped from 454,300 tons to 439,400 tons. Apart from a small increase of 100 tons by New Unified, Government Areas is the one mine to crush a greater quantity of ore, its total of 133,500 tons being 5,500 tons more than in August. Accordingly this well-known producer records a profit of £161,106, as against £140,700 in the previous month. In view, however, of the higher value attached to gold, the profit of the whole group has risen from £309,868 to £336,645, despite the decline in tonnage. The outstanding features of the working costs consist of a drop of 1s. 5d. per ton to 20s. 3d. for Government Areas, and a rise of 2s. 5d. to 26s. 11d. per ton in the case of Langlaagte Estate, which treated only 38,700 tons as compared with 42,500 in August.

In the Rand Mines coterie declines in tonnage characterise the majority of the mines. On the other hand, as against six instances in which the estimated profit fell below the August figure, there are nine mines which return an increased profit for the month. Again, it appears that whilst Knight Central crushed 27,000 tons in September, or 500 tons more than in August,

profit dropped from £8,925 to £7,823, owing to the lower grade of the ore, which yielded only 7,158 oz. of gold, as against 7,610 oz. in the previous month. The same feature is noticed in the case of New Modder-[illegible]. There a tonnage of 86,000, as compared with 85,000 in August, yields a profit of £150,056, as compared with £151,991, because the gold obtained dropped from 14,300 oz. to 13,971 oz. Modderfontein East records the most satisfactory improvement in profit, from £6,575 to £20,289, coinciding with an increase in the quantity of ore treated from 20,700 tons to 24,200 tons. The profit of Ferreira Deep is increased by over £6,000 to £28,755, and that of Consolidated Main Reef from £20,367 to £25,901. That regular producer, Crown Mines, registers a profit of £101,160, which is £3,500 more than in August. The fall in profit is most marked in the case of Rose Deep, which secured nearly £7,000 less than the previous month owing to the decline in the tonnage treated from 58,000 to 52,000.

Roodepoort United is the only mine in the General Mining (Albu) group where there has been an increase in the quantity of ore milled, and even here the increase is only 600 tons to 24,600 tons. Consequently the profit rose from £3,104 to £4,164. Despite this drawback, however, the profits as a rule show an improvement on the month. Van Ryn comes to the fore with a profit of £12,095, against £8,682 in August, and that although the ore crushed dropped from 32,750 tons to 31,500 tons. The salient producer of the group, Meyer and Charlton, earned a profit of £30,153, or over £1,000 less than the previous month, the increase in the costs per ton from 27*s.* 8*d.* to 28*s.* 4*d.*, consequent on the reduction from 14,300 tons to 13,300 tons, more than counterbalancing the rise in the estimated price of gold.

The general anticipations of the market that the East Rand Proprietary results for September would not be so favorable as those of August have been verified. In August, owing to the advance in the price of gold to 112*s.* 6*d.*, and the reduction of the realisation charges to 6*d.* per ounce, the profit earned jumped up to £38,303, and the mine became the focus of attention. Labour shortage, however, reduced the tonnage crushed by 10,000 tons to 119,600 tons, so that, notwithstanding the valuation of the output at the higher price of 115*s.*, the profit was over £10,000 down at £28,257. On the other hand, Modder Deep, having milled 400 tons more, secured a profit of £76,847, as against £72,384. With Geduld the profit was practically unchanged at £34,655, although 900 tons less were treated. Springs Mines with 1,000 tons less had a profit of £41,039, or £3,846 below the profit for August. Meanwhile Brakpan Mines, having increased its tonnage by 4,600 tons, added £13,375 to the profit of the previous month with a total of £60,042. Similarly, New Kleinfontein replaced £8,407 by a profit of £9,016, having milled 47,800 tons instead of 46,460 tons.

For the current month an improvement in the labour situation is confidently anticipated. Moreover, the gold premium will probably attain a higher average. Again, the exchange situation having moved against South Africa, the banks there are now offering to cash telegraphic transfers on London at a premium of 2½ per cent., whereas a few months ago discount of eight to nine per cent. was levied. All these factors point to still more satisfactory returns for October in the absence of unforeseen labour difficulties, and should therefore prove a "bull" point for the sorely tried Kaffir Circus.

Amongst Rhodesian mines, Lonely Reef returns a profit of £16,943. Development results include some very satisfactory disclosures. A south drive at the 890 level revealed ore averaging 1 oz. 12 dwt. over 36 inches between 910 and 933 feet. At No. 22 level a south drive from 295 to 349 feet exposed ore of 2 oz. 5 dwt. over a stoping width of 40 inches. Because of a shortage to hand a proper proportion of higher grade ore Glynn and Phoenix [illegible] profit of £11,433. Good developments results were reported, particularly at the 14th level, where a drive of 65 feet exposed ore averaging 65 dwt. Rezende Mines return a profit of £5,578. The Ashanti Goldfields report that gold [illegible] for September, as against £19,245 in August, and £18,971 in July. It is furthermore stated that the gold premium for July and August amounted to £13,493, converting a loss on these two months into a profit of £8,171.

JOHANNESBURG CONSOLIDATED INVESTMENT.

For gold mines and diamond mines in general the year ended June 30, 1920, has been, even in contrast with the previous year, a period of pronounced prosperity. This fact has been imprinted not only in the trading accounts of the individual concerns themselves, but also in the accounts of the finance companies that have interested themselves so largely in this field. The report of the famous Johannesburg Consolidated Investment Company for the year ended June 30 illustrates admirably not only the successful trading results of some of the principal gold and diamond mines, but also the extent to which share values appreciated as a consequence of this fact. A survey of the following table will show the nature of the transformation effected during the year in the revenue of this mining finance Corporation.

	£	£	£	£
[illegible]				
Administration, interest, &c., less [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
"Rand" profit	[illegible]	[illegible]	[illegible]	[illegible]
Dividends	[illegible]	[illegible]	[illegible]	[illegible]
Balance	[illegible]	[illegible]	[illegible]	[illegible]
Brought forward	[illegible]	[illegible]	[illegible]	[illegible]
Carried forward	[illegible]	[illegible]	[illegible]	[illegible]

The record revenue of £528,320 represents not merely a considerable improvement on the figure for the previous year, but is almost equivalent to the joint revenue of the two preceding years. Such a record was only achieved in view of the record dividends declared by the leading diamond mines and the gold mines in which the Company is interested. It is stated that the gold produced by these mines was valued at £9,500,000, as against £7,775,000 in the previous year. This increase provides some measure of the benefit accruing to the gold-mining industry by the existence of the premium on gold since July 1919. Out of the satisfactory net profit of £499,194 no less than £493,750 was allocated to the shareholders in dividends. This is equivalent to a rate of twelve and a-half per cent., free of tax, or nearly eighteen per cent., subject to tax. Following the increase in the dividend to seven and a-half per cent. in the previous year, this dividend of twelve and a-half per cent. constitutes a record which has not been reached or surpassed in [illegible] We [illegible] discover a higher dividend of twenty-five per cent. The balance carried forward to the next accounts is increased to £191,454.

[illegible] at least as promising. The prospects of diamond mining and gold mining alike are no less encouraging. In the [illegible] [illegible] white workers alike, but also by the steady rise in realisation charges to a maximum of 5*s.* 6*d.* per [illegible] May. Such [illegible]

reduced to normal. What effect this fact has had, in conjunction with the steady upward movement of the price of gold as a result of the fall in the sterling rate on New York due to the customary seasonal movement of the crops, is best seen in the monthly returns. In May, with gold at 105*s.* per ounce and realisation charges as high as 8*s.* 9*d.*, the profit of the gold mines in which this finance Company is interested amounted to £172,965. For June, with gold down to 102*s.* 6*d.* and realisation charges reduced to 7*s.*, the profit increased to £204,330. Although gold was estimated only at 105*s.* in July, the drop of realisation charges to normal is reflected in the profit of £261,913, whilst for August, with gold at 112*s.* 6*d.*, the profit rose to £309,868. Profits for September should be higher still in view of the rise in the price of gold to 118*s.* Furthermore, Randfontein Central was out of commission for three months, substantial losses being reported for April and May owing to the accident to block A shaft, which has since been repaired. Consequently, during August Randfontein Central, which had a loss of £36,637 in April, returned a profit of £20,298. Finally, it appears that the reef is expected to be struck in New State Areas towards the end of 1920, thereby indicating that another investment is approaching the dividend-paying stage.

Financially, the Company is in a very strong position. There are, however, one or two items of interest in the balance sheet, which is reproduced in suitable form in the following table :—

CAPITAL AND LIABILITIES.	At June 30 1920 £	1919 £	1918 £	1917 £
Capital issued	3,956,000	3,956,000	3,956,000	3,956,000
Reserve fund	250,000	250,000	250,000	250,000
Creditors and unpaid dividend	1,417,891	1,017,091	567,099	795,198
Appropriation account balance	191,453	186,009	161,795	158,557
Total	6,797,311	5,403,100	4,928,894	5,153,755
ASSETS.				
Cash, debtors, and loans on short securities	2,124,199	1,167,740	809,164	710,511
Pre-War loan against securities	2,522	34,662	102,659	120,445
Loans on mortgage and other real estate	161,860	105,562	86,450	124,168
Real estate and buildings	434,166	508,708	538,743	561,459
Mining properties and advances to companies	384,063	54,788	69,438	61,355
Other investments	7,379	6,500	5,142	5,186
Stocks and shares	2,683,113	3,525,140	3,317,058	3,540,550
Total	6,797,311	5,403,100	4,928,894	5,153,755
Contingent liabilities	598,928*	596,571*	559,191*	

* Mainly uncalled liability on shares of New State Areas, Ltd.

On the liability side the outstanding feature is the increase in sundry creditors, which, leaving out of account for the momeant the unpaid dividends, have risen from £720,841 to £1,912,108. We await with interest the Chairman's speech at the general meeting to explain this marked rise. As regards assets, it will be noticed that whilst pre-War loans against securities have almost disappeared, loans on mortgage and real estate have increased by over £56,000. Real estate and buildings have been further reduced to £434,165; but the amount under the heading of "Mining properties and advances to mining companies" has been multiplied sevenfold. Bearing in mind the universal stringency of funds during the year, it is easy to realise that this increase represents a measure of the financial assistance extended to the gold mines. It is evident—to quote one instance—that the repairs necessitated by the accident to Randfontein Central called for no small capital expenditure. The substantial interim dividends recently declared by the mines are reflected in the growth of sundry debtors from £387,153 to £1,052,208. The increase in investments appears to be only £160,000; but it is necessary to emphasise not only that the latest valuation was taken at the end of June, when the Mining market was by no means in a rosy condition, but that also we are without information as to the value of the shares realised during the year. Quoted in the market at 25*s.* 9*d.*, the £1 shares afford, assuming the continuance of the dividend of twelve and a-half per cent. free of tax, a yield of over nine and a-half per cent. free of tax, or almost fourteen per cent. subject to tax.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, October 13, 1920.

Issue Department.

Notes Issued	£140,121,405	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,671,405
	£140,121,405		£140,121,405

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£63,767,891
Rest	3,128,841	Other Securities	81,675,845
Public Deposits	18,200,817	Notes	12,998,385
Other Deposits	123,970,756	Gold and Silver Coin	1,483,009
Seven-day and other Bills	11,599		
	£159,864,813		£159,864,813

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Oct. 13	127.1	123.1	18.2	123.9	63.7	81.3	14.4	10.2	7	6⅞
Oct. 6	127.8	123.1	21.2	134.7	63.7	93.0	13.8	8·9	7	6¾
Sept. 29	127.5	123.1	16.1	111.0	21.8	109.3	14.1	11·1	7	6⅞
Sept. 22	125.4	123.1	16.7	105.4	35.5	88.7	16.0	13·1	7	6⅞
Sept. 15	125.1	123.1	15.2	122.5	56.1	83.4	16.4	11·9	7	6⅞
J'y'22.'14	29.3	40.2	13.7	42.2	11.0	33.8	29.3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 6%; Aug. 8, 6%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 8, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Oct. 13, 1920	Oct. 15, 1919	Oct. 16, 1918	Oct. 17, 1917	Oct. 12 1910
Circulation	£127.1	£83.7	£63 0	£11.6	£27.9
Public Deposits	18.2	22.2	34.3	42.7	6.3
Other Deposits	123.9	99.9	133.7	132.1	45.5
Government Securities	63.7	34.3	60.3	59.2	15.0
Other Securities	81.6	82.6	96.6	10.3	30.2
Reserve	14.4	22.8	28.6	37.8	24.4
Ratio to Liabilities	10·2%	18.7%	17·08%	18 73%	49·94%
Coin and Bullion	123.1	88.1	73.2	66 0	33.8
Money:					
Bank of England Rate	7%	5%	5%	5%	4%
Bank of France Rate	6%	5%	5%	5%	4%
Rate 3 months' Bills London	6⅞%	4⅛-½%	5-4⅝%	4⅛-½%	3⅝%
Exchanges:					
Paris Cheque	53·22	36·33½	28·07½	27·53½	25·22½
New York 60 days	3 46	4·14	4·73	14·72	4 82·85
Bombay Telegraphic Transfers	1/8	2/0½	1/5⅝	1/4¾	1/4·6
Prices:					
Consols 2½% Cash	45½	52	60½	56½	80⅛
French Rentes 3% Money	53·80	61·25	83·00	62·00	96·90
Silver, London spot per oz.	53·6d.	53·6d.	49·4d.	42·4d.	25·1d.
Wheat, Gazette average qr.	90/7	73/1	72/6	71/0	30/1
Cotton, Mid Upland lb.	19·02d.	21·56d.	21·64d.	20·42d.	8·16d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	55/9

CURRENCY NOTE ISSUE.

	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Week to						
Oct. 13, '20	8,148,721	7,789,723	353,305,843	28,500,000	18,750,000	13·4
Oct. 6, '20	9,178,192	6,726,006	352,946,846	28,500,000	18,750,000	13·4
Oct. 15, '19	6,852,886	7,703,460	338,435,894	28,500,000	—	8·4
Oct. 16, '18	6,295,966	4,749,422	283,771,841	28,500,000	—	10·0
Oct. 17, '17	5,185,101	4,106,894	184,188,978	28,500,000	—	15·5
Oct. 18, '16	4,551,489	4,145,113	134,933,768	28,500,000	—	21·1

Balance Sheet, October 13, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	278,419,882	Other Bankers	—
Ten Shilling	42,145,981	Trustee Savings Banks	—
Certificates outstanding	32,740,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion	28,500,000
Total	353,305,843	Bank of England Notes	18,750,000
Notes called in but not yet cancelled	3,171,347	Government Securities	325,222,805
Investments Reserve A/c	16,344,794	Balance at Bank of England	349,179
Total	372,821,984	Total	372,821,984

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Or.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Oct. 9	£26,701	£36,459	£9,748	£182,420	£183,293	—£9,227	£3,09
Sept. 30§	23,493	38,854	15,181	224,703	237,795	—13,908	3,817
Sept. 25	24,475	26,538	2,063	152,339	150,457	+ 1,873	3,748
192days.'20-21	646,001	578,131	68,870‡	2,839,420	2,916,860	— 77,240	— 6,282
194days'19-20	487,482	794,683	312,201	3,572,649	3,628,347	— 303,892	— 8,397
*Yr. '20-21**	1,418,300	1,184,102	*234,198*‡	—	—	—234,198	—
Yr '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,048	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,804	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue—Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure—Int., &c., on Debt	Misc. Expend.	Supply Services.
Oct. 9	£6,041	£5,416	£5,737	£8,507	£27,737	£10	£8,812
Sept. 30§	2,545	3,528	3,766	13,854	2,225	53	36,346
Sept. 25	7,242	3,629	3,938	9,666	3,403	670	22,465
192days'20-21	164,721	131,751	115,137	236,392	184,714	10,215	375,202
194days'19-20	129,715	115,093	137,642	100,032	194,422	5,673	594,587
*Yr. '20-21**	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,089	290,045	407,404	332,034	16,171	1,317,588
Yr. '18-19	182,220	291,188	285,028	150,537	289,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	185,851	11,401	2,494,888

FLOATING DEBT. [000's omitted.]		Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Oct. 9,	1920	£1,078,939	£211,364	£1,290,303	£11,314
Sept. 30§,	1920	1,136,794	143,114	1,281,908	11,144
Sept. 25,	1920	1,094,034	188,939	1,282,973	11,089
Sept. 18,	1920	1,063,099	175,441	1,238,540	10 919
June 30,	1919	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue. § 5 days or 9 days.

FOREIGN BANKS : [In £'s Sterling—000's omitted.]

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10.977	£833	£11.810	£41.925	£51.300	£8.283
Sept. 30, '20 ...	10.650	1.071	11.731	24.254	249.11.	57.[illegible]
Oct. 7, '20 ...	10.680	1.075	11.735	2[illegible].562	24[illegible].754	55.492

	Claim on Austro-Hung. Bank	Contingent Liabr. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *						
Sept. 15, '20...	£388.707	£88.923	£37.761	£93.049	£412.139	£53.171
Sept. 23, '20...	396.707	88.923	41.387	93.983	417.135	51.847
Sept. 30, '20...	398.714	88.923	44.413	91.485	424.531	43.849

	Cash— Gold	Silver	Total	Discounts	Balances Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4.100	£341	£4.441	£6.197	£788	£8.643	£47
Aug. 31, '20 ...	12.643	145	12.788	15.[illegible]	1.[illegible]	[illegible]	2.[illegible]
Sept. 30, '20 ...	12.644	145	12.789	14.703	1.629	30.021	2.921
Sept. 30, '19 ...	10.416	179	10.595	7.925	2.[illegible]	25.[illegible]	3.749
Sept. 30, '18 ...	10.455	140	10.595	3.813	3.531	22.357	763

	Gold— In Bank	Abroad	Total Cash Incl'g Silver	Other Notes	Bills Discounts	Circulation	Deposits— Public	Private
FRANCE.								
July 30, '14 ...	—£165.854—		£190.687	£97.788	£287.327		£15.302	£37.903
Oct. 7, '20 ...	141.349	77.935	219.[illegible]	93.218	1.58[illegible]		1.[illegible]	[illegible]
Oct. 14, '20 ...	141.362	77.935	219.825	96.146	1.581.077		3.[illegible]	[illegible]
Oct. 16, '19 ...	[illegible]3.86	79.131	234.[illegible]	49.[illegible]	1.471.477		2.[illegible]	[illegible]
Oct. 17, '18 ...	[illegible]138.110	81.484	220.378	33.781	1.225.233		3.311	1.[illegible]

	Cash— Gold	Silver	Total	Treasury Notes	Loans & Other Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£67.843	£16.727	£84.570	£5.279	£10.055	£91.515	£47.198
Sept. 23, '20...	54.579	352	54.931	949.110	2.347.153	2.955.133	710.933
Sept. 30, '20...	54.579	348	54.927	943.135	2.743.[illegible]	3.[illegible]	1.[illegible]
Sept. 30, '19...	54.823	985	55.793	452.251	1.693.684	1.439.[illegible]	655.972
Sept. 13, '18...	122.[illegible]	5.783	128.151	132.391	1.191.[illegible]	766.[illegible]	728.934

	Cash— Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13.498	£249	£13.745	£13.492	£10.332	£[illegible]	£1.437
Sept. 27, '20 ...	53.028	1.479	54.507	11.[illegible]	[illegible]	[illegible]	5.[illegible]
Oct. 4, '20 ...	53.028	1.[illegible]	54.529	13.719	27.275	83.[illegible]	6.234
Oct. 4, '19 ...	52.683	400	53.083	14.286	19.307	85.[illegible]	4.737
Oct. 5, '18 ...	52.[illegible]	671	59.636	19.[illegible]	9.[illegible]	[illegible]	4.[illegible]

	Cash— Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits.
ITALY.							
July 31, '14 ...	—	—	—£48.456—		£25.017	£89.204	£3.987
Aug. 20, '20 ...	£32.191	£2.998	35.189	12.696	187.[illegible]	[illegible]	72.354
Aug. 31, '20 ...	[illegible] 32.191	2.999	35.190	13.621	200.923	559.390	72.513
Aug. 30, '19 ...	32.216	2.980	35.196	22.633	68.778	414.[illegible]	65.681
Aug. 31, '18 ...	32.729	3.070	35.799	6.542	54.193	322.085	53.343

	Gold	Discounts	Advances	Notes	Deposits— Public	Private
JAPAN.						
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£39.722	£13.818	£1.521
Aug. 14, '20 ...	102.436	17.489	24.666	[illegible]08.925	103.343	7.132
Aug. 21, '20 ...	103.012	17.835	26.214	108.553	117.084	5.068
Aug 23, '19 ...	75.184	6.784	43.877	95.[illegible]	130.437	3.159
Aug. 24, '18 ...	65.221	4.629	39.252	79.087	79.920	4.921

	Cash Own Vaults	Aggregate Reserve	Loans, Discts. Invest.,&c.	Demand	—Net Deposits— Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1,720
Oct. 2, '20 ...	£17.942†	112.634	1.0[illegible].[illegible]45	£830.026	£58.160	921.631	2.908
Oct. 9, '20 ...	18.422†	112.692	1.036.258	837.592	56.360	914.353	2.934
Oct. 11, '19 ...	[illegible] 19.798†	117.310	1.084.130	837.504	54.093	936.489	5.900
Oct. 12, '18 ...	[illegible] 20.594†	107.838	937.710	748.[illegible]	30.[illegible]	837.[illegible]	8.763

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2.980	£1.678	£493	£4.338	£3.752	£733
Aug. 22, '20 ...	8.119	2.694	578	24.858	25.[illegible]	6.428
Sept. 30, '20 ...	8.119	2.711	678	25.718	25.314	6.115
Sept. 30, '19 ...	8.162	4.342	678	18.193	28.[illegible]	3.974

	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
PORTUGAL.						
June 2, '20 ...	£1.906	£3.921	£5.827	£20.106	£30.[illegible]	£10.635
June 9, '20 ...	1.906	3.921	5.827	22.567	24.958	8.358
June 11, '19 ...	1.905	3.935	5.840	8.193	63.[illegible]	3.474
June 12, '18 ...	1.905	3.475	5.380	8.822	48.378	2.186

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
June 19, '20 ...	£64.009	£18.482	£3.514	£[illegible].976	£189.444
July 10, '20 ...	65.209	18.897	3.604	23.433	193.312
July 17, '20 ...	62.209	20.778	3.[illegible]	24.[illegible]	195.175
July 19, '19 ...	42.844	10.422	2.149	12.571	127.750

	Gold— In Bank	Abroad	Total Cash Incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 28, '17...	129.523	230.865	378.205	1.869.559	1.836.217	15.783	342.550

	Cash— Gold	Silver	Total	Loans, &c.	4% Spanish	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21.[illegible]	£29.187	£50.991	£40.572	£13.778	£77.557	£13.955
Sept. 2, '20 ...	98.115	23.[illegible]	121.[illegible]	90.333	13.779	1[illegible].[illegible]	39.[illegible]
Sept. 8, '20 ...	98.121	23.475	121.[illegible]	9[illegible].394	13.779	16[illegible].[illegible]	39.[illegible]
Oct. 11, '19 ...	86.404	25.196	121.[illegible]	90.319	13.778	151.[illegible]	34.[illegible]
Oct. 11, '18 ...	88.217	25.817	114.[illegible]	57.[illegible]	13.777	12[illegible]	46.[illegible]

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5.717	£8.150	£1.555	£7.495	£13.432	£3.903
Sept. 1, '20 ...	15.565	4.833	2.[illegible]	34.[illegible]	43.[illegible]	1.[illegible]
Sept. 8, '20 ...	15.802	4.927	2.498	34.426	41.[illegible]	3.[illegible]
Oct. 11, '18 ...	15.662	7.833	2.882	21.014	39.549	6.234
Oct. 12, '18 ...	15.218	7.589	[illegible]5.861	18.[illegible]	40.[illegible]	5.371

	Cash— Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7.202	£758	£7.960	£4.817	£10.718	£2.[illegible]
Sept. 30, '20 ...	21.819	3.957	25.[illegible]	14.082	39.[illegible]	4.[illegible]
Oct. 7, '20 ...	21.622	4.010	25.632	14.[illegible]	3[illegible].[illegible]	4.[illegible]
Oct. 7, '19 ...	18.932	2.484	21.416	18.034	36.[illegible]	4.484
Oct. 6, '18 ...	15.[illegible]	2.141	17.406	20.617	34.[illegible]	6.713

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	OCT. 15, 1920	OCT. 17, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ..ton	231/6	166/0	57/0
— Middlesbro' warrants ..ton	226/0	160/0	51/0
— Hematite warrants ..ton	260/0	200/0	61/0
— Staffordshire bars, London ..ton	£33 10	£22 10 –£23	£8 10
— Common bars ..ton	£30 10–£32	£22 10–£23	£6 18
Steel Rails ..ton	£26	£16 10	£6 2/6
Galvanised Sheets ..ton	£40–£41	£32–£33	£16 17/6
Copper—Standard ..ton	£92 10 £106 5	—£106 10	£66
Tin—English Ingots ..ton	£241 10 £242 5	£274	£142 15
— Straits ..ton	£247 10	£281 10	£139 10
Tinplates I.C. Coke, S. Wales..box	49/0–50/0	36/0–38/0	11/101–12/0
Lead—Soft Foreign ..ton	£34 10 £34 17/6	£28 17/6–£29 5	£19
Spelter—Ord. Foreign ..ton	£39 10–£40 10	£44 10 £45	£21 7/9
Quicksilver—(75lb.) ..bottle	£18–£18 10	£23 10	£8
Aluminium ..ton	£185 home	£150	£82
Antimony—Regulus Foreign ..ton	£43–£45	£45	£27 10
— English ..ton	£62–£65	nom.	—
Coal—(best) Yorkshire ..ton	37/2–38/2	29/6–30/6	17/6
— Steam (best) Newcastle ..ton	50/2–55/2	46/0–51/0	14/8
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, perquinte'	14/6	9/2	7/4
Soda—Crystals ex wharf ..ton	110/6	129/0 –130/0	42/6–45/0
Cocoa—Malay and States ..ton	£4–£5	£53 10	£23 15–£24 7/6
Gambier—Good marks ..lb.	41/0–42/0	59/6	16/10‡
Indigo—Bengal good to fine ..lb.	13/0—16/6	9/10	3/2—3/8
Linseed—Bar ..ton	£76	£82	£25 5
Linseed—Calcutta, spot ..ton	£36 15	£44	£13 16/9
— Cakes, U.K. made, ex mill ..ton	£22 10—£23	£25	£7 17/6–£8
Olive Oil—Spanish ..ton	—	nom	£43 10
Palm Oil—Lagos ..ton	£68	£82	£31 10
Petroleum—American ..gallon	7/4‡	1/6‡	7¼d.
Rape Oil—Refined English ..ton	£90	£105	£32
Soya Oil—Refined ..ton	£92	£81 10	£24 10
Tallow—Imported ..cwt.	75/0—86/0	90/0—100/0	29/3—33/3
Turpentine—American ..cwt.	130/0	127/0	33/7‡
Rape Seed—Toria ..ton	£34 10	£40	£13 5
Rubber—Para, spot ..lb.	1/6	2/6‡	2/9‡
— Fine plantation (std. crepe) lb.	—	2/3	2/2
— World's Production* July tons	27,525	26,670	8,467
Shellac—T.N. Orange, fair ..cwt.	£95/0	475/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ..lb.	19.02d.	22.81d.	7.53d.
— Egyptian, good fair ..lb.	31.50d.	31.50d.	9.75d.
— Pernambuco fair ..lb.	18.02d.	25.81d.	7.73d.
— Midland Upl. New York.. ..lb.	23.60c.	36.05c.	13.25c.
— Stock, Liverpool (Oct. 8) bales	824,570	801,275	934,600
Flax—Petrograd, Yarpol ..ton	—	nom.	£28
Hemp—New Zealand ..ton	£66	£48	£25 10
— Manila, Fair ..ton	£68	£47—£53	£26 10
Jute—First Marks ..ton	£50	£69	£26 15
— Red SCC ..ton	£43	£60	£24 15
Silk—Common, New Style ..lb.	37/0	31/0	12/0—12/6
Wool—Pt. Philip unwashed av. lb.	3/6	nom.	11½d.—1/0
— Lincoln Half Hogs ..lb.	13d.	nom.	1/01
Hides—Eng. Ox, best, 70 lb. up lb.	13d.	12½d.—13d.	7¾d.
Leather—Dressing Hides ..lb.	3/0—3/6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ..bus.	£2.476.000	124.765.000	34.640.000
— Red, price, N.Y. 60lb. ..bushel	246c.	237¼c.	67½c.
—English Gazette, aver. 480lb. qr.	50/7	73/1	34/3
Flour—G.R. ..280lb.	86/0	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	66/0	95/5	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	56/0	58/10	20/0
Maize—N.Y. (new bushel)..bushel	129¼	169½c.	76½c.
— Amer. mixed, Liverpool.. 480lb.	85/3	nom.	32/4
— La Plata ..480lb. qr.	85/0	65/0	25/9
Potatoes—Good English ..ton	205/0	200/0	70/0—75/0
Rice—Bassein ..cwt.	44/6	26/0	7/0—13/3
Tapioca—Pearl, medium ..cwt.	36/0—40/0	42/6	14/0—17/8
Hay—best ..2.016lb. load	—	—	£82/6
Hops—English ..cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs..8lb.	6/8	9/0	3/8—3/10
— Scotch sides ..8lb.	10/8	10/0	4/6—5/0
— English ..8lb.	10/8	10/0	4/2—4/6
Mutton—Scotch wethers..8lb.	14/0	10/0	5/8—6/0
— English wethers ..8lb.	14/0	10/0	4/6—4/8
— New Zealand frozen ..8lb.	4/0—6/0	8/6	2/4—3/2
Pork—English and Irish ..8lb.	16/0	10/8	3/6—4/0
Bacon—Irish, delivered ..cwt.	1280/0	190/6	60/0—74/0
— Danish ..cwt.	1208/0	1187/0	58/0—68/0
— Canadian, ex Port ..cwt.	1203/0	1187/0	—
— American ex Port ..cwt.	1185/6—1197/0	1187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	1218/0	1190/0	71/0—74/0
— short cut, ex Port ..cwt.	1218/0	1190/0	71/0—74/0
Lard—Amer. boxes, ex Port ..cwt.	1196/6	1198/6	51/9—52/9
Butter—Danish ..cwt.	1336/0	1252/0	117/0—120/0
— French ..cwt.	1336/0	1252/0	96/0—108/0
— Australian ..cwt.	1336/0	1252/0	98/0—110/0
— New Zealand ..cwt.	1336/0	1252/0	109/0—114/0
Cheese—Canadian ..cwt.	1160/0—162/0	1144/8	66/0—68/0
— United States ..cwt.	—	1144/8	—
— Dutch ..cwt.	1168/0—220/0	1144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Sept. 30 ..cwt.	20.677.247	23.676.886	19.777.254
— Home consump'n to Sept. 30 cwt.	18.062.772	22.909.898	17.272.000
— In Bond Sept. 30 ..cwt.	6.972.000	6.522.000	6.308.000
— Price, Java, 96° Pol. ..cwt.	70/0	36/0	10/3
— — Yellow crystals ..cwt.	112/0	57/9	12/6—14/6
— — Tate's Cubes, No. 1 ..cwt.	116/6	64/9	18/0
Coffee—Imports to Sept. 30 ..cwt.	647.986	943.759	720.360
— Home consumpt'n to Sept. 30 cwt.	230.321	236.214	141.410
— Exports to Sept. 30 ..cwt.	352.293	468.866	340.250
— In Bond Sept. 30 ..cwt.	781.000	627.000	484.000
— Price, Costa Rica gd. to fine cwt.	128 0—150 0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good ..cwt.	80 0	65/9	41/6
Tea—Imports to Sept. 30 ..lb.	325.339.864	335.404.881	123.230.277
— Home consump'n to Sept. 30 lb.	284.327.931	292.569.378	155.447.972
— Exports to Sept. 30 ..lb.	30.959.007	21.809.732	26.561.765
— In Bond Sept. 30 ..lb.	220.792.000	142.959.000	78.292.000
— Price, Indian, Pek. Soug. gd. lb.	5½d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	5d.	1/4	8½d.
— — Common Congou ..lb.	—	1/4	8½d.
Cocoa—In Bond Sept. 30 ..cwt.	1.450.000	856.000	309.000
— Grenada, good to fine ..cwt.	73/0—76/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Aug.	$17,995,000	+2,711,000	$2,201,000	—$1,577,000
	5 mos. to Aug.	127,428,000	+20702000	15,249,000	— 3,712,000
Grand Trunk	Aug.	£1,695,400	+ £214,600	£306,300	— £38,100
	5 mos. to Aug.	10,033,600	+1,337,100	531,800	— 362,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 8, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Sept. 11	1.044	R2.32.808 —	8.146	23	46.84.583 +	2.38.763
Barsi Light ...	Sept. 18	118	11.500 —	3.200	24	7.45.100 +	20.700
Bengal & N.W.	Sept. 11	2.087	3.75.800 +	624	23	1.13.72.080 —	1.59.294
Beng. Dooars	Sept. 11	158	11.27.000 —	18.000	23	2.81.12.698 —	12.50.631
Beng. Nagpur	Aug. 28	2.695	11.70.000 +	1.52.000	21	58.76.698 —	12.68.455
Bomb. Baroda	Oct. 2	2.871	5.62.000 +	75.000	1	—	—
Burma	Sept. 11	1.342	4.61.544 —	37.121	23	1.21.60.034 —	1.39.589
Del. Um. Kalk	Sept. 30	239	1.70.214 +	35.559	27	25.05.174 +	20.325
East Indian	Oct. 9	2.772	29.89.000 +	5.76.000	2	38.37.000 +	7.50.000
Gt. Indian Pen	Sept. 30	3.1211	30.80.400 +	67.900	27	6.44.28.105 —	6.51.818
Madras & S.M	Sept. 15	3.152	11.30.000 —	11.186	24	3.09.57.088 +	3.29.392
Nizam's Guar	Sept. 4	900	2.47.214 +	11.578	22	68.67.801 +	83.781
Rob. & Kumn	Sept. 11	576	81.980 +	17.951	23	27.18.219 +	2.19.680
South Indian	Aug. 28	1.8521	7.63.297 +	27.457	21	1.74.84.558 +	7.60.160
South Punjab	May	716	7.71.110 +	60.170	2m	17.43.655 +	4.87.375

COLONIAL							
Can. Northern	Oct. 7	9.704	$1.732.700 +	402.900	39	45.553.823 +	7.424.024
Can. Pacific ...	Oct. 7	13.388	5.356.000 +	1.391.000	39	152.487.000 +	24.282.000
Grand Trunk	Oct. 7	3.616	£386.917 +	55.776	39	12.990.611 +	1.623.736
Mashonaland	June	810	91.152 +	21.421	9m	662.619 +	178.922
Mid. W. Aust.	July	277	9.036 +	1.468	1m	—	—
NewCapeCent.	Sept. 18	205	2.536 +	369	38	111.942 +	18.159
Rhodesia Rlys.	July	1.397	141.931 +	38.354	10m	1.115.901 +	237.096
Temiscouata...	June	—	$35.389 +	6.147	6m	187.427 +	11.302
W. Pass. & Yuk	Dec.	122	1.568.626 +	124.546	12m	1.568.626 +	124.546

FOREIGN.									
Argentine.									
Arg. N. East..	Oct.	2	752	£	13.000 +	300	14	171.500 +	8.400
Arg. Transand.	Oct.	9	111	£	2.978 +	2.376	15	28.713 +	18.517
B. A. & Pacific	Oct.	9	3.536	£	105.000 —	40.000	15	1.898.000 —	156.000
B.A.Gt. South	Oct.	9	3.792	£	149.000 —	23.000	15	2.097.000 —	351.000
Do.	Oct.	9	Net	£	24.000 —	34.000	15	230.000 —	508.000
B. A. Western	Oct.	9	1.882	£	71.000 —	38.000	15	1.064.000 —	358.000
Do.	Oct.	9	Net	—	—	41.000	15	134.000 —	326.000
B. A. Central	Aug.		190	£	55.463 +	7.630	2m	110.079 +	17.226
Cent. Argent.	Oct.	9	3.305	£	200.000 +	14.000	15	2.945.000 —	630.000
Cord. Central	Oct.	9	1.205	£	57.000 —	8.000	15	842.000 —	46.450
Entre Rios ...	Oct.	9	811	£	22.400 +	3.400	15	319.000 —	1.500
Brazilian.									
BrazilGt. South	Aug.		110	M	41.000 —	5.250	8m	372.950 —	23.471
Brazil Railway	Dec.		3.530	M	4.859.000 —	141.271	12m	57.772.000 +	7.619.243
Gt. W. Brazil	Oct.	9	1.010	£	26.100 +	5.300	40	853.600 +	109.100
Leopoldina ...	Oct.	9	1.831	£	48.259 —	2.803	40	2.118.382 +	502.748
Mogyana	Dec.		1.180	M	1.561.000 —	956.490	12m	22.267.000 —	2.474.851
Paulista	Dec.		768	M	2.850.000 —	906.038	12m	32.479.000 +	1.225.892
San Paulo	Oct.	10	153½	£	47.602 +	7.648	40	1.874.105 +	480.188
Sorocabana ...	Dec.		1.003	M	1.749.000 —	246.168	12m	21.953.000 +	976.692
S. of Bahia S.W.	July		62	M	130.000 +	18.000	7m	601.000 +	89.000
Chilean and Peruvian.									
Antofagasta ..	Oct.	10	838	£	51.745 +	24.635	40	1.885.075 +	861.680
Arauco	June		84½	£	12.000 +	500	6m	76.000 +	10.700
Nitrate (pwks.)	Sept.	30	390	£	39.101 +	23.488	36	459.111 +	420.927
Peruvian Corp.	Sept.		1.140	$	1.187.306 +	204.550	3m	3.511.445 +	303.681
Taltal	Sept.		180	£	27.863 +	10.596	3m	86.898 +	53.581
Cuban.									
Cuban Central	Oct.	9	362	£	21.263 +	3.542	15	332.010 +	80.511
Havana Cent.	Oct.	9	70	£	11.860 +	1.991	14	174.626 +	38.504
U. of Havana	Oct.	9	881	£	63.290 +	9.554	15	982.438 +	168.039
W. of Havana	Oct.	9	165	£	9.696 +	1.900	15	171.051 +	38.452
Uruguayan.									
Cent. Uruguay	Oct.	9	273	£	18.296 —	3.305	15	273.414 —	22.369
,, (E. Ext.)	Oct.	9	311	£	4.382 —	689	15	68.651 —	888
,, (N. Ext.)	Oct.	9	185	£	2.920 —	723	15	41.083 —	12.312
,, (W. Ext.)	Oct.	9	211	£	2.522 —	28	15	34.185 —	1.227
Mid. Uruguay	Sept.		319	$	16.383 —	3.869	3m	51.098 —	5.762
N.W. Uruguay	Sept.		113	$	5.531 —	1.257	3m	17.234 —	2.070
Urug. North.	Sept.		73	£	1.745 —	377	3m	5.973 —	188
Miscellaneous.									
Alcoy & Gandia	Oct.	2	33	Ps.	12.500 +	5.800	39	511.800 +	115.200
Bilbao	Sept.		15	£	2.440 —	214	9m	29.623 +	6.401
Bolivar	Sept.		136	£	7.142 —	1.548	9m	93.088 —	10.339
Colomb. Natnl.	Aug.		86	£	22.000 +	5.520	8m	152.416 +	43.756
Costa Rica ...	Aug.		189	£	28.910 +	10.294	1m	—	—
Dorada Ext....	Aug.		70	£	17.750 +	3.250	8m	135.928 +	48.328
Egyptian Delta	Sept.	20	559‡	Ps.	97.574 +	39.048	40	2.221.152 +	101.382
Gt. S. of Spain	Oct.	2	104	Ps.	12.950 +	3.650	8m	3.547.589 +	709.595
La Guaira & Ca.	Aug.		22‡	£	18.833 —	—	—	112.600 +	46.410
Ottoman Ry...	Sept.	18	379	£	5.650 —	10	14	70.760 —	4.160
Paraguay Cent.	Oct.	2	274	£	4.000 —	—	9m	48.000 +	7.875
Puerto Cabello	Sept.		34	£	3.720 +	1.007	15	48.352 +	2.153
Salvador	Dec.	9	100	£					
Santa Fe Prov.									
French Rys.	July		1.181	£	149.864 +	976	7m	1.129.304 +	3.076
S'in'na & S'ti'go	Aug.		80	£	11.980 —	5.500	8m	122.083 +	23.375
Zafra & Huelva	Aug.		112	£	12.900 +	852	8m	87.752 +	21.388

TRAMS.									
Anglo-Argent.	Oct.	7	400	£	79.844 +	9.523	40	3.028.227 +	735.521
Auckland Elec.	June	30	27	—	—	—	52	292.502 +	2.083
Bombay Elec.	May		39	R.	8.40.311 +	77.990	5m	39.77.054 +	5.50.651
Brazilian Trac.	July		3784	M	11.745.000 +	1.675.000	7m	72.785.000 +	8.752.000
Brisbane Elec.	Sept.		404	£	45.430 +	3.480	9m	413.020 +	66.650
Brit. Columbia	July		334	$	642.090 +	98.110	1m	—	—
B. A. Lacroze	Sept.		51	£	13.601 +	8.433	3m	159.063 +	21.685
Calcutta	Oct.	2	351	R	89.196 —	25.849	40	36.13.364 +	2.82.328
Cape Electric	Aug.		424	£	23.797 +	13.833	2m	58.614 +	28.666
Carth. & Herr.	Sept.		9	£	2.273 +	734	9m	38.784 +	13.280
Chatham & Dist	Sept.	30	15	£	1.907 +	425	39	67.980 +	1.652.637
Manaos Electc.	July		86	$	946.301 +	205.937	5m	4.587.376 +	1.010.581
Isle of Thanet	Oct.	6	204	£	1.073 +	282	1	—	—
Kalgoorlie ...	June		204	£	3.029 +	383	6m	17.943 —	454
Lanarkshire ...	Sept.	30	284	£	4.838 —	479	39	165.927 +	21.770
Lima Light ...	July		85	£	59.853 +	10.653	7m	402.866 +	70.800
London C.C. ...	Oct.	13	1414	$	10.984 +	26.132	27	2.427.29 —	138.183
Madras (2wks.)	Sept.	30	151	R.	50.708 +	6.151	36	8.96.649 +	1.52.637
Manchester ...	Sept.	18	55	$	282.260 +	92.607	7m	1.904.264 +	488.095
Nth. Staffs ...	July		59	£	5.54 —	483	40	274.904 +	63.554
Pernambuco ...	Oct.	10	214	£	3.393 —	134	01	172.444 +	14.130
Provincial ...	Sept.	18	25	£	7.856 +	1.384	8m	56.766 +	11.578
Rangoon Elec.	Aug.		2634	M.	$160.757 +	21.757	8m	1.336.611 +	199.611
Shanghai Elec.	Sept.		284	$	18.288 +	3.717	32	801.821 +	284.328
Singapore Elec.	Aug.	21	901	$	42.771 +	7.898	10m	429.706 +	60.757
U. of Montevid.	Aug.								

At Constantinople—

THE Guaranty Trust Company of New York announces the opening of an additional Office at Constantinople, the commercial centre of the Near East.

This office is a complete bank, equipped to accept deposits, finance shipments, and to make collections, to buy and sell foreign exchange, issue letters of credit, and to offer all other forms of banking service.

It is in close touch and acts in co-operation with the Main Office and other offices of the Company, and has at its disposal the resources and facilities of this world-wide organization.

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NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital & Surplus - $50,000,000
Total Assets more than - $800,000,000

The Statist.

LONDON, SATURDAY, OCTOBER 16, 1920.

BRUSSELS—AND AFTER.

THE Financial Conference at Brussels has come to an end without arriving at any workable scheme for the rehabilitation of the impoverished countries of Europe, the granting of international credits, or the stabilisation of exchanges. Writing on the Conference a fortnight ago, we suggested the cessation of hostilities on the Continent as a condition precedent to any assistance from either Great Britain or the United States, and pointed out that the public Budgets of all States should be equilibrated by reduction of expenditure or by increase of taxation, that external debt should be funded and internal debt consolidated, or, where conditions admit, reduced; that trade restrictions should be removed and Government expenditure limited as far as possible to productive objects. We looked to the Conference to hammer out some feasible method of applying these and similar principles, the desirability of which is almost universally admitted, but in this, their primary mission, they failed. The probability of failure was inherent from the outset, since the terms of reference precluded any traversing of ground which had been covered in the various Treaties. Moreover, the Conference found itself continuously up against problems which could be handled only by an assembly such as the League of Nations, invested with executive powers and a recognised international status. One of the principal hindrances to the restoration of economic, and consequently of political, order in Europe is the inability or unwillingness of the Allied Powers to fix the amount of reparation from Germany, and for this reason amongst others the situation in Central and Eastern Europe [illegible] improvement since the Armistice.

The recommendations carried at the last plenary sitting of the Conference are interesting as stations on the road to financial salvation. Limitation of the cost of armaments to the requirements of national safety is urged, as well as the reduction of State expenditure, including the service of the public debt, within the dimensions of ordinary revenue, even where extra outlay might be productive. The complete abandonment of all items of non-productive expenditure is regarded as essential, while taxation to meet recurrent items of Government outlay is suggested. The relative advantages of the various possible methods of raising money by taxation are not entered into, and as to a capital levy, the Conference agree that it is only to be resorted to in very exceptional cases where devastated countries cannot hope to provide for reconstruction out of ordinary State revenue.

Of the soundness of the conclusions reached there can be no question, but their application by the various national Governments is doubtful in the extreme, and it is highly desirable that the League of Nations should embody in concrete fashion some of the formulæ adopted by the Conference. The League at its next meeting will consider the final Brussels report, and we recommend for its particular consideration the scheme of relief credits whereby financially crippled countries which have given proof of goodwill are to be supplied with the means to finance essential imports. The proposal, which was put forward in the first instance by M. ter Meulen, is that an International Commission of bankers and merchants should be constituted by the League. This Commission will decide on applications for relief, and where such are granted the Government of the applicant country will prepare bonds to the required amount and lend them to the various importers as a security which they can give to the exporter with whom they deal until the transactions entered into are completed. If any importer fails to meet his obligations the exporter is free to dispose of the bonds, and, conversely, where obligations are met the bonds must be returned to the issuing Government, who may then use them to finance further transactions. While the scheme is in some respects open to criticism, especially as it is not clear how the promises to pay of practically bankrupt Governments can be regarded as valid security, it is at all events an attempt to grapple with a problem on the solution of which the economic life of Europe depends.

The Council of the League of Nations is to meet in Brussels on the 20th inst., and amongst the items on the agenda that will give rise to animated discussion, as bearing on one of the recommendations of the Financial Conference, is the proposed reduction of armaments. We referred at some length a short time ago to the protests being raised against what was described as "international profiteering," and to the somewhat unscrupulous exploitation by the stronger countries of those less richly endowed by nature. Italy, which voiced these feelings in the early days of the Brussels Conference, is again to raise the question before the League Council, and, moreover, intends to propose a form of [illegible] and other natural resources, including probably food. For cereals and coal the [illegible] pay heavily, but it is doubtful whether the present proposal will mend matters, since the United States, which insisted on early withdrawal from the partial pool formed during the War, is not likely to participate. On the question of applying M. ter Meulen's scheme the Council may, however, push the matter another step forward by inducing the various member Governments to adopt it, and this, at any rate, would afford a partial remedy for Europe's present ills.

CAPITAL ISSUES IN SEPTEMBER.

After the holiday slackness the expected autumn flood of capital issues is full upon us. The demands for money both on Governmental and private account in the early part of the year were exceptionally heavy, and the summer pause was due as much to sheer inability on the part of the market to withstand the strain imposed on its resources as to seasonal holiday influences. From the table given below it will be seen that the amount of new issues floated in September was £26,092,859, or practically twice the figure for August—£13,081,784. A striking feature in the totals is the comparatively small amount of new money demanded for places outside the United Kingdom, and particularly for foreign countries. The totals in the different months are: August—United Kingdom, £11,448,259; British Empire (exclusive of United Kingdom), £883,525; and foreign countries, £750,000. September—United Kingdom, £20,103,253; British Empire (exclusive of United Kingdom), £5,586,106; and foreign countries, £403,500. The proportion of the issues to be devoted to Imperial and foreign purposes is much less than in any similar period prior to the War, and the change bears witness to the effectiveness of Treasury control over the destination of capital subscribed in these islands. Viewed from another standpoint, the increase in the quantity of capital now absorbed by industrial and commercial undertakings at home is a measure of the capital wastage that occurred during the War in the United Kingdom, free though we were from invasion. The stinting of capital in all spheres of economic activity except those directly connected with the War is now making itself felt, and as the leeway to be made up is still great, the capital market is liable to further demands for some time to come. These demands may, of course, be effectively checked by a pronounced cycle of trade depression; but such an undesirable event, if it should come, would postpone and not cancel the demand, since not only the United Kingdom, but the world, is suffering from a pronounced shortage of capital, or rather of capital goods.

As compared with the early part of the year, a rise in the rate of interest offered on sound securities is observable in August and September. The increase is no doubt due to the enhanced value of money consequent on the rise of the Bank rate to seven per cent. on April 15 last, just as the previous rise to six per cent. on November 6, 1919, had led to the offering of unusual attractions by way of interest in the early part of the year. At present upwards of eight or nine per cent., subject to income tax, can, with reasonable security, be earned by money seeking investment; but the uncertainty of the times places a premium on caution, as it emphasises the adage of poor security and high rates going hand in hand.

Coming to a detailed consideration of the table, we have omitted from the figures for Government borrowings Treasury bills and Ways and Means Advances, as they are temporary in character. Only War Savings Certificates and Treasury Bonds are taken into account, and while the latter were practically stationary in the two months, the former showed an increase from £2,900,000 to £3,550,000. The rise in municipal borrowings was due to the housing activities of various corporations, the quintuple loan of Brighton, Bristol, Swansea, Plymouth, and Portsmouth having been floated in September. As with previous issues of a similar character, a large proportion was left with the underwriters. The London Housing Bonds were also on tap. The issue of the Caxton Insurance Company and the purchase of interests in the British Bank of West Africa by the London County Westminster and Parr's Bank, the National Provincial and Union Bank of England, and the Standard Bank of South Africa in August were succeeded in September by the issue of 40,000 shares to existing shareholders in the National Bank of India. Big demands in August came from Amalgamated Paper Mills (£900,000), Fruit and Produce Exchange (£300,000), and Irish Packing Company (£196,875); and in September from Dunlop's (£4,500,000), Anglo-Newfoundland Development Company (£784,000), and Threlfall's Brewery (£625,000). Operations in the financial, land, investment and trust, and in the gas, electric, and water sections were limited; while September saw a suspension of the previous month's boom in demands for capital from iron, steel, and engineering concerns. In August Wallace's, the Glasgow engineers (£400,000), the Brush Electrical Company (£339,512), and Buller's, Limited (£250,000) supplied the principal issues. As regards mines, the demand, which had been *nil* in August, came in September from Burma Corporation (£1,000,000) and Broken Hill Proprietary (£2,370,000). Oil issues were not prominent, being confined to Phœnix Oil and Transport (£550,000) in August and Hamilton's Oil Concessions (£200,000) in September.

The various figures given in the table have been calculated with due allowance for premium or discount, and in all cases the amounts issued have been taken. The issues in many instances were by no means fully subscribed, but as the majority of these, especially of the large ones, had been underwritten, the money was ultimately absorbed from the market, and therefore their inclusion is justifiable.

There was a remarkable absence in the two months covered by the table of short-term notes, a form of security which, though much favoured in the United States, has not been in great vogue here. About the middle of the year, however, especially in July, there was quite a number of issues of this kind, among which we may mention Vickers, Limited, 7 per cent. seven-year notes, issued at 95, Fullers' United Electric Works 7 per cent. five-year notes, issued at par, and Bournemouth and Poole Electric Supply Company, Limited, 7½ per cent. seven-year notes at par. Previous issues for periods varying from five to twelve years and at rates varying from 6 to 8 per cent. per annum had been made by B.S.A., Bovril, Limited, Bryant and May, Straker-Squire, Greenwich Inlaid Linoleum and Fenton Textile Association, Limited. Irish Packing was the only firm issuing short-term notes in September, the interest offered being 8 per cent., principal being redeemable at 105 in September 1925. In the present month such issues have again come into favour, and we need signalise only the 8 per cent. seven-year notes of R. and J. Dick, Limited, redeemable at 102 by the operation of a sinking fund. These generous offers are an index of the difficulty which industrial companies are experiencing in raising money from the public and show the real stringency of the capital market.

	United Kingdom		India	Malay	Rest of Empire		Foreign Countries		Totals	
	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.	Aug.	Sept.
	£	£	£	£	£	£	£	£	£	£
Government	3,714,000	4,295,000	—	—	—	—	—	—	**3,714,000**	**4,295,000**
Municipal	1,600,000	6,300,000	—	—	—	—	—	—	**1,600,000**	**6,300,000**
Banks and Insurance ...	322,500	-	—	800,000	650,000	—	—	—	**972,500**	**800,000**
Commercial and Industrial	2,314,375	9,428,253	—	—	—	884,000	—	—	**2,314,375**	**10,312,253**
Fin., Land and Investment	773,372	—	—	—	—	111,250	—	—	**773,372**	**111,250**
Gas, Electric and Water...	45,000	80,000	—	—	—	—	125,000	—	**170,000**	**80,000**
Iron, Steel and Eng. ...	2,679,012	—	—	—	—	—	—	—	**2,679,012**	—
Mines	—	—	—	1,000,000	—	2,390,000	—	—	—	**3,390,000**
Oil	—	—	—	—	—	—	550,000	200,000	**550,000**	**200,000**
Rubber and Tea... ...	—	—	233,525	400,856	—	—	75,000	203,500	**308,525**	**604,356**
Total	11,448,259	20,103,253	233,525	2,200,856	650,000	3,385,250	750,000	403,500	**13,081,784**	**26,092,859**

EUROPEAN WEALTH AND TAXATION.

The heavy burden of European taxation now falls on a material wealth which has undergone considerable reduction during the War. This reduction is due in the first instance to the diversion of many forms of capital to uses connected directly with military purposes and to the establishment of others whose utility terminated with the Armistice. Many of the former have, it is true, now resumed their old-time occupations, but the ability with which they perform their functions is naturally circumscribed by the degree of disrepair they have fallen into of recent years. The significance of this point will at once be appreciated in connection with machinery, and, in a more objective sense, when the devastation wrought in the agricultural and manufacturing districts of Northern France and Belgium is considered. Moreover, the depreciated quality of Russia's means of production, and the practical separation of that country in a financial and commercial sense from the remainder of the Continent, must continue to be a serious element of weakness in all efforts working towards the economic redintegration of Europe. In regard to the figures set out below, giving the present national income and Government revenue per head in certain countries, and calculated on the basis of pre-War figures, the extract being made from a recent pamphlet issued by the League of Nations, it is assumed that sixty per cent. of the national income before the War consisted of goods whose valuation is subject to the variations shown in the wholesale price index numbers. This part of the national income has, it is calculated, as a direct result of the War, been reduced by ten per cent. in the United Kingdom, thirty per cent. in France, Germany, and Italy, and is taken as unchanged in the United States. The estimate is made, roughly of course, from available figures of crops, mineral output, &c., and employment. The remaining forty per cent. of the national income—representing transport, distribution, professional, and other services which would otherwise have increased with the growth of population—is assumed to be stationary, and its valuation to have risen at the rate of half the increase in the wholesale price index-number.

	Currency Unit	Pre-War Income per Head	Pre-War Govt. Rev. per Head	Pre-War Percentage Ratio of to Income	Present Natnl. Income per Head	Present Govt. Revenue per Head	Present Percentage Ratio of to Income
		(1)	(2)	(3)	(4)	(5)	(6)
United Kingdom	£	50	10	20	61	20	33
France	franc	900	129	13	3,200	574	18
Italy	lira	580	65	11	2,175	256	13
Germany	mark	625	50	8	3,300	174	12
U.S.A.	dol.	250	7	2	700	56½	8

Side by side with the figures expressing the national income per head are given particulars of the Government revenue raised per head. The most disquieting feature of this table is the increased magnitude of the taxation imposed on their citizens by these States. This stands out prominently in the case of the United Kingdom, where the increase is no less than eighteen per cent., and attains lesser proportions in the other countries. In 1913, when our national income was estimated at £2,250,000,000, the Government took £200,000,000, and to-day, out of an income of slightly over £5,000,000,000, it appropriates no less than £1,400,000,000. This burdensome levy springs from the pursuit of a financial policy that seeks, after meeting all claims on account of current expenditure, to have a surplus available for debt reduction. Theoretically there is much to be said in favour of this ideal, but in practice a disagreeable consequence of excessive taxation is the tendency of capital, already manifested as a matter of fact, to fly to havens where profits are not subject to such drastic paring down. In this country the Government has exercised considerable ingenuity in raising money, but has not by any means bestowed the same attention on saving it. A measure of progress has, no doubt, been made towards the abolition of the system of food and other subsidies, but levity still characterises the supervision maintained by the Treasury over the spending departments, and here it is [illegible] over-staffed and could easily release large numbers of men for employment in more productive branches of activity. In France, Italy and Germany the portion taken from each citizen under the head of Government revenue reveals but a small increase compared with the United Kingdom. Notoriously in Germany the Government has recourse to other and more undesirable means of finance. The gap between expenditure and revenue is here filled by the manufacture of money, the Government acting on the principle that there are limits to the savings it can secure from its citizens by way of taxes or loans. This finance operates through the unrestricted emission of paper money and creation of bank credits, and is, at heart, a concealed form of taxation. It has the most pernicious effects, [illegible] individual citizen wholly in doubt as to the future purchasing power of his income. The final result is a complete distrust of paper money and a disastrous blow to the credit of the State.

As indicated above, the Governments in reality subtract from the national income not only the taxes but the whole amount needed to cover their expenditure, unless it is paid for by tribute from another country or by foreign loans. The real burden of each country is, consequently, the amount of State expenditure less whatever is furnished by foreign loans or by tribute. In the following table the figures for the expenditure per head of population for 1920 or 1920-21 are shown as percentages of national income per head:

	Present Expenditure per Head	Expressed as Percentage of National Income per Head
United Kingdom	£	33
France	francs	30
Italy	lire	39
Germany	marks	23
United States of America	dols.	9

In the United Kingdom alone does the revenue per head exceed the expenditure; the high percentage of the national income represented by expenditure will be noted. France with forty per cent., however, figures foremost in the list; the necessity for finding the needful money for reconstruction weighs heavily on her, and failure on the part of Germany to make good her Treaty obligations would place the outlook for French industry in a very unfavourable light. In the United States expenditure bears but a comparatively small ratio to the national income, and while this is largely due to the great wealth of the country, it must at the same time be remembered that the federal organisation relieves the strain upon the central Government. Nevertheless, the strong economic position of the United States stands out by contrast particularly with France, Italy, and Germany, and affords her the opportunity, if she wills, of giving a substantial measure of assistance to less fortunately placed countries.

The Revival of Marxism. By J. Shield Nicholson. Price 6*s.* net. (London: John Murray.) Mr. Shield Nicholson makes a slashing attack upon the teachings of Marx, whom he calls the Mad Mullah of Socialism and likens to the present-day Lenin, though he credits him with a singular simplicity and deep, faithful affection, [illegible] things, who cared nothing for popularity, an indefatigable worker, and an enthusiast. Certain fallacies in the teachings of Marx [illegible] and his works. He [illegible] day capitalistic system, calls for increased production on the part of the workers, and then winds up by saying that [illegible] by the moral sense of the nation, the morality of Bolshevism [illegible] measurably worse by any recognised standard.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

As in July and August, so again in September, the level of wholesale commodity prices changed very little. The movement, however, is again a downward one, our final index-number for the month being 248.7, as against 253.5 for August, a decline of 4.8 points, or 1.9 per cent. A comparison of the latest index-number with previous monthly and annual figures is afforded by the subjoined table:—

Annual Numbers— Year		*End-of-Month Numbers*					
1809 [Jevons'...	189	June '14 ...	81.2	Jan. '18 ...	186·2	Aug.'19 ...	212.7
1810 adjusted...	171	Dec. „ ...	113.4	Apr. „ ...	189.8	Sept. „ ...	214.8
1818 Figures]	159	Jan. '15 ...	123·6	May „ ...	191.1	Oct. „ ...	224.3
1873	111	Mar. „ ...	130.4	July „ ...	192.9	Nov. „ ...	231.0
1880	88	Oct. „ ...	141.5	Aug. „ ...	195.9	Dec. „ ...	235.2
1896	61	Dec. „ ...	154.3	Nov. „ ...	195,3	Jan. '20 ...	245.3
1911	80	Jan. '17 ...	159.3	Dec. „ ...	196.0	Feb. „ ...	260.4
1912-13-14 ...	85	Feb. „ ...	164.0	Jan. '19 ...	192.1	Mar. „ ...	261.8
1915	108	April „ ...	173.0	Feb. „ ...	187·5	April „ ...	266.1
1916	136	June „ ...	180.4	Mar. „ ...	184.7	May „ ...	260·0
1917	175	Aug. „ ...	175.7	May „ ...	194.6	June „ ...	255·7
1918	192	Oct. „ ...	180.6	June „ ...	199.4	July „ ...	254.5
1919	206	Dec. „ ...	185.1	July „ ...	206.4	Aug. „ ...	253.5
						Sept. „ ...	248 7

The net fall since April last, when the price level reached its culminating point, is 17.4 points, or 6½ per cent. In May the fall was 6.1 points, or 2.3 per cent., and in June 4.3 points, or 1.7 per cent. By July the downward movement slackened considerably, the fall in that month being only 1.1 points, or .4 per cent., and in August also the fall was 1.1 points.

It has been widely asserted of late that the fall in commodity prices is responsible for the present depression of trade; but though this is true in the case of some commodities, notably textiles, the extent of the fall in the general price level as revealed by the above figures is too small to be accepted categorically as the explanation of this development. Perhaps the primary cause of the depression has been an expectation on the part of the consumer that prices, other than food prices, were going to fall. Under this influence the buying public, and in turn the retailer, postpone their orders for goods in the hope of getting them filled more advantageously later on, and so manufacturers and wholesale houses find it necessary either to curtail their holdings of stocks or to lower their selling prices. Unfortunately, the high cost of labour and materials does not warrant a reduction of selling prices, while a restriction of output only aggravates the evil by increasing the cost of production per unit through the medium of overhead charges. The result is an increase in unemployment, part-time working, and in the number of commercial failures, features which are becoming more apparent at the present time. This state of things is all the more unfortunate as the world is suffering not from a surplus, but a shortage of commodities, and every factor which retards production delays the return of pre-War prosperity. The consumer seems unable to buy at the present high level of prices, while the producer cannot sell more cheaply without loss until the cost of labour and materials be first reduced. The remedy lies in increased production, accompanied by lower prices and a reduction of the average production cost, but this the manufacturing community seems unable to effect. Meanwhile, if the fall in the price level which has occurred during the past five months continues at the same moderate rate the deadlock between production and consumption may be relieved without any serious concession. It is sincerely to be hoped at any rate that a sudden fall will not occur, as production would thereby be crippled for a time and no lasting benefits would accrue to the consumer.

That the fall in prices has not been confined to the United Kingdom will be evidenced by a glance at the following table, affording a comparison of the course of wholesale commodity prices here with those of the United States, France, and Japan:—

International Wholesale Prices.

	Index-Numbers— U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	Expressed as h —Percentage of 1913— United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11.8237	154·9	217·6	160·0	128·4	117·2	187·0
1917...	175·0	15·6386	196·4	302·4	205·9	170·0	148·5	261·6
1918...	192·0	18·7117	269·0	392·1	225·9	203·2	195·9	339·2
1919...	206·0	18·6683	316·6	411·8	242·4	202·7	239·5	355·6
1919								
Mar....	184·7	17·2795	267·0	383·1	217·3	187·7	202·0	336·6
June...	199·4	18·8964	285·0	380·0	235·0	205·2	223·1	329·0
July...	206·4	20·0017	319·0	403·0	242·8	217·2	241·3	349·0
Aug....	212·7	19·4720	321·0	401·7	250·2	211·5	245·1	347·0
Sept.	214·8	19·5215	332·0	415·9	252·7	211·9	251·1	359·8
Oct....	224·3	19·9026	352·1	441·1	264	216·1	266·3	382·0
Nov....	231·0	20·1756	370·2	428·5	272	219·0	280·0	405·0
Dec....	235·2	20·3658	381·5	488·6	276	221·1	288·6	422·7
1920								
Jan....	245·3	20·8690	397·9	562·7	288	226·6	301·1	486·9
Feb....	260·4	20·7950	413·8	607·3	306·3	225·7	313·6	521·9
Mar....	261·8	20·7124	425·0	641·0	308	224·9	321·5	554·5
April	266·1	20·7341	396·6	679·2	313·1	225·1	300·0	587·5
May....	260·0	19.8752	328·0	635·9	305·9	215·8	248·1	553·0
June	255·7	19.3528	337·0	569 6	300·8	210.1	254·9	492·7
July	254·6	18·8273	317 0	572·9	299·5	204·4	239·8	495·6
Aug.	253·5	17·9716	—	579·5	298·2	195 1	—	501 3
Sept.	248 7	—	—	—	292 6	—	—	—

During the four months to the end of August the level of prices in France showed a decline of 14.7 per cent. according to the index-numbers compiled by the Bureau de la Statisque Générale de la France. The position of affairs thus revealed, however, becomes less satisfactory when it is seen that during the months of July and August the trend has been in the opposite direction. In Japan price movements have been more irregular owing to the unsettled trade and financial conditions still ruling in that country. Here the decline has been the greatest for the four countries in the table, amounting to 25.4 per cent. between March and August, though the movement was interrupted during June. For the United States, Bradstreet's index-number showed a very slight fall during January and February last, followed by a rise in April. Between May 1 and September 1 there was a decline of 13.3 per cent., and the end-of-August index-number was the lowest for fifteen months previously. In France and in the United Kingdom the peak was reached in April last, prices being then 487.5 per cent. above the pre-War level in the case of France and 213.1 per cent. in our own case. The highest point was attained at the end of January last in the United States, when the rise since 1913 was 126.6 per cent. For Japan the peak was passed in March last at a level 221.5 per cent. above that of 1913. The following table shows the position in the four countries at the end of July, the latest month for which complete figures are available.

Inc. %	U.K.	U.S.	France	Japan
Since 1913	199·5	101·4	395·6	139·8
„ Nov. 1918	50·4	[illegible]	32·0	14·0
		Decrease.		

The movements among the individual groups of commodities were again remarkably slight, even more so than during August, with the exception of sugar, coffee, and tea, which registered a further substantial fall. The vegetable food group would have shown a considerable rise but for a severe decline in American coarse grains. All the commodities in the animal food group declined with the exception of Friesland butter, the fall being greatest in the case of beef. Other movements call for little comment, being more or less a repetition of those of previous months. The following table shows the changes in analysed form:—

	Monthly Index-Nos.— Sept. 30 1920	Aug. 31 1920	Sept. 30 1919	June 30 1914	+or— % Aug. 1920	Sept. 1919 on— Sept. 1920	June 1914
Veg. Food ...	221·9	220·4	179·2	66·5	+ ·7	+23·8	+233·7
Animal Food	289·4	293·4	207·1	97·5	— 1·4	+39·7	+196·9
Sugar, Coffee & Tea ...	178·7	216·2	175·5	51·8	—17·3	+ 1·8	+245·0
Foodstuffs ...	**237·7**	**243·4**	**188·7**	**74·8**	**— 2·3**	**+26·0**	**+217·8**
Minerals ...	312·7	310·4	227·2	96·7	+ ·7	+37·6	+223·4
Textiles ...	240·4	250·6	211·4	80·6	— 4·2	— ·4	+198·3
Sundries ...	233·1	231·9	232·5	82·5	+ ·5	+ ·3	+182·5
Materials ...	**256·8**	**258·8**	**233·8**	**85·7**	**— ·8**	**+ 9·8**	**+199·6**
Totals ...	**248·7**	**253 5**	**214·8**	**81·2**	**— 1·9**	**+15·8**	**+206·3**

It will be noticed that the fall during September was greater in the foodstuffs than in the materials

category. During August, it may be recalled, foodstuffs rose, while other commodities declined. Between April and August foods were on the increase, while materials were declining. Recently there has been much ill-informed discussion about the course of food prices, and the opinion seems to be gaining ground that foodstuffs are on the increase though the prices of other commodities are declining. That this opinion is not founded on fact will be evident from the annexed table. The figures represent the percentage increase or decrease of the different groups for each month, as compared with the preceding month: —

Percentage Monthly Movements in Commodity Prices.
April-September 1920.

1920	Food	Food stuffs	Mate-rials
April			
May		1·0	4·4
June		2·2	—4·2
July		0·1	0·3
Aug.		1·8	0·5
Sept.		2·3	—0·8
Sept. on Apr.	—7·3	—14·9	—9·3
	—9·6	—2·1	—6·5
		7·6	1·2
			—12·9
			1·6
			2·3
			1·7
			0·4
			0·4
			1·9
			6·5

Foodstuffs rose during the four months to July chiefly on account of the decontrolling of beef, mutton, and pork, and the enhancement of sugar values, but since then the decline has been greater than the previous increase. Since June 1914 foodstuffs have advanced by 217.8 per cent., and materials by 199.6 per cent.; as compared with the Armistice level the increases have been 27.6 per cent. and 27.3 per cent. respectively, and as compared with a year ago 26.0 per cent. and 9.8 per cent. respectively. The outlook for the coming months is wholly uncertain, but we do not anticipate a phenomenal advance in food prices, such as at present seems to be so widely feared.

TRADE OF THE UNITED KINGDOM IN SEPTEMBER.

Reports from most of the industrial centres during September had one common characteristic—they all struck a note of depression, varying only in intensity. Consequently, by the end of the month the feeling became prevalent that the Board of Trade Returns were not likely to be of a favourable nature. But, whilst it was generally recognised that September was a shorter month than August by one day, allowance was not made for the holiday atmosphere of August, nor—more important still—for the fact that deliveries during September were not so much the outcome of the conditions of the month, since they must in many cases represent orders placed months ahead. Hence, as the following table shows, the actual trading results of the month were genuinely more satisfactory than had been hoped: —

Course of Foreign Trade.
(000's omitted.)

	Sept. 1920	Increase or Decrease		Months to Sept. 1920	Increase or Decrease	
	Amount.	1919.	1913.	Amount.	1919.	1913.
	£	£	£	£	£	£
Imports ...	152,692	+ 4,904	+ 91,257	1,501,191	+324,731	+913,424
Reexports ...	17,300	— 1,598	+ 6,498	151,158	— 5,242	+ 38,004
Net imports ...	135,391	+ 6,502	+ 84,759	1,350,033	+329,974	+875,420
Exports ...	117,456	+50,955	+ 71,000	1,128,678	+165,792	+603,864
Excess of imports	21,935	—44,453	+ 13,759	221,355	+164,182	+271,556

The total of £152,692,000 constitutes the low-water mark for the imports during the year, replacing the previous low record of £153,255,000 in August. As on previous occasions, this comparatively small decline of £563,000 in the total imports conceals rather large movements in two of the principal classes. Imports of articles wholly or mainly manufactured have risen by a little over £550,000 to £40,573,000 during the month. On the other hand, the value of food, drink, and tobacco imported in September amounted to £67,269,000, as against £61,785,000 in August, while imports of raw materials and articles mainly unmanufactured dropped from £51,268,000 to £44,557,000.

The salient feature in the growth of the imports of foodstuffs during the month is provided in the value of grain and flour, which is returned at £29,212,000, as compared with £24,531,000 in August. This increase in value coincided, though not in the same degree—for price levels still rule high—with an increase in quantity. Generally speaking, there were over 14,500,000 cwt. of wheat imported, as against less than 12,000,000 cwt. in the previous month. Barley was received to a total of 1,731,300 cwt., or nearly 700,000 cwt. more than in August. The import of oats was more than doubled at 1,046,500 cwt. On the other hand, less wheat meal and flour came in, the total of 1,021,000 cwt. being nearly 300,000 cwt. below the August total. Examining the returns in greater detail, it emerges that the bulk of the increase represents the flow of wheat from America, coinciding with the customary movement of the crops. Thus, whilst in August the import of American wheat reached 5,137,000 cwt., worth £8,480,531, the September import was returned at 9,047,600 cwt., valued at £14,930,869. Similarly, barley was received to the amount of £1,205,938, as against £976,100. Yet there was a decline in the trade in wheat meal and flour, the value of £1,463,479 for the American import in August being reduced to £667,794. In connection with this marked increase in the import of American wheat it is significant to note that during the month the New York rate weakened, the quotation of $3.47¾ ruling on September 30, as against $3.56½ on September 1. Outside this group of grain and flour the only other changes of importance in Class I. consisted of a decline of over £500,000 in the import of tobacco, which dropped to £2,081,394, and an increase of nearly £1,000,000 in the imports of dutiable food and drink. More than half the former decline represented the falling off in the import of unmanufactured tobacco from America. The latter movement is more than accounted for by the expansion in the import of sugar from £2,974,440 in August to £5,370,113 in September, which also throws some light on the rumoured increase in the sugar ration. Cuba, which had sent sugar to the value of £1,339,080 in August, was only able to account for an import of £18,905, whereas the value of the Java crop received rushed up from £728,316 to £4,753,666.

The drop of nearly £7,000,000 in the value of raw materials and articles mainly unmanufactured was the cumulative result of the general movements in Class II. The decline was most marked in the textile industries. Raw and waste wool dropped from £8,011,893 to £6,640,718. The import from Australia alone fell from £6,483,356 to £4,420,655, and this decline was only partially counterbalanced by the growth in the New Zealand export from £289,629 to £1,386,170. Cotton fared no better, being over £1,000,000 down at £9,108,303. Whilst the American cotton rose in value from £4,865,089 to £5,480,726, the Egyptian cotton dropped from £2,356,906 to £1,113,848. The import of iron ore was over £300,000 down at £1,900,520. No less serious was the decline in the import of wood and timber, which was returned at £9,606,130 in September, as against £11,019,656 in August.

The improvement in the trade returns was more clearly imprinted in the export trade, which advanced from £128,271,082 to £178,227,155. This is mainly due to the export of British produce, which rose from £114,900,015 to £117,450,973, whereas re-exports had dropped slightly to £13,350,608. This upward movement was not, however, characteristic of all classes. Food, Drink [illegible] exports increased from £3,302,881 to £4,710,781. This was accounted for by the expansion in the exports of other food and drink under Groups E and F

£2,520,947 to £3,214,734. Class II. constituted an exception, the August total of £10,467,234 being replaced by £9,515,103. The explanation lies close at hand: the export of coal dropped from 1,847,403 tons to 1,475,623 tons, and in value from £8,041,037 to £6,622,515. The necessary conservation of supplies in view of the threatened strike has thus reacted against the export situation. It is to be hoped that the miners will realise how fatal such uncertainty is, especially since the decline in the very profitable export trade must reduce the fund available to pay the increased wages.

The outstanding feature of the exports is the increase in the trade in manufactured products, the total for Class III. being £102,215,995, as against £99,645,443 in August. Within the class, however, movements were wide and irregular. On balance, as the totals indicate, the result was distinctly favourable. Moreover, the bulk of the movements were upward. Despite despondent rumours, Lancashire figures for a cotton export of £37,859,668, as compared with £36,029,869 in August. The most striking aspects of the trade in cotton manufactures were associated with the jump in the trade with Turkey, to which exports of piece-goods in September went to the value of £2,031,951, or more than double the August figures, and the phenomenal rise in the West African trade in the same commodity from £1,261,806 to £4,184,253. The export of vehicles was returned at £7,791,728, as compared with £6,416,532. in August. Here the explanation was furnished by an expansion in the export of ships from £2,783,518 to £4,411,901. The trade in chemicals, drugs, and dyes had increased by nearly £750,000 to £3,942,946. Corresponding with these three favourable developments came three reactions. The iron and steel exports relapsed from £12,164,321 to £10,965,281. Yorkshire was credited with a woollen export of £10,886,564, or over £800,000 below the August trade, the decline characterising the export of yarns as well as of woollens and worsteds. Leather constituted the third of these reactions, with a fall in the exported manufactures from £822,757 to £695,751.

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb. ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470,000
Mar. ...	45,918,000	43,715,000	68,042,000	29,465,000	39,707,000
April ...	40,495,000	40,382,000	77,621,000	40,244,000	30,805,000
May ...	26,755,000	59,318,000	77,516,000	27,852,000	25,786,000
June ...	34,015,000	46,120,000	64,176,000	35,999,000	30,780,000
July ...	8,042,000	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	24,984,000	58,743,000	64,435,000	46,220,000	20,632,000
Sept. ...	21,886,000	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	—	54,783,000	72,768,000	39,405,000	28,781,000
Nov. ...	—	36,188,000	70,752,000	62,621,000	39,310,000
Dec. ...	—	52,717,000	74,797,000	44,450,000	29,434,000

With a record low figure for the total imports and an increase in the total exports there came as a logical sequence an improvement in the adverse trade balance. For September imports into the United Kingdom exceeded exports by £21,886,000. This is the second lowest adverse balance for the year, the low-water mark being reached with the figure of £8,042,000 in July. Thus for the first nine months of the year there has accumulated a total adverse trade balance of £313,454,000, as against £526,862,000 for the corresponding period of 1919. With the Board of Trade estimate of our invisible exports as £600,000,000 for 1920, the returns of the last quarter of the year would have to be more unfavourable than have ever been experienced to bring about a final adverse balance at the end of the year. Admittedly the depression which is now reported alike in Lancashire as in Yorkshire, and in Sheffield as in Coventry, will be reflected in less favourable trade returns in the coming months. Even three returns, as poor as those of February last, with its record adverse balance of £61,946,000, would still leave a balance on the right side exceeding £100,000,000. And such an eventuality is unlikely in the absence of any serious industrial deadlock.

External Trade of the U.K. since 1914.
(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
Sept ...	152,692	13,350	139,342	117,466	21,886
Aug. ...	153,255	13,368	139,887	114,903	24,984
July ...	163,342	17,848	145,494	137,452	8,042
June ...	170,491	20,124	150,367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Jan. ...	183,498	25,464	158,034	105,880	52,154
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501,419	783,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

INVESTMENTS BENEFITING FROM THE EXCHANGE.—III.

THE exchange position tends week by week to bring further profits to those who have placed money in securities on which the interest is payable either in London or in foreign countries where the pound sterling has fallen to a discount. The exercise of the options attached to certain investments brings greater advantage as the pound declines. The attached list (which is a continuation of those published in recent weeks) embraces a number of foreign bonds—Bulgarian, Costa Rican, Cuban, Danish, Greek, Portuguese, Swedish and Venezuelan. It might be noted that all arrears on Bulgarian bond issues, which are for the greater part held in France, have been paid.

FOREIGN BONDS

Bulgarian Govt., 4½% Gold Loan of 1907, Frs. 140,587,500. The loan constitutes a direct liability on the State of Bulgaria.
Principal and interest payable in London in sterling, in Amsterdam and elsewhere at fixed rates of exchange.

Bulgarian Govt., 4½% Gold Loan of 1909, £3,827,240. Repayable at par within 50 years by half-yearly drawings in Sofia.
Same option.

Costa Rica External Debt, 4½% £2,000,000. Redeemable by half-yearly drawings through the operation of a Sinking Fund of not less than 1% per annum.
Principal and interest payable in sterling in London, or, at the option of the holder, in gold coin of the U.S. of America at $4·86 to the £.

Cuba, 5% Gold Bonds of 1904, $24,189,000. Redeemable by monthly drawings at par through the operation of a sinking fund of $85,000 per annum.
Principal and interest are payable in New York in gold coin, and elsewhere at fixed rates of exchange.

Cuba, 4½% Gold Bonds, $16,500,000. Repayable in 1949 at par or earlier.
Same conditions.

Danish Government, 4% Loan of 1912, £3,510,000. Redeemable at rate of 100 per cent. per annum.
Principal and interest payable in London in sterling, in Amsterdam at 12·10 florins to the £, and elsewhere.

Greek Government, 4% Loan of 1902, £2,206,080. Redeemable within 98 years in gold.
The loan is under the direct control of the International Financial Commission.
Interest payable in gold in London, Berlin, Frankfort, Paris and Athens.

Portuguese, 4% Bonds (Tobacco Monopoly, First Issue, Frs. 79,550,000.
The loan forms a direct charge on the State, and in particular on the tobacco revenue. Redeemable at par within 55 years.
Interest payable in London at 8s. 11½d., in Amsterdam at 11. 5·55½ per coupon, and elsewhere.

Swedish Government, 5% Loan of 1908, £3,000,000. Redeemable at any date after three months' notice.
Coupons payable in London in sterling, in Stockholm at Kr. 18·16 to the £, and elsewhere.

Venezuela, 3% Diplomatic Debt, 1905, £3,079,440.
The debt is a direct engagement of the State and is secured by an assignment of 20% of the Customs revenue.
Redeemable within 47 years by half-yearly drawings.
Interest payable in Venezuela in bolivars gold.

Co-operation in Soviet Russia. By Z. Stencel-Lensky. An interesting brochure published by the Joint Committee of Russian Co-operative Organisations in London, giving the principal decrees and regulations of the Soviet Government concerning co-operation, as well as the resolutions of the Ninth Congress of the Communist Party and those of the first Conference of Delegates of the newly-formed Centrosoyus. Copies can be obtained from the Joint Committee, 38 Finsbury Pavement, E.C. 2.

NITRATE COMPANIES' RESULTS.—I.

To complete our inquiry into the nitrate industry we propose in the following and subsequent articles to analyse the accounts of each of the leading companies since 1913. As a preliminary we publish at the foot of the page a table showing the course of share prices in the last seven years, together with the latest quotations. Without exception values have declined heavily during the year, especially from the levels of the miniature boom which took place in February. The prospects of the industry are at present sufficiently attractive to justify hope of appreciation. As regards the particular companies, it will be observed, in the course of the analysis, that, generally speaking, the profits display a rising tendency during the War, reaching a maximum in 1917, and then falling heavily in 1919, which was one of the worst years through which the industry passed in recent times. The reason is not hard to seek, as the demand for nitrate of soda for the manufacture of explosives suddenly slackened on the signing of the Armistice and then practically disappeared. At the same time huge unused Government stocks of the material had to be liquidated, and many of the contracts for future delivery, into which the Allies had entered prior to the Armistice, were perforce cancelled. About 1,600,000 tons of material were held between the companies and the various Governments, and the latter to protect themselves in the disposal of stocks which had been purchased at very high prices during the War put an embargo on sales by the companies and refused shipment licences from the Chilean coast. Moreover, the delay in [illegible] and the restriction of [illegible] especially on the demand for [illegible] and consequently on the demand for nitrate, [illegible] to the end of 1919 [illegible] September of last year the Nitrate Producers Association [illegible] wards eighty-five per cent. of the total productive capacity of the industry, booked orders to the extent of 750,000 tons for shipment at various dates up to the following March at an f.o.b. price of 9*s.* per quintal. Though the price was unprofitable, it had practically become necessary to work off some stock, [illegible] October the ban on Chilean shipments was removed, and with the [illegible] market and an increased supply of tonnage trade prospects [illegible] of the Asociacion des Productores de Salitre de Chili at 9/- per quintal, [illegible] this year, to 17*s.* 6*d.* in February, falling away in the end of the latter month to 17*s.* 2*d.*, at which price the Asociacion disposed by tender of 46,000 tons, out of a total of 250,000 tons offered, at a minimum price of 17*s.* per quintal. The prices of the material in the current year have an important bearing on the gross earnings and net profits of the companies. Attempts on the part of the Asociacion to dispose by the new method of tender initiated in January of 500,000 tons for April-September delivery at minimum prices, varying from 16*s.* 9*d.* to 17*s.* 6*d.*, failed for a variety of reasons. Later on, according to Mr. Thomson

Course of Prices during the past Seven Years.

		1914	1915	1916	1917	1918	1919	1920— Jan. 5	Feb. 19	Oct. 14
Aguas Blancas (210,000 5/- shares) (a)	H.	40/-	30/6	31/-	35/9	50/-	25/7½	24/6	45/-	26/6
	L.	35/-	18/-	24/9	27/-	33/-	17/10½			
Alianza (100,000 £5 shares)	H.	16⅜	13⅜	14⅜	15½	19	17¾	16	24	21¼
	L.	14⅛	11⅞	10	11	13⅞	13½			
Angela (70,000 £1 shares)...	H.	39/6	27/9	30/-	43/-	48/3	46/-	38/3	51/6	43/1½
	L.	25/-	19/0	22/6	27/9	35/6	38/-			
Anglo-Chilean (110,000 £5 shares)	H.	19	18⅜	20	20⅜	20⅜	17½	15¾	19½	15
	L.	15⅞	13⅜	16⅜	18¼	17	13¼			
Lagunas (180,000 £5 shares)	H.	40/7½	21/3	30/-	41/-	41/3	35/7½	1½	2	29/-
	L.	30/-	20/-	20/-	29/6	35/6	20/-			
Lagunas Syndicate (550,000 £1 shares)	H.	11	5/9	6/3	9/4½	9/3	6/9	5/6	9	6/8½
	L.	6/4½	3/6	4/-	4/9	5/6	4/6			
Lautaro (110,000 £5 shares)	H.	10⅞	8⅛	10⅝	11½	15½	12½	10¾	14½	13½
	L.	8½	7	8	9	10⅜	8			
Liverpool (259,200 5/- shares) (b)	H.	86/3	73/9	3/3	85/-	87/6	81/3	4½	5/-	80/0
	L.	68/9	53/9	2/5	60/-	67/6	62/6			
London (200,000 £1 shares) (c)	H.	58/10½	50/-	54/6	63/9	63/9	52/-	2½	3	30/7½
	L.	42/6	29/9	40/-	48/1½	41/3	40/3			
New Paccha and Jazpampa (68,700 £1 shares) (d) ...	H.	5½	3⅞	58/1½	61/3	100	70	2¾	4	58/9
	L.	3½	2⅞	39/9	45/-	53/9	60/-			
New Tamarugal (273,000 £1 shares)	H.	24/3	19/10½	22/10½	27/4½	29/6	28/-	28	38/-	29/6
	L.	20/3	14/3	14/6	17/-	20/-	20/3			
Pan de Azucar (22,000 £5 shares)	H.	8	5⅞	93/9	5½	10⅝	10½	10⅝	20/4	15
	L.	7	5⅛	86/3	4⅞	4⅝	7½			
Rosario (120,000 £5 shares)	H.	10⅝	8⅛	7⅝	9⅛	9⅝	8⅞	6¼	9½	8/3/0
	L.	7½	5½	6⅜	6⅝	7⅛	6			
Salar del Carmen (220,000 £1 shares) (e)	H.	61/3	47/6	42/3	78/-	80/-	55/6	2½	3/-	50/0
	L.	47/6	36/6	36/-	32/-	41/10½	40/-			
San Lorenzo (24,000 £1 shs.)	H.	58/9	67/6	3½	4	4	3	3	3½	2/-
	L.	45/7½	52/6	3	3⅜	3¼	2½			
San Sebastian (143,750 £1 shares)	H.	18/-	10/-	15/-	19/-	18/3	15/6	11/-	15/-	8/3
	L.	10/-	6	9/3	14	11/10½	10			
Santa Catalina (79,000 £1 shares)	H.	35/-	26/-	36/-	41/9	38/8½	38	38/	48	36/3
	L.	23/9	19/9	24/9	30/-	30/6	29/6			
Santa Rita (100,000 £1 shares)	H.	33/9	20/-	19/6	25/-	24/6	23/6	1/-	1/-	37/6
	L.	25/-	18/1½	17/6	19/4½	17/6	18			
Santiago (40,000 £4 shares)	H.	82/3	40/-	43/9	42/6	56	37/6	1	3/4/4	7/6/4
	L.	40/7½	30	40/-	31/3	39/6	26/3			
Tarapaca and Tocopilla (400,000 10/- shares) (f)	H.	32/4½	22/6	27/6	19/6	24/-	20	1/-	1/-	37/6
	L.	30	17/6	19/7½	14	17/-	14			

(a) In 1919 the authorised and paid-up capital was reduced from £375,000 to £[illegible] by the cancellation of [illegible] Preference).
(b) An interim dividend of 2s. per share, free of tax, has been declared for 1920.
(c) The authorised capital was increased from £[illegible] to £[illegible] in 1919.
(d) In July, 1919, 11,450 shares were issued to shareholders at £2 per share.
(e) In 1917 the authorised and paid-up capital was increased from £[illegible] to £[illegible] for 1920.
(f) In 1917 the capital was reduced from £[illegible] to £[illegible] by the repayment of 10s. per £1 share.
(g) Amalgamated with Liverpool Nitrate Co. as from June 30 last.

Aikman, Junior's half-yearly report, 860,000 tons were disposed of at between 15*s.* 6*d.* to 17*s.* per quintal for delivery up to April 1921. Further large sales by the Asociacion took place early in July at 15*s.* 6*d.* spot, with higher quotations for future delivery, 285,000 tons being disposed of in all. Later in the month, on the withdrawal of the Asociacion as sellers, transactions were confined to re-sellers, and business was further held up by strikes at the loading ports, Iquique, Taltal, and Pisagua being amongst the places concerned. In all from June 15 to the commencement of August about 1,210,000 tons were sold. Prices eased in September, and little business was effected. The extent of the shipments up to the end of that month may be gathered from the following table, compiled from figures prepared by Mr. Thomson Aikman, Junior :

Nitrate Shipments in 1920.

Destination	Six Months ended in June	July	August	Sept	Total for 1920 (9 mths)
	Tons	Tons	Tons	Tons	Tons
Europe and Egypt ...	600,000	70,000	82,000	143,000	895,000
United States ...	818,000	64,000	91,000	101,000	1,104,000
Japan and other countries	142,000	6,000	10,000	4,000	162,000
Total	1,560,000	140,000	183,000	248,000	2,161,000

Up to the end of June the shipments were at the rate of 265,000 tons per month, the shipments in the following months showing a substantial decline. This fact, together with the price variations above quoted, must be taken into account in estimating the profits of companies in the current year.

The Lautaro Nitrate Company may be selected first for analysis. In the following table the results of the Company's operations over a series of years are shown :—

THE LAUTARO NITRATE COMPANY, LIMITED.

Issued Capital : £550,000, in 110,000 Shares of £5 each.

	Net Profit*	Depreciation†	Generall Reserve	Contingencies Account	Other Allocations	Dividends	%	Carried Forward
	£	£	£	£	£	£		£
1913 ...	166,062	25,000	10,000	—	19,303‡	104,500	19	27,122
1914 ...	90,840	22,000	10,000	—	11,792‡	55,000	10	19,170
1915 ...	158,169	35,000	20,000	15,000	2,109	66,000	12	18,930
1916 ...	188,176	35,000	25,500	20,000	4,908	99,000	18	22,698
1917 ...	246,047	35,000	25,000	20,000	15,302	132,000	24	91,443
1918 ...	273,602,(a)	25,000	25,000	30,000	14,680	99,000	18	171,365
1919 ...	48,222(a)	25,000	25,000	10,000	5,000	88,000	16	66,587

* After providing for income tax and all general charges.]
† Including provision for fall in value of invest ments.
‡ Including provision for renewals of plant.
§ Free of tax.
(a) After provision for excess profits duty (1918, £42,377 ; 1919, £15,000).

It will be seen that profits reached an exceptionally high figure in 1917, and were even greater in 1918, if we include the provision for excess profits duty, £42,377. The maximum dividend in the period of seven years covered by the table was twenty-four per cent., and the distribution sank to eighteen per cent. and sixteen per cent. in the two following years, all being free of income tax. The sum of £66,587 was carried forward to the current year, as compared with £171,365 in 1918 and £91,443 in 1917. Though the amount thus shows a decline, stocks on hand, at cost, including iodine, general stocks and stores, and goods in transit to Chili, show a rise from £326,670 on December 31, 1918, to £437,914 on the same date in 1919. Total assets at £1,363,265 in December last are practically unchanged, but several items, such as £27,209, investments in enemy countries, £24,842 cash in bank in enemy countries, and £241,356 investments at or under cost, may not eventually realise the values at which they figure in the balance sheet. Nitrate deposits being a wasting asset, a large amount must be set aside annually for depreciation, and the sum devoted to this purpose in the case of the Lautaro Company has been £25,000 in each of the last three years. New grounds were purchased in 1913 at a cost of £37,500, and the Lilita grounds in 1918 for £10,000. The value of the property in Chili so increased, less the depreciation provided, was £222,500 on December 31 last. Conditions of trade so far during the year warrant the hope that an increased dividend will be paid in respect of 1920. The 1919 output from the Company's four oficinas at Bellena, Lautaro, Santa Catalina, and Santa Luisa, which were only in partial operation, was but 753,000 quintals, compared with 2,004,000 in 1918, 2,287,000 in 1917, and 2,121,000 in 1916. The revival of output, together with higher prices for its products, should favour the Company, whose £5 shares now stand at 13¼, yielding £6 0*s.* 9*d.*, free of tax, on the basis of last year's dividend. The highest and lowest prices of the shares in the current year were 17⅜ and 9¾ respectively.

MOTOR SHARE MARKET.

The market in the shares of motor-car manufacturing concerns has been under a cloud for some time past. The falling-off in new home business, the relative inelasticity of the export trade, and the declining tendency of prices, combined with fears of a coal strike, have all been unfavourable features. An increase in motor taxes and in the cost of petrol, with the heavier incidence of the income tax, are other more remote though no less effective factors in causing depression in motor stocks. It is possible, however, that pessimism may be overdone, and undue importance may easily be attached to the drastic cuts in prices reported from America. The much-boomed reduction of certain American models to the pre-War level refers to the 1917 list prices prevailing before the United States entered the War. American manufacturers, being naturally unwilling to trade at a loss, cannot permanently reduce their quotations to a level lower than that permitted by the general increase in prices consequent on the altered ratio of money to commodities; and the majority of makers across the Atlantic anticipate that the factory price of cars in 1921 will not show a downward trend. The prophecy is made subject to the proviso that no developments at present unforeseen occur, and that the deflation policy of the Federal Reserve Board is not pushed to extremes.

The fear of American competition has mainly affected the shares of British concerns manufacturing light cars and cheap cars, as is shown by the following table of shares quoted on the London Stock Exchange. The range of prices in 1919 and so far in the current year is given, together with the quotations on September 14 and October 14 :

	1919 High.	1919 Low.	1920 High	1920 Low	1920 Sep. 14	1920 Oct. 14
Austin Motor Ord	30/6	22/0	-	- -	9 -	7/-
,, ,, 7% Cum. Pref	21/6	16/9	16 10½	11/3	12 10½	12/6
British Motor Trading Ord. £1	23/6	17/9	22/6	6/3	10/-	6-4½
Charron Motor New £1 ...	25/3	18/6	20/6	9/0	10 1½	9/-
,, ,, 7% Pref. ...	-	-	16/9	9/9	9/9	10/-
Crossley Motors, £1	-	-	33/4½	12/6	15/3	12,10½
Cubitt's Engineering Co Ord.	-	-	18/-	10/-	12/3	7/6
,, 7½% Cum. Pref. ...	17/0	16/3	18/9	10/0	14/0	10/3
Harper Bean Ord. £1	-	-	15/7½	3/11	7/3	4/3
Humber Ord. £1	29 7½	19/0	30/7½	16/10	17/0	14/9
Leyland Motor Pref 6% Cum.	20/6	18/6	19/10½	14/0	15/10½	15/10½
D. Napier & Sons Ord.	-	-	28/9	11/3	12/7½	10/0
,, 7½% Cum. Pref. ...	22/3	19/0	20/0	13/9	15/3	14/9
Rolls Royce Ord. £1	54-10½	37/6	51/3	26,11½	27/3	27/9
Rover Co. £1	55/8	37/10	43/9	20/0	21/3	21/0
S.T.D. Motor Ord. £1 ...	—	—	—	—	—	19/6
Singer & Co. £1	82/6	56/0	73/0	24,10½	28/9	24/10½
Sizaire Berwicke 7% Pref. ...	- -	—	16/4½	13/6	13/6	13/0
Straker-Squire £1 Ord. ...	20/6	19/1½	21/0	8/9	12/6	9/6
Sunbeam Motor £1	55/0	35/3	37/6	20/0	21/0	*
Swift Ord.	69/9	29/0	64/3	34/0½	34/0½	34/0½
Vandervell (C.A.) Pref. Ord. ...	34/0	28/0	30/6	18/6	19/4½	18/6
(Ls.sh.)Def.Ord. ...	-	—	9/4½	4/6	4/10½	4/9
Vauxhall Motor £1	31/0	24/0	26,11½	10,7/4	14/6	14/9
Vulcan Motor £1	8/3	5/0	19,10½	19,10½	19/10½	19/10½
Wilys Overland Crossley 10%.						
Pref.	—	—	22/0	15/0	17/9	13/0
Wolseley Deb. 6½% (£100) ...	95½	88	96½	95	79	76½
,, Pref. 7%	21/3	17/6	19/0	17/0	17/6	17/6

* See S.T.D. Motor Ord.

The shares of mass production concerns have suffered more than others, Austin's, Cubitt's Engineering, Harper Bean and its ally the Swift Company of Coventry, all showing a substantial fall. The London market is not at all so active as the Birmingham, and in some cases shares have now fallen below the latest figure for bargains in the London market. Thus Swift Ordinary have been dealt in at 22*s.*, Humber Ordinary at 12*s.* 6*d.*, Rover Ordinary at 20*s.*, Singer

and Company at 22s. 9d., Sirron Bearings at 12s. 1½d., Straker-Squire at 8s. 9d., Vandervell Defd. Ordinary at 4s. 6d., Vulcan Combustion at 11s. 6d., and Wolseley Preferred at 14s. 3d.

It is generally overlooked that the dividend season is now at hand, and that autumn is always the quietest time in the year for the [illegible] Moreover, the market is very sensitive to general trade conditions; and fears of an all-round slump have not tended to beget confidence, as the motor trade will naturally be affected the last to suffer. Our export trade continues to be restricted, partly on account of the high prices demanded for our products, and partly because unfavourable exchanges discourage foreign importers. Exports for the last nine months, as compared with the corresponding periods in 1919 and 1913, are shown in the following table:

Value of Motor exports, September 30

	1913	1919	1920
	£	£	£
Passenger cars and chassis	1,422,321	681,870	2,581,650
Commercial motor cars	204,226	305,442	1,804,554
Motor cycles and motor cycle chassis	563,271	718,240	1,420,351
Total	2,189,818	1,705,552	5,806,555
Motor cycle engines and parts	1,453,834	1,286,500	3,585,847
Motor car engines and parts	736,772	440,116	1,806,511

The figures for motor-cycles have been included, as many car-makers also devote attention to that department. The total of £5,392,377 for motor-cars and parts thereof, though satisfactory as compared with 1919, does not manifest that advance on 1913 which the difference in price levels would warrant. Further, the imports have, despite the duty, increased much more rapidly than the exports, and for the nine months to the 30th ult. they totalled £18,966,802, compared with £2,992,072 and £3,616,652 respectively in the corresponding periods of 1919 and 1913. Our tariff has, therefore, failed to protect the British manufacturer in the home market. That his exports have been hindered by high list prices is shown by the fact that in the fiscal year to the end of June last the value of automobiles and accessories exported from the United States aggregated $275,000,000, as against $138,000,000 two years ago and $30,000,000 in the year before the War. The American manufacturers have, in effect, been able to compensate the foreigner for his loss on exchange by a reduction in the selling price. It is the duty, therefore, of our makers to bring their figures down to a more competitive level, but in this they are handicapped by the high price of better-grade steel. Swift, Harper Bean, Vauxhall, and other concerns have announced, indeed, reductions, and the step is certainly advisable if markets are to be expanded, though its immediate effect may be to reduce profits. Even the American manufacturers are not without their difficulties, and from Detroit comes the news that many thousands of skilled operatives are out of work, as at Coventry and Wolverhampton, while several firms have gone into liquidation. Further Transatlantic developments will be awaited with interest, as they are bound to react ultimately on the Share market here.

MESSRS. JOHN I. THORNYCROFT & CO., LTD.—A notable event occurred at Southampton on Tuesday last, October 12, when H.R.H. Princess Prabhavasiddi, Princess of Kambaeng Bejar, Siam, performed the christening and launching ceremony in connection with a 2,500-ton cargo steamer, the *Ville de St. Amarin*, built by Messrs. John I. Thornycroft and Company, Limited, at their Woolston Shipyard, to the order of Messieurs Le Comptoir Industriel & Charbons et de Transports, Rouen. The *Ville de St. Amarin*, which is fitted with triple-expansion engines built at the works, is the second cargo boat launched by Messrs. Thornycroft in the past few weeks. The Company's mercantile-shipbuilding programme, on which it embarked after the War, is evidently being carried through with marked success.

CHILI.

POTENTIALITIES.

A [illegible] the question of the Presidency [illegible] Republic [illegible] whether the new holder of the dignity will realise, or [illegible] which open up before him. In a great and established monarchy which has existed throughout many generations [illegible] the sovereign, or even a considerable change in the [illegible] comparatively limited extent. The country if it has existed for any considerable time in its present form has presumably been peopled more or less up to the limit of its economic development. Its people will have engrained traits which we call national character. It will have formed habits which no government can hope to change except in the course of a long period of time. Moreover, to a [illegible] the State will have been realised. No one in his sober senses, for example, would set himself out to double the population of England at the present time in the absence of some great economic change of a magnitude which at present we are not able to understand or contemplate.

In the comparatively new Republics of South America the conditions which prevail are wholly different. With an area as big as France and half of Germany, Chili has a population of under 4,000,000, and is one of the most remarkable countries on the face of the globe.

One of its greatest needs is increased population and improved transportation facilities. Let no one, however, imagine who has but a slight acquaintance with the conditions prevailing in South America that the development of Chili is easy. On the contrary, it is one of the most difficult propositions that economic South America presents. There are extraordinary potentialities, but they are accompanied by remarkable drawbacks to an extent that, unless they are handled with quite exceptionally great skill, even the attempt at development may result in serious disaster rather than the improvement of that country. The country extends for a distance South of the line equal to that from the Firth of Forth in Scotland to the Bight of Benin in what we call the Niger territority on the west coast of Africa. Although it extends, therefore, practically from the torrid zone to the frigid it nowhere much exceeds 200 miles in breadth and in many instances, and particularly towards the South, does not nearly approach this figure. Something like one-half of the whole area of the Republic is a desert, but a highly mineralised desert, and from this desert, or part of it, is obtained three-quarters of the total exports of the Republic, and [illegible]

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Chili has been described, and not unjustly, as one vast mine. Its mineral resources are enormous. The country slopes throughout the whole of its length from the Andean chain of mountains to the Pacific Ocean, and is bisected by twenty-seven different rivers, which at certain periods of the year are raging torrents. These raging torrents should in the future, when Chili is able to raise sufficient capital, afford a cheap source of water-power by applying hydro-electric machinery to obtain the power which these rivers generate in their fall from the Andes to the Pacific. Although Chili is so extensive in area, it is exceedingly doubtful if there are 70,000 square miles in the whole Republic capable of growing food. We speak subject to correction, because with the evidence of what has actually been done in the North and the potentialities of irrigation, it would be exceedingly unwise to dogmatise. In view of what has actually been done at Iquique and Tarapaca, agricultural Chili in the future may, and probably will, be very different from what she is at present. It has to be remembered that at the back of the desert there is one of the greatest ranges of mountains, the greatest, in fact, with the exception of the Himalayas, existing in the world, and the heights of this great range of mountains are covered with snow throughout the year. Consequently, the arid parts of Chili can, at a price, have a river practically wherever they want one. The rich plains in the centre of Chili, which are known properly as the agricultural zone, will certainly never feed such a population as Chili is capable of supporting, provided her natural resources are adequately developed. It will not be possible to develop Chili upon the lines that have naturally and rightly been adopted in Eastern South America. East of the Andes the vast plains of the continent invite agricultural settlers. With our present economic knowledge, however, it is very certain that conditions in Chili invite settlers of any sort only to a very limited extent, and when careful preparations have been made for their reception and employment.

One result of this state of things is that only a very small proportion of the Chilian population are in a position to purchase imported luxuries, or, indeed, imported goods of any kind. This is true to some extent of South America taken as a whole, but it is true of the West-coast republics in a sense that it is not true of those States on the Eastern side of the Andes. The reason is, of course, clear. The West coast States, of which Chili is the most highly developed, either possess an inadequate agricultural area for the ready sustenance of a great population, which is the case with Chili herself, or they have agricultural land no doubt potentially rich, but accessible only after a vast chain of mountains has been crossed. Consequently conditions upon the West coast are peculiar, and peculiar to an extent that such conditions have not been encountered elsewhere. That Chili will be an importer of food and raw materials upon an important scale in the near future seems highly probable. As a matter of fact, even as things are she is barely able to feed herself, although her total population is considerably less than that contained within the area of the Administrative County of London. Doubtless there are great potentialities in the South, but the Southern area is windswept and rainswept to a degree that it will require very expert handling before it will yield adequate returns for the labour and capital expended upon it. At present the South is hardly developed at all except as a sheep run. The North is partially developed for its mineral resources and the centre in an endeavour to feed the inhabitants of the Republic. It may be said with a measure of exaggeration that economic Chili, as we know her to-day, lives upon nitrate of soda and copper, a peculiar form of nourishment.

It will be seen that the new Government that the recently elected President will gather round him will be faced with a very serious problem, the solution of which will require sound political insight and equally sound economic knowledge.

The reader who has followed us thus far will have gathered that we contemplate a time wherein Chili will be practically as dependent upon foreign sources of supply for her food and raw materials as England is to-day. England has, with the exception of coal, very little raw material of any kind. Chili for a long time to come will continue to have enormous quantities of raw material of various kinds, but in order to obtain that raw material and to feed the population engaged in winning it, it will be necessary to import food and various other kinds of raw materials from somewhere outside the borders of Chili herself. Now it so happens that Chili has two neighbours with territories as extensive as her own, but which, unlike that of Chili, are capable of such agricultural development that they can not only feed those engaged in raising the fruits of the earth, but can afford an enormous surplus for shipment outside their own borders.

Probably the most effective service which the incoming President and his Government can do for Chili at the present time is to come to some arrangement with her two neighbours, Peru and Bolivia. At present the great agricultural area of Peru is wholly undeveloped, mainly because there are no adequate transportation facilities for opening up that region of her territory, nor are there means within her own borders of finding the wherewithal whereby such territory could be opened up. Bolivia, likewise, has a very extensive area which is also awaiting development. At the present time it is hardly an exaggeration to say that Bolivia lives, and lives very poorly, upon the working of a portion of her tin deposits. Chili could, and would, assist these two countries in various ways in the opening up of these extensive agricultural regions, provided that she were assured that she would obtain adequate supplies of food and raw materials from Peru and Bolivia as a reward for her efforts in that direction. There remains, before any progress is likely to be made in the direction we have indicated, that some arrangement should be arrived at on the various boundary questions in dispute between the three Powers, and especially the settlement of the dispute regarding Tacna and Arica. It is not necessary here to go into the origin and causes of that dispute. Suffice it to say that Chili, during a period extending now over a generation, and as a result of a great and costly war, has been in possession of these territories. It is idle to suppose that she will evacuate them. It is equally evident that her neighbours are in no position to force her to do anything contrary to her wishes. It remains, therefore, for the three Powers concerned to seek by means of negotiation a settlement which should be satisfactory to the Powers concerned. As things are they have been up to the present engaging in a barren dispute. Some months ago the Bolivian Government showed signs that it was disposed to arrive at a reasonable settlement with Chili in exchange for very handsome concessions which the Government of Santiago was quite willing to make. Unfortunately, owing to causes which are but imperfectly understood in Europe, the negotiations did not bear the fruit which was not unreasonably expected from them. All three Powers urgently need the development of their economic resources, but until the disputes to which we have referred are settled upon some amicable basis, the development of the great natural resources of the three countries cannot fail to be delayed.

The Practice and Law of Banking. By H. P. Sheldon. Price 12*s.* 6*d.*. (London: Macdonald and Evans.) A useful book for economic students, as well as for the practical business man. An encyclopædia of banking and dictionary of banking terms.

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Financial Notes.

British Trade with India.

The opinion which we expressed last week, that the present trade and financial depression in India would right itself very soon, is corroborated in an exhaustive paper read yesterday afternoon before the Royal Society of Arts by Mr. T. M. Ainscough, O.B.E., H.M. Senior Trade Commissioner in India and Ceylon. The reader, who has had an excellent opportunity of studying first-hand the interesting developments which have taken place in British India during and since the War, describes in detail the changes since 1914, dwelling at greater length on the events which have led to the present rather serious position. As is well known, there is something in the nature of a congestion of commodities in Indian as well as in most Eastern markets on account of a diminished buying power on the part of the population, and the credit resources of Eastern banks are, in consequence, severely strained. The situation has been aggravated by the rather disappointing monsoon and the recent slump in the value of the rupee, following the withdrawal of Government support. Despite these factors Mr. Ainscough is optimistic about the situation, and while strongly emphasising the need for caution on the part of those engaged in the Indian trade, expresses the opinion that the present abnormal position will be cleared in a few months. His opinion is supported by the recent rally in rupee quotations as well as by the fact that Indian houses have quite recently shown signs of renewing their orders for Manchester cotton goods.

Economic Situation of Roumania.

A report on Roumania recently prepared by a Special Commissioner of the London Joint City and Midland Bank details very admirably the position of that country, and makes it clear that of the many new States which have sprung into existence since the War Roumania will be one of the most important economically. We say *new* States, because Roumania as now constituted is much larger than the old Roumania. Whereas formerly it comprised only 54,000 square miles, with a population of 7½ millions, it has now an area of over 125,000 square miles, and a population of about 17¾ millions. Being one of the countries invaded by the Central Powers during the War, it has suffered much during the past six years, and even now, though it has great possibilities of development, its recuperation is retarded by lack of capital in the form of materials and machinery, and by the uneducated state of the mass of the population. With the leu depreciated by about eighty-seven per cent. in terms of sterling, the difficulty of getting the necessary capital is naturally very great. At present its industries are solely of an extensive nature, the chief being agriculture, timber, and petroleum. Outside these the sugar and textile industries are the most important, but are at present almost entirely undeveloped. Some coal and lignite are also produced. At the beginning of the year about 1,750 limited liability companies were in operation, with a total paid-up capital of about 2,500 million lei (nominally £100,000,000). For future years the annual production of cereals has been estimated by the writer of the Report at 15 million tons, of which 11 million tons, chiefly wheat and maize, will be available for export. The production of [illegible] is expected to be about 5½ million tons, of which 2 million tons will be exported. The effects of the War on the petroleum industry were unduly severe, and of the total petroliferous area, estimated at about 750 square miles, only about 100 square miles, or thirteen per cent., are being worked. When the industry is re-established the annual output is expected to exceed 2 million tons.

As in most other countries of Europe, so in Roumania, the War has left the currency in an extremely disorganised state. Besides the notes of the National Bank of Roumania, there are in circulation in the country notes of the Banca Generala Romana, Austrian krone notes, and rouble notes, the total, according to an official estimate, amounting in July last to 10,000 million lei (nominally £400,000,000), or 563 (£22.5) per capita. This enormous circulation the Government propose to reduce to 4,000 million lei by the issue of a forced loan, and of 4 to 5 year Treasury Bonds. The National Debt of the new Roumania was stated by the Finance Minister in April last to be 20,000 million lei (£800,000,000), or about £45 *per capita*. Touching the national finances, two Budgets were introduced last April, one being called a War Budget and the other an Ordinary Budget. The former was to obtain money for reconstruction and to meet outstanding charges, and this has been raised by the issue of a long-term loan. The estimates for the Ordinary Budget have since been revised, the figures being as follows:—

(*Millions of Lei.*)

	Budget Estimate	Revised Estimate
Expenditure	6,800	6,865
Revenue	5,200	6,115
Deficit	1,300	750

After the estimated deficit was reduced as above, the Finance Minister expressed the opinion that it would, before the end of the financial year, be still further reduced, if not eliminated altogether.

Transvaal Chamber of Mines. Thirtieth Annual Report, for the year 1919. (Johannesburg: *Argus* Printing and Publishing Company, Limited.) A bulky volume of over 600 pages, in which, it would appear, every aspect of the gold-mining industry in South Africa is dealt with. The principal figures relating to the production of the mines, taken from the Report, are as follows:—

	1920	1918	Increase (+) or Decrease (−)
	£	£	£
Gold	[illegible]	[illegible]	[illegible]
Coal	1,632,361	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	191,177*	[illegible]	[illegible]
[illegible]	[illegible]	438,132	[illegible]

* Estimated.

The President of the Chamber of Commerce, Sir Evelyn A. Wallers, in his address to the meeting held in March last, dealt at length with the gold premium and its effect on prices, pointing out that the premium will sooner or later come to an end, and gold will return to its permanent standard value. When that time comes, either half the industry will have to be closed down, or the costs of production must be reduced. Had there been throughout an open world market for gold the industry would doubtless have obtained at the beginning of the crisis the advantage of the premium before the costs of production had increased correspondingly. Mr. Wallers [illegible] supplies [illegible] and it is necessary in the interests of the industry that carefully thought-out measures should be adopted.

SOUTH AND CENTRAL AMERICA.

FALL IN PRICES.

It is estimated that we in this country are entitled to receive each year from the continent of South America an income of not less than 100 millions sterling, for which services have already been rendered in the form of investments. England in the period which preceded the outbreak of the recent War derived very great benefits from the annual return upon investments made by British people in various parts of the world. Owing to the heavy expenditure incurred in connection with the War we have had to part with, in round figures, some twenty-five per cent. of those investments; and, consequently, our annual income has been depleted to this extent. Nevertheless, in spite of the heavy cost of the War, we still receive from various parts of the world, roughly, some seventy-five per cent. of the annual income to which we were entitled, say, in the year 1914, for which, as said above, services have already been rendered by British investors. A certain section of the people in the various countries of South America regard it as a serious disadvantage that they have each year to send out an appreciable proportion of their annual produce in the payment of interest to European, and particularly to British, investors. This opinion is, of course, not shared in by trained economists, either in South America or anywhere else. It is a direct consequence of the opening up and general development of South America, and indirectly it is an advantage, not a drawback, to that continent. At the present time, for example, the large sums which we receive from various overseas sources enable our investing classes to save each year an appreciable proportion of their incomes. During the War period that income was practically earmarked in connection with the War. Appeals were continuously made by the various Allied Governments, and particularly by our own Government, to buy what were called War Bonds, and as a result there was very little money available for the economic development of the various countries either within the confines of the belligerent Powers or beyond seas. During the period of inflated prices only a relatively small amount of produce was received, due in the form of interest. But with the fall in prices the amount of produce thus received will steadily increase. Inasmuch, therefore, as the produce increases either in payment of interest on investments already made or in payment for services being rendered at the present time—as, for example, shipping, insurance, bank credits, and so on—the saving classes will be able to accumulate more capital for reinvestment, inasmuch as they have to spend less on the actual necessaries of life. It may be pointed out that the qualities which enable a man to save in the first instance do not disappear because he has accumulated a small, or for that matter a large, capital, and is receiving a considerable sum in interest or dividends. Experience shows, on the contrary, that the saving classes tend to accumulate resources in increased proportion to the magnitude of their savings already accumulated.

Europe in general has received a very severe check to its economic development as a result of the recent War, but it is gradually recovering. This remark applies very pertinently to this country, although, fortunately, in a lesser degree than is the case with certain other belligerents. Perhaps the reader who is not well acquainted with economic questions will appreciate the position to which Europe has drifted as a result of the War by an illustration of what happens in a small rural district where the local magnate, for some reason or other, becomes exceedingly extravagant. We will assume that a certain local magnate in a small rural district has decided to rebuild his mansion, to entertain upon a great scale, and to pass a period of his life in the enjoyment of great expenditure. To his neighbours he appears extravagantly rich. But, in fact, although his revenue is considerable, he has borrowed a very large sum from his bankers, for the purpose, as he is pleased to describe it, of improving his estate and rebuilding his mansion. While this process is going on the local village enjoys a period of great apparent, but not real, prosperity. Builders, decorators, furnishers, and what not are brought down from a distant town, perhaps from the capital, and they have to seek lodgings in the village. Whereas the local agriculturists readily obtained a room, say, for a shilling a week in the period that preceded the magnate's extravagance, now a single room cannot be hired in the village under, let us say, four shillings. An overseer comes down from a neighbouring centre of population in connection with the direction of the works, naturally expecting to find a house which would suit his requirements for a comparatively small sum. To his amazement he finds that not only can he not get a house for a very modest rent, but he is informed that every house in the village is let out practically in tenements. The villagers were never so prosperous, and extravagant prices are being demanded for even the smallest room in the smallest cottage. This proceeding goes on until the magnate has exhausted his credit, and he at last is brought, through pressure from his bankers, or from other sources, to realise that he must curtail his expenditure or be sold up in bankruptcy. When he is at last brought to his senses the immense number of people who have been collected for the purpose of rebuilding the mansion, improving the estate, and, perhaps, for entertaining great shooting or hunting parties, if the mansion was ever completed, have to be discharged. The overseer above referred to no longer requires a house, and quickly returns to the place from whence he came. The workers who were paying extravagant prices for single rooms have to seek work in other directions, and once more the village, which had been crowded with visitors from different parts of the country, resumes its wonted aspect of quiet; and those villagers who still retain their houses find it as difficult to get tenants for their rooms as the tenants during the period of inflation had found it difficult to obtain the accommodation they required.

If we substitute the recently belligerent world for the imaginary magnate, and the countries which supplied that world with food, munitions, and raw materials for the influx of visitors to the village, we have a composite picture of the economic conditions existing between Europe and what are called the new countries. The congested countries of Europe, recently belligerent, have no longer the power to buy vast quantities of produce upon credit. It is only possible now for the European peoples to purchase commodities within the limit of their own earning capacity. Unless the newer countries of the world can raise produce upon such a basis of economic value as the peoples of the recent belligerent countries are able to pay the recovery in trade between Europe and the newer countries of the world will be indefinitely delayed. If they are able to supply commodities within those limits they will assist in the rapid recovery, or comparatively rapid recovery, of Europe, mainly because it will assist the careful and thrifty classes to save. The recent extravagant level of values upon which South America as well as other parts of the world were able to dispose of their products was not good for South America any more than it was good for belligerent purchasing countries. The goods raised or produced upon extravagant values were wasted and produced no economic equivalent. Purchases now will have to be made upon a basis of real values. Consequently, they will enrich the producing as well as the purchasing country.

South America lives, and must continue to live for a long time to come, by the production of food and various kinds of raw material for consumption outside her own borders. If there is no market outside those borders capable of consuming the large quantity of produce she is able to raise, and paying

for it upon a sound economic basis. [illegible] real development will inevitably be delayed. During the period of high prices which lasted throughout the duration of the War and since the Armistice the economic development of South America has been delayed. It was delayed because the purchasers of her produce wasted that produce, as distinct from using it for the purpose of attaining some economic end. South America pre-eminently needs two things at the present time. The one is increased transportation facilities, and the other is increased population. During the recent European War, in spite of the high prices at which the principal South American countries sold their produce, they have not improved their economic condition in these two respects in any appreciable degree. Emigration from Europe, or, indeed, from any other source, to South America was directly checked by the War itself. As the purchasers of South American produce were using that produce for other than economic objects they were not able to accumulate the means which would have enabled them to assist the several countries of the South American continent in the improvement of their transportation facilities. Great Britain to a notable extent and Western Europe in general are gradually increasing their trade with the rest of the world, and, in consequence, gradually accumulating means which should enable them in the near future to assist in the promotion of improved transportation facilities in those countries capable of supplying large quantities of food and raw materials. The iron and steel works of the manufacturing countries are no longer employed in the manufacture of munitions of war. Already shipping freights are falling to such an extent as to check the output of tonnage, unless it can be produced upon a very much lower basis of value than is the case at present. Iron and steel works will at no distant date be seeking employment in some direction. The world is short of almost every kind of raw material, and food prices are still extravagantly high. Consequently, the natural field in which these iron and steel works would endeavour to seek employment would be the opening up of new countries capable of supplying raw products in large quantities.

There is a particular shortage at the present time in those forms of raw produce which the South American continent is particularly favourably situated for producing in enormous quantities, provided that she has an adequate population and were furnished with increased transportation facilities.

THE DIRECT UNITED STATES CABLE COMPANY, LIMITED.—At a meeting to be held on October 19, 1920, the shareholders will be asked to sanction the acceptance of an offer on the part of the British Government to purchase the Company's cable. The latter was leased to the Western Union Telegraph Company in 1911, but a breakdown in 1917, which lasted eighteen months, caused the Western Union to give notice to cancel the lease, an action subsequently upheld by a High Court decision. An appeal was stayed by mutual consent pending negotiations, which proved abortive, and eventually an offer from the Government was received. Mainly on account of legal expenses, no dividend was paid for the year ended March 31, 1920, but an interim dividend of four per cent. per annum less tax has been declared for the half-year ended September 30 last. The directors calculate that the acceptance of the Government offer will, after discharging the Company's liabilities, permit of a return to the shareholders of at least £6 on each of the 121,420 £10 shares issued. Details of the proposal are not revealed, nor do the directors state whether the Company's holdings of investments, whose book value is £368,360, are included in the £6 already mentioned. The sanction of the shareholders will mean the provision of the Atlantic link in an All-Red Cable route.

American Topics.

UNITED STATES FOREIGN TRADE

It has been truly said that necessity is the mother of invention. While we can live in comfort with comparatively little exertion, very few of us will do our best. When, however, it becomes absolutely necessary to do our utmost or go under altogether, it is remarkable how the natural fighting instinct in man comes to the front, and enables him to make surprising efforts to preserve his existence, of which he had formerly appeared utterly incapable. Terrible as the late War was in many of its aspects, it has been accompanied by various kinds of work which, in the sequel, can hardly fail to prove of great advantage to the world in general in taking actual stock of what we really possess. Very few people would be likely to sit down and read THE STATIST who had absolutely no economic knowledge; and clearly, of course, no one who had no economic interests. But we doubt if, even amongst the highly select class of readers for whom we cater week by week, any considerable proportion really appreciate upon what a small part of the developed world we rely as our sources of supply of all the materials which we enjoy, and upon which, in fact, our existence actually depends. The reader sitting in his armchair and glancing at a world map hanging on the walls of his library will be struck by the truth of what we say if he will just glance up for a moment at the map and see how very little of the world is developed, and how comparatively very little the world is capable of development. The greatest of all the continents, that of Asia, is occupied, and occupied perhaps to an extent of density greater than that of other parts of the world, but it is occupied only in a very small part; and, in general, merely along the seaboard. A very small part of the Japanese islands are densely peopled. A comparatively small area of Eastern and Southern China is peopled to an extraordinary density. But taking the vast area of the eighteen provinces as a composite whole, there are very few people spread over the bulk of that area. In India, again, there are immense numbers of people in the old province of Bengal, in Madras, and in certain areas of Southern India, as well as in the more productive provinces on the Western seaboard. But, speaking generally, a very great part of India is either barren waste or wild jungle. Practically from the borders of India to the frontiers of Europe the population is as scanty as that of the most recently settled and wildest parts of the new countries Taken altogether, Asia is about twice the size of North America and occupies very nearly one-third of the total land surface of the earth. Nevertheless, as we have already said, it is not occupied, and a very large part of it, with our present economic knowledge, is not capable, and never is likely to be capable, of being occupied.

As the recent War spread from land to land, and from continent to continent, and the drain on food and raw materials became increasingly intensified, and vast hordes of people were threatened, not with annihilation by the sword, but with annihilation by want of food, it became increasingly necessary to take stock of what actually existed, and how long it was possible for the various belligerents to prolong the struggle. As a result of this, the various Governments employed what statistical talent was available in the various countries of estimating the productive capacity of the different areas; and one result has been that nearly all the banks in this country, as well as in different parts of Europe, and particularly in the United States of America, have adopted the practice of compiling statistics showing the extent of the whole international trade and the area under various crops and carrying livestock. We are much indebted to the National City Bank of New York, which sends us from time to time

reports concerning the foreign trade of the various States of the Union; and on the present occasion they have compiled exceedingly interesting statistics estimating the value of the trade of the United States in the calendar year now rapidly drawing to its close. These figures show that whereas in the period that immediately preceded the outbreak of the recent war the total value of the international trade of the United States only amounted to a little over 800 million sterling, in the year now rapidly drawing to a close the total money value of the international trade of the United States, taken as a whole, exceeds 2,800,000 millions sterling. Naturally, there is not the same extravagant disparity between the value of the exports and imports. The figures show that America is exporting less and less foodstuffs and a larger proportion of manufactures; while, on the other hand, she is importing increased quantities, particularly of foodstuffs, from various countries in the world, but mainly from the various tropical areas and from the East. It would appear that the importance of the Tropics as a source of food supply is becoming increasingly evident, and if this proves to be the case, there is every reason to hope that with the development of the Tropics and an increasing supply of food and raw materials, there will be a gradual recovery, not merely in the United States, but throughout the recently belligerent world, from the effects of the recent terrible and disastrous War.

At a special meeting of the shareholders of the National City Bank of New York held on August 26, 1920, the increase of the capital stock from $25,000,000 to $40,000,000 by the issue of 150,000 additional shares, to be offered for subscription to the shareholders *pro rata* at $125 per share, was authorised. Payments in respect of the new issue were required to be made in full at the head office of the Bank, in New York City funds, on or before October 1, 1920, and the total amount was speedily subscribed by existing holders.

ANGLO-SOUTH AMERICAN BANK.—We recently called attention to the very satisfactory statement issued by this institution. The full report made up to the end of June last has now been issued, and will be presented to the shareholders at the annual meeting to be held on Wednesday next at Winchester House, E.C. During the year the Bank has acquired about ninety-nine and a quarter per cent. of the total issued capital of the British Bank of South America, Limited, —that is to say, 99,238 shares out of a total of 100,000 shares of £20 each with £10 paid up thereon. The Chilian Banco de A. Edwards y Cia. has also been taken over at the price of $190 for each share, on which $100 is paid up. Moreover, the Anglo-South American Bank has subscribed for a further 238,583 shares at par in the Commercial Bank of Spanish America, making its total holding in that institution 479,364 shares, or very nearly ninety-six per cent. of the total. The liabilities and assets of the Anglo-South American Bank and its affiliated banks on June 30 last stood as follows:—

LIABILITIES	Anglo-South American Bank	British Bank of South America	Commercial Bank of Spanish America	Internal Total
	£	£	£	£
Issued capital	4,364,529	1,000,000	261,117	5,625,937
Reserve fund	4,063,827	1,000,000	75,000	5,138,827
Sight Drafts on Head office and branches	8,690,294			8,690,294
Bills payable	8,559,474	2,106,109	526,858	1,192,441
Acceptances	5,434,913	840,783	—	6,275,696
Current, deposit & other accts.	59,275,146	19,064,185	2,479,747	80,819,571
Bills for collection	7,833,939	3,790,781	296,305	11,920,125
Rebate	83,539	43,167	6.0	129,146
Total	98,276,852	27,845,023	3,439,935	129,561,810
ASSETS.	£	£	£	£
Cash, at bankers and at call ...	27,675,933	5,237,607	378,306	33,289,846
Bills receivable	20,880,295	7,618,219	569,137	29,077,651
Investments	9,657,093	971,167	30 957	10,660,027
Acceptances (per contra) ...	5,434,913	840,783		6,275,696
Advances	26,245,140	9,108,886	2,141,653	37,495,679
Bank premises	541,629	277,580	23,577	842,786
Bills for collection (per contra)	7,833,039	3,790,781	296,305	11,920,125
Total ...	98,276,852	27,845,023	3,439,935	129,561,810

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HARDEN BROS. & LINDSAY LTD.

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CORRESPONDENCE INVITED.

Rubber Topics.

THE stagnant condition of the Commodity market dominated the Share market during the week. Opening on Monday as low as 1*s.* 5½*d.* per lb., the quotation for standard crêpe improved slowly but steadily to 1*s.* 6½*d.* by Thursday. The movement represented entirely the sympathetic reflection of the growing support accorded to the restriction of output advocated by the Rubber Growers' Association. It will be recollected that the 1918 scheme was not followed on any large scale by groups outside this Association. It is now certain that not only will the large majority of the Association, which has grown considerably in the interval, fall in with the proposal, but that the powerful group of Dutch producers are about to circularise their members with a view to participating in the scheme. This conclusion represented the almost unanimous decision of the members of the International Association for Rubber Cultivation in the Netherlands Indies at a meeting held at The Hague on October 9. Whilst concurring in the principle, the Dutch producers insist on the advisability of securing the desired reduction by the application of such natural methods as are involved in alternate daily tapping and the adoption of necessary measures for improving the health of the trees. This is in keeping with the plan suggested by the Rubber Growers' Association, which rightly emphasises the adoption, where not already in force, of alternate daily tapping. The accession of this powerful Dutch Association ensures the rapid success of the scheme.

ANNUAL REPORTS ANALYSED.

BRADWALL (F.M.S.).

Issued Capital: £90,000 in Shares of £1 each.

	Total Planted Acres	Area in bearing Acres	Rubber Output lb.	Yield per Acre Bearing lb.	Av. Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,803	1,235	118,703	339	2/5.34	1/2.08	30,625	13,500	15
1917 ...	2,003	1,332	143,579	333	2/1.20	1/7.05	11,809	—	—
1918 ...	2,242	1,332	372,751	280	1/8.63	1/5.62	5,103	9,000	10
1919 ...	2,242	1,487	606,190	382	2/0.40	1/2.69	29,639	18,000	20

Price of Shares, 42/6. Market Capitalisation per planted acre, £85.

FROM all points of view the report of Bradwall Rubber Estate for the year ended December 31, 1919, is a satisfactory document. The crop actually harvested amounted to 606,190 lb., and represents a very creditable achievement when it is remembered that the estate was handicapped by the shortage of labour, particularly during the first half of the year. The f.o.b. cost of 11.99*d.* per lb. compares very favourably with the 1918 cost of 1*s.* 2.08*d.* per lb.; whilst at 1*s.* 2.69*d.* per lb. the "all-in" cost is nearly 3*d.* per lb. lower. Furthermore, this gratifying reduction in the cost was accompanied by a no less satisfactory improvement in the sale price of the crop, which advanced from 1*s.* 8.63*d.* per lb. in 1918 to 2*s.* 0.4*d.* per lb. in the year under review. Consequently, whereas 1918, with its restricted crop, low sale price,

and high cost of production, but a profit of £5,106 only, the profit for 1919 reached the pleasing figure of £29,639. There was received during 1919 a sum of £5,106, representing a refund of taxation, £3,992 being due under excess profits. For the year under review, after an allocation of £5,000 to the general reserve, thereby raising it to £10,000, there was paid to shareholders a dividend of twenty per cent., absorbing £18,000, leaving a balance of £14,899 to be carried [illegible]. Allowing £5,000 in respect of the estimated liability for excess profits duty, this leaves a net balance of £9,899, as against £9,736 (in which is included the above refund of £5,106) brought forward from 1918.

With this, as with some [illegible] companies, the outlook for the current year is by no means as bright as that of 1919. The estimate looks forward to a crop of 750,000 lb., but it was generally admitted that unless an adequate labour staff was secured such a crop could not be obtained. Returns for the first eight months give a total of 403,882 lb., which would indicate that the shortage of labour had not yet been made good. Moreover, the probable participation in the proposed scheme of restriction will render it very unlikely that the final crop will be in any close proximity to the estimate. Furthermore, in this period of unduly low prices for rubber it is obvious that, in the absence of substantial sales in advance, not much profit can be earned in the current year. In this instance forward contracts cover only 112,000 lb., or less than one-sixth the estimated crop. The price, however, of 2*s.* 9*d.* ex Singapore must be regarded as rather satisfactory in these days. On the other hand, if the corporation tax will take its toll of the profits for 1920, it may so fall out that the Company may claim a refund in respect of the excess profits duty. But if the current outlook is at best uncertain, the distant future is very promising. Nearly one-third of the planted acreage has yet to come into bearing. According to the visiting agent, the estate is in very good condition, and comparatively little brown bast is in evidence. Financially, too, the position of the Company as seen in the balance sheet dated December 31, 1919, is very sound. Liquid assets are available to a total of £49,358 to meet current liabilities which, with the inclusion of £11,250 in respect of the final dividend, do not exceed £25,072. At a market quotation of 42*s.* 6*d.* for the £1 shares the market capitalisation per acre is as low as £85, at which level the shares constitute an attractive lock-up investment.

KUALA SELANGOR.

Issued Capital : £77,500 in 2/- Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Average Yield per Bearing Acre lb.	Price "All-in" per lb.	Net Profit £	Dividend Rate	Dividend Amount £
1916 ..	1,818	1,003	403,882	417	2s. 9d.	50,106	20%	15,000
1917 ..	1,828	1,058	625,001	591	2s. 1d.	34,736	15%	11,625
1918 ..	1,828	1,058	590,075	558	1s. 6d.	9,736	25%	18,375
1919 ..	1,828	1,703	650,857	374	1s. 11d.	29,639	20%	18,000

Price of Shares, 10 1½. Market Capitalisation per planted acre, £213.

The shareholders of Kuala Selangor have every reason to congratulate themselves upon the report presented for the year ended December 31, 1919. With the 1918 restrictions on output removed there was estimated for the year a crop of 625,000 lb. The crop actually harvested exceeded this estimate by 15,857 lb., representing an average yield of 371 lb. per bearing acre. This growth in the crop, in conjunction with the efficient administration of the estate, rendered it possible to reduce the working cost, and this despite the increase in the prices of stores and materials. The high price of rice was counteracted to some extent by the cultivation of a certain quantity of native food on the estate. Thus an "all-in" cost of 9*d.* per lb. for 1918 was replaced by the still lower level of 8.55*d.* per lb. This figure certainly represents the lowest "all-in" cost we have come across so far for the year under review, and we do not anticipate that it will be excelled. Meanwhile the price realised by the sale of the crop moved up from 1*s.* 6.6*d.* per lb. to 1*s.* 11.6*d.* per lb. Consequently the profit of 9.6*d.* per lb. in 1918 is replaced by a profit of 1*s.* 3.6*d.* in 1919. Hence, the total of £40,824 is nearly double that of 1918. Dividends paid to shareholders aggregated sixty-two and a-half per cent., the same rate as in 1918. But, as against £19,375 required to meet the 1918 dividend, the dividend for the year under review absorbed £48,438. The discrepancy is accounted for by the increase in the issued capital from £31,000 to £77,500 in respect of the capitalisation scheme of share for share, and the new issue of 155,000 shares at par, which took place before the close of 1918. Allowing for the capitalisation only, the dividend is at the rate of 125 per cent., as compared with 62½ per cent. in 1918. It is evident, too, that the dividend was not paid out of profits only, and as the amount brought forward from 1918 did not exceed £2,636, some other source of revenue must have been forthcoming. This source consisted of a refund of £16,388 in connection with the excess profits duty owing to the mediocre profits of 1918. The amount carried forward to the next accounts is £10,999. It is stated to be subject to excess profits duty. Bearing in mind the above refund, when the profits were returned at £20,579, it is certain that the liability for 1919 is not likely to exceed £1,500, and this is more than covered by the refund of £2,700 in respect of income tax received since the close of the accounts, thus increasing the net amount carried forward to a minimum of £12,200.

Despite the existing depression in the Rubber market the outlook for the current year is rather promising. Here is a company with a high datum line and with the ability of producing rubber at an "all-in" cost estimated at 10*d.* per lb. for 1920. It has already secured 450,235 lb. for eight months out of an estimated crop of 640,000 lb. Making due allowance for a restriction of twenty-five per cent. in November and December, the final crop should not fall short of 650,000 lb. Of this crop 270,000 lb. have been sold forward at the satisfactory London price of 2*s.* 4¾*d.* per lb. But whatever its outlook for 1920 the prospects for the more distant future are distinctly bright. The estate is reported to be in first-class working order and most efficiently managed. The 115 acres planted in 1916 present a very healthy appearance of growth. Much is expected, too, from the coconut plantation in Papua with 1,014 acres now planted. Financially, the Company is in a very sound position. Current liabilities, including the final dividend of £29,063, do not exceed £36,041, according to the balance sheet dated December 31, 1919; whereas liquid assets are available to a total of £56,947. Furthermore, there is a reserve account of £22,096, or nearly thirty per cent. of the issued capital. Considering the adverse circumstances of the moment, especially the record low price of rubber, we are inclined to regard forty per cent. on the increased capital as a likely maximum dividend for the current year, unless the average price realised by the crop exceeds 1*s.* 8*d.* per lb. At the existing quotation of 10*s.* 1½*d.* the 2*s.* shares afford on the basis of this dividend a return of nearly eight per cent.

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CLUNY.

Issued Capital: £70,000 in shares of £1 each; Debentures, £8,700.

	Area				Results for Years to December 31				
	Total	Un-	Rubber	Average	Average	Average	"All-in"	Net	Dividends
	planted	planted	output	per Acre	realised	Cost	Profit	Amount	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	
1916...	928	701	223,940	320	2·7 46d.	1 2·54	15,598	12,250	17½
1917...	888	—	241,892	—	2·9 68d.	1 7·5d	9,931	7,000	10
1918...	959	—	191,548	—	1 7·89d.	1 7·25	389	—	—
1919...	971	—	278,248	—	1 10·89d.	1 2·61	12,227	1 9,500	15

* Gross price. † Net price.

Price of Shares: 23/9. Market Capitalisation per planted acre, £86.

For Cluny, as for many other rubber companies, 1918, with its output restrictions, was a year of very mediocre results. With the disappearance of these restrictions, however, it became feasible to forecast for 1919 a crop of 265,000 lb. The report to hand for the year ended December 31, 1919, shows that not only was this estimate realised, but that the final crop harvested exceeded it by over 13,000 lb. To understand how creditable an achievement this was let it be remembered that during the whole year the estate was handicapped by the inadequacy of the available supply of tappers. So marked was the labour shortage that beyond the planting of twenty and a-half acres no further development work could be undertaken. This marked increase in the crop was reflected in a gratifying decline in the cost of production. The f.o.b. cost, which reached 1*s*. 4.14*d*. per lb. in 1918, now dropped to 11.99*d*. per lb., whilst the "all-in" cost was reduced still further from 1*s*. 7.25*d*. per lb. to 1*s*. 2.61*d*. per lb. And this reduction in the cost of working coincided with an improvement in the price secured by the disposal of the crop from 1*s*. 7.80*d*. per lb. to 1*s*. 10.89*d*. per lb. Thus instead of the nominal profit of £339 in 1918, which was due entirely to the receipt of £431 in respect of interest, there is obtained the more substantial profit of £12,227, which compares favourably with £9,931 for 1917. Out of this the directors wisely decided to transfer £2,000 to the income-tax reserve account, in view of the heavy addition to taxation made by the 1919 Finance Act. Of the balance, shareholders received £10,500, representing a dividend of fifteen per cent., as against nil in 1918 and ten per cent. in 1917. There is carried forward to the next accounts the substantial balance of £7,619.

For the current year the Company anticipates a crop of 335,000 lb. at an estate cost of 9*d*. per lb. as against an estate cost of a little over 10*d*. in 1919. Returns for the first eight months of the year show that a harvest of 242,752 lb. has been collected, which is ahead of the estimate. Bearing in mind the proposed reduction in output for the last two months of 1920, it is not unlikely that the estimate will be realised. Forward contracts cover the sale of 105,280 lb. at a net average price of 1*s*. 10.1*d*. per lb. In view of the low levels now being reached by rubber, it is only reasonable to assume a lower average than that of 1919, and it may fall below even the average of 1918. To this extent the outlook is at best uncertain, and the tendency is rather gloomy. On the other hand, the Company, having so far escaped liability for excess profits duty, is not likely to suffer from it in the current year. It will, however, have to meet the corporation profits tax. Financially it is in a very strong position. By systematic allocations it has written down its buildings and furniture to £4,902, whilst plant and machinery, live-stock, and vehicles only figure at the nominal value of £1 in the balance sheet at the end of 1919. Similarly current liabilities, including the final dividend of £7,000, do not exceed £14,522, and are more than amply covered by liquid assets to a total of £27,787. Taking into account the large balance carried forward, a dividend of ten per cent. is not out of the question for the current year unless the "all-in" cost should have increased unduly or the average sale price dropped to a very low level. On the basis of this dividend the £1 shares afford at the existing quotation of 23*s*. 9*d*. a return of over eight per cent.

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Insurance Notes.

COMMERCIAL UNION ASSURANCE CO., LTD.

As usual, the report for 1919 of this great Insurance Company tells a tale of striking progress and increased prosperity. Premium income, funds, profits, and dividends alike are bigger and better than any previously recorded. In each of its departments the Company is one of the largest operating in the United Kingdom, and the first-class quality of the business, as tested by results, is as conspicuous as its abundant quantity. Some companies have advantageously specialised in particular descriptions of insurance, but the Commercial Union has uniformly and consistently been successful in all of them to a degree which reflects great credit, not only on its various departmental managers, but on the directors and their chief executive officer.

The following table shows the advance in premium income in the course of last year:—

Department	Premium Income in 1919	Premium Income in 1918	Increase	Decrease
	£	£	£	£
Fire ...	6,032,826	5,262,477	770,349	—
Marine ...	855,924	821,280	34,645	—
Accident ...	5,362,159	4,608,959	753,199	—
Total commercial departments ...	12,250,909	10,692,716	1,558,193	—
Sinking fund and capital redemption business ...	24,551	30,243	—	5,692
Life (fire) business ...	854,951	748,956	105,995	—
Acquired life business—				
West of England ...	7,982	8,975	—	993
Hand-in-Hand ...	133,779	142,991	—	9,212
Union Life ...	156,479	172,754	—	16,275
Liverpool Victoria ...	33,716	33,922	—	206
Edinburgh Life ...	294,482	(acquired in 1918)	294,482	—
Annuity business—				
Direct	118,270	104,607	13,663	—
Union Life ...	24	24	—	—
Edinburgh Life	5,800	(acquired in 1918)	5,800	—
	13,880,943	11,935,188	1,978,133	32,378
(Of which life premiums ...	1,481,559	1,107,598)		

The new life assurances effected in 1919 amounted to £4,484,999, of which £588,300 was reassured, the net retention at the Company's sole risk thus being £3,896,699, as compared with £1,607,769 in 1918. No contribution to profits was made in respect of the life business of last year, as such profits (if any) are ascertained only by valuations at quinquennial intervals, the last of which took place on December 31, 1917. The life and annuity funds, as shown in the balance sheet on December 31, 1919, were as follows:

	£
Direct life funds	8,057,624
West of England life funds	430,542
Hand-in-Hand life funds	3,116,318
Union life funds	3,429,079
Liverpool Victoria life funds ...	251,780
Edinburgh life funds	4,544,170
	19,829,513
Capital redemption funds	415,392

The trading profit in 1919 in the Company's fire department (after adjustment of the reserve for unexpired risks on the former basis of forty per cent. of the year's premiums) seems to have amounted to £835,890, representing about 13.8 per cent. of the premiums. £300,000 is transferred to profit and loss account, £200,000 is transferred to the uncalled capital

reduction fund (see hereafter), and the fire reserves, apart from those for unexpired risks, are increased by £335,890.

The sum of £350,000 is transferred to profit and loss account from the marine account, which is also debited with a transfer of £300,000 to the uncalled capital reduction fund. The trading profit in the marine section does seem to have been estimated as £650,000, but it would probably be wrong to regard the whole of this sum as profit actually made in 1919, for the marine fund must undoubtedly have been much larger than was required for running off unexpired risks at the close of 1918. Moreover, all the departmental trading profits are lessened by heavy taxation appearing in the profit and loss account.

There is an apparent trading profit of £515,581 in the accident section, representing about 9.6 per cent. of the relative premium income, apart from net departmental interest earnings of £24,419. The sum of £450,000 is transferred to profit and loss account, and the sum of £90,000 to uncalled capital reduction fund.

To the departmental profits already mentioned have to be added the sum of £485,441, representing the difference between net interest earnings of £538,032 credited to profit and loss account and Debenture interest of £52,591 paid by the Company, and also loss of £1,097. On the other hand, the following items charged to profit and loss account fall to be deducted: Income tax and excess profits duty, £678,389; and cost of alterations and repairs at head office and branches, £33,961.

All the profits already referred may to this recapitulated:—

Department or	£	£
Fire	87,316	
Marine	650,000	
Accident	515,581	24,419
Profit and Loss	1,000	485,441
	1,253,897	
Loss items charged to Profit and Loss	32,708	
	1,800,212	509,860
	£1,858,072	

The allocation appears to be as follows:—

(1) Dividends:
The subscribed capital of the Company amounts to £2,950,000, of which £295,000 was paid up on December 31, 1918, on 295,000 shares of £10 each, £1 per share. In March 1919 the sum of £295,000 was applied out of the uncalled capital to the second call of 10s. 6d. per share, in payment of 5s. per share, making £3 paid up, and the £10 shares were thereupon divided into 590,000 of £5 with £1 10s. paid on each. A dividend in respect of 1919 is declared on these shares at the rate of 18s. 6d. per share, free of income tax, which is equivalent to 35s. per old nominal share, as compared with the same of 35s. per share which was declared in respect of 1919. This dividend requires for distribution the sum of £545,750

N.B.—It will be noted that the amount is only a little in excess of the [illegible]

(2) Dividend [illegible]
Out of the 1919 [illegible] in order to be applied in [illegible] £1 to the amount paid up per share, namely £2 10s. on each £5 share. This requires [illegible]

N.B.—The practice of reserving [illegible] dividend distributions, as compared to the Company's practice [illegible] per share on the £1 per share amount paid up.

(3) Written off [illegible] 29,000
(4) Transferred to [illegible] 35,580
(5) Transferred to [illegible] 1,000
(6) Added to [illegible] 35,580
(7) Written off [illegible] 182,708
(8) Added to [illegible] 90,111

The total assets, as shown in the Company's balance sheet at December 31, 1919, amounted to £41,895,721. Apart from capital, life funds, capital redemption funds, investment reserve and contingency fund, guarantee and various Trust [illegible] carried forward to 1920, after [illegible] seem to be as follows:—

[illegible]	[illegible]
Accident [illegible]	[illegible]
Marine [illegible]	[illegible]
Reserves [illegible]	[illegible]
Profit and [illegible]	[illegible]

This represents about [illegible] total premium income in 1919 [illegible]

(£12,250,909) in the fire, accident and marine departments. The uncalled capital reduction fund of £300,000 is not included in the statement, as it will be applied in raising the paid-up capital from £885,000 to £1,475,000, but this capital is, of course, a strong further reserve.

Mr. E. Roger Owen, who has so successfully supervised the operations of the fire, life and accident departments of the Company's business for many years, has retired from the post of General Manager of these sections, but his services will not be lost by the Company, which owes so much to his skill and experience, for he has been elected as a director, and his first appearance in that capacity is as Chairman of the board. He is succeeded by Mr. Joseph Powell (formerly Deputy General Manager) and Mr. C. W. Armstrong, formerly Manager of the Ocean Accident Insurance Company, which has been owned and controlled by the Commercial Union since 1910. These gentlemen will act as Joint General Managers of the departments referred to.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	1916
BANKS:					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BREWERIES:					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hexthal [illegible]	15	15	12½	10	10
COMMERCIAL:					
Birmingham Small Arms (5s)	2(A)	2(A)	20(A)	6	2
Brunner and Mond	6	5	12(B)	11	17
Enfield (Alfred A. Stone) Cycle (5s)	6d	7d	1s	2d	Nil
Goldsmiths and Silversmiths ...	5½	11¼	7½	5	5½
Lennon Paterson	20	10	15	12½	10
Spillers Milling & Associated ...	25	25	15	15	10
FINANCIAL, LAND & TRUST:					
Alliance Investment, Def. Stk. ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cedes[illegible] Investment	1	6	5	7	5
Industrial & General Trust Ord. Stk.	1	[illegible]	[illegible]	[illegible]	[illegible]
Investment Trust Corpn. Def. Stk.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pacific Loan & Investment (5s) ...	[illegible]	9	[illegible]	[illegible]	[illegible]
Scottish Mort. Co. A [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trust & Agency Co. A (£10) ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£10 ch. £1 pd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
INDIAN RAILWAYS:					
Bombay, Baroda & Cent. India Ord.	[illegible]	[illegible]	[illegible]	[illegible]	
INSURANCE:					
Motor Union Insurance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IRON, COAL & STEEL:					
Ebbw Vale	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Newton, Chambers, £10 sh.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
South Durham Steel & Iron	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MINING:					
Kinta Tin ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oregon Links, [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tronoh	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OIL:					
Burmah Oil ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SHIPPING:					
African Steamship, £20 sh. ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
City of Dublin Steam Packet ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Wings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal Mail Steam Packet Def. Stk.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Union Castle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TEA, COFFEE AND RUBBER:					
Anglo-Dutch Plantations ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brown and Co[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ceylon Land [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kepong (Maxwell)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TELEGRAPHS AND TELEPHONES:					
Direct United States Cable £10 sh.	2(B)	1	1	1	1
Indo-European [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trans-[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(A) One bonus new share for each old.
bonus of one new £10 share for each old £10.
[illegible]
[illegible]

FOR DISCRIMINATING SMOKERS
STATE EXPRESS
CIGARETTES
Nº 555 Virginia Turkish Nº 444
Sole Manufacturers: ARDATH TOBACCO CO., LTD., London

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
St. Swithin's House, St. Swithin's Lane, London, E.C. 4.
General Manager: Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

Commercial.

ECONOMIC TURKEY.—II.

Now it has been clearly demonstrated as a result of experience since the conclusion of the Armistice, now very nearly two years ago, that if Europe is not to starve from actual lack of food to feed her inhabitants, as well as lack of raw materials to feed her industries, upon which the bulk of the inhabitants are employed, Europe must feed herself. Certain parts of Europe, like Eastern France, were largely industrial before the War, and those parts have suffered, and suffered severely, by the destruction of machinery and various kinds of plant required by those industries. This, however, is not true of the great bulk of Europe; particularly it is not true of Eastern and South-Eastern Europe. South-Eastern Europe, with which we are dealing for the moment, is essentially an agricultural country. Terrible as war is under any circumstances, in the nature of the case it cannot effect the destruction in an agricultural country that is possible in a highly developed industrial community having immense quantities of valuable machinery and plant for the conduct of its industries. Armies may destroy existing crops, and may carry off animals needed for the conduct of that industry, but they cannot destroy the land itself. Consequently, after a season or two an agricultural community more or less recovers from the effects of war.

What those countries which formerly constituted part of the Turkish Empire require is clothing to protect them, and employment which will enable them to restart their agricultural operations. So far as we are able to assist the rest of Europe to feed itself and to produce raw materials for the feeding of its industries, we are directly assisting in the reconstruction of Europe, and indirectly we are rehabilitating our own trade. Eggs, for example, were four a penny in Constantinople before the War, and if we succeed in rehabilitating the comparatively large agricultural area from which Constantinople formerly drew its supplies, we shall assist in reducing the price of daily produce as well as all other agricultural products.

Now one of our greatest difficulties at the present time is that we have such a limited area from which to draw our supplies. Russia is closed, South-Eastern Europe, as we have just said, is at the moment barely able to feed itself, and consequently we have been drawing to an abnormal extent upon the United States and upon various countries in South America. The result has been that the exchanges, as the phrase goes, are against us, which is simply a form of expression which traders use for convenience, which means that goods have been obtained without it being possible to render economic values of an equal extent in return.

With regard to the United States, for example, we are paying something like thirty-three per cent. in addition to the ordinary trade profits for everything we obtain from the United States. Now it is eminently desirable that we should obtain supplies upon a very much lower economic basis than such figures denote. We are also paying a premium on the Argentine dollar, whereas we should only have to pay a little over 47*d.* for the Argentine gold dollar if the £ sterling were at par. We, in fact, give more than 60*d.* owing to the depression in the £ sterling, which is not as it was before the war interchangeable for gold.

Briefly, we may say that in trying to rehabilitate the condition of the devastated States of Europe we are only following our traditional policy of opening up from time to time various sources from which to obtain supplies of food and raw materials when those sources from which we have been accustomed to obtain them failed to supply us upon the economic basis to which we had been accustomed.

It has to be remembered that Great Britain is essentially a country of townsmen. More than eighty per cent. of our population live in towns. Principally our people live almost entirely upon the manipulation of raw materials, rendering services, and in employing their surplus capital in foreign parts, mainly for the express purpose of obtaining food and raw materials upon a low economic basis. In the rehabilitation of Europe, or rather in attempting to rehabilitate Europe, we shall doubtless make many mistakes, and very serious mistakes. At the same time it is essential we should assist those countries capable of supplying us with food and raw materials, provided they show any kind of indication of being able to maintain order within their territory, at least to the extent that their farmers will be able to grow their crops without being murdered and their produce confiscated.

In the period that preceded the outbreak of the recent War we performed very nearly two-thirds of the shipping services rendered to the outside world, and the late ex-President Roosevelt was good enough to say that we performed those services so well and so cheaply that it was not worth while for the rest of the world to compete against us. Being an island, dependent upon overseas sources for our supplies of food and raw material, and for the sale of our products, it is essential that we should possess a large mercantile marine, and that mercantile marine should be able to work upon a basis so moderate that it would be exceedingly difficult for any State to compete with us.

We were continuously employed in the period that preceded the War in looking out for new fields to open up in order to feed our people and to supply them with the materials on which they worked. Those classes of the community which had a considerable surplus of income over and above what was necessary to maintain them in their accustomed style of living saved an appreciable proportion every year for investments abroad, and these investments were made primarily with the object of continuing to supply us with food and raw materials upon as low an economic basis as was practicable.

We carried our practice too far, unfortunately, in the last decade of last century; but, as said above, man is so constituted that if he does anything he is bound to make a certain measure of mistakes. Finding as we did, towards the last quarter of the nineteenth century, that the United States was no longer in a position to supply us with articles of primary necessity upon the basis of economic values to which we had been accustomed, we deliberately opened up the Argentine Republic. We have invested over 300 millions sterling in the Argentine Republic. We did not do this as philanthropists, but we did it for the purpose of obtaining wheat and meat and linseed, and various other products, at a cheaper rate than we could get them in the United States. We were so successful that Argentina herself could hardly find a market for her produce, and the United States found it unprofitable to sell wheat in Europe which had been grown west of Chicago. The result, as the reader is aware, was the serious crisis which culminated in the outbreak of the American-Spanish War.

Industrial Companies.

SIR W. G. ARMSTRONG, WHITWORTH AND COMPANY, LIMITED.

Capital: Issued and allotted, £10,012,500, in 5,512,500 £1 Ordinary shares; 200,000 4% Cum. 1st Preference shares of £5 each; 1,000,000 5% 2nd Preference shares of £1 each; and 2,500,000 6½% 3rd Preference shares of £1 each.

Year to Dec. 31	Ordinary dividend	Interest & special charges	Net Profits	Transfer to reserve	Transfer to other allowances	Carried forward
	£	£	£	£	£	£
1912 ...	794,171	115,740	675,527	[illegible]	[illegible]	[illegible]
1913 ...	852,581	119,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1914 ...	936,251	114,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1915 ...	1,181,042	240,[illegible]	[illegible]	[illegible]	[illegible]	161,[illegible]
1916			[illegible]			
1917			[illegible]			
1918			[illegible]			
1919			[illegible]			[illegible]

[illegible] [illegible] [illegible] [

yield on the Ordinary shares being calculated on the basis of a dividend of twelve and a-half per cent.

Ordinary Shares.	Price.	Yield.
	£ s. d.	£ s. d.
Ordinary shares	1 0 0	11 1
5% Cum. 1st Preference shares	0 15 9	7 1
5% 2nd Preference shares	0 12 10	8 0
6% Non-Cum. 5th Pref. shares	0 15 12	8 1
4% Mortgage Debentures	£1 10 0	6 2
6½% 2nd Mortgage Debentures	91 10 0	7 1
6½% 2nd Mortgage Debentures (£50 paid)	46 0 0	7 0

Price of 1st £1 10s. 0d. is ex the bonus.

HARRISONS AND CROSFIELD.

The name of Harrisons and Crosfield has become such a household word in the rubber plantation industry that many are apt to lose sight of its varied range of activities. Whilst actively engaged in the rubber trade itself, this house with its high financial repute is no less prominently identified with the financing and management not only of rubber companies, but also of tea companies. Furthermore, it is directly interested in the tea trade, whilst its extensive investments cover many of the most successful rubber, tea, and coconut companies. Realising these facts it is easy to understand how the report issued by this firm for the year ended June 30, 1920, constitutes a record in the history of the house.

	1920 £	1919 £	1918 £	1917 £	1916 £	1915 £	1914 £
Net pr fit* ...	249,204	191,571	209,226	181,076	144,717	148,949	130,912
Income of Pref reserve fund	—	—	5,914	5,205	4,534	3,354	3,357
Total profit...	249,204	191,571	212,190	187,181	154,251	152,303	134,269
Reserve Allocations:							
General ...	13,922	11,021	27,500	25,000	24,050	—	26,118
Staff ...	11,000	3,000	6,500	7,000	—	—	1,500
Property ...	—	—	—	5,000	5,000	—	30,000
Preference ...	—	—	—	7,756	4,771	2,393	—
Income tax ...	—	15,000	10,000	25,000	25,000	22,500	4,500
Writings off	—	—	—	—	—	5,555	—
Total ...	24,922	29,021	74,000	69,756	54,771	50,448	35,118
Balance ...	224,282	159,547	138,190	117,425	99,480	101,815	99,151
To Dividends:							
Preference ...	37,230 (6%)	36,165 (6%)	33,000 (5½%)	33,000 (5½%)	38,940 (6½%)	27,500 (5½%)	27,500 (5½%)
Pref. Ord. ...	80,000 (20%)	37,500 (10%)	30,000 (10%)	30,000 (10%)	30,000 (10%)	30,000 (10%)	30,000 (10%)
Def. Ord. ...	59,082	56,089	15,000	—	—	—	—
Management ...	15,344	37,176	60,000	52,500	37,500	37,500	30,000
Total divs.	222,556	166,930	138,000	115,500	106,440	95,000	87,500
Balance ...	1,726	1,483	190	1,925	6,959	6,815	11,651
Brought forward	36,147	37,530	37,340	35,415	42,515	35,550	23,879
Carried forward	37,873	39,147	37,530	37,340	39,415	42,315	35,550

After providing for bad and doubtful debts, depreciation, etc., in respect of 1916, 1917, 1918, 1919 and 1920 for excess profits tax and corporation tax.
† Including accrued dividend to June 30.

The era of prosperity which the rubber industry in particular experienced after the Armistice is reflected in the marked increase in the net revenue from £191,571 to £249,204. The removal of the restrictions on output, the resulting increased production at a reduced cost, and the greater transport facilities enabled rubber companies in general to earn substantial profits for 1919. And the prosperity of the tea trade was scarcely less pronounced. Allocations out of this profit amounted only to £24,922, as against £32,024 in the previous year. The sum of £11,000 represents the bonus proposed to be distributed to the staff. But the genuine interest which the firm takes in the welfare of its employees was not restricted to this. During the year no less than £39,000 had been distributed as a war bonus, and, in addition, some £8,000 had been contributed to the staff provident fund. Owing to an increase in the Preference capital from £611,000 to £630,000 the amount required to discharge the dividend of six per cent. increased from £36,165 to £37,230, whilst the expansion of the Preferred Ordinary capital from £600,000 to £1,000,000 is reflected in the growth of the amount of the dividend from £37,500 to £80,000. In view of the success of the trading results of the year under review, the amount distributed to holders of Deferred Ordinary shares advanced from £50,089 to £59,982, the issue having risen from £162,356 to £182,966. Similarly, management shares received £45,344 instead of £37,176. Nevertheless, the amount carried forward has been increased to £37,873.

An analysis of the balance sheet reveals some interesting changes:—

ASSETS	1920 £	1919 £	1918 £	1917 £	1916 £
Property	934,771	534,415	423,946	392,180	365,300
Plant and machinery	24,155	26,138	28,938	28,407	45,128
Furniture and fittings	13,328	9,441	9,261	11,167	13,625
Stocks at cost or under	558,734	487,387	356,245	611,636	476,998
Loans	301,573	473,256	388,655	242,402	162,477
Debtors and bills ...	803,456	403,294	378,720	598,822	417,880
Investments at cost or under	1,267,653	1,048,072	713,829	549,167	497,089
Cash	104,188	121,593	57,023	99,469	69,933
Pref. reserve fund (investments & deposits)	—	—	102,500	102,500	102,500
Acceptances, per contra	449,170	167,806	239,406	240,431	253,890
Total	4,437,028	3,272,400	2,698,523	2,867,168	2,398,820
LIABILITIES.					
Issued capital	1,837,356†	1,293,230	907,500	907,500	907,500
Reserve funds	459,078	330,976	346,000	309,000	281,000
Mortgages	153,938	177,166	98,500	100,500	103,000
Sundry depositors ...	385,861	370,778	119,141	157,414	161,538
Creditors and bills ...	820,507	680,889	641,525	821,949	399,133
Bank overdrafts	234,047	335,370	189,921	178,534	162,969
Acceptances, per contra	449,170	167,806	239,406	240,431	253,890
P. & L. account balance*	97,071	115,701	156,530	151,840	129,790
Total	4,437,028	3,272,400	2,698,523	2,867,168	2,398,820

Subject to payment of final dividends.
† Exclusive £400 cash on account of shares paid.

A measure of the increased activities of the Company is provided by the expansion of fixed assets during the year, property having risen by over £400,000. The growth of sundry debtors, including bills receivable, from £403,294 to £803,456 speaks no less eloquently of this aspect. In like manner the increased interest which this firm is taking in the various rubber, tea, and coconut companies is reflected in the value of investments at £1,267,653, as against £1,048,072 in the previous accounts. In keeping with their financial reputation, this value is extremely conservative, the report of the directors indicating that the market value shows a large appreciation over the book value. To finance its growing activities the issued capital has been increased, as already indicated, by nearly £550,000 to £1,838,000. The addition of £125,102 to the reserves represents mainly the net premium of £111,078 received by the issue of the 400,000 Preferred Ordinary shares at a premium of 6*s.* 6*d.* Corresponding with the rise in sundry debtors, sundry creditors have expanded to £820,507, but the bank overdraft has been reduced from £335,370 to £234,047. Financially the position of the Company is very strong. Current liabilities, including the final dividends on the Management and Deferred shares to the amount of £34,275 and the staff bonus of £11,000, do not exceed £1,099,829; whereas, according to the balance sheet as on June 30, 1920, liquid assets in the form of cash, sundry debtors, and stock are available to a total of £1,209,217. This financial strength, as again reflected in the balance of £37,873 carried forward and in the reserve of £473,000, speaks well for the future prospects of the concern. Admittedly the current year, with its acute depression in the Rubber and Tea markets, which has culminated in the proposed restrictions of outputs, will be a rather trying period. But, however, as the Management and Deferred shares, which will have to bear the brunt of this set-back, are privately held, the effects on the Preference and Preferred Ordinary shares can be neglected. And these are the shares quoted on the market. At the existing quotation of 15*s.* 7½*d.* the Six per Cent. Cumulative Preference shares afford a return of over seven-and-a-half per cent., whilst at 23*s.* 1½*d.* the yield from the Ten per Cent. Preferred Ordinary shares is nearly eight-and-three-quarters per cent.

The Case Against the Lloyd George Coalition. By Harold Storey. Price 1*s.* net. (London: George Allen and Unwin.) It will surprise most readers and will give some satisfaction to the Prime Minister to learn that the case against the present Coalition can be dealt with in a hundred small pages.

New Issues.

5-15 YEAR TREASURY BONDS.

These bonds, which are still on offer at £100 per cent., payable on application, are repayable at par on May 1, 1935, or on May 1 of any one of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid half-yearly on May 1 and November 1, at a minimum rate of five per cent. per annum, may be further increased during the period ended May 1, 1925, as follows: If in any half-year ended May 1 or November 1 the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a-half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year; if the aforesaid rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. Allotments may be obtained in Registered form, or in Bonds to Bearer.

LOCAL LOANS STOCK.

Issue at £50 per cent. of £15,000,000 stock in multiples of £100 bearing interest at three per cent. per annum, payable quarterly on January 5, April 5, July 5, and October 5.

The National Debt and Local Loans Act of 1887 authorised the creation under the control of the National Debt Commissioners of a Local Loans Fund with the object of assisting the development of the smaller local authorities. At present the amount outstanding is £77,058,813, and the fund is identical in principle with the loans recently raised by the larger municipalities, though embodying several distinct features of its own. The net return is six per cent., the yield on the Quintuple Corporation at the issue price of ninety-five and a-half being slightly higher. Yet the public subscribed for only £1,200,000 out of £5,000,000 of the latter. The issue under review, however, is distinctive in its practical irredeemability. Nominally it is redeemable at any time by resolution of the House of Commons on one month's notice being given, but it is not likely that the Government will ever be desirous of paying off a three per cent. loan. The sinking fund, which consists of the principal repaid by local authorities, will be more profitably employed in reinvestment or in making fresh advances, which powers the Commissioners possess. An annuity of six per cent. thus guaranteed constitutes an attraction which Trustees cannot afford to overlook. The lists close on Monday, October 18.

LONDON HOUSING BONDS.

These bonds, available in amounts of £5 each and multiples thereof, bear interest at the rate of six per cent. (payable on September 30 and March 31), and are redeemable at par on the expiration of five, ten, or fifteen years. They are secured upon all the property and revenues of the L.C.C. and the rates of the Council outside London. Payment may be made in instalments for Bonds to the value of £20 or multiples thereof. Transfers executed free of expense. Each borough has a lien on money subscribed within its boundaries; and individuals may tender bonds at face value in purchase of dwellings erected by a local authority under the Housing Acts. Income tax is not deducted when holdings do not exceed £100.

MACFARLANE AND ROBINSON, LIMITED.

Offer at par of 100,000 Eight per Cent. Cumulative "B" Preference shares of £1 each and 50,000 Ordinary shares of £1 each. Interest is payable in March and September. Holders of, and applicants for, Preference shares will be entitled to a preferential allotment of one-fourth the quantity of Ordinary shares.

The Company was incorporated in 1909 to acquire two enamelled hollow-ware businesses in Glasgow and Wolverhampton. Expanding ever since, it now claims the predominant position in the hollow-ware trade. The objects of the present issue are to reduce the bank overdraft and to provide the additional plant, machinery, and working capital required to cope with widening markets. The Preference shares now offered will rank in respect of capital and interest after the £100,000 Seven per Cent. Preference already issued. The Ordinary shares come next in priority, ranking equally with £99,765 already created. Profits show an increase from £19,762 in 1915 to £35,348 in 1918 and £48,504 in 1919. From these figures must be deducted income tax, managing directors' commission, and interests paid. No information is volunteered as to the extent of these items, the last of which is much too vague. The total Preference dividend, however, will amount to only £15,000, which would seem to be covered by profits after managing directors' commission and interests paid " amount to over £20,000. The net assets, exclusive of goodwill, appear in the balance sheet at £223,836, a figure which is exceeded in the independent valuation. The Preference shares, therefore, seem well covered as to capital. The option to purchase Ordinary shares may be of considerable value, but the fact is not apparent from the data supplied. Investors should notice that the market is not wide, and that quotations are confined to Glasgow and Birmingham.

TYRELL AND GREEN, LIMITED.

Offer at par of 70,000 Eight per Cent. Cumulative Participating Preference shares of £1 each and 14,000 Ordinary shares of the same denomination. Applications for Ordinary shares will be entertained only in conjunction with an application for five times the amount in Preference. When eight per cent. has been paid on the Preference shares, and not less than fifteen per cent. of the remaining profits have been put to reserve, so long and so often as the reserve fund does not exceed £15,000, and the Ordinary shares have received a dividend of eight per cent., the balance which it shall be determined to distribute shall be divisible as to thirty per cent. to the Preference shares and seventy per cent. to the Ordinary shares.

The Company has been incorporated, with an authorised capital of 80,000 Eight per Cent. Cumulative Preference and 62,500 Ordinary shares of £1 each, to acquire the business of Tyrell and Green, general drapers, Southampton. The purchase price is £107,500, payable as to £55,000 in cash, 38,500 in Ordinary shares, and the balance of £14,000 in cash or Ordinary shares at the option of the Company. The net assets acquired are given at £107,500, including an item of £14,366 for goodwill. Independent assessments place the value of the assets at a much higher but unspecified figure. Turnover has increased steadily from £68,009 in 1912 to £181,722 in 1919. Profits, which are shown for the War period only, have mounted from £6,978 in 1915 to £16,736 in 1918 and £21,871 in 1919, without allowing for excess profits duty. The 70,000 Preference shares, requiring an annual divided of £5,600, appear to be securely covered as to both capital and interest, but the Ordinary shares are distinctly speculative. Application will be made in due course for a quotation on the Stock Exchange, but the market will perforce be very narrow. The lists closed on Friday, October 15.

FELLOWS MAGNETO COMPANY, LIMITED.

Offers of 145,000 10*s.* Ordinary shares at 100 per cent. premium, each share being accompanied by an Option Certificate, entitling the holder to purchase another Ordinary share at 18*s.* 6*d.* at any date before December 31, 1921. The issue ranks in all respects *pari passu* with the existing Ordinary capital.

The Company, incorporated in 1916, invaded a sphere of industry monopolised by Germany up to the outbreak of war, and has since developed into a very prosperous undertaking. The authorised capital is £500,000, divided into 200,000 Eight per Cent. Cumulative Participating Preference shares of £1 each and 600,000 Ordinary shares of 10*s.* each. When the present issue is completed the paid-up capital, exclusive of reserves, will amount to £190,000 in Preference and £162,500 in Ordinary shares. A uniform dividend of nine and a-half per cent. has been paid on the Preference shares since 1917, the Ordinary receiving fifteen, twenty-four, and twenty-five per cent. in 1917, 1918, and 1919 respectively, and an interim payment of twenty-five per cent. on the first half of 1920. On December 31 last net assets appeared at £247,172 as against a paid-up capital of £227,500. Since then 105,000 Ordinary shares have been issued, which, with the present issue, constitutes an increase from £37,500 to £162,500 in the Ordinary capital. Under these circumstances the maintenance of a 25 per cent. dividend does not seem very probable. The directors point out that, if the shares rise to 25*s.* each, a profit of Seventy per cent. will be secured on the present offer. At the moment they stand at 19*s.* 9*d.*, and further appreciation will, of course, depend mainly on the Company's

progress. The issue is decidedly too speculative to appeal to the cautiously inclined, but the chance of capital appreciation may attract the venturesome.

A. R. MOWBRAY AND COMPANY, LIMITED.

Offer at par of 25,000 Eight per Cent. "B" Cumulative Preference shares of £1 each.

The Company, which was formed in 1905, specialises in church publications and ecclesiastical art work, and has branches in London and Oxford. The objects of the present issue are to provide extensions in the Oxford plant and additional working capital to meet increasing costs and expanding business. There are already issued 16,933 £1 five and a-half per cent. Preference shares, which hold priority as to capital and interest over those now offered. With the exception of a slight set-back in the first years of the War, profits have increased yearly from £2,241 in 1903 to £6,908 in 1918 and £7,290 in 1919. The dividend on the £27,500 Ordinary capital has grown steadily from five per cent. in the first year to twelve and six-sevenths per cent. for 1919, subject to tax, and the carry-forward has expanded similarly from £929 to £12,834. These figures amply guarantee the £931 required annually for the five and a-half per cent. Preference dividend and the £2,000 required for these now issued. According to the balance sheet of last May the net assets, exclusive of goodwill, amount to £57,732. Independent valuation increases the latter figure by another £17,156, making a total of £74,888, which covers the Preference capital many times over. The present issue, though no quotation is being applied for, offers an exceptionally well-secured investment to those who do not insist on an active market. The lists close on Monday, October 18.

R. AND J. DICK, LIMITED.

Offer of £250,000 Eight per Cent. Seven-Year Notes at ninety-seven, registered in denominations of £50, £100, and £500. Interest is payable in April and October. The Company undertakes to set aside £20,000 per annum as a sinking fund, to be applied by annual drawings at 102 per cent. or by purchase in the market under that price plus accrued interest. No securities ranking in priority to these Notes will be created, nor any further Notes issued without the consent of the holders of three-fourths in value of the notes so long as any of the present issue are outstanding, except to secure bankers' overdrafts in the ordinary course of business. Note holders shall rank for security *pari passu* with bankers on any assets pledged as security for such overdrafts. The directors reserve the right to redeem the whole of the notes at any time on three months' notice at 102 per cent. plus accrued interest.

The Company, formed in Glasgow in 1908, with an issued share capital of £812,500, carries on the business of manufacturing and retailing balata machine belting, boots and shoes. The acquisition of concessions in Venezuela, which will secure a steady supply of balata, has involved heavy expenditure, which will be met, it is anticipated, by the proceeds of the present issue. Certified net assets amount to £1,150,779, which covers the amount of the notes offered many times over. The yearly interest to be met on them will amount to £20,000. Profits since 1913 have fluctuated considerably, but have never been below £58,000, while they have exceeded £159,000, less income tax. For 1919 they were £137,205, and for the first half of 1920 £71,229. These figures, considering the sound commerical standing of the firm, give a substantial guarantee as to the service of the notes. The premium on redemption is 5.15 per cent, and the flat yield, subject to tax, is 8.24 per cent. The operation of the sinking fund should help to maintain quotations at a premium. The issue is attractive and well secured, and for these reasons doubtless it was early over-subscribed. The lists closed on Wednesday, October 13.

TAVOY RUBBER COMPANY, LIMITED.

Offer at par of 150,000 Ordinary shares of 2*s.* each.

The authorised capital of the Company, which operates in Burma, is £60,000 in 2*s.* shares, of which £30,000 have already been issued. The estate will not come into bearing before 1923, and no dividends can be expected until the bearing period is reached. The directors estimate that the area can be developed at the low cost of £30 an acre, a prospect which gives a speculative attractiveness to the shares. The paucity of the information supplied, however, precludes any definite judgment.

FUTURIST (LIVERPOOL), LIMITED.

Offer at par of 125,000 £1 Ordinary shares.

The Company has been formed, with an authorised capital of £125,000, to take over as a going concern the City Picture House, Lime Street, Liverpool. The latter is a well-established, high-class place of entertainment, but the prospectus fails to show that the interests of shareholders are sufficiently guaranteed.

ISSUES TO SHAREHOLDERS.

Reeves and Sons, Dalston, E. 8.—Further issues at par of Second Preference and Ordinary shares of £1 each in the proportion of two Preference and three Ordinary for every £5 subscribed.

Army and Navy Co-operative Society.—200,000 Ordinary shares at 32*s.* 6*d.* each. The existing issued capital is £720,000.

J. Hepworth and Son, Limited.—154,665 £1 Ordinary shares at par in the proportion of one new share for every three Ordinary Preference held.

Electrolytic Zinc Company of Australasia, Limited, Melbourne.—Issue at par of 1,100,000 Eight per Cent. Cumulative Participating Preference £1 shares among the shareholders of the constituent companies—Amalgamated Zinc (De Bavays), North Broken Hill, Broken Hill South, Zinc Corporation, Mount Read and Rosebery Mines, Tasmania Copper Company, and the Mount Lyell Mining and Railway Company. The participating rights cover fifty per cent. of the surplus profits left after a payment of eight per cent. on the Ordinary shares.

Eastern International Rubber and Produce Trust, Limited, London.—108,270 £1 shares at par in the proportion of one new share for every four shares held.

Killifreth Mine, Limited.—31,250 £1 Ordinary shares at par in the proportion of one new share for every four held. A commission of 4*s.* per share will be disbursed to applicants on payment of the final call.

Lotus, Limited.—100,000 £1 Ordinary shares at par, ranking for dividend from July 1, 1920.

Distillers Company, Limited.—New £1 Ordinary shares in the proportion of two new Ordinary shares for every five Ordinary or ten Preference shares held.

Low Temperature Carbonisation, Limited.—£50,000 Six per Cent. Mortgage Debenture stock at 75, accompanied by a six months' option on an equal amount of Ordinary shares at par; similar mortgage stock is at present quoted at 49, and the Ordinary has been dealt in at 12*s.* 6*d.*

Sheffield Forge and Rolling Mills, Limited.—90,000 £1 Ordinary shares at par in the proportion of three new shares for every five shares held.

PENDING ISSUES.

Charron, Limited, motor manufacturers, are about to offer at ninety-eight per cent. £125,000 Seven per Cent. tax-free Twelve-year Notes in denominations of £5, £10, £50, and £100, redeemable at 102½ by ten equal annual instalments, beginning from September 1922. A balance of equal amount may be issued if necessary.

Hoyts, Limited, Westminster.—At a meeting to be held on Wednesday, October 20, shareholders will be requested to sanction an increase of capital from £300,000 to £550,000 by the creation of 250,000 Ordinary shares. Of these, it is proposed to issue 100,000 at par to provide funds for the purchase of the shares of Marriage Neave and Co., Limited, Battersea. The balance of 150,000 is required for the probable capitalisation of reserves.

J. and N. Philips and Co., Limited, wholesale drapers and warehousemen, Manchester and London, will shortly invite subscriptions at par for 700,000 Eight per Cent. Cumulative "B" Preference shares of £1 each. Of the company's authorised capital of £2,200,000, £1,400,000 has already been issued.

The Sugar Corporation of Mozambique (authorised capital, £500,000 in £1 Ordinary shares and £50,000 in 1*s.* Deferred shares) will shortly offer 300,000 Ordinary shares at par. Subscribers will have the right to subscribe at par for one Deferred share for every Ordinary share allotted.

The Mexican Corporation intend to issue at par to its shareholders £400,000 Eight per Cent. Five-year Notes, redeemable at 115 per cent.

National Pulp and Paper Mills, Limited, will shortly offer £200,000 Eight per Cent. First Mortgage Debentures at 98, redeemable at 103, and £150,000 Ordinary shares at par.

Lennards, Limited, boot manufacturers and hosiery merchants, Leicester, intend to increase their issued capital. Details are not yet available.

The Bankers' Magazine. September 1920. (New York: The Bankers' Publishing Company. London: Effingham Wilson.) Among the items dealt with in this issue are: "International Banking and Finance," "Community Trusts," and the "Possibilities of Financing Foreign Trade under the Edge Law."

MEETINGS
OF PUBLIC COMPANIES.

CLERICAL, MEDICAL AND GENERAL LIFE ASSURANCE SOCIETY.

THE ninety-sixth annual general meeting was held at 15 St James's Square, S.W., on October 14, Mr. Francis E. J. Smith presiding.

The Chairman said that the net new business completed reached the record total of over £1,650,000, a figure nearly £500,000 ahead of the preceding year. In the last report the war claims amounted to nearly £50,000, and it was very satisfactory to find that the claims [illegible] some £40,000 less than the normal [illegible] a year ago. The expense ratio had risen to £16 3s. per cent. of the premium income. Appended to the balance sheet was the certificate: "In our belief the assets set forth in the above balance sheet are in the aggregate fully of the value stated therein." After full consideration the directors had decided that all the depreciation which had accrued since the last bonus of 1916 should be written off now instead of waiting until the end of the valuation period in June 1921. The amount so applied in writing down the investments of the life assurance fund amounted to £207,000. Even a more important development of their financial policy had been the sale of the great bulk of the Society's long-dated securities. Their new investments, after deduction of income tax, were yielding at least four and a-half per cent., and the directors now found themselves forced to consider very seriously the problem of an equitable basis for future valuations. While as regarded the participating policies they should rigidly adhere to the two and a-half per cent. valuation, as regarded the non-profit assurances and the annuities they might modify their valuation so as to accord with market conditions. With regard to the provisional agreement entered into with the Employers' Liability Assurance Corporation, the directors had no doubt as to the value of the advantages to be secured by a combination of two such companies as the Clerical, Medical and the Employers' Liability. Already business was coming in which they never should have got but for that connection, and they were now prepared to meet the competition of the great composite companies in their own field.

The report was unanimously adopted, and at an extraordinary general meeting various alterations were made in the laws and regulations of the Society.

HARTLEPOOLS PAPER MILL.
Capitalisation of Reserves—Current Satisfactory Results.

AN extraordinary general meeting of this Company was held on October 12 at the First Avenue Hotel, Holborn, W.C., to consider resolutions increasing the capital of the Company and authorising the capitalisation of part of the undivided capital profits. Sir Robert W. Carlyle, K.C.S.I. (Chairman of the Company), presided.

The Secretary (Mr. N. Andrew) read the notice convening the meeting and the resolutions to be submitted, namely—

(A) "That the share capital of the Company be increased from £200,000 to £266,000 by the creation of 66,000 additional Ordinary shares of £1 each, ranking in all respects pari passu with the existing Ordinary shares of £1 each in the Company, and that, subject to the resolution marked B, passed at this meeting of the Company, such additional shares shall be issued upon such terms and conditions as the directors of the Company shall in their absolute discretion determine."

(B) "That the directors of the Company be and they are hereby authorised to capitalise the sum of £66,000, forming part of the undivided capital profits of the Company, and that in respect of such profit so capitalised the directors be and they are hereby authorised to allot to or for the benefit (as hereinafter mentioned) of the members of the Company registered as the holders of Ordinary shares in the Company at the date of the passing of this resolution, 66,000 of the unissued Ordinary shares in the Company of £1 each, credited as fully paid up, ranking for dividend as on and from October 22, 1920, and in all other respects pari passu with and carrying the same rights as the already issued Ordinary shares of £1 each, such 66,000 shares to be distributed among the members so registered as aforesaid as far as practicable in proportion to the number of Ordinary shares so held by them respectively—that is to say, in the proportion of one of such unissued Ordinary shares of £1 each for every three existing Ordinary shares of £1 each held by them respectively."

The Chairman said: Gentlemen, I have the pleasure to propose the resolutions A and B which have already been read to you by the Secretary, and I should like to take this opportunity of addressing you as shortly as possible about your Company. With reference to the resolution to increase the share capital of the Company to enable us to capitalise the undivided capital profits of the Company, and declare one bonus share for every three shares held by shareholders in the Company, I want you distinctly to understand that this does not represent in any shape or form the watering of the capital of the Company. The undivided capital profits which we propose to distribute among the shareholders on the lines above mentioned actually exist, and have been accumulated by your board since the formation of the Company, quite apart from the considerable profits which the [illegible] itself [illegible] the business

Estimated Profits.

With regard to the work at the mill, I am pleased to inform you that we are obtaining extremely satisfactory results, and are working up to our estimated profits for the financial year of this company of £100,000. The profits we are making amply warrant the interim dividend of twelve and a half per cent. per annum declared by the directors, and we could easily have increased it considerably, but we are determined as a board further to strengthen in every possible way the present strong financial position of the Company.

We are doing all in our power to secure a larger output at the mill by extending the mill for the early erection of the additional machine which, when running, will increase the output by 70 to 80 tons a week.

I am glad to be able to inform the shareholders that our associated company, Olives Paper Mill Company, Limited (in which we have a considerable holding), is doing extremely well, and we are satisfied that the profits of £120,000 for 1920, estimated by the managing director of that company, should be reached. The board have every reason to be satisfied with the work done by our staff and workpeople, and I would especially mention the names of two of our directors who are on the staff, namely, Mr. Henry Smith, the Managing Director, and Mr. N. Andrew, the Secretary. Any shareholders who would care to visit our mill, or Olives Mill, to see for themselves the work we are doing will be welcomed by appointment.

Statement by the Chairman of the old Company.

Mr. John Garnett, J.P.: I have pleasure in seconding the resolutions. As Chairman of the old Hartlepools Company for 15 years I am delighted to know that the present Company in its first six months' working is able, without touching the earned profits from the working of the mill, to put before the shareholders two such resolutions as these. It is with the very greatest pleasure that I second them, and at the same time I wish with all my heart every success to the new Company in the year to come. (Hear, hear.)

Mr. W. D. Ross drew attention to certain strictures which had been made on the manner of the Company's flotation in a weekly financial journal.

The Chairman replied that the offer for sale of shares in this Company was on exactly the same lines as in the case of other companies of excellent standing.

The resolutions were carried unanimously.

Mr. Henry Smith (Managing Director) proposed a vote of thanks to the Chairman.

Mr. Kay seconded the motion.

Mr. Garnett, in supporting the vote, said: The question of profits for the years previous to those given might be answered in this way—the old Company was one manufacturing its own pulp as well as paper. For some years before the War, and for a year or two after the War was started, we were suffering from very adverse circumstances in connection with pulp making, so much so that the directors of the old Company decided to scrap the whole of the pulp-making plant, and they did so with fair advantage, because although some of the plant was only two or three years old, the prices of lead and antimony rose to such an extent through the War that we were able to scrap the whole of that new plant and get, if anything, actually more than we paid for it as new material. During those years we were [illegible] of the Company for some fifteen years, [illegible]

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profits that we should have made if we had been making our own pulp. With regard to the remarks for the shareholders of the new Company, all I can say is that I have three times the amount of capital in this new Company that I had in the old one. (Hear, hear.) If that is not sufficient to give the new shareholders confidence, I may add that I have been in touch with the new board ever since they took office, and they have disclosed everything I wanted to know in a thoroughly frank way. I am perfectly satisfied that the interests of the new shareholders are in good hands, and that we have every prospect of being shareholders in a very successful company under the auspices of the new board and under the new conditions of working. (Hear, hear.)

The vote was unanimously accorded.

Mr. Popham said he understood Mr. Harrison had recently been to Germany with a view to making inquiries into the paper manufacturing industry there and the conditions of the trade generally, as compared with the industry in this country. Previous to the War Germany was our greatest competitor. He thought the meeting would like to hear a few remarks from Mr. Harrison as to his visit.

Condition of German Paper Mills.

Mr. William Harrison: Sir Robert and Gentlemen.—A very interesting question has been asked, and I should have liked time to get together data in order to answer it with very great care. I might say, however, that I spent practically the whole of August and some part of September in making a most extensive tour through Germany. My tour was for the benefit, I certainly believe, of this Company. I charged the Company nothing for it. Now, sir, what did I find in Germany during my travels of some thousands of miles. I found that the German paper mills were in a very bad condition. They were practically without coal, and the mill owners told me, with a certain sadness in their eye, "We cannot make paper as long as the French compel us from Monday morning until Saturday midday to ship to them by tugboats some 2,000,000 tons of coal per month." I found that one of the largest paper mills I visited had not been running for seven months, and only had enough coal to run for two or three days. But, gentlemen, the German coal question and the paper trade so far as it concerns this country is only one side of the matter. I want you to consider another side, and it is this: As you know, there have been great fluctuations in the mark on the exchange, manipulated, in my view, by the international Jew. When I was in Germany I bought the mark at something like 160 or 170 to the £; it has since been something like 235 to 240 to the £. That, in my view, is an important factor as affecting the paper industry of this country. So long as we have that fluctuation in the German exchange we have to be on our guard, and as a board we are determined, along with other paper makers in this country, to be on our guard, for, believe me, the German does not mind the exchange being down at 235 to the £ Rather does it concern the British manufacturer.

Precautions against Dumping.

It is up to us to see that the German who bought his pulp in Finland at 150 marks to the £ and can now dump it in this country with marks at 235, thus getting more marks for his sovereign, is not permitted to do so, and I for one am going to take good care that the papermakers of this country combine together, if necessary, to stop this dumping if it ever takes place. But we are in this position: there is no chance at the moment of large dumping of German paper, although you get isolated lots offered to you at far less than the British papermakers can quote you. But the German, from my study of the situation in Germany for nearly a month, is still a very wily individual, and we will take care, in combination with other mills, to see, if necessary, that the fluctuation in the German exchange is not going to help him. Sir Robert Carlyle and myself, along with other delegates, are leaving on Friday for an extended tour in Norway, Sweden, and Finland to study the situation there on behalf of your Company, because we realise as a board that the key to the situation in the future prospects of any paper mill which is properly conducted in this country lies in people who are directing the Company knowing how to purchase and when to purchase the raw materials for your mill. We want to study that situation. Sir Robert at one meeting not long ago referred to our contemplating the purchase of a pulp mill in Norway or Sweden. That is an important matter, in my opinion, for the future prosperity of this Company.

The Policy of the Board.

A shareholder has raised certain questions, and I should like to say that so long as I am on this board I will always vote against the payment of excessive dividends. I believe in conservatism. If you get from twelve per cent. to fifteen per cent. knock off your Debentures, gentlemen. That is the principle so far as we are concerned, and it may send our friend away happy if he knows that we could have paid for this half-year not twelve and a-half per cent., but over twenty per cent., and then got ready at the end of the year to make a big hole in the Debentures. We are suffering from excess profits duty. We are going to pay it; we cannot help ourselves. That is the position, but there are other companies—hundreds of them—which do not state what their excess profits duty is. It is an unfair tax, and one which I hope will be put an end to by the end of March 1921. In conclusion, all I can say is that no stone will be left unturned to make this Company a prosperous and a dividend-paying concern. We are not concerned about the value of the shares: we are concerned to pay a good dividend year in and year out to the shareholders. That is our principle and the result we have to aim at. (Applause.)

The proceedings then terminated.

IMPERIAL AND FOREIGN CORPORATION, LIMITED.

Current Financial Problems.

The ninth ordinary general meeting of this Company was held on October 12 at Winchester House, Old Broad Street, E.C., Mr. Herbert Guedalla (Managing Director) presiding.

The Chairman moved the adoption of the report, and, after a full analysis of the salient items in the report and accounts, said: With regard to our prospects for the current year, I have referred to the fact that we have a considerable amount of business on hand in the shape of new issues. With regard to the financial barometer, no one regrets more than ourselves the fact that in the case of good concerns the trend of interest payable on securities has become higher and higher. The natural effect has been to cause what I hope is only a temporary depreciation in good securities, which now give a less return. If we are to believe what we read in the newspapers about the trade of the country, it is difficult to reconcile this state of affairs with a period of dear money. The chief causes of dear money at the moment must be ascribed to the problem of the floating debt, the enormous unproductive expenditure of the Government, and, not least, to the iniquitous excess profits duty. Continual references to Government extravagance have inspired a lack of confidence in the ordinary investor in any new form of Government security, but it should not be beyond the wit of man to devise some scheme for reducing the floating debt without further increasing taxation. The ordinary investor does not understand Treasury bills, but he would understand some scheme by which, in lieu of taking cash for interest due on Government loans, he was offered some attractive security. Further, the opinion has been frequently expressed, and I heartily endorse it, that the appointment of a Committee of the leaders of our joint stock banks to advise the Chancellor would go far to restoring confidence in Government finance.

Harmful Effects of E.P.D.

Perhaps as an issuing house we are in a better position than most people to appreciate the harmful effects of the excess profits duty. This has been the finest device for

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checking production and sending up the price of commodities, and more than possibly is the cause of most of the Labour unrest which exists at present. The natural incentive to increase business is killed if the only result is to be that the Government take the major part of the profit attaching to any increase, and of course it is impossible to start new concerns in competition with old businesses with well-established profits. I was referring, however, more particularly, to the effect of excess profits duty on the Money market. In the ordinary way, without any duty of this character, many prosperous concerns would have needed further working capital, having regard to the higher cost of wages and raw material. This to a great extent might be supplied out of undivided profits and reserves. Now if they are successful a large part of the profits goes to the Government, who insist on payment in cash and do not recognise that profits are usually represented by book debts and stocks. This accounts for a good deal of borrowing which the Money market might otherwise have been saved. Of course, we have no objection to making issues for sound concerns under such circumstances, but we naturally prefer to think that fresh money is going into extensions for the benefit of employment and the trade of the country.

Trade Protection.

With regard to the trade position, you will have noticed continual references in the Press to the falling-off of trade in certain commodities, but with the world crying out for goods I, personally, look upon this as a passing phase and think that it is easy to exaggerate the effects of any particular position at the present time. The main fact is that the general trade, both import and export, has not been able to accommodate itself to the alteration in the world's exchanges. On the one hand, it may be advisable to extend some form of protection to certain trades, and, on the other, some scheme must be devised for increasing the purchasing power of foreign countries. In the meantime, home trade, taken as a whole, as is evidenced by the results shown in numerous prospectuses, is by no means bad, and I dare say would be a good deal better if the Labour position were more settled. To belong to a controlled trade at the present time may have its disadvantages, but it also has its benefits, and I instance as a case in point that, in the event of a coal strike, which I do not anticipate, the collieries themselves, under the scheme of their guarantee of profits by the Government, would suffer least of all. Perhaps the greatest safeguard at the present time is that higher wages have enabled Labour to save and invest not only in Government securities but in many trading concerns, as inspection of the share registers will show. In our particular business I anticipate a very busy time. We have several first-class issues to make during the next few months, whilst we have various profitable schemes which ought to fructify during the ensuing year. The additional capital, for which we already have large promises, will greatly strengthen our position and simplify the transaction of new business. He moved the resolution. Sir Ian H. Amory, Bart., J.P., C.B.E., seconded the resolution, which was carried unanimously.

At an extraordinary general meeting held previous to the above meeting the resolutions passed on September 24 last, relating to the capitalisation scheme, were unanimously confirmed.

AFRICAN STEAMSHIP COMPANY.

An extraordinary general meeting of the proprietors of the African Steamship Company was held on Friday, October 8, at 2.15 P.M., at the offices of the Company, 23 Billiter Street, E.C., the Lord Pirrie, K.P., P.C. (Chairman of the Company), presiding.

The Secretary having read the notice convening the meeting,

The Chairman said: Gentlemen, In the last annual report of the Company we informed the shareholders that we had applied for a supplemental charter authorising the Company to increase its capital from £2,000,000 to £5,000,000, and you will have seen from the notice calling this meeting that His Majesty has been graciously pleased to grant this charter subject to its acceptance by the shareholders in general meeting.

As I pointed out in my speech to the shareholders at the last annual meeting, in view of the great development of the West African trade, the board consider it necessary not only in the interest of the Company, but also essential for the welfare of West Africa, that this Company should be in a position from time to time to increase its fleet in order that the development of the West African trade should not be hampered.

The shareholders have had an opportunity during the past week of inspecting the supplemental charter, and I therefore move: "That the supplemental charter granted by His Majesty the King, dated August 23, 1920, be and the same is hereby accepted by the Company."

Mr. Owen Harrison Williams seconded the motion, which was carried unanimously.

The proceedings then terminated.

ARGENTINE NAVIGATION COMPANY (NICOLAS MIHANOVICH).

The [illegible] Street, E.C., Sir Owen Philipps, G.C.M.G., M.P. (the Chairman [illegible]), presiding.

[illegible] natural result of the World War, business all over the [illegible] little time before things become normal. Labour is in receipt of higher remuneration than ever before, but with few exceptions the Labour leaders do not appear to realise that high wages can only be maintained by increased production. The great world demand for manufactures after the termination of hostilities has now received a decided check, owing to the continuous advance of prices, which in turn are due to ever-increasing working costs. General prosperity depends upon the revival of this demand. Out of the profits of the past year your board have been able to make the usual provision for depreciation of the Company's fleet and property, after which the net profits amount to £47,682. We have paid the usual six per cent. dividend on the Preference shares, while, in order further to strengthen the financial position of the Company, in view of the somewhat uncertain outlook in the River Plate, we have added £25,000 to the reserve fund, bringing that account up to £150,000.

The earnings of the Company's vessels carrying on the ocean services have declined to some extent, but there has been an improvement in the results of our river services, although on some routes a loss is still shown.

During the year 1919 the cost of repairs, &c., increased by £52,000 over the figure for the previous year; wages, &c., by £30,000; and maintenance of crews, &c., by £27,000; while the cost of stores and fuel continued at the very high level reached during the last financial period under review. Owing to the labour troubles in Argentina, and to the enormously high cost of building passenger and cargo steamers, the board has postponed placing orders for new vessels; but, in addition to the tugs we have building, we took advantage of an opportunity to acquire two tugs which were under construction, which have now reached Buenos Ayres. In view of our considerable interest in the river and coastal traffic of Uruguay, your directors decided to form the Uruguay Navigation Company, under Uruguayan laws, with a capital of $10,000,000, and to transfer to it those of our vessels at present flying the Uruguayan flag. The whole of the issued capital will be held by this Company, and no issue to the public is [illegible]. "That the report of the directors and the accounts to December 31, 1919, as now presented, be and they are hereby received, [illegible]."

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CLAUDIUS ASH SONS AND COMPANY.

THE fifteenth annual general meeting of this Company was held on October 14 at the offices, Broad Street, Golden Square, W.

Mr. George Edwards, J.P., who presided, said that this was the centenary year of the business, which was established in 1820, and he believed he was correct in stating that there had been continuous progress throughout. They could claim for their house that it was the pioneer in their particular industry, which was essential to dentistry, and was now recognised as being of such vital importance in maintaining the health of the people. They could again congratulate themselves upon a successful year's work. Business had expanded, and would have been still better had conditions been more favourable to the development of international trading. The Company's operations were world-wide, but the great drawback against trade abroad was the unsatisfactory state of foreign exchange. After making provision for loss in exchange the net profit was maintained. Income tax, however, which amounted to over £32,000, was nearly £10,000 more than in the previous year They were again placing £25,000 to reserve, making the reserve account £200,000, and, with the £100,000 already written off goodwill, a total of £300,000 had been carried to reserve during the past fourteen and a-half years. The directors recommended a balance dividend of seven and a-half per cent. on the Ordinary shares, making twelve and a-half per cent. for the year, the same as for 1918.

It was their desire—and in this they felt sure they would have the full support of the shareholders—to show some tangible appreciation of the efforts of the management and staff by allowing them to participate in the year's profits by way of bonus, and £10,000 was recommended to be allocated to this purpose, together with £5,000 to the staff superannuation fund. The Company's manufacturing departments, both at home and abroad, had been expanded, as the board fully recognised that their success depended on the efficient supply of dental requisites and tools of the finest quality and design at the lowest prices compatible with good workmanship, and in foreign countries, with protective tariffs, low rates of exchange and costly transport, this was more than ever necessary. During the past six years over one-fifth of their capital had remained locked up in the countries with which we had been at war. This was a serious factor, but it emphasised the good results obtained by the remaining four-fifths of the capital and reserves with which they had traded.

The report and accounts were unanimously adopted.

RUBBER SECURITIES, LIMITED.

Excess Profits Duty.

Government Extravagance and Commercial Stagnation.

THE eleventh ordinary general meeting of the shareholders of this Company was held on October 13 at the registered offices, 7 Martin's Lane, E.C., Mr. W. Arthur Addinsell, Chairman of the Company, presiding.

Mr. C. H. Smallwood, on behalf of the secretaries, Messrs. Bright and Galbraith, Limited, having read the notice convening the meeting and the report of the auditors,

The Chairman moved the adoption of the report and accounts and the declaration of a dividend of five per cent., less tax. Reviewing the position of the Company, he said that the market value of the investments at that date exceeded the book value by £33,585. Proceeding, he said: Nearly all the companies in which our investments are made are handicapped by their contributions to the excess profits duty, which has proved excessively burdensome to overseas agricultural producers. I, in common with, I believe, the universal body of opinion in the City of London, abhor the excess profits duty and consider it iniquitous and detrimental to all business enterprise. The debates in the House of Commons on the Chancellor's proposals, and his groping after various schemes to act in some miraculous way as an alternative to the duty as now levied, have only just died away, and we are left with almost commercial stagnation; and do you realise that, in another four or, at the outside, five months, trade will be further paralysed owing to the uncertainties of the Chancellor's new proposals? The Chancellor of the Exchequer gave his colleagues in the Government and the commercial community warning almost twelve months ago to exercise the strictest public and private economy; but, unfortunately, within a fortnight he hauled down his flag, and now on our right hand and on our left hand and all around us we see commercial unrest and increasing unemployment. The enormous sums that are contributed by taxpayers do not even yet cover the Government's appalling expenditure, and until our Chancellor of the Exchequer realises his responsibility for absolutely vetoing the Government's unproductive expenditure, and until politicians cease to interfere unduly with economic principles governing finance, there is little hope of improvement. Some of our Chancellor's friends refer to him as the "strong man of the Government." I should prefer to designate him a Lord of Misrule—but you must please understand that I refer to him in his official capacity only; for his personal honour I have the greatest respect.

Credit Facilities.

There is just one other matter that I wish to touch upon, and then I will not detain you longer. In the September number of that admirably edited monthly review issued by the enterprising London Joint City and Midland Bank, Limited, reference is made to new capital issues, from which I see that for the first eight months of this year 294½ millions were offered in the United Kingdom for subscription, notwithstanding the unrest and labour troubles in this country and throughout the world. I think that is wonderful testimony to the indomitable enterprise of British traders, and I think it is fair to assume that, if business were not hampered by the excess profits duty, even this colossal figure would have been greatly exceeded, with the probable result that taxation would by this time have balanced expenditure. But while I was studying the tables and statistics in the magazine referred to, I ceased to wonder at the alleged necessity for the great joint-stock banks curtailing credit. As you well know, the country's trade is built and carried on by credit and not by cash; yet, in spite of their various amalgamations, I cannot remember during recent years that our banks have, with a few exceptions, materially increased their respective capitals, and it seems to me that the time has arrived when the directors of these wonderful financial organisations should take into their most serious consideration the desirability of substantially adding still further to their capital resources in order that they, by their increased margins, can in their turn give greater credit facilities to the trading community.

Mr. Thomas A. Gallie seconded the motion, which was unanimously adopted.

The retiring director and the auditors were re-elected, and the proceedings terminated.

La Republique Tchecoslavaque. (Prague: Edition de la Société l'Effort de la Tchecoslavaque.) A work in French on dealing with the intellectual, political, economic, and social life of Czecho-Slovakia.

"*Livre Rouge.*" A Collection of diplomatic documents relating to the relations between Russia and Poland from 1918 to 1920. Issued by the Commissariat du Peuple pour les Affaires Etrangères, Moscow.

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Outlines of Industrial History of Ireland. By John F. Burke, D.Sc. (Econ.), Univ. of London, B.Comm. (Fallon Brothers, Limited, Dublin and Belfast. 4s. net.)—The industrial side of Irish history has in the past been somewhat neglected, and those who confess to little knowledge of the subject justified themselves on the ground of the scarcity or inaccessibility of authorities. The present scholarly volume dissipates the last excuse for ignorance. The author displays a thorough grasp of his subject and an intimate acquaintance with primary sources which some of his predecessors in this field have lacked. A sound economic training, combined with a close study of developments in Great Britain contemporary with the period treated, saves him from the pitfalls which others have not avoided in dealing with the same theme. The social and economic structure of Ireland during various phases of her chequered history is carefully examined, and the soundness of the author's con-

[illegible] special mention his admirable handling of questions such as the trading balance between England and Ireland, the financial relations of the two countries from the time of the invasion, and the causes that led up to the amalgamation of the British and Irish Treasuries in 1817. On finishing the book one is tempted, through an analogy by no means fanciful, to apply to English rule in Ireland Tacitus' verdict on [illegible] "Opus imperii, [illegible] imperii."

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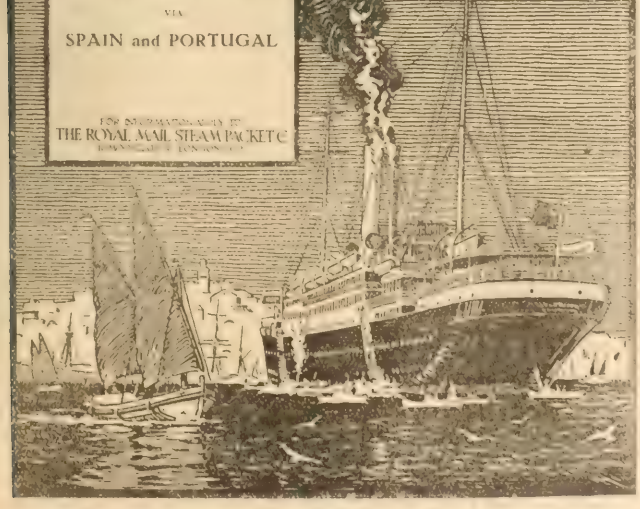
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The Statist.

LONDON, SATURDAY, OCTOBER 23, 1920

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The Money Market.

Friday, October 22, 1920.

	Current Rate Fixed	Previous Rate Fixed	
	%	%	
Bank of England Rate...	7	(Apr. 15, '20) 6	(Nov. 6, '19)
Deposit Rates:			
Banks & Discnt. Ho. (Call)	5	(Apr. 15, '20) 4†	(Nov. 6, '19)
Discount Houses (Notice)	5½	(Apr. 15, '20) 4½	(Nov. 6, '19)

The special rate of 4½% allowed by the Bank of England on foreign money has been abolished.

† Foreign and Colonial Banks give Special Rates only upon deposit for a year.

Discount Rates :—	60 Days	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Treasury Bills ...	—	6½	—	—
Bank Bills	5½	6½	6¼	6¾
Trade Bills		7–7¼	7¼–⅜	7½

DEBT REPAYMENT AND NATIONAL FINANCES.

Our readers will remember that about the time when preparations were first being made for retiring our portion of the Anglo-French liability to the United States, which matured on Friday last, the Chancellor expressed himself very anxious to meet the obligation out of the genuine savings of the community in order to avoid causing fresh inflation. To that end he made a strong appeal for subscriptions to Savings Certificates. The sequel shows that the appeal was not responded to, and though the repayment of the Loan has been managed skilfully it was not possible to avoid inflation. Besides costing the country £5 million more than the par value of the Loan, a circumstance due to the fall in the dollar value of the £, its repayment has involved an addition of about £21,000,000 to the short-term indebtedness of the Government. The net amount of debt which has been paid off by the operation is therefore, about £29 million, or if account is taken of the depreciation of our [illegible] Considering the circumstances under which the repayment was effected [illegible] satisfactory; yet it illustrates strikingly the difficulties which still surround our financial position.

The effect of the strike on the Money market was at once immediate and drastic. The result was a superabundance of funds, and while the nominal rate remained unchanged at 5 per cent., surplus balances could be freely obtained on most days down to 3 per cent. The clearing banks were asking 5½ for weekly loans, but the major portion of the fair demand for fixtures was satisfied at 5 per cent. The Discount market was exceedingly quiet. At first the banks took advantage of the plenitude of funds to increase their holdings of December maturities, which they purchased at from 5¼ to 5½ per cent. November paper was latterly dealt in at 5 per cent. Rates for maturities over the end of the year were well maintained, as owing to the uncertainty of the outlook business in the longer-dated bills was exceedingly restricted. January bills were quoted around 6⅝ per cent.; four months' paper was called 6⅝ to 6¾ per cent., and six months' 6¾ to 6⅞ per cent.

Latterly the tendency was a little firmer, and as the volume of business in trade bills is very small it is probable that Treasury bill sales are on the increase, a view which is supported by the figures of the Bank return. So, unless the ever-present potential demand for funds for speculative purposes becomes operative, the present ease will redound to the benefit of the national finances.

Foreign Exchanges.

On reviewing the week's movements in the Foreign Exchange market it becomes apparent that there has been a tendency to exaggerate in some quarters the effect of the present industrial deadlock on the value of sterling in foreign countries. The outstanding feature was a slump in the dollar value of sterling to 3.41¾ on Tuesday last. As compared with a week ago the New York exchange has declined, to-day's middle quotation for cable transfers being 3.44, as against 3.47¼ on Friday last, but since Tuesday last the tendency has been decidedly better. The cause of the decline in the early part of the week may be due to the fact that prospective buyers of dollars who were holding their orders off the market in the expectation of better terms after the repayment of the Anglo-French loan on the 15th inst. began to buy suddenly this week on the intervention of the coal strike. In this connection it must be borne in mind that the continued decline of commodity prices in the United States is steadily increasing the value of the dollar abroad, so that other countries as well as Great Britain are at present experiencing a decline in the dollar value of their currencies. The view that the recent decline in the New York Exchange must be regarded rather as an appreciation of the dollar than as a depreciation of the £ sterling is supported by the movements of the exchanges with other countries. For instance, the Canadian dollar and the currencies of South American countries, which formerly were wont to fluctuate in close sympathy with the United States dollar, have recently shown a tendency to diverge from the course of the latter, and the depreciation of the £ has been much less marked in these countries than in the United States. If the strike continues we may be forced to increase our purchases abroad, and thus the value of the £ would be depressed in most foreign countries, but it is hardly possible that as yet it has had any technical effect on the market.

Eastern currencies continued their decline of last week, but have recovered somewhat in the latter part of the current week. The rupee had fallen to 1*s.* 6⅝*d.* by Tuesday, but rose again to 1*s.* 7⅜*d.* by Thursday. To-day, however, it experienced a further fall to 1*s.* 7¼*d.* The Shanghai tael fell to 5*s.* 1*d.* on Wednesday, but was quoted at 5*s.* 3*d.* to-day, against 5*s.* 4*d.* a week ago. The Hong-kong dollar was as low as 3*s.* 9½*d.* on Wednesday, but has since recovered to 3*s.* 11*d.* The French franc appreciated steadily until to-day, when it relapsed to 53.97½, as compared with 53.26 a week ago. The Belgian rate moved irregularly, but at 50.40 to-day shows an improvement on the week. The lira weakened to 91½. Scandinavian rates moved slightly adversely, with the exception of Stockholm, which improved to 17.65. The Dutch rate fell sharply until Tuesday, when 11.10½ was quoted, but has since shown a remarkable recovery to 11.21½.

Income and Expenditure.

Considering the present embarrassment of the Exchequer owing to the very large amounts of Treasury bills which fall due within the month, the repayment of the Anglo-French Loan on Friday last, which appears in the National Accounts for last week, did not force the Government to borrow as much as might have been expected. They took the precaution of including a large amount from sales of assets in the revenue. These amounted to £19,800,000, and raised revenue to £36,112,337 for the week. Expenditure, on the other hand, was unusually low at £9,434,199, leaving a surplus of £27.7 million. Increased sales of Treasury bills made the financing of maturities an easy matter, the net issue on this account being only £5,974,000, though maturities were as high as £116,175,000. The cost of repaying our portion of the Anglo-French Loan is given as £55 million, or £5 million in excess of the nominal sterling value of the Loan. This is all the more striking when it is considered that a large portion of the liability was met by shipments of gold, and a large portion by purchases of the Anglo-French bonds in New York at a price considerably under par. The result of the repayment is an expansion of £36¼ million in the amount of Ways and Means Advances outstanding; of this, £3 million was borrowed from the Bank of England, increasing the amount due to £63 million, and the balance was borrowed from public departments. The net result for the floating debt was an increase of £30.4 million to £1,320,418,000.

Currency Notes.

The currency note circulation, like the Bank-note circulation, shows little change during the week to Wednesday last. The amount of notes returned, however, was about £206,000 less than on the previous week. As the amount of fresh issues, on the other hand, showed a considerable decline the net result was a reduction in the total outstanding. The actual reduction was £511,191, leaving the present amount at £352,794,652. The fiduciary issue was reduced by a corresponding amount to £305,546,652.

Bank of England.

The Bank return for the week ending on Wednesday last reflects, in the general smallness of the movements shown, the comparative stagnation which has been one of the first effects of the coal strike in the Money market.

The note circulation shows a fall of about £70,000 to

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£127,053,000), but as the central bullion also registers a slight decline at £123,148,000 the reserve benefited to the extent of only £63,000, the present amount being £14,544,000. Any effect this movement might have had on the reserve ratio was negatived by an addition of £1,874,000 to "other deposits," so that the ratio remains unchanged at 10.2 per cent. A decline of £2,089,000 to £61,619,000 in Government securities, indicating a reduction of the £63,000,000 Ways and Means Advances outstanding on Saturday last, shows that one effect of the superabundance of funds in the Money market has been increased purchases of January Treasury bills. Government deposits are £1,661,000 lower at £16,539,000. "Other securities," contrary to what might have been expected, show a rise of £2,202,000 to £83,878,000.

Bullion.

The moderate gold supplies which came on the market during the week [illegible] for the United States, a small amount again going to India. The [illegible] (Monday) to 120s. 3d. Tuesday and Wednesday and to-day's price was 119s. 6d. the fine ounce.

The decline of the value of the rupee to 1s. 6¼d. and of the Shanghai tael to 5s. 1d., favoured a continuance of the weakness apparent in the Silver market at the end of last week, and under the influence of supplies from U.S.A. as well as from the Continent, the spot price declined in the absence of support to 50¼d. on Tuesday last. At this level India started buying moderately, and there was some demand for local "bear" covering, while China also showed again some interest in the market, with the result that a recovery took place to 53¼d. yesterday. The forward discount disappeared on Saturday last, but reappeared on Tuesday. To-day there was a reaction to 52⅝d. for both spot and forward silver.

NEW YORK.

YET another large expansion in lending operations accompanied by an increase in demand deposit liabilities and a strengthening of reserves is shown in the latest average weekly statement of the New York City Banks and Trust Companies.

The present combined figure for loans, discounts, and investments is a new high record—$5,486,130,050—and is $54.8 million in excess of the previous week's figure, $296 million above that of a month ago, and $63.5 million above that of a year ago, which was the highest for 1919. Net demand deposits show a rise on the week of $63.9 million to $4,201,880,000. The present amount of the aggregate excess reserve is $572.9 million, as against $563.5 million for the previous week. The average excess reserve at $15,860,000 shows a gain of $1.2 million, as compared with the previous week, a movement that was foreshadowed by the high level of the excess reserve on the previous Saturday. The actual excess reserve at the end of last week is returned at $9,940,000.

The statement of the New York Reserve Bank shows another gain of $1,720,000 in the gold holdings, bringing the total to $205,780,000. Net deposits show a [illegible] of $15.9 million to $[illegible], while Federal Reserve [illegible] advance of $10.8 million to $875,740,000. In spite of this latter movement the reserve ratio advanced by two points to 38.7 per cent.

The combined gold holdings of the Federal Reserve Banks show a renewed decline of $4,220,000 to $1,922,100,000. Liabilities, on the other hand, show a considerable expansion, so that the reserve position has disimproved still further. The Federal Reserve note circulation expanded during the week by $31,150,000, the present total being $3,353,270,000—the highest hitherto recorded. In consequence of the recent abnormal expansion in rediscounting operations the note circulation has increased by $236,550,000 (nominally £47,310,000) since the end of June last. During the past eight weeks it has successfully attained a high "record" no fewer than six times. As a result of the above movements the reserve ratio declined from 42.9 per cent. to 42.7 per dent. During the week rediscounts were reduced by $21.8 million to $2,773,870,000; bills bought in open market were increased by $13.8 million, so that on balance the bill holdings at $3,093,390,000 show a decline of $8,000,000.

To show how the position of the Federal Reserve Banks have changed during the past twelve months we append a table setting out the changes in the more important items, as compared with October 17, 1919. The figure given for deposits represents the total gross deposits, less Government deposits and the amount of uncollected items and other deductions from gross deposits appearing among the resources. The reserve ratio represents the ratio of total reserves to net deposit and Federal Reserve note liabilities combined:—

	Oct. 15, 1920	Oct. 17, 1919	Increase or Decrease
[illegible]	[illegible]	2,128,443	[illegible]
[illegible]	2,144,440	2,199,185	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Bill holdings	3,093,390	2,464,665	+ 628,725
[illegible]	[illegible]	[illegible]	[illegible]
F.R. note circulation	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

On the removal of the gold embargo in June 1919 the Banks began to lose gold rapidly, but since April last, on account of gold purchases in the London market, as well as shipments to provide for the retirement of the Anglo-French loan, the position has considerably improved. To counteract the decline in gold reserves the Banks have, as the table shows, increased the amount of other reserves: legal-tender notes, silver, &c. Another movement which has gone side by side with this is an expansion in the demands of member banks resulting in an enormous increase in rediscounts. At the same time open-market purchases of bills have been reduced, so that on balance the expansion in bill holdings has been $628,625,000. Deducting from this the figure for the decline in deposits as shown in the table, it will be seen that the expansion in the note circulation during the year, $630,701,000, is what might be expected as a result of the other movements. Incidentally, this illustrates the operation of the note issue under the Federal Reserve Act.

TRADE WITH THE NEAR EAST

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Stock Exchange.

THE fateful events and decisions of the past week have one advantage for the Stock markets, in that the recent suspense has been removed and a definite industrial issue joined. Stocks are comparatively plentiful, and with due economy should last for well over a month. The transport threat, however, has a much more ominous import, but it came too late in the week to affect prices to any great extent. The plentiful supply of floating credits in the Money market gave a probable impetus to speculative activities, despite the unwillingness of the banks to assist in such operations. This, combined with the absence of selling pressure, helped to maintain prices generally.

The Gilt-edge section recorded few alterations, and such changes as there were favoured holders. Consols and Victory Bonds and War Fours retained opening quotations, Funding Loan appreciated slightly, and War Fives benefited from a steady, though quiet demand. Despite the marked apathy which greeted the recent issue of Local Loans stock, only 27 per cent. of the £15,000,000 offered being taken up by the public, the underwriters will probably be able to unload their holdings with little loss. Closing quotations were registered at ⅝ discount, at which price a fairly ready market was found. The old stock, however, remained unaltered at 50. County and Corporation stocks were characterised by a quiet firmness throughout.

Among Foreign stocks, Brazilian descriptions, after an initial depression, were a feature of outstanding strength. French War Loans retained their recent popularity, but the Five-per-Cents eased away towards the end. Buying pressure levered up prices for Japanese bonds on Monday and Tuesday, but a mid-week falling-off in demand brought quotations back to opening levels.

Home Rails evidenced the direct results of the industrial breakdown. Depreciations were frequent and numerous, even at the beginning of the week, and an eventual hardening tendency was effectively neutralised by Mr. Thomas's statement of the railwaymen's intentions.

Foreign Rails were also decidedly weak, though American buying temporarily buoyed up Argentine stocks. Buenos Ayres Pacific in particular slumped on the unfavourable dividend announcement. The promise of American assistance for Cuban finances helped United Railways of the Havana to recover part of the previous week's loss, but prices were quoted down to even lower levels later.

The sentiment of the Industrial market continued cheerful throughout. Engineering firms being immediately affected by the cessation of coal supplies, prices drooped early in the week but improved later. The news that stocks of fuel were sufficient to last many weeks was a factor in restoring cheerfulness. Textiles also were a feature of quiet strength, but movements were not of much consequence. Shipping securities continued to decline further. Transactions not being numerous, however, alterations were mostly nominal. Gas stocks opened with a downward trend, and prices failed to recover later. Motor and Brewery shares pursued irregular movements, without notable alterations, and Banking and Insurance issues were equally idle. Among recent issues, Wiggins Teape Debentures and R. and J. Dick notes were quoted at a premium.

The Oil market opened dull, and prices, mainly on account of Continental liquidation, sagged all round, but a resumption of French and Dutch demand and general operations for the rise gradually restored the tone, and the advance became general towards the close. Anglo-Egyptian "B's," after an initial weakness, soared to 3⅞ and closed firm. Shells, Scottish-American, Kern Rivers and Mexican Eagles were also prominent in the rise. Lobitos were finally scaled down fractionally, and closed even.

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Mining Topics.

A GOOD cable from Esperanza, heralding the refinding of the reef in the now famous fifth level, imparted a great stimulus to the Mexican section of the market at the opening. It appears that the reef was picked up again on October 15, the assay revealing 13½ oz. gold and 373 oz. silver per 2,000 lb. over a width of 16 inches. In addition, for an extension of 15 feet in No. 5 Rise, gold to the extent of 13 oz. and silver to the extent of 500 oz. per 2,000 lb. have been disclosed over a width of 21 inches. Moreover, winze No. 6, started 31 feet north of cross-cut, revealed for 3½ feet gold of 3 oz. and silver of 140 oz. per 2,000 lb. over a width of 24 inches. No less satisfactory results have been attained by the winze below the third level. For 50 feet ore averaging 17 dwt. gold and 29 oz. silver per 2,000 lb., with an average width of 12 inches, has been discovered. Furthermore, the management expect to strike the reef shortly by the cross-cut east from the eighth level. A cable replete with such good news was bound to generate activity in the shares, which closed ⅝ to the good at 1⅛. Despite forced realisations, particularly on Wednesday, the market remained firm, and on Thursday, on rumours of another satisfactory cable, the shares closed strong at 1⅛. To-day realisations caused the price to recede to 35*s.* 7½*d.*, but there was a recovery subsequently to 38*s.* 9*d.* After rising to 7⅛ on Wednesday, Mexico of El Oro eased off to 7 on Thursday.

The coal strike being reflected in an adverse New York rate, gold advanced to 120*s.* 3*d.* on Tuesday, thus stimulating the Kaffir Circus. Moreover, shop support was forthcoming, and Paris turned buyer. Business was, however, on a small scale. The slight relapse in the price of gold to 119*s.* 3*d.* on Thursday caused a few mild reactions. On the whole, however, the tone over the week was much steadier. East Rands came in for most attention, moving steadily up from 8*s.* on Monday to 9*s.* 4½*d.* on Thursday. Continental inquiries left Rand Mines slightly better at 2⅛ on Thursday. Some realisations caused Central Mining to lose the ⅛ they had gained on Wednesday, the shares closing firm at 8 on Thursday. Crown Mines were in good demand in the middle of the week, rising from 2½ on Tuesday to 2⅞ on Wednesday, but easing a little towards the end. A rumour was current during the week to the effect that the Arizona deal had been concluded at a price of £5,000,000, approximately. This is now contradicted by the statement from the directors that, owing to the existing conditions in the United States, it has been found necessary to postpone the negotiations.

CITY DEEP.

Year ended Dec. 31							
1916							
1917							
1918							
1919							

As had been anticipated [illegible], the working operations of City Deep for the year ended December 31, 1919, were by no means as satisfactory as those of 1918. [illegible] of 52,300 tons in the [illegible], thus reducing the already low total of 1918 to 617,800 tons. The cause of the decline was the same as in the previous year—a marked shortage in native labour, the average native [illegible] as against 4,982 in 1918. This continued falling off in the supply of labour rendered it impossible for the plant to be worked to anything like its full capacity. There was, however, no appreciable change in the grade of ore handled. Working on the basis of the par value of gold so that a correct comparison may be established, the gold revenue per ton for 1919 averaged 38*s.* 3*d.* more than in the previous year. On the other hand, the reduced tonnage brought in its train the inevitable increase in the costs of working. But, unfortunately, there were other forces, too, tending in the same direction, with the result that the average working cost per ton rose from 21*s.* 8*d.* to 27*s.* 9*d.* The main factor in the rise was the advance of 1*s.* 7*d.* per ton in white wages, partially the outcome of the lower tonnage and partially of the increase in pay necessitated by the rise in the cost of living. Against this stands a trifling decline of 1*d.* per ton in native wages. However, with the general upward movement of price-levels, stores and materials contributed 1*s.* 1*d.* per ton to the increase. Sundry charges rose from 4*s.* 10*d.* per ton to 5*s.* 4*d.* per ton, mainly because of the heavier burden of the new Miners' Phthisis Act, the assessment under which was over three times the charge under previous legislation. With this advance of 3*s.* 1*d.* per ton in working costs, the working profit per ton declined from 13*s.* 4*d.* to 10*s.* 6*d.*, and in amount from £447,294 to £324,572. The advent of the premium on gold after July 25, 1919, more than redressed the balance. On gold disposed of between that date and the close of the year, the Company received a total premium of £133,115, equivalent to an average premium of twenty-three per cent. Taking this extraneous source of revenue into account, the gold revenue per ton worked out at the record figure of 42*s.* 7*d.*, leaving a working profit of £457,687, or 14*s.* 10*d.* per ton. Thus the net profit for the year amounted to £462,566, or over £4,000 in excess of the net profit of 1918. The dividend is, however, reduced from 27½ per cent. to 23¾ per cent., whilst the amount carried forward has been increased in consequence from £214,911 to £215,171.

Another consequence of the inadequate supply of native labour was reflected in the decline in the amount of the development work, which reached 17,267 feet, as against 18,780 in the previous year. The results on the whole were satisfactory, as can be seen from the following table:—

1916	8,784				3,660,187		
1917	8,099						
1918	6,486						
1919	6,900						

Highly satisfactory values were revealed by the ore opened up by the fourteenth level west drive, and payable ore was being disclosed by the seventeenth level west drive. Furthermore, the prospects of the lower part of the mine continue promising. The total of the [illegible] 573,400 tons. To quote the Consulting Engineer: "It is considered advisable that a more active development policy should now be undertaken." The main barrier in the way—the shortage of labour—has been largely removed by the acquisition since May of the current year of the adjoining mine, City and Suburban, which had closed down. It will be recollected that the machinery and plant, as well as the remaining claims, were purchased by City Deep in exchange for 45,000 fully-paid shares, being equivalent to a cash price of £110,000. At the meeting held in July to increase the authorised capital of City Deep by £45,000 to £1,295,000 in order to effect this purchase, the chairman of City Deep definitely asserted that the outstanding attraction of the purchase "was the prospect thus afforded of substantially increasing our native labour supply. There were, of course, other advantages . . . but apart from the native labour factor we would not have entertained the idea of purchasing the City and Suburban Mine." The other advantages consisted mainly of 400,000 tons of developed and 80,000 tons of undeveloped ore of payable value still left in the mine. But the determining factor was the native labour supply of 2,535 boys. What this addition meant to City Deep can best be realised by a survey of the returns for the current year. In April, prior to the acquisition, 60,000 tons were crushed at a profit of £35,706. For May, when only twenty milling days with the new plant were available, 78,400 tons were treated, yielding a profit of £25,520. By July, however, the full force of the increased labour was felt, and no less than 90,600 tons were crushed at a profit of £55,183. During August this was maintained, 90,500 tons yielding a profit of £73,455. Thus, apart from the possibilities of further development work, the purchase of City and Suburban has enabled City Deep to work its plant to its full capacity. Hence any rise in price-levels will in all probability be more than discounted by the marked growth in the quantity of ore handled. And it is no less advantageous that, just as this position has been assured, the premium on gold should be moving upward and realisation charges should have been restored to normal. Consequently, the prospects for the current year are decidedly bright. Despite the rather adverse circumstances of the first six months, the outlook justified a declaration of an interim dividend of twelve and a-half per cent. Financially the position of the Company as disclosed in the balance sheet dated December 31, 1919, is very strong. To meet current liabilities not exceeding £298,347, cash, gold and investments are available to a total of £442,721. The market quotes the £1 shares at 53*s.* 6*d.*, at which price, assuming a final dividend of thirty per cent. for the current year, which is by no means unlikely, they return a yield of over eleven per cent., and in view of the general outlook are by no means an unattractive investment.

KADUNA SYNDICATE.

	Tons						
1916							
1917							
1918							
1919				20,234			

For this Nigerian tin-mining Company the year ended [illegible] shortage of labour, the output of tin ore was increased by over twenty-five tons to 205 tons. It will be re-

to a net price of £184½, as against £192½ in the previous year. Moreover, with an efficient administration the increased output was obtained at an average cost of £88½ per ton, as compared with £115 per ton for 1917-18. Consequently, the working profit was increased from £15,758 to £20,231, and the net profit from £14,063 to £17,850. Out of this a sum of £2,432½ was required to write down certain assets, which had been reduced to £5,064½ as a result of the capitalisation of £13,900 at the end of the previous year, thereby leaving a net total of £7,500. In addition £2,432½ out of the expenditure incurred on areas licensed during the year was written off. Dividends paid to shareholders amounted to £9,730, representing a rate of thirty-five per cent. on the issued capital of £27,800. It appears that the rate of dividend was sixty per cent. in 1917-18. But since then shareholders received a bonus issue of share for share, the scheme being financed by transferring £13,900 from the reserve fund. Consequently, the dividend of thirty-five per cent. for the year under review is equivalent to seventy per cent. on the capital issued on October 31, 1918. After paying this dividend, there is carried forward a balance of £6,663, subject to excess profits duty. But as the liability in this respect for 1917-18 only amounted to £2,375, it is evident, especially when the reduction to forty per cent. for over half the year under review is recollected, that a substantial balance will yet be left when the assessment is met.

The outlook for the current year is by no means clear. With tin under £260 a ton the average for the year is not likely to prove so favourable. The compensating factor of reduced costs through increased output is rendered at best uncertain owing to the intermittent supply of labour. In the absence of any definite scheme of registration or contract it is a matter of great difficulty to secure a continuous and an adequate supply of labour. This fact in itself operates to enhance the wages, apart from any rise in the prices of stores and materials. Moreover, transport difficulties in Nigeria are said to be very acute. Not only is it difficult to ship tin in order to avail of favourable markets, but it is no less difficult to secure supplies of machinery and essential materials. However, these factors, as well as the present heavy increase in taxation, are at best calculated to affect this Company only temporarily. In the long run, its outlook is distinctly bright. Financially, the balance sheet dated October 31, 1919, reveals a very strong position. Current liabilities, including the final dividend of £6,950, do not exceed £13,253, and are amply covered alone by the total of cash and sundry debtors, £20,456. In addition there are available other liquid assets to a total of £25,765. Moreover, these latter include 4,000 five-shilling shares in Kaduna Prospectors at the nominal figure of £1, and this concern is now earning remunerative profits. Since the close of the accounts the loan of £2,500 to this Company has been converted into shares; 5,000 shares were purchased at par and 10,000 shares at a premium of 5s. Thus Kaduna Syndicate now hold 29,000 shares in this concern, and has already received a dividend of thirty per cent. on 9,000 shares. In the market the five shilling shares of Kaduna Syndicate stand at 13s. 9d., at which price they would require a dividend of twenty-seven and a-half per cent. to yield a return of ten per cent.

CANADA'S
Grand Trunk Railway System
in connection with the Canadian National Railways now operates Daily Coast to Coast Service - Halifax, Quebec, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Vancouver, Victoria, Prince Rupert.
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EUROPEAN TRAFFIC OFFICES:
LONDON, S.W.—17 19 Cockspur Street. LIVERPOOL.—20 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
H. H. NORMAN, Secretary, Dashwood House, E.C.
FRED. C. SALTER, European Traffic Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, October 20, 1920.

Issue Department.

Notes Issued	£140,128,085	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,678,085
	£140,128,085		£140,128,085

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£61,619,800
Rest	3,095,667	Other Securities	83,878,751
Public Deposits	16,539,019	Notes	13,074,450
Other Deposits	125,844,505	Gold and Silver Coin	1,470,357
Seven-day and other Bills	11,167		
	£160,043,358		£160,043,358

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Oct. 20	127,0	123,1	16,5	125,8	61,8	83,8	14,5	10·2	7	6⅛
Oct. 13	127,1	123,1	18,2	123,9	63,7	81,8	14,4	10·2	7	6⅛
Oct. 6	127,3	123,1	21,2	134,7	63,7	95,0	13,9	8·9	7	6⅛
Sept. 29	127,5	123,1	18,1	111,0	21,8	108,3	14,1	11·1	7	6⅛
Sept. 22	125,4	123,1	16,7	105,4	35,5	88,7	16,0	13·1	7	6⅛
July 14	28,3	40,2	13,7	42,2	11,0	33,6	29,3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 8%; Aug. 8, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 8, 1918, 6%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Oct. 20, 1920	Oct. 21, 1919	Oct. 23, 1918	Oct. 24, 1917	Oct. 19 1910
Circulation	£127.0	£83.4	£83.4	£81.6	£27.6
Public Deposits	16.5	22.4	32.0	40.0	7.1
Other Deposits	125.8	144.7	120.1	124.2	41.9
Government Securities	61.8	78.6	46.0	59.0	15.0
Other Securities	83.8	83.1	95.4	95.8	29.8
Reserve	14.5	23.1	28.5	32.4	42.8
Ratio to Liabilities	10·23%	13·31%	18·70%	19·70%	46·49%
Coin and Bullion	123.1	88.0	73.4	55.5	31.9
Money:					
Bank of England Rate	7%	5%	5%	5%	6%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅛%	4⅝%	3⅝%	4⅛%	4⅛%
Exchanges:					
Paris Cheque	53·20	33·20½	26·07	27·44½	25·29
New York 60 days	3 44½	4·13½	4·73	4·72	4·82½
Bombay Telegraphic Transfers	1/7½	2/0	1/5½	1/4⅜	1/4½
Prices:					
Consols 2½% Cash	45½	52	59½	56½	73¼
French Rentes 3% Money	54·60	60·80	82·00	62·00	97·00
Silver, London spot per oz.	52¾d.	61½d.	49¼d.	42½d.	29⅜d.
Wheat, *Gazette* average qr.	70/8	73/4	72/7	70/8	30/2
Cotton, Mid Upland lb.	17·96d.	22·45d.	21·25d.	20·52d.	7·96d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	55/6

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Oct. 20, '20	7,033,035	7,541,276	352,794,852	28,500,000	18,750,000	13·4
Oct. 13, '20	8,148,721	7,789,723	353,305,843	28,500,000	18,750,000	13·4
Oct. 22, '19	5,511,272	7,082,373	336,884,593	28,500,000	—	8·5
Oct. 23, '18	6,137,853	4,568,911	285,339,784	28,500,000	—	10·0
Oct. 24, '17	4,391,120	3,363,923	185,214,175	28,500,000	—	15·4
Oct. 25, '16	4,319,906	3,934,413	135,319,261	28,500,000	—	21·0

Balance Sheet, October 20, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	277,590,291	Other Bankers ...	—
Ten Shilling ...	4,101,561	Trustee Savings Banks	—
Certificates outstanding ...	33,190,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	352,791,852	Bank of England Notes...	18,750,000
Notes called in but not yet cancelled	3,109,009	Government Securities ...	324,885,520
Investments Reserve A/c ...	16,341,910	Balance at Bank of England	109,051
Total	372,245,571	Total	372,245,571

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c. Cr.	Loans, Advances, &c. Dr.	Net +	Cash Balance
	£	£	£	£	£	£	£
Oct. 16	£36,112	£9,431	£—[illegible]	£171,036	£196,495	—£25,399	£4,386
Oct. 9	26,771	36,153	9,743	192,430	183,132	—9,227	3,087
Sept. 30§	23,493	38,654	15,161	224,703	207,795	—16,908	3,618
199days '20-21	633,113	387,585	94,748†	3,010,516	3,114,433	+103,917	— 5,003
201days '19-20	503,576	812,994	309,418	3,687,972	3,387,172	300,800	— 8,617
Yr. '20-21*	1,418,300	1,184,102	234,198†	—	—	—234,198	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	326,202	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,804	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Oct. 16	£8,434	£3,623	£4,036	£22,019	£4,018	£310	£5,100
Oct. 9	5,041	5,416	5,737	8,597	27,737	310	8,212
Sept. 30§	2,545	3,528	3,766	13,654	2,255	53	36,346
199days '20-21	168,155	135,374	119,173	208,411	196,742	10,521	380,302
201days '19-20	139,906	117,778	144,366	101,536	197,963	5,874	609,057
Yr. '20-21*	348,650	365,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	265,023	359,089	290,045	407,404	332,034	18,171	1,317,568
Yr. '18-19	162,220	291,188	285,028	150,587	289,884	11,380	2,297,398
Yr. '17-18	110,033	238,609	220,214	137,478	189,851	11,401	2,494,868

FLOATING DEBT. [000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Oct. 16, 1920 ...	£1,074,804	£247,614	£1,320,418	£11,479
Oct. 9, 1920 ...	1,078,639	211,364	1,290,003	11,314
Sept. 30§, 1920 ...	1,138,794	143,114	1,281,908	11,144
Sept. 25, 1920 ...	1,494,024	168,949	1,662,973	11,089
June 30, 1919	796,150	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue. § 5 days. (2) 9 days.

FOREIGN BANKS :

[In £'s Sterling—000's omitted.

		Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£833	£11,810	£41,925	£51,937	£3,993
Oct. 7, '20	...	10,660	1,075	11,735	26,532	244,791	55,432
Oct. 14, '20	...	10,833	1,073	11,713	23,117	[illegible]	52,810

		Claim on Austro-Hung. Bank	Contingent Liabs. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*							
Sept. 22, '20	...	£368,767	£89,933	£17,287	£49,433	£127,136	£51,247
Sept. 30, '20	...	368,714	93,973	14,417	51,457	127,543	43,849
Oct. 7, '20	...	398,620	83,372	50,532	51,219	122,819	52,133

		Gold	Silver	Total	Discounts	Advances	Balances Abroad	Circulation	Deposits
DENMARK.									
July 31, '14	...	£4,100	£341	£4,441	£3,177	£798	£3,813	£3,903	£47
Aug. 31, '20	...	12,641	145	12,723	16,941	1,431	3,121	30,031	2,931
Sept. 30, '20	...	12,644	145	12,789	11,703	1,823	3,121	30,031	2,821
Sept. 30, '19	...	10,416	179	10,595	7,075	2,419	2,121	25,731	3,743
Sept. 30, '18	...	10,455	140	10,595	3,613	3,531	2,357	22,357	763

		Gold—In Bank	Gold—Abroad	Total Cash Incl'g Silver	Bills	Circulation	Deposits—Public	Deposits—Private
FRANCE.								
July 30, '14	...	£165,654		£190,667	£92,788	£267,327	£15,332	£37,933
Oct. 14, '20	...	141,362	77,935	229,825	58,116	1,581,077	3,033	135,120
Oct. 21, '20	...	141,413	77,935	229,927	93,932	1,171,537	3,133	128,048
Oct. 23, '19	...	142,875	79,131	231,591	47,548	1,470,250	3,173	121,203
Oct. 24, '18	...	136,199	81,484	232,487	32,933	1,328,842	1,433	116,335

		Gold	Silver	Total	Other Notes	Treasury & Other Loans & Discounts	Circulation	Deposits
GERMANY.								
July 29, '14	...	£87,843	£16,727	£84,570	£5,379	£10,955	£91,515	£47,193
Sept. 30, '20	...	54,579	348	54,927	893,135	2,743,916	3,081,774	1,091,873
Oct. 7, '20	...	54,579	363	54,943	997,731	2,413,941	3,103,925	859,321
Oct. 7, '19	...	54,799	873	55,772	451,754	1,527,859	1,493,118	455,318
Oct. 7, '18	...	127,361	5,698	133,057	135,572	941,147	784,902	463,815

		Gold	Cash—Silver	Cash—Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14	...	£13,496	£249	£13,745	£13,422	£10,332	£35,890	£1,437
Oct. 4, '20	...	53,028	1,501	54,529	13,749	27,275	88,421	6,234
Oct. 11, '20	...	53,028	1,522	54,550	13,815	27,642	83,679	6,999
Oct. 11, '19	...	52,514	339	52,803	14,600	19,433	84,618	5,396
Oct. 12, '18	...	58,980	672	59,632	10,541	9,751	81,933	6,019

		Gold	Cash—Silver	Cash—Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—	£48,458	£25,017	£99,204	£8,837
Aug. 20, '20	...	£32,191	£2,998	35,189	12,886	187,674	552,705	72,354
Aug. 31, '20	...	£ 32,191	2,999	35,190	13,621	206,923	559,393	72,513
Aug. 30, '19	...	32,216	2,980	35,196	22,683	68,778	414,092	65,664
Aug. 31, '18	...	32,729	3,070	35,799	6,542	54,193	322,085	58,349

		Gold	Discounts	Advances	Notes	Public Deposits	Private Deposits
JAPAN.							
Aug. 1, '14	...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Aug. 14, '20	...	102,436	17,459	24,666	108,925	103,343	7,132
Aug. 21, '20	...	103,012	17,835	26,214	108,553	117,084	5,069
Aug 23, '19	...	75,194	6,784	43,877	96,555	120,487	3,159
Aug. 24, '18	...	65,221	4,629	39,252	79,087	79,920	4,921

		Cash Own Vaults	Loans, Aggregate Reserve	Loans, Discts., Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,238	—	—	£387,165	£1,720
Oct. 9, '20	...	£18,422†	112,692	1,036,256	£827,592	£56,380	914,353	2,934
Oct. 16, '20	...	19,114†	114,690	1,047,226	843,376	58,531	923,651	3,172
Oct. 18, '19	...	19,444†	118,806	1,084,590	810,632	55,024	931,576	6,976
Oct. 19, '18	...	20,958†	108,822	934,864	758,534	29,336	812,872	8,464

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,980	£1,678	£493	£4,858	£6,753	£733
Sept. 22, '20	...	8,119	2,634	578	24,856	23,405	6,128
Sept. 30, '20	...	8,119	2,711	578	25,718	26,314	6,115
Sept. 30, '19	...	8,162	4,342	678	18,193	23,977	3,074

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
June 2, '20	...	£1,906	£3,921	£5,827	£20,408	£93,438	£10,635
June 9, '20	...	1,906	3,921	5,827	24,567	94,858	8,858
June 11, '19	...	1,905	3,935	5,840	8,198	65,043	3,474
June 12, '18	...	1,905	3,475	5,380	8,822	48,378	2,186

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
June 19, '20	...	£34,009	£18,463	£3,514	£21,976	£189,444
July 10, '20	...	65,209	18,897	5,892	23,449	195,312
July 17, '20	...	62,209	20,778	3,605	24,393	195,175
July 18, '19	...	42,844	10,422	2,149	12,571	127,750

		Gold—In Bank	Gold—Abroad	Total Cash Incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14	...	£160,114	£14,395	£181,892	£76,081	£163,411	£8,539	£109,911
Oct. 29, '17	...	129,623	230,865	378,205	1,889,559	1,836,217	15,783	345,550

		Gold	Cash—Silver	Cash—Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.								
Aug. 1, '14	...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Oct. 9, '20	...	98,124	23,275	121,398	91,334	13,774	167,336	39,302
Oct. 16, '20	...	98,135	23,181	121,316	92,191	13,779	165,443	39,213
Oct. 18, '19	...	86,611	25,204	121,815	90,324	13,773	156,539	37,311
Oct. 19, '18	...	88,223	25,836	114,059	56,787	13,777	122,457	43,955

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Oct. 9, '20	...	15,531	4,527	2,498	34,526	47,990	9,955
Oct. 16, '20	...	15,531	4,520	2,498	33,031	49,891	9,917
Oct. 18, '19	...	16,656	7,667	2,881	20,790	38,710	6,283
Oct. 19, '18	...	15,176	8,185	5,881	18,611	40,893	5,713

		Gold	Cash—Silver	Cash—Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Oct. 7, '20	...	21,622	4,010	25,632	14,368	45,750	4,811
Oct. 15, '20	...	21,629	4,053	25,681	15,171	38,116	4,231
Oct. 15, '19	...	18,920	2,485	21,405	17,351	36,741	4,563
Oct. 15, '18	...	15,267	2,189	17,456	18,397	34,997	4,695

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

Oct. 11, '20	...	[illegible]					
Oct. 18, '20	...	[illegible]					

II.—CURRENT BANK RATES OF DISCOUNT.

[illegible]			Lisbon ...		Jan. 15, 14
[illegible]			Madrid ...		
[illegible]			Paris ...		
[illegible]		Apr. 29, '20	Rome ...		
[illegible]		June 5, '19			
[illegible]		June 25, '20	Tokio ...		18, 1
[illegible]		Apr. 16, '20			

III.—FOREIGN EXCHANGES.

LONDON ON		Oct. 15, '20	Oct. 8, '20
[illegible]		[illegible]	[illegible]
[illegible]		50r. 57	[illegible]
[illegible]		25kr. 10	25kr. 02
[illegible]		[illegible]	[illegible]
[illegible]		91fr. 50	88fr. 50
[illegible]		[illegible]	[illegible]
[illegible]		$3 41	$3 51
[illegible]		$3 48	$3 49
[illegible]		[illegible]	[illegible]
[illegible]		53fr. 97c	54fr. 00c
[illegible]		53fr. 25c.	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		24r. 32	24r. 16
[illegible]		17kr. 65	17kr. 63
[illegible]		[illegible]	[illegible]
[illegible]		21fr. 81c.	[illegible]

ON LONDON		Oct. 22, '20	Oct. 15, '20	Oct. 8, '20
[illegible]		97fr.	[illegible]	[illegible]
[illegible]		11 [illegible]	[illegible]	[illegible]
[illegible]		[illegible]	35kr. 90	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		50 [illegible]	[illegible]	[illegible]
[illegible]		56 [illegible]	[illegible]	[illegible]
[illegible]		1 [illegible]	[illegible]	[illegible]
[illegible]		[illegible]	25kr. 49	25kr. 29
[illegible]		24kr. 80	25kr. 11	25kr. 01
[illegible]		141r.	136m.	126m.
[illegible]		3r. 11 [illegible]	[illegible]	[illegible]
[illegible]		91fr. 75c.	89fr. 75c.	88fr. 25c.
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		1 [illegible]	1 81	[illegible]
Madrid ...	do.	24fr. 49	24 15	23 [illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		$3 [illegible]	$3 83	$3 81
[illegible]		$3 [illegible]	$3 49	$3 [illegible]
[illegible]		$3 46	$3 46	$3 47
[illegible]		$3 45	$3 49	$3 [illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		17 [illegible]	17kr. 62	[illegible]
[illegible]		21fr. 81c.	21fr. 86c.	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]

[illegible] February 2, 1920.

NEW YORK ON		Oct. 22, '20	Oct. 15, '20	Oct. 8, '20
[illegible]	...	30 75c.	30 91	40 20c.
[illegible]	...	23 00	29 50c.	43 68
Buenos Ayres, cheques	...	127 00	120 25	[illegible]
[illegible]	...	13 65c.	13 70c.	26 80c. for 1 kroner
Copenhagen, cheques	...	17 05	18 80c.	29 85
Greece, cheques	...	9 00	8 [illegible]	14 [illegible]
[illegible]	...	6 [illegible]	70 00c.	74 [illegible]
[illegible]	...	26 45c.	25 22½	5 [illegible]
Lima, cheques	...	4 87	4 86	4 [illegible]
[illegible]	...	46 70c.	46 70c.	50 [illegible]
[illegible]	...	9 50	9 [illegible]	[illegible]
[illegible]	...	15 33c.	15 18c.	5 [illegible]
[illegible]	...	6 15mill.	5 79mill.	3 [illegible]
[illegible]	...	90	90	[illegible]
Singapore, cheques	...	43 [illegible]	46 70c.	[illegible]
[illegible]	...	14 [illegible]	14 40c.	[illegible]
Stockholm, cheques	...	19 70c.	19 60c.	26 80c. for 1 kroner
Switzerland, cheques	...	6 [illegible]	6 [illegible]	[illegible]
[illegible]	...	19 00c.	19 00c.	20 61c. for 1 peso
Yokohama, cheques	...	50 75c.	50 875c.	[illegible]

IV.—BANKERS' CLEARING-HOUSE RETURNS.

		Week.			1920		1919
		1920			[thousands of pounds, 000's omitted.]		
BIRMINGHAM ...		Oct. 16	£3,292	+	£407	£153,971	[illegible]
[illegible]		,, 16	1,871	+	187	73,542	[illegible]
[illegible]		,, 16	8,893	—	381	362,005	[illegible]
[illegible]		,, 16	1,581	—	78	73,218	[illegible]
[illegible]		,, 16	1,264	—	132	52,886	[illegible]
LIVERPOOL ...		,, 16	14,407	—	1,237	624,886	[illegible]
[illegible]		,, 16	2,[illegible]	+	2,177	1,247,151	[illegible]
NEWCASTLE ...		,, 16	[illegible]	—	[illegible]	129,173	[illegible]
NOTTINGHAM ...		,, 15	[illegible]	—	116	46,995	17,331 + 5,9
[illegible]		,, 16	1,273	+	2,[illegible]	69,430	[illegible]
[illegible]		1920					
[illegible]		20	61,[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]		20	[illegible]		[illegible]	[illegible]	[illegible]

V.—FREIGHTS —[illegible]

HOMEWARDS.	1920 Oct. 22	1920 Oct. 15	1913 Oct. 24	Homewards	1920	1920	1913
Alex. to U.K.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	OUTWARDS.			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	420	[illegible]
Danube to U.K. ...	65 0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R. Plate ...	[illegible]	12 9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	OCT. 22, 1920.	OCT. 24, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ton	230/0	166/0	57/0
— Middlesbro' warrants ton	225/0	160/0	61/0
— Hematite warrants ton	260/0	205/0	61/0
— Staffordshire bars, London ton	£33 10	£25	£8 10
— Common bars ton	£30 10—£32	£22 10—£23	£8 10
Steel Rails ton	£36	£16 10	£6 2/6
Galvanised Sheets ton	£40—£41	£32—£33	£16 17/0
Copper—Standard ton	£100 15/0 to £100 15	£278	£66
Tin—English Ingots ton	£245—£248	£278	£142 15
— Straits ton	£245—£248	£280	£139 10
Tinplates, I.C. Coke, S. Wales box	42/0 45/0	36/0—38/0	11/10½—12/0
Lead—Soft Foreign ton	£35 15 £36 2/6	£30 17/6 £30 17/6	£19
Spelter—Ord. Foreign ton	£30—£30	£15 10—£15 15	£21 7/9
Quicksilver (75lb.) bottle	£15—£15 10	£16 15 —£17	£7
Aluminium ton	£165 home	nom.	£92
Antimony—Regulus Foreign ton	£43—£45	nom.	£27 10
— English ton	£60—£65	£47 10	—
Coal—Best Yorkshire ton	37/0—38/0	29/6—30/6	17/6
— Steam (best Newcastle) ton	50/2—55/0	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—Carb. (white crystals) ton	14 0	9/8	7/4
Soda—Crystals ex wharf ton	110/0 ... 120/0	—130/0	42/6—45/0
Copra—Malay and straits ton	£74 5	£53 10 £23 15	—£24 7/6
Rambler—Good marks cwt.	41/0—42/0	51/0	16/10½
Indigo—Fine and good to fine lb.	13/0—16/6	9/6—10/6	3/2—3/8
Linseed Oil—Raw ton	£66	£90	£25 5
Linseed—Calcutta, spot ton	£35 10	£43	£13 16/9
— Cakes, U.K. made, ex mill ton	£22 10—£23	£25	£7 17/6—£8
Olive Oil—Spanish ton	nom.	nom.	£49 10
Palm Oil—Lagos ton	£66 10—£67 10	£82	£31 10
Petroleum—American gallon	2/4	1/6½	7½d.
— Refined English ton	£84	£105	£32
Soya Oil—Refined ton	£90	£81	£24 10
Tallow—Imported cwt.	73/0—66/0	90/0—100/0	29/3—33/3
Turpentine—American cwt.	125/0	126/6	33/7½
Rape Seed—Toria ton	£53	£40	£13 5
Rubber—Para, spot lb.	1/6	2/6	2/9½
— Fine plantation (sind. crepe) lb.	1/5½	2/4½	2/2
— Wards Packed Sheet July ton	27.525	26.670	8.467
Shellac—T.N. Orange, fair cwt.	550/0—465/0	—470/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland lb.	17.06d.	22.45d.	7.53d.
— Egyptian, good fair lb.	27.60d.	33d.	8.75d.
— Pernambuco fair lb.	16.68d.	27.12d.	7.73d.
— Midland Upl. New York lb.	20.65c.	36.70c.	13.25c
— Stock, Liverpool (cwt. 8) bale	811.550	728.320	934.600
— Stock, Liverpool (cwt. 8) lb.		nom.	228
Flax—Petrograd, Yaropol ton	£56 10	£46	£25 10
Hemp—New Zealand ton	£67	£48	£26 10
— Manila, Fair ton	£67	£48	£26 15
Jute—First Marks ton	£10	£77	£26 15
Red SCC ton	£43	£60	£24 15
Silk—Common, New crop lb.	35/0	32/0	12/0—12/6
Wool—Pt. Philip unwashed av. lb.	3/8	nom.	11½d.—1/0
— Lincoln Half Bred lb.	1/7	nom.	1/0½
Hides—Ox, 56-64 lb. up lb.	13d.	12½d.—13d.	7½d.
Leather—Dressing Hides lb.	3/0—3/6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. bus	64.083.000	179.088.000	34.640.000
— Red, price, N.Y. 60lb. bushel	231c.	237½c.	67½c.
—English Gazette, aver. 480lb. qr.	50/6	73/0	34/3
Flour—G.R. 280lb.	86/0	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	89/6	93/10	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	55/6	57/9	20/0
Maize—N.Y. (new) bushels 56lb.	116½	156½c.	76½c.
— Amer. mixed, Liverpool 480lb.	65/3	nom.	32/4
— La Plata 480lb. qr	65/0	65/0	25/9
Potatoes—Good English ton	205/0	150/0	70/0—75/0
Rice—Bassein cwt.	44/6	26/0	7/0—7/3
Tapioca—Pearl, medium cwt.	36/0—40/0	42/6	14/0—17/8
Hay—best 2,016lb. load	—	—	82/6
Hops—English cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs. 8lb.	6/8	9/0	3/8—3/10
— Scotch sides 8lb.	10/8	10/0	4/6—5/0
— English 8lb.	10/8	10/0	4/6—4/8
Mutton—Scotch wethers 8lb.	14/0	10/0	6/0—6/0
— English wethers 8lb.	14/0	10/6	4/6—5/4
— New Zealand frozen 8lb.	4/0—6/0	8/6	2/4—3/2
Pork—English and Irish 8lb.	16/0	10/8	3/6—4/0
Bacon—Irish, delivered cwt.	280/0	190/6	60/0—74/0
— Danish cwt.	200/0	187/0	58/0—68/0
— Canadian, ex Port cwt.	200/0	187/0	—
— American ex Port cwt.	185/6—190/0	187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	220/0	190/0	75/0—79/0
— — short cut, ex Port cwt.	220/0	190/0	71/0—74/0
Lard—Amer. boxes, ex Port cwt.	156/6	198/6	51/9—52/9
Butter—Danish cwt.	336/0	252/0	117/0—120/0
— French cwt.	336/0	252/0	96/0—108/0
— Australian cwt.	336/0	252/0	98/0—110/0
— New Zealand cwt.	336/0	252/0	108/0—114/0
Cheese—Canadian cwt.	168/0—162/0	144/8	60/0—68/0
— United States cwt.	—	144/8	—
— Dutch cwt.	168/0—230/0	144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Sept. 30 cwt.	20.677.247	23.676.986	19.777.254
— Home consump'n to Sept. 30 cwt.	18.662.772	22.909.896	17.272.000
— In Bond Sept. 30 cwt.	6.972.000	6.522.000	6.306.000
— Price, Java, 96° Pol. cwt.	50/0	36/0	13/3
— — Yellow crystals cwt.	112/0	57/9	12/8—14/0
— — Tate's Cubes, No. 1 cwt.	116/0	64/9	18/0
Coffee—Imports to Sept. 30 cwt.	647.288	943.759	720.360
— Home consump'n to Sept. 30 cwt.	230.320	236.214	141.410
— Exports to Sept. 30 cwt.	352.389	488.866	340.250
— In Bond Sept. 30 cwt.	781.000	527.000	484.000
— Price, Costa Rica good to fine cwt.	128/0—145/0	145/0—155/0	80/0—93/0
— — Brazil (Santos) Good cwt.	75/0	60/0	65/9 41/6
Tea—Imports to Sept. 30 lb.	395.338.954	335.404.881	123.230.277
— Home consump'n to Sept. 30 lb.	284.327.931	292.569.378	155.447.972
— Exports to Sept. 30 lb.	30.939.007	21.809.732	26.561.765
— In Bond Sept. 30 lb.	220.782.000	142.959.000	78.282.000
— Price, Indian, Fek. Souc. ed. lb.	1/3	1/4	8½d.
— — Ceylon, Pek. Souc. Ord. lb.	1/3	1/4	8½d.
— — Common Congou lb.	81 bohea	1/4	5½d.
Cocoa—In Bond Sept. 30 cwt.	1.450.000	858.000	309.000
— Grenada, good to fine cwt.	73/0—75/0	85/0	52/6—56/0

• Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Aug.	$17,995,000	+2,711,000	$2,201,000	—$1,577,000
	5 mos. to Aug.	127,428,000	+20702000	15,249,000	— 3,712,000
Grand Trunk	Aug.	£1,585,400	+ £214,600	£306,300	— £38 100
	5 mos. to Aug.	10,033,500	+1,337,1001	531,800	— 362,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

•* *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Sept. 11	1.044	R2.32.808 —	8,146	23	46.84.583 +	2.38.763
Barsi Light ...	Sept. 18	118	11.500 —	3.200	24	7.45.100 —	20.700
Bengal & N.W.	Sept. 11	2.067	3.75.500 +	624	23	1.13.72.080 —	1.59.294
Beng. Dooars	Sept. 11	158	31.802 +	13.242	23	6.85.063 +	11.311
Beng. Nagpur	Aug. 28	2.695	11.70.000 +	1.52.000	21	58.76.898 —	12.68.455
Bomb. Baroda	Sept. 9	2.871	17.56.000 +	2.61.000	23	22.58.000 +	3.38.000
Burma	Sept. 11	1.342	4.61.544 —	27.141	23	1.21.60.034 —	1.39.599
Del. Um. Kalk.	Sept. 9	239	1.22.487 +	21.512	2	—	—
East Indian	Sept. 16	2.772	28.86.000 +	2.04.000	3	67.63.000 +	9.54.000
Gt. Indian Pen	Sept. 9	3.121	28.24.700 —	37.900	1	—	—
Madras & S.M.	Sept. 18	3.152	11.30.000 —	11.196	24	3.09.57.206 +	3.29.392
Nizam's Guar.	Sept. 4	900	2.47.214 +	11.578	22	68.67.631 +	83.781
Rob. & Kumn	Sept. 11	576	81.980 +	17.951	23	17.18.219 +	2.19.680
South Indian	Sept. 18	1.852½	7.65.774 +	59.816	24	1.91.06.588 +	8.55.461
South Punjab	May	716	7.71.110 +	69.170	5m	17.43.655 +	4.87.375

COLONIAL								
Can. Northern	Oct.	14	9,704	$1,741,900 +	570,100	40	47,298,723 +	7,994,124
Can. Pacific	Oct.	14	13,388	5,689,000 +	1,660,000	40	158,176,000 +	25,942,000
Grand Trunk	Sept.	14	3,618	£406,356 +	73,682	40	12,498,95 +	1,697,398
Mashonaland	June		810	91,152 +	21,421	9m	662,619 +	178,922
Mid. W. Aust.	July		277	9,036 +	1,469	1m	—	—
NewCapeCent.	Sept.	25	205	3,091 +	398	39	115,033 +	18,557
Rhodesia Rlys.	July		1,397	141,931 +	38,364	10m	1,115,901 +	237,096
Temiscouata	June		—	$35,36 +	6,147	6m	187,427 +	11,302
W. Pass. & Yuk	Dec.		122	1,568 626 +	124,546	12m	1,568,626 +	124,546

FOREIGN.									
Argentine.									
Arg. N. East.	Sept.	9	752	£ 12.100 -	1.400	15	183.600 +	7.000
Arg. Transand.	Sept.	16	111	£ 2.579 +	769	16	29.292 +	19.296
B. A. & Pacific	Sept.	16	3.536	$ 105.000 —	43.000	16	2.003.000 —	202.000
B. A. Gt. South	Sept.	16	3.792	$ 137.000 —	46.000	16	2.328.000 —	397.000
Do.	Net	16	Net	$ 12.000 —	57.000	16	242.000 —	563.000
B. A. Western	Sept.	16	1.882	£ 66.000 —	38.000	16	1.130.000 —	396.000
Do.	Net	16	Net	—	—	16	—	—
B. A. Central	Sept.		190	£ 52.476 +	6.776	3m	163.275 +	24.671
Cent. Argent.	Sept.	16	3.305	£ 205.000 +	15.000	16	3.166.000 +	645.000
Cord. Central	Sept.	16	1.205	£ 56.850 -	7.450	16	899.400 —	53.900
Entre Rios	Oct.	9	811	£ 22.400 +	2.400	15	319.000 —	1.500
Brazilian.			110	M 41.000 —	5.250	8m	372.950 —	23.471
BrazilGt.South	Aug.		3.530	M 4.859.000 —	141.271	12m	57.772.000 +	7.619.243
Brazil Railway	Dec.		1.010	£ 19.400 +	3.103	41	873.000 +	112.200
Gt. W. Brazil	Sept.	16	1.831	£ 46.559 -	2.933	40	2.118.362 +	502.748
Leopoldina	Sept.	9	1.180	M 1.561.000 —	956.490	12m	22.267.000 —	3.474.851
Maranguape	Dec.		768	M 2.850.000 —	906.038	12m	32.479.000 —	1.225.892
Paulista	Dec.		1.180	M 4.859.000 —	141.271	12m	57.772.000 +	7.619.243
San Paulo	Sept.	17	153½	£ 45.867 +	11.655	41	1.919.972 +	491.843
Sorocabana	Dec.		1.003	M 1.749.000 —	246.168	12m	21.953.000 +	876.692
S. of Babia S.W.	July		52	M 130.000 +	18.000	7m	601.000 +	89.000
Chilean and Peruvian.									
Antofagasta	Sept.	17	838	£ 44.690 +	15.120	41	1.929.785 +	876.800
Arauco	June		84½	£ 12.000 +	500	6m	76.000 +	10.700
Nitrate (Works)	Sept.	30	390	£ 39.101 +	23.183	36	459.111 +	420.927
Peruvian Corp.	Sept.		1.140	$ 1.187.306 +	204.550	3m	3.511.445 +	303.691
Taltal	Sept.		180	£ 27.863 +	10.546	3m	88.896 +	53.581
Cuban.									
Cuban Central	Sept.	9	382	£ 21.263 +	3.542	15	332.010 +	80.511
Havana Cent.	Sept.	16	70	£ 13.659 +	3.463	16	201.391 +	43.058
U. of Havana	Oct.	16	681	£ 61.247 +	5.951	16	1.043.685 +	169.990
W. of Havana	Oct.	16	155	£ 8.523 +	402	16	179.574 +	38.854
Uruguayan.									
Cent. Uruguay	Sept.	9	273	£ 18.298 —	3.305	15	273.414 —	22.368
,, (E. Ext.)	Sept.	8	311	£ 4.382 —	659	15	68.651 —	868
,, (N. Ext.)	Sept.	9	185	£ 2.930 -	723	15	44.083 —	12.312
,, (W. Ext.)	Sept.	8	211	£ 2.521 -	28	15	34.185 —	1.237
Mid. Uruguay	Sept.		319	$ 16.393 —	3.899	3m	51.000 —	5.762
N.W. Uruguay	Sept.		113	$ 5.531 —	1.257	3m	17.231 —	2.970
Urug. Northern	Sept.		73	£ 1.745 —	377	3m	5.973 —	193
Miscellaneous									
Alcoy & Gandia	Oct.	2	33	Ps. 12.500 +	5.800	39	511.800 +	115.200
Bilbao	Sept.		15	£ 2.440 —	214	9m	29.623 +	6.401
Bolivar	Sept.		136	£ 7.142 —	1.548	9m	93.088 —	10.339
Colomb. Natnl.	Aug.		86	£ 23.000 +	5.520	8m	152.416 +	43.756
Costa Rica	Aug.		189	£ 24.837 +	1.437	8m	53.747 +	11.791
Dorada Ext.	Aug.		70	£ 17.750 +	4.750	8m	135.928 +	48.378
Egyptian Delta	Sept.	20	553½	Ps. 76.815 -	29.892	41	3.623.974 —	739.287
Ext. S. of Spain	Sept.	9	104	£ 12.950 +	3.850	8m	112.600 +	46.410
La Guaira & Ca.	Aug.		22½	£ 19.236 —	—	—	—	—
Ottoman Ry.	Oct.	2	379	£ 9.620 —	1.500	16	80.890 —	5.593
Paraguay Cent.	Sept.	16	274	£ 4.000 —	—	9m	43.000 +	7.875
Puerto Cabello	Aug.		34	£ 2.808 +	429	11	51.160 +	2.582
Salvador	Sept.	16	100					
Santa Fe Prov.									
French Rys.	July		1,181	£ 149.864 +	976	7m	1.129.304 +	3.076
S'in'na & S'tiago	Aug.		80	£ 11.960 —	5.500	8m	122.083 +	23.375
Zafra & Huelva	Aug.		112	£ 12.900 +	852	8m	97.752 +	21.388

TRAMS.									
Anglo-Argent.	Sept.	14	400	£ 80.335 +	11.256	41	3.108.582 +	746.777
Auckland Elec.	June	30	27	—	—	52	282.502 +	2.063
Bombay Elec.	May		39	R. 8.40.311 +	77.930	5m	39.77.651 +	5.50.651
Brazilian Trac.	July		376½	M 11.745.000 +	1.675.000	7m	72.785.000 +	8.752.000
Brisbane Elec.	Sept.		40½	£ 45.430 +	3.450	9m	413.020 +	86.650
Brit. Columbia	July		334	$ 642.090 +	98.110	1m	—	—
B. A. Lacroze	Sept.		51	£ 55.803 +	8.283	3m	159.063 +	21.685
Calcutta	Sept.	16	351	R. 95.54 +	16.199	41	37.08.905 +	2.70.153
Cape Electric	Aug.		42½	£ 25.797 +	13.838	2m	58.614 +	28.663
Cardiff & Herr.	Sept.		9	£ 2.273 +	724	9m	38.781 +	13.260
Chatham & Dist.	Oct.		15	£ 4.157 +	457	10	59.843 +	8.093
Manila Electric	May		88	$ 946.301 +	205.937	5m	4.587.376 +	1.010.581
Isle of Thanet	Jul.	13	20½	£ 931 +	233	2	2.004 +	575
Kalgoorlie	July		20½	£ 3.193 +	375	7m	21.137 +	2.840
Lanarkshire	Sept.	7	28½	£ 4.997 —	109	40	170.524 +	21.878
Lima Light	Aug.		85	£ 68.851 +	9.850	8m	481.800 +	80.711
London C.C.	Sept.	20	141½	£ 98.710 +	22.587	28	2.76.044 +	160.813
Madras (Qwks.)	Sept.	30	15½	Rs. 52.703 +	6.151	36	8.36.843 +	1.52.837
Manila Electric	Aug.		88	$ 282.760 +	98.742	8m	2.215.014 +	604.837
Pernambuco	Oct.	17	59	£ 5.550 —	588	41	280.454 +	62.983
Provincial	Sept.	18	21½	£ 3.393 —	124	9d	172.344 +	14.130
Rangoon Elec.	Aug.		25	£ 7.808 +	1.381	8m	53.766 +	11.578
Shanghai Elec.	Sept.		26½	x. $160.757 +	21.757	9m	1.336.611 +	199.811
Singapore Elec.	Sept.	11	26½	$ 17.634 +	1.381	36	857.330 +	292.130
U. of Montevid.	Aug.		80½	$ 42.771 +	7.898	10m	429.706 +	60.757

The Statist.

LONDON, SATURDAY, OCTOBER 23, 1920

THE INDUSTRIAL DEADLOCK.

The mining dispute has [illegible] reached [illegible] issue that has [illegible]. The appeal of the secretary of the Transport Workers' Federation to the whole of the working population to unite against those "who support the Government in [illegible] it was succeeded by the ultimatum from the Conference of the National Union of Railwaymen to the Prime Minister. The Conference's decision was that as the [illegible] be conceded forthwith; and that unless the claims were granted or negotiations resumed by to-day, work on the railways would cease at midnight on Sunday. How far this blustering attitude may be merely assumed for tactical purposes is uncertain; but there is more than a suspicion that the Triple Alliance are in deadly earnest. The objects of the general strike movement, while professedly economic, may ultimately involve political considerations of the highest moment; but if such is the case the workers are not entirely to blame. They are undoubtedly open to censure for plunging the whole nation into chaos over a question of a 2*s.* per day advance for a limited section of their own class. Such action savours of fanaticism, but there are fanatics also on the other side who wish to crush trade unionism, in the utterly mistaken belief that such a course would mean economic [illegible]. Lord Wr[illegible] gave expression to the sentiments of this group when he stated that industrial disputes should be treated as definite political issues, meaning thereby that the Government should intervene either to prevent them or to compel a return to work in the event of stoppage. This, perhaps, foreshadows an attempt at compulsory industrial arbitration, but similar experiments in this direction have failed elsewhere, notably in Australia. If a large and united body of men decide to disobey an arbitration law it is impossible to apprehend and convict them, or deal with them by the ordinary processes of law. If strikes are to be declared illegal lockouts must also be; and further, if the earnings of labour are to be definitely fixed by the State on the occasion of each dispute, the workers can with equal justice demand that the return on capital shall be likewise limited. Any final settlement of the present industrial crux along these lines is, therefore, undesirable, but [illegible] must be sought to [illegible] the paralysis that periodically overtakes British industry as a result of trade disputes. On account of idle pits we have this week lost nearly 4¾ million tons of coal, on the basis of the output in the week ended October 9, which, according to the Board of Trade figures, was 4,713,000 tons, or enough to keep our industries running for almost a fortnight. Apart from this there has been a considerable loss spread over the year owing to the marked decline in output. The annexed table shows the total coal raised and the amount raised per man in the first three quarters of 1920:—

(Coal output, first three quarters, 1920.)

	Output	Number employed	Tons per Man
[illegible] ended	[illegible]	[illegible]	[illegible]
March 31, 1920 ...	[illegible]	[illegible]	[illegible]
[illegible], 1920	[illegible]	[illegible]	[illegible]
September 4, 1920	[illegible]	[illegible]	[illegible]

The third quarter shows a decline of three tons per man as compared with the first, and the difference [illegible] days. The value of the coal lost by the week's stoppage may be put at approximately £7,000,000, taking the net pithead price as 30*s.* This price covers total cost of production, including wages, stores and timber, royalties and management costs, and deducting the proceeds of miners' coal which, so far as it is supplied at special prices, may be treated as a reduction in the cost of producing the coal disposed of through ordinary channels and at ordinary commercial rates. The wages lost through unemployment and short time in other branches of industry affected by the coal strike have been increasing daily during the week, and already total £650,000. The extra value of the production lost in these branches, excluding wages, may be placed at £500,000 at least, and, adding profits on sales of coal for domestic and foreign consumption, which may be put at £1,500,000, we get a minimum industrial loss during the week of £9,650,000. Apart from this, there is the indirect loss caused by the holding up or diversion of shipping and consequent loss in freights, the reduction in exports, and the fall in foreign exchanges. The reduced value of the pound in New York, for example, will cause a rise in the cost of wheat and other foodstuffs, and in the cost of cotton and other raw materials. In general, the import of manufactured goods will be increased by the decline of home production consequent on the strike, and our adverse balance of imports will thus be increased. Commodity prices have on the whole fallen, and this has caused a decline in the value of stocks, as is shown by the movement of THE STATIST index-number, treated of elsewhere in the present issue. All these pernicious effects could have been avoided by the exercise of a little forbearance on either side. If the Prime Minister [illegible] in the House of Commons on Tuesday last, the granting of the miners' demand for a 2*s.* increase could have been used as a stepping-stone to a better state of things in the coalfields. Outputs could be discussed, wage systems reorganised, and management problems settled. The nation has now lost more by the strike than the granting of the increase would have cost it, and it is idle to argue that a question of principle was at stake, since similar and even greater increases have hitherto been granted without much ado when the miners' case was no stronger than it is to-day.

We are hopeful that some good results may eventuate from the meetings of the Miners' Executive and of the National Union of Railwaymen which are called for to-day. A joint conference is to be held between them this evening, and it is possible that, if a new basis of agreement has not by that time been found by the Mines Department of the Board of Trade, some arrangement may be come to for averting the dislocation of the railways and other transport services. Separate action by different sections of workers is to be avoided in their own interests, and much more so in the interests of the community. It does not help to bring about a settlement favourable to the miners, but simply exasperates public opinion against them. The "sym[illegible] and the Parliamentary Committee of the Trades Union Congress were justified in their condemnation yesterday afternoon of independent moves which merely impeded efforts to secure an adjustment of the original dispute. [illegible] had been supplying various data required by Mr. Lloyd George, was helping the Prime Minister and his colleagues, together with the miners' leaders, to dis[illegible] The concession of the 2*s.* demand is, perhaps, inevitable, but the date of its operation deserves consideration. [illegible] for the reduction in output, and ti[illegible]

A FUTILE DEBATE.

The futility of the modern Parliament was well exemplified in the House of Commons on Wednesday, when the policy of the Government was under discussion. The note on both sides was one of extremism, extravagant praise of the forces of the Crown, and extravagant condemnation of the police, *vice versâ*. Unfortunately, the mood of the Government, which ran to the former extreme, imposed itself upon a too complacent House, and by a majority of 344 to 81 the Mother of Parliaments, with a tradition, if not a history, dating back to Magna Charta, and a reputation for sustaining the rights of the common people against autocracy and oppression, handed Ireland over to the further horrors of an irresponsible military tyranny which has attained the fame of comparison, by some of our greatest public men, to the German *régime* in Belgium. For the present the victory of reaction is complete, and the old-fashioned remedy of coercion, which has been utterly discredited through repeated failures, is to be pushed *à outrance* by the civil and military cliques that pretend to govern Ireland, under the respective leaderships of Sir Hamar Greenwood and General Macready. The generous Liberalism that once distinguished our House of Commons, and that at times intervened so effectively on behalf of oppressed nations abroad, seems extinguished for ever, and unthinking Coalitionists applauded the rhodomontades of their leaders in a manner that, during the course of the debate, evoked protests from Mr. Asquith, Mr. Henderson, and Lord Robert Cecil.

We do not exaggerate, because, unfortunately enough, there is no need for exaggeration. Our Government in Ireland stands convicted by its own admissions. From a series of replies to Parliamentary questions during the week we gather that since January last thirteen Irish newspapers have been suppressed, nearly one hundred and thirty public meetings have been prohibited, sixteen creameries have been wholly and eleven partially destroyed, and an uncertain number of towns and villages—at least two hundred—have suffered from depredations by armed bands. The directors of one of the great Irish dailies, *The Freeman's Journal*, have been summoned before a military court of inquiry. Everywhere the most elementary rights of citizens are being arbitrarily invaded, and practically all the ordinary courts have been replaced by courts martial. Wholesale military raids take place nightly, and hundreds are lying in prison on unknown charges, while others have been detained for months awaiting trial.

And the justification for all this harrying of an already sorely-tried civilian population? There is none, unless we accept the plea that the Irish Executive should not only place themselves on the level of their enemies, but descend considerably lower. Not otherwise can we condone action which confounds innocent with guilty, sacks towns and villages indiscriminately; burns dwelling-houses, creameries, barns, and ricks of hay and straw; and otherwise establishes a reign of terror in which no man's life or property is safe. The end of the present *impasse* seems far away, but we are confident that the English sense of justice will ultimately awake to the iniquity of our proceedings in Ireland.

In the meantime the Government seem determined to persist with the Home Rule Bill, the financial clauses of which were discussed in Committee yesterday. It is proposed that Ireland should make a contribution of eighteen millions to Imperial services in each of the next two years, after which the amount of further contributions would be considered. It seems idle to analyse the Bill in detail, since the possibility of its being put into actual operation is at present rather remote, but the provision of separate Legislatures for North and South will, we fear, not only prove unworkable, but will, by its mere enactment in legal form, cause a permanent schism in Ireland.

AUSTRALIAN EXCHANGE AND TRADE.

Through the courtesy of the Department of Overseas Trade figures have just reached us showing the import [illegible] the quarter ended 31st June last. In the table that follows, particulars of the division of [illegible] the United Kingdom, the rest of the Empire, Japan, and the United States are given. Of [illegible] £35,230,880, we supplied £15,668,634, the rest of the Empire £5,125,357, Japan £1,399,757, and the United States £5,504,935. The United Kingdom proportion of the trade amounts to forty-four per cent., and this shows a substantial recovery as compared with previous years.

Imports into Australia.

	[illegible]	Remainder of Empire	[illegible]	U.S.A.	Total all Countries
	£	£	£	£	£
1. [illegible]	11,185	54,349	[illegible]	[illegible]	[illegible]
2 [illegible]	119,911	733,042	[illegible]	38,312	3,777,980
3 Provisions [illegible]	57,821	66,013	257	2,065	128,214
[illegible]	5,782	5,417	313	14	[illegible]
[illegible] preparations of	11,501	2,126	767	441,701	548,851
6 Live animals	17,113	12,162		74	29,849
7 [illegible]	244,584	468,108	19	[illegible]	[illegible]
8 Vegetable substances and fibres	157,272	815,367	57,284	87,331	1,436,292
9 [illegible]	81,0[illegible]	115,789	122,982	418,868	1,8[illegible]
[illegible]	1,[illegible]31	131,450	783,675	389,303	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	2,465	584,116
10 [illegible]	[illegible]	65,980	[illegible]	245,682	1,276,782
11 [illegible]	[illegible]	150	175	31,018	[illegible]
12 [illegible]	21,917	11,936	5	[illegible]	[illegible]
13 [illegible]	103,715	4,574	1,591	[illegible]	198,601
14 *(a)* Machines and [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(b) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
tures of metal...	[illegible]	211,817	43,412	1,131,570	[illegible]
15 [illegible]	134,189	142,889	1,774	120,541	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Wood and wicker, [illegible]	[illegible]	[illegible]	[illegible]	438,786	972,234
17 Earthenware, [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18 [illegible]	[illegible]	178,853	[illegible]	118,[illegible]	[illegible]
(b) Stationery ...	[illegible]	1,949	[illegible]	74,765	[illegible]
20 Jewellery, time- [illegible]	[illegible]	3,851	[illegible]	[illegible]	[illegible]
21 Optical, surgical, [illegible]	[illegible]	1,717	[illegible]	204,513	[illegible]
22 Drugs, chemicals, and fertilisers ...	[illegible]	145,126	[illegible]	[illegible]	[illegible]
23 [illegible]	[illegible]	132,206	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	17	[illegible]
Total ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

As may be seen from the table the staple articles on our export list are wearing apparel and textiles, machines and machinery, various manufactures of metals, and drugs, chemicals, and fertilisers. We are [illegible] during the War to the United States and Japan, but the peculiarity of the present exchange position is at present interfering with the free flow of our exports. Australian bankers in London are showing extreme reluctance to discount bills of exchange drawn by importers in the Antipodes in favour of British exporters, as the practical prohibition of gold shipments by the Commonwealth Government interferes with the fulfilment of obligations on the part of Australian houses. Shipments are at present confined to gold recently raised by the Producers' Association, and it seems illogical to prevent the separate banks which possess gold holdings from using their metallic reserves in the ordinary way to redress the present unfavourable position. The illogicality of the proceeding is emphasised when we consider that the Australian note circulation is not backed by the banks but by the Commonwealth itself. The stock of gold at the Australian Commonwealth Bank in June last amounted to no less than £25,000,000, compared with £4,500,000

in December 1917. The [illegible] could then be obtained from the non-Government institutions if their supplies had not been depleted by shipments. Currency expansion is not, however, in [illegible] of the considerable sums still due to wool-growers by our Government in respect of past clips, but in the meantime Australian banks in London will be without means of securing payment on date of maturity of any [illegible]

EFFECT OF THE STRIKE ON COMMODITY PRICES.

As the strike, should it last, will be the predominant factor affecting commodity-price movements, a record of the changes in the general price-level week by week during the present industrial situation cannot fail to be both interesting and instructive. In order that such a record may be available, we intend to show each week, while the strike continues, movements in the general level of wholesale prices compiled according to the system used in the Sauerbeck-Statist index-numbers. An analysis of the changes in the level ruling on Thursday last as compared with September 30 is presented in the following table. As may be seen, the general index-number shows a fall of 2.3 per cent. as compared with the end of September:

	Oct. 21, 1920.	Sept. 30, 1920.	Increase (+) or Decrease (−) per cent.
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Foodstuffs	**233.1**	**237.7**	**1.9**
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Materials	**250.3**	**256.8**	**2.5**
Totals	**243.0**	**248.7**	**2.3**

Touching on the possible effects of a coal strike on the general level of commodity prices in dealing with our index-numbers for August, we ventured to forecast that the more immediate result would be a fall in the price-level, though an ultimate rise must ensue on a continued restriction of production. In view of the results shown in the above table, it will be of interest to review here the nature of the more important influences at work.

A little reflection will show that, broadly speaking, two main developments must follow on the strike: one, a cutting-down of consumption, making for lower prices; and the other, a curtailment of production, making for an ultimate rise in prices. That the former, as might be expected *a priori*, has come first is evidenced by the figures set out above. It is but natural that a partial stoppage of production should compel [illegible] or been thrown out of employment, but all classes of the community, to restrict their expenditure in the [illegible] ment must result in rendering superfluous a large [illegible] as well as lessening somewhat the rapidity of circulation of currency and credit, and these influences, already [illegible] already made their appearance in the financial sphere. A similar development, it is to be noted also, will follow as a consequence of [illegible] feature. It is [illegible] up again by creating a scarcity [illegible]. The fall in commodity prices since the end of September becomes more understandable when account is taken of the position as [illegible] strike. Since April last, as shown by our monthly index-numbers, as tabulated below, a gradual fall has taken place in commodity prices, due, generally speaking, to a greater abstention on the part of the consuming public. In recent months the fall has [illegible], but [illegible] strike was all that was needed to confirm the consumer in his attitude towards the producer, for the fall since September 30 has been the greatest proportionately for any month since April last, after which prices first began to decline. At the end of September the general level of prices was 6.5 per cent. below the April level; the present level is 8.7 per cent. below that of April. The index-numbers for the different categories, month by month, since April 1920, are shown herewith:—

Comparison of October 21 figure with end-of-month Index-numbers since April.

[illegible]

Another aspect of the falling-off in consumption which remains to be considered is that it will first affect those commodities which are of the nature of luxuries or semi-luxuries. As the consumer restricts his expenditure on these articles he will turn more and more to those commodities which are prime necessities, such as foodstuffs, and on these he will endeavour to confine his attention to the less expensive varieties. Accordingly, though the general level of prices may fall, the level of food prices will show an upward tendency. The figures given above illustrate these remarks; the vegetable-food group rose by 1.4 per cent. and the animal-food group by 2.1 per cent., but a large fall in the sugar, coffee, and tea group was responsible for depressing the index-number for foodstuffs as a whole. As a matter of fact, were it not for the severe drop in sugar values, due to causes independent of the present industrial situation, the foodstuffs group would register a substantial rise.

The course of prices in the event of a prolongation of the strike we have already indicated. If production is restricted until a shortage of commodities becomes pronounced the country will be forced to buy in increasing quantities from foreign countries, in the face of adverse exchange movements, and a rise in prices can hardly be avoided. The pernicious effect will be particularly noticeable in the case of the United States, on which we depend to such a large extent for grain and other foodstuffs. The pound sterling is already seriously depreciated, and any further depreciation must be viewed with misgiving, as we are already near the low-record level of $3.19½ attained in the early part of last February. Such a fall will have the result of emphasising the eventual rise in food prices which will probably follow the diversion of consumption from luxuries.

NATIONAL BANK OF TURKEY

[illegible]

ESTABLISHED 1909 BY IMPERIAL FIRMAN

Capital - - £1,000,000 Sterling

Head Office: CONSTANTINOPLE

[illegible]

London Office: 50 CORNHILL, E.C.

[illegible]

BRAZIL.

A GRADUAL DEVELOPMENT.

Dr. Epitacio Pessoa the President of the United States of Brazil, recently addressed the Chamber of Commerce at Rio de Janeiro upon the economic conditions prevailing in Brazil at the present time. The President made some exceedingly pertinent remarks, and, while confining himself, as his great position practically enjoins that he should do, to the interests concerning the great and rich country of which he is First Magistrate, his remarks are of far wider, and, indeed, of general, application. Dr. Pessoa pointed out the extraordinary richness and natural fertility of the soil of Brazil. The President proceeded to describe the great advantage which the country enjoys from its remarkably fine climate. Finally, he explained to the Chamber what is his view of how Brazil should be properly developed. It was an exceedingly interesting speech, and very few economists will disagree with the President in the broad principles which he laid down. The President prefaced his remarks by pointing out that, in a sense, Brazil has enjoyed extraordinary advantages as a result of the recent War. But those advantages were very far from being unaccompanied by corresponding drawbacks. Indeed, the drawbacks were so great that it is by no means certain that Brazil enjoyed anything like the real advantage which her apparently favourable trade balance would indicate. The President pointed out that in the early stages of the War immense quantities of produce of various kinds were despatched from Brazil to the belligerent countries of Europe, and it appeared that traders, shippers, and the producing classes of the Republic were going to realise an enormous fortune, and that that proportion which were really prudent, far-seeing, and patriotic were going to collect a vast sum for the rapid improvement of the economic condition of their country. This roseate picture after a very short period came to be very seriously clouded over. Prices undoubtedly rose to the foreigner; the indebtedness of Europe to Brazil grew apace; and there soon grew up a very handsome bill from Europe to Brazil. Even now Brazil enjoys a very large trade balance in her favour, and has accumulated resources which she has power to draw upon when, and in what measure, she feels disposed. In this period of prosperity, however, as we have just said, a cloud very soon began to appear, and the roseate view of things became rapidly overclouded by dark shadows. It soon became apparent that Brazil could not have it both ways. If the foreigner who was producing nothing in Europe was paying extravagant prices because he was buying on credit, and was not rendering any adequate economic services in return, the Brazilian producer would very soon exhaust his resources. Consequently, although the Brazilian obtained high prices from Europe, he soon found that he had to pay correspondingly high prices at home. Lastly, so keen was the demand from Europe for all the articles which Brazil was in a position to export that the Government had to enter the economic field and forbid exports of large classes of commodities altogether in the fear that not merely prices would rise extravagantly, but that there would be nothing left to consume. It is an illustration once more of the danger of doing business with a class of customers who are not in a position to render economic values in return for the goods or services they are receiving.

Dr. Pessoa, however, by no means confined himself to the aspect of the question which we have been discussing above. He invited his hearers to consider a far broader aspect of the position of Brazil at the present time, and its economic prospects in the near future. "With our great territory, our wonderful climate, and our immense resources of various kinds," says the President, "agriculture is, and should be, the basis of our prosperity. On the other hand, we should not be bound down to agriculture or the raising of raw produce. When it is convenient—when, in fact, conditions show that it is more profitable to engage in some kind of manufacturing—by all means engage in manufacturing. But we have made a mistake in raising unduly the fiscal barriers, which prevent the free entry of the manufactures of other nations, and we are not in reality affording facilities for the despatch of those commodities which Brazil is so eminently capable of raising in enormous quantities." There can be no reasonable doubt, we think, that in this enunciation of policy the President of the United States of Brazil was expounding to a body of experts well versed in trade and commerce, and all of whom have some economic knowledge, a proposition with which very few economists in any part of the world would find reason to disagree.

In its present position there can be no reasonable doubt that the soundest economic policy for Brazil to pursue is the development of agriculture in the main—that is to say, the raising of food and raw materials, and generally providing the world with articles of prime necessity, as distinct from engaging in their manipulation, which is the function of manufacturing countries. As and when circumstances will dictate it can hardly fail sooner or later to become advisable that a more or less rough form of manufacture should be attempted. Take, for example, the sugar-cane, with which Brazil is, and always has been, so familiar. At a certain stage a plantation may be in a position that it is not convenient to erect a mill actually on the land where the cane is grown. But it is manifest that as soon as circumstances admit it is desirable that the planter should have a mill on his own estate, and not be compelled to sell the cane absolutely as it is grown for crushing elsewhere. It is manifest that the cost of carrying the cane in its raw state to be crushed at some considerable distance from the plantation is an extravagant one, and should be avoided if possible. On the other hand, it would rarely be either convenient or sound policy for the planter to erect an expensive refining plant upon his estate. Now this is exactly the position of Brazil as we know her at the present time

Brazil occupies between one-third and one-half of the total area of the continent of South America. She has a population of some twenty-seven million souls. A country thus situated is practically compelled from the exigencies of the case to produce raw materials on a great scale, and to import manufactures. As Dr. Pessoa pointed out in his address to the Rio Chamber of Commerce, some of the politicians got a notion that it would be desirable for Brazil to be self-supporting. We got an idea during the War that it would be desirable to grow the whole of our food here in these islands. Whether it would be desirable or not is hardly a pertinent question. It is certainly not practicable. Neither is it practicable for a country situated as Brazil is at the present time to provide herself with the manufactures she needs, as well as occupying her vast territories and producing raw materials to the best advantage. Without much exaggeration it may be said that every penny expended in erecting plant for manufacturing purposes is taken away from the development of the primeval forests and great water-power of Brazil. Every country has to pass through a similar experience. There is a period in which its soundest economic interests are the development of its natural resources. This is followed by a period when those resources are developed to such a stage, and the population with relation to the area has increased to so great an extent, that it is no longer economic to employ the vast aggregate of the population in the production of raw materials. This is an exceedingly interesting aspect of the question, but it would take us rather off the path to which we desire to-day to direct the reader's attention. Finally, there is the stage, as Dr. Pessoa pointed out, when a highly developed economic civilisa-

...ion is engaged for the most part in the manufacturing industry. It will be seen, however, that no nation can have it both ways. The nation which is in the early stages of progress and is mainly dependent on the production of local raw materials, or on the sale of primaries, or articles of little manufacture, gets a very high price for its materials. Nevertheless, it is in a very sound position. The only real disadvantage of a State in the primary stage of economic development is that it lacks a large mobilisable capital, available in the event of it having to defend itself in a state of war. Possibly the most enviable position is that of countries which, having developed themselves beyond the stage when it was necessary ... and desirable, to employ the major portion of the population in the production of articles of primary necessity, are able to find employment for a large proportion in manufacturing industry, but still are in that stage of development in which practically all the primaries are raised within their own borders. Finally, there is that stage to which Dr. Pessoa directed the attention of his readers, in which countries have ... almost wholly dependent upon their skill in handicrafts, in the employment of accumulated resources in various, and often in far distant, parts of the world, and in the rendering more or less hazardous services in all parts of the globe. The advantage, of course, attending such a state of things is that it brings a large part of the population in contact with various forms of civilisation, various forms of political institutions, and various forms of economic development over practically the whole of the earth's surface. It gives extraordinary opportunities to the more enterprising and more intelligent amongst the people. But, on the other hand, in the event of any kind of trouble like the late European War, more than eighty per cent. of the people are liable to death, not from any attacks of the enemy, but from actual starvation, due to the inability, or threatened inability, of the transportation facilities to provide food, which in many cases must be obtained from vast distances overseas.

PUBLIC DEBT OF THE UNITED STATES.

THE question of repayment of the war debt of the United States is at present giving rise to some anxiety amongst American financiers, as the greater portion of the sum falls due within a comparatively short period, and the anticipated surplus revenues will certainly be insufficient to meet maturities. The last occasion on which the American Government was faced with the necessity of dealing with a large weight of public debt was after the Civil War, but happily, speaking from the purely fiscal point of view, the imposition of high tariffs in this period resulted in large annual margins of income over expenditure, and the accruing surplus was devoted to debt repayment. In recent times, with the increase in ordinary Federal expenditure, which may henceforth be expected to total $3,500,000,000 per annum, it has been impossible to increase the tariff revenue, which is to a great extent inexpansive in character owing to the reduction in imports. As regards the other main source of State income, direct and indirect taxation, the burdens are so heavy that the average American citizen, already recalcitrant under the load, will brook no further additions merely for the sake of a hasty cancellation of debt.

The anxiety in financial circles is due in some measure to the very near approach of heavy maturities. We refer to the Series T-D of Certificates of Indebtedness, $703,026,000, which falls due on December 15 next, and the Series T-M, $201,295,500, due on March 21, 1921. These ... to the maturities falling ... similar kind. The ... Bill and Victory Notes. ... American Treasury, in collaboration with the New York market, will no doubt make timely provision for their renewal or liquidation. A more serious matter is the ... Liberty Loan, ... is outstanding. This loan, which was issued in the form of three and three-quarters per cent. and four and ... and is finally payable on May 20, 1923. ... and-a-quarter per cent. Liberty Loan ... and-a-quarter per cent. bonds, which matures on September 15, 1928. It is, curiously enough, the only one of the American war issues with a simple maturity date. In other cases the Government retains the option to repay prior to maturity, a desirable precaution, as advantage can thereby be always taken of good ... conditions ... to the retirement of debt. Subsequent to the Third Loan the Fourth Liberty Loan, four and a-quarter per cent. ... to $16,016,712,400 ... $3,218,921,000 ... October 15, 1933, and payable on October 15, 1938. Then follows the Second Liberty Loan, which is to be paid in 1942. The annexed table sets out the details ... the United States:

War Debt of the U.S.

FIRST LIBERTY LOAN	[illegible]	[illegible]
SECOND LIBERTY LOAN	[illegible]	[illegible]
THIRD LIBERTY LOAN	4¼ Bonds of 1928	3,719,967,100
FOURTH LIBERTY LOAN	4¼ [illegible]	[illegible]
VICTORY LIBERTY LOAN	4¾ Notes of 1922-23...	[illegible]
CERTIFICATES OF INDEBTEDNESS	Various Series	[illegible]
DITTO	Pittman Act ...	[illegible]
DITTO	[illegible]	[illegible]
WAR SAVINGS SECURITIES	Series 1918	[illegible]
	Series 1919	[illegible]
		[illegible]
		[illegible]

The amount of debt outstanding on May 31 last exceeded twenty-three and a-half thousand million dollars, out of a total public debt, including liabilities contracted prior to the War, of $24,751,[illegible], or £5,085 millions at the par of exchange. The annual interest service for the war debt calls approximately for 990 million dollars, apart from statutory sinking-fund allocations. As capital sums are redeemed interest requirements will, of course, be less, but starting with next year the burden of redemption of short-term debt, exclusive of purely floating debt, will commence to weigh heavily. The pressure will be accentuated in 1923, while within the next ten years forty per cent. of the total war obligations will have fallen due for payment. It is most unlikely, for reasons above outlined, that the United States Government will be able to meet these maturities as they fall due, and the necessity for funding operations on a large scale may arise. The success of these operations will, of course, depend mainly on conditions obtaining in the Money market, but if there is a stringency any attempted funding process, without substantial attractions entailing further expense for taxpayers, will probably prove a failure, as did a similar effort here last year. Up to ... extent to which European obligations to America are ...

United States as at June 30, 1920, allowance having been made for the repayment of the 500 million dollar Anglo-French loan on the 15th inst.:—

European Debt to U.S.A.

	$
Great Britain	4,155,000,000
France	2,872,000,000
Italy	1,031,500,000
Belgium	335,715,000
Russia	187,730,000
Czecho-Slovakia	59,521,000
Serbia	26,378,000
Esthonia	2,500,000
Greece	10,000,000
	9,303,118,000

The total here given, $9,303,118,000, is equivalent to thirty-nine per cent. of the United States internal war debt, and as it is repayable on demand the burden on the American Exchequer in respect of home maturities would be considerably lightened if it were met.

The floating debt consists of the last four items given in our first table (exclusive of the total), and it embraces various sums issued during and since the War, making in all $3,532,120,014. The biggest single item, War Savings Securities, $864,738,459, is due to holders in various sums on January 1, 1923, 1924, and 1925. Of the four series of Certificates of Indebtedness, totalling $2,278,420,500, part matured in June and September last, and the remainder will mature next December and next March. The Pittman Act Certificates, which were issued at various dates in 1918 and 1919, are repayable one year from date of issue. Unless funded this floating debt will have first claim on any surplus of revenue over expenditure or on Allied repayments, though the American Treasury may find it more convenient to renew all or a portion of the amount by the reissue of bills and certificates, a procedure which they have adopted with some success in the past.

RUSSIA AND INTERNATIONAL TRADE.

Efforts on the part of our Government to facilitate trade intercourse with Russia are to be welcomed, provided such matters as the repayment of national, municipal and private debts, the repatriation of British prisoners, and the discontinuance of propaganda work are not thereby prejudiced. From a political standpoint the expediency of the conclusion of an early trading arrangement with Russia is reinforced by the argument that her present isolation contains the germ of a serious menace to the peace of Central Europe. Available evidence points to the fact that her transport system, to mention but one of the indispensable aids to production, has lost much of its efficiency, and, deprived of the possibility of satisfying from outside sources her requirements in this and other directions, it is not too much to anticipate eventually a state of anarchy to which history would furnish no parallel. Russia's exports, it must not be forgotten, in normal times considerably exceeded her imports, the imports retained for home consumption in 1912 totalling £123,687,000 and the exports of domestic produce £160,318,000. If this important source of supply could once again be freely drawn upon a substantial diminution in the price of foodstuffs and other produce might be reasonably expected. A great stimulus would, furthermore, be administered to international trade if such a large market were again open for the entry of the goods of other nations. The present depressed state of the Tea market is, to select a single instance, largely due to the huge stocks that have accumulated as a result of the cessation of the Russian demand.

Pre-War Russian imports and exports admit of division into the classifications set forth in the following table. To facilitate comparison the figures for 1901 and 1912 are given:—

Value of Imports and Exports (Special Trade) into and from the Russian Empire in 1901 and 1912.

Imports and Exports columns (000's *omitted*).

	Year	Imports £	Imports % of Total Value	Exports £	Exports % of Total Value
Animals—living ...	1901	424	7	2,171	2·7
,, ,, ...	1912	1,265	1·0	3,275	2·0
Articles of food ...	1901	12,495	18·0	46,639	58·1
,, ,, ...	1912	22,120	17·9	86,709	54·1
Raw and semi-manufactured materials ...	1901	32,146	51·3	27,389	34·1
,, ,, ...	1912	58,658	47·4	62,177	38·8
Manufactured articles ...	1901	17,574	28·1	4,150	5·1
,, ,, ...	1912	41,655	33·7	8,157	5·1
Total	1901	62,639	—	80,389	—
,, ,, ...	1912	123,687	—	160,318	—

The first point worthy of notice is that both imports and exports in 1912 were practically doubled in value as compared with 1901. Amongst the imports, however, the percentage value of the total imports represented by articles of food and raw and semi-manufactured materials shows a decline since 1901. On the other hand, the percentage accredited to manufactured articles signalises a distinct advance, the extent of the Russian demand for these articles being measured by £17,574,000 in 1901 and £41,655,000 in 1912. On the export side, the most striking increase is revealed under the head of raw and semi-manufactured articles, and the importance of the Old Russian Empire as a source of supplies of food is indicated by the increase of exports of articles of food from £46,999,000 in 1901 to £86,709,000 in 1912. Foodstuffs in all amounted to fifty-six per cent. of the exports of the Russian Empire and embrace such commodities as corn, flour and meal, eggs, butter, and sugar. Amongst other articles of export wood and raw flax occupy a leading place. It was not, however, to the production of raw or semi-manufactured materials that Russia confined her attention for a considerable period prior to the War. The country, which had previously been preponderatingly agricultural, had become almost entirely independent of foreign countries for a great number of important industrial products. Backed by strong Governmental support a number of financial and industrial leaders strove to put Russia in a position to provide entirely for its own needs. We might instance in this regard the rubber industry, the products of which were exported on a large scale to outside nations. Curiously enough, but little progress was made in branches of industry the cultivation of which, one would imagine, was indispensable for the country. Thus there were no large factories for the manufacture of agricultural machines and implements; even scythes were not made in Russia. In spite of the large amount of capital invested in the locomotive works at Kharkof the attempt to turn out machinery of this description was a complete failure. The endeavours of the Bolshevists to obtain supplies from Sweden and elsewhere afford eloquent testimony of the scarcity occasioned in Russia by the stoppage of the normal imports, valued approximately at £6 million per annum.

The great revival of industrial activity in Russia at the outset of the War was primarily motived by the stoppage of her usual imports from Germany. The position held by the latter in this respect may be gathered from the statement given below, which distinguishes the principal countries of origin of Russian imports in a normal year:—

Value of Imports for Home Consumption in 1912 (Merchandise only) into the Russian Empire from certain Countries.

(000's *omitted*.)

	£		£
Germany	56,783	China	8,435
United Kingdom ...	18,184	France	6,009
United States	9,325	Finland	4,542

Of the total value of the imports into the Russian Empire in that year these countries contributed between them eighty-one per cent. Germany, on account of a consistent pursuit of a policy of peaceful penetration, had large interests in Russia and obtained the major slice of Russia's orders for goods. The

United Kingdom lagged far behind, and France, notwithstanding her heavy investments in Russian securities, was at the lower end of the scale. Possessing frontiers largely conterminous with those of Russia considerable volume of business naturally passed with Finland and China.

With some parts of Old Russia—Latvia, Poland and Finland (the last named has just concluded peace with the Soviet Government and is not, it may be mentioned, included under the heading "Russian Empire" in the preceding tables)—the trade current is flowing fairly vigorously, but in Soviet Russia, not very well defined at present, there is an undoubted shortage of goods, and the possible capture by the United Kingdom of a portion of the trade formerly done by Germany holds out attractions. In the fact that the currencies of both Germany and Russia are heavily depreciated the German trader possesses an advantage; but he is not in a position, on account of shortage of raw materials, to deliver the goods required by Russia. In view of the depreciation of the rouble, which has now, of course, only a nominal value, the Swedish Government and private business men have attempted to do business on a barter basis; but their experience in this respect has not been invariably happy, as time after time the Russian authorities have confiscated goods which were licensed for export to Sweden in exchange for imports from the latter country. As regards the trade between the United Kingdom and Russia, the value of the exports so far made this year from the former reveal, as indicated in the following figures, a big rise compared with the corresponding period of 1919, although, judged by volume, they are still far below the 1913 standard:—

Exports from U.K. to Russia (Products of U.K.).

	£
Six months ended June 30, 1913	7,181,511
" " " 1919	2,634,156
" " " 1920	7,086,...

NITRATE COMPANIES' RESULTS.—II.

AGUAS BLANCAS NITRATE COMPANY.

Issued Capital: £67,500, in 60,000 6% Cum. Pref. Shares of 5s. each and 210,000 Ordinary Shares of 5s. each.

Year to Sept. 30	Stocks of Nitrate	Net Profit	To Reserve	To Debenture Redemption	Pref. Div.	Ord. Div.	Carried forward
	Quintals	£	£	£	£	£	£
1913	258,357	66,500	5,000	15,826	9,000	21,750	34,924
1914	370,000	50,500	5,000	15,771	9,000	12,000	43,653
1915	509,...	57,...	5,000	15,741	6,000	21,000	53,...
1916	57,...	60,...	5,000	15,...	6,000	21,000	66,...
1917	767,...	65,...	5,000	15,...	8,...	21,...	71,...
1918	720,...	17,...	5,000	15,...	6,000	21,000	10,...
1919		[illegible]	-	-	-	-	[illegible]

After the Deduction for Income Tax and Debenture Interest.
† Represents sales made during year.
‡ After deducting Depreciation Account. § Nil.

THIS Company's War experience was not altogether favourable, as can be seen from the figures of the profits since 1913, and in the first complete post-War year of trading a loss of £18,121 was experienced. The oficina was closed down to practically the whole of 1919, and the sale price of 9s. per quintal realised for 187,000 quintals in stock did not cover cost of production. The deficit of £18,121 in respect of last year was charged against the carry-forward from the previous year, £46,570, and the balance, £28,449, brought forward to 1920. There has been a great increase in freights and port charges and in cost of labour and materials; and, consequently, the difficulty of getting back to a remunerative working basis, unless the price of nitrate improved, was considerably enhanced. The oficina, however, resumed operations in February last, new grounds were opened, freights fell, and higher prices were secured by the Company's sales, and accordingly it is now announced that in respect of 1920 on each of the Preference and Ordinary shares of thirty per cent. (1s. 6d. per share), less income tax, has just been declared. The capital has previously [illegible] the issue of the [illegible] shares from £270,000 to £67,500 by the [illegible] of 15s. per share on both the Preference and Ordinary issues, with the result that each share is now 5s. paid. To finance the reduction the reserve fund was drawn on to the extent of £27,... and the proceeds of the Debenture issue, £174,913. [illegible] Owing to the operation the value of the property in the Company's books has been reduced by the same sum of £202,500 to £39,087. This process of writing down is not uncommon in nitrate companies as properties become exhausted or pass out of control.

The loss in 1920 was of quite an exceptional character, and, with the recent further fall in freights and the revival of the world demand for nitrate, the Company's prospects have appreciably improved. The interim dividend above referred to is substantial, and with the reduction in capital the final dividend will also probably be high, though the productive capacity of the new grounds is not clear. The market valuation of the 5s. Ordinary shares—26s.—is high, and the dividend of 1s. 6d. per share leaves a return of 5.77 per cent. on the basis of present prices, showing that final dividend anticipations are running high.

ANGELA NITRATE COMPANY.

Issued Capital: £70,000 in £1 Shares.

[illegible]	[illegible]	£	£	£	£	£	£
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1911	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1912	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1913	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1914	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1915	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	372,220	43,761	11,600	10,000	21,000	30	5,663
1919	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

As with the Aguas Blancas the year 1919 resulted in a loss for the Angela Nitrate Company. The debit balance was £1,490, which, when written off the carry-forward to profit and loss of £5,663 from the previous year, left a balance of £4,173, which was increased to £9,173 by the addition of £5,000 from the reserve. Out of this total a dividend of ten per cent. was paid on the Ordinary shares, absorbing £7,000, and £2,173 was carried forward to the current year, in respect of which an interim distribution of ten per cent. per annum, or 2s. per share, was made on July 20 last. The assets statement on December 31 last showed a fairly strong position, cash in hand being £28,386, as compared with £25,018 at the end of the previous year; but the item of £29,000, bills receivable, disappeared from the balance sheet, its place on the assets side being made up by the increase in stocks of nitrate from £25,385 to £47,630, and in general stores from £12,720 to £17,512. The nitrate on hands on December 31 last reached 217,613 quintals, all of which had already been sold for forward delivery up to June at prices that, in respect of the later dates, should show a good profit. The reserve account was reduced from £35,000 to £30,000 by the transfer of the £5,000 above mentioned to the profit and loss account, but even the reduced amount is equivalent to forty-three per cent. of the issued capital. The large item of £31,710 for sundry creditors and outstandings [illegible] £20,000 for duties and charges on nitrate paid for but not shipped since December 31, 1918. In common with other nitrate producers, the Company has suffered in the past from the [illegible] policy of the Inland Revenue in [illegible] all charges to [illegible] assessments for the exhaustion of the deposits which [illegible] the capital of the Company. [illegible] duty is another possible burden, and the Chairman at the last annual meeting in July said that though few [illegible] had been [illegible] the liability [illegible] [illegible] by the Government [illegible] [illegible] [illegible]

regard to the wasting nature of the assets, to avoid liability for the tax by reducing production, thereby husbanding the life of their grounds. We might remark that the scheme, if generally adopted, would have the effect of steadying, or raising, nitrate prices, and such competitors as might be tempted to increase production would be hampered by the scarcity of machinery and the lack of oil fuel. The Angela output in quintals in recent years has been as follows:—1916, 365,000; 1917, 432,000; 1918, 459,000; 1919, 151,000. The large sales recorded in the first column of our table were presumably made possible by repurchases and the holding of old stocks. Both output and sales should show a substantial increase in the current year, from which shareholders will accordingly benefit, especially with the improved prices. The £1 Ordinary shares are quoted at 43*s.* 1½*d.*, and on the basis of last year's dividend of ten per cent. yield less than five per cent. From the interim declaration of ten per cent. per annum made in June last it is evident, however, that the Company's career in 1920 is proving much more prosperous than was the case last year.

INVESTMENTS BENEFITING FROM THE EXCHANGE.—IV.

In previous weeks we published lists of foreign and colonial bonds and corporation stocks, the holders of which, possessing the option of interest payments, and in the case of redeemable stocks of redemption payments, either in London or abroad, can with profit exercise that option when it applies to countries where the £ sterling stands at a discount. The coal strike, with its ill-effects generally on British trade and commerce, and particularly its repercussion on the exchanges, tends to enhance the benefits of such option. In the case of New York, for example, the dollar value of the pound fell as low as $3.40 early in the week, but happily it has since shown a rallying tendency. The list given below embraces Canadian and American railways, and for the former the option is sometimes given of receiving dividends in New York. We may select for special mention Algoma Central and Hudson Bay Railway Company First Mortgage Gold Bonds, Canadian Northern Railway, First Mortgage Consolidated Debenture Bonds, Central Railway Company of Canada First Mortgage Bonds, Grand Trunk Pacific Branch Lines Company First Mortgage Sterling Bonds, G. T. P. First Mortgage Sterling Bonds, and other bonds of the same system. In other instances payments are made only in Canada, usually in Montreal, Toronto, or Victoria. This restricted option applies to the Canadian Northern Alberta Railway Company Guaranteed Debenture stock; Canadian Northern Pacific Guaranteed Debenture stock and First Mortgage Terminal Debenture stock; Canadian Northern Railway Dominion Guaranteed Debenture stock, and Manitoba Guaranteed Debenture stock; Canadian North Western Railway Alberta Guaranteed Debenture stock, and another Debenture issue of the same Company; the Duluth, Winnipeg, and Pacific Railway First Mortgage Debenture stock; and the Pacific Great Eastern Railway Guaranteed Debenture stock.

We might also draw attention to the fact that certain American railroad (sterling) bonds are exchangeable for dollar bonds at the fixed rate of $4.85 to the £, which is far beyond the present value of our currency on the other side of the Atlantic. The securities are mainly prior mortgage charges and include some bonds of the Atchison, Topeka and Santa Fe Railway, California; Illinois Central Railway; Oregon, Washington, Railroad and Navigation; Chicago, Rock Island and Pacific Railway Company; and Union Pacific Railroad. The full details are given in the concluding portion of the annexed list, where the security for the various stocks is also set forth:—

RAILWAYS—BRITISH POSSESSIONS—

Algoma Central & Hudson Bay Railway, First Mortgage, 5%, 50-Year Gold Bonds, £1,744,200. Secured by Trust Deed as to specific charge on the Railway & Land Grant, and a debenture stating charge on all the assets and on the undertaking. Redeemable at par in 1960.
Principal and interest payable in London in sterling or in New York or Montreal at $4.86⅔ to the £.

Algoma Central Terminals, First Mortgage 5% 50-Year Gold Bonds, £1,027,500. Redeemable at par in 1962.
Same security and option.

Algoma Eastern Railway, 5% First Mortgage 50-Year Gold Bonds, £51,[illegible].
Same security and option.

Canadian Northern Alberta Railway Company, 3½% Dominion Guaranteed Debenture Stock. Redeemable at par, 1961.
Principal and interest guaranteed by the Dominion Government and payable in London in sterling or in Toronto at $4.86⅔ to the £.

Canadian Northern Pacific Railway Company, 4% First Mortgage Gold Debenture Stock, £2,757,515. Redeemable at par in 1950.
Principal and interest guaranteed by the Government of Dominion and payable in London in sterling or in Toronto at $4.86⅔ to the £.

Canadian Northern Pacific Railway, 4½% First Mortgage Terminal Debenture Stock, £1,770,000.
Same security and option.

Canadian Northern Railway, 4% First Mortgage Consolidated Debenture Bonds, £2,497,800.
Principal and interest guaranteed by the Government of Manitoba and are payable on the principal at par in 1950 and the coupons at the rate of $4.86⅔ to the £ in Toronto or New York in June and December.

Canadian Northern Railway, 5½% Dominion Guaranteed Debenture Stock, £[illegible]. Redeemable at par in 1958.
Principal and interest guaranteed by the Dominion Government and payable in London in sterling and in Toronto at $4.86⅔ to the £.

Canadian Northern Railway, The Manitoba Guaranteed Debenture Stock, £587,671. Redeemable at par in 1920.
Principal and interest guaranteed by the Province of Manitoba and payable in London in sterling or in Toronto at $4.86⅔ to the £.

Canadian Northern Western Railway, 1st Mortgage 4½% Alberta Guaranteed Debenture Stock, £1,320,000. Redeemable at par in 1942.
Principal and interest guaranteed by the Province of Alberta and payable in London in sterling or in Toronto at $4.86⅔ to the £.

Canadian Northern Western Railway, 4% First Mortgage Guaranteed Debenture Stock, £575,342. Redeemable in 1943.
Principal and interest guaranteed by the Province of Alberta and payable in London in sterling and in Toronto at $4.86⅔ to the £.

Central Railway Company of Canada, First Mortgage 5% Bonds, £351,200. Redeemable in 1964. Secured by Trust Deed as a mortgage on the line from Montreal to Midland, and on all land grant subsidies in respect of the mortgaged property and on all cash subsidies or bonuses from the Dominion Government or the Provinces of Ontario or Quebec.
Principal and interest payable in London in sterling or in Montreal or New York at $4.86 to the £.

Dunvegan, Waterways and Railway Company, 1st First Mortgage Debenture Stock, £1,000,085. Secured by Trust Deed as a first mortgage on about 173 miles of the railway and its equipment, but subject, as regards about 100 miles, to $2,000,000 prior liens. Redeemable at par in 1939.
Principal and interest guaranteed by the Canadian Northern Railway and payable in London in sterling or in Toronto at $4.86⅔ to the £.

Grand Trunk Pacific Branch Lines Company 4% First Mortgage Sterling Bonds, 1950 (Alberta Lines), £[illegible].
Principal and interest guaranteed by the Province of Alberta, and payable in London in sterling or in Montreal or New York at $4.86 to the £.

Grand Trunk Pacific Branch Lines Company, 4% First Mortgage Sterling Bonds, 1942 (Alberta Lines), £238,600.
Same conditions.

Grand Trunk Pacific Branch Lines Company, 4% First Mortgage Sterling Bonds, 1929 (Saskatchewan), £2,032,800.
Principal and interest guaranteed by the Province of Saskatchewan, and payable in London in sterling, and in Montreal or New York at $4.86⅔ to the £.

Grand Trunk Pacific Railway, 3% First Mortgage Sterling Bonds, 1962, £14,000,000.
Principal and interest guaranteed by the Dominion Government, and payable in London in sterling, and in Montreal or New York at $4.86 to the £.

Grand Trunk Pacific Railway, 4% Mortgage Sterling Bonds, 1955, £2,100,000 [illegible] secured by Trust Deed on the Company's main line and its equipment and property.
Principal and interest payable in London in sterling, or in New York or Montreal at $4.86 to the £.

Grand Trunk Pacific Railway, Prince Rupert Branch, 1st First Mortgage Sterling Bonds, 1955, £1,550,000.
Principal and interest guaranteed by the controlling company, and, in the event of default on the part of the guarantor company, the Government may withhold enough of the rental to pay interest on these bonds.
Principal and interest are payable in London in sterling, and in New York or Montreal at $4.86 to the £.

Pacific Great Eastern Railway, 4½% First Mortgage Guaranteed Debenture Stock, 1942, £2,925,000.
Principal and interest guaranteed by the British Columbia Government and payable in London in sterling and in Victoria at $4.86⅔ to the £.

AMERICAN RAILROAD (STERLING) BONDS—

Atchison, Topeka and Santa Fe Railway, California-Arizona Lines, First and Refunding Mortgage 4½% (Sterling) Bonds, £131,400 sterling. Redeemable at par in 1962.
A prior obligation of the Atchison, Co. secured as a mortgage on the properties of the California, Arizona and Santa Fe Railway.
Exchangeable for dollar bonds of $1,000 at $4.85 per £ (fee $15 per £100).

Illinois Central Joint First Refunding Mortgage, 5% Gold Bonds, £150,077. Secured jointly by this Company and the Chicago, St. Louis and New Orleans Railroad, as a mortgage on about 1,117 miles of line and on terminal properties, subject to certain existing liens. Redeemable at par on 1963.
Exchangeable for dollar bonds of $1,000 and $500 at the rate of $4.85 per £ (fee $5 per £100).

Oregon-Washington Railroad and Navigation First and Refunding Mortgage 4% Bonds, £951,500. Redeemable at par in 1961. Secured by Trust Deed, mainly as a first lien on about 767 miles of line owned.
Principal and interest are guaranteed by Union Pacific Railroad.
Exchangeable for dollar bonds of $1,000 and $500 at $4.85 per £.

Chicago, Rock Island and Pacific Railroad Company, First Mortgage 4% Gold Bonds, £861,800. Redeemable at par in 1941. Secured by Trust Deed as a first lien on 183 miles of line, and on certain terminal property.
Exchangeable for dollar bonds at $4.85 per £.

Union Pacific Railroad, 4% First Lien and Refunding Mortgage Bonds, £[illegible]. Redeemable at par in 2008. Secured by deed as a first lien on 1,167 miles of main track.
Exchangeable for dollar bonds at $4.85 per £.

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Financial Notes.

The New French Loan.

Reports to hand from Paris are very optimistic about the success of the new Six per Cent. French loan, the public subscription lists for which opened on Wednesday last. The energy with which the campaign for subscriptions is being conducted contrasts strongly with the apparent apathy which has often been shown by the authorities to Government flotations in this country. Under the terms of issue of the loan the public were allowed to subscribe under discount at $5\frac{3}{4}$ per cent. for more than a month before the formal opening of the lists; the amounts received already have been estimated by the *Journal* at 2,500,000,000 francs. The new loan is described as Six per Cent. Perpetual Rentes and the price of issue is par. Subscriptions, except in the case of those made through savings banks, are to be made in four equal instalments, the first to be paid on application, and the others on January 16, March 1, and April 16, 1921, respectively. The list will be open until November 30. The denominations of the loan are six francs "de rente," and multiples of three francs above this; that is, 100 francs, 150 francs, 200 francs, &c. Important rights are offered to holders of old loans, since all French issues since 1914 will be received at their respective issue prices, plus accrued interest, as subscriptions to the new issue up to half the amount of such subscriptions. The old Three and a-Half per Cent. Rentes enjoy a similar privilege, but will be received at their value as on November 30. The interest will be paid half-yearly, on June 16 and December 16. So far no details are available as to a London issue, and it is to be presumed that the French Minister does not contemplate making an appeal for funds here.

Foreign Borrowers in U.S.A.

Encouraged apparently by the success of the recent French issue of $100,000,000 in New York many other countries are entering the American capital market, despite the fact that such borrowers will have to pay at least 8 per cent. to the American lender, and that the actual cost will be greater for most countries on account of the appreciation of the dollar. Besides the Swiss and French loans there has been issued in New York a Norwegian 8 per cent. loan of $20,000,000, $5,000,000 City of Christiania 8 per Cent. 25-year Bonds, and $10,000,000 8 per Cent. Seven-Year Notes of Solvay et Cie., a Belgian soda company. A Brazilian issue of 50,000 contos of reis is at present being negotiated for, while it is also reported that the United States authorities intend to advance about $100,000,000 to the Cuban sugar producers. The latest borrower is the Danish Government, who have arranged for a $25,000,000 issue, the effective rate being $9\frac{1}{4}$ per cent. The loan will run for twenty-five years, and will be repaid partly at 110 and partly at 107. Should it prove a success it may check somewhat the recent depreciation in the dollar value of the krone, a circumstance which would react adversely on the sterling exchange with Denmark.

Conditions in Japan.

Latest advices from Japan show that the abnormal situation in that country has not yet cleared. The recent slump in sugar values and the fall in American cotton and in silver are reacting adversely on the cotton and sugar trades. Shipping is reported dull, with many ships lying idle in harbour, and little change has developed in the silk situation. A recent Government forecast places the rice crop at sixty-three million koku (about 315,000,000 bushels). The recent Exchequer Bond issue of 80,000,000 yen, which closed on the 11th inst., was oversubscribed. The rate for call money is seven rin (2.5 per cent.), and the discount rate two sen seven rin (9.7 per cent.). Imports during September amounted to 118,000,000 yen, about £11,800,000, and exports were 36 million yen in excess, at 154,000,000 yen (£15,400,000).

EMPLOYMENT AND WAGES IN SEPTEMBER.

THE percentage of skilled and unskilled workpeople who were unemployed at the beginning of this month in industries covered by the Unemployment Insurance Act was 3.80, as compared with 2.88 at the end of August, and the percentage amongst members of certain trade unions, embracing skilled occupations mainly, was 2.2, as against 1.6. These figures, taken from the *Labour Gazette* for October, show that even before the miners' strike unemployment was on the increase. On September 24 last 311,126 persons were registered at the Employment Exchanges, compared with 281,032 on August 27, a rise of 30,094. The departments of industry chiefly affected were the textile, leather, boot and shoe, and ready-made clothing trades. Employment was reported as good in coal-mining, building, and agriculture, and the strike at the pits is on this account to be all the more regretted. The unemployment figures given do not [illegible] at work through trade disputes, of which ninety-three began during September. The total number of workers involved was 104,000, compared with 86,000 in the previous month and 655,000 in September 1919. The last-mentioned figure was, it will be remembered, swollen by the strike in the Yorkshire coal mines which took place in that period.

The changes in rates of wages reported to the Ministry of Labour as having come into effect in September were spread over 219,000 workpeople, and [illegible] appear to be still unchecked, but no account is taken of [illegible] loans of [illegible] three hours.

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American Topics.

UNITED STATES BALANCE OF TRADE.

We publish below a table showing the growth of the international trade of the United States of America with various countries in Europe in 1913 and 1919. This, of course, does not include the foreign trade of the United States with countries outside Europe. This extra-European foreign trade has grown, and has grown to a remarkable extent, since the War, and is mainly traceable to causes due to the exigencies of the War. We confine ourselves, as said above, to the foreign trade of the United States with certain European countries set out in detail in the table below. It will be seen that whereas the favourable balance of trade, as it is called, of the United States against Europe amounted in 1913 to some $631,000,000, it expanded in the year 1919 to $4,253,000,000. The contrast in these figures is in itself striking. The causes which have brought it about are still more so. Whereas before the War the favourable balance of trade which appeared year by year in the table published by the Bureau of Statistics for Foreign Commerce was more apparent than real, the figures for last year show a totally different economic position in the state of the United States trade. It will be noticed that in the figures for 1913 the favourable balances were made up almost wholly by exports to countries like England, Germany, France, Italy, Belgium, and the Netherlands, all of which were entitled to receive very considerable supplies annually in the form of interest payable on investments which had formerly been made by these countries in the United States. England primarily, and the other countries enumerated to a lesser extent, had for a generation and more been engaged in building railways and assisting the United States in improving its transportation facilities. The work was commenced by England some two generations ago, but as the various European countries succeeded in saving a portion of their annual income over and above what was required for their annual needs, in addition to the renewal of plant in the several countries, they tended more and more to invest a portion of their savings in the United States of America. England received, and was entitled to receive, considerably over £100,000,000 each year. Far from owing anything to the United States in the sense of importing more from her than we were readily able to pay for, we generally had an appreciable balance over each year, which was not infrequently employed in further investments. In addition we were actually entitled to payment each year for services rendered in the form of shipping, marine insurance, and certain banking and financial operations.

Fortunately we are still entitled to certain exports from the United States in the form of interest upon investments which we still hold in that country, but to nothing like the extent of the figures disclosed in the table below. It will be seen that while we borrowed money heavily from the United States in the period between 1913 and 1919, as distinct from increasing our investments in that country, she exported goods consigned to the United Kingdom to the value of 1,969,000,000 dollars in excess of the value of goods we exported to her, as against a favourable trade balance of a little more than 300,000,000 dollars in 1913. France, likewise, which had incurred debt in America instead of increasing her investments, imported goods in 1919 to the value of 769,000,000 dollars in excess of her exports, as against 15,000,000 dollars in excess of her exports in 1913.

It does not necessarily follow that because we are still importing in excess and out of all proportion to the goods we send to the United States we are not gradually, if slowly, liquidating our debt to the United States. Such debt can as readily be liquidated by exports to countries to which the United States owes money as by direct exports to the United States herself. For example, if the United States has obtained silk or tea in any large quantities in the Far East, it is just as satisfactory for the United States and for us, since we owe money to the United States, to pay for her silk or tea by exports to the Far East.

Countries.	Imports from in thousands of Dollars— 1913	1919	Exports to in thousands of Dollars— 1913	1919	Trade Balance (+) or (−) 1913	1919
	$	$	$	$	$	$
United Kingdom	271,954	2,206,189	599,732	4,239,178	+ 715,778	+ 1,968,989
Germany ...	184,211	10,624	351,930	92,751	+ 167,718	+ 82,127
France ...	138,033	122,871	153,922	892,568	+ 14,889	+ 769,697
Italy ...	53,322	59,048	78,675	442,676	+ 28,355	+ 383,628
Belgium ...	11,158	7,700	64,547	377,876	+ 22,859	+ 370,176
Netherlands ...	34,678	27,506	124,592	255,134	+ 89,914	+ 179,628
Spain ...	24,141	10,391	30,773	102,819	+ 6,362	+ 92,428
Switzerland ...	24,361	27,687	50,706	76,145	+ 23,525	+ 48,458
Russian Empire	5,322	2,953	25,965	27,757	+ 3,643	+ 24,804
Austria-Hungary	19,083	21,400	22,244	42,211	+ 3,161	+ 20,811
Sweden ...	11,875	13,825	15,586	133,063	+ 1,711	+ 119,238
Turkey in Europe	1,019	14,165	2,241	20,390	+ 1,222	+ 6,225
Portugal ...	1,251	6,414	5,251	19,961	+ 4,000	+ 13,547
Greece ...	3,256	28,611	1,102	42,883	+ 2,154	+ 14,272
Denmark ...	2,166	6,291	18,617	167,365	+ 16,451	+ 157,764
Finland ...	123	1,215	3,890	21,814	+ 3,767	+ 20,599
Total Europe	784,666	756,569	1,499,575	5,185,980	+ 631,853	+ 4,253,211

UNITED STATES CROPS.

We are indebted to Messrs. Simons, Day and Company, of Chicago, for a compilation of the probable requirements, in bushels, of wheat by the various countries of Europe, in addition to the amounts which they are able to raise within their own borders. The figures estimate that we in this country shall require to import some 208 million bushels. As we were accustomed to import some 210 million bushels before the War, the figure may be taken as accurate, and, if erring at all, erring on the side of a slight underestimate. It has to be remembered that we have to some extent increased our home growth since the War, but that increase has been relatively small. France, it is expected, will only require some 40 million bushels this year, but Italy makes the large demand upon overseas supplies of 80 million bushels. Altogether, Europe proper is expected to need some 520 million bushels, and the extra-European countries, such as Argentina, Australasia, India, Canada, and the East, are estimated to be in a position to supply this season something over 400 million bushels. It will be seen that this leaves a deficit of more than 120 million bushels, which it is generally understood the United States will be very easily able to supply. The estimate of the surplus available in the United

States ... This estimate is modified by the unwillingness of United States ... are, like all holders of ... time, fighting the inevitable fall in prices. Of course, it has to be remembered that ... the United States ... particularly is this the case with agricultural products, as agriculture has nowhere made progress in the methods of production comparable to that now attained in manufactures. The cost of growing a bushel of wheat in the United States is estimated at 2¾ dollars per bushel. Bearing in mind the comparatively low yield per unit of area, this, it will be seen, is decidedly on the expensive side. It will be remembered—and we have pointed it out again and again in these columns—that one of the reasons which induced our people to build railways on such an extensive scale as was done in the Argentine Republic in the later years of last century was the clear perception on the part of our traders and manufacturers that the United States of America was no longer in a position to supply the congested areas of Europe and elsewhere with food and raw materials upon the same economic basis of value to which they had long been accustomed. Although there is no shortage, and apparently likely to be no shortage, of cereals and feeding-stuffs this season, a perusal of the returns from various parts of the world indicates clearly the desirability of opening up new sources of supply of food and raw materials in that comparatively restricted area which is still available, and which is capable of supplying the world with those primary necessaries both of life and of trade.

UNITED STATES CENSUS.

The report of the Census Bureau ... mencement of the month, shows that, exclusive of Colonial possessions, the population of continental United States in January last was 105,683,108, an increase of 14.9 per cent. since 1910. The increase falls short of anticipations, comparing with 21 per cent. in the previous decade, 1900-10; and the declining rate of expansion is attributed primarily to the influenza epidemic and the stoppage of immigration during the War. It is no new feature, however, as the ratio of increase has been falling for over a century. The annual excess of births over deaths in the United States is now approximately one per cent., and this rate compounded would give an increase of approximately 10.5 per cent. during the decade, bringing the population to 101,700,000 in 1920, to which must be added the excess of immigration over emigration in the same period, 3,733,000, thus making up the present figure. The percentage of increase in the different States shows considerable variation; *e.g.*, Arizona 63.1 per cent., Montana 45.6 per cent., California 44.1 per cent., Wyoming 33.2 per cent., down to Washington 18.8 per cent., New York 13.9 per cent., and Maine 3.5 per cent., while three States—Vermont, Mississippi, and Nevada—register declines. The different rates of expansion or contraction were caused by the internal movements of population ... mobilisation, and primarily ... tion of the immigrant traffic on the East Coast, and its continuance not only on the West Coast, but along the northern and southern borders.

The tendency to urbanisation unfortunately goes on apace, and for the first time in the history of the country more than one-half the total population is now living in urban territory as defined by the Census Bureau, that is, in incorporated towns with at least 2,500 inhabitants. The rural population, which numbers 50,866,899, has expanded by only 3.1 per cent. since 1910, while the urban inhabitants, 54,816,209, have risen by 28.6 per cent. The change is serious even from ... owing to the exodus from the farming areas. If the comparison is pushed further and the returns analysed for the two classes of rural territory recognised in the Census, the figures prove even less welcome than they appear at first sight, since the number of people living in incorporated places of less than 2,500 inhabitants shows an increase of 1,745,371, or 21.5 per cent., while the portion living in purely country districts has actually decreased by 227,355, or more than one-half of one per cent. The amenities of town life are, no doubt, attracting the rural dwellers, and, in addition, the higher return yielded by investments in the machine industries, as compared with agriculture, is almost certainly drawing capital, and accordingly labour, to the existing centres of population.

SOUTH AND CENTRAL AMERICA.

[We regret ... we are compelled to hold over the second portion of our article on "The Fall in Prices," which should have appeared under the above heading.—Ed. "Statist."]

Mr. Hippolyto de Vasconcellos, the well-known Consul-General of Brazil, sailed for home recently on the *Almanzora* to spend a well-earned six months' leave. His great ability and genial personality have gained him many friends in this country, who, while wishing him a full measure of enjoyment on his leave, will look forward to the time when that leave expires in the hope of having him back in his old place, where his presence has been of mutual advantage to Brazil and to this country. Mr. de Vasconcellos is an authority on rubber and is a member of the Executive Committee of the Rubber Exhibition of 1921, of which Sir Owen Phillips is President.

... —The accounts for the year ended June 30, 1920, show a profit of £57,702 11s., after adding £10,589 3s. 3d. brought forward from last year, and there is a credit to revenue account of ... £68,291 14s. 3d., the directors have transferred £10,000 to general reserve, and £15,000 to renewals and contingencies reserve; they recommend a final dividend of 5 per cent., less income tax, and a bonus of 5 per cent., less income tax, absorbing £20,000, making with the interim dividend of 5 per cent. paid in June last, ... income tax, and a bonus of 5 per cent., less income tax, for the year to June 30, 1920, or £30,000, carry- ... will be sent out on November 4 to all holders registered on the books on October 29, 1920. The transfer books of the Company will be closed from October 29 ...

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Insurance Notes.

EQUITABLE LIFE ASSURANCE SOCIETY.

ANNUAL REPORT AND QUINQUENNIAL VALUATION.

EVERY life policyholder and every student of insurance history owes a debt of gratitude to the Equitable Life Assurance Society, and should take pride in its achievements. Before its establishment about a hundred and sixty years ago several offices—some of which are still in existence—had experimented with the idea and had issued life policies in a crude, haphazard manner; but the Equitable was the pioneer in the scientific development of the business, and the methods adopted by its early actuaries well and truly laid the foundations upon which the wonderful system of sound life assurance as now practised all over the world has been based and built up. Its own policyholders, past and present, have had more substantial reasons than those inspired by moral or sentimental reasons to appreciate its achievements. Its past bonus history is one of unsurpassed excellence, as may be judged from the single illustration that, taking the 100 years which ended in 1900, the total addition to its policies by way of bonus (including bonuses previously surrendered) more than equalled the original sums assured. It must be admitted that the Society is admirably equipped under its constitution for the almost automatic production of profits to life policyholders under normal circumstances. It is the oldest of the small group of mutual life offices which pay no commission for the introduction of business or for the collection of premiums. Consequently, its expense ratio is lower than is possible in the case of any office employing agents. Moreover, the class of persons who select life offices without the solicitation of interested middlemen, on their own initiative, has proved a very desirable one from the actuarial point of view, and the general vitality of the Equitable policyholders has proved to be superior to that shown in the general experience upon which life assurance premium rates are based. It is not really a matter for surprise, therefore, that the bonus results in the Equitable, taken as a whole, should have been among the best in the tabulated records of life offices. Up to 1899 distributions of bonus were decennial, the actuarial valuations having been made at such intervals, but since that date these investigations have been quinquennial. On each of the last three quinquennial occasions (at end of 1904, 1909, and 1914) the declared reversionary bonuses on whole-of-life participating assurances were at progressive rates, ranging from 26*s.* per cent. per annum on a policy which had been five years in force to 143*s.* per cent. per annum (over the quinquennium) on a policy which had been fifty-five years in force. After provision for these bonuses a large amount of unappropriated surplus was carried forward on each occasion, such surplus on the last quinquennial occasion of the three referred to having been £300,000. These are typical of the results which the Equitable had been able to realise for its policyholders in the days of peaceful development and under ordinary circumstances.

The circumstances of the last few years have, [illegible] all possibilities of profits accruing according to preconceived ideas, and the very best class and the best managed of life offices have had to submit to a temporary disturbance of their bonus-earning capacity, owing to the strain imposed upon their securities through depreciation, brought about by new Government issues on increasingly favourable terms to investors, to claims arising from the subjection of the greater part of the capable manhood of the nation to military hazards, and to heavily increased taxation. It was only to be expected that the results of the Equitable quinquennial valuation as at the close of last year would show serious traces of these adverse influences, and the historic conservatism of the Society in dealing with bonuses must have prepared reflective policyholders for some such result as is hereafter referred to.

In considering the Society's position as disclosed by the quinquennial valuation a glance at the facts disclosed in the annual report for last year may be found helpful. They show that the business has continued to be full of vitality and promise. New life policies were issued for a capital sum of £561,788, after deduction of reassurances, as compared with a corresponding figure of £356,226 in 1918. The total new business effected during the quinquennium ended on December 31, 1919, was £1,706,182, as compared with £1,476,965 in the quinquennium 1910-14, and with £1,377,200 in the quinquennium 1905-09. This is very satisfactory, seeing that the last quinquennium included four years of war. In 1919 the total net life premium income was increased by more than ten per cent., rising from £240,607 to £266,924, apart from a sum of £38,233 received as consideration for new annuities granted. The claims during the year absorbed £294,761, of which £272,955 arose by death and £21,806 by maturity. The amount of death claims in the case of whole-of-life participating policies was £250,625. The original sum assured by these policies was £116,120, but as bonus additions of £14,099 had been previously commuted, that sum may be considered to have been increased by bonuses to £264,724, so that on the average every £100 of original assurance had been increased to £2,280. From a detailed list of claims appended to the report it appears that in fifteen cases the original sum assured had been more than trebled by bonus additions, and in two of these cases it had been more than quadrupled. Nothing could more strikingly show the fine bonus achievements of the Society. The average net interest yield on the funds during 1919 was £5 3*s.* 3*d.* per cent. before, and £3 16*s.* 3*d.* per cent. after, deduction of income tax. In 1914, the last year of the previous quinquennium, the gross interest yield amounted to £4 4*s.* 11*d.*, and the net yield to £3 18*s.* 10*d.* per cent. Thus, while the gross yield was increased by 18*s.* 4*d.* per cent. during the quinquennium, the net yield, owing to higher taxation, was reduced by 2*s.* 7*d.* per cent. During 1919 the Society purchased over ninety-eight per cent. of the share capital of the Reversionary Interest Society and the University Life Assurance Society. Apart from expenses relating to these acquisitions and to the quinquennial valuation, the expense ratio in 1919 was only about 7.2 per cent. of the premium income. The sinking-fund and capital redemption account in 1919 shows a premium income of £2,793 and a fund of £31,382. The whole of the funds at the close of 1919 amounted to £4,897,380, of which £4,499,371 related to the life assurance fund and £300,000 to the general reserve.

The quinquennial valuation was made on the same basis as on the last previous occasion, viz., the British Offices' O^M and $O^{M(5)}$ Mortality Tables in combination with net premiums and the assumption of interest at two and a-half per cent. This standard is very conservative. The difference between the actual and net premiums is about twenty-four per cent. of the actual, or more than three times the expense ratio recorded in 1919. The assumed interest yield is less than two-thirds of the actual net yield last year. The mortality

standard is more severe than was formerly the case, [illegible] normal times [illegible] the Society [illegible] profits may therefore be looked for from all the usual sources during the next quinquennium.

The surplus disclosed by the investigation on these lines was £366,627. But [illegible] during the quinquennium owing (1) to depreciation of securities, which involved £307,246, and (2) to [illegible] mortality, which absorbed £50,530 (leaving aside losses through increased taxation), the surplus would have amounted to £814,403.

It was found that the cost of a bonus at the same rate as had been declared five years previously would have been £506,933, exceeding the ascertained surplus by £140,306. As has already been pointed out, moreover, it has always been the practice in the Equitable Society to carry forward a substantial amount of undivided profit after distribution of any bonus. It has been therefore decided by the directors, on the advice of their Actuary, looking to these circumstances, and also to the general position and outlook in the world of finance, to postpone the declaration of a general bonus, the hope being expressed in the Actuary's report that a normal distribution may be made at the end of three years or possibly sooner. Meanwhile, arrangements have been made for provisional interim bonuses to be given in cases of participating policies of four years' standing or upwards which may become claims, their amounts varying according to the age of a policy as shown in a table appended to the Actuary's report. The Actuary estimates the cost of this provision at £45,000. Deducting this from the general reserve an unappropriated balance of £321,627 is carried forward, in addition to the full amount of the liability disclosed by the exceedingly stringent valuation referred to.

The postponement of the bonus may disappoint some policyholders, but none amongst them will be sorry to know that in facing unprecedented difficulties the Society has acted strictly in accordance with that keen watchfulness over the interests confided to it which have led to the magnificent results of the past, and which have rightly caused it to be regarded as one of the most admirable and reliable of life assurance offices.

THE STANDARD BANK OF SOUTH AFRICA.—According to the statement of accounts for the half-year ended June 30, 1920, the balance sheet totals at £70,155,611 show practically no alteration from the December figures. On the liabilities side, notes in circulation have increased by £320,000 to £4,193,361, and drafts outstanding by £230,000 to £2,478,180, while deposit and other accounts are lower by nearly £600,000 at £52,010,266. Among the assets, cash on hand and at short notice is the greater by £2,178,000 at £12,575,134, while bills of exchange have decreased by £2,453,000 to £9,088,766. Investments at market values show a further fall of £293,000 to £4,390,112. An interim dividend of fourteen per cent. per annum, less tax, has been declared, which compares with identical amounts for the two previous half-years.

NORTH OF SCOTLAND AND TOWN AND COUNTY BANK, LIMITED.—The annual general meeting of the shareholders will be held in the Bank's Market Branch, Aberdeen on Friday, November 5, 1920. The report for the year ended September 30 shows a net profit of £152,645. After a payment of a dividend of sixteen per cent. for the year and sundry allocations, the balance to the credit of profit and loss is reduced from £88,460 to £71,785. Balance-sheet totals, as compared with those of the previous year, have increased by two million to £27,872,557. On the liabilities side, notes in circulation are greater by £1,000,000 at £3,000,000, while deposits have risen by over two millions to £23,125,583, and drafts are more than doubled at £516,842. Among assets, cash on hand and at call is £4,032,148, as compared with £3,431,551, while investments at £17,[illegible] show an increase at £11,000.

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Rubber Topics.

With standard [illegible] and the horizon dimmed by the coal strike, with the threat of a [illegible] at a standstill in the Rubber market. During the first half of the week there was a general tendency to mark down share values, but towards the close a firmer tendency made itself manifest. Under such conditions it is gratifying to record that the requisite minimum of assents of the London members of the Rubber Growers' Association to the proposed restriction of output has been already received. As regards Sumatra, Java, and India no less than ninety per cent. of the area concerned will participate. From a cable on October 17, it emerges that seventy-five out of 111 producing companies of the Rubber Producers' Association of Malaya have signified their approval so far, whilst a unanimous consent was given by the Japanese Planters' Association, controlling 65,634 planted acres. Attempts are being made to secure the adhesion of the Chinese planters. It is known that Ceylon is willing to restrict its output, whilst last week we recorded the acceptance of the powerful Dutch Association.

BRITISH MALAY RUBBER.

Issued Capital: £390,000 in Shares of £1 each.

Results for Years to December 31

	Area							
	Total Area Planted	Rubber Tapped	Average Yield per Acre	Rubber Exported	Value per lb.	Net Profit	Dividends Paid	Carried Forward
	Acres	lb.	lb.	lb.	d.	£		£
1916	3,111	310,410	—	54,000	1 7.17	17,501	15%	3,[illegible]
1917	3,133	718,840	—	581,000	1 5.75	110,067	15%	[illegible]
1918	3,133	982,779	—	1,176,000	1 3.15	96,179	15%	[illegible]
1919	3,135	1,148,295	—	[illegible]	1 4.09	4[illegible]	[illegible]	[illegible]

Price of Shares, 17 6. Market Capitalisation per planted acre, £109.

FOR British Malay Rubber as for so many other rubber companies the year 1919 was a period of market prosperity. The estimated crop for the year under review reached 1,150,900 lb. However, during October and December there was excessive rainfall in the early mornings, which restricted tapping operations unduly. Despite this drawback the crop harvested amounted to 1,148,295 lb., or over 165,000 lb. in excess of the crop for 1918. Again, whilst high price levels made for increased costs and the situation was rendered still more difficult by the shortage of rice, this substantial crop was secured at a satisfactory reduction in the [illegible] from 1[illegible] in 1918 to [illegible] in 1919. Moreover, whilst in 1918, owing to the transport difficulties, the bulk of the crop had to be disposed of in Singapore, during the year under review nearly two-thirds of the crop was sold in London at an average [illegible] realised by the sale of the crop increased from 1*s.* 7.56*d.* per lb. to 2*s.* 0.82*d.* per lb. Thus there has been obtained a profit of £43,630, which not only represents a considerable advance on the 1918 [illegible] of £[illegible], but [illegible] expenditure in connection with [illegible]

Dividends paid to shareholders absorbed £23,400, as against £13,000 in 1918; but the rate is only stated to be six per cent., in contrast with ten per cent. in 1918. The explanation is furnished by the reconstruction which took place before the accounts were published, and under which the old Company was replaced by a new concern with an issued capital of £390,000, in which each shareholder received three fully-paid shares of £1 each in exchange for every share of £1 held in the parent concern. This transformation gave, therefore, a substantial bonus to the shareholders, in addition to the dividend of six per cent. on the increased capital, which is thus equivalent to a rate of eighteen per cent. on the original capital.

The outlook for the current year is naturally none too bright. The continuous slump in the price of rubber to a price as low as 1*s.* 5¼*d.* per lb. does not leave much profit against an "all-in" cost of 1*s.* 2*d.* No estimate of the 1920 crop is forthcoming. The returns for the first eight months of the year show that there has been harvested a crop of 787,617 lb., as compared with 732,902 lb. for the same period of 1919. Allowing for participation in the proposed restriction of output during November and December this would point to a total not lower than the 1919 crop. Moreover, allowance must also be made for the effect of the sixty per cent. excess profits duty and the five per cent. corporation tax. Financially, the position as shown in the balance sheet dated December 31, 1919, is very sound. Including the dividend of £23,400 current liabilities do not exceed £34,214, and are amply covered by liquid assets in the form of rubber, sundry debtors, and cash to a total of £35,709. At the market price of 17*s.* 6*d.* per £1 share it would require a dividend of eight and three-quarters per cent. to afford a return of ten per cent.

KAMUNING (PERAK).

Issued Capital: £201.000 in 2/0 Shares.

Results for Years to June 30								
				Av. Yield per				
	Total Planted	Area in Bearing	Rubber Output	Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£
1916–17	3,302	2,014	921,775	457½	2/2·9	1/0¼	73,508	36,500
1917–18	3,401	—	778,118	—	2/0	1/3	29,793	10,564
1918–19	3,604	—	705,772	—	1/10·9	1/3·17	25,418	22,813
1919–20	3,674	—	902,625	—	2/1·34	1/0·46	43,909	25,125

%
50
6
12½
12½

Price of Shares, 3/2½. Market Capitalisation per planted acre, £116.

The shareholders of Kamuning (Perak) Rubber and Tin Company have every reason to congratulate themselves upon the satisfactory report presented for the year ended June 30, 1920. Although handicapped by the shortage of labour—the number of coolies employed having dropped from 1,142 to 862—the crop harvested exceeded the estimate of 820,000 lb. by over 82,000 lb., amounting to 902,625 lb., as compared with the crop of 705,772 lb. for 1918-19, when restriction was in force for half the year. This marked addition to the quantity of the output was reflected in a gratifying decline in the cost of production. The estate cost dropped from 11.29*d.* per lb. to 10.96*d.* per lb., despite the loss of $13,236 incurred on supplying rice to the labour force. The f.o.b. cost was 0.62*d.* per lb. lower at 11.65*d.*, whilst the "all-in" cost fell from 1*s.* 3.17*d.* per lb. to 1*s.* 2.46*d.* per lb. Moreover, this coincided with the no less satisfactory improvement in the price realised by the sale of the crop from 1*s.* 10.90*d.* in 1918-19 to 2*s.* 1.34*d.* per lb. in the year under review. Thus there was secured a profit of 10.88*d.* per lb., as compared with 7.73*d.* in the previous year. On the other hand, the net profit derived from tin dropped from £1,159 to £783, which is comprehensible in light of the rather low prices prevailing for tin. However, this small decline was dwarfed by the growth in the profit on rubber, the total net profit from both sources reaching a sum of £43,909, as against £25,418 for 1918-19. In view of the uncertain outlook of the industry at the moment, the directors with their customary wisdom decided to restrict the dividend to the twelve and a-half per cent. paid in the previous year. But on account of the increase in the issued capital by £18,500 to £201,000 during the year the amount absorbed by this dividend rose from £22,813 to £25,125. The balance carried forward to the next accounts stands at £24,374, as against £5,590 brought forward from 1918-19.

Considerable attention was also devoted to development work during the year. The expenditure incurred on the immature area reached £8,552, or more than twice the amount involved in the previous year. Some 446 acres were opened up, of which 175 acres were planted, and were it not for the shortage of labour this latter figure would have been 400 acres. However, as soon as climatic conditions improve the remaining 271 acres which have been cleared will be planted. This extensive development programme is being financed out of the successful issue of 185,000 shares, which were offered during the year to existing shareholders, at a premium of 1*s.* per share, in the ratio of one share for every ten shares held. For the current year the original estimate stood at 955,000 lb., but this has now been reduced to 830,000 lb., as the Company has wisely agreed to fall in with the restriction in output advocated by the Rubber Growers' Association. However, as far as Kamuning is concerned, the effect must be to prevent any further fall in, if not to increase, the cost of production. On the other hand this Company is in the fortunate position of producing about two-thirds of crêpe, as against one-third of smoked sheet. In the present stagnant condition of the market crêpe commands an average of 2*d.* per lb. more than smoked sheet. Consequently, it will not suffer so heavily from the slump in prices as would other companies producing a greater proportion of the lower-priced rubber. Moreover, it appears that over forty per cent. of the reduced estimate—to be precise 336,000 lb.—has been sold forward at the satisfactory price of 2*s.* 6*d.* per lb. landed London. The condition of the estate leaves little to be desired, the report of the visiting agent commenting upon the great absence of the more serious pests and diseases. Again, seeing that it is a rather old producer, its liability under the sixty per cent. excess profits duty is not likely to be heavy. For the current year it is doubtful whether any charge will be levied on this account, especially in view of the deficits accumulated in 1917-18 and 1918-19. Then the substantial balance of £24,374 carried forward is sufficient to pay a dividend of over twelve per cent. for the current year, apart from any profit accruing from the results of the year itself. In addition to this there is the substantial reserve of £52,500 and the net share premium account of £8,336. Thus the Company is well able to face the uncertainties of the current year. Financially its position is one of marked strength. Current liabilities, including the dividend of £25,125, only amounted to £33,430 in the balance sheet dated June 30, 1920; whereas liquid assets were available to a total of £94,629. At present the 2*s.* shares are quoted in the market as low as 3*s.* 2½*d.*, at which price, assuming that the dividend is maintained at twelve and a-half per cent. for the current year, they afford a yield of nearly eight per cent., and are decidedly attractive as a lock-up investment.

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THE WOOL TRADE SITUATION.

At the time of writing only two [illegible] sales of wool have been held in Australia, viz., at Adelaide on October 1, and at Sydney commencing on October 5. It is reported that fully keen competition has been shown by Americans for the best classes of merino wools, and that active bidding has taken place by French buyers for medium types. Speaking generally, Japan and England have remained inactive, and not more than one-half of the total quantity offered has actually been sold. Whilst it is thus very difficult to draw any reliable comparisons with London prices, it may be stated that values were about five per cent. to ten per cent. below those ruling at the close of the last series in Colonial Street.

From many points of view it is very unfortunate that the reopening of private buying and selling of Australian wools should coincide with a period of [illegible] depression in the wool textile industry. These Colonial wool-growers who have been very disappointed with the results of the first few sales, are [illegible] to attribute the disappointment entirely to deliberate attempts, engineered from Yorkshire, to depress the values of this raw material. Such accusations may have been quite true in pre-War days, but when the Australian farmers realise that the present depression is not confined to the wool trade, but involves, in fact, practically every industry, they will understand that Yorkshire merchants and topmakers are in this matter quite innocent. Nothing is more certain than the fact that if our wool buyers had failed to make bids for the Australian farmers, its effect on the reopened auction sales would have been far less than that produced by the [illegible] during the last few months in industries in general.

Conditions in the wool textile industry are at present so abnormal that it is difficult to form the most reliable opinion as to the outlook for the immediate future. At the moment the [illegible] exerting such pressure that spinners' and manufacturers' contract books were often more than full, and, although orders were placed for specified delivery dates, it was generally understood that the goods would probably not be ready until considerably later. The turn of the raw material market in April and May suddenly made these delivery dates of great importance, and, despite the fact that spinners and manufacturers strained every nerve, they were unable in a large number of cases to avoid giving valid grounds for the cancellation of contracts by supplying the materials at the specified times. The orders to be fulfilled by individual firms have, therefore, been decreasing with greater or less rapidity, and, with no new orders coming forward, stocks are accumulating in every section of the industry. These stocks have been made almost entirely from materials purchased at very high prices, and it is not surprising to find that financial difficulties [illegible] the industry has withstood the storm remarkably well, although the losses have, of course, been enormous. When it is remembered that a 60's super-top, which cost about 156*d.* per lb. in April last, is now selling round about 60*d.*, it is extraordinary that there are no failures to record.

From what we have said on this subject it will be understood that it is quite impossible at the moment to give any but a very rough indication of the price of any semi- or fully-manufactured goods. Prices quoted depend entirely on the position of the seller, and, therefore, vary considerably. In the case of the top mentioned above it would be a comparatively simple matter to obtain quotations differing by as much as 1s. per lb. on the same day. Quite apart, therefore, from all the additional complications of the coal strike, the wool textile industry is still a long way from finding that new and lower basis of values which is necessary before any revival of trade can take place. From this standpoint the occurrence of the general trade depression at the point of the reopening of the Australian sales is unfortunate for the home manufacturers, as well as for Colonial farmers. Providing, however, that the finances of the industry as a whole prove strong enough to withstand the combined shocks of the slump of April and May, the present complete cessation of orders and the effects of the coal strike, the coincidence of these various troubles may be a blessing in disguise. We may say that [illegible] succeeding in overcoming their present difficulties, and if only the lower standard of raw material values can be fixed in reasonable time, the wool textile trade will [illegible] in being able to encourage new business on a substantially lower basis of price, solely through the drop in raw material. Profits will not, of course, continue on the scale of last winter, but there is no question that much remunerative work remains to be done as soon as buyers feel that the bottom of the market has been reached.

THE LEATHER TRADE.—I.

A review of the leather trade for the nine months brings us reluctantly to the conclusion that [illegible] At the opening of the year great and important things were anticipated [illegible] tion; but, without exception, every branch has failed to [illegible] the whole trade has suffered a disappointment to all engaged therein. [illegible] industrially [illegible] position.

THE RAW GOODS SECTION.

During the period under review hides and skins have been subjected to conditions that had been in abeyance during the previous four or five years. From the period of strict Government control, with its attendant cutting out of exports of English and re-exports of imported raw material, tanners and other producers of leather have had to conform to pre-War competition and trade conditions which include heavy sales of raw goods to Continental countries and heavy receipts therefrom of various descriptions of leather. With a good, or even normal, demand for English leather these sales and purchases would have passed almost unheeded; but with a very poor demand our tanners were badly handicapped. We set out below the official figures of imports and re-exports of hides and undressed skins for the nine months ended September 1913, 1919 and 1920.

	1913	1919	1920
	£	£	£
Imports	11,496,774	14,943	27,489,277
Re-exports	6,569,226	7,187,595	12,793,367
Balance for home consumption	4,927,548	14,815,898	14,695,910

Then as regards English market hides, these have fluctuated very considerably in values. It must, however, be borne in mind that the supply is very small by comparison with imported hides. Consequently when demand sets in prices move upwards in substantial manner, or decline similarly when buyers refrain. The following London prices of market hides for each of the past six months should prove interesting:—

Class of Hide or Skin.	April 30	May 31	June 30	July 30	Aug. 30	Sept. 30
	d.	d.	d.	d.	d.	d.
Ox & Heifer—Firsts	18½	18½	17½	11½	12½	12½
Ox & Heifer—Seconds	17	11	16½	11	11½	11
Cows, 60 lb.	13½	13	11¼	9	11½	11
Bulls	12½	8½	8	7	9	9½
Casualty	12½	8	9½	6½	8½	9
Calf skins—heavy	13½	14½	14½	9½	11	9½
17–24 lb. firsts	18	13	13½	14½	14½	15½
9–16 lb. firsts	20	19½	19½	15½	17	18
8 lb. and under	31½	20½	24	17½	16	16
Heavy seconds	7½	6½	7½	7	9½	9½
17–24 lb. ,,	14	10	10½	10½	13½	9½
9–16 lb. ,,	15½	14	15½	12½	12½	11
8 lb. and under	20½	16	19½	15½	12½	11

The above figures show differences in values between the end of April and end of June ranging from about thirty to fifty-four per cent. From the productive point of view, these declines are satisfactory, but from the general point of view they indicate a very poor demand for raw material, and consequently for leather. Industrially, also, the fact is not a pleasing one, as it has resulted in a lot of short-time employment in an industry that has for very many years prided itself upon regular employment for its workers, who invariably remain in the tannery all their working period.

As regards imported hides and skins, the undoubtedly slow state of the leather trade that set in badly immediately after Easter caused tanners to reduce their purchases of low-grade hides. Importers naturally had to find other outlets, and turned their attention to the Continental markets. Thus considerable sales were effected, as will be seen by the re-export figures for the first four months of 1919 and 1920, and for the nine months ended with September 1919 and 1920 as under:—

Re-Exports of Hides and Undressed Skins.

	1919	1920
	£	£
Four months ended April	1,[illegible],935	7,005,[illegible]78
Nine months ended September	7,187,595	12,793,367

During July this year the discarded parcels by British tanners were eagerly taken by France, Sweden, and Norway, the two latter countries purchasing both for their own and Germany's requirements Low-grade Mombassas were mainly marked out for the two Scandinavian countries, whilst France paid some attention to China hides. The fact that Continental buying was fairly strong, combined with the heavily reduced imports of wet salted hides from the Argentine—considered among the primest descriptions—has had a great deal to do with the checking of the downward trend of values. Another very noticeable feature of the raw goods market of late, and one that has also contributed to the check to downward values, has been the increased exportation of English hides and skins, of course to the detriment of the home market. The imports of Argentine hides for the first nine months of 1919 and 1920 were:—

1919, 347,932 ox., £2,064,146; 1920, 197,[illegible]07 ox., £1,[illegible]09,816.

The United States were also important customers for our raw hides, the exchange making them very cheap by comparison with their domestic grades. The nine months' sales for 1913, 1919, and 1920 were:

1913		1919		1920	
Cwt.	£	Cwt.	£	Cwt.	£
4[illegible],48	156,[illegible]45	2[illegible]65	37,892	35,057	207,[illegible]69

Sheep pelts and linings, that is, without the wool, were shipped in greater quantities, the figures being:—

1913		1919		1920	
No.	£	No.	£	No.	£
[illegible],193,166	212,129	1,[illegible]87,067	2[illegible]7,889	1,781,420	5[illegible],6[illegible]

Our total exports of English raw hides and undressed skins were for the nine months ended September: 1913, £1,386,805; 1919, £1,035,606; 1920, £3,551,127.

DIVIDENDS ANNOUNCED THIS WEEK.

	Last Year	1919	1918	1917	Last Div.
BANKS:				Sep.p.a.	
[illegible] Bank of [illegible] $[illegible] sh.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] of America $[illegible] sh.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£[illegible]	[illegible]	[illegible]	7	7	7
North of Scotland & Town & [illegible]	[illegible]	16	14	16	[illegible]
BREWERIES:					
[illegible]	[illegible]	[illegible]	15	14	[illegible]
[illegible] A £[illegible] sh.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Ltd. £5 sh.	[illegible]	[illegible]	15	10	9
[illegible] Brewery ...	[illegible]	[illegible]	[illegible]	[illegible]	8½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MISCELLANEOUS:					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Silver (S. W.) & Co., and Ben. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	12½†	[illegible]	[illegible]	[illegible]
[illegible] Estates ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ELECTRIC LIGHT AND POWER:					
[illegible] Power ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FINANCIAL LAND AND TRUST:					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Second Edin. Invest. Trust Def.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FOREIGN RAILS:					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
INSURANCE:					
Liverpool & London & Globe, £5 sh., £1 pd.	[illegible]	[illegible]	74	12½	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	45	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	12½	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IRON, COAL AND STEEL:					
[illegible]	[illegible]	[illegible]	15	17	15
[illegible] & Lindsay ...	[illegible]	[illegible]	10	[illegible]	12½
MINES:					
Broken Hill Proprietary ...	[illegible]	[illegible]	[illegible]	15	[illegible]
Premier (Transvaal) Diamond, [illegible]	500†	850	400	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	5	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NITRATE:					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SHIPPING:					
[illegible] Navigation ...	10(6)*	—	—	—	—
Clan Line, £10 shs.	8(0)*	12½ A	17½	20½	[illegible]
TEA, COFFEE AND RUBBER:					
[illegible] Tea Plantations ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TELEGRAPHS AND TELEPHONES:					
[illegible] American Telegraph ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TRAMWAYS:					
[illegible] Tramways £[illegible] sh. ...	[illegible]	[illegible]	[illegible]	9	[illegible]

[illegible] † Tot. for 1920 [illegible] Quarterly [illegible]

(A) One bonus new share for each old. (B) Plus bonus of 3s. per share. [illegible] £1 per share [illegible] [illegible] for two shares [illegible] [illegible] Nov. 30. Additional to usual quarterly div. of 2½%. (K) 15s. per sh. repaid (L) £10 shs. sub-divided in 1919. (M) Plus bonus of 12½%. (N) Plus bonus [illegible] Def. [illegible] from reserve, and [illegible] sub-divided.

Industrial Companies.

THE BENGAL IRON COMPANY, LIMITED.

Issued Share Capital: £2,072,888, in 1,572,983 £1 Ordinary Shares fully paid, and 500,000 7½% Cum. Pref. shares of £1 each.

Debentures: £200,000 5%.

Year to Sept. 30	Gross Profit	Amt. Written Off	Tax	Deb. Int.	Net Profit	Dep. Res.	Bal.	Ord. Dividends	Bal.
	£	£	£	£	£	£	£	£	£
1913	76,650	19,799	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	22,851
1915	174,996	31,150	11,303	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916	170,211	21,646	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	29,472
1917	165,007	26,845	11,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	344,422	42,279	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	315,743	40,146	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920*	260,345	19,135	86,000†	2,412	152,797	9,365	78,701	5‡ 54,272	10,158

* Six months to March 31, 1920. † Excess Profits Duty Reserve. ‡ Actual.

THE accounts for the year ended September 30, 1919, of the Bengal Iron and Steel Company, Limited, which to facilitate reconstruction had gone into voluntary liquidation, have now been published, together with the accounts of the new Company—the Bengal Iron Company, Limited. The accounts of the old Company show that a gross profit was obtained amounting to £315,743, representing a slight increase over the large profit for the previous year. The charge for depreciation amounted to £40,146, while Debenture interest absorbed £10,000, the same as in each of the three preceding years. Evidently in view of the reconstruction, it was not deemed necessary to make any reserve allocations, and therefore, with the addition of £30,058 brought forward, there remained a surplus of £295,655, which was carried forward in the balance sheet at the close of the financial year. There was then a complete reorganisation of the concern, and the new Company took over the business as from October 1, 1919. The nominal capital of the new undertaking was fixed at £2,500,000, divided into 1,750,000 Ordinary shares and 750,000 seven and a-half per cent. Cumulative Preference shares of £1 each, as compared with an authorised and issued capital in the original concern of £412,350, in 262,350 Ordinary shares and 15,000 Six per Cent. Cumulative Preference shares of £10. Under the scheme of reconstruction the old Preference shareholders received one new share for each share held in the original Company, but the rate of interest was increased from six per cent. to seven and a-half per cent., whilst the Ordinary shareholders received five new shares for every share already held, together with a capital distribution of £80,016, equivalent to 6s. 1½d. for each share held. As part of the general scheme the Debenture stock, amounting to £200,000, was paid off, making the Preference shares a first charge on the new Company's profits.

The trading results of the new concern are shown for the six months ended March 31, 1920, and are of an eminently satisfactory nature. Thus the gross profits during the six months amounted to £260,345, as compared with £315,743 in the accounts dealt with above for the twelve months ended September 30, 1919. Depreciation and other charges absorb £19,135 and Debenture interest £2,412, payable under the scheme of reorganisation, whilst an allocation of £86,000 is made to reserve for taxation. As the Company was not incorporated until December 5, 1919, a sum of £51,272, representing the proportion of the profits earned from October 1, 1919, to that date, is not therefore available for distribution and is transferred to reserve. Of the balance of profits, amounting to £98,525, the Preference dividend at the increased rate of seven and a-half per cent. absorbs £9,365, and an Ordinary dividend of five per cent. (actual) absorbs £78,701, leaving £10,458 to be carried forward subject to directors' commission.

The results of the reconstruction are in large part reflected in the balance sheet. Thus the issued Ordinary capital is given at £1,572,983, which is approximately five times greater than the old figure; and the issued Preference capital amounts to £500,000, covering the previous total of £150,000, together with a further capital issue of £350,000. The preliminary expenses of formation, amounting to £30,240, have been written off against the sum transferred to general reserve, leaving a balance of £24,032, and the taxation reserve has been credited with the initial allocation of £86,000 referred to above. Sundry creditors figure at £230,855, as compared with £92,196 in the old accounts. The various properties, which previously stood at £844,673, now figure at £1,453,618, reflecting in large part the extent to which their nominal value has been brought into line with the actual value, as a result of the reconstruction.

Stocks have grown during the six months from £188,341 to £356,367, and sundry debtors from £244,532 to £315,266. The War Loan investments of £100,000 shown in the old balance sheet remain intact, whilst cash holdings are £256,116 the larger at £285,447. The total assets amount to £2,520,427, as compared with £1,408,987 in the last accounts of the original company, and excluding stocks the liquid assets are found to exceed current liabilities (including dividends due) by over £391,000.

In view of the remarkable results achieved during the period covered by the present accounts the future dividend prospects would appear to be quite good. The profits for the six months were at the rate of 520,690 per annum, and the dividend of five per cent. already declared is really applicable only to the proportionate earnings during the four months from December 1919 to March 1920. In the opinion of the directors the productive capacity of the undertaking will be very substantially increased by the end of the coming year, when the construction of an additional larger blast-furnace will have been completed, together with further extensions to the foundries.

In addition, the Company has taken a half interest in a new undertaking known as the Eastern Light Castings Company, Limited, which has been formed with a capital of £200,000. In conjunction with this concern it is hoped to develop a wide and profitable field in the manufacture of light castings. A large interest has been taken also in the Bengal Firebrick Syndicate, which further consolidates the Company's position. It is of interest to note that the transfer of the undertaking to an Indian company is contemplated. The directors consider that such a transfer would be in the best interests of the shareholders, as similar concerns in India are Indian companies with native shareholders, and the tendency is therefore to give preference to native organisations. The proposed transfer would naturally free the Company from the incubus of the sixty per cent. excess profits duty and the corporation tax. At the meeting the Chairman stated that in the event of the scheme being carried through it would be necessary to pay off the Preference shareholders at par in cash, but proposals were being considered to give them an option to convert into a rupee share, with a guaranteed exchange rate for dividends and capital repayment, together with a slightly higher rate of interest. The profits of the Company being earned in rupees would not naturally be affected by the registration of the Company as an Indian concern. Allowing for the recent alteration in the Indian par of exchange from 15 rupees to 10 rupees, the dividends of the Ordinary shareholders being declared in rupees would fluctuate with the rate of exchange current at the date of the dividend payment.

In the following table is shown the prices and yields of the Preference and Ordinary shares, the yield on the latter being calculated on the basis of a dividend of ten per cent.:—

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

THE SALT UNION, LIMITED.

Issued Capital: £1,400,000, in 600,000 7% Pref. £1 Shares and 800,000 Ord. £1 Shares.

Debentures: £1,000,000 4½% First Mortgage and £200,000 4½% "B" Mortgage.

Year to Dec.31	Net Profit*	Pref. Div.	Ord. Div. £	Ord. Div. %	Reserves	Carry-forward	Stocks—Salt	Stocks—Fuel	Surplus Liquid Assets(b)
	£	£	£	%	£	£	£	£	£
1914...	35,443	15,000(a)	Nil	—	20,000	9,338	59,509	62,531	370,423
1915..	86,524	52,000†	10,000	1¼	25,000	8,862	54,223	70,573	401,000
1916...	322,455	70,000†	120,000	15	127,000	14,317	78,407	107,617	490,950
1917...	229,280	70,000‡	120,000	15	50,000	3,597	75,963	139,187	430,130
1918..	275,728	70,000‡	120,000	15	60,000	29,325	111,973	187,736	429,517
1919..	244,681	70,000‡	120,000	15	60,000	24,007	119,580	204,688	498,516

* After providing for excess profits duty and deducting Debenture interest of £54,000 per annum. † Dividend of 8⅔% on Pref. shares for 1915.
‡ wax. div. of 7% for year, plus £28,000, share of surplus under capital reduction scheme.
(a) 2½% div. on Pref. shares for 1914.
(b) Excluding stocks.

The remarkable prosperity enjoyed by this Union of salt producers during the period of 1916 to 1918 has been rather well maintained for the past year. The trading profits were in fact over £30,700 greater than in 1918, but a substantial fall in investment receipts, together with greatly increased charges for administration and taxation resulted in a net profit of £244,681, which as compared with the previous year marks a decline of over £31,000.

Debenture interest and Preference dividends absorb £124,000, the same as in each of the three preceding years, leaving an available balance of £204,097, including the amount brought forward from 1918. The Ordinary dividend is maintained at fifteen per cent., absorbing £120,000, the general reserve receives £50,000, and the employees' benevolent fund £10,000, leaving £24,007 to be carried forward to the current year, as compared with £29,326 brought in.

The most important change in the balance sheet is the heavy writing down of freehold, copyhold and leasehold properties. Thus the fixed assets have been reduced by £171,069 to £2,149,228 (excluding steamers and rolling-stock), and this net reduction has been effected mainly by means of a transfer of £125,000 from the depreciation reserve. Stocks show a moderate expansion of £24,559. Investments in Government and railway securities figure at £408,892, as compared with £318,712 previously, the purchase of Treasury bills being largely responsible for the increase. Investments in allied undertakings have been increased by £50,000, representing shares taken up in the Mersey Power Company, Ltd., whilst cash holdings are £31,452 the larger at £403,288. Sundry creditors amount to £645,384, or £67,886 greater than in 1918. The general reserve with this year's allocation is increased to £400,000, and the contingencies account and the insurance and investments reserves together amount to £94,040. A summary of the various items shows that the liquid assets exceed current liabilities (including dividends due) by £498,516, as compared with £429,517 in the previous year. The financial position as shown in the balance sheet is satisfactory, and the book value of the fixed assets would appear to be far below the actual replacement cost.

In regard to the general trade conditions, the directors in their report in March last emphasised the serious handicap imposed by inferior transport facilities during the past year on the home, coastwise, and foreign trade of the Company. An improvement in the shipping situation had, however, set in, and general indications point to a very large expansion in the foreign trade during the current year. The Chairman at the general meeting pointed out, however, that Germany had large quantities of crushed rock salt ready for export at moderate prices, and that serious competition may be expected from that country in the near future. The Company has made further acquisitions of properties in Cheshire and Somersetshire, which will substantially increase its earning powers. The prospects for the current year appear to be distinctly good, but much will depend upon the duration of the present industrial deadlock.

The prices and yields of the different stocks of the Company are shown in the following table, the yield on the Ordinary shares being calculated on the basis of a dividend of fifteen per cent.:—

	Price £ s. d.	Yield £ s. d.
7% Preference shares	2 0 4½	6 9
Ordinary shares	22 9	13 2
4½% 1st Mortgage Debs.	96	4 13
4½% "B" Mortgage Debs. ...	68½	6 6

DUBLIN AND WICKLOW MANURE COMPANY.

Issued Capital: £25,000, in 25,000 6% Cum. Pref. Shares of £1 each, fully paid, and £36,000 in 36,000 Ordinary Shares of £1 each, fully paid.

5% Debentures: £25,000.

Year ending June 30	Net Profit	Deb. Int. and Pref. Div.	Ord. Div. £	Ord. Div. %	Allocations to Reserve Fund	Carry forward	Surplus Liquid Assets.
	£	£	£	%	£	£	£
1916 ...	12,961	2,750	1,800	5	4,000	7,551	65,620
1917 ...	7,559(a)	2,750	2,700	7½(d)	5,000	4,665	68,875
1918 ...	5,957(a)(c)	2,750	2,700	7½(d)	1,000	4,184	62,377
1919 ...	5,467(a)	2,750	2,700	7½(d)	--	4,201	56,111
1920 ...	6,944(c)	2,750	2,700	7½(d)	1,000 (e)	4,696	59,451

(a) After providing for excess profits duty for two years to June 30 1917.
(b) After provision for excess profits duty for the year.
(c) After providing £1,000 on account of excess profits duty.
(d) Interim dividends of 2½ per annum.
(e) To depreciation account.

After providing for a sum in respect of excess profits duty the net profits of this Company for the accounting year ending June 30, 1920, amounted to £6,944. A substantial advance of £1,477 is thus shown on the net profits of the previous year, £5,467. Of the net profits for 1920, £1,000 is allotted to depreciation account, no appropriation having been made in the preceding year; and when provision has been made for the payment of Ordinary and Preference dividends, there remains to be carried forward to the new account the sum of £4,696. The dividend and bonus at seven and a-half per cent. per annum, absorbing £2,700, are again unchanged, the policy initiated in this respect in 1917 being consistently maintained.

An examination of the balance sheet discloses the fact that sundry creditors have increased in 1920 by £12,489 to £40,932. On the other side of the account, however, stock-in-trade, &c., has advanced by £5,242 to £21,796, but investments have fallen by £6,068 to £14,162. Sundry debtors have made a big stride forward from £46,714 in the previous year to £76,802 in 1920. This item seems to be of a very comprehensive nature, as deposit account, which was entered at £10,012 in the previous balance sheet, receives no mention in the present; and, furthermore, cash in hand and at bank figures at only £418 in the latter, while in the former it was entered at £7,596. As indicated in the above table, the surplus of liquid assets, embracing sundry debtors, cash on hand and at bank, and investments, betray a decline compared with 1919. The amount, £50,451, bears, however, a not unsatisfactory ratio to the entire Debenture and share capital of the concern, £86,000, and particularly so where cognisance has been taken of the stock-in-trade, premises and plant, and the reserve funds. Works, offices and machinery are now returned at £48,285; and since 1916, when the valuation was £40,000, various additions and purchases have been made—the purchases in 1919 being estimated at £5,000. Amongst the liabilities, repair and renewal fund stands at £6,000, and, as already mentioned, an allocation of £1,000 is made from this year's profits towards a new depreciation account. In consequence of the great increase in the cost of materials, and with a view to providing adequate working capital in anticipation of abnormal post-war trading conditions, the equalisation of dividends fund, which appears at £3,300 in the 1920 balance sheet, was established in 1915. Reserve fund, to which no appropriation was made this year, now amounts to £18,000.

On the basis of a dividend and bonus of seven and a-half per cent. less income tax the Ordinary shares at the present price of 18s. give a yield of eight and one-third per cent.

J. MANDLEBERG AND COMPANY, LIMITED.

Issued Capital: £370,000, in 70,000 7% Cum. Pref. and 300,000 Ord. £1 Shares.

Year to Dec. 19	Profits*	Depres., &c.	Net Profit	7% Pref. Div.	Ord. Div.	%	Added to Reserve	Carry-forw'd.	Stocks	Surplus Liquid Assets†
	£	£	£	£	£		£	£	£	£
1914	52,043	2,800	49,248	4,900	36,000	10	Nil	30,956	73,328	92,987
1915	74,506	3,500	71,006	4,900	48,000	20	Nil	49,062	77,526	104,880
1916	90,218	3,500	86,718	4,900	48,000	20	10,000	72,880	111,202	96,883
1917	90,021	3,500	86,521	4,900	67,500	22½	9,390	77,611	164,051	56,485
1918	91,082	3,500	87,582	4,900	67,50	22½	10,000	82,793	205,865	13,783
1919	102,883	3,000	99,383	4,900	67,500	22½	10,000	99,775	222,086	5,090

* After provision for taxation and contingencies.
† Excluding stocks, but including investments in subsidiary and other companies at cost (£83,723 at Dec. 19, 1919).

The operations of this Manchester firm of waterproofing and clothing manufacturers for the twelve months ended December 19, 1919, resulted in a profit of £102,883, after providing for excess profits duty, income tax, and contingencies. Allowing £3,500 for special depreciation, the net profit is carried at £99,383, as compared with £87,582 previously. Preference dividends absorb £4,900, and an allocation of £10,000 is made to reserve, whilst the Ordinary dividend is maintained at twenty-two-and-a-half per cent., absorbing £67,500, leaving a balance to be carried forward of £99,775, which is £16,982 greater than the sum brought in from 1918. It may be pointed out that during the past decade the capital has been increased from £120,000 to £300,000 purely by bonus share distributions from the reserves, the last capitalisation being made in 1917, and the dividend for each of the past three years is therefore actually equivalent to more than fifty-six per cent. on the capital actually subscribed by the Ordinary shareholders. The reserve and carry-forward now amount to £199,775, representing fifty-four per cent. of the Ordinary capital.

Among the liabilities sundry creditors, at £359,259, are £86,859 less than the previous figure, whilst debtors show a similar contraction from £305,539 to £242,160. Cash holdings have fallen from £67,718 to £41,708, and War Loan investments from £75,408 to £40,385, but bills receivable have increased by nearly £10,000. Investments in subsidiary companies show a small expansion at £29,194, whilst other trade investments have grown from £25,044 to £54,529. The fixed assets, with which, however, are included patents and goodwill, are slightly larger at £327,598, and stocks, at £222,086, represent an increase of £16,221. Excluding stocks, the surplus of liquid assets over current liabilities has been reduced from £13,783 to £5,090 in the present accounts, but with the addition of stocks there is actually a surplus of £227,176, as compared with £219,048 previously. Besides, the valuation of investments seems to be taken on a very conservative basis, and the book value of the fixed assets appears to be likewise an under-estimate.

The Company was engaged upon large Government contracts during the War, and the remarkable ease with which it has re-adapted its business to civilian requirements speaks well for its organisation and management. It may be remarked that, although the Company is mainly engaged upon the rubber-proofing and rain-proofing business, its activities also include the weaving of cotton, union and worsted piece-goods, and the dyeing and finishing of many classes of fabrics. The Company was [illegible] upon a large programme of extensions to meet increased trade, and to finance this development the capital was increased in May last from £370,000 to £720,000 by the creation of £150,000 Eight per Cent. Preferred Ordinary shares, together with an additional £200,000 Ordinary shares, both classes being issuable to the extent of £150,000 to the existing Ordinary holders as the Company's shares are always quoted at a considerable premium, the shareholders indirectly receive a substantial bonus on the terms of issue. The balance (£50,000) of the newly created shares will be reserved for issue at par among the management staff. The new shares rank for dividend as from June 20, 1920.

The Chairman of the Company expressed the opinion in May last that the turnover for the current year would probably be four or five times as large as it was in any pre-War year, the opinion being apparently based upon the excellent trading figures during the first four months of the period; but the present industrial deadlock may substantially affect the Company's earnings. However, the diversity of its manufactures, its variety of markets, and strong selling organisations will enable the undertaking to provide largely against seasonal or other fluctuations in trade. The Ordinary shares of the Company are quoted at 43s. 6d., yielding a return of 10.3 per cent. on the basis of last year's dividend of twenty-two-and-a-half per cent., and the Seven per Cent. Cumulative Preference shares yield a return of 6.3 per cent. at their present quotation of 22s. 3d. The newly created shares are not yet officially quoted.

ARNOTT AND CO., LIMITED.

Capital: £60,000 in 15,000 6% Cum. Pref. Shares of £4 each, fully paid; £100,000 in 25,000 Ordinary Shares of £4 each, fully paid. 4% Redeemable Debenture Stock, £79,940.

Year to Jan. 31	Net Profits	Debenture Interest	Pref. Dividends	Ord. Dividends	%	Carry-forward	Stocks	Surplus Liquid Assets
	£	£	£	£		£	£	£
1918	25,292	3,197	1,200	9,500	10	8,[illegible]	[illegible]	1,[illegible]
1919	24,686	3,197	1,200	8,500	10	7,[illegible]3	[illegible]	7,[illegible]
1920	51,428	6,797	17,500	17½c		10,372	84,048	122,999

[illegible] Income tax.
[illegible] Ordinary dividend of 7½% [illegible] £3,[illegible]
[illegible] Ordinary dividend of 10% [illegible] £5,[illegible]
[illegible] £[illegible]

The accounts of this Dublin Company for the year ended January 31, 1920, furnish yet another indication of the great trading activity which has been the not uncommon experience of drapery concerns during that period. Net profits at £51,428, after allowing for excess profits duty and other charges, show the striking advance of £26,742 on the previous year. With the amount brought into the accounts, £7,123, the sum of £58,551 was thus available for distribution. Of this Debenture interest and Preference dividends absorbed £6,797. The payment of the Ordinary dividend and bonus at the rate of seventeen and a-half per cent. per annum, less tax, called for the amount of £17,500, the shareholders having thus every reason to be gratified with the signal improvement on the previous year, when £8,750 sufficed to pay a dividend of eight and three-quarters per cent., less tax. Of the balance then remaining an allocation of £5,000 was made to reserve fund, and after £17,832 had been written off goodwill account—the sum written off premises goodwill account in 1919 was £9,000—there remained £10,372 to be carried forward to the new account, which compares with £7,123 in the previous year. It will be noted that although the percentage distribution on the Ordinary capital was smaller the aggregate amount distributed in 1919 exceeded that of 1918. This is explained by the capitalisation of £40,000 of the reserve fund carried out in the former year. As a result of this step the fund was brought down from £50,000 to £10,000, but, strengthened by the appropriation of £5,000 made in 1920, it now stands at £15,000.

As indicated in the above table, liquid assets in 1920, including sundry debtors and life assurance (the entry for which makes due provision for bad and doubtful debts), cash in bank and cash in hand, and bills receivable, have augmented their surplus over such [illegible] The [illegible] in the [illegible] by £10,812 to £[illegible] &c., has increased from £10,492 in 1919 to £34,087 in 1920, [illegible] £87,832, as compared with £96,902 in t[illegible]

cannot fail to add to the attractiveness of this entry. Thus in 1918, 1919, and 1920, the sums of £8,886, £9,000, and £17,832, respectively, were written off this head. The remaining important asset, stock-in-trade, is measured by £84,048, a decline of £14,040 on the preceding year. Amongst the liabilities, sundry creditors and cash on deposit are represented by £76,219 in 1920 and £97,163 in 1919. An entry that in view of the troubled political outlook in Ireland may assume larger proportions in the future is accident and glass insurance fund, which now figures at £2,500.

At the present price of 58*s.* 9*d.* the Six per Cent. Cumulative Preference shares yield 8.1 per cent. less tax, and on the basis of a dividend and bonus of seventeen and a-half per cent. the Ordinary shares at their present price of £5⅞ give a return of 11.9 per cent. less tax.

New Issues.

5-15 YEAR TREASURY BONDS.

Particulars of these bonds, which are still on offer, appeared in THE STATIST of September 25 and preceding weeks.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier dates.

EXPLOSIVES TRADES, LIMITED.

Offer of £3,000,000 Eight per Cent. Seven-Year Secured Notes at 96½ per cent., redeemable at par on November 1, 1927. The Notes will be registered in denominations of £10, £20, £50, £100, £500, and £1,000. The Company reserves the right to redeem the whole of the issue at 101 per cent., plus accrued interest, at any time after November 1, 1922, on three months' notice. Shareholders and employees will receive preferential allotment.

The Company, which was formed in November 1918, is a merger of a number of firms engaged in the manufacture of explosives, detonators, fog-signals, sporting and military ammunition, metal goods, artificial leather, chemicals, gas-mantles, electric bulbs, varnishes, and motor accessories, and in rolling metal, welding, &c. The fusion embraces, in a long list of constituent firms, Nobel's Explosives Company, Limited, Kynoch, Limited, Curtis and Harvey, Limited, Eley Brothers, Limited, and it has acquired substantial holdings in the British Dyestuffs Corporation, Limited, British Cellulose Company, Edison Accumulators, Limited, General Motors Corporation of America, Rotax Motor Accessories Company, Limited, and the various Dunlop enterprises. The proceeds of the present issue will be applied towards completion of the purchase of shares in certain of the above companies and to provide further working capital. Sixty per cent. of the capital is now used in the manufacture of commodities other than explosives, and steps are accordingly being taken to change the name of the Company to "Nobel Industries, Limited."

Of an authorised capital of £18,000,000, £15,549,562 are issued and fully-paid up. The net assets of the combine on December 31, 1919, appeared in their books at £13,853,853. This figure, compiled on a conservative basis and not including any amount for patents, processes, and goodwill, gives more than ample security as to capital for the present issue of Notes. Net profits for 1919 amounted to £1,416,665, less income tax. The directors anticipate that these profits will be maintained and that recently acquired interests will bring in substantial additional revenue. Even allowing for the natural optimism of the management, the annual interest of £240,000 on the Notes is secured many times over. There are no debentures in existence, and the Company undertakes not to create them or other charges upon its assets ranking ahead of, or *pari passu* with, the present issue, except with the consent of the holders, unless for the purpose of securing bank loans or overdrafts in the ordinary course of business. The Trustee for the Noteholders (the British Overseas Bank, Limited) will receive as security for the Notes 998,080 Preference Shares and £1,250,000 Ordinary shares of Nobel's Explosives Company, Limited. These were valued at £6,623,000 at the date of acquisition by the Company, and the latter guarantees to maintain the value of the security at that figure. A sum of £200,000 will be applied in 1923 and annually thereafter towards the redemption of the Notes by purchase in the market or by drawings at par. The sinking fund does not seem anything like adequate, and maturities will doubtless have to be met out of other funds or by means of a fresh issue of capital. The interests of the investor, however, are completely safeguarded, and the comparatively high yield of over 8½ per cent. at the price of issue, 96½, combined with sound security, constitutes the offer one of the most attractive of its kind recently placed before the public, though, of course, subject to the usual industrial risks.

The lists will close on or before Friday, October 29.

W. H. DORMAN AND COMPANY, LIMITED.

Offer of £300,000 Eight per Cent. Participating Seven-Year Notes at 95 per cent. and 50,000 £1 Ordinary shares at 22*s.* per share. The notes will, in addition to the fixed interest of eight per cent., be entitled to participate in surplus profits to the extent of one-half per cent. for every one per cent. declared on the Ordinary shares, until they have received a further four and a-half per cent. The Company reserves the right to purchase the notes in the market at or below 105 per cent. and to redeem them upon three months' notice at 105 per cent. by means of drawings, and subject thereto they will be repayable at par on October 1, 1927. The notes may be obtained in denominations of £10, £25, £50, £100, and £500, with half-yearly interest coupons attached. No Debenture, mortgage, or charge upon the present assets of the Company will be created without the sanction of the noteholders, except to secure bankers' loans in the ordinary course of business. The Ordinary shares now offered will rank *pari passu* with those already issued.

The Company, formed in 1897, has an authorised capital of £700,000, divided into 350,000 Eight per Cent. Cumulative Preference shares and 350,000 Ordinary shares of £1 each, 250,000 of each kind being already issued. Its main business has been the manufacture of Dorman internal combustion engines, but it also possesses the exclusive United Kingdom licence to use the Constantinesco wave transmission system. The latter has been embodied in a series of Dorman wave power tools, which claim a very high degree of efficiency and economy. The Company, in addition, having acquired the patents and sole manufacturing rights for the British Empire, is about to place on the market the Hele-Shaw hydraulic clutch. The objects of this issue are to provide further funds for the completion and equipment of the new works and additional capital to cope with anticipated demand. Certified net assets amount to £499,174, to which must be added the value of the Company's licences, patents, trademarks, and goodwill (£43,525), and the proceeds of the present issue. The notes, which are participating in character—the first of their kind—would, therefore, seem to be well secured as to capital. They will require an annual dividend payment of £24,000, which compares with certified net profits of £36,805, £58,355, and £74,270 for the years 1918, 1919, and 1920. Presuming that the Company's confidence in its new products is justified, profits should be much enhanced above old levels, and the participation rights will benefit accordingly. It should be noted, however, that there is no sinking fund for redemption. The value of the Ordinary shares will depend largely on the commercial outlook for the new patents which the Company proposes to exploit. If, as would seem likely, the advantages which the directors claim for their wave power tools and hydraulic clutches are substantiated in practice, the return on the Ordinary shares should be considerable.

COPESTAKE, CRAMPTON AND CO., LIMITED.

Offer of 533,334 Ordinary shares at par. Applications by employees and customers will receive special consideration.

The Company has been formed with an authorised capital of £800,000 to acquire as a going concern the business of Copestake, Crampton and Company, warehousemen and lace manufacturers, Nottingham and

London, with branch warehouses at Dublin, Birmingham, Sheffield, Exeter, Hull, Portsmouth, and Bath. The net assets, exclusive of goodwill, taken over have a book value of £505,201; but independent valuations would increase this amount by £80,375. The purchase price is £505,201, payable as to £266,666 in fully paid Ordinary shares and £238,535 in cash, and the preliminary expenses, estimated at £25,000, will be borne by the vendors. Certified net profits, before charging interest on deposits, bank loans, and partners' capital, depreciation, and income tax, were for the years 1917 to 1920, £64,966, £94,371, £128,406, and £191,288. The average, after making all necessary deductions, was £117,324. A dividend of ten per cent. on the Ordinary shares would require a disbursement of £80,000, and as there are no Debentures or Preference shares this return does not seem unlikely. The directors report that sales for the first three months of the current financial year are considerably in excess of those for the corresponding period of last year. The concern retains the previous partners as directors, and a continuance of its prosperity, subject to the general fluctuations of trade, seems assured. The present offer is an attractive lock-up. The lists close on Saturday, October 30.

STEAUA ROMANA (BRITISH), LIMITED.

The above Company has, in conformity with Stock Exchange regulations, issued a statement which, though not an invitation to subscribe for shares, is of interest on account of the impending introduction of the shares on the market. The Company has been formed to acquire from a British syndicate an option on 24,950 shares of 500 lei each in the Steaua Romana Société Anonyme pour l'Industrie de Pétrole, an equal number being held by a French and 50,102 by a Rumanian group. The capital of Steaua Romana (British), Limited, is £2,025,000, divided into 2,000,000 £1 Ordinary shares and 500,000 Deferred shares of 1s. each, all of which have been subscribed for cash at par. The total cost of acquisition was about £2,000,000, including £50,000 to the vendors. The latter, Messrs. Stern Brothers, and James Dunning and Company, also retained the right to subscribe for all the Deferred shares. The Ordinary shares are entitled to a preferential dividend of eight per cent. and to four-fifths of the surplus after 160 per cent. has been paid on the Deferred shares.

The Steaua Romana Société Anonyme pour l'Industrie de Pétrole owns wells, refineries, and pipe-lines in all the important oil areas of Rumania. Production is not yet equal to that of the pre-War period, but the Company states that progress is being made and that improvement will be much more rapid when the new drilling plant is installed. The Campina refinery has a capacity of 850,000 tons per annum and is fed from the different fields by about 140 miles of pipe-lines. It is also connected with the Government pipe-lines to Constantza, the shipping port. There are subsidiary distributing companies at Smyrna, Constantinople, Sofia, Salonika, and in Italy. The capacity of the wells, possible reserves, and other data are not given. The information afforded is on the whole insufficient to form a considered opinion on the value of the British group's interest, but as a speculation the new shares will probably appeal to a large section in the oil market, especially as the petroliferous territory in Rumania shows promise of considerable developments.

J. AND N. PHILLIPS AND COMPANY, LIMITED.

Offer at par of 700,000 Eight per Cent. Cumulative "B" Preference shares of £1 each. Interest payable in March and September.

The Company was formed in November 1915 to take over a private business of manufacturers, warehousemen, wholesale drapers and shippers in Manchester and London, and it has since expanded in a remarkable manner. The authorised capital of £2,200,000 consists, in order of priority, of 750,000 £1 Six and a-half per Cent. Cumulative Preference shares, of which 700,000 have been issued, 700,000 £1 Eight per Cent. Cumulative "B" Preference, now offered, and 750,000 £1 Ordinary shares, of which 700,000 have been placed. The certified net assets have a book value of £1,621,109, which is increased to £2,127,485 by independent valuation. These figures do not include any amount for goodwill, trade marks, nor for the share capital of J. and N. Phillips and Company (Australasia), Limited, all of which is held by the Company. The security of the present issue as to capital is therefore undoubted. Certified profits from 1916 to 1919 have been £125,052, £127,580, £187,739, and £352,916, less income tax and managing directors' commission. The annual interest claims of the Preference shares of both kinds will total £101,500, a figure which is amply covered by profits. The attractive nature of the present offer guaranteed an eager response from the public, and the lists were closed on Tuesday, October 19, an oversubscription.

THE SOLICITORS' LAW STATIONERY SOCIETY, LTD.

Offer of 25,000 shares of £1 each at 30*s.* per share.

The Society was founded in 1888 to enable solicitors to co-operate in the law stationery business. It possesses premises in London and Manchester, and the directors have now acquired an option on extra freehold property in Fetter Lane. The object of the present issue is to provide the purchase price for the latter and to supply further working capital. The authorised capital consists of 70,000 £1 shares, of which 22,862 (fully paid) and 14,728 (10*s.* paid) have been issued. The prospectus shows in detail the turnover, profit, reserve, carry-forward, and dividend from 1910 to 1919. Profits have fluctuated, but progress seems on the whole to have been steady. Dividends have grown, with the exception of a drop in the early years of the War, from nine per cent. tax free in 1910 to twenty per cent. tax free in 1920. The directors consider that much of their prosperity is due to their scheme by which customers and employees participate in the profits. The stability of the enterprise is undoubted, but the premium on the present offer does not seem justified. The issue will appeal chiefly to those already interested who desire a secure lock-up.

BRITISH WEST AFRICAN TRADING COMPANY, LTD.

Offer to shareholders of £300,000 Ten per Cent. First Mortgage Debenture Stock at par, repayable on or before December 31, 1945, by the application of a sinking fund of five per cent. per annum from 1926 onwards. Interest is payable at the beginning of February and August. The stock is secured by a trust deed as a specific mortgage on the lands, buildings, and immovable properties in England, West Africa, and elsewhere, and a floating charge on all other assets of the Company.

PENDING ISSUES.

Roneo, Limited.—A resolution will be submitted at the meeting on the 28th inst. creating 125,000 additional Ordinary shares, which will in due course be offered to shareholders.

Erinoid, Limited.—At the ordinary general meeting held on the 21st inst. the Chairman stated that new capital would be issued immediately, at a premium of 5*s.* per share, shareholders to have priority of allotment.

Palace Theatre, Limited.—At the ordinary general meeting held on the 21st inst. Sir Alfred Butt, the Chairman, stated that the purchase of the theatre was likely to make a public issue shortly to provide the capital to complete his contract, and that Palace Theatre shareholders would receive preferential allotment.

To meet the [illegible] the Government
has to [illegible] the £1 coin



Golden Guinea

GOLDEN GUINEA

Charlotte Street, W.1.

MEETINGS
OF PUBLIC COMPANIES.

The Anglo-South American Bank, Limited.

NATIONAL FINANCES: BUSINESS CONDITIONS IN SOUTH AMERICA.

The thirty-second annual general meeting of this Bank was held on October 20 at Winchester House, Old Broad Street, London, E.C., Mr. Robert J. Hose (the Chairman) presiding.

The Assistant Secretary (Mr. Ernest E. Hayes) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—When our last annual general meeting was held one complete year had practically elapsed since the declaration of the Armistice, and the time seemed appropriate for a review of the financial and economic results of the War, so far as they could then be ascertained. At that time, however, we were still in many respects under war conditions; our national expenditure remained on an enormous scale; our national revenue was unequal to the burden; and our debt was increasing week by week.

During the past twelve months, however, this condition of affairs has been changed. The national expenditure, though still, of course, abnormal, judged by pre-War standards, has declined appreciably, while our revenue is moving upward, and this year, for the first time since 1913-14, the Government revenue, failing untoward events, is estimated to exceed the ordinary expenditure. The estimates of revenue, however, are partly based on the proceeds of sales of surplus war materials, and their realisation depends very largely upon the general course of events, as to which it would be unsafe to prophesy.

Liabilities Reduced: The Floating Debt.

Internationally our position is considerably improved, for, although our debt to the United States is increasing under the recent arrangement by the addition of interest, our immediate liabilities are being reduced, as witness the repayment last week of this country's portion of the Anglo-French Loan. Our War debts to other foreign countries have been steadily reduced, and the internal floating debt has not increased. During the year ended June 30 last the total of the Ways and Means Advances was reduced by about 500 millions sterling, partly by means of surplus revenue, and the proceeds of the Victory Bond and Funding Loan issues, and partly owing to the increase in the Treasury bills outstanding during the same period. This increase amounted to some 250 millions sterling, and, although it is impossible to follow in detail the effect of these huge financial operations, it is obvious that there has been a considerable deflation of credit during the year, which goes far to explain the growing scarcity of funds in Lombard Street.

So long as the floating debt remains at anything like its present enormous figure, however, so long must there be uncertainty in the financial outlook, with its unfavourable effect upon business conditions, and it may be hoped that the Government has the matter well under consideration and is fully prepared to take advantage of any change in conditions during the next few months which may offer a favourable opportunity for the accomplishment, at least in part, of that most desirable—indeed, that most essential—operation, the conversion of floating debt into the form of long-dated loan.

Labour Conditions.

Unfortunately, however, it is not the Government finances alone which are hampering the return of a real prosperity to this country. Labour conditions remain very unsatisfactory as judged from the standpoint of the community as a whole. The demand is still for more money, without, apparently, the slightest consideration of the fact that more money without more production is futile, and that the position of the consumer is only worsened thereby.

I must apologise for troubling you with the elementary, and for restating well-known economic facts, but my reason for doing so is that I wish to emphasise that it is in the simple things that the solution of the difficulty lies. It is impossible in the time at my disposal to go deeply into the question, but I would like to give you in a comparatively few words what seem to me to be some of the vital points in the situation.

One of the chief troubles of the world to-day is that, with a vastly increased supply of so-called money, there has been a contraction in tangible assets. During the War period the efforts of labour in all countries were largely perverted from the making of goods for the sustenance and [illegible] of the world to the production of War materials. Production's chief aim for the time being was to facilitate destruction, and we are now seeing the results of five years of this process.

Nearly two years have now elapsed since hostilities ceased, but the general shortage of goods at reasonable prices still exists, while, taking the world as a whole, nothing has been done to contract the supplies of money on the contra account. The consequence has been a steady rise in the money prices of all classes of goods, which is only now receiving a check. In the last few months there has been weakness in the markets for all commodities, and at the present time we seem to be on the brink of a further reaction, but, unfortunately, it may not be possible to say that this reaction, if it comes, will have resulted from the reversal of the unhealthy conditions brought about by the War, but rather by an emphasising of the evils. Production, instead of being restored to the 1914 ratio or greater, has tended to contract, and continued demands on the part of Labour for increased money wages have been accompanied by a shortening of working hours and an even greater reduction, proportionately, in individual and collective output. As a natural result, not only have prices, as expressed in British money, been advanced against the consumer, but the nation collectively has suffered through a raising of prices as expressed in other currencies. Producing less and consuming more, we can but export less, and if we export less so much the less can we draw in return from foreign countries, whether of raw materials or foodstuffs. The less we export the higher must general prices go, and presumably adjustment has again to be sought by means of a renewed advance in wages. This is the vicious circle, in fact, from which the country and the world has been suffering for at least seven years.

Increased Production Necessary.

There is, in my opinion, only one solution of the difficulty, and that is of the simplest. Only by a net increase in production can we hope to restore that stability of conditions which is essential to real prosperity—a prosperity extending to all sections of the community. The producer, whether he work with hand or brain, has the solution in his own hands. He can, to a large extent, fix his own wages—his own real wages—and he can do so without the industrial strife which has been in progress for so long. But a change of policy is necessary. A reasonable rate of money wages having been secured, the rest depends upon the producer himself. Instead of concentrating upon an effort to raise the nominal rate of wages as expressed in money, attention must be directed more particularly to the maintenance of output at a reasonable level, so as to ensure that, as time goes on, the ratio of increase in the supply of goods shall be somewhat greater than that of the increase in the supply of money, for the larger the output the lower relatively the price of the product should be, and consequently money wages should produce more goods. This is not merely economic theory, and once this truth is appreciated by the majority of the manual workers, as it is already by some amongst them, a greater advance will have been made towards the world's comfort than can ever result from Labour's present tactics of demanding more of the shadow and giving less—which inevitably involves also receiving less—of the substance resulting from the producers' common effort.

The economic truths to which I have referred found recognition in the principle advocated—so far, I regret to say, unsuccessfully—in the proposed terms of settlement of the dispute in the coal-mining industry of this country. That an increase in money wages should be dependent upon an increase in production seems to be the best, if not the only, solution. There may be difficulties in working out the details of such an arrangement, but the profit-sharing which would be involved seems at once to be the soundest and most fair means for bringing about that increase in production of which there is so great a need to-day, and if the principle can be applied to all the important industries a great step will, in my opinion, have been taken in the rehabilitation of our position in the commercial and financial world. (Hear, hear.)

Argentina.—Finance and Trade.

In Argentina conditions have again been very satisfactory. The country has been passing through a period of very great prosperity, resulting in the main from the abundance, good quality, and high value of the principal cereal crops. Owing

stuffs, clothing, fuel, and rents.

The official trade figures still show general expansion. For [illegible] export surplus—the total exports for 1919 were valued at $1,031,000,000 gold and the imports at $656,000,000, giving a balance of trade in favour of Argentina of $375,000,000, and that these [illegible] for the first [illegible] amounting to $155,535,000, as compared with $96,997,000 in the corresponding period of last year.

[illegible] commercial and private failures during the first half of 1920 involving an aggregate amount of only $21,551,638 paper, which is the lowest total reported in the first half of any year for more than ten years past.

Trade between Argentina and Great Britain.

Trade between Argentina and this country has become active, and, so far as values are concerned, we are now once again up to pre-War figures. In the [illegible] December 31 last Argentina's imports from the United Kingdom amounted to $154,478,000, this comparing with $125,001,000 in the corresponding year but $144,000,000 in 1913. In the same period, however, Argentina's imports from the United States increased from $73,012,000 to $232,868,000, the United States having thus [illegible] our position as the principal exporter to Argentina. It may be interesting to note that during the year Argentina imported from Mexico [illegible] compared with $1,593,000 in 1913, which is illustrative of the improvement in Mexican conditions, to which I shall have occasion to refer further in a later part of this address.

As a natural result of the general prosperity of the country and the extremely active state of foreign trade, the financial situation of the Government is easier. The problem of the consolidation of the floating debt is still, however, unsolved, and the Treasury bills which constitute the larger portion thereof are renewed as they fall due. During the first nine months of the present year the floating debt was reduced from $651,000,000 paper to $548,000,000 paper. It is now composed as follows :—

Overdraft at the Banco de la Nacion ...	$108,000,000
Treasury bills	14,000,000
Loan by British Government [illegible] the Baring-Morgan Loan	116,000,000
Short term Loans and Sundry Credits	310,000,000
	$548,000,000

The total amortisation of the external and internal debt during the nine months amounted to $130,000,000.

The Baring-Morgan loan of $49,300,000 U.S. gold, which fell due in the United States in May last, was paid off by means of an arrangement with the British Government, whereby the latter advanced the necessary funds at five per cent. per annum interest until January 14, 1921, when the amount will be applied towards repayment of the balance of the 200 million dollars gold loan made to the British and French Governments in 1918 by the Argentine Republic through the Banco de la Nacion. The present balance of this debt is roughly 120 millions gold.

In September of last year the Executive submitted to Congress a [illegible] dollar Lottery Loan [illegible] four per cent. Treasury Bonds. In addition to this loan, which would only concern banks and companies, the Committee propose a 200 million five per cent. Lottery Loan for issue to the [illegible] part of the national expenditure will be provided by fresh taxation, and an important feature in this year's Budget, and one likely to [illegible] project which it contains.

Gold Movement and Exchanges.

The stock of gold [illegible] June last amounted to $[illegible] de Conversion to $[illegible] Legations abroad to $[illegible] the Caja was thus $470,598,169, as compared with $383,207,637 at the end of June 1919. The note circulation

In the early part of the Bank's financial year there was [illegible]

From this high level there [illegible] especially in the first half of 1920, led to heavy gold imports [illegible] arriving from the United States and from Great Britain. [illegible] the opposite direction. The actual export of the metal still [illegible] the deposit of gold in the Caja de Conversion, which simultaneously released a similar quantity from its stock of the metal deposited with the Federal Reserve Bank to the order of the Argentine Embassy at Washington. Facilities for this operation were withdrawn by the Argentine Government in July, and, as the volume of imports from the United States is at present largely in excess of Argentina's exports to that country, the [illegible] Buenos Aires and New York moved decidedly in favour of the latter market; so much so that early in September the suspension was revoked and the whole of the remaining balances of the Argentine Government at the Federal Reserve Bank ($22,781,341 U.S.) placed at the disposal of the Banco de la Nacion for [illegible] upon, but so far without appreciable effect upon quotations. The cable rate is now about 127, which is equal to a premium of [illegible] dollar as compared with Argentine currency.

The stock of gold in the country increased during 1919 by forty-two million gold dollars, while the expansion during the first half of this year amounted to 15½ million gold dollars. This Bank has participated largely in the movement, having handled in the course of the year ending June 30 last, through our Buenos Aires branch, shipments to the value of sixty-two and a-half million gold dollars (fifty million dollars from the United States and £2,350,000 from the United Kingdom).

Cancellations of mortgage loans payable in foreign currencies [illegible] have thereby realised handsome profits. The favourable state of the exchange on Europe has also led to the importation of large quantities of national and provincial bonds and "cedulas" from Europe, which circumstance has been accompanied by a marked decline in the prices of securities [illegible] market. The value of such securities reimported since October 1918 [illegible] participated largely also in this movement, both in Paris and at head office.

Position of the Banks.

A further [illegible] the last two years being as follows :—

Deposits	3,486,555,471	2,882,366,055
Advances	2,527,347,944	2,011,457,342
Cash holding	1,190,658,708	951,842,268

Cereals.

As already mentioned, cereal prices have been exceed- [illegible] two factors together naturally reacted upon the price of [illegible]

have been very satisfactory, although, with the exception of wheat, lower than they were a year ago :—

	Present Prices $ at open per 1 000 Kilos $	Prices a Year Ago $ Paper per 1 000 Kilos $	High Level during Year $ Paper per 1000 Kilos $
Wheat	24.30	15.00	27.50
Maize	9.35	7.90	11.30
Oats	10.60	7.30	11.40
Linseed	25.65	23.00	31.50

It is expected that the area under wheat this year will not be less than during the past season, but a reduction of about thirty per cent. is foreshadowed for linseed.

The flour-milling industry has reached a high stage of development, and there is an increasing foreign demand for Argentine flour, the chief market being Brazil, which takes upwards of seventy per cent. of the export. Shipments in 1919 were 276,300 tons, as compared with 130,800 tons during 1918. The total for the first six months of the present year was 157,579 tons, as compared with 160,166 tons in the corresponding period last year.

Meat and Sugar.

Owing to the termination of the British Government contracts at December 31 last, the freezing works' purchases of cattle fell off during the present year, and this fact, coupled with an abundant supply of cattle on offer, caused an appreciable fall in livestock prices. The "Frigorificos" are working up to their normal capacity, and although the margin of profit obtainable is gradually getting back to a pre-war basis, there is no reason to anticipate any great contraction in the export demands for frozen meat.

Owing to a falling-off in the demand for the United States, prices of hides fell considerably during the first part of the year, but there has since been some recovery, and the greater part of the accumulated stocks has been disposed of.

The sugar harvest yielded last year 291,000 tons, as against the 1918 crop of 126,000 tons. This, together with a balance of some 45,000 tons left over from the previous year, gave a surplus of 115,000 tons over the quantity necessary for home consumption. In spite of this large surplus and the high price of sugar in all the world markets, export has now been prohibited, and Congress is considering means of bringing about a reduction of the cost to the local consumer.

This year's harvest is likely to be lighter on account of damage caused by frosts.

Wine, Wool, and other Produce.

The Argentine Republic to-day holds the fourth place amongst the wine-growing regions of the world, the output during the past year amounting to 4,071,000 hectolitres, as against 4,313,000 for 1918. This industry prospered exceedingly during the year owing to the high prices realised. The current price of Mendoza is 53 cents per litre, as compared with 38 cents a year ago, and under these favouring conditions the financial position of both the grape growers and the wine producers has been very considerably improved.

Exports of wool during the present season have exceeded those for the corresponding period of last year, but the greater part of the shipments was effected during the early months of the year, and consisted largely of lots held over from former years, the export of which has been impossible on account of the war. The local market is very dull and prospects are uncertain. Prices of coarse wools have experienced a heavy fall, creating a very serious situation for producers, especially in the Bahia Blanca zone. At about the end of August stocks held at the Central Produce Market in Buenos Aires amounted to 22,000 tons, while the stocks held in private warehouses in the city were estimated at 12,000 tons, of which total eighty-five per cent. is said to be composed of coarse wool. It is estimated that the total stock of unsold wool in the Argentine is between 85,000 tons and 100,000 tons, and in order to improve the position certain classes of wool have been exempted from the export tax. The exports for the 1918-19 season amounted to 283,066 bales, as compared with 283,051 bales in 1917-18, and the total from October 1, 1919, to August 12, 1920, was 281,220 bales.

Exports of butter during 1919 amounted to 15,250 tons, compared with 14,894 tons in 1918. For the half-year to June 30, 1920, the quantity was 10,133 tons, as against 13,706 tons during the same period last year. The diminution is explained by the maintenance by the British Government of its control of butter imports.

Exports of quebracho reached 172,600 tons for 1919, as against 124,700 for 1912.

Owing to protracted strikes, the output of the Government-owned oil wells at Comodoro Rivadavia was somewhat reduced, the total for 1919 being 188,000 cubic metres, as compared with 196,000 cubic metres in the preceding year. An interesting development of the industry is the recent announcement of the acquisition by the Buenos Aires and Pacific, Southern, and Western Railways of a twenty-years' usufruct of the oil-bearing properties of the Compania Argentina de Comodoro Rivadavia. The railway companies, which will exploit the wells under Government control, thus hope to solve the serious problem of fuel supplies.

We have just received the following cable from our Manager at Buenos Aires :—

> As a result of excellent rains this month, what threatened to become a very critical state of affairs has been ameliorated. All cereal crops are now in promising shape, although, owing to the earlier drought, linseed and oats will show an important shrinkage, say, anything up to thirty per cent. No official statistics are published as to the area sown, but the general calculations are that it is more or less the same as last year. Cattle camps are rapidly improving, and the market for fat stock is good. The wool market is paralysed. It is calculated that there is 80,000 tons on hand, principally coarse wools, apart from the new clip coming forward. The share market is quiet, with stocks marked down pretty low. The money market shows signs of tightening, and is likely to continue so till the coming crops have been marketed. The market in general reflects the unsatisfactory labour, political, and financial situation in Europe, and is marking time meanwhile. The Stock Exchange Committee are not in favour of the project presented by the deputies to export gold, which project is in suspense owing to the Legislative Chamber being in recess, and not yet convened to a special session. The Labour situation is still causing anxiety, although there is calm at present.

Business Conditions in Chili.

Business conditions generally in Chili have been satisfactory, and the progress towards a normal state, following the re-establishment of peace, has been more rapid than was to be anticipated. The increase in shipping facilities has allowed of the resumption of nitrate exports on a considerable scale, and has also facilitated the general overseas trade of the country, and the trading community has been actively employed in supplying the demand for many articles which were practically unobtainable during the War period.

Labour troubles were again in evidence during the year, but, owing to the fact that they have been met by a judicious blend of firmness and conciliation, the resultant disorganisation of trade was comparatively slight. The strike of the maritime workers and the coalminers had an adverse effect upon transport, both shipping and the railways suffering from an usual shortage of fuel.

The most serious obstacle to Chili's development at the present time lies in the condition of the railways. Owing to the practical cessation of imports of rolling-stock during the War period, the lines have degenerated in to a regrettable state of disrepair, and they are also greatly lacking in the matter of equipment. It is satisfactory to note, however, that this matter is receiving the attention of the Government, and a Bill was recently introduced to Congress authorising the raising of a loan of some 200,000,000 pesos gold for the rehabilitation of the railway services. When obtained, it is proposed to apply this money in the purchase of rolling-stock and in the construction of warehouses and other necessary works, in addition to which electric traction is to be introduced on certain parts of the system.

The Government has also shown a tendency to take a financial interest in maritime transport, a proposal having been mooted for the formation of a national steamship line, in which the Government and private capital would be interested in the proportions of fifty-five per cent. and forty-five per cent., but the scheme has yet to take definite shape.

Trade and the Exchanges.

As already mentioned, the supply of shipping has been somewhat increased during the year, but, although this is so, the overseas trade position is less favourable than in the preceding years. The imports for 1919 were valued at 401,324,195 gold dollars of 18*d*., compared with $436,074,065 gold for 1918, but there was a marked falling-off in the exports, the total being only $316,977,143, as compared with $763,622,512 in the preceding year. There was thus a balance of trade against Chili to the amount of $84,437,052 gold, whereas in 1918 Chili claimed an export surplus of $327,548,447. During the War period the country's products were in abnormal demand abroad, and shipments of nitrate, meat, wool, and metals were greatly increased in quantity. Prices were also exceptionally favourable to the country, and, as a result, the value of Chili's exports in the five years 1914-18 exceeded that of her imports by no less than $1,200,000,000 gold. The moderate reaction in imports which has since occurred has not greatly affected business conditions in the country, although trade has been on more normal lines, for the over-importation in previous years had led to the creation of huge stocks which are now in course of distribution.

Exchange has been subject to its customary fluctuation, the lowest rate quoted during the year under review being 9 1/8*d*. on July 30, 1919, and the highest about 16 1/4*d*. This latter was on February 5, 1920, from which date, with slight reaction, the quotation fell to 13 1/16*d*. on June 30 this year. Early in July there was a further fall, due in no small measure to the Bolivian Revolution and the deportation of the ex President, Sr. Jose Gutierrez Guerra, who had

...ways been considered most friendly towards Chili. The lowest figure touched since then was 10½*d.* on July 22.

The Nitrate Industry.

The hopes I expressed at the last meeting of an early return of normal prosperity to the nitrate industry have been to a certain extent realised.

Under the combination now in force, and which commenced its life on January 10, 1919, large sales have been made at improving prices. Up to June 1920 about 57,500,000 quintals of nitrate were sold, at an average price of 10s. 4*d.* per quintal, and, from July 1 of the current year to April next, a market has already been found for over 34,000,000 quintals at an average price of 16s. 4*d.* per quintal, which figure shows a great improvement on that for the previous year. It must not be assumed, however, that the whole of this difference will accrue to the producers, as the costs of production have materially advanced and are still increasing. To quote one instance, I might mention that oil, which is generally used as fuel on the Pampas, has risen from 70s. per ton to $40 American gold, which at to-day's exchange equals about 230s.

The trade, however, is undoubtedly on a much sounder basis. The monthly shipments this year have shown a very great improvement, and the stocks of nitrate on the coast have been reduced from 37,664,000 quintals in October last to 28,614,253 quintals at the end of September. Adequate tonnage is now obtainable at rates about 15s., as compared with 240s. at this date last year, and from the Continent the reports as to the coming season's consumption are encouraging. The demand in the United States is not quite so active as was anticipated, but this is probably attributable to local money stringency. The prices for other fertilisers remain high, and the compound advantages of nitrate of soda are perhaps more than ever realised.

Before leaving this subject, it might be advisable to point out that, in the opinion of those most conversant with the trade, care should be exercised that the price of nitrate of soda is kept to a level that will not hinder its full employment.

Copper, Meat, Wool, and Cereals.

Although the exportation of copper has increased for the year ending June 30, as compared with the same period last year, the outlook for the industry is not at all satisfactory. Owing to the high working expenses, the rise in the price of coal, freights, &c., and the present low price of the metal, it would appear impossible for the majority of Chilian producers to work at a profit, and several mines and smelters have either closed down or are in process of doing so. A speedy reduction of importance in the cost of coal or labour appears to be out of the question, and the actual situation and immediate prospects of this section of Chilian industry cannot be regarded with satisfaction. Figures of exportation are as follows:—

July to December, 1918	...	45,874 tons	
January to June, 1919	...	24,634 tons	
			70,508 tons
July to December, 1919	...	20,016 tons	
January to June, 1920	...	58,952 tons	
			78,968 tons

The meat and wool produced in the Magellan territory found buyers at good prices, but the continuance of the prosperity of that district is dependent to a very large extent upon the future course of the markets in those commodities, on which point it is unsafe to make any prediction. In Central Chili harvests have been quite good, but a large portion of the crops has undoubtedly been lost through lack of transport, considerable quantities having, during the coal strike, been left rotting in sidings owing to inability to move them.

Politically, the year has been a somewhat eventful one in Chili. In the first place, the Presidential elections have attracted unusual interest owing to the extremely even character of the voting for the rival candidates. By the votes of the Electoral College Sr. Alessandri was declared successful, 179 votes being cast in his favour, as compared with 174 for Sr. Borgono, but this has since been challenged on technical grounds. A Tribunal of Honour was established to consider the rival claims, and eventually the decision was given in favour of Sr. Alessandri, who is to be inducted into office on December 23.

The long-standing dispute between Chili and Peru in regard to the ownership of the two Provinces of Arica and Tacna also came to a head during the year, and for some time strained relations existed between the two countries. In Chili a partial mobilisation of the Army was ordered, and the frontier forces were increased, in addition to which the Chilian Navy was strengthened by the recruitment of certain vessels which were under construction in this country on Chilian account in 1914 and were ceded to us during the War with Germany. From Peru somewhat similar activities were reported, but it is probable that in both cases the measures were due to a natural precaution rather than to any warlike intention, and it can be quite confidently hoped that the dispute will be amicably settled in a way which will not only remove the present tension, but will definitely end a situation which has tended to embitter the relations of the two Republics for many years past.

Uruguay.

In Uruguay business conditions have continued active, especially on the import side, traders during the year having been engaged in meeting the demand for manufactured articles, the import of which was greatly curtailed during the War period by the lack of freight. There was keen competition between the chief manufacturing countries, which were seeking to re-establish pre-War connections in Uruguay, and as a result, not only has the country been well supplied with all classes of manufactured goods, but in certain cases there has been an excess.

The position of the export trade has been less satisfactory, however. The lack of demand for Uruguayan products in the European and North American markets has led to a heavy reduction in the export figures, and as a result prices of local products have depreciated considerably. In most cases, however, business firms have established large reserves in the prosperous times experienced during the War, which enable them to meet the situation with comparative equanimity, but where this conservative policy has not been followed the change in conditions has brought difficulties to light. In the case of the important freezing companies, business during the last six months has been on a greatly restricted scale, and present shipments are largely from stocks accumulated last year against Allied Government requirements, which came to an end some time ago.

The official figures of Uruguayan trade for the year 1919 show that the imports were valued at 75,445,070 pesos gold and the exports at 147,289,957 pesos, there being thus a balance of trade in favour of Uruguay of 71,844,887 pesos, as compared with 46,739,000 pesos in 1918 and 31,848,000 pesos in the previous year. As mentioned above, however, the position has changed considerably during the last few months, and the figures for both May and June last showed an excess of imports over exports, which to some extent explains the recent fall in the exchange value of the Uruguayan dollar.

In February last sterling exchange touched the high level of 76*d.*, but just before the end of June it had fallen back to 56*d.*, and has since been as low as 54⅞*d.* The present quotation is about 57*d.* The discount on sterling, therefore, has been very much reduced, but the United States dollar now commands a premium in Uruguay of about twenty per cent. as compared with a year ago. The fluctuations in the rates have been somewhat violent during the year, this being due in part to the importation of sugar from time to time from the Argentine, payment for which was arranged by the Banco de la Republica and some of the private banks by means of gold shipments.

Suspension of a Local Bank.

An unpleasant incident during the year was the suspension of a local bank in Uruguay. In point of deposits this bank ranked second only to the Banco de la Republica, and the moratorium of six months which has been granted has caused difficulties to a large number of business firms, not only on account of their present inability to withdraw funds deposited with the Bank, but also owing to the curtailment of their credits there and the calling-in of overdrafts. Our Bank, as well as other institutions operating in Uruguay, has given all possible assistance to merchants in helping them to meet the situation, but, in view of the very large transactions of the bank in question, financial embarrassments amongst the trading community have necessarily followed. I am glad to say, however, that the report of the committee appointed to supervise the local bank's operations is favourable, and the general feeling is that, given time, the suspended institution will be restored to a position of financial soundness.

There was a further considerable increase in the land under cultivation, the area under cereals in 1919 being 747,200 hectares, as compared with 648,370 hectares in the previous year and 583,900 hectares in 1917.

In the livestock trade the number of animals killed during the past twelve months was 1,745,098, as compared with 1,412,888 and 1,351,698 respectively in the two years preceding.

Weather conditions on the whole have been favourable to agriculture, and the latest cables report that heavy rains have fallen all over the country. The crop prospects, therefore, are good, and, given the maintenance of European demands for Uruguayan products, the outlook seems to be favourable for the agricultural and livestock industries of the country.

Peru and Bolivia.

The prosperity which Peru has enjoyed during the last few years still attends it. In 1919 the value of the country's exports exceeded that of her imports by over £P.14,000,000. The figures [illegible] as compared with the [illegible] returns for the first half of 1920 are not yet available, but with the prices [illegible] expansion is assured, and it is estimated that the figures will be nearly double those for the corresponding period of last year. The total [illegible] £P.6,938,008, and the sugar production, which realised £P.6,310,775 [illegible] were sold [illegible]

are being laid down at considerable cost, which should lead to a larger output in the future. As a result of the phenomenally high prices that have been obtainable for its produce, the country has been able to apply itself to internal developments, with the result that new roads have been made, railways extended, mills and machinery erected, and a large amount of fresh land brought under cultivation. Whilst, therefore, it is true that during the last two or three months the abnormally high prices have received a certain setback, this internal development tends to make the country more self-supporting, and reduces considerably the number of articles that it has hitherto been necessary to import. This, added to the fact that the world shortage of many Peruvian products—cotton, sugar, guano, petroleum, &c.—must of necessity keep prices to a profitable level for some time, suggests the maintenance of commercial prosperity for a considerable period.

The rate of exchange has remained in favour of Peru, as is natural in view of the enormous excess of exports, and the sterling rate closed at the end of June this year at eighteen per cent. discount. It is now about twenty-five per cent. discount. In consequence of this there is a tendency on the part of producers to leave the proceeds of their crops in foreign currencies, which results in an excess of credit with a shortage of circulation. The total issue of notes in Peru is slightly less than £P.7,000,000, guaranteed by gold deposits to the extent of ninety-five per cent., and although the existing issue is now increased by £P.1,000,000, it is doubtful whether this will be sufficient for the requirements of a country the size of Peru, and especially taking into consideration also the high prices of all commodities.

The cost of living is extremely high, and the values of property and real estate have reached extraordinary limits; nevertheless, so rich is the country in natural products still to be fully developed that the possibilities may be regarded as very great.

Next year Peru attains its centenary, and it may be hoped that the celebrations which will then take place will mark the commencement of a further period of prosperity for the country.

Bolivia has recently been subject to a revolution—happily bloodless—which occurred in July last, but I am happy to say that so far the effect on trade has not been very considerable. The Banco de la Nacion Boliviana, in which institution, as you know, our interests are centred, has not been affected by the political disturbances, and continues to make satisfactory progress.

Mexico: Hopeful Outlook.

I referred briefly a year ago to the opening of a branch in the city of Mexico, our purpose, as I then stated, being to obtain a footing in that country, so that when political and financial conditions were restored to a more normal basis we might be able to enter upon ordinary banking business with reasonable expectations of success. I am glad to say that this step has been justified by events, and Mexico, which for some years has been practically in a state of civil war, is showing very decided signs of recovery. The political troubles in the country date from February of 1913, and Mexico has suffered very greatly through the absence of normal development, the destruction and depreciation of property, and the accretion of heavy arrears of interest on the external debt. Since the Carranza *régime* was ended, however, political conditions have been much more settled, and the business outlook to-day seems distinctly favourable. Mexico is a country of enormous potentialities. It has vast natural resources, the due development of which is mainly dependent upon peaceful conditions in the country, and, given greater political tranquillity, Mexico's rehabilitation should be rapid.

For this reason the greatest importance attached to the Presidential elections which have recently taken place, and with General Obregon in charge of the country's affairs there seems every reason for confidence in the future. After so prolonged a period of unsettlement the path towards recovery must necessarily be a difficult one, but considerable progress has already been made in this direction. As a result of the political amnesty, a period has been put to the insurgent raids which have devastated Mexico for so long past, and as a consequence transport in the country is improving apace. Until recently the train service, meagre enough in the hours of daylight, was entirely suspended during the night owing to the frequent robberies, but facilities have been considerably increased, and travelling is now reported to be safe.

As to business conditions, our Branch Manager reports that greater stability exists in commercial circles. No difficulty is experienced in collecting bills, applications for extension of time are rare, and in many cases clients have anticipated payment. The one great need of the country is the provision of substantial credits abroad, and negotiations to this end have been proceeding in New York, but so far, apparently, without great success. If the conditions I have outlined prove lasting, however, and if the country is able to come to some satisfactory arrangement with her existing foreign creditors, this obstacle should not be insuperable, and I hope that a year hence it may be possible to report a real degree of prosperity in this country, for so long the sport of conflicting political interests.

The Bank's Business Abroad.

Our Chilian and Argentine branches naturally remain the chief basis of our business abroad, and we are pleased to say that they still give us eminently good results. Our branches outside the South American Continent continue to give us very substantial support, whilst our [illegible] are doing [illegible] business in South America and in London and are gradually building up a supplementary business which has already attained considerable importance.

In Spain trading has been difficult, largely owing to the unsettled labour conditions in the country. Notwithstanding this, however, the business of the Bank has continued to be satisfactory, and our six branches there have been actively employed throughout the twelve months, and have shown good results. A law has been passed imposing additional and heavy taxation on foreign banks trading in that country, which may involve a rearrangement of the conditions under which we work there, but we trust that something may be done in order that such a step may not be necessary.

In Paris the growth of our business has necessitated the acquisition of new premises. The fluctuations in exchange have militated against general business, but recent official returns have shown that both imports and exports are expanding, and that the national revenue is increasing.

In New York, also, the business of the Bank continues to grow, full advantage having been taken by our agency there of the tremendous expansion in the trade of the United States with South America, which has been so marked a characteristic of recent years.

The success which has attended our Manchester agency, established in March 1918, has encouraged us to open a branch in Bradford, in order to attend adequately to the requirements of our customers in Yorkshire, who consist chiefly of the importers of wool from the Argentine. Although the Bradford branch has been open only about six months, its utility has already been amply proved.

New Interests in other Banks.

I will now refer briefly to our new interests in other banks. It has been our desire for some time past to extend the sphere of our operations in South America to Brazil, and the opportunity came for us to attain that end by the purchase of the shares of the British Bank of South America, Limited, an operation which was approved by our shareholders at a meeting held on March 2 last for that purpose, when we entered in detail into the reasons for the operation, and I therefore do not need to refer to them further at this moment. Out of 100,000 shares in the British Bank of £20 each, with £10 paid up thereon, the holders of 99,233 have accepted our offer to buy their shares, so that we hold practically the whole of the capital of that institution.

A certain proportion of the shareholders of that Bank accepted the cash offer which we made as an alternative to the offer of our shares, but arrangements had been made for re-selling such shares to a syndicate formed for that purpose, and we have therefore accomplished the business without any actual outlay of cash beyond the expenses involved therein, which are referred to in our report, and which we now propose to write off out of income.

The effect of this purchase of the British Bank shares is that our paid-up share capital is raised from £3,000,000 to £4,364,520, and we have treated the operation on the basis of an issue of our shares at the price of £10 for each £5 paid, thereby adding to our reserve fund the sum of £1,364,000. This involves the inclusion in our assets of the shares of the British Bank at the price of £2,728,000, and I may add, for your satisfaction, that the value of those assets, in our opinion, considerably exceeds that sum.

Purchase of Banco Edwards.

Since June 30 last, when our accounts were made up, we have effected another operation of great importance. We were approached by the chief partner in the Banco A. Edwards y Cia. with a view to our purchasing a controlling interest in that Bank, the shares in which were held entirely by his family and close friends indeed, there were only 14 shareholders. After due deliberation and examination of the books of the Company, an arrangement was concluded whereby we purchased sixty per cent. of the capital at the price of 190 per cent.

The Banco Edwards was established in the year 1852, and remained a private banking house until the beginning of 1914, when it was converted into a private limited company under the Chilian Law. From their balance sheet at June 30 last we gather the following figures, calculating the paper dollars at 12*d.* and the gold dollars at 18*d.* each: Deposits £2,600,914, capital £500,000, reserve fund £137,500, profit and loss £59,451, and, on the other side, among other assets, cash in hand £730,736, advances £2,116,622. The profits for the six months were £57,571, the dividend distributed being at the rate of fourteen per cent. per annum, which absorbed two-thirds of the profits. The Bank has branches in Valparaiso and Santiago, and, as a national institution, stands, it may be confidently stated, among the foremost of the Chilian banks. These facts demonstrate the importance of the connection, and we hope that this fusion will be

regarded by our Cuban friends as one more proof of our desire to assist to the utmost of our power in the development of their national industries.

The Commercial Bank of Spanish America, Limited, has so increased its business that its paid-up capital has been raised from £1,417,500 to £2,500,000, and its capital authorised to £3,750,000 in £50 shares at par.

New Branches.

We have established a branch at Lima, Peru, which has opened for business during the year, and I am pleased to say that, as at present constituted, it has already exceeded our anticipations.

You may be aware that previously we not only held an interest in, but also gave, as and when required, facilities to the Banco del Perú y Londres to enable it to open new branches. We have been particularly anxious not to lessen in any way the friendly and cordial relationship which has existed between us and that Bank, and we have assured from the President and leading officials assurances that they appreciate to the utmost our reason for having established our own branch there, and desire equally with ourselves to remain on the most friendly terms, working together whenever the occasion presents itself.

Premises.

The developments of our business which have taken place during the last few years have naturally necessitated very considerable expenditure in the enlargement of our existing offices and the acquisition of new premises. This has proved a very difficult subject, bearing in mind the greatly increased cost of land and buildings, and you will find in the present balance sheet an increase of £208,000 in the item of premises, whilst next year the increase will be even greater. I make no apology on this head, however, for expenditure which, to us, more especially in connection with our London office and our Buenos Aires branch, that expenditure in this direction, although large, if undertaken with due deliberation, and more particularly if the offices are in an excellent position and of an ample type, is a great factor in assisting our managers in their efforts to develop the business and increase the profits.

We are making an addition to our Head Office in Old Broad Street, and we have also secured premises in the rear, which will hereafter, we hope, be incorporated into the building, and give us, so far as we can foresee, as much accommodation as we are ever likely to require.

We have bought buildings in the best part of Paris, at the corner of Rue Scribe and Rue des Mathurins, which answer the same description.

In Valparaiso we are rebuilding, on the site of our former premises, an edifice which will include a number of offices for letting purposes, and in Santiago we have purchased a corner site of ample dimensions in the very heart of the city.

We have secured in Bradford a very central site, and are building thereon premises suitable for our purpose, and in which we shall also have some offices to let.

Accounts.

You will like me to refer to the figures in our balance sheet, and I will do so very briefly: Speaking generally, the figures show an increase which, where it may in part prove only transient, can, I think, be regarded as extremely satisfactory. (Applause.) The confidence of our clients is evidenced in an increase of current and deposit accounts from £42,000,000 to over £58,000,000. (Applause.) The business done for our merchant friends in the form of credits totals £5,400,000, as compared with £3,000,000 last year, whilst the bills received for collection total £7,800,000, as against £3,400,000. The capital account, owing to the issue of additional shares last year for cash, and also of new shares in exchange for those of the British Bank, now stands at £4,364,520, and the reserve fund has been increased from £1,750,000 by (*a*) the premium of £4 per share on 150,000 new shares, £600,000, and (*b*) premium on shares issued to the British Bank shareholders of £3 per [illegible] share, thereby giving a total of £3,714,000. With the addition which we now propose out of our year's profits, the reserve will amount to no less than £3,850,000. (Applause.) On the other side of the account we find that the cash now approaches to £28,000,000, bills receivable £20,000,000, and securities £7,000,000, making a total of £54,000,000, or over seventy per cent. of the total of our liabilities to the public. (Applause.)

These are days in which we regard strength and a liquid position as being of even more than usually paramount importance, and I am sure you will agree with us that this factor must be considered in preference to [illegible] in our earning power. I [illegible] the increase in our earning power [illegible] I think you will regard it as such, the amount being nearly double what it was last year, notwithstanding the very heavy but [illegible] have not had the assistance of the [illegible] year.

I would, however, repeat what we have said on many former occasions, that I sincerely trust you will not regard [illegible] to maintain the earnings at this high level, because, now [illegible] very keen.

On the other hand, we shall have next year the advantage of receiving a full year's dividend on our holding of shares in the British Bank, whereas on the present occasion we have merely taken into credit an interim dividend of five per cent., the net amount of which on our holding of shares was £33,000.

Progress of the Business in Recent Years.

[illegible] balance sheet, and I trust that you feel quite satisfied with the growth of our business as evidenced therein. We have also sent you a statement showing the combined figures of this Bank, the British Bank of South America, Limited, and the Commercial Bank of Spanish America, Limited, in order that you may be able to gauge without difficulty the importance of our present ramifications. You will observe therefrom that [illegible] 130 million pounds, of which 62 million pounds is in the form of cash and bills receivable; on the other hand, the balance of deposit and current accounts is over 80 million pounds.

I will not refer to the highly appreciated services of our staff, as that matter will be dealt with in a subsequent resolution to be proposed by our Vice-Chairman, Sir Robt. Harvey.

I now have the pleasure to move the following resolution: "That the report and balance sheet as distributed be adopted, and that final dividends of 9*s.* per share, less income tax, on 722,904 old shares and 7*s.* 2½*d.* per share, less income tax, on 150,000 new shares be and are hereby declared, both payable on 27th instant." (Cheers.)

The Vice-Chairman: Sir Robert Harvey: I have great pleasure, ladies and gentlemen, in seconding the proposal of our Chairman.

The Chairman: Has any shareholder any remarks to make? Apparently none, and I will therefore put the resolution to the meeting.

The resolution was then carried unanimously.

Baron Emile B. d'Erlanger: I beg to move the re-election as a director of this Bank of Mr. Alfred George Gumpert. Mr. Gumpert has been a resident in the Argentine for many years and a partner of one of the most active and respected firms there. I have known him myself and his firm for many years, having had the privilege and honour of being in many transactions closely associated with that firm. His re-election, I am sure, will commend itself to all the shareholders, and I have great pleasure in moving the resolution.

Mr. Charles E. Gunther: I have much pleasure in seconding that.

The motion was unanimously approved.

Mr. H. W. Patrick: Gentlemen,—It is my pleasure to propose: "That Mr. William Herbert Hollis, one of the retiring directors, be and is hereby re-elected." I think I need say very little about the qualifications of Mr. Hollis, because they are well known to you all. As Managing Director of the British Bank of South America he has undoubtedly gained very considerable experience, and I am sure he will be a great help to us on the board of the Anglo-South American Bank. I propose that he be re-elected.

Mr. Thomas Woodsend: I have much pleasure in seconding the resolution.

The resolution was carried unanimously.

Mr. Edward [illegible] Chairman: Golding Hyde, one of the retiring directors, be and is hereby re-elected."

Mr. A. de Lantsheere: I beg to second that.

[illegible] perhaps some gentleman will kindly move a resolution on that matter.

Mr. [illegible] Price, Waterhouse & Co. [illegible] I do not propose to [illegible] turnover of this Bank. The name of Price, Waterhouse and [illegible] I am sure.

Tribute to the Staff.

[illegible]

that the Bank has attained its present position. Now that travelling across the ocean has again become easy, our officers abroad are able to resume the furlough arrangements which were practically stopped for five years, and this conduces not only to the enjoyment and comfort of the individuals, but to the best working of the Bank, by enabling the resumption of personal discussion on many points of common interest. The facility for travel by earth, sea, and air has enabled one of our general managers Mr. Kiek to take a trip to South America, which he has never before visited, and thereby to add experience of that continent to his already wide knowledge of European banking. Ladies and gentlemen, it is invidious to particularise, and I can only say, as I do with sincerity, that we are most deeply indebted to our General Managers, Managers, and all our officials and employees at home and abroad for their loyalty and devotion, which I feel is not excelled, and seldom equalled, in any other institution. I have therefore special pleasure in proposing a very hearty vote of thanks to the staff for their services during the past year, and when it has—as I am sure will be the case—been carried by acclamation, I will ask Mr. Wells, one of our General Managers, and Mr. Nation, our Inspector in Chile, to both of whom we are greatly indebted, to respond to this vote. (Applause.)

The motion was seconded by Sir Clarendon Hyde and supported by Mr. E. E. Barclay.

The vote was unanimously accorded.

Mr. W. E. Wells (one of the General Managers of the Bank): Mr. Chairman, Ladies and Gentlemen,—It gives me the greatest pleasure to respond, on behalf of all at head office and abroad, to the very kind remarks the Vice-Chairman has just made regarding the services rendered by the members of the staff of the Anglo-South American Bank. Also it is my desire to endeavour to express the appreciation which will be felt by everyone at this public recognition of their efforts. Loyalty to the Bank has always been the watchword of our institution, and I can assure you, sir, that in South America we always felt it an honour to be in the service; we gratefully realised the acknowledgment given to faithful work, as well as the generous treatment accorded. Here at head office I find the same spirit prevailing. The inspiring influence which emanates from yourself and your colleagues on the board acts as a direct incentive to everyone, from highest to lowest. It is an influence which makes each one feel that he is indeed a live factor in the organisation, possessing a personal interest in the progress and success of the Bank. In these matters I speak with experience, for I am one who has grown up with the Bank; I have spent a considerable number of years in the foreign service, and passed through the various stages. I cannot but feel that my appointment last year as one of the General Managers in London must serve as a still further incentive, proving, as it does, that the way to the higher positions is open to all. It is with a very keen sense of all we owe to the direction of the Bank that I tender, on behalf of the staff, their hearty appreciation of your kind words, which, believe me, sir, will afford much gratification to my colleagues, both here and abroad. (Applause.)

Mr. Howard Nation (Inspector of Chilian branches): Ladies and gentlemen, as a shareholder, and also a member of the Bank's staff abroad, it is a double privilege for me to attend this meeting, and I will ask our Chairman to allow me to add a few words to those of my friend, Mr. Wells, in reply to the kind vote of thanks to the staff which on have just passed. To those of us whose duties keep us at a distance from the homeland it is cheering to know of the real interest taken in us by you, and I feel sure you will be gratified to hear that the Bank is famous abroad as well as in London for generous treatment of its staff. It is everywhere remarked that the shareholders of this Bank, through our directors, seek to anticipate the needs of their employees, and thus you put into a material form the sentiment expressed in the annual vote of thanks. I would like to say that this attitude on your part is responded to by the staff abroad, for whom especially I speak, by wholehearted and enthusiastic service. It is no uncommon thing to hear even the juniors speak with evident pride of "our Bank," and it would be hard to find an institution where the work is more conscientiously and more willingly done. In sailing back to Chili to-morrow I shall take with me very warm recollections of this meeting, and shall convey to my colleagues your very kind vote of thanks, for which I sincerely thank you on their behalf. (Applause.)

Vote of Thanks to Chairman and Directors.

Mr. J. Welch: Ladies and Gentlemen. The figures of the balance sheet which we have been considering this afternoon must, I am sure, have brought great satisfaction to all concerned, and the tabulated comparative statements, supplemented as they have been by interesting details and figures in the Chairman's speech, reflect the greatest credit on the administration of this Bank. (Hear, hear.) It has been, I think you will agree with me, no light task to steer so great a financial bark as the Anglo-South American Bank has now become through the perilous waters of recent times, and that this has been achieved so successfully demonstrates most clearly that we have had a most skilful skipper at the helm, who, with his colleagues, must have responded with might and main to those exigencies with which they must have been daily faced. It is therefore with the greatest pleasure that I rise to propose a vote of thanks on behalf of this meeting to the directors for their services during the past year, and a special vote of thanks to the Chairman for so ably presiding over our proceedings to-day.

Mr. Waters: I have pleasure in seconding the vote of thanks to the Chairman and directors.

The vote was unanimously agreed to.

The Chairman: Ladies and Gentlemen,—On behalf of my colleagues and myself I thank you very sincerely for the acclamation with which you have received the resolution proposed in such felicitous, though rather flattering, terms by my friend Mr. Welch. It is very cheering to the directors to meet with encouragement in that form of resolution rather than with criticism which at times they feel they might be subjected to even in most prosperous days. We thank you most sincerely.

The proceedings then terminated.

HARRISONS AND CROSFIELD, LIMITED.

Satisfactory Result of Year's Working—Rubber and Tea Position.

THE twelfth ordinary general meeting of Harrisons and Crosfield, Limited, was held in the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., on October 21, Mr. Charles Heath Clark presiding.

The Secretary (Mr. E. C. Cleveland-Stevens) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—At the request of my colleagues I am occupying my old position in the chair to-day, owing to the enforced absence through illness of Mr. Croll, who became our Chairman shortly after the conclusion of the Armistice. The great and incessant strain of the past half-dozen years has necessitated his taking a somewhat prolonged rest; but you will be glad to know that he is making satisfactory progress towards recovery. We are hoping before long to welcome him back to business and enjoy once more the advantage of his great ability and industry in connection with the affairs of the Company. (Hear, hear.)

It is a great pleasure to me to be in the position to congratulate you to-day upon what I feel sure you will regard as the very satisfactory result of the year's working, for, notwithstanding many difficulties arising out of the disturbed conditions prevailing, our total net earnings amount to £249,203 15*s.* 4*d.*, as against £200,571 8*s.* 8*d.* a year ago.

It may be of interest to you to note some of the changes that have occurred in the balance sheet during the year under review.

Capital and Liabilities.

The share capital has been increased under three headings. Firstly, we issued 19,000 Six per Cent. Cumulative Preference shares in payment for some property we acquired; secondly, as you will remember, we issued 400,000 Preferred Ordinary shares in December last at a premium of 6*s.* 6*d.* per share; and, thirdly, we have during the year allotted 20,610 Deferred Ordinary shares. These last-mentioned shares have been allotted and paid for, in accordance with the Articles of Association, out of the profits accruing to the holders of the Deferred Ordinary and Management shares, an arrangement which ensures a proportion of our earnings being retained to strengthen the capital position of the Company.

A year ago the general reserve fund was brought up to a total of £315,000. We have now added to it £111,078, being the net amount of the premium on the last issue of Preferred Ordinary shares, and we propose adding £13,922 out of the year's profits, thus bringing the reserve up to £440,000, equivalent to about twenty-four per cent. of the share capital.

The mortgages on freehold property have been reduced by £23,000, and we anticipate making a further reduction of a similar amount during the present month.

The amount of money deposited with the Company shows an increase of £215,000, and the total due to sundry creditors is about £140,000 more than a year ago; but, on the other hand, our bank overdrafts have been reduced by over £100,000.

Property and Assets.

Freehold and leasehold property stands in the balance sheet at nearly £400,000 more than it did last year. Reference was made then to the building of new warehouses and factories in Colombo. These are now nearly completed, and are partly occupied. They are probably the finest buildings of the sort in Ceylon, and will enable us to undertake additional business which our previous accommodation did not permit. We have, during the past year, availed ourselves of several favourable opportunities of acquiring land, partly with a view to the erection of buildings necessary for the further expansion of the business. This expenditure involves a lock-up of capital from which no revenue has yet been derived.

We have also had to spend considerable sums on the erection of bungalows for our staff in the East. The housing problem for Europeans appears to be as acute there as it is at home, and at some of our branches the only means of

providing the necessary accommodation has been to hand for ourselves.

There is no difference worth commenting on in the plant, machinery, and furniture items in the balance sheet.

In our stocks there is an increase of about £50,000, which is not surprising considering the general advance in values and the rise in the exchange value of the rupee as compared with that of a few years ago.

Loans to companies show a reduction of about £170,000, but the bills receivable amount to £88,000 more, and sundry debtors to £311,000 more than a year ago. The total of book debts is, in fact, higher than it has ever been before—a fact that is accounted for by increased business and higher prices.

The investments stand at about £220,000 more than in June 1919. Our investments are valued at cost price or under, and it is very satisfactory that, notwithstanding the present "slump" in the prices of tea and rubber, the total market value of our investments to-day is largely in excess of the figure appearing in the balance sheet. (Applause.)

Profit and Loss Account.

Turning to the profit and loss account, our net earnings for the year under review amount, as I have already stated, to £249,203 15*s.* 4*d.*, to which there has been added the balance of £36,147 11*s.* 4*d.* brought forward from last year, making the total amount of distributable profit £285,351 6*s.* 8*d.* Out of this amount we have already paid the entire dividends for the year on the Cumulative Preference and Preferred Ordinary shares, amounting respectively to £37,230 and £80,000. We have also paid the fixed dividend on the Deferred Ordinary and Management shares, amounting to £19,637 12*s.* 8*d.*, and have divided a further sum of £51,412 18*s.* between the holders of those two classes of shares. The balance of profit now remaining is £97,070 16*s.* Out of this we propose to transfer £13,922 to the general reserve, as already mentioned, and to allocate £11,000 to the payment of the annual bonus to the staff, and, from the balance then remaining, we propose to distribute £34,275 5*s.* 4*d.* among the holders of Deferred Ordinary and Management shares, leaving to be carried forward the sum of £37,873 10*s.* 8*d.*

Board of Directors.

During the year the board of directors has been further strengthened by the addition of Mr. H. O. Peake, who entered the service of the Company in 1908 and for some years acted as our Secretary. Subsequently Mr. Peake spent some years in Australia in the interests of the Company, and, now that he has been able to return to London, we are very glad to have the added strength which his presence on the board gives us. [Hear, hear.] We shall ask you later on, to confirm his appointment. During the past year three members of the board, Mr. Welch, Mr. Macfadyen, and Mr. MacColl, have paid visits to our Eastern branches, and we are very much indebted to them for the services they have rendered the business in this connection.

The Staff.

I also wish to mention again this year the loyal support which we have received from the members of our staff, both here and abroad. It has been once more in many respects a difficult and strenuous year, and, without their wholehearted co-operation, the results of our efforts could not have been of the same satisfactory nature.

The Rubber Industry.

You will now probably expect me to make a few remarks upon the present position of the rubber and tea industries, in which this Company is so largely interested.

Since our last meeting the position of rubber has undergone a great change. At that time the demand was strong and the price was rising; to-day the demand is weak and the price low, in London lower than ever before; while considerable stocks are accumulating in this country, in the East, and probably in America. This position naturally prompts the inquiry whether the actual consumption of rubber has declined during the present year. It is not possible to get reliable figures with regard to the actual consumption of rubber goods, but such evidence as is available points, I think, to an increase rather than to any decrease.

The cause of the present situation is not that consumption has declined, but that the increase in the production of rubber is at present greater than the increase in consumption, with the result that, at the end of this year, there is likely to be an accumulation of from 35,000 to 40,000 tons over the stock necessary for the working of the industry, with the possible tendency for this surplus to increase rather than diminish during 1921.

The position is aggravated and rendered more critical by financial stringency, both here and in America, making it very difficult for those who might wish to do so to carry more stock than is absolutely necessary for the actual requirements of their business.

Such a position was certainly not anticipated at the beginning of the year, when the large manufacturers were expecting a greatly increased demand, and were even apprehensive as to the sufficiency of the supply of raw rubber with which to meet it.

The causes which have prevented the materialisation of a great increase in the demand vary in different countries. Directly or indirectly, they all arise as a result of the War, and from the economic disturbances accompanying the transition period through which we are passing. These causes have been well summarised in the recent circular of the Rubber Growers' Association, and there is therefore no need for me to refer to them at greater length here.

The financial conditions in the United States should become easier as the transport situation improves and the strain which accompanies the financing of the harvest relaxes. The adverse European exchanges, being the result of inflated currency and adverse trade balances, will probably take a longer period before reaching anything approaching normal conditions.

Under present conditions the French manufacturer, buying rubber on the London market to-day, has to pay more than twice as many francs per pound, the Italian has to pay from three to four times as many lire, and the German more than twelve times as many marks as they would do if their exchanges were normal. Neither France nor Italy will take as much as last year, while Russia, which the year before the War took from 10,000 to 15,000 tons, and Austria, which took 3,000 tons, are still entirely out of the market. Germany before the War took over 16,000 tons, but this year it is estimated that she may take about half of that amount.

Little real improvement in the economic conditions of most of these countries can be looked for until their expenditure is reduced to correspond with their revenue and the continuous inflation of currency stopped. Their political and social conditions must be stabilised and their production largely increased, for which purpose credits must be provided as a necessary condition to the restoration of their export trade.

I fear that no great expansion in the demand for rubber is to be looked for immediately. Meanwhile, the price of rubber has fallen to a figure at which many estates can only produce at a loss, and which is probably little, if at all, above the average cost to the whole plantation industry. If this situation is allowed to develop further without interference, it will be likely seriously to impair the productive efficiency of the industry for the future. This is being increasingly recognised by those connected with the plantation industry, and a favourable response to the proposals of the Rubber Growers' Association for the necessary restriction of output of both British and Dutch plantations, whether controlled in Europe or in the East, now appears to be assured.

The Tea Industry.

The position in regard to tea is of a character somewhat similar to that of rubber, with the possible exception that the need for some drastic action appears to be even more necessary.

The marked rise in prices in the late summer of 1919 continued until the early part of November, by which time common Indian tea was selling in London public sale at 1*s.* 6¼*d.*, but a reaction then set in as a result of abnormally heavy quantities coming from the East owing to the provision of increased shipping facilities. This resulted in the market here being flooded, and prices began a decline which has continued practically ever since.

At the end of September 1920 the stock shown by the Board of Trade returns to have been in bond in the United Kingdom was 220⅔ million lb., against 99⅔ million lb. at the corresponding date in 1913 and 143 million lb. in 1919. The decline in prices in London public sale has been extremely marked, the average price of all Indian tea having declined from 1*s.* 9¼*d.* early in November 1919 to 10¾*d.* at the close of September 1920, whilst over the same period the price of common Indian tea declined from 1*s.* 1*d.* to 4½*d.* As against these selling prices the probable average cost of Ceylon and Indian tea, delivered in London, is to-day not less than 1*s.* 2*d.* per lb. The prices at which lower grades are selling to-day are insufficient to cover even the out-of-pocket expenses incurred in shipping, landing, and selling.

Again, we are faced with a position in which, if the future producing capacity of the tea industry is to be preserved, some united action on the part of those interested has become absolutely essential.

It appears likely that proposals may be agreed to generally by which Indian and Ceylon producers will join together in reducing the output to the extent of approximately twenty per cent., and it is to be hoped that this will prove successful, and cause prices to be maintained on a level sufficient at any rate cover the cost of production.

If Russia and other Continental countries were in a position to resume their pre-War consumption of tea no surplus stocks would exist. This makes it the more important to take such steps as seem possible to increase the demand for producing that which the world may again urgently need in the near future. It is satisfactory to note that in countries where supplies have continued to be available, consumption shows a very satisfactory increase. It is a reasonable assumption that the consumption of tea in this country has increased since pre-war years 1913, and in India, where the consumption was estimated in 1913 at twenty million lb., it is now estimated to have reached fifty million lb. per annum. When it is remembered that Russia alone in 1913 took no less than 191 million lb.

of tea, I am convinced that we can safely regard the present unsatisfactory conditions as resulting entirely from the disorganisation of international trade caused by the War, which conditions are destined to change into an era of prosperity whenever the full resumption of trading becomes possible.

Restriction of Output.

As regards the restriction of output of both rubber and tea, to which I have already referred, it cannot be too clearly understood that this is a temporary measure, and one not taken with a view of increasing profits, but in order that the industries in question may be saved from the continuance of losses, which threaten to cripple permanently, and possibly in many cases ruin, the productive possibilities of the future. Rightly understood, the action proposed is intended to preserve and make it possible to increase the production of the future, and is not inconsistent, therefore, with the generally admitted theory that the way to economical recovery throughout the world lies in increased production.

The Financial Situation.

The position which has to be met does not arise through the needs of the world having been fully supplied, but is part of the general financial situation in which we find ourselves placed to-day, when, for lack of exchange, credits, and other financial facilities, one half of the world is unable to buy what the other half desires to sell.

The great volume of international trade which has been built up so largely during the past half-century was dependent upon general conditions of peace and goodwill, and these conditions, upon which it rested, have been suddenly changed and largely destroyed by the disastrous War through which we have passed.

National interdependence remains, but the means of giving effect to this trading relationship between the countries of the world are at present lacking, and we are faced by the urgent need for mutual co-operation and the provision of credits necessary for international trading, as a preliminary to any real recovery from the wastage of the War.

In the interests of the populations of the world generally, it is surely the most urgent duty of our own and other Governments to join in taking every measure calculated to promote the full resumption of international trade—(Hear, hear)—and to secure the re-establishment of those conditions of peace and goodwill which are the necessary foundation of all sound finance and prosperous industry. (Applause.)

I have now very much pleasure in proposing : "That the balance sheet made up as at June 30, 1920, and the reports of the directors and auditors, be adopted," and I will ask Mr. Miller if he will be kind enough to second that. If there are any questions which I can answer I shall be very pleased to do so.

Mr. H. Eric Miller : Ladies and Gentlemen,—It gives me much pleasure to second the resolution just moved by Mr. Clark. There is only one point to which I would refer, and that is that this business possesses an asset—I consider it to be its greatest asset—which does not figure in the balance sheet, and that is the spirit of loyal co-operation which permeates the whole business in the head office, and throughout the branches and the affiliated companies. We are living in very difficult times, and you can imagine what a relief it is to the directors to know that the difficulties which have to be faced will be faced in that spirit by everybody who is helping this business on. I am sure you may congratulate yourselves that that is the case. We shall do all that lies in our power that it may continue. (Applause.)

Position of Preference Shareholders.

Mr. Mark Johnson said he would like to ask the directors to reconsider the disbursement of the available balance. He noticed that the staff were to receive £50,000 in bonuses for the year. On the other hand, the original Preference shareholders were receiving not more than about six per cent on their money. He hoped the directors would see their way to do something to enhance the value of these shares on the market.

The Chairman, in reply, said that Mr. Johnson had put to the meeting something which was not peculiar to the position of the stock of this Company, but what might be said to be pretty universal at the present time; that was to say, if they were forced to realise their investments to-day they would be faced with a large capital loss. The question as to the position of the Preference shareholders might have to come before the board of directors at some future time; in fact, it had been considered before, but nothing could be done in that respect without the consent of the other classes of shareholders in the Company, because it would affect their interests. The position of the Preference shareholders had been somewhat improved a year or two ago, but they must realise that they were only in the same position as people who held Government stock or trustee securities of any kind. It was obvious that those investments would not be again worth par until the price of money was easier.

The Chairman further said that the total of the staff bonuses which they had paid amounted altogether to a very large sum, but, with the exception of the £11,000 to which he had referred, those bonuses were awarded because of the increased cost of living. In other words, they represented part of the necessary extra remuneration to the members of the very large staff scattered throughout the world. It had always been the policy of the board of directors to treat the staff liberally and well. (Hear, hear.)

In reply to Mr. G. A. Christian, the Chairman said that the increase in investments represented fresh money. No account was taken in the balance sheet of any enhancement in the value of the investments, which were taken at cost price or under. The acceptances appearing in the balance sheet might be assumed to be good to the full amount.

Forecast for the Current Year.

In reply to Mr. W. L. Woodhams, the Chairman said the directors would be very glad to indicate, if they could, what the profits for the coming year were likely to be, but in the present state of uncertainty he was afraid the most he could say was that he had not the slightest suspicion that the profits of the business were likely to fall in such manner as to jeopardise in any way the interests of the holders of the Cumulative Preference or the Preferred Ordinary shares. He might incidentally point out that that was one advantage accruing from the way in which the capital was arranged—namely, that the directors entirely, and the staff to some extent, were paid by results. It was they who would be shot at if they had a worse year this year than they had last. He did not think there was any cause for uneasiness on the part of any of the shareholders. The investments were not by any means all in the tea and rubber industries; but they were mainly so, and from that point of view, considering the periods through which they had passed, they had cause for the greatest thankfulness that the money was so invested, because to-day their investments showed a large appreciation over their cost.

The motion for the adoption of the report and accounts was carried unanimously.

The Chairman next moved : "That the following dividends be declared and paid forthwith—namely, a final dividend on 177,646 Deferred Ordinary shares, amounting to £17,137 12*s.* 8*d.*, and a final dividend on 500,000 management shares, amounting to the same amount."

Mr. G. S. Townend seconded the motion, which was unanimously agreed to.

Praiseworthy Directors.

Mr. H. J. Welch then proposed the re-election of the retiring directors, Messrs. Charles Heath Clark, G. S. Townend, and H. O. Peake. In doing so, he said that, with regard to Mr. Heath Clark, he found it very difficult adequately to express the great debt which shareholders and directors owed to him for his past and present services to the Company. (Applause.) His long and extensive experience was placed unsparingly and unselfishly at the disposal of the Company, and lately he had put all of them under deeper obligation to him, because he had accepted the position of Acting Chairman during the enforced and regrettable absence of Mr. Croll. Mr. Clark, wherever he was known, was given a very deep and real respect, a respect that was paid to him not only for his unusual abilities, but also for his sterling character. (Applause.) With regard to Mr. Townend, he was the director in charge of their tea department, which he directed with conspicuous ability and with very satisfactory pecuniary results to the Company. Mr. Peake was the latest addition to the board, and the Chairman had dealt with his past valuable services rendered to the Company, both in London and Australia.

Mr. H. P. Church seconded the resolution, and it was carried unanimously.

The Chairman said that he wished to thank the shareholders for their confidence in him and to assure them that he could say the same of both his colleagues. Had things been other than they were, he had intended retiring from the board altogether at that meeting, but, owing to the fact that matters were not easy at the moment, and especially the fact that their Chairman, Mr. Croll, was away, and would be away for a little longer yet, he felt that he did not wish to do other than comply with the desire of his colleagues that he should continue to serve the Company to the best of his ability, at all events until Mr. Croll was able to take his place again.

On the proposition of Mr. Woodhams, seconded by Mr. Johnson, the auditors, Messrs. Price, Waterhouse and Company were reappointed.

Mr. J. B. Crosfield proposed a vote of thanks to the Chairman.

This was seconded by Mr. H. M. Knight, and carried unanimously.

ASSAM RAILWAYS AND TRADING COMPANY, LTD.

THE fortieth ordinary general meeting of this Company was held on October 20 at Winchester House, Old Broad Street, E.C., Lord Ribblesdale, the Chairman of the Company, presiding.

The Chairman said that the result of the year was, on the whole, satisfactory. The general earnings of the railway showed a satisfactory increase, and the coal earnings, following on the greater output, were higher than in the previous year. The total earnings were the highest they had ever had, but so also, unfortunately, was the total

expenditure, with the result that the traffic on the line had shown an appreciable improvement and the actual profit earned was rather less. In the coalfields the outturn had shown an improvement on the level of 1918-19, but had not reached what they regarded as the proper standard. However, the current year showed a further improvement and he hoped they were now returning to normal figures. The quantity sold and the income from sales showed slight decreases on the previous year, and the balance carried to revenue account was smaller. However, the whole of those fallings-off had been more than compensated for by the increase in the profit on exchange. As the shareholders knew, Mr. Harris, Mr. Jack (their Secretary), and he himself had visited Assam last cold weather, and he would like to refer to the report which Mr. Harris had made on the Company's collieries. He had been pleased to hear that the whole of the Company's mines were in good condition and capable of turning out their full output. The difficulty, as he, the Chairman, had explained before, was labour. While referring to his visit, he might say that he had been struck with the great importance of adopting a progressive scheme of electrification, and electrifying not only the mines, but the sawmills and workshops, bungalows, coolie lines, hospitals, and wharves. He was impressed with the view that considerable economies would result. Unfortunately, the time was not opportune for raising capital; it was a matter, however, that the shareholders should keep before them. For long they had lived in Assam without any labour troubles, but this year there had been a strike both on the railway and in the mines. A very good compromise had been arranged, but the expenditure for the current year on wages was bound to be very considerably increased, but prices and railway rates took some time to adjust, and there could be no doubt that the result of the year 1920-21 would not be a good one for them. It was, however, merely a temporary matter, and, on the whole, they should be able to face the future with serene confidence.

The report was carried unanimously.

H.E.H. THE NIZAM'S GUARANTEED STATE RAILWAYS.

The sixty-seventh general meeting of this Company was held on October 19 at the Company's offices, Winchester House, Old Broad Street, E.C., Lieut.-Colonel George Huddleston, C.I.E. V.D. (the Chairman), presiding.

The Chairman said: Gentlemen,—On the broad gauge the gross earnings form a fresh record, and show an increase of 8.20 per cent. on the figures for the previous year. The working expenses are up 3.06 per cent. and the net earnings 16.29 per cent. We were fortunate in being able to bring home our rupees at a high rate of exchange. At the present time exchange is down to 1s. 7d., and without attempting to be prophetic I think we can only look on what we secured for last year as a useful windfall hardly likely to be repeated. The increase was both in coaching and goods traffic. In coaching traffic third-class passengers contributed practically the whole of the increase. During the period under review there was not only a greater movement of the people, but also a greater movement of merchandise. Our goods earnings increased by over seven lacs of rupees, largely due to the import of rice and food grains because of the famine and scarcity I have referred to. Owing to increased working costs, we found it necessary to enhance our rates for cotton, grain, pulses, and common seeds, and it seems evident from the increased quantity moved that the traffic was able to bear the higher charges. The fares for third-class passengers have also been increased, but this did not have effect until the very end of the period under review. You will see from the net revenue account, on page 14 of the accounts before you, that we have found it necessary to place a further sum of over 21 lacs of rupees to the credit of the broad gauge deferred maintenance account. This further provision is partly to meet the additional cost of material to which I have just referred, and partly towards the cost of relaying sixty-three miles of the line with new sleepers. What I have said about traffic improvement on the broad gauge applies, in a large measure, to our metre gauge also. Both coaching and goods traffic increased, and the earnings were far above those for any preceding year. The gross earnings improved 25.18 per cent., the net earnings 21.50 per cent., while the working expenses rose 28.16 per cent.

The Chairman next moved: "That a final dividend at the rate of two and a half per cent. for the year ended March 31, 1920, together with a bonus of two per cent., on the Capital stock of the Company (less income tax) be paid to the holders of such stock on the registers on October 19, 1920." Mr. I. Mortimer seconded the motion, which was unanimously agreed to.

COLTNESS IRON COMPANY, LIMITED.

The annual general meeting of the Company was held on Thursday, the 14th instant, within the Registered Office of the Company, 138 West George Street, Glasgow.

Mr. Robert Russell, the Chairman of the Company, who occupied the chair, said that the report before them showed that the past year has been a satisfactory one.

The gross profit for the year, after making provision for



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When it is considered that a skilled man using the Oxy-Acetylene Blowpipe can cut through mild steel 17 inches thick in 15 minutes (and most safes in half that time), it will be appreciated that the safe which does not provide protection against this dangerous weapon leaves the gravest degree of risk uncovered.

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liabilities under the Finance and Coal Mines Acts, amounts to £248,032, as against £132,102 in the previous year. After writing off £49,309 for redemption and depreciation and placing a further sum of £3,500 to the suspense account for depreciation of the value of the special reserve fund investments, there remains a net profit for the year of £195,222, as against £136,667 in 1919.

Owing to the continuous working of the furnaces and ammonia works during the War he said it was impossible to get the necessary repairs executed, and eventually work had to be stopped completely for a time to get these done, which cost £26,326, and to meet this expenditure they had set aside £20,000 to the credit of the relining, &c., reserve fund instead of the customary £3,000 to £5,000.

After deducting this £20,000 and adding the sum brought forward from the previous year of £14,789 there is a balance left of £190,012.

The Dividends.

Interim dividends have already been paid on the First and Second Preference shares and on the Ordinary shares amounting to £28,625, leaving a balance of £161,387, which the directors recommended should be dealt with as follows :—

(1) In payment of dividends on the First and Second Preference shares for the second six months of the year, £12,875.

(2) In payment of a further dividend of three per cent. and a bonus of four per cent. on the Ordinary shares, absorbing £36,750, thus making a total distribution of ten per cent. on the Ordinary shares for the year.

(3) Increasing the "Ordinary reserve fund" by £95,000 and leaving a balance of £16,762 16*s.* 4*d.* to be carried forward.

The increasing of the Ordinary reserve fund by the sum of £95,000 was necessary owing to the ever-increasing cost of labour and material to enable development work to be carried on in the various departments of the business which were so long delayed owing to the War.

Comparisons of Output.

With regard to the blast-furnace department, which includes, besides pig iron, the by-products of sulphate of ammonia, tar, oils and Portland cement, the prices realised for all of these products were considerably better than in the previous year, which was a very poor one. He regretted to say that the production of the furnaces is still very adversely affected owing to the want of hard coal.

As to the collieries : the production overall has been about twelve per cent. greater this year than in 1919, but the number of men employed has been about twenty-two per cent. more. The output per annum per person employed in 1919 was 263 tons, whereas in 1920 it was only 243 tons, this being accounted for by the fewer working hours per shift, which came into force in July 1919. He mentioned here that in the year 1914 the output of the Company's pits per annum per person employed was 316 tons, so that the decrease in output per annum per person employed between pre-War and now is seventy-three tons, or twenty-three per cent., and further, that if the number of persons they now employ were each producing as much coal as they did in 1914, the output per annum would be greater than it is now by about 240,000 tons.

With regard to the New Colliery at Kingshill : The output there is now up to about 8,000 tons per month, but until houses for the workers are provided there was no prospect of any further increase.

With regard to the foundries : Notwithstanding a large expenditure during the past year in extending the steel foundry, the production has not increased owing to the scarcity of skilled labour.

As to the Alquife Mines : Owing to the continued failure of the railway company to transport ore in sufficient quantities from the mines to the loading pier at Almeria, the tonnage shipped has been only fifty-five per cent. of the shipments in 1919, and the financial results have therefore suffered.

With regard to the Warwickshire Coalfield : Loss of time due to strikes and various other minor causes has much delayed development work during the past year. There is a great scarcity of houses here too, and in consequence there is a shortage of skilled labour. The output now is between 6,000 and 7,000 tons per month, but with an adequate supply of labour and material it will gradually increase.

Vote of Thanks to the Staff.

The Chairman said he could not close his remarks without referring to the splendid services of every one of the heads of the various departments, who spare no pains or time in furthering the best interests of the Company, and whose duties are very difficult in these days of so much labour unrest, and considered that the shareholders were greatly indebted to them for the excellent results of the year.

The directors' report and balance sheet as at July 31 last were adopted, and the retiring directors, Sir Henry H. Houldsworth, Baronet, and Mr. Henry F. Gordon, were re-elected.

The auditors, Messrs. Kerr, MacLeod and Macfarlan, were reappointed, and the usual vote of thanks terminated the proceedings.

HOLYROOD RUBBER, LIMITED.

THE annual general meeting of the shareholders of this Company was held on October 18 at the Registered Offices, 7 Martin's Lane, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman said : In December last the financial position of the Company was carefuly considered by the board, and it was their desire to keep the nominal capital of the Company as low as possible, and the amount then recommended to be issued was considered to be sufficient for all reasonable requirements, at any rate for some years. I do not think any of us then anticipated that we should so soon experience such a serious fall in the price of the commodity ; on the contrary, it was the general feeling that prices were more likely to move upwards than in the opposite direction, and consequently our anticipations as to the revenue to be produced during the current year were considerably higher than has proved to be the case. The recommendations of the Rubber Growers' Association are the result of a thorough examination of the position from all aspects, and represent the considered opinions of those in a position to weigh up the merits and demerits of the various schemes propounded. I am confident that, if heartily supported, they will in due course have an appreciable effect on the rubber position, but it is absolutely vital that every producing company should co-operate by loyally putting the scheme into operation. Having regard to all the factors, it is impossible to avoid a further increase of capital. The proportion, as you will observe, is one new share in respect of each four shares at present held, and in fixing the price of issue at £2, which is considerably below the market price of the Company's shares, even at the low valuations ruling to-day, the directors hope all shareholders will appreciate the advantage of exercising their rights if they can possibly do so. In the event of the necessary resolution being duly passed at the extraordinary general meeting which follows the present one, the necessary forms will be posted immediately and application at once made to the Stock Exchange for leave to deal in the new shares. We have undoubtedly a magnificent property, and when in full bearing the annual yield of the present planted area alone should approximate 1,000,000 lb., which under normal conditions should provide an excellent return to investors.

Mr. Cecil de Winton seconded the motion, which was unanimously adopted.

An extraordinary general meeting was afterwards held, at which a resolution was unanimously passed increasing the capital of the Company from £60,000 to £75,000 by the creation of 15,000 additional shares of £1 each, ranking in all respects *pari passu* with those already existing.

EGYPTIAN CONSOLIDATED LANDS, LIMITED.

The Company's Assets : Satisfactory Outlook.

THE ordinary general meeting of this Company was held on October 19 at Winchester House, Old Broad Street, London, E.C., Mr. Gerald T. Moody (the Chairman) presiding.

The Secretary (Mr. Robert D. Peters, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of his speech, said : When I had the pleasure of addressing you last year at the statutory meeting we had just completed the scheme of reconstruction of the United Egyptian Lands, Limited. To-day we present our first balance sheet, and I am confident that you will all agree that the position it discloses reflects credit on those to whose foresight and energy the formation of the present Company is due.

The whole of the nominal capital has been issued and called up, and the calls outstanding on June 30 last, amounting to £2,531, with the exception of a trifling sum, have since been received.

The total of the assets as shown by the balance sheet is about £481,000, of which a substantial portion is represented by cash and securities, including an amount of £116,402, the balance receivable in respect of lands sold. When sales of land are effected it is customary for the purchaser to pay part of the price—say, one-third—in cash, and the balance by instalments payable over a period of years, with interest at an agreed rate. As security for this balance a lien on the land sold is retained, and this amount can therefore be regarded as well secured, for in the event of default by any of the purchasers the money already paid becomes forfeited and the vendors foreclose on the land. It is satisfactory to note that of this £116,402 outstanding, some £20,000 is payable to us in cash next month.

When we acquired the assets of the United Egyptian Lands, Limited, we took over about 2,130 feddans of agricultural land at Kom El Akhdar and some 110,000 square metres of building land on Rodah Island. Reclamation work has been carried out steadily on the Kom El Akhdar property, with a view of rendering the land more readily saleable. We had sold about 738 feddans up to June 30 last, and since that date further sales have been made at good prices.

The Rodah Island Estate.

On the Rodah Island estate we have nearly completed the erection of a villa, for which offers to purchase have

already been received. When sold at a satisfactory price the erection of two further villas will be authorised, for your directors are desirous of developing this estate to the extent of showing its possibilities as a residential quarter. In these days, when building costs are so high, it would show lack of foresight on the part of your board if we locked up the Company's funds in an extensive building scheme. I feel assured, however, that the directors will have your hearty support in the pursuance of a forward policy of experiment by which no serious risk is incurred, and substantial advantages may accrue.

Our Rodah property is in a good position on the outskirts of Cairo. Access to the centre of the city is obtained by electric tramways which run close to the estate. It is always dangerous to prophesy, and building estates are essentially speculative, but I regard this asset as likely to become very valuable as the population of the city increases.

As stated in the report, a small property of 117 feddans was purchased during the early part of this year and was sold almost at once at a fair profit. We are out for business and are prepared to purchase land which requires reclamation and development. We have the funds and also a fully organised staff for bringing the lands to a condition fit for cultivation and sale.

The price of cotton is an important factor, affecting indirectly the values of agricultural land in Egypt, and therefore I would like to say a few words on the subject. Although cotton prices on the world's markets have fallen recently, it must be borne in mind that the price of Egyptian cotton is to-day quoted at a figure nearly three hundred per cent. above the pre-War price. It has been considerably higher, but to-day's price appears to allow a good profit to the cultivators.

Regarding the general state of affairs in Egypt, the country is one of the few where conditions of finance and trade are flourishing in the present difficult times. The large balance of trade in its favour, indicated by the official returns for the past year, has had the effect of making money plentiful, and the price of land, the most favoured Egyptian investment, has continued to show an upward tendency. It is not easy to see how far this will continue, but there does not seem much likelihood of a serious change in present conditions for some time to come.

There is one other matter calling for attention, and to which it gives me great pleasure to refer, and that is the excellent work of our Managing Director, Mr. Citti, and his staff in Egypt. Mr. Citti has displayed keenness and ability and has worked whole-heartedly in the Company's interests, and, I trust you will think, with good results. The Chairman concluded by moving the adoption of the report and balance sheet.

Mr. James Davenport seconded the motion, which was carried unanimously.

HOVIS, LIMITED.

Increase of Capital Sanctioned.

An extraordinary general meeting of this Company was held on October 20 at Caxton Hall, Westminster, S.W., to consider a proposal to increase the capital of the Company.

Mr. J. Browne-Martin, who presided, said that the directors were asking permission to increase the capital of the Company to £550,000 by the creation of 250,000 additional Ordinary shares of £1 each. They proposed to offer 100,000 of these shares at par to the shareholders as soon as possible, and they would be offered, in the first instance, in the proportion of two Ordinary shares to every three Ordinary shares held. If some of the shareholders were not in a position to apply for them, the Preference shareholders, Debenture-holders, customers and the public would be considered. The chief reason for asking for the increase of capital was the purchase of the shares and business of Marriage, Neave and Company, Limited, which was completed on the previous day, and the fact that to the already exceedingly valuable properties of the Company was now added a valuable structure in the magnificent building at Battersea. The board were confident that the new purchase would be the means of materially adding to the profits of the Company when the control by the Ministry of Food was past. The connection attaching to the new property provided a fair return on their outlay and a fair margin for reserve. The remuneration which the Hovis Company should obtain from the Ministry of Food, and that which they would obtain in respect of the purchase of Marriage, Neave and Company's shares, would permit of the maintenance of the dividend on the Ordinary shares at the rate paid for the year ended March 31 last and the placing of £20,000 annually to reserve. On March 31, 1919, which was the last date at which their accounts were settled with the Ministry of Food, their reserves stood at £100,000, and by this time that amount would be augmented. The directors therefore felt that they were justified in considering the capitalisation of certain of the Company's reserves to be distributed among shareholders when the control by the Food Controller was suspended. It was anticipated that this would take place next year. He concluded by moving the resolution.

Mr. T. C. Fitton seconded the motion, which, after a short discussion, was carried unanimously.

ERINOID, LIMITED.

Record Sales and Profits—Proposed Issue of Capital.

The fifth annual general meeting of the shareholders of this Company was held on October 21 at the Institute of Chartered Accountants, Moorgate Place, E.C., Mr. Andrew Binnie (the Chairman) presiding.

The Chairman said: At our meeting in November of last year I ventured to predict that this would be a record year, and it has proved so both as regards sales and profits. The sales for the year have increased by seventy per cent. over the sales of last year, and during the few weeks which have elapsed since the accounts were closed the sales show a further increase of thirty per cent. This continuous increase is not surprising, having regard to the many uses to which our material can be put. I am frequently asked what Erinoid is used for. As a matter of fact, we can see it nowadays practically anywhere. Coming up to the City in the morning I often see Erinoid in the shape of buttons, umbrella-stick handles, buckles, hat pins, beads, and necklaces, and I have occasionally seen an industrious person knitting with knitting needles made of Erinoid. There are also large quantities of cigar and cigarette tubes and pipe stems made of our material. In kinemas, as you may have noticed, pianos are worked very hard, and I am told that in those houses they prefer piano keys made of Erinoid because they stand the wear and tear better than any other material. I have by no means exhausted the uses to which Erinoid can be put, but I think the secret of our success is that we have a very uncommon material for which there is an uncommon demand for use in making every-day things.

Profits more than Doubled.

Turning now to the accounts, a summary of the balance sheets for 1916-1920 discloses some very remarkable figures. I might point out that the profits in 1916 were £8,000 for ten months, and in 1920 they are £64,000. The profits for 1920 are more than double those of last year and £30,000 more than those of our previous best year, which was 1918. The figures of capital are still more remarkable. In 1916 the total assets of the Company were £66,500 and the share capital £33,000, while in 1920 the total assets are £328,000—an increase of more than £250,000—and the share capital stands at £175,000, or an increase of only £142,000. We are carrying assets to the amount of £328,000 with a share capital of £175,000. Of the total assets the fixed capital amounts to £121,000, and the floating, the realisable assets, to £207,000, so you will see that the liabilities are covered two and a half times by the floating capital alone, without reckoning fixed capital or anything for goodwill.

There are other considerations affecting this question. We have now developed the factory at Stroud to the utmost, and we cannot under present conditions build down there. We have, therefore, bought a factory at Yate, not far from Bristol. That factory is a modern, up-to-date building, where we can lay out additional plant on ideal lines. It is well adapted for mass production of those lines for which there is a continual and a large demand.

Export Trade.

I would remind you again that the use of Erinoid is not confined to Great Britain. We are doing a large export trade. In view of the high tariffs abroad it may no doubt be expedient sooner or later to manufacture abroad to some extent in order to get inside the tariff wall. We must remember that goods made abroad can be sold there under rather exceptional conditions. Tariffs prevent dumping, or any other form of unfair competition. I should perhaps make it quite clear that we have no intention of leaving this country; it is only a question of expediency. It may suit us to supply certain foreign markets by making abroad, but we shall continue to supply the whole of England and many other countries from here. I need hardly say we shall move prudently, and under the very best advice. We have reserved for taxation a sum of £26,000. To arrive at the reserve we have had to put our profits together in three different ways—[illegible] duty, and still another for corporation tax—each differing from each other, and each differing from the figures in the balance sheet.

Coming back to the figures, the reserve account, excluding reserve for depreciation, will amount to £62,337 [illegible]

As to the [illegible]

one immediate requirement is additional share capital. We [illegible]

[illegible]

[illegible]

[

GENERAL MINING AND FINANCE CORPORATION, LTD.

(Incorporated in the Transvaal.)

THE adjourned annual general meeting of shareholders, convened for Thursday, September 2, 1920, was held in the Board Room, General Mining Buildings, Johannesburg, on Thursday, September 16, 1920. Mr. Arthur French presided.

The Chairman said: Gentlemen,—The report and accounts before you reflect in a general way the operations of the Corporation for the past financial year, but I think I am justified in saying that the actual results are not so unsatisfactory as a cursory glance through the accounts might at first indicate. Although the net profit for the year shown by the profit and loss account is only £5,116, it will be observed that this is arrived at after writing off £20,568 in respect of loss on mining ventures, representing the book value of some 500 claims on the Western Rand, which we have held for many years, but which, owing to the closing down of producing mines in the neighbourhood, we decided to abandon. There is another factor which makes our profit and loss account appear to be worse than the actual working for the period would otherwise reflect: it has been our policy for many years only to take into account as revenue interest actually received by us, and to leave in suspense interest charged on loans to subsidiary companies and other debtors which has not been received, and the receipt of which is either doubtful or postponed for the time being. This is a sound and prudent policy, but its effect on the accounts will be apparent when I state that if we had taken credit for this potential revenue, the interest charge of £14,346 standing to the debit of profit and loss account for last year would have been converted into a very substantial credit.

Review of the Accounts.

Deposits at £34,333 reflect an increase of £13,188, representing further funds placed on deposit with us by a company in which we hold the whole of the share capital. Creditors for stock bought (since paid off) show an increase of £6,044, and sundry creditors an increased liability of £17,415, which has been liquidated since the close of the year. House property reserve account is decreased from £70,000 to £55,425 by the loss of £14,575 on properties realised during the year: these properties were purchased many years ago, when the cost of ground and building was exceptionally high. Appropriation account is increased by £5,116, the net profit for the past year, and now forms an unappropriated credit balance of £79,788. Dealing with the credit side of the account, stocks and shares in our own companies show a small increase of £4,905, representing purchases (on balance) during the year. Our holdings in shares in other companies also reflect an increase of £42,406, in respect of investments in certain mining companies here and abroad. Mining properties, claim holdings and house property account reflects a decrease of £46,114, which is made up almost entirely of the book value of the claims on the West Rand now abandoned, and of the house property sold—to both of which items I have already referred. Advances against security show a decrease of £14,176. The largest change is in respect of the next item in the balance sheet, sundry debtors, which exhibits an increase of £155,401: this for the most part is represented by our loans to the Roodepoort United during the year, to enable that Company to make very substantial repayments on account of its liability to the Bank, and by further advances to the Aurora West, both of which we hope eventually to recover. The only other item calling for attention is cash at bank, &c., which at £46,319 shows a diminution of £116,542: this, of course, is accounted for by the loans to which I have just referred.

The Labour Question.

The point I want to make is that the reduction in the number of our white employees and the better efficiency given by those still at work has been responsible for the continuance of operations on three of our producing mines, and the spirit of co-operation which, if not altogether general, at all events is being manifested on the West Rand Consolidated, has obviated the necessity for drastic retrenchment, which otherwise would have had to take place on that mine. We have continued to suffer from a shortage of native labour during the past year, and the scarcity is even more pronounced at the present moment. It is, I think, becoming increasingly evident that the native labour supply available in the Union is wholly inadequate to meet the demand. On top of this there is an intense desire in some quarters to eliminate the Indian labourer, and if this be successful, the shortage of unskilled workers will become still more acute. In expressing our full appreciation of the services rendered by the officials and other members of the staff at our offices in London and Paris, and by the financial and technical members at the head office here, I wish on this occasion to make special reference to the valuable work of our Technical Adviser, Mr. Erroll Hay, and particularly in regard to his personal meetings during recent months with the employees on our producing mines, when his frank but fair attitude was largely responsible for carrying through the retrenchments and adjustments, where these were found necessary, with an almost total absence of the friction and feeling which might easily otherwise have resulted. I desire also to express with the greatest pleasure our thanks to the managers and other officials of the mines under our control.

The motion adopting the report and accounts was seconded by Mr. S. Benning and carried unanimously.

Books Received.

Annual Report of the Department of Mines, New South Wales, for the Year 1919. The aggregate values of the metals and minerals produced in New South Wales in 1919 was £9,882,366. This compares with £14,419,352 in the preceding year, a decrease of as much as £4,536,986. The figure for 1918 was the highest recorded in the history of the State; while that of last year was the lowest since 1911. Over ninety per cent. of the decrease last year took place in the yield from the silver, lead, and zinc mines due to the stoppage of operations at the Broken Hill mines in May. The yield from this source represents only about one-third of that which might have been expected from the results obtained up to the time work ceased. Of the total mineral production last year coal took first place with £5,422,846. This was followed by silver-lead ore, concentrates, &c., £1,030,825. A poor third was iron, £445,175, followed closely by tin, £116,623. The gold output was valued at £279,666. The annual report is a bulky volume, and can be obtained at the price of 5*s*.

How it all Fits Together: A Novice's Introduction to the Game of Life. By Leonard Alston, Litt.D. Price 4*s*. 6*d*. net. (London and Toronto: J. M. Dent and Sons, Limited.) A meditative study of things in general, and of the economic and social problems of the day.

The Guaranty News, London Edition. October 1920.—The latest issue of the "House" magazine of the Guaranty Trust Company of New York contains a history of the operations of that institution during its twenty-two years' establishment in London.

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For the year ending December 31st, 1919.

Annual Income Exceeds -	**£5,400,000**
Assets Exceed - - - -	**£17,300,000**
Claims Paid Exceed - - -	**£30,000,000**

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The Statist.

LONDON, SATURDAY, OCTOBER 30, 1920.

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The Money Market.

Friday, October 29, 1920.

	Current Rate Fixed	Previous Rate Fixed
	%	%
Bank of England Rate	7 (Apr. 15, '20)	6 (Nov. 6, '19)
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	5 (Apr. 15, '20)	4† (Nov. 6, '19)
Discount Houses (Notice)	5½ (Apr. 15, '20)	4½ (Nov. 6, '19)

The special rate of 4% allowed by the Bank of England on 3 months' money has been abolished.
† Foreign and Colonial Banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Treasury Bills ...	—	6½	—	—
Bank Bills	5½ - ⅝	6⅝	6¾	6¾
Trade Bills	—	7-7¼	7¼-½	7½

STRIKE AFTERMATH.

THE prospects of a settlement of the strike had a certain influence in hardening the tone of the Money market during the current week, and all the signs go to show that if a definite agreement is arrived at in the industrial dispute, next week will see such an increase in the demand for money as to change completely the aspect of the market. Such an eventuality would reflect unfavourably on the national finances, for a large part of the maturing Treasury bills, being held by the banks, would be allowed to run off and thus the Government would be forced to increase largely their borrowing on Ways and Means. During the present week sales of January Treasury bills, though probably less than maturities, seemed to be again on a large scale, and this factor, combined with the approach of the end of the month and the influence mentioned above, had the effect of raising rates for day-to-day money. From Monday to Wednesday the range of rates was 5 per cent. to 3½ per cent., but yesterday 4 per cent. was the lowest rate, while to-day over 5 per cent. had occasionally to be paid, and even in the afternoon transactions at as low as 4 per cent. were rare. Five per cent. to 5½ per cent. was the usual range of rates for weekly fixtures until to-day, when 5½ per cent. was the most general quotation. Discount business was again on an exceedingly restricted scale on account of a scarcity of bills, and the tendency was towards higher rates latterly. December paper especially was firmer to-day at 5⅝ to 5¼ per cent., with occasional transactions at 5½ per cent., though the inquiry for this maturity on the part of the banks was anything but keen. Three months' paper, which on most days of the week was quoted only ¼ per cent. above the Treasury bill rate, was to-day a turn higher. Four months' bills were called 6⅝ to 6¼ per cent., and full six months' maturities were quoted 6¾ to 6⅞ per cent.

Foreign Exchanges.

As a reference to our Tabular Appendix will show, the value of the £1 sterling appreciated in most foreign countries during the week, a fact which was probably connected with the growing prospects of a strike settlement. In Paris, Brussels, Italy, Switzerland, Spain, New York, Montreal, Central European and Scandinavian centres, and in the leading South American and Eastern countries, the exchange value of sterling, at to-day's quotations, shows a good improvement as compared with a week ago. In the latter part of the week there was a tendency towards lower sterling values in terms of francs, lire, and dollars, and of the currencies of South American countries, but in other directions, notably in the Scandinavian exchanges, the favourable movement has continued. The New York cable rate was 3 46¾ to-day, against 3.44 on last Friday, but on Wednesday the middle quotation was 3 49¼. A similar movement is apparent in most other rates. Dutch florins were called 11.35 to-day, against 11.21½ a week ago and 11.42 on Wednesday last. The Spanish rate moved up to 25.00 and the Swiss rate to 22.05. The improvement was most remarkable in the Scandinavian group.

B

Of Eastern rates the rupee declined to 1*s.* 7¼*d.* for Bombay transfers and 1*s.* 7⅛*d.* for Calcutta transfers.

Income and Expenditure.

It was, of course, universally recognised in the City that the slackening in the demand for short loans which followed the miners' strike would drive a large amount of funds into new Treasury bills, and thus relieve the Government of the necessity of borrowing from the Bank of England in order to meet the large Treasury bill maturities. The favourable change in the position from the point of view of the national accounts, however, is greater than was generally anticipated, for not only were sales of new Treasury bills in excess of maturities, but there was also a substantial revenue surplus, so that a reduction was effected in the amount of Ways and Means Advances outstanding. According to the return of Public Income and Expenditure for the week to Saturday last, revenue amounted to £27.65 million, as compared with £36.11 million for the previous week. The decline was wholly due to the fact that only £.98 million miscellaneous receipts were included last week, as against £19.83 in the previous week. Ordinary revenue, in fact, excluding these items, shows an expansion of £10.39 million, due chiefly to an expansion of about £6.6 million in Excise receipts. Expenditure, on the other hand, shows an increase of about £10.59 million, but as the total for the week was only £20.03 million a surplus of £7.62 million was available towards debt redemption. Sales and renewals of Treasury bills, at £128,524,000, exceeded maturities by £3,289,000. "Other debt" under the War Loan Acts 1914 to 1919 was reduced by £126,601, and £1,563,776 of War Loans, Exchequer Bonds, &c., representing payments of excess profits duties and debt duties, was cancelled. Ways and Means Advances were reduced by £5,350,000, advances by the Bank being reduced from £63 million to £59¾ million and Advances by Public Departments from £184,614,000 to £182,514,000. The floating debt on balance shows a decline of £2,150,000 to £1,318,268,000. An interesting feature of the return is an item of £3 million for the principal of the Anglo-French loan paid off on the 15th inst. This brings the cost of retiring the loan up to £58,000,000. The value of our share of the loan in British sovereigns was only about £51,300,000, so that the depreciation of sterling in terms of U.S. dollars cost us about £6,700,000 in repaying the obligation.

Currency Notes.

The total of currency notes and currency note certificates outstanding on the 27th inst. was slightly higher than on the previous Wednesday; the actual note circulation, however, declined again, for cancellations during the week, at £7,387,935, exceeded fresh issues by £698,594. Issues of note certificates, on the other hand, exceeded cancellations by £700,000, so that the combined total increased by £1,406 to £352,796,058.

Bank of England.

Again, for the week to Wednesday last the Bank return registers little change in the position. The reserve ratio improved slightly, but this was entirely due to a decline in liabilities, and was in spite of a fall in the amount of the reserve. A renewed advance in Government securities and a fresh expansion in the active note circulation are the most noteworthy of the other features in the return.

As to details: the reserve declined by £484,000 to £14,060,000, or only £219,000 above the amount returned three weeks ago, which was the lowest since August 5, 1914. This movement was the result of an expansion of £535,000 to £127,588,000 in the note circulation. The gold holdings increased by £51,000 to £123,199,000, a figure which is only £35,000 below the highest ever reported. As already indicated, the effect of the weakening of the reserve was nullified by a shrinkage in liabilities. The actual movement in "other deposits" was a fall of £5,288,000, the present total being £120,556,000. The net result of these changes was an improvement in the reserve ratio to 10.3 per cent., as compared with 10.2 per cent. at the end of the previous week. A rise of £2,899,000 in Government securities shows that the favourable tendency towards a reduction in Ways and Means Advances shown in the income and expenditure return, commented on above, did not continue into the current week. The movement, however, must be considered a small one in relation to the large demands which are at present being made on the National Exchequer—indeed, its very smallness gives ground for satisfaction. The present total of Government securities is £64,518,000, the highest since September 30, on which date there were no Ways and Means Advances by the Bank outstanding. Of other items, public deposits fell slightly to £16,421,000, and other securities declined by £7,817,000 to £76,061,000.

Bullion.

The United States was again the principal buyer in the Gold market, and a small amount of the arrivals was again taken for India. On account of the improvement in the New York exchange the price declined from 118*s.* 2*d.* on Monday and Tuesday to 117*s.* 9*d.* on Wednesday. To-day the quotation rose again to 118*s.* 1*d.* per ounce fine, as against 119*s.* 6*d.* on Friday last.

A weak tendency in the Silver market was again apparent during the week, and the spot price declined steadily, losing ½*d.* from 52½*d.* between Monday and Thursday. The influences at work were the same as during previous week, except for the fact that there were no offerings from the United States, China being reported as a buyer in that country. Buyers are showing great reluctance to make commitments while the present downward trend of prices continues, and there is also a noticeable diminution in the amount of sales from the Continent; under these circumstances business in the market is very dull. To-day's spot price is 52⅝*d.* per ounce standard, as compared with 52⅝*d.* a week ago. The average price for the week ending to-day is 52.23*d.* On Monday and Tuesday the forward quotation was identical with that for spot, but since Tuesday a discount of ¼*d.* has ruled, to-day's forward price being 52¼*d.*, as compared with 52⅝*d.* on the 22nd inst.

NEW YORK.

A REDUCTION in liabilities, a curtailment of lending operations, and a weakening of the reserve position are the features of the latest weekly average statement of the New York City Banks and Trust Companies. Though the average aggregate reserve for the week compares not unfavourably with that of previous weeks since the beginning of the half-year, yet, as compared with the reserve previously reported, it shows a decline of $7.3 million, the present total being $565,610,000. In spite of the reduction in liabilities already noted, this fall in the aggregate reserve brought the average excess reserve down by over $5.7 million to $10,130,000, a figure which is only $4 million above the lowest for the year. The position was much weaker at the end of the week than the average figures would indicate, for instead of an excess reserve there was an actual deficit of $50,230,000. Demand deposits were reduced during the week by $14.4 million to $4,187,450,000, and United States deposits were further depleted by over $46.1 million. Loans, discounts, and investments were reduced by $40.3 million, but the present outstanding total of these items, $5,445,860,000, is, with the exception of the previous week's figure, a high "record."

The New York Federal Reserve Bank has to record a further loss in gold, the present amount held being $154,460,000, or $51.3 million below that of the previous week. Other reserves were increased, so that the total reserve is only $22.6 million lower at $584,820,000. Despite a substantial reduction in liabilities the reserve ratio fell to 38.5 per cent., as compared with 38.7 per cent. for the previous week.

Net deposits fell by $53.7 million to $639,900,000, and at $875,030,000 the Federal Reserve note circulation is $710,000 lower.

The statement of the twelve Federal Reserve Banks shows a timely improvement on the week to Friday last, both liabilities and unliquid assets being substantially lower and the reserve ratio higher. The most striking feature in the return is a drastic reduction in the amount of bills discounted for member banks, which had been increasing abnormally during recent weeks. For the week under review the amount was reduced by $424,590,000, and the present total, $2,349,280,000, is lower than for any week since June 18 last. Bills bought in open market were also reduced by $18.85 millions, so that the total bill holdings, at $2,649,950,000, show a decline on the week of $443,440,000. In view of these movements it is probable that the huge total of Federal Reserve notes outstanding will soon begin to diminish. For the week under review the note circulation shows a further expansion of $2,930,000 to $3,356,200,000—a new high "record." Deposits, other than Government deposits and certain uncollected items treated as deductions from gross deposits, show a contraction of $70,710,000, and as the gold holdings increased by $2½ million to $1,994,610,000 the ratio of total reserves to the combined net deposits and Federal Reserve note liabilities rose to 43.3 per cent., as compared with 42.7 per cent. for the previous week and 48.7 per cent. a year ago.

During the week there has been a further relapse in wheat and cotton quotations, and the break in the prices of many other commodities has continued, though less pronounced than in recent weeks. As a consequence, Industrial descriptions in Wall Street have exhibited further weakness, it being generally felt that the profits of most companies will suffer from the price-cutting movement. It is noteworthy that the break in commodity prices has not been as evident in retail prices as in wholesale quotations, the consequence being that the cost of living has not fallen in proportion to the decline in wholesale prices. It is doubtful, however, whether retail dealers can withstand for long the consumers' demand for a reduction; at any rate, the outcome of the contest between the retailer and the consumer will be watched with interest by those interested in the financial situation. One aspect of the fall in speculative stocks is that high-class investment securities are coming into renewed popularity, and there seems to be no lack of funds awaiting investment in sound fixed-interest-bearing issues. Indeed, the readiness with which recent foreign loans have been placed in New York is sufficient evidence of this tendency, though, of course, sound securities yielding 8 per cent. and over, as was the case in the Swiss, French, Belgian, Norwegian, Christiania, and Danish issues recently made in New York, would probably be well received, even if speculative descriptions were not so unpopular as at present. The latest foreign Government issue—the Danish External Gold Eight per Cent. Dollar Loan for $25,000,000—was heavily over-subscribed on the day of issue.

Call money developed renewed firmness, the rate rising from 7 per cent. to 9 per cent., which was the ruling rate during the past three days, the highest rate paid being 10 per cent. Prime mercantile paper continued to be quoted at 8 per cent.

INDIA.

THE subjoined table, showing recent movements in the Indian Currency Returns, depicts the effect of the revaluing of the gold and sterling investments held in the reserve on the basis of Rs.10 to the £ instead of Rs.15, which, in accordance with the recommendations of the Committee on Indian Exchange and Currency, was carried out in the first week of the current month. According to the table, the loss for the Government of India involved in the operation was in the neighbourhood of Rs. 20 crores—a trifle lower figure than was anticipated by the above-mentioned Committee. Since February last, when the Committee reported, the composition of the reserve has undergone change in a direction which much facilitated the revaluation; a glance at the table will show that the proportion of gold and sterling investments have been steadily decreasing in recent months, so that the authorities were evidently preparing for the change several months back. This loss of twenty crores of rupees on the operation will, of course, have to be borne by the Indian taxpayer, and this must strengthen criticism of the action of the Legislative Council at Simla on September 8 last in altering the rupee exchange value from 1*s.* 4*d.* sterling to 2*s.* gold. How far the Government are from attaining the new legal ratio may be judged from to-day's quotations for rupees and gold. According to the quotation for gold—118*s.* 1*d.* per oz. fine—the parity of the rupee with sterling is about 2*s.* 9.3*d.*, calculated on the basis of the new ratio, Rs.10=1 sovereign, whereas the open market quotation for the rupee is only 1*s.* 7¼*d.*

1920	Note Circulation Lacs	Silver—In India Lacs	Silver—Elsewhere Lacs	Silver—Total Lacs	Gold—In India Lacs	Gold—Elsewhere Lacs	Res. to Notes %	Securities—Indian Lacs	Securities—British Lacs
Oct. 22	15,880	5,860	—	5,860	2,278	—	51·9	6,807	836
Oct. 15	15,853	5,835	—	5,835	2,276	—	51·8	6,807	836
Oct. 7	15,753	5,817	—	5,817	2,280	—	52·1	6,712	985
Sept. 30	15,763	5,806	—	5,806	3,615	—	59·8	4,714	1,628
Sept. 22	15,634	5,650	—	5,650	3,642	—	59·4	4,714	1,628
Sept. 15	15,862	5,605	—	5,605	3,760	—	59·1	4,714	1,777
Sept. 7	16,125	5,545	—	5,545	3,813	—	58·2	4,859	1,928
Aug. 31	16,327	5,529	—	5,529	3,912	—	57·8	4,733	2,113
Aug. 29	16,200	5,333	—	5,333	3,981	—	57·6	4,733	2,153
July 31	16,387	5,036	—	5,036	4,402	—	58·0	4,482	2,307
June 30	16,434	4,555	—	4,555	4,348	249	55·7	5,025	3,757
May 31	16,692	4,137	—	4,137	4,286	74	50·9	3,118	5,057
April 30	17,074	3,937	—	3,937	4,538	95	50·2	2,337	6,157
March 31	17,452	3,985	—	3,985	4,437	345	50·2	1,959	6,971

Stock Exchange.

DESPITE the absence during most of the week of definite news as to the success of negotiations between the miners' representatives and the Government, the Stock markets anticipated an early settlement, and optimism ruled generally throughout the home sections. Holders maintained their previous confidence, and the presence of bargain-hunters was a guarantee against any undue marking down of prices. The Gilt-edge department remained very quiet, but sentiment in the Home Rails, Iron and Steel, and Textile sections was more than usually cheerful. Oils were somewhat depressed as a result of heavy selling from the Continent, but price movements were not marked.

The Gilt-edged market remained consistently quiet in tone throughout. The only outstanding movement was that of Consols, which receded on continued offerings of stock. War Fives reported some [illegible] tendency, but eventually reacted and finished at lower levels. War Fours, Funding Loan, and Victory Bonds showed no net alteration. Quotations for the recent Local Loans issue fluctuated somewhat, but finished

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higher. India Three per Cent. again moved up, and the Three and a-Half per Cents. also registered a slight appreciation. A greater demand developed for County and Corporation stocks, and prices improved accordingly. Buying pressure, however, showed some signs of tailing off before the end. Colonials maintained a characteristic dulness. Queensland issues weakened further and failed to make any recovery on the somewhat dubious recantation of Mr. Theodore. We refer elsewhere to the details of his statement.

Among Foreign Stocks, Brazilian were marked favourites. American purchasing buoyed up values all round, the Four per Cent. Rescissions being in particular demand up to the close. Chinese descriptions were also quoted higher under similar influences, but a reaction set in eventually and prices were scaled down slightly. Japanese issues and Belgian Three per Cents. also benefited fractionally. French War Loans suffered from heavy liquidation, and lost a large portion of their recent gains. Chilian issues closed with a hardening tendency, and Mexican and Peruvian bonds were easier.

Home Rails developed unexpected activity, the general improvement in sentiment being all the more remarkable in view of the possibilities of the strike movement. After the suspension of the railwaymen's threats, and the reassuring statement of Mr. Thomas, share values improved daily, most of the Heavies finishing higher. The close was firm except for Great Western and Midland Deferred. Underground Electrics continued to improve, but the Ordinary shares eventually fell back almost to opening levels.

Among Foreign rails, the leading Argentine issues appreciated, but transactions were not numerous. A temporary market shortage of stock levered up prices, but an inevitable fall was recorded before the close. Quotations, however, showed better on the whole for the week. Brazilian issues, with the exception of Leopoldina, were slightly lower. Paraguayan Centrals were an item of interest on account of the impending report of the Company. The "D" Debentures were again marked up and closed at 41 before the dividend declaration was received on Thursday. Though full payments were announced no further alteration in prices took place before the close.

In the Industrial section, Iron and Steel shares met with a good inquiry, and a general upward trend in prices was in evidence throughout the week. Towards the close demand fell away, but quotations were fairly well maintained. Textiles also were well supported, and recorded similar improvements. Shipping securities showed few alterations of note, with the exception of P. and O. Deferred, which appreciated substantially. Brewery issues failed to develop any feature of interest, and Motors were equally uninteresting. Bank shares exhibited an improved tendency and finished strong. Insurance prices continued firm, but alterations were few. Among recent issues, Wiggins Teape Debentures and R. and J. Dick Notes again appreciated.

The Oil market opened with an active demand for the leading shares and a corresponding buoyancy in prices. Paris, however, initiated a heavy selling movement early in the week, consequent on the weakness of the French exchange, and effectually prevented any spurt in prices. The Mexican Eagle Company announced that a new well of an estimated daily capacity of 75,000 barrels, had been brought in in the Zacamixtle area. Despite this news, however, prices receded slightly under the weight of Continental liquidation. Shells registered an early improvement, and though weakening later showed better on balance. Kern Rivers were a firm market at 29*s.* 3*d.* on the favourable impression created by the Chairman's speech. Anglo-Egyptian "B's," Scottish-Americans, Burmahs, and Tampicos all showed better. The Steaua Romana (British) shares were introduced on the market on Monday and found a busy market. After an advance to 22*s.* 9*d.*, they later receded slightly.



Mining Topics.

In view of the irregular course of the strike negotiations, the Mining market maintained a decidedly firm tone during the week, and its attitude was justified by the subsequent announcement that an agreement had been reached which the Miners' Federation were prepared to submit for the approval of their members. On Monday the market was sustained by buying orders from the Cape, which were reflected in the upward movements of Brakpan to 3, Spring Mines to 2⅜, and Crown Mines to 2⅝. Geduld constituted a good feature on the favourable report of development work for the September quarter, the shares closing ⅞ to the good at 2⅞. New State Areas were in good demand at 1½, consequent upon the expected news that the south shaft had struck the reef at 3,676 feet, the ore assaying on an average the high value of 89.8 dwt. over 18.9 inches, the dip being returned, however, only at 8 degrees. On the other hand, Village Main Reef reacted to 5*s.* when it became known that, as a result of an earthquake shock, there had been such a heavy collapse in the fifteenth level drive as might necessitate the closing down of the mine. For the rest of the week the unfavourable course of the French exchange restrained activity, shares being marked down in several instances in anticipation of Paris realisations, which, however, did not materialise. New State Areas, however, continued in favour, moving up to 1⅞. Wednesday witnessed reactions in Crown Mines to 2⅞, and in Rand Mines to 2⅛. On the other hand, there was good buying on Cape account of Rand Selections, which marked up ¼ to 3¼. To be in a position to provide the necessary funds to purchase any reduction plant that may be required in the near future, a meeting of Modder East is to be held on December 21 to authorise the creation of (*a*) 122,124 shares of £1, representing those not taken up under options expired in July; (*b*) a number of shares equivalent to those covered by the options expiring in July 1921, which will not have been exercised; and (*c*) a number of shares equivalent to Debentures not converted into shares by July 1921. It is proposed to issue 183,706 shares to shareholders at an early date if these resolutions are approved. A dividend of six and a-quarter per cent. is announced by Wolhuter. Following its satisfactory return for September, Lonely Reef announces that on September 30 its ore reserves reached the satisfactory total of 207,912 tons, averaging 21.39 dwt.

On the whole the quarterly reports presented by the mines for September are of a very satisfactory nature. In the "Johnnies" group the tonnage crushed by Government Areas has increased by 23,000 tons, and working costs, notably owing to the reduction in realisation charges, have fallen from 24*s.* 1*d.* to 21*s.* 4*d.* per ton. The total profit for the quarter amounts to £436,675, as against £315,709. On the other hand, development work was not so satisfactory.

Whilst the payable footage increased from 3,690 to 3,770, the value dropped from 858.6 inch-dwt. to 815.1 inch-dwt. Accordingly, the ore reserves show a drop of over 50,000 tons to 10,944,320 tons. Randfontein Central turns a loss of £55,135 for the June quarter into a profit of £53,769, although owing to the collapse of the Robinson shaft and the closing of sections 8 and 9, the quantity of ore milled was 31,000 tons less. Nevertheless, the gold premium raised the yield from 25*s.* to 28*s.* 2*d.* per ton; whilst the drop in realisation charges caused working costs to decline from 27*s.* 9*d.* to 25*s.* 8*d.* per ton. Development work was most satisfactory. Payable footage increased from 4,755 feet of 424 inch-dwt. to 5,035 feet of 431.3 inch-dwt. Geduld increased its tonnage crushed from 128,500 to 134,100 tons, and the yield per ton rose from 33*s.* 11*d.* to 38*s.* 5*d.* Consequently, despite an increase of 5*d.* per ton in working costs, the profit per ton advanced from 9*s.* 10*d.* to 13*s.* 11*d.* Genuinely satisfactory development results were reported, the payable footage increased to 845 feet, the ore averaging 25 dwt. over 40 inches, as against 23.3 dwt. over 33 inches. Particularly good results were attained in No. 7 level, in which a large tonnage of high-grade ore is now located. Modder Deep records the advantageous profit of £134,235, the profit per ton rising from 27*s.* 7*d.* to 33*s.* 9*d.* Again good development results are reported. Payable footage reaches 1,285 feet, as against 900 feet, the ore assaying 16 dwt. over 57 inches, in contrast with 147 dwt. over 48 inches in the June quarter.

ARAMAYO FRANCKE.

Hitherto the reports of the Aramayo Francke Mines dealt with the year ending May 31. Since the publication of the 1918 report certain laws came into force in Bolivia which rendered it advisable to have the financial year terminating on December 31. Accordingly the report to hand covers the period of nineteen months between May 31, 1918, and December 31, 1919. Consequently, comparison with the results of the previous year is rendered somewhat difficult. As far as the period as a whole is concerned, the working and financial results, which are very satisfactory, have been embodied in the following table in conjunction with those of earlier years:—

	Nineteen Months to Dec. 31, 1919			Year to May 31, 1918		
Total ore treated ...	Tons 31,528			Tons 36,606		
	Production Tons	Sales Tons	Value £	Production Tons	Sales Tons	Value £
Black tin	3,333	1,872	699,639*	1,845	1,607½	180,292
Wolfram concentrates	—	231	14,652	188	210½	38,211
Copper matte ...	—	251½	5,923	—	189	1,323
	Oz.	Oz.	£	Oz.	Oz.	£
Silver sulphide ...	721,952	586,103	136,862	345,618	300,864	54,560
Silver ore	241,718	(40 tons)	18,701	61,845	(124 tons)	35,993
Bismuth		Not stated.			Not stated.	
Profit in Bolivia ...		£667,122			£271,149	

	Years to May 31—					
	1919†	1918	1917	1916	1915	1914
	£	£	£	£	£	£
Net profit ‡	663,905	273,555	206,213	154,415	142,456	124,078
Brought forward ...	84,339	79,677	62,590	9,138	90,365	77,971
Total	748,244	353,050	268,803	163,553	76,120	202,049
Allocations—						
Written off	—	—	—	1,400	2,200	2,000
Debenture redemption	—	—	10,000†	10,000†	20,000†	20,000†
Reserve	—	—	—	—	—	20,000
Dividends paid ...	568,906 (45%)	268,634 (45%)	179,126 (30%)	89,563 (15%)	44,782 (7½%)	59,684 (10%)
Carry-forward ...	179,338	84,339	79,677	62,590	9,138	90,365
Total	748,244	353,050	268,803	163,553	76,120	202,049

* Less value below price of tin not realised as owing to war difficulties.
† Applied to reduction of property account.
‡ Net profit after deduction of debenture interest, office expenses, and income tax. § No dividend paid on business months at 15%.

Dealing with the production and sales of the various metallic ores, the outstanding fact is that generally speaking there has been a satisfactory speeding up of operations. Thus, although the quantity of ore handled was over 5,000 tons less than in the year ended May 31, 1918, the output of black tin reached 3,333 tons, as against 1,845 tons for the previous year. Comparing even the year ended May 31, 1919, with the previous year, the black tin output was 2,100 tons. Here the explanation is furnished by the fact that richer ore was utilised, since the average assay worked out at seven per cent., as compared with 5·5 per cent. in 1918. Again, the production of silver sulphide for the whole period aggregated 721,952 oz., or more than double that secured in the previous year, whilst the output of silver ore jumped up from 61,845 ounces to 241,718 ounces. The latter increase was accumulated mainly in the seven months up to May 31, 1919, when, in view of the high prices ruling for silver, extraction was speeded up to yield no less than 162,223 ounces. Although no definite figures are supplied for the output of bismuth, it is stated [illegible] seventeen tons a year over the previous year. Sales showed almost a similar expansion. The sale of 4,872 tons of black tin constituted the dominant feature, the proceeds of the sales, £699,639, being well over twice the total profit for the previous year. During the year ended May 31, 1919, there were sold 4,149 tons, as against 1,608 tons in 1918, and whilst, notwithstanding the marked rise in price levels, working costs were not unduly increased, the tin was realised at an average price of £148 15*s.* per metric ton, or £36 3*s.* 2*d.* per metric ton more than in 1918. On the other hand, owing to the slump in prices, the 723 tons disposed of in the seven months ended December 31, 1919, only realised an average of £113 19*s.* 9*d.* per metric ton. As regards wolfram, only 135¾ tons were sold in the year ended May 31, but the average price was £16 17*s.* per ton higher than in 1918; whilst sales in the last seven months of the period under review were effected some £15 lower at £185 14*s.* 5*d.* per ton. Next to tin, the expansion in the sale of silver ores was most marked. Some 586,103 ounces of the sulphide ore were disposed of, as against 300,864 ounces in the year ended May 31, 1918; but the proceeds increased more rapidly still from £54,500 to £136,862. For the year ended May 31, 1919, sales covered 362,727 ounces at £77,763, representing an increased price of 7.95*d.* per ounce as compared with 1918. During the seven months ended December 31, 1919, the average price showed a further increase of 13.45*d.* per ounce, in keeping with the pronounced rise in the price of silver, the quantity sold amounting to 223,376 ounces. Similarly, whilst the quantity of silver ore for the whole period was less than one-third of that sold in 1918, the amount of money obtained was over half owing to the great increase in the average price, which realised £473½ a ton in the last seven months of the period, as against £289½ in the year ended May 31, 1918. On the other hand, it appears that proceeds from the sale of bismuth were down £41,009 in the year, as compared with 1918, and that a *pro rata* decline was recorded in the seven months ended December 31, 1919.

Financially the cumulative result of these varied operations was eminently satisfactory. With a general high level of prices prevailing for the metals, it is not surprising to learn that increased sales should produce a total profit of £667,122 for the nineteen months, as compared with £271,149 for the year ended May 31, 1918. Proportionately this is [illegible] represents a pronounced improvement on previous [illegible] forward from the last accounts, there was available [illegible] of £748,244. [illegible] share, or forty-five per cent., or only the same as was paid for the year ended May 31, 1918. [illegible] the [illegible] [illegible] [illegible]

With a view to evading taxation the Company had transferred some time ago the management of its affairs to a local board in Bolivia. But now it appears that the Inland Revenue authorities have decided to assess the firm in the person of the agents. Furthermore, a claim is made by the Public Custodian for some £70,000 to £120,000, representing dividends paid during the War to enemy shareholders out of assets in Germany. Again, some £100,000 is required to defray the full cost of the Telemayu mill, whilst a company carrying stocks of over £530,000 in ores requires all the liquid capital it can command. These are the main reasons enumerated at the meeting for the refusal to declare a final bonus. Taken in conjunction with the uncertain outlook for the current year, in view of the steady relapse in the prices of tin and silver especially, they are sufficiently weighty to justify this decision.

Generally speaking, it is admitted that production during the current year cannot be maintained at the rate set up for the period under review. The limited capacity of the Asllani Mill constitutes the first barrier, but this will be overcome as soon as the new Telemayu plant is in operation. Delivery of this badly needed plant has been held back by the increasing difficulties in securing deliveries of machinery. At the same time, it is evident that the selection of the higher grade ore, as in the period under review, is not advisable in the best interests of the mine, although the remarkable prices ruling for silver during the close of 1919 adequately justified the temporary adoption of such a policy. Again, as regards the Chorolque section, results at greater depths are not coming up to expectations, and the period is approaching when, in view of the high working costs, work in this section will have to be restricted to the principal investigation galleries. Results for the first half of the current year reflect these facts. The black tin output is down by nearly 193 tons, wolfram by 78¾ tons, and bismuth by 81¼ tons, as compared with the same period of 1919. Against these come an increase of 168,480 oz. of silver ore and of 88,082 oz. of silver sulphides. Meanwhile, as already indicated, the price levels, particularly of tin and silver, have dropped severely. Tin, which commanded over £410 a ton in February, now oscillates about £255; whilst silver, which had approached 90*d.* per oz. at the same date, now moves sluggishly around 55*d.* But if the immediate outlook is gloomy, the future prospects are still bright. The satisfactory position of the ore reserves was well summarised by the Chairman. Referring to Chocaya developments, he stated: "We have not been able to penetrate below the depth of 125 metres, which has been the water-level until recently, but our galleries above that depth have doubled our reserves of ore standing in backs, which is calculated at 80,000 tons in veins Colorado and Santa Rosa, assaying on an average 75 oz. per ton of silver and nine per cent. of black tin, besides 15,000 tons of silver ore of similar assay, but without tin, on vein Llampera, the development of which has been comparatively small." Added to this is the strong financial position of the Company, whose current liabilities on December 31, 1919, did not exceed £269,885, even with the inclusion of the 3*s.* bonus, absorbing £89,564, whereas liquid assets in the form of sundry debtors, bills, and cash were available to a total of £365,022. The stocks of metallic ore at cost accounted for £530,583. In view of this position, strengthened by the substantial carry-forward of £479,554, it is not surprising to learn that already two interim dividends of 1*s.* each have been declared, and provision has been made for the declaration of two further dividends of a similar amount. Thus at least twenty per cent. is guaranteed for the current year. Despite the contingent liabilities enumerated above and the present depressed condition of the Metal markets, a final bonus of ten per cent. is by no means out of the question. At the existing market price of 67*s.* 6*d.* the £1 shares afford on the basis of a thirty per cent. dividend a return of nearly nine per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, October 27, 1920.

Issue Department.

Notes Issued	£140,128,765	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,678,765
	£140,128,765		£140,128,765

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£84,517,904
Rest	3,083,804	Other Securities	76,061,229
Public Deposits	16,490,532	Notes	12,540,205
Other Deposits	120,556,572	Gold and Silver Coin	1,520,375
Seven-day and other Bills	11,005		
	£154,639,713		£154,639,713

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months Bills
	£	£	£	£	£	£	£	%	%	%
Oct. 27	127.6	123.2	16.4	120.5	84.5	76.0	14.1	10·3	7	6½
Oct. 20	127.0	123.1	16.5	125.8	81.8	83.8	14.5	10·3	7	6½
Oct. 13	127.1	123.1	18.2	123.9	83.7	81.8	14.4	10·2	7	6⅝
Oct. 6	127.8	123.1	21.2	134.7	83.7	98.0	13.8	8·9	7	6½-⅝
Sept. 29	127.5	123.1	16.1	111.0	21.8	109.3	14.1	11·1	7	6½
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 8%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Oct. 27, 1920	Oct. 29, 1919	Oct. 30, 1918	Oct. 31, 1917	Oct. 28, 1910
Circulation	£127.6	£84.5	£64.2	£42.4	£27.7
Public Deposits	16.4	22.7	29.6	43.8	7.2
Other Deposits	120.5	116.2	134.0	122.4	40.5
Government Securities	84.5	53.8	57.8	159.0	15.0
Other Securities	76.0	80.7	95.4	95.8	24.4
Reserve	14.1	22.1	28.2	32.1	22.0
Ratio to Liabilities	10·3%	15·9%	17·23%	19 30%	46 11%
Coin and Bullion	123·2	88.1	73.9	53.0	31·3
Money:					
Bank of England Rate	7%	5%	5%	5%	5%
Bank of France Rate	8%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅝%	4½-⅝%	3½-⅝%	4½-⅝%	4½-⅝%
Exchanges:					
Paris Cheque	54 12	36·95	26·05½	27·39	25·29
New York 60 days	3 43½	4·13½	4·73	4·72	4 82·50
Bombay Telegraphic Transfers	1/7⅛	1/11⅛	1/5⅝	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	44⅞	51⅝	60¼	55¼	73⅛
French Rentes 3% Money	56·20	60·17½	62·00	61·00	93·87
Silver, London spot per oz.	52½d.	65¼d.	49¼d.	45¾d.	25½d.
Wheat, *Gazette* average qr.	90/8	73/0	72/5	70/10	30/4
Cotton, Mid Upland lb.	19·21d.	24·30d.	21·02d.	21·82d.	14·75d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	55/10½

CURRENCY NOTE ISSUE.

	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
Week to	£	£	£	£	£	%
Oct. 27, '20	7,439,341	7,437,935	352,796,058	28,500,000	18,750,000	13·4
Oct. 20, '20	7,033,035	7,544,276	352,794,852	28,500,000	18,750,000	13·4
Oct. 29, '19	7,088,458	7,375,698	338,577,525	28,500,000	—	8·5
Oct. 30, '18	6,741,191	4,495,889	287,585,088	28,500,000	—	9·9
Oct. 31, '17	6,235,774	4,240,316	187,209,633	28,500,000	—	15·2
Nov. 1, '16	5,979,635	4,110,997	137,188,199	28,500,000	—	20·7

Balance Sheet, October 27, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	276,985,052	Other Bankers ...	—
Ten Shilling	41,921,006	Trustee Savings Banks	—
Certificates outstanding ...	33,890,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	352,796,058	Bank of England Notes...	18,750,000
Notes called in but not yet cancelled	3,075,926	Government Securities ...	324,798,395
Investments Reserve A/c ...	16,445,584	Balance at Bank of England	269,173
Total	372,317,568	Total	372,317,568

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920- Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.— Dr.	Cr.	Net +	Cash Balance
Oct. 23	£27,649	£20,029	£7,620	£150,221	£158,138	+£7,917	£4,088
Oct. 16	38,112	9,434	28,678‡	171,096	196,495	25,399	4,386
Oct. 9(a)	26,701	36,459	9,748	192,430	183,203	— 9,227	3,087
206days.'20-21	709,782	607,594	*102,168‡*	3,180,737	3,272,274	+111,537	— 5,301
208days'19-20	520,518	832,163	311,645	3,832,904	3,529,573	+303,331	— 8,312
Yr. '20-21*	1,418,300	1,184,102	*234,198‡*	—	—	—234,198	—
Yr '19-20	1,339,571	1,865,773	326,202	6,092,709	5,766,507	326,202	8,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,048	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,618,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

	Revenue				Expenditure		
1920. Week to	Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Int., &c., on Debt	Misc. Expend.	Supply Services.
Oct. 23	£15,678	£1,903	£4,015	£6,503	£3,662	£1,032	£15,335
Oct. 16	6,434	3,623	4,038	22,019	4,018	310	5,100
Oct. 9(a)	6,041	5,416	5,737	9,507	27,737	510	8,212
206days'20-21	184,833	137,477	123,188	264,454	200,404	11,553	395,837
208days'19-20	146,177	119,179	149,216	105,946	201,846	6,541	623,798
Yr. '20-21*	348,650	285,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,089	290,045	407,404	332,034	16,171	1,317,568
Yr. '18-19	162,220	291,188	285,028	150,587	289,984	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,988

FLOATING DEBT.	[000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Oct.	23, 1920 ...	£1,076,004	£242,264	£1,318,268	£11,644
Oct.	16, 1920 ...	1,072,804	247,614	1,320,418	11,479
Oct.	9(a), 1920 ...	1,078,639	211,364	1,290,003	11,314
Sept.	30§, 1920 ...	1,138,794	143,114	1,281,908	11,144
June	30, 1919 ...	786,160	774,237	1,570,387†	—

* Budget estimates. † Highest. ‡ Excess of revenue. (a) 8 days.

FOREIGN BANKS ‡

[In £'s Sterling—000's omitted.

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10.977	£833	£11,810	£41,925	£51,800	£4,283
Oct. 14, '20 ...	10.660	1.079	11.738	22.407	231.237	53.613
Oct. 21, '20 ...	10.660	1.083	11.743	23.312	230.331	53.373

	Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA.*						
Sept. 30, '20...	£386.714	£88.923	£44.413	£91.963	£420.593	£49.849
Oct. 7, '20...	398.930	88.372	50.582	94.749	428 949	52.133
Oct. 15, '20...	398.630	88.261	60.555	95.135	430.491	53.144

	Gold	Silver	Total	Discounts	Balances Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£8,197	£788	£8,893	£47
Aug. 31, '20 ...	12.643	145	12.789	16.029	1.469	30.124	2.931
Sept. 30, '20 ...	12.644	145	12.789	14.703	1.629	30.031	2.831
Sept. 30, '19 ...	10.416	179	10.595	7.925	2.009	25.701	3.749
Sept. 30, '18 ...	10.455	140	10.595	3.613	3.531	22.357	763

	Gold—In Bank	Gold—Abroad	Total Cash	Incl'e Silver	Treasury & Loans & Bills	Circulation	Deposits—Public	Deposits—Private
FRANCE.								
July 30, '14 ...	—£185.654—		£190.687	£97.788	£287.327	£15.302	£37.903	
Oct. 21, '20 ...	141.436	77.935	229.920	98.802	1.571.587	3.309	128.018	
Oct. 28, '20 ...	141.494	77.936	229.993	109.598	1.563.378	6.399	132.650	
Oct. 30, '19 ...	143.888	79.131	234.534	45.928	1.473.952	2.536	124.276	
Oct. 31, '18*...	138.247	81.484	230.538	35.083	1.231.282	7.038	115.046	

	Gold	Silver	Total	Other Notes	Treasury & Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£87.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.198
Oct. 7, '20...	54.579	360	54.939	997.781	2.444.940	3.103.925	659.671
Oct. 15, '20...	54.579	350	54.929	1.021.745	2.584.645	3.106.438	833.765
Oct. 15, '19...	54.758	873	55.729	454.185	1.626.111	1.499.348	553.183
Oct. 15, '18...	127.464	5.882	133.146	140.293	951.401	833.951	474.199

	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13.496	£249	£13.745	£13.422	£10.332	£35.880	£1,437
Oct. 4, '20 ...	53.028	1.501	54.529	13.739	27.275	88.920	9.284
Oct. 11, '20 ...	53.028	1.522	54.500	13.925	27.882	88.679	8.999
Oct. 11, '19 ...	52.514	389	52.903	14.800	19.133	84.618	5.398
Oct. 12, '18 ...	52.960	672	53.632	10.581	9.759	81.933	6.019

	Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	—	£48.458—	£25.017	£89.204	£3.887
Aug. 20, '20 ...	£32.191	£2.998	35.189	12.686	197.674	552.205	72.354
Aug. 31, '20 ...	[32.191	2.999	35.190	13.821	200.923	559.390	72.513
Aug. 30, '19 ...	32.216	2.980	35.196	22.663	68.776	414.032	65.864
Aug. 31, '18 ...	32.729	3.070	35.799	6.542	54.193	322.065	58.348

	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
JAPAN.						
Aug. 1, '14 ...	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
Aug. 21, '20 ...	103.012	17.835	26.214	108.553	117.084	5.086
Sept. 18, '20 ...	104.791	13.139	14.625	103.956	1104.412	5.587
Sept 20, '19 ...	76.380	8.738	32.241	101.820	107.549	5.042
Sept. 21, '18 ...	67.923	4.816	43.529	88.512	94.198	3.254

	Cash On Hand	Own Vaults	Aggregate Reserve	Loans, Discts, &c. Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14 ...	—		£89.888	£411.238	—	—	£387.185	£1,720
Oct. 16, '20 ...	£18.114†		114.690	1.087.228	£840.376	£58.534	923.854	3.172
Oct. 23, '20 ...	18.040†		113.122	1.089.172	837.490	57.324	912.834	2.026
Oct. 25, '19 ...	19.852†		119.408	1.070.940	844.542	54.904	953.774	7.950
Oct. 26, '18 ...	21.632†		115.950	944.524	785.502	29.436	851.326	14.883

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2.860	£1.678	£493	£4.868	£8,752	£797
Sept. 22, '20 ...	8.119	2.894	578	24.858	25.405	6.128
Sept. 30, '20 ...	8.119	2.711	578	25.718	26.314	8.115
Sept. 30, '19 ...	8.162	4.342	676	18.193	23.977	3.074

	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
PORTUGAL.						
June 2, '20 ...	£1.908	£3.921	£5.827	£20.406	£93.436	£10.635
June 9, '20 ...	1.908	3.921	5.827	22.587	94.858	8.858
June 11, '19 ...	1.905	3.935	5.840	8.198	85.038	3.474
June 12, '18 ...	1.905	3.475	5.380	8.822	48.378	2.186

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
July 10, '20 ...	£85.209	£18.897	£3.602	£23.499	£193.812
July 17, '20 ...	85.398	20.778	3.895	24.393	195.175
July 24, '20 ...	86.008	19.445	3.459	22.904	197.458
July 26, '19 ...	43.806	10.132	2.149	13.281	127.750

	Gold—In Bank	Gold—Abroad	Total Cash	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 31, '14...	£160.114	£14.395	£181.892	£76.091	£163.411	£5.589	£199.911
Oct. 29, '17...	129.523	230.865	378.205	1.869.559	1.836.217	15.783	345.550

	Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21.804	£59.197	£80.991	£40.572	£13.778	£77.557	£18.955
Oct. 16, '20 ...	98.135	£3.194	121.349	94.031	13.779	168.433	36.368
Oct. 23, '20 ...	98.149	23.471	121.420	92.419	13.779	168.431	39.991
Oct. 25, '19 ...	96.811	25.319	122.130	89.095	13.778	151.829	38.214
Oct. 26, '18 ...	88.228	25.945	114.173	57.238	13 777	124.352	47.521

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5.717	£6.150	£1.555	£7.495	£13.432	£3.903
Oct. 16, '20 ...	15.631	4.520	2.488	33.031	40.890	9.827
Oct. 23, '20 ...	15.690	5.121	2.488	31.932	39.637	9.980
Oct. 25, '19 ...	16.653	7.497	2.881	21.051	38.211	8.837
Oct. 26, '18 ...	15.141	7.886	5.881	17.870	40.405	5.238

	Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 31, '14 ...	£7.202	£7.758	£7.960	£4.811	£10.716	£2.028
Oct. 15, '20 ...	21.629	4.053	25.682	13.171	31.116	3.382
Oct. 23, '20 ...	21.631	4.108	25.739	14.962	37.821	4.842
Oct. 23, '19 ...	18.912	2.468	21.380	18.558	36.621	5.284
Oct. 23, '18 ...	15.246	2.402	17.449	19.612	33.060	5.015

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold—Held by Banks	Gold—With Agents	Total	Bills Discounted	Bills Accepted	Deposits—Total	Deposits—Circulation
Oct. 18/20 ...	—393.420 —		£430.932	£554.771	£83.904	£2.786	£332.828	5670 654
Oct. 25/20 ...	—393.922 —		431.434	483.356	61.134	5.004	324.891	671.240
Oct. 25/19 ...	169.378	259.944	442.914	416.423	73.779	16.796	362.528	560.692
Oct. 25/18 ...	159.636	249.390	419.634	399.232	79.724	15.644	344.780	501.582

II.—CURRENT BANK RATES OF DISCOUNT.

		Date Fixed.		Date Fixed.	
Amsterdam ...	4½	July 1/15	Lisbon ...	5½	Dec. 15/14
Berlin ...	5	Dec. 23/14	Madrid ...	5	Nov. 10/19
Buenos Ayres ...	5	Aug. 21/19	Paris ...	6	Aug. 8/20
Bombay ...	5	Apr. 29/20	Petrograd ...	6	Aug. 28/14
Brussels ...	5½	Apr. 28/20	Rome ...	6	May 12/20
Calcutta ...	5	June 5/19	San Salvador ...	7½	Sept. 16/20
Christiania ...	7	June 25/20	Tokio ...	8 03	Nov. 19/19
Copenhagen ...	7	Apr. 16/20	Vienna ...	5	Apr. 12/15

III.—FOREIGN EXCHANGES.

LONDON ON —	Oct. 29, '20	Oct. 22, '20	Oct. 15, '20	Oct. 8, '20
Berlin ..... Cable	263/32	242m.	241/32	222m.
Brussels ..... do.	51fr. 32c.	50fr. 40c.	50fr. 57c.	49fr. 82c.
Denmark ..... Cable	25kr. 12	24kr. 80	25kr. 10	25kr. 02
Holland ..... do.	11fl. 34c.	11fl. 22c.	11fl. 25c.	11fl. 28c.
Italy ..... do.	92.50	91.50	88.60	88.50
Lisbon and Oporto ... do.	104.	104.	104.	104.
New York ..... do.	$3 46	$3 44	$3 47	$3 51
— ..... Cheques	$3 48	$3 45	$3 48	$3 52
Norway ..... Cable	25kr. 75	25kr. 10	25kr. 40	25kr. 17
Paris ..... 3 mos.	55fr. 05c.	53fr. 97c.	54fr. 00c	53fr. 20c.
— ..... Cable	54fr. 30c.	53fr. 22c.	53fr. 25c.	52fr. 45c.
Spain (Bank places) ... 3 mos.	46¼	48¼	48¼	48¼
— ..... Cable	22fr. 05	24p. 32	24p. 16	23p. 87
Sweden ..... do.	17kr. 90	17kr. 65	17kr. 93	17kr. 60
Switzerland ..... 3 mos.	22fr. 55c.	22fr. 31c.	22fr. 36c.	22fr. 38c.
— ..... Cable	22fr. 05c	21fr. 81c.	21fr. 86c.	21fr. 87c.

ON LONDON —	Oct. 29, '20	Oct. 22, '20	Oct. 15, '20	Oct.
Alexandria ..... Sight	97¼m.	97¼m.	97¼m.	97¼m.
Amsterdam ..... Cheques	11fl. 35c.	11fl. 21c.	11fl. 26c.	12 107/8
Athens ..... Cable	34fr. 16	34fr. 60	35fr. 90	25fr. 22½
Bombay ..... Transfers	1s. 7 3-16d.	1s. 7 3-16d.	1s. 8d.	2s.*
Brussels ..... Cheques	51f. 17c.	50f. 37c.	50f. 50c.	25f. 22½c.
Buenos Ayres ..... Transfers	55½	55½	56⅛	47 5/8d.
Calcutta ..... do.	1s. 7 3/16d.	1s. 7 3/16d.	1s. 8d.	2s.*
Christiania ..... Sight	25kr. 69	25kr. 06	25kr. 48	18-159kr.
Copenhagen ..... do.	25kr. 45	24kr. 80	25kr. 11	18-159kr.
Helsingfors ..... Cable	155m.	144m.	136m.	25m. 22½
Hong Kong ..... Transfers	3s. 11d.	3s. 11 1/16d.	4s. 0d.	—
Italy ..... Sight	92fr. 55c.	91fr. 75c.	88fr. 75c.	25fr. 22½c.
Lisbon ..... do.	9[illegible]d.	10[illegible]d.	10[illegible]d.	53[illegible]d.
Madras ..... do.	1s. 7 3/16d.	1s. 7 3/16d.	1s. 8d.	2s.*
Montreal ..... Cable	24p. 99	24p. 40	24p. 15	25p. 22½
Montevideo ..... Transfers	56[illegible]d.	56[illegible]d.	53[illegible]d.	51d.
Montreal ..... Cable	$3 83½	$3 81½	$3 83	$4 86½
New York ..... Sight	$3 46½	$3 44½	$3 49	—
— ..... 60 Days	$3 43 50	$3 42½	$3 46	
— ..... Cable	$3 47½	$3 45	$3 49½	$4 86½
Paris ..... Cheques	54f. 12c.	53f. 20c.	52f. 22c.	25f. 22½c.
Rio de Janeiro ..... 90 Days	12[illegible]d.	12d.	10[illegible]d.	16d.
Shanghai ..... Transfers	5s. 2[illegible]d.	5s. 3[illegible]d.	5s. 4[illegible]d.	—
Singapore ..... Sight	2s. 3[illegible]d.	2s. 3[illegible]d.	2s. 3[illegible]d.	—
Stockholm ..... do.	17kr. 89	17kr. 66	17kr. 67	18-159kr.
Switzerland ..... do.	22fr. 00c.	21fr. 81c.	21fr. 86c.	25f. 22½c.
Valparaiso ..... 90 Days	10[illegible]d.	10[illegible]d.	10[illegible]d.	18d.
Yokohama ..... Sight	2s. 11[illegible]d.	2s. 11[illegible]d.	2s. 11d.	24 5/8d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON —	Oct. 29, '20	Oct. 22, '20	Par as usually Quoted	Rate July 3
Amsterdam, sicht ...	39 45/100	39 75/100	40 20c. per guilder	40 25c.
Bombay, cheques ...	28 50/100	28 00/100	48 66c. for 1 rupee	33 00c.
Buenos Ayres, cheques ...	126 20	127 00		
Christiania, cheques ...	13 65/100	13 65/100	26 80c. for 1 kroner	
Copenhagen, cheques ...	13 85/100	13 95/100	26 80c. for 1 kroner	26 85c.
Greece, cheques ...	9 65/100	9 90/100	19.295c. for 1 drachma	
Honduras, cheques ...	63 00/100	67 50/100	74 59/100 for Mex. $1	46 4/100
Italy, sicht ...	26 82/100	26 45/100	5 181/2 fre for $1	5 17/100
Lima, cheques ...	4 55/100	4 80/100	4 8665 $ for 1 libra	
Manila, cheques ...	46 70/100	46 70/100	50c. for 1 peso	49 8/100
Montreal ...	9 65/100 disc.	9 50/100 disc.	Premium per $100	Par
Paris, sicht ...	15 84/100	15 38/100	5 181/2 francs for $1	5 16/100
Rio de Janeiro, cheques ...	5 80/100	6 15/100	3 082 milreis for $1	
Shanghai, cheques ...	92 00/100	90 00/100	52 96 c. for 1 tael	83 00c.
Singapore, cheques ...	42 00/100	43 00/100	56 77c. for 1 tael	57 12c.
Spain, cheques ...	13 62/100	14 20/100	19 30c. for 1 peseta	
Stockholm, cheques ...	19 30/100	19 70/100	26 80 c. for 1 kroner	
Switzerland, cheques ...	6 36/100	6 34/100	5 181/2 francs for $1	5 18/100
Valparaiso, cheques ...	18 00/100	19 00/100	20 61c. for 1 peso	
Yokohama, cheques ...	50 625/100	50 70/100	49 84c. for 1 yen	49 90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1920 Aggr.	Inc. or Dec.*
	1920	[Last 3 figures (000's omitted.)]			%
BIRMINGHAM ...	Oct. 23	£2,896	+ £242	£156.870	+ 37 3
BRISTOL ...	,, 23	1.726	— 76	74.314	— 2.37
DUBLIN ...	,, 23	8.756	+ 1.097	370.761	+ 19 8
LEEDS ...	,, 23	1.361	— 184	74.879	+ 20.826	+ 38 7
LEICESTER ...	,, 23	979	17	53.863	13.940	— 31 6
LIVERPOOL ...	,, 23	16.734	+ 2.530	700.592	+ 184.464	+ 35 7
MANCHESTER ...	,, 23	21.796	+ 543	1.263.947	+ 564.878	+ 80 2
NEWCASTLE ...	,, 23	2.633	+ 22	132.006	+ 40.718	+ 44 7
NOTTINGHAM ...	,, 23	877	+ 174	47.872	+ 17.706	+ 58 7
SHEFFIELD ...	,, 23	1.241	+ 345	70.671	+ 18.868	+ 39 1
LONDON —	1920					
TOWN ...	Oct. 27	574.270	+ 68.900	27.334.313	+ 9.031.769	+ 50 1
METROPOLITAN ...	,, 27	37.790	— 102	1.752.534	— 382.695	+ 19 2
COUNTRY ...	,, 27	71.853	+ 4.323	3.408.681	+ 670.678	+ 24 9
TOTAL ...	,, 27	633 918	+ 71.121	32.396.558	+ 10.005.17[illegible]	+ 45 0

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1920 Oct. 29	1920 Oct. 22	1913 Oct. 31	Homewards.	1920	1920	1913
Alex. to U.K.	35 0	35 0	31 6		Oct. 29	Oct. 22	Oct. 31
Aust. to U.K.	150 0	150 0	31 6		[illegible]	[illegible]	2 0†
Bombay to U.K.	18 0	18 0			[illegible]	[illegible]	1 3 9*
Bombay to p.p.	32 6	32 6	17 6				
Burmah to U.K.	110 0	110 6	2 1 3	OUTWARDS.			
Calcuttatop.p.(jute)	—	—	—				
Danube to U.K.	65 0	65 0	1 7 6				17s.
R. Plate to U.K.	95 0	95 0	1. 7s				35

* Per ton. [illegible] 15 6 [illegible] † Per quarter.

VI.—WHOLESALE PRICES OF COMMODITIES.

	OCT. 29, 1920.	OCT. 31, 1919	JUNE 30, 1914
METALS, MINERALS, &c			
Iron—Scotch pig warrants ...ton	231/0	166/0	57/0
— Middlesbro' warrants ...ton	225/0	160/0	51/0
— Hematite warrants ...ton	260/0	205/0	61/0
— Staffordshire bars, London ton	£23 10	£95	£8 10
— Common bars ...ton	£30 10	£99	£8 16
Steel Rails ...ton	£98	£18 10	£6 17 6
Galvanised Sheets ...ton	£40—£41	£95—£33	£16 17/0
Copper—Standard ...ton	£89 £100 10-£100 15		£68
Tin—English Ingots ...ton	£270	£273	£142 15
— Straits ...ton	£264 £265	£275 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	47/0—47/6	42/6—43/0	11/101—12/0
Lead—Soft Foreign ...ton	£35 15—£36 5	£31 2/6-£31 7/6	£19
Spelter—Ord. Foreign ...ton	£39—£39 15	£45 10—£45 15	£21 7/6
Quicksilver—(75lb.) ...bottle	£15—£15 10	£17 10	£7
Aluminium ...Standard ...ton	£1.85 home	£150	£82
Antimony—Regulus Foreign ...ton	£43—£45	£46	£27 10
— English ...ton	£62—£65	£47 10	—
Coal—(best) Yorkshire ...ton	37/2—38/2	29/6—30/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
Nitrate of Soda—f.o.b. Chile, refined ...cwt.	14/0	9/8	7/4
Soda—Crystals ex wharf ...ton	140/0	129/0—130/0	42/6—45/0
Caustic—Solid, 76 per cent. ...ton	£56 5	£55 10	£23 15—£24 7/6
Gambier ...Good marks ...cwt.	41/0	51/0	16/10/4
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/6—10/6	3/9—3/8
Linseed Oil—Raw ...ton	£71	£91	£25 5
Linseed—Calcutta, spot ...ton	£36 10	£42 10	£13 16/9
— Cakes, U.K. made, ex mill ...ton	£22 5—£23	£24	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£56	£83 10	£31 10
Petroleum—American ...gallon	2/3½	1/6½	7½d.
Rape Oil—Refined English ...ton	£92	£108	£32
Soya Oil—Refined ...ton	£80	£81	£24 10
Tallow—Imported ...cwt.	69/0—83/0	90/0—100/0	29/3—33/3
Turpentine—American ...cwt.	128/0	128/0	33/7½
Rape Seed—Toria ...ton	£34	£37	£13
Rubber—Para, spot ...lb.	1/6	2/6	2/9½
— Fine plantation (std. crepe) ...lb.	1/3½	2/5	2/2
— World's Production* Aug. ...tons	24,970	26,670	8,467
Shellac—T.N. Orange, fair ...cwt.	560/0... 465/0—470/0		63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	19·21d.	24·90d.	7·53d.
— Egyptian, good fair ...lb.	28·50d.	34·30d.	9·75d.
— Pernambuco fair ...lb.	17·96d.	29·48d.	9·73d.
— Midland Upl. New York ...lb.	22·60c.	38·35c.	13·25c.
— Stock, Liverpool (Oct. 22) bales	817,010	685,420	934,800
Flax—Petrograd, Yarapol ...ton	—	nom.	£28
Hemp—New Zealand ...ton	£256	£45	£25 10
— Manilla, Fair ...ton	£86	£48	£26 10
Jute—First Marks ...ton	£81	£77	£26 15
— Red SCO ...ton	£82	—	£23 15
Silk—Common, New Style ...lb.	35/0	32/0	12/0—12/8
Wool—Philip unwashed av. ...lb.	3/9	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7	nom.	1/0½
Hides—Eng. Ox, best, 70 lb. up lb.	12½d.	12½d.—13d.	7½d.
Leather—Dressing Hides ...lb.	3/0—3/6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bns.	34,411,000	95,364,000	34,640,000
— Red, price, N.Y. 60lb...bushel	236½c.	237½c.	67½c.
—English Gazette, aver. 480lb. qr.	50/6	73/0	34/3
Flour—G.B. ...280lb.	86/0	44/3	28/8
Barley—Eng. Gaz., aver. 400lb. qr.	90/11	95/1	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	54/9	57/5	20/0
Maize—N.Y. (new bushel)....56lb.	114⅜	155½c.	76½c.
— Amer. mixed, Liverpool...480lb.	65/3	nom.	32/4
— La Plata ...480lb. qr.	58/0	65/0	25/9
Potatoes—Good English ...ton	200/0	207/0	70/0—75/0
Rice—Bassein ...cwt.	44/0	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0—40/0	40/0	14/0—17/8
Hay—best ...2.01lb.	—	—	82/6
Hops—English ...cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/8	9/0	3/8—3/10
— Scotch sides ...8lb.	10/8	10/0	4/6—5/0
— English ...8lb.	10/8	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	14/4	10/8	5/0—5/4
— English wethers ...8lb.	14/4	10/6	4/6—5/4
— New Zealand frozen ...8lb.	4/0—8/0	8/6	2/4—3/2
Pork—English and Irish ...8lb.	18/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†265/0	190/6	60/0—74/0
— Danish ...cwt.	†208/0	†187/0	58/0—68/0
— Canadian, ex Port ...cwt.	†203/0	†187/0	—
— American ex Port ...cwt.	†185/6—†187/6	†187/0	72/0—74/0
Hams—Amer. long cut, ex Port ...cwt.	†218/0	†190/0	75/0—79/0
— — short cut, ex Port ...cwt.	†218/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†156/6	†198/6	51/9—52/9
Butter—Danish ...cwt.	†336/0	†252/0	117/0—120/0
— French ...cwt.	†336/0	†252/0	96/0—108/0
— Australian ...cwt.	†336/0	†252/0	98/0—110/0
— New Zealand ...cwt.	†336/0	†252/0	108/0—114/0
Cheese—Canadian ...cwt.	†158/0—162/0	†144/6	68/0—68/0
— United States ...cwt.	—	†144/6	—
— Dutch ...cwt.	† 168/0—230/0	†144/6	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Sept. 30...cwt.	20,677,247	23,676,986	19,777,254
— Home consump'n to Sept. 30 ...cwt.	18,062,772	22,909,836	17,272,000
— In Bond Sept. 30 ...cwt.	6,972,000	6,582,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	50/0	38/0	13/3
— — Yellow crystals ...cwt.	112/0	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	116/0	64/9	18/0
Coffee—Imports to Sept. 30...cwt.	847,286	943,758	720,360
— Home consumpt'n to Sept. 30 ...cwt.	230,320	238,214	141,410
— Exports to Sept. 30 ...cwt.	352,389	489,866	340,250
— In Bond Sept. 30 ...cwt.	781,000	627,000	484,000
— Price, Costa Rica g.o. to fine ...cwt.	128/0—160/0	145/0—155/0	80/0—80/0
— — Brazil (Santos) Good ...cwt.	75/4 — 80/0	65/9	41/6
Tea—Imports to Sept. 30...lb.	325,338,964	335,404,881	123,230,277
— Home consump'n to Sept. 30 lb.	284,327,931	292,569,378	155,447,972
— Exports to Sept. 30...lb.	30,939,007	21,809,732	26,561,765
— In Bond Sept. 30...lb.	220,792,000	142,959,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	51d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	51d.	1/4	8½d.
— — Common Congou ...lb.	8d. nom.	1/4	5½d.
Cocoa—In Bond Sept. 30 ...cwt.	1,450,000	856,000	309,000
— Grenada, good to fine ...cwt.	70/0—75/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Aug.	$17,995,000	+ 2,711,000	$2,201,000	— $1,577,000
	8 mos. to Aug.	127,428,000	+ 2070,000	15,249,000	— 3,712,000
Grand Trunk	Aug.	£1,595,400	+ £214,600	£306,300	— £38,100
	8 mos. to Aug.	10,033,500	+ 1,337,100	531,800	— 382,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

** *No traffic statements are now published by the Home Railways. On* **August 5, 1914**, *the Government assumed control of the railways of Great Britain under warrant, terminable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from* January 1, 1917.

	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
INDIAN.							
Assam Bengal	Sept. 18	1,044	R2,40,004	— 21,960	24	49,03,030	+ 2,55,286
Barsi Light	Sept. 30	118	22,100	+ 2,300	26	7,67,200	+ 83,000
Bengal & N.W.	Sept. 18	2,067	3,75,080	— 7,818	24	1,17,47,160	— 1,26,912
Beng. Dooars	Sept. 18	158	26,044	+ 1,080	24	8,91,107	+ 12,391
Beng. Nagpur	Sept. 30	2,695	19,51,000	+ 2,52,000	26	3,12,67,287	— 15,06,227
Bomb. Baroda	Oct. 16	2,871	19,19,000	+ 4,24,000	2	41,77,000	+ 7,80,000
Burma	Sept. 18	1,342	4,65,779	— 11,372	24	1,26,74,665	— 1,53,219
Del Um. Kalk.	Oct. 16	239	1,12,000	+ 27,887	2	2,34,487	+ 49,179
East Indian	Oct. 23	2,772	27,81,000	+ 3,61,000	4	94,84,000	+ 13,15,000
Gt. Indian Pen	Oct. 16	3,121½	23,67,400	+ 2,77,900	2	51,94,100	+ 8,37,000
Madras & S.M.	Sept. 30	3,152	19,30,000	+ 38,080	26	3,28,87,206	+ 2,91,312
Nizam's Guar.	Sept. 18	900	3,69,986	+ 64,528	24	74,93,135	+ 1,70,780
Rohi. & Kumn.	Sept. 18	576	84,807	+ 17,397	24	28,12,681	+ 2,46,732
South Indian	Sept. 18	1,852½	7,65,774	+ 28,818	24	1,99,06,588	+ 8,55,481
South Punjab	June	716	7,98,284	— 17,427	3m	25,41,939	+ 4,68,948
COLONIAL							
Can. Northern	Oct. 21	9,704	$1,808,800	+ 527,100	41	48,107,523	+ 8,521,824
Can. Pacific	Oct. 21	13,388	5,983,000	+ 1,742,000	41	164,159,000	+ 27,684,000
Grand Trunk	Oct. 21	3,618	£421,39	+ 115,842	41	12,918,316	+ 1,813,240
Mashonaland	June	810	91,152	+ 21,431	9m	662,619	+ 178,922
Mid. W. Aust.	July	277	9,036	+ 1,469	1m	—	—
N.w.CapeCent.	Oct. 2	205	3,085	+ 615	40	118,058	+ 19,172
Rhodesia Rlys.	July	1,397	141,931	+ 36,354	10m	1,115,001	+ 237,098
Temiscouata	June	—	$35,369	+ 6,147	6m	187,427	+ 11,302
W. Pass. & Yuk	Dec.	122	1,568,626	+ 124,546	12m	1,368,626	+ 124,548
FOREIGN.							
Argentine.							
Arg. N. East	Oct. 16	752	£11,800	— 1,800	16	195,400	+ 5,400
Arg. Transand.	Oct. 23	111	£ 2,778	+ 198	17	33,070	+ 19,414
B. A. & Pacific	Oct. 23	3,536	£ 105,000	— 45,000	17	2,168,000	+ 247,000
B.A.G. South	Oct. 16	3,792	£ 137,000	— 48,000	16	2,229,000	— 397,000
Do.	Net		£ 12,000	— 57,000	16	242,000	— 583,000
B. A. Western	Oct. 23	1,882	£ 88,000	— 37,000	17	1,198,000	— 433,000
Do.	Net		£ —	— 43,000	17	134,000	— 41,000
B. A. Central	Sept.	190	£ 52,478	+ 6,728	3m	163,275	+ 24,871
Cent. Argent.	Oct. 23	3,305	£ 206,000	+ 19,00	17	3,356,000	+ 684,000
Cord. Central	Oct. 23	1,205	£ 55,400	— 8,300	17	964,800	— 62,200
Entre Rios	Oct. 16	811	£ 21,500	— 500	16	340,500	— 2,000
Brazilian.							
BrasilGt.South	Sept.	110	M 40,750	— 7,750	9m	413,700	— 31,221
Brazil Railway	Dec.	3,530	M 4,858,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil	Oct. 23	1,010	£ 20,700	+ 2,800	42	893,700	+ 115,000
Leopoldina	Oct. 16	1,831	£ 45,482	— 6,766	41	2,183,824	+ 495,983
Mineira	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 3,474,851
Paulista	Dec.	768	M 2,850,000	— 906,030	12m	32,479,000	+ 1,325,892
San Paulo	Oct. 24	1534	£ 64,931	+ 21,191	42	1,974,903	+ 513,034
Sorocabana	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,688
S.of Bahia S.W.	Sept.	52	M 154,000	+ 23,000	9m	810,000	+ 117,000
Chilean and Peruvian.							
Antofagasta	Oct. 24	838	£ 45,925	+ 13,305	42	1,975,890	+ 890,105
Arauco	June	84½	£ 12,000	+ 600	26	76,000	+ 10,700
Nitrate(2 Oc.)	Oct. 15	390	£ 25,728	+ 2,428	38	776,139	+ 423,355
Peruvian Corp.	Sept.	1,140	S 1,187,300	+ 204,550	3m	3,511,445	+ 303,881
Taltal	Sept.	180	£ 86 3	+ 10,546	3m	88,898	+ 53,581
Cuban.							
Cuban Central	Oct. 23	382	£ 18,857	+ 1,461	17	370,496	+ 85,018
Havana Cent.	Oct. 16	70	£ 13,859	+ 3,463	16	201,391	+ 43,058
U. of Havana	Oct. 23	681	£ 55,796	+ 1,318	17	1,099,481	+ 171,481
W. of Havana	Oct. 16	155	£ 8,523	+ 402	16	179,574	+ 38,854
Uruguayan.							
Cent. Uruguay	Oct. 16	273	£ 18,268	— 4,630	16	291,680	— 26,999
" (E. Ext.)	Oct. 16	311	£ 4,478	— 1,943	16	73,127	— 2,411
" (N. Ext.)	Oct. 16	185	£ 2,703	— 1,593	16	43,786	— 13,905
" (W. Ext.)	Oct. 16	211	£ 2,600	+ 113	16	36,785	— 1,124
Mid. Uruguay	Sept.	319	£ 16,383	— 3,869	3m	51,098	— 5,762
N.W. Uruguay	Sept.	113	£ 5,531	— 1,257	3m	17,23	— 2,070
Urug. Northn.	Sept.	73	£ 1,745	— 377	3m	5,973	— 198
Miscellaneous							
Alcoy & Gandia	Oct. 23	33	Pa. 12,000	+ 2,000	42	544,800	+ 123,208
Bilbao	Sept.	15	£ 2,440	— 214	9m	29,623	+ 8,401
Bolivar	Sept.	136	£ 7,142	— 1,648	9m	93,088	— 10,339
Colomb. Natnl.	Aug.	86	£ 23,000	+ 5,520	8m	152,416	+ 43,756
Costa Rica	Aug.	189	£ 24,837	+ 1,437	8m	53,747	+ 11,721
Dorada Ext.	Aug.	70	£ 17,750	+ 3,850	8m	135,928	+ 48,378
Egyptian Delta	Sept. 30	559½	£ 18,116	+ 3,866	26	237,288	+ 105,243
Gt. S. of Spain	Oct. 16	104	Pa. 54,235	— 71,578	42	3,878,209	— 810,865
La Guaira&Ca.	Sept.	22¾	£ 14,550	+ 4,490	9m	127,100	+ 50,900
Ottoman Ry.	Oct. 9	379	£ 19,129	—	—	—	—
Paraguay Cent.	Oct. 18	274	£ 4,620	— 1,500	16	80,890	— 5,571
Puerto Cabello	Sept.	34	£ 4,000	—	9m	48,000	+ 7,875
Salvador	Oct. 23	100	£ 2,573	+ 403	17	56,733	+ 2,985
Santa Fe Prov.							
French Rys.	Sept.	1,181	£ 171,600	+ 10,157	9m	1,468,336	+ 13,833
S'n'na&S'tiago	Aug.	80	£ 11,980	— 5,500	8m	122,083	+ 23,376
Zafra & Huelva	Sept.	112	£ 15,417	+ 2,466	9m	113,169	+ 23,864
TRAMS.							
Anglo-Argent.	Oct. 21	400	£ 81,224	+ 14,378	42	3,189,788	+ 761,155
Auckland Elec.	June 30	27	—	— 52	52	292,502	— 2,063
Bombay Elec.	June	39	R. 8,16,237	+ 86,100	6m	47,91,126	+ 6,28,886
Brazilian Trac.	Aug.	3784	M11,837000	+ 2,103	8m	84,822,000	+ 10,355
Brisbane Elec.	Sept.	404	£ 45,430	+ 3,460	9m	413,020	+ 68,850
Brit. Columbia	Aug.	334	$ 756,945	+ 88,373	2m	1,496,743	+ 187,483
B. A. Lacroze	Sept.	51	£ 53,603	+ 8,263	3m	139,063	+ 14,985
Calcutta	Oct. 23	351	R 96,261	+ 14,294	42	38,05,166	+ 2,81,447
Cape Electric	Aug.	424	£ 28,797	+ 13,868	2m	58,814	+ 28,666
Carth. & Herr.	Sept.	9	£ 2,273	+ 734	3m	38,761	+ 13,280
Chatham&Dist	Oct. 14	15	£ 1,900	+ 440	41	71,842	+ 8,536
Habana Elec.	May	86	$ 946,301	+ 205,997	6m	4,587,376	+ 1,010,561
Isle of Thanet	Oct. 20	20½	£ 741	+ 59	3	2,745	+ 629
Kalgoorlie	July	20½	£ 3,194	+ 379	7m	21,137	+ 2,940
Lanarkshire	Oct. 14	28½	£ 4,577	+ 717	41	175,100	+ 32,594
Lima Light	Aug.	85	£ 58,651	+ 9,830	8m	481,800	+ 80,711
London C.O.	Oct. 27	1413	£ 87,697	+ 21,858	29	2,873,782	+ 182,493
Madras (2wks.)	Oct. 16	153	Rs. 51,464	+ 3,594	38	9,48,133	+ 1,56,231
Manila Electric	Aug.	55	$ 282,760	+ 98,742	8m	2,215,014	+ 804,837
Pernambuco	Oct. 17	59	£ 5,550	+ 588	41	280,454	+ 84,985
Provincial	Sept. 18	214	£ 3,993	— 124	01	172,344	+ 14,130
Rangoon Elec.	Sept.	25	£ 7,657	+ 845	9m	64,357	+ 12,243
Shanghai Elec.	Sept.	28½	x. $180,757	+ 21,757	9m	1,336,611	+ 198,811
SingaporeElec.	Sept. 18	28½	$ 15,779	+ 775	37	873,089	+ 294,905
U.of Monterid.	Sept.	90½	£ 41,816	+ 6,624	11m	471,522	+ 67,021

An American Banking Connection

TO those interested in the development of trade with the United States and the establishment of permanent markets there, a banking connection will be valuable to the extent that its American service is efficient and comprehensive.

The Guaranty Trust Company of New York offers its facilities for complete international banking to firms of standing engaged in the American trade. Its financial service is based upon the unusual comprehensiveness of its organization in the United States and the knowledge of the needs of British industry and commerce which it has gained in the twenty-three years it has been established in Great Britain.

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PALL MALL OFFICE
50 Pall Mall, London S.W.1

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27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital and Surplus - $50,000,000
Total Assets more than - $800,000,000

The Statist.

LONDON, SATURDAY, OCTOBER 30, 1920.

THE COAL SETTLEMENT.

The settlement arrived at between the Government and the Miners' Executive has come as a relief to the industrial and the financial world, which was anxiously watching the course of negotiations during the week. The spirit of compromise has prevailed over the extremists on both sides, whose action we have adversely criticised, and an agreement along the lines suggested in these columns last week has been arrived at. The demand for an increase of 2*s.* per shift is to be conceded immediately, 1*s.* being allowed to youths and 9*d.* to boys. Joint district and national committees are to co-operate for the improvement of output, and exhaustive inquiries are to be made as to the best means of increasing the output of coal raised, while the possibilities of standardising wages and avoiding future stoppages of work in the event of wage disputes are to be explored. The importance of coal as a national asset is recognised, and the agreement states correctly that on the increased output of coal there depend not only the prosperity of those engaged in the coal industry, but also the welfare of the people and the general cost of living. The Mining Association and the Miners' Federation pledge themselves to co-operate in future to the fullest extent to enhance coal output, and further to prepare a scheme for submission to the Government at the earliest possible date, and not later than March 31, for the regulation of wages in the industry. The subject of coal-owners' profits and the principles for dealing with any surplus profits over the present averages will also come up for review. The wages advance now conceded holds good only till January 3 next, when a system of monthly adjustments of wages on the basis of export coal prices is to come into operation. The value of our export of coal in the quarter ended September 30 last is to be taken as a standard warranting an increase of 1*s.* 6*d.*, and where the weekly averages of the various test periods of four weeks exceed the September figure, an additional 6*d.*, 3*d.*, and 2½*d.*, according to the class of labour, will be paid for every complete £288,000 of the excess. The amount of export coal in each period will be assumed to be the excess of tonnage produced over the rate of 219,000,000 tons per annum, and the proceeds are to be calculated by multiplying such excess tonnage by the average f.o.b. price, as shown in the Trade and Navigation Accounts for the quarter ended September 30, 1920. The cost of raising the extra output must, of course, also be taken into account, and for each ton produced in excess of the standard rate of output for the quarter ended September 30, this figure is to be taken at 15*s.* Proportionately with the rise or fall of wages consequent on those provisions, there is to be a variation in the 1/10th share of the excess profits of the industry payable to owners under the Coal Mines Emergency Act. For every 6*d.* by which the advance already granted to the men is reduced or increased, there is to be either a subtraction or an addition to the owners' quota of one-fourth of the one-tenth part mentioned.

The terms arrived at have still to be submitted to the miners for ratification before the strike can be concluded. The ballot is to take place on Tuesday, but it is not clear whether a simple majority in favour of the continuance of the strike would destroy the effects of the provisional peace. It is more probable that, as happened in 1912, a two-thirds majority would be deemed necessary to prevent a return to work. Much will depend on the spirit in which the proposals are entertained, but, with the warm recommendation of the Miners' Executive, acceptance of the new basis of agreement is more than likely. In the normal course, even if the ballot proves favourable, the miners will not resume work before Thursday next, and we are strongly of opinion that the economic waste involved by such a course would be nothing less than criminal. We have already lost nine million tons of coal by the stoppage, and another week's idleness at the pits means a further loss of 4¾ million tons, with resultant ill-effects in every branch of trade and industry. Our estimate of last week's total direct loss through the strike was £9,650,000, and an estimate made on similar lines for this week shows an addition to the sum of £10,950,000, making in all £20,600,000. Further, there is the substantial consideration of the increased wages bill, to which Sir Robert Horne, in his announcement to the House, made no allusion. On the basis of a million workmen at the mines, each doing a shift per day, for 300 days in the year, the gross addition will be thirty millions, provided the present increase is maintained. Such a burden as this is not to be lightly borne, and accordingly any delay in returning to work should be severely deprecated. Since the terms are likely to meet with acceptance, it is reasonable to demand that work should be resumed with as little delay as possible. Postponement gives time for opposition to crystallise, and already malcontents in South Wales view the new proposals with little enthusiasm. They will probably endeavour at the coalfield delegate conference [illegible] favour, and there are complaints that the output committees will not prove popular. Coalfield ex[illegible] prevented by the operation of the excess profits duty, and the onerous financial legislation affecting the mines, and it will increase rather than diminish difficulties if fresh obstacles to enlarged output proposals are raised by the men.

OUR FOREIGN INVESTMENTS.

VARYING estimates have been made of the value of foreign securities formerly held in this country and disposed of during and since the War. Different channels have been used in their disposal, some of them unofficial, and hence arises the difficulty of accurate estimation. Under the Treasury scheme for the mobilisation of British investments abroad in support of the exchange, the American Dollar Securities Committee obtained *inter alia* securities to the value of £250,543,412 which were held by investors in the United Kingdom. For the purpose of re-sale in New York the Treasury made purchases from these to the extent of £177,614,000, the balance of £73,928,000 being still held on loan in this country at the time when the last report on the operations of the Committee was issued by the Treasury. Not alone American and Canadian, but securities of all kinds were handled, as is shown by the annexed table, which covers the different amounts in each class that passed through the hands of the Committee. The various currencies are converted into sterling, at or near par rates:—

	Purchases	Loaned Securities	Total
	£	£	£
Dollar bonds	136,002,988	39,571,276	175,574,264
Dollar shares	48,263,552	60,718,776	108,982,328
Sterling bonds	27,803,232	115,160,124	142,963,356
Sterling shares	875	–	875
Registered stocks	4,119,358	171,851,047	175,970,405
Home railways	–	17,494,182	17,494,182
Franc bonds	–	338,340	338,340
Krone bonds	–	152,894	152,894
Florin bonds	9,300	364,550	373,850
Florin shares	445,091	–	445,091
	216,644,396	405,951,189	622,595,585

These figures are exclusive of a special creation of $40,000,000 Canadian Pacific Railway Four per Cent. Dollar Debenture stock, deposited by the Canadian Pacific Company. Of the total amount purchased, as given in the first column, £216,644,396, the Bank of England bought £46,600,000 and the Dollar Securities Committee £170,044,000. The deposits on loan on March 31, 1919, amounted, therefore, to £405,951,000, which, with the deposits on loan sold to the Treasury, £24,360,000, and the £8,000,000 special deposit of the Canadian Pacific Railway Company, made the balance actually deposited £438,311,000.

As will be seen from the above table, dollar securities constituted the major portion of those mobilised. The country of origin was either Canada or the United States, and in the following table the amounts attributable to each are set forth:—

	Purchased	Loaned	Total
	£	£	£
Dollar bonds	136,002,988	39,571,276	175,574,264
Dollar shares	48,263,552	60,718,776	108,982,328
	184,266,540	100,290,052	284,556,592
Deduct Canadian securities included	6,651,826	27,361,344	34,013,180
American securities	177,614,704	72,928,708	250,543,412

Of the American dollar securities, amounting to £250,543,000, which came into the possession of the Treasury, £177,614,000, or more than seventy per cent., were bought for purpose of re-sale in New York, and £72,928,000, or twenty-nine per cent., were held in this country at the time of the report. Much of the latter have since been disposed of, bringing the total amount lost by us to the United States to approximately £200,000,000.

In Argentina, the next great centre for our investments, British capital of 100 million dollars, or twenty-five million pounds, have passed into other hands during and since the War. At present our investments are chiefly locked up in railways and tramways, but a number of miscellaneous enterprises have benefited from the inflow of British capital. Its present distribution may be put as follows—railways, 235 millions, tramway, twenty-eight millions, industrial companies, sixteen millions, refrigerator and storage companies, nine millions; and various other investments, including public utility and finance companies, forty millions, making a total of £328,000,000. The extent of our holdings is, therefore, still very substantial.

India and the Colonies have always been favourite spheres of investment, and here our interests have not been materially affected, outside of Canada, of which special mention has above been made. Including in the calculation all countries in which we are financially interested, a study of the available data places our net loss at £452,000,000. This corresponds closely with the figures revealed by a comparison of the present and pre-War amounts of foreign and colonial securities assessed under Schedules C and D of the Income Tax in the United Kingdom. From the report of the Commissioners of Inland Revenue we gather that the net decrease in the value of such securities was £445,000,000. This figure allows for changes in market value as well as for purchases and sales of securities, but in the absence of the details needed for a precise calculation, the estimate, it is stated, can only be regarded as approximate.

EGYPTIAN COTTON EXPORTS.

THE official returns now available of the exports of cotton from Egypt during the season recently closed indicate on the whole the favourable nature of the crop. As compared with 1918-19, the number of bales exported increased from 718,309 to 737,857. Measured in cantars the increase was from 5,263,862 to 5,582,978. In contrast with this expansion the imports of Egyptian cotton into Great Britain declined from 459,774 to 345,461 bales, and into France from 69,620 to 50,089 bales, while the takings of the United States showed a remarkable rise from 95,262 to 257,265 bales. Imports of new States and late enemy countries naturally increased with the re-opening of trade. The various destinations and quantities of the exports are set out in the following table:—

Countries	1918-19 Bales	1919-20 Bales
England	459,774	345,461
France	69,620	50,089
Czecho-Slovakia	Nil	889
Austria	Nil	1,137
Italy	34,394	35,181
Germany	Nil	6,333
Portugal	250	695
Spain	10,436	8,805
Switzerland	23,201	12,264
Belgium	Nil	2,616
Holland	Nil	1,841
Japan	22,160	14,355
Turkey	2,602	926
Greece		
Roumania		
U.S.A.	95,262	257,265
India	10	Nil
Total	718,309	737,857

INVESTMENTS IN QUEENSLAND.

THE Agent-General for Queensland has received from the Premier of Queensland a reply to an inquiry he made respecting a statement alleged to have been made by the Premier at Mackay during the recent elections. The Premier's reply states that the report of the speech published is garbled, and that investors in Queensland securities may rest assured the Government will honourably meet its obligations. The Agent-General says it is unthinkable it would be otherwise, since one of the first charges against State revenue is interest due and payable to holders of State securities. The Government, he adds, intend to raise a £2,000,000 loan in Queensland before the close of the present year for expenditure on public works, and he expresses every confidence that the amount required for that purpose will be fully subscribed. The repudiation would carry more weight if the exact intentions of the Queensland Government were stated. Moreover, the course of recent legislation sponsored by the present Government is not calculated to promote confidence amongst investors on this side, who might otherwise be willing to invest liberally in Colonial issues.

BRITISH RAILWAY STATISTICS.

Figures relating to the working of British railways, and of more than passing interest to railway shareholders, have just been published by the Ministry of Transport. For the four weeks ended August 15 last the freight traffic conveyed was 24,031,210 tons, as compared with 26,950,421 tons in the preceding period, a decline of 2,919,211 tons, or 10.8 per cent. The August Bank Holiday of course, tended to reduce traffic, but if we take the four weeks ended June 20, which included the Whitsuntide recess, tonnage in August was lower by 1,557,590 tons, or 6.1 per cent. The decreases in the tonnages of the principal commodities conveyed, compared with the two previous periods, are shown in the following table:—

	Four Weeks ended July 18 Decrease in Tons	Four Weeks ended June 20 Decrease in Tons
Coal, coke and patent fuel	1,100,000	1,092,000
Ironstone and iron ore	65,000	92,000
Iron and steel	283,000	206,000
Pig iron ...	63,000	35,000
Road stone	71,000	5,000
Bricks	26,000	4,000
Timber	25,000	5,000

As will be seen, the falling-off was principally manifested in coal, ores and metals, and this experience, though it may not be repeated in September, will certainly be in evidence when the returns for the current month are published. In consequence of the lesser tonnage carried gross freight-train receipts have declined from £9,923,659 to £9,576,384, and net receipts, that is, excluding cost of collection and delivery, from £9,045,188 to £8,719,977. This has led to a fall in the net receipts per ton-mile from 2.644*d.* to 2.484*d.* Haulage costs were, of course, less, and the wagon load, train load and train miles per engine hour each show a decrease compared with the preceding four weeks. These various changes in a downward direction are, to some extent, accounted for by the fact that the August period contained in all but twenty-three working days, as against twenty-four in the previous periods. In the adjoining table the returns for the different periods are analysed and the receipts per ton-mile are given:—

Gross and Net Receipts and Receipts per Ton-mile, of Controlled Railways in Great Britain.

	Four Weeks ended	Gross	Estimated Proportion (Sub. to adjustment) for 24 Working Days Excluding Cost of Collection and Delivery	Ton Miles	Receipts per Ton Mile Excluding Cost of collection and Delivery (pence, fifty decimals)	
		£	£		*d.*	*d.*
General merchandise, livestock and live-stock	(Aug. 15	5,861,595	4,993,128	154,125,136	7.692	9.120
	July 18	6,017,610	5,130,159	496,17,857	2.908	12.184
	June 20	5,986,099	5,142,113	182,741,905	2.926	2.561
Coal, coke and patent fuel	(Aug. 15	2,488,877	—	624,773,733	.958	—
	July 18	3,589,795	—	715,746,075	.829	—
	June 20	3,488,886	—	664,709,961	.925	—
Other minerals	(Aug. 15	1,282,972	—	268,495,142	1.147	—
	July 18	1,315,594	—	288,587,129	1.075	—
	June 20	1,396,011	—	285,726,401	1.122	—
Total merchandise	(Aug. 15	9,576,384	8,719,977	1,347,394,010	1.706	1.553
	July 18	9,923,059	9,045,188	1,700,21,859	1.581	1.141
	June 20	9,870,976	9,005,220	1,129,580,267	1.657	1.517

25 working days in the August period.

As bearing on the efficiency of the roads it is interesting to compare data as to the average train load and the number of ton-miles per route mile in the different periods. The figures may be set out as follows:

Four Weeks ended 1920		Average Train Load	Ton-miles per Route Mile
England and Wales	(Aug. 15	157.88	77,921
	July 18	161.16	85,564
	June 20	156.6	80,600
Scotland	(Aug. 15	90.00	28,564
	July 18	98.42	34,849
	June 20	97.25	36,073
Great Britain	(Aug. 15	150.33	69,617
	July 18	154.56	78,086
	June 20	152.81	74,067

While a rise in the number of ton-miles per route mile would be an encouraging feature, as showing better use of the permanent way and, therefore, a development of earning capacity, the August return suggests no such improvement, and any substantial change for the better can scarcely be expected until the effects of the coal strike and the partial industrial stoppage which it caused have worn off.

For the first time particulars of passenger traffic are given. During the month of July British railways conveyed 152,392,497 passengers, exclusive of season-ticket holders. Of this number 68.26 per cent. paid full fares, 27.18 per cent. were workmen, and the balance of 4.56 per cent. were carried at other reduced rates.

BALTIC TRADE.

Despite the unsettled political and financial conditions prevailing in the majority of countries on the Baltic seaboard the past summer has witnessed a not inconsiderable revival of trade in that region. The revival, though only partial, is an excellent augury of future betterment, and that the United Kingdom is already sharing in the benefits derived from increased trading activity is witnessed by figures recently published by the Statistical Department of the Finnish Board of Customs and transmitted by His Majesty's Consul at Helsingfors. The data relate only to Finland, but in view of the trading importance of that country they may be taken as symptomatic of the general improvement that is slowly manifesting itself. In the following table particulars are given as to Finnish imports from and exports to different countries in the eight months ended August 31, 1920:—

Countries	Imports Mill. Marks	Exports Mill. Marks
United Kingdom	628·2	759·2
United States of America	463·7	59·0
Germany	332·1	72·1
Sweden	223·8	137·9
Denmark	124·1	72·7
Dutch East Indies	82·3	0·1
Argentine	72·5	27·4
Belgium	27·0	66·0
Holland	24·2	118·2
Brazil	22·4	10·4
France	18·2	136·6
Norway	17·6	16·7
Canada	16·0	—
Switzerland	15·7	0·1
Italy	14·1	1·6
Spain	13·0	42·2
Latvia	8·8	7·6
Esthonia	7·7	9·2
Turkey	9·4	5·1
Egypt	—	13·0
British South Africa	—	10·4
Other Countries	21·4	16·3
Total	2,141·7	1,589·4

Notwithstanding the strict control exercised by the Government of Finland over imports, and the depreciation of the Finnish mark in terms of sterling, the United Kingdom heads the list of countries exporting to Finland. The United States ranks second, flour and other food products, as well as a small amount of coal, being the principal commodities supplied. Though the exchange with Germany is in favour of Finland, imports from the former country have proved, contrary to expectations, to be little more than one-half those from the United Kingdom, while the German proportion of Finnish exports is approximately only one-tenth of that taken by us.

ESTABLISHED 1810

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London County Westminster and Parr's Bank, Ltd.
Barclays Bank Ltd.

VAR OIL AND COAL CO., LTD.

THIS Company, formed early in the current year, holds the entire share capital of the Société des Mines de l'Estérel, which owns certain coal and oil-shale concessions in the Var Province, in Southern France. The extent and character of the concessions, which are three in number—Boson, Auriasque, and Madeleine—are shown on the map on page 695. Five seams of coal have been discovered which outcrop at different points, also indicated on the map, and overlie rich oil-shale deposits. The existence of the coal and shale has been known for some time, but the titles to the property, which were in dispute, were cleared up only in 1915, after which the Société des Mines de l'Estérel came into possession. The present is the first concerted and systematic attempt at exploitation. The pits shown on the map, being six in number, excluding an old pit, refer to coal, and the mines, numbering five, to shale, and thus the field has already been opened up at many points. Full details as to thickness of seams, &c., are not yet available, but complete borings have been carried out, the results of which, when known, will reveal the existence of extensive reserves.

We understand that recent work has considerably increased the oil-shale reserves at Boson, and that the quality of the shale is much higher than the fifty gallons per ton previously estimated, running almost to ninety gallons, as compared with twenty-three gallons per ton from Scottish and thirty gallons from English shale. At the statutory meeting in June last the Chairman referred to another oil-shale property at some distance from existing holdings. This property has now been acquired, following favourable reports by the Company's engineers. The Chairman, Mr. Urquhart, is now in France, and we hope that on his return within the next week or fortnight a statement of the present position will be issued. It is useless to attempt to foreshadow the details of such an announcement, but it is bound to prove very favourable.

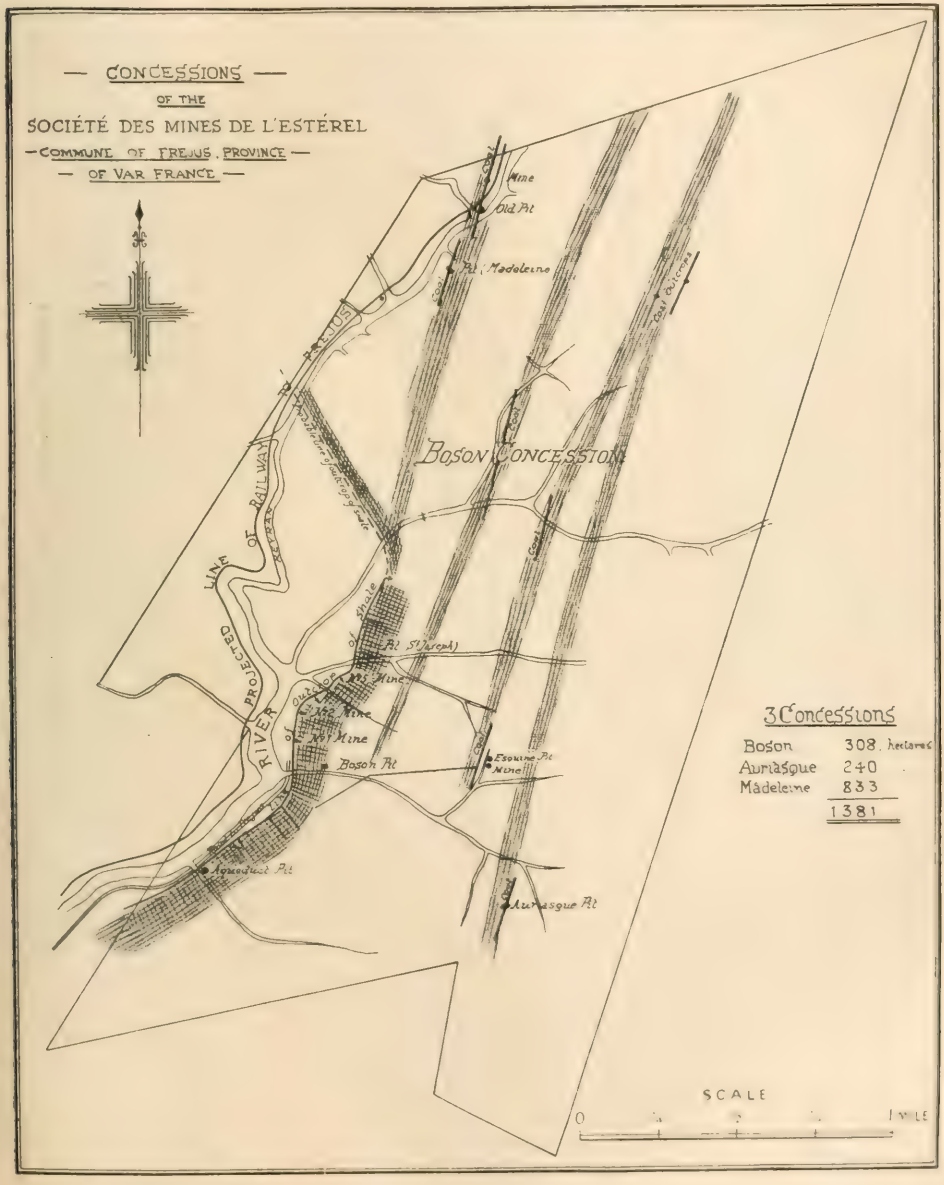
Coal developments have so far proceeded successfully. Five seams have already been tapped, and the number will be increased. Equipment has proceeded so far that a regular output of coal will commence before the end of the year. Shale is also being mined. The Company possess a retorting plant, and is now operating a horizontal rotary retort of a new type, the results from which will probably justify the installation of similar retorts of much larger capacity than any hitherto used, and producing at a much lower cost. The refining plant for the crude oil will be simplified by the fact that up to twenty per cent. of petrol is yielded straight away by the scrubbing plant. The shale deposits are entirely free from sulphur, sometimes a very harmful ingredient in shale oil. The shale is overlain by the five coal seams above-mentioned, and we understand that an analysis of a specimen of the coal received by the Company gives an ash content of less than five per cent., a satisfactory figure, and a high carbon content. The coal is semi-anthracitic, like much of the South Wales product, and should rank amongst the best class of steam coals. As all the seams lie on or near the surface, no deep shafts are required, and mining operations should not entail heavy costs. The cash reserves of the Company, which stand at £150,000, will probably enable it to meet any necessary outlay without issuing the remaining £150,000 of its authorised capital. The Company has the further advantage of being exempt, in respect of its products, from the fixed scale of selling prices laid down by the French Government, while the import duty of about 2*d.* per gallon on imported oil ensures a favourable market for this commodity in France.

INDIAN INDUSTRY AND TRADE.

NOTWITHSTANDING the hampering factors of food shortage, want of shipping and freight, the difficulty of railway transport and the complications introduced by the exchange problem, the practical interest taken by the Indian public, especially since the Armistice, in the industrial development of the country showed no sign of abatement during last year. According to figures published in the Annual Statement of the Moral and Material Progress of India, no less than 634 new companies, with an aggregate authorised capital of more than £134 million, were registered in British India and Mysore during the nine months April to December 1919. This compares with 158 companies carrying a capital of £4½ million registered during the corresponding period of 1918. The validity of the comparison is, of course, largely impaired by the fact that capital issues were restricted in 1918 in order to conserve for Government borrowing the resources of the Money market. The eagerness of the Indian public to invest the large savings made during the War in new commercial enterprises is a satisfactory sign of the times, although some reason for disquiet exists in the belief that a proportion of these ventures are of a very speculative character. A temporary check may conceivably be imposed on this form of investment by commercial failures on a large scale, but on the whole it seems reasonable to infer that the cause of industrial expansion in India will be considerably encouraged by the greater home readiness to provide the necessary finance. By their acceptance of the main principles underlying the report of the Indian Industrial Commission, namely, that in future Government must play an active part in the industrial development of the country, and that it cannot undertake this work unless provided with adequate administrative equipment and fortified with reliable scientific and technical advice, the Government of India have clearly identified themselves with the aspirations of the people. Trending towards the same end is the revival of the Swadeshi movement, aiming at encouraging the consumption of Indian-made goods and the growth of cottage industries. Undoubtedly the freedom from onerous burdens of taxation goes far to aid the execution of industrial schemes. At the end of November 1919 the national debt amounted to about £378 million, or about £1 11*s.* per head of population, as compared with a total public revenue of £123 million. At the beginning of the War practically all of India's debt represented productive outlay on railways and irrigation, the normal return on which not only considerably exceeded the interest on the amount borrowed, but also interest on the small unproductive debt; and in March 1919, despite India's war contribution of £100 million, the amount of the ordinary debt outstanding was actually £13 million less than the contribution itself. The provision of a satisfactory labour supply constitutes, however, a serious stumbling-block to India's industrial progress, as the low wages it demands do not balance its comparative inefficiency.

India's industrial achievements have so far been chiefly bound up with the textile and leather industries and mining. As a source of raw materials the country has, however, great importance, and these constitute the bulk of her exports. In 1918-19 the gross export of private merchandise amounted to £169 million, an increase of four per cent. upon the previous year's figure of £162 million; while the gross import of private merchandise amounted to £113 million, an increase of thirteen per cent. upon the 1917-18 figure. When due allowance has been made for imports of treasure and funds and gold and silver, the balance of trade in India's favour in 1918-1919, on the basis of fifteen rupees to the £, stands at £41 million, and, although a further deduction of £11 million, representing rupee credits for the Federal Reserve Board in part payment for the American silver imported under the Pittman Act, must be made from this sum, the net result compares strikingly

VAR OIL AND COAL COMPANY, LIMITED.



with the fact that the average export trade balance favours India to an increasing extent, as the annexed table shows:—

	Total Imports	Total Exports	Excess of Exports
	£	£	£
1913-14	156,498,494	171,726,916	14,228,812
1914-15	111,159,362	124,976,974	13,817,612
1915-16	100,077,027	138,470,785	38,393,758
1916-17	132,467,753	169,152,161	36,684,408
1917-18	109,569,939*	163,263,181*	53,693,258*

* Exclusive of treasure.

Characteristic features of the export trade in 1918-1919 were the large increase of £6½ million in the value of the jute manufactures exported, the decrease of nearly £9 million in the value of food grains exported, due to the partial failure of the monsoon and the consequent necessity of retaining larger home stocks; the decline of raw cotton exports by £8 million, and the increase in the value of seeds, raw and tanned skins, tanned hides, raw wool, and oils. With the addition of rice and tea the list of India's principal articles of export is complete. In point of value jute exports at £43.6 million represented no less than twenty-seven per cent. of the total exports of Indian merchandise. It is of some significance to find that in pre-War years the consumption of the jute crop by Indian mills was only about fifty per cent., but in the course of 1918-1919 this rose to seventy per cent. The mills at work numbered seventy-six, with nearly 40,000 looms and more than 800,000 spindles, as against sixty-four mills with 36,000 looms and over 700,000 spindles in the pre-War period. Of the raw cotton exports of £21 million, the most noteworthy point was that of the ninety per cent. allotted to the Allies, Japan's share was no less than seventy-six per cent. And with regard to Indian-made piece-goods, the export of 149 million yards and the production of 345 million yards were respectively sixty-five per cent. and thirty-one per cent. above the pre-War averages. The main feature of the hides and skins trade was the increase in the export of tanned hides, and an accompanying decrease in raw hides owing to the prohibition on the export of the latter in force up to the beginning of April 1919. Tanned hides at 25,000 tons represent an increase of more than 180 per cent. above a pre-War quinquennial average. For tea the exports of 324 million pounds in 1918-19 reveal an increase of twenty-one per cent. above the pre-War average. The decline of direct shipments to Canada and the United States from forty-two million pounds in 1917-18 to three million pounds in 1918-19 has to be largely attributed to the severe competition experienced from Java tea. Under oil seeds the returns record an export of less than half a million tons, or about one-third of the pre-War average. As already mentioned, the gross imports of private merchandise into India in 1918-19 were valued at £113 million. The percentage distribution of this trade amongst India's various sources of supply in that year is shown below, together with the corresponding figure for a pre-War period.

Indian Imports as Shared by Various Countries in 1918-19, *and the Average Annual Average of the Period* 1909-10 *to* 1913-14.

	1918–19	1909–10 to 1913–14 (Annual Average)
	%	%
United Kingdom	16	63
Other parts of British Empire	12	7
Japan	14	3
United States	10	3
Other Allies	7	5
Java	7	6
Other Foreign Countries	33	13
	100	100

The measure of the value of the Indian market to the United Kingdom can best be expressed in the percentage of the shipments thereto, as compared with the total shipments to all parts of the world. Thus in 1913 sixteen per cent. of the exported manufactures of the United Kingdom were shipped to India. In the above table the decline of the percentage credited to the United Kingdom may be primarily ascribed to pre-occupations connected with the War. At the same time it is desirable to draw attention to the capture of an increased share of India's trade by Japan and the United States. Manufacture in Japan has been greatly stimulated during the War, and the disposal of her surplus products has led to the establishment in India of branches of Japanese banks and merchant houses, and to the inauguration of direct steamer services between Japan, India, and all parts of the world. In a somewhat similar manner American enterprise has sought to develop the Indian market. American distributing firms have made their appearance there, and the provision of the finance necessitated by an enlarged export trade is now the particular care of American banks. Needless to say, the introduction of these factors and the progressive development of native industries point clearly to an era of more severe competition in the Indian market. How that has already affected the trade of the United Kingdom may be gathered from the following table:—

Total Value of Imports into India during the Nine Months April 1 *to December* 31, 1917-19.

From	1917 Rupees	1918 Rupees	1919 Rupees	Percentage Increase 1919 over 1917
United Kingdom ..	632,134,982	573,132,502	663,170,541	4·9
Japan	116,313,727	252,539,787	140,290,143	20·6
United States	83,423,288	104,099,854	188,700,376	134·6

NITRATE COMPANIES' RESULTS.—III.

THE PAN DE AZUCAR NITRATE CO., LIMITED.

Issued Capital: £110,000, in 22,000 Shares of £5 each.

Year to June 30	Sales	Net Profit*	Depreciation	Dividend £	Dividend %	Carried Forward
	Quintals	£	£	£		£
1913	430,826	30,619	7,380	19,800	18	4,410
1914	343,221	17,247	7,079	8,800	8	5,777
1915	43,500	14,739†	682	—	—	5,356‡
1916	301,349	7,243	5,859	—	—	6,740
1917	477,741	15,541	9,016	—	—	13,266
1918	701,147	59,998	12,982	33,000	30§	27,282
1919	192,082	15,524	6,215	11,000	10§	25,590

* After providing for income tax, &c. † Net loss.
‡ After transferring £15,000 to profit and loss from reserve.
§ Free of tax.

The trading accounts of this Company exhibit the somewhat unusual feature, for nitrate companies, of a decline in net profits from the outbreak of war to 1917, an actual loss having been sustained in 1915. For the three years 1915 to 1917 no dividend was paid, and the large distribution of thirty per cent. (free of tax) in 1918 was succeeded by a fall to ten per cent. (free of tax) in 1919. The decline was largely accounted for by a reduction in sales, which displayed considerable variation, falling to 43,500 quintals in 1915, when the works were open for only five weeks, and reaching the large figure of 701,147 quintals in 1918. They declined again in the following year to 192,082 quintals. The oficina was closed for five of the twelve months to June 30, 1919, and the reopening did not take place until November 20 last. The stocks carried forward to 1919-20, 148,000 quintals, were disposed of without profit, but higher prices have since been secured for the greater portion of the nitrate produced in the last seven months of 1918-19. The last balance sheet revealed a big increase in cash at bankers and on hand from £8,386 to £63,949, but bills receivable declined from £140,280 to £1,000, and liquid assets as a whole fell from £230,111 to £148,940. Nitrate properties were valued at £59,655, as compared with £63,151 in the previous year, the necessary deductions for exhaustion having been made, and buildings, plant and machinery, less depreciation, stood at £46,413 on June 30, 1919. Total assets were then £258,056, as against a share capital of £110,000. The report for each year is usually published in the mid-January following, and the next statement should make an excellent showing. The Company has experienced somewhat varied fortunes, but it may be noted that 1915 was the first occasion in its twelve years of life on which the dividend was passed. The £5 shares are now quoted at £14 10s., and expectations run high as regards the approaching statement, since the yield at this price on the basis of the last dividend is relatively small, three and a-half per cent.

THE LIVERPOOL NITRATE COMPANY, LTD.

Issued Capital : £64,800, in 259,200 shares of 5s. each.

Year to June 30	Net Profit*	Depreciation	Income Tax Reserve	Sundry Reserve	Allowances	Dividends	Carried Forward
	£	£	£	£	£		£
1913...	111,172	-	-	1,000	27,000†	80,230 150	15,278
1914...	87,615	25,000			-	55,392 100	24,501
1915...	22,695					40,896 80	6,211
1916..	103,414	50,000	-			46,376 100	13,049
1917...	107,819	42,159				68,166 120‡	10,548
1918...	124,684	-	20,000	15,000	8,284	79,520 110‡	12,432
1919...	80,356					82,720 140‡	11,067

* After providing for income tax, repairs, renewals, &c.
† Including £25,000 provision for new offices.
‡ Free of tax.

This Company maintained an almost unbroken record of prosperity during the War period, and even in 1919, which was far from being the *annus mirabilis* of the nitrate industry, the previous year's dividend of 140 per cent. free of tax was maintained. Net profits, indeed, showed a substantial decline, £40,329, and to maintain the distribution no allocations were made to income tax and general reserves and to sundry purposes, such as had been made in the preceding year. As regards the balance sheet, the latest statement includes the assets and liabilities of the Colorado Nitrate Company, taken over as from June 30, 1918, and comparison with previous years is thereby rendered practically impossible. The Colorado shareholders received one 5*s.* share, fully paid, of the Liverpool Company and a cash payment of £1 for each share held; and the premium paid upon the shares issued in exchange has been carried to a special account. The absorption meant, of course, the transfer also of the nitrate quota allotted to the Colorado Company by the Producers' Association, and this permits a concentration of manufacture during times of meagre demand. Recent improvements in exchange have no doubt benefited the Company, and the position has been further improved by the action of the Chilian Government in reducing the proportion of duties payable in gold and increasing the proportion payable in drafts on London. The purchase of the Colorado Company necessitated an increase in issued capital from £56,800 to £64,800, in 259,200 shares of 5*s.* each, now quoted at 80*s.* As will be seen from the table, the annual distributions in the past have more than equalled the present share capital; and these results were procured without the help of the Colorado and San Lorenzo mergers, both of which must prove of considerable benefit to the absorbing concern, which, it might be noted, made an interim distribution of forty per cent. actual on June 30 last. We subjoin a statement showing the recent history of the San Lorenzo Company.

The San Lorenzo Nitrate Company, Limited.

Year to Dec. 31	Net Profit	Debentures Redeemed	Dividend*	Carried Forward
	£	£	£ %	£
1913	8,756	2,680	6,000 25	3,353
1914	12,2578	6,325	6,000 25	3,285
1915	8,720†	2,428	6,000 25	3,577
1916	11,908	8,048	6,000 25	1,437
1917	10,063	539‡	6,000 25	4,961
1918	15,562	—	6,000 25	14,523
1919	11,040§	—	— —	3,483

* Of which 15 per cent. free of tax.
† After transferring £2,000 to reserve for nitrate in neutral ports.
‡ Cancelling balance of Debentures.
§ Net loss.

During the War the net profits of this Company, which worked as a separate entity for over seventeen years, were fairly well maintained, but the nitrate slump in 1919 resulted in a loss of £11,040 and the non-payment of a dividend, though the distribution had been at the rate of twenty-five per cent. per annum ever since the capital of the Company was reorganised in 1912. The paid-up capital, £72,000, in 24,000 shares of £3 each, was then reduced to £24,000, divided into an equal number of shares of £1 each, the difference of £2 per share being returned to holders. When the Company was formed the reserves in sight were put at 6,000,000 quintals, but despite the fact that five and a-half millions have since been produced, the unexhausted reserves were put at the last meeting at 9,484,000 quintals, which, with a yield of sixty-five per cent., is equivalent to 6,265,000 quintals fine. While a working profit of £3,516 was obtained in 1919, there was on finally balancing the accounts a deficit of £11,040, due as to £6,000 to the burden of paying duties in gold, caused by the depreciated exchange value of the £, as to £2,000 to outlay not immediately reproductive, and as to £4,853 to stoppage expenses, the oficina having been closed on June 18, 1919. The Company was in a sound position prior to being taken over, for with a small capital (£24,000) and large nitrate reserves its assets are valued at £102,175. According to the last balance sheet the liquid assets at £62,200 showed a decline of £34,944 from the previous year, though bills receivable and sundry debtors rose from £27,661 to £31,162. Nitrate stocks were much lower at £11,074, as were stores and pulperia stocks at £18,678. Important modifications of existing plant were in contemplation at the time of the general meeting. The alterations, which were to cost £50,000, were estimated eventually to yield an output of 600,000 quintals per annum, which compares as follows with previous outputs in quintals:—1916, 365,000; 1917, 349,000; 1918, 303,000; 1919, 105,000. The benefit of the increase, if plans are carried out, should accrue in full to present Liverpool shareholders, as all the San Lorenzo Debentures were redeemed prior to absorption. The Liverpool output in quintals in recent years has been: 1916, 1,405,000; 1917, 1,683,000; 1918, 1,608,000; 1919, 1,442,000.

SUGAR.

IS CONTROL NECESSARY?

We have expressed on various occasions our conviction that on the whole the sugar control has been a disadvantage to the consumer in this country. It may be contended, and in fact is contended, that when the Government got itself into a state of embarrassment in connection with our finances it ceased to be in a position to exercise a free hand in the matter of supplies of either sugar or any other commodity. We do not propose to go into this question of the rationing policy pursued by the Government during the War. It is past and forms part of the cost of the War. We ask now, however, in all seriousness, Is the Sugar Control rendering such a service to the body of consumers in this country as to justify its continued existence? Is it, or is it not, a fact that the British Government has purchased at a very high price—it is alleged at £90 per ton f.o.b. at Mauritius—the whole of the last Mauritius crop, and that none of this sugar has yet been shipped? If it is proposed ultimately to ship this sugar to England and to ration it out to the consumer at a price which will show no loss to the Department concerned, it is evident that we shall have to pay a price considerably in excess of that ruling for sugar in the markets of the world for an indefinite period in the future.

We would ask, further, Is it, or is it not, a fact that no refined sugar is allowed at the present time to be imported into this country? It may be said that the supply of refined sugar at present available in the world's markets is not large; but on the principle that half a loaf is better than no bread, surely it should not be the policy of our rulers to deliberately forbid the import of a commodity in any form which is so scarce that these rulers themselves contend that we can only have such a supply as in their opinion can be allotted to us. The figures we publish below show that the total cane-sugar crop in the season 1913-14 was under 10,000,000 tons. We show also that the total cane-sugar crop in the season 1919-20 was under 12,000,000 tons. Now cane-sugar can be grown, and, in fact, is grown, over a very extensive area of the tropical and sub-tropical world. It is growing over an

area so extensive as that from Northern Argentina to Demerara, through the West Indies, and up to Louisiana. It is grown in various places in the East, and particularly in the island of Java, which made a laudable attempt to increase the world's supplies of cane-sugar in the early years of the late War. It happens that cane-sugar is one of the few types of tropical agriculture, as distinct from the planting industry, which have been so far developed. That is to say, cane-sugar growing is an annual crop. The cane-sugar growers throughout the tropical regions of the world, who are presumably people of ordinary intelligence, have realised it to be worth their while to increase the total production in six whole years by only 2,000,000 tons. We have upon a former occasion related the experience of the Java sugar planters, and in that experience the answer is found to the question, Why did not the cane-sugar growers seize the opportunity which the recent European War afforded them to increase their supplies up to a total of 18¾ million tons, which was the estimated world's supply in the period which immediately preceded the outbreak of the recent War? Our figures below show that there is a shortage on the figures of last season's crop, but this shortage will quickly be made up if a free market were offered in England for any sugar available, refined or unrefined. It is contended that the interests of British refiners should be considered. Even if we are prepared to admit this contention, it should be considered within reason, but not at a period when the Government is only able to supply a small dole to the consumer.

Sugar is a necessary article of diet. It is especially necessary at a time like the present, when beer and wine and spirits are so difficult to obtain and are so extravagantly dear when it is possible to obtain them. Clearly the interests of the nation should overrule those both of the sugar industry and of the Sugar Control. If this be admitted and sugar being necessary it is evident that the present policy pursued by Government is inflicting a serious injury upon the young children now growing up, and who at no distant date will have to take the places occupied by those of maturer growth at present. The experience of the Meat Control ultimately resolved itself into a grave scandal, the recollection of which is still fresh in the public memory. It has been alleged again and again in many quarters that meat which was withheld from the civil population ultimately had to be sold to the soap boiler. The Government has never seen its way to refute these charges in a satisfactory manner. It may, of course, be contended that sugar is not a perishable article and will never have to be sold to the soap boiler. The fact remains, however, that by withholding sugar from the consumer, the health of that consumer suffers, while every year that the restrictions imposed are continued inflicts injury upon the health of the children, which cannot be made good when those children have reached maturity.

Latest Sugar Crop Figures.

1917-18	1918-19	1919-20
Tons	Tons	Tons
17,254,270	16,389,322	15,154,179

Estimated decrease of world's production in 1919-1920, as compared with 1918-19, 1,235,143 tons.

World's Production of Cane and Beet Sugar.

	Tons
Total Cane Crops in 1919-20	11,868,673
,, Beet ,, ,, ...	3,345,5.6
Total Cane Crops in 1913-14	9,855,016
,, Beet ,, ,, ...	8,918.375
Total 1913-14	18,773,391
Total 1919-20	16,154,179
World shortage...	3,619,212

The United Kingdom consumption before the War was a little under 2,000,000 tons. At the present time the consumption is the rationed 12 oz. per head of population. In addition to this manufacturers are allowed something over 700,000 tons, and there is besides some 70,000 tons technically known as free sugar.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES :—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlement, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Trading with Russia.

Though, perhaps, Russian markets will eventually become a profitable field for British traders and manufacturers, yet trading with that country is so risky a proposition under present conditions that too great caution cannot be exercised. Agents of the Russian Co-operative Societies are at present trying to obtain goods here for shipment to Reval, the proposed method of payment being a deposit of gold bars in an Esthonian Bank in Reval, to be released to the sellers on delivery of the goods. We understand that railway and other material of Swedish origin has already been acquired by Russian agents on similar terms, gold to the value of about 20,000,000 kronor (£1,112,000) having reached Stockholm, and been purchased by the State Bank. There is no open market for such gold in Sweden, and it is supposed that the State bank had come to an agreement with the British and French authorities before accepting the gold. That British traders will likewise obtain payment for any goods they may be induced to part with is not at all certain. In fact, the method of payment described above is of such a nature as to cast doubt on the right of the Russian Co-operative Societies to deal with the gold, and as to whether traders here will be able to obtain it safely and dispose of it when obtained. The fineness of the gold bars is another uncertain factor. One naturally inquires why the Co-operative Societies do not ship the gold abroad and sell it, instead of holding it at Reval. Such a course would inspire more confidence in Russian agents, and traders in this country would be well advised to withhold shipments to Russia until it is adopted.

New Treasury Bond Issue.

The announcement by the Chancellor of the Exchequer in the House of Commons on Thursday that he was not contemplating any large funding operation in the near future will be received with some disappointment, considering the urgency of the problem of funding the floating debt. The reason he gave for his attitude was that he wished to avoid interfering with the progress of housing finance; but whatever may be said about the validity of this objection, perhaps the main reason influencing the Chancellor was a fear that a large Government issue would not now be very well received except more attractive terms were offered to the investor than has hitherto been the case in any long-term Government issue. As any funding issue would necessarily be designed to attract new money, its terms would not embrace any large conversion rights from existing securities, and those who subscribed to previous Government loans would suffer still further were a new, more attractive issue to be offered to the investing public. Such an eventuality the Government cannot contemplate with indifference. Side by side with the above announcement the Chancellor stated that the existing Treasury Bond issue, which will be withdrawn on Saturday next, will be replaced by an identical issue. On the new series of Treasury Bonds, to be on "tap" after

Monday next, the first interest payment will be on May 1, 1921, after which its terms will be exactly the same as those of the old issue. These terms are highly attractive to a certain class of investors, though this class is a small one, and for full details we would refer our readers to THE STATIST of September 25. The present series of Treasury Bonds was first offered for subscription on May 3 last, and between that date and September 23 the total amount subscribed was only £11,634,000—a figure which is very small compared with the huge total of the floating debt, which it was designed to reduce. A large part of the amount received came from the small investor, and this is one of the reasons which decided the Chancellor not to discontinue the issue. The other reason is that by means of the new Treasury Bonds he hopes to finance the £25,000,000 of Five per Cent. Exchequer Bonds which mature on December 1. Towards this end holders of the maturing liability will be invited to convert into the new Treasury Bonds, the Five per Cent. Exchequer Bonds being received as the equivalent of cash at par as on November 18 for the purpose of subscription to Treasury Bonds, and a full six months' dividend being allowed in addition on December 1 on the maturing Exchequer Bonds. It is well to note that the Treasury Bond issue is thereby being diverted from its original purpose of reducing the floating debt, though should holders of the maturing Exchequer Bonds avail themselves to any great extent of the rights here described a resource to fresh borrowing on Ways and Means, which would otherwise be entailed, would be avoided.

Commodity Prices in France.

According to the index-numbers for wholesale commodity prices in France, compiled by the Bureau de la Statistique Générale de la France, the general price-level rose again during September, as during July and August. The general index-number for September is 607.7, as compared with 579.5 in August, 572.9 in July, and 569.6 in June. The percentage increase during September was 4.9, as against 1.2 during August and .6 during July, so that the rate of the recent upward turn in prices is increasing. The peak of high prices was reached in April last in France, as in the United Kingdom, the French index-number being then 679.2. Between the end of April and the end of June a fall of 16.1 per cent. occurred. Since then, as indicated above, prices have risen again, the September level being 6.7 per cent. above that of June, though still 10.5 per cent. below the April level. The cause of the advance in September was wholly due to an appreciation in the value of foodstuffs, which rose by fully 12.7 per cent. Foodstuffs had been declining since April until last month, and the advance in the general index-number since June last was induced solely by the materials category. This latter remained unaltered during September. As compared with the pre-War level the September index-number shows a rise of 423.9 per cent., and as compared with the Armistice level a rise of 46.9 per cent. These figures may be contrasted with increases of 192.6 per cent. and 27.4 per cent. respectively in prices in the United Kingdom as on September last, according to THE STATIST's index-numbers.

SOUTH AND CENTRAL AMERICA.

FALL IN PRICES.—II.

We said recently that the prosperity of South America, taken as a whole, lives, and must continue to live, on the production of food and raw materials for disposal in most cases at places situated at a considerable distance from the scene of production. South America, if she chose, could, in a sense, be as self-contained as the Indian tribes are in the remote forests of the Andean region. The continent, however, as a self-contained entity would not be achieving her development in the sense that the term is accepted by the modern industrial world. Taking the ten Republics as a whole, they have not the means of producing plant in sufficient quantities to meet the needs of their manufacturers; and particularly of their transportation facilities. They have not the trained and skilled labour which would make it possible for them to manufacture upon a great scale. Still less have they the resources which would make it possible for them to develop a great manufacturing industry, in the sense that such a term is understood in the progressive countries of Western Europe and in the United States of America. The *rôle* that the various Republics of South America can best fill to the general advantage of satisfying the economic needs of the world at the present time is the production upon as large a scale as possible of food and raw materials, which the vast extent of the continent, its general fertility, and its great natural advantages enable it to do upon a scale relatively greater than that of any other continent. Like the rest of the world, the principal Republics of South America are finding it exceedingly difficult to adjust conditions to the new requirements of peace. Whereas during more than four years of war it was possible to sell upon the extravagant scale, which buyers who purchase on borrowed money were willing to pay, as buyers who purchase on borrowed money always are, it is now only possible to sell under the new conditions of the world upon the basis of its real and actual earning capacity. We illustrated last week the recent position occupied by the belligerent world, and the outside countries which supplied it with food and raw materials, as some great magnate living in extravagance and giving an apparent, but not a real, prosperity to a village, in which vast sums of money, and borrowed money at that, were being expended. If we substitute shells, munitions, and various kinds of requirements which were squandered in enormous quantities by this country alone to the extent of nearly 8,000 millions sterling, and various other vast expenditures, it will be seen that the newer countries were supplying immense quantities of commodities without any real regard to the means of their customers. When the War was over, for a while the various belligerent Governments continued to spend upon the magnificent scale they had been accustomed to during the period of the War. It became evident, however, to the most obtuse Finance Minister that this could not go on indefinitely. He found it ever increasingly difficult to collect the taxes; and although trade was, and has remained, surprisingly good over a large part of Europe and in the United States, nevertheless it became clear that while this extravagance of the various Governments continued prices continued to rise out of all proportion to the value rendered by the commodities offered. Boots, which could have been obtained for a few shillings before the War, were being sold in the principal cities of Europe and America for a corresponding number of pounds sterling, and raiment of various kinds rose to an equally extravagant height.

Gradually the various Governments demobilised nearly the whole of their various military establishments, and more recently they have been slowly, and apparently with great reluctance, demobilising the enormous civilian staffs which they had collected in

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connection with these vast military establishments and in connection with various other Government projects which have grown up in this and in other countries during and since the War. Speaking generally, however, it is no longer possible to cater for a customer who has unlimited borrowing powers with which to meet his commitments, and, practically speaking, the whole producing world has to cater only for a customer who is capable of rendering economic values in return. These naturally can only be rendered upon the basis of our actual earning capacity. The man who might squander a few thousands of pounds' worth of material in a few years during the recent War has now only his actual week's earnings which he is capable of offering in exchange for any commodities he may desire to obtain; and whereas during the War period he had the Government behind him, prepared to issue War Bonds to any extent, he has now himself, and only himself, to rely upon.

Not unnaturally, the producing countries of the world find themselves in an exceedingly difficult position. They have been for a long period now catering for a world such as we have described above, in which, provided the articles required were forthcoming, price was of little or no consequence. Neither the buyer nor the seller realised that paper prices do not constitute real values. But as prices advanced, and what could be got for cents came to command dollars and what could be bought for shillings came to command pounds, the seller imagined that he was making a very fine fortune. Inasmuch as the buyers were rendering no real service of any kind, but mere promises to pay in some more or less distant future, it soon became evident that those extravagant prices, which, as we have said, did not represent any real values, were promises pure and simple. The seller in South America who had obtained paper dollars, or promises of paper dollars, where he had been content with cents before, and promises of pounds sterling where he had been content with a few shillings before, suddenly found that, in spite of his increased wealth, food, housing, clothing, and transportation facilities were exceedingly difficult to obtain. Although he had very large credits with various countries beyond the sea, he found that, as a matter of fact, prices at home were so extravagant that it was becoming increasingly difficult, not merely to carry on his business, but to live at all. The result has been that the growth of the cost of living in South America has been in a corresponding degree with the growth of the cost of living in North America and in Europe. And it has been brought about by precisely the same causes. As the War spread over the greater part of the civilised world, and more or less something like seventy-five per cent. of the world's population was concerned, directly or indirectly, in its prosecution, the result has been a universal rise in prices, as we call it for convenience; or it would be more accurate to say a great destruction of commodities over a vast area of the earth's surface, and that destruction expressed in terms of high values. In very many countries even yet there is such a shortage of supplies that it is difficult for those countries to continue exporting to the extent necessary for their economic well-being. In others there are large supplies of certain commodities; but to dispose of them at world prices would be exceedingly difficult, as it would lead to an economic loss on the part of the sellers.

It will be remembered that during the last few years a very active trade has grown up in the southern part of the continent, particularly in what are called the Patagonian regions, both east and west of the Andes, in wool; and, more recently, in Punta Arenas on the Strait of Magellan, in chilled and frozen meat. While the War was going on these commodities were supplied in very large quantities and at extravagant prices; and so long did the War continue, and so active was trade for a long period after the Armistice was concluded, that producers became accustomed to base their prices upon what, for convenience, we may call war levels, or, to make the subject clearer to the reader, on the basis of Government borrowing. As a result, it is estimated that something between 300 and 400 million pounds of wool have been accumulated in those regions for which there is no market either in Europe, or outside of it, on the present basis of values. Various proposals are made with the hope of inducing the home Government or foreign Governments, home bankers, or foreign bankers to finance this wool until such time as it can be sold at a reasonable price. It need not be added that the banks are very wisely showing no disposition to finance enormous quantities of produce at extravagantly inflated prices, which cannot be maintained if the consuming world is to pay for its goods within the capacity of its earning power. As we are not in the secrets of the various Governments, we cannot say to what extent they will be prepared to assist. It is highly probable that the Governments concerned will politely but firmly inform the various trading interests that they will have to take time to consider such a situation, and that they will take such time as will enable the situation to a very large extent to right itself before it is necessary for any of them to take action. In other words, it seems evident that trade has got to make up its mind to face the unpleasant process of yielding up some of the large profits, or some of the large nominal profits, which it obtained during the War. It is perfectly evident that no useful purpose can be attained, and no real service rendered to the world, by indefinitely holding up these supplies of wool. Doubtless they were produced under conditions which were very different from those prevailing at present. Unquestionably, it is a very serious hardship to a large number of, no doubt, deserving people who will have to sacrifice stocks upon a very different basis of values from that which they contemplated when raising the wool. Nevertheless, the fact remains that the world's markets are gradually adjusting themselves to the new conditions. It would not be any real advantage to these people if they could sell their wool upon the extravagant basis to which they were lately accustomed, provided always that they had got to accept the promises of more or less impoverished Governments and impoverished individuals who were purchasing commodities merely on borrowed money.

South America needs, as the whole of the newer countries of the world need, increased transportation facilities, the means for attracting immigrants, and the means for attracting various kinds of plant, like agricultural machinery, and plant necessary for developing the industries in which the different republics are engaged. They can best attain their own objects, as well as best serve the interests of the international situation, by realising as soon as possible that the period has passed when it is possible to sell food and raw material, for which there is such an urgent need in the congested countries of Europe, upon the recent basis of prices inflated by the non-economic demands of Governments, and realise that in the future the producer, whether it be of wheat or of a steam-engine, must, until such time as we are once more plunged into another war, sell upon the real earning capacity of the buyers.

A telegram from Rio de Janeiro received by the South American Press, dated October 4, states that the Government of Uruguay has offered a prize for the discovery of a vaccine or practical method for the prevention of foot-and-mouth disease.

Sir Edward Sassoon, Bart., has resigned his seat on the board of the Eastern Bank, Limited, on account of ill-health, and his brother, Mr. Meyer Sassoon, has been elected a director in his place.

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American Topics.

OUR DEBT TO THE UNITED STATES.

We published last week a table showing the adverse balance of trade between this country and the United States. An adverse balance of trade between England and the United States is no new thing. In the period that preceded the outbreak of the recent War the interest upon investments which we had previously made in America amounted annually to something like £100,000,000. This includes only what for convenience we may call Stock Exchange securities or public issues of stock of various kinds. In addition there were private investments of different kinds not included in the list of securities known to the public. Consequently, an adverse balance against us in our trade with the United States in 1913 of some 300,000,000 dollars probably considerably understated the interest annually due from that country to Great Britain. It was liquidated chiefly by sending various kinds of foodstuffs, cotton and tobacco. This adverse balance of trade as between the United States and ourselves had grown at the end of 1919, as we showed last week, to 1,969,000,000 dollars. In addition, as Lord Chalmers recently reminded the public, we have obtained loans from the United States amounting in the aggregate to considerably over £1,200,000,000. The payment of the interest on these loans is deferred for the present, but it is evident that this interest as well as the principal will require ultimately to be paid. In the pre-War period the United States was indebted to Great Britain. In the post-War period Great Britain is still more heavily indebted to the United States. Are we making any serious effort to meet these liabilities? We hope shortly to be in a position to show in definite figures what was the actual balance of trade as between this country and the United States at the conclusion of the fiscal year which ended on June 30 last. There are indications that we are gradually, if slowly, liquidating our heavy indebtedness. We are, of course, buying more in commodities from the United States than we are selling to that country. Against this our exports relative to our imports are steadily increasing. Our invisible exports, moreover, are increasing apparently at least to an equal extent. In this way there seems reason to hope, and indeed to believe, that we are to an appreciable extent reducing the adverse balance of trade against us. In addition, it is satisfactory in one sense to note that during the current week there has been considerable buying upon the London Stock Exchange of British securities upon United States account, and still more of South American securities lately held by investors in our market.

WATER-POWER IN THE UNITED STATES.

In the September issue of the circular of the Guaranty Trust Company of New York is published a reprint of the Act of Congress passed in June last for the development of water-power in the United States. According to an estimate of the Geological Survey the potential water-power of the United States is 59,360,000 horse-power. At present less than 10,000,000 horse-power, or about one-sixth of the estimated maximum of the potential resources, has been developed. In 1918 some 700,000,000 tons of coal was produced in the United States, and in 1919 some 356,000,000 barrels of forty-two gallons to the barrel of petroleum was raised from the wells. About two-thirds of the coal consumed in the country is for power, divided equally between manufacturing industries and that used in the transportation business. About seventy-five per cent. of the total world's supply of petroleum is consumed in the United States.

While it will not be possible for a considerable time at least to dispense with the use of coal and petroleum as a source of power in the United States, it is coming to be realised that if the increasing cost of production of commodities is to be successfully met these sources of power must at least be supplemented from a cheaper source. Experiments have shown that by the application of hydro-electric plant to water this difficult problem should be susceptible of solution. Experiments have now gone so far in the United States itself, as well as in other countries, that there seems no reasonable doubt that the use of water as a source of power is quite practicable upon a great scale. One of the reasons why it has not been developed hitherto has been the heavy cost of installing plant. Once this cost has been incurred the standing charges are comparatively light, the heaviest item being interest to be paid upon the capital raised for installing the plant. It is becoming recognised everywhere that the use of coal, or even of petroleum, is extravagantly wasteful. To some extent this waste can be minimised by extracting the various derivatives both from coal and petroleum. The use of crude coal and crude petroleum is, of course, the source of greatest waste. Even if all existing knowledge on the subject were applied in the use of these two minerals, the waste would still be considerable. The industrial world will therefore be greatly indebted to the United States if the result of the recent Act of Congress is to develop water as a potential source of power to an extent of nearly 60,000,000 horse-power.

DENVER AND RIO GRANDE RAILROAD COMPANY.

The thirty-fourth annual report of this Company, covering 1919, deals with a period when the line was not only under Government control, but also in the hands of a receiver, appointed some time back at the instance of the Company's creditors. As compared with the previous year, total operating revenues increased by $1,664,043 to $33,016,256, or from $12,008 to $12,733 per mile of road. Among the contributory items, income from passengers rose by 40.6 per cent. to $6,922,473, but freight earnings declined 2.2 per cent. to $24,099,451. The number of passengers carried increased by thirteen per cent., and the average revenue per passenger mile by 9.7 per cent., indicating a return to normal travelling on the part of the public, who had been discouraged from using the lines during the War. On the other hand, revenue freight as distinct from Company freight fell from 13,931,509 tons in 1918 to 11,772,298 tons in 1919, a decrease of 15.5 per cent., the change being due mainly to the lesser tonnage of bituminous coal, coke, ores, sand, and manufactured goods carried. The average amount received per ton per mile showed an expansion, however, from 1.165 cents to 1.328 cents, and the average amount per passenger mile also increased from 2.68 cents to 2.94 cents.

Turning to the expenses side of the account, we find that the operating outlay at $25,656,971 was higher by 1.4 per cent. The increase was more than met by the larger revenue above mentioned, and the result is seen in an expansion of net operating revenue to $7,359,285, compared with $6,058,738 in the previous year, but still far below the net revenues for 1917 and 1916, which were respectively $8,694,708 and $10,588,130. The mileage operated was 2,593, a slight decrease of eighteen miles on the previous total, and cost of maintenance of equipment and traffic services declined, but maintenance of way and structures, general expenses, and miscellaneous operations, including station and yard services, increased.

Deducting operating expenses $25,656,971 from operating revenue $33,016,256, the net revenue from operation stands at $7,359,285, from which must be subtracted tax accounts and uncollectible charges, leaving a balance of $5,972,877 as net operating income. Adding non-operating income of $9,436,844, we get a gross income of $15,409,721, which is insufficient to cover all current charges in respect of such items as rent for leased road and for locomotives, train cars, and equipment. Added to these are, of course, items for interest on funded and unfunded debts on Mortgage bonds, bringing the total amount of the charges to $17,897,167. There is thus a debit balance against the Company of $2,487,446, which, with the application of minor sums to renewal and sinking funds, is raised to $2,690,576.

The present difficulties of the Denver and Rio Grande Railway are due largely to the fact that it guaranteed principal and interest on the First Mortgage bonds of the Western Pacific. These obligations were not met, and towards the close of 1917 the trustees for the bondholders, the Equitable Trust Company of New York, filed a petition for $36,000,000 in respect of principal and interest. Their claim was allowed, and as the guarantors could not meet it the Denver and Rio Grande passed into the hands of a receiver in January 1918.

Quotations for Denver and for Western Pacific $100 bonds have in recent years varied considerably in the New York Stock Exchange, as is shown in the following table, where the yield is calculated allowing for redemption:—

	1917 High.	1917 Low.	1918 High.	1918 Low.	1919 High.	1919 Low.	1920 High.	1920 Low.	Price Jan. 30	Yield excluding Accrued Interest
	$	$	$	$	$	$	$	$	$	
Denver & Rio Grande 1st Con. 4% (1936) ...	86	62½	77	60½	75½	62	68	58¾	60	8·65
Western Pacific 1st 5% (1946)...	--	--	90	79¼	86½	79½	88	76⅞	78	6·80

For the two bonds the New York prices have since recovered to 67¼ (October 8) and 86½ (October 8) respectively. On the London Exchange business has recently been done in Denver Common stock at 4⅜, and in the Five per Cent. Non-Cumulative Preferred at 5½ per $100 of stock in each case.

	1919 $	1918 $	1917 $
Operating revenues	33,016,256	31,732,213	28,423,137
Operating expenses	25,656,971	25,293,475	19,728,429
Net revenue from operations	7,359,285	6,058,738	8,694,708
Less taxes, &c.	1,386,408	1,200,212	1,222,442
	5,972,877	4,858,526	7,662,266
Non-operating income ...	9,436,844	11,176,452	1,235,324
Gross income	15,409,721	16,034,978	8,697,590
Total deductions	17,897,167	17,369,689	6,597,828
Deficit	2,487,146	1,334,711	2,099,762*
Other appropriations ...	203,130	133,421	303,370
Total deficit	2,690,576	1,468,133	1,769,392†

* Surplus.
† Income balance transferred to credit of Profit and Loss.

The liquidators of the Russo-Canadian Development Corporation announce that they are now ready to issue Russo-Asiatic shares in exchange for Russo-Canadian Scrip Certificates, and that listing forms may be obtained on application to the Russo-Asiatic Consolidated, Limited, Pinners Hall, Austin Friars, London.

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Rubber Topics.

WITH standard crêpe establishing a new record in low prices at 1*s.* 4¼*d.* per lb., it is not surprising to find the Rubber market dull and reactionary during the week. It is gratifying to learn that realisations were, nevertheless, on a small scale. The Rubber Growers' Association now announce definitely that the proposed restriction of output by twenty-five per cent. comes into force on November 1, as over eighty-nine per cent. of the producing acreage owned by members of the Association domiciled in Europe is included in forms of assent already received. Moreover, the Council are assured also of the support of an adequate proportion of the outside producers.

ANNUAL REPORTS ANALYSED.

BANTENG (SELANGOR).

Issued Capital: £99,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Bearing Acre Yield per lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916–17	1,546	1,191	388,388	326	2/7	1/1·4	23,257	16,500	22½
1917–18	1,686	1,200	407,196	345	2/1·8	1/3½	17,247	6,000	10
1918–19	1,686	—	348,145	—	1/9·4	1/2·2	10,565	9,000	15
1919–20	1,716	—	571,712	—	2/1·86	1/0·01	32,682	19,800	30

Price of Shares, 35/0. Market Capitalisation per planted acre, £101.

FOR Banteng (Selangor) the year ended April 30, 1920, has been a period of marked prosperity. With the resumption of normal tapping the crop harvested not only exceeded the original estimate of 469,100 lb. by over 100,000 lb., but was more than 6,000 lb. in excess of the revised estimate of 565,100 lb. Such a substantial increase in the quantity of rubber secured brought in its train a satisfactory reduction in the working costs per unit of output. An f.o.b. cost of 10.14*d.* per lb. in the previous year is replaced by one of 8.69*d.* per lb., whilst the "all-in" cost of 1*s.* 0.01*d.* per lb. not only represents a marked improvement over the figure for 1918-19, but was 1½*d.* per lb. lower than the previous record of 1916-17. At the same time, the average price realised by the sale of the crop increased from 1*s.* 9.4*d.* per lb. to 2*s.* 1.86*d.* per lb. Accordingly, the reduced profit of £10,565 in 1918-19 is multiplied threefold, the resulting profit of £32,682 replacing the previous record of £29,256 in 1916-17. Thus it was possible to distribute in dividends a sum of £19,800, as against £9,000 in the previous year, the dividend corresponding to a rate of thirty per cent. on the subscribed capital of £66,000, as against fifteen per cent. on a subscribed capital of £60,000 in 1918-19. During the year the additional 6,000 shares were issued successfully at a premium of £1 per share. Then the authorised capital was increased from £75,000 to £150,000 and the issued capital from £66,000 to £99,000 by the distribution of 33,000 bonus shares in the ratio of one share for every two shares already held. Thus shareholders received, in addition to their substantial cash dividend, a scrip dividend estimated

at par at fifty per cent. The balance was financed out of the share premium and reserve funds. As the final cash dividend was paid on the new issued capital of £99,000 it represented only a rate of ten per cent. The balance carried forward to the next accounts is increased from £9,553 to £22,436. The necessity for such a large carry-forward is supplied by the existence of the iniquitous excess profits duty. The Company has a rather low datum line and consequently is mulcted heavily on this account. No less than £11,500 is estimated to be due in respect of the year under review, whilst claims in abeyance will absorb almost the balance of the carry-forward.

In view of the restriction of output coming into force in November the outlook for the current year is none too bright. The original estimate anticipated a crop of 586,000 lb., of which 212,012 lb. were secured in the first five months. Allowing for the reduction of twenty-five per cent. for the last six months, the total crop would not exceed 500,000 lb. This would involve an increase in the "all-in" cost, which will be accentuated by the heavy loss in rice and the higher wages which labour, largely in view of its scarcity, is commanding. Consequently, unless the price of rubber improves substantially before 1921, the dividend outlook is rather uncertain. On the other hand, the possibility of a refund of the sums due for excess profits duty must also be kept in view. In the long run, however, the prospects are encouraging. The estates are well-cultivated and the system of alternate daily tapping is in force with excellent results. Financially, too, the position of the Company is exceptionally strong. Including the final dividend of £9,900 current liabilities did not exceed £16,238 on April 30, 1920, and were more than fully covered by the cash balance alone of £23,668. Altogether liquid assets were available to a total of £45,473. At a price of 35*s.* the market capitalisation per acre is as low as £101; whilst at this price the £1 shares would afford on a dividend of ten per cent. a return of nearly six per cent.

RUBBER PLANTATIONS INVESTMENT TRUST.

In view of the outlook of the rubber and tea markets for the current year, the report of the Rubber Plantations Investment Trust for the year ended March 31, 1920, is of exceptional interest. For rubber and tea alike, the year 1918 was particularly adverse. Restricted shipping facilities owing to the gravity of the war situation rendered it necessary to introduce a scheme of restriction of output in the rubber industry, in addition to which market conditions and freight rates were so unfavourable that rubber-producing companies experienced a very lean year in cases where no loss was registered. The situation in the tea trade was no less difficult; imports into the United Kingdom and for some time to the United States being prohibited; whilst, again owing to shortage of shipping, tea could only be marketed at very low prices. Thus with producing companies earning little or no profits, the position of finance corporations was not to be envied. With a reversion to normal conditions, more adequate transport facilities and unrestricted tapping as regards rubber, 1919 proved to be a year of pronounced prosperity for most of the tea and rubber-producing companies. Hence the Rubber Plantations Investment Trust was able to present its shareholders with a much more satisfactory report for the year ended March 31, 1920, as can be seen by studying the following table:—

Results from Sumatra Plantations.

Year to Mar. 31		Area Bearing	Output	Yield per Acre	Net Price Realised	F.O.B. Cost	Gross Profit	Combined Gross Profit
		Acres	lb.	lb.	per lb.	per lb.	£	£
1918	Tea	5,565	4,100,000	724	0·9d.	2·89d.	6,320	30,320
	Rubber	1,566	492,134	314	24·34d.	14·7d.	24,000	
1919	Tea	7,250	5,606,482	761	1·0d.	2·94d.	*113,720*	*113,720*
	Rubber	1,410	509,595	365	1·8·24d.	1·8·5d.	*Loss*	
1920	Tea	7,782	6,076,744	781	1·0d.	1·11·0d.	69,830	105,880
	Rubber	2,674	1,013,727	379	1·1·96d.	1·11·0d.	43,050	

* Loss

Profit and Loss Account.—Years ended March 31.

	1920	1919	1918	1917	1916
	£	£	£	£	£
Profit on shares, &c.	—	—	—	—	16,000
Dividends, interest, &c.	98,761	29,161	43,669	45,872	46,013
Previous amount written back	—	—	31,826	74,525	15,233
Sundry revenue	1,911	491	639	672	689
Total	200,672	29,652	76,119	121,976	72,441
Deduct—					
Office, &c., expenses	5,420	5,017	7,562	7,323	6,947
Previous amount written off	—	1,964·20	—	—	—
Loan interest	97,656	28,000	7,782	1,411	17,540
Dividend	92,792	Nil	Nil	62,361	52,765
	1,673	—	—	(3%)	(3%)
Directors' percentage	1,500	—	—	2,448	3,275
	197,420	143,727	17,344	80,543	69,617
Balance	103,171	114,075‡	58,775	40,532	11,924
Brought forward	3,300	3,300	58,600	16,992	109,309
Carried forward	106,471	3,300	117,375	57,124	121,233†

* Transferred to capital. † Of which £10,641 transferred to reserve. ‡ Loss.

Area of Plantations.

Years Planted	Under Rubber— In Sumatra Acres	In S. India Acres	Under Tea— In Sumatra Acres	In S. India Acres	Total— In Rubber Acres	In Tea Acres
1908–10	875	73	—	—	948	—
1911	975	238	599	41	1,213	641
1912	570	—	1,149	242	570	1,391
1913	549	161	1,342	291	709	1,633
1914	44	76	1,730	38	120	1,768
1915	—	—	2,411	26	—	2,437
1916	—	—	592	—	—	592
1917	—	—	595	—	—	595
1918	—	—	480	—	—	480
1919	—	—	46	—	—	51
1920	—	—	27	—	—	27
Totals	3,013	548	9,480	608	3,561	10,088

* Area in bearing in 1917–18, 1,566 acres.
† Area in bearing in 1918–19, 7,250 acres.
NOTE.—Reserve land in Sumatra, 82,427 acres; in S. India, 1,[illegible] acres.

Whilst in view of the loss on rice which worked out at 1½*d.* per lb., the f.o.b. cost rose despite the growth in the crop from 9.16*d.* per lb. to 10.49*d.* per lb., the average price realised increased from the poor figure of 4.25*d.* per lb. to 1*s.* 0.96*d.* per lb. Thanks to the increase to 1,013,727 lb., the f.o.b. cost of rubber dropped from the alarming total of 1*s.* 8.73*d.* per lb. to the more normal level of 11.99*d.* per lb. The final results, including satisfactory profits from both tea and rubber on the south Indian property, were reflected in a profit of £151,066, as against a loss of £106,620. Thus it becomes possible to declare a dividend of six per cent. as in 1917. In addition to paying this dividend, there is carried forward to the next accounts a balance of £106,471, as against £3,300 brought forward from 1918-19.

Financially, as the following table will prove, the position of the Company has also been improved materially:—

Balance Sheet Figures.—Years to March 31.

Cr.	1920 £	1919 £	Dr.	1920 £	1919 £
Issued capital	1,49[illegible],490	1,408,154	Shares, Debs.		
Option money	[illegible]	[illegible]	options held	635,709 (b)	615,648 (a)
Reserve account	500,000†	500,000†	Properties and expenditure	1,715,637	1,550,226
Temp. loans	30,051	656,895‡	Debtors	16	2,593
Creditors	[illegible]8,5	4[illegible],586	Loans and interest	143,278	310,120
Unclaimed divs.	586	1,100	Govt. & War Loan	70,[illegible]5	94,035
Credit balance P. and L. Acc.	178,2[illegible]	3,300			
	2,565,439	2,572,914		[illegible],439	[illegible],914

† [illegible] ‡ [illegible] carry forward.

HARRISONS & CROSFIELD, LTD.

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Eastern and General Merchants.

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Dealers in all classes of Eastern produce.

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The increase in the issued capital represents the addition of 84,868 shares in respect of options exercised during the year. Whilst temporary loans have almost disappeared, the option money is represented as increasing to £265,835. But this merely indicates a conversion of the temporary loans into shares which has actually taken place since the close of the accounts. Furthermore, the issue of 239,356 shares offered at par in September to existing shareholders in the ratio of one for every eight shares held has been largely over-subscribed, so that on allotment, the issued capital will have been increased to £2,000,000, and the Company will have secured ample funds to carry out its programme of development. In this connection it will be noted that during the year the reserve land has been increased by 43,698 acres, mainly representing purchases of first-class land in Sumatra. Again, the balance of £30,051 loans from bankers has also been paid off since the close of the accounts. The value of shares, Debentures and options is returned at £635,702 after deducting the credit to realisation account representing profit on sale of investments (which profit for sales in the year under review amounted to £72,187). Early in October when the condition of the rubber and tea market was one of depression, these investments showed a market valuation in excess of the balance sheet figures of £397,520. And on March 31, 1920, current liabilities including the dividend of £62,782 did not exceed £160,624.

The outlook for the current year is in more than one way closely similar to that of 1918-19. Again it is evident that tea is commanding very low prices. Thus at the end of September common Indian tea retailing at 1*s.* 6½*d.* per lb. in November 1919 was only realising 4¼*d.* per lb. Stocks had accumulated at such a rate that tea in hand in the United Kingdom at the end of August 1920 reached 222,500,000 lb., as against 133,000,000 lb. in 1919. In fact, this state of affairs is due to the absence of the great pre-War Russian demand, which absorbed in 1913 as much as 191,000,000 lb. With tea being thus produced at a loss—and the loss on rice in the Sumatra Estates is estimated at 3*d.* per lb. of tea for the current year—it was essential in the best interests of the industry to restrict production until this excessive accumulation of stocks had been absorbed. The scheme suggested proposes a reduction of twenty per cent. in the crop, but will not be fully effective before 1921. Nevertheless, it appears that the tea crop of the Company will involve a considerable loss during the current year, due to the marked fall in price, in conjunction with the high cost due to the loss on rice and the unfavourable exchange. Moreover, the condition of the rubber industry is very similar. Production being at present, owing to the unsettled financial conditions in America and the economic chaos on the Continent, far in excess of consumption, the price of rubber has fallen as low as 1*s.* 4¼*d.* per lb., at which price little or no margin of profit is available. Accordingly there comes into being the proposal of the Rubber Growers' Association for the restriction of output by twenty-five per cent. after November. In the absence of forward contracts the price levels will not leave a very great margin of profit, and any profit thus accruing will have to be set off against the loss on the tea crop. Altogether, then, the outlook for the current year does not justify the expectation of any dividend, especially as the directors, with their customary prudence, will desire to make provision for the restrictions, which will be more prominently felt in the period 1921-22. But it is well to bear in mind that as the barren years of 1917 and 1918 were followed by a prosperous year in 1919, so also the possibly barren periods of 1920 and 1921 will give way to a successful year in 1922. The uncertain outlook at present has been largely discounted in the price of the shares (£1), which were quoted as high as 48*s.* 3*d.* during the year but are now as low as 23*s.* 4½*d.*

CALEDONIAN
INSURANCE COMPANY.

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3 BUCKLERSBURY, E.C. 4.

Insurance Notes.

LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY, LIMITED.

In the autumn of last year there took place the biggest fusion of insurance interests which up to then had been achieved, in the joining of hands by the Liverpool and London and Globe and the Royal Insurance companies. The amalgamation took the form of the purchase by the Royal of the Liverpool and London and Globe shares. It was one of the conditions of the agreement that the Liverpool and London and Globe Company should continue its active existence. Its report and accounts for last year constitute a very flourishing record, and are entitled to separate notice.

The Company's life business is not of great direct importance to shareholders—in fact its contributions to profit in 1919 represented only about one-sixteenth of the sum appropriated in dividends. It has consequently been something of a side-show, but undoubtedly to participating policyholders this has been an attractive one. New entrants obtain life assurance on an advantageous footing, for the Company limits the expenditure in the life department to ten per cent. of the premiums, and the net interest yield on the life funds during 1919 was about four per cent., after deduction of income tax. These are significent factors when it is borne in mind that at the last quinquennial valuation, on December 31, 1918, a reserve of about twenty per cent. of the future premiums on policies then in force was made for costs and contingencies, and that the assumption in regard to interest was that the rate earned would be only two and three-quarters per cent. The Company has a very good bonus record in its life department. From the opening of its participating series in 1875 the reversionary bonus declared at each successive valuation (including that of 1918 notwithstanding war experiences) has been at the regular rate of 35*s.* per cent. per annum in simple form. It is not surprising under these circumstances that the Company's life business has shown considerable development of late years. The new life policies issued in 1919 amounted in sums assured to £1,609,296, whereof £125,000 was reassured, the net retention thus being £1,484,296, which is more than double the corresponding figure (£725,243) for 1918. The total net life premium income in 1919, amounting to £390,635, shows an increase of £49,024. The annuity account shows receipts of £7,762 as consideration for new annuities granted. The life and annuity funds were increased by the year's operations from £4,900,471 to £4,974,054. Leasehold redemption insurance premiums, £1,672; relative fund at close of 1919, £21,769.

Very fine trading results are shown as the result of last year's operations in the various commercial insurance departments, and especially in the great fire and marine sections, and although these have had to be largely depleted in profit and loss account by provisions for taxation, the net outcome, as will be shown hereafter, is extraordinarily good.

The fire premium income (increased by £501,392) amounted to £4,562,169, and after adjustment of the reserve for unexpired risks on the Company's usual

basis (forty per cent. of each year's premiums) a trading profit is disclosed of £604,895, which is carried to profit and loss. This profit represents about 15.2 per cent. of the premiums, a high figure for such a huge business of comprehensive and world-wide character.

In the marine section the premiums £716,968, show a decrease of £25,641. The departmental profit, transferred to profit and loss, is £200,173. Three revenue accounts are presented, dealing with the accident and miscellaneous departments, the main results of which are as follows:—

(1) *Personal Accident Department.*—Premiums (increased by £15,025), £199,701. Surplus, after adjustment of reserve for unexpired risks, £11,037, of which £7,005 are trading and £4,032 net interest earnings. Transfer to profit and loss, £9,172; increase in departmental fund (apart from reserve for outstanding risks), £1,864.

(2) *Employers' Liability (within the United Kingdom) Department.*—Premium income (increased by £15,136), £187,825. Surplus, £39,586, of which £4,823 represents interest earnings and £34,763 trading profit. Transfer to profit and loss, £36,559; added to fund (apart from unexpired reserves), £3,027.

(3) *Miscellaneous Insurance Department.*—Premium income increased by £441,549), £1,785,763. Trading profit, transferred to profit and loss, £52,101.

In addition to the departmental profits above referred to the profit and loss account is credited with net interest earnings of £300,131 (representing the difference between interest receipts of £335,313, after deduction of income tax, not carried to other accounts, and £35,182 paid in interest by the Company on its Debenture issues), as well as a sum of £37,101 representing profit on exchange, and £19,914, being the proportion of shareholders' life profits arising from the last quinquennial valuation applicable to 1919. Profit and loss account is debited, on the other hand, with the enormous sum of £425,000 for income tax and provision for excess profits duty.

Putting together all the figures relating to the year's profits as appearing in the 1919 account, we find the following result:—

Account or Department	Profits from Trading	Net Interest Earnings
	£	£
Life	19,914	-
Fire	604,895	-
Marine	200,173	-
Personal accident	7,005	4,032
Employers' liability (U.K.)	34,763	4,823
Miscellaneous	52,102	-
Profit and loss	37,101	300,131
	1,045,953	
Loss charged to profit and loss	425,000	
	620,953	308,986
	£929,939	

The allocation is as follows:

(1) *Paid-up Capital.* The subscribed share capital as at December 31, 1919, amounted to £3,655,250, of which £365,525 was paid up in 365,525 shares of £10 with £1 paid on each. Following the annual meeting in May 1919 it was decided to transfer a sufficient amount from the reserves to paid up capital to increase the amount paid per share to £2, and thereafter to sub divide these shares into 531,050 shares of £5 with £1 paid on each. This necessitated a provision in profit and loss account by way of reduction of the uncalled liability of the shares capital of £2,925,525

(2) *Dividends.* A dividend has been declared in respect of the year 1919 at the rate of 15s. per new share, equal to 3l. per old share, as compared with 50s. per old share in respect of 1918; these dividends, in both cases, being less tax. The distribution in respect of 1919 involves payments of 315,975

(N.B. It will be seen that the amount of this distribution was nearly covered by interest earnings alone, as apart from trading profits.)

(3) *Departmental Funds.* The following additions have been made to departmental funds, apart from such as are required as provision for unexpired risks:—

(a) To fire fund	£200,000
(b) To marine funds	20,000
(c) To personal accident funds	1,864
(d) To employers' liability funds	3,027
(e) To miscellaneous insurance funds	100,000
	324,891

(4) *Investment Fluctuation Fund.* There has been transferred thereto the sum of 225,534

(N.B. After this transfer the investment fluctuation fund amounted to £1,600,000.)

(5) *Staff Pension Fund.* The headquarters' staff pension fund amounted to £105,814.) 25,000

£1,250,925

Less amount by which balance of profit and loss account at close of year 1919 is reduced after these adjustments 320,986

£929,939

Apart from capital, life, annuity, and leasehold redemption funds, staff pension funds, investment fluctuation funds, and suspense account (£455,000), the reserves carried forward to 1920, after provision for outstanding losses and for dividends in respect of 1919, appear to be as follows:

General reserve ...	£1,000,000
Fire reserve funds ...	2,141,393
Marine reserve funds ...	500,787
Personal accident reserve funds	103,810
Employers' liability funds	112,693
Miscellaneous insurance funds	91,996
Miscellaneous profit reserves	56,550
Balance of profit and loss account	127,971
	£6,373,797

This represents about 87.5 per cent. of the total premium income in 1919 (£7,452,422) in the fire, marine, personal accident, employers' liability, and miscellaneous insurance departments.

The total assets as shown in the Company's balance sheet as at December 31, 1919, amounted to £19,028,153. The auditors certify that in their belief these assets were in the aggregate fully of the value stated, after deducting the amount set aside as the investment fluctuation fund.

DIVIDENDS ANNOUNCED THIS WEEK.

		1920	1919	1918	1917	1916
BANKS:						
Anglo Egyptian Bank, £15 shs £6 paid		1920/21	17½	15	15½	17½
Bank of Montreal		30/9/20				
National Bank of South Africa, £10 shs		15	7½	7½	6	6
Royal Bank of Scotland, £5 shs		5/6 (1)	5	5	5	5
BREWERIES:						
Bushell, Watkins & Smith		30/9/20	-			
Castlebellingham & Drogheda, £10 shs.		31	-	-	-	5
Jenney (Frederick)	(1919)	30/6	-	-		
COMMERCIAL:						
Associated Newspapers		31/10				
Berisford (S. & W.)	(1919)	30/9	20	20	20	20
Egyptian Markets		30/9	9	10	12½	11
Fortnum, Son & Mason	(1919)	12/10/20				
Nelson Brothers	(1919)	10/12/20	10%	5	10%	15
North of England Cinema		30/6				
Triangle Cycle		6/10/20	17½	17½	15%	30
Val de Travers Asphalte		31/10	5	5	-	4
FINANCIAL LAND AND TRUSTS:						
Anglo-American Debenture		30/9	7½	6	6	6
Argentine Land & Invest. £1 sh., 10s. pd.	20†	15/9	12	5	5	5
Debenture Securities Invest		30/9	6½	6½	6½	6½
New Zealand & Australian Land		30/6	15(D)	15	15	15
South Australian Land Mortgage, £5 shs £1 pd		31/10	7½	6½	6½	5
Texas Land & Mortgage, £10 sh., £2½ pd.		30/9	12½	12½	15	15
GAS:						
Montevideo Gas and Dry Dock Stk.		30/6	6%	5	-	5
INDIAN AND FOREIGN RAILS:						
Burma Rly. Guar. 2½% plus proportion of surp. profits		1½/3/20	3½	3	4½	3½
Luma Rly., £10 shs		30/6	1 8/9	1 6/8	2 6/8	3½
South Indian Ry. Corp. Stk. 3½% Guar. plus proportion of surp. profits		5†	4½	7½	6½	5½
IRON, COAL AND STEEL:						
Berry (Henry) ...	(1918)	19/6	20	20	-	-
Lambert Brothers		30/9(S)	22½	22½	21½(S)	25
Park Gate Iron & Steel		2½/6/20	12½(S)	15	15	17½
Wells (J. & G.), £10 sh., £9 pd. ...		30/6	9	10	10	7½
MINING:						
El Oro		6/8	5	6	5	—
Wolhuter Gold		6½	5	11½	15%	15
NITRATE:						
Anglo-Italian Nitrate, £1 £5 shs.		15/6	10	20	20	20
SHIPPING:						
Portfield Steamship	(1918)	30/9	-	-	-	-
TEA, COFFEE AND RUBBER:						
Anglo-Sumeres Rubber	(1919)	15†	20	30	30	30
E.M.S. Rubber Planters		30/9	20	5	12½	-
Georgie Rubber		30/6	15	20	5	10
Seafield Rubber		30/6	10	30	30	10
Semenyih Rubber		30/10	15	10	5	5
Tanjore Mamut Rubber		30/6	5	Nil	5	5
United Sua Betong		31/10	22½	17½	15½	5
Wardour (F.M.S.) Rubber		30/6	5	5	-	12½
TELEGRAPHS AND TELEPHONES:						
United River Plate Telephone, £5 shs.		31/12	5	5	5	5
TRAMWAYS AND OMNIBUS:						
Calcutta Tramways, £5 shs		30/6	4	5	-	10
City of Buenos Ayres Tramways, £5 shs		31/7	-	-	-	5
WATERWORKS:						
Kimberley Waterworks, £7 10s pd		31/12				
* Tax free.						
(1) Interim. (D) Dividend. (S) Subject to deduction of income tax.						

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

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Registered office and Life Department.
9 Fleet Street,
London, E.C. 4.

General Manager: J. Herbert E. Lane. Actuary and Secretary: Chas. Windett.

Commercial.

CUBA.

THE CRISIS.

It must have struck the reader that we are witnessing a remarkable circumstance in the fact that the island of Cuba is at the time of writing passing through a very severe financial crisis. If there was any place on the planet which could have been said to have received nothing but benefit as a result of the recent European War, one would naturally have said that the island of Cuba was the one place that the War had benefited without leaving the island to face any apparent corresponding drawbacks. Anyone who will carefully study the economic situation in Cuba at the present time will quickly come to realise, however, that this is not so. It is a curious coincidence in human affairs that a sudden rise to extraordinary prosperity usually is accompanied by very serious drawbacks. Europe in the period which preceded the outbreak of the War was accustomed to rely for the bulk of her supply of sugar upon the production of the beetroot. This beet-sugar was produced almost wholly in the recent belligerent countries. As a result of the War the production of beet-sugar dropped in Europe practically by seventy-five per cent. It is now gradually recovering, and will, no doubt, in time regain its old position. It is generally estimated that it will take between two and three seasons before this state of things can be reached, even under the most favourable circumstances. However this may be, an extraordinary opportunity was afforded to the sugar-cane growing industry. It would have been desirable that the tropical parts of the world should have been encouraged to increase their production of cane sugar, which, although the fact is disputed, is on the whole generally believed to be more wholesome for human consumption than sugar derived from the beet root. As things turned out hardly any of the cane-sugar producing countries received any real measure of encouragement except the island of Cuba. As the War progressed and the various belligerent countries became financially embarrassed, arrangements were entered into whereby the United States Government afforded assistance to the Entente belligerents in the supply of food and raw materials. This assistance naturally was afforded upon conditions, and one of those conditions was that the major part of the supply of sugar consigned primarily to this country for distribution amongst ourselves and our Allies should be drawn from Cuba. We, of course, obtained supplies of sugar from our own colonies as well as from a few, but very few, other sources. But without the arrangement with Cuba and the supply thereby obtained, we should have been even more rigidly rationed than was actually the case. The United States made a sacrifice in allowing Europe to obtain the large quantity of sugar which it did from Cuba, relying for the most part for supplies within its own borders, about twenty-five per cent. of the Cuban crop, and certain other supplies derived from different parts of Central and South America, mainly Central America, in which the United States sugar interests are the dominant factor. The Cuban sugar crop, which amounts to about four million tons, doubled as a result of the War, and its value expressed in terms of money multiplied between five and six times over. It will be seen that Cuba derived extraordinary benefits under the arrangement already referred to. The planters primarily, the traders, the shippers, and those who were engaged in financing the crop, realised what can only be described as enormous fortunes. Unfortunately, the sugar interest could not let well alone. Enjoying a greater measure of prosperity than in any period of the known history of the Republic, a perfect mania for speculation took possession of a certain section of the sugar interest in Cuba itself and in the United States. There was a building mania in Havana, and amongst certain sections an extravagance in the style of living manifested itself, which hardly any prosperity, however great, could be expected to sustain for any considerable time. We do not, of course, mean to say that the whole of the sugar interest in Cuba lost its head. Fortunately, the great bulk of planters took a sane view of the situation. But it cannot be denied that a section plunged into extravagant speculation from which the island and the sugar interests are still suffering. In a sense the economic situation in Cuba is quite sound. That is to say, given time, she will be able to pay 100 cents to the dollar. The reader, however, who has read the cables published by our daily contemporaries stating that it has been necessary to proclaim a moratorium will appreciate how grave the actual financial situation is at the moment. In other words, Cuba has made, and will make again this season, an immense amount of money out of her sugar crop. A section of her planters and traders, however, have speculated beyond their means. And certain financiers in New York prominently associated with Cuban sugar interests have engaged in financial operations which the circumstances do not justify. When the facts came to be realised the United States Government was asked to take over the whole of the Cuban sugar crop. The Sugar Commission, as the reader is aware, has been dissolved; and, consequently, there is no corporate body actually in existence which could be authorised to take over the crop. Doubtless some means will be found whereby the American Government will give such temporary assistance as may be necessary in order to tide over the difficulties which the Cuban planter and the various interests concerned with the Cuban sugar industry in the island, as well as in New York, will be assisted in getting over difficulties which in their nature are of a temporary character.

If we were all wise perhaps there would be no history. Certain it is that a very much better use could have been made of the abundant prosperity which Cuba has enjoyed during the past five years. The island of Cuba is only a little smaller than England proper—that is, exclusive of the Principality of Wales. She is by far the biggest of the islands in the Caribbean Sea. Only a small part of the northern section of the island is situated out of the actual tropics; that is to say, Cuba is essentially a tropical island. Her population, however, is barely three millions. Sugar has come to be out of all proportion the predominant industry of Cuba, and out of its great prosperity during recent years there was an ample surplus which could have been used for the development of its great natural resources. Probably, so far as agriculture is concerned, no better use could be made of the wealth the island has accumulated than increasing the area under sugar. But, of course, it is evident to the more intelligent planters that a time must come when the sugar industry in Cuba will no longer enjoy the advantages which it possessed during the past few years. When that time comes it will be desirable to develop the great natural resources other than sugar. Already the manganese mines of Cuba are worked both by Cuban and by North

American interests. Her copper mines are worked to some extent, but by no means to the extent to which they are capable of being exploited. Marble and rock crystals are abundant, and geologists say that there are rich beds of asphalt which so far have never been opened up to an extent which would admit of their actual value being appraised.

Cuba, as we have said, is some 45,000 square miles in area, or just about 5,000 square miles less than the area of England proper. She has a railway mileage of practically 3,000, nearly the whole of which has been built, and is still largely owned, by British capitalists. We are in this country very largely interested, from a practical point of view, in the welfare of Cuba, as well as for other reasons. We have, in fact, between eighty and ninety millions sterling already invested in the island. It is sometimes said that the island of Cuba, for its size and population, is well supplied with railway communication. This opinion depends very largely upon the way one approaches the question. Cuba is an exceedingly long and narrow island. She is well supplied with railway communication, if we mean that the three principal industries of the island—sugar, tobacco, and the mining industry—have certain railway facilities which enable the products in which those industries are interested to be conveyed from the place of production to a port of shipment. But it will hardly be contended that less than 3,000 miles of railway affords an adequate means of transportation for an island of the extent we have already stated.

Industrial Companies.

MARCONI'S WIRELESS TELEGRAPH CO., LTD.

Issued Capital: £1,679,838 in 2,467,279 £1 Ord. Shares (1,152,742 being partly paid) and 250,000 Pref. Shares of £1 each.

Year to Dec. 31	Net Profit	Div. on Pref. %	Div. on Pref. £	Div. on Ord. %	Div. on Ord. £	Special Allowances £	Amt. of Carry-forward £	Value of Stock £	Surplus Liquid Assets* £
1914	232,717	7	17,500	10	122,269	100,000	69,498	164,142	695,867
1915	377,817	7	17,500	10	122,269	—	307,546	159,647	928,955
1916	318,434	12	30,000	15	183,403	32,470	380,107	180,015	1,000,595
1917	383,835	17	42,500	20	244,528	100,000	376,904	240,618	1,096,776
1918	597,938	22	55,000	25	305,912	150,000	463,787	362,797	1,167,583
1919	1,220,739†	47‡	117,500	50‡	611,824	—	955,202	351,223	1,661,116

* Excluding stock, also investments in Associated Cos. and patents (valued at £1,923,172 at Dec. 31, 1919).
† Including £590,000 damages for Government breach of contract.
‡ Including bonus of 25%.

The accounts of this Company for the past year show a further improvement on the satisfactory results of the previous period. The gross profits amounted to £948,040, representing an increase of nearly £182,000, but, as the working and administrative costs, particularly under the headings of station expenses and salaries, increased by £148,977, the net profit worked out at £630,739, which is not more than £32,801 in excess of the net earnings in 1918. It is important to note, however, that before the gross profit is struck a sum of £56,000 has been written off for depreciation in investments of British and Foreign Government securities. Besides, an amount approximating to £58,000 has been similarly charged for the purpose of covering the fall in the value of sterling deposited abroad, pending remittance to head offices. This loss has not been actually incurred, however, as the moneys will not be remitted until the exchanges improve. The previous year's accounts contained no reference to deductions under either of these headings, and the increase in this year's revenue is accordingly all the more remarkable. To the net profit for the year is to be added a sum of £590,000, representing damages recovered from the Government for breach of contract in respect of the arrangement for an Imperial chain of wireless stations. The available surplus therefore amounts to £1,220,739, of which the Preference and Ordinary dividends absorb £729,324, representing a distribution of twenty-two per cent. and twenty-five per cent. respectively, together with a twenty-five per cent. bonus in each case. No allocation is made to reserve, and the large sum of £955,202, which is carried forward, compares with less than £463,800 brought in from 1918. It should be noted that no settlement had been arrived at with any of the Government departments in respect of the Company's claims arising out of the War or for services rendered during the War, and consequently no sums in respect of any of these claims figure in the accounts presented.

The balance sheet shows an increase in the authorised share capital from £1,500,000 to £3,000,000, whilst the issued capital has been increased by £206,190 by the issue in December last of 1,243,631 Ordinary shares, of which 90,889 were fully paid up at the date of the accounts. These shares, however, rank only for dividend in respect of the period commencing on January 1 last. The shares were offered to the existing shareholders at £3 each, and the premiums thereon received up to December 31 last amounted to £349,219. The additional receipts during the current year will add very substantially to the premium account, the total amount of which is to be transferred in due course to the general reserve, which now stands at £1,250,000. Sundry creditors, including reserve for expenses unpaid and receipts in advance, amount to £395,381, as compared with £694,110 in the previous year's accounts.

Among the assets, freehold property, plant, machinery and buildings figure at £320,887, representing an increase of £28,950. Shares in associated companies and patents have grown by £558,063 to £1,923,172. This figure represents the cost price, and the par value of the shares above (without including those which have no capital denomination) actually amounts to £2,251,882. Other investments, however, have fallen from £821,372 to £658,988, and stocks from £362,797 to £351,223. Sundry debtors have increased by over £269,000 to £1,515,193, and cash holdings by £456,570 to £611,639, due apparently to receipts in respect of the issue of shares. The total assets now figure at £5,381,105, as compared with £4,242,457 in 1918, and even with the exclusion of stocks and investments in associated companies and patents, the liquid assets exceed current liabilities (including dividends due) by £1,661,116, which compares with a surplus of £1,167,583 in the previous balance sheet.

The accounts furnish ample testimony of the financial strength of the Company and of its technical and commercial progress. Its interests in associated enterprises have attained very considerable proportions, and its strong position will enable it to take full advantages of future developments in the science of wireless telegraphy. Against a maximum issued capital of £3,000,000, there stands a general reserve of £1,250,000, which will be increased to over £4,000,000 when the total receipts of the premium on the new issue have been received. Not many industrial companies can claim to have created so powerful a reserve as this. The prospects for the current year seem sufficiently bright to anticipate a dividend of at least twenty-five per cent. on the Ordinary shares and twenty-two per cent. on the Preference shares. On this basis the first-named would give a yield of nearly 8.6 per cent. at their present price of 58s. 1½d., whilst the Preference shares now quoted at 50s. 10½d. would yield a return of 7.7 per cent.

ERINOID, LIMITED.

Issued Capital: £175,000, in shares of 5s.

Results for Years to August 31

Trading Profit	Sinking Fund, Debenture Interest, Expenses, &c.	Net Profit	Dividends Declared	Amount Carried Forward
£	£	£	£	£
1917				
1918				
1919				
1920				

The shareholders of Erinoid, Limited, have every reason to congratulate themselves on the very satisfactory trading results of the year ended August 31,

1920. Sales have increased by seventy per cent. as compared with the previous year, thus producing the record net profit of £70,137, which is not only twice the profit of the previous year, but exceeds the former record of 1917-18 by over £32,500. The increase in sundry revenue is due entirely to the amount received in respect of interest, which was £1,487, as against £948 in the previous year. Similarly, the expansion in administrative charges must be attributed mainly to the growth in the charges for bank overdrafts from £736 in 1918-19 to £1,541. The provision of £3,580 for the depreciation of plant and machinery brings the depreciation account up to a total of £10,362. The satisfactory net profit of £64,162 exceeds the total of the two previous years. Out of this a generous allocation of £35,000 is made to the general reserve, to which the premiums on shares issued amounting to £25,438 had already been transferred, thereby giving a total of £75,700. But from this there had been deducted in respect of taxation £13,362, leaving on August 31, 1920, a total of £62,338. This total was subject to further deduction for income tax, excess profits duty, and corporation tax for the year under review to an estimated total of £26,000. Dividends paid to shareholders absorbed £18,375, as against £15,750, the rate being increased from fifteen per cent. to twenty-two and a-half per cent. There is carried forward to the next accounts a balance of £2,668.

In these days of depression and industrial unrest it is gratifying to record an instance in which the outlook for the current year is rather encouraging. This Company is trading in a patent which experience has shown to be an unparalleled substitute for tortoise-shell, ivory, horn, and bone, possessing the additional merits of being non-explosive, unaffected by acids or alkalies, and to all intents and purposes non-inflammable. The uses to which it is put are as numerous as they are varied. From it are manufactured articles as different as buttons and umbrella-stick handles, necklaces, and cigarette tubes, piano keys, and pipe stems. And the demand for its products is not confined to the home markets, an extensive export trade having been developed. In the near future the question may come up of opening factories abroad to escape the tariff barriers. At present the combined demand is growing so rapidly as to outstrip the productive capacity of the Stroud factory. To cope with this expansion an additional factory has been acquired at Yate, near Bristol, from the Disposal Board. Arrangements for its equipment are being expedited, as it will enable, when in full working order, the output of Erinoid to be doubled. To meet such expenditure, however, further capital will be required, and an issue of shares at a premium of 5*s.* is contemplated in the near future. With the existing 5*s.* shares quoted at over 15*s.* in the market the issue price confers so favourable a bonus that the new issue should be promptly taken up by existing shareholders. Furthermore, the prospects for the current year are decidedly promising. Trading during the opening weeks shows an expansion of thirty per cent. on the record returns of the year under review. Admittedly the excess profits duty will again claim an unreasonable proportion of the profits; but it is now evident that this tax must be replaced in the near future with one which, whilst being more equitable in its incidence, will not penalise enterprise so unduly. The proceeds of the new issue will afford a welcome relief from the burden of the overdraft, and will help to redress the balance between current liabilities and the more liquid assets. In the balance sheet dated August 31, 1920, current liabilities, including the final dividend of £18,375, amount to £49,373, or, including the overdraft, to £77,834, whereas the total of cash and investments is only £32,886. A sum of £174,128 is included under the heterogeneous title of "Stocks and stores on hand, book debts, &c." We venture to suggest that such a grouping is not in accord with the best accounting practice. At least book debts should be shown separately. Nothing is to be gained by concealing the amount due from trade debtors, whilst in its absence it is not easy to compare the current liabilities and the more liquid assets. This criticism is not intended to cast any reflection upon the financial position of the Company, which is admittedly sound. We have on more than one occasion referred to this deficiency of more liquid assets in industrial companies, which is largely a reflection of the adverse financial conditions of the day. At the market price of 16*s.* the 5*s.* shares afford a return of nearly eight per cent. on the basis of a dividend of twenty-five per cent.

THE LEEDS FORGE COMPANY, LIMITED.

Issued Capital: £270,000, in 120,000 7% Cumulative Preference Shares of £1 each and 150,000 Ordinary Shares of £1 each. Debenture Stock: 3,000 5% 1st Mortgage Debentures of £50 each.

Year to Dec. 31	Net Profit*	Pref. Dividend		Ordinary Dividend		Carried Forward	Stocks	Surplus of Liquid Assets‡ over Current Liabilities
	£	£	%	£	%†	£	£	£
1914 ...	18,138	7,752	7	15,000	10	15,277	112,003	189,828
1915 ...	17,495	7,280	7	15,000	10	10,491	160,096	212,642
1916 ...	39,957	6,510	7	15,000	10	28,938	235,451	248,636
1917 ...	}	6,300	7	15,000	10	—	—	—
1918 ...	116,575	5,985	7	22,500	15	—	—	—
1919 ...	}	5,880	7	22,500	15	46,129	351,028	284,913

* After providing for depreciation, Debenture interest and taxation.
† Free of tax. ‡ Including stocks.

As with many other undertakings the annual accounts of this Company were not presented for 1917 and 1918 in consequence of the difficulties which arose regarding the basis of its liability for excess profits duty. Earnings were, however, considered sufficient to justify the payment of a dividend (free of tax) of ten per cent. in 1917, and fifteen per cent. in 1918. Settlement with the Inland Revenue having been reached last year, the directors have presented accounts covering the three years' trading to December 31, 1919, which show that the net profit for the period, after providing for depreciation, Debenture interest, and excess profits duty amounted to £111,325, or an average profit for each year of £37,108. The actual profit in 1916 was £39,957, as compared with £17,495 in 1915, and that pronounced improvement has therefore been rather well maintained. The paucity of information contained in the present accounts, however, renders an accurate comparison almost impossible, as the charge for depreciation is not stated, although it amounted to £30,000 in 1916, and, besides, the deduction for Government taxation must represent a far heavier annual charge than in the accounts for that year. The Ordinary dividend is maintained at fifteen per cent., free of tax, which is equivalent to 21.4 per cent., subject to tax, and the amount carried forward has been substantially increased from £28,938 to £46,129.

The balance sheet shows an increase in creditors during the three years from £276,133 to £523,057, whilst on the assets side debtors figure at £439,556, as compared with £255,505 in 1916. Stocks have increased during the period from £235,451 to £351,028, a movement of which the higher level of prices alone would furnish an explanation. Investments have been reduced by £7,612 to £44,000, and cash holdings by £1,519 to £1,330. The fixed asets, which were valued at £350,302 in 1916, are now shown at £301,212, after charging depreciation. Important changes, however, have been made since the date of the accounts. Thus, in consequence of a considerable difference between the book value and the actual value of the fixed assets, the latter have been written up from £301,212 to £561,212, and a sum answering to this accretion in value has been transferred to the reserve, which has now been capitalised by a bonus distribution of £380,000, of which the Ordinary shareholders receive £350,000 in the proportion of seven new shares for every three held, the balance being distributed among the Preference shareholders in the proportion of one such share for every four held. The authorised capital, which stood at £670,000 in the balance sheet, has since been increased to £1,250,000 by the creation of 180,000 Preference shares and 400,000 Ordinary shares ranking *pari passu* in each case with the existing

shares, and the issued capital has been increased to £650,000 by the bonus share distribution referred to above.

The directors of the Company completed negotiations in August last for the acquisition of the Bristol Wagon and Carriage Works Company, Limited, and the Newlay Wheel Company, Limited. Control of the former has been obtained on the basis of a payment in cash, ninety-seven per cent. of the shares being acquired, and the object aimed at is to ensure a continuity of expansion in the construction of rolling stock. The acquisition of the Newlay Wheel Company, which has been made on the basis of an exchange of shares, will further consolidate the Company's position and make the enterprise far more self-contained. The cash payment will require an issue of shares or securities which may be made shortly, and the exchange of shares with the Newlay Wheel Company will require a further increase in the issued capital. The actual purchase terms in each case are not known, and it is somewhat difficult to understand why the information has been withheld. A considerable expansion in the Company's business may be anticipated during the current year, as the newly-acquired works are readily adapted to large-scale manufacture. Owing to the nature of its activities the concern is not likely to be affected by the difficulties which exist at present in many industries. But as the capital has been increased largely by reserve capitalisation, no proportionate increase in earnings can be anticipated, although, of course, such additional capital as may be issued in respect of the purchase of the undertakings referred to above will in all probability yield a satisfactory return. It is not reasonable, therefore, to assume that the rate of dividend will be maintained at fifteen per cent. (tax free), as such would necessitate the distribution of far more than twice the total amount distributed last year.

The following table gives the prices and yields of the different shares, the yield on the Ordinary shares (tax free) being calculated on the assumption of a dividend next year of eight per cent., free of tax.

	Price	Yield
Ordinary shares	21s. 9d.	7¾
5% 1st Mortgage Debentures ...	57½	6%

HAMMOND'S BRADFORD BREWERY CO., LTD.

Issued Capital: £187,500, in 112,500 £1 Ordinary Shares and 75,000 6% Pref. Shares of £1 each. 4% Perpetual Debenture Stock, £250,000.

Year to Sept 30	Net Profits	Deb. Int.	6% Pref. Dividend	Ordinary Dividend		General Reserve	Special Reserve	Carried Forward
	£	£	£	£		£	£	£
1913	25,165	10,000	1,500	6,000	8	3,500	707	9,271
1914	26,020	10,000	4,500	6,000	8	3,000	1,500	10,891
1915	24,576	10,000	4,500	6,000	8	3,956		11,212
1916	25,119	10,000	4,500	6,000	8	3,000	1,000	11,831
1917	29,250*	10,000	4,500	8,250	11‡	5,000	1,000	12,581
1918	31,484*	10,000	4,500	6,000	8	10,000		7,515
1919	41,161*	10,000	4,500	9,000	8	11,500	2,000	8,476
1920	51,664*	10,000	4,500	14,625	13‡	25,000	1,000	7,015

* After providing for Excess Profits Duty, bad debts, maintenance, etc.
† Including bonus of 5.

Although this Yorkshire brewery concern did not experience any of the prosperity enjoyed by similar undertakings during the War, it has been compensated in large part by the remarkable progress made during the past two years. In 1918 its net profits amounted to £31,484, in 1919 to £41,161, and for the twelve months ended September 30 last the net profits worked out at £51,664. Provision has been made, as usual, for excess profits duty before the net balance is struck, but the practice is continued of withholding all information as to the liability under this heading and the amount of the expenses charged against revenue. The appropriations for Debenture interest and Preference dividends amount, as usual, to £10,000 and £4,500 respectively, but the Ordinary dividend has been raised from eight per cent. to thirteen per cent. (including a three per cent. bonus), and absorbs £14,625, as compared with £9,000 previously. It may be pointed out in this connection that the capital was increased fifty per cent. by a bonus capitalisation in 1918, and that the dividends for 1919 and 1920 are therefore equivalent to thirteen and a-half per cent. and nineteen and a-half per cent. on the previous capital basis. The allocation to the general reserve has been increased from £14,500 to £23,000, which brings that fund up to £78,000, whilst the special reserve (in respect of liability under the Licensing Act) receives £1,000, as compared with £2,000 in 1919, leaving a balance of £7,015 to be carried forward, as compared with £8,476 brought in from last year.

The items in the balance sheet show a few important alterations. Sundry creditors figure at £113,635, representing an increase of £23,550, whilst the loan of £100,000 created during the previous period is still outstanding. The additions to properties amounted to £13,313, but deductions for depreciation and sales have increased from £4,172 to £12,484, so that the net increase amounted only to £829. Plant figures at £18,040, as compared with £15,603 previously, and book debts have grown slightly, whilst stocks show, a remarkable expansion from £35,662 to £71,419. Cash holdings are £12,608 the larger at £28,417, but War Loan investments have fallen by £4,750 to £10,000. The liquid assets, including stocks, amount to £126,797, and exceed current liabilities by £4,162, which compares with a deficiency of £13,109 in the previous year's accounts.

The substantial expansion in the trade of the Company during the last few years is largely attributable to the acquisition in 1918 of the business of J. R. Holmes and Sons, Bingley, the purchase price of which was £148,000, and it is probable that the full benefits resulting from this purchase have not yet been felt. The withdrawal of all Government restrictions on output last year has naturally allowed of a more exact relation between productive capacity and output, but taxation continues to impose a heavy tribute upon initiative in this direction. The trade prospects, however, appear to be remarkably good, and it seems reasonable to anticipate that this Company will maintain its dividend at thirteen per cent. for the present financial year. On this assumption the Ordinary shares at their present price of 17s. 1½d would yield a return of 15.2 per cent., and the Four per Cent. Perpetual Debenture stock yields a return of 6.7 per cent. at the present price of 59¾.

THE CASTLEBELLINGHAM AND DROGHEDA BREWERIES, LIMITED.

Capital: £90,000, in 9,000 £10 6% Cum. Pref. Shares: £84,880 in 8,488 £10 Ordinary Shares. 4½ Irredeemable Debenture Stock, £90,000.

Year ending August 31	Net Profits	Deb. Int. and Pref. Divs.	Ordinary Dividend		Amount carried to General Reserve	Income Tax	Stocks in Trade	Book Debts
	£	£	(a)	£	£	£	£	
1916 ...	18,410	9,450	4,241	5	1,000	5,702	48,554	43,830
1917 ...	21,297	9,450	5,092	6	1,000	5,755	54,125	46,312
1918 ...	26,009	9,450	8,488	10	5,000	3,071	49,665	57,688
1919 ...	37,199	9,450	8,488	10	5,000	5,261	61,442	[illegible]
1920 ...	29,226	9,450	6,790	8		5,261	91,279	30,184

(a) Income (interest or taxed) [illegible] all trade expenses, including all [illegible] [illegible] [illegible]

interest and Preference dividends absorbed £9,450. The directors propose for the Ordinary shareholders a dividend of eight per cent., less income tax. The amount to be distributed on this basis will be £6,790, which compares with the £8,488 required to pay a dividend of ten per cent., less income tax, in each of the years 1918 and 1919. To reserve fund it is not thought desirable to make any appropriation this year, but general depreciation fund will receive an allotment of £3,000, compared with £5,000 in the previous year, and investment depreciation fund, which received no reinforcement last year, will be strengthened by £3,000. These provisions, if sanctioned by the shareholders, will enable a balance of £8,550 to be carried forward to the new account, as against £8,929 in 1919.

On the assets side of the 1920 balance sheet sundry debtors have increased by £4,481 to £23,484. Investments at cost, loans and accrued interest at £96,478 show but little change compared with the previous figure of £96,700. To bring about some semblance between the present market value and the original value of this item, investment depreciation fund, on the other side of the balance sheet, which received an addition of £794 in 1916, will, with the aid of the proposed allocation of £3,000, now stand at £9,000. Cash at bank and in hand has dropped from £38,056 in 1919 to £21,465 in 1920, and with the increase in sundry creditors, under which provision is made for stock fluctuations, bad debts and deferred repairs, from £98,201 to £111,244, largely as a result of the increased Excise duties, explains the decline in the surplus of liquid assets—investments, sundry debtors and cash at bank and in hand as against sundry creditors—revealed since the previous year. Stock-in-trade at £91,279 indicates a noteworthy jump of £29,837 since the previous year, the practical removal of restrictions on brewing in the latter part of last year being a contributory factor. The valuation of brewing and malting premises, plant, machinery and goodwill, including additions and amount expended on employees' dwellings, is unchanged at £225,427. Amongst the liabilities, reserve fund figures in the balance sheet at £32,000. General depreciation fund with this year's addition of £3,000 amounts to £22,000, and the addition of a similar sum to investment depreciation fund, to which reference has already been made, brings it up to £9,000. Another fund—employees' dwellings—is entered at £2,000.

Provided it can maintain the position it has built up during the War the outlook for the Company is not unfavourable. Considerations other than economic, however, enter the question. The political situation in Ireland has a depressing effect on Irish securities, though in this particular case the concern's breweries at Castlebellingham and Drogheda in the County Louth are, to a certain extent, removed from the storm-centre of Irish politics. The yields on the various classes of share capital and Debenture stock is shown below:—

	Par	Price	Yield
	£	£	£ %
Ordinary ...	10	5¼	15·2(a)
6% Cum. Pref.	10	5¼	11·4
Irredeemable Debenture Stock ...	100	64⅞	6·9

(a) On a dividend of 8 per cent., less income tax.

We are informed that a Committee of shareholders of the African and Eastern Trade Corporation, Limited, met at Liverpool on Thursday, the 21st inst., and decided to take action to oppose the proposed deal with Lever Brothers, on the ground that the terms in their final form are insufficient. Shareholders are advised by the Committee not to sign the form of proxy sent to them by the directors, but to write at once to Mr. L. R. Heywood, 34 Ridgmount Gardens, London, W.C., in whose hands the Committee has placed this matter, giving their names, addresses, and number of shares held, when they will be communicated with.

New Issues.

5-15 YEAR TREASURY BONDS.

Particulars of these bonds, which are still on offer, appeared in THE STATIST of September 25 and preceding weeks.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier dates.

LENNARDS REAL PROPERTY COMPANY, LIMITED.

Offer at par of £250.000 Seven and a-Half per Cent. Cumulative Preference shares of £1 each. Preferential allotment will be given to employees, shareholders, and customers of Lennards, Limited.

The Company has recently been formed to acquire forty freehold properties from Messrs. Lennards, Limited. Its authorised capital is £400,000, divided into 250,000 Seven and a-Half per Cent. £1 Cumulative Preference shares and 150,000 £1 Ordinary shares. The purchase price is £400.000. payable as to £250.000 in cash and £150.000 in Ordinary shares. The income of the Company will consist in £30,000 rent from the vendors. The Preference dividend requires an annual payment of £18,500, which is amply covered by the rent receivable. The object of the incorporation of the Company is evidently an ingenious plan of Messrs. Lennards to raise additional capital, and to obtain it at rates below those of the market by giving more than usual security. The properties acquired have a certified value of £447.325. giving complete security as to capital to the shares now offered. The risks of an ordinary trading company will not be incurred, and, in addition, dividends are unconditionally guaranteed by the parent Company. The latter carries on a high-class boot and shoe business, having a factory at Northampton and retail branches throughout the United Kingdom. Its capable organisation and prosperous condition are a first-class guarantee as to the stability of the new Company. The present offer combines a quasi-gilt edge certainty with a high yield, and will appeal to the cautious investor.

SELFRIDGE AND COMPANY, LIMITED.

Offer of 1,000,000 Ten per Cent. Cumulative Preferred Ordinary shares of £1 each at par. Interest is payable in April and October. The issue will rank as to capital and dividend immediately after the Six per Cent. Preference shares and in priority to the Staff Participating and Ordinary shares.

The Company was established in 1908 and the store in Oxford Street opened in 1909. Since then the business has largely extended its trade in the provinces, acquired the high-class provision trade of John Quality, Limited, in London, and added considerably to the original premises. The proceeds of the present issue will be used in payment of part of the cost of the new Oxford Street extension and in the general development of the Company's business. Net profits, before providing for depreciation, excess profits duty, income tax, and Debenture interest, were £50,247 in 1912. Since then they have steadily risen to £322,824 in 1919 and £382,979 in 1920. At present there are £325.500 Five per Cent. Mortgages outstanding. The only other prior charge to the present issue is £1,300,000 Six per Cent. tax-free Preference shares. The total annual dividend requirements of these two items are £168.575. The shares now offered will necessitate an additional disbursement of £100,000. The issue is therefore well secured as to dividend. No statement is made as to the present value of the firm's assets. It is to be presumed that recent alterations have rendered such a valuation very difficult. Despite this omission, however, the high status of the Company is a guarantee in itself as to capital. The whole of the Ordinary shares being held by Mr. Gordon Selfridge, the dividends have always been moderate and the reserves benefited accordingly. Though the prospectus is not as informative as one would desire, the present issue seems a highly desirable investment The lists close November 5.

NATIONAL PAPER & PULP COMPANY (1920), LIMITED.

Offer of £200,000 Eight per Cent. First Mortgage Debentures at ninety-eight per cent., redeemable at 103 per cent., in registered bonds of £50 and £100, and

150,000 Ordinary shares of £1 each at par. The Debentures will be repayable on July 1, 1939, but may be redeemed before that date by the operation of a cumulative sinking fund of three per cent. per annum, commencing July 1, 1921, to be applied by purchase in the open market under 103, or by annual drawings at that figure or at any time after three months' notice at 105. They are secured by a trust deed as a first charge on the freehold land and buildings and a floating charge on the general assets of the Company, who covenant not to create any charge ranking prior to or *pari passu* with the present issue.

The Company has been incorporated to take over as a going concern, as from June, 1920, the National Paper and Pulp Company, Limited, which owns three paper mills at High Wycombe, Bucks, and warehouses in London. The vendor Company was formed as late as 1917 to acquire the component businesses, which it is now selling for £375,000, payable as to £150,000 in fully-paid shares and £200,000 in cash. The net assets, exclusive of goodwill, are valued at £389,435. Net profits, before charging income tax, excess profits duty, interest on loans and directors' remuneration, are certified at £27,415 for the nineteen months ended December 31, 1918; in the ensuing year they rose to £36,098; and for the first half of 1920 they increased still further to £54,008. The Debentures will require an annual interest payment of £16,000, an amount which would seem secured by prospective profits, and the assets at the figures stated amply cover the issue as to capital. The Ordinary shares, however, bear a distinctly speculative aspect. The fact that the directors and their friends are applying for 100,000 and that the vendors already hold 150,000 is evidence of the confidence of the management in the enterprise, but the recent heavy capitalisation of the paper trade is not a good augury for the maintenance of the present high rates of profit. The menace of increased competition in the industry will act as a deterrent to investors. The lists will close on or before Tuesday, November 2, 1920.

ERVEDOSA TIN MINES, LIMITED.

The above Company has been formed to acquire the assets in Portugal of the Societe des Mines d'Etain d'Ervedosa. The authorised capital of the new undertaking is £150,000, divided into 100,000 £1 Preferred Ordinary and 200,000 5*s*. Ordinary shares, of which all have been issued, with the exception of 20,000 of the latter. Prior to the introduction of the shares on the market the directors have issued the usual public statement required by the Committee of the Stock Exchange.

The purchase consideration is £101,250, payable as to £6,250 in cash and £95,000 by the issue of 50,000 Preferred Ordinary and 180,000 Ordinary shares. The report of the Company's engineer holds forth very bright prospects for future output. At present operations are adversely affected by the inferiority of transport conditions and the inefficiency of much of the plant. As the ore extends through a steep hill, mining can be carried out for many years by adit or natural drainage levels. Pumping and winding charges are thus eliminated, and general labour costs are relatively low. The removal of the present disabilities will, it is expected, render the undertaking very prosperous, the ore reserve being estimated at 92,000 tons. The investment, however, considering the meagreness of the information available, is a pure speculation.

ISSUES TO SHAREHOLDERS.

Batavia Oilfields.—200,000 shares of 5*s*. each at par. Application forms must be returned before November 5.

Goldsbrough, Mort and Company.—226,220 £1 shares at 25*s*. each in the proportion of one new share for every five held. The right of renunciation is given, and allotment letters will be split. Application forms must be returned before November 1.

Eastern Sumatra Rubber Estates.—191,455 shares of 2*s*. each in the proportion of one new share to every thirteen held. The right of renunciation is given, and shares in excess of the *pro rata* allotment may be applied for. Application forms must be returned before October 31.

Hollywood Rubber.—15,000 £1 shares at £2 each in the proportion of one new share for every four held. The right of renunciation is given, and applications in excess of the *pro rata* allotment may be made. Application forms must be returned before October 30.

Tekka (Tin).—40,000 £1 shares at par in the proportion of one new share for every eight held. The right of renunciation is given. Application forms must be returned not later than October 30.

PENDING ISSUES.

Anglo Siam Corporation.—A resolution will be submitted at the annual meeting on November 9 to capitalise part of the undistributed profits by the distribution of 25,200 £1 Ordinary shares in the proportion of one new share for every five now held.

Modderfontein East.—It is proposed to issue at an early date 185,706 shares for subscription by shareholders. Proposals will be submitted at an extraordinary meeting on December 21, in Johannesburg, to further increase the share capital, for issue as required.

Nundydroog.—At an extraordinary general meeting on November 3 shareholders will be asked to sanction a reconstruction, the new Company to have the same capital as at present and the shareholders to be entitled to subscribe for one 10*s*. share, credited 4*s*. paid, for every share now held.

Doom Dooma Tea.—An extraordinary meeting will be held on November 3 to sanction the issue at par of 3,000 £10 shares in the proportion of three new shares to twenty shares held.

Ceylon Consolidated Estates.—At a meeting to be held on November 1 shareholders will be asked to sanction the increase of the capital to £200,000, holders to receive three 2*s*. shares (credited 1*s*. 6*d*. paid) for every two held.

Kern River Oilfields of California.—Extraordinary general meetings will be held on October 27 and November 17 to consider resolutions for an increase in capital. It is proposed to issue immediately 1,205,615 new 10*s*. shares, at 17*s*. 6*d*. each, shareholders to have the right to apply for one new share for every share held.

Burnley Paper Works.—An extraordinary general meeting will be held on November 1 to confirm, *inter alia*, a resolution to capitalise £50,000 of undivided profits by the distribution of 50,000 £1 shares amongst the holders in the proportion of one new share to every share held.

British Assets Trust.—An extraordinary general meeting will be held in Edinburgh on November 3 to pass a resolution for the purpose of capitalising part of the accumulated reserves. It is proposed to distribute 40,000 Ordinary shares, ranking *pari passu* with those already issued, in the proportion of four new shares for every eleven held.

Guaranty Trust Company.—The balance sheet of the Guaranty Trust Company of New York, dated September 30, 1920, and issued by their London Office yesterday (Thursday), shows total assets of $920,805,256.22, as compared with $907,169,457.62 on June 30, and deposits amounting to $892,560,285.60, as compared with $874,525,852.27 on June 30.

International Financial Conference.—The economic and finance section of the League of Nations has published in booklet form at one shilling, a report on the recent Brussels Conference, together with the resolutions which were unanimously carried before the proceedings terminated. A general review of the economic situation and of the limits of operation, the proposed financial remedies are included.

The National Bank of South Africa.—The directors announce an interim dividend of eight per cent. per annum less British income tax at the rate of 4*s*. 9.61*d*. in the £. The relief from the full British rate of tax has been authorised by the Commissioners of Inland Revenue for the year ending April 5, 1921. The present payment is for the six months ended September 30, 1920, and will be made to shareholders registered on November 14 next. Holders of bearer warrants will be paid on presentation of Coupon 44 at the London office on or after November 23.

The Manila Railway Company (1906), Limited.—The report and statements of accounts will be presented at the ordinary general meeting to be held at Winchester House, Old Broad Street, on November 5. The directors announce that all the matters outstanding between the present Company and the Government of the Philippine Islands and the Manila Railroad Company of New Jersey arising out of the agreement of sale of January 1917, are now definitely settled. The net result is that the Company's bond holdings in the Manila Railroad Company of New Jersey are freed from all liability. Claims against the Spanish Government have not yet been realised, but are being pressed. Net earnings for the year ended December 31, 1919, are £238,771, of which the debenture service absorbs £195,410; £30,000 is allocated to the reserve account, and the balance of £13,361 is carried forward.

MEETINGS
OF PUBLIC COMPANIES.

AFRICAN BANKING CORPORATION.

Amalgamation with Standard Bank of South Africa Approved.

AN extraordinary general meeting of this Company was held on October 25, at Winchester House, Old Broad Street, E.C., for the purpose of considering resolutions for the amalgamation of the Corporation with the Standard Bank of South Africa, Limited.

The Right Hon. the Earl of Selborne, K.G. (the Chairman), presided.

The Chairman, in the course of his speech, said: Besides the nature of the agreement, I ask you to consider the present general situation of banking in South Africa. Owing to the abnormal financial situation that exists all over the world, and the difficulties of maintaining gold reserves and currencies, the banking situation in South Africa, as elsewhere, has not been free from anxiety in the past few years.

By a recent Act of the Union of South Africa, a currency of legal tender in the shape of gold certificates has been established, and by the same Act a Central Reserve Bank has been constituted and will soon come into operation. This Reserve Bank will hold the gold reserves of the country and have the sole right of issuing notes. I am not going into the merits or demerits of this Act, but I wish to point out that, taken by itself, it creates a new situation in South African banking, the full effects of which cannot yet be foreseen. Under these circumstances, whatever the difficulties of the future may prove to be, this amalgamation will enable us better to surmount them and to give our customers a continuance of the business facilities they are entitled to expect from us, and to increase the banking resources to the public in that country where our chief work lies.

Advantages of the Proposal.

I and my colleagues advise the policy of amalgamation for the simple and definite reason that in the difficult times ahead of us all, economically and politically, the amalgamated Bank will be in a better position to do its work, in the interests of both the shareholders and the public, than either Bank would be separately, and this argument, of course, applies with even more strength in the case of the smaller Bank, ours, than in the case of the larger Bank, the Standard. I commend the amalgamation to you as wise and honourable to both banks alike. You are asked to vote on what is a clear, simple business proposition on favourable and equitable terms to the shareholders of this Bank. If the necessary resolutions are passed and confirmed, and the amalgamation goes through, the combined capital of the amalgamated Bank will be £8,900,000, the reserve will be about £2,900,000, and the deposits and other accounts will be over £60,000,000.

The shareholders of this Bank will get two shares in the Standard Bank for each three shares they hold in this Bank, which at the date of the agreement would have given them a market value of about £24, with a prospective dividend of 16*s.* 6*d.* per share, instead of 10*s.* per share, which we had been paying. In addition, a return of 5*s.* per share will be paid in cash, and a further 1*s.* 9*d.* will be paid in cash as an equivalent for the dividend which might have been expected to be paid up to June 30 last. From that date the shares rank for dividend *pari passu* with the shares of the Standard Bank, except that they will not participate in the interim dividend payable in October for the period up to June 30.

Three of your directors—namely, Mr. Christopherson, Mr. Joel, and myself—will join the board of the amalgamated Bank, the other directors retiring on terms satisfactory to them.

Our General Manager in South Africa will become one of the joint general managers in South Africa, and our London Manager will continue for the present with the amalgamated Bank.

These terms in themselves give good ground for satisfaction, and your directors, therefore, have pleasure in laying them before you and in recommending them for your acceptance. We anticipate from the union increased strength, business, and profits.

The resolutions were carried unanimously.

BUENOS AYRES WESTERN RAILWAY, LIMITED.

THE thirty-first ordinary general meeting of this Company was held on October 26 at River Plate House, Finsbury Circus, Sir Henry Bell, Bart., presiding.

The Chairman said that the accounts now presented were the best in the history of the Company, but he feared to some extent the comparison they would make with succeeding years. Already during the current year traffics showed a very large reduction. This was due to the fact that they carried during the year under review a large portion of the 1919 wheat crop and all the 1920 crop, so now, until the next crop was ready for transit, they had little grain left to carry except the maize of this year's crop. It would be noticed that working expenses had increased by £854,910, and that arose mainly from two causes—higher wages and dearer fuel. They had hoped and expected that with the end of the War coal would become at least cheaper, if it did not return to its pre-War rate, but instead coal had become scarcer and dearer, and England had become almost a negligible source of supply, so far as foreign countries, apart from the continent of Europe, were interested. In consequence they had had to draw a very large portion of their requirements from the United States, and naturally the United States were extracting the last cent they could get from all buyers. An Argentine Company, consisting of the Buenos Ayres Great Southern, the Buenos Ayres and Pacific, and their own Company had been formed to lease and work that property, and if they were successful in getting the quantity of oil they were told they might reasonably expect they had solved the fuel question. Although there had been a general feeling of unrest, they had experienced only one strike during the year, and that was when the boilermakers saw the damage done to their locomotive boilers by wood fuel, with which the Company had experimented, and thought that the Company's extremity was their opportunity, but after being out eight weeks they returned to work on the old terms. The Company's relations with the authorities were most cordial, and a cablegram had just been received from Buenos Ayres which was entirely favourable. The motion was seconded by Sir Joseph White Todd, Bart., and carried unanimously.

BUENOS AYRES GREAT SOUTHERN RAILWAY, LTD.

THE ordinary general meeting of this Company was held on October 27 at River Plate House, Finsbury Circus, E.C., Mr. A. E. Bowen, J.P. (the Chairman), presiding.

The Chairman said: The Company was exceptionally favoured during the year under review, as a good part of the 1917-18 wheat crop was still uncarried, so that they had to deal not only with that, but with practically the whole of the 1919-20 crop. In view of the terrible prices the Company was now paying for coals, the immense difficulty of shipping adequate supplies, and the impossibility of getting good wood, it was vital to them to obtain oil fuel. Their directors had arranged for an expert to go out to the Argentine to examine into the possibilities of obtaining a sufficient supply of oil for their requirements, and he had given a thoroughly satisfactory report on the properties he was asked to examine. As a result, the directors had entered into a contract by which they obtained complete control of the whole of the properties and plant of the Compañia Argentina for ten years, with the option of renewals up to a further thirty years. An Argentine company had been formed to work the oil business.

Sir Henry Bell, Bt., seconded the motion, which was carried unanimously.

CENTRAL URUGUAY RAILWAY OF MONTE VIDEO, LTD

THE ordinary general meeting of this Company was held on October 26 at River Plate House, E.C., Mr. Frank Henderson (the Chairman) presiding.

The Chairman said that the gross receipts of the main line showed an increase of £54,700, and of the combined system £100,000, as compared with the previous year. The outstanding feature had been the improvement in the passenger traffic. There had been an increase of sixteen per cent. in the number of passengers carried and nearly nineteen per cent. in the earnings. The goods traffic had also been satisfactory. During the year they had carried some 46,500 tons more than last year, and the earnings were up by £70,600. The cereal crop had been a poor one, owing to adverse climatic conditions, and there had been a heavy falling-off in the tonnage of forest products. Messrs. Armour and Company, who had constructed a large chilled meat factory at St. Anna, commenced forwarding meat in January last, and during the six months to June the railway had carried 7,500 tons of their products. At the moment operations had been temporarily suspended, but they expected to restart working next month on an extended scale. The quantity of building materials carried had increased, and there was an increasing demand for fencing wire and general merchandise. Passengers showed an increase of £80,000, parcels and luggage £14,400, and goods £70,600, against a decrease of £51,700 in animals.

As regarded working expenses, the percentage in the case of the main line was 75.93, as against 78.90, and in the combined system 65.82, compared with 68.03. The largest increase was under the heading of salaries and wages.

Like all other countries, Uruguay was suffering from the effects of the high cost of living, and it had been imperative to compensate the staff by giving them a commensurate increase in pay. Another item which had swelled the expenditure was the increased cost of materials, but the discontinuance of wood fuel for locomotive purposes had caused a considerable saving. He was afraid, however, that their coal bill would be somewhat higher during the current year. The traffic returns since July 1 showed a substantial falling-off, and the board had been reluctantly compelled to take steps to increase the tariffs, so as to provide a revenue sufficient to cover the increasing expenses. The new tariffs would come into force as from January 1 next. A cablegram just received stated that the prospects were satisfactory.

The motion was unanimously adopted, and at subsequent general meetings of the Northern Extension and Eastern Extension Companies the report and accounts were adopted.

CENTRAL ARGENTINE RAILWAY.

The ordinary general meeting of this Company was held on October 28, at River Plate House.

Sir Joseph White Todd, Bart., who presided, said that the reports submitted eloquently justified the statement he ventured to make a year ago that the Company had turned the corner and that he would be disappointed if they did not soon get back to their pre-War dividends. Under almost every head of tonnage handled and of income derived therefrom they showed increases, the gross receipts establishing a record in the Company's history. In a word, gross receipts had increased by £2,644,000, while working expenses had only risen by £746,000, leaving an improved net profit of roughly £2,100,000 over the previous year. Some of the shareholders might feel that the directors might have recommended a higher rate of dividend this year. They had considered the advisability of doing something of this nature, in order to compensate in part for the inadequate distributions made during the War period, but they had arrived at the conclusion that, having regard to the unsettled state of things, it would be more prudent to strengthen the Company's funds and thus to contribute to the maintenance of dividends hereafter, when they might not be doing as well as in the last twelve months. They had always been conservative, and they thought that, year in and year out, their policy in this respect had been justified. They had well in mind, however, the reasonable anticipation of stockholders to adequate remuneration. Capital expenditure had amounted to £486,000, the bulk of which was accounted for by locomotives, electric coaches, wagon stock, and fuel-oil plant. Beyond certain works which were not of any great magnitude they had nothing in prospect by way of extensions or other capital commitments. Having pointed out that the difference in exchange had been placed to the renewals fund account and the general reserve fund, the Chairman referred to the fuel position, and said that for the first time in the Company's history they had had the use of oil in the last few months of the financial year, and they hoped to be able to extend its use when more oil became available. With regard to the current year, a cablegram just received stated that the outlook as regarded harvests was favourable in all zones served by the Company, except parts of Cordoba, and it was estimated that there were 1,000,000 tons of grain, principally maize, awaiting transport. They were showing weekly results this year even better than last year, the return received on the previous day being £206,000, against £187,000, an increase of £19,000, or an aggregate increase at £3,356,000 for the seventeen weeks ended October 23, of £664,000.

The report was unanimously adopted.

BRITISH SOUTH AFRICA COMPANY.

The twenty-fourth ordinary general meeting of this Company was held on October 28 at the Cannon Street Hotel, E.C., Mr. P. Lyttelton Gell (the President) occupying the chair.

The President proceeded to explain the position with regard to the investigation of the Company's claim on account of the accumulated deficits on the administration of Southern Rhodesia, amounting to about £7,500,000, exclusive of interest, and stated that as far as the directors knew the Attorney-General's inquiries were still being prosecuted in Rhodesia. Referring to the Company's business and finance, the President said that the Company's main interests fell under the heads of mineral rights, railways, ranches, and estates. In regard to all these matters the report gave full information. A slight fall in the output of gold in 1919 as compared with 1918 was more than offset by the premium on gold, the effect of which, however, would only begin to appear in next year's accounts. There was an increase in value of over £200,000 in the production of minerals other than gold during 1919 as compared with 1918. Particular mention might be made of the output of coal and coke, chrome, iron, asbestos and lead. It was specially interesting to note that the Wankie Colliery, looking forward to further developments in the territory, had laid out and started to open up a new colliery. The revenue from mineral royalties for the year ended March 31 1919, was £86,474. Adding dividends from mining and development companies, amounting to £36,000, they had a total of £122,474. With the renewed activity in prospecting for base minerals especially which was taking place, there was reason to expect increased returns from their mineral interests.

Railways Recovering.

The Rhodesia Railway system was rapidly recovering from the depression caused by the War and the influenza epidemic, the gross revenue for the year ended September 30 having increased from £937,603 in 1916 to £1,432,177 in 1920; but the working expenses had grown no less rapidly owing to the increased cost of materials and the additional remuneration of the staff and employees, so that the net earnings for 1919-20 stood at £544,397, as against £549,524 in 1916. During the last twelve months the railways had been unable to supply transport for all traffic offering, and far greater quantities of coal, coke, copper, chrome, ore and asbestos would be carried as soon as equipment had been provided. In these circumstances the Rhodesia Railways had found it necessary to provide the large sum of £1,500,000 to £2,000,000 for the purchase of additional rolling stock, and also to meet expenditure required to strengthen and improve the permanent way. The increase of profits from this expenditure was estimated by the railway directors to be at least £350,000 a year. The Company's ranching undertaking consisted of two ranches—Rhodesdale, of about 1,000,000 acres, and Nuanetsi, of about 2,500,000 acres. Of these Rhodesdale was approaching the stage when it could be considered fully stocked.

All the Company's estates, with the exception of Shangani, which was not yet sufficiently advanced for the receipts to equal the working expenses, showed a profit. Of first importance among the products of the estates were the citrus fruits. While the sales had not yet reached anything like the dimensions they would attain when all the groves had been planted and were in full bearing, the good work which had been done on the spot was already reflected in the sales. They had sold this year about 7,000 or 8,000 cases of fruit at about 40s. a case—a price which was quite as good as, and in some cases better than, that obtained by the fruit growers of the Union. The Mazoe dam, which was officially opened in July, was a great and unquestionable success. Not only did it secure an abundant supply of water for all their orange groves, present and prospective, in the Mazoe Valley, but it commanded much other irrigable land besides. The cash position of the Company was a strong one. Excluding the military expenditure incurred in the late War, the position was that for the year ended March 31,

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1919, they had an excess of commercial revenue over expenditure of £229,469, as compared with £167,345 in the previous year. The Company's resources in cash and first-class securities at March 31 last amounted to £1,785,000.

Sir Henry Birchenough, Bart., K.C.M.G., seconded the motion.

After some discussion the report and accounts were unanimously adopted.

SABLAS NORTH BORNEO) RUBBER, LIMITED.

Satisfactory Year's Working: 20 per Cent. Dividend.

THE ordinary general meeting of Sablas (North Borneo) Rubber, Limited, was held at the Company's offices, 37 Threadneedle Street, E.C., on October 27, Sir West Ridgeway (Chairman of the Company) presiding.

The Secretary (Mr. Wm. P. Flynn) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—You have had the accounts in your hands for some time, and I therefore assume that we may as usual take them as read. It is very gratifying to us, in spite of the present somewhat gloomy condition of the rubber industry, to be able to place before you such a satisfactory report of the past year's working, giving a result which enables us to recommend the payment of a dividend of twenty per cent. We have had a very successful year. We were fortunate in securing contracts for the forward sales of a large part of the year's crop at prices which resulted in our securing an all-round average of 2*s.* 0½*d.* per lb. Furthermore, the managers and staff succeeded, by dint of close supervision and economy, in securing the year's crop at an average f.o.b. cost of 10½*d.* per lb., which I think you will agree is satisfactory. You will appreciate what a moderate cost this represents when you reflect how abnormally the cost of every requisite on a rubber estate has increased during the past few years, and especially when it is borne in mind that the figure of 10½*d.* includes loss on rice, which in itself represents nearly 2*d.* per lb. on the rubber harvested. Were it not for the loss sustained through the shortage of rice supplies, which I trust is coming to an end, and as to which I will deal more fully later on, the f.o.b. cost of the rubber would not have exceeded 9*d.* per lb., which I think you must admit is a by no means unsatisfactory figure.

Profit on the Rubber.

Well, Ladies and Gentlemen, we produced our rubber at an all-in cost of 1*s.* per lb., and we sold it at an average of 2*s.* 0½*d.* per lb., leaving us with a net profit on the year's working of £42,307, after providing for the managers' commission. We then had to consider to what extent we should be justified in dividing this profit amongst you. We were confronted with a rapid fall in the market price of the commodity. We saw it fall from over 2*s.* per lb. to, at one time, less than 1*s.* 3*d.* per lb. We were aware that costs of every requisite, instead of falling, were gradually on the upward grade. We knew that, in common with all other rubber companies, we should have to fall into line with the movement inagurated by the Rubber Growers' Association of restricting our output during the next fourteen months by twenty-five per cent. of the normal estimated output.

Current Year's Prospects.

These points we had to fully and carefully consider before coming to a final decision in the matter. On the other hand, however, we knew that the result of the current year's working would not be too adversely affected by the low market price of the rubber, because we had been fortunate in selling forward about fifty per cent. of our crop to December 31, 1920, at a very satisfactory price per pound, which, even at the worst, must assure to us a material profit on the whole year's crop. (Applause.) Furthermore, the twenty-five per cent. restriction in output, which, as you no doubt know, is being carried out by nearly every rubber estate throughout the East, is generally regarded as likely to increase the market price of the rubber—that is its object—and therefore the balance of our crop, which has not yet been sold forward under contract, should realise a somewhat higher figure than the present market rates.

Restriction in Output.

With regard to this subject, it gives me great pleasure, as a member of the Council of the Rubber Growers' Association, to tell you that the movement inaugurated by that Association has met with great success. Over eighty-nine per cent. of the producing acreage owned by members of the Association domiciled in the United Kingdom have given their adherence to the scheme. In addition to this, seventy-five out of 111 producing companies of the Association of Malaya have given their adherence, and the Japanese Association, representing over 65,000 planted acres, have also given their assent. So that you see the scheme has received very powerful support, and the position of any company which holds aloof, and which yet benefits by the enterprise of other companies, will not be pleasant.

Moreover, the restriction of twenty-five per cent. only affects six months of the current year—that is to say, from November to April—so that as practically the whole of this year's crop, apart from forward sales, is still unsold, we are likely to reap the advantage of an enhanced market price on the whole of it. As you see from the report, the output for five months to the end of September was 405,600 lb. For the current month it is estimated that the output will be 84,000 lb., thus giving a total for six months of 489,600 lb. From November to April we must restrict the output to not more than 63,000 lb. per month, so that the total output for the current year ending April 30 next will amount approximately to 867,600 lb., or about 10,000 lb. more than the actual output for the year now under review.

No Liability for Excess Profits Duty.

Another factor which weighed with us in determining the extent of the dividend which we could recommend was that we are not liable for anything in respect of excess profits duty. In view of the satisfactory profit which we have made, it is, at any rate, gratifying to know that we have not to hand over any part of it for excess profits duty. Some of you may wonder how it is that, having secured so handsome a profit, we are exempt from this duty. Well, I will endeavour to explain it to you as briefly as possible. You know that excess profit means the surplus profit made in any one year over what was made in the year immediately preceding the War. For the purpose of ascertaining what the pre-War profit amounted to a datum line was established fixing, in the case of rubber companies, ten per cent. (subsequently increased to thirteen per cent.) on the capital of the companies. If, then, the profit made in the first year following the pre-War year exceeded a sum equal to ten per cent. of the Company's capital, fifty per cent. of that excess profit was due to be handed to the Government as excess profits duty. If, however, in the first year following the pre-War year—this was our case—an actual loss had been made by a rubber company, then that loss, for the purposes of excess profits duty, was augmented by the standard profit allowed under the datum line, and fifty per cent. of such augmented loss was carried forward to be taken into account in the following year. You will see the justice of this—viz., that if you make an excess profit you must pay fifty per cent. to the Government, but if you make an excess loss, fifty per cent. of that loss is taken into account in the following year's working. That is only fair and reasonable. Well, as a result of this, during the years since the outbreak of War the financial results of this Company have been such that, after bringing forward each year the adjusted results of the preceding years, the present profit of the Company does not even yet cancel the accumulated percentages of losses sustained in the preceding years, and I am informed that we must secure a very substantial profit, even in respect of the current year, before we become liable for one penny as excess profits duty. That, Ladies and Gentlemen, is the peculiar position in which this Company stands, which I hope I have made clear, is a very satisfactory one to you. It is, indeed, a highly satisfactory position, and one which you will all no doubt accept as most gratifying.

Reserve for Extension Purposes.

One other factor remained for us to consider, and that was the question of a reserve for extension purposes. Well, Ladies and Gentlemen, in view of the fact that we have a large amount of unissued share capital (about £100,000) which can provide, from time to time, ample funds for extension purposes, we considered that there was no necessity to set aside any part of our profits for that purpose. Indeed, we think that it would be scarcely fair to the present shareholders to do so. Altogether, having weighed carefully all the pros and cons, we came to the conclusion that we were amply justified in recommending a dividend of twenty per cent., feeling that we have reasonable prospects, in view of results already attained, that the result of the current year's working will be quite satisfactory. The board only agreed to recommend the payment of a dividend of twenty per cent. because they were already assured of a substantial profit for the current year.

Guaranteed Dividend Advances.

If you will turn to the report you will see that, with regard to the guaranteed dividend advances, we made arrangements with the British North Borneo Chartered Company—and I hope you are grateful—to liquidate the whole of such advances, amounting to £48,048, by the issue to them of £35,000 Five per Cent. Income bonds. The bonds are redeemable in ten years by an annual payment of £3,500, together with interest at five per cent. on the gradually reducing principal. You will readily see what a great advantage you secure, individually and collectively, by this arrangement. Until the sum of £48,048 was paid off, or otherwise liquidated, it meant that you would in no one year secure more than ten per cent. dividend on your holdings, whereas under this arrangement the whole of the profits, after providing for only £3,500, plus a year's interest on the outstanding total of the bonds, is available for distribution as dividend. Had we not made this arrangement you would now be securing only ten per cent. dividend, and the balance of the profit, about £27,000, would have to be paid over to the British North Borneo Company. So I think you will agree that the arrangement is a very satisfactory one from all points of view. It is, at any rate, a move which benefits you all in the present, whereas the old arrangement tended only to confer a benefit on posterity. Though I am Chairman of this Company, and President of the Chartered Company, I must say that I

think the rubber companies connected with the North Borneo Company have reason to be grateful to the Chartered Company for the generous way they have dealt with them.

During the next nine years your profits will be mulcted each year in only a little over the [illegible] of these bonds, plus the interest, so that we are in the position of having a fixed liability, and thus being able to know from time to time exactly where we are and how we stand.

Conditions in Borneo.

Since I last had the pleasure of meeting you here I have made another visit to North Borneo and inspected both the estates of the Company. I am extremely pleased to tell you that I found everything in perfect order. Both estates bear eloquent testimony to the care and attention of the Manager, Mr. Graham, and the Assistant Manager, Mr. Carey, who undoubtedly have the interests of the Company at heart. They have a capable and contented European staff, who always take the greatest pains to make their work a success. And I may say they are on most excellent terms with the natives of the surrounding district, and especially with their own labour force, in spite of all that the Society for the Protection of Aborigines and the Anti-Slavery Society may say. It was indeed a pleasure to me to again visit the estates, because I was enabled to see what great improvements had been effected since my last visit, what progress had been made in the growth of the rubber trees, and how the managers and staff had been exerting themselves to make the Company's estates a really valuable property. That you have a very valuable property there is not the least doubt. You have 2,500 acres of fully matured rubber trees which, were it not for the present enforced restrictions, would easily yield a harvest of something approaching 1,000,000 lb. of rubber per annum. All your buildings and machinery are up to date, and in excellent condition. No diseases are to be found amongst the [illegible] a few cases of unimportant pests which are easily and readily dealt with. The labour force has been fully maintained at requisite strength, and is extremely contented, and the health of the force has been much more satisfactory than for some years past.

In short, we have a fine property, and our only cause for anxiety is, on the one hand, the ever-increasing cost of necessary commodities, and on the other hand the declining price of the material we produce. It is, indeed, most annoying that whilst we see a rise in the price of almost everything else, the article which we produce should be about the only thing which has a tendency to decline in price. Motor-car tyres, and every conceivable thing in the manufacture of which rubber is used, have steadily risen in price during the past few years, whilst the commodity itself, on which we as a Company depend for our existence, has declined to such an extent as to have fallen in some cases below the actual cost of production. That is a curious fact, but it is a fact all the same, and it is a fact which is a by no means pleasant one for any of us. Still, we can be hopeful that by regulating the amount of production throughout the world we shall at least arrive at a point where the difference between cost of production and the market price of our produce will leave us with a fair and reasonable profit.

Shortage of Rice.

I said that the cost of all necessary commodities had risen greatly during the past few years. Well, in addition to that, all rubber companies operating in the East have had an additional burden cast on them brought about by the world's shortage of rice supplies. I pointed out to you, when I met you last year, that owing to the shortage of rice we had to arrange, through the medium of the British North Borneo Government, for a regular though diminished supply with which to feed our labour force. This diminished supply necessitated our rationing the labourers to about one-half the quantity they usually consumed, the difference being made up by an allowance of sweet potatoes and other foodstuffs which the managers produced on the estates. Though we obtained only a diminished supply of rice, we had, and still have, to pay a greatly enhanced price for our supplies. You will appreciate what it means to this Company when I tell you that where we paid $9 per picul for rice in 1914, we are now paying $26 per picul, or nearly treble the pre-War cost. You must understand, too, that unless we greatly increased the labourers' wages we could not charge them the extra cost of their rice. We therefore had two alternatives before us—either to raise the coolies' wages, and charge them the current rates for their rice, or to maintain their wages at the pre-War rate and to supply them with rice at the price they had been accustomed to pay. We chose the latter alternative, the result being that the Company has to bear the difference between [illegible] per picul for rice, and $9, which we charge the labourer for his ration. I think you will agree that this was the better policy, because it might not be judicious to make a great increase in the usual rate of wages [illegible] there would no doubt be considerable difficulty in again reducing [illegible] if it were found desirable to do so in the future. [illegible] the whole question of labourers' wages and their [illegible] the subject of a conference between the various North Borneo planters and the Governor of North Borneo in the near future, to [illegible] which conference [illegible] and the [illegible] of other [illegible] to come to a final decision on the subject for the future.

Mr. Hadow on the Estate.

Our colleague, Mr. Hadow, is at present on the estates, [illegible] This is a very fortunate circumstance for us, because Mr. [illegible] and his advice and assistance are therefore a very great asset to the board. We look forward to his return about the end of the year, when he will be able to give us the very latest reports of the condition of the estates, etc., and of the progress which has been made.

I ought to mention that the Rubber Growers' Association (Inc.) are offering £5,000 as prizes in a competition for suggestions and ideas for new uses or for extending the present uses of rubber. The increase in the consumption of rubber is of the greatest importance to every shareholder, and the attention of all interested in the welfare of the plantation rubber industry is drawn to this competition. Several sealed entries have already been sent in, and the last date for receiving suggestions is December 31 next. Particulars of the competition can be obtained from the offices of the Rubber Growers' Association, 38 Eastcheap, London, E.C. 3.

I do not think there is anything else I need trouble you with. The balance sheet is so clear that it requires no explantation. If there is anything on which you wish further information I shall be most happy to enlighten you to the best of my ability. I will, therefore, conclude by proposing: "That the report of the directors with statement of accounts appended thereto be received and adopted, and that a dividend of twenty per cent. be declared out of the profit of the Company, payable on the 8th November."

Mr. Lawrence Dougal seconded the resolution.

Mr. W. H. Skeel, Mr. M. P. Anderson, and Mr. Dingwall congratulated the Chairman and directors upon the excellence of the report placed before the shareholders, particularly with regard to the dividend and the arrangement made with the Chartered Company.

The resolution was carried unanimously.

The retiring director, Sir West Ridgeway, was re-elected, and Messrs. Turquand, Youngs and Company were re-appointed auditors.

CHIMPUL (F.M.S.) RUBBER ESTATES.

The [illegible] was held on October 25 at the Rubber Growers' Association, 38 Eastcheap, E.C., Sir Ernest Woodford Birch, K.C.M.G. (the Chairman), presiding. The Chairman said: The profit and loss account shows the following differences:—Secretarial and other expenses an increase of £127, Government duty on rubber an increase of £656, interest on Government loan a decrease of £419, and difference in exchange an increase of £355. There have been unavoidable increases in printing and books, in cables and postages, and in advertising. The larger crop accounts for £343, and the sum of £312 is because the duty was taken off at the end of 1918, when prices were depressed. The Government loan was paid off in September 1919. The difference in exchange is chiefly accounted for by the telegraphic transfer remittances made to repay the loan.

On the other side of the account you will see that rubber sales increased from £10,332 to £30,786, while the stock of rubber was valued at £4,800, as compared with £7,605 in the previous year.

The f.o.b. cost shows decreases in all charges except curing, packing and forwarding, upkeep of factory and machinery, and Government duty, while there were the new charges of loss on rice and cost of food production. The net result of the year gives a profit of £11,717, as compared with £35 18s. last year. (Applause.) The directors propose to pay a dividend of six per cent., payable on November 1 next, to place £3,000 to reserve, and to carry forward the substantial sum of £8,463.

The year under review has been spent in many necessary works in order to bring the estate into a better condition of cultivation, and the annual report of Mr. Rabjohn, our visiting agent, shows what has been accomplished. He writes that "the appearance of the estate is healthy and in every way satisfactory." He reports well on the progress made in clean weeding and strip-weeding, and adds as follows:— [illegible] on the eastern division, the estate is absolutely free of this [illegible]

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year ago the condition of the estate has vastly improved. The labour position is distinctly better, and a more contented attitude was observable both with Chinese and Tamil labour." Silt-pitting is being energetically carried out. Thinning out had to take a secondary place in the year's work, but over 6,000 trees were removed, and it is hoped that more attention to this important matter will be given in the current year. Tapping costs are still high. The output was 337,542 lb. on an estimate of 300,000 lb. A dividend of six per cent., less income tax, was declared. A resolution was passed increasing the directors' fees, and a vote of thanks to the Chairman and his colleagues on the board, as well as to the staff in the East, concluded the proceedings.

BAJOE KIDOEL RUBBER AND PRODUCE.

THE ninth ordinary general meeting of the Bajoe Kidoel Rubber and Produce Company, Limited, was held at 38 Eastcheap, E.C., on October 27, Mr. H. Eric Miller (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The result of the year under review, as I am sure you will all agree, has been thoroughly satisfactory. The position of the coffee and rubber markets when I last addressed you was very good. We were able to take advantage of that to clear off the whole of our old stocks at satisfactory prices. Our coffee crop, which is dependent on climatic conditions, particularly those at the time when the blossom is on the bushes, turned out much better than we had estimated. It amounted to 18,341 piculs, against a yield of 13,585 piculs for the previous year, and was produced at a reduced cost. The average net price realised was £4 3*s.* 10½*d.* per picul, as compared with £4 1*s.* 9½*d.* for the previous year. You will have seen from the figures which I quoted at our last meeting that the statistical position of coffee was from the producer's point of view an extraordinarily strong one by reason of the frost damage in the middle of 1918 to the Brazilian coffee plantations. In the season ended June 30, 1920, the receipts at Rio and Santos totalled only 6,850,000 bags, against 9,150,000 bags in 1918-19, 15,100,000 in 1917-18, 12,100,000 in 1916-17 and 15,000,000 in 1915-16. The effect of the 1918 frost is wearing off, and it is estimated that Rio and Santos may produce in the current season 1920-21 slightly over 11,000,000 bags. Taking the production from other parts of the world at about 6,000,000 bags, which is a normal estimate, we have a possible production of 17,150,000 bags. According to the *Times* Brazilian report of October 22, the receipts at Rio were 938,000 bags, as compared with 790,000 last year at the same time, while at Santos they were 3,738,000 bags, compared with 2,082,000 in the corresponding period of 1919. Notwithstanding the fact that a large part of Europe is unable to purchase the coffee which it would otherwise be glad to consume, the consumption of coffee in the year 1919-20 was between 17,000,000 and 18,000,000 bags, against 18,000,000 to 19,000,000 bags in a normal pre-war year. If European consumption during the current year were normal, the world's visible supply would be still further reduced. Notwithstanding the strong statistical position, however, as in the case of many other articles of produce, the serious financial stringency and the losses sustained by speculative holders have forced prices down to a low level with surprising rapidity. Until the world settles down, the position of international finance must remain difficult, and consumption be restricted accordingly.

The Rubber Outlook.

I need not go into the rubber position at any length, as that was dealt with fully by my colleague Mr. Clark at the annual meeting of Harrisons and Crosfield, Limited, last week. No doubt most of you have seen a report of his speech. Rubber growers domiciled in this country have given almost unanimous support to the scheme for reduction of output which the Rubber Growers' Association have now made binding. Naturally we have readily assented to it. The International Association of Rubber Producers in the Nederland Indies, at the Hague, and the local producers in the Netherlands Indies, are giving their full support to similar measures, and as the producers in British Colonies are doing likewise the position is now reassuring. Our estates have been maintained as usual in good order. During the year we made no extensions, but in the current year approximately 390 acres will be added to the planted area. The times we are living through are difficult, but your directors have consistently endeavoured to strengthen the position of the Company by pursuing a conservative policy. We have been hit hard by taxation, but that is no fault of ours. I have had one complaint that the dividend should be increased, but shareholders as a body will, I am sure, agree that we could not prudently recommend a larger distribution.

Current Year's Harvest.

In the first six months of the current year we harvested 447,839 lb. of rubber and 13,742 piculs of coffee, as compared with 376,933 lb. of rubber and 14,325 piculs of coffee in the same period last year. Under normal conditions it is fairly certain we would have reached the estimated crop of 1,000,000 lb. of rubber, but on account of the restriction scheme, which will operate for five months of the current year, our crop will be considerably reduced. We have already harvested more than the official estimate of the coffee crop. The heavy cropping months are now passed, but we should get another 2,000 to 3,000 piculs. The Rubber Growers' Association are offering £5,000 as prizes for suggestions and ideas for new uses or for extending the present uses of rubber. Particulars of the competition can be obtained at the offices of the Association, 38 Eastcheap, E.C. 3.

Mr. J. R. Murray seconded the resolution, which was carried unanimously.

The dividend as recommended was approved, and the retiring director and auditors reappointed, the proceedings terminating with a vote of thanks to the directors and staff in the East.

TANGOEL RUBBER ESTATES.

THE annual general meeting of the members of this Company was held on October 26 in the Council Room of the Rubber Growers' Association (Incorporated), 38 Eastcheap, E.C., Mr. Walter Hilliers (Chairman of the Company) presiding. The Chairman said: The result of the year's working shows a net profit of £14,093 19*s.* 7*d.*, as against £5,465 6*s.* 3*d.* for the previous year. Further, as you will have seen, £1,508 was recovered on account of excess profits duty and £2,188 for return of income tax. The total amount, therefore, to be dealt with is £19,103 12*s.* An interim dividend of seven and a-half per cent. was paid last April, and we recommend now that a final dividend of a further seven and a-half per cent. be distributed. Furthermore, the course of the market for rubber points towards exercising prudence when considering the distribution of profits. We hope, therefore, that our recommendation that £1,500 should be added to the reserve and that £6,113 12*s.* should be carried forward will meet with your approval.

The estimate of crop for the current year, ending in June 1921, is 390,000 lb., but this is subject to reduction under the restriction of output scheme of the Rubber Growers' Association, which your directors decided to join. From the statement as regards forward sales you will have noticed that there is still a fair quantity to be delivered under these contracts, and this will benefit the current year's working correspondingly. As regards conditions obtaining on the estate, all matters are satisfactory, so that there is no need for me to say more on this subject. The resolution which I have to move is :—"That the directors' and auditors' reports and audited balance sheets and accounts to June 30, 1920, as circulated to the shareholders, be taken as read, and that the same be and are hereby adopted, and that a dividend of seven and a-half per cent. on the capital of the Company be declared and paid forthwith, making fifteen per cent. for the year."

Sir Edward Rosling seconded the motion, which was unanimously adopted.

The Chairman proposed the re-election of the retiring director, Sir Edward Rosling, observing that his services on the board were of the utmost value.

The motion was seconded by Mr. G. A. Fitzadam-Ormiston and unanimously adopted.

The auditors (Messrs. Tribe, Clarke, Painter, Darton and Company) were reappointed for the ensuing year, and the proceedings terminated with a vote of thanks to the Chairman and the other directors for their successful work during the period under review.

LARAS (SUMATRA) RUBBER ESTATES, LIMITED.

THE tenth ordinary general meeting of this Company was held on October 27 at the registered offices of the Company, London House, New London Street, E.C., Mr. F. O. Streeten (the Chairman of the Company) presiding. The Chairman said: Gentlemen,—The extensions which you know we have in hand are reported to be going on well, and it is very satisfactory to me, when I recall the visit which I paid to the estates some years ago, to know that these extensions are going on in an even better way than the original plantations of the Company. Those of you who have studied the accounts will also have noticed that our working costs have not gone up; in fact, they have rather depreciated from the level of last year. They have fallen to what I consider the very low and satisfactory figure of 10¼*d.* per lb., as against 11¼*d.* per lb. last year. We were able to pay to you, earlier in the year, an interim dividend at the rate of seven and a-half per cent. When we paid that we certainly hoped that at the end of the year we should have been able to pay a considerably larger final dividend, but you know that as regards that events have moved against us, and considering the liabilities we have in connection with the extension of our Company I feel quite sure the shareholders will think that we are acting in a wise, prudent, and conservative way in carrying forward a considerable balance to next year's accounts.

Earlier this year it had looked as if we might have an opportunity of raising further capital to enlarge our scope immediately, but I am afraid that we must defer that, at any rate for some months. You will see from the notice of the meeting that the resolutions that we have to put before you are divided into six heads. The first resolution which I have to move is "That the directors' report and statement of accounts to March 31, 1920, submitted to this

meeting, to add the [illegible] I shall propose that, and I will suggest that [illegible] the Company and that [illegible] after the first [illegible] which shall be [illegible] resolutions to be moved [illegible] until they have [illegible] kindly to second the [illegible]

Mr. Murray [illegible] the motion.

An extraordinary general meeting was then held, at which resolutions [illegible] by the creation of [illegible] ing the articles of [illegible]

BURBERRYS, LIMITED.

The first ordinary [illegible] was held on [illegible] Street, S.W. Mr. E. H. [illegible] Company, presided. The Chairman said: As you are aware, the Company was formed in January last for the purpose of combining the old-established businesses of Burberrys, Nicoll and S. and J. Prestwich. Under contract of sale between Messrs. [illegible] Company, the purchase price was [illegible] able as to £2,000,000 [illegible] allotment of 250,000 Preference shares and 746,500 Ordinary shares of £1 each fully paid, and such consideration has been paid and satisfied in full. By the terms of the purchase agreement the Company was entitled to all the profits made since April 5, 1919, with the exception of the sum of £25,000 specially reserved to the vendors under the contract. As a result of the public subscription to the share capital in January last, the Company issued 750,000 Preference shares and 250,000 Ordinary shares at £1 each, and these, with the shares allotted to the vendors before mentioned, and 3,500 Ordinary shares taken up by the directors for cash, represent the 1,000,000 Preference and 1,000,000 Ordinary shares shown in the balance sheet in your hands. The result of the trading of all sections of the Company's business has been satisfactory, and the profit earned amounts to £378,227.

Allocation of Profits.

Owing to the fact that, under the contract of sale, profits earned during a past period were acquired, it has been necessary to make an apportionment. The profits attributable to the period from April 4, 1919, to January 12, 1920, have therefore been treated as capital profits, and accordingly the sum of £295,913 has been set aside and dealt with as follows: Allocation to vendors before mentioned £25,000, and to a special reserve account £270,913, making total of £295,913. The balance of the profits—namely, £82,313—has been retained in the profit and loss account, and the deduction of the reserve of £11,378 for Preference dividend accrued to March 31, 1920, leaves a balance available for disposal of £70,935. You will see that the directors have recommended that this balance should be appropriated as follows: In payment of a participating dividend of two and a-half per cent. per annum (less income tax) on the Preference shares for the period to March 31, 1920, making a total dividend of ten per cent. per annum for the period, £5,792; in payment of a dividend of ten per cent. per annum (less income tax) on the Ordinary shares for the period to March 31, 1920, £19,486; and to carry forward £47,656, making the total before mentioned of £70,935. With regard to the special reserve of £270,913 which has been created, I should mention that as the Company's [illegible] profits duty has not yet been assessed it is not possible to allocate a specific sum for taxation. When the liability has been settled the directors propose to utilise the balance of this special reserve [illegible] preliminary expenses and goodwill accounts.

Concerns owned by the Company.

I think it will be [illegible] of this first annual meeting, I make reference to the three important concerns owned by the Company. They are Burberrys, H. J. Nicoll and Co., Limited, and S. and J. Prestwich. Burberrys, both by name and reputation, are known all over the civilised world. Their main centre of business in the Haymarket is one of the best-known establishments of its kind in London, from which can be obtained the commodities for which they are so famous. While the Haymarket house is so familiar to the Londoner and to London's visitors, there are in Golden Square, not far away from it, very fine warehousing and office [illegible] Golden Square is the centre where [illegible] the materials used at the Haymarket [illegible] provincial agents, but it supplies Paris and the Continental trade which comes to that house. It has also the duty of provisioning the branches [illegible] America, Japan, India, and South Africa, and the Colonies and countries all over the world. I have referred to two principal houses of Burberrys, but there is a third one in Paris, which is of the highest importance from the point of view of the magnitude of its business and of its possibilities of expansion. The acquisition of the mills, plant and busi-

[illegible] and J. Prestwich place [illegible] the position of being able to make their own materials and to eliminate [illegible] profits. A large amount of capital has been required for the purchase of the assets of H. J. Nicoll and Co., Ltd. The great advantage of [illegible] is the acquisition of the spacious and splendidly situated premises in Regent Street and at Cornhill, in Manchester, Liverpool, and Paris. Fluctuations in prosperity will occur to it as to every other trading enterprise, but I think we may feel in regard to the Burberry Company that the splendid organisation it possesses and the great scope it has for the development of its business must in the result meet with consistent prosperity. I now move the following resolution: "That the report and accounts are hereby approved and adopted, and that the dividends recommended be declared."

Mr. T. N. Burberry seconded the motion, which, in the [illegible] was carried unanimously.

GOODE, DURRANT AND COMPANY.

"An Excellent Result."—Increased Profits.

The twenty-second ordinary general meeting of this Company was held on October 28 at the registered office of the Company, 27 Milton Street, E.C., Mr. Albion J. Williams (Vice-Chairman) presiding.

The Chairman moved the adoption of the directors' report and audited balance sheet for the year ended July 20, 1920, and congratulated the shareholders upon the excellent result obtained.

Referring to the accounts, he pointed out that the Ordinary share capital had been increased by the issue of 65,706 shares, a considerable number of which were taken by the employees of the Company. In conjunction with successful trading, this increase in capital, together with the large amounts placed to reserves, had resulted in considerably increased profit, amounting to £62,970 5*s.* 8*d.*, and it was proposed to deal with this as follows:—

To pay a dividend at the rate of six and a-half per cent. per annum on the Preference shares, including the interim dividend paid in April last of £10,725; to pay a dividend at the rate of ten per cent. per annum on the Ordinary shares, including the interim dividend paid in April last of £19,785; to place to the general reserve fund £20,000; to add to the balance of profit reserve account (making this account £40,000) the sum of £3,242 9*s.* 7*d.*

He remarked that it would be remembered how some few years ago the Australian income-tax officials objected to the system of carrying forward profits, and therefore all balances [illegible] to a balance of profit [illegible] that this

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objection having been waived it was proposed that the amount of £40,000 be transferred from the balance of profit reserve account to the general reserve fund, making the total reserve funds (exclusive of the balance of profit carried forward) £200,000.

Superannuation Fund.

The present had been deemed a suitable opportunity to create a superannuation fund for the benefit of employees of the Company who, by reason of advancing years or ill-health, were unable to carry on their duties, and it was proposed that the sum of £5,000 should be set aside to establish this fund.

Mr. W. E. Pennick seconded the resolution, and pointed out that although the stock had very largely increased in amount, to a very considerable extent this had been occasioned by goods being delivered early, and consequently the amount of stock in transit had been more than doubled. In like manner this increased the amount of sundry creditors on open accounts.

It was unanimously resolved that the directors' report and the audited balance sheet for the year ended July 20, 1920, the payment of dividends, together with the additions to reserve accounts and the institution of a superannuation fund for employees, be adopted.

Mr. A. T. Wreford proposed the re-election of the retiring directors, Mr. Albion J. Williams and Mr. W. E. Pennick, who were thanked for their past services to the Company and unanimously re-elected, and Messrs. Newman, Ogle, Son and Co. were reappointed auditors for the ensuing year.

Unanimous votes of thanks to the Chairman and to the staffs in London and Australia concluded the proceedings.

RONEO, LIMITED.

The annual general meeting of the shareholders of Roneo, Limited, was held on October 28 at 4 Southampton Row, W.C., the Chairman (Mr. W. T. Smedley) presiding.

The Chairman said that they had experienced another year of continued prosperity. The profits in 1918 were £53,569, in 1919 £73,050, and last year £101,020. The dividend had been raised from fifteen per cent. in 1918 to twenty per cent. in 1919, and was now twenty-five per cent. These results had been obtained from the very large increases in the turnover. The sale of the Roneo Duplicator showed an increase over that of the previous year of fifty-three per cent., the sale of the Roneo Copier of 120 per cent., and the sale of the Roneotype of 260 per cent., and the same applied to all the accessories, while the number of packing-cases had increased by fifty per cent. The profits and dividends were satisfactory, but they only represented one element in the progress of the Company. During the year sixty-one acres of freehold land adjoining had been purchased and three new factories erected. The additions to land, buildings, and plant during the year had amounted to £122,745, whilst the working capital (debtors and stock) increased by £170,677, a total of £293,422. The time had arrived when the expenditure would be productive, and should therefore be provided for by capital. It was proposed to create at that meeting 125,000 additional Ordinary shares of £1 each, which, with the capital now existing, would make a total of 359,650. These shares would be offered to the shareholders for subscription in due course, and it was believed they would be readily subscribed without any public appeal. The demands for the Company's products continued steadily to increase, and, with the largely improved facilities for their manufacture, there was little doubt that the profits arising from the expenditure would far exceed the amount required to provide the dividend on the new issue. The export trade was developing with great rapidity. The sister Company, the Compagnie du Roneo, of Paris, in which this Company was largely interested, was enjoying at least equal prosperity. With great confidence the directors looked forward to the future, convinced that the prospects were all they could desire.

Mr. E. Trevor L. Williams seconded the motion, and, after some congratulatory remarks from the shareholders, it was carried unanimously.

It was also unanimously agreed to increase the capital of the Company to £450,000 by the creation of 125,000 additional Ordinary shares of £1 each, the Chairman explaining that the price and terms of issue would remain at the discretion of the board, and had still to be finally settled.

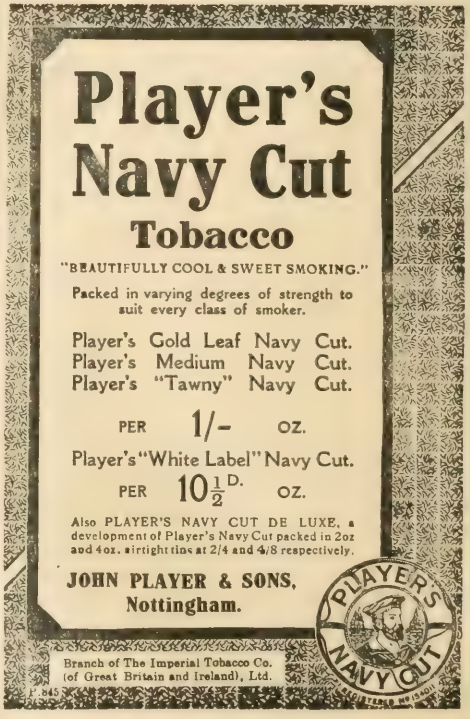
TRANSVAAL AND RHODESIAN ESTATES, LIMITED.

The annual general meeting of this Company was held on October 29 at River Plate House, London, E.C., Mr. F. H. Hamilton presiding.

The Chairman, in moving the adoption of the report and accounts, first referred to the mining operations of the Company, and stated, with regard to their interest in a chrome and asbestos property, that it was expected that shipments of roughly graded asbestos would begin before the end of the year, but some development would have to be done before a mill could be erected. The chrome deposit appeared to be unique both in size and probably in grade. An arrangement had been concluded for transferring all their Nigerian interests to a new company, the Nigerian Base Metal Corporation, Limited, which they hoped would play an important and prominent part in the development of the country. Arrangements had also been made to transfer their Trinidad oil interests to the Globe Oilfields, Limited. With the further interest they were about to acquire in the farm Maraisdrift, on the Far Eastern Rand, the Rhodesia Exploration Company and themselves would own the whole farm. It was clear that for the time being, while gold-mining remained out of favour as a form of investment, it would not be possible to raise the capital necessary for the development and equipment of this area. It was, however, becoming more evident that gold must continue to be the basis of all sound currency, and in the face of the accumulating evidence it was difficult to believe that it would be very long before the Far Eastern Rand, undoubtedly the greatest and richest known goldfield in the world, was adequately developed. With regard to their land and estates, the demand for land in Rhodesia, very noticeable in the early portion of the year, had rather slackened in the latter part, but it still remained above the normal of previous years. On the Company's ranches progress had been satisfactory. During the year, in conjunction with the Rhodesia Exploration Company, they had acquired from the Chartered Company a large block of land adjoining the Elwes Block, which gave them a compact and continuous area of over 300 square miles. It was well watered, gave excellent grazing, and had the two biggest ranches in the country, belonging to the British South Africa and the Liebig Companies respectively, on either side, while the southern boundary was the Limpopo River, which divided Rhodesia from the Transvaal. It was probably the last big area available for large-scale ranching in the country, and there was no doubt that that purchase had increased considerably the value of their original Elwes Block.

General Position of the Company.

Referring to the general position of the Company and the policy which, in the view of the directors, that position imposed upon them, he said that the Company had a large number of assets of undoubted value, which stood in the books at reasonable and, indeed, conservative figures. Their main revenue-producer, however, was the Fred Mine, and quartz mines were apt to exhibit sudden variations. The directors had no reason to be disturbed by the position of the mine, but they could not regard it as a permanent source of income at the present stage of development. There were two policies which might be followed. The first was that of distributing as dividends all profits as they were earned. Such dividends would necessarily be small, there could at present be no guarantee of their regular continuance, and they could only be paid by starving other assets and weakening the resources of the Company. Several of their most valuable assets, such as their Salisbury stands, so far from producing revenue, were calling for capital expenditure, and in those circumstances the board did not think that the payment of dividends would be in the interests of the shareholders. The alternative policy, which the directors were



following, was that they should nurse the existing assets, look out for fresh sources of revenue, and endeavour to put the Company's interests into a form which, when the market conditions improved, would enable them to find partners, on favourable terms, who would assist in their development. The board considered that that was the policy which the Company ought to pursue, and that when confidence was restored it would be speedily justified. In one sense that policy was imposed upon them because it would be almost impossible to treat the Company on small lines. Last year he defined their policy in similar terms, pointing out that, having regard to the nature and extent of their interests, it would eventually be desirable to provide the Company with further working capital. The directors had prepared a scheme, but owing to the market conditions it had been impossible to carry it into effect; it was merely postponed, however. It was not easy in times like the present, when confidence was disturbed and credit restricted all over the world, to realise that conditions did change; but it was certain that they would, and nowhere perhaps more rapidly than in Rhodesia. In the long run it was intrinsic value that counted.

Mr. H. B. Jameson seconded the resolution, which was adopted after some discussion.

NORTH ANANTAPUR GOLD MINES, LIMITED.

THE thirteenth ordinary general meeting was held on October 29 at the offices, 6 Queen Street Place, London, E.C., Mr. V. Herbert Smith presiding.

The Chairman said: During the year ended on June 30 last, 9,000 tons of quartz and 9,900 tons of tailings were treated, the total production for the two processes being 14,118 oz. of fine gold, which was sold for £62,592. During the preceding twelve months 14,200 tons of quartz and 15,850 tons of tailings were dealt with, the total yield having been 11,690 oz. of fine gold, worth £49,569. The increase in the value of the gold produced in the year under review is, as explained in the directors' report, mainly attributable to a rich pocket of ore having been stoped in the 650-feet level. The improvement, however, is also due, to some extent, to the higher prices obtained for gold during the last two months of the financial year, under the new arrangement made with the Indian Government. From the revenue account you will find that the expenditure was £24,196, and the receipts, after allowing for the royalty due to the Indian Government, came to £62,177, leaving a profit of £37,981. The distributions for the twelve months aggregated 5s. 6d. per share on the Preference shares, and 1s. 6d. per share on the Ordinary shares, in both cases less income tax. After allowing for the payment of the balance dividend, there remains a credit balance on profit and loss account of £11,478 to carry forward to the current year, this being subject to excess profits duty (if any), and to the new Corporation tax. The sum of £10,000 has been debited to profit and loss account, and placed to the credit of reserve. Since May 1910 up to the end of June last, the mine has produced 204,221 tons of ore, which have been treated at the stamp batteries, producing 110,953 oz. of fine gold, worth £473,014. Having regard to the declining position of the North Anantapur Mine, your directors decided to endeavour to secure some promising property towards which the Company could turn its attention, and an option has been obtained over the Baragunda Copper property, in Chota Nagpur, North East India. Recently negotiations have been in progress, and these are nearly completed, for the acquisition of an option over another copper property, also in Chota Nagpur. The prospects are considered by your directors and managers to be of a distinctly favourable nature, and we look forward to success attending our efforts on this property. The block of land to which I refer adjoins a mine which has been extensively worked, during recent years, by a powerful English corporation, with the result, we understand, that a very considerable quantity of reserves of payable ore has been opened up there.

The report and accounts were unanimously adopted.

Books Received.

England and the New Era. By Brougham Villiers. Price 12*s.* 6*d.* net. (London: T. Fisher Unwin.) Mr. Villiers [illegible] now in opposition to the Coalition Government have evolved an adequate answer to the grave problems confronting the world in general, the Empire, and the United Kingdom in particular, and closes with an attempt to outline for England itself a useful and honourable position in a world which seems likely to be federal, nationalist, and democratic, rather than imperial and capitalist.

The Romance of the Lace Pillow. By Thomas Wright. Price 7*s.* 6*d.* net. (Olney, Bucks: H. H. Armstrong.) The author gives the history of lace-making as concerns principally the counties of Bucks, Beds, Northants, Hunts, Herts, and Oxon, with some account of the lace industries of East Anglia, Devon, and Ireland. Commencing with an account of the lace found in mummy cases, Mr. Wright carries his readers down to the period of the industries of Venice, Flanders, and France, all of which are carefully treated. A glossary and detailed index are included, and the whole makes an attractive work.

A Manual of the Public Benefactions of Andrew Carnegie. Compiled and published by the Carnegie Endowment for International Peace. Washington.

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Paid-up Capital, $22,000,000.
Rest, $22,000,000.
Undivided Profits, $1,090,440.
Total Assets (30th April, 1920), $371,150,138.

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Reserve Fund	...	3,275,000
Reserve Liability	**Proprietors**	4,765,700
		£12,806,400

Aggregate Assets, 31st March, 1920 £75 544,242

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H. MELDRUM,
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Paid-up Capital.....	£500,000
Reserve Fund	570,000
	£1,070,000
Uncalled Capital.....	125,000
Reserve Liability of Proprietors...	625,000
	£1,820,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.
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PERCY ARNOLD, O.B.E., *Manager.*

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LIMITED.

HEAD OFFICE—17 Moorgate Street, E.C. 2.

AUTHORISED CAPITAL	£3,000,000
SUBSCRIBED CAPITAL	3,000,000
PAID-UP CAPITAL	1,000,000
RESERVE FUND	1,020,000
UNCALLED CAPITAL	2,000,000

Receives Deposits of £50 and upwards for 1, 2 or 5 years at rates to be ascertained on application.

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ARTHUR WILLIS,
Secretary & London Manager.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C.3.

Capital Authorised...	£3 000,000
Capital Paid up	1,050,000
Reserve Fund & Undivided Profits	1,146,430

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On current accounts interest is allowed at 2 per cent. per annum on daily balances.

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Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Called up	£1,000,000
Reserve Liability of Shareholders	£1,000,000
Reserve Fund	£225,000

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

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F. H. SUTTON, *Manager.*

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Lahore	Aden Point		
Amritsar	Colombo	Entebbe	
Delhi	Kandy	Kampala	Uganda
Tuticorin	Newera Eliya	Jinja	
Dar-es-Salaam			Tanganyika Territory.
Tanga			

SUBSCRIBED CAPITAL	£3,000,000
PAID UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

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Assets Exceed - - - - £17,300,000

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Business communications should be addressed to the Manager,

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51 Cannon Street, London, E.C. 4.

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The Statist.

LONDON, SATURDAY, NOVEMBER 6, 1920.

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caution exercised by the banks in the matter of loans. As regards the former, the fall has not been very great, and has been confined chiefly to wholesale prices and, generally speaking, to raw materials. The cost of living, except in so far as it is affected by prices of clothing, has not shown a corresponding decline. This combination of circumstances may have a beneficial effect on the financial as well as industrial situation some months hence, but at the moment, as was the experience in similar circumstances in the United States, it will operate to place many firms in difficulties and to increase the demand for credits. This brings us to the second of the factors mentioned above. The banks are not prepared to undertake a more liberal policy as regards loans than is being pursued at present. They are, indeed, unable to do so. As an instance of how the banks are placed it may be pointed out that they have not been buying trade bills of late with anything like the same freedom as they did formerly, and the consequence is that new business is falling to the discount houses in increasing quantities. These latter are now in a position to choose the type of bills they invest in and in such circumstances they naturally show a tendency to avoid the longer-dated paper as well as to pick the better-known names. This tendency would probably have been shown in any case, as the troublous appearance of the future is conducive to caution in making commitments. In the circumstances it seems likely that we are near the beginning of a period of tighter money, while many firms, particularly the smaller ones, will have to go without sufficient financial accommodation. Having said so much, we would draw attention to the progress of events in America and Sweden, where similar developments have been experienced; consideration of these cannot fail to prevent undue pessimism regarding the outlook for our own country. The United States has passed through a severe crisis without any undue dislocation of the financial machine. We appear to be approaching a similar crisis, and though our position differs in many important aspects from that of the United States, on the whole we may expect to pass through the depression as safely as they seem to have done. It must not be inferred that the United States is now out of the wood; on the contrary, there are very difficult times ahead, but the worst of the situation has been passed there as regards the monetary position and the country can now face the future with greater confidence than it could have shown a few months back.

Foreign Exchanges.

The position of the pound sterling did not show in general the same strength during the present as it did on the previous week, but though its value declined in many important centres, such as New York, Montreal, and Amsterdam, it showed continued firmness in other directions, as may be seen by a reference to our Tabular Appendix. Though our trade position as regards the United States is just now beginning to improve, the bulk of our imports having been made, the dollar value of the pound does not show signs of responding. This may be attributed to the fall in commodity prices in America, making for a higher purchasing power of the dollar and a lower dollar value of foreign currencies. This development is having the effect of retarding America's foreign trade, and we note that to remedy this a workable scheme to establish a corporation under the Edge Law has been put forward at the American Bankers' Association at Washington. The scheme, if put in operation, would be a step towards a more reasonable level of exchanges with the dollar. Central European currencies show little signs of improvement. The Roumanian lei, however, is at a level not justified by the position of Roumania, and as that country is rapidly developing, should soon take a turn for the better. The Finnish Government have at last seen the futility of their attempts to control the exchange artificially, and have now withdrawn the restrictions which they imposed in February last. Of the Eastern group the rupee improved to 1*s.* 8⅜*d.*

Income and Expenditure.

A falling-off in revenue and an increase in expenditure, as compared with the previous week, involving a deficit of £6.76 million, is to be noted in the latest return of income and expenditure. The former circumstance was due mainly to a diminution in receipts in respect of customs and excess profits duties, though special miscellaneous receipts amounted to nearly £4.86 million, as against £.66 million for the previous week. At £16.77 million the total of ordinary revenue for the week October 23-30, shows a decrease of £10.88 million on the week. Expenditure amounted to £23.53 million, as compared with £20.03 for the preceding week. The deficit thus occasioned was more than covered by an excess of Treasury bill receipts over maturities. The latter were much less than in the previous weeks of October, being only £86,048,000, as compared with an average of £135,762,000 for the three preceding weeks. Sales of new bills during the week were £33.8 million below the figure for the previous week at £94,728,000.

Net receipts for Treasury bills, £8,680,000, being, as indicated above, larger than the deficit in revenue, a slight reduction in Ways and Means Advances was rendered possible. Advances by the Bank of England were reduced from £59¾ million to £56¼ million, but as Advances by Public Departments were increased by £2.6 million to £185,114,000, the net decline in Temporary Advances was only £900,000. The net movement in the floating debt was an advance of £7,725,000, the total as on October 30 being £1,325,993,000, as compared with £1.294,204,600 on November 1, 1919, and £1,312,205,000 at the commencement of the current financial year.

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Bankers to the Government of the Union of South Africa in Cape Province: to the Imperial Government in South Africa, and to the Administration of Rhodesia.

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Paid-up Capital	£1,562,500	Uncalled Capital... ...	£4,687,500

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EXECUTOR AND TRUSTEE business undertaken.

FRANCIS SHIPTON, *London Manager.*

A review of the movements during October shows that the floating debt as a whole increased by £44,085,000 during the month, though the outstanding total of Treasury bills was reduced by £54,165,000. On September 30 last there were no Ways and Means Advances by the Bank of England outstanding, and, therefore, £56¼ million was borrowed from the Bank during October. Advances by Public Departments were increased by £42 million during the same period, so that the total of Ways and Means Advances shows a rise of £98,250,000 on the month. During November Treasury bill maturities will not be on the same scale as during October, being about £315 million, as against over £493 million last month.

Currency Notes.

Returns of notes from circulation during the week ending on November 3 were on a slightly higher scale than during the five weeks immediately preceding, at £7,886,918. Fresh issues also show an increase, but were £91,243 under cancellations. The net issue of certificates, on the other hand, rose by £250,000, so that the combined circulation shows an expansion of £158,757 to £352,951,815. As the reserve remains without change at £28½ million gold and £18⅞ million Bank of England notes, the fiduciary circulation rose to £305,704,815.

Bank of England.

The return of Bank notes from circulation issued at the beginning of a month did not apparently feature in the opening days of November, for the Bank return issued on Wednesday last shows an expansion in the active note circulation of £849,000. The present total outstanding, £128,437,000, is the highest reported to date, and exceeds the previous high record of October 6 last by £633,000. Coincident with this movement was a decline of £53,000 to £123,146,000 in the total coin and bullion holdings, so that the reserve suffered a futher depletion, being £902,000 lower than a week previously. The present amount of the reserve is £13,158,000—the lowest since the phenomenal return of August 5, 1914. Though "other" deposits declined by £5,421,000 to £115,135,000, the reserve ratio fell by .4 to 9.9 per cent.

A further decline of £2,191,000 to £73,870,000 is recorded in the item "other" securities. Government securities also show a reduction of £545,000 to £63,973,000. That this movement will figure in the returns during the next few weeks is not unlikely considering the present condition of the Money market and the comparatively small amounts of Treasury bills which mature during the coming weeks.

Bullion.

At to-day's quotation, 120s. 0d. per ounce fine, the price of gold shows a rise of 1s. 11d. as compared with a week ago. The United States took the bulk of the market's offerings, and a small portion again went to India.

The drop in silver prices last fortnight had the effect of checking supplies and at the same time stimulating inquiries for the metal, and under the influence of diminished offerings from the Continent, combined with buying for the Indian bazaars and some demand on Chinese account here as well as in America, prices advanced from 52⅝d. on Friday last to 52⅞d. on Monday. On Tuesday there was a reaction of ⅛d., but on the following day the firmness was renewed, and by Thursday a quotation of 54⅛d. was reached. To-day there was a reaction to 53¼d. per ounce standard. As the Chinese demand was chiefly for forward delivery, the two months quotation was identical with that for spot on Tuesday and on Thursday. To-day there was a discount of ⅛d. As the fundamental factors governing the silver situation—namely, the buying power of India and China—show little signs of improvement, it is probable that this week's firmness is of only a transient nature. A decidedly better tendency in the value of the rupee is becoming evident, and, if it continues, may help the market somewhat.

NEW YORK.

A RENEWED weakening of the reserve position, accompanied by a further decline in liabilities and lending operations, is indicated in the average weekly statement of the New York City Banks and Trust Companies for the week ending on Saturday last. The combined total of loans, discounts, and investments shows a reduction of $74.3 million, as against a reduction of $40.3 million during the previous week, and the present total, though high as compared with the averages previous to October, is the lowest for the five preceding weeks. The fall in the excess reserve, noted above, was not so extensive as on the previous week, but the aggregate reserve fell by a greater amount, being $9.9 million lower at $555,720,000. The effect of this movement was partially counteracted by a greater decline in net demand deposits, which fell by $65.6 million to $4,121.9 million. The outcome was a lowering of the average excess reserve by $1.4 million to $8,770,000. This total may be compared with $6,080,000 for the week ending August 28 last, which was the lowest since the week ending October 14, 1914. The actual surplus reserve on Saturday last was returned at $14,000,000, as compared with a deficit of $50,230,000 on the previous Saturday.

A more favourable statement was issued by the New York Federal Reserve Bank for the week ending on Friday last. The improvement was due to a gain of over $213 million to the gold reserves, the figure for total reserves rising to $606,610,000, and was in spite of an increase of $35.2 million to $675,110,000 in deposit liabilities and an expansion of $1.7 million to $876,710,000 in the note circulation. The reserve ratio is 39.1 per cent., as against 38.5 per cent. for the previous week.

The improved tendency shown in the previous combined statement of the Federal Reserve Banks does not appear in the return for the week ending on October 29. On the contrary, a renewed weakening of the reserve position brought about by an increase in liabilities is shown. Deposits rose by $46.4 million to $1,655,800,000, while the Federal Reserve note circulation increased by $4.9 million to $3,351,300,000. The gold reserve received an addition of $8.7 million to $2,003,320,000, and at $2,168,040,000 the total reserves show an increase of $10,770,000. The latest figure for this item is the highest hitherto reported by the Federal Reserve Banks. In spite of the increase in reserves the reserve ratio fell to 43.1 per cent., as compared with 43.3 per cent. for the previous week and 47.9 per cent. a year ago. The most remarkable movement was a rise of fully $452,020,000 to $2,801,300,000 in the holding of bills discounted for member banks This total exceeds the previous high "record" of October 8 last by $5,630,000. Other bills discounted were reduced by $2.3 million, and the total bill holdings stand at $3,099,680,000.

Though the election of a President is usually a dominating influence in financial America, the return of Governor Harding did not cause any marked change in conditions in Wall Street, partly because those who were inclined to look on the election of a Republican candidate with favour, being fairly certain of the announcement beforehand, had already discounted its effects, partly because it is yet too early for a definite opinion to be formed as to the economic effects of the passing of the Wilson *régime*, but chiefly because the continued tightness of money effectually hampers any speculative bidding up of stocks. Some little activity, however, developed in railway descriptions, which advanced under the lead of Southern Pacifics. These latter rose from 105¾ on Monday to 111¼ on Thursday on rumours of a merger with the Baltimore and Ohio Railroad, and that the Company's oil properties would be worked for the benefit of the shareholders.

Call money ruled at nine per cent., which was the lowest rate paid, 10 per cent. being the highest at which [illegible] was quoted at eight per cent.

B

Stock Exchange.

MONDAY being a Stock Exchange holiday, the week-end accumulation of orders was greater than usual, but not as large as was expected. Tuesday opened with a cheerful atmosphere, and prices in the various departments showed a rising tendency. Though the general firmness was maintained to the close, price movements on the whole were confined within fairly narrow limits, and no features of really outstanding interest were in evidence. Fresh issues of capital were few, but the coming week will see the publication of a large number of prospectuses held back through the strike, some of them of a very attractive nature.

The turnover in Gilt-edge stocks was not very large, but the tone maintained a consistent firmness. War Fives and Fours showed slightly better on balance, while the Three and a-Half per Cents. also improved with an early demand. Funding Loan and Victory Bonds appreciated slightly, but Consols remained unaltered. Local Loans, both new and old stocks, were wanted, and quotations moved up accordingly. Business in County and Corporation stocks was not very brisk, but price-movements were generally in favour of holders. Colonial issues developed no feature of interest.

The announcement that the United States will recognise the new Mexican Government caused a revival in the demand for Mexican bonds. Prices improved up to the close, but the net gains were not as large as was generally expected. Chilean Four and a-Half per Cents. continued their previous upward movement and finished appreciably higher. Brazilians stocks opened with a rising tendency, but continued selling from Paris caused prices to be scaled down. Chinese loans were in demand, and Japanese issues, after some fluctuations, registered fractional improvements.

Among Home Rails the buoyancy of the previous week was again in evidence. Among the Heavies a general marking-up of quotations was recorded, but demand eased off finally. Underground Electrics developed less interest than usual, but the Ordinary shares closed slightly better.

Argentine Rails, after a strong initial improvement, eased away all round, but prices on the whole exhibited a net improvement. The favourable traffic return of the Central Argentine created a comparatively keen demand for the stock. Cordoba Central benefited on the issue of the annual report, the Debenture stocks being particular favourites.

Among Industrials, shipping securities presented a considerable show of strength. The outstanding feature was P. and O. Deferred, which, after the unexpectedly favourable dividend announcement, jumped to 510. Profit-taking caused an eventual reaction however. Transactions in iron and steel shares were not numerous, and prices, though firm, exhibited few changes. Motors and Textiles were governed by similar conditions. Coats reacted on the dividend announcement, the bonus being less than was expected. Bank and Insurance shares maintained an upward tendency, but alterations were not of much consequence. Among recent issues Vauxhall, and Explosive Trades, Notes were dealt in, the latter starting at a premium of ½.

The Oil market opened strong, with an accumulation of week-end orders, but the volume of business fell away towards the finish. Phœnix met with strong support, and improved steadily to the close. Royal Dutch were also favourites, but eventually reacted. Shells and Scottish-Americans were slightly better on balance. Mexican Eagles opened strongly, but drooped later, and failed to improve on the news that the company's September shipments were the largest it has made up to the present.

Mining Topics.

WITH the week-end recess extending to Tuesday the Mining market did not display the expected activity at the opening. In the Mexican section there was a favourable cable from Esperanza showing good values in No. 5 level again, notably in No. 6 rise, where for seven feet there was exposed ore averaging 1 oz. 4 dwt. gold, and 72 oz. silver per long ton. Yet, since the cable lacked the spectacular element, the shares dropped ½ on the day to 1⅞, remaining unchanged at this level on Thursday. Continental inquiries caused Mexico of El Oro, however, to put on ¼ to 7¼. On Wednesday the usual bout of profit-taking was witnessed in Colombian Mining, which reacted ⅛ to 1⅝, at which price the shares closed steady on Thursday.

The Kaffir Circus received a favourable impetus from the rise in gold to over 119*s*. Moreover, some buying was in progress in anticipation of the forthcoming dividend next month. Furthermore, Paris was actively inquiring for its favourites. Hence Rand Mines, which came in for much attention, moved up steadily from 2⅝ on Tuesday to 3 on Thursday. Crown Mines followed suit with a rise from 2⅞ to 2⅛. Despite a falling off in the supply of native labour, the quarterly report shows a slight increase in the tonnage crushed to 564,000 tons. Owing to the substantial improvement in the price of gold the working profit for the September quarter has risen by over £115,000 to £287,090. Development work continues satisfactorily, 2,950 feet of payable reef on the Main Reef Leader being opened up with an average value of 30.6 dwt. over a width of eighteen inches. Central Mining were also in demand, closing ⅞ to the good on Thursday at 8⅝, whilst East Rands gained 6*d*. at 10*s*. 3*d*. Geduldes were strong at 2⅞, and there were inquiries also for Modder Deep at 2⅝. It is now officially announced that Village Main Reef will close down gradually. In the West African group Abbontiakoon Mines came in for attention on the unexpected declaration of an interim dividend of five per cent., the shares putting on 6*d*. to 3*s*. 3*d*. on Tuesday.

The report of New Modderfontein for the quarter ended September 30 shows a working profit of £437,447. The increase over the previous quarter is £103,310, due, as in the other cases, to the enhanced premium on gold, the revenue per ton crushed working out at 56*s*. 4*d*., whilst working costs did not exceed 22*s*. 8*d*. As a result of development work there were disclosed on the Main Reef Leader 1,625 feet of ore, averaging 52.7 dwt. over a width of 11.8 inches. Village Deep crushed 154,500 tons during the same quarter, securing a working profit of £42,618. No less than 2,124 feet of payable ore were opened up on the Main Reef Leader with an average value of 22 dwt. over 31.1 inches. Knights Central records a working profit of £23,001, the revenue per ton crushed amounting to 30*s*. 6*d*., and the working costs to 24*s*. 10*d*.

LAHAT MINES.

Year to Dec. 31	Tin output Tons	Av. Price per Ton of Tin £	Working Costs per Ton £	Work'g Profit per Ton £	Net Profit £	Reserves £	Dividend Amount £	Dividend %
1916 ...	438	198·58	61·31	112·7	17,339	5,000	6,000	5
1917 ...	422	151·27	74·84	56·43	25,089	7,000	18,000	15
1918 ...	397½	180·39	106·59	79·80	21,848	3,000	27,000	22½
1919 ...	465	150·88	119·43	31·45	14,603	3,000	12,000	10

MORE than one feature of interest characterises the report of this tin-mining Company for the year ended December 31, 1919. As compared with 397½ tons in 1918, the tin ore sold during the year reached the satisfactory total of 465 tons. This increase did not represent, however, progress in all directions. Of the yardage treated, the bulk as heretofore was credited to the main opencast of the North Mine. During 1919 153,120 cubic yards of karang were treated in this section as against 144,843 cubic yards in 1918. On

the other hand, the new area in the South Mine, which contributed 81,450 cubic yards in the previous year, was now only credited with 45,000 cubic yards. Low yields were secured in the early months of the year, and in March there was a serious breakdown in the puddler plant. Consequently, during the re-arrangement of the plant operations were heavily handicapped, with the result that this section was not worked for more than nine months during the year. However, the serious decline from this section was offset to some extent by the results of the full year's working on the shafting in the main lombong, where 14,231 cubic yards were treated as against 2,746 cubic yards for four months of 1918. Nevertheless, there was a net decline in the area treated of 16,655 cubic yards. Again, it appears that the grade of ore treated began to fall off, due, according to the report, "to numerous small slips from the western hillside, which deposited a quantity of low-grade ground upon the karang, making it impossible to treat the latter separately." This decline in yield characterised all sections, but was most marked in the new area of the South Mine, where the return of tin ore per cubic yard was nearly fifty per cent. less than in 1918. The large increase in the output of ore was due entirely to the shafting in the main lombong, which returned 3,020 piculs from 14,231 cubic yards, in contrast with 4,523 piculs from 153,120 cubic yards in the main opencast (North Mine). Financially, the results were by no means as satisfactory as those of 1918. The price of tin failed to maintain the high level of the previous year, with the result that the average price fell from £187 8*s.* per ton to £150 18*s.* per ton. Again, in common with the other tin mines of the Federated Malay States, the working costs increased from £106 12*s.* per ton to £119 9*s.* per ton. As might have been anticipated this increase was most pronounced in the operations in the new area of the South Mine, where the suspension of work and the consequent great decline in the area treated were reflected in an increase in the cost of working per cubic yard from 51.70 cents in 1918 to 63.69 cents in the year under review. There was, indeed, a loss of £770 incurred in the working of this section during the year. Similarly, the increase in the area treated and in the quantity of the output from the shafting in the main opencast resulted in lowering the working costs per cubic yard from $10.41 to $8.62. The joint result, however, was to replace a working profit of £79 16*s.* per ton in 1918 by one of £31 9*s.* per ton in 1919. Hence, despite the increased output, the net profit was only £14,603, or less than half of that for 1918. After allocating £3,000 to the reserve, thereby raising it to £18,000, Ordinary shareholders received a dividend of ten per cent. as against 22½ per cent. in 1918, leaving a balance of £2,885 to be carried forward to the next accounts.

The outlook for the current year is intimately bound up with the price of tin, which is at present being quoted under £270 a ton, in contrast with a price exceeding £400 in the first quarter of the year. Whilst it is generally anticipated that an upward movement cannot be indefinitely postponed, it is none the less uncertain when such a movement will take place and to what extent any such rise will be maintained for the remainder of the year. Optimists point to the undoubted decline in the world production of tin and to the steady, if not rising, demand for the metal. Wisdom counsels, however, that the no less vital fact of the unsettled condition of the different nations, as evidenced in their intricate financial problems and the wild fluctuations of the foreign exchanges, should also be weighed in the balances. So long as the principal countries of the world are engaged in the delicate task of reconstruction, especially as regards finance, the demand for tin is not likely to expand to such proportions as to secure a permanent high level for the price of the ore. As regards Lahat Mines, returns for the first four months indicate an output of 131 tons [illegible] from tribute working of £2,119. No definite forecasts of working costs can be given, though there is no reason for anticipating any marked decline. Indeed, as regards the main opencast of the North Mine, higher working costs are almost inevitable. The steady increase in the depth is gradually rendering the safe and economic working of this area more doubtful, and the opinion is expressed that the margin of profitable working will have been reached as soon as the floor of the mine has been lowered another six feet. On the other hand, work on the shafting in the main lombong may prove more remunerative, whilst results from the new area of the South Mine should certainly prove more advantageous. No profit is expected from this section until the main lead is reached, but the stage has now been reached at which this area is paying its expenses. Financially, the position of the Company as seen in the balance sheet dated December 31, 1919, is very strong. Liabilities, including the final dividend of £6,000, do not exceed £17,971, whereas the cash alone amounts to £17,196, in addition to which investments at cost price are available to a total of £26,241. An interim dividend of five per cent. has already been declared in respect of the current year. In the market the £1 shares are quoted at 11*s.* 10½*d.*, and purchased at this price they afford, assuming a final dividend of five per cent., a return for the current year of nearly nine per cent. With a full dividend of ten per cent. the yield is increased to seventeen per cent.

VAN RYN DEEP.

	Ore Milled	Gold per Ton	Working Costs	Working Profit		Net Profit*	Dividend	
	Tons	per Ton	per Ton	£	Per Ton	£	£	%
1915 ...	508,710	37/1	17/0	517,508	20/1	410,702	388,960	32½
1916 ...	502,150	29/4	17/0	575,514	21/7	490,415	478,757	40
1917 ...	517,870	45/7	19/6	657,991	24/1	513,987	505,079	42½
1918 ...	550,550	42/10	20/7	617,051	22/3	550,150	538,981	45
1919 ...	570,400	44/5	21/6	654,753	22/11	634,831†	545,524	47½§
1920.								
Mar. qr.	140,500	50/3‡	24/0	228,000‡	32/6‡	—	—	—
June qr.	142,000	54/2‡	28/0	187,128‡	26/2‡	—	—	25

* After deduction of taxes, &c.

† Exclusive of profit on sale of investments to £1,242,057, and equivalent to 48/8 per ton.

‡ Exclusive of premium.

§ Exclusive of distribution of New South Areas shares.

For this prominent member of the Johnnies group 1919 was a very successful year. The quantity of ore treated was increased by nearly 40,000 tons to 570,400 tons. Working on the usual basis of the par value of gold in order to maintain an effective comparison, it can be seen from the above table that the grade of the ore treated was still above the average value of the ore reserves, which at the end of 1919 were returned at 38*s.* 8*d.* per ton. Moreover, the grade of the ore was higher than that of 1918, when the yield per ton was 43*s.* 10*d.*, as against 44*s.* 5*d.* in the year under review. However, owing to the increase in wages and the additional burden involved in the new Miners' Phthisis Act, the working costs moved up to 21*s.* 6*d.* per ton, despite the increase in the quantity of ore milled. Consequently, the working profit per ton dropped slightly to 22*s.* 11*d.*; but this drop was more than counterbalanced by the additional 40,000 tons of ore worked, with the result that the total working profit was nearly £28,000 higher than that of 1918. And this result was achieved independently of the gold premium, which came into existence during the latter half of the year. Including £132,655 received on account of this premium, the actual working profit [illegible] whilst the gold yield per ton [illegible]. Thus the net profit of £634,831 was secured, as against £535,130 in 1918. Hence the cash dividend was increased from forty-five per cent. to forty-seven and a half per cent., [illegible] balance of £133,521 to be carried forward in comparison with £216,825 brought forward from 1918. The reduction in this balance is explained by the bonus distribution of £149,612 in New South Areas shares to the Van Ryn Deep shareholders, in the ratio of one

fully-paid shares in New State Areas for every eight shares held in Van Ryn Deep. Seeing that fractional parts of shares were paid in cash at the rate of £1 10s. per £1 share, this bonus was equivalent to a minimum dividend of 18¾ per cent. Thus shareholders received a total dividend of 66¼ per cent. during the year.

The development work was no less satisfactory than the milling results, as evidenced in the following table:

	Development Work: Payable Footage		Width	Value	Stoping: Sq. Inches	Payable Reserves		Value	Width	Stoping Sq. Inches
	Feet	%	Inches			Tons	per Ton Inches		Inches	
1916...	5,687	83	21·1	124·7	2,630	2,168,851	30/11	68	2,540	
1917...	6,524	86	25·9	108·11	2,800	2,268,598	37/10	67	2,530	
1918...	3,351	84·3	38	85/-	3,230	2,446,759	38/3	70	2,977	
1919	4,4[illegible]	7[illegible]	28	111·11	3,300	2,[illegible]	38/8	72	2,784	
1920.										
Mar. qr.	928	84·6	27	72/3	1,951	—	—	—	—	
June qr.	561	169·	24	[illegible]/3	2,178	—	—	—	—	

The decline in the width of the reef was practically offset by the improvement in the grade of the ore from 85*s.* to 113*s.* 11*d.* Moreover, the payable footage increased by over 1,000 feet. The result is most clearly embodied in the substantial addition of over 750,000 tons to the ore reserves, which have also improved in width and value. According to the report excellent values were disclosed in the central and eastern portions of the mine. Attention is now being directed to the western side, which has been considered poor. Development results in the current year indicate a large tonnage of low-grade ore in this region. The decline in the percentage of payable footage during the first six months of 1920 must be largely attributed to this aspect of the work.

The outlook for 1920 is decidedly encouraging. Already results for the first half of the year have justified the declaration of an interim dividend of twenty-five per cent., as against twenty-two and a-half per cent. for 1919. The growth in working costs, especially during the June quarter, when they rose to 28*s.* per ton, represents mainly the increase in realisation charges, which reached eight and a-half per cent. in June. The return to normal charges is reflected in subsequent returns, working costs during September having fallen to 25*s.* 3*d.* Moreover, at present South African Banks are actually paying a premium of two and a-quarter per cent. instead of charging a discount. And side by side with the decrease the steady advance in the price of gold since July to 120*s.* at the opening of the coal strike. The working profit for the September quarter amounts to £251,548, which is in advance of even the March quarter, and there is no reason for anticipating much less favourable results for the last quarter. Again, even these estimated working profits are based on a rather conservative value of gold. The permanent additions to the wages will, of course, detract a little from this; but the burden of a very adverse realisation charge is not likely to appear on the horizon for the rest of the year. Financially the position of the Company is one of pronounced strength. Current liabilities, including Government taxation, did not exceed £142,485 at the end of 1919, and were covered three times over by liquid assets in the form of cash and gold to a total of £466,591. In the market the £1 shares are quoted at 76*s.* 3*d.*, and, assuming a final dividend of thirty per cent., afford a return for the current year of nearly eight per cent. at this price, but of over thirteen per cent. in a full year, in which a dividend of fifty per cent. was paid.

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FRED. C. SALTER, European Traffic Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, November 3, 1920.

Issue Department.

Notes Issued	£140,128,420	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,678,420
	£140,128,420		£140,128,420

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£63,972,909
Rest	3,157,753	Other Securities	73,889,823
Public Deposits	18,149,761	Notes	11,690,815
Other Deposits	115,135,201	Gold and Silver Coin	1,467,540
Seven-day and other Bills	12,172		
	£151,000,887		£151,000,887

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months Bills
1920.	£	£	£	£	£	£	£	%	%	%
Nov. 3	128.4	123.1	18.1	115.1	63.9	73.8	13.0	9·9	7	8½
Oct. 27	127.8	123.2	16.4	120.5	64.5	76.0	14.1	10·3	7	8½
20	127.0	122.1	16.5	125.9	61·3	81·8	14.5	10·2	7	8½
13	127.1	123.1	16.2	123.9	65.7	81.8	14.4	10.2	7	8½
Oct. 6	127.3	123.1	21.2	134.7	63.7	93.0	14.3	8·9	7	8½-¾
July 22,'14	29.3	40.2	13.7	42.2	11.0	33.8	29.3	52·40	3	3/6

* July 30, 1914 to 4%: July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Nov. 3, 1920	Nov. 5, 1919	Nov. 6, 1918	Nov. 7, 1917	Nov. 3, 1910
Circulation	£128.4	£86.0	£64.7	£42.4	£28.6
Public Deposits	18.1	19.8	31.7	43.5	6.6
Other Deposits	115.1	109.6	131.4	121.0	33.4
Government Securities	63.9	46.2	57.9	53.9	14.3
Other Securities	73.8	80.5	95.1	91.2	28.3
Reserve	13.0	20.4	27.8	32.4	22.1
Ratio to Liabilities	9·9%	15.81%	17·07%	19·60%	49.17%
Coin and Bullion	123.1	88.6	74.1	55.2	32.2
Money:					
Bank of England Rate	7%	6%	5%	5%	5%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅝%	5-4⅛%	3-2⅜%	4⅛-⅛%	4⅛%
Exchanges:					
Paris Cheque	56·45½	37·10	25·93	27·39¼	25·27½
New York 60 days	3 42	4·13	4·73	4 72	4 82·10
Bombay Telegraphic Transfers	1/8½	2 0⅝	1/5⅜	1/4⅛	1/4⅞
Prices:					
Consols 2½% Cash	45⅞	50⅝	61¼	55⅛	79¼
French Rentes 3% Money	54·75	49·50	62·00	60·00	97·32
Silver, London spot oz.	53d.	66d.	43d.	43d.	25d.
Wheat, *Gazette* average qr.	90/6	72/4	72/7	70/4	30/4
Cotton, Mid Upland lb.	18·47d	25 93d	20·97d.	21·35d.	7·81d.
Iron, Scotch pig ton	231/0	165/0	101/0	98/6	56/0

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Note & Gold to Notes
	£	£	£	£	£	%
Nov. 3, '20	8,245,675	8,088,918	352,954,815	29,500,000	18,750,000	13·4
Oct. 27, '20	7,439,341	7,437,935	352,796,058	28,500,000	18,750,000	13·4
Nov. 6, '18	8,507,111	5,33 ,734	339,749,902	28,500,000	—	8·4
Nov. 6, '18	7,36 ,669	4,003,018	290 5 ,737	28,500,390	—	9·9
Nov. 7, '17	6,3[illegible],47	3,587,341	189,944 39	28,500,000	—	15·0
Nov. 8, '16	6,139,766	4,256,080	139,071,685	28,500,000	—	20·4

Balance Sheet November 3, 1920.

Notes outstanding—	£	Advances—	£
One Pound	276,6[illegible],321	Other Bankers ...	—
Ten Shilling	42,163,494	Trustee Savings Banks	—
Certificates outstanding ...	34,140,000	Currency Note Redemption A/c—	
Total	352,954,815	Gold Coin and Bullion —	28,500,000
Notes issued in but not yet cancelled	3,030,317	Bank of England Notes...	18,750,000
Investments Reserve A/c ...	16,291,489	Government Securities ...	324,700,9[illegible]3
		Balance at Bank of England	325,698
Total ...	372,276,621	Total	372,276,62[illegible]

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.: Cr.	Loans, Advances, &c.: Dr.	Loans, Advances, &c.: Net +	Cash Balance
Oct. 30	£16,748	£23,533	£6,785	£112,188	£105,755	—£6,413	£3,716
Oct. 23	27,648	20,029	7,[illegible]9	150,221	158,138	— 7,917	4,068
Oct. 16	36,112	9,434	26,6[illegible]†	171,098	196,495	+25,339	4,386
213dys. '20-21	726,730	631,127	9[illegible],[illegible]03	3,272,905	3,377,677	+104,772	— 5,653
215days '19-20	536,941	858,263	322,393	3,907,006	3,587,384	—309,522	— 8,889
Fr. '20-21*	1,418,300	1,184,102	234,19[illegible]‡	—	—	—234,198	—
Yr. 19-20	1,339,571	1,665,773	326,202	8,092,709	5,766,507	326,202	8,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,493,804	3,616,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
Oct. 30	£3,143	£2,252	£2,112	£8,,81	£2,321	£832	£20,180
Oct. 23	10,678	1,803	4,015	6,503	3,682	1,032	14,315
Oct. 16	6,434	3,623	4,036	22,019	4,018	310	5,200
213days '20-21	168,,86	138,369	1[illegible],369	272,7[illegible]6	202,325	12,4[illegible]5	415,797
215days '19-20	150,779	121,201	153,699	109,262	206,369	7,033	640,655
Fr. '20-21*	348,650	380,800	220,000	463,850	345,000	31,198	807,,04
Yr. 19-20	285,023	359,098	290,045	407,404	332,034	18,471	1,317,,68
Yr. 18-19	1[illegible],420	291,186	280,068	290,067	268,894	11,380	1,,97,330
Yr. 17-18	110,033	233,003	220,214	137,478	103,891	11,40.	1,494,398

FLOATING DEBT. (000's omitted.)		Treasury Bills	Ways & Means Advances	Total.	Treasury Bond Receipts
Oct. 30. 1920	...	£1,0[illegible],629	£2[illegible],864	£1,3[illegible],993	£11,774
Oct. 23. 1920	...	1,0[illegible],004	242,404	1,3[illegible],008	11,004
Oct. 16. 1920	...	1,0[illegible],004	240,004	1,3[illegible],008	11,878
Oct. 30th, 1920	...	1,0[illegible],033	211,364	1,2[illegible],397	11,314
June 30. 1919	...	7[illegible],[illegible]90	[illegible]	1,0[illegible],371	—

* Budget estimates. † Highest. ‡ Excess of revenue. (a) 9 days.

FOREIGN BANKS ‡

[In £'s Sterling—000's omitted.

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug 6, '14 ...	£10,977	£833	£11,610	£41,925	£51,900	£3,293
Oct. 31, '20 ...	10,660	1,083	11,743	23,312	230,331	53,173
Oct. 28, '20 ...	10,650	1,083	11,743	24,713	237,273	55,141

	Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *						
Sept 30, '20...	£366,714	£88,923	£44,413	£91,983	£429,533	£43,849
Oct. 7, '20...	398,920	88,372	50,582	91,749	428,819	52,133
Oct. 15, '20...	396,830	88,261	60,555	95,155	430,431	53,114

	Cash			Discounts	Balances Abroad	Circulation	Deposits
	Gold	Silver	Total				
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£788	£8,693	£47
Sept. 30, '20 ...	12,844	145	12,789	14,703	1,629	30,081	2,811
Oct. 30, '20 ...	12,844	139	12,783	15,353	1,080	32,114	2,984
Oct. 31, '19 ...	10,634	182	10,816	8,954	2,013	28,745	3,658
Oct. 31, '18 ...	10,465	136	10,601	3,650	3,587	23,681	679

	Gold	Silver	In Bank	Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits—Public	Deposits—Private
FRANCE.									
July 30, '14 ...	—£165,684—		£190,667	£97,768		£287,327	£15,392		£37,903
Oct. 28, '20 ...	141,494		77,935	229,931	109,598	1,563,378	8,299		137,850
Nov. 4, '20 ...	141,579		77,935	230,081	146,435	1,585,936	1,202		145,448
Nov. 6, '19 ...	143,903		79,131	231,497	55,814	1,498,767	3,683		122,297
Nov. 7, '18 ...	136,304		81,404	230,586	35,743	1,232,814	3,113		117,931

	Cash			Treasury Other Notes	Loans & Discounts	Circulation	Deposits
	Gold	Silver	Total				
GERMANY.							
July 23, '14...	£87,843	£18,727	£94,570	£5,279	£40,055	£94,545	£47,199
Oct. 15, '20...	54,579	350	54,929	1,021,745	2,584,645	3,108,438	813,785
Oct. 23, '20...	54,579	349	54,928	1,012,190	2,391,302	3,105,305	617,359
Oct 23, '19...	54,724	984	55,708	458,208	1,514,708	1,511,184	429,328
Oct. 23, '18...	127,485	5,803	133,068	145,667	837,491	821,038	452,947

	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,432	£10,332	£35,880	£1,437
Oct. 18, '20 ...	63,028	1,558	64,584	13,395	26,559	88,434	8,125
Nov. 1, '20 ...	63,012	1,802	64,814	13,903	27,879	92,523	6,895
Nov. 1, '19 ...	62,681	4 2	63,093	16,512	23,422	89,279	6,084
Nov. 12, '18 ...	58,454	681	59,135	12,767	10,795	85,712	4,875

	Cash			Other Securities	Loans & Discounts	Circulation	Deposits
	Gold	Silver	Total				
ITALY.							
July 31, '14 ...	—	—	—	£48,456—	£25,017	£89,204	£8,897
Aug. 20, '20 ...	£32,191	£2,998	35,189	12,886	197,674	552,205	72,354
Aug. 31, '20 ...	(32,191	2,999	35,190	13,821	206,923	559,390)	72,513
Aug. 30, '19 ...	32,216	2,980	35,196	22,663	68,776	414,702	65,864
Aug. 31, '18 ...	32,729	3,070	35,799	8,542	54,193	322,095	58,348

	Gold	Discounts	Advances	Notes	Deposits—Public	Deposits—Private
JAPAN.						
Aug. 1, '14 ...	£21,887	£1,829	£7,883	£32,722	£13,818	£1,521
Sept. 18, '20 ...	104,791	13,139	14,625	103,956	104,413	5,587
Sept. 25, '20 ...	105,557	13,231	13,674	108,308	102,743	5,114
Sept. 27, '19 ...	78,490	12,285	30,878	110,645	105,940	4,428
Sept. 28, '18 ...	67,923	4,816	43,529	86,512	94,198	3,254

	Cash Own Vaults	Aggregate Reserve	Discts., Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,790
Oct. 23, '20 ...	£19,040†	113,122	1,094,172	£837,490	£57,934	912,314	2,036
Oct. 30, '20 ...	18,776†	110,744	1,074,316	824,376	57,638	891,036	1,754
Nov. 1, '19 ...	18,688†	116,504	1,089,486	839,580	51,990	940,592	4,922
Nov. 2, '18 ...	21,098†	108,832	949,870	741,670	29,870	860,258	10,483

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'ts & Loans	Circulation	Deposits
NORWAY.						
July 31, '14 ...	£2,980	£1,678	£493	£4,868	£8,752	£793
Oct. 15, '20 ...	8,118	2,534	578	25,347	24,493	5,375
Oct. 22, '20 ...	8,117	2,539	578	25,184	28,150	5,361
Oct 22, '19 ...	8,156	4,223	675	18,626	23,818	3,465

	Gold	Silver	Total	Discounts & Note Advances	Circulation	Deposits
PORTUGAL.						
June 2, '20 ...	£1,906	£3,921	£5,827	£20,406	£20,436	£10,835
June 9, '20 ...	1,906	3,921	5,827	22,587	24,858	8,858
June 11, '19 ...	1,905	3,935	5,840	8,198	15,033	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	18,378	2,186

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
July 10, '20 ...	£85,208	£18,897	£3,602	£23,499	£193,812
July 17, '20 ...	85,209	20,778	3,895	24,493	195,175
July 24, '20 ...	66,008	19,445	3,459	22,904	197,458
July 26, '19 ...	43,803	10,132	2,149	13,281	127,750

	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£160,114	£14,395	£181,892	£78,081	£163,411	£6,589	£109,911
Oct. 28, '17...	128,523	230,865	378,205	1,869,559	1,838,217	15,783	345,550

	Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
		Cash					
SPAIN.							
Aug. 1, '14 ...	£21,204	£29,187	£50,391	£40,572	£13,778	£77,557	£18,955
Oct. 23, '20 ...	98,149	23,371	121,520	9,419	13,773	168,431	36,361
Oct. 30, '20 ...	98,160	23,337	121,497	9,423	13,779	168,720	36,397
Oct. 31, '19 ...	98,611	25,332	121,933	93,274	13,773	151,917	38,353
Nov 2, '18 ...	88,767	25,685	114,452	57,338	13 777	124,452	47,251

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£6,717	£8,150	£1,555	£7,495	£13,432	£3,933
Oct. 23, '20 ...	15,890	5,121	2,498	31,932	39,537	9,860
Oct. 30, '20 ...	15,889	5,539	2,498	33,035	42,834	9,871
Nov. 1, '19 ...	18,647	7,768	2,883	23,816	41,542	6,613
Nov. 8, '18 ...	16,339	7,903	5,861	18,813	42,751	4,513

	Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.		Cash				
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,033
Oct. 16, '20 ...	21,829	4,053	25,642	13,171	31,116	3,367
Oct. 23, '20 ...	21,631	4,108	25,739	14,962	33,811	4,812
Oct. 23, '19 ...	18,912	2,468	21,380	18,558	36,824	5,284
Oct. 23, '18 ...	15,246	2,402	17,648	19,812	33,030	5,015

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

	Gold Reserves	Bills Discounted	Total Bills & Securities	Total Deposits	Circulation
Oct. 23, '20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov. 1, '20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov. 3, '19 ...	165,606	261,934	441,093	425,710	78,477
Nov. 1, '18 ...	167,732	242,644	421,138	349,190	75,414

	Gold Reserves	Bills Discounted	Total Bills & Securities	Total Deposits	Circulation
Oct. 23, '20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct. 30, '20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov. 6, '20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov. 3, '19 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov. 1, '18 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.			Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	5	Nov. 10,'19
Brussels ...	5	Aug. 21,'19	Paris	6	Aug. 7,'20
Bombay	5	July 28,'20	Petrograd ...	6	July 29,'14
Belgrade	5½	Apr. 28,'20	Rome	6	May 12,'20
Calcutta	5	June 5,'19	Stockholm ...	7½	Sept. 16,'20
Christiania ...	7	June 25,'20	Tokio	8·03	Nov. 18,'19
Constantinople	7	Apr. 16,'20	Vienna	5	Aug. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON —	Nov. 5, '20	Oct. 29, '20	Oct. 22, '20	Oct. 15, '20
Berlin ..... Cable	27⅝m	26⅝m	24⅝m	24⅛m
Brussels ..... Cheques	53¼ 30c.	51¾ 32c.	50¼ 40c	50¼ 57c.
Denmark ..... Cable	25⅝c. 45	25⅝c. 42	24⅝c. 80	25⅝c. 10
Holland ..... do.	11d. 32c.	11d. 24c.	11d. 22c.	11d. 25c.
Italy ..... do.	97 00	92 c. 50	91 c. 50	88c. 80
Lisbon and Oporto ... do.	9½d.	10d.	10d.	10½d.
New York ..... do.	$3 ¼	$3 46	$3 44	$3 47½
— ..... Cheques	$3 41	$3 48½	$3 45½	$3 49
Norway ..... Cable	25⅝c. 55	25⅝c. 75	25⅝c. 10	25⅝c. 40
Paris ..... 3 mos.	57c. 32c.	55c. 05c.	53c. 97c	54c. 00c.
— ..... Cable	56c. 57c.	54c. 30c.	53c. 22c.	53c. 25c.
Spain (Bank rates) 3 mos.	46¼	46¼	43¾	48¾
— ..... Cable	25c. 20	24c. 05	24c. 32	24c. 16c.
Sweden ..... do.	17c. 95	17c. 65	17c. 65	17c. 93
Switzerland ..... 3 mos.	22c. 49c.	22c. 55c.	22c. 31c.	22c. 36c.
— ..... Cable	21c. 99c.	22c. 05c.	21c. 81c.	21c. 86c.

ON LONDON —	Nov. 5, '20	Oct. 29, '20	Oct. 22, '20	Par.
Alexandria ..... Sight	97¼m.	97¼m.	97¼m.	97¼m.
Amsterdam ..... Cheques	11d. 31c.	11d. 35c.	11d. 21c.	12 107½
Athens ..... Cable	36 1r. 70	36 1r. 16	34 1r. 60	25 1r. 22½
Bombay ..... Transfers	1s. 8d.	1s. 7¾d.	1s. 7¾d.	1s. *
Brussels ..... Cheques	53¼ 45c.	51¾ 17c.	50¼ 37c.	25f. 22½c.
Buenos Ayres ..... Transfers	55d.	55d.	55d.	47 7/8d. $
Calcutta ..... do.	1s. 8d.	1s. 7¾d.	1s. 7¾d.	1s. *
Constantin ..... Sight	25kr. 52	25kr. 69	25kr. 08	18 1/16kr.
Copenhagen ..... do.	25kr. 49	25kr. 45	24kr. 80	18 1/16kr.
Helsingfors ..... Cable	151m.	155m.	144m.	25m. 22½
Hong Kong ..... Transfers	3s. 11d.	3s. 11d.	3s. 11d.	—
Italy ..... Sight	97¼	92c. 55c.	91c. 75c.	25f. 22½c.
Lisbon ..... do.	9¾d.	9¾d.	10¼d.	53½d.
Madras ..... do.	1s. 8¼d.	1s. 7¾d.	1s. 7¾d.	1s. *
Madrid ..... do.	25c. 27	24c. 99	24c. 40	25c. 22½
Montevideo ..... Transfers	57 l.	56¾ l.	56¼d.	51½d.
Montreal ..... Cable	$3 78¼	$3 83¼	$3 81¼	$4 86⅝
New York ..... Sight	$3 42¼	$3 46¼	$3 44¼	—
— ..... 60 days	$3 40 12	$3 43 50	$3 42¼	—
— ..... Cable	$3 43 12	$3 47¼	$3 45	$4 86⅞
Paris ..... Cheques	56c. 60c.	54c. 12c.	53c. 20c.	25f. 22½c.
Rio de Janeiro ..... 90 days	12¾d.	13¼d.	13¼d.	16d.
Shanghai ..... Transfers	5s. 3¼d.	5s. 3¾d.	5s. 2¾d.	—
Singapore ..... Sight	2s. 3 5/16d.	2s. 3 5/16d.	2s. 3 5/16d.	—
Stockholm ..... do.	17kr. 90	17kr. 89	17kr. 66	18 1/16kr.
Switzerland ..... do.	21f. 98c.	22f. 00c.	21f. 81c.	25f. 22½c.
Valparaiso ..... 90 days	9¾d.	10⅛d.	10⅜d.	18d.
Yokohama ..... Sight	2s. 11d.	2s. 11d.	2s. 11d.	24 5/8d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON —	Nov. 5, '20	Oct. 29, '20	Par to nearest 1/32
Amsterdam, sight ...	40 45c.	40 20c. for 1 rubler	40 25c.
Bombay, cheques ...	29 00c.	28 50c. for 1 rupee	33 00c.
Buenos Ayres, cheques ...	127 00	126 25	—
Christiania, cheques ...	13 40c.	13 65c.	26 80c. for 1 kroner
Copenhagen, cheques ...	13 45c.	13 85c.	26 81c. for 1 kroner 26 85c.
Greece, cheques ...	3 20c.	3 6c.	19 3 16c. for 1 drachma
Hongkong, cheques ...	69 00c.	68 50c.	74 50c. for Mex. $1 48 46c.
Italy, sight ...	27 57c.	26 82c.	5 18⅞ francs for $1 5 17c.
Lima, cheques ...	4 55c.	4 55c.	4 8665 $ for 1 libra —
Manila, cheques ...	46 70c.	46 70c.	50c. for 1 peso 49 8c.
Montreal	9 37½% disc.	9 65 disc.	Premium per $100 Par
Paris, sight	16 12c.	15 84c.	5 18⅛ francs for $1 5 16c.
Rio de Janeiro, cheques ...	5 79 mil.	5 8 mil.	3 082 milreis for $1 —
Shanghai, cheques ...	93¾	92 00c.	52 30c. for 1 tael 83 00c.
Singapore, cheques ...	42 00c.	42 00c.	56 75c. for $1 57 12c.
Spain, cheques	14 75c.	13 62c.	19 30c. for 1 peseta —
Stockholm, cheques ...	19 30c.	19 45c.	26 80c. for 1 kroner —
Switzerland, cheques ...	6 42c.	6 36c.	5 18⅛ francs for $1 5 18⅛c.
Valparaiso, cheques ...	18 00c.	18 00c.	20 61c. for 1 peso —
Yokohama, cheques ...	50 62c.	50 62½c.	49 81c. for 1 yen 49 90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week ended	1920	1919	Increase or Decrease.	Per cent.
		Actual.	Actual.		
BIRMINGHAM ...	Oct. 30	£2,786	£703	+ £141,889	+ 35·5
BRISTOL	,, 30	2,136	384	+ 14,796	+ 23·6
BURNLEY	,, 30	1,937	176	+ 81,761	+ 19·2
LEEDS	,, 30	10,659	148	+ 20,078	+ 17·7
LEICESTER	,, 30	795	251	+ 11,765	+ 6·7
LIVERPOOL	,, 30	14,624	773	+ 134,131	+ 24·6
MANCHESTER	,, 30	22,320	866	+ 364,135	+ 19·5
NEWCASTLE	,, 30	2,115	886	+ 42,111	+ 5·6
NOTTINGHAM	,, 30	3,17	104	+ 43,000	+ 15·6
SHEFFIELD	,, 30	1,339	131	+ 14,677	+ 11·6
Total	1920				
TOWN	Nov. 3	641,611	471,976	+ 9,946,735	+ 49·5
METROPOLITAN	,, 3	38,611	953	+ 281,724	+ 18·7
COUNTRY	,, 3	72,...	8,...		
Total	,, 3	792,787	152,121	+ 10,207,244	+ 44·4

V.—FREIGHTS —According to Messrs. [illegible]

HOMEWARDS.	1920	1920	1913
		Nov. 7	
Alex. to U.K. ...	37/6	—	—
Sund. to U.K. ...	15/0	31/6	—
Bilbao to Cardiff	16/9	18/0	—
Bombay to p.p....	85/0 d.w.	85/0 d.w.	17/6
Burmah to U.K. ...	110/0	110/0	24/3
OUTWARDS.			
Danube to U.K. ...	62/6	65/0	—
R. Plate to U.K....	85/0	95/0	12/1

* Per ton.

Tyne Coaster, 15/0 [illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

	NOV. 5, 1920	NOV. 7, 1919	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron— Scotch pig warrants ... ton	231/0	166/0	57/0
— Middlesbro' warrants ... ton	225/0	160/0	51/0
— Cleveland warrants ... ton	200/0	140/0	61/0
— Staffordshire bars, London ... ton	£22 10	£95	£8 10
— Common bars ... ton	£20 10	£99	£8 18
Steel Rails ... ton	£96	£16 10—£17	£6 2/6
Galvanised Sheets ... ton	£40—£41	£34—£35	£16 17/0
Copper—Standard ... ton	£96 5	£110 10	£68
Tin—English Ingots ... ton	£256—£257	£278	£142 15
— Straits ... ton	£256—£257	£278	£142 15
Tinplates, I.C. Coke, S. Wales ... box	41/0—42/0	42/6—43/0	11/0d.—12/0
Lead—Soft Foreign ... ton	£35—£35 15	£33 10	£19
Spelter—Ord. Foreign ... ton	£37 15—£38 5	£44 15	£21 7/9
Quicksilver—(75lb.) ... bottle	£15 10—£16	£17 10	£7
Aluminium ... ton	£165 home	£156	£82
Antimony—Regulus Foreign ... ton	£43—£45	£46	£27 10
— English ... ton	£59—£60	£47 10	—
Coal—Best Yorkshire ... ton	27/0—28/0	29/6—30/6	17/6
— Steam (best) Newcastle ... ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—Carb. Chile, refraintes ... ton	14/0	9/6	7/4
Soda—Crystals ex wharf ... ton	140/0	129/0—130/0	42/6—45/0
Cocoa—Malay and States ... ton	£73 10	£58	£23 15—£24 7/6
Gambier Good marks ... cwt.	47/0	50/0	16/10d.
Indigo—Bengal good to fine ... lb.	13/0—16/6	9/6—10/6	3/9—3/9
Linseed Oil—Raw ... ton	£99	£90	£95 5
Linseed—Calcutta, spot ... ton	£36 15	£48	£13 16/9
— Cakes, U.K. made, ex mill ... ton	£22 5—£23	£94	£7 17/6—£8
Olive Oil—Spanish ... ton	—	nom	£49 10
Palm Oil—Lagos ... ton	£95	£85 10	£31 10
Petroleum—American ... gallon	2/3d.	1/8d.	7½d.
Rape Oil—Refined English ... ton	£88—£90	£100	£32
Soya Oil—Refined ... ton	£99	£95	£24 10
Tallow—Imported ... cwt.	68/0—86/0	95/0—100/0	29/3—33/3
Turpentine—American ... cwt.	122/0	130/0	33/7½
Rape Seed—Toria ... ton	£34 5	£37	£13 5
Rubber—Para, spot ... lb.	1 5/8	2/8 nom	2/9½
— Fine plantation (standard crepe) ... lb.	1/6	2/8½	2/9
— World's Production* Avg. tons	24 070	26 233*	8,467
Shellac—T.N. Orange, fair ... cwt.	£40 0/0	465/0—470/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ... lb.	18.47d.	25.93d.	7.53d.
— Egyptian, good fair ... lb.	28.50d.	32.50d.	8.75d.
— Pernambuco fair ... lb.	17.67d.	20.63d.	7.73d.
— Midland Upl. New York ... lb.	21.65c.	39.85c.	13.25c.
— Stock, Liverpool (Oct. 29) bale	804,360	685,490	934,600
Flax—Petrograd, Yarapol ... ton	—	—	£99
Hemp—New Zealand ... ton	£95	£46	£95 10
— Manilla, Fair ... ton	£84	£50	£98 10
Jute—First Marks ... ton	£70	£73	£96 15
Bed SCC ... ton	£40	£60	£24 15
Silk—Common, New Style ... lb.	34/0	33/0	12/0—12/8
Wool—Pt. Philip unwashed av. lb.	3/9	4/5	11½d.—1/0
— Lincoln Half Bred ... lb.	1/7	2/11	1/0½
Hides—Fine, Ox, best, 70 lb. up lb.	19½d	12½d.—13½d.	7½d.
Leather—Dressing Hides ... cwt.	3/0—3/6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S., bus.	34,411,000	95,364,000	34,640,000
— Red, price, N.Y. 60lb., bushel	259½c.	237½c.	67½c.
—English Gazette, aver 480lb. qr.	66 8	72 9	34/3
Flour—G.R. ... 280lb.	86/0	44/3	28/6
Barley—Fine Grz., aver. 460lb. qr.	99 9	68/0	25/4
Oats—Fine, Grz., aver. 312 lb. qr.	64/4	66 4	20/0
Maize—N.Y. (new bushel) ... bush.	110½	158½c.	76½c.
— Amer. mixed, Liverpool, 480lb. ... cwt.	—	nom	32/4
— La Plata ... 480lb. qr.	58/6	65/0	25/9
Potatoes—Good English ... ton	200 0	202/0	70/0—75/0
Rice—Bassein ... cwt.	44/0	26/0	7/0—7/3
Tapioca—Pearl, medium ... cwt.	36/0—40/0	45/0	14/0—17/8
Hay—best ... 2.016lb. load	—	—	82/6
Hops—Pratisch ... cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hinders ... stg.	6/8	9/0	3/8—3/10
— Scotch sides ... stg.	10/8	10/0	4/6—5/0
— English ... stg.	10/8	10/0	4/0—4/5
Mutton—Scotch wethers ... stg.	14/4	10/6	5/8—6/0
— English wethers ... stg.	14/4	10/6	4/6—5/4
— New Zealand frozen ... stg.	4/0—6/0	8/6	2/4—3/2
Pork—English and Irish ... stg.	16/8	10/8	3/8—4/0
Bacon—Irish, delivered ... cwt.	125/0	190/6	80/0—57/0
— Danish ... cwt.	120?/0	187?/0	58/0—68/0
— Canadian, ex Port ... cwt.	120?/0	187?/0	—
— American ex Port ... cwt.	185/6—192/0	187?/0	72/0—74/0
Hams—Amer. long cut, ex Port ... cwt.	221?/0	190?/0	75/0—79/0
— short cut, ex Port ... cwt.	221?/0	190?/0	71/0—74/0
Lard—Amer. boxes, ex Port ... cwt.	131?/6	119?/6	51/9—52/9
Butter—Danish ... cwt.	133?/0	125?/0	117/0—120/0
— French ... cwt.	133?/0	125?/0	96/0—108/0
— Australian ... cwt.	133?/0	125?/0	98/0—110/0
— New Zealand ... cwt.	133?/0	125?/0	108/0—114/0
Cheese—Canadian ... cwt.	126?/0—160/0	144?/8	66/0—68/0
— United States ... cwt.	—	144?/8	—
— Dutch ... cwt.	168?/0—230/0	144?/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Sept. 30 ... cwt.	20.677.247	23.676.986	19.777.254
Home consump'n to Sept. 30 ... cwt.	18.662.772	22.909.856	17.272.000
— In Bond Sept. 30 ... cwt.	6.972.000	6.522.000	6.308.000
— Price, Java, 96° Pol. ... cwt.	50/0	36/0	10/3
— — Yellow crystals ... cwt.	112/0	87 9	12/6—14/0
— — Tate's Cubes, No. 1 ... cwt.	116/0	64/9	18/0
Coffee—Imports to Sept. 30 ... cwt.	647.856	843.739	720.360
— Home consump't to Sept. 30 ... cwt.	240.320	276.714	341.250
— Exports to Sept. 30 ... cwt.	362.389	489.866	364.256
— In Bond Sept. 30 ... cwt.	781.000	627.000	484.000
— Price, Costa Rica gd. to fine ... cwt.	130/0—150/0	145/0—155 0	80/0—93/0
— — Brazil (Santos) Good ... cwt.	75/— 80/0	65/9	41/6
Tea—Imports to Sept. 30 ... lb.	325.339.954	335.404.881	123.230.277
— Home consump'n to Sept. 30 ... lb.	284.327.931	296.589.178	155.447.972
— Exports to Sept. 30 ... lb.	30.939.007	21.809.732	26.561.765
— In Bond Sept. 30 ... lb.	220.079.000	142.959.000	78.292.000
— Price, Indian, Pek. Soug. gd. fl. ... lb.	5 ¾d.	1/4	8½d
— — Ceylon, Pek. Soug. Ord. ... lb.	5½d.	1/4	8½d
— — Common Congou ... lb.	4d. nom	1/4	5½d.
Cocoa—In Bond Sept. 30 ... cwt.	1,450,000	856,000	309.00
— Grenada, good to fine ... cwt.	70/0—72/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Aug.	£17,695,000	+2,711,000	£4,201,000	+$1,577,000
Grand Trunk	5 mos. to Aug.	£27,448,000	+2,070,000	£5,249,000	+ 3,712 000
	Sept.	£1,689,300	+ £230,100	£98,000	+ £188,000
	9 mos. to Sept.	£11,702,800	+1,567,200	£30,100	+ 550,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts	+ or — on Year Ago
INDIAN.							
Assam Bengal	Sept. 18	1,044	R2,40,000	— 21,000	24	49,03,000	+ 2,55,288
Barsi Light ...	Sept. 30	118	22,100	+ 2,300	26	7,67,200	+ 23,000
Bengal & N.W.	Sept. 18	2,067	3,75,080	— 7,818	24	1,17,47,180	— 1,66,912
Beng. Dooars	Sept. 18	158	28,044	+ 1,080	24	6,91,107	+ 12,391
Beng. Nagpur	Sept. 30	2,695	19,51,000	— 2,52,000	26	3,12,67,287	— 15,08,227
Bomb. Baroda	Sept. 18	2,871	19,19,000	+ 4,24,000	2	41,77,000	+ 7,80,000
Burma ...	Sept. 18	1,342	4,55,779	— 13,872	24	1,26,74,065	— 1,53,219
Del Um. Kalk	Oct. 16	239	1,12,000	+ 27,667	2	2,34,487	+ 49,179
East Indian ...	Sept. 30	2,772	28,87,000	+ 3,65,000	5	1,23,71,000	+ 16,80,000
Gt. Indian Pen	Oct. 23	3,121½	24,46,300	+ 4,85,600	3	76,38,400	+ 12,85,800
Madras & S.M	Sept. 30	3,152	18,30,000	+ 38,000	26	3,28,87,000	+ 2,91,312
Nizam's Guar.	Sept. 18	900	3,83,986	+ 64,528	24	74,83,135	+ 1,70,780
Roh. & Kurm.	Sept. 18	576	94,807	+ 17,397	24	19,12,691	+ 2,46,732
South Indian	Sept. 18	1,852½	7,65,774	+ 28,818	24	1,39,06,588	+ 6,55,481
South Punjab	June	716	7,98,681	— 17,427	3½	25,41,933	+ 4,69,948
COLONIAL							
Can. Northern	Oct. 21	9,704	$1,808,800	+ 527,100	41	49,107,533	+ 8,521,524
Can. Pacific ...	Oct. 31	13,388	7,579,000	+ 1,701,000	42	172,044,000	+ 29,507,000
Grand Trunk	Oct. 31	3,616	$[illegible]967	+ 84,941	42	13,500,243	+ 1,899,181
Mashonaland	June	810	91,152	+ 21,421	9½	687,619	+ 178,922
Mid. W. Aust.	Aug.	277	8,785	+ 345	2½	17,821	+ 1,813
NewCapeCent.	Oct. 9	205	3,71	+ 1,290	41	121,268	+ 20,462
Rhodesia Rlys.	Aug.	1,397	137,517	+ 34,63	11½	1,254,518	+ 272,778
Semiscoutas.	Aug.	—	$38,481	+ 7,370	8	262,765	+ 20,304
W. Pass. & Yuk	Dec	122	1,568,6.6	+ 124,546	12½	1,568,626	+ 124,546
FOREIGN.							
Argentine							
Arg. N. East ...	Oct. 30	752	£ 12,200	— 2,500	18	219,300	+ 2,300
Arg. Transand	Oct. 30	111	£ 2,778	+ 478	18	34,843	+ 19,842
B. A. & Pacific	Oct. 30	3,536	£ 107,000	— 41,000	18	2,215,000	— 288,000
B.A.Gt. South	Oct. 30	3,792	£ 153,000	— 1,000	18	2,536,000	+ 413,000
Do.	Oct. 30	Net	£ 28,000	+ 12,000	18	299,000	+ 601,000
B. A. Western	Oct. 30	1,882	£ 75,000	+ 23,000	18	1,273,000	+ 458,000
Do.	Oct. 30	Net	—	+ 40,000	18	114,000	+ 450,000
B. A. Central	Sept. 30	190	£ 62,476	+ 6,776	3m	183,275	+ 24,671
Cent. Argent.	Sept. 30	3,305	£ 201,000	+ 16,00	18	3,557,000	+ 689,000
Cord. Central	Sept. 30	1,205	£ 59,110	— 4,440	18	1,01,3,90	— 86 600
Entre Rios ...	Sept. 30	811	£ 22,400	— 300	18	386 3 10	— 1,500
Brazilian.							
BrazilGt.South	Sept	110	M 40,750	— 7,750	9m	413,700	— 31,321
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,813,443
Gt. W. Brazil	Oct. 30	1,010	£ 22,800 +	3,00	43	9[illegible]3 50	+ 113,700
Leopoldina ...	Oct. 23	1,831	£ 47 6 4	— 14,116	42	2,2[illegible]6,438	+ 481,867
Mogyana ...	Dec.	1,180	M 1,561,000	— 856,490	12m	22,267,000	— 3,474,851
Paulista ...	Dec.	768	M 2,850,000	+ 906,038	12m	32,479,000	+ 1,235,312
San Paulo ...	Oct. 24	163½	£ 54,931	+ 21,191	42	1,974,903	+ 613,034
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,163	12m	21,953,000	+ 976,632
S.of Bahia S.W.	Sept.	62	M 154,000	+ 23,000	9m	810,00	+ 147,000
Chilean and Peruvian.							
Antofagasta ...	Oct. 31	838	£ 44,900	+ 10,450	43	2,020,590	+ 900,585
Arauco ...	June	84½	£ 12,000	+ 500	8m	76,000	+ 10,700
Nitrate(2wks.)	Oct. 31	390	£ 47 473	+ 26,793	40	832,612	+ 444,148
Peruvian Corp.	Sept.	1,140	S 1,187 300	+ 204,550	3m	3,511,445	+ 303,831
Taltal ...	Sept.	180	£ 27,863	+ 10,596	3m	86,896	+ 33,581
Cuban.							
Cuban Central	Oct. 30	362	£ 18,104 —	2,676	18	386,800	+ 82,356
Havana Cent.	Oct. 16	70	£ 13,658 +	3,883	15	2[illegible],391	+ 44,058
G. of Havana	Oct. 30	881	£ 55,094 +	622	18	1,154,375	+ 171,930
W. of Havana	Oct. 30	155	£ 8,998 +	977	18	197,209	+ 40,025
Uruguayan.							
Cent. Uruguay	Oct. 30	273	£ 22,004 —	2,522	18	332,400	— 35 672
,, (E. Ext.)	Oct. 30	311	£ 6,201 —	8,7	18	81,349	— 4,773
,, (N. Ext.)	Oct. 30	185	£ 3,174 —	628	18	49,303	— 16 479
,, (W.Ext.)	Oct. 30	211	£ 2,808 —	125	18	44,000	— 1,842
Mid. Uruguay	Sept.	311	£ 16,383 +	3,869	3m	51,0[illegible]	+ 5,764
N.W. Uruguay	Sept.	113	$ 5,531 —	1,257	3m	17,23[illegible]	— 2,970
Urug. Northn.	Sept.	73	£ 1,745 —	377	3m	5,973	— 193
Miscellaneous							
Alcoy & Gandia	Oct. 23	33	Ps. 12.000 +	2,000	42	544,800	+ 123.200
Bilbao ...	Sept.	15	£ 2,449 —	214	3m	29,623	+ 8,401
Bolivar ...	Sept.	138	£ 7,142 —	1,636	9m	93,388	+ 10,339
Colomb. Natnl.	Aug.	86	£ 23,070 +	5,523	8m	184,418	+ 43,758
Costa Rica ...	Aug.	180	£ 24,837 +	1,437	4m	65,747	+ 11,721
Dorada Ext. ...	Sept.	70	£ 16,100 +	4,000	9m	151,928	+ 52,378
Egyptian Delta	Oct. 10	559½	£ 17,313 +	3,8[illegible]7	27	2[illegible],39[illegible]	+ 108 880
Gt. S. of Spain	Oct. 23	104	Pa. 92.071 +	9,836	43	3,770,630	+ 805,989
La Guaira & Ca.	Sept.	22½	£ 14,550 +	4,430	9m	147,190	+ 50,930
Ottoman Ry...	Oct. 16	379	£ 18,012 —	—	—	—	—
Paraguay Cent.	Sept. 30	274	£ 5,50[illegible] —	330	18	91,210	— 6,870
Puerto Cabello	Sept.	34	£ 4,00[illegible] —	—	9m	43,000	+ 7,875
Salvador ...	Oct. 30	100	£ 3,933 +	2,328	18	57,666	+ 5,313
Santa Fe Prov.							
French Rys.	Sept.	1,181	£ 171,6[illegible]0 +	10,157	9m	1,468,338	+ 13,833
St'n'm&S'th'ro	Sept.	80	£ 8,35[illegible] —	5,33[illegible]	9m	130,433	+ 18,204
Zafra & Huelva	Sept.	112	£ 15,417 +	2,466	9m	113,163	+ 23,854
TRAMS.							
Anglo-Argent.	Oct. 28	400	£ 80,064 +	14,434	43	3,263,859	+ 775,589
Auckland Elec.	June 30	27	—	—	52	292,502	+ 4,713
Bombay Elec.	June	39	R. 8,16,737 +	85,100	26	4,71,11,126	+ 6,28,838
Brazilian Trac.	Sept.	378½	M12,[illegible]430.00 +	2,21[illegible].000	9m	96,86[illegible].000	+ 13,[illegible]6.000
Brisbane Elec.	Sept.	40½	£ 45,430 +	3,[illegible]9	9m	41,[illegible]4	+ 60 550
Brit. Columbia	Aug.	334	$ 796,943 +	84,[illegible]3	4m	1,496,[illegible]5	+ 187,433
B. A. Lacroze	Sept.	51	£ 53,803 +	8,[illegible]3	3m	153,[illegible]3	+ 21,333
Calcutta ...	Oct. 23	35½	R 98,261 +	14,[illegible]4	42	38,0[illegible],166	+ 2,84,447
Cape Electric	Aug.	42½	£ 23,73[illegible] +	13,[illegible]4	8m	53,614	+ 26,663
Carth. & Herr.	Oct.	9	£ 3,61[illegible] +	1,[illegible]1	3m	62,[illegible]3	+ 10,114
Chatham & Dist.	Oct. 21	9	£ 1,76[illegible] +	[illegible],[illegible]1	42	75,[illegible]11	+ 8,[illegible]4
Havana Elect.	May	83	$ 946,301 +	205,[illegible]9	2m	4,587,[illegible]6	+ 1,010,351
Isle of Thanet	Oct. 27	20½	£ 521 —	23	4	3,266	+ 608
Kalgoorlie ...	July	20½	£ 3,194 +	37[illegible]	7m	21,[illegible]37	+ 2,840
Lanarkshire ...	Oct. 21	28½	£ 4,3[illegible] +	21[illegible]	42	179,[illegible]3	+ 22,840
Lima Light ...	Aug.	85	£ 58,[illegible]1 +	9,[illegible]3	8m	40[illegible],[illegible]3	+ 8[illegible],[illegible]1
London O.C. ...	Nov. 4	141½	$ 97,[illegible]7 +	22,[illegible]4	39	2,71[illegible],[illegible]1	+ 203,185
Madras (2wks.)	Oct. 31	15½	$ 49,0[illegible] +	[illegible],[illegible]0	9	3,[illegible]7,[illegible]6	+ 1,[illegible]6,[illegible]4
Manila Electric	Sept.	55	$ 280,[illegible]2 +	53,[illegible]7	9m	2,[illegible]3,[illegible]6	+ 6[illegible],[illegible]4
Pernambuco ...	Oct. 31	59	£ 5,[illegible]8 —	5[illegible]3	43	49[illegible],[illegible]2	+ 81,[illegible]3
Provincial ...	Oct. 23	21½	£ 3,[illegible]9 —	13[illegible]	4	11,[illegible]3	— [illegible]3
Rangoon Elec.	Sept.	25	£ 7,6,7 +	8[illegible]5	9m	64,[illegible]7	+ 12,[illegible]3
Shanghai Elec.	Sept.	262	M $.1[illegible]60,737 +	21,757	9	1,3[illegible],[illegible]11	+ 19[illegible],[illegible]1
Singapore Elec.	Sept. 18	28½	$ 15,[illegible]9 +	77[illegible]	37	87[illegible]93	+ 29[illegible]5
Uot Montevid.	Sept.	90½	$ 41,[illegible]6 +	6,[illegible]4	11	47[illegible],[illegible]2	+ 8[illegible],[illegible]41

The Statist.

LONDON, SATURDAY, NOVEMBER 6, 1920.

THE FUNCTIONS OF GOVERNMENT.

Political philosophers from Plato to Hobbes have regarded the grouping of men under settled forms of Government as brought about primarily by their desire to preserve life and protect property. The resurgent nationalism of post-War Europe is, however, in many cases imperilling the safety of both, especially where the governors and the governed are so completely out of sympathy that acts of violence are justified on the one side as an assertion of nationality, and on the other as a vindication of the law. Nationalist outbreaks have been a not uncommon feature in the history of the British Empire, and instances in the case of Canada, South Africa, Australia, and Egypt will naturally spring to the minds of readers. In one of the latest instances where we have been faced by such trouble—we refer to Egypt—a policy of conciliation has produced remarkable results, as is testified by the presence in London of the Egyptian Nationalist Delegation under Zaghlul Pasha. Even the House of Lords professes liberal principles towards Egypt, and Lord Milner, in contradicting a rumour as to the breakdown of negotiations on the future government of the country, expressed the hope that Egyptian aspirations would be satisfied. Yet the desire for the formal abolition of the Protectorate, which is now being urged by the delegates, and for the limitation of the duties of the British advisers who are to be appointed under the projected agreement, shows that no small measure of autonomy will content the Egyptians. It is a sign of the times that the Government seems anxious to meet all the demands that are being put forward, and we are hopeful that a lasting basis of settlement will eventually be found.

The contrast with the behaviour of our rulers towards Ireland is most striking. In that country they are not only failing to preserve order, but are deliberately provoking breaches of the law by the conduct of their agents. One mob is being called in to suppress another, and whereas the latter only fire on their enemies, the former shoot and plunder at will and involve innocent and guilty in their thirst for revenge. The civil power in Ireland threatens to be overwhelmed by the very instrument which it called to its aid. A "white terror" has been established in the southern portion of the island, and for its counterpart, as Mr. Asquith and Mr. Bryce recently stated, we must go back to the German treatment of Belgium. Ireland is become a sepulchre of vanquished idealism, and for the downfall of the idealists England will bear no little responsibility.

Ministers of the Crown contented themselves at first with denying that reprisals on the civil population in Ireland, in revenge for acts with which the latter were wholly unconnected, [illegible] at all. They then admitted reprisals, but pleaded justification. Now they have gone a step further and claimed that reprisals are legitimate. We quote the words of their official apologist, Earl Curzon, in the course of a debate in the House of Lords early in the present week: "There were certain reprisals which they had read about . . . . reprisals obviously senseless, causeless, unprovoked and vindictive in their character. With such reprisals the Government never expressed any [illegible] check them, they did so. On the other hand, there were reprisals being committed every day which were legitimate. . . . In the course of those operations it was inevitable that the destruction of property, of creameries, and very likely of life, would take place." In these statements the Foreign Minister betrays his ignorance of the rules governing reprisals, which are concisely stated in the Official Manual of Military Law. It is there laid down that reprisals can be resorted to not by individual soldiers, but only by soldiers properly led and disciplined. The presence of a commander and orderly conduct throughout are necessary to ensure legality. But the Government has denied that there is an official policy of reprisals in Ireland. Hence its accredited commanders cannot have acted and all the reprisals which the Government defends are illegitimate. A tentative effort to redress the balance of justice is shown by the arrest of nine policemen, of whom two have been charged with murder. The trial of these men should take place before a properly constituted tribunal, which will impartially weigh the evidence. In the case of their opponents, Government representatives have acted, and still act, as judge, jury and prosecutor, and the unfairness of the procedure is too obvious to need comment. The suspension of all forms of civil justice, and especially of coroners' inquests into the deaths of civilians in many counties, has done more than anything else to make British rule hated throughout the South and West of Ireland. We shall not regain our prestige until we renounce our present follies, recognise that we are the governors and not the persecutors of Ireland, and meet the Irish people as we are now meeting the Egyptians in an honest effort to solve outstanding political problems.

The Government apparently shares the Voltairean dislike of little nations, especially of those in the embryo stage. A saying of Herder that a nation is "a great uncultivated garden, full of good and bad herbs," has, it would appear, been taken to heart in its worst sense as regards Ireland, and the Government has set itself to purify the country by simply weeding out the population. The French correspondent of *Le Journal*, who was present in Tralee when the threat was made against the life of Mr. Martin of the *Daily News*, describes the conditions in that town as worse than anything he had seen on the Western front in the course of the War. In a message to his paper he states that the violence of the reprisals undertaken by the representatives of authority had driven the unarmed people into a state of panic. That there will eventually be a nemesis for such conduct no one can doubt, and if the Government desires to dissociate itself from the actions of its representatives, it should either imprison the malefactors or immediately grant an impartial inquiry into the whole subject of reprisals. Pleas of ignorance of facts, in which Government spokesmen have of late often taken refuge, cannot be put forward indefinitely as a defence. Any Government worthy of the name should know what its servants are doing and punish excesses where they occur. Earl Loreburn recently stated in the House of Lords that the remedy for the present state of affairs in Ireland was not to be found in reprisals and in the senseless destruction of property. He suggested that offenders on all sides should be punished by ordinary process of law, and this suggestion, if adopted, would prove a relief to a country which has long been suffering from a species of lynch law. He further recommended that the Government should without delay announce and bring into operation a comprehensive measure of self-government for Ireland. Fiscal autonomy should be granted, but the control of the Navy, Army, and foreign affairs should be retained at Westminster. His proposals, though eminently sound, were rejected *in toto*, and their rejection shows that the rank and file of our legislators, as well as their superior officers in the Cabinet, are utterly bankrupt in statesmanship. We must make some sacrifice to gain the good will of the people of Ireland, and it would, perhaps, be possible to win Sinn Feiners over by liberal proposals as to the future government of the country. At present we are merely working

[illegible]

CAPITAL ISSUES IN OCTOBER.

THE revival in capital issues which was witnessed in September continued throughout October, when the total reached was £30,072,397, as compared with £26,095,859 in the previous month. During the summer the tide of new issues had appreciably slackened, the August figure being only £13,101,784. Despite the good showing in October we are still far below the high level reached in January last, when capital subscriptions to the extent of £50,652,777 were invited. The October figure would undoubtedly have been from five to ten millions greater had the coal strike not unfortunately intervened, and a number of new issues, for the launching of which full preparations had been made, were held over until the present month. As indicated by the table at the foot of the page, the demand for money on Governmental account was fairly heavy, taking £11,200,000 off the market, as against £4,295,000 and £3,714,000 respectively in the two preceding months. The increase was entirely due to the Local Loans issue of £7,500,000, of which only twenty-seven per cent. was at first subscribed. In calculating the amount of Government borrowings, Treasury bills and Ways and Means Advances, as being temporary in character, are excluded, and only War Savings Certificates and Treasury Bonds have been taken into account. Purchases of the former were £800,000 in October, compared with £745,000 in the previous month. This slight increase was more than offset by a decline from £3,550,000 to £2,900,000 in War Savings Certificates, the latter figure being exactly the same as in August, when, owing to holiday influences, subscriptions were unusually small. In January last they were as high as £5,900,000. The failure of both these forms of investment to attract the savings of the people is now obvious, and in the circumstances the new Treasury Bond issue, which is almost an exact replica of the old, is not likely to meet with any greater success, unless its merits are brought more closely home to that still large section of the public which seeks security rather than yield when placing its money.

Regarding the demand for funds from private as distinct from Government sources, a striking feature is that though the calls on the public were as a whole much greater, as evidenced by the totals given below, smaller amounts were destined for places outside the United Kingdom, including foreign countries. The totals in the different months are: August—United Kingdom, £11,468,259; British Empire (excluding U.K.), £883,525; and foreign countries, £750,000; September—United Kingdom, £20,106,253; British Empire (excluding U.K.), £5,586,106; and foreign countries, £403,500. October—United Kingdom, £26,104,858; British Empire (excluding U.K.), £3,698,500; and foreign countries, £269,039. During the three months under review the figure for foreign countries declined heavily, while the October figure for the British Empire shows a big decline on the previous month. The effectiveness of Treasury control over the destinations of capital subscribed in these islands is thereby witnessed, as is also the great need of money by our home industries. Not only were they deprived of normal supplies during the War, but the enhanced cost of labour and materials makes increased working capital essential, while the dearness and scarcity of banking accommodation are driving many companies which formerly financed their operations by overdrafts and bankers' loans, to the market. There is everywhere a great shortage of capital, or rather of capital goods, and in all countries the leeway to be made up, before the world's pre-War efficiency as a producer is again attained, is still very great.

Despite the fact that there has been no rise in the Bank rate since April, the ever-increasing attractions in respect of interest offered by industrial companies in the last six months show the growing tightness of money. Investors, too, are becoming somewhat more cautious as the confident prophecies of a trade boom lasting for years have come to be falsified, and there is a widespread belief that a further period of deflation, accompanied by falling commodity prices and a possible decline in Stock Exchange values, is at hand.

There were no new general loans for housing in October, and figures for the London Housing Bonds bought in that month, not being at present available, are excluded. A number of municipalities, however, obtained money locally for housing and other purposes, but no exact data are procurable. October was an exceptionally quiet month for banks and insurance companies, but for commercial and industrial concerns it yielded appeals to the extent of £14,117,331, as against £10,312,253 in September, and £2,314,375 in August. The principal issues were Lever Brothers, £4,000,000 eight per cent. Cumulative Preference shares of £1 at par; Explosives Trades, £3,000,000 eight per cent. seven-year secured notes at 96½; Amalgamated Textiles, £600,000 eight per cent. seven-year notes at 97½, and 300,000 Ordinary shares of £1 each at 30s., making in all £1,035,000; and J. and N. Philips and Company, £700,000 eight per cent. Cumulative Preference shares of £1 at par.

The next most important section for the month was mines, which demanded in all £3,340,000, a slight decline on the previous month. The Broken Hill Proprietary gave the right to existing shareholders to apply up to October 8 for £1,500,000 Seven per Cent. Second Mortgage Debentures at 97, and 420,000 £1 shares at £2¼, or £2,400,000 altogether. In the iron, coal, steel and engineering group there were several issues of minor importance, the chief being that for £340,000 by W. H. Dorman and Company, including 300,000 eight per cent. Participating seven-year notes at 95; and that for £145,000 by the Fellows Magneto Company in 10s. shares, carrying certain options, at £1 each. In the same group, Vauxhall Motors made an offer of £300.000 ten per cent. five-year short-term notes, redeemable at 105. Demands for capital for oil development were scanty during the month, the solitary instance being the issue of £50,000 in 200,000 shares of 5s. each to shareholders in the Batavia Oilfields. In view of the position in the commodity market, development activity on rubber estates is practically at a standstill, but the Mergui Crown, Tavoy, Eastern Sumatra, and Holyrood Rubber companies made small issues amounting to £69,269. This figure compares with the large sum of £1,180,000 subscribed to tea and rubber companies in January. Speaking generally, the various emissions during the month were well received, except those of a more speculative type. The Local Loans stock, after its initial heaviness, displayed some activity, during which the underwriters presumably got rid of all or portion of their large holding.

	United Kingdom			Rest of Empire			Foreign Countries			Totals		
	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.
Government ...	3,714,000	4,295,000	11,200,000	—	—	—	—	—	—	3,714,000	4,295,000	11,200,000
Municipal ...	1,600,000	6,300,000	—	—	—	—	—	—	—	1,600,000	6,300,000	—
Banks and Insurance ...	322,500	—	—	650,000	800,000	—	—	—	—	972,500	800,000	—
Commercial & Industrial	2,314,375	9,428,253	13,817,331	—	884,000	300,000	—	—	—	2,314,375	10,312,253	14,117,331
Financial, Land & Investment Trusts	773,372	—	—	—	111,250	—	—	—	208,270	773,372	111,250	208,270
Gas, Electric & Water ...	65,000	85,000	155,500	—	—	—	125,000	—	—	190,000	83,000	155,500
Iron, Steel & Eng. ...	2,679,012	—	932,027	—	—	—	—	—	—	2,679,012	—	932,027
Mines	—	—	—	—	3,390,000	3,340,000	—	—	—	—	3,390,000	3,340,000
Oil	—	—	—	—	—	—	550,000	200,000	50,000	550,000	200,000	50,000
Rubber and Tea ...	—	—	—	233,525	400,856	58,500	75,000	203,500	10,769	308,525	604,356	69,269
Total	11,468,259	20,106,253	26,104,858	883,525	5,586,106	3,698,500	750,000	403,500	269,039	13,101,784	26,095,859	30,072,397

COLONIAL BANKING AND TRADE.

A noteworthy feature [illegible] about a closer [illegible] and colonial [illegible] increase of the [illegible] and 1918, [illegible] banking [illegible] strong [illegible] new subsidiary companies or by agreement with already established foreign institutions, extended our [illegible] The colonial banks have [illegible] position substantially during the War. As producers of the food and raw materials so urgently required for its successful prosecution the countries they served had but little difficulty in disposing of their products at the remunerative level of prices prevailing as a result of the curtailment or disappearance of supplies from other sources. In addition, the fillip given to local manufacturing enterprise by the stoppage of normal imports opened up another source of income from which more may be expected in the future. In the case of Canada this is illustrated by the fact that in 1913-14 exports of "manufactures" amounted to 57,443,452 dollars out of a total export trade of 431,588,439 dollars, while in 1918-19 they accounted for 555,129,139 dollars of a total of 1,220,133,806 dollars. Australia and South Africa do not register such striking increases, but the prosperous trade conditions are reflected in the statistics relating to bank deposits. Deposit and current accounts in five banks of the Union of South Africa, reckoned at £45,396,974 on December 31, 1914, amounted to £72,127,111 in 1918, an increase of fifty-nine per cent. The total deposits of all banks in Australia, including the Commonwealth Bank, increased by forty-nine per cent. from £103,854,555 on June 30, 1914, to £154,[illegible] on September 30, 1919. And in regard to Canada the amount of bank deposits subject to withdrawal on demand and after notice at October 31, 1919, was 1,968,027,000 dollars, or seventy-two per cent. greater than the average total on deposit of 1,144,210,363 dollars in 1914. The development of the immense resources of the colonies will naturally be the first care of local banking interests, but [illegible] requirements their diversion to more profitable spheres of employment in other parts of the Empire will be more readily accomplished when an advance is made towards a [illegible] system.

The activity of the Canadian banks has assumed a [illegible] extending their influence to [illegible] the West Indies and South America [illegible] trade within the Empire and extending Empire trade in foreign countries is not, however, neglected, and for the [illegible] standing has been [illegible].

Attention [illegible] to the [illegible] New Zealand [illegible] by the [illegible] for the period ended March 31, 1920. The [illegible] deposits during the period [illegible] 950,665,000], [illegible] banks totalled £92,012,048, [illegible] fixed and free deposits and the total advances and discounts the excess of the former over the latter for the [illegible]

March			
Quarter			
1914			
1915			
1916			
1917			
1918			
1919			6,645,180
1920			18,627,048

[illegible] speculative activity prevented the utilisation of the available credit through that channel. Apart from [illegible] fields of investment, and in such an eventuality it is [illegible] be much facilitated by the establishment of a more organised and flexible banking machinery.

The advance of credits in 1919 by the Canadian Government, totalling, approximately, 106,000,000 dollars, to Roumania, Greece, France, Belgium, and Italy for purchases in Canada, has not met with the unqualified approval of prominent Canadians, and the following expression of opinion by Mr. Lloyd Harris, Chairman of the Canadian Trade Mission in London, as extracted from the annual report on the trade of Canada and Newfoundland, opens up the vista of a wider field for Canadian banking and financial interests. "I have been convinced that our public requires educating to the tremendous possibilities of trade with Europe. I am not in favour of granting further Government credits as I think our banking and financial interests with Government co-operation could do the work more efficiently. These have the machinery and need only employ it. I believe a central organisation could be formed which would make the necessary advances. They would take in return the securities from foreign governments and in this way the public could participate."

The trade done by the colonies with foreign countries is every year assuming larger proportions, but a factor that will count heavily towards the extension of inter-Imperial trade is the preference accorded by [illegible] tion, the closer harmony between home and colonial banks will, it is hoped, tend to expand the financial facilities available for carrying on this trade. In last year's report on the trade of South Africa it is stated [illegible] scale, imports being double the value of those in any previous year. Imports from Australia were also of greater value than before, and would have been very much greater if freight space had been available to bring wheat, sleepers, and other commodities." The following table (relating to Australia), compiled from [illegible] pared with 1914-15. The imports are given according [illegible]

	£	£	£	£
Ceylon ...	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand ...	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	100,721	[illegible]	[illegible]	[illegible]
Possessions ...	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICAN RAILROADS.

DESPITE their speculative character, railroad bonds have been a favourite holding of United States banks and trust companies, and these institutions should consequently welcome the financial provisions of the new Transportation Act, which tend to stabilise the value of railway securities and to transfer them from the sphere of speculation to that of legitimate investment. According to a statement made on October 15 by the Comptroller of the Currency, bonds of various American railway lines in the United States to the value of $416,430,000 were held by American banks, one-fifth of this sum, or, to be exact, $81,942,000, being held by the National Banks in New York City. Even savings banks have locked up a large portion of their funds in different lines, and the trend of railroad security values is; therefore, of considerable interest to the banking community. Values will, of course, be governed by a multitude of considerations apart from figures as to passenger and traffic revenue and operating expenses. Conditions in the Money market, the trade outlook, the political and labour situation, and the development of inland waterways are some of the other factors that will have their influence on prices. The amount of railway capital outstanding in the United States on June 30, 1916, was $21,092,072,245, of which $9,058,682,733 was stock and $12,033,389,512 was unmatured funded debt. A variation of one per cent. in quotations represents, therefore, in the aggregate a tremendous rise or fall in the value of public holdings. At present the railroads are in the early stage of a transition period, and the operating returns in the next couple of months will possess more than usual interest for the intelligent stockholder. Government control ceased on March 1 last, but for a further period of six months—that is, until the end of August—a net income equal to the rental received while Government control lasted was guaranteed. To provide for decontrol, when the various companies would have to depend solely on their own income to meet expenditure, the Interstate Commerce Commission was empowered, under the Transportation Act, to fix freight and passenger rates at figures which would allow increased operating expenses to be met and at the same time permit of a return of five and a-half per cent. on the agreed value of the property of the carriers. The Commissioners could give a further one-half per cent. in respect of what were called "unproductive improvements," and this addition has been generally granted. The present arrangement is somewhat complicated, and it is not true, as generally supposed, that each railway is to earn six per cent. on its own line. The whole country is divided into four rate districts, and freight and passenger rates are struck for each district at a level calculated to yield six per cent. on the aggregate value of the property of the carriers within that district. Individual companies, according to their operating efficiency, may show a greater yield than six per cent., and of the excess one-half will remain with the road, the other half going into a fund to be used for general purposes of transportation. If the rates levied in a particular area do not give a return of six per cent. on the property of the carriers on the basis of the agreed valuations, they must be adjusted so as to yield that return. The adjustment of rates in order to give the required return will probably be a process requiring several months.

The increased charges sanctioned by the Interstate Commission are estimated to bring in an additional gross revenue of $1,500,000,000. The new scales came into force on August 26 last, but in the previous month wage advances, variously computed to cost between $600,000,000 and $625,000,000 per annum, had been granted by the Railway Labour Board, and these were operative for the whole of the month, as compared with a period of operation of only five days for the rates advance. Not since June 1918, when a large wage increase covering six months passed through the railway accounts in the course of a single month, were net earnings so low as in August, and the poor nature of the results has affected the returns for the eight months, particulars of which are summarised for the leading lines in the following table:—

Railroad	January 1 to August 31, 1920			January 1 to August 31, 1920		
	Revenue	Expenses	Surplus or Deficit	Revenue	Expenses	Surplus or Deficit
	$	$	$	$	$	$
1. New York Central†	380,326,206	371,559,176	+ 8,767,030	333,330,727	268,951,307	+ 64,888,420
2. Southern Pacific*†	145,525,055	119,676,290	+25,848,765	122,258,432	99,473,202	+ 22,785,229
3. Atchison, Topeka & Santa Fe† ...	159,196,757	132,850,263	+26,646,494	125,396,929	98,722,376	+ 26,674,553
4. Baltimore & Ohio	139,081,224	140,785,661	— 1,704,437	113,901,884	109,590,777	+ 4,311,107
5. Union Pacific	130,831,514	101,786,770	+29,045,853	112,996,694	79,959,053	+ 33,637,641
6. Chicago, Milwaukee & St. Paul ...	104,920,355	106,002,424	— 1,082,069	95,125,159	89,678,747	+ 5,446,412
7. Chicago & N. Western	102,273,012	99,936,146	+ 2,336,866	87,608,259	74,868,620	+ 12,739,639
8. Illinois Central	89,914,786	87,263,268	+ 2,651,518	69,055,672	62,016,782	+ 7,038,890
9. Chicago, Rock Island & Pacific	86,653,600	83,590,893	+ 3,062,707	69,019,104	59,641,965	+ 9,377,139
10. Louisville & Nashville	80,097,497	79,181,461	+ 916,036	68,746,669	59,841,646	+ 8,905,023
11. New York, N.H. & Hartford ...	78,273,497	80,844,252	— 2,570,755	66,511,821	59,144,451	+ 7,367,370
12. Great Northern	75,541,016	73,131,646	+ 2,409,370	66,157,961	54,979,659	+ 11,178,292
13. Missouri Pacific	73,138,118	72,057,039	+ 81,409	58,390,072	52,344,568	+ 6,045,504
14. Erie†	73,597,592	82,331,692	— 8,734,100	65,860,050	63,479,252	+ 2,380,798
15. St. Louis & San Francisco† ...	60,015,767	54,497,421	+ 5,518,346	50,871,345	39,976,404	+ 10,894,941
16. Philadelphia & Reading	55,773,636	56,199,604	— 425,968	46,925,510	41,666,703	+ 5,258,807
17. Chesapeake & Ohio	53,761,377	49,401,763	+ 4,359,614	47,126,901	37,552,578	+ 9,574,323
18. Boston & Maine	54,117,656	57,676,004	— 3,558,348	45,310,568	41,485,096	+ 3,825,472
19. Wabash*	30,170,998	32,717,520	— 2,546,522	26,945,567	24,408,333	+ 2,537,234
20. Minneapolis, St. Paul & S.S.M. ...	28,995,151	26,859,723	+ 2,135,408	26,493,728	21,731,318	+ 4,762,410
21. Delaware & Hudson	26,485,248	26,330,328	+ 154,926	22,516,737	20,310,987	+ 2,205,750
22. New York, Chicago & St. Louis	17,453,641	13,293,947	+ 4,159,694	15,640,289	11,972,237	+ 3,668,052
23. Alabama Great Southern ...	7,364,260	5,532,390	+ 1,831,870	6,690,105	5,661,529	+ 1,028,576
24. Union R.R. (of Penn.)	6,232,915	6,614,403	— 381,488	5,185,513	4,910,368	+ 275,145
Grand Total ...	2,060,041,188	1,960,620,084	+99,421,104	1,748,574,686	1,481,767,959	+266,806,727

* To July 31.

† Including extensions and Subsidiary lines.

Of the twenty-four lines here given, which are the most important systems in the United States, only three show an increase in the surplus of revenue over expenses in January-August 1920, as compared with January-August 1919, while thirteen show a decline in the surplus, and eight show a change from surplus to deficit—altogether a most unimpressive record. A rise in surplus was registered by the Southern Pacific, from $22,785,229 to $25,848,765, the New York, Chicago and St. Louis from $3,668,052 to $4,159,694, and the Alabama Great Southern from $1,028,576 to $1,831,870. The surplus fell in the case of the New York Central from $64,888,420 to $8,767,030, the Atchison, Topeka and Santa Fé from $26,674,553 to $26,646,494, the Union Pacific from $33,637,641 to $29,045,853, and the Chicago and North Western from $12,739,639 to $2,336,866. The Baltimore and Ohio instead of a surplus of $4,311,107, had a deficit of $1,704,437, and other leading lines, including the Chicago, Milwaukee and St. Paul and the New York, New Haven and Hartford, had similar unfortunate experiences. For the twenty-four companies the aggregate surplus declined by thirty-seven per cent. from $266,806,727 to $99,421,104.

The returns are somewhat discouraging in face of the recent revival of activity in railway securities in New York, but the prospects of the more efficiently managed lines and of those over which no large judg-

rates advance, the full benefit of which will soon commence to make itself fully felt. American railroad issues have, under the provisions of the Transportation Act, attained a stage of safety from the investor's point of view which, outside the prior mortgage section, they previously lacked, and the improvement in status should reflect itself in a widened public demand, and generally in a more stable market, both of which are features to be welcomed. Though higher earning capacity has been conferred by the increased rates, prices of most stocks are still far below the pre-War quotations. Recent trading has, however, shown a return of confidence consequent on the handing back of the lines to private control. Railroad prosperity is, of course, conditional on agricultural and industrial prosperity, but in the spheres of agriculture and industry the future of the United States, apart from temporary fluctuations, seems assured.

AUSTRIA'S PLIGHT.

SPECIALLY CORRESPONDENCE

Vienna, October 30, 1920.

Sir William Goode, the British representative on the Austrian Section of the Reparations Commission, is endeavouring in Paris to secure a mitigation of the present extremely difficult position in which Austria finds itself. A continuance of the country as a separate economic and political entity is impossible if things go on as at present. It is known that Sir William has elaborated schemes for helping Austria, and that he will plead for its adoption. Briefly, A feasible proposal is that of inviting [illegible] the Allied Powers, an economic conference of all the States whose finance, trade, and currency have been thrown out of gear by the War—that is, Germany and all the new States that have arisen out of the dismemberment of Austria-Hungary or have territory of the former Empire allotted to them. In fairness it should be pointed out that this is an old plan first formulated by the Austrians themselves and vainly urged by the Austrian delegates at the peace negotiations at St.-Germain. Article 215 of the Peace Treaty (in the original draft, Article 211), which deals with the financial adjustments arising out of the partition of the old Empire, provides no better solution of the thorny problem than an agreement between the Governments concerned, to be supplemented, in case of need, by arbitration. The Austrian delegates unsuccessfully pleaded for a permanent commission of liquidation, composed of representatives of the Governments concerned, but presided over by men nominated by the Commission of Reparation, who were not to be subjects of the Governments concerned. Let us hope that something will come out of the conference that is to meet next month, in the way of compelling the Governments to state their true aims. For instance, does the Government of Czecho-Slovakia still adhere to the policy of drawing to Prague, by an endless chain of restrictions, the little bit of trade that is left to Vienna? Is it going to continue to put every obstacle possible in the way of export of coal and sugar to Austria? Another question: Will the Governments continue the control over trade, export and import, at present exercised by hordes of officials as incapable as they are rapacious? Will they explain why American petroleum is cheaper in Vienna than Rumanian, and why Jugoslav wheat costs in Vienna some twenty per cent. more than American? If England, France, and America take a firm stand at the forthcoming conference, a great deal of good might be the result.

As far as Austria is concerned, much more will have to be done. She needs immediate help, and it is for that reason that Sir William Goode is going to Paris. Money must be had at once to buy flour. The American flour was used up last month, and one hoped to be able to tide over till the middle of February with the wheat bought from Jugoslavia, by mixing the flour with fifty per cent. maize. Unfortunately, the quality of this wheat is so inferior that the bread made from the mixture produced serious illness among the population. The Government was compelled to reduce the maize from fifty per cent. to thirty per cent., with the result that the flour supplies will be exhausted at the end of December.

The uncertainty of the reparation demands makes it impossible to resume large-scale business with any confidence. We may quote the example of the tobacco monopoly, one of the few lucrative State undertakings in Austria. It is a huge, well-paying concern, and would form an excellent basis for getting foreign capital. For more than one year Dutch, Swiss, and American financiers have been investigating the matter; and more than once a bargain could have been clinched, to the mutual satisfaction of both parties, but each time negotiations ultimately broke down. The cause of the breakdown was the *theoretical* possibility of almost illimitable reparations being demanded from Austria, entailing corresponding burdens on taxpayers. Moreover, France, on the plea that the Allies have a first lien on everything Austrian, would allow the deal to go through only on condition that French capital should get a right of buying out at any future time. Naturally, Dutch, Swiss, and American capitalists, who were in effect being asked to risk their money, while liable at any time to ejection by French interests, refused to proceed further in the matter.

STERLING EXCHANGES—JUNE TO NOVEMBER.

In continuation of our article on October 9 on the course of sterling exchange we propose in future to publish as soon as possible after the close of each month a review of the trend of sterling values in the more important countries abroad. The currencies which command a premium or a discount in the United Kingdom will be handled in separate tables, and not only will actual quotations be given, but also the percentage premium. In the tables printed below the different centres are arranged in alphabetical order, but particular interest attaches, of course, to the dollar exchanges, especially that of the United States, which is now by far the largest single exporter to Great Britain, and for which our adverse trade balance is accordingly greatest. The average quotation for sterling in October, $3.47\frac{3}{4}$, was slightly lower than that ruling at the commencement of the month—$3.47\frac{7}{8}$, and sterling values have, since on the whole receded. The figure is affected by other than purely trade considerations, changes in the relative value of money in London and New York being an important factor, as well as feelings of confidence or mistrust

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in Britain's power of recuperation and in her handling of domestic and foreign problems. In other words, our national credit affects our international, and the consequence of strikes and other movements is quickly seen in a falling off in the value of sterling. Immediately after the outbreak of the coal trouble the pound fell to $3.41¾, the lowest figure it had touched since February, in the first week of which the record low level of $3.19½ was reached. The variations in the New York and other quotations since June are set out in the following tables:

Exchanges favourable to U.K.

	Par	Average for Nov.	Average for Oct.	Average for Sept.	Average for Aug.	Average for July	Average for June
Berlin ...	20·43 f. c.	2·66	2·37	2·03	1·73	1·55	1·57
Brussels ...	25·22½ Kr.	51·47	50·51	48·67	47·43	44·97	47·97
Christiania ...	18·159 Kr.	25·47	25·24	25·28	24·52	23·46	21·97
Copenhagen ...	18·159 f. c.	25·27	25·03	25·19	24·76	23·62	25·16
Paris	25·22½ Kr.	54·45	53·05	52·29	50·51	48·14	50·97
Rio de Janeiro...	16d.	12⅝	11⅜	12½	13 1/16	14 7/16	11 15/16
Rome	25·22½ f. c.	93·62	88·72	80·11	75·09	67·70	66·8

Exchanges against U.K.

Amsterdam	12·107 fl.	11·30	11·25	11·22	11·00	11·05	10·91
Berne ...	25·22½ f. c.	21·95	21·87	21·63	21·75	22·05	21·69
Buenos Ayres ...	47·58 d.	55⅛	56⅛	57⅛	57 1/16	57 1/16	58
Madrid	25·22½ f. c.	21·89	21·25	23·86	24·00	24·25	25·88
Monte Video ...	51 d.	56	57⅛	57⅛	57⅛	56⅝	56⅝
Montreal ...	4·86⅔ s.	3·80¼	3·82¼	3·88¼	4·07	4·39¼	4·18
New York ...	4·86⅔	3·44¼	3·47¼	3·52	3·60¼	3·87⅛	3·95½
Stockholm ...	18·159 d.	17·74	17·65	17·42	17·62	17·67	18·11
Yokohama ...	24·58	2·11½	2·11 3/16	2·10 5/16	2·07	2·07⅛	2·12

Percentage Premium.

Berlin	1202·0	970·1	895·6	746·8	638·7	668·1	
Brussels... ...	104·1	99·4	92·5	88·0	78·3	90·1	
Christiania ...	40·2	38·9	39·2	35·9	29·2	29·9	
Copenhagen ...	39·1	37·8	38·7	35·9	30·1	29·2	
Paris	115·8	110·3	107·3	100·3	90·9	101·6	
Rio de Janeiro...	26·9	33·5	28·0	15·1	12·6	6·6	
Rome	271·1	251·7	218·9	197·7	168·3	164·8	

Percentage Discount.

Amsterdam	6·7	7·1	7·4	9·2	8·7	9·9
Berne	13·0	13·5	14·5	13·8	12·6	14·1
Buenos Ayres ...	14·7	15·4	16·9	16·5	16·5	18·0
Madrid	1·7	3·9	5·5	4·9	3·9	5·1
Monte Video ...	9·7	10·9	11·5	10·9	9·6	11·1
Montreal	21·8	21·6	20·2	16·4	9·8	8·1
New York	29·1	28·6	27·7	26·0	20·5	18·9
Stockholm	2·4	2·8	4·1	3·0	2·7	5
Yokohama	30·5	29·9	29·5	27·8	22·3	21·1

The premium on the American dollar increased steadily from June onwards, and the Canadian dollar has moved in sympathy. Of the other centres, where the pound stands at a discount, Yokohama is the only one in which the value of sterling declined, the quotation for the yen having risen from 2*s.* 10⅝*d.* in September to 2*s.* 11 1/16*d.* in October. In the remaining instances movements were all in favour of the United Kingdom, Amsterdam, Berne, Buenos Ayres, Madrid, Monte Video, and Stockholm all showing better from the British standpoint. Movements within the group of discount exchanges have, therefore, been to a certain extent inconsistent, sterling having appreciated in some, while it declined in others.

With regard to the exchanges which have been uniformly favourable to the United Kingdom sterling has declined slightly in value from 25.28 kr. in September to 25.24 kr. in October, in Norway, and from 25.19 kr. to 25.03 kr. in Denmark; the quotations, as in all other cases, being based on the end of the week figures. Appreciations in value were registered in the case of Berlin, 203 to 237 marks, Brussels 48.67 frs. to 50.31 frs., Paris 52.29 frs. to 53.05 frs., Rio 12½*d.* to 11⅜*d.*, and Rome 80.44 lire to 88.72 lire. The oscillations here were much more violent than in the group where the £ is quoted at a discount. One reason for the difference is undoubtedly the large inconvertible paper issues which are in the majority of countries being steadily augmented, foreshadowing a further decline in the value of their respective currencies. In this connection we have reason to congratulate ourselves that the further issue of paper money is not impairing British credit in countries whose exchanges are adverse to us. One of the most marked downward tendencies during the month occurred in the Italian lire, the movement being due largely to labour disturbances, as the excess of imports for the six months January to June last was much less than for the corresponding period in 1919. The rapid fall in the Berlin mark was precipitated by Government difficulties in securing credits for necessary imports, as well as by the somewhat pessimistic pronouncement of the German Chancellor.

BRITISH HONDURAS.

PROSPECTS OF DEVELOPMENT.

Mr. Algernon Aspinall, the well-known and popular Secretary of the West India Committee, recently favoured the present writer with his views on the prospects of British Honduras. Mr. Aspinall, in his visit to British Honduras, was himself fortunate in being afforded facilities for visiting this, our only colony in Central America, in His Majesty's ship *Calcutta*, as there is no direct communication with British Honduras from this country. These defects are, as we shall show later, about to be remedied, and British Honduras, which has been, as Mr. Aspinall described it, side-tracked during the greater part of the period it has been in the possession of the British Crown, appears at last to be likely to be given an opportunity to develop itself. The colony, said Mr. Aspinall, has great opportunities, but until now they have been almost wholly neglected. As said above, there is no British passenger connection; neither is British Honduras connected with the British Empire by telegraph.

It would appear that the development of the resources of the colony is likely to come about through trade with Canada. It is remarkable that there has been a great growth in the trade between Canada and the West Indies generally. However that may be, the colony was one of the first to ratify the new Canadian trade agreement, which Mr. Aspinall thinks may mark the dawn of a new era of prosperity for the colony such as it has not yet enjoyed. Under that reciprocal trade agreement British Honduras will enjoy a fortnightly mail, freight, and passenger steamer connection with Jamaica, the Bahamas, and Canada. Mr. Aspinall naturally attaches great importance to this. Steamers will at first be of only 3,500 tons burden, and of ten-knot speed. But naturally, if the trade justifies boats of greater capacity, these will in due course be forthcoming. The really great thing is to give the colony some sort of transport connection with other parts of the Empire. Hitherto, so far as it can be said that British Honduras enjoyed connection with the outer world at all, it has been almost wholly dependent upon the United Fruit Company of New York, Boston, and New Orleans, which great American company has undoubtedly rendered very great services to the various islands, as well as to the mainland, of the Caribbean Sea. Under the trade agreement just referred to, British Honduras will give Canada a preference of thirty-three and one-third per cent off the Customs duties generally, while Canada will reciprocate with a preference of fifty per cent. The preference given by British Honduras extends also to the United Kingdom. British Honduras appears to offer an excellent field for development by Canadian capital and enterprise. Hitherto British Honduras has depended mainly, so far as it can be said to have developed its native industries at all, upon the development of timber, and particularly mahogany, which is exceedingly abundant throughout the colony. Up to the present only those areas near to the coast and close to rivers have been tapped,

because, as we shall show later, there are practically no railway facilities, and there are, of course, no roads.

One of the most remarkable sights to a visitor, says Mr. Aspinall, is to see door-steps, the commonest utensils or household requisites, even the houses themselves, all made of mahogany, which we in this country are accustomed to regard as such an expensive and valuable form of hard timber, is, of course, its use. The reason for this is that there is so little connection, as we have explained above, between British Honduras and the rest of the world, that it is exceedingly difficult to dispose of the timber which grows so abundantly around Belize, the capital. Perhaps the War has done more than anything for the development of British Honduras. It appears that the most suitable material for making aeroplane propellers is mahogany, and, as the building of aeroplanes did not come to an end with the Armistice, the demand for mahogany from British Honduras shows every sign of being as active in the immediate future as it has been in the recent past. During the War the colony developed a very large *entrepôt* trade, besides the trade in mahogany to which we have already referred. The largest concern operating in the colony is the Belize Estates and Produce Company of London, which has done much to develop the latent resources of the colony. At present, owing to lack of railway accommodation, only those timbers which are near the river and can be floated down the river are available for exploitation, but Mr. Aspinall was informed during his recent visit that light railways are to be constructed with a view to opening up further areas. The timber industry of the colony is very old. It is generally believed that the colony was practically established by wood-cutters. In any case, the timber industry is now over 200 years old. The colony exported 9,341,391 cubic feet of mahogany last year and 892,237 feet of cedar wood. It may not be generally known that the colony is the chief source of supply of *chicle* or *sapodilla* gum. Probably few readers have ever heard of *chicle*, but it is, in fact, the main ingredient of chewing gum. The exports exceed two and a-half million lb. per annum. It is, however, to some extent a transhipment trade from neighbouring countries. Coconuts are exported to the extent of 5,956,076 bunches. Out to sea from Belize, the capital, are innumerable coral cays, which would appear ideal for this form of cultivation. A somewhat remarkable contract was made in 1904 with an American citizen, Mr. B. Chipley, who purchased a vast number of the pine-trees for one cent per tree, it being understood that the trees could only be got at if some means of transportation facility were afforded.

So far, however, nothing has been done. It is to be hoped that an extension of the light-railway system referred to above will be carried further. At present the only railway is that built in the Stann Creek Valley for a distance of twenty-five miles. In so far as this railway has been built with a view to opening up the rich agricultural area of the Stann Creek Valley, it may prove remunerative. But an attempt to grow bananas has been most unfortunate, as what is known as "Panama" disease has developed, for which, so far, no remedy has been found. It is interesting to note that during Mr. Aspinall's visit he was informed that Mr. W. R. Dunlop, of the Imperial Department of Agriculture, had been sent out with a view to investigating the agricultural possibilities of the colony. It is understood that Mr. Eyre Hutson, the Governor, is urging the establishment of an Agricultural Department in Belize. This should be exceedingly valuable, particularly bearing in mind what has already been achieved by a similar establishment in Trinidad, off the coast of Venezuela.

In conclusion, we would say that a geological survey of British Honduras is also to be undertaken, and as petroleum, as well as many other minerals, exists in neighbouring districts, it is not unreasonable to suppose that the colony is itself highly mineralised, and probably will prove petroliferous as well. The area of the colony is 8,598 square miles, or a little larger than the Principality of Wales. The population at present is only a little over 43,000, of which some 16,000 are located in Belize, the capital. The colony is capable of supporting a population of at least two millions. Belize has been wholly freed from yellow fever, by the methods which we have so often described as having been applied in various neighbouring districts. Malaria is still, however, prevalent, as the colony has so far not been able to drain the mangrove swamps which are close to the capital. Mr. Aspinall is of opinion that if these mangrove swamps are properly drained—and we heartily endorse his opinion—there is a very good opening at Belize for a really first-class hotel, which he assures us is badly needed in the capital of British Honduras.

NITRATE COMPANIES' RESULTS.—IV.

According to advices from Valparaiso somewhat modifications may be expected in the Asociacion des Productores de Salitre de Chile. The Association was formed in the middle of 1919, at a period of great difficulty in the nitrate industry, and represented at first eighty-three per cent. of the total productive capacity. The proportion was subsequently increased to eighty-five per cent. through the acceptance by the Antofagasta and Union companies of the new selling arrangements. The American and German interests, comprising the remaining fifteen per cent., still remain outside the group, and the Chilean Government has been bringing pressure to bear on the latter body to secure its adhesion, as the nitrate market is being weakened by underselling. The Chilean Chamber of Deputies is at present engaged, through a committee, in framing a Bill for the establishment of a new Producers' Association, similar to that now existing, but vested with larger powers. The Chilean Government appears anxious to take a direct part in the industry on which the prosperity of the country, as well as the income of the State, so closely depend, and accordingly a proposal has been mooted that it should subscribe one-half of a fund of £2,000,000 to finance shipments. Another suggestion is that the export duty on nitrate, 3.28 gold dollars, be increased to 5 dollars per metric quintal, a rebate equal to the increase being granted to associated producers. The effect of the new legislation on the industry cannot be gauged until the Bill is actually framed and presented to the Chamber, but British producers do not regard with favour the proposed extension of Government powers. In the meantime, we continue our analysis of the nitrate companies' accounts.

THE ROSARIO NITRATE COMPANY, LTD.

Issued Capital: £600,000, in 120,000 Shares of £5 each.

Year to Sept. 30	Net Profit(a)	Income Tax Provision	Pensions, &c.	Dividends	Carried Forward
	£	£	£	£	£
1913 ...	136,366	7,665	-	120,000 (20%)	21,051
1914 ...	109,311	7,584	...	18,000 (3%)	19,844
1915 ...	213,964	13,113	—	180,000 (30%)	39,696
1916 ...	162,654	21,131	—	120,000 (20%)	61,219
1917 ...	114,311	10,856	5,000	120,000 (20%)	39,674
1918 ...	140,000	19,611	5,000	120,000 (20%)	35,063
1919 ...	[illegible]	24,000	[illegible]	[illegible]	11,441

(a) After [illegible] but before Income Tax.

At an extraordinary meeting of the Company to be held on the 17th inst. resolutions will be [illegible] subdividing the £5 shares into [illegible] and issuing [illegible] divided into five shares of £1 each fully-paid. The proposal is in accordance with the recent tendency to [illegible] tions. On the date of the last balance sheet the total assets of the Company [illegible] £269,750 were liquid, including the large cash item of £[illegible], and £[illegible] the property. Stocks of nitrate and iodine at £113,423 were £29,611 higher than in the previous

year, though production was only 685,400 quintals, as compared with 1,316,500 quintals in 1917-18. The quota subsequently allotted by the Nitrate Producers' Association was 1,344,000 quintals, all of which, according to the Chairman's statement at the last meeting, could be produced and disposed of in the year. For the twelve months to September 30, 1919, a trading profit of £82,116 was made on a turnover of 330,000 quintals of nitrate, as against £156,923 on 1,452,000 quintals in 1917-18, and £138,060 on 1,349,000 quintals in 1916-17. The bigger profit per quintal in 1918-19 was due to the enhanced selling price, 13*s.* compared with 10*s.* 6*d.* in the preceding year, and to the favourable exchange, the rate being 4*d.* lower than had previously been the case. An increased average price for the year ended September 30 last should result in enhanced trading profits, especially as maquina stoppage expenses of 1918-19, amounting to £14,745, are not likely to reappear. Since September 1919, the date of the last balance sheet, the average monthly price of nitrate of soda f.o.b. Chili, calculated on the end of the week quotations, compares as follows with the prices above given: October 1919, 9*s.* 5*d.* per quintal; November, 9*s.* 6½*d.*; December, 10*s.* 5½*d.*; 1920, January, 12*s.* 8½*d.*; February, 15*s.* 10½*d.*; March, 16*s.* 4*d.*; April, 15*s.* 8*d.*; May, 15*s.* 3*d.*; June, 15*s.* 6*d.*; July, 15*s.* 8*d.*; August, 15*s.* 10½*d.*; September, 15*s.* 10*d.*; October, 14*s.* 7*d.*; November 5, 14*s.* For the twelve months which the annual report, usually submitted in March, will cover, prices have, therefore, improved, and an increase in the dividend, which was ten per cent. in 1919, as against fifteen per cent. and seventeen and a-half per cent., all free of tax, in the immediately preceding years, may be anticipated. The usual interim distribution of five per cent., free of tax, dropped in 1919, was resumed in September last. The £5 shares, now quoted at 8⅞, yield 6.15 per cent., on the basis of last year's dividend.

THE LONDON NITRATE COMPANY, LIMITED.

Issued Capital: £200,000, in £1 Shares.

Year to June 30	Net Profit*	Revenue	Dividends		Carried Forward
	£	£	£	%	£
1913 ...	60,722	20,000	40,000	25	10,354
1914 ...	38,577	10,000	24,000	15	14,932
1915 ...	9,437	—	16,000	10	8,369
1916 ...	34,094	10,000 †	24,000	15	8,463
1917 ...	34,047	10,000	24,000	15	8,560
1918 ...	35,049	10,000	24,000	15	9,609
1919 ...	7,383	—	8,000	5	8,993

* After providing for income tax and depreciation. † Free of tax.

A REDUCTION in the net profit from £35,049 to £7,383, and in the dividend from fifteen per cent. to five per cent., marked the last trading year of this Company for which accounts have been presented. The latter half of the year coincided with a period of complete stagnation in the industry, and the stoppage of works, together with repairs, entailed outlay to the extent of £20,000, for which a fund expressly created to provide for the contingency, and amounting at the close of the preceding year to £12,500, was available, £6,062 being charged to the 1918-19 profit and loss account. The charges for bank and debenture interest for the year amounted to £12,171, and on the liabilities side of the balance sheet figure an advance from the Bank of Liverpool and Martin's of £151,650 and six per cent. First Mortgage Debenture stock of £150,000. The latter was created early in 1919 and issued to the public, through an intermediary at £99 10*s.*, being redeemable in 1926 at £103 per £100 stock. Interest charges in respect of bank and mortgage debt for a number of years are therefore likely to be high, and to provide for the redemption of the latter in five and a-half years' time there must be in the interim a substantial annual increase in profits. The issued capital was increased recently from £160,000 to £200,000, and the new shares were quoted first on June 9, 1919; stocks of nitrate and iodine at £69,118 were £20,113 higher, and the oficinas "Puntunchara" and "Transito" were valued at £148,503. The "Santa Laura" grounds and oficina were entered at cost, including outlay up-to-date, and making in all £362,939, a total for property alone of £511,442. This oficina, which is quite new and modernly equipped, should have a low cost of production, and as it started operations after the close of the last year given in the above table, the good effects of its working should be noticed in the next annual report, which will probably be submitted to shareholders in February. Already the debenture interest has been cleared off, the last payment of six per cent. having been made on September 1. The £1 shares, which were quoted at 50*s.* on January 5 and 60*s.* on February 19, are now 47*s.* 6*d.*, at which price they yield less than two and a-half per cent. on the basis of the last Ordinary dividend.

NEW TAMARUGAL NITRATE CO., LTD.

Issued Capital: £273,000, in £1 Shares.
6% First Mortgage Debenture Stock, £94,000.

Year to July 31	Sales Quintals	Net Profit(a)	Int. and Debenture Redemption	Reserve	Dividend		Carried Forward
		£	£	£	£	%	£
1913...	601,349	46,844	26,409	—	20,471	7½(b)	1,566
1914...	991,610	73,815	19,321	17,000	20,471	7½(b)	18,589
1915...	176,000	21,191(c)	9,600	13,000	—	—	17,157
1916...	957,391	84,140	25,232	30,000	27,295	10¼	5,730
1917...	1,177,000	71,534	34,272	—	40,942	15	2,048
1918...	1,232,000	77,215	32,815	—	40,942	15	5,506
1919...	539,000	23,127	22,090	—	—	—	6,543

(a) After providing for Income Tax, depreciation, etc.
(b) Free of tax.
(c) Including £13,758 profit on exchanges, on realization of stocks.

The suspension of nitrate manufacture at one of the Company's oficinas from January to October 1919, the paucity of sales, and the general dulness of the Nitrate market, resulted in a net loss in respect of sales of nitrate manufactured during the year to July 31, 1919, of £10,668. Against this loss must be set the carry forward from the previous year of £5,506, and a profit of £17,816 on the realisation of nitrate stocks held on July 31, 1918, leaving a credit balance of £12,654, which, after the writing off of £6,111 for depreciation, left a balance of £6,543 to be carried to the next account. The ordinary dividend was passed as interest and redemption payments on the six per cent. First Mortgage Debentures, redeemable 1916-25, and standing at the time of the last balance sheet at £94,000, absorbed £22,090. At the same date cash balances in hand and at banks showed an increase to £69,567 from £49,266 in the preceding year, while stocks and stores at £161,682 were higher by £48,811. That the Company has profited by its courageous policy in working one of its oficinas uninterruptedly is shown by the fact that an interim dividend of five per cent. was paid on April 20 last. Costs of production of nitrate having risen, the Company should benefit from the accumulation of stocks, as evidenced by the figures above quoted from the balance sheets. The 1919 season was lost to the industry because of the scarcity of tonnage, but with the increase in the demand from nitrate users, the enhancement of nitrate prices, the plentiful supply of tonnage, and the fall in freights, conditions have materially improved, and previous unfortunate experiences are not likely to be repeated.

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Financial Notes.

The Money Situation in U.S.

Just now the deflation campaign has reached a very interesting stage in the United States, and conditions there resemble so much what we may expect here before very long as to merit close study by financiers and business men on this side. It may be said at once that the term deflation, as describing the progress of events in the United States, is only relative; that is to say, there has been no reduction of the currency and credit structure. What has been effected since the Federal Reserve Board adopted its present policy is that speculation in stocks and commodities has been eliminated, and the general price level has been substantially reduced. Thus, although as a matter of fact both credit and currency have been increased to meet the heavy demands of the past few months, this expansion has been effected without any serious detriment to the general financial well-being, for the banks have restricted their loans, perhaps too arbitrarily, to the promotion of "essential" industries, while, on account of the fall in commodity prices, the same amount of credit and currency was enabled to do a larger amount of work than before. How the general financial position has changed since January last, when the present era of stringent monetary conditions may be said to have commenced, is depicted in the following table. The figures given refer only to the Federal Reserve Banks and the New York City banks and trust companies, but they may be taken as typical of the operations of all the banks operating in the United States.

(IN THOUSANDS OF DOLLARS.)

	Jan. 31, 1920.	Nov. 19, 1920.	Increase (+) or Decrease (−).
Federal Reserve Banks:			
Bills discounted	3,505,000	5,011,000	+1,506,000
F. R. Notes in circulation	2,900,000	3,243,000	+343,000
Ratio of reserves to bills	44	44½	+½
N.Y. City Banks & Trust Cos.:			
Loans, discounts and investments	5,870,000	5,971,000	+101,000
Reserve requirements	551,000	550,000	−1,000
Excess reserves	34,000	5,000	−29,000

Credits and Prices.

It was not to be expected, of course, that such developments as those here described—namely, a curtailment of credit extensions and a fall in commodity prices, the latter being in part the effect of the former—could have been forced by the authorities without involving many people in difficulties; but this the Federal Reserve Board had foreseen, and now that the worst of the situation has been passed, though many firms have been driven into bankruptcy and a general collapse of quotations has occurred in the Stock markets, industry in general may be said to have emerged from the crisis in a more healthy condition than characterised it during 1919 and the early part of this year. At the same time the danger-period is not yet over, and unless the situation is carefully handled many undesirable features may appear during the next few months. The decline in commodity prices is the dominating factor at the moment, and will in all probability induce many more failures, but though small firms may be hit severely, while for trade in general the boom which followed the Armistice has come to an end and profits will in future be on a smaller scale, large firms can afford to ignore the passing depression and look forward to a period of sustained prosperity when the present crisis is at an end. The class which suffers most at present is the farmers, who had to sow their crops when prices and wages were high, and have now large harvests to sell at prices lower than were anticipated—at prices which in many cases are below cost. In order to enable them to hold over their stocks, they recently petitioned the Federal Reserve Board to relax the credit policy and allow them a special credit extension, but the petition has been refused, so that the financial authorities are apparently determined to pursue their restrictive policy unreservedly until sounder conditions have been reached. The future course of events will depend on how far production can stand the severe strain to which it is being subjected; but, as we have indicated above, there is much room for optimism on this point. The only features of the situation which might lead one to an opposite opinion are the prospects of continued high taxation and the labour position. As regards the former, though the Treasury has refused to sanction many schemes involving increased expenditure, such as the proposal to grant a bonus to ex-Service men, at the same time it is not expected that the present high scale of taxation can be much reduced.

City of Berne Loan in U.S.A.

Following closely on so many recent successes of foreign Government and municipal borrowers in the United States comes the announcement that Messrs. Speyer and Company have acquired $6,000,000 Twenty-five-year Eight per Cent. Sinking Fund Gold Bonds of the City of Berne, presumably for resale to American investors. For the first five years of the loan $120,000 will be redeemed annually by purchases up to 107; $240,000 is to be repaid in the same manner during each of the next ten years, and $300,000 annually in the period 1935-1945. At the option of the borrowers the bonds are repayable in whole or in part at 107 after 1925. The terms of the issue as here enunciated coincide almost exactly with those of the City of Zurich Eight per Cent. Twenty-five-year Sinking Fund Gold Bonds offered in New York on October 15 last. This latter was rapidly over-subscribed, and if the City of Berne Bonds are offered to the public, there is no reason why they should not meet with a like reception.

Anglo-Swiss Commerce.

Great Britain and her Colonies, though buying more from Switzerland [illegible] corporate representation there until quite recently, unlike most other nations. Now, however, a British Chamber of Commerce for Switzerland has just begun work, and has taken convenient premises at 20 R[illegible]. This body has long been recognised by both British and Swiss houses, and its establishment at the present opportune moment, when the future trade relationships of the world are being slowly moulded, offers a good opportunity to British firms to consolidate and extend their connection with Switzerland.

SOUTH AND CENTRAL AMERICA.

MRS. CLEMENTI'S BOOK.*

MRS. CECIL CLEMENTI, the wife of the Colonial Secretary of British Guiana, who has lived in the colony about six years, has written an exceedingly interesting book on the highlands of British Guiana. She is, as we have already stated, the wife of a high Government official, and consequently enjoyed great advantages in making the trip. Otherwise it would probably have proved wholly impracticable. Mrs. Clementi is the first lady who has penetrated into the far south of the colony, reaching the frontier where the colony joins the United States of Brazil. Naturally, she has written from a totally different standpoint from that which would attract a man writing on the same subject. It is refreshing to read her impressions of a country, we will not say wholly uninhabited, but only very sparsely inhabited by Indians in a very primitive state of economic and social development. The authoress, as would naturally be expected, goes into minute details, and describes graphically the serious difficulties encountered in making her long journey. Practically the book begins when she makes the ascent of the highlands from the famous Kaieteur, or, as she spells it, Kaietuk Falls.

British Guiana, the reader will remember, is for practical purposes only partially inhabited on the northern shore, or mud flats. The total population is only some 300,000, and it is wholly dependent upon, although not wholly engaged in, growing cane-sugar. At present the annual output varies between 100,000 and 150,000 tons. Highly competent authorities argue that the colony on the mud flats alone is capable of growing more than two million tons, in addition to the comparatively small amount of sugar which is demanded for home consumption. This would mean that the colony of British Guiana alone is capable, on the mud flats of the northern shore, of raising for export a total production sufficient to satisfy the demands of the United Kingdom on the basis of our sugar consumption in the pre-War period. This, it is locally said, is wholly impracticable at the present time owing to the extreme scarcity of labour. British Guiana formerly depended for its labour upon slaves. After the emancipation of the slaves it became customary to import Indian coolies under an arrangement come to with the Indian Government. This accounts for the fact that so large a proportion of the population of British Guiana are East Indians. Quite reasonably, the Indian Government have in recent times objected, and have finally forbidden the import of Indian coolie labour under what was known as the indenture system. The colonies, so far, have failed to realise that there are other systems available for attracting labour without resorting to the indenture system. The latter system has been condemned upon so many occasions that we will not discuss its aspects, either ethical or economic. Suffice it to say that we are in complete accord with the objections which have been raised to the system from time to time.

Moreover, there is no need for it. Other colonies do not complain that it is impossible to attract immigrants because they are not permitted to resort to such a system for attracting labour. It is contended that other colonies are not situated in the Tropics, whereas British Guiana is situated between the first and the sixth parallels north of the line; and, consequently, in a sense may be said to be situated in the very hottest part of the Tropics. That does not, however, affect the argument, because it is not proposed to attract labourers from the Temperate Zone. We have said on many occasions, and we still maintain, that a great deal of extravagant writing has been penned of the impossibility of natives of the Temperate Zone working under tropical conditions. We are not, however, interested at the moment in that aspect of the question. British Guiana offers at the present time a real field of immigration for our coloured fellow-subjects, and particularly for our Indian fellow-subjects who, speaking generally, have been exceedingly successful in the colony. Unfortunately, a very large number of the British colonies do not welcome our Indian fellow-subjects; and it is, consequently, a great advantage to have a colony which believes that it cannot be developed on the basis of labour coming from the Temperate Zone. Why not try the experiment of offering free immigration, or if necessary assisted immigration, to our Indian fellow-subjects? Those parts of India which have been so far developed have an exceedingly dense population—so dense, in fact, that it is only possible to keep a large proportion of that population employed upon a standard of living which is very much below that which they are capable of attaining in a colony like British Guiana. As we have said, the total population is only a little over 300,000, and the area of the colony is somewhat greater than that of the island of Great Britain. Consequently, there is ample room for expansion, not merely on the mud flats of the northern shore, but for the development of the interior. With a larger supply of labour the development of that interior would become an increasingly practical proposition. It would attract capitalists from various parts of the Empire, and different industries could, and no doubt would, be gradually initiated. The interior contains very rich forests. Some of the finest hardwoods in the world are grown in the highlands south of the rapids, which obstruct nearly all the various rivers. We told upon one occasion the story of a well-known firm of West India merchants who were commissioned to obtain certain woods from British Guiana. So much time was consumed in the execution of the order, and the cost was so enormous, that the firm in question received no further orders from the well-known London furniture dealers, who had commissioned them to obtain the timber. In other words, the interior of British Guiana is exceedingly inaccessible. At present, the only means of reaching the interior, as Mrs. Clementi explains in her book, is up the numerous rivers which, rising in the highlands, discharge into the Caribbean Sea. All these rivers are obstructed by serious rapids; and, consequently, the cost of transportation is so extravagant that only articles the value of which is so great that the mere cost of transport is comparatively an insignificant item, will bear the cost of carriage.

We are, however, wandering from the subject of Mrs. Clementi's book, in our desire to urge the development of the sugar lands of the northern shore. Incidentally, Mrs. Clementi supports our contention that British Guiana, far from being an impossible place of residence for people born in the temperate regions of the earth, should be, and if it were properly drained would be, an exceedingly healthy region. South of the Potaro River, the land rapidly rises until the great mountain of Roraima is reached on the borders of British Guiana, the United States of Brazil, and the Republic of Venezuela. This great mountain itself, which is of enormous extent, is some 8,000 feet high, and stands upon a plateau which, if we rightly understand Mrs. Clementi, is itself about 2,000 feet above sea level. Again and again, Mrs. Clementi points out that the expedition was exceedingly glad to use its blankets each night at the various encampments on the lower ranges of the Roraima Mountain to which Mrs. Clementi's expedition attained. The temperature at night was found to be fifty-one degrees Fahrenheit. Even the Europeans accustomed to the warm regions of the coast lands felt it exceedingly cold, and she reports that the Indian porters were shivering around the camp fires. In the day time, the heat appears to be considerable, although not greater than that to which most European peoples are accustomed in the summer season. A large part of the plateau is covered with

* *Through British Guiana to the Summit of Roraima.* By Mrs. Cecil Clementi, M.B.E. Price 12*s.* 6*d.* (London: T. Fisher Unwin.)

forest, while a further large part is open prairie, or savannah as it is called in the colony. If the country were properly opened up by adequate means of communication, the timber lands would, of course, be worked, particularly, in the early stages, for their timber contents, the collection of balata gum, and the cutting down of the hard woods suitable for furniture to which we have already referred. The prairie lands are eminently suitable for cattle raising upon a very extensive scale. As there are considerable mountain ranges in the area there can be no doubt that sheep-breeding would be very successful provided adequate transportation facilities were available. There are, of course, at present, various ticks to be encountered which would be a serious menace to both cattle and sheep, not to mention snakes and the occasional visits of the unwelcome puma, or jaguar. These, however, it need hardly be pointed out, would very rapidly disappear if the country were opened up with adequate means of transportation, and gradually settled. The puma was a well-known and dreaded visitor in the confines of Buenos Ayres in the eighteenth century; but probably, out of its more than a million inhabitants not one person in 10,000 in Buenos Ayres at the present day has ever seen a puma, except it be in the Zoological Gardens. These wild creatures of the forest soon disappear when men begin to settle in large numbers in any specified area. The question of the ticks to which Mrs. Clementi naturally refers so often, and which proved a horrible nuisance to her expedition, would of themselves disappear as soon as, and no sooner than, their breeding places were drained. This brings us to the two great needs of the colony. Primarily, it requires to be opened up by means of railways, or other transportation facilities, which as a natural result, would attract the second great need, which is increased population.

As space is pressing we will defer until next week the consideration of how that increased transportation can best be obtained.

OIL-SEEDS PRODUCTION IN INDIA.

A report of the Indian Committee of the Imperial Institute just issued emphasises in a striking way the vast importance of the Indian oil-seed industry. The total annual production of oil-seeds of all kinds in India is estimated to exceed 5,000,000 tons in quantity and £50,000,000 in value; in normal times approximately one-third of the output is exported. No other country produces in commercial quantities so great a variety of oil-seeds. Of the chief of these, viz., linseed, ground-nuts, cotton-seed, rape-seed, castor-seed, sesame-seed, copra, mowra-seed, poppy-seed, and niger-seed, India supplies no less than thirty per cent. of the total amount entering commerce.

Before the War about one-third of the quantity of oil-seeds exported from India came to the United Kingdom, the chief kinds being cotton-seed, linseed, and castor-seed. Certain other oil-seeds, such as ground-nuts, sesame, copra, and mowra, were shipped mainly to France, Germany, and Belgium.

Various suggestions are made by the Committee with a view to extending the trade in Indian oil-seeds with the United Kingdom, and developing the British oil-seed crushing industry. It is considered that a free choice of the raw material produced within the Empire should be secured for this industry, if necessary by a system of rationing and licensing in the producing country. If further assistance is required, an import duty should be imposed on oils and fats of all kinds imported to the United Kingdom from foreign countries. The Committee consider that the latter method would be more satisfactory than a preferential export duty on Indian oil-seeds. An instructive memorandum on the effect of seasonal conditions on the oil-seed crushing industry, by Mr. J. W. Furness, Chairman of the Seed-Crushers' Association of the United Kingdom, is appended to the report.

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American Topics.

UNITED STATES COAL EXPORTS.

According to a table compiled by the National City Bank of New York, the United States has now become the world's largest coal exporter. In the eight months ended August last the United States exported [illegible] tons, while the exports of Great Britain, the next largest coal exporting country, amounted in round figures to 25,000,000 tons, while those of Great Britain in the same period were 18,475,000 tons. The [illegible] the United States to the head of the list of the world's coal exporters is traceable to two causes. There has been an increase in the coal exports of the United States and a far greater decrease in the coal exports of Great Britain. In the [illegible] 1914, the United States exports of coal amounted to 19,000,000 tons. They rose to 26,000,000 tons in the year ended June 1919. They amounted to 28,000,000 tons in the fiscal year ended June last. On the present basis of production, it is estimated they may reach 40,000,000 tons for the calendar year that will end with December next. Notwithstanding this increase, a world shortage in the international coal trade seems inevitable.

In the period which preceded the outbreak of the recent European War the total coal exports of Great Britain, including bunkerage coal supplied to foreign vessels at various British ports, amounted to [illegible] known to the international coal markets. Germany exported [illegible] the United States, as already stated, 19,000,000 tons. Other countries exported small amounts, bringing up the grand total to [illegible]

We in the United States had won a great and preponderating position in the international coal markets because, for a variety of reasons, we were able to deliver coal to our various customers upon a lower basis of economic values than was possible to our competitors. We [illegible] War had impaired our [illegible] and [illegible] We [illegible] supplies for [illegible]

two-thirds of our total consumption of food, as well as some eighty per cent. of the raw materials needed for feeding our manufactures. We had then, and we have still, practically no raw materials available for export with the exception of coal. In these latter days we have very little coal which we are in a position to export, because nearly the whole of what we are at present able to raise from our mines is allocated for specific purposes, mainly connected with the requirements of the trade and industry of this country.

Provided we are able to increase our output of manufactured goods and to sell those goods at remunerative prices to foreign customers, the falling off in our coal exports need not necessarily prove a grave economic disadvantage. All the same, a shortage of coal in the international markets remains a fact, and an embarrassing fact, to the majority of those who before the War were our customers.

Because we were under the necessity in the pre-War period of keeping constantly at sea such a large amount of mercantile tonnage for the purpose of obtaining food to feed our people and raw materials to feed our manufactures, freights were exceedingly low. In the clear year before the War we shipped coal from British ports to those in the North Sea for a freight per ton of less than 7*s.*, and we shipped coal to Mediterranean ports on the basis of about 10*s.* per ton. This we were enabled to do because the ships had to cross the sea in any case in order to obtain food and raw materials for consumption in these islands. Consequently it was more profitable to the shipowner to obtain a cargo of coal from the home ports, even with very low freights, rather than send the ships out in ballast. Provided that we are able to overcome the trying period which seems clearly before us during the next year or so, our need for obtaining food and raw materials affords ground for hope that we shall gradually regain our position as the principal world carriers. This, of course, largely depends upon our ability to face the trying period of reconstruction from war to peace conditions which must elapse before we can re-establish ourselves on a peace economic basis.

It would appear that the international coal market is faced with a shortage of something like 50,000,000 tons. For practical purposes it may be said that those countries which either have no coal or which raise insfficient coal for their own domestic requirements, will be dependent for this fuel on such exports as the United States and the United Kingdom are able to supply.

France requires some 40,000,000 tons, which she is not getting at present. Germany, it may safely be said, will have great difficulty in supplying herself with her own domestic needs when she has complied with the stipulations of the Treaty of Versailles, whereby she is pledged to supply certain quantities to France and Belgium. As we have said above, in the pre-War period we contributed to the quantity known to the international markets some 85,000,000 tons, but whereas in that period we were raising 287,000,000 tons, our total output is now below 230,000,000 tons. The United States may this year raise 550,000,000 tons, or some 40,000,000 tons more than she raised before the War. It is exceedingly doubtful, as we have already said, if the United States will be able to more than double her exports of the pre-War period. Consequently, the heavy reduction in British exports to about a quarter of what they were before the War will only be replaced by increased export of the surplus from the United States to the extent of 20,000,000 tons. The total production of coal throughout the world last year has been estimated at about 1,100,000,000 tons, or some 150,000,000 tons less than in the later years of the pre-War period.

Meanwhile, petroleum-mining has been developed to some extent, but the world's total production, according to the most reliable estimates published in the United States and elsewhere, will not exceed for the current year 75,000,000 tons. The demand for oil is notorious, and we need not, therefore, remind the reader that it is idle to look for oil, on the present basis of production at any rate, as a substitute for the reduced production of coal throughout the world. Water-power, it is urged, should be developed by means of hydro-electric plant to meet the growing shortage in the coal supply. This is excellent as an aim for the future, but it is hardly a practicable proposition in solving the difficulty of a world-wide shortage during the next two or three years. The development of water-power under the most favourable conditions is a long and expensive process, and expensive to a degree that is almost prohibitive at the present time, when all kinds of machinery are so extravagantly expensive. The only practicable solution that we can see likely to solve the difficulty in the immediate future is the economical use of the coal which the world's miners are able at present to raise from the various mines. While we continue, as we do now, to burn crude coal, we are wasting many products of proved economic value, and we are not getting anything like the full calorific contents from the coal we do burn.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	1916
	%	% p.a.	% p.a.	% p.a.	% p.a.
BANKS :					
National B. of Sth. Africa £10 shs.	4(f)	7½	6	6	6
Union Bank of Canada ... 12†	4½(i)	—	—	—	—
BREWERIES :					
Barclay's Brewery ... 15†	7½C	6	6	6	5
Hancock & Co. (New Zealand) 10†	5(i)	—	—	—	—
Hardy's Crown Brewery £10 shs....	1½(i)*	15	15	15	15
Lascelles Tickner £5 shs. ...	5(i)	10	12½	5½	5
COMMERCIAL :					
Aerate Bread	20(i)	30	15	Nil	5
Bi Calfield £5 shs.	21½† 16½(i)	—	—	—	—
Borax Consolidated Def. Ord. ...	5(i)	15	15	15	12½
Brooklich Linen £10 shs., £25 pd. 5†	2½(i)*	7½	10	10	5
Brooks (J. B.) ... ... 10†	7½(i)A	10	10	10	10
Crosfield (Joseph)	3½(i)	—	—	—	—
Cresham Hotel £5 shs.	7½(i)*	12½	10	8½	6½
Hoyle (Joshua)	12½(i)*	20	20	12½	—
Mansell, Hunt, Cuthy	4(i)	20	18	16	11
Meters, Ltd	2½(i)*	9½	8½	7	7
Shorts Def. Ord. £10 shs. ...	5†	10	6	4	2½
ELECTRIC LIGHT AND POWER :					
Calcutta Electric £5 shs. ...	4(f)	11½	10	9½	9
FINANCIAL TRUST :					
Bankers' Invest. Trust Def. Stk...	2(i)	5½	5	5	5
City of London Real Property...	5(i)	10½(i)D	13	13	13
Land Mortgage Bank of Texas £5 shs. £1 pd.	7½(i)	15	12½	12½	11½
Scottish and Dominions Trust ...	5†	5	—	—	—
IRON, COAL AND STEEL :					
Bullcroft Main Collieries ...	7½(i)*	15	15	15	17½
Horden Collieries £10 shs. ...	10(i)*	14	14	12½	12½
New Hucknall Colliery	5(i)*	12½	7½	—	—
Stanton Iron Works	60%*	14	20	18½	20(B)
MINING :					
Lake View and Star Ltd. shs. ...	5(i)	-	-	-	—
Mongu (Nigeria) Tin	12½(i)	..	..	..	—
Siamese Tin	10(i)	25	25	25	30
Tekka Taiping	1½†	-	20	20	20
Wankie Colliery 10s. shs. ...	6(i)	5	15	10	12½
NITRATE :					
Anglo Nitrate	10(i)	20	25	25	5
RAILWAYS : BRITISH POSSESSIONS :					
Natal-Zululand Rly. ...	2½† 1½(i)	- -	—	—	—
SHIPPING :					
China Mutual Steam Navic. £10 shs.	3(i)	56	56	- -	—
P. & O. Steam Navigation Def. Stk.	15½ 6(i)E	12F	18	18	18
TEA, COFFEE AND RUBBER :					
Pelmalulla Rubber	10(i)	35	27½	20	20
Sungei Buloh Rubber	5(i)	60	30	40	65
Tandjong Rubber	10†	20	20	25	50
TRAMWAYS AND OMNIBUSES :					
Brisbane Electric Tramways £5 shs.	4(i)*	8	8	8	8

* Tax free. † Total for 1920. (f) Half-yearly actual. (g) Quarterly actual. (A) Plus 5% bonus tax free. (B) Plus one bonus new share for each two held. (C) Plus 5% bonus. (D) £2½ shares subdivided. Bonus one new £2½ share for each share held. (E) Plus 5% bonus. (F) Plus bonus 6% of holding in Def. stk.

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ROYAL INSURANCE COMPANY, LIMITED.

ANNUAL REPORT AND QUINQUENNIAL LIFE VALUATION.

IN our review on the 25rd inst of the annual report and accounts of the Liverpool and London and Globe Insurance Company for the year 1919, reference was made to the purchase of that Company's shares last autumn by the Royal Insurance Company. The present article deals with the accounts of the Royal Company for last year, exclusive of the Liverpool and London and Globe Company's figures.

In every respect the Royal report is extraordinarily good. All the commercial departments show increased premium incomes and substantial trading profits. The quinquennial valuation of the life department permitted the maintenance of a bonus to participating policyholders at the same rate as had been declared for a long previous series of years. The dividend to shareholders in respect of 1919 was increased, being declared at the rate of 20s. per share. As the shares were subdivided by two in 1919, this is equivalent to 40s. per old share, as compared with 36s. in respect of 1918. Much of the greater part of the amount required for the 20s. dividend was provided for by interest earnings, apart from those on the life funds, and a very large proportion of the total profits for the year was applied in strengthening the reserves and providing for contingencies such as depreciation in securities.

The new life business in 1919 was by far the largest ever recorded by the Company in a single year. New life policies were issued for £4,302,642, of which £133,609 was reassured, the net retention thus being £4,169,033, as compared with £1,597,536 in 1918. This shows that the Company has participated to an even larger extent than the majority of its contemporaries in the great revival of life business which followed the conclusion of hostilities. The total net life premium income was increased by £149,969 to £1,056,916, of which expenses of management, inclusive of commission, absorbed about 15 per cent., which must be esteemed a moderate proportion considering the magnitude of the new operations and the necessarily enhanced cost of clerical labour and administration. The claims in this section amounted to £316,329, £554,718 arising by death and £201,611 by maturity. The interest earnings, after deduction of income tax, produced £496,301, which is equivalent to a net yield of about 4 per cent. on the mean amount of the life funds throughout the year. The life fund on December 31, 1919, [illegible] of shareholders' quinquennial profits, amounted to £12,185,040, indicating an increase during the year of £512,572.

The annuity account for 1919 shows that the sum of £54,342 was received in that year as consideration for new annuities, that annuities of £70,597 were paid, and that the annuity fund at the close of the year amounted to £851,082. Capital redemption assurance premiums in 1919, £9,206; relative fund at close of year, £69,498.

The quinquennial life valuation was made on the following severe basis: The mortality standards employed were the $O^{M(5)}$ Table with O^{M} net premiums for whole term of life policies, the O^{M} Table with $O^{(M)}$ net premiums for endowment assurances and remaining classes except contingent assurances, and the British offices life annuity table (1893) for annuities, with special conservative adjustments. The rates of interest assumed were 3 per cent. for assurances and 2½ per cent. for annuities. Additional reserves were made for various purposes in accordance with the plan which has been pursued at successive Royal investigations of increasing the stringency of the reserves. The surplus ascertained on these lines amounted to £1,195,586. The directors have decided that the shareholders' proportion of the life profits shall be £130,000, which is accordingly transferred to profit and loss account. £25,000 is transferred from the annuity fund to the life fund, but this may be regarded as a cross-entry. £95,263 of the total surplus is carried forward undivided to the now current quinquennium, and £970,323 is employed in providing bonuses to policies in respect of the past quinquennium, and interim bonuses for the new quinquennium. On direct Royal participating policies the bonus for the past quinquennium is at the rate of 30s. per cent. for each full year's premium paid during the quinquennium. This rate has been declared for several past quinquenniums, and it must be very gratifying to the Company's life policyholders to find that this fine result has been attained, notwithstanding the stress of the War, during which the Company paid claims due to War causes amounting to nearly £400,000.

The results in the Company's commercial sections of insurance may be briefly summarised as follows:—

Fire Department.—Premium income (increased by £548,699), £6,088,899. This is the largest fire premium income yet shown by any British company. After giving effect to adjustment for unexpired risks on the usual 40 per cent. basis, the trading profit seems to have amounted to £895,525, or to about 14.7 per cent. of the premiums, which is a very satisfactory proportion for a business of such huge dimensions and of world-wide character.

Marine Department.—Premium income (increased by £79,373), £1,901,987). Profit on closing of 1918 account carried to profit and loss, £219,469. Marine fund at close of year (increased by £74,615), £2,165,388.

Personal Accident Account.—Premium income increased by £12,973), £106,413. After adjustment for unexpired risks, the profit in this section seems to have amounted to £15,316, of which £3,969 related to interest earnings, and £11,347 to trading. The whole of this profit is employed in strengthening the departmental fund, which at the close of the year amounted to £95,736, apart from £22 [illegible] ing claims.

Employers' Liability Account (within the United Kingdom).—Premium income [illegible] £337 393. Transfer [illegible] after allowance for unexpired risks, £52,824; departmental interest earnings, £18,335, total profit therefrom £71,159; £100,000 is transferred to profit and loss, while the departmental reserve, apart from that provided for unexpired risks, is increased by £28 [illegible] £250,973, [illegible] £218 [illegible] ing claims.

General Insurance Account (including employers' liability business out of the United Kingdom, fidelity guarantee, burglary, third party, and miscellaneous insurances). — Premium income (increased by £450,038), £2,012,319. Trading profit, amounting to £19,932, after adjustment for unexpired risks, is added to the departmental fund, which at the close of the year amounted to £1,247,146.

Profit and Loss Account.—This account is credited with net interest earnings of £428,779, being the difference between receipts of this kind not carried to other account (£452,405) and interest paid on Debenture stock (£23,626), and is debited with the enormous sum of £700,000 as the provision for income and excess profits taxes.

Putting the relative figures together, the general outcome from the whole of the operations appears to be as follows:—

Department or Account	Profit from Trading	Interest Earnings
	£	£
Life	130,000*	—
Fire	895,525	—
Marine	219,469	—
Personal accident	11,347	3,969
Employers' liability (U.K.):	52,824	18,335
General insurance	19,932	—
Profit and loss	—	428,779
	£1,329,097	
Less taxes charged to profit and loss	700,000	—
	£629,097	£451,083
	£1,080,180	

* *N.B.*—It will be noted that these life profits are the result of five years' operations, as they come from the quinquennial valuation. Interest earnings on the life fund are credited thereto.

The allocation is as follows:—

1. The dividend distribution incurred at 1919 rates ...		£597,819
2. In conformity with resolution approved by the shareholders an amount has been transferred from profit and loss account sufficient to add £1 per old share on ten shillings per former undivided shares to amounts paid up on shares. It may be noted that this adjustment has no effect on dividends, as these are declared per share and not as a percentage on amounts paid up. This adjustment requires a sum of		294,168
3. The following sums have been added to the respective funds out of profits:—		
(*a*) To fire fund	£180,600	
(*b*) To personal accident fund ...	15,416	
(*c*) To general insurance fund	19,952	
		215,818
4. Added to general contingencies fund		250,000
N.B.—This fund thereafter amounted to £1,500,000. It is stated in the balance sheet as at December 31, 1919, that subject to this provision, the value of the Company's assets in the aggregate was in excess of the amount stated, taking the Stock Exchange securities at or below the mean quotations at that date, less accrued interest and dividends.		
5. Transferred to Superannuation fund (share of profits) at £2,115,119		45,006
		£1,403,133
Less Balance of profit and loss account after provision for dividend as proposed to	£291,111	
and Employers' liability funds (apart from reserve for unexpired risks) are increased by	28,841	
		322,955
		£1,080,180

The Company's assets as shown by the balance sheet (see note above) amounted on December 31, 1919, to £32,193,126.

Apart from shareholders' paid-up capital (£736,170), and the life, annuity, capital redemption, marine, superannuation, and general contingencies funds, above referred to, the free reserves carried forward to 1920, after provision for dividends and deducting liabilities for outstanding losses, appear to be as follows:—

Fire fund	£5,000,000
Personal accident fund	95,736
Employers' liability (U.K.) fund	250,973
General insurance fund	1,247,146
Reserve fund	1,000,000
Balance of profit and loss ...	556,743
	£8,170,598

This exceeds the amounts allocated as a provision for unexpired risks in the fire, personal accident, employers' liability, and general insurance departments by £4,712,589.

We are asked to state that the Central Commercial Department of Sir W. G. Armstrong, Whitworth and Company, Limited, has removed from 3 Woodstock Street, Oxford Street, to 10 Great George Street, Westminster, S.W. 1, the London head office of the firm.

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Rubber Topics.

THE week has witnessed another collapse in the price of rubber. When the market reopened on Tuesday standard crêpe dropped to the low level of 1*s.* 2¾*d.* per lb., and smoked sheet to 1*s.* 1*d.* per lb. By Thursday the ruling quotations reached the unprecedented levels of 1*s.* 2*d.* per lb. for crêpe and 1*s.* 0½*d.* per lb. for smoked sheet. At such prices the majority of the producing companies could not sell except at a loss. Serious as is this continued downward tendency, it has been by no means unexpected in well-informed circles. Nor is it unlikely that somewhat lower prices may yet be quoted before the effect of the current restriction on output can make itself felt. Still, rubber shareholders would be well advised to refrain from realising their shares at the present exceptionally low prices. Grave as is the depression those best qualified to judge maintain that it is only of a temporary nature. At the same time it is generally admitted that the result of the present crisis must be reflected unfavourably in the reduction or absence of dividends for the next year or two. In the Share market prices were severely pruned, Rubber Trusts dropping gradually to 22*s.* on Thursday, whilst Linggi reacted from 2$\frac{2}{32}$ to 2$\frac{1}{32}$. Anglo-Dutch were the one bright spot, rising 9*d.* on Thursday to 45*s.* as a result of the Chairman's optimism at the meeting. On Wednesday Inch-Kenneth lost ½ to 5¼, whilst Tandjong dropped $\frac{3}{16}$ to 2¼ following the announcement of a dividend of ten per cent. for the year ended June 30, 1920, as against twenty per cent. for the previous year.

PADANG JAWA (F.M.S.).

Issued Capital: £65,000 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916-17...	766	600†	222,162	370†	2/6¼	-/8·1	20,050	10,833	16⅔
1917-18...	832‡	600	216,826	370	2/0·86*	-/11	14,324	4,062	6¼
1918-19...	812	—	213,429	—	1/7·9*	-/11·7	7,334	6,500	10
1919-20...	812	—	330,188	—	2/2·33*	-/9·4	24,039	13,000	20

* Net price. † Estimated. ‡ Subject to survey.

Price of Shares, 3/9. Market Capitalisation per planted acre, £150.

As we anticipated in our article on Padang Jawa a year ago, the trading results for the year ended March 31, 1920, have been very satisfactory. With a full year of unrestricted tapping, the estimate foreshadowed a crop of 297,000 lb., as against the previously restricted crop of 213,249 lb. The crop actually harvested exceeded this estimate by over 42,000 lb. Assuming that the whole planted acreage was mature this was equivalent to the satisfactory yield of 417 lb. per acre. Administered with a high degree of efficiency, this Company produced the large crop at the remarkably low "all-in" cost of 9.4*d.* per lb. Furthermore, owing to the better condition of the rubber market, the average net price realised by the sale of the crop improved from 1*s.* 7.9*d.* per lb. to 2*s.* 2.33*d.* per lb. Consequently, there resulted the record profit of £24,039, exceeding the combined profits of the two

previous years. Thus it came to pass, in accordance with our forecast, that a dividend of "nil" per cent. was paid for the year under review, as against ten per cent. in the previous year. The balance available for distribution had been increased by £2,513, representing the refund of excess profits duty owing to the mediocre profits of 1918-19. In addition to the payment of this dividend, a sum of £3,000 was transferred to the reserve, thereby raising the total to £20,000. There is carried forward to the next accounts the substantial balance of £12,956, but this is subject to deduction in respect of excess profits duty, corporation tax, bonus to staff, and even remuneration to the directors.

A company which has shown its ability to produce at an "all-in" cost of less than 9½*d.* per lb. is not in a very unfavourable position, even under the existing depressed condition of the rubber market. It was indeed, this confidence in the efficiency of the administration, and the strong financial position of the Company that determined the declaration of such a large dividend for the year under review. Originally the estimate for the current year indicated a crop of 854,797 lb., of which 169,989 lb. had been secured in the first six months. Allowing, however, for participation in the scheme of restriction now in force, the final crop will probably not exceed 325,000 lb. Yet even this crop should be obtained at an "all in" cost not above 10*d.* per lb. Hence any recovery in the price of rubber will give scope for a reasonable profit on the crop. No information is forthcoming as to the existence of forward contracts. But even assuming that little or no profit results, the Company has the substantial reserve of £20,000 on which it can call, leaving aside the question of a refund under the excess profits duty. Financially the position, as disclosed in the balance sheet dated March 31, 1920, is very strong. Including the final dividend of £6,500, current liabilities did not exceed £14,975, and were amply covered alone by cash balances amounting to £15,999, in addition to which other liquid assets were available to a total of £23,081. Quoted in the market at 3*s.* 9*d.*, the 2*s.* shares afford a return of five and a-third per cent. on the basis of a dividend of ten per cent.

NORDANAL (JOHORE).

Issued Capital: £280,000 in £1 Shares.

Results for Years to December 31

	Total Planted	Area in Bearing	Av. Yield per Rubber Output	Bearing Acre	Price "All-in" Realised	Net Cost	Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916 ...	2,485	1,375	606,511	441	2/1·55	1/1·79	40,226	36,400	13
1917 ...	2,485	1,600	689,552	400	2/5·85	1/3·55	40,850	31,800	11
1918 ...	2,676	2,125	515,435	246	1/9½	1/3½	14,633	14,000	5
1919 ...	2,786	2,486	608,753	245	2/0·97	1/3·22	31,680	28,000	10

Price of Shares, 18 0. Market Capitalisation per planted acre, £91.

Unlike the majority of rubber companies, Nordanal (Johore) did not participate to the full in the prosperity associated with 1919. The report for the year ended December 31, 1919, shows that the crop harvested fell short of the estimate of 615,000 lb. by over 6,000 lb. On the surface this decline appears nominal; but viewed with reference to the growth in the area in bearing from 2,125 acres to 2,486 acres, it emerges that the actual yield per acre was somewhat below that of 1918, when the crop was restricted in accordance with the scheme of the Rubber Growers' Association. The report contends that the shortage of labour [illegible] prevented the completion of the full programme of weeding, and hopes to be enabled at making amongst the estate staff and labour force towards the close of the year. In the absence of further explanation, the comparatively low yield for 1919 can only be accounted for by these facts. The increase in the total crop as compared with that of 1918 is reflected in a decline in the f.o.b. cost from 1*s.* 2.82*d.* per lb. to 1*s.* 0.62*d.* per lb., thereby testifying to efficiency of the administration. On the other hand, freight charges and administrative expenses increased, as the "all-in" cost only dropped fractionally to 1*s.* 3.22*d.* per lb. However, the crop was disposed of to better advantage, the average price realised being 2*s.* 0.97*d.* per lb., as against 1*s.* 9½*d.* per lb. in 1918. Consequently there was a marked recovery in the net profit from £14,633 to £31,680. From this satisfactory profit, £1,500 was set aside to write off the investment in War Loan in [illegible] transferred to the reserve for development, thereby raising the total to the substantial amount of £37,000. Dividends paid to shareholders absorbed £28,000, being at the rate of ten per cent., as compared with five per cent. in 1918. The balance carried forward to the next accounts is increased to £7,150.

Having earned substantial profits in the pre-War period, this Company has a rather high datum line, and can therefore view with comparative indifference the increase in the excess profits duty to sixty per cent. for the current year. The estimate gives the anticipated crop at 760,000 lb., and as 578,953 lb. had been secured in the first nine months there was every prospect of this estimate being exceeded before the present scheme of restriction was introduced. Allowing for the necessary reduction of twenty-five per cent. for November and December, the total crop should still exceed 710,000 lb., thereby giving prospects of a further reduction in the "all-in" cost of 1*s.* 3.22*d.* per lb., which is very necessary in these days, when rubber is selling below 1*s.* 3*d.* per lb. Obviously, with such a Company the outlook for 1920 is intimately linked up with the existence of forward contracts; for the disposal of the crop at the low levels prevailing since the autumn especially would leave little or no margin of profit. Financially the position of the Company is strong. Including the final dividend of £28,000, current liabilities did not exceed £32,366 on December 31, 1919, whereas the total of liquid assets available amounted to £59,048. The uncertainty of the dividend outlook for the current year is reflected in the drop of the price of the £1 shares to 18*s.* in the market, equivalent to the low capitalisation of £91 per acre.

SABLAS (NORTH BORNEO).

Issued Capital: £204,294 in Shares of £1 each.
Five per Cent. Debentures: £31,500.

Results for Years to April 30

	Area in Bearing	Av. Yield per Rubber Output	Bearing Acre	Price "All-in" Realised	Net Cost	Profit	Dividends Amount	
	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1917..	2,552	1,500	426,100	225	2/5½	1/7½	18,510	15,008	6
1918..	2,552	2,500	560,692	225	2/2½	1/5	11,344	[illegible]	[illegible]
1919.	2,552	2,500	664,788	266	1/7½	1/5½	12,[illegible]	[illegible]	6
1920.	2,552	2,[illegible]	857,712	343	2/0½	1/0	4[illegible],[illegible]8	4[illegible],[illegible]8	2·0

Price of Shares, 27 6. Market Capitalisation per planted acre, £110.

An eminently satisfactory report is presented by the Sablas, North Borneo, Rubber Company for the year ended April 30, 1920. With a full year of normal tapping, the actual crop harvested exceeded the estimate of 770,000 lb. by over 80,000 lb. Thus the average yield per bearing acre jumped up from 266 lb. to 343 lb. By efficient administration, this substantially increased output was secured at a much lower cost of production. The f.o.b. cost dropped from 1*s.* 0½*d.* per lb. to 10½*d.* per lb., and this was accomplished despite the heavy loss incurred on the rice crop, equivalent to almost 2*d.* per lb. of rubber. Rice costing $26 per picul had to be retailed to the native force on the basis of the pre-War cost of $14 per picul. Notwithstanding

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theless, the "all-in" cost worked out at 1*s.* per lb., as compared with 1*s.* 3½*d.* per lb. in the previous year. Furthermore, having disposed of a large part of the crop at advantageous prices by forward contracts, the average price realised increased from 1*s.* 7½*d.* per lb. to 2*s.* 0½*d.* per lb. Thus, with a marked decline in the cost of production of a larger crop, coinciding with a satisfactory improvement in the sale price, the net profit jumped up from £10,507 in 1918-19 to no less than £42,308 in the year under review. And this remarkable profit was left after deducting £5,250, representing interest on the new income Debentures, and the necessary provision for the annual redemption—a charge which appears for the first time in the accounts under discussion. The directors decided to distribute the bulk of this record profit amongst the shareholders, who received, in consequence, a dividend of twenty per cent., absorbing £40,208, as against six per cent., absorbing £12,000, in the previous year.

Despite the gloom that has at present settled on the Rubber market, the outlook of this Company for the current year is distinctly favourable. And it was this factor that determined the declaration of such a dividend as twenty per cent. for 1919-20. Originally there was anticipated a crop of 973,000 lb., of which 405,600 lb. had been harvested in the first five months. In view, however, of the scheme for restriction of output, in which this Company is participating, the estimated crop is now put at 867,600 lb., which is still in advance of the crop for the year under review. Of this crop no less than fifty per cent. has been disposed of by forward contracts at prices which already guarantee a reasonable profit on the whole crop. Moreover, the belief is expressed that, as a result of the restriction now in operation, a better price will be secured for the remainder of the crop than that which is prevailing at present. There is yet another factor. An agreement has been reached with the British North Borneo Chartered Company for liquidating the Guaranteed Dividend Advances of £48,048 by the issue of five per cent. income Debentures to the amount of £35,000, to be redeemed in ten equal annual instalments. Prior to this arrangement no dividend in excess of ten per cent. could have been paid to the shareholders so long as this liability was outstanding. In virtue of this exchange it was possible to pay the record dividend of twenty per cent. for the current year, after setting aside, as previously mentioned, £3,500 for the first annual redemption (the total of the Debentures being thereby reduced to £31,500), and £1,750 for interest. Thus, after providing for £5,075 in the current year, the bulk of the profits will be available for distribution amongst the shareholders. Again, the Company is in the happy position of being able to view with indifference the increase in the excess profits duty to sixty per cent. Earning rather mediocre profits below its datum line in the War period, it has accumulated a reserve upon which to draw against any charge made under this tax. Not only is it freed from liability in respect of the record profit of the year under review, but it has still such a balance in its favour that a substantial profit would have to be secured in the current year to involve any liability under this tax. As regards the more distant prospects, the outlook is no less encouraging. The estates are in good order, and suffer, comparatively, from very little disease. Moreover, labour withdrawn from tapping, as a result of the restriction of output, is to be devoted to extending the area under cultivation. The Company has 10,000 acres, of which only 2,552 are planted to date, thus leaving ample scope for development. Financially, too, the position as disclosed in the balance sheet dated April 30, 1920, is sound. Liquid assets, in the form of cash, sundry debtors, and rubber, are available to a total of £45,809 to cover current liabilities, which, with the addition of the dividend of £40,208, do not exceed £44,275. Quoted in the market at 27*s.* 6*d.*, the £1 shares afford a return of over seven per cent., on the basis of a dividend of ten per cent.

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COAL.

MANY readers will doubtless have read a very important letter published in "The Times" on Saturday last signed by Sir Robert Hadfield. The letter is headed "Our Coal Resources." Upon such a subject Sir Robert Hadfield writes with great authority. With the main thesis of the letter, to urge the economical use of our fuel resources, probably no one who has given attention to the subject will disagree. Sir Robert commences his letter by saying that in the negotiations for settlement of the coal dispute public interest has been concentrated on the problems of increasing output. Little, says Sir Robert, has been said of the use we make, and propose to make, of the coal actually mined. In its final aspect, however, output is relative only to the use we make of it. As we have said, with the general thesis it is improbable that anyone will disagree. One sentence, however, in Sir Robert Hadfield's letter is exceedingly obscure. It does not, of course, invalidate the thesis upon which Sir Robert Hadfield bases his argument. It does not in any sense detract from the contention which the writer is urging. Nevertheless, it would be desirable that the point in question should be cleared up. We want, says Sir Robert, to eliminate the present system which wastes about one quarter of the coal raised. Does Sir Robert mean that we only waste about twenty-five per cent. of the calorific value of the coal actually obtained from the various mines? If we rightly understand the letter the general impression is that the waste amounts to very nearly fifty per cent. We may, of course, be thinking of one aspect of the question, while Sir Robert Hadfield is writing of another aspect of the same proposition. While recognising the great authority with which Sir Robert Hadfield speaks on such a subject, we were under the impression that the calorific value obtained from coal as commonly burned is only about one half of its contents. It may be that we are thinking rather of domestic consumption, while Sir Robert has in mind coal as it is consumed in specially constructed furnaces which limits waste almost to the point which our present mechanical knowledge admits

of. There can, however, be no question that Sir Robert Hadfield is perfectly right when he urges that the country needs a more comprehensive knowledge of all its sources of fuel energy than we at present posses.

Distressing as the recent coal strike was and injurious to the last degree as it is admitted to have been to our present economic condition; good may come out of evil if it leads us to methods being taken whereby we shall in future conserve the fuel resources existing in this small island which is only in its total area some 88,000 square miles. To burn coal in its crude form in the actual state in which it is laboriously raised by the miner to the pit's mouth is extravagant and wasteful to a degree. Every chemist, every practical man, engaged in the coal industry admits this, and has admitted it for nearly a generation now. Still the waste goes on. 'People buy coal to-day at 60s. a ton and throw it on the fire as though the nation's coal resources and their own incomes were inexhaustible. It has been urged by chemists that experiments should be made to ascertain to what extent it is practicable to extract the various fuel, power and lighting contents contained in coal from the mines without the necessity of the miner descending the shaft. This, of course, would be if it were practicable to apply the principle whereby petroleum is obtained from the oil-well to the colliery. The oil miner does not go down the shaft and bring up the oil in a bucket. We believe that we are right in saying, but we speak subject to correction, that experiments in the direction we have indicated have in fact been made under the superintendance of chemists with satisfactory results. They were made, if we remember rightly, only in a single instance and under exceptionally favourable conditions.

While it seems desirable that the aim should be maintained of obtaining the various fuel and other contents of coal in the way indicated, it may not as yet be a practicable proposition to enable us to win from the mines the amount of fuel actually needed. If this proved to be the case, it would surely be desirable that, pending the time when the fuel contents can be obtained from the mines without the necessity of the miner descending the shaft, every possible effort should be made to obtain from each shovelfull of coal raised the utmost fuel and other contents it is capable of yielding. It is commonly stated that coal contains some twenty-seven different products per unit, all of which have economic value. It is evident, then, when the consumer throws a ton of coal into the furnace in its crude form he wastes twenty-six products, all of which were capable of yielding some economic service. What we are doing at present with coal is comparable with asking a man to carry a parcel some long distance, instead of employing a competent engineer capable of driving a train to convey many parcels destined for the same place. It has, unfortunately, taken a great coal strike, which has seriously affected nearly all the industries of the country, to awaken the public conscience to the importance of not wasting coal. Although, as we have just said, it has been known and admitted by those in a position to understand the question that the burning of crude coal was wasteful and indefensible, they have pleaded that they were helpless while crude coal could be obtained so cheaply and in such large supplies as was the case in the period that preceded the outbreak of the European War. Whatever may be the result of the present dispute, there can be little reasonable doubt that the prime cost of crude coal will be increased. Now unless we are able to meet this increased cost by reduced consumption it is evident that we are going greatly to increase the cost of every commodity which requires the use of coal in any form during its process of manufacture. If we are to do the same volume of business it is evident that we cannot reduce the consumption of coal and continue to burn it in its crude form. The only possible way, so far as our present information goes, of reducing the total consumption is to use the various units of which that total is composed more economically. This we take it is only possible to the extent we are able to extract from the coal per unit the utmost fuel contents which our present chemical knowledge admits of our obtaining.

WOOL MANUFACTURE IN AUSTRALIA.

It was shown in our article on "Australian Exchange and Trade," published on 23rd ultimo, that for the quarter ended June last Australia imported wearing apparel to the value of £1,834,000, textile goods to the amount of £8,831,000 and manufactured fibres worth £587,000. A large part of these imports will consist of goods made wholly or partly of wool. The annual wool clip of Australia amounts roughly to 2,000,000 bales, each weighing about 330 lb., and this quantity represents about one-quarter of the whole world production of wool, and includes nearly one-half of the total supply of merino or fine wools. There are only twenty-five woollen mills in Australia, which, in 1918-19, purchased 14,298,000 lb. of the total clips of 652,110,000 lb. In addition, Australian combers, or "manufacturers of tops," acquired 7,521,000 lb.

To the consideration of bald facts such as these is attributable the very strong movement in Australia to develop the manufacturing of their own wools, at least, to the extent of making the Commonwealth independent of all other countries for semi- and fully-manufactured goods. It is well known that there is a strong sentiment in Australia in favour of goods of Australian manufacture, and this feeling has been increased by circumstances due to the War. The military demands upon the wool textile industry of the United Kingdom and the shortage of shipping made wool goods very scarce in Australia during the War, and one of the things the Australian can least understand, or submit to with the least grace, is a shortage of wool in any shape or form. In 1914 Australia imported from this country 15,700,000 yards of woollen and worsted goods, and in 1918 the quantity was only 8,700,000 yards.

The Commonwealth industry was, of course, totally unable to supply the deficiency indicated by these figures, and a pressing demand arose for wool textile machinery to increase the manufacturing capacity. Unfortunately for Australia, the same circumstances which prevented the supply of sufficient wool goods from this country also interfered with the making and export of machinery, and Australia was forced to attempt to supply its needs in some part by undertaking the highly technical work of making such machinery. According to our information these efforts met with a certain degree of success, so far as scouring and drying plant is concerned, and good progress has also been made in the construction of some of the machines for other purposes. Reports have for example, been received regarding a continuous woollen and worsted-spinning frame, which was invented, and is made, in Australia. If the statements regarding the output of this machine are substantiated [illegible] the ordinary woollen mule, this new frame will have an important effect upon the woollen industry in all parts of the world. Yarn spun on the ordinary woollen mule has, however, certain characteristics quite distinct from worsted yarns made on the various types of spinning frames, and, without seeing samples of yarn made on the new Australian woollen frame, we are unable to judge whether this machine is likely to become a formidable competitor of the spinning mule.

The increase in labour and other production costs in this country, coupled with the general reduction in [illegible] defences hitherto possessed by our wool textile industries against Australian competition. Business men and politicians in the Commonwealth are not slow in taking advantage of the change in circumstances.

and various schemes have been produced, not only to make Australia independent of foreign supplies of manufactured goods, but to utilise a larger proportion of their own wool clip that would be necessary for that purpose. To meet the whole Australian demand for wool goods would require roughly one-tenth of the total wool production of the country, and the amount the development schemes, now being considered, has been variously stated to be the utilisation of one-third, one-half, and even the whole annual clip. We do not propose at present to discuss the merits of these schemes, but to deal broadly with certain aspects of the problem, which should be considered by all parties interested.

The most serious difficulty of Australia, if such a huge undertaking as the creation of almost a completely new industry is to be successful, will be the acquisition of the necessary technical knowledge and a nucleus of skilled operatives. The building of mills and the purchase of machinery are quite different propositions to the securing of technical skill sufficient to turn out articles able to compete with the products of this country, made in districts possessing the traditions of many generations of expert employers and workers. This difficulty is, perhaps, best illustrated by the recent controversy regarding the scouring of wool in Australia.

To the uninitiated it would appear to be the height of folly to transport wool in its greasy and dirty condition to manufacturing centres abroad, when the simple operation of scouring can be so readily carried out in Australia, thereby saving the freight and handling expenses for the large proportion (up to sixty per cent.) of impurities of various kinds present in raw material. The fact remains, however, that scoured wool does not find a ready market in this country, and certain people in Australia not only fail to understand the reasons for this, but treated with great scorn the request of the British Government that as much as possible of its own wool should be shipped in its original state. The length and fineness of the fibres grown on the various parts of a sheep vary considerably, and, for the majority of purposes to which Australian wool is applied, careful sorting is necessary. In the worsted trade the sorting and blending of wools for the making of satisfactory tops have been reduced to fine arts, and the secrets of these operations are usually very carefully guarded. The scouring of wool necessarily breaks up the fleeces, and thus renders sorting impossible. Apart from this circumstance, however, wool buyers find it easier to judge the soundness and general suitability of the fibres when in their natural state, and wool users know that wool "felts" and otherwise deteriorates by being scoured, press packed, and left in this condition for several months. In any case, scoured wools must always be washed again before being sent to the machines, and this second scouring, even if only light, accentuates the opening of the minute scales on the surface of the fibres, thereby roughening the "handle" of the material and impairing its elasticity and waviness. There is no question whatever that the use of wools imported "in the grease" gives the best results in combing, spinning, weaving, and finishing, and the use of scoured wools in this country is practically confined to the woollen trade, for which less sorting is necessary, and in the worsted trade to the blending in small quantities to cheapen a top consisting otherwise of good greasy wools. There is no doubt, therefore, that any extension of the export of scoured wools from Australia can only result in a restricted demand and lower values, which will not be compensated for by the small saving in freight and other expenses.

Summary of Australian Financial Statistics, 1909-1910 to 1918-19. Prepared under instructions from the Minister of State for Home and Territories, by G. H. Knibbs, C.M.G., Commonwealth Statistician. Issued by the Commonwealth Bureau of Census and Statistics, Melbourne.

Industrial Companies.

ENGLISH SEWING COTTON.

Issued Share Capital: £3,000,000, in 1,000,000 5% Cum. Pref. and 2,000,000 Ord. Shares of £1 each.

Debenture Stock: £957,694 5% First Mortgage.

Yr. to Mar. 31	Gross Profit	Depreciation	Deb. Int. and Pref. Div.	Ord. Div. £	Ord. Div. %	Added to Reserves, &c.	Amount Carried Forward	Value of Stock	Surplus Liquid Assets*
	£	£	£			£	£	£	£
1916	488,505	27,030	88,308	180,000	18	140,000	174,029	577,340	1,015,661
1917	468,733	26,497	88,308	200,000	20	150,000	177,958	979,594	778,045
1918	5 3,454	27,883	88,308	200,000	20	175,000	191,415	1,383,663	594,375
1919	598,106	26,055	88,308	250,000	25	235,595	193,563	1,409,593	689,452
1920	794,136	25,704	88,308	300,000	15	327,680	158,608	1,744,793	747,585

* Excluding stocks and shares in subsidiary companies, but including other investments at cost price.

THE report presented by the English Sewing Cotton Company for the year ended March 31, 1919, was generally admitted to have been of an extremely satisfactory nature—an admission which found ample justification not only in the increase in the dividend from twenty per cent. to twenty-five per cent., but also in the substantial bonus of share for share to the Ordinary shareholders out of the accumulated profits. By contrast, it will be no less widely admitted that the report for the year ended March 31, 1920, is more satisfactory still. During the period under review the trade of this well-known textile Company had expanded in volume over the substantial total of the previous year. In view, however, of the marked rise in prices which characterised the year, the growth in the value of the trade was much more pronounced, the gross profit jumping from £598,106 to £794,136. And this remarkable profit is left after providing for the necessary liability involved in the excess profits duty. More than one factor contributed to this substantial addition of nearly £200,000. Part of this increase represented the advantage which the Company derived by retailing at the high level of prices current during the year stocks produced by raw materials and stores accumulated in previous years at more favourable prices. We had already on more than one occasion drawn attention to this steady growth in the stocks, the rapid increase in which can be studied in the table at the head of this article. Another source of this extra profit was provided by the successful development during the year of a large and remunerative export trade. Suspended very largely during the War, this branch was quickly revived on the cessation of hostilities, and the growth in quantity, as well as in value, of this foreign trade was most marked for the year under review. The profits from both these sources were enhanced by the comparative absence of competition. However, the dominant factor in the increase was undeniably the larger profits obtained on the extensive holding of common stock in the American Thread Company. The report of the latter Company for the year ended March 31, 1920, shows a remarkable rise in the net profit from $2,149,800 to $3,626,800. Whilst the dividend drops from fifteen per cent. to ten per cent., the amount accruing to the English Sewing Cotton has increased considerably since; during the year its holding was altered from 1,197,500 shares of $5 each, fully paid, to 1,197,500 shares of $10 each, of which $7½ are paid up. Assuming the accounts of the English Sewing Cotton under review include the final dividend for 1918-19, and the interim dividend for 1919-1920, on the American holding, it would secure nineteen per cent. on its larger holding, as compared with twenty-three per cent. on the smaller holding in the previous year, and this would represent an increase of some £120,000. The final result, as already stated, is embodied in the record profit of £794,136. After providing for the usual charges in respect of depreciation, Debenture interest, and Preference dividends, an allocation of £100,000 is made to the reserve, thereby increasing it to £200,000, and of £27,680 to the pension fund for employees. The reserve for the equalisation of dividends is increased by £100,000 to £200,000, and

the reserve for stock contingencies from £300,000 to £400,000. There is then paid to shareholders a dividend of fifteen per cent., as against twenty-five per cent. in 1919; but being paid on a capital doubled by a bonus issue, the rate is really at the rate of thirty per cent. on the capital as at March 31, 1919. There is carried forward to the next accounts a balance of £158,608.

For the textile industries generally the outlook for the current year is rather uncertain. In so far as the English Sewing Cotton is concerned prospects for the first half of its current year were rather promising. The Board of Trade returns especially during July, August, and September indicated a satisfactory export of cotton goods. However, since then a depression has begun to make itself manifest as evidenced in the decision to work short time throughout Lancashire. The labour situation was not calculated to improve the outlook. The period has been marked by more than one dispute in the cotton industry, and the resulting addition to wages in conjunction with the shorter hours now being worked have not been reflected in a proportionate increase in output. Unfortunately, as in the coal trade, the tendency has been rather towards a reduced output. Added to this, the wild fluctuations which still characterise the exchanges hamper the export trade, and all departments of the trade are said to be prejudiced by the increase in the excess profits duty to sixty per cent. in conjunction with the Corporation Profits Tax. Neither are the effects of the recent coal strike with the resultant shortage of fuel likely to brighten the situation. To what extent these influences will have vanished by the beginning of 1921 is yet uncertain. On the other hand, there are certain facts as regards English Sewing Cotton, which tend to counteract in part the result of these adverse factors. Financially it is in a very strong position, well able to face the depression. Including the final dividend of £250,000, current liabilities did not exceed £1,149,546 on March 31, 1920, whereas liquid assets other than stocks and the share holding in the American Thread Company amounted to £1,897,141. Conservatively valued the stock has risen to £1,744,793, and a contingencies fund of £400,000 is available to meet any loss incurred by realisations below the book value. Ignoring the general reserve, the reserve for the equalisation of dividends in conjunction with the balance carried forward from the accounts under discussion amounts to £358,608; whilst the amount absorbed by the dividend of fifteen per cent. was only £300,000. Again similar steps have been taken by the American Thread Company to safeguard its own position in the current year. In addition to ample provision for depreciation, a sum of $2,000,000 has been set aside to meet any fall in the value of the extensive stocks accrued. Taking these facts into account, there is no reason for anticipating a lower dividend for the current year than ten per cent. upon which basis the £1 shares at the existing quotation of 38s. afford a return of over five and a-quarter per cent.

CALLENDER'S CABLE AND CONSTRUCTION COMPANY, LIMITED.

Issued Capital: £1,300,000, in 400,000 6½% Cum. Pref. £1 Shares, 400,000 "B" 7½% Preference Shares of £1 each, and 500,000 Ordinary Shares of £1 each.

Debenture Stock: £300,000 4½%.

Year to Dec. 31	Net Income†	Special Depreciation	Deb. and Pref. Int.	Ord. Div.		Added to Reserve	Amt. Carried Forward	Value of Stocks & Work in Progress	Surplus Liquid Assets*
	£	£	£	%	£	£	£	£
1914	98,295	24,569	23,500	26,250	15	—	163,169	218,282	345,760
1915	113,013	10,335	23,500	35,000	20	—	207,347	348,190	243,205
1916	117,360	17,000	23,500	35,000	20	150,000	99,207	364,977	259,559
1917	121,582	17,000	23,500	43,750	25	25,000	111,509	428,779	195,624
1918	134,705	37,001	25,143	43,262	12½	25,000	114,779	617,961	304,515
1919	161,525	38,000	34,000	60,000	15	33,000‡	105,803	791,170	94,470†

* Excluding stocks, but including trade investments.
† Deficiency. ‡ Reserve for war taxation.

THIS firm of cable manufacturers was almost entirely engaged upon the production of war material from the autumn of 1915 until the close of hostilities. During this period considerable extensions and additions were made to its works and plant, and despite the radical change in the nature and scope of its operations the annual accounts showed a very substantial growth in gross earnings and a moderate increase in net profits. In July, 1918, the Ordinary capital was doubled by a reserve capitalisation of £175,000, and in the following October the issued Preference capital was increased from £200,000 to £400,000, and the Ordinary capital was raised to the same amount by the issue of 10,000 £5 shares at a premium of £2. The cancellation of all War contracts shortly afterwards placed the undertaking in an extremely difficult position, but the Company succeeded in adapting itself to civilian requirements with remarkable celerity, and its subsequent progress has been accelerated rather than retarded by its war experiences. In June last the Company issued 400,000 Seven and a-Half per Cent. "B" Preference shares at par, and 100,000 Ordinary shares at a premium of 2s., the denomination of the shares in each case being £1, in accordance with the conversion in May of the £5 shares into units of £1. The new Ordinary shares will rank fully for the current year's dividend, and the additional Preference shares rank for dividend as from July 1 last. The issued capital now amounts to £1,300,000.

In view of the development in recent years the accounts published for the past calendar year are of particular interest. The profit and loss account shows a gross revenue of £294,256, which is over £65,200 greater than that for 1918, but administrative expenses have increased by £24,300, and the cost of repairs and maintenance by nearly £14,700, so that the net profit works out at not more than £26,820 in excess of that for 1918. This increase is, however, substantially greater than the total increase during the four years from 1915 to 1918. Special depreciation absorbs £38,000, or £1,000 more than in the previous year, whilst the charge for Debenture interest remains at £13,500. In consequence of the growth in the capital, however, the Preference dividend amounts to £26,000, as compared with £11,643 in 1918, and the Ordinary, which is increased from twelve and a-half per cent. to fifteen per cent., absorbs £60,000, or £15,808 more than previously. In view of the share for share bonus distribution in 1918 the dividend for the past two years compares very favourably with previous dividends, although nominally the rate is lower. An allocation of £33,000 is made to reserve for war taxation, which compares with £25,000 placed to the general reserve in the previous year, whilst the carry-forward is reduced from £114,779 to £105,803.

In the balance sheet the issued capital is shown at £800,000, but since the date of the accounts this has been increased to £1,300,000, as already indicated. The Debenture stock remains at £300,000, whilst loans received have grown from £132,500 to £222,000, and bills payable from £183,125 to £303,095, but trade creditors have fallen from £578,065 to £512,388. The reserve account stands at £125,000, whilst the share premium account figures at £7,472. On the assets side the freehold property and machinery account to £108,209, representing a net addition of £24,196, after writing off £38,000 for depreciation. The item of cable drums and contract plant has grown from £38,796 to £77,513. An increase of £46,450 is shown in stocks of raw materials, but in manufactured goods there is a reduction of £29,198. Expenditure on uncompleted contracts and payments in advance are growing from £95,187 to the large figure of £281,656, and trade and other investments from £362,070 to £514,800. In view of the abnormal expenditure in these items it is not surprising that cash balances have fallen from £115,700 to £61,428, and that the current liabilities should exceed the liquid assets by £94,470. With the inclusion of stocks and work in progress, however, there is actually a surplus [illegible] assets of £697,700, which compares [illegible] £722,475 in the previous balance sheet.

The stringency in liquid capital is a direct consequence of the greatly increased capital expenditure upon freehold properties, plant, and stocks, and the position will naturally be relieved by receipts from the recent capital issue.

As far as can be judged, the prospects for the current year are distinctly good. At the general meeting of the Company in June last it was stated that the volume of orders was "colossal," large contracts had been secured, and labour difficulties had been almost entirely eliminated. A new factory has been erected for the manufacture of super-tension cable, the demand for which has increased very considerably. The extensive foreign trade of the Company which existed before the War has been re-established, and new connections have been opened up. The full benefits of the ambitious programme of the management may not be reflected in the profits for the current year, but it is apparent that the future in this sphere of electrical engineering is particularly bright.

The prices and yield of the Company's shares are set out below, the yield on the Ordinary shares being calculated on the basis of a dividend of fifteen per cent.

	Price	Yield
	£ s. d.	£ s. d.
Ordinary Shares	1 18 9	14 4
6% Cum. Pref. Shares	0 18 3	7 1
7½% 1st Cum. Pref. Shares	1 1 6	7 0
4½% First Mortgage Debentures	70 0 0	6 4

CLAYTON AND SHUTTLEWORTH, LIMITED.

Issued Capital: £800,000 in 70,000 5% Cumulative Preference Shares of £1 each, and 450,000 £1 Ordinary Shares.

Year to Dec. 31	Net Profits	Income Tax, &c.	Balance	Pref. Div.	Ord. Div.	Carried Forward
	£	£	£	£	£	£
1913	61,567	9,191	52,376	3,500	22,500	26,376
1914	51,140	9,140	42,000	3,500	22,500	16,000
1915	44,000	10,000	34,000	3,500	22,500	8,000
1916	73,000	13,000	60,000	3,500	22,500	34,000
1917	70,000	14,000	56,000	3,500	22,500	30,000
1918	95,397	42,397	53,000	3,500	36,000	53,496

A SATISFACTORY showing is made by the report of this Lincoln firm of general engineers for the past year. The net profit of £95,397 constitutes a record in the Company's history, exceeding the previous figure by nearly £11,000. A sum of £17,682 is charged for depreciation, as compared with £21,626 in 1918, and there is no allocation to reserve, which stands at £150,000. The Preference dividend absorbs £17,500, and the Ordinary dividend is raised from seven and a-half per cent. to eight per cent., which correspondingly increases the distribution from £33,750 to £36,000 leaving an undivided balance of £53,496 to be carried forward, as compared with £29,280 brought in from 1918. The report discloses the interesting fact that foreign debts and investments affected by the War, and amounting to a gross sum of £520,218, or more than five-eighths of the total capital, have been written off, and will not therefore represent any charge on future profits. It is anticipated that considerable sums may be ultimately realised from these foreign outstandings, but as the Company's liability for War taxation was correspondingly reduced by the bad debts reserve created out of revenue, any subsequent recovery of such outstandings will have to be applied in part to the payment of additional taxation. The provision out of profits against foreign investments and debts amounted to £340,558 on the date of the accounts, and by the addition of £179,660, representing part of the excess value of assets disclosed on revaluation during the year, the requisite sum of £520,218 was therefore available for the purpose of writing off all foreign outstandings. Sundry debtors now figure at £219,917, as compared with £546,326 in 1918, and investments shown at £45,718 in that year, have now been eliminated from the balance sheet. The capital expenditure during the period amounted to £140,776, against which has to be offset a sum of £17,682 for depreciation. The adjustment in the book-value of the fixed assets consequent upon the revaluation referred to above has meant, however, a further increase of £179,660, so that the properties now figure at £728,217, as compared with £425,463 in 1918. Stocks and work in progress show an increase of £135,221 at £601,834, whilst among the liabilities sundry creditors figure at £502,713, as compared with £463,464 in the previous balance sheet. The liquid assets exceed current liabilities by £275,280, but excluding stock there is actually a deficiency of £326,554, as compared with a surplus of £87,205 in the previous accounts.

During the war period the Company widened the scope of its operations to include the manufacture of steam motor-wagons, railway rolling-stock, and drop forgings, and for this purpose three new undertakings were established—the Titanic Works, the Abbey Works, and the Clayton Forge. To facilitate the development of these important branches a new Company, known as "Clayton Wagons, Limited," has been formed with a registered capital of £1,000,000, in 450,000 eight per cent. Cumulative Participating Preference shares and 550,000 Ordinary shares. The whole of the Ordinary shares have been taken by the parent Company, and the Preference shares, which were offered in April last for public subscription (preference being given, however, to shareholders and employees of Clayton and Shuttleworth), have been fully subscribed. It is of interest to note that the subsidiary Company has recently obtained a contract of £300,000 for the supply of wagons to the Union of South African Railways. It is anticipated that the full development of this new concern will place the parent Company in a very strong position in industrial engineering, in addition to its ordinary agricultural engineering business.

The recent coal deadlock must naturally have had its effects on the various branches of the iron and steel industry, and the earnings of Clayton and Shuttleworth may show some reduction when the accounts for the current year are presented. However, the heavy annual charge in recent years upon profits to cover losses abroad will no longer arise, and taking into account the substantially increased sum carried forward to the current year, together with the greatly increased productive capacity of the works, the possibility of any reduction in last year's dividend of eight per cent. is rather remote.

The following table shows the prices and yields on the shares of the Company, the yield on the Ordinary being calculated on the basis of a dividend of eight per cent.:—

	Price	Yield
	£ s. d.	£ s. d.
6% Cumulative Preference Shares ...	17/6	34 7
Ordinary Shares	1/6½	5 6

New Issues.

5 15 YEAR TREASURY BONDS (SERIES B).

The original series of Treasury bonds having terminated on November 1, a new issue, identical in detail with the previous, has been created. The bonds are on offer at £100 per cent., payable on application, and are repayable at par on May 1, 1935, or on May 1 of any of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid on May 1 and November 1 at a minimum rate of five per cent. per annum, may be further increased during the period ending May 1, 1925 as follows:—If in any half-year ended May 1 or November 1, the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year: if the rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. The rate of interest payable on May 1, 1921, will be seven per cent. per annum. Allotments may be obtained in Registered form or in Bonds to Bearer.

Holdings of Five per Cent. Exchequer Bonds due December 1, 1920, may be surrendered on or before November 29, as the equivalent of cash in payment for Treasury

bonds. The full half-year's interest due on December 1 will be paid in respect of the bonds surrendered, and in addition the Treasury bonds issued in exchange will rank for interest as from November 18, 1920. Transferors will thus be presented with thirteen days' interest at seven per cent. per annum on their new holdings.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier dates.

METROPOLITAN WATER "C" STOCK, 1929-1939.

Offer of £2,500,000 Five and a-Half per Cent. stock at ninety-two per cent. Interest is payable in May and November. The stock is redeemable on November 15, 1939, but the Metropolitan Water Board reserves the right, on giving three months' notice, to redeem at par after November 15, 1929, any outstanding balance not already purchased and cancelled by the operation of the Redemption Fund All Metropolitan Water stocks are secured on the Water Fund and on all revenues of the Water Board, and rank equally without priority or preference. The proceeds of the present issue are required to meet further expenditure in connection with the construction of reservoirs, filter-beds, machinery, and mains. The service of the loan will be met by a sinking fund of two and a-half per cent., which will be applied in the purchase of stock at or under par. Twelve months ago an issue identical with the present was over-subscribed. The issue price was ninety-six per cent., giving a flat yield of £5 14*s.* 7*d.* per cent. The Bank Rate has been raised twice, in each case by one per cent., since November, but the yield of £5 19*s.* 7*d.* per cent. given by the stock now on offer presents sufficient attraction for even a gilt-edged security. Further dealings have passed recently in the "C" stock at ninety-four, a fact which seems to augur well for the reception of the new issue. As the calls are spread over the next two months, there is a slight "turn" on the first interest payment on May 15, 1921. The subscription list will close on Wednesday, November 10.

MAPPIN AND WEBB, LIMITED.

Offer of 200,000 Eight per Cent. £1 Cumulative Preference shares at par and 200,000 £1 Ordinary shares at 22*s.* per share. Shareholders, staff, and customers will receive preferential allotment.

The present Company was formed in 1908 to take over as a going concern the business of jewellers, silversmiths, cutlers, electro-plate, and dressing-bag manufacturers carried on by a private company of the same name. Expanding rapidly in the interval, it now possesses factories in Sheffield and London and branches in England, the Continent, the Colonies, and South America. The authorised capital was recently increased to £1,500.000, divided into £900,000 Eight per Cent. Preference and £600.000 Ordinary shares, of which £650,000 and £400,000 respectively are issued (including those now offered). Certified net assets have at present a book value of £627,171. The latter figure does not include any amount for goodwill, trade-marks, or investments in subsidiary companies, while properties have been written down to much less than their present values. The Preference shares are thus covered as to capital already. Certified net profits, before charging income tax and excess profits duty, rose from £33,000 in 1909 to £58.000 in 1913; by 1915 they had declined to £17.500; and since then have continuously increased till £89.000 was reached in 1918 and £132.000 in 1919. The total annual Preference dividend will require a payment of £52.000, a figure which seems amply secured by present profits. There is at present outstanding £250.000 Four-and-a-Half per Cent. First Mortgage Debenture stock, but this has been allowed for in the computation of profits and asset values. The Ordinary shares, when taken up, will also probably be covered as to capital, but the extent of the margin depends on the real value of the properties, goodwill, and trade-marks. Dividend prospects are quite bright for the immediate future, but it must be remembered that businesses of this type cater for a luxury trade, which would be one of the first to suffer during a period of industrial depression. The high reputation in which Mappin and Webb's stand, however, will doubtless appeal to a large body of investors and in particular to present shareholders.

ADOLPH, FRANKAU AND COMPANY, LIMITED.

Offer at ninety-seven and a-half per cent. of £75.000 Eight per Cent. Mortgage Debentures in registered bonds of £50 and £100 repayable at par in September 1940. The issue is secured by trust-deed as a specific first charge on the freehold premises and a floating charge on the other assets of the Company.

The Company, formed in 1899, manufactures and sells tobacco pipes and smokers' accessories and fancy brass and leather goods. It has branches in Manchester, Glasgow, and Shanghai, and controls subsidiary concerns in Montreal and New York. The authorised capital is £184.000 of which £159.000 has been issued. The proceeds of the present issue are required to meet expanding business and rising costs. There is already in existence £26,966 Six per Cent. Debenture stock, holders of which have the option of converting into the new stock or of being repaid. The net assets, exclusive of goodwill and trade marks, were £147,712, according to the balance sheet of December 31 last. Certified net profits before providing for interest on debentures and loan, or for income tax and excess profits duty, have fluctuated somewhat for the past ten years, the average for the decade being £23,435, and that for the last five years, £36.774. The interest of £6,000 on the Debentures now offered is therefore amply secured. Though no Exchange quotation is being applied for, the issue was decidedly attractive and early over-subscribed. The lists closed on Wednesday.

SOUTHEND WATERWORKS COMPANY.

Sale by tender, at a minimum of par, of £42.000 Eight per Cent. Debenture stock, redeemable on September 29, 1935.

The Company was incorporated in 1879 for the purpose of supplying water to the County Borough of Southend-on-Sea and the adjoining district. The area served covers about 160 square miles, constituting practically the whole of South-East Essex. The proceeds of the present sale are required for the repayment of temporary loans and to extend the wells and works of the Company. Of a total authorised loan capital of £363,333, £151.158 Four per Cent. stock has already been sold. The present issue will rank for interest *pari passu* with the existing stock and prior to all other claims. Annual Debenture interest payments will, when this emission is completed, amount to £9.403. Water rentals increased from £40,981 in 1909 to £65.120 in 1914, and after a depression during the war period, to £104,039 in 1919. In the latter year the balance of revenue was £29.088, a figure which the manager states will be considerably increased during the current year. The investment seems fairly well secured, but suffers from the disadvantage of being confined to a very limited market. The last day for receipt of tenders is November 11.

PENDING ISSUES.

William Beardmore and Company, shipbuilders and engineers.—£1,000,000 Eight per Cent. 7 Yr. Notes at 97.

Drake and Gorham, electrical engineers, Westminster, S.W.—£50.000 Ten per Cent. Seven year, redeemable at 105. The directors and staff will take £20.000.

Rhodesia Railways.—£1,010 Six per Cent. Tax free Ten-year Notes, part of an authorised issue of £2.000.000.

Westinghouse Brake Company.—£500,000 Eight per Cent. First Mortgage Debentures at 95, redeemable in from seven to twenty-four years, by half-yearly drawings at par.

Sheffield Steel Products.—£1,000,000 Ten per Cent. £1 Preference shares, [illegible] for the Ordinary shares [illegible] Preference shares [illegible]

Commercial Bank of Australia.—£6,000,000 Ordinary shares of £10, [illegible] per share.

Jute Industries.—£500,000 Seven per Cent. Cumulative Preference [illegible] Preference shares of £1 each.

Dunlop Iron Company.—£400,000 Eight per Cent. First Mortgage Convertible Debentures at 95, redeemable from 1925 to 1935 by annual drawings at par. Holders of Ordinary shares [illegible]

London Express Newspaper.—£100,000 Eight per Cent. Participating Debenture stock [illegible] £5.500.

Arding and Hobbs, drapers, Clapham Junction, [illegible] £1 Cumulative Preference shares during the week.

Lewis Berger and Sons, Limited, [illegible] Preference Ordinary shares [illegible]

Messrs. [illegible] Sons, [illegible], 1920.

By Messrs. [illegible] Peat [illegible]

MEETINGS
OF PUBLIC COMPANIES.

ENGLISH, SCOTTISH AND AUSTRALIAN BANK, LTD.

THE twenty-eighth ordinary general meeting of this Company was held at 5 Gracechurch Street, E.C., on November 5, Mr C. J. Hegan (the Chairman) presiding.

The Chairman (who was received with applause) said: It is a great pleasure to your directors to be able to point to the satisfactory result of the year's working. The difficulties experienced during the first six months after the cessation of hostilities in setting to work to readjust finances and restore the dislocated trade of the Empire to pre-War conditions—in the latter case largely a question of shipping facilities—were gradually more or less overcome. The destruction of wealth caused by the War, the heavy indebtedness which still hangs like a millstone round the necks of those who bore the brunt of the struggle, and the unavoidable continuance for a time of Government control and legislation tending to the restriction of trade—all these considerations have impeded the free and natural interchange of commodities, both with other countries and within the Empire, and have hindered the return to the *status quo ante bellum* to which we are still looking forward. One result of this is seen in the remarkable fluctuations that have recently taken place in the exchange operations between London and Australia. A very few months ago the accumulation of funds in the hands of the Australian banks in London was unusually large, so much so that at one time the problem seemed to be how to get them transferred back to Australia in time to assist in financing the shipment of the season's wool clip, but the exports from this and other countries to Australia during the last few months have been on such an extensive scale that already the balance inclines the other way, and a disproportionate amount of their resources is now on the other side.

A Gratifying Balance Sheet.

Deposits on current account show the very gratifying increase of £1,693,000—(Hear, hear)—and, although deposits at interest show a falling-off of £451,000, I should like to explain that that is due entirely to ordinary fluctuations in the Government balances, deposits from the public having increased by £673,000. The figures under the respective heads of bills payable and bills receivable are in both cases noticeably larger. On the assets side of the balance sheet investments show a reduction of £371,000, owing to our having realised some of our holding of War Bonds at prices which compare very favourably with what we could get for them to-day. On the other hand, cash in hand and at short notice is higher by £776,000, and advances by £778,000. In the profit and loss account the most noticeable feature is that our gross profit for the year shows an improvement of no less than £88,000 (Applause)—though a good deal more than 50 per cent. of that amount—in other words, £51,000—is swept away by the increase in taxation and general charges. Taxation is an item which it is beyond our power to control, and in these times, with prices of everything soaring upwards, one might almost say the same of the expenses of management, however great the economy practised; at all events, I do not think anyone will grudge what is by far the largest item in this increase—viz., the addition to the salaries paid to our staff here and in Australia, on whose loyal and efficient co-operation so much depends. (Hear, hear.) We propose to make the appropriation to reserve fund up to £50,000, thus reverting to our usual practice, which was temporarily interrupted last year in order to make a special grant of £25,000 to the officers' guarantee and provident fund. This year we invite you to vote £5,000 to that fund as the normal contribution of the Bank in a good year, and, the remaining appropriations being the same as before, we are left with a balance of £43,254 of undivided profit, which we propose to add to the amount brought forward from last year.

Australia's Prosperity: The Staple Products.

Australia itself is enjoying a period of great prosperity. The drought, which caused such anxious forebodings a year ago, has completely broken up; and though the losses of stock were very heavy in some parts of the interior, the present good season and the high price of wool have the effect of placing the pastoral industry as a whole in a very sound position. With regard to the other staple product of Australia—viz., wheat—the latest accounts received are most favourable. Some of you may have noticed a short paragraph in *The Times* last week referring to the harvest prospects in South Australia; it was there stated that the harvest was estimated at 34,000,000 bushels, which showed an average of fifteen bushels to the acre—"one of the finest seasons in the country's history." (Hear, hear.)

London Bank of Australia: Fusion of Interests.

I now propose to say a few words about the agreement entered into with the London Bank of Australia, which we regard as the chief event of the year. A fusion of interests between our two banks has long been a subject of speculation and rumour on both sides of the water, so that when the announcement was made a couple of months ago it occasioned no surprise in Australian banking circles; but as a matter of fact there had been no foundation for these rumours, for no overtures had been made on either side until the spring of this year. No sooner, however, had we set to work to give the matter serious consideration than it became evident to the boards of both banks that great advantages would attend a fusion of interests between the two institutions, which had been advancing side by side in parallel lines, as it were, from the dates of their inception, both banks having been founded in the middle of last century and in the very same year, 1852. Both have undergone much the same experience; both have encountered difficulties of no ordinary kind, and have surmounted them; and both have given evidence in recent years of that steady and ordered progress which, combined with strength, is the main feature of successful banking. While the field of operations of the London Bank is identical with our own, we have developed, geographically speaking, in different directions: so much so that in the suburban and country districts of Victoria, where we have between us some 114 branches or agencies, there are only three cases in which we overlap each other; and in New South Wales—the city of Sydney being, of course, excepted—there is not a single case of overlapping, although one or the other of us is represented in ninety-one different places. It may be said that there will, therefore, be the less opportunity for the reduction of expenditure by the closing of branches. That is true so far as the country districts are concerned, but you will readily understand that the expenditure incurred at most of these country branches is, comparatively speaking, a very small matter. On the other hand, we shall have in future but one chief office in each State, where two existed before, and by the concentration of the management of the combined banks in the hands of our very capable General Manager in Australia, Mr. Wren, we feel confident that substantial economies will be effected.

Terms of the Agreement.

The circular we sent you in August last will have acquainted you with the main features of the arrangement come to with the London Bank. The existence of three classes of shareholders in that bank—viz., fully-paid Preference shares, Ordinary shares with £10 paid and a £12 10s. liability, and Ordinary shares with the whole of the liability paid up, made the details of the arrangement somewhat complicated; for the terms offered had to be sufficiently attractive to ensure their acceptance by each of those three classes, while in the interests of our own shareholders we had to see to it that they were not in excess of what the circumstances of the case warranted. Committees of the two banks met in frequent conference on this point, and we have the best possible proof that we steered a middle course between these two extremes in this—that whereas a criticism not infrequently heard was to the effect that the terms were not sufficiently tempting, they have been accepted by considerably over ninety per cent of the shareholders of the London Bank. (Hear, hear.) A reasonable deduction from these facts is that it was—what we all wished it to be—a bargain perfectly fair to both parties, and one from which both may expect to derive very considerable advantages.

The agreements with the London Bank contained provisions for taking over the whole of their staff both here and in Australia, with the exception of the general manager in Australia, the manager in London, and the manager in Sydney. In all these cases the dates were not far distant when, in the ordinary course of things, these officers would have had to retire, and we agreed to their receiving such compensation as the directors of that bank considered their length of service entitled them to. Further provision was made for the constitution of a joint board to manage the affairs of the combined banks, to give effect to which we undertook that two of your directors should resign their seats, in order to make way for three of their directors who will join our board—thus increasing our number to nine, the full complement allowed by our Articles, the retiring directors on either side having their present fees continued to them for life as a retiring allowance. While this forms part of the agreement, and has a binding effect so far as the four retiring directors of the London Bank are concerned, it has no binding effect with regard to the two directors who will have to retire from this board, and it will be for you to decide whether you will accord like treatment to them.

The Retiring Chairman's Thanks to Shareholders.

I want to thank the past and present shareholders of this Bank for the unvarying kindness they have extended to me personally, and for the confidence they have reposed in the board during the thirty-one years that I have had the honour

to occupy the chair. We have passed through times when, without that confidence, it would have been impossible to carry on; but when I look at the position our Bank occupies to-day, and remember that the statement of accounts submitted to you twenty-four years ago showed no dividend, no reserve fund, a debit of £54,000 in the profit and loss account, and a debt of £866,000 to the holders of our terminable deposits, which we were under an obligation to pay at no distant date, I think we may claim that your confidence in us has not been misplaced. (Applause.)

The report and accounts were unanimously adopted.

It was decided to vote £2,000 a year to the retiring Chairman and £550 per annum to Mr. Jackson. It was also decided that a portrait of the Chairman should be painted and hung in the board-room. The work of the Chairman and Mr. Jackson during the twenty-seven years of their connection with the Bank was very highly eulogised.

BRITISH BANK OF NORTHERN COMMERCE, LIMITED.

Fusion with Hambro and Son Approved.

An extraordinary general meeting of this Bank was held on November 3 at 45 Bishopsgate, E.C., for the purpose of considering resolutions providing for the amalgamation of the Company with Messrs. C. J. Hambro and Son, in creasing the capital to £4,000,000 by the creation of 200,000 new shares of £10 each, and changing the name of the Company to Hambro's Bank of Northern Commerce, Limited. Mr. H. Bendixson (the Vice-Chairman) presided.

The Secretary (Mr. J. H. Roscoe) having read the notice convening the meeting,

The Chairman said: Gentlemen,—When at the first statutory meeting of this Company, held on March 25, 1912, our late Chairman, Earl Grey, addressed you, he explained the reasons that had led to the formation of this Bank, and he referred to our desire to stimulate trade between this country and the Northern countries of Europe, and to our ambition to forge an important link in this development. Our history during the past eight years demonstrates that we have taken a large share in this work. Everybody has had anxious times, but, thanks to good management and to the powerful and steady support of our banking and other friends in the three Scandinavian countries, our business has continued to prosper.

Desirability of the Arrangement.

We have always had in mind the desirability of gradually enlarging the British interests in our Bank. The proposed amalgamation will fully achieve this object. We had also to consider another aspect of the case. Our Scandinavian friends, when starting this Bank, had the desire to create a big and powerful institution corresponding with their growing prosperity, their important interests in English trade and its ramifications. Our success, gratifying though it is to some of us here, did not entirely satisfy them. These are the real and principal reasons for the step that we have now taken, and for which we ask for your sanction to-day.

An amalgamation with the firm of Messrs. C. J. Hambro and Son seemed most desirable. Their old connection with Scandinavia is unique; their name there has been a household word for upwards of a century. We had already worked together with them in Government financial operations. In addition to their intimate connection with the Scandinavian countries, they have also a large general European and London business. They represent the finest traditions of the first financial centre of the world, and an amalgamation with them would clearly achieve what we had in view. We therefore approached them on the subject, and, as both parties quickly recognised that the idea was a sound one and ought to prove to mutual advantage, a preliminary agreement was concluded, and has since been embodied in the more formal one now on the table.

Provisions of the Agreement.

I will refer to the agreement's most important provisions. Its date is October 11, 1920. The date from which it takes effect is October 31, 1920. By its provisions Messrs. Hambro hand over to this Bank their entire business and goodwill. As already announced, they subscribe in cash for 200,000 shares of £10 each, paying up therefor £2 10s. per share, namely £500,000. For the issue of these additional shares we to-day ask your authorisation. They further hand over to us assets consisting of investments of value approximating the same amount, which amount will go to increase the Bank's reserves. The capital of the enlarged concern will therefore be as follows: Subscribed capital 400,000 shares at £10 each equals £4,000,000. Paid-up capital, £2 10s. per share on 400,000 shares equals £1,000,000. In addition thereto, the Bank has its already published reserves equal to £1,050,000.

"Financial Strength Immensely Increased."

You will therefore see that our financial strength is immensely increased, both in actual cash and in uncalled capital, and I do not think you will be of the opinion that I claim too much when I say that Hambro's Bank of Northern Commerce, Limited will in the future take its place among the strong financial institutions in the City of London. We have agreed to take over, at a valuation, the lease of the valuable premises, No. 70 Old Broad Street, E.C., owned and occupied by Messrs. Hambro. We shall, therefore, retain both those premises and our present freehold here, Nos. 41, 43, 45, and 47 Bishopsgate, for our joint future use. It is a part of the agreement that we elect the head of the firm, Sir Everard A. Hambro, K.C.V.O., as Chairman of our Company, and I feel sure that you will all cordially and gratefully endorse this election.

Sir Charles Eric Hambro, K.B.E., will be a Vice-Chairman, and Messrs. Henry C. Hambro and R. Olaf Hambro will be managing directors, as also will our general manager, Mr. G. L. d'Abo. Messrs. Hambro have further nominated as director Mr. W. J. Heriot, and Mr. Gabriel Brizon, the managing director of our sister bank in Paris, the Banque des Pays du Nord has already been elected to the board. I think that I have now said enough. The agreement has been open to your inspection during the past two or three weeks, and I will not take up your time by reading it to you at this stage. It is a somewhat lengthy document. If any of you wish it, however, our solicitor, Mr. Grundy, who is here, is prepared to read it to the meeting. The increase in the number of directors necessitates a considerable increase in the fixed remuneration of the directors, which, in view of the magnitude of the Bank, you will, I feel sure, understand is inevitable. The general approval that has greeted our announcement encourages us in the conviction that the decision to be taken to-day will be unanimous. I may say in this connection that we have received proxies in time for this meeting for 154,792 shares. We have also received further proxies which are too late to be used at this meeting—they have to be lodged forty-eight hours before the meeting—to the number of 6,406 shares, making the total assents to 161,198. You will therefore see that we are justified in anticipating a favourable vote.

The Chairman: I now move: "That the capital of the Company be increased to £4,000,000 by the creation of 200,000 new shares of £10 each, ranking in all respects *pari passu* with the existing shares of the Company." I also move: "That the name of the Company be changed to 'Hambro's Bank of Northern Commerce, Limited.'"

All the resolutions were agreed to unanimously, and without discussion.

ENTRE RIOS RAILWAYS COMPANY, LIMITED.

Satisfactory Crop Position.—Need for Rate Revision.

The ordinary general meeting of this Company was held on November 5 at River Plate House, Finsbury Circus, Mr. Follett Holt, M.Inst.C.E. (the Chairman of the Company), presiding.

The Secretary (Mr. W. J. George) having read the notice convening the meeting,

The Chairman, in moving the adoption of the report, said that, having regard to the financial and operating difficulties with which the Company were faced during the War period, he hoped the shareholders would consider the results now shown not without promise of better things. For the second year in succession, after providing for renewals, they had been able to meet Debenture charges and the full dividends on the First and Second Preference stocks and to carry forward an increased balance. The directors regretted that they could not recommend the payment of a dividend on the Ordinary stock. During the past five years they had not raised one penny of additional capital, and it had only been by the greatest care that they had been able to carry on with the absolutely necessary improvements to the system and to keep their heads financially above water and avoid raising new money, which at rates and conditions ruling would have meant draining the Company's blood at the expense of the Ordinary stockholders. He hoped that they would shortly be able to obtain the consent of the authorities to the very necessary increase in rates to meet their special circumstances, as increased labour and fuel charges had hit them hard during the past year and were hitting them hard at the present time. The solution could only be found by rates and contracts which would throw the burden on the cost of the transport the Company had provided, without which the country the railway served could not possibly have attained, or maintain, its present degree of prosperity.

Fuel and Labour.

As regarded fuel, they had reduced [illegible] a minimum and in its place used firewood, which they obtained with increasing difficulty and expense within their own zone in Entre Rios. Oil supplies at present could not be obtained at [illegible] pay, but [illegible] taking [illegible] some relief. As far as labour was concerned, they were doing all they could to utilise it to the best advantage. They [illegible] secure that all trains were loaded to their maximum capacity, [illegible] last few months he (the speaker) had travelled extensively

in the Entre Rios, Corrientes, Misiones, and Paraguay—the countries with which the Company's interests were bound up. He found that a very marked improvement had taken place in Entre Rios during the past few years. The land was much more divided up than formerly, and under the influence of the plough had improved immensely, as also had the class of cattle upon it. The cultivation of wheat and linseed was going ahead satisfactorily, and the increase in general prosperity was very noticeable. Were it not for the excessive cost of fuel and materials and the unknown labour factor, he felt that as a result of what he had seen in the past few months he would be justified in being optimistic as to the near future. In present circumstances, however, there was so much that was out of their control that he must be more than ordinarily cautious, but he could assure the shareholders once again that they owned an improving railway property, and that it served a good and progressive zone.

The Mitre Law.

He had referred at previous meetings to the fact that only a small section of their line was under the *régime* of the Mitre Law. The franchise that they possessed was a satisfactory one, but they were always faced with possible difficulties in regard to the duties on their imported material after 1925—the year in which the freedom from those duties expired. An opportunity of adhering to the Mitre Law recently arose, and now their system in its entirety owned the same franchise as the larger railways in the Argentine. Under the Mitre Law the Company was entitled to a satisfactory return upon its capital.

The success of the train-ferry system was handicapped by the limits of the carrying capacity of their three great steamers, and they had not been able to increase their fleet on account of the high prices asked by shipbuilders. A suggestion had been made that the route of the train ferries might be shortened by the deepening of a canal that had recently been constructed by the Government. The shortening of the ferry route would increase the carrying capacity of the present fleet and would reduce the running time of the through trains, to the great advantage of the very large zone served by the Company. According to a cable received in the last few days, the prospects for wheat and linseed crops shortly to be gathered were favourable. It stated: "Cattle and sheep in good condition. Total area sown with wheat, oats, and linseed estimated about seventeen per cent. above last year. Beneficial general rainfall all over the line, and crops assured. Organised labour causing considerable anxiety, but we hope that in view of generous treatment the men have received it will only be temporary."

The report was unanimously adopted.

SHEFFIELD STEEL PRODUCTS, LIMITED.

Increase of Capital.

Satisfactory and Progressive Position.

An extraordinary general meeting of Sheffield Steel Products, Limited, was held on October 28 at Winchester House, London, E.C., Mr. Alwyn Howard Wild (Chairman and Managing Director) presiding.

The Chairman said: The object of this meeting is to pass the necessary resolutions for adopting a new set of articles, and increasing the present capital of £2,000,000, divided into 2,000,000 shares of £1 each, to £4,000,000, of which 1,250,000 are to be ten per cent. Cumulative Preference shares and the balance of 2,750,000 are to be Ordinary shares. All is well with your Company. The estimates for the present year have all been exceeded, and notwithstanding the slump in trade which prevails in many classes of industry to-day, you will be gratified to learn that your Company has felt no falling off in the demand for its products. Our chief productions include the following:—Cutlery, files, saws, pliers, spanners, wrenches, screw-drivers, garden shears, and magnets. You can easily see from that list that the shortage brought about by the War cannot have been made up, and that even when the extraordinary demand has been satisfied there must continue to be a steady and persistent trade to be done in such articles. The only possible fear one can have for the future would be that of competition, and particularly German competition.

Meeting Foreign Competition.

I think the board is entitled to claim credit for its foresight in arming itself as opportunity arose with the necessary weapons to meet future competition not only in this country, but from abroad. There can be no doubt whatever, in my judgment, and after a very careful survey of the whole position, I am convinced that the views of the board are correct, that in order to produce such articles and at a fair margin of profit to the Company bulk production is necessary. No business lends itself more readily to this principle than yours, but bulk production necessarily involves many considerations in order to safeguard at every stage the different processes from start to finish. Having this method of production fixed in our minds, and being determined to carry it out in a way which, in the opinion of the board, seemed to be the only successful way, we have sought to acquire, and have, in fact, acquired, different classes of undertakings which would serve the purpose we had in view, to safeguard and ensure protection at practically every stage, right from the raw material to the product as it is sold in the retail shop. With such a large undertaking as yours, employing, as it will, when the matters to which I am about to refer have been completed, some 8,000 work-



people, it has been necessary to secure a number of businesses which have hitherto been successfully carried on in their own particular sphere. The inclusion of these businesses will enable us to meet competition by reduction of the price of the finished article in the future, and at the same time allow the best wages and the best conditions of labour to the small army of workpeople we employ. We have secured in the Templeborough Works one of the finest factories in the kingdom, modern in every respect and fitted with the most up-to-date labour-saving appliances. The conditions for the workpeople are ideal, and combined with all these subsidiary businesses, which you either have or will acquire in the very near future, the board is convinced that not only will this undertaking be in a position to meet competition, either in this country or from abroad, in the future, but that it has adopted the only possible policy for securing to this country the pre-eminent position in that branch of industry in which we are engaged.

Tens of Thousands of Customers.

The customers of Sheffield Steel Products are numbered by tens of thousands, and scattered as they are throughout the world, we can always rely upon a steady outlet for our productions.

Mr. J. J. Jarvis: As you have already heard, George Clare and Co.—of which Company I am one of the managing directors—were approached some time ago with a view to their becoming the financial advisers of the Company, and I was invited to join the board. When I visited Templeborough I was told it was the largest cutlery works in the world, and I could quite believe it. I was even more impressed by the excellence of its organisation, the long-headed way in which its lay-out has been planned, the many labour-saving devices, the obvious care for the workpeople, and the enthusiasm of those controlling its destinies. The Company owns its own colliery. It will in due course have its own (1) steel plant, (2) rolling mills, (3) stamping shops, (4) finishing shops, (5) blue-water gas plant. It already has all the engineering services at the works, such as light, heat, power, and ventilation, while railway connections running through the works link it up with all the main-line systems. Although Templeborough is by no means fully equipped, output is not being checked, and whilst the outside conditions are not entirely ideal, they are well in advance of most of the Company's competitors. The Company to-day has practically the monopoly of the plier trade in England, as it produces, probably, seventy-five per cent. of the pliers made. Its output is 1,500,000 per annum, which will increase to 2,000,000 next year. In spanners it makes 2,000,000 per annum, which is about half the number produced in the entire country. It makes 2,000,000 saws per annum, 7,000,000 files, and both these numbers can be doubled in the future.

The Largest Cutlery Concern in the World.

But it is in table cutlery that the Company is pre-eminent, not only being the largest concern in the world, but actually turning out 7,000,000 pieces per annum. In twelve months this output should be doubled, when the Company should be making as much cutlery as all their competitors joined together. The great point you have to keep in mind is that the Company by its centralised methods can produce cutlery to-day at twenty-five per cent. below the cost of its competitors, and when the works are fully equipped this margin should steadily increase in the Company's favour, in which case they will have the world's trade at their feet. The Company has acquired 354 houses immediately adjoining the works. The advantage of being able to offer housing to prospective workpeople can hardly be exaggerated and will play an important part in securing the best labour. I have been in close touch with my co-directors for the last few weeks, and have been much impressed with the fact that they are all hard-headed, practical men, and keen on their jobs. I have told you of the existing businesses, but I have said little or nothing of the new businesses it is proposed to acquire. In my opinion, it is necessary that all these new businesses should be absorbed.

Proposed Acquisitions.

Let me take the first one—Hemmings and Co. By taking this in we get both the business and the man, and Mr. Hemmings' services are valuable to the Company. The business of Hemmings and Co. is rolling steel, and the rolling mills are the bottle-neck of our trade. You may buy your billets easily enough, but it is not so easy to get them rolled. Then take Amalgamated Stampers. This Company has combined a number of stamping firms who manufacture the heaviest drop forgings down to the smallest cold pressings. There are, however, two other excellent reasons why they should come in. In the first place, we should remove dangerous competitors in several directions, particularly in the spanner trade, and in the second the Company would secure an outlet for a considerable proportion of its surplus steel. If the new steel plant is to be efficient and economical it must produce in large quantities. No doubt you will observe that a Sheffield steel company with a capital of over £9,000,000 has just been buying a similar company for the same reason. Lastly, there are the Plumpton businesses at Warrington which control the plier trade. They form a valuable link in the chain, and as they too will absorb a good deal of steel I think you will be doing a wise thing to take them in. The purchase price of all these businesses, including the liability for two concerns not yet completed, amounts to £700,000, of which more than fifty per cent. is being taken in shares. Of the 350,000 shares to be given as part payment for the undertakings 250,000 are Ordinary shares taken at par. For this purchase price of £700,000 what will the Company obtain? The value of the assets, after deducting all liabilities and putting down nothing whatever for goodwill, trade-marks, patents, &c. (some of which are of considerable value), is well in excess of the purchase price. Based on the interim balance sheets to September 30 last, these new companies are earning profits at the rate of £140,000 per annum after providing for all outgoings except taxation, or equal to twenty per cent. on the purchase price. Finally, these businesses are taken over from certain back dates, so that nearly £100,000 of their profits to September 30 will come into the current year's accounts of Sheffield Steel Products, and, subject to taxation, will be available for dividend, so that from this source alone the greater part of this year's ten per cent. dividend is available, although the profits of the parent Company are far from being negligible. You will understand that to acquire these businesses, and to complete the present Sheffield Steel Products programme, further capital is needed. My suggestion, therefore, is that an issue be made of 1,000,000 ten per cent. Preference shares, carrying an option to subscribe at par for one Ordinary share for each two Preference shares held. This £1,000,000 should be sufficient, not only to acquire these new businesses, but to complete the present programme of the parent Company. Your Company has a paid-up capital of £1,500,000. What have you got for it? Land and buildings worth £700,000, machinery and plant worth £800,000, stocks worth £300,000, while there are rather more creditors than debtors. These figures total £1,800,000—let us say 1¾ million, against a share capital of 1½ million. The nine months' profits to September 30 are approximately £130,000, which is at the rate of about £170,000 per annum, and this after setting aside the cost of repairs and renewals, directors' fees, salaries—in fact, everything except taxation. The profits for 1920, including the businesses now acquired, should be between £250,000 and £300,000 at a conservative estimate, and, as the smaller amount is double the amount required to pay a dividend of ten per cent., the continuance of this rate would appear to be assured. As the concern comes into full production in 1921, these profits should steadily increase, and to my mind there are few companies to-day which hold such fine prospects of a successful future.

The resolution having been carried, a vote of thanks was passed to the Chairman, and the proceedings terminated.

CITY GENERAL TRUST, LIMITED.

The first annual ordinary general meeting of this Company was held on October 29 at Winchester House, Old Broad Street, E.C., Lord Askwith, K.C.B., K.C., presiding.

The Chairman said: Gentlemen,—This is the first ordinary general meeting of this Company, and I trust that you will feel that the success of the Company during the past year has been marked. As a result of that working period the directors are now able to propose a dividend of ten per cent. and to show you a net profit upon the subscribed share capital of £55,854 17s. 5d. We are offering to the shareholders that they should subscribe at par for an additional number of shares, equal, as nearly as may be, to one-fifth of their present registered holding, and that an allowance of five per cent., equivalent to 1s. per share, will be made on the shares so taken up. This opportunity is offered to the shareholders not only for the purpose of investment, but also with a view of obtaining more capital for the expansion of business. When the markets may be suitable, it is proposed to issue further capital for this Company, because we are convinced that we can do a more extended business than is possible at present, and give, perhaps, an even better return to the shareholders if we can obtain a considerable amount of increased capital. A considerable [illegible] make our capital. There is no doubt that since the Armistice a considerable amount has been done in this country towards settlement, improvement of trade, and the attempt [illegible] has been very considerable [illegible] was before the War. Such trades, perhaps, which may be [illegible] trades, and the glass trade. [illegible] [illegible] [illegible]

tax more harassing to the country could scarcely have existed, especially during the months succeeding the summer of 1920. Concluding, he said steady work and increasing production had been recognised as the only methods by which in the long run deflation of capital, the opportunity of living at a less cost, and of carrying on business with less uncertainty, and improving trade must ultimately depend.

The report was adopted.

CEYLON CONSOLIDATED ESTATES, LIMITED.

An extraordinary general meeting of this Company was held, on November 1, at 6 Laurence Pountney Hill, Cannon Street, E.C. Mr. Walter J. New (Chairman of the Company) presided.

The Chairman said: Gentlemen,—I go back to our meeting in June 1919, when I pointed out that our capital expenditure to the end of 1918 reached a total of nearly £115,000, our paid-up capital then standing at £90,000. Then, coming to our meeting last June, I pointed out that our capital expenditure had increased during the year under review by no less than £18,558, bringing the total up to £133,332, though our paid-up capital had only been increased to £124,577, and of that increase £3,577 10*s.* represented conversion of loan deposits into shares. The rate of exchange has made havoc with the estimates of expenditures on which our plans were based. Up to June 1919 the rate of exchange had only risen to about 1*s.* 6*d.* By the end of that year it had risen to 2*s.* 4½*d.*, and in February of this year it had reached its highest point, 2*s.* 10*d.* Fortunately, the rate of exchange has since February been steadily falling, and is now about what it was in June 1919, but in the meantime the adverse rate has proved a terrible drain on the Company's capital, with the result that some fresh arrangement has become absolutely necessary to enable us to bring the estates to maturity. Still, we possess fine estates, and the only real danger we have to guard against is a lack of funds to bring them to maturity.

Now, the Debenture scheme was put forward after very careful consideration, in the hope that it would commend itself to and be taken advantage of by the great majority of the shareholders. But out of 2,547 shareholders only 132 have applied for Debentures. The £30,000 of Debentures, which would, if taken up, have helped us over our difficulties, would, at the same time, while the margin of profit is so low and our estates have not reached full maturity, have taken a large slice out of the profits of the Company in the shape of Debenture interest. If every shareholder had been also a Debenture holder, and as such taken a share of the slice, it would not have mattered. There is nothing unique in our position. You have only to look at the financial pages of the papers every day to see that practically every successful concern is forced to raise more money, and what a high rate of interest it is compelled to pay for it. I will now move the resolutions which are set out in the notice convening the meeting, and I will ask Mr. Bargate to second them. Mr. George Bargate seconded the motion.

A vote of thanks to the Chairman concluded the proceedings.

SEMENYIH RUBBER ESTATE, LIMITED.

The sixth annual general meeting of the members of this Company was held on November 1 at the offices of the Rubber Growers' Association, 38 Eastcheap, Mr. E. G. Money (the Chairman) presiding.

The Chairman first dealt with the items appearing in the balance sheet, and pointed out that the Company was in the strong position of holding £8,000 in War Bonds, £2,000 in Treasury Bills, and £4,357 in cash at April 30 last. Turning to the profit and loss account, he thought the shareholders would agree that the results for the past financial year were very satisfactory. The profit of £11,594 was equivalent to about fifty per cent. on the issued capital of the Company. An interim dividend of ten per cent. was paid in February last, and the directors now recommended the payment of a final dividend of thirty per cent., making forty per cent. for the year. The balance of £4,769 to be carried forward was a fairly substantial one, in view of the fact that the liability of the Company under the heading of excess-profits duty and corporation tax was not likely to amount to more than about £500. Dealing with the present position of the rubber plantation industry, he said that the condition of the market at the present time was unprecedented, but he did not believe that there was anything in the position which threatened generally the future of the industry. The world was bound to have rubber, and if the world wanted rubber it would have to pay for it. It was now well established that there was no part of the world which could hope to compete with the mid-East in the matter of economical production of rubber in quantity. He thought the public here hardly realised the extent to which costs had advanced during the past eight or nine months. Labour was more expensive; materials and supplies required for the development and working of the estates had all risen enormously in cost. The result must be that the cost of opening and bringing into bearing rubber estates would be infinitely higher in the future than it had been in the past. Similarly



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an increase in the cost of production must be expected. He thought, however, that the scheme for restriction of output, which had now come into operation, would have its effect on the position before very long. In common with others, this Company would have to face the present low prices for rubber, but he might say that they had a forward contract for a fair proportion of their output at a good price. The directors proposed quickly to develop the more distant part of the Sungei Lallang Estate, which had not yet reached maturity, but which was a property of very considerable potential value. No proposals had been made for the reconstruction of the Company on a higher capital basis. Mr. H. Taber Brooke seconded the motion, which was carried unanimously.

NUNDYDROOG COMPANY, LIMITED.

An extraordinary general meeting of this Company was held on November 3 to consider a resolution for the reconstruction of the Company. Mr. Vere Herbert Smith presided. The Chairman, in moving the necessary resolutions, referred to a letter from the Mine Superintendent, Colonel C. H. Richards, stating that the property was well equipped to deal with quartz, &c., to a depth of 4,000 feet, and that as this horizon was already reached it was necessary to instal additional machinery for the economical development of the mine at much greater depths. It appeared to them that the outlook at the mines was particularly bright, as, judging from the general experience of the Kolar field, there was every probability of improvements taking place in the main sections of the mine. It was almost certain that the rich shoot of ore in the northern section of the Ooregum mine, now being opened up in its lowest levels some 2,000 feet deeper than the lowest level of Nundydroog, would be met with in the latter property, and there was the expectation of the very fine shoot now being worked in the southern section of the Balaghat being found in the northern section of the Nundydroog. They proposed the formation of a new Company, to be called the Nundydroog Mines, Limited, or by some such title, with a capital, as at present, of £283,000 in 10*s.* shares, shareholders registered on the 19th inst. to be entitled, for every share now held, to subscribe for one 10*s.* share in the new Company, credited with 4*s.* per share paid, leaving a liability of 6*s.* per share.

Mr. Edgar Taylor, alluding to the amount of new money required, said it was considered that three permanent circular shafts should be sunk below the horizon of the 4,000-foot level, and provided with electrical winding engines, and that in the meantime main winzes must be sunk for opening the mine below that level, and equipped with electrical hoists. The new vertical circular shaft, called Henry's shaft, had still to be equipped with permanent winding engine and head gear. It had to be sunk a further 350 feet to reach the 4,000-foot horizon, and its completion, as well as the other works mentioned, were essential to the future working of the mine. After considerable discussion the resolutions were adopted *nem con.*

COLOMBIAN MINING AND EXPLORATION CO., LTD.

The ordinary general meeting of this Company was held on November 2 at Winchester House, Old Broad Street, E.C., Mr. Shirley H. Jenks, the Chairman of the Company, presiding.

The Chairman said: Your capital is now £550,000, and it is proposed to increase that capital to £1,000,000. Of this increase of capital £250,000 shares have been taken firm. This £250,000, after paying the Company's indebtedness and for certain properties also after paying for the balance of the plant and for the expenses of the issue, including commission and stamp duty, will leave the Company with a sum of £70,000 for general purposes, and the probability of a further £200,000 coming in in the near future. With regard to the present position of your mines, as you will have seen from Mr. Powell's supplementary report, he is very satisfied with the developments which have taken place since he and my brother left Colombia in June. In his report you will notice practically all reference to your silver mines is omitted. From my experience of both my brother and Mr. Powell, I do not think you will hear very much about your silver mines, or, in fact, about any mines, until they are developed to such an extent that no question of doubt or speculation remains. Mr. Way has just returned from Rumania, where he has succeeded in obtaining a skilled staff, including eight drillers, for your properties. Upon the [illegible] we hope to commence boring operations early next year. With reference to this property, it has already been decided to form a large Colombian company [illegible] working capital of not less than £500,000.

In the many interesting discussions I have had with shareholders, some seem to think the future of your Company is wrapped up in Marmato; others seem to regard your oil interests as paramount. Personally, I am disposed to think that even more valuable than these interests is the position which has been built up for you in Colombia, whereby on favourable terms you can secure almost any business for which you care to try. One of our most prominent members on the London Stock Exchange to-day is [illegible] formed in a Central American State, a State [illegible] happily emerging from some years of troublous times, and I see no reason why shares in Colombian companies should not be as popular—I hope even more so.

In order that every precaution should be taken to secure for you profitable business, I have made a tentative arrangement with firms who jointly propose sending one of their representatives to Colombia to consult with our people there, and to look into businesses which offer scope for enlargement and the profitable investment of capital.

At an extraordinary general meeting which followed, presided over by Mr. Francis Allen, the resolution to increase the capital to £1,000,000 was carried unanimously.

TRANSVAAL GOLD MINING ESTATES, LIMITED.

The twenty-third ordinary general meeting of shareholders of this Company was held in the board-room, the Corner House, Johannesburg, on Wednesday, September 22, 1920.

The Chairman, in moving the adoption of the directors' reports and accounts, said.—Gentlemen, The gross working profit amounted to £111,200, and it is interesting to note, as indicating the great importance of the gold premium, that the revenue from this latter source was practically equal to the total profit earned by our mines when calculating the value of the gold produced at standard price.

Adding to the gross working profit of £111,200 the sum of £9,519, representing revenue from various sources, and allowing, on the other hand, for prospecting expenses, European expenses, head office expenses, and Debenture interest, we arrive at the net profit for the year of £87,406. This amount, together with the unappropriated balance from the previous year and unclaimed dividends written back, gave a total of £203,410, which was dealt with as follows:—

Two dividends, aggregating eleven and a-quarter per cent., were declared, absorbing £67,975, taxes accounted for £8,835, Debenture redemption for £14,940, capital expenditure for £2,627, leaving a balance carried forward of £109,033, represented by the assets detailed in the directors' report. The mine development suspense account, standing at £30,092, is, of course, treated as a liability and is represented by liquid assets not included in the above balance of £109,033, carried forward on appropriation account.

Mining Operations and Working Costs.

Turning now to our mining operations, it will be seen that the tonnage crushed, viz., 190,060, was once more brought to a level not far short of the highest figure reached in the year 1916-17. Working costs at 25*s.* 9*d.* per ton milled can hardly be compared with those (27*s.* 3*d.*) of the previous abnormal year, but when set against those of the year ended March 31, 1915, namely 24*s.* per ton, show an increase of 1*s.* 9*d.* per ton, which is in keeping with the almost universal experience of industrial undertakings in these days. I would direct your attention to the cogent remarks of the General Manager on this subject of increased working costs, the significance of which in our case is emphasised by the declining tendency of the yield of gold per ton [illegible] from our mines in the Central Section. Going back to the year ended March 1917, we find that the yield per ton milled for this section was 41/0.1, the following year it was 35/6.7, for the year ended March 1919 it was 30/8.6, and for the year under review it had dropped still further to 28/7.5. These figures of yield are based on standard value of gold. The actual working costs at the Central Mines last year amounted to 25*s.* per ton, leaving an apparent profit of 3/7.5 per ton. When, however, the proper proportion of prospecting and administration charges is applied, it is found that this section barely paid its way. Taking stock of our prospects on the safer basis of normal value for our product, the situation indicates the pressing necessity of [illegible] gold value of our ore, on the other hand. Dealing with the

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first alternative, we are unfortunately not able to influence working costs in certain respects, an important item, for instance, being stores and materials, the cost of which for the most part is governed by factors outside our control. In regard to the number of employees and their rates of pay—another very important factor in working costs—every effort has been made by the management to bring these down to the lowest level compatible with the efficient working of the mines. The other direction in which we must seek relief is the discovery of higher grade ore. Prospecting is being continued, and over £17,000 were spent on this account last year; but, unfortunately, so far no discovery of outstanding value has been made, although considerable quantities of low-grade ore continue to be found. We still own large areas of unproven ground which can be said to possess chances of disclosing payable ore, and we are prepared—indeed anxious—to devote more money and energy to testing them, if we can get the necessary labour.

Summarised Position of the Mines.

Briefly summarised the position to-day is somewhat as follows. The central area, which has all along been our mainstay, gives cause for some anxiety at the moment. Operating costs are high and the prospecting work of recent years unfortunately has brought to light no discovery of importance, which is disappointing; at the same time it is not necessarily indicative of finality. There appears to be every prospect of opening up further large quantities of comparatively low grade, though payable, ore which will keep the Central mill running for years to come, though the amount of profit to be derived therefrom will depend upon whether costs can be reduced to a reasonable level; moreover, as I have indicated, we are not without hope that some discovery of real value may yet be made. The position of the two small outside mines, Vaalhoek and Elandsdrift, is much more satisfactory. To bring your information up to date as regards our current operations, I may say that the net profit for the five months from April to August of this financial year amounts to £31,644, after allowing for prospecting and head office expenses, and Debenture interest, and we anticipate a profit of approximately £10,000 for the current month. The price at which we have calculated our fine gold has risen during the period from £5 2*s*. 6*d*. in April to £5 12*s*. 6*d*. in August. The net earnings for the current half-year, assuming a profit of £10,000 for September, are sufficient to pay a dividend of three and three-quarters per cent. Under prevailing circumstances the board, however, deemed it prudent to distribute only two and a-half per cent., which will absorb £15,106 and leave the Company with cash and liquid investments amounting to about £48,000.

Before concluding, I must make just a brief reference to our plantations. You will have noticed that a further small acreage at Elandsdrift has been put under gums, pines, and cypress during the year. Altogether we have now something like four million wattles and other trees planted on the farms, and from personal observation, during a recent visit, I can endorse the general manager's statement that all the plantations are in excellent condition. Our net return from the wattle plantations during the past year was £2,453, which, as usual, was applied to writing down the cost of the plantations. The management had many difficulties to contend with during the past year, and in the circumstances are to be congratulated on the results obtained. I have pleasure in recording the board's appreciation of the services rendered by Mr. R. A. Barry and his staff at the property, by Mr. Clifford, the consulting engineer, as well as by the other officials of the Company.

I now beg to move that the report and accounts for the year ended March 31, 1920, be received and adopted.

This was seconded by Colonel Sir A. Woolls-Sampson, and carried unanimously

The proceedings then terminated.

THE BIRMINGHAM SMALL ARMS COMPANY, LIMITED.

The annual meeting of this Company was held at Birmingham on November 5. As the Company's accounts are now being made up to January 31 instead of, as formerly, to July 31, no balance sheet or accounts were presented, and after the formal business of the election of directors and auditors the meeting was adjourned until April. Sir Hallewell Rogers, M.P., the Chairman, after moving the adjournment of the meeting, made some observations on trade conditions and prospects. He spoke at the outset of the dramatic contrast between conditions to-day and those prevailing a year ago. The aspect of disillusion and despondency over the world to-day, he said, had been effected principally by three factors: First, national finance at home; secondly, economic conditions abroad; and thirdly, the continued failure of the two human elements in industry to find some means of adjudicating between them when their material interests conflict. Early in the year the people of this country woke up to the fact that we were spending as a nation a far larger sum than we could safely raise by our annual taxes. The thing came home to us when in his Budget the Chancellor of the Exchequer informed us that instead of remitting taxes he must increase them. Appeals to the public between October and February for new industrial and commercial capital were made on a scale and with a success never known before. After the introduction of the Budget, appeals on this scale were no longer made, though it was no secret that appeals, not only on the scale of the previous winter, but on an even larger scale, were in contemplation.

Harmful Effects of the E.P.D.

The spirit of enterprise that was the feature of the commercial and financial world before last February arose largely from the assumption that the excess profits duty would come to an end in April. Its continuation and increase then inflicted a worse blow on industry than merely to so paralyse those who were contemplating new undertakings. It vitiated the expectations and made vain the promises of those who had undertaken great extensions in the belief that the excess profits tax would cease. Financial conditions had steadily deteriorated, though Great Britain was not singular in having spent since the Armistice a very great deal more than the revenue it could raise by taxation. Indeed, in most European countries the ratio of expenditure to revenue was more glaringly inconsistent than it was with us. As a consequence it had become more difficult or impossible for them to import and pay for British goods. Then the relations between the workers and employers had not improved as they should have done. It was strange that this should have been so, for never had the goodwill of employers towards workmen generally been more sincere or more active in promoting their interests than during the last two and a-half years. When he told them that since the Armistice, to the end of September last, there had been no fewer than 3,043 industrial disputes, involving the loss of 45,363,000 working days, they would realise how hampering this factor had been. The general atmosphere of depression had in no sense discouraged the board, though the changed condition had certainly affected in an adverse manner an investment made by the Company last year in the purchase of shares of the Aircraft Manufacturing Company and Peter Hooker, Limited. A proposal was now before the shareholders and noteholders of the Aircraft Manufacturing Company which, if accepted by them, should result beneficially to both parties. Reviewing the progress of their undertaking, Sir Hallewell said, taking the Birmingham Small Arms Company, that great progress had been made in every direction since the last annual meeting. That it had not been a progress on a much larger scale was mainly due, not to their having miscalculated the forces at their disposal, but to the fact that they had encountered obstacles entirely external to themselves. They believed that these obstacles were neither of a permanent nor radical character.

Increasing Business.

B.S.A. Guns, Limited, were not only steadily maintaining their position with their well-known products, but were

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steadily improving it. The success of their latest production, the B.S.A. double-barrelled 12-bore hammerless gun, had exceeded their expectations. Not only were prompt deliveries satisfactory, but they were quite certain of maintaining that standard of output which their progressive customers and they had no doubt that this gun would prove to be one of the Company's most successful productions. Even in Lewis guns and military rifles, which, as they would expect, but in all other branches, particularly in air and miniature rifles, progress was continuous. B.S.A. Cycles, Limited, had been continuously successful throughout the year.

Entirely New Models Designed.

At the moment there was the risk, owing to the labour and possibly economic conditions both at home and abroad, might result in aggravating and perhaps prolonging this slackness, but, as far as they could judge now, they would be able to keep their factory well supplied with work during the coming year, and this notwithstanding the fact that their capacity had been so very largely increased. At the forthcoming exhibitions at Olympia the Company would show a number of bicycles and motor-bicycles which would embody many important novelties. In particular they would show a bicycle specially designed by them, and entirely new in many important features, which would strictly maintain the usual B.S.A. guarantee of quality. They wanted to offer to the public a bicycle that was equal if not superior to any other bicycle on the market at a very moderate price. What was true of the B.S.A. Cycles and B.S.A. Guns was equally true of B.S.A. Tools, Limited. In none of their activities had their War experience been of more value than here at Coventry. The Daimler Company, which was extraordinarily successful last year in making transition from the products of war to the products of peace, had in the last twelve months surpassed even that record. Closely allied to this great undertaking in Coventry was the service offered by the Daimler Hire Company, Limited, in London. Prince's Skating Rink would soon be occupied, and before next season double if not three times the present number of cars would be available. This hiring service was not only [illegible] itself, but was a demonstration to all the world of the utility, comfort, and reliability of the Daimler car. The progress of the Company's other undertakings had been satisfactory, and, in spite of the adverse character of many external conditions, the directors remained confident and optimistic, and would proceed with the extensions of its factories at Coventry Road and elsewhere. The [illegible] truth that the Company could and did make the [illegible] which the world needed remained the basis of their creed [illegible] preparing for a large and more varied output, but were reorganising their selling arrangements both in this country [illegible] undertaking. Finally, the board believed that in the coming revival of trade British engineering manufacturers should have a prominent share if they availed themselves to the full of what modern science could offer. In the way of [illegible] essential that factories should be properly equipped, and it was to assist them in this that they had established a special [illegible] not only to take any desired product and provide the equipment which would enable the customer's own machine tools to do the required operations in a far shorter time and with greater accuracy than at present, but to take and work out the whole process of manufacture for those who had a new device or machine to make, and they undertook the complete equipment of a factory to carry out the processes which they had devised. This department of their work had only recently been brought to the notice of other manufacturers, but already it had met with a gratifying reception. Nor did they doubt that this branch of their business would grow to very important dimensions indeed.

On the motion of the Chairman, seconded by Mr. Edward Manville, M.P., the meeting was adjourned to an early date in April.

BRITISH AND CONTINENTAL TEA PLANTATIONS TRUST, LIMITED.

The [illegible] was held on November 5 at 59 Eastcheap, London, E.C., Mr. Herbert Wright (the Chairman) presiding.

The Chairman, in the course of his speech, said: Before reviewing the work of the past year it might be just as well if I made some reference to the abnormal market conditions [illegible] particular Trust. Tropical products—rubber, tea, and coffee in particular—have recently fallen considerably in value. At the present time most tea estates in Ceylon, India, and Java, except a few at very high altitudes or those growing particularly good grades of tea, are being carried on at a huge loss month by month. It is not a case of tea companies being unable to find capital to bring immature areas into bearing, but of concerns having to sell the whole of [illegible] Well-organised and long-established tea companies are not



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The following examples give a comparison of Quarterly season ticket rates with the cost of everyday bookings for the same period (12 single journeys or 6 return journeys per week):—

Ordinary Single Fare	Cost of 312 Ordinary Single Ticket.	Quarter of 12 Single journeys per week
CHARING CROSS AND		
[illegible] 5d.	[illegible]	[illegible]
[illegible] 6d.	2 5	3 18 0
[illegible] 6d.	2 8 9	3 18 0
[illegible] 7d.	2 13 3	4 11 0
MANSION HOUSE AND		
[illegible] 3d.	1 13 9	1 19 0
[illegible] 6d.	2 5 0	3 18 0
[illegible] 7d.	2 15 [illegible]	3 11 [illegible]
[illegible] 9d.	[illegible] 11 1	[illegible] 17 0

Ordinary Single Fare	Cost of 312 Ordinary Single Ticket.	Quarter of 12 Single journeys per week
BANK AND		
[illegible] 4d.	1 17 6	2 12 0
[illegible] 5d.	[illegible] 5 0	3 5 0
[illegible] 6d.	6 10	3 18 0
[illegible] 6d.	2 12 6	3 18 0
PICCADILLY CIRCUS AND		
[illegible] 3d.	[illegible]	1 19 0
[illegible] 5d.	2 1 3	[illegible]
[illegible] 6d.	2 [illegible] 0	3 5 0
[illegible] 6d.	2 8 9	3 18 0

only unable at present to pay their usual dividends, but they are compelled to raise money by various means in order to cover the losses which are being constantly made. Rubber estates, too, have also had to face adverse conditions. They have had to meet an increase in the cost of production and a selling price actually many pence per lb. below cost of production. It is true that the present low prices for rubber have only been recently established, but the fact stocks are so high—being 41,000 tons as against 25,000 in this country a year ago—suggests that the position might get even a little worse before changing for the better.

Restriction of Output Schemes.

The tea and rubber industries have agreed on schemes designed to effect restriction in output, and if these are loyally adhered to markets may very soon respond. No one likes to advocate the lowering of production of commodities such as tea and rubber, but with stocks of each being about double the normal, with tea and rubber costing 14*d*. and 16*d*. and selling respectively at 8*d*. and 12*d*. per lb., such conditions call for drastic, though artificial, methods at the present time. Artificial means for effecting restriction of output are justifiable only when producers have good reason to believe that consumption is being temporarily checked as is the case in this country and all others, by labour troubles, taxation, and adverse rates of exchange. The latter particularly apply to our market and Continental States, which are the principal consumers of rubber. We believe that a return to the average pre-war state of the consumption of tea and rubber would soon lower our stocks to normal dimensions; but so long as labour and exchange conditions check consumption and manufacturing enterprise, the present unsatisfactory markets can only be improved by curtailing production and raising the selling price to at least a sufficiently high figure to cover costs. Tropical agriculture is organised on sound lines. It is managed in the East by Europeans possessing fair business ability, and will, I believe, in the near future offer reasonable attractions to investors and pioneers. I can see some people present in this room who have passed through a similar state, especially in relation to tea, in years gone by. They must, I think, with us, believe that some day the Tropical produce market will show an upward movement and that we shall return to at least our pre-war state of prosperity. It is obvious that the present condition, if continued long enough, would spell disaster for many parts of the British Empire, and for that reason alone we hope and believe that the steps now being taken by tea and rubber producers will prove effective. You may rest assured, I think, that the tea and rubber industries are too vital to all nations to be allowed to pass away. Indeed, the world without tea or rubber would hardly be worth living in. As evidence of the confidence in the tea and rubber industries, I need only refer you to the many transactions in estates and produce which are so frequently reported.

South India : Sale of Tea Estates.

That point brings me to a consideration of the sale during the past year of our own tea estates in South India, which were a severe drain on the cash resources of the Trust, especially during the War. We effected a sale of these three estates—which stood in the books of the Company at approximately £86,000—at a profit of £35,858. (Applause.) With regard to the tea company in which we retained nearly two thirds of the capital, it our last meeting I intimated to you that we should probably have to face a writing-down of this investment and an assessment on the shares we held in order to provide working capital. I am pleased to be able to report that this particular tea company has sold its estate at a price which has enabled it to pay off the whole of the loan account of £6,000 due to this Trust, and also to make a return on our shares slightly in excess of the figure at which the whole investment stood in our books a year ago.

The report was unanimously adopted, and a dividend of ten per cent. declared.

MORUMS ORIENTAL STORES.

THE first ordinary general meeting of Morums Oriental Stores, Limited, was held on November 4 at Winchester House, Old Broad Street, Mr. D. Stoner Crowther presiding.

The Chairman said: The figures represent a period of fifteen months' trading from April 1, 1919, to June 30, 1920. The profit on trading amounts to £79,378 6*s*., from which have to be deducted commissions to managers, interest, discount charges, and depreciation on fixtures and fittings, amounting in all to £12,012 7*s*. 10*d*., leaving a net profit in Egypt of £67,365 18*s*. 2*d*. Of this sum a certain portion—namely, £7,008 0*s*. 10*d*.—being the profit allocated to the period prior to the incorporation of the Company, which, you will remember, was effected on June 6—has been carried to general reserve, after charging there-against the interest incurred by the Company on the purchase consideration payable to the vendors. After taking into account a small item for transfer fees, which you will see appearing on the credit side of the profit and loss account, there has also been deducted £14,340 1*s*. 5*d*. in respect of directors' fees, London office expenses, and estimated provision for taxation, the latter item absorbing approximately £9,000 and including a small amount which it is thought we may be called upon to pay for excess profits duty. This leaves us accordingly with an available balance of net profit of £46,017 15*s*. 11*d*., which we propose should be appropriated in accordance with the recommendations set out on page 2 of the report. Turning to the debit side of the balance sheet, you will notice our authorised and issued capital is £500,000, of which £300,000 is represented by Preference shares and £200,000 by Ordinary shares, the former having been issued to and subscribed by the public, while the latter were taken by the vendors in part payment of the purchase price. The only other amount calling for attention on this side of the balance sheet is the general reserve, amounting to £11,000 and representing the balance of profit prior to incorporation after deducting interest on the purchase consideration, with the addition of £9,593 12*s*. 5*d*. transferred from the profit and loss account just reviewed—a conservative measure which the board feel sure will meet with your approval.

Passing to the credit side of the balance sheet, you will notice that land and buildings, fixtures and fittings at cost, less depreciation, cover £73,548 14*s*. 11*d*. Although we are advised that the fixtures are very conservatively valued, we have deemed it prudent immediately to commence writing down their cost, and, as you will observe if you will refer again to the profit and loss account, the sum of £3,274 0*s*. 11*d*., representing five per cent., has been written off. You will, I am sure, agree that we may consider the results of our first year's trading as satisfactory. The turnover has increased appreciably during the year under review.

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The Statist.

LONDON, SATURDAY, NOVEMBER 13, 1920.

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The Money Market.

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Deposit Rates:—
Discount Houses (Notice) 5½ (Apr. 15, '20) 4½ (Nov. 6, '19)

Discount Rates:—

Treasury Bills	...	—	6½	—	—
Bank Bills	...	...	...	...	...
Trade Bills	...	...	...	...	...

MONETARY TENDENCIES.

... drew attention in these columns last week. A ... nounced increase in the pressure for accommo... ... is apparent, and as the approach of ... supplies of floating capital ... ... and rates appreciated three ... tember. The squeeze was not sufficiently severe to drive borrowers to the Bank, but if no development intervenes to relieve the situation, and we do not anticipate any such event, it is probable that the central institution will be called upon for funds next week. The Discount market was equally affected, for the banks display an increasing tendency to employ their available funds in short loans; even for bills maturing within the year they show little partiality, and it would seem that their requirements of December maturities have already been filled. Discount houses who, in consequence of the attitude of the banks, are faced with an increasing supply of trade bills, tend to avoid long maturities owing to the general uncertainty of the outlook; they are not, as has been stated in some quarters, refusing to accept trade paper; on the contrary they purchase all that is offered, for, indeed, the supply of bills is not large, but on account of the money scarcity they are compelled to quote higher rates. A possible consequence of this is that money will be diverted from Treasury Bills into trade paper. During previous weeks the Treasury Bill rate was only slightly under that for trade bills, and sales of Treasury Bills were on a large scale. The position is now reversed, but it is well to point out that ... this month Treasury maturities will not be so ... as during October; during next fortnight the maturities are, roughly, £180,000,000, as compared with £211,000,000 during the corresponding period of October.

... traders will naturally suffer from lack of suffi... ... traders would be well advised to accept ... greater amount of work it paves the way ... therefore; to the ultimate prosperity of the co...

frequently paid. The pressure was continued early to-day, and quotations centred round 5½ per cent.; towards the afternoon the position eased somewhat, but there was a struggle to borrow overnight balances at 5 per cent. and over. Weekly fixtures were in strong request at 5½ per cent., and in a few cases 5¼ per cent. was paid. Otherwise in the Short-loan market improvement has been limited to the Discount market, as indicated above. Business was exceedingly quiet, and the prevailing attitude of buyers was one of caution, a feature which was accentuated by the violence of the Foreign Exchange movements. Three months' bills were to-day quoted at 6⅛-6¼ per cent.; December paper was called 5¾-5⅞; January dates could not be disposed of under 6¾ per cent. For longer maturities the tone was also firmer; four months' bills were dealt in at 6¾-6⅞ per cent., and six months' bills at 6¾-7 per cent.

Foreign Exchanges.

A survey of the movements during the week reveals the recurrence of a tendency which characterised the markets last week, namely, a depreciation of sterling in terms of dollars running concurrently with an appreciation of our currency in terms of those of other countries outside the United States. These movements make it plain that the governing factor in the weakness of the New York exchange is to be sought in an appreciation in the commodity value of the dollar relatively to the currencies of other countries. That this is indeed the case is evidenced by the course of commodity price movements in the United States, to which reference is made in a later column. Recently prices have been declining in the United Kingdom as well as in America, but the decline has been much less marked in our own case. The consequence is that the internal value of the dollar has increased relatively to that of the pound sterling. This explains only the general trend of exchange values. Particular fluctuations, which have been unusually violent during the current week, are to be attributed to causes of a more temporary nature. The outstanding movement during the week was a sharp relapse in the New York rate to 3.35¾ on Monday. Considering the superabundance of grain and cotton bills in New York at present the fall is not surprising, but a contributory cause was probably provided by Continental purchases of dollars in London. It is also reported that on account of the present monetary stringency in New York bankers there are being compelled, despite the weakness of foreign currencies, to withdraw their balances abroad. A recovery in the rate took place on the following days, and on Wednesday the middle quotation recovered to 3.40. The reaction was probably induced by "bear" covering by short sellers, for at the present level of rates there is a fairly good speculative demand for sterling in New York. On yesterday and to-day there was a further fall, but Monday's low level has not been surpassed. To-day's quotation, 3.35½-3.37¾, compares with 3.36½-3.40½ on Friday last. The violence of other fluctuations must be attributed partly to the operations of speculators, though, of course, in the case of our Continental Allies the trade and governmental indebtedness is a sufficient explanation of the movements. Whenever an improvement occurs in the franc or lira debtors in those countries take advantage of it to purchase sterling or dollars, and so start a reaction. French and Belgian francs and Italian lire all weakened during the week. Central European currencies did not improve but, except in the case of Polish marks and Roumanian lei displayed no marked weakness. European neutrals all moved favourably. The Spanish peseta, for instance, rose to 28.30 to the £1, as against 25.37½ a week ago. Even the Dutch florin, which had shown signs of strength in previous weeks, developed renewed weakness. More remarkable were the movements in South American currencies; despite the weakness of the dollar sterling rate the Buenos Ayres, Montevideo, and Rio quotations all moved in our favour. Eastern rates continued inactive, but the rupee maintained its recent improvement.

Income and Expenditure.

Though national expenditure during the week to Saturday last included the fairly heavy dividend disbursements of the 1st inst., the latest return shows an increase in ordinary expenditure of less than £400,000 on the week. Revenue, on the other hand, was nearly £1.7 million higher at £18.43 million, on account of increased income tax and E.P.D. receipts, so that the previous week's deficit was reduced to £5,478,715. Treasury bill maturities were again smaller at £81,705,000, but sales of new bills exceeded this figure by £4,198,000, as compared with £8,680,000 during the previous week. Among other issues, over £1.3 million of Government securities tendered as revenue was cancelled, and a further entry of £1,229,221 appears in respect of the Anglo-French loan repayment, bringing the total issue under this head to £59,229,221. Net receipts for Treasury bills being, as indicated, insufficient to cover the deficit, £3½ million had to be borrowed on Ways and Means, but of this only £1 million was borrowed from the Bank, the remainder being advanced by Public Departments. Ways and Means Advances amounted to £244,614,000 on the 6th inst., as against £225,082,000 on November 8, 1919—an increase of £19,532,000. Advances by the Bank rose £17½ million to £57½ million during the twelve months. The total floating debt on November 6 showed an increase of £7,505,000 to £1,333,498,000 as compared with a week previously. As against a year ago it has expanded by £25,821,400. Since the beginning of the financial year it has risen by £21,293,000. This means that with twenty-one weeks of the financial year to run the floating debt must be reduced by over £91 million if the reduction anticipated by the Chancellor last May is to be effected. This, of course, is not a large amount, comparatively speaking; but still, unless revenue improves or expenditure is reduced, instead of a decline there will be a net increase in the floating debt at the end of the year.

Currency Notes.

The return of notes from circulation showed an increase during the week to Wednesday last, and as fresh issues were smaller the outstanding total showed a shrinkage on balance of £1,857,375, as compared with a slight increase during the two preceding weeks. The present total is £351,097,440, as against £355,834,080 on November 12, 1919. The fiduciary issue stood at £303,847,440 on Wednesday last, and the reserve ratio was 13.4 per cent.

Bank of England.

Though many expected a repetition of the unfavourable character of last week's Bank of England return, the latest figures show that the position has much improved since then. As regards the reserve

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ratio all the [illegible] to, while liabilities were reduced. The total bullion [illegible] of £589,000. The amount of the Reserve rose, in consequence, [illegible] weeks to Wednesday. The result of the foregoing [illegible] to 10.6 per cent., as compared with the previous week's low level of 9.9 per cent. The latest ratio is the highest for the past five weeks. A reduction in Government [illegible] £1,272,000 to £62,761,000 in Government securities. Other features in the return are an increase to £19,816,000 in Government deposits and a further reduction of £648,000 to £73,222,000 in other securities.

Bullion.

The United States was the only buyer in the Gold market during the week. Following the renewed weakness of the New York exchange, the price rose to 122*s.* 4*d.* on Monday and Tuesday. To-day's quotation is 121*s.* 11*d.* the fine ounce, as compared with 120[illegible]

Imports of gold coin and bullion into the United Kingdom during October amounted to £4,877,584, and exports were £19,120,157 in excess at £23,997,741. Of the latter, £21,778,396, or 90.7 per cent., went to the United States, and only £1,553,230, or 6.5 per cent., was taken for India. The total gold imports since the commencement of the year are £37,047,570, and the exports are £82,321,431—a surplus of £45,273,861. The United States took £43,699,045, or 53.1 per cent., and £22,865,761, or 27.4 per cent. went to British India. These figures show that the United States took most of her crop-moving requirements during October, when, as indicated by American bank returns, the pressure for loans reached its maximum. It is possible that the current month will witness a slackening in the demand for the metal on United States account.

The Silver market was again quiet, on account of reduced supplies, combined with only a moderate demand. Indian inquiries were absent, but China was again buying moderately. Prices were maintained, but this was due rather to the weakness of the supply than the strength of the demand, and the undertone is still weak. Possibly demand will become brighter if prices go lower, but at present quotations buyers seem unwilling to make commitments. The spot price rose to 54⅜*d.* on Saturday last, but relapsed to 53¾*d.* by Tuesday. On Wednesday [illegible] but the improvement was not fully maintained. To-day's quotation is 53⅝*d.* As the buying was chiefly for immediate delivery, forward silver was quoted at a discount of [illegible] under spot.

Recent movements in the Indian Currency Returns are shown below:—

		In					
	tion						
1929							
[illegible] 31	[illegible]	5,941	2,355	[illegible]	[illegible]	6,807	[illegible]
[illegible] 23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6,807	[illegible]
[illegible] 15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 7	[illegible]	5,817	[illegible]	[illegible]	32·1	6,712	[illegible]
Sept. 30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept. 23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,628
Sept. 15	[illegible]	5,862	3,766	[illegible]	32·7	4,714	1,777
Sept. 7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,928
Aug. 31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug. 23	[illegible]	[illegible]	[illegible]	[illegible]	32·5	[illegible]	2,165
July 31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June 30	[illegible]	1,565	[illegible]	[illegible]	33·7	[illegible]	[illegible]
May 31	16,692	[illegible]	[illegible]	74	[illegible]	3,118	5,077
April 30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,577	[illegible]
March 31	[illegible]	3,985	4,457	[illegible]	[illegible]	[illegible]	[illegible]

NEW YORK.

The latest average weekly statement of the banks and [illegible] aggregate reserve rose by $3.7 million to $559.4 million, and this movement, in conjunction with the decline in liabilities noted already, resulted in an increase in the excess over legal requirements of $8.8 million to $17,540,000. It is worth noting that this latter figure is the highest returned for the average excess reserve during any week since July 3 last.

The feature of the New York Federal Reserve Bank return is a decline of $40 million to $836,710,000 in the note circulation. Net deposits were also reduced by $8.8 million to $666,280,000. The total reserves, however, declined by $7.8 million to $598,820,000, despite an increase of $1.9 million in the gold holdings, and the reserve ratio shows, in consequence, an improvement of only 0.8 to 39.8 per cent.

Last Friday's statement of the twelve Federal Reserve Banks shows changes of a very tame nature as compared with the violent movements recorded in previous weeks.. On the whole the position shows a further weakening, for the ratio of total reserves to deposit and note liabilities fell by 0.1 to 43.0 per cent. This was due to a rise in net deposits, for total reserves advanced by $3.3 million to $2,169,730,000, while the Federal Reserve note circulation shows a slight contraction at $3,354,180,000. Rediscounts are still advancing; the total of bill holdings increased during the week under review by $26.9 million to $3,126,600,000. The present total of bills discounted for member banks is $2,826,830,000, and has never been exceeded previously.

Recent weekly statements of the New York Banks and Federal Reserve Banks indicate that, though the seasonal pressure for loans is not yet on the decline, it has already reached its maximum and is now beginning to slacken. The crop-moving demands for credit will continue for some time, but with decreased intensity; a resulting ease in the money situation would normally follow, but at present it seems likely that Government financial necessities will operate to prolong the stringency, and in some financial circles in New York no considerable easing of the position is expected before the New Year.

The most important question at the moment is whether retail dealers will be able to reduce prices to the same extent as has been the case in wholesale prices. The downward movement of the latter accelerated instead of slackening during Octo[illegible] According to Bradstreet's index-numbers, wh[illegible] commodity prices declined by 7.3 per cent. last month —the largest monthly fall since the present movement began last May. Since April the general price-level has fallen by 24.4 per cent., as compared with a fall of 10 per cent. during the same period in the United Kingdom, and the present level of prices in [illegible] pre-War level.

[illegible] wheat and cotton farmers have suf[illegible]

a pound for cotton. The weakness of foreign currencies is, of course, a factor limiting the demand for the bumper crops, as, indeed, for most U.S. commodities. To overcome this difficulty the Edge Law for financing foreign trade, which has long remained in abeyance, is now being made use of. A corporation under this law, with a capital of $12,000,000, is being formed by the Southern cotton-growers, and it is expected that little difficulty will be experienced in raising the necessary capital. Last week we mentioned a decision taken at the Bankers' Association annual meeting at Washington to establish a similar corporation with a capital of $100,000,000. Latest reports state that the project is being pushed forward rapidly, and subscriptions for the capital will probably be invited very soon. The capital, under the Edge Law, is to be subscribed chiefly by banks and industrial corporations, but the general public will also be allowed to participate.

As profits are expected to be reduced following the fall in commodity prices, industrial stocks are still declining in Wall Street. The Bond market, in contrast, is developing unwonted activity, and in general the trend of investment funds is towards fixed interest-bearing securities.

Money at Call was quoted 9-10 per cent. during the week until yesterday, when the range of rates eased to 7-8 per cent. Prime commercial paper was quoted at 8 per cent.

Stock Exchange.

Except for a few foreign issues, the Stock markets were characterised by a remarkable dulness during the week. The pronounced weakness of the franc caused Paris to unload her sterling specialities, and the general buying public on this side maintaining an attitude of caution, a general weakness in prices was noticeable in all sections. Gilt-edge securities were comparatively firm, but Home Rails, Industrials, and Oils were pessimistic in their outlook. A large portion of the money available for current investment is being attracted into the numerous high-yielding and well-covered prior-charge securities at present being floated, and this factor alone has an inevitably depressing effect on the quotations for older issues.

Demands for more than six millions of fresh industrial capital were made during the week, and including Jute Industries, Limited, 2½ millions nine per cent. £1 Cumulative Participating Preference; Lever's 4½ millions 5s. units per cent. Cumulative Preferred Ordinary at 10s. 9d.; Beardmore's £1,000,000 eight per cent. Debenture stock; and Sheffield Steel Products, 1 million ten per cent. Cumulative Preference shares at £1 10s. par. Other issues included Falkirk Iron and Steel Co. Ltd. The predominance of appeals from iron and steel concerns will be noticed, and in the coming week Siemens Brothers, Limited, and Hadfield's, Limited, whose offers are mentioned in detail among pending issues, will further increase the capitalisation of the iron and steel industry. The expansion is necessitated not only by higher operating costs and the increased cost of carrying stocks, but by difficulties over finding new immediately. The flood of issues, besides attracting new money, tends to cause liquidation among existing descriptions. The keen competition for funds is causing many firms to postpone their new flotations, until more favourable conditions ensue, but the existence of heavy forward contracts for constructional and general commercial purposes will not allow of an indefinite postponement; and further heavy demands on the Money market are inevitable during the remainder of the year.

British Funds opened with an easy tendency, but strengthened as the week wore on. Fairly heavy liquidation of short-dated National War and Exchequer Bonds was an indication of the tightness in the Money market. Consols, Victory Bonds, and Funding Loan were lower on balance, but War Loan and Four and a-Half per Cents. closed firm at slightly higher levels. Local Loans old stock registered no alteration, but the recent issue dropped fractionally on Thursday. Only 21 per cent. of the Metropolitan Water issue was taken by the public, but investors, who expected to obtain stock at a substantial discount after the lists had closed, were disappointed. Quotations opened at ¾ per cent. discount, but rose quickly with demand, so that the price, plus stamp duty, went above par. The few changes in County and Corporation descriptions all favoured holders, Lincoln and Coventry Six per Cents. being the only improvements of note. Colonial stocks developed no feature of interest, except for an unexpected rise on Monday in Queensland Four and a-Half per Cents.

The Foreign Bond market was strongly effected by the erratic course of exchange rates, the only outstanding upward movement being that of Mexican bonds. The probable recognition by the United States of the Obregon Government, to which we referred last week, brought strong buying orders from America. The position is rendered still more cheerful by an assurance from the new administration that the national debts will be consolidated and interest payments brought up to date. In other directions the weakness of the franc encouraged Paris to unload, with a consequent depreciation in sterling quotations. French War Loans were scaled down all round, and despite a mid-week recovery, were generally lower on balance. Chinese and Japanese issues opened strong, but weakened later. The latter, however, showed better on balance and closed firm. The South American section was not as active as previously, and Brazilians evinced a tendency to sag.

Home Rails reacted again, and with flagging interest in the leaders, quotations eased away in practically every case. Hull and Barnsley proved a solitary exception with several fractional appreciations. Even Underground Electrics showed marked instability and closed much lower.

Among Foreign Rails Mexican shares rallied with the improved political outlook and satisfactory revenue returns. Business in Argentine stocks continued on very restricted lines, and rumours of damage done to the crops by storms had a depressing effect. Declines, however, while frequent, were of a minor nature.

The Industrial market exhibited a consistently depressed tone. Iron and steel shares felt the effects of some quiet liquidation, price movements though not large, being generally in a downward direction. Birmingham Small Arms scrip was freely offered, and Siemens relapsed on the coming issue. Shipping securities were without much interest, except for a heavy decline in P. & O. Deferred. Motor shares maintained their usual dulness. Dennis Brothers Ordinary improved substantially on the high dividend, but fell away to opening levels as a result of profit-taking operations. Textiles shared the general dulness, and exhibited little change, and a similar tendency was in evidence among Bank and Insurance issues.

The effects of French liquidation consequent on the depreciation of the sterling value of the franc were more evident in the Oil section than elsewhere. Mexican Eagles, Royal Dutch, and Shells reacted sharply on Monday and Tuesday. Prices recovered later, and though they were not maintained in all cases, the close was quite cheerful. In the Trinidad group, Apex spurted on the news that the company has brought in No. 3 well yielding 100,000 barrels in eighteen hours. Extensive damage was done later by the well catching fire, and further news is awaited with interest.

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Mining Topics.

OCTOBER OUTPUTS.

During October the price of gold fluctuated between 117s. and 120s. Generally speaking, however, the price seldom touched the lower level, and whilst it did exceed 120s. it was much more inclined to be stationed at 118s. Consequently the average price for the month did not, in all probability, fall below 118s., whilst it may have exceeded it. Realising the effect of this appreciation on the profits of the gold-mining industry, the market was rather disposed to let its imagination run riot on the increase which the profits for October would show over those for September, not making sufficient allowance for the uncertainty of the labour situation. Thus it came to pass that returns which on native [illegible] deserved to be regarded as satisfactory were accepted by the market as [illegible] of fact, and in some cases even as a little disappointing. In all cases the results are arrived at by estimating the value of gold at the conservative price of 117s. 6d., less the realisation charges, averaging 6d. per ounce, as compared with 115s. for September. Hence, as in previous months, the actual results are likely to be, if anything, more remunerative still.

The output of gold in the Transvaal [illegible] has fallen to the low level of 662,472 oz., or nearly 20,000 oz. below the already low total for September and over 61,000 oz. below the yield for the month of October 1919. Read in conjunction with the supplementary return of native labour employed on the Rand, the reduction is easily explained. As compared with 163,132 natives working on the gold mines at the end of September [illegible] 159,426 natives at the end of October. With [illegible]

[illegible] total profit rose from £336,645 to £351,901. Government Areas, the outstanding producer, treated [illegible] per ton, the working profit amounting to £180,474, as compared with £161,106. The only other member [illegible] than in September. Hence working costs were 2s. lower at 24s. 11d. per ton. However, the ore was of [illegible] dropped from 34s. 8d. to 33s. Consequently the profit only increased from £15,307 to £17,064. Similarly, working slightly less ore of a lower grade, the [illegible] £85,058. A drop of nearly 12,000 tons of ore in the case of Randfontein Central was reflected in a sharp [illegible]

The ore treated by mines in the Rand Mines coterie reached 784,500 tons, as compared with 796,400 tons in September, with the result that the total profit [illegible] again leads, increasing its tonnage by 8,000 tons to [illegible] Second place is taken, however, by Modder "B," which treated 2,000 tons more than in September, securing a profit of £97,144, as against £95,919. Crown Mines drops from second to third place, owing to the poorer grade of the ore crushed. As in September, it milled 179,000 tons, but secured only 55,473 oz. of fine gold, as compared with 56,902 oz. Accordingly its profit stands at £93,102, in [illegible] Deep, with a profit of £60,613, as against £68,383 in September. Here the quantity of ore treated was only 75,000 tons, or 9,000 tons less than the previous month. The decline is associated with the breakdown of the motor on main winder at No. 1 vertical shaft, and of the motor on No. 2 incline winder. Results for the current month are likely to be affected adversely by the strike which has just taken place amongst the underground workers, bringing mining and milling [illegible] The Conciliation Board has recommended the immediate resumption of working pending inquiries, the ultimate effects may [illegible] make satisfactory progress. It crushed 26,600 tons, as compared with 24,200 tons in September, register[illegible]

The first complaint of a definite shortage of native [illegible] decreased tonnage in other returns, comes from the [illegible] at 12,600 tons, but the profit amounted to £30,524, [illegible] drop in the [illegible] owing to the inclusion in working costs [illegible]

an increase in the Production sheet. Brakpan Mines crushed 56,630 tons, or 850 tons less than in September. The ore was of better grade, yielding 905 oz. in excess of the yield for the previous month. Accordingly, the net profit jumps up by £10,697 to £70,739. On the other hand, Springs Mines treated only 38,700 tons, as against 40,000 tons, with the result that the profit of £39,527 is £1,512 less than that secured in September. Modder Deep with a trivial falling-off in the ore treated increases its profit from £76,847 to £80,696. Geduld adds 400 tons with its total of 44,500 tons, the resulting profit of £36,910 comparing with £34,655 for September.

Granted a more adequate labour supply the outlook for November is distinctly promising. With gold [illegible] 12s., the inducement to secure record returns for the month. It is, indeed, somewhat surprising to find that the Kaffir Circus is still somewhat sluggish. The returns from the leading producers, especially [illegible] July, have been very satisfactory and justify the expectation held in well-informed circles that December dividend declarations will be of a generous description. It is evident that considerations such as these would have generated much activity in these shares by this were it not for the adverse French exchange, which puts a premium on realisations from Paris, and the adverse South African exchange which reduces the volume of dealings from the Cape. We are of opinion, however, that in view of the close approach of these dividends, that the upward movement cannot be long delayed.

RAND MINES, LIMITED.

Year to Dec.	Profit on Sales of Shares	Rents, Interest, &c.	Revenue	Exs.	Net Profit	Dividends Amount	Dividends Rate	Carried Forward
	£	£	£	£	£	£		£
1916	814,721	58,961	79,528	23,487	955,295	791,248	150	331,040
1917	792,970	121,764	1,142	30,161	865,536	1,076,763	145	348,898
1918	158,889	55,555	66,666	31,000	292,442	151,774	85	361,075
1919	531,792	187,000	62,586	43,000	1,031,245	531,199	100	865,822

Income, net revenue of investment, interest and dividends carried forward.

† Including Government Taxes.

‡ Including £183,141 book value of securities realised, representing excess of book value of new investments made during 1919.

The report of this celebrated gold-mining finance Corporation for the year ended December 31, 1919, reflects admirably the extent to which gold-mining in general benefited from the existence of the gold premium after July 1919. Dividends on shares in the various Companies in which this combine is interested amounted to £531,792 for the year under review, as against £458,589 for 1918. More than one-fourth of this total represents revenue from Crown Mines, whose dividend of forty per cent. compares with twenty per cent. only in 1918. The total of £158,198 is the outstanding figure in this group, whereas last year Crown Mines only ranked second with £86,721. New Modder assumes second place, bringing in £69,956 on a dividend of seventy per cent., as against £52,125 in 1918 on a dividend of fifty-one and seven-eights per cent., when it ranked only fourth. Rose Deep moves up from fifth to third place with a total of £66,681 and a dividend of twenty-five per cent., whereas in 1918 the dividend of seventeen and a-half per cent. only amounted to £47,114. Modder B, adding ten per cent. to its dividend at ninety-two and a-half per cent., and nearly £4,000 to its total at £49,563, ranks fourth instead of sixth. Ferreira Deep, which was first last year with its dividend plus bonus of twenty-two and a-half per cent., amounting to £88,553, is relegated to fifth place on a dividend of twelve and a-half per cent. yielding £47,215, the decline being due to the smaller tonnage and the lower grade of the ore crushed. A drop in the City Deep dividend from twenty-seven and a-half per cent. to twenty-three and three-quarters per cent., and in total from £54,336 to £42,200, places this mine sixth on the list instead of third. Here, as already pointed out when dealing with this mine, the cause of the decline was primarily a severe shortage of native labour, reducing the quantity of ore treated by 52,300 tons. With the exception of some of the older and lower-grade mines, there was thus a substantial improvement in dividends declared, due entirely to the revenue derived from the premiums on gold. This premium proved of advantage, however, in another direction. It directed attention to gold-mining shares which rapidly appreciated. A measure of this appreciation is reflected in the marked increase in the revenue received on the realisation of shares during the year. The total profit on actual realisations amounted to £303,925, as compared with £35,555 only in 1918. It was increased to £487,066 by the inclusion of £183,141, being the amount transferred from the reserve account on realisation of investments, representing the book value received on such realisations in excess of the book value of new investments made during the year. A survey of the balance sheet shows that these realisations covered some of the older mines, and also of the low-grade mines. The holding in Crown Mines dropped from 865,112 to 782,830 shares, that in City Deep from 197,587 to 173,213 shares, that in Jupiter Gold-mining from 119,073 to 94,073 shares, whilst the interest in Daggafontein Mines is only 1,534 shares instead of 19,260, and that in East Rands has fallen from 40,847 to 18,847 shares. On the other hand, increased holdings are recorded in Modder Deep from 8,500 to 15,504 shares, in Modder East from 33,100 to 33,975 shares, and notably in Robinson Deep "B" shares from 98,204 to 140,997. The net effect on revenue is represented, however, by the receipt of £487,066. Sundry revenue accounts for £62,896, as against £66,976 in 1918. The increase in expenses is due in part to the inclusion of £6,028 for work on prospecting ventures, and in part to the increase in administration charges as a result of the high level of prices. The net profit of £1,034,245 is nearly double that of 1918. In view of this the increase in the dividend from eighty-five per cent. to 100 per cent. indicates a decidedly conservative policy on the part of the directors, with the result that the balance carried forward to the next accounts is increased from £361,075 to £865,822.

The outlook for 1920 is more encouraging than ever. Despite the setback in the premium during the June quarter, the results of the first half of the year were sufficiently good to justify dividend declarations by the producers comparing very favourably with the satisfactory final dividends for 1919. Accordingly the interim dividend declared by Rand Mines amounted to sixty per cent., as against the corresponding interim dividend for 1919 and in comparison with the final dividend of seventy-five per cent. The rapid recovery in the gold premium since July augurs well for the final dividend of 1920. With gold exceeding 120s. in November and the charges for realisation reduced to a minimum, in conjunction with a premium instead of a discount on the South African exchange rate, the market confidently anticipates bumper final dividends. In justification of this confidence let it be noted that Crown Mines profit for the September quarter amounted to £287,090, in contrast with £171,979 for the June quarter. Furthermore, it is well to recollect the exceptionally strong financial position of the combine. The increase in the amount carried forward by over £500,000 to £865,822 is very significant. It is not surprising to find that current liabilities amounting to £565,591 on December 31, 1919, were more than amply covered alone by the cash balances of £749,356. It is a tribute to the wise policy of the directors that they are spreading their investments more widely afield. A substantial interest has been acquired since the close of the 1919 accounts in the Rhodesia Broken Hill Development Company, and negotiations were entered into with a view to the acquisition of coal-mining interests. Quoted in the market at 56s. 3d., the 5s. shares afford for the current year, on the basis of a final dividend of ninety per cent., a return of eight per cent.

EX-LANDS, NIGERIA.

Year to Dec. 31	Ore Raised	Value of Ore	Working Profit	Profit
	Tons	£	£	£
1916	1,541	121,610	15,242	17,511
1917	1,762	185,240	44,760	44,...
1918	1,442	154,864	34,160	35,221
1919	2,369	306,...	71,...	...

* After deducting Royalty, Export Duty, Depreciation and Directors' remuneration.

For this Nigerian tin-mining Company 1919 was a year of marked prosperity. The output of tin-concentrates rose from 342 to 361 tons, the concentrates containing 71 per cent. of metallic tin as in the previous year. However, in view of the considerably higher prices ruling for tin, the average net price realised for each ton of the product rose from £180 8s. 7d. per ton to £196 0s. 1d. per ton. Consequently the gross profit jumped from £34,455 to £71,026. This result is all the more satisfactory when it is remembered that it was achieved in face of a prolonged scarcity of labour. Not only the price of tin that soared up to high levels in 1919. Price levels generally, as our index-number has shown conclusively, moved steadily upwards. This movement was reflected in the increased expenditure on stores and materials, as well as the higher wages which had to be paid to secure labour. For 1918, with a production of 342 tons, they were returned at £11,976; whereas during the year under review, for an output of 360 tons they registered £19,648. Hence working costs in general absorbed £23,275 in 1919, as against £15,639 in 1918. Nevertheless, the record net profit of £48,502 was earned, as compared with £35,221 in the previous year. Accordingly, in place of the dividend of twelve and a-half per cent. free of tax which was paid in 1918, there was a return for the year under review to the generous dividend of 1917—twenty per cent. free of tax, which is equivalent to twenty-eight and a-half per cent. subject to tax. Owing to the reduction in the excess profits duty from eighty per cent. to forty per cent., liability in this respect for the year under review is estimated at £15,284 only, as against £29,060 in 1918.

The outlook for the current year is by no means as favourable. With tin commanding over £410 in February and since then dropping steadily until it is now oscillating around £260 a ton, it is obvious that the prospects of tin-mining concerns are none too bright. Moreover, labour shortage is still acute, and operates against increased production. Furthermore, owing to the chaotic transport conditions in Nigeria, not only was the Company unable to ship its tin in order to realise in the high-priced markets, but the badly-needed pumping plant had not all arrived at the close of the year under review. Against this stands the fact that for this larger output of fifty tons a month some 2,000 gallons of oil per week would have been required, and with oil commanding an unduly high price this would have involved a heavy outlay. In addition, allowance must be made for the additional burden of taxation as a result of the sixty per cent. excess profits duty and the corporation tax. But if the current outlook is somewhat obscure, the general prospects are none the less bright. Despite the 1,869 tons of tin secured since 1915, the consulting engineer stated that the property still contained at the end of 1919 the same tonnage of tin of seventy per cent. concentrates as it did at the end of 1914. Financially, too, the position as disclosed in the balance sheet dated December 31, 1919, is very sound. Liquid assets to a total of £64,780 are available to meet current liabilities not exceeding £42,974. For the current year there has already been declared an interim dividend of five per cent. free of tax, and the payment of a further dividend will come up for consideration at the end of the year. Assuming a final dividend of seven and a-half per cent. free of tax, the 2s. shares afford, at the present price of 2s. 9½d., a return of over 9 per cent., free of tax, or of nearly 7½ per cent. subject to tax, for the current year.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND—Accounts, November 10, 1920.

Issue Department.

[illegible]	£140,1[illegible]	Government Debt	£11,015,100
		Other Securities	[illegible]
		Gold Coin and Bullion	[illegible]
	£140,1[illegible]		£140,[illegible]

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£[illegible]
Rest	[illegible]	Other Securities	[illegible]
Public Deposits	[illegible]	Notes	[illegible]
Other Deposits	[illegible]	Gold and Silver Coin	[illegible]
Seven-day and other Bills	[illegible]		
	£[illegible]		£[illegible]

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Oct. 10	127.8	123.4	14.8	43.4	63.7	77.2	14.1	19.6	7	6
Nov. 3	128.4	123.1	18.1	115.1	63.9	77.3	13.0	19.9	7	6½
" 27	127.6	123.2	16.1	120.5	64.5	76.0	13.1	19.3	7	6½
Dec. 20	127.0	123.1	16.5	125.3	61.8	84.3	14.5	19.2	7	6½
1921. Jan. 13	127.1	123.1	18.2	123.9	63.7	84.8	14.4	19.2	7	6½
Jan. 22/'14	29.3	40.2	13.7	42.2	11.0	33.8	28.3	52·40	3	2½

* July 30, 1914 4 to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%

Comparison of Bank Returns, Exchanges, Prices, &c.

	Nov. 10, 1920	Nov. 12, 1919	1918	Nov. 13, 1917	Nov. 14, 1910
Bank of England (in £'s sterling 00,000's omitted):	£	£	£	£	£
Circulation	£127.8	£85.9	£61.4	£42.4	£28.2
Public Deposits	19.8	22.2	30.0	44.2	6.6
Other Deposits	113.4	102.8	133.2	120.5	37.6
Government Securities	63.7	41.5	59.8	53.7	14.0
Other Securities	73.2	78.6	99.8	91.1	25.0
Reserve	14.1	20.5	38.1	31.7	23.0
Ratio to Liabilities	19·6%	16·1%	16·6%	19·43%	51·91%
Coin and Bullion	123.4	88.0	74.6	55.6	32.7
Money:					
Bank of England Rate	7%	6%	5%	5%	3%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅞%	5 5-8%	4⅝%	4⅝%	3⅛%
Exchanges:					
Paris Cheque	58.59	38.70	25.96	27.37	25.29
New York 60 days	3.37	4.03½	4.71	4.72	4.8
Bombay Telegraphic Transfers	1/8	2 0d	1/6⅝	1/4⅛	1/4⅛
Prices:					
Consols 2½% Cash	45½	53	61¼	55	78
French Rentes 3% Money	55·00	61·40	62·40	60·00	97·17
Silver, London spot	58 1d.	80d.	49 4d.	44 4d.	25¼d.
Wheat, Gazette average qr.	90 5	72 8	72 4	71 3	30 4
Cotton, Mid Upland lb.	17·01d.	24·80d.	19·94d	25·65d.	8d.
Iron, Scotch pig ton	231 0	166 0	101 0	93 6	55 6

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes Held	% of Bank Gold to Notes
	£	£	£	£	£	%
Nov. 10, '20	6,360,193	8,247,377	351,097,440	28,500,000	13,750,000	13·4
Nov. 3, '20	8,145,675	8,088,818	352,934,845	28,500,000	14,750,000	13·4
Nov. 12, '19	6,887,607	7,039,109	339,648,330	28,500,000	—	8·4
Nov. 13, '18	7,197,781	4,331,146	293,744,372	28,500,000	—	9·7
Nov. 14, '17	5,668,318	1,667,719	191,732,223	28,500,000	—	14·9
Nov. 15, '16	3,986,314	4,178,229	138,829,170	28,500,000	—	20·5

Balance Sheet, November 10, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	274,936,442	Other Bankers	—
Ten Shilling ...	42,040,998	Trustee Savings Banks	—
Certificates outstanding ...	34,080,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	351,097,440	Bank of England Notes ...	13,750,000
Notes issued in but not yet cancelled	2,984,223	Government Securities ...	332,977,173
Investments Reserve A/c ...	16,247,538	Balance at Bank of England	142,423
Total	370,389,201	Total	370,389,201

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Customs	Excise	Estate Duty, &c.	Income Tax, &c.	Stamps	Land Tax, &c.	Total
	£	£	£	£	£	£	£
Nov. 6	£18,131	£24,913	£5,479	£101,537	£49,730	£3,443	£203,233
Oct. 30	16,758	23,533	6,765	112,188	105,755	3,716	268,715
Oct. 23	27,649	20,029	[illegible]	136,138	[illegible]	4,068	[illegible]
230 days '20-21	744,985	655,041	[illegible]	2,257,411	3,476,733	— 6,334	[illegible]
222 days '19-20	1,042,074	883,157	333,393	3,991,532	3,863,959	— 8,910	[illegible]
Fr. '20-21*	1,418,300	1,184,102	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yr. '19-20	1,339,571	1,665,773	326,202	8,092,709	5,766,507	9,389	17,200,151
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	3,411,353	12,739	15,615,096
Yr. '17-18	707,234	2,696,221	1,943,837	7,493,804	3,863,923	21,330	16,726,349

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Excess Profits & Other Revenue	Total Net Revenue	Expenditure: Net Charge on Debt	Supply Services	Total Net Expenditure
	£	£	£	£	£	£
Nov. 6	£43,043	£153,190	£203,233	£[illegible]	£[illegible]	£[illegible]
Oct. 30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct. 23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
230 days '20-21	1,399,980	1,844,753	3,244,733	[illegible]	[illegible]	[illegible]
222 days '19-20	1,926,770	1,964,112	3,890,882	[illegible]	[illegible]	[illegible]
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	837,934
Yr. '19-20	2,966,23	3,661,695	2,[illegible]	4[illegible]	[illegible]	1[illegible]	1,[illegible]
Yr. '18-19	1[illegible]	2[illegible]	2[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yr. '17-18	1[illegible]	2,[illegible]	2,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING DEBT.	[000's omitted.		Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Nov.	6 1920	...	£[illegible]	£[illegible]	£[illegible]	[illegible]
Oct.	30. 1920	...	[illegible]	[illegible]	[illegible]	[illegible]
Aug.	28. 1920	...	[illegible]	[illegible]	[illegible]	[illegible]
Oct.	16. 1920	...	[illegible]	[illegible]	[illegible]	[illegible]
June	30. 1915	...	736.0	774.3	[illegible]	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS †

[In £'s Sterling—000's omitted.

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,900	£8,963
Oct. 28, '20 ...	10,650	1,083	11,733	24,713	231,713	55,143
Oct. 4, '20 ...	10,660	1,111	11,771	123,783	232,718	54,097

	Claim on Austro-Hung. Bank	Contingent Liability on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *						
Oct. 7, '20...	£396,690	£88,272	£50,592	£94,749	£439,819	£52,133
Oct. 15, '20...	396,830	88,251	80,555	95,155	439,491	61,114
Oct. 23, '20...	396,775	87,184	61,876	88,310	434,193	55,353

	Cash			Dis-	Balance	Circula-	
	Gold	Silver	Total	counts	Abroad	tion	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£786	£9,693	£47
Sept. 30, '20 ...	12,644	145	12,789	14,703	1,629	30,031	2,811
Oct. 30, '20 ...	12,644	139	12,783	15,353	1,080	32,114	2,994
Oct. 31, '19 ...	10,634	182	10,816	8,954	2,013	28,745	3,636
Oct. 31, '18 ...	10,465	136	10,601	3,650	3,587	23,584	679

	Gold	In Bank	Abroad	Total Cash Incl's Silver	Bills	Circula-tion	Deposits Public	Deposits Private
FRANCE.								
July 30, '14 ...	—£165,654—			£190,667	£97,788	£267,327	£15,392	£37,993
Oct. 28, '20 ...	141,494		77,935	229,943	109,598	1,563,376	6,791	13,659
Nov. 4, '20 ...	141,579		77,935	230,081	146,495	1,585,336	1,202	145,443
Nov. 6, '19 ...	143,903		79,131	234,497	55,814	1,496,767	3,663	122,297
Nov. 7, '18 ...	136,304		81,484	230,546	35,743	1,232,814	3,113	117,831

	Cash			Treasury &	Loans &	Circula-	De-
	Gold	Silver	Total	Other Notes	Discounts	tion	posits
GERMANY.							
July 23, '14...	£67,843	£16,727	£84,570	£5,279	£40,055	£94,515	£47,193
Oct. 23, '20...	54,579	319	54,928	1,012,190	2,331,332	3,105,315	817,314
Oct. 30, '20.	54,579	331	54,910	1,067,058	2,689,903	3,179,822	897,263
Oct. 31, '18...	54,673	997	55,670	477,539	1,701,124	1,545,431	601,635
Oct. 31, '18...	127,501	2,658	130,159	*153,213	1,034,292	833,377	536,689

	Cash			Dis-	Ad-	Circula-	De-
	Gold	Silver	Total	counts	vances	tion	posits
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35,890	£1,437
Nov. 1, '20 ...	53,012	1,612	54,624	13,903	£7,879	93,523	6,835
Nov. 8, '20 ...	53,012	1,613	54,625	14,370	25,705	91,013	7,246
Nov. 8, '19 ...	52,681	405	53,086	16,806	27,990	88,344	6,804
Nov. 9, '18 ...	58,369	677	59,046	13 831	10,034	85,031	5,741

	Cash			Other	Loans &	Circula-	
	Gold	Silver	Total	Cash	Dis counts	tion	Deposits
ITALY.							
July 31, '14 ...	—	—	—	—£48,456—	£25,017	£89,204	£3,837
Aug. 20, '20 ...	£32,191	£2,998	35,189	12,686	197,674	552,205	72,354
Aug. 31, '20 ...	£ 32,191	2,999	35,190	13,621	200,923	559,390	72,513
Aug. 30, '19 ...	32,216	2,980	35,196	23,663	68,776	414,042	65,861
Aug. 31, '18 ...	32,729	3,070	35,799	6,342	54,193	322,035	58,343

	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.						
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Sept. 25, '20 ...	105,557	13,231	13,674	108,308	102,743	5,114
Oct. 2, '20 ...	107,572	15,167	15,496	114,254	98,730	4,938
Oct. 4, '19 ...	79,263	14,049	29,757	111,771	107,299	3 757
Oct. 5, '18 ...	67,873	3,026	43,376	84 247	96,353	3,582

	Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest.,&c.	Net Deposits—Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1,720
Oct. 30, '20 ...	£18,776†	111.144	1,074.316	£824.376	£57.838	891.026	1,754
Nov. 6, '20 ...	18,688†	111.882	1,063.284	817.212	54,930	876.543	3,503
Nov. 8, '19 ...	19,266†	121.166	1,076.462	847.190	55.950	941.578	7,212
Nov. 9, '18 ...	20,704†	111.048	946.544	751,318	39,154	851.636	11,622

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts & Loans	Circula-tion	Deposits
NORWAY.						
July 31, '14 ...	£2,980	£1,679	£493	£4,038	£3,752	£ 95
Oct. 22, '20 ...	8,117	2,531	578	25,164	26,159	5,35
Oct. 29, '20 ...	8,117	2,511	578	25,661	26,331	5,913
Oct 30, '18 ...	8,154	4,254	674	19,043	24,193	3,587

	Gold	Silver	Total	Discounts	Advances	Discounts & Note Circulation	Circulation
PORTUGAL.							
June 2, '20 ...	£1,936	£3,921	£5,827	£20,406	£13,438	£34,835	£10,635
June 9, '20 ...	1,936	3,921	5,827	24,567	14,853	39,420	8,858
June 11, '19 ...	1,905	3,935	5,840	8,198	65,038	73,236	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	48,378	57,200	2,166

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
July 24, '20 ...	£66,008	£19,445	£3,459	£22,904	£197,458
July 31, '20 ...	67,209	20,042	3,606	23,648	194,54
Aug. 7, '20 ...	68,009	19,865	3,835	23,821	20,1,644
Aug. 9, '18 ...	43,808	10,003	2,559	12,562	131,137

	Gold	In Bank	Abroad	Total Cash Incl's Silver	Loans & Discts	Circula-tion	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589		£109,911
Oct. 29, '17...	129,523	230.865	378.206	1,869,659	1,836,217	16,783		345,550

	Gold	Silver	Total	Loans, &c.	Spanish 4%	Circula-tion	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,904	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Oct. 30, '20 ...	98,160	(23,357	121,497	93,423	13,779	166,720	50,497
Nov. 6, '20 ...	98,167	23,033	121,200	94,222	13,779	171,203	36,892
Nov. 8, '19 ...	96,778	25,030	121,808	90,128	13,778	154,338	38,396
Nov 8, '18 ...	95,967	20,866	116,833	86,764	13,777	127,611	44,869

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circula-tion	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,180	£1,555	£7,395	£13,432	£3,903
Oct. 30, '20 ...	16,669	5,533	2,493	35,459	44,314	5,671
Nov. 6, '20 ...	16,664	5,869	2,493	31,809	44,205	5,127
Nov. 8, '19 ...	16,637	7,760	2,883	22,769	40,505	6,282
Nov. 9, '18 ...	10,417	7,520	5,801	19,038	42,706	4,033

	Gold	Silver	Total	Discounts & Advances	Circula-tion	Deposits
SWITZERLAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,617	£10,718	£2,028
Oct. 30, '20 ...	21,632	4,125	25,757	19,217	39,365	3,467
Nov. 6, '20 ...	21,635	4,145	25,780	19,242	39,234	4,427
Nov. 7, '19 ...	19,011	2,412	21,453	19,833	38,515	5,469
Nov. 7, '18 ...	16,201	2,212	17,413	22,852	36,151	5,341

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold — Held by Banks.	Held by Agents	Total Cash	Bills discounted	Assets. Govt. Sec.	Net.	Deposits — Total.	Circulation.
Nov. 1,'20 ..	—£400,584—		£133,6 8	£563,260	£58,876	£3,760	£334,910	£870,260
Nov. 8,'20 ..	—400,344—		433,946	565,362	59 951	9,476	333,936	670,82[illegible]
Nov. 10,'19 ..	160,286	263,644	437,497	437,893	86,718	12,738	377,950	561,352
Nov. 8,'18 ..	163,514	243,774	420,163	359,436	74,904	35,052	332,304	511,646

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed.		%	Date Fixed.
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin ...	5	Dec. 23,'14	Madrid	6	Nov. 4,'20
Berne ...	5	Aug. 21,'19	Paris	6	Apr. 8,'20
Bombay ...	5	July 28,'20	Petrograd ...	6	July 29,'14
Brussels ...	5½	Apr. 28,'20	Rome	6	May 12,'20
Budapest ...	5	June 5,'19	Stockholm ...	7½	Sept. 16,'20
Christiania ...	7	June 25,'20	Tokio	8.03	Nov. 16,'1
Copenhagen ...	7	Apr. 16,'20	Vienna	5	Apr. 12,'19

III.—FOREIGN EXCHANGES.

LONDON ON —	Nov. 12, '20	Nov. 5, '20.	Oct. 29, '20	Oct. 22, '20
Berlin ..... Cable	189·0	278·0	266·0	242·0
Brussels ..... Cheques	55fr. 25c.	53fr. 36c.	51fr. 32c.	50fr. 40c
Denmark ..... Cable	25kr. 75	25kr. 45	25kr. 42	24kr. 80
Holland ..... do.	11·1 34	11d. 32c.	11d. 34c.	11d. 22c.
Italy ..... do.	97fr. 87	97fr. 00	92fr. 50	91fr. 50
Lisbon and Oporto ... do.	8¼d.	9½d.	10d.	10d.
New York ..... do.	$3 38⅞	$3 47⅛	$3 46⅛	$3 44
— ..... Cheques	$3 38¼	$3 47⅛	$3 48⅛	$3 45¼
Norway ..... Cable	25kr. 72	25kr. 55	25kr. 75	25kr. 10
Paris ..... 3 mths.	59fr. 20c	57fr. 32c.	55fr. 05c.	53fr. 97c.
— ..... Cable	59fr. 45c.	56fr. 57c.	54fr. 30c.	53fr. 22c.
Spain (Bank places) 3 mths.	42¼d.	46d.	46½d.	48d.
— ..... Cable	28fr. 30	25fr. 22	22fr. 05	24fr. 32
Sweden ..... do.	17kr. 93	17kr. 95	17kr. 90	17kr. 65
Switzerland ..... 3 mths.	22fr. 58c.	22fr. 49c.	21fr. 95c.	22fr. 31c.
— ..... Cable	22fr. 08c.	21fr. 99c.	22fr. 05c.	21fr. 81c.

ON LONDON —	Nov. 12, '20	Nov. 5, '20	Oct. 29, '20	Per.
Alexandria ..... Sight	97¼pm.	97¼pm.	97¼pm.	97¼pm.
Amsterdam ..... Cheques	11d. 33c.	11d. 31c.	11d. 35c.	12·107‡
Athens ..... Cable	37fr. 75	36fr. 70	36fr. 16	25fr. 22½
Bombay ..... Transfers	1s. 8d.	1s. 8d.	1s. 7¾d.	2s.*
Brussels ..... Cheques	55f. 32c.	53f. 45c.	51f. 17c.	25f. 22½c.
Buenos Ayres ..... Transfers	53d.	55⅝d.	55d.	47·58d.
Calcutta ..... do.	1s. 8¼d.	1s. 8¼d.	1s. 7¾d.	2s.*
Christiania ..... Sight	25kr. 72	25kr. 52	25kr. 69	18·159Kr.
Copenhagen ..... do.	25kr. 73	25kr. 49	25kr. 45	18·159Kr.
Helsingfors ..... Cable	154m.	151m.	155m.	25m. 22½
Hong Kong ..... Transfers	3s. 11¼d.	3s. 11⅛d.	3s. 11d.	—
Italy ..... Sight	93fr. 00c.	97½	92fr. 55c.	25fr. 22½c.
Lisbon ..... do.	88½	94½	91d.	53½d.
Madras ..... do.	1s. 8¼d.	1s. 8¼d.	1s. 7¾d.	2s.*
Madrid ..... do.	26p. 05	25p. 27	24p. 99	25p. 22½
Montevideo ..... Transfers	53½	57½	56⅛	51½
Montreal ..... Cable	$3 77	$3 78⅛	$3 83¼	$4 86⅝
New York ..... Sight	$3 33⅛	$3 42½	$3 46⅛	—
— ..... 60 days	$3 37	$3 40 12	$3 43 50	—
— ..... Cable	$3 39	$3 43 12	$3 47⅛	$4 86⅝
Paris ..... Cheques	58f. 50c.	56f. 67c.	54f. 12c.	25f. 22½c.
Rio de Janeiro ..... 90 days	11¾d.	12⅝d.	12¼d.	16d.
Shanghai ..... Transfers	5s. 4¼d.	6s. 4¼d.	5s. 9¾d.	—
Singapore ..... Sight	2s. 3⅜d.	2s. 3⅝d.	2s. 3⅜d.	—
Stockholm ..... do.	17kr. 99	17kr. 90	17kr. 89	18·159Kr.
Switzerland ..... do.	21f. 07c.	21f. 99c.	22f. 00c.	25f. 22½c.
Valparaiso ..... 90 days	—	9¾d.	10⅛d.	18d.
Yokohama ..... Sight	2s. 11¾d.	2s. 11¾d.	2s. 11½d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON —	Rate Current* Nov. 12, '20	Nov. 5, '20	Par as officially Quoted	Rate July 3
Amsterdam, sight ...	39 40c.	40 25c.	40·20c. for 1 guilder	40 25
Bombay, cheques	23 375c.	29·00c.	48 66c. for 1 rupee	33 00c
Buenos Ayres, cheques ..	132 50	127 00		
Christiania, cheques ..	13 20c.	13 40c.	26 80c. for 1 kroner	
Copenhagen, cheques ..	13 20c.	13 45c.	26 80c. for 1 kroner	26 85c.
Greece, cheques ...	9 00c.	8 20c.	19·295c. for 1 drachma	
Hongkong, cheques ...	61 50c.	69 00c.	74 59c. for 1 tael	46 4c.
Italy, sight ...	25 12½	27 57½	5 18 7/16 lire for $1	5 17½
Lima, cheques ...	4 44½	4 45½	4 8665 $ for 1 libra	
Manila, cheques ...	46 70c.	46 70c.	50c. for 1 peso	49 8c.
Montreal ...	11 375 p. dise	9 375% disc.	Premium per $100	Par
Paris, sight ...	17 32½	16 12½	5 18¾ francs for $1	5 16½
Rio de Janeiro, cheques	6 26 5/32	5 79 3/32	3 082 milreis for $1	
Shanghai, cheques ...	93 00c.	93c.	52·96c. for 1 tael	83 00c
Singapore, cheques ...	42 00c.	42 00c.	56·77c. for $1	57 12c
Spain, cheques ...	12 50c.	13 75c.	19·30c. for 1 peseta	
Stockholm, cheques ...	18 90c.	19 30c.	26·80c. for 1 kroner	
Switzerland, cheques ...	6 51c.	6 42c.	5 18¾ francs for $1	5 18 7/16
Valparaiso, cheques ...	18 00c.	18 00c.	20·61c. for 1 peso	
Yokohama, cheques ...	50 375c.	50 62c.	49 84c. for 1 yen	49 90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Weeks. 1920	Amount. [In £'s sterling—000's omitted.]	Inc. or Dec.*	1920 Aggr.	Inc. or Dec.*
BIRMINGHAM ...	Nov. 6	£5,041 +	£634	£164,697 +	£42,523 + 34
BRISTOL ...	,, 6	1,770 +	25	79 304 +	14,821 + 22
DUBLIN ...	,, 6	9,044 —	83	397,772 +	60,965 + 18
LEEDS ...	,, 6	1,883 —	102	77 906 +	20,576 + 35
LEICESTER ...	,, 6	1,119 —	219	55,779 +	12,460 + 28
LIVERPOOL ...	,, 6	13,327 —	2,752	730,043 +	161,429 + 33
MANCHESTER ...	,, 6	23,937 —	114	1,317,254 +	363,998 + 74
NEWCASTLE ...	,, 6	2,723 —	102	136,872 +	39,950 + 41
NOTTINGHAM ...	,, 6	1,933 +	163	31,997 +	17,764 + 55
SHEFFIELD ...	,, 6	2,937 +	1,074	75,057 +	20,611 + 38
LONDON—	1920				
TOWN ...	Nov. 10	593,481 +	62,518	28,500,455 +	9,309,253 + 48
METROPOLITAN	,, 10	38,352 +	566	1,829,497 +	282,290 + 18
COUNTRY ...	,, 10	83,420 +	8,644	3,564,656 +	667,429 + 23
TOTAL ...	... 10	705,253 +	71,728	33,894,593 +	10,728,972 + 43

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1920	1920	1913
	Nov. 12	Nov. 5	Nov. 13
Alex. to U.K. ...	37/6	37/6	9/6
Aust. to U.K. ...	135/0	150/0	30/0
Bilbao to Cardiff	16 6	16/9	—
Bombay to p.p....	70 0 d.w.	85 0 d.w.	17/6
Burmah to U.K....	—	110/0	22/6
Calcutta to p.p. (jute)	—	—	100/0
Danube to U.K. ...	62/6	62/6	9/6
R. Plate to U.K....	—	85/0	10/6

* Per ton.

Time Charter, 14/6 (approx.).

Homewards.—*Cont.* 1920 1920 1913

	Nov. 12	Nov. 5	Nov. 13
U.S.Atl.PortstoCont. (coal) ...	$10*	$11*	—
U.S. to U.K. (gr.)	—	13/6	2/6
Gulf Ports to U.K. Cont. (cotton and grain)	—	—	13/6

OUTWARDS.—Cardiff to

Port Said ...	25/0	37/6	8/6
River Plate ...	32/6	—	11/6
St. Vincent ...	20/0	—	8/6

† Per quarter

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	NOV. 12, 1920	NOV. 14, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ... ton	£31/0	16/0	57/0
— Middlesbro' warrants ... ton	225/0	180/0	51/0
— Hematite warrants ... ton	280/0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£25 £26	£8 10
— Cleveland bars ... ton	£30—£30 10	£22	£6 18
Steel Rails ... ton	£25	£16 10 £17	£6 2/6
Galvanised Sheets ... ton	£40—£42	£35—£37	£16 17/1
Copper—Standard ... ton	£87 10	£110 10	£68
Tin—English Ingots ... ton	£243—£245	£281 £285	£142 15
— Straits ... ton	£247 10	£285 £286	£139 10
Tinplates, I.C. Coke, S. Wales ... box	47/0—48/0	44/6—45/0	11/10½—12/0
Lead—Soft Foreign ... ton	£33 10 £34 10	£34 7/6 £34 10/6	£19
Spelter—Ord. Foreign ... ton	£28—£29 7/6	£47 15 £48	£21 7/9
Quicksilver—(75lb.) ... bottle	£15 10 £16	£17 10	£7
Aluminium ... ton	£195 (nom.)	£150	£82
Antimony—Regulus Foreign ... ton	£43—£45	£46 10—£47	£27 10
— English ... ton	£62—£65	£47 10	£26 5
Coal—(best) Yorkshire ... ton	37/2—38/0	29/8—30/6	17/6
— Steam (best) Newcastle ... ton	50/2—55/2	46/0—51/0	14/8
CHEMICALS, OILS, &c.			
Nit. of Soda—Arab. Chile, refined ... ton	14/0	9/8	7/4
Soda—Crystals ex wharf ... ton	140/0	129/0 - 130/0	42/8—45/0
Cocoa—Malay and States ... ton	£64	£59 10 £23 15	£24 7/6
Gambier—Good marks ... cwt.	41/0	50/0	16/10½
Indigo—Bengal good to fine ... lb.	13/0—16/0	9/6—10/6	3/2—3/8
Linseed Oil—Raw ... ton	£62	£81	£26 5
Linseed—Calcutta, spot ... ton	£35 10	£48	£13 18/9
— Cakes, U.K. made, ex mill ... ton	£22 5—£23	£94	£7 17/6—£8
Olive Oil—Spanish ... ton	—	nom	£49 10
Palm Oil—Lagos ... ton	£68	£86 10	£31 10
Petroleum—American ... gallon	2/3½	1/6½	7½d.
Rape Oil—Refined English ... ton	£93	£108	£32
Rosa Oil—Refined ... ton	£50	£94	£24 10
Tallow—Imported ... cwt.	68/0—86/0	95/0—100/0	29/3—33/3
Turpentine—American ... cwt.	120/0	129/0	33/7½
Rape Seed—Toria ... ton	£34 10	£42	£13 5
Rubber—Para, spot ... lb.	1/6½	2/8½	2/9½
— Fine plantation (std. crepe) lb.	1/11	2/4½	2/2
— World's Production† Aug. tons	24,970	26,930	8,467
Shellac—T.N. Orange, fair ... cwt.	526/0	475/0	83/0—84/0
TEXTILES.			
Cotton—Middling Upland ... lb.	17.00d.	24.80d.	7.53d.
— Egyptian, good fair ... lb.	28.50d.	34.00d.	9.75d.
— Pernambuco fair ... lb.	16.00d.	29.40d.	7.73d.
— Midland Dist. New York ... lb.	20.05c.	39.00c.	13.25c.
— Stock, Liverpool (Nov. 5) bale.	827,770	649,570	934,800
Flax—Petrograd, Yarapol ... ton	—	—	£28
Hemp—New Zealand ... ton	£56	£48	£25 10
— Manila, Fair ... ton	£64	£50	£28 10
Jute—First Marks ... ton	£49	£72 10	£26 15
— Red SCC ... ton	£40	£60	£24 15
Silk—Common, New Style ... lb.	34/0	33/0	12/0—12/6
Wool—Fr. Philip unwashed av. lb.	3/9	4/5	11½d.—1/0
— Lincoln Half Hogs ... lb.	1/4	2/1½	1/0½
Hides—Buenos Ayres, best 70 lb. up lb.	12½d.	12½d.—13½d.	7½d.
Leather—Dressing Hides ... lb.	3/0—3/6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ... bus.	87,321,000	145,719,000	34,640,000
— Red, price, N.Y. 60lb., bushel	212c.	238c.	67½c.
— English Gazette, aver. 480lb. qr.	60/8	72/9	34/3
Flour—G.R. ... 280lb.	86/0	44/3	28/8
Barley—Eng. Gaz., aver. 400lb. qr.	92/10	97/10	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	53/5	55/3	20/0
Maize—N.Y. (new bushel) ... 56lb.	105	165½	76½c.
— Amer. mixed, Liverpool 480lb. qr.	72/8	nom.	32/4
— La Plata ... 480lb. qr.	58/6	65/0	25/8
Potatoes—Good English ... ton	200/0	270/0	70/0—75/0
Rice—Rassein ... cwt.	44/0	28/0	7/0—7/3
Tapioca—Pearl, medium ... cwt.	36/0—40/0	45/0	14/0—17/8
Hay—best ... 2.01Slb. load	—	—	82/6
Hops—English ... cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hinds ... 8lb.	8/8	9/0	3/8—3/10
— Scotch sides ... 8lb.	10/4	10/0	4/8—5/0
— English ... 8lb.	10/4	10/0	4/2—4/5
Mutton—Scotch wethers ... 8lb.	13/4	10/6	5/8—6/0
— English wethers ... 8lb.	13/4	10/6	4/6—5/0
— New Zealand frozen ... 8lb.	4/0—6/0	8/6	2/4—3/2
Pork—English and Irish ... 8lb.	15/8	10/8	3/6—4/0
Bacon—Irish, delivered ... cwt.	†250/0	190/6	80/0—74/0
— Danish ... cwt.	†230/0	†187/6	58/0—68/0
— Canadian, ex Port ... cwt.	†185/6—192/0	†187/6	72/0—74/0
— American ex Port ... cwt.	†220/0	†190/0	75/0—79/0
Hams—American, cut, ex Port ... cwt.	†220/0	†190/0	71/0—78/0
— short cut, ex Port ... cwt.	†290/0	†190/0	71/0—78/0
Lard—Amer. boxes, ex Port ... cwt.	†156/6	†198/6	51/9—52/9
Butter—English ... cwt.	†336/0	†252/0	117/0—120/0
— French ... cwt.	†336/0	†252/0	96/0—108/0
— Australian ... cwt.	†336/0	†252/0	98/0—110/0
— New Zealand ... cwt.	†336/0	†252/0	108/0—114/0
Cheese—Canadian ... cwt.	156/0—160/0	†144/8	66/0—68/0
— United States ... cwt.	—	†144/8	—
— Dutch ... cwt.	—	†144/8	—
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Oct. 31 ... cwt.	22,338,628	25,367,168	19,777,254
— Home consumption to Oct. 31 ... cwt.	18,680,336	25,021,529	17,272,000
— Price, Java, 96° Pol. ... cwt.	6,987,000	6,490,000	6,308,000
— — Yellow crystals ... cwt.	50/0	53/0	10/3
— — Tate's cubes, No. 1 ... cwt.	112/0	64/6	12/6—14/0
— — Granulated ... cwt.	116/0	72/0	18/0
Coffee—Imports to Oct. 31 ... cwt.	705,928	988,948	720,380
— Home consumption to Oct. 31 ... cwt.	289,368	267,687	141,410
— Exports to Oct. 31 ... cwt.	384,396	660,483	340,250
— In Bond Oct. 31 ... cwt.	767,000	771,000	484,000
— Price, Costa Rica good, to fine ... cwt.	130/0—160/0	155/0—161/0	60/0—93/0
— — Brazil (Santos) Good ... cwt.	75/6—80/0	130/0—138/0	41/6
Tea—Imports to Oct. 31 ... lb.	367,028,923	379,646,604	323,230,077
— Home consumption to Oct. 31 ... lb.	331,680,319	329,940,443	155,447,972
— Exports to Oct. 31 ... lb.	34,987,427	24,856,615	28,581,765
— In Bond Oct. 31 ... lb.	224,814,000	145,774,000	78,292,000
— Price, Indian, Pek. Souq. gd. to fine ... lb.	6d.	1/5½	8½d.
— — Ceylon, Pek. Souq. Ord. lb.	5½d.	1/6	8½d.
— — Common Congou ... lb.	—	1/-	5½d.
Cocoa—In Bond Oct. 31 ... cwt.	1,306,000	1,129,000	308,000
— Grenada, good to fine ... cwt.	68/0 70/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	+ or —	Net	+ or —
Canadian Pacific ... Aug.		$17,995,000 + $2,711,000	$2,701,000	— $1,317,000
Grand Trunk ... 2 mths. to Aug.		12,734,000 + 2,000,000	15,249,000	+ 3,712,000
— ... 2 mths. to Sept.		£1,689,300 + £230,100	£38,000	— £168,000
— ... 2 mths. to Oct.		11,702,800 + 1,567,200	630,100	— 570,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts	+ or — on Year Ago
Assam Bengal ...	Sept.	1,041	Rs.87,300	9,200	26	2,270,100	+ 240,174
Barsi Light ...	"	118	2,000	2,800	26	52,000	+ 19,400
Bengal N.W. ...	Aug.	2,067	6,5[illegible]	[illegible]	26	1,24[illegible]	+ 174,[illegible]
Beng. Dooars ...	"	158	50,[illegible]	4,[illegible]	1		
Beng. Nagpur ...	Sept.	3,695	14,[illegible]	2,5[illegible]	26	2,12[illegible]	— 15,[illegible]
Bomb. Baroda ...	"	3,871	17,[illegible]	[illegible]	4	[illegible]	+ 13,[illegible]
Burma ...	"	1,342	8,[illegible]	1,[illegible]	26	1,[illegible]	— [illegible]
Ded Um. Kalk. ...	"	6	239	[illegible]	5	[illegible]	[illegible]
East Indian ...	Nov.	2,772	28,[illegible]	[illegible]	5	[illegible]	— 17,[illegible]
Gt. Indian Pen. ...	Sept.	3,121	3,[illegible]	8,[illegible]	4	[illegible]	+ 21,[illegible]
Madras & S.M. ...	"	3,152	13,[illegible]	[illegible]	26	[illegible]	[illegible]
Nizam's Guar. ...	"	900	[illegible]	[illegible]	1		
Rob. & Kum. ...	"	576	1,[illegible]	[illegible]	26	29,61,[illegible]	+ 2,73,[illegible]
South Indian ...	"	1,852½	7,65,[illegible]	[illegible]	24	1,91,68,[illegible]	+ 8,55,[illegible]
South Punjab ...	June	716	7,98,[illegible]	17,427	3m	25,41,[illegible]	+ 4,89,[illegible]
COLONIAL							
Can. Northern ...	Nov.	7 9,704	$1,693,000	+ 471,000	43	53,134,[illegible]	+ 9,[illegible]
Can. Pacific ...	"	13,388	5,723,000	+ 1,[illegible]	43	177,787,000	+ 31,[illegible]
Grand Trunk ...	"	7 3,616	£383,[illegible]	+ 91,[illegible]	43	13,[illegible]	+ 1,[illegible]
Mashonaland ...	June	810	91,[illegible]	21,[illegible]	9m	66,[illegible]	+ 17,[illegible]
Mid. W. Aust. ...	Sept.	277	8,[illegible]	[illegible]	2m	17,[illegible]	[illegible]
NewCapeCent. ...	Oct.	16 205	3,[illegible]	164	32	[illegible]	[illegible]
Rhodesia Rlys. ...	Aug.	1,397	137,[illegible]	34,[illegible]	17m	1,25[illegible]	+ [illegible]
Temiscouata ...	Nov.	—	$39,[illegible]	7,[illegible]	8m	[illegible]	[illegible]
W. Pass.& Yuk ...	Dec.	122	1,568,626	+ 124,[illegible]	14m	1,568,626	+ 124,[illegible]
FOREIGN.							
Argentine.							
Arg. N. East ...	Oct.	30 752	£ 12,200 —	2,500	18	219,300	— 2,300
Arg. Transand. ...	Nov.	6 111	$ 3,174 —	375	19	38,[illegible]	— 19,[illegible]
B.A. & Pacific ...	Nov.	6 3,538	$ 107,000 —	40,000	19	2,[illegible]	— [illegible]
B.A.Gt. South ...	Nov.	6 3,782	£ 147,000 —	29,000	19	2,678,[illegible]	— 441,[illegible]
Do. ...	"	8 Net	$ 9,000 —	42,000	19	308,[illegible]	— 61,[illegible]
B. A. Western ...	Nov.	6 1,882	£ 67,000 —	33,000	19	1,310,[illegible]	— 431,[illegible]
Do. ...	"	6 Net	—	40,[illegible]	19	134,[illegible]	— 499,[illegible]
B. A. Central ...	Sept.	190	£ 52,476 +	6,726	3m	153,27[illegible]	— 24,[illegible]
Cent. Argent. ...	"	6 3,305	£ 184,000 +	1,00[illegible]	19	3,73[illegible]	— 681,[illegible]
Cord. Central ...	"	6 1,205	£ 54,000 —	6,[illegible]	19	1,067,[illegible]	— 72,[illegible]
Entre Rios ...	Oct.	30 811	£ 22,400 —	300	4d	383,[illegible]	+ 1,[illegible]
Brazilian.							
BrazilGt.South ...	Sept.	110	M 40,750 —	7,250	9m	413,700	— 31,221
Brazil Railway ...	Dec.	3,530	M 4,859,000 —	141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil ...	Nov.	6 1,010	£ 21,800 +	2,[illegible]	4m	928,[illegible]	+ 12,[illegible]
Leopoldina ...	Nov.	6 1,831	£ 47,318 —	9,[illegible]	44	2,305,[illegible]	+ 474,[illegible]
Mogyana ...	Dec.	1,180	M 1,681,000 —	858,490	12m	22,257,000	— 2,474,[illegible]
Paulista ...	Dec.	768	M 2,850,000 —	906,[illegible]	12m	32,479,000	— 1,225,[illegible]
San Paulo ...	Nov.	7 153½	£ 10,782 —	6,[illegible]	4d	2,07[illegible]	+ 511,[illegible]
Sorocotana ...	Dec.	1,033	M 1,749,000 —	246,168	12m	21,[illegible]	+ 976,[illegible]
S.of BahiaS.W. ...	Oct.	62	M 150,000 —	6,000	10m	1,[illegible]	— 111,000
Chilean and Peruvian.							
Antofagasta ...	Nov.	7 838	£ 31,036 +	11,[illegible]	44	2,05[illegible]	+ 9[illegible]
Arauco ...	June	84½	£ 12,000 +	500	8m	76,000	+ 10,[illegible]
Mirafl[illegible]es, ...	Oct.	31 390	£ 47,473 +	20,[illegible]	4d	82[illegible]	+ 44[illegible]
Peruvian Corp. ...	Sept.	1,140	£ 1,187,160 +	8,[illegible]	4m	4,[illegible]	+ 311,[illegible]
Taltal ...	Dec.	180	£ 30,150 +	10,[illegible]	4m	1[illegible]	— [illegible]
Cuban.							
Cuban Central ...	Nov.	6 382	£ 15,320 —	1,[illegible]	19	401,[illegible]	+ 81,[illegible]
Havana Cent. ...	Nov.	6 70	£ 14,113 +	3,[illegible]	19	2[illegible]	— 24,[illegible]
U. of Havana ...	Nov.	6 681	£ 63,279 —	3,[illegible]	19	1,207,[illegible]	+ 164,[illegible]
W. of Havana ...	Nov.	6 155	£ 9,017 +	6,[illegible]	19	208,[illegible]	+ 40,[illegible]
Uruguayan.							
Cent. Uruguay ...	Nov.	6 273	£ 19,639 —	4,[illegible]	19	352,[illegible]	— [illegible]
,, (E. Ext.) ...	Nov.	6 311	£ 5,777 —	3,[illegible]	19	[illegible]	[illegible]
,, (N. Ext.) ...	Nov.	6 185	£ 2,947 —	88[illegible]	19	[illegible]	[illegible]
,, (W.Ext.) ...	Nov.	6 211	£ 2,745 —	4,[illegible]	19	[illegible]	[illegible]
Mid. Uruguay ...	Oct.	319	£ 16,598 —	3,[illegible]	4m	[illegible]	[illegible]
N.W. Uruguay ...	Sept.	113	$ 5,531 —	1,[illegible]	3m	[illegible]	[illegible]
Uruz. Northn. ...	Oct.	73	£ 2,181 —	[illegible]	4m	[illegible]	[illegible]
Miscellaneous							
Buyr & Gandia ...	Nov.	6 33	Ps. 17,000 +	2,000	44	[illegible]	[illegible]
Bilbao ...	Sept.	15	£ 3,917 —	2,[illegible]	1m	[illegible]	[illegible]
Bolivar ...	Oct.	136	£ 7,348 —	1,[illegible]	1m	[illegible]	[illegible]
Colomb. Natnl. ...	Aug.	66	£ 22,000 +	[illegible]	4m	[illegible]	[illegible]
Costa Rica ...	Aug.	189	£ 24,847 +	1,437	2m	[illegible]	[illegible]
Dorada Ext. ...	Sept.	70	£ 16,000 +	4,000	9m	[illegible]	[illegible]
Egyptian Delta ...	Oct.	20 559½	£ 18,641 +	1,[illegible]	3d	[illegible]	[illegible]
Gt. S. of Spain ...	Oct.	30 104	Pa. 83 0 8 +	315	44	[illegible]	[illegible]
La Guaira&Cara. ...	Oct.	22½	£ 12,210 +	1,970	10m	[illegible]	[illegible]
Ottoman Ry. ...	Oct.	16 379	£ 18,012 —	—	—	—	—
ParaguayCent. ...	Oct.	30 274	£ 9,500 —	330	1m	91,210	— 6,800
Puerto Cabello ...	Sept.	34	£ 4,500 —	90	10m	5[illegible]	— 7,[illegible]
Salvador ...	Nov.	6 100	£ 2,633 —	61[illegible]	4d	[illegible]	[illegible]
Santa Fe Prov. ...	Sept.						
French Rys. ...	Sept.	1,181	£ 171,630 +	10,157	9m	1,463,336	+ 13,[illegible]
SturlandeStrings ...	Sept.	80	£ 8,350 —	[illegible]	9m	[illegible]	[illegible]
Zafra & Huelva ...	Sept.	112	£ 15,417 +	[illegible]	9m	[illegible]	[illegible]
TRAMS.							
Anglo-Argent. ...	Nov.	4 400	£ 30,478 +	11,38[illegible]	44	3,350,[illegible]	+ [illegible]
Auckland Elec. ...	June	30 27	— —	—	52	292,502	— [illegible]
Bombay Elec. ...		39	R. 8,18,237 +	80,100	6m	47,91,[illegible]	+ 8,[illegible]
Brazilian Trac. ...		3781	M 12,[illegible]000 +	2,[illegible],000		96,865,000	+ 13,[illegible],000
Brisbane Elec. ...		404	£ 48,310 +	1,[illegible]	4m	[illegible]	[illegible]
Brit. Columbia ...		334	$ 756,950 +	74,[illegible]	3m	2,253,[illegible]	[illegible]
B. A. Tacroze ...		51	£ 57,619 +	[illegible]	4m	[illegible]	[illegible]
Calcutta ...	Nov.	6	£ [illegible]	[illegible]	44	[illegible]	[illegible]
Cape Electric ...		351	£ [illegible]	[illegible]	4d	33,63,[illegible]	[illegible]
Corth. & Herr. ...		434	£ 28,797 +	1,[illegible]	3m	[illegible]	[illegible]
Charlton&Dist ...		9	£ 3,[illegible]	[illegible]	4m	[illegible]	[illegible]
Havana Elect. ...		28 15	£ [illegible]	[illegible]	4d	[illegible]	[illegible]
Isle of Thanet ...		88	$ 946,[illegible]	20,[illegible]	3m	[illegible]	[illegible]
Kingston ...		5 20½	£ [illegible]	[illegible]	4m	[illegible]	[illegible]
Lancaster ...		20½	£ 3,191 +	[illegible]	4m	21,13[illegible]	[illegible]
Lisbon Electric ...		23 28½	£ [illegible]	[illegible]	4d	183,[illegible]	[illegible]
Lisbon Light ...		85	£ 58,551 +	[illegible]	4m	[illegible]	[illegible]
Loudon O.O. ...	Nov.	1 141½	£ 9[illegible] +	[illegible]	3d	2,[illegible]	[illegible]
Madras (new) ...		3 15½	£ 4[illegible] +	[illegible]	4m	[illegible]	[illegible]
Manila Electric ...		55	$ 330,[illegible] +	[illegible]	4m	2,[illegible]	[illegible]
Pernambuco ...		7 68	£ 5,[illegible] —	[illegible]	44	[illegible]	[illegible]
Provincial ...		21½	£ 3,[illegible] +	[illegible]	4m	14,[illegible]	[illegible]
Rawalpindi Elec. ...		25	£ 7,[illegible] +	[illegible]	4d	[illegible]	[illegible]
Shanghai Gen. ...		261	$ [illegible] —	[illegible]	4m	1,[illegible]	[illegible]
Singapore ...		26½	$ [illegible] —	[illegible]	4m	[illegible]	[illegible]
C.of Montev. ...		80½	£ 41,[illegible] +	[illegible]	12m	[illegible]	[illegible]

THE LIST OF APPLICATIONS FOR PURCHASE WILL CLOSE ON OR BEFORE MONDAY, THE 15TH DAY OF NOVEMBER, 1920.

Jute Industries Limited

(Incorporated under the Companies Acts, 1908 to 1917.)

CAPITAL - £7,000,000

Authorised	DIVIDED INTO	Issued and fully paid (exclusive of the present issue)
£4,000,000	Nine per cent. Cumulative Participating Preference Shares of £1 each	£500,000
£3,000,000	Ordinary Shares of £1 each - - - - -	£1,500,000

The Cumulative Participating Preference Shares confer the right in priority to the Ordinary Shares to a fixed Cumulative Preference Dividend at the rate of 9 per cent. per annum on the Capital paid up thereon and the right **to an additional dividend up to 6 per cent.** on such capital payable out of one-third of the remainder of the profits distributed. The Ordinary Shares confer the right to the remainder of such profits.

THE LONDON JOINT CITY & MIDLAND BANK LTD. and THE CLYDESDALE BANK LTD.

ARE PREPARED TO RECEIVE APPLICATIONS ON BEHALF OF THE NATIONAL AND PROVINCIAL INVESTMENT TRUST LIMITED, THE SUBSCRIBERS, WHO

OFFER FOR SALE

2,500,000 Nine per cent. Cumulative Participating Preference Shares of £1 each at par

of which 1,000,000 Shares have been sub-underwritten by the Directors of the Associated Dundee Companies (hereinafter mentioned) and their friends 560,000 Shares having been applied for and sold to them firms.

DIRECTORS:

J. ERNEST COX, Chairman of Cox Brothers, Limited, Chairman.
LOUIS GRIMOND MACINTYRE, Chairman of J. & A. D. Grimond, Limited, Vice-Chairman.
ARTHUR J. COX, Director of Cox Brothers, Limited.
T. NORMAN J. BELL, Director of Thomas Bell & Sons, of Dundee, Limited.
GERARD L. BEVAN, Chairman of City Equitable Fire Insurance Company, Limited.
GEORGE A. GILROY, Chairman of Gilroy, Sons & Co., Limited.
CLARENCE C. HATRY, Managing Director of Commercial Bank of London, Limited.
JOHN N. KYD, Chairman of John N. Kyd & Co., Limited.
F. M. RICHARDSON, Director of J. & A. D. Grimond, Limited.
SIR ALEXANDER ROGER, Director of British Insulated and Helsby Cables, Limited.
H. GILES WALKER, Director of Harry Walker & Sons, Limited.
T. H. H. WALKER, Director of Harry Walker & Sons, Limited.
A. S. WILLETT, Director of John N. Kyd & Company, Limited.

BANKERS:

LONDON JOINT CITY & MIDLAND BANK, LIMITED, Head Office, 5 Threadneedle Street, London, E.C. 2, and Branches.
THE CLYDESDALE BANK, LIMITED, Glasgow and Branches.
BELFAST BANKING COMPANY, LIMITED, Belfast, and Branches, Ireland.

SOLICITORS:

J. D. LANGTON & PASSMORE, 37/41 Gracechurch Street, London, E.C. 3, and 2 Paper Buildings, Temple, London, E.C. 4.

BROKERS:

LLLIS & COMPANY, 1 Copthall, London, E.C. 3.
CARRICK, BARCLAY & COMPANY, 48 St. Vincent Street, Glasgow.

AUDITORS:

R. C. THOMSON & MURDOCH, Chartered Accountants, 11 Reform Street, Dundee.

SECRETARY AND REGISTERED OFFICES:

J. G. DIXON, 37/41 Gracechurch Street, London, E.C. 3.

The following particulars are taken from the Full Offer for Sale.

The Company has acquired or intends to acquire the whole of the Ordinary Share Capital of the following Companies:—

THOMAS BELL & SONS OF DUNDEE, LIMITED
COX BROTHERS, LIMITED
GILROY, SONS & COMPANY, LIMITED
J. & A. D. GRIMOND, LIMITED
JOHN N. KYD & COMPANY, LIMITED
HARRY WALKER & SONS, LIMITED

and also the whole of the Preference Share Capital of J. & A. D. Grimond, Limited.

The Associated Companies are chiefly engaged in the manufacture of cloth used by British, American, and European Linoleum and Floorcloth Manufacturers, and together they will control a preponderating proportion of the wide goods trade. Very great care and experience in the weaving and finishing of this fabric is required, and although the Indian Jute Mills have repeatedly attempted to produce a satisfactory article, they have always failed, owing, among other things, to climatic conditions. Indian competition is now confined to ordinary hessians, sackings, baggings, and tarpaulings, and outside of this group the specialities as enumerated below are not affected. Each of the companies specialises in some commodities, such as Brussels, Wilton and other makes of Carpets or Squares, which are made in all qualities, decorative fabrics, tapestries, curtains, banding, webbing, etc. Special makes of yarns from the very finest ... are also put up in a special form to suit the requirements of certain trades are also produced.

ASSETS.

The freeholds, buildings, motive plant, machinery, etc., are valued on ... values basis at £6,778,256 3s. 9d., the Valuers pointing out that the present replacement value would of course be considerably higher.

The net assets of the companies are certified by the Auditors at **£8,158,216 17s. 6d.**, no amount having been included for goodwill.

PROFITS.

The pre-war standard of profit as adjusted for Excess Profits Duty, including the alterations brought up to date, is **£844,464.**

The profit for the five years 1916-1920 (down to the close of the last respective accounts in 1920), before providing for Income Tax and Excess Profits Duty, but after providing for management, usual depreciation and also the dividends and interest on existing Preference Capital and Debentures amounting to £38,500 per annum (now increased by £12,687 10*s.* per annum), were as under:—

1916	£628,390 3 6
1917	621,485 5 5
1918	734,530 14 7
1919	1,224,139 17 11
1920	1,497,557 15 4
	£4,708,101 16 9

On an annual average of **£941,220 7s. 4d.**

While the profits of the Associated companies in the immediate future are likely to remain at a high level and may even in some cases exceed those of the past year, it is improbable that this increase will continue or that the profits as shown for the respective financial years ending in 1920 will be fully maintained. On the other hand bearing in mind:

(*a*) The steady expansion of the linoleum trade and the increasing demand for this class of goods both in the United States and on the Continent.

(*b*) The ... economies in operation which are certain to result from the unification of previously conflicting interests.

(*c*) The improved facilities for the purchases of raw material.

(*d*) The stabilisation of selling prices.

(*e*) The large sums reinvested in the businesses during the past few years, in new plant and machinery of the most modern type.

(*f*) The fact that the main products of the Associated companies are sold for a considerable period ahead at remunerative rates, the Directors are of opinion that the pre-war standard of profits affords no criterion whatever of the present and future earning capacity of the businesses included in this amalgamation.

The Full Particulars of Offer, with Application Form, can be obtained from The National and Provincial Investment Trust, Limited, 95 and 97 Finsbury Pavement, London, E.C. 2, or from the Bankers, or Brokers, or the Offices of Company, as above.

Guaranty Trust Company of New York

MAIN OFFICE	LONDON OFFICES	LIVERPOOL OFFICE
140 Broadway New York	32 Lombard Street, E.C. 50 Pall Mall, S.W.	27 Cotton Exchange Buildings.

PARIS BRUSSELS HAVRE CONSTANTINOPLE

Condensed Statement, September 30, 1920

ASSETS

Cash on Hand and in Banks	$111,306,421.14
Exchanges for Clearing House	70,921,949.74
Loans and Bills Purchased	521,477,002.28
U.S. Government Bonds and Certificates	33,262,404.09
Public Securities	30,405,706.50
Other Securities	45,154,659.21
Bonds and Mortgages	2,335,950.00
Foreign Exchange	21,446,069.24
Credits Granted on Acceptances	63,684,741.70
Real Estate	8,529,075.37
Accrued Interest and Accounts Receivable	12,281,276.95
	$920,805,256.22

LIABILITIES

Capital	$25,000,000.00
Surplus Funds	25,000,000.00
Undivided Profits	10,754,227.55
	$60,754,227.55
Notes and Bills Rediscounted with Federal Reserve Bank	19,050,000.00
Notes Secured by Liberty Bonds Rediscounted with Federal Reserve Bank	24,917,200.22
Due Federal Reserve Bank against U.S. Government Obligations	5,000,000.00
Outstanding Dividend Cheques	1,043,540.50
Outstanding Treasurer's Cheques	30,617,242.94
Sundry Foreign Accounts	14,195,250.19
Acceptances New York Office	49,974,979.70
Foreign Offices	13,709,762.00
Accrued Interest Payable and Reserves for Taxes, Expenses, etc.	8,982,767.52
Deposits	692,560,285.60
	$920,805,256.22

The Statist.

LONDON, SATURDAY, NOVEMBER 13, 1920.

A FEDERATED EMPIRE.

The War has brought about an inversion of political as of economic values, and the centralising tendencies which had made for the agglomeration of States into units of ever-increasing size have been to a large extent submerged in the rising tide of nationalism. The remoulding of the European polity consequent on the Treaty of Versailles and other related agreements has been effected on lines altogether divorced from the earlier efforts at consolidation, and which in itself had resulted in the development of unwieldy States such as the Russian Empire. It is but natural that the new trend of political conviction should be reflected in the British Empire, and long before the conclusion of hostilities it was resolved to convoke what might be called an Imperial Constitutional Conference for the purpose of considering future relations between the Mother Country and the overseas Dominions. One of the terms of the resolution was that the Dominions, including India, should have an adequate voice in foreign policy and in foreign relations. This demand need cause no wonder, seeing the sacrifice in blood and treasure which they made, and at the Imperial War Conference in 1917 it was placed on record that any readjustment of political relationships, while preserving existing powers of self-government and complete control of domestic affairs, should be based upon a full recognition of the Dominions and of India as an equal partner with us in an Imperial Commonwealth. Partial effect was given to this resolution when the various British Prime Ministers signed the main Peace Treaty at Paris on behalf of their own countries, thus by implication asserting their

Before the War the Imperial Defence Committee was called into being for the co-ordination of military, naval, and [illegible] effective. The [illegible] War [illegible] tioned during the final stage of hostilities was really [illegible] Committee [illegible] scarcely widened, though prominent Colonial statesmen at different times played an important part in its deliberations. Once the principle is accepted that the British Empire is an association of sovereign States, joint action on naval and military matters will be essential. The policy of Dominion Fleet units, [illegible] so far as it has been carried out, will have to be carried out on a larger scale than hitherto, unless the League of Nations is vested with the control of international armaments.

One of the main difficulties associated with joint management of affairs of imperial interest is the finding of a suitable body to whom such functions might be entrusted. A system of representation on federal lines would probably be most acceptable but the [illegible] basis of representation, whether it should be equal all round or should take account of population and contribution to imperial expenditure, is a matter for discussion. Mr. Lloyd George announced in the House of Commons on Thursday that a meeting of Prime Ministers of the Empire had been arranged for the middle of June 1921, and the opportunity would be an excellent one for elaborating the details of an imperial constitution on federal lines. Each member would, in effect, be independent, but all would owe allegiance to a common Sovereign. Questions as to preferential or discriminating tariffs might, perhaps, be decided in common, though the right to conclude trade treaties with foreign countries is one that has already been successfully asserted by the Dominions. As it is an attribute of sovereignty it would not be desirable to press for an alienation of this right, but here, as in many other cases, difficulties will arise over a hard-and-fast delimitation of local and imperial interests. Colonial Governments have, since the conclusion of the War, been too preoccupied with internal politics to pay much attention to the question of the future governance of the Empire, but as soon as they have set their house in order, the problem will inevitably confront them. The political feeling in Australia and Canada is decidedly in favour of [illegible] autonomy, but it fully recognises the strong imperial bond which the Crown affords. In South Africa an extreme section, [illegible] strength, professes as its object the sundering of all connection with Great Britain, but the fusion of loyalist forces, which has been proposed and partially effected, [illegible] member of the Empire. The framing of an Imperial Budget to meet imperial expenses would probably lead to the [illegible] present largely borne by the United Kingdom. Such a course would be open to [illegible] of the crushing weight of taxation to which we are at present subjected, but it might not meet with unqualified approval of many in the Colonies. The public debts of New Zealand and other parts of the Empire have been immensely augmented by the outlays entailed during the War and [illegible] become restive under further additions to what they already regard as a heavy load. It should be borne in mind, however, that even with this addition the balance would still be against the British citizen in the United Kingdom, who has, moreover, borne un[illegible] imperial expenditure.

ARGENTINE AND URUGUAYAN RAILWAYS.

	Gross Receipts	Working Expenses	Ratio of Expenses to Receipts	Miscellaneous Income	Pref., Debenture and other Fixed Charges	Available for Ordinary Distribution	Amount Distributed	Carried Forward
ARGENTINE RAILWAYS—	£	£	%	£	£	£	£	£
Buenos Ayres Gt. Southern ...	9,559,785	6,600,972	69·19	302,822	1,156,636	2,106,256	2,036,500	64,356
Buenos Ayres Western ...	5,254,231	3,651,035	69·49	238,926	1,091,262†	1,000,864	920,059	80,805
Buenos Ayres and Pacific	8,200,227	5,712,237	69·66	1,052,383	1,945,418	1,174,177‡	500,000	674,177§
Cordoba Central	3,116,415	2,442,617	78·36	382,415	823,758(a)	—		316,764(d)
Entre Rios	1,236,371	996,944	75·35	81,341	317,413	29,956(c)		29,956
URUGUAYAN RAILWAYS—								
Central Uruguay	1,205,890	950,592	78·85	256,522	245,560	116,174(b)	116,000	74,174
Central Uruguay, N. Extension,	198,893	91,904	46·21	...	47,167	65,620	65,000	620
Central Uruguay, E. Extension	337,785	155,761	46·11	...	119,954	67,078	61,920	5,158

Including amount brought forward from 1919. † After transferring £250,000 to Renewals Reserve. ‡ After providing £270,577 for special renewals and transferring £500,000 to Reserve Fund. § Subject to Corporation Tax. (a) After providing £87,000 for special renewals. (b) After transferring £150,000 to general Reserve. (c) Excluding Preference charges. (d) Dr. balance.

In the above table we set forth for the year ended June 30, 1920, the working results of the various Argentine and Uruguayan railways whose reports are to hand. The accounts bear out fully our forecasts, made last September after an examination of the traffic returns, and are even more satisfactory than was generally anticipated. Though expenses have mounted up, revenue has risen more than proportionately, and the ratio of outlay to income has accordingly fallen, and to a substantial extent, as the following figures indicate:—Buenos Ayres Great Southern ratio, 1918-19, 77.96 per cent.; 1919-20, 69.19 per cent.; Buenos Ayres Western ratio, 1918-19, 75.08 per cent.; 1919-20, 69.49 per cent.; Buenos Ayres and Pacific ratio, 1918-19, 71.51 per cent.; 1919-20, 69.66 per cent. The Entre Rios ratio has risen from 67.10 per cent. in 1918-19 to 73.35 per cent. in 1919-20. As regards the Buenos Ayres and Pacific, a sum of £270,577 for special renewals in 1920 is not included in working expenses. No specific charge was made for this purpose in the 1918-19 accounts. Rolling-stock renewals, amounting to £128,642, which figured amongst working expenses in 1920, do not appear to have been charged in the 1919 accounts. Further, no sum is debited to net revenue this year in respect of income tax, though £27,829 was set down for this purpose in the previous year. A slight decline from £60,399 to £52,464 may be noted in the payments under "Working Agreements," presumably on account of the lesser amounts disbursed in the accounting period to the Argentine Transandine and other lines. For Buenos Ayres Western no sum is included in fixed charges for taxation this year, though last year this item amounted to £79,665. Payments under "Working Agreements" to the Buenos Ayres amounted to £37,920, as against £62,054 in 1919. In the case of the Central Uruguay a staff bonus of £35,000 is included in working expenses, thus raising the ratio from 75.93 per cent. to 78.83 per cent. A sum reserved for taxation—£46,724—is included amongst the other fixed charges, which are merged in our table with interest on Preference shares and Debenture stock. The concluding columns in the table, indicating the amount available for Ordinary dividend and the amount distributed, are rather instructive, especially in regard to the Buenos Ayres and Pacific Railway, which distributed less than one-half the amount available. The Ordinary stock, amounting to £10,000,000, requires only £100,000 for payment of a dividend of one per cent. The actual distribution was five per cent., absorbing £500,000, but a much larger distribution, following the example of the other lines, could have been made without seriously weakening the allocations to reserve and other funds. Even the sum set down as available for Ordinary dividend excludes two large items—£270,577 for special renewals and £500,000 transferred to general reserve.

In the following table is given an analysis of revenue for the various lines in the year ended June 30 last:—

Analysis of Revenue. Year to June 30, 1920

	Traffic Receipts	Exchange Interest	Various	Total
ARGENTINE RAILWAYS—	£	£	£	£
Buenos Ayres Gt. Southern ...	9,005,067	1,230,733*	323,340	10,559,140
Buenos Ayres Western ...	5,241,247	698,943*	231,910	6,172,100
Buenos Ayres and Pacific ...	7,892,278	872,647	435,085	9,200,010
Cordoba Central	3,044,566	282,445*	71,849	3,398,860
Entre Rios	1,165,718	84,541*	39,653	1,289,912
URUGUAYAN RAILWAYS—				
Central Uruguay Railway ...	1,102,197	184,123‡	85,893	1,402,213
Central Uruguay, N. Extension,	197,561		1,331	198,892
Central Uruguay, E. Extension,	333,712		1,073	337,785

Not included in Net Revenue Account, being transferred direct to General Reserve. * Including interest, discount and transfer fees. ‡ Of which £50,000 transferred to General Reserve.

The large profit derived from exchange is particularly noticeable, but the sums so earned by the Buenos Ayres Great Southern and the Buenos Ayres Western, £1,230,733 and £698,943 respectively, have not been passed through the revenue accounts, but have been carried direct to the general reserve. The substantial amounts which were made were in some cases sufficient of themselves to meet the Prior Debenture Note and Preference charges, as can be seen from the table given at the foot of the page of the various classes of capital and the sum needed to meet the annual service.

The exceptional prosperity enjoyed during the year by the Argentine railways was due mainly to the heavy carriage of grain consequent on the holding up of the previous year's crop by strikes at the terminal ports. Not only the 1919-20, but a large portion of the 1918-19 harvest passed over the lines in the last accounting period. The movement of the former from up-country to the coast was expedited in the first six months of the year, and consequently future prospects for the different companies are almost entirely dependent on the quantity and quality of the next harvest. Labour troubles may complicate matters, but the considerable advances given in June 1919, and again in February 1920, should prove ample, in the absence of any large increase in the cost of living, to satisfy the reasonable wants of the workers. Recent advices indicate that the cereal area already sown is in excess of last year's figures, but any estimate made at the present time must, in the circumstances, be considered purely provisional. The fall in freights should facili-

Statement of Capital and Annual Charges as on June 30, 1920.

	Debenture Stock	Government Bonds	Annuities	Preference Stock	Ordinary Stock	Total
ARGENTINE RAILWAYS—	£	£	£	£	£	£
Buenos Ayres Gt. Southern ...	16,638,727	—	242,600	8,000,000	29,090,000	53,971,327
Annual charge	670,713		10,917	400,000		1,081,630
Buenos Ayres Western	8,872,203	1,000,000	—	2,852,340	17,347,669	30,072,212
Annual charge	366,888	50,000		129,855		545,213
Buenos Ayres and Pacific	16,942,675	—	—	2,200,000	10,000,000	29,142,675
Annual charge	767,795		—	110,000		877,79
Cordoba Central	14,043,225	—	—	3,191,855	4,068,727	21,214,117
Annual charge	623,758	—	—	183,894		807,65
Entre Rios	7,708,010	—	—	2,734,049	1,783,110	8,225,17
Annual charge	160,350		—	120,000	—	280,35
URUGUAYAN RAILWAYS—						
Central Uruguay Railway	2,415,699	—	—	800,000	2,000,000	5,215,69
Annual charge	114,193	—	—	44,000	—	158,19
Central Uruguay, N. Extension ...	627,150		—	—	1,000,000	1,627,150
Annual charge	31,357	—	—	—	—	31,357
Central Uruguay, E. Extension ...	1,146,666	—	—	860,000	860,000	2,866,666
Annual charge	57,333	—	—	43,000	—	100,33

[illegible] the carriage of [illegible] overseas markets, and this, added to the great advance in wealth of the country in recent years, should lead to improve goods and passenger traffic. For some time to come, however, disappointing returns, as compared with last year, must be expected. In the following and concluding table we show the aggregate receipts of the various lines up to the latest available date in the present financial year, October 30. As will be seen, the eight lines included all register a decline, as compared with the corresponding period of eighteen weeks in 1919. The combined receipts, at £7,889,488, show a fall of £1,283,824, or sixteen per cent. Unless revenues expand to an extent not now anticipated, last year's unusually favourable results will not be repeated. Most of the companies are, however, owing to their conservative methods of finance, in a position where the future need give rise to no misgivings, even if traffics do not come up to previous standards.

Statement of Receipts in 18 weeks, from July 1 to October 30, 1920.

		1919			
[illegible]					
[illegible]		3,792			
[illegible]					
[illegible]	1			3	
[illegible]					
[illegible]					
[illegible]					
[illegible]					

EFFICIENCY IN DISTRIBUTION.

INDUSTRIAL enterprise in these islands during the past few years has been increasingly occupied with the problem of securing economies in production. This has been the basic idea underlying the formation of the many combines, the progress of which will be watched with interest by all who are interested in industrial organisation. The situation is not, of course, without some danger for the consuming public. Whether the fusion of interests is complete, as in the case of a number of individual firms operating in one particular sphere of industry, or a simple understanding is arrived at in regard to output and prices, each concern maintaining its independence and remaining under its own management, the principle of the avoidance of the cut-throat competition which was such a well-marked feature of pre-War manufacturing activity, is borne in steady view by producers. In these connections monopoly may give rise to abuses, but the methods occasionally adopted by American trusts are not likely to be followed here, and a watchful policy on the part of the Legislature will go far to give the consuming interests the benefit of the lower cost of production brought about by the harmonious co-operation of managements of concerns hitherto independent. From two points of view it is, however, desirable that the legitimate movement towards the adoption of more economical methods of production should be free from unnecessary interference. In the first place, there is the possibility that an appreciation in the value of money in the future, and a decrease in the selling prices of commodities will seriously burden concerns which [illegible] Debentures and Preference share capital. Secondly, so far as our export trade is concerned, it would seem that combination amongst home manufacturers is the best way of meeting foreign competition.

It is somewhat remarkable that while so much attention is paid to the development of more economical modes of production, little effort, comparatively speaking, is made to secure a corresponding efficiency in methods of distribution. And the point is made in the recent report of the South African Trade Commissioner that when a series of firms, some of which have had no overseas representation and others which have had representatives [illegible] output, come together for joint production and combined export, it would seem an obvious course to embark at once on a close study of the overseas markets with a view to framing the right policy for distributing these products in bulk. But scant evidence, he contends, has so far been adduced that any adequate consideration has been given to the formulation of such a policy. Yet the point is of supreme importance, as the cost of distribution frequently exceeds the factory cost. "The large amalgamations, combines, and price agreements of the last few years are, of course, not confined to the engineering trades, but it is those which are concerned with different branches of engineering, such as agricultural and electrical machinery, wire ropes, steel, machine tools, railway locomotives, and rolling stock, motor-cars, &c., which are chiefly concerned with the question of scientific distribution. In most of these trades, so far as this market is concerned, distribution has been in the past, of necessity expensive, if not faulty and extravagant. In many there has been no sort of co-ordination of effort, except possibly—and so far as the manufacturer is concerned, fortuitously—through the uncontrolled initiative of the agent." In such lines as motor-cars, agents have been allowed to run a number of competing makes. There has been no sort of stimulus to push one more than another. Manufacturers have not even asked whether there was any organisation of "service" or adequate staff for maintenance and repairs. Agents have been expected to finance not only the purchase of cars outright, but the stocking of spares, an almost impossible matter in view of the multiplicity of makes and models. American cars have obtained their hold on Colonial markets quite as much by better sales organisation and attention to the above points as through lower prices and more suitable design. In agricultural implements, again, the question of finance is of great importance. Not only have stocks to be carried, but credit is essential even in dealing with co-operative societies. Many manufacturers have perforce to leave sales entirely in the hands of wealthy firms simply for this reason. Grievances have arisen in consequence among co-operative societies and storekeepers. Many agents have no initiative and few could afford to tie themselves exclusively to British makes. With a few very notable exceptions manufacturers could not afford to send experts out to study and design for the market, or possibly, did not see the necessity. In each and all of these lines the competitive representation of many makes made highly-paid and technically qualified experts on the spot almost an impossibility, while even the addition of large percentages of remuneration left no very considerable profits to agents on the small turnover. In the electrical trade, again, we were in competition with very few, very large, and very highly organised firms, organised as highly for publicity, for study of local conditions and needs, and for distribution, as for manufacture. All of these could, without any waste or extravagance, afford to have their own sales organisation on the spot and amply qualified specialists in every branch of the industry. The much smaller British firms, which, for the most part, fail to obtain economy in manufacture owing to spreading their energies over a wide range of goods simultaneously, were unable to secure adequate efficiency or economy in distribution. Being in competition with five or ten manufacturers each had to have separate representation. Not all could find technically qualified representatives. In order to provide an adequate turnover many of the local merchant agents had to take on agencies in far more branches of engineering than [illegible] system involved an enormous duplication of effort, both in technical staff and in travelling canvassers, in office premises, and in staff.

The foregoing remarks apply primarily to the South African market, but undoubtedly their application [illegible]

remembered, however, that the circumstances of the year 1919 were exceptional, and that the necessity for satisfying the great home demand for goods was to a large extent responsible for the Trade Commissioner's statement that so far as the South African market was concerned, in 1919 there has been practically no tangible evidence as to the position and prospects of British industry. The system by which producers' goods are disposed of through merchants and their agents probably stands in need of overhauling, but in organising and financing trade the merchant is able to dispose of resources not readily at the call of the small manufacturer, and evidence of his utility is found in every page of the history of our foreign trade. Still, the tendency of modern associations of producers is to set up their own selling organisations through a subsidiary company or otherwise, and to operate through direct representation abroad. The machinery for this purpose is still in an embryo stage with many concerns, and some time will elapse before they can reap the advantages expected to accrue from the appointment of overseas agents charged exclusively with the duty of pushing the sale of one particular category of goods.

CAPITAL OF COMPANIES IN UNITED KINGDOM.

THE year 1919 constituted a record as regards the number of companies registered in the United Kingdom and the total of their nominal capital. The annual report issued from the Board of Trade shows for 10,725 concerns capital amounting to £412,967,204, an average of about £38,500 each, as compared with £127,879,495 for 3,504 concerns in the preceding year, an average of £36,400 each. The unit concern thus shows a tendency to increased size, but, contrary to general opinion, the number of private companies is undiminished, and last year private registrations numbered 9,709, or ninety per cent. of the total of 10,725. During 1920 3,273 companies were removed from the register or went into liquidation, and the net increase was therefore 7,452. The number of companies on the register on December 31 last was 73,341, with an aggregate capital of £3,083,086,049, of which 58,130 were private. During the year 13,999 public companies were converted into private concerns, and the converse change from private to public took place in 595 cases.

Regarding the size of the companies registered in 1919, there were in all eighty-three companies with a capital of £1,000,000 and over, the highest ever recorded, and a greater number than for the whole of the preceding six years. The biggest relative increase took place in companies with a capital of between £200,000 and £300,000, from 120 in 1918 to 386 in 1919, but smaller concerns still continue to multiply, and the total number of registrations where the capital was under £20,000 was 7,085 for the year. In the following table particulars are set forth of the nominal capital of all companies registered in the United Kingdom in each year since 1913:—

Capital of Companies Registered in the United Kingdom.
1913-1919.

Year of Registration	England	Scotland	Ireland	Total United Kingdom
	£	£	£	£
1913	146,732,555	7,633,111	2,820,989	157,186,653
1914	104,566,576	7,006,676	1,678,131	113,251,583
1915	49,284,267	920,000	8,159,947	58,364,214
1916	46,115,578	1,210,814	906,291	50,442,871
1917	63,100,115	4,651,355	1,062,460	67,813,926
1918	118,990,571	7,818,000	1,070,924	127,879,495
1919	384,133,661	24,756,397	4,076,146	412,967,204

Last year was an exceptionally heavy one in each country, due no doubt to the working-off of registrations which had been held up during the War. The major portion of the new formations took place, of course, in England and Wales, where the capital involved rose from £118,990,571 to £384,133,661, though Scotland and Ireland also show substantial increases. These figures, it must be borne in mind, refer to nominal capital, and there is naturally a wide disparity between them and the issued capital, for which, however, no full particulars are available.

The undesirable practice of filing statements in lieu of prospectuses appears to be growing, and last year statements were filed in 552 cases, as against prospectuses in 296, while in 116, exclusive of private companies, neither one nor the other were deposited.

The boom in registration has continued in the present year, but, owing to the War arrears worked off in 1919, it is probable that last year's record will not be surpassed. The progressive increase in the appeals for capital shows, however, that the tide has not yet turned, and accordingly the figures for some time to come may be expected to exceed the average, unless the general price-level exhibits a drastic reduction.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

THE fact that it is now two years since the signing of the Armistice, that the general price-level has fallen month by month since last April, and that conditions of production were threatened with a serious disturbance last month, render the publication of our end-of-October index-numbers more than usually interesting. That the intervention of the coal strike did not check the downward trend of commodity prices we have already foreshadowed in a recent issue showing an index-number constructed a week after the commencement of the strike. As a matter of fact, the coal strike seems to have helped instead of hindering the decline. If prolonged, it must ultimately have forced prices up by creating a greater scarcity of commodities, but it was too shortlived to bring about this undesirable result, as our foreign-trade figures for October indicate. It had the immediate effect, however, of restricting the consuming power of a considerable section of the community, while it impaired the readiness to buy of large classes—factors which were largely responsible for the decline in commodity prices during previous months. The result is recorded in our index-number for October which, at 239.9, shows a decline of 3.5 per cent. on the month. This movement was the largest for any month since last May, when prices began to fall. How the general and group index-numbers have changed, as compared with September 1920, with October 1919, and with June 1914 may be seen from the subjoined table:—

	Monthly Index-Nos.				+or− % Oct. 1920 on		
	Oct. 31	Sept. 30	Oct. 31	June 30	Sept.	Oct.	June
	1920	1920	1919	1914	1920	1919	1914
Veg. Food ...	242·0	243·9	180·4	66·5	− 1·9	+34·0	+263·9
Animal Food	288·7	289·4	253·5	97·5	− 0·2	+13·8	+196·1
ugar, Coffee & Tea ...	157·8	178·7	172·7	51·8	−22·9	− 20·2	+166·0
Foodstuffs ...	**233·4**	**237·7**	**193·3**	**74·8**	**− 1·8**	**+19·5**	**+212·0**
Minerals ...	295·5	312·4	245·6	96·7	− 2·3	+24·4	+215·0
Textiles ...	219·6	216·4	259·2	80·6	+ 1·7	−14·3	+172·5
Sundries ...	224·0	233·1	237·5	82·5	− 3·9	− 5·7	+171·5
Materials ...	**240·6**	**256·8**	**245·4**	**85·7**	**− 4·8**	**− 0·3**	**+185·4**
Totals ...	**239·9**	**248·7**	**221·3**	**81·2**	**− 3·5**	**+ 7·0**	**+195·4**

A fall of 1.8 per cent. is shown in the foodstuffs category, but this was due almost wholly to the severe decline in wholesale sugar prices which occurred last month. But for this latter movement, indeed, foodstuffs as a whole would have risen, for American wheat and maize, and English barley, in the vegetable food group, and beef and mutton in the animal food group, all show an increase. In the latter group Waterford bacon again declined. The decline of 2.3 per cent. in the minerals group, contrasting with a slight rise during the three preceding months, was induced by a fall in the average export price of coal, including coke and manufactured fuel, and in the quotations for Straits tin, Standard copper and lead (English pig), these being the only changes in the

group. As [illegible] the fall [illegible] the textile group, shown above, is more than [illegible] and wool were the commodities contributing to the [illegible] crystals show the only increase, and linseed, leather, palm oil, hides, tallow, petroleum, nitrate of soda, and imported timber all declined. The Materials category [illegible] shows a fall of 4.8 per cent.—the largest for the past seven months. The movements here described are of a slightly different nature from those which took place during September. For instance, sundry materials [illegible] September, and the change in direction of mineral prices [illegible] fall in the textile group, shown above, is more than [illegible] interesting [illegible] category. The past six months have witnessed some violent readjustments of food values due partly to the removal of Government control over some commodities such as pork and pork products, and home-killed beef and mutton, and partly to the rapid changes of opinion regarding [illegible] the markets during the spring and summer. The movements of the commodities [illegible], however, though very violent, have been characterised by increases in some directions taking place concurrently with decreases in other directions, so that, viewed as a whole, foodstuffs show only slight changes. These violent fluctuations make it difficult to visualise the true trend of food prices. It seems to be generally accepted that food values will increase during the coming winter, while those of other commodities will decline. The prices of many foodstuffs depend, naturally, to a large extent, on the exportable surplus available in the various producing countries. Space forbids us to enter here into the crop statistics of these countries, but to say that the returns compare favourably with those of previous years since the start of the War may be taken in general as a faithful description of the position. Hence, as far as the prices of foodstuffs are determined by the interplay of supply and demand it cannot justly be said that much higher prices are warranted. In the present disturbed state of finance and industry, however, prices are often influenced largely by other factors besides the relation between demand and supply, such as exchange fluctuations and currency and credit movements, and on this account a general forecast of the prices of a group of commodities is very difficult. We cannot, however, agree with those who look forward to a violent increase in food prices, though it is possible that a minor rise may occur. At any rate it seems likely that food values will rise in relation to other commodities.

As compared with April last, when the peak of high prices was reached, foodstuffs have declined by 3.9 per cent., materials by 10.1 per cent., and the general index-number shows a fall of 9.8 per cent. The greatest decline [illegible] fell 34.3 per cent. Textiles fell by 26.2 per cent., and sundry materials by 16.3 per cent. Animal food and minerals are the only groups which are higher on balance, the percentage increases being 9.3 and 5.1 respectively.

A comparison of the October index-number with previous monthly and annual figures is afforded by the following table:—

Year									
1800 (Novem'r)	150	June '14	80.2	[illegible]	[illegible]	[illegible]	[illegible]	'19	214.8
1810 (April)	171	Dec. "	118.4	Apr.	[illegible]	[illegible]	[illegible]	"	[illegible]
1818 (June)	[illegible]	Jan. '16	123.6	[illegible]	[illegible]	[illegible]	Nov.	"	[illegible]
1873	111	Mar. "	139.4	[illegible]	[illegible]	[illegible]	[illegible]	"	[illegible]
1880	[illegible]	Oct. "	141.6	[illegible]	[illegible]	195.9	[illegible]	"	245.3
1896	63	Dec. "	154.3	Nov.	"	195.3	Feb.	"	[illegible]
1911	80	Jan. '17	159.3	[illegible]	[illegible]	196.0	Mar.	"	[illegible]
1912-13-14	85	Feb. "	164.0	[illegible]	'19	199.1	[illegible]	"	[illegible]
1915	165	April "	173.0	[illegible]	"	187.5	May	"	[illegible]
1916	150	June "	180.4	Mar.	"	184.7	[illegible]	"	[illegible]
1917	150	Aug. "	175.7	May	"	194.6	[illegible]	"	254.5
1918	196	Oct. "	180.6	June	"	199.4	[illegible]	"	[illegible]
1919	206	Dec. "	185.1	July	"	206.4	[illegible]	"	[illegible]
				Aug.	"	212.7	[illegible]	"	[illegible]

How prices are moving in other countries may be [illegible]

International Wholesale Prices

	U.K.	[illegible]	Japan	[illegible]	[illegible]	[illegible]	Expressed as a [illegible]	[illegible]
1913...	[illegible]	9,715	[illegible]	[illegible]	100·0	100·0	[illegible]	100·0
1914...	[illegible]	[illegible]	126·3	[illegible]	100·0	[illegible]	95·5	102·0
1915...	[illegible]	[illegible]	127·8	161·6	127·1	107·0	96·7	139·8
[illegible]	[illegible]	11,8237	151·9	253·0	160·0	128·1	152·2	267·9
1917...	175·0	[illegible]	202·4	295·2	170·0	148·5	145·5	261·6
1918...	192·0	18·7117	[illegible]	[illegible]	[illegible]	203·2	195·9	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	202·7	[illegible]	555·6
1919								
Mar....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	187·7	202·0	336·6
June...	[illegible]	18·8961	[illegible]	[illegible]	[illegible]	[illegible]	223·1	[illegible]
[illegible]	[illegible]	[illegible]	319·0	403·0	242·8	217·2	241·3	349·0
Aug....	212·7	19·4720	[illegible]	401·7	[illegible]	211·5	[illegible]	442·—
[illegible]	214·8	[illegible]	[illegible]	[illegible]	[illegible]	211·9	251·1	[illegible]
Oct....	221·3	[illegible]	352·1	441·1	[illegible]	216·1	260·3	[illegible]
Nov....	[illegible]	[illegible]	370·2	[illegible]	272	[illegible]	280·0	[illegible]
Dec....	235·2	[illegible]	[illegible]	468·6	276	221·1	[illegible]	422·7
1920								
Jan....	[illegible]	20·8690	[illegible]	[illegible]	288	[illegible]	301·1	[illegible]
Feb....	[illegible]	[illegible]	[illegible]	[illegible]	306·3	229·1	[illegible]	[illegible]
Mar....	[illegible]	20·7124	[illegible]	[illegible]	[illegible]	224·9	321·5	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	343·1	225·1	[illegible]	587·5
May...	[illegible]	19·8753	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June...	255·7	19·3528	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
July...	[illegible]	[illegible]	317·0	[illegible]	[illegible]	[illegible]	259·8	[illegible]
Aug....	[illegible]	[illegible]	[illegible]	[illegible]	298·2	195·1	[illegible]	301·3
Sept....	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	—	[illegible]
Oct.	[illegible]	15·057·0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

The following table will be of interest as it shows the changes which have taken place since the Armis-

Percentage [illegible]

	[illegible]	[illegible]	[illegible]	Food stuffs	[illegible]	[illegible]	[illegible]	Materials	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	5·5	[illegible]	[illegible]	[illegible]	18·5	13·4
[illegible]	[illegible]	[illegible]	[illegible]	19·3	[illegible]	[illegible]	[illegible]	0·3	7·0
[illegible]	[illegible]	[illegible]	[illegible]	26·1	[illegible]	[illegible]	[illegible]	18·1	21·3

BRAZIL.

WHAT DO WE WANT?

[illegible] Government and certain Government Departments are loaded up with stocks of commodities that they acquired either during the height of the War or in the inflated period which followed the Armistice at extravagant prices, and which it is difficult for them to realise now [illegible] serious impediments to the recovery of international trade, at the same time it cannot be denied that the possibility of the existence of these Boards and their evil effects rests upon the general shortage of commodities. During the prolonged period of the War and the period, now nearly half as long, which has elapsed since, the destruction of wealth was terrible, and the reconstruction of wealth has proved to be but small. In order to start industry once more upon a sound economic basis, it is pre-eminently desirable that we should obtain immense supplies of food and raw [illegible] that they will be cheap and readily accessible to everybody who is fairly capable of earning his living. While bread, as is the case in this country at the present [illegible] up by Government subsidies, direct and indirect, it is idle to expect either wages, [illegible] trade to adjust themselves to [illegible]

[illegible] country about which at the moment we are writing [illegible]

[illegible] of various kinds which [illegible]

ceed these conditions. These exceptional conditions, however, will never be satisfactory until the world is once more able to obtain large quantities of food and raw materials upon a relatively cheap basis as we were accustomed to in the period which preceded the outbreak of the great War. Now there are comparatively few places from which it is possible to obtain immense supplies of food and raw materials, which are essential to the welfare of a manufacturing country like our own, which depends almost wholly upon overseas sources of supply for the bulk of the food we eat, and for practically the whole of the raw materials which feed our manufacturing industries.

Now it has been said that the world is gradually getting filled up. In a sense this is true. If it were true, however, in any real sense of the term, we should be in a far more alarming position than is actually the case. If the present basis of values were likely to continue and to be permanent, it would mean that we should have to spend the greater part of our time in earning our living. We should be reduced almost to the position of the beasts of the field, who spend the greater part of their days eating the herbs which they discover in their wanderings. What is really alarming, and what is only coming to be gradually known and generally appreciated, is that only a very small part of the earth is really fertile. By far the major part of the great continent of Asia, which is out of all proportion larger than any of the other continents, is infertile. Probably more than half of Africa is either infertile, or can only be made fertile by expensive methods of irrigation. It was hoped that after the South African War there would be a large immigration of Europeans, and particularly of British people, into the southern half of Africa. It has been found, however, that without great expense in the method of irrigation very little of Africa is actually suitable as things are for anything like extensive settlement. Europe itself enjoys such fertility as it possesses largely owing to the fact that it has been cultivated by an enormous population for a period extending over two thousand years. It has been cultivated and fertilised to a degree that has brought it up to its present capacity, or to which, at any rate, it had attained before the War, of producing more than half the total wheat produce of the world. Australasia, if we are able to retain it permanently, as part of the British Empire, will require to be peopled. But it can only be peopled with the assistance of an enormous expenditure on irrigation. There remains the most fertile af all the continents in South America. Speaking generally, the two Americas are wonderfully fertile. Canada, a large part of the United States, and a considerable part of Mexico are eminently fertile. But those who are acquainted with North America and South America know, of course, that in natural fertility the southern continent far surpasses that of the northern. It would not be true to say that there are no desert lands in South America; but with the exception of the Andean region of the mountains, the high plateaus of Peru and Colombia, the salt lands of Southern Argentina, and a relatively very small area in Northern Brazil, it would be difficult to find any extensive area comparable to what we find in North America, even in Europe, and, of course, there is nothing to compare with the arid wastes of Africa and Asia in South America, and, for that matter, there is nothing comparable in the two Americas taken together.

About two generations ago it became evident that, if we were to receive adequate supplies of food and raw materials to feed our people on a reasonable economic basis, and likewise to feed our industries on a similar basis, we must seek fields other than those afforded by the United States of America, from which we had obtained the bulk of our supplies in the period which preceded the opening up of South America, our own colonies, and India. This country had been the pioneer in railway building in North America. We did not enter into it in a philanthropic spirit, but for the express and avowed purpose of obtaining adequate supplies of food and raw materials. As the population of North America grew, it became evident that we could not obtain these supplies which were calculated to assist our industries. As a result, we built the most extensive railway system in Argentina which exists in any South American State. For reasons into which we do not propose to enter here, during the War we were once more thrown almost wholly upon the United States as a source of supply, and, as we explain elsewhere, the result has been that while we paid extravagantly high economic values, we did not obtain increased supplies in volume to anything like the extent. This is precisely what might have been expected, but it was not possible to ascertain the actual facts until the figures were issued from the Bureau of Statistics at Washington.

Now what do we propose to do. Do we want to obtain increased supplies of raw materials, or to proceed upon the present high basis of values? If we desire to obtain immense supplies of food and raw materials, it is essential that we should open up some country capable of supplying them. Now what country is better suited for that purpose than the United States of Brazil? There is a country almost uniformly fertile, extending from the Tropics almost to the Temperate Zone, having an area more extensive than that of the United States of America, and having a population of only about twenty-five to twenty-six millions of people. It is just in the stage in which it can be opened up to yield immense quantities of the very products which are essential to this country if it is to reconstruct its industry and to feed its people and those industries upon such an economic basis as we can support if we are to engage in international trade in competition with the rest of the world.

In order to open up Brazil, it would be essential that our people should devote themselves to saving, and set their minds carefully upon thrift. Partly, these savings will have to be devoted to the payment of the heavy debts we have incurred during the War. But partly, they can be used for the development of those countries capable of supplying us with the commodities which we need, in which Brazil holds a foremost place. Such a policy should in the end prove far more advantageous than attempting to pay off our liabilities by devoting the whole of our savings to that object.

TRADE OF THE UNITED KINGDOM IN OCTOBER.

Once again, rumour has proved to be a lying jade. Early in October reports from the centres of the textile and steel industries alike chronicled a falling-off in trade. The gloomy prospects thus foreshadowed were rendered more dismal still by the enforced idleness in the coal mines during the latter half of the month. It is, however, the unexpected that has happened, for, as the following table shows, the trade returns for October were, in view of these drawbacks, of a rather satisfactory nature:—

Course of Foreign Trade.

(000's omitted.)

	Month of October 1920.			10 Mos. to end of October 1920.		
	Amount.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.	Amount.	Inc. or Dec. on 1919.	Inc. or Dec. on 1913.
	£	£	£	£	£	£
Imports ...	141,889	3,611 +	78,159	1,650,753	+331,277	+1,021,277
Re-exports ...	16,131	3,508 +	6,578	196,592	+ 78,699	+ 104,677
Net imports	125,758	103 +	71,581	1,454,161	+252,578	+ 916,601
Exports ...	112,295	+33,894 +	60,672	1,119,573	+119,166	+ 682,188
Exc. of imports	21,460	—33,131 +	10,909	334,588	—246,588	+ 234,413

A natural repercussion of the coal strike, but also a partial reflection of the adverse exchange movements, notably that of the New York exchange, is seen in the record low total of £149,889,000 for imports for the month, representing a decline of over £2,800,000, as compared with September. This drop is the result of a decrease in the imports under Class III., offset to some extent by an increase under Class I. Imports of

[illegible] to £14,240,000. While [illegible] small declines in [illegible] trade [illegible] been foretold, [illegible] materials, other than coal, [illegible] fall, from £1,582,993 to £1,270,018. On the other hand, the import of [illegible] from £9,105,305 to £9,184,140. The imports from the United States increased in quantity from 154,022 tons of 100 lb. in September to 187,371 tons, but fell in value from £5,480,726 to £5,251,343. As the exchange position on the whole was more unfavourable in October, the drop in value [illegible] the recent slump in cotton prices in America. It is of interest to note in this connection that the marked expansion in the import of Egyptian cotton from 49,482 bales to 107,813 bales, and in value from £1,113,848 to £2,323,524. The October import of raw wool amounting to £6,911,182 [illegible] September quantity of £6,640,718. Australia sent 134,022 tons valued at £1,120,055 in September, and made 361,116 bales valued at £3,281,453 in October. Similarly the value of the New Zealand wool imported dropped from £1,381,470 to £1,150,875. At the same time the Argentine import of 53,697 bales was nearly nine times greater, but the value at £326,405 was less than five times that of September. Imports from other South American states increased also from 10,517 bales, worth £104,714, to 63,252 bales worth £595,333.

Imports of food, drink, and tobacco amounted to £69,167,587, as against £67,269,155 in September. The value of grain and flour dropped by nearly £2,000,000 to £27,270,108. The salient feature was the decline in the import of wheat from £22,280,633 to £18,097,819, mainly because our trade in this commodity with Argentina accounted only for £157,990, as against £2,963,071, whilst the Canadian import fell from £2,960,962 to £1,938,052. A slight increase in the import of barley is due to the growth in the Roumanian import from £172,160 to £522,034 and the reappearance of Russia with an import valued at £126,480. A drop of £360,000 in the value of oats almost coincides with the decline in the Argentine import from £847,693 to £505,643. An increase of over £2,500,000 in the import of maize is accounted for by the expansion of the Argentine import from £1,069,705 to £2,907,030 and of the Roumanian import from £17,250 to £419,821. Imports of wheat, barley, and flour from the United States showed a slight decline. Two factors serve to explain the increase in the import of meat from £10,578,096 to £11,308,102: American bacon amounted to £2,823,360, as against £1,268,361; the import of frozen mutton from New Zealand was valued at £1,548,735, as against £918,109. The other outstanding movement in Class I. was the growth in the import of dutiable food and drink by more than £2,250,000 to £14,460,379. The increase applied almost generally to coffee, cocoa, sugar, and wine, but the most pronounced movement was the increase in the value of currants imported from £499,674 to £1,616,815.

The drop in the total imports was due entirely to movements in Class III. The import of articles wholly or mainly manufactured amounted to £36,266,604, as compared with £40,572,603 in September. The majority of the movements were downward. Small increases were registered in the imports of earthenware and glass, of cutlery, of electrical goods, and of manufactures of wood and timber. The value of machinery imported rose from £1,675,794 to £1,953,214. The largest increase was recorded by the imports of iron and steel and manufactures thereof, which amounted to £3,621,476, as compared with £3,143,704. By contrast the most marked decline took place in the trade in non-ferrous metals and manufactures therefrom, the import in October amounting only to £2,239,995, as against £3,490,262 in September. This fall was largely explained [illegible]

[illegible] £2,000. [illegible] £5,000,000. [illegible] £2,234,599, [illegible] other sections of the textile industries. Chemicals, drugs, dyes, and colours were received to a total of £2,663,880, as against £3,179,217; whilst the value of the imports of manufactured oils, fats, and resins dropped from £7,723,619 to £6,626,799. The drop in the imports of vehicles from £2,822,097 to £2,069,345 is explained by the falling off in the trade in motor-cars and parts thereof, the import being valued at £759,256, as compared with £1,396,543 in September. The adverse movement of the American exchange would help to account for this.

Despite the handicap of the coal strike, the total value of the export trade reached £128,429,000, being only £2,378,000 below the figure for September, but exceeding that of August by over £150,000. This position was entirely the outcome of the increase in re-exports from £13,351,000 to £16,134,000, for exports of home products declined from £117,456,000 to £112,295,000. To this expansion in the re-export trade exports under Class I. contributed £1,000,000, the total rising from £3,601,068 to £4,605,122, mainly because non-dutiable food and drink accounted for £1,576,080, as against £819,704. Re-exports under Class II. advanced from £5,417,910 to £7,060,593, reflecting the increase in the re-export of wool from £1,232,329 to £2,274,770.

The repercussion of the coal strike is clearly seen in the exports of British manufactures, which were reduced by over £5,000,000 during the month. Exports of food, drink, and tobacco increased by £360,000 to £4,677,605, and those of raw materials from £9,515,103 to £9,632,216. Slight increases were recorded in the exports of cotton and wool, but the greatest increase occurred in the trade in seeds, oils, fats, and resins, which rose from £835,560 to £1,068,328. With the export of coal prohibited as soon as the strike commenced, it was natural to anticipate a marked falling off in this direction. The trade returns show that 1,417,498 tons, valued at £6,108,497, were exported in October, as against 1,475,623 tons, worth £6,622,515, in September. Such a decline is by no means commensurate. However, the full effect of the strike is more clearly imprinted in the drop in bunker coal from 1,577,799 tons to 1,040,009 tons.

The least reassuring figures in the returns are those dealing with the export of manufactured products, the value of £95,761,000 for October being more than £6,500,000 below the total for September. All sections of the iron and steel trades, with one exception, chronicle small increases. The expansion of the trade

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in iron and steel products was rather marked, the export rising from £10,965,281 to £12,544,199. The export of vehicles constitutes the exception, the value dropping from £7,791,728 to £5,822,136, largely owing to the relapse in the export of ships from £1,411,901 to £2,783,248. The textile industries on the whole have not fared so well as in September. Yorkshire drops over £800,000 to £10,044,689; but the brunt of the blow fell on Lancashire, the export of cotton amounting only to £32,306,155, as against £37,859,688. There was a slight decline in the export of yarn, more than accounted for by the American export of £255,483, as compared with £614,738 in September. The trade in piece goods amounted only to £25,256,976, the loss of more than £5,500,000 being mainly caused by the reduction in the Egyptian export from £4,184,253 to £1,427,139, in addition to which the trade with China and Turkey was over £500,000 down at £2,859,795 and £1,425,003 respectively. The Indian demand also declined seriously, exports to Bengal, Assam, Bihar, and Orissa amounting only to £1,752,494, as against £3,184,666 in September.

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,301,000	29,348,000
Feb ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470 000
Mar. ...	45,918.000	43,715,000	68,042,000	29,465,000	39,707,000
April ...	40,495,000	40,382,000	77,621,000	40,244,000	30,805,000
May ...	26,755,000	59,318,000	77,516,000	37,852,000	25,786,000
June ...	34,015,000	46,120,000	64,176,000	35,999,000	30,780,000
July ...	8,042,000	76,068,000	63,525,000	35,703,000	22,515,000
Aug. ...	24,984,000	58,748,000	64,435,000	46,220,000	20,632,000
Sept. ...	21 886,000	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	21,460,000	54,783,000	72,768,000	39,405,000	28,781,000
Nov. ...	—	36,188,000	70,732,000	62,621,000	39,310,000
Dec. ...	—	52,717,000	74,797,000	44,450,000	29,434,000

This falling off in the exports of British products would have had a much more deleterious effect on the economic position of the country had it not coincided with a sudden rise in the re-export trade, in conjunction with a decline in imports. The net result is that the adverse trade balance for October amounts to £21,460,000, this being actually more favourable than in September, when industrial activity had not been restricted by a coal strike. Undoubtedly, the more permanent effects of that strike will be embodied in the returns for November and December. At present the existence of a depression in the cotton industry is confirmed by the decision of the Manchester Cotton Spinners' Federation, just announced, to reduce still further the working week of spinners of Egyptian cotton from forty-eight hours to thirty-five hours. Inquiries reveal the comparative absence of orders, and the recent decision of the Manchester Chamber of Commerce to register its protest against the cancellation of orders through the New York Chamber of Commerce shows how the tendency lies. The Australian demand has also fallen off, primarily in this case owing to the difficulties of financing exports, and here the problem of cancelled orders is also becoming acute. Thus the immediate outlook is none too bright; the recent wild fluctuations in the exchanges are not calculated to encourage exports to many countries other than America. The possibility of an increase in the adverse trade balance for the rest of the year is therefore very real.

External Trade of the U.K. since 1914.
(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
Oct. ...	149,849	16,534	133,755	112,295	21,460
Sept. ...	155,392	17,560	137,832	117,446	20,386
Aug. ...	153,758	13,568	139,887	114,903	24,984
July ...	163,342	17,848	145,494	137,452	8,042
June ...	170,491	20,124	150,367	116,352	34,015
May ...	166,334	20,260	146,074	119,319	26,755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,648	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	85,964	61,946
Jan. ...	180,498	25,464	155,034	102,880	52,154
Year					
1919 ...	1,631,902	164,322	1,467,580	798,575	669 207
1918 ...	1,316,150	30,945	1,285,205	501,119	784,786
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	848,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	96,474	601,161	430,721	170,440

NITRATE COMPANIES' RESULTS.—V.

As June 1921 marks the close of the nitrate season, it is at the moment possible to forecast the volume of production and demand and the possible course of sales for the next seven and a-half months. At the time of its formation the Association of Nitrate Producers comprised eighty-three per cent. of the productive capacity, subsequently increased by the adhesion of the Antofagasta and Union companies. The capacity of associated producers may be put at 73,395,200 quintals, and of non-associated producers at 14,300,000 quintals, making a total of 87,695,200 quintals. Deducting at least fifteen per cent. for interruptions caused by labour trouble, shortage of fuel or tonnage, and breakdowns, total net production may be placed at 74,540,920 quintals. For the delivery during the period July 1, 1920, to June 30, 1921, the Producers' Association had sold at the beginning of the present month 39,270,000 quintals, including shipments made within but ordered prior to the period. The pre-War consumption of nitrate from July 1, 1913, to June 30, 1914, was 59,099,828 quintals. An expert estimate, which we recently published, of the world's consumption in the current season placed it at 73,874,785 quintals. This figure represented an increase of practically twenty-five per cent. on the pre-War total, allowance having been made for an expansion of four per cent. per annum in the potential demand during the intervening six years. This demand has already been realised to a substantial extent, since orders for practically 39¼ million quintals have been placed with the Association, as above indicated, but of late, however, the Nitrate market has ruled distinctly dull, partly through the underselling tactics of non-associated producers, and partly through the exchange difficulties of possible customers, and the delay in reopening Central and Eastern European markets. Little nitrate has latterly been disposed of, and unless prices revive, by the co-operation of interests now outside the selling group, productive capacity must be curtailed to avoid the piling-up of stocks, though a market for the quota allotted to associated producers may be found. The most active part of the selling period has passed, and the future is, therefore, involved in some uncertainty.

SALAR DEL CARMEN NITRATE SYNDICATE, LIMITED.

Issued Capital : £220,000, in £1 Shares.

Year to	Output	Sales	Net Profits	Exercise	Depreciation	Divi- dends Amount	Rate	Carried Forward
Dec.31	Quintals	quintals	£	£	£	£	%	£
1910 ..	351,000	318,858	19,137			19,142	17½	1,861
1911 ..	291,000	258,000	5,859	11,644 (a)	—	5,443	5	647
1913 ..	160,000	160,000	4,476					5,123
1916 ..	322,000	285,000	16,960		—	13,529	15	1,565
1917-0	621,000	616,181	52,552	1,000		49,250	35	2,065
1918 ..	782,000	675,681	50,000	20,000		51,550	20	6,995
1919 ..	233,000	345,000	9,184			7,700	5	8,479

(a) After provision for Income Tax, Call on Unissued Investments, etc.
(b) Placed to Reserve to Investment Account.
(c) The nominal capital was increased from £110,000 to £220,000 in 1917.

The net profits of this syndicate, after p roviding for income tax, investments depreciation, &c., exhibited somewhat violent fluctuations during the War, falling as low as £2,476 in 1915 and rising to a maximum of £55,679 in 1918. In 1919, as was the experience of other nitrate companies, profits declined seriously, and the resulting £9,184 permitted a dividend of only five per cent., less tax. Though the amount carried forward to 1920 was £1,484 in excess of that brought into the account from 1918, the allocation of £20,000 to reserve in the latter year was not repeated, but the fund stood on the date of the last balance sheet at the substantial figure of £30.000, exclusive of the income-tax reserve of £5,500. A decline in total assets from £352,144 to £313,329, which was secondarily due to the fall in the cash at bankers and in hand from £39,499 to £12,671, was primarily caused by the diminished output, thirty-nine per cent. of the previous year's figure, and diminished sales, fifty-one per cent. of the total for the preceding twelve months. It was inevitable in the circumstances that stocks of nitrate,

SAN SEBASTIAN NITRATE COMPANY, LIMITED.

Issued Capital: £143,750, in £1 Shares.

Year						
1913						
1914						
1915						
1916						
1917						
1918						
1919						

In 1919 this Company repeated the unfortunate experience of 1914, and was compelled to pass its dividend, a net loss [illegible] having been incurred. The Company's oficina was closed for more than eleven months of the year, but certain unavoidable expenses, amounting to £18,010, had to be incurred in Chili. In addition, owing to the fall in the market, there was a loss incurred on the realisation of nitrate stocks, amounting to 62,546 quintals, brought in from the previous year. The only other trading, with the exception of iodine transactions, that took place in 1919 was the sale of 6,000 quintals of nitrate manufactured in January of that year, before the oficina shut down. The total outlay of £31,021, which includes income tax to the amount of £3,855, seems rather excessive, in view of the fact that work was almost completely suspended throughout the year. The absence of profits and the presence of income tax in the accounts is explained by the assessment on the three years' average basis. As regards the current year, production was not resumed till April, and on the date of the last balance sheet the substantial sum of £29,001 was owed to bankers, while sundry creditors totalled £34,870, representing stores unpaid for and amounts due to the inland revenue authorities. On the assets side, the property is valued at £130,707, a moderate figure according to the Chairman's statement at the last meeting, but it is impossible to form an exact idea as to the contents, and, therefore, as to the value of the grounds. The shares have been inactive and business was last done at 8s. 6d.

SANTA CATALINA NITRATE COMPANY, LTD.

Issued Capital: £79,000, in £1 Shares.

Year						
1913						£ 1,215
1914						1,541
1915						1,175‡
1916						
1917	402,000				15,800 20	395
1918	415,000					2,741
1919	367,000					

A decline in net profit from £4,854 to £18,056 compelled a reduction from thirty per cent. per cent. in the dividend of this Company in 1919. Owing to the failure of the demand for nitrate, production was carried on at only half-capacity from January to July last, when the works were shut down. As a result, profit was taken only on 141,845 quintals, compared with 410,750 quintals in the preceding year. The results despite the fall in production were, however, gratifying in view of the general nitrate position in 1919, and should show considerable improvement when the accounts for the present year [illegible] £34,767, and the amount realised on their sale was probably much greater on account of the rise in prices. [illegible] of property and investment values, and partly through the reduction of cash at bankers and in hand, from £6,695 to £1,146. The general position is, however, sound, and the shares, which have latterly been rising, were last quoted at 41s., yielding ten per cent. approximately on the basis of last year's dividend. [illegible]

TRADE BETWEEN GREAT BRITAIN AND IRELAND.

A [illegible] at Irish ports in 1919 has been issued by the Department of Agriculture. The course of trade since 1913, as far as values are concerned, may be followed from the appended table.

Irish Trade 1913-19.

	Imports	Exports	Re-exports	Total
	£	£	£	£
1913 ...	74,167	[illegible]	[illegible]	[illegible]
1914 ...	74,125	77,311	[illegible]	3,186
1915 ...	[illegible]	[illegible]	2,794	[illegible]
1916 ...	101,517	107,171	[illegible]	2,654
1917 ...	119,181	[illegible]	[illegible]	11,621
1918 ...	[illegible]	152,951	[illegible]	26,915
1919 ...	168,716	176,932	[illegible]	[illegible]

Imports, as well as exports, have increased substantially in value since 1918, the increase working out at £32,700,000 and £23,101,000 respectively. As most of the exports are consumed in Great Britain and the bulk of the imports are obtained from the same source, it will be readily perceived that the maintenance of economic stability in Ireland is in the best interests of both countries. British manufacturers and merchants earn large profits and commissions on the consignments they forward to Ireland and any interference with this trade connection will most prejudicially affect them. Some few months ago we drew attention to the effect which the stoppage of the railway system would have on these business relations. Within the past fortnight a step has been taken in this respect which may well be a forerunner of others. The Midland and Great Western Railway Company has notified its 3,000 employees that their services will terminate on the 14th inst. This railway has [illegible] mileage in use at a total for Ireland of approximately 3,409, and running through a region [illegible] in sheep, cattle and pig raising, and in the cultivation of such cereals as oats and barley and [illegible], it links up Dublin with the West of Ireland. In explanation of their action the Directors advance two reasons—the depletion of the railway staff owing to the dismissal of the man who refused to convey a certain class of Government traffic and the effect of a strike of boilermakers which has already lasted for some months. How far these reasons are responsible for such a seri[illegible] [illegible]

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ever, clear to any student of political events in Ireland that the course of action pursued by the Company has the whole-hearted approval of the Government, and that the application of a similar policy to other important Irish railways cannot long be delayed.

The Government is evidently feeling its way cautiously as it must be well aware of the fact that the economic strangulation of Ireland cannot be accomplished without adverse effects on Great Britain. Farm produce, food and drink bulk largely in Irish exports to the latter country. Their value in recent years is shown below.

Exports from Ireland of Farm Produce, Food and Drink.

	Items £
1913	41,050
1914	41,007
1915	48,549
1916	62,577
1917	71,801
1918	78,254
1919	93,799

A curtailment of these supplies will be immediately followed by a higher scale of food prices in Great Britain, as the circumstances of the moment do not permit of supplies being obtained from alternative sources. Denmark's surplus production of butter, for instance, is now largely taken up by the United States, and we cannot therefore look to her for an augmentation of our stocks. Should we, however, be partially successful in our appeals to foreign countries for supplies of the food materials which Government policy prevents our obtaining from Ireland, we are dispensing abroad money that would in other circumstances be readily available in the London Money market. For it must not be forgotten that a large proportion of the proceeds arising from the sale of agricultural produce are lent out by the Irish banks in London.

To force up the prices of foodstuffs in Great Britain will be the inevitable result of a partial or general stoppage of goods traffic on Irish railway lines. The forces of labour discontent will thus be appreciably strengthened at a time when it is eminently desirable that every endeavour should be made to speed up production. The present position merely serves to emphasise the truth now fast coming home to most people that the Irish problem cannot be solved by a continuance of provocative methods, and that the sooner the Government addresses itself to the task of framing a more conciliatory Irish policy the better it will be for the welfare of the people of the United Kingdom as a whole.

Banking Amalgamations in Germany.—In order to finance schemes for the complete absorption of five banks in which it previously held large interests, the Deutsche Bank is increasing its capital from 275 million marks to 400 million marks. The banks to be absorbed are the Private Bank of Gotha, the Private Bank of Brunswick, the Hannoverscbe Bank, and probably the Wurttembergische Vereinsbank and the Hildesheimer Bank. The new issue will be offered to shareholders at 120 per cent. premium in the proportion of one new share for four old shares. At this price a substantial bonus will be obtained on the investment.

The National Bank.—The accounts for the half-year ended June 30, 1920, shows an expansion in balance-sheet totals of nearly six millions to £44,530,712, as compared with the corresponding period last year. Among the liabilities, the increase is chiefly due to an increase of current accounts to £37,260,817, and, on the assets side, to an increase in securities held against advances to £15,342,614. The profit balance for the half-year is £134,448, of which £63,000 has been absorbed by an interim dividend payment of twelve per cent. per annum, £70,000 has been carried to the tax and contingencies account, and the balance to the credit of profit and loss new account, which now amounts to £28,238.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

Branches:—Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Semarang, Surabaja, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlement, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

U.K. Trade Balances.

A survey of the trade between the United Kingdom and other countries for the first nine months of the current year throws a very interesting light on the nature and extent of the trade balances due to or from the more important centres. Of primary importance to the financial position of the United Kingdom is the state of trade with America. Imports from the United States during this period exceeded exports from the United Kingdom in value by £323,703,981. Large as is this debt, the position has improved materially, as compared with 1919, when the adverse balance was nearly £50,000,000 more. The recovery is more meritorious than appears on the surface, since the rate of exchange prevailing during the 1919 period was much higher than that for 1920. Generally speaking, the 1919 rate did not fall below $4.11½, and was as high as $4.76½ during the early months; whilst in 1920 the rate never rose to $4.00, and was as low as $3.22. Furthermore, whilst largely an effect of the adverse trade balance, the unfavourable exchange operated—as economists have long maintained it would—to redress the situation; for, whilst the increase in imports was little more than five per cent., exports were multiplied threefold. The adverse trade balance with Australia has dropped by nearly £22,000,000, due again to the fact that exports have more than doubled, whilst there has been only a small increase in imports. This balance is intimately associated with the export of the Australian wool clip, and of frozen meat. Exports to Egypt have been multiplied threefold, whilst imports —in this case the cotton crop at once suggests itself —have not been doubled. Consequently, the balance due to Egypt has declined by over £2,500,000. Switzerland figures with an adverse balance of nearly £17,750,000, as against a favourable balance of nearly £3,000,000 in 1919. Here the reverse movement has taken place: imports have risen by more than 200 per cent., whilst the increase in exports is negligible. It will come as a surprise to many to learn that we owe Russia on trading account a balance of £14,984,265, whereas in 1919 Russia owed us £1,186,947. Exports to Russia have only increased by £1,100,000; whilst imports therefrom expanded from £9,250,104 to £26,552,741. The reduction of the unfavourable trade balance in the case of Spain from £16,198,893 to £12,103,715 is again the outcome of an increase in the exports of nearly £7,000,000. On the other hand, a favourable balance of £3,646,184 with Sweden is converted into an adverse balance of £5,630,749, owing to the more rapid rate of increase of the imports.

Favourable Balances.

In the table appended below trade balances in favour of the United Kingdom are recorded in nine instances. Undoubtedly the case of India is most astonishing. Trade during the first nine months of 1919 with India produced, from the point of view of the United Kingdom, the customary adverse balance amounting to £26,900,526. Returns for the

same period of 1920 [illegible] from the United Kingdom [illegible] £57,547,069. For the current period imports from India amounted to £78,319,830, as against £71,764,867 in 1919. The [illegible] the 1919 total of £44,864,341 is replaced by £135,857,436. These figures go far to substantiate the view that the recent movements in the Indian exchange have proved more beneficial to imports into India than to exports therefrom. With the exception of Germany and Italy, the belligerent nations on the Continent are betraying unmistakable signs of their recuperative powers. The balance against Germany has slightly increased; but the increase is trifling if viewed in connection with the general expansion in trade. Exports to Germany have increased from £13,240,023 to £35,476,242; whilst imports therefrom [illegible] £118,859. Italy, labouring under many difficulties, has increased her adverse trade balance by nearly £10,000,000 owing to the rapid increase in exports from the United Kingdom. Belgium, who has devoted all her energies to the work of national reconstruction, has made a marked recovery, her adverse trade balance being reduced by nearly fifty per cent. [illegible] £43,709,822 to £55,773,541, imports therefrom expanded from £3,038,764 to no less than £35,112,298. In peace as in war Belgium is setting an example for her Allies to follow. The progress made by France is scarcely less significant. Her exports to the United Kingdom increased by nearly 100 per cent., as against a growth in imports therefrom of less than six per cent. Consequently, the balance in favour of the United Kingdom has fallen by over £22,000,000. In the case of Japan it will be observed that, owing to an increase in exports to that country of over 140 per cent., an adverse balance of £8,838,957 in 1919 is replaced by a favourable balance of £3,043,457 in 1920. For similar reasons China owes the United Kingdom £11,987,947, instead of being owed £1,391,889.

Summary of Position.

Taking the trade of the British Possessions as a whole, the remarkable expansion in exports from £139,839,713 to £389,977,745 is reflected in a pronounced drop in the adverse trade balance from £275,977,512 in 1919 to £56,479,071. On the other hand, a slightly more rapid increase in imports from foreign countries produces an adverse trade balance of £256,974,975 as against £251,032,885. Thus the total trade of the United Kingdom during the first nine months of 1920 has only resulted in an adverse balance of £313,454,046, as compared with an adverse balance of £527,010,397 for the corresponding period of 1919. This is no mean achievement, and is a powerful testimony to the ability of the United Kingdom to regain its pre-War preeminence in trade.

[illegible] *that for the corresponding period of* 1919.

Country	[illegible]	[illegible]	[illegible]
	£	£	£
United States ...	[illegible]	[illegible]	— 372,142,693
[illegible]	[illegible]	91,459,185	— 45,135,031
[illegible]	[illegible]	57,963,943	—22,869,007
[illegible]	[illegible]	[illegible]	—17,740,399
[illegible]	[illegible]	[illegible]	— 14,984,265
[illegible]	[illegible]	[illegible]	—12,102,715
[illegible]	[illegible]	[illegible]	+ 3,616,184
[illegible]	[illegible]	19,700,701	— 8,[illegible]
[illegible]	[illegible]	[illegible]	—24,[illegible]
[illegible]	[illegible]	20,127,155	+ 11,987,947
[illegible]	[illegible]	[illegible]	+13,121,164
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	35,112,298	+20,661,243
Italy	[illegible]	[illegible]	+ 21,235,434
India	135,857,436	78,319,830	+57,537,606
France	141,1[illegible]	60,320,068	+81,789,768
British Possessions —Total	389,977,745	446,456,816	—56,479,071
Foreign Countries —Total	797,758,773	[illegible]	—[illegible]
Total ...	1,187,736,518	[illegible]	—527,010,397

SOUTH AND CENTRAL AMERICA.

OPENING UP OF BRITISH GUIANA.*

We [illegible] interesting book on the interior of British Guiana with [illegible] the opening up of this, our only colony on the South American continent, could best be attained. We propose to redeem that promise on this occasion.

British Guiana, as we know it at present, lives upon the production of cane sugar on the mud flats of the Northern shore of the colony. These mud flats form only a small proportion of the total area of the Colony, the greater part of which, for reasons which we will explain, is at present almost inaccessible. Even these mud flats are not developed to anything like their potentiality. At present, notwithstanding the scarcity of sugar and the extravagantly high price which is demanded from the unfortunate consumer of what is practically a necessary of life, the Colony only produces quite a small part of the sugar which, were it available, this country would be only too eager to import from Demerara. Competent authorities say that there is no real difficulty, even on these narrow mud flats, in producing more than 2,000,000 tons every year of cane sugar, which, after deducting the home consumption needed by the Colony itself, affords [illegible] consumption in the Island of Great Britain. It is pleaded that British Guiana has a population totally inadequate to enable it to develop even the cane sugar on the mud flats. If we admitted such a contention it would be hopeless to consider the practicability of ever opening up the Colony. We have recently shown how this difficulty could be overcome, provided the various interests, and particularly the sugar interests, seriously set themselves to solve the problem. We dealt with the question so recently that we do not propose to enter this aspect of the subject again.

Assuming, then, that the prospect of attracting immigrants is not an insoluble problem that is never likely to be achieved within the lifetime of the present generation, we pass to the consideration of the opening-up of British Guiana as a source of supply for food and raw materials over the whole extent of its area, which is considerably larger than the Island of Great Britain. From the area of the mud flats the only means of ingress into the Colony is up various rivers, the whole of which, at distances varying from thirty to sixty miles from the base, are obstructed by rapids. Consequently, for trading it is almost impracticable to get into the interior at all.

The authorities of the Colony are doing what they can to make roads where there is any kind of existing business which would justify the opening up. It has to be remembered that the total revenue of the Colony is under a million sterling; and, consequently, its resources available for any kind of speculative enterprise tending to opening up the interior are ex[illegible] [illegible] laid down as an axiom that no Government is justified in expending the money which it obtains from its citizens in speculative enterprises. It is a totally different thing where an existing community urge the public authorities to build and are themselves willing [illegible] the expense. In British Guiana, however, there is [illegible]

* [illegible] By Mrs. Cecil Clement, M.B.E. [illegible] T. Fisher Unwin.]

hereafter settle in the country when it has been opened up. It is a proposition for private enterprise and not for Government action. The Government of British Guiana has not the means, and even if it had, if those means were derived wholly from the community situated on the mud flats on the north, it would not be reasonable to mortgage their resources for the purpose of benefiting, not the sugar interests, but various industries which might grow in the future. Probably the building of a railway would be the most satisfactory method of opening up the Colony, for the reason that the building of a railway is a comparatively cheap method of construction for the area it is capable of serving. Speculative such an enterprise would be, no doubt; but if it were constructed with discretion and managed with foresight it would be highly profitable within a reasonable time. The Colony is naturally very rich, and were it properly opened up would be very healthy for settlement, both for Europeans and for our coloured fellow-subjects in various parts of the British Empire. Moreover, it is capable of growing an immense variety of products.

It may be worth while reminding the reader that this remote Colony, which very few English people have ever visited, or, indeed, know anything about, is situated wholly in the Tropics. It stretches from the sixth parallel north of the line almost to the Equator. The reader unacquainted with the district will probably imagine from this that it must be terribly hot. The settled part of the coast, however, has a more or less constant temperature of about eighty-eight degrees Fahrenheit, varying only by a few degrees between night and day, and hardly to any appreciable extent in the different seasons of the year, which alternate between wet and dry. The valleys of the interior, as those who have read Mrs. Clementi's book will have seen, are hot and trying, and where those valleys are situated in the vicinity of swamps the insect life is so prolific as to be exceedingly objectionable. This, of course, is simply a question of settlement. Every swampy area in every part of the world is objectionable until it is drained. When one has once penetrated the high lands of the interior, the climate ceases to be hot in any tropical sense of the term. Being under an almost vertical sun, it will be appreciated that in the day-time it is hot, but owing to the drop in the temperature, once the sun has gone down—and it goes down sharp at six o'clock in the Tropics—the chilliness of the night is very apparent. The blanket and the camp fire are eagerly sought after the evening meal has been disposed of. It has to be remembered that in British Guiana, as in the whole of South America, altitude counts for far more than latitude. Readers who are acquainted with mining engineers who have been employed at various times on the Colombian plateau will be aware that it is never warm in these latitudes. A mining engineer who returned recently to Colombia in connection with an enterprise in which his company was interested told the present writer that although he was working under a vertical sun, the temperature seldom reached sixty degrees Fahrenheit, and only on quite rare occasions exceeded that figure.

Of course, it has to be remembered that in British Guiana, with the exception of one great mountain, there are no altitudes comparable with the Colombian plateau. The prairie lands of British Guiana, however, afford conditions with which Southern Europeans are accustomed—a hot day followed by a very cool night. These lands are capable of growing nearly all the various plants which are common in Southern Europe, while the lands in the valleys should be reserved for purely tropical cultivation. Assuming that at some date in the comparatively early future a railway is built, it would probably be most economical to stock the interior prairie with cattle, partly, because this would prepare the lands for future cultivation; and, partly, because it would take some considerable time before, even if a railway were constructed, it would be possible to attract a specific number of immigrants to make cultivation upon an extensive scale practicable.

The Colony contains for its area some of the most valuable timber in the world; and were it accessible to the port of Georgetown, that timber would find a ready sale in the markets of the world at remunerative but, of course, not at extravagant prices. Large areas exist in the interior of forests of the famous balata gum. Until quite recently it was believed that British Guiana was not a mineralised country to any appreciable extent. It was argued that it must always be an almost purely agricultural country. It is to be hoped that it will be an agricultural country for some time to come. Recent discoveries, however, point to the fact that there are important deposits of manganese ore. If these exist they should be too valuable to remain unworked. Their working, moreover, would make it possible to develop other interests which may exist in the interior of British Guiana.

American Topics.

UNCERTAIN TRADE OUTLOOK.

Although the new President of the United States has been elected by an enormous majority, and whatever policy he decides to adopt has a reasonable prospect of being supported by a large majority, both in the Senate and in the House of Representatives, it would be a mistake to assume that the path of the incoming Administration which will take office in the first week of March next will be an easy one. On the contrary, the people of the United States appear to be faced with a period of very serious economic difficulties. It may be said with truth that they are not faced with the alarming difficulties which confront the governments and the peoples of so many countries in Europe. It cannot be denied, at the same time, that their difficulties are considerable, and will require very careful handling. What attitude the new President and his Government will adopt on the tariff question, of course, remains to be seen. But it is evident that economic conditions are totally different, and are likely to be totally different in March 1921 from what they were nearly a generation ago, when the late President McKinley adopted the drastic tariff system which was largely responsible for building up the large number of industrial enterprises in which a growing proportion of the population of the United States have been, and still are, engaged. While it is true in a sense that a country as big as the United States, and having as yet so comparatively modest a population, is to some extent self-contained, it is only true in a sense; and if the argument is pushed too far its fallacies will become only too apparent. For a foreign, and particularly, an English, economist the question has two aspects: the one as it affects the United States, not only one of the greatest powers in the world, but one in which this country still has very important economic interests; and the other as it affects ourselves as a country so largely dependent upon overseas sources for its supplies of food and raw materials. Unless the United States adopt some policy which will enable her largely to purchase from foreign countries, and particularly from those countries which are at present heavily indebted to her, it is difficult to see how those countries will be in a position to liquidate their debts within any reasonable time. Before the War, as we have explained on various occasions, it had become so evident that the United States was no longer in a position to supply large quantities of food and raw materials upon the economic basis to which we had been accustomed, that we were continuously—right up to the War, in fact—engaged in opening up new sources of supplies with the object of feeding ourselves and our manufactures. Owing to

the policy adopted in the course of the War, we became financially embarrassed to an extent that we had little option as to the methods by means of which we drew our supplies from that country. There are two methods of liquidating our debts to the United States. One is to sell securities, and the other is to export manufactures. We have sold [illegible] between one-third and one-half—of the readily marketable American securities which we formerly held.

To what extent it is either desirable or practicable that we should sell [illegible] and is in any case an arguable question. The natural method whereby we could liquidate our debts with ease to ourselves and with profit to the United States would be to export those goods which, for a variety of reasons, we are capable of producing on a lower economic basis than is possible in the United States itself. The War has shown conclusively what was becoming evident previously, a generation since 1914 that the United States in its present economic condition is no longer in a position to supply produce, and particularly raw produce, upon the same economic basis at which it is obtainable elsewhere. Indications—we will not say more—point to the conclusion that an undue proportion of the population have been drafted into industrial enterprises, as distinct from developing the natural resources of the United States. We have upon various occasions explained how it came about, as a result of our opening up various parts of the world, raw produce fell towards the end of last century, and the United States economic world came to the conclusion that the period had arrived when it must develop what is known as modern industrialism, as distinct from producing food and raw materials. Up to a point this policy was perfectly sound, as the growing prosperity of the United States during the present century has amply demonstrated. But indications are not wanting that this policy has been carried somewhat too far. It is notorious that the United States, particularly after she enteted the War, strained every nerve to supply herself and her Allies with as large a proportion of commodities as she was capable of raising. During the War period the economic effect of this activity was wholly obscured by the extravagant rise of prices which took place. The economist found himself in a kind of fog. In the absence of reliable information it was impossible for him to distinguish money values from commodity values. On both sides of the Atlantic, therefore, speakers and writers upon such subjects not unnaturally jumped to the conclusion that, as money values doubled, trebled, and quadrupled, and more than quadrupled, as we shall show shortly, the trade of the United States was developing upon a sound economic basis. Since the War, however, the Bureau of Statistics for Foreign Trade at Washington has issued a table of figures which differentiates between commodity values and money values, in which it is seen that, whereas money values multiplied seven times over, as is evident from the table we published recently on the foreign trade of the United States, commodity values have only increased to the extent of about one-third. In other words, during a period in which, for patriotic reasons, and in order to carry on the War [illegible] While the Government and people of the United States were [illegible] the increased produce only amounted to about one-[illegible] while the money values multiplied, as we have already said, seven times over. The Department has also [illegible] with June 30, 1914. From that it is evident that the volume of trade increased to the extent of about twenty-five per cent., and, although there was an extravagant increase. It will be seen, therefore, that the United States, even during the War, found it exceedingly difficult to increase its produce when measured in value to anything like the extent which it was believed to be increasing as compared with the normal increase of a similar period before the War. Of raw materials the United States imports silk, jute, manganese ore, and certain other minerals which are either not produced at all in the United [illegible] America and from our Colonies, and a few other products. Up to a point it will be seen that, provided those countries from which the United States imports large quantities of goods take our manufactures, it will be quite feasible to liquidate our adverse balance of trade with the United States.

There remains the second aspect of the question as it affects ourselves. We in these islands have an enormous population, nearly wholly engaged in industrial, or town, pursuits, as distinct from the production of the primary necessaries of life. It is evident that we cannot hope to feed ourselves if the present population is to be maintained, and it is equally evident that we cannot hope to produce the raw materials needed for our manufactures. In order, therefore, to enable us to compete in the international markets of the world, we require large quantities of raw produce to feed ourselves, as well as raw materials to feed our manufactures. It is evident that if we are to satisfy our needs upon a basis of values which will admit of our competing in foreign markets we must seek supplies in those countries which as yet have not been developed to an extent that they themselves use an undue proportion of the produce they raise.

FINANCES OF MOROCCO.

[illegible] have been considerably extended as a result of military operations, and to consolidate recently acquired territory and open up the country for trading purposes. Parliamentary powers are being sought in Paris for the [illegible] the granting of certain concessions in respect of railway construction. Detailed terms of the loan, which is to be spread over a period of ten years, are not yet available, but interest payments will be provided for in the annual Budget of the Protectorate and will be guaranteed by the French Republic. Of the money [illegible] francs are to be devoted to Government buildings; 150,000,000 francs to public works, including roads and harbours, and the development of natural resources; and 10,000,000 francs to instruction in the arts and the preservation of historical monuments. The programme is an ambitious one, and [illegible] for which the French people have not hitherto been conspicuous. The funds for the railway scheme are to be [illegible] Chemin de Fer de Paris-Orléans, and La Compagnie Marocaine [illegible] Kenitra and Petitjean, to Marrakesh, and to Oued Zem. The last-named branch will open up a rich phosphate [illegible] receives legislative sanction, a large amount of railway-[illegible] considerable benefit to the country.

ESTABLISHED 1887.

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Rubber Topics.

ANGLO-DUTCH PLANTATIONS.

THE report of the Anglo-Dutch Plantations of Java for the year ended December 31, 1919, was bound to prove of more than ordinary interest. For rubber and tea, as we have already stated almost *ad nauseam*, 1919 was a year of great prosperity, whilst complaints on the part of many of the producers regarding the high price which had to be paid for rice were no less pronounced. All these facts implied a prosperous trading year for Anglo-Dutch, and that the results did not fall below expectations can be seen from the following table:—

	1919				1918			
Dutch Co.	Crops	Selling Price	F.o.b. Cost	Profit £	Crops	Selling Price	F.o.b. Cost	Profit £
Tea (lb.) ...	2,322,301	8·37*d.*	5·06*d.*	10,402	1,862,123	8·34*d.*	4.71*d.*	6,901
Cinchona (4-kg.)*	853,932	55c.	23·08c.	50,000	682,823	52c.	23.98c.	30,475
Coffee (cwt.) ...	8,148	64/7	43/10	11,029	10,189	50/10	46/9	8,588
Rubber (lb.) ...	2,105,195	1/8	-/10½	96,488	1,389,322	1/1½	-/11	21,511
Timber & firewood	—	—	—	14,719	—	—	—	23,556
Rice (lb.) ...	17,675,609	—	—	69,325	14,121,696	—	—	53,694
Total profit				282,362				144,727

* Producing quinine.

Dutch Co.	1919 £	1918 £	1917 £
Total profit	282,362	144,727	137,581
Administration, &c., expense ...	32,122	28,545	27,492
Net profit	250,240	116,182	110,089
Allocations—			
Amounts written off	20,606	25,267	24,071
Placed to reserves	—	—	—
Interest paid to English Co. ...	44,354	40,235	34,544
Divs. paid to English Co.	185,280	50,680	51,474
	250,240	116,182	110,089
English Co. (Anglo-Dutch).			
Receipts from Dutch Co.	229,633	90,915	86,018
Sundry revenue	5,499	4,760	2,290
Total	235,132	95,675	88,308
	£	£	£
Less—Office, &c., expenses ...	17,206	6,358	5,796
Depreciation of investments	2,576	—	893
	19,782	6,358	6,694
Net profit	213,350	89,317	81,614
Dividend	225,187 (17½ %)	102,942 (8 %)	58,161 (5 %)
Cr. balance or deficit	Def. 11,837	Def. 13,625	23,453
Brought forward	58,311	71,936	48,483
Carried forward	48,474	58,311	71,936
Issued capital (£1 shares) ...	1,930,170	1,286,780	1,286,780
Surplus liquid assets*	1,371,586	66,300	149,387

* Surplus liquid assets of two companies combined, allowing for payment of dividends declared, but excluding sums lent by the English Company to the Dutch undertaking.

The salient feature of the accounts is the astounding improvement in the results from the rubber crop. Hitherto a rather minor consideration, it blossoms forth into the doyen of the group, having to its credit the gigantic profit of £96,488, as against £21,511 in 1918 and £11,958 in 1917. With a comparatively small increase in the area in bearing to 8,721 acres, the crop harvested jumped up from 1,389,322 lb. to 2,105,195 lb. This represented the resumption of unrestricted tapping, and with such success that the estimate was exceeded by 245,515 lb. Furthermore, despite a marked rise in staff bonuses and allowances for depreciation, the f.o.b. cost dropped to 10½*d.* per lb. Furthermore, the average price realised by the sale of the crop rose from 1*s.* 1½*d.* per lb. to 1*s.* 8*d.* per lb. Rice, which had previously been the dominant revenue producer, had to take second place. Yet it is gratifying to record that the last year in which the ownership of these extensive rice lands was vested in the Company proved to be very remunerative, the profit accruing therefrom amounting to £89,325, as against £53,694 in 1918. Proportionately, the rise in the profit on tea was most pronounced. With a very propitious season, there was harvested the record crop of 2,322,301 lb. On the other hand, notwithstanding the increase in quantity, it was not found possible to produce the crop at a lower f.o.b. cost than 5.06*d.* per lb., or 0.35*d.* higher than that of the previous year. The marked improvement in the sale price, however, to 8·37*d.* per lb. much more than offset this, with the result that the profit advanced from £6,901 to £40,402. Fourth in order of revenue came quinine, the proceeds of the crop being almost unchanged at £30,400. This is somewhat difficult to understand, for the crop increased by over 85,000 kilogrammes, the sale price rose from 52c. to 55.5c., and the f.o.b. cost fell from 23.98c. to 23.09c. In the absence of further information it can only be surmised that the other expenses must have increased out of proportion. The revenue from timber dropped from £23,555 to £14,719. Consequent upon the cutting out of the interplanted coffee, the coffee crop was reduced to 8,148 cwt., with a corresponding rise in the f.o.b. cost to 43*s.* 10*d.* per cwt. However, the price realised increased from 50*s.* 10*d.* per cwt. to 64*s.* 7*d.* per cwt., and the net profit was over £2,500 higher at £11,028.

With a marked increase in the profit on rubber, rice, and tea, a better profit on coffee, a trifling decline in the profit on cinchona, and a drop of £9,000 on the yield from timber, the general result was that the gross trading profit jumped from £144,727 in 1918 to £282,362 in the year under review. The growth in administrative charges was by no means proportionate. Consequently the net profit of the Dutch Company, amounting to £250,240, was more than double that of the previous year. After writing off £20,606, there was transferred to the English company a total of £229,633, of which £44,354 represented interest on advances and £185,280 dividends. Shareholders in the latter company received dividends absorbing £225,187, equivalent to a rate of seventeen and a-half per cent., as against eight per cent. only for 1918. Thus they participated to the full in the prosperity of the year, receiving indeed in dividends a sum greater than that handed over by the Dutch concern, thereby reducing the amount carried forward to the next accounts to £48,474. In addition, however, to this cash dividend shareholders also benefited by receiving a bonus distribution of one fully-paid share for every share held. This represented their participation in the price received by the Dutch company from the Netherlands Indian Government for the expropriation of the rice lands hitherto administered by the Anglo-Dutch. The net amount remitted to London, including the difference on exchange to the amount of £137,500, reached £1,513,512. From this was written off the sum of £64,838 in respect of underwriting and brokerage charges of the original issue, thereby reducing it to £1,448,674. After capitalising £643,390 to finance the above bonus distribution, there remains a capital reserve of £805,284 to permit of this issue, the authorised capital was increased to £2,250,000, whilst the issue capital will be raised accordingly to £1,930,170.

Generally speaking, the outlook for 1920 is considered to be so favourable that an interim dividend will probably be declared in April 1921. With the transference of the main interest in the rice lands to the Netherlands Indian Government, the revenue from this source—up to 1919 the mainstay of the Company—will

almost disappear, but still be supported in part by the interest on the [illegible] invested in Tea. [illegible] small capital [illegible] [illegible] [illegible]

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Insurance Notes.

SUN INSURANCE OFFICE.

SENIOR by a century to its namesake and associate, the Sun Life Assurance Society, the Sun Insurance Office up to the present has confined its operations to fire, accident and general insurance (it obtained powers a few years ago to enter the marine sphere, but has not yet exercised them), and as it dates from 1710, it is one of the oldest companies of its kind in the world. Its record for 1919 shows that age has not diminished its vitality. The subscribed capital on December 31, 1919, amounted to £2,400,000, of which £480,000 was paid up, in 240,000 shares of £10 with £2 paid on each. In respect of last year's operations a dividend of 18*s.* per share (or forty-five per cent.) less tax has been declared, of which 7*s.* per share was paid in interim form in January 1920. This compares with dividends of 16*s.* for 1918, and of 14*s.* for each of the four years from 1914 to 1917 inclusive. A pleasing feature is that more than five-sixths of the amount required for the dividend distribution in respect of 1919 were provided from interest earnings, and that the greater proportion of the total profits was available for, and was applied to, increasing reserves of various kinds which were previously in a very strong position.

The fire account for 1919 shows a net premium income of £2,266,619, as compared with £2,026,380 in 1918. After adjustment of the reserves for unexpired risks according to the standard which the Company employs for the purpose in all its departments (forty per cent. of each year's premiums) the account shows a trading profit of £218,309, apart from departmental interest earnings of £79,905; the transfer to profit and loss account amounting to £298,214. The trading profit represents about 9.6 per cent. of the premiums, which is a satisfactory proportion, although not so high as was the case in 1918.

The results in the other departments are as follows:

Accident Account.—Premium income (increased by £1,502) £7,636. Transfer to profit and loss, £373. As the interest earnings amounted to £286 the trading profit was almost negligible, amounting to £87. In a small account there are, of course, considerable fluctuations in profit from year to year. Fund at close of year, less reserve for oustanding claims, £8,055.

Burglary and General Account.—Somewhat similar considerations apply to this section. Experience of the kind of business undertaken in this department was not generally favourable in 1919. The premium income (increased by £11,475) amounted to £60,638, and the transfer to profit and loss account to £1,007. As departmental interest earnings of £1,851 are credited to this account, there appears to have been a slight deficiency on the year's trading, amounting to £844. Fund at close of year, £59,255.

Employers' Liability (within the United Kingdom) Account.—This section shows a very satisfactory result. Premiums (increased by £19,650) amounted to £138,743, and the year's operations produced a trading surplus of £26,442, or about nineteen per cent. of the relative premiums. The departmental interest earnings amounted to £5,026, and the transfer to profit and loss account to £31,468. Fund at close of year, less reserve for outstanding claims, £120,497.

Profit and loss account is credited with net interest of £38,933 not carried to other accounts, and also with various items amounting (less bad debts) to £574. On the other hand, the same account is debited with £31,199 for income tax on profits.

The outcome as regards profit of the whole operation was, therefore, as follows:—

	Profit from Trading.	Net Interest Earnings.
[illegible]	£218,309	£79,905
[illegible]	87	286
[illegible]	[illegible]	1,851
[illegible]	[illegible]	5,026
[illegible]	371	38,933
	£245,812	
Less, Income tax on profits £31,199		
Fire branch reserve, Uneamed and general account 844		
	32,043	
	£213,769	£126,001
Total net profits		£339,770

These profits were thus applied:—

[illegible]	£151,200
[illegible] £117,970	30,000
[illegible]	158,170
	£339,370

The total assets as shown in the Company's balance sheet on December 31, 1919, amounted to £4,909,929, and are certified by the directors to be, in their belief, fully of the value stated.

Apart from capital, the funds relating to accident, employers' liability, and burglary and general departments, pension fund, and investment suspense fund (£75,000), the following reserves are carried forward to 1920, after provision for dividends payable in that year:

[illegible]	£2,506,648
[illegible]	176,000
[illegible]	25,000
[illegible]	440,971
	£3,122,619

This represents about 138 per cent. of the fire premium income in 1919, and is in excess of the provision for unexpired fire risks by £2,215,971.

BRITISH EQUITABLE ASSURANCE COMPANY, LIMITED.

FOR a long time this Company, which was founded in 1854, restricted its operations to life assurance, but it extended them to other sections a few years ago; and the fire, accident and other departments are becoming of increasing importance, and their premium income for the first time in the Company's history exceeded that of the life department in the year under review.

The Company's new life business in the financial year ended July 31, 1920, amounted to £312,127, as compared with £193,639 in the immediately preceding twelve months. The total net life premium income, increased by £10,624, amounted to £118,151, of which expenses of management, inclusive of commission (apart from valuation expenses of £887), absorbed the somewhat high proportion of about twenty-one per cent. More satisfactory features are a favourable incidence of mortality and an improved interest yield. The claims in the life department amounted to £130,702, of which £76,432 arose by death, and £54,270 by maturity, and the amount of the death claims is stated to represent only 79.7 per cent. of that expected under the mortality tables used in the valuation. Through the year's operations the life funds were increased by £6,553 to £1,429,828, and the average rate of interest earned thereon, after deduction of income tax, is reported as having been £3 10*s.* 3*d.* per cent., which compares with £3 11*s.* 10*d.* per cent. in 1918-19, and with the rate of three per cent. assumed for valuation purposes. A further analysis of the accounts will appear next week.

THE PIONEER LIFE
Assurance Company Limited.
67 DALE STREET, LIVERPOOL

Life Premium Income.	Life Assurance Fund.	Total Claims Paid.
1909—£23,842	... £4 ...	... £28,000
1910—£77,327	... £53,735	.. £197,000
1920—£131,028	... £2...	.. £...

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

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General Manager: J. HERBERT E. LANE.

Registered Office and Life Department.
9 FENCHURCH STREET, LONDON, E.C. 4.
Actuary and Secretary: CHAS. WINDETT.

Commercial.

THE LEATHER TRADE.—II.

The first quarter of the present year witnessed a very active and satisfactory trade in almost every description of leather, but from that time to the end of September producers and distributors have had to make the best of a situation that has been brought about by most adverse and unusual conditions. To begin with, the boot and shoe industry fell distinctly flat for reasons subsequently stated, and resolutely declined to purchase its usual quantities of sole and upper leathers. Meantime, in order to comply with the Government's repeated appeals to produce on the largest scale, and also to find work for their largely increased staffs of ex-Service men, tanners and manufacturers of leather produced largely beyond the capacity of the home market, in the confident belief that trade would "make up soon," or at the worst that they would be able to fall back upon their bankers to assist them in carrying the stocks wherein their capital was temporarily mainly locked up. To their dismay they found that although trade was exceptionally slow at home and abroad, the Treasury was not disposed to recognise their need of monetary assistance; indeed, they found that it was intended to heavily curtail this most necessary help by notifying the banks that credit facilities were to be severely restricted.

As the majority of tanners had made large outlays upon additional buildings, plant, machinery, &c., their available capital was mainly tied up, and the balance soon distributed in the weekly purchases of high-priced hides and tanning material—which, by the way, are invariably bought on a cash basis. Their need was therefore greatly accentuated, and in order to supply some, and put their banking accounts in order, they were frequently obliged to force sales of such lines as had accumulated. The result, broadly speaking, was that values declined on comparatively little selling. Merchants were not at all disposed to speculate on what appeared to be a falling market for low-quality leathers—side and upper essentially as they were themselves experiencing the monetary stringency occasioned by slow trade and the locking up of big stocks.

The export side of the trade has frequently been described as unsatisfactory and disappointing; but this is true only in part, viz., the improvement has not been on the big lines that were generally anticipated at the opening of the year. To read some accounts, or to occasionally listen to some speakers, one would carry away the impression that hardly anything had been done. As a matter of fact, the overseas sales of "Leather and manufactures thereof" have shown steady progress, and it is only that certain exchanges have been so against importing countries [illegible] figures have not been at least doubled. The [illegible] fact has been that many tanners and merchants [illegible] as best they can, and as the goods are not always suitable to the home market their clearance has only been [illegible] ber 1913, 1919 and 1920, the September figures, of course, being the full nine months' totals:—

	£	£	£
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

After allowing for increased values it will be seen that the September 1920 total is at least 100 per cent. over that of 1919. Despite the adverse exchanges, France and Germany have made substantial purchases of "undressed" leathers, the figures being:—

	£	£	£
France	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

On the other hand, the exchange with the United States has favoured American purchases from us, as shown by the following:—

	1913	1919	1920
	£	£	Cwt. £
[illegible]	[illegible]	[illegible]	52,201 1,35[illegible]

The import trade in leather has felt the loss of Government business owing to the deliveries against the immense war orders having been completed. Another serious check to this branch has been the exchange difficulty, which during the past three months has increased the cost of leather from twenty-five to nearly thirty per cent. over 1914 values. With trade almost at a standstill and values declining, importers have had no desire or inducement to purchase, a fact that has not been altogether unfavourable to British producers. It is therefore not surprising that the latest official returns show a substantial reduction by comparison with those for 1919:—

Imports of "Leather and Manufactures thereof."
Nine Months ended September.

	1913	1919	1920
	£	£	£
Imports	[illegible]	[illegible]	[illegible]
Re-exports	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

The preceding points show that the tendency of the trade, both in the raw material and leather sections, has been to slow down as regards volume, and for values to decline; but both the slowing down and the decline in values have been, fortunately, checked by various "brakes," such as the drop in raw goods prices easing cost of production; the restriction of input of hides and skins, reducing possible stocks under ordinary conditions; and the exchange difficulty, which has effectually checked leather imports, to tanners' advantage.

As to the future, it now assumes a much brighter aspect, for demand is certainly improving, and it has to depend upon a much-restricted future supply of all kinds of leather. Stocks at the moment are admittedly ample in the common grades, but, to [illegible] prices would not provide replacement stocks. In view [illegible]

Industrial Companies.

THE WEARDALE STEEL, COAL, AND COKE COMPANY, LIMITED.

Issued Capital: £725,000, in 500,000 Cumulative 6% Preferred Ordinary Shares of £1 each, and 225,000 Deferred Ordinary Shares of £1 each.

4½% Debenture Stock: £292,090.

Year to Sept. 30	Net Profits*	Depreciation, Pref. Int. & Dividends	Pref. Dividend	Deferred Dividend	Reserve	Carried Forward
	£	£	%	%	£	£
1914 ...	109,371	16,009	30,000	6	13,500 6	40,000† 35,438
1915 ...	97,138	11,984	30,000	6	13,500 6	40,000† 37,092
1916 ...	200,053	11,821	60,000	12	43,500 19½	80,000‡ 41,824
1917 ...	152,633	11,712	60,000	12	43,500 19½	40,000 39,246
1918 ...	155,642	11,680	60,000	12	43,500 19½	40,000 39,707
1919 ...	209,667	11,671	60,000	12	43,500 19½	80,000 45,203
1920 ...	228,506	11,526	60,000	12	43,500 19½	100,000 58,682

*After providing for all accrued liabilities.
†Pos depreciation. ‡"For depreciation and other purposes."

That the remarkable prosperity enjoyed during the War by this north-country concern has not been of a transient nature, is fully indicated by its trading results for the twelve months ended September 30 last. The accounts show a record net profit of £228,506, which represents an increase of almost £28,000 over that for 1919. As usual the net profit is struck "after providing for all accrued liabilities." Under this vague but comprehensive heading is apparently included provision for income tax, excess-profits duty, coal-mines excess payments, and corporation tax. What provision has been made for renewals and repairs is not indicated, but the large reserve allocation of £100,000 apparently includes provision for depreciation, although the practice has been discontinued since 1916 of specifically indicating that the reserve appropriations included provision for this important item. Debenture interest amounting to £11,526 represents a slightly reduced charge as compared with last year, whilst the dividend on the Preferred and Deferred Ordinary shares are for the fifth consecutive year maintained at twelve per cent. and 19½ per cent. respectively. The relative rates of dividend are regulated on the basis that after Preferred and Deferred have each received six per cent., the available surplus is divided equally, and the additional sum of £30,000 accruing to each class gives six per cent. extra on the Preferred Ordinary capital of £500,000, and 13⅓ per cent. extra on the Deferred capital of £225,000. The balance carried forward to next year amounts to £58,682, which compares with £45,203 brought in.

The balance sheet presents as usual a very satisfactory appearance. The issued capital remains unaltered at £725,000, but the Debenture stock has been further reduced by £4,544 to £292,090. The reserve account with this year's allocation of £100,000 amounts to £340,000. No light is thrown upon the proportion, if any, of this reserve which is intended to be utilised for the purpose of writing down the fixed assets. The reserve for workmen's compensation remains at £1,626. The item sundry creditors, which includes provision for liabilities to the Government, has been increased by £153,938 to £500,487. On the assets side, collieries and other properties figure at £811,363, as compared with £770,412 in 1919; investments at £341,028 are slightly greater, whilst stocks, which stand at the comparatively moderate total of £185,117, are down by £4,118. Sundry debtors, however, register an increase of £54,310 at £253,689, and cash holdings including Treasury bills have been augmented by over £172,200 to a total of £410,885. A summary of the various liquid assets shows that even with the exclusion of stocks, there is a surplus of £404,604 over current liabilities (including dividends due), as compared with a surplus of less than £332,300 in the previous balance sheet.

The continued growth in the prosperity of the Company, as indicated by the trading returns in recent years, is all the more remarkable in view of the numerous irritating difficulties under which work has been carried on, apart from any consideration of the heavy toll upon profits which has been exacted by the Revenue authorities. The recent coal strike will naturally affect to some slight extent the earnings of the Company during the present financial year, but the possibility of any reduction in the rate of dividend seems very remote indeed.

The prices and yields of the different stocks of the Company are set out in the following table, the yield on the Preferred and Deferred Ordinary shares being calculated on the basis of a dividend of twelve per cent. and nineteen and a-third per cent. respectively:

	Price £ s. d.	Yield £ s. d.
5% Cum. Preferred Ordinary Shares ...	1 0 9	11 5
Deferred Ordinary shares	1 8 3	13 0
4½ Perpetual Debenture stock	58 2 6	6 0

PIM BROTHERS, LIMITED.

Issued Capital: £100,000, in 20,000 5½% Cum. Preference Shares of £5 each, fully paid. £150,000, in 30,000 Ordinary Shares of £5 each, fully paid.

Year ending Jan. 31	Net Profits(a)	Deb. Int. & Pref. Divs.	Ord. Div.	Allocation to Reserve	Carry-forward	Surplus Liquid Assets
	£	£	%	£	£	£
1916 ...	25,564	7,500	11,250 7½	5,000	10,390	113,650
1917 ...	38,462	7,500	22,500 15	4,000	10,616	110,621
1918 ...	40,268	7,500	15,000 10(d)	5,000	20,588	124,788
1919 ...	41,675(b)	7,500	18,000 12(e)	5,000	15,534	66,884
1920 ...	35,704(b)	7,500	18,000 12(e)	5,000	20,759	87,939

(a) After payment of expenses of management and all other charges and providing for bad and doubtful debts.
(b) After providing reservation for excess profits duty. (c) Less income tax.
(d) Including bonus of 2s. per share, equivalent to 2 per cent. per annum.
(e) Including bonus of 4s. per share, equivalent to 4 per cent. per annum.

After making all deductions, including payment of expenses of management, and provision for excess profits and other charges, the net profit of this well-known Dublin retail and wholesale drapery concern is returned at £35,704 for the year ended January 31, 1920, a decline of £5,969 being thus registered. With the addition of the amount brought into the account from last year, £15,534, and a small sum under the head of transfer fees, there remained available for distribution £51,259. Of this, Debenture interest and Preference dividends absorbed the usual sum of £7,500, the Ordinary shareholders received £18,000, or twelve per cent., less income tax, as in the previous year, and general reserve is again allotted £5,000. The amount carried forward, £20,759, shows an increase of £5,225, in spite of the fact that the net profits, as indicated above, are down by £5,969 in comparison with last year. The explanation is offered by the deduction from 1919 net profits of the excess profits duty to which the Company became liable in 1918.

On examination of the balance sheet for 1920, the item of sundry debtors is seen to have made a big jump forward, £218,338, as against £179,365, and bills receivable at £1,406 compare with the previous entry of £1,499. Amongst the liabilities, sundry creditors (including reserve for excess profits duty) are entered at £132,045, as against £114,180 in the last balance sheet, and on balance the liquidity of the Company's assets, as in the above table, reveals a substantial improvement, although still far below the 1918 standard. Stock of goods valued at £147,810 in 1920 betrays a decline of £10,790 on the corresponding figure for the preceding year, but in view of the uncertainty of price movements in some lines during the past six months, the carrying of smaller stocks may prove to have been a wise policy. Premises, plant, and fixtures still figure amongst the assets at £160,000 as in pre-war years. On the present basis of money values a new valuation would, in all probability, considerably augment this amount, and this hidden element of strength adds great security to the position of the holders of Debenture stock and Preference shares, the loan and Preference capital of the Company standing at £150,000. Needless to say, it also safeguards the position of the Ordinary shareholders. For some

[illegible] £5,000, [illegible] £1,000 [illegible] £6,000 [illegible] £10,000 [illegible] £10,000

On the basis of [illegible] less income tax, the ordinary stock at the present price of £6½ gives a yield of 9.7 per cent., and the Preference shares at £31 [illegible] less income tax.

THE CARLTON HOTEL, LIMITED.

Issued Capital : £400,000, in 200,000 Ordinary Shares of £1 each and 20,000 5½% Cum. Preference Shares of £10 each.
Debenture Stock : £701,772, in 4 First Mortgage Debentures, £228,192 ; 4½% Mortgage Debentures, £245,280 ; and 4½% "A" Mortgage Debentures, £228,300.

Year	Net Profit	Debenture Int.	Debenture Stock Red.	5½ Cum. Pref. Div.	Ordinary Dividend	Carried Forward
	£	£	£	£	£	£
[illegible]	85,295	32,750	5,855	—	—	5,946
1918	235	34,142	4,408	—	—	24,671
1919	71,015	34,450	4,450	—	—	55,577
[illegible]	[illegible]	3,[illegible]	1,812	[illegible]	[illegible]	[illegible]

[illegible] Income taxes.

In common with many similar concerns, this well-[illegible] undertaking experienced a very serious setback in its business during the early years of the War. The accounts in 1915 showed a falling off in profit from £70,200 to £3,600, and the results of the following year showed only a slight improvement. The recovery became more pronounced in 1917, however, and in 1919 the net profit was slightly higher than the standard reached in the three years immediately preceding the War. The recently published accounts for the twelve months ended August 31 last show an increase in net profit from £71,040 to £115,514. This constitutes a record in the history of the undertaking, and the shareholders have every reason to congratulate themselves upon the remarkable improvement in the financial position of the Company. A sum of £31,849 is appropriated for Debenture interest and £4,812 for amortisation of lease, leaving, with the addition of the amount brought forward, an available balance of £138,432, of which the Preference shareholders receive £66,000, representing this year's dividend, together with five years' arrears, whilst the Ordinary shareholders receive a dividend of fifteen per cent., amounting to £30,000. As this represents, however, the first distribution for the past six years, the dividend is actually only equivalent to two and a-half per cent. on the Ordinary capital during the period. The general reserve, which was extinguished in 1916, now receives an allocation of £30,000, leaving a balance of £12,431 to be carried forward to the next accounts, as compared with £59,579 brought in.

Amongst the liabilities in the balance sheet the capital remains unaltered, but a reduction of £5,899 has been made in the First Mortgage Debenture stock, of £6,750 in the second class of Debentures, and of £6,200 in the "A" Debenture stock, representing a total reduction of £18,849. Interest on Debentures accrued and due, which in 1919 amounted to £52,860, now figures at only £6,625. Sundry creditors, which include reserves for renewals and repairs, have increased from £99,255 to £117,548, the expansion being almost entirely due to the increased reserve for renewals and repairs. On the assets side the item "Land, buildings and furniture" has been reduced by nearly £6,000 by the operation of the sinking fund. Sundry debtors show a slight reduction at £22,486, but stocks show a further expansion from £9,033 to £148,515. Wines, apparently, represent over ninety per cent. of the stocks, and the increase in the item is apparently attributable in large part to heavier duties and increased prices. Cash holdings at £91,664 are nearly twice as large as at the end of the previous period. Sundry investments figure at £70,550, an increase of £7,800, which arises from additional holdings of Debenture stock for the purpose of cancellation. [illegible] the Company's investments in connection with the Ritz Hotel (London) Limited, have been reduced by £92,435. It is of interest to note that the Company received during the year large repayments of loans granted to this undertaking, which has also resumed the payment of its sinking funds.

Despite the absence of strong reserves the financial position presents, on the whole, a satisfactory appearance. Thus, excluding the investments in the Ritz Hotel, the liquid assets amount to £333,216, against which there are current liabilities of £187,173 (including dividends due). The surplus liquid assets therefore amount to £146,043, which compares with a surplus last year of £83,576.

With regard to the outlook at present, the Chairman at the general meeting on November 3 last expressed considerable confidence in the ability of the Company to maintain profits at the satisfactory level of the past financial year. The growth of passenger traffic between Europe and the United States since the close of the War has led to a great expansion in the Company's business, and its improved financial position will facilitate further development. In view of the fact that all arrears of Preference dividends have now been paid, and that Debenture interest will continue to represent a reduced charge, it is clear that if no reduction occurs in net profits, the amount available for Ordinary distribution next year would permit of a substantial increase in dividend. As the Company's reserves are comparatively weak, however, a conservative policy is likely to be pursued. Nevertheless, it seems reasonable to anticipate a dividend next year of fifteen per cent., and on this basis the Ordinary shares, which are now quoted at 18*s.* 3*d.*, yield a return of 16.4 per cent. The prices and yields of the Debenture and Preference stocks are set out below :—

	Price	Yield
	£ *s.* *d.*	%
5½% Cumulative Preference ...	7 [illegible]	7
4½% First Mortgage Debentures	68 [illegible]	[illegible]
4½% "A" Mortgage Debentures	61 [illegible]	[illegible]

New Issues.

5 15 YEAR TREASURY BONDS (SERIES B).

Particulars of these bonds, which are still on offer, appeared in THE STATIST of November 6, 1920.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier issues.

JUTE INDUSTRIES, LIMITED.

Offer of 2,500,000 £1 Nine per Cent. Cumulative Participating Preference shares.

The Company was recently formed to acquire the whole of the Ordinary shares of six Dundee businesses engaged in the spinning and weaving of jute, cloth and carpets. The authorised capital is £7,000,000, divided into £3,000,000 Ordinary, half of which are issued, and £4,000,000 Nine per Cent. Participating Preference, of which £500,000 are issued. The associated companies are chiefly engaged in the manufacture of cloth used by Indian manufacturers. Indian competition being most effective in this particular section of the jute industry, the combine at present possesses a virtual monopoly. The anticipated of previously conflicting interests will effect considerable economies in the purchase of raw materials, in manufacture, research and selling organisation, and the expansion of the Indian industry is a guarantee of the continuance of demand for the Company's products. Certified net assets exclusive of goodwill are at present £6,158,216, which compares with a total issued capital of £2,000,000, plus £220,000 Debentures outstanding. The average pre-War (Sanford) profit, as adjusted for excess profits duty, was £744,000. From 1916 to 1920 profits have risen from £623,390 to £1,497,590, giving a yearly average of £941,000. The directors justifiably state that the continuance of the latter figure is improbable, but claim that the conditions of [illegible] and the existence of lease, forward selling contracts and [illegible]

against relapse to the pre-War level. In this connection it is important to note that the present jute crop is the worst for seventeen years, the total forecast placing it at six million bales or two and a-half millions below last year's. The present combine values its stocks of raw and manufactured goods at £2,423,000, and is therefore independent of the temporary crop shortage. Nine per cent. on the total Preference shares issued, including those now offered, amounts to £270,000. This figure would seem adequate. The participating dividend is a further six per cent., payable out of one-third of the remaining profits. As a mark of their confidence the directors have underwritten 1,000,000 shares, taking 500,000 firm. The issue has speculative attractions, but the value of the present offer, though not at present obvious, may be considerable in the future, in view of the Companies' monopoly. The lists close on Wednesday.

WILLIAM BEARDMORE AND COMPANY, LIMITED.

Offer of £1,000,000 Eight per Cent. Seven-Year Notes at ninety-seven and a-half per cent., in denominations of £25, £50, £100, and £500. The Company will repay the Notes at par on January 1, 1928, but reserves the right to anticipate that date upon giving three months' notice. Interest is payable on May 1 and November 1.

The Company has extensive shipbuilding and engineering works at Parkhead, Dalmuir, Mossend, Coatbridge, Paisley, Airdrie, and Anniesland, and holds important interests in numerous associated enterprises. Its general activities have largely extended in recent years, the most notable developments being in the manufacture of locomotives, oil engines for marine and land purposes, and taxi cabs. The despondency recently felt about the future of the British locomotive industry is not borne out by the Board of Trade returns, as our exports of locomotives are gradually returning to their pre-War level. For the first ten months of 1920 they amounted in weight to 32,794 tons, against 39,545 tons for the corresponding period in 1913, and in value to £4,407,201, against £1,120,025 in 1913. These figures afford a valuable indication as to the soundness of Messrs. Beardmore's undertakings. The proceeds of the present issue are required for the provision of further working capital and for general purposes. The Company covenant, with certain minor reservations, not to create any Debenture stock or other specific or floating charges on its property without the consent of the noteholders. A further £1,000,000 of notes may be issued, but not on more attractive terms than those now on offer. In the chairman's statement the net assets are valued at £7,140,766. The nominal amount of the note issue is thus covered seven times over. Net profits for the years 1910 to 1915 fluctuated between £197,000 and £476,000. For later years the figures are not available on account of difficulties in the adjustment of accounts with several Government Departments. Sir William Beardmore, however, estimates that after allowing for excess profits duty, they will exceed the 1915 figure, which amply secures the annual interest payment of £80,000 required for the notes. The absence of an independent valuation or of a detailed statement as to assets is regrettable, as is the non-inclusion of a definite profits statement for recent years due to Government dilatoriness. The high standing of the firm, however, constitutes the issue a very attractive industrial investment. The lists will close on Thursday, November 18.

THE SANTA GERTRUDIS COMPANY, LIMITED.

Offer of £300,000 Eight per Cent. Five-year Notes at ninety-eight per cent., repayable at 115 per cent. on or before September 30, 1925. Interest is payable on March 31 and September 30.

The Company, registered in 1909, owns the Santa Gertrudis Mine, Mexico, from which it has already obtained 184,647 oz. of gold and 34,260,000 oz. of silver, resulting in an operating profit of £1,996,000. It has recently acquired a forty per cent. interest in three neighbouring mines, and a twenty-five per cent. interest in the Mexican Corporation, which controls two other mines. The share capital of the Company is at present 1,500,000 £1 shares, all of which are issued. No Debenture stock has been issued, nor may any such prior charges be created without the consent of the noteholders. The prospectus contains no independent valuations, no clear statement as to ore reserves, and no expert estimate of the length of life. The Company has, however, been operating in recent times with marked success, and from 1918 to 1920 the annual profits were £213,400, £275,000, and £362,000. The high redemption premium of over 17 per cent. payable in five years' time will attract investors desiring a short-term security. The lists close on November 20.

LEVER BROTHERS, LIMITED.

Offer of 4,500,000 Twenty per Cent. Cumulative Preferred Ordinary Shares of 5s. each at 10s. 6d. per share.

In THE STATIST of October 9 we dealt with the recent issue of £4,000,000 7 Per Cent. shares by this mammoth concern, giving a detailed analysis of the capitalisation and management of the undertaking. The present issue is required to finance Mac Fisheries, Limited, and other allied companies in which Lever Brothers are interested. The shares rank for dividend and capital after £27,247,000 Preference capital and before all other charges, including the shares recently issued to the African and Eastern Corporation. The creation of Debentures or short-term notes is improbable, as it is contrary to the policy of the Company. Out of £42,007,609 issued capital the Ordinary shares amounting to £2,280,000 is owned by Lord Leverhulme and his son, and have always earned substantial dividend. The security of the present issue is unquestionable, and with a yield of £9 6s. 6d. per cent. constitutes a highly attractive investment. The lists close on Monday, November 22.

SHEFFIELD STEEL PRODUCTS, LIMITED.

Offer at par of 1,000,000 Ten per Cent. £1 Cumulative Preference shares, carrying an option expiring June 30, 1922, to subscribe at par for one Ordinary share for each two Preference shares allotted.

The Company, incorporated in 1918 and converted into a public company in 1919, is an amalgamation of ten Sheffield firms manufacturing cutlery, files, saws, spanners, pliers, and edge tools. It claims the largest cutlery output in the world, and a predominant position in the United Kingdom as regards its other products. The objects of the present issue are to provide the cash portion of the purchase price of three additional firms similar in character, to reduce bankers' loans, and to raise further working capital. The certified value of the net assets to be acquired is £616,395, and the purchase consideration is £615,879, of which £363,179 is in cash. The linking up of the various Companies has facilitated the adoption of mass production principles, with consequent large economies in manufacturing costs. The existing issued capital is £1,550,000, in Ordinary shares, before which the present emission ranks both as regards capital and dividend. Combined net profits, before charging directors' salaries and taxation, have grown from £126,243 in 1916 to £292,554 in 1920. Previous figures are not shown, but, in view of recent alterations in administration, would not be a fair criterion of the Company's financial position. It is doubtful if present abnormal profits will be maintained, even with decreased operating expenses, but, subject to the usual trade risks, the Preference dividend of £100,000 seems fairly secure. The option to subscribe for Ordinary shares is of speculative value. It may, however, be noted that the directors, who are specialists in their particular departments, hold 500,000 Ordinary shares. The lists close on Wednesday, November 24.

THE ALDERSHOT GAS, WATER AND DISTRICT LIGHTING COMPANY.

Offer at par of £50,000 Seven per Cent. Mortgage Bonds redeemable at par on January 1, 1931.

The Company, incorporated in 1866, supplies gas, light, and electricity to the Aldershot district. The present issue is required to pay for extensions necessitated by rapid increase of demand for these commodities. The loan capital already issued amounts to £83,226, which, together with that now offered, forms a first charge on net revenue. The latter was £23,894 for 1919, as against £7,251 required as interest on the existing loan stock and that now being raised. The investment seems quasi-gilt, but its value could have been demonstrated more fully by the disclosure of previous year's profits.

THE FALKIRK IRON COMPANY, LIMITED.

Issue of £200,000 Eight per Cent. First Mortgage Convertible Debentures at ninety-five per cent., redeemable at 102 per cent. on September 30, 1935. Interest is payable on March 31 and September 30.

The Company specialises in the manufacture of gas and cooking stoves, cookers, etc., and has a well-established trade. The present issue is entirely to provide working capital, a charge on the present properties and plant. A redemption fund will be created between the sinking of not less than ten per cent. of the annual net profits, to be applied in annual drawings at 102 per cent. from 1926 onward. Holders may at any time convert into Ordinary shares on payment of a cash premium of twenty-five per cent. General borrowing powers are limited to one-third of subscribed capital, at present £250,000, and will not be increased without the consent of three-fourths of the Debentureholders. Certified net assets, exclusive of goodwill and patents, amount to £738,688, thus amply securing as to capital the present issue. Net profits, which are shown only as one figure per annum, increased from £18,000 in 1914 to £33,000 in 1918, and reached £74,000 in 1919. For the present year the directors estimate them at a minimum of £120,000. The annual Debenture interest of £16,000 is thus securely guaranteed provided that the expansion in the Company's business is maintained. Figures relating to pre-War trading might with advantage have been included. The lists close on Tuesday, November 16.

THE WESTINGHOUSE BRAKE COMPANY, LIMITED.

Offer of £350,000 Eight per Cent. Redeemable First Mortgage Debentures at merely five per cent., to be dealt in at par on or before November 1, 1943. The Debentures are registered in denominations of £50, £100, and £500, and secured by trust deed as a first specific charge on the properties and plant, and a floating charge on the other assets of the Company. Interest is payable on May 1 and November 1.

The Company was formed in 1881 to exploit the Westinghouse air brake in Great Britain, the Colonies, and the Continent. It owns freehold works in London, and holds large interests in allied undertakings in France, Italy, and Australia. The Westinghouse brake has been universally adopted in America for passenger and freight trains. In Europe the Company is confident of a profitable market. It has recently acquired a controlling interest in the Consolidated Signal Company, Limited, thereby facilitating the extension of its operations under improved manufacturing conditions. The combined net assets are certified at £1,101,119, which gives substantial cover as to capital for the present issue. Net profits, before allowing for income tax, fluctuated between £77,000 and £156,000 in the four pre-War years. In 1914, they amounted to £153,000, but fell to £81,000 in 1915, rising gradually to £117,000 in 1919. These figures give sufficient guarantee for the £33,026 required for the annual service of the Debentures. High yield, combined with sound security, renders the investment a desirable one of its class. The lists closed on Friday, November 12.

RIVOLI CINEMAS, LIMITED.

Offer of 150,000 £1 shares at par.

The Company has been formed, with a share capital of £200,000, to acquire a partially constructed picture theatre in the East End. The purchase consideration is £85,493, payable as to £35,500 in cash and £49,993 in shares. The certified valuation of the site and work completed is £92,217, and the estimated further cost of construction is £81,596. The theatre, which will be opened to the public early in 1921, occupies a commanding position in a thickly populated district, and is stated to be the largest cinema in London. Calculating on a basis of ten full houses out of twenty-one performances each week, the directors anticipate a net return of at least £48,000 per annum. The undertaking is under capable management, but as of course, subject to the highly speculative risks attendant on the trade generally in this branch of enterprise. The lists close on Monday, November 15.

FLETCHER HARDWARE COMPANY, LIMITED.

Offer at par of 50,000 £1 Ordinary shares and 20,000 £1 Eight per Cent. Cumulative Preference shares.

The Company was established in Birmingham in 1874 to carry on the business of wholesale and export hardware merchants. Net assets are certified at £131,182, as against £100,000 issued capital. Ordinary dividends amounted to seven and a-half per cent. in 1915 and 1916, and to ten per cent. in the three following years, including a bonus of 1s. per share in the two final years. No details as to previous returns are provided.

The [illegible] quotations are confined to the Birmingham Stock Exchange.

GASKELL AND CHAMBERS, LIMITED.

Offer at par of 20,000 £1 Ordinary shares.

The Company, [illegible] in 1905, is engaged in the business of brassfounders, pewterers, and bar-fitters, possess a factory in Birmingham and hold controlling interests in several allied firms. The authorised capital of £100,000 is divided into 25,000 £1 Preference and 75,000 £1 Ordinary shares, of which 22,000 and 28,000 respectively are issued. There are no Debentures. The present issue is required to complete extensions and to develop the Company's business. Certified net assets amount to £59,146. A dividend of ten per cent. was paid on the Ordinary shares in 1919. The withholding of figures for previous dates renders it impossible to form an estimate as to the stability of the undertaking. The issue may appeal to local investors possessing first-hand knowledge, but the restricted market for the shares and paucity of information supplied deprives it of any interest for the general investor.

ARDING AND HOBBS, LIMITED.

Offer at par of 80,000 £1 Eight per Cent. Preference and 20,000 £1 Ordinary shares.

The Company was established in 1912, with an authorised capital of £150,000, to acquire a drapery and outfitting establishment at Clapham Junction. Certified net assets, exclusive of goodwill, are valued at £264,000, which compares with an issued capital of £145,000. The Preference shares at present offered are well secured as to both capital and interest. The Ordinary shares will appeal to existing shareholders who do not insist on an active market.

HOVIS LIMITED.

Offer of 100,000 £1 Ordinary shares at par.

The Company, formed in 1898, possesses mills and motor-van building works in London and the provinces. The proceeds of the present issue are required to provide funds for the purchase of the milling business of Marriage, Neave and Company, Battersea. The actual purchase consideration cannot be finally determined till accounts with the Food Controller are adjusted. The details of the prospectus are meagre, the issue being evidently intended for shareholders only. To the latter the offer will doubtless appeal, particularly in view of a pending capitalisation of reserves. The directors take half of the issue.

ISSUES TO SHAREHOLDERS.

Tyqvah General Mines.—Of 200,000 5s. shares offered the parent company, the Tyqvah Mining and Exploration Company, takes up 7,000. An equal amount is offered at par to shareholders of the latter Company, and 160,000 to those of the subsidiary.

Bilton Ferry Chemical and Manure.—37,593 £1 Ordinary at 21s. each, and 25,407 £1 seven per cent. Cumulative Preference shares in the proportion of one Ordinary for every four, one new Preference for every nine shares of either class held.

Kern River Oilfields of California.—1,265,015 10s. shares at 17s. 6d. each, one new with present holdings.

City General Trust.—Offer at par of additional shares in the proportion of one new share for every five held. An allowance of 1s. per share will be paid to ordinary.

Ericsson.—100,000 5% [illegible] at a premium of 100 per cent. in the proportion of [illegible] new shares for every thirty-seven held.

PENDING ISSUES.

Stevens Bros., [illegible] £1 Ordinary shares at par.

Hampton, Ltd., [illegible] 7% 20 Year First Mortgage Debenture Stock at 95 to yield £5 5s. 1d. per cent. Yield with redemption 7.

Cravens, Ltd., £1,000,000 [illegible] 7% [illegible] Cumulative Preference.

Stanley Hudson, [illegible] Preference shares at £1.

Jones, Hewett & [illegible] Cumulative Preference.

Cravens, Ltd. [illegible] Debenture Stock.

Valentine [illegible]

United Electric [illegible] shares to shareholders.

Arthur Guinness [illegible] shareholders.

MEETINGS
OF PUBLIC COMPANIES.

LONDON MARITIME INVESTMENT COMPANY, LIMITED.
Sound Financial Position.

THE twenty-third annual general meeting of the London Maritime Investment Company, Limited, was held at Winchester House, Old Broad Street, E.C., on November 10, Sir Owen Philipps, G.C.M.G., M.P., the Chairman, presiding.

The Secretary, Mr. F. Vernon Thomson, having read the notice convening the meeting and the auditors' report,

The Chairman said: Gentlemen, This is our twenty-third annual meeting, and I am pleased again to have such a satisfactory report and accounts to place before you. In December 1919 the subscribed capital of the Company was increased to one million sterling, which is now fully paid up, and is divided into £500,000 Preference stock and £500,000 Ordinary stock. The respective stocks are now *pari passu*, and are all quoted officially upon the London Stock Exchange. As the Company has no debentures, the Preference stock, although paying only five per cent. interest, may be fairly described as a very sound and safe investment. The market price of the Preference stock is, in my opinion, at present unduly low, and whenever rates of interest become more normal I feel certain it will appreciate very considerably in value. The London Maritime Investment Company, Limited (which has now been established for nearly a quarter of a century), is in a somewhat exceptional position, as it has always been the practice of the board from time to time to write down the book values of any securities that have depreciated. Notwithstanding the fact that shipping shares have nearly all fallen considerably in market value, I am pleased to be able to say, as indicating the Company's sound and strong financial position, that a valuation, made on September 30 last, of the investments held by this Company (including the reserve fund) showed that they were worth more than the figure at which they stand in the Company's books. As you are aware, the Company has paid steady dividends on its Ordinary stock for many years. For the year ended September 1919 we paid seven per cent., and for the year ended September 30 last we recommend that the dividend on the Ordinary stock be increased to eight per cent., while at the same time adding no less than £10,000 to the reserve fund. We thought it desirable at once to deal with the question of the expenses in connection with the last issue of capital, and have therefore written this amount off the reserve fund. After adding to the reserve fund the profits realised on the sale of certain securities, and the £10,000 already referred to, the reserve fund now amounts to no less than £160,000, which is all invested separately and entirely in gilt-edged securities.

Competition of Mercantile Fleets.

British shipowners will almost certainly have to face keen competition during the next few years, as, although German rivalry is for the moment practically non-existent, there can be no doubt that German shipping interests intend to replace their lost fleets by the most up-to-date modern tonnage at the earliest possible opportunity. The first new German steamer has, I understand, actually been delivered, and a large number of others are being built. The competition of the mercantile fleets of other maritime nations, more especially Japan, Holland, and Scandinavia, is keener than before the War, while across the Atlantic some 1,200 vessels built by the United States of America Government, costing between five and six hundred millions sterling, which are still Government-owned, constitute an enormous addition to the world's tonnage, and are bound to cause disorganisation in many trades until they have found their ultimate rôle, which, I hope, will be as the property of American shipowners and American shipping companies, who will, no doubt, see that they are managed on sound business lines. I am pleased to see in the American Press that United States of America shipowners appear to be practically unanimous in urging this solution of a very difficult problem, which is one of the aftermaths of the Great War. After this meeting we shall hold an extraordinary general meeting to increase the capital of the Company. I shall be pleased to answer any questions. Meantime I beg to propose: "That the report and accounts for the year ended September 30, 1920, as submitted, be received and adopted, and that the dividend, as therein recommended, be declared and paid."

Mr. George Dodd seconded the motion, which was carried unanimously; and resolutions were also passed re-electing the retiring director, Mr. Arthur A. Baumann, and the auditors, Messrs. Fookes, Hickman and Company, chartered accountants.

An extraordinary general meeting followed, at which resolutions were passed increasing the capital of the Company to £2,000,000 by the creation of 1,000,000 shares of £1 each.

The Chairman stated that the directors did not propose at the present time to make any issue.

The proceedings then terminated

MONTEVIDEO TELEPHONE COMPANY, LIMITED.

THE thirty-second ordinary general meeting of the Company was held on November 10 at Winchester House, Old Broad Street, E.C., the Right Hon. Viscount St. Davids (the Chairman) presiding.

The Chairman said: Gentlemen, I beg to move: That the report and accounts now submitted be received and adopted, and that a final dividend for the year ended July 31, 1920, of five per cent., free of income tax, making, with the interim dividend already paid, a total of eight per cent. for the year be declared and paid." At the last meeting, when Mr. Lock was here, he mentioned that Mr. Cook, while in Montevideo at the end of 1918, had provisionally arranged a draft concession with the representatives of the Uruguayan Government. We were surprised to receive a cablegram in March last stating that the Administration of Posts, Telegraphs, and Telephones had invited tenders for a complete underground telephone installation for Monetvidéo, with exchanges equipped on the central-battery system of working. The date fixed for the presentation of the tenders was August 7 last, and only two tenders were lodged—namely, one by ourselves and another by the Western Electric Company, Limited. Under the law, as it existed at that date, it was illegal for the Government to consider any tenders unless at least three were submitted, and under those circumstances the two tenders which had been submitted were returned unopened. Presumably the law has since been altered, as an official announcement was made in September last extending the time for receiving tenders to December 16 next, when they will be opened irrespective of the number lodged. We were very fortunate during the early months of this year in having the opportunity of discussing matters very fully on many occasions with Mr. Bayne, a member of our local board, who happened to be visiting this country. He returned to Montevideo fully acquainted with our views, and prepared to show the Uruguayan Government that, in the best interests of the business community of Montevideo, the telephone system should be left in our hands.

Now, gentlemen, to turn to the figures of the past year. Subscriptions and rentals have increased in the year from £99,800 to £113,000. On the other hand, the expenses in Montevideo have gone up from £50,200 to £63,800. During the year the number of our stations has increased in a very satisfactory way. The number has grown to the extent of 1,123, and the total number of our stations to 10,724. We propose, if you approve, to add £20,020 to our reserve fund. There are only two other items to which I will allude. One is that we have increased the carry-forward from £8,900 to £11,700, and we propose to allocate to dividend an increase of £6,500, which will make our dividend expenditure rise from £10,800 to £17,300. We are very glad indeed to be able this year to give you such a substantial rise in the dividend, so that the dividend, free of income tax, comes to the highest point it has ever reached, and so far as we are able to judge, there is no reason why we should pay a less dividend in future years. I have great pleasure in moving the resolution.

Mr. J. G. Le Marchant seconded the resolution, which was carried unanimously.

AFRICAN AND EASTERN TRADE CORPORATION, LTD.
Shareholders' Approval of Scheme.—Overwhelming Majority.

MR. J. H. BATTY (Chairman of directors) presided over a meeting of the holders of the Ordinary shares and also an extraordinary meeting of the African and Eastern Trade Corporation, Limited, held on Friday, November 5, at Liverpool.

The Secretary read the notice convening the meeting of Ordinary shareholders, the resolutions and the schedule being taken as read.

The Chairman said at the outset that Mr. Munro Miller had tendered his resignation as a director. Since Messrs. Lever Bros. purchased the controlling interest in the Niger Company the directors felt that some understanding was desirable with them, and it was best to bargain when they had something to bargain with. Prices of chief products exported from West Africa had fallen rapidly, having a diminishing effect on the spending power of the natives, and until they had improved transport facilities for the opening up of new markets in West Africa trade would suffer accordingly. To withstand the effect of adverse trade it was necessary to be allied with their strongest competitors. If they were to wait until profits universally reached a lower level they could not then command such good terms. The fusion would enable them to carry out many economies in conducting the business, and among other things their position would be protected and consolidated against foreign attack. It would ensure unification of management and all the resources of those concerns would be pooled for the general benefit of the whole. In effect, they would become existing

with their own and controlling the whole of Lever Bros. West African interests, including the Niger Company, and this consolidation of British interests appealed very strongly to the directors as a prudent and protective measure. The scheme would bring into the coffers of the Corporation additional income of £900,000 per annum, free of excess profits duty, being the twenty per cent. on the 4,500,000 "A" Preferred Ordinary shares of £1 each of Lever Bros. Should they approve of the scheme they could pay every year a dividend equal to 37½ per cent. on the Ordinary capital.

Withdrawal from Reserve.

To provide for the Two and a Half Fifteen per Cent. Cumulative Preferred Ordinary shares which they would possess for one Ordinary share now held they had taken from the reserve about £5,000,000 to enable them to create the number of shares required for this distribution. On each Ordinary share now held and on each new Preferred Ordinary share resulting from the distribution of the reserves they would be secured out of the profits of the Company (including the dividend on Lever Bros.' shares) a dividend of fifteen per cent. per annum, and in addition would have the right to be repaid twice over before any payment was made on the Ordinary shares of the Company in the event of liquidation. Provision was being made for extra capital in future by reserving power to issue Preference shares up to £8,500,000. Those shares could not be issued at over eight per cent. or otherwise than for cash and for the Corporation's business without their being consulted. Special consideration to the Preferred Ordinary shareholders would be given if and when part of the whole was issued. The power reserved to issue Preference shares had been inserted solely for the purpose of providing means whereby the Corporation would not be hampered for lack of working capital, and no such issue was at present in contemplation nor were there, so far as the directors were aware, any grounds for supposing that any of those shares would be issued in the near future. Concluding, he stated that the directors themselves were large shareholders, and consequently they felt the fullest sense of their responsibility.

Mr. Robert Miller seconded the adoption of the resolution.

After some remarks by Mr. R. T. Golding and Mr. Terry, Alderman Fred. Smith, Mr. Harvey C. Woodward, Mr. G. D. Killey spoke in support of the resolution, which was put to the meeting and carried by an overwhelming majority.

A poll was then taken, the result of which was announced early this week.

The extraordinary general meeting which followed was of short duration, the seven resolutions being adopted by an overwhelming majority.

INTERNATIONAL LIGHT AND POWER CO., LTD.

A MEETING of shareholders of this Company was held on November 11 at 9 Cloak Lane, E.C., for the purpose of considering the report and accounts to be submitted to the annual general meeting to be held in Canada on December 13 next.

Mr. Follett Holt (the President), referring to the Company's South American properties, stated that the Venezuela subsidiary had yielded results in excess even of the favourable expectations expressed at the last meeting. The country's currency had maintained its high rate of exchange, local collections were easy and regular, both from the public and from the Government, and the expansion of the business among sections of the community which, in the majority of South American cities, did not consider electric light as one of the necessaries of life was a most encouraging feature. Unless political events upset their calculations the outlook for 1921 was equally favourable. He mentioned at last year's meeting that the Company's deposits with the "Reguladora," a State Government institution, which for a long time held a monopoly of all banking operations, were tied up owing to the inadequacy of the Reguladora's funds and credits. This situation had not improved, and the Company's claim still amounted to the substantial sum of $150,000 United States gold. The strongest possible pressure was being brought to bear to convince the Mexican Government that repayment of deposits on demand was an elementary duty of banking institutions. The municipality of Merida had fallen behind in the payment for public lighting supplied by the Company, and here again strenuous efforts were being made to settle arrears, which at the end of the financial year under review amounted to more than $200,000 (Mexican). In Parana labour troubles had been experienced, resulting in a strike, which afforded the manager an opportunity to eliminate a number of undesirable agitators, so prominent in the Argentine, from the Company's *personnel*. Turning to the accounts, these showed an increase of gross income of fifteen per cent. over last year's figure, and they were able to increase the carry-forward from less than £14,000 to very nearly £18,000, notwithstanding the exceptional charge to the profit and loss account for accrued interest on a pre-war debt. Preference dividends had been paid regularly, and were it not for the considerable sums tied up in Merida—only temporarily, the directors hoped—the cash position of the Company would be very comfortable indeed. The directors continued to make it a practice to have the foreign properties of the Company visited as frequently as circumstances allowed, convinced as they were that personal touch with the local organisations

[redacted]

Proxies were then signed for the annual general meeting, to [redacted]

FREDERICK HOTELS, LIMITED.

[redacted] Russell, Russell Square, W.C., Mr. Ronald Peake (the Chairman) presiding.

The Chairman said that he thought the shareholders would be pleased with the accounts, and if the directors had been able to [redacted] Central he felt sure they would have been justified in recommending a satisfactory dividend. The claim was for a large amount, and the directors were using, and would continue to use, every endeavour to effect a speedy and, it was hoped, equitable settlement. They might, of course, have postponed the meeting until their claim was settled, but the directors came to the conclusion that it would be better to hold the meeting now, and to consider the question of payment of a dividend when the sum awarded had been received. The business for the past year at all the hotels of the Company had been good, particularly so in London. The Hotel Great Central was reopened on January 1 last, and had since been almost continuously full. The special business at the Wharncliffe Rooms of that hotel had also been satisfactory. In spite of the greatly increased costs of working and the high prices of commodities in the past year, the largely increased volume of business had resulted in a gross profit, excluding repairs and renewals, greater than in any previous year. The results of the year's trading, however, were reduced by the amount expended in the reinstatement of the Hotel Great Central. They had during the past year overtaken the arrears of repairs and renewals which it was not possible to do during the War years, and had made a number of necessary improvements in the hotels. In particular they had carried out a much-needed improvement in the lounge at the Sackville Hotel, Bexhill-on-Sea. From expressions of opinion already heard from visitors, there was no doubt that the outlay on these improvements would bring a good return in increased business, particularly during the winter months. He thought he could honestly say it was now the sunniest hotel on the South Coast, and he recommended all present to pay an early visit to the hotel. Investments were increased by the purchase of £20,364 Debenture stock of the

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Company during the year, and there was an overdraft at the bank, but this was amply covered by the Exchequer bonds and National War bonds repayable in 1921 and 1923 respectively. From April 1 last the interest on the mortgage of the Hotel Russell had been increased from four and a-half per cent. to five and a-half per cent. per annum.

Sir John H. Bethell, Bart., M.P., seconded the resolution, which, after the Chairman had replied to a few questions, was carried unanimously.

SUNGEI SIPUT RUBBER PLANTATIONS, LIMITED.

THE tenth ordinary general meeting of this Company was held on November 9 at Winchester House, Old Broad Street, E.C., Sir Ivor Philips, K.C.B., D.S.O., M.P. (Chairman of the Company), presiding.

The Chairman said: Gentlemen,—The balance sheet submitted to-day shows the effect of the two issues of shares made during the financial year, the capital account being £69,000, as against £48,000 last year. Our previous balance sheet showed an overdraft from our bankers of £7,404, while in our present accounts we are able to show cash on deposit and in hand £13,934, and as the dividend which we recommend will absorb only £3,664, we are left with a considerable sum for developments, apart altogether from the 52,065 shares which are under option. Moreover, we have £6,617 to the credit of share premium account, which, in effect, reduces the cost of our estates, buildings and machinery to about £64,000, which for a property of 1,635 acres, with 880 acres planted, is clearly quite a reasonable capitalisation. Our profit and loss account shows a balance of £4,244 this year, as compared with £4,958 last year. The reduction is due in part to a slight decrease in output and in part to the higher cost of living in the East, which necessitated increase of salaries for Europeans and a considerable contribution towards the cost of rice for the coolies. The loss on rice alone amounted to about 3 cents per pound of rubber produced. We anticipate a reduction in this item in the current year. The reduction in output was due to some shortage of labour during the year, but we are led to believe that this was only a temporary difficulty. It is impossible for any chairman of a rubber company to make any confident predictions with regard to the immediate future. As to the soundness of the industry and its ultimate success I think we are all agreed, but for the present we are going through a bad spell, for which outside conditions not really connected with the industry are responsible. In the meantime we have all got to face existing circumstances and make the best of them. I now move:—"That the report and accounts as presented be received, adopted, and passed."

Mr. T. Ritchie seconded the resolution, which was carried unanimously.

BUKIT TAMBUN ESTATES, LIMITED.

THE fifth annual general meeting of the Bukit Tambun Estates, Limited, was held on November 11 at 65 Bishopsgate, E.C., Sir Gordon B. Voules presiding.

The Chairman, in moving the adoption of the report, said that that was the first year in which they had been able to pay a dividend, and in view of the shortage in the crop, the shortage of labour, and also the shortage of food for their coolies, he thought shareholders would agree that the result reflected the very highest credit upon their manager. The net profit for the year amounted to £8,372, and adding the sum of £3,445, brought forward from the previous year, they arrived at a total of £11,817, with which they had to deal. The board proposed to pay a dividend at the rate of eight per cent., which would absorb £8,400, to write the sum of £500 off administration and development account, and to carry forward £2,821. They had harvested 1,660,633 nuts during the year. That was considerably short of the estimate, but their manager and the visiting agent agreed that the shortage was entirely due to adverse weather conditions, especially to the very severe drought which occurred at a critical period of the year. They had manufactured 323 tons of copra, of which 81 tons were shipped to London, the balance being sold locally. They had obtained for their copra an average price of £47 7*s.* a ton, as compared with something over £30 a ton in the previous year. The great improvement was due to the increase in the local demand for that commodity. Making due allowance for increased freight, &c., they had obtained at Penang almost the same price as they could secure by bringing the copra to London. The average cost of production for their copra was £17 13*s.* a ton, and this figure would have been very sensibly diminished if they had secured a crop equal to their estimate. He regretted to say that the manager had not been able to get as much labour as he desired, but, so far as the labour situation was concerned, he did not consider that any serious difficulty would arise, as their estates were very popular and extremely healthy. During the course of the past year they had planted up an additional 70 acres of coconuts and rubber, which made their planted area under coconuts at the present time 1,857 acres, of which only fifty per cent., or little over, was now in bearing.

Mr. G. A. Stebbing seconded the motion, which was carried unanimously, and the remaining formal business was completed.

PARIT-BRUAS (MALAY) RUBBER COMPANY, LIMITED.

THE ninth ordinary general meeting was held on November 9 at Winchester House, London, Major J. C. G. McFerran presiding.

The Chairman, dealing first with the balance sheet, said that £1,370 had been added to the estate account, which now stood at £36,554, against which they had 772 acres planted in rubber and 250 acres felled and part ready for planting. The net result of the year's trading was a profit of £4,154—a very satisfactory result, especially when it was remembered that less than a third of the estate was producing, and that all standing charges, such as rent and management, were charged entirely against revenue. It had been a great disappointment to the directors not to be able to recommend a dividend. A few months ago he had fully anticipated that they would have been able to declare a dividend of at least seven and a-half per cent., but with rubber selling to-day at about 1*s.* 1*d.* per lb. they were compelled to keep the cash position of the Company as strong as possible. Considerable capital expenditure would be required for the next year or two, and it might be necessary in the near future to raise further capital by an issue of ordinary shares. The cost of production worked out at about 1*s.* 4½*d.* per lb. "all in," and the average selling price at 2*s.* 0½*d.* At the present moment rubber-producing companies were going through a bad time, the price of the commodity having been dropping practically continuously since the beginning of the year. This had been caused by over-production, and undoubtedly the only course to pursue was the policy suggested by the Rubber Growers' Association of restricting output. If the Association had adopted the stronger course of advising that there should be a total cessation of tapping for a month or six weeks during the wintering period the surplus stock would have ceased to exist, and the market, in consequence, would have righted itself much more quickly than by the course suggested. As the output of this Company, which was not a member of the Association, was so small, the board had not actually signed the agreement to restrict the output by twenty-five per cent., but they would delay tapping on about 100 acres of young rubber, part of which was at present tappable, and the balance of which would be tappable in six months' time; and, further, they proposed to tap very lightly, if at all, during the wintering months. The present labour troubles throughout the world had undoubtedly tended to restrict trade, and this had decreased consumption. However, with the restricted output they ought soon to see stocks decreasing, and he had no doubt that when consumption once more balanced production prices would right themselves, and good dividends might be looked for.

The report was unanimously adopted.

MOOPLY VALLEY RUBBER COMPANY, LIMITED.

THE tenth ordinary general meeting of this Company was held on November 9 at 38 Eastcheap, London, E.C., Mr. L. F. W. Davidson (Managing Director) presiding.

The Chairman said that last year there was a fall in the net profit per lb. from 11*d.* to 7*d.*, and this year there had been a further drop from 7*d.* to 4*d.*, the cost of production automatically increasing with the rise in the sterling value of the rupee. A year ago the rupee was about 2*s.*, and it subsequently soared to about 2*s.* 10*d.*, but it had since gone down until it was now about 1*s.* 8*d.*, or only 4*d.* more than the 1*s.* 4*d.* at which it had stood for a number of years. The directors calculated that the production of the Company's crop and the repayment of the Rs.150,000 loan to the Cochin Government had during the year cost about £30,000 more than it would have done had the rupee remained constant at 1*s.* 4*d.* Although exchange had now fallen to about 1*s.* 8*d.*, there was, of course, no certainty that it might not again rise to 2*s.* In addition to this heavy loss on exchange they had in recent years suffered in their sterling payments from the enormous rise in freight rates and London warehouse charges, and in the cost of machinery and other things, and, unfortunately, instead of the price of rubber going up, as had been the case with every agricultural product in this country, it had fallen seriously. To-day the commodity, which they were selling a year ago at 2*s.* 5*d.* per lb., was worth in the London market only about 1*s.* 2*d.* per lb. Under these conditions the Rubber Growers' Association had wisely recommended a restriction of crop by twenty-five per cent. as a temporary measure, and this Company had agreed to join the scheme. Although, therefore, the exchange to-day was more favourable than it had been for some time past, this restriction of crop would result in a material reduction of profits in the coming year. In the past year they secured a crop of 942,000 lb., and it was quite probable that the crop this year would be reduced from about 1,000,000 lb. to 750,000 lb. or less. It had been intended by the directors to declare a dividend that day of two per cent., making a total of seven per cent. for the year—equal to eight and three-quarters per cent. on the old shares, not counting the bonus shares; but the recent fall in the price of rubber had satisfied them that it would be unwise to divide the available balance of £11,958, and they therefore proposed, with the approval of the shareholders, to carry it forward. They could only hope that before next year matters would have settled down and the prospects be better than they were to-day in the india-rubber industry. Their forward sales for the current year

amounted to 70 tons at 1s. 1½d. per lb. ex godown, Colombo, and 15 tons at 40½ cents in America, which was a very good price and was equal to about 2s. 9¼d. per lb. in London at American exchange 3.59.

The report was unanimously adopted.

SUNGKAI-CHUMOR ESTATES, LIMITED.

THE fourteenth ordinary general meeting was held on November 12, at 1-4 Great Tower Street, London, E.C.

Mr. Thomas Ritchie, who presided, said that a year ago the nominal capital was increased from £50,000 to £100,000 in order to capitalise reserves standing at approximately £50,000, bonus shares being issued at the rate of five for every four shares held on a date which should be borne in mind in considering the dividend for the past year. They also offered £10,000, or 100,000 shares, to the shareholders at par, and 98,546 were taken up, leaving 1,454 shares unissued. As the policy of the Company was a progressive one, and they had land available for development, the capital was afterwards increased to £200,000. The nominal capital now stood at that figure, and the issued capital at £99,854. After writing off £1,742 loss on realisation of War Loan and Funding Loan, the net profit for the year was £30,755, against £13,235 for the previous year. Adding the carry-forward and refund of excess profits duty, but deducting the interim dividend paid in May, they now had £38,292, out of which it was proposed to pay a final dividend of ten per cent., making twenty per cent. for the year, and after placing £6,500 to taxation reserve account, there was a balance of £21,307 to carry forward, against £12,717 last year. The directors might have suggested a larger dividend, but at the present time it was necessary to err on the safe side in distributing profits. The crop for the year was 614,726 lb., against an estimate of 600,000 lb. and a production in the previous year of 413,463 lb. The f.o.b. cost was 11.32*d.*, against 1*s.* 1.93*d.*, and the net price received 2*s.* 0.17*d.*, against 1*s.* 8.41*d.*, leaving, after allowing for London expenses, a profit of 1*s.* 0.22*d.*, against 5.73*d.* The average area in bearing was 1,506 acres, or about 63 acres more than last year. The average yield per acre was 408 lb., against 286 lb., and per tree 4.80 lb., against 3.89 lb. They sold forward for delivery out of the 1920-21 crop 115,360 lb., at an average price of 1*s.* 11.96*d.* per lb. The planted acreage remained at 1,934 acres, at a total cost of £47 13*s.* 5*d.* per acre. One hundred and forty-two acres of reserve land on Sungkai was being cleared, and they expected would be planted before the end of the year. A further 76 acres accidentally burned would a little later be planted, when they would have a total under rubber of 2,152 acres. The estimated crop for the current year was 665,000 lb., but under the Rubber Growers' Association scheme of restriction this would be cut down by about 100,000 lb. The crop for the four months to the end of October (subject to adjustment) was 211,730 lb.

The report was unanimously adopted.

RAYFIELD (NIGERIA) TIN FIELDS, LIMITED.

THE seventh ordinary general meeting of this Company was held on November 11 at Winchester House, E.C., Mr. Oliver Wethered (Chairman and managing director) presiding.

The Chairman said: The outstanding features of the report are the increased costs and reduced output on the one hand, and the discoveries and developments on the other. The lamentable condition of affairs in connection with labour, reducing us at times to one-fifth of our requirements, was due to several causes, the most important of which was the shortage of coinage and the substitution of paper money, upon which the native labourers look with suspicion. Less serious than labour shortage, but even more exasperating, have been the transport conditions. Transport conditions are also better now, and as an instance I may mention that last month the railway department took delivery of 54 tons of our tin, against an average of 29 tons for the past six months.

I now come to the brighter side of the picture—namely, our reserves and the development of our properties. Twenty thousand feet of prospecting was carried out, and Mr. Iles writes, with regard to reserves: "I am perfectly safe in stating that at no time during the history of our Company has the outlook been so bright in this direction." Those familiar with Mr. Iles's reports know that he is always cautious, but I know that he is profoundly impressed with the richness of some of our deep ground, the wide areas on which it has been proved, and the possibilities of the large areas of untested ground. Unhappily, we have not as yet greatly benefited by our policy of building up our assets and consolidating our properties, as, in common with almost every industry, we are going through a trying time. We have, however, the satisfaction of knowing that we have recently added to our reserves so rapidly that it is safe to say our resources are far greater than ever before, notwithstanding all the tin we have extracted over a period of years. We acquired a large interest in 1913 in the Killifreth Mine, Ltd., in Cornwall, with a fine record for tin, but now confidently expected to establish one of the best records for the production of arsenic. With a view to obtaining a maximum extraction we communicated with the Minerals Separation Company, Ltd., an undertaking whose plants are successfully treating [illegible] of ore at [illegible]. The [illegible] preliminary test [illegible] gave [illegible] and they [illegible] to report as to the [illegible] of the [illegible] factory.

The report and accounts were unanimously adopted, the [illegible] was accorded to the Chairman and directors.

BUENOS AYRES AND PACIFIC RAILWAY CO., LTD

The [illegible] Buenos Ayres and Pacific Railway Company, Limited, was held at Winchester House, [illegible].

Viscount St. Davids, who presided, said that the Company had had a good year. The traffic receipts amounted to £8,200,000, against last year's figure of £6,269,000, an increase of £1,930,000. Against this the expenses were £5,712,000, as compared with £4,483,000, an increase of £1,228,000. The net result was an increase in the working profit of £701,000. Interest account and difference in exchange gave an increase of £715,000, of which £677,000 was the increased difference in exchange and £38,000 the interest from the larger sums of money placed on deposit at banks. The proportion of gross profits payable to the Argentine Transandine Company was £7,930 less than for the previous year. They had, therefore, a total additional amount of £1,396,000 to deal with. In spite of these results the directors had had most anxious times to go through—anxious because the expenses were simply prodigious compared with what they used to be, mainly under the three headings of wages, fuel, and stores. As regarded fuel, before the War they used to burn mainly Welsh coal; now they were using, as far as they used coal at all, mainly American coal. On the Bahia Blanca line they were burning mostly wood, and on the Argentine Great Western mostly wood. On the Pacific they burnt wood and coal mixed, and the coal was an awful price. The truth was that railways were being worked under altogether different conditions to what they used to be worked under. In 1914 their coal delivered at Buenos Ayres was costing them £1 13*s.* 2*d.* per ton, whereas they had been burning coal lately which cost them £9 per ton. Freight on general goods before the War cost 18*s.* 11*d.* per ton, whereas now it was 59*s.* 1*d.* per ton. Pig iron cost them before the War £3 14*s.* 6*d.* per ton, and now cost them £16 17*s.* 6*d.* Steel bars used to cost £7 15*s.*, and were now £31 15*s.* Steel plates were £7, but now they were £36 per ton. Wire, of which they used an immense amount, used to be £9 5*s.*, and was now £48. White lead used to be £26 per ton, and was now £65. Linseed oil was £29 5*s.* per ton, and was now £91, while cotton waste, which used to be £29 10*s.* per ton, was now £82. These figures would show the problems the directors had to deal with. To economise on fuel they were testing deposits of lignit, and were also joining in the exploitation of an oilfield.

In respect of the current year it might be asked how they were going to fare as regarded exchange. Last year exchange helped them greatly, but this year he did not think they would benefit to anything like the same extent. It had been their custom, in common with all the other Argentine railways, to convert the cost of materials purchased in sterling into dollars at the par rate, but under a recent Government decree they had now to convert these purchases at the rate ruling at the time. The result was that whilst the rate of exchange was in favour of the Argentine there was an adverse difference in the conversion of sterling into dollars, and the balance on exchange account at the end of the financial year would depend to a large extent on the amount of materials they might have to purchase for the requirements of the line. On the other hand, the profit on working would be benefited, so far as revenue materials were concerned, to the extent that materials were no longer charged at the par rate. Wages in the current year would be more, fuel would be more, and they would have only one crop to deal with, whereas last year they had practically two. There was, however, a large amount of wine to deal with, and the wine rate had been raised. It would certainly not be a very good year, but there was no reason at all why it should be a very bad one. On the whole they were likely to have a moderate year.

The Chairman announced that Mr. J. A. Goudge, the [illegible] his return stockholders would be invited to hear a report from him on his visit.

The [illegible]

FURNITURE
for Cash.
The [illegible]
for [illegible]
Wm. SPRIGGS & Co., Ltd.
[illegible]

Books Received.

Indian Trade Inquiry: Reports on Rice. Price 6*s.* net. (London: John Murray.) In 1916 the Secretary of State for India invited the Imperial Institute Committee for India to conduct an inquiry into the possibilities of further commercial usage of the principal Indian raw materials in this country and in other parts of the Empire, and the Committee's reports on rice have now been issued by the Institute. The reports make interesting reading, but really very little satisfaction has resulted from the inquiry in the way of finding new uses to which the cereal can be put. In addition to its primary use as food, rice is employed in brewing, vinegar manufacture, and starch-making. Rice straw appears to be admirably adapted to the making of paper. On experiment certain excellent types of opaque paper were secured, the pulp bleaching easily to a very pale cream colour, almost a pure white. Apart from these uses the Committee does not appear to have been very fortunate in their quest for further uses to which rice may be put, except that it may be used as food for pigs, cattle, and sheep.

The Official Year Book of New South Wales, 1918. By Mr. H. A. Smith, F.S.S., Government Statistician. 1920. Price 2*s.* 6*d.*—Known up to the year 1904 as the "Wealth and Progress of New South Wales, this volume has now attained its sixteenth year under its new title. The contents are published in eighteen separate parts, and are issued as they become available from the printer in order to render them of immediate service. A diagram map of New South Wales is published with the volume, showing the railways, county and territorial divisions, and area of the State suitable for profitable cultivation of wheat. A lengthy historical index of the colony is given by way of a preface. It seems a pity that so useful a handbook is not issued with greater despatch. The data it contains is fully twenty-two months old by the time it reaches this country.

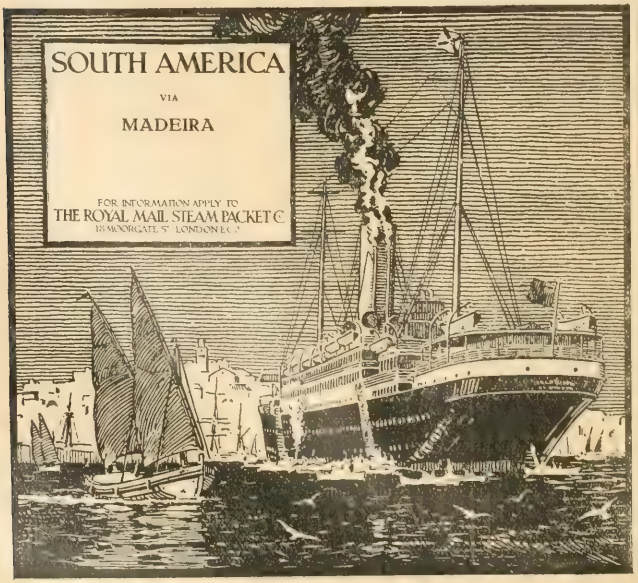
A Defence of Liberty. By the Hon. Oliver Brett. Price 12*s.* 6*d.* (London: T. Fisher Unwin.) The author of this work makes a lengthy appeal for the recall of the old Liberal party, which was placed in retirement by the present Prime Minister. Since the formation of the Coalition the Conservative party has been congratulating itself upon what it considered to be the final eclipse of its ancient rival; but, much to its discomfiture, it now finds itself face to face with Labour. The general conception has come to be that the right wing of the Liberals may as well link up with the Tories, while the left wing falls into line with Labour. The author sets out to combat this conception, pointing out that the need for Liberalism is eternal, and that the Labour party is an artificial and temporary structure.

The Dunlop Book. Motorists should not fail to secure a copy of this, the second edition of Messrs. Dunlop's guide to the road. The work is greatly enlarged, and is elegantly bound in red leather with clasp. The contents have been revised throughout, and there are 380 new sketches of roadside curiosities. The directory of golf clubs is revised, and reference to a club by either its titular name or town name is made easy. The volume is exceptionally cheap at the price of one guinea.

The Case for Capitalism. By Hartley Withers (London: Eveleigh Nash Company.) Mr. Withers contends that if certain earnest and sincere reformers who are now trying to lead us to accept nationalisation of industry succeed life will become a drill, men and women will be turned into machines controlled by officials, tendency to variation will be killed or checked, and we shall become standardised. The book is written to show that greater output of goods and services, on which material progress depends, cannot be expected with certainty under any form of Socialism that has yet been proposed.

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The African and Eastern Trade Corporation.—It was officially announced on Wednesday that the result of the poll which was taken on Friday last regarding the fusion of interests with Messrs. Lever Bros. shows that 2,727,529 votes have been recorded in favour of the scheme which is 77.10 per cent. of the total issued ordinary shareholdings.



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Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager.

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The Statist.

LONDON: SATURDAY, NOVEMBER 2[illegible], 192[illegible]

CONTENTS.

LEADING ARTICLES—
[illegible] 7[illegible]
[illegible] 7[illegible]
[illegible] 7[illegible]

Foreign Exchanges.

The violence of the movements on the Foreign Exchange market during the week was manifested itself in a greater degree during the current week. We have noted a general improvement in the position of the £ sterling. Interest centred in the movements of the New York exchange, which made a phenomenal recovery on Wednesday last. In the early part of the week it had been recovering from its weakness of Thursday and Friday of last week, and on Tuesday a quotation of 3.39½ was reached. On the following day it jumped 6¾ points to 3.46¼. On Thursday the improvement was continued to 3.48¾, but on Friday there was a relapse to 3.47½. Last week's weakness was due to the plethora of grains and cotton bills in New York, and the rally of the present week may be attributed to speculative buying of sterling in the United States. Whether the improvement will continue is extremely difficult to say with any degree of certainty owing to the conflicting nature of the influences at work, but authoritative opinion in New York is inclined to look for an upward movement.

Not less striking was the improvement in the value of the German mark during the week. From 290 on Friday last the quotation fell to 241 on Wednesday, and was at one time as low as 218. Subsequently, however, there was a reaction, but even at 267½ to-day a good improvement on the week. Other central European currencies did not share in the improvement, but the Finnish mark showed a steadier tendency than was evidenced during previous weeks.

Francs and lire, contrary to the experience of recent weeks, show a net improvement on the week. On Monday they displayed weakness, but have recovered substantially since then. The French franc was quoted around 58.45 on Monday, the highest reached since the middle of last May, but it later recovered steadily to 57.15 yesterday. To-day, however, there was another relapse to 57.70. The Brussels franc moved more irregularly, and was on the whole less firm than the others. The lira was at 97⅜ (middle quotation) on Monday last, and fell to 89⅞ yesterday. To-day, as in the case of the French franc, it displayed renewed weakness, fluctuating around 92. South American exchanges were fairly steady. Buenos Ayres sight bills declined to 51½, Montevideo to 52½, and Rio 90-day bills to 11⅛. The leading Eastern currencies were again weak. The Shanghai tael fell to 5s., the Hong Kong dollar declined to 2s. 9¼d., and even the Indian rupee showed a weaker tendency, being quoted at 1s. 7d. to-day. Of European neutrals the Spanish peseta recovered sharply from its recent weakness, but the Swiss rate continued its favourable movement. The Dutch florin weakened up to Wednesday, but has since improved. The Scandinavian exchanges moved [illegible]

Income and Expenditure.

The week ending on Saturday last [illegible] for the National accounts despite another poor showing on the part of [illegible] a deficit of £5.5 millions, as appeared in the accounts for the previous week, there was a surplus revenue of £4,651,671. The change was entirely due to a decline of £12.1 to £11,782,299 in Ordinary expenditure, for, at £16,433,970, revenue showed a falling-off of £2 million. Excess profits duty receipts were again higher, and during the week under review accounted for nearly one-third of the revenue. Other features of the statement are a repetition of those of the previous week. Treasury bill receipts again exceeded maturities, but, as might be expected considering conditions in the Money market, the excess showed a marked decline, being only £267,000, as compared with £4,198,000 for the week ending on the 6th inst. and £8,680,000 for the last week of October. Maturities totalled £79,310,000, as against £81,705,000 during the previous week. In consequence of the above movements a reduction in Ways and Means Advances was rendered possible. Of the advances by the Bank of England £1.5 million were repaid leaving the total outstanding at £55¾ million; advances by public departments were also reduced by £400,000 to £186,964,000. Treasury bill obligations stand at £1,089,054,000. The total floating debt amounts to £1,331,768,000 as against £1,333,498,000 on the previous Saturday, a reduction of £1,730,000. As compared with November 15, 1919, when the total was £1,305,543,600, the floating debt as on Saturday last shows an expansion of £26,225,000. The publicity attendant on replacing the old issue of Treasury bonds by a new series, though the terms of both are the same, seems to have directed increased attention towards the attractiveness of the Bonds; £555,000 was subscribed during last week. During previous weeks the amount received rarely rose above £200,000.

Currency Notes.

Though it is as yet difficult to estimate the nature and duration of the movement, it is at all events satisfactory to note that the note circulation shows signs of contraction. The outstanding total of currency notes on Wednesday last, £347,478,932, showed a decline of £3,618,508, as compared with a week previously. This brings the net decline since November 3 to £5,475,883. Wednesday's total, given above, is the lowest since May 19 last. Since that date £11,150,000 in Bank of England notes has been [illegible] the currency note redemption account, and the present total of the fiduciary issue, £399,228,932, is, in consequence, the lowest for nearly eight months, being £20,371,068 below the [illegible] of £32,000,000. The reserve ratio rose during the week from 13.4 per cent. to 15.6 per cent. In November 1919 the circulation also showed a declining tendency, but towards the end of the month a sharp upward movement began which continued into December. It will be interesting to see whether the many changes which have occurred in the position since then will have the effect of reversing the tendency towards the end of the current year.

Bank of England.

In view of the low level of the Reserve during the two previous weeks, the [illegible] Bank return was awaited with much interest in the City. Those who expected an improvement in the position were not disappointed, but the recovery which took place was not as great as that of the previous week. The nature of the movements affecting the Reserve were the same as previously, though less extensive. In contrast with the currency note return, the Bank note circulation showed a decline of only £179,000, as compared with £689,000 last week. The present

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o the movement during the three preceding weeks. n the other hand, show a slight decline, while a rise dicates an increased borrowing on Ways and Means. It is possible that the rise in open market bill rates as had the effect of sufficiently discouraging sales of

Bullion.

The Gold market was rather poorly supplied. The amount available was e price fell sharply since Tuesday last. To-day's

market last week became more pronounced during the demand both on Chinese and Indian account; in fact, from both these quarters spasmodic selling was reported. Prices fell rather sharply in consequence, and this had the effect of arresting Continental supplies still further. Little hope is entertained of a revival of the Eastern demand in the present conditions of om the United States is not unlikely. The spot rice fell steadily from 53¾*d.* on Friday last to 51*d.* on Tuesday. On Wednesday some bear covering day the downward movement continued to 50⅜*d.* To- delivery, which varied between ½*d.* and ⅝*d.* during the week, disappeared to-day.

NEW YORK.

anks and trust companies shows a reaction against te improvement recorded in the previous return. The of the banks was not wholly lost, and last week's position is better than that of the two last weeks of excess reserve by $5.9 million to $11,660,000. The ctual excess over legal requirements was, however, deposits show a reduction of nearly $54.7 million on the week.

The New York Federal Reserve Bank records a loss of $2,180,000 in gold during the week ending on serve ratio was a slight fall to 38.3 per cent.

An improvement in the position is shown in the combined weekly statement of the Federal Reserve Banks. The gold holdings were increased by $7,010,000 to $2,008,680,000, and total reserves, at $2,180,010,000, show an expansion of $10,280,000. Deposits expanded, but the Federal Reserve note circulation fell by nearly $25.2 million to $3,328,990,000 —the lowest for five weeks. As a consequence of these movements the ratio of total reserves to the combined net deposit and Federal Reserve note liabilities rose to 43.6 per cent., as compared with 43 per cent. on the previous week. Rediscounts, which stood at a record high level at the end of the previous week, were reduced by $42,080,000 to $2,784,000,000 during the week under review. Bills purchased in open market also decreased and the total bill holdings shows a decline on the week of $54 million to $3,072,630,000.

The present has proved another exciting week in the Stock and Commodity markets in New York, and again the tendency has been towards lower values. As regards commodity prices, not a few hold the opinion that the downward movement is near its end, but the view is not as yet supported by evidence of a revival of buying on the part of the public. Meanwhile a satisfactory feature is a growing movement toward lower retail as well as wholesale prices—a development which is necessary to the success of the deflation movement. Commercial failures are reported on the increase, but though this is regarded with uneasiness by many, it need not give ground for alarm. It is, after all, but an inevitable effect of the monetary stringency consequent on the deflation campaign, and was doubtless intensified by the lack of foresight displayed by so many interests when the post-Armistice boom was in full swing. At present the financial position is inherently sounder than it has been at any time since January last. It is true that loans by banks have expanded enormously since then on account of the crop-moving demands, but the expansion has been safely effected in consequence of the decline in prices. Now the Federal Reserve Banks are in a position to grant further credit accommodation to member banks if necessary. The cotton-growers of the South are clamouring for credit to hold over stocks until prices improve, but the Federal Reserve Board seem little disposed to grant their demands. Of late the credit structure shows signs of contracting, but well-informed circles do not expect a material easing of the money stringency before the turn of the year.

Call money was quoted at eight to nine per cent in the beginning of the week, but latterly eased to six to seven per cent. Prime mercantile paper continues at eight per cent.

TRADE WITH THE NEAR EAST

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Stock Exchange.

INVESTMENT funds being readily attracted into the numerous new issues of the week intensified the already stagnant condition of the Stock markets proper. The Gilt-edge section remained comparatively firm, but Home Rails and Industrials continued to be adversely affected by the unsettled outlook, while Foreign Bonds and Oils suffered from the vagaries of the exchanges and the readiness of Paris to dispose of holdings.

The Gilt-edged market opened weak on the flotation of the £4,000,000 New South Wales loan, but strengthened later, only to ease away again before the close. Consols and War Fives and Fours were all lower on balance, while Victory Bonds and Funding Loan concluded without net alteration. County and Corporation stocks developed no activity except for a rise in Birmingham Six per Cents and London County Council Five and Three-quarter per Cents. Colonial issues were a stagnant market, the only change of note being a fractional relapse of New South Wales Six and a-Half per Cents.

The Foreign Bonds market was pervaded by an atmosphere of considerable depression. German Twos were in demand, and French Fives and Fours improved eventually with the increased value of the franc, but on balance closed lower. Elsewhere all movements were downward. Brazilian issues drooped all round on Parisian liquidation; Japanese securities fared similarly with the decreased sterling value of the dollar; and Greek Fours suffered from the unexpected defeat of Venizelos. The Prime Minister's announcement that fresh efforts will be made to resume trading relations with Russia caused a nominal marking-up in Muscovite bonds.

Home Rails exhibited irregular tendencies, but prices on the whole finished lower. Among the Heavies, Great Central Preferred, North Eastern and Great Northern Preferred showed better, while Great Eastern rose fractionally but relapsed again.

Business in the Foreign Rails section was restricted, and alterations generally did not favour holders. Argentine descriptions continued to be offered, and suffered on renewed rumours of crop damage due to bad weather. Some Grand Trunk issues improved slightly. United Railways of the Havana receded in anticipation of the dividend. The latter was 4 per cent., making 7 per cent. for the year, or the same as for the previous period. Revenue had actually increased, but reserve allocations absorbed the difference. The Cuban Central and the Western of Havana pay 4 and 7 per cent. respectively, as before, though also enjoying enlarged profits.

The Industrial market attracted little business and the tone remained consistently dull. Iron and Steel shares were on offer, but, little support being forthcoming, prices declined generally, though not to any important extent. Shipping issues were not much dealt in, and cable securities were generally unaltered. Textiles were dull, Courtaulds being the only centre of interest. The much-discussed bonus distribution did not prove as satisfactory as shareholders anticipated, and the shares were offered in considerable numbers, with a corresponding relapse in price. Joshua Hoyles were unaffected by the satisfactory report.

The Oil market, not being able to rely on much public support, exhibited extreme sensitiveness during the week. The liquidation of Stock Exchange securities by produce interests and vague rumours as to failures in Paris, unsettled business, and though the restriction of sales eventually helped to steady prices, quotations displayed a weak tendency up to the close. Mexican Eagles, despite optimistic dividend estimates, drooped throughout the week, but showed firmer towards the close. Scottish-American finished [illegible] Shell Stocks were heavy [illegible]

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Mining Topics.

ALTOGETHER this has been a very disappointing week in the Mining market. The lack of any appreciable recovery in the Kaffir Circus and the relatively idle and depressed condition of the market as a whole must be attributed not to one but to many factors. Amongst the more important are the adverse French exchange, the political *dénouement* in Greece and the uncertainty of the situation in Russia. These exercised a dominantly depressing influence to the exclusion to all intents and purposes of the variation in the price of gold from 121*s.* 6*d.* on Monday to 117*s.* 2*d.* on Thursday. From the opening, business was on a comparatively small scale, the customary accumulation of week-end orders failing to materialise. An irregular stream of Paris realisations, though by no means of serious dimensions, forced dealers to prune prices severely.

Dividend announcements are beginning to appear Central Mining declares an interim dividend of 6*s.* per share, free of tax, as in December 1919, the June dividend in the current year, amounting to 8*s.* per share. Wolhuter announces a dividend of six and a-quarter per cent., less tax, which works out at 1*s.* 0.35*d.* per share. A second interim dividend of 3*s.* per share, free of tax, is declared by Golden Horse Shoe estates. It is not surprising to learn that in view of the present uncertain condition of the copper industry the Arizona Copper Company has decided to pay no interim dividend. The steady reaction in Esperanzas was due, however, to realisations by disconsolate holders. The cable giving the results of development work for the week ended November 11 was not merely colourless, but actually disappointing. Once again comes the monotonous repetition of "no change" at the eighth level; whilst not a single payable assay is revealed. Hence the reaction in the shares from 1⅞ to 1⅛ is easily intelligible. The price is, however, at such a level now that any favourable cable—and allowing for the patchy nature of the vein, this is not unlikely—will give rise to a prompt appreciation.

Returns from Lonely Reef show a net profit of £17,665 for October. Development results include two satisfactory exposures. An extension of the south drive in No. 19 level from 933 to 961 feet has opened up ore averaging 1 oz. 7 dwts. over twenty-six inches. At No. 23 level in the south drive from forty-two to eighty feet, ore has been revealed, averaging 1 oz. 3 dwt. over forty-seven inches. For October the Shamva mines record a profit of £17,747, and the Abbontiakoon mines a profit of £19,944, including gold premium.

CONSOLIDATED MAIN REEF.

Year to June 30	Ore Milled Tons	Gold Yield Per Ton	Working Costs Per Ton	Working Profit Per Ton	Net Profit	Dividend £	Dividend %
1915 ...	291,866	30/-	20/8	158,766	9 4	129,467	115,545	12½
1916 ...	342,895	29/3	13/9	162,951	9 6	148,146	115,545	12½
1917 ...	341,125	29/6	13/6	170,958	10 0	146,058	92,437	10
1918 ...	339,760	28/2	22/7	151,579	8 7	129,240	101,081	8¾
1919 ...	370,700	29/6	20/-	97,515	5 5	£1,190	62,380	5
1920 ...	378,000	25/-	8 2	78,570	4 1	105,715	155,970	12½

[illegible]

IN the discussion on the production of gold, the report of Consolidated Main Reef for the year ended June 30.

1920, would have made sorry reading for the shareholders. The above table shows that there was a decline of over 12,000 tons in the quantity of ore treated. Calculating the revenue per ton on the basis of the par value of gold in order to maintain an effective comparison, it is evident that ore of a slightly higher grade was worked, the gold yield per ton being 1*s.* greater at 30*s.* 6*d.* On the other hand, this small increase was much more than offset by the rise in working costs from 26*s.* 3*d.* per ton to 29*s.* 2*d.* per ton. This represented the cumulative effect of a series of rises. White wages worked out at 9*s.* 8*d.* per ton, as against 7*s.* 9*d.* per ton in the previous year and payments to native labour averaged 5*s.* 1*d.*, as compared with 4*s.* 8*d.* per ton. The increased levy under the new Miners' Phthisis Act represented a burden of 10*d.* per ton, as compared with 3*d.* per ton in 1918-19. Again, there was a substantial increase in the quantity of development work, the expenditure on which advanced from £85,171 to £100,475. Thus the working profit of 3*s.* 3*d.* per ton in 1918-19 is lowered to 1*s.* 4*d.* in the year under review, and in amount from £93,715 to £38,256. That the ultimate result was not barren from the point of view of the shareholders must be attributed entirely to the advantageous revenue derived from the premium on gold. In the accounts this extraneous revenue is credited with a total of £188,779, thereby raising the gold yield per ton to 37*s.* 3*d.*, and the profit per ton to 8*s.* 1*d.* Of this premium there accumulated during the first half of the year £83,864, equivalent to an average premium of thirty-one per cent. After January 1920 the estimated premium was included in the monthly returns, but at a conservative figure. Consequently, it was necessary at the close of the year to add £22,670, representing the total undervaluation for the three months ended March 31, 1920. In all probability the next accounts will reveal a similar adjustment covering the last quarter of the year under review. Thanks to the premium then, there resulted the substantial net profit of £197,713, which rendered it possible to pay a dividend of twelve and a-half per cent., as against only five per cent. for the previous year. The balance carried forward to the next accounts is increased from £174,178 to £193,563.

There was a marked increase in the development work accomplished during the year, the total reaching 22,962 feet, as compared with 15,798 feet in 1918-19. No less than 9,870 feet, or 64.9 per cent. of the footage sampled was payable, as against 5,926 feet, or 62.2 per cent. in the previous year. The payable ore developed amounted to 431,300 tons, averaging 7.6 dwt. In the Main Reef Leader there were 9,835 feet of payable ore averaging 51.8 dwt., over 8 inches. This great improvement in results is accounted for mainly by the opening-up of high-grade ore "in the large area in the lower part of the mine between Nos. 3 and 4 incline shafts." The results from the area leased from Banket Consolidated proved so disappointing that after 120,000 tons of payable ore were exposed the work was discontinued. The position of the ore reserves can be seen from the following table:—

June 30	Tons	Value	Width	Value
1918	1,128,870	37 9	4	1,045
1919	1,240,000	42 —	50	1,612
1920	1,180,000	32 3	40	1,290

It is fairly obvious that the outlook of this mine for the current year is primarily dependent upon the gold premium. The consulting engineer states that no difficulty will be experienced in obtaining ore of the same grade as that milled during the year under review. Results to the end of [illegible] point to an improvement in the quantity of ore crushed to [illegible] gold since June the revenue per ton, including the [illegible] [illegible] [illegible]

including the additional [illegible] work. Less satisfactory still was the [illegible] Bidon mine. This was opened [illegible] the year but became flooded [illegible] May. The floods were kept under control until the middle of July, when it was found impossible to cope with the inrush of quicksand. Shortly after work was suspended, the shafts and levels collapsed, and the mine cannot be reopened without involving a very heavy outlay.

The net profit of £42,001 compares very favourably with the figure of £41,566 in 1918. Consequently, after writing off depreciation to the extent of £7,841, it was possible to maintain the dividend at twenty-five per cent. and to carry forward £26,913 to the next accounts. This balance is subject to any liability that may be incurred in respect of exess profits duty for the year.

Prospecting work was continued in the Takuapa district, and in the Peek area a lease was applied for over 380 acres, of which 250 acres have been proved payable. Leases are also being sought on the Dokdeng [illegible] and the Pra Wet River. [illegible] the Bangrin property the Bangrin Tin Dredging Company was floated early in the current year with a capital of £170,000. The purchase price paid to the Siamese Tin Syndicate amounted to £50,000, of which £40,000 were in fully-paid shares, the balance in cash. These shares are expected to produce a good revenue for many years. The Ratroot property has been assigned in exchange for fully-paid shares of a substantial amount in an Australian company working the adjacent area. The Takuapa district is awaiting development, and the problem of the Bandon mine also calls for solution. Funds for those ends would in all probability have been raised by now by an issue of shares were it not for the position brought about by the taxation in the recent Budget in conjunction with the drastic restrictions [illegible] the power of the banks. The coconut plantations, on which £5,655 were expended during 1919, are reported to be developing satisfactorily. It is estimated that most of the area will come into bearing within two years. Meanwhile it is likely that the larger plantation will be disposed of to advantage, should the opportunity arise. Bearing all these facts in mind, the outlook for the future is distinctly bright. Revenue during the current year will benefit from the dividends on the shares in the Bangrin and Australian company. On the other hand, with tin dropping [illegible] £240 a ton, and the prices of stores and materials still high, the profits from Ngow must suffer. Of course the more efficient working of the dredges will help to counteract these influences. However, such a state of affairs is at best only a passing phase. Taxation and unfavourable conditions in Siam and here may lower profits temporarily, but the recovery is bound to take place as soon as these other elements come in full working order. Financially the position of the Company as disclosed in the balance sheet dated December 31, 1919, is very sound. Including the final dividend of £6,000, current liabilities do not exceed £37,080, and are amply covered by the total of £52,622 representing liquid assets in the form of cash, sundry debtors, and investments. The market quotes the £1 shares at 60s., at which price they return, assuming the dividend of twenty-five per cent. to be maintained, a yield of eight and one-third per cent.

CANADA'S
Grand Trunk Railway System
in connection with the Canadian National Railways, now operates Daily Coast to Coast Service Halifax, Quebec, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Vancouver, Victoria, Prince Rupert.
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LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
H. H. NORMAN, Secretary, Dashwood House, E.C.
FRED. C. SALTER, European Traffic Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, November 17, 1920.

Issue Department.

Notes Issued	£140,421,835	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	121,971,835
	£140,421,835		£140,421,835

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£83,783,075
Rest	3,901,019	Other Securities	75,165,939
Public Deposits	19,508,652	Notes	14,857,455
Other Deposits	118,278,513	Gold and Silver Coin	1,747,435
Seven-day and other Bills	10,732		
	£153,552,006		£153,552,006

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	£ s. d.
Nov. 17	127.5	123.7	19.5	118.2	63.7	75.1	14.5	10.8	7	6 [illegible]
Nov. 10	127.8	123.4	19.8	112.4	62.7	73.2	14.1	10.6	7	6 [illegible]
Nov. 3	128.4	123.1	18.1	115.1	63.9	73.8	13.0	8.9	7	6½
Oct. 27	127.6	123.2	16.4	120.5	64.5	76.0	14.1	10.3	7	6½
Oct. 20	127.0	123.1	16.5	125.8	61.6	83.8	14.5	10.2	7	6½
July 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52.40	3	2 [illegible]

• July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8% Aug. 9, 5% July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Nov. 17, 1920	Nov. 19, 1919	Nov. 20, 1918	Nov. 21, 1917	Nov. 16 1910
Circulation	£127.5	£85.7	£65.2	£42.5	£23.5
Public Deposits	19.5	23.3	29.7	42.3	10.1
Other Deposits	116.2	95.3	142.7	122.6	37.4
Government Securities	63.7	34.8	61.8	59.7	14.6
Other Securities	73.1	80.8	99.9	91.9	25.7
Reserve	14.5	20.7	28.4	31.8	24.9
Ratio to Liabilities	10.8%	17.5%	16.48%	19.11%	52.35 [illegible]
Coin and Bullion	123.7	88.0	75.2	55.8	37.0
Money:					
Bank of England Rate	7%	6%	5%	5%	5%
Bank of France Rate	6 [illegible]	5%	5%	5%	3%
Rate 3 months' Bills London	6⅞%	5⅝%	3⅝%	4⅛%	4⅛%
Exchanges:					
Paris Cheque	57·70	39·10	25·99	27·26	25·30
New York 60 days	3 45/	4·00	4·731	4·72	4·81
Bombay Telegraphic Transfers	1/7⅛	2/0⅛	1/5⅛	1/4⅛	1/4⅛
Prices:					
Consols 2½% Cash	45⅝	51½	60½	56	73 [illegible]
French Rentes 3% Money	54·80	61·50	62·90	59·75	97·15
Silver, London spot	80.	49d.	48d.	43⅝d.	28⅝d.
Wheat, *Gazette* average qr.	90/3	72/7	72 5	70/3	29/11
Cotton, Mid Upland lb.	15·70d.	25·14d.	19·95d.	22·16d.	7·91d.
Iron, Scotch pig ton	231/0	166/0	101/0	98/6	55 6

CURRENT NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	Bank of England Notes £	% of Bank Notes & Gold to Notes %
Nov. 17, '20	5,564,528	9,183,836	347,478,932	28,500,000	18,750,000	13·6
Nov. 10, '20	6,360,103	8,217,477	351,097,440	28,500,000	18,750,000	13·4
Nov. 19, '19	5,812,874	8,678,311	338,834,863	28,500,000	—	8·4
Nov. 20, '18	5,845,408	4,478,650	295,160,730	28,500,000	—	9·7
Nov. 21, '17	4,555,408	4,963,753	191,944,081	28,500,000	—	14·8
Nov. 22, '16	4,263,977	7,335,673	136,808,274	28,500,000	—	20·8

Balance Sheet November 17, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	272,012,125	Other Bankers ...	—
Ten Shilling	4,616,807	Trustee Savings Banks	—
Certificates outstanding ...	33,850,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	347,478,932	Bank of England Notes ...	18,750,000
Notes called in but not yet cancelled	2,943,938	Government Securities ...	319,341,140
Investments Reserve A/c ...	16,328,243	Balance at Bank of England	157,023
Total	366,751,163	Total	366,751,163

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Nov. 13	£16,434	£11,782	£4,652‡	£93,682	£98,851	£3,727
Nov. 6	18,434	23,913	5,479	104,537	99,730	3,045
Oct. 30	16,768	23,533	6,765	112,168	105,755	3,718
227days.'20-21	761,393‖	666,822	94,571‡	3,471,124	3,575,070	— 6,642
229days'19-20	567,600	912,492	344,892	4,091,322	3,729,230	— 8,701
Fr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	9,369
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Nov. 13	£4,338	£1,251	£5,154	£5,670	£1,637	£175	£9,970
Nov. 6	4,813	3,530	3,187	6,804	11,016	4,9	11,834
Oct. 30	4,145	2,252	2,112	8,661	2,021	834	20,189
227days'20-21	187,247	144,310	133,531	326,131	216,422	12,990	437,410
229days'19-20	159,740	123,861	170,650	113,949	212,729	7,779	691,984
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,489	250,045	407,404	332,034	16,171	1,317,583
Yr. '18-19	162,220	291,166	285,028	150,587	269,964	11,380	2,297,936
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,368

FLOATING DEBT.	[000's omitted.	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Nov.	13, 1920 ...	£1,089,054	£242,714	£1,331,768	£12,493
Nov.	26. 1920 ...	1,089,684	244,814	1,333,498	11 944
Oct.	31, 1920 ...	1,084,629	241,364	1,325,993	11 774
Oct.	23, 1920 ...	1,076,004	242,264	1,318,268	11,634
June	30, 1918 ...	786,150	774,237	1,570,387†	—

• Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS ‡

(In £'s Sterling—000's omitted.

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£833	£11,810	£41,925	£51,800	£8,393
Nov. 4, '20 ...	10,660	1,111	11,771	*23,783	232,719	51,467
11, '20 ..	10,660	1,108	11,868	24,717	231,777	53,315

CZECHO-SLOVAKIA *	Claim on Austro-Hung. Bank	Contingent Liabr on Bank-Notes	Discounts	Advances	Circulation (State Notes)	Deposits
Oct. 23, '20...	£396,775	£97,164	£81,978	£83,130	£494,134	£56,763
" 30, '20...	368,776	86,943	79,613	91,413	455,024	54,331
" 7, '20...	396,713	86,476	71,567	102,491	456,133	61,189

DENMARK.	Cash—Gold	Silver	Total	Discounts	Balances Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£798	£9,833	£47
Sept. 30, '20 ...	12,844	145	12,989	14,703	1,639	30,031	2,401
Nov. 20, '20 ...	12,644	139	12,783	15,383	1,080	32,114	2,984
July 31, '18 ...	10,634	182	10,816	8,954	2,013	28,745	3,868
Nov. 21, '18 ...	10,485	136	10,621	3,650	3,537	23,564	679

FRANCE.	Gold—In Bank	Abroad	Total Cash	Indep. Silver	Bills	Circulation	Deposits—Public	Private
July 30, '14 ...	—£165,654—		£190,667	£92,789	£267,327	£15,302		£37,903
" 12, '20 ...	141,605	77,935	219,370	138,087	1,591,766	2,993		140,733
Nov. 18, '20 ...	141,680	77,935	219,351	139,077	1,577,210	1,434		152,156
Nov. 20, '19 ...	143,932	79,131	223,154	42,305	1,437,320	3,112		121,178
Nov. 21, '18 ...	136,806	81,484	220,843	10,849	1,001,633	11,930		113,585

GERMANY.	Cash—Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,199
Oct. 30, '20...	54,579	331	54,910	1,067,109	2,541,311	3,174,135	837,163
Nov. 6, '20...	54,579	339	54,918	1,009,085	2,489,408	3,130,005	684,613
" 7, '19	54,642	1,013	55,655	473,083	1,813,623	1,553,734	435,310
" 7, '18...	127,513	1,419	128,932	159,503	972,883	847,983	485,295

HOLLAND.	Cash—Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,498	£249	£13,745	£13,422	£10,332	£35,890	£1,437
" 1, '20 ...	53, 12	1 6 2	54,814	13,993	27,824	97,593	8,335
" 8, '20 ...	53,012	1,813	54,825	14,970	25,705	91,009	7,245
Nov. 8, '19 ...	52,681	4 5	53,086	16,836	22,990	93,444	6,804
" 9, '18 ...	58,389	677	59,046	13,881	10,334	85,091	5,741

ITALY.	Cash—Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	—£48,456—		£25,017	£51,204	£3,937
" 30, '20 ...	£32,193	£3,018	35,210	11,470	90,651	577,313	73,151
" 30, '20 ...	32,192	3,018	35,210	12,145	214,471	533,535	79,351
Sept. 30, '19 ...	32,301	2,999	35,300	24,611	76,317	417,415	71,755
Sept. 30, '18 ...	32,722	3,072	35,795	5,845	52,253	342,182	51,893

JAPAN.	Gold	Discounts	Advances	Notes	Deposits—Private	Deposits—Public
Aug. 1, '14 ...	£21,867	£1,849	£7,863	£32,722	£13,818	£1,521
" 2, '20 ...	107,572	15,167	15,496	114,254	99,730	4,736
" 9, '20 ...	107,881	11,243	14,147	107,280	93,053	10,513
" 11, '19 ...	79,519	8,834	30,489	107,492	111,332	3,232
" 12, '18 ...	67,832	2,477	41,096	81,505	97,492	3,851

NEW YORK BANKS & TRUSTS	Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest., &c.	Net Deposits—Demand	Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£397,165	£1,791
" 8, '20 ...	£18,888*	111,833*	1,033,331	£817,212	£51,933	875,515	5,033
" 13, '20 ...	19,789*	108,222	1,057,933	805,274	51,331	861,250	3,332
Nov. 15, '19 ...	20,426*	120,598	1,039,033	843,610	51,794	933,102	8,402
Nov. 16, '18 ...	21,616*	115,463	951,361	762,795	31,276	858,276	12,835

NORWAY.	Gold	Balance Abroad	Notes & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
July 31, '14 ...	£2,960	£1,678	£493	£4,368	£3,752	£731
" 30, '20 ...	8,117	2,512	578	25,431	29,331	5,415
" 8, '20 ...	8,117	2,528	578	24,383	28,101	4,7
" 7, '19 ...	8,152	4,229	674	17,973	23,887	2,637

PORTUGAL.	Gold	Silver	Total	Discounts & Note Circulation—Advances	Circulation	Deposits
June 2, '20 ...	£1,906	£3,921	£5,827	£20,106	£41,436	£1,615
June 9, '20 ...	1,906	3,921	5,827	2,587	34,853	3,333
June 11, '19 ...	1,905	3,935	5,840	8,193	65,033	3,474
June 12, '18 ...	1,905	3,475	5,380	8,922	48,373	2,186

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Oct. 31, '20 ...	£87,333	£31,442	£3,835	£35,813	£194,521
Nov. 7, '20 ...	68,409	13,455	3,416	16,871	211,344
Nov. 14, '20 ...	68,409	10,589	3,851	24,249	211,353
Nov. 16, '19 ...	41,703	9,153	2,737	11,913	132,337

RUSSIA.	Gold—In Bank	Abroad	Total Cash	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,349	£103,911
Oct. 28, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash—Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£10,572	£13 7/8	£77,557	£13,455
Nov. 8, '20 ...	98,167	23,053	121,220	91,432	13.775	170,603	33,132
Nov. 13, '20 ...	98,183	23,037	121,220	91,429	13.779	170,621	33,135
Nov. 15, '19 ...	98,782	23,145	121,930	90,372	13.773	194,340	33,116
Nov. 16, '18 ...	89,369	25,043	114,354	90,366	13.777	175,624	43,331

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,440	£13,432	£3,333
Nov. 6, '20 ...	15,694	3,969	2,483	31,509	45,503	9,127
" 13, '20 ...	15,695	5,351	2,433	30,017	41,503	9,115
Nov. 15, '19 ...	16,677	7,289	2,483	3,362	33,349	7,530
Nov. 16, '18 ...	15,368	7,342	6,316	13,435	43,...	5,074

SWITZERLAND.	Cash—Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
July 23, '14 ...	£7,202	£758	£7,960	£4,817	£10,716	£2,028
Oct. 30, '20 ...	21,633	4,135	25,767	19,217	32,435	4,135
Nov. 6, '20 ...	21,635	4,135	25,770	19,214	31,231	4,127
Nov. 7, '19 ...	19,011	2,442	21,453	19,833	33,015	5,463
Nov. 7, '18 ...	15,401	2,415	17,815	24,452	30,...	5,...

* Converted at 24 cranes to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

Nov. 8,'20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov. 15,'20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov. 7,'20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov. 15,'18 ...	163,048	249,305	421,364	359,562	75,576	22,834	326,551	511,544

II.—CURRENT BANK RATES OF DISCOUNT.

[illegible]	... 4	July 1,'15	...	...	...	...
Berlin ...	5	Dec. 23,'14	...	...	6	Apr. 8,'20
[illegible]	... 5	...	...	...	5	...
Bombay ...	...	...	...	...	6	...
Brussels ...	... 5½	Apr. 28,'20	...	...	6	...
Calcutta ...	... 5	...	...	...	8	...
[illegible]	... 7	June 25,'20	Tokio ...	...	...	...
[illegible]	... 7	Apr. 16,'20	Vienna ...	...	...	...

III.—FOREIGN EXCHANGES.

LONDON ON	Nov. 19,'20	Nov. 12,'20	Nov. 5,'20	Oct. 29,'20
[illegible]	54⅛ 3/8c.	55⅛ 2/8c.	53⅛ 3/8c.	[illegible]
[illegible]	110. 39	110. 39	110. 39	110. 39
[illegible]	97 r. 87	97 r. 87	97 r. 87	97 r. 87
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	$3 36⅛	$3 36⅛	$3 36⅛	$3 46⅛
[illegible]	$3 38⅛	$3 38⅛	$3 38⅛	$3 48⅛
[illegible]	25kr. 92	[illegible]	[illegible]	25kr. 75
[illegible]	56⅛ 2/8c.	56⅛ 2/8c.	[illegible]	55⅛ 0/8c.
[illegible]	30⅛ 2/8c.	[illegible]	[illegible]	[illegible]
[illegible]	44⅛	[illegible]	[illegible]	46⅛
[illegible]	28⅛ 30	28⅛ 30	25⅛ 22	[illegible]
[illegible]	[illegible]	[illegible]	17kr. 95	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	22kr. 55c.
[illegible]	[illegible]	[illegible]	21kr. 99c.	[illegible]

ON LONDON—	Nov. 19,'20	Nov. 12,'20	Nov. [illegible]	Par.
[illegible]	[illegible]	97⅛d.	97⅛d.	[illegible]
[illegible]	110. 33c.	110. 33c.	110. 31c.	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	55⅛ l.	55⅛ l.	55⅛ l.	47·58½.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	25kr. 72	25kr. 52	[illegible]	[illegible]
[illegible]	25kr. 49	25kr. 49	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	3 [illegible]	[illegible]	[illegible]	[illegible]
[illegible]	99c. 00c.	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	28c. 05	28c. 07	25c. 22½	[illegible]
[illegible]	53⅛	[illegible]	[illegible]	[illegible]
[illegible]	$3 77	[illegible]	[illegible]	[illegible]
[illegible]	$3 38⅛	$3 38⅛	[illegible]	[illegible]
[illegible]	$3 37	$3 40 12	[illegible]	[illegible]
[illegible]	$3 41	$3 39	$3 43 12	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	18⅛ 12	17⅛ 40	17kr. 90	18·15 9kr.
[illegible]	21f. 07c.	21f. 07c.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW YORK ON—	Nov. 19,'20	Nov. 12,'20	Quoted	[illegible]
[illegible]	[illegible]	30 45c.	[illegible]	[illegible]
[illegible]	27·75c.	28 37⅝c.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Christiania, cheques	13 37c.	13 20c.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copenhagen, cheques	13 37c.	13 20c.	26 80c. for 1 kroner	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

	NOV. 19, 1920.	NOV. 21, 1919.	JUNE 30, 1914.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	231/0	166/0	57/0
— Middlesbro' warrants ...ton	225/0	160/0	51/0
— Hematite warrants ...ton	260/0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£25 0s	£9 10
— Common bars ...ton	£30— £30 10	£22	£8 10
Steel Rails ...ton	£25	£16 10—£17	£6 2/6
Galvanised Sheets ...ton	£40—£42	£27—£37 nom	£16 17/0
Copper—Standard ...ton	£81 5	£98 10	£66
Tin—English Ingots ...ton	£235	£283—£284	£142 15
— Straits ...ton	£241	£285 £285 10	£139 10
Tinplates, I.C. Coke, S. Wales...box	40/0	45/0—45/6	11/101—12/0
Lead—Soft Foreign ...ton	£31 15—£32 10	£36 7/6	£21 7/9
Spelter—Ord. Foreign ...ton	£34 5—£35 10	£47—£47 10	£21 7/9
Quicksilver—(75lb.) ...bottle	£15 10—£16	£17	£7
Aluminium ...ton	£165 home	£150	£82
Antimony—Regulus Foreign ...ton	£43—£45	£47 10	£27 10
— English ...ton	£62—£65	£50	—
Coal—Best Yorkshire ...ton	32/0—38/0	29/6—30/6	17/6
— Steam (best) Newcastle...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
Nitr. of Soda—Grd. Chile, percuss'nal ...ton	14/0	9/7	7/4
Soda—Crystals ex wharf ...ton	140/0 ... 129/0—130/0		42/6—45/0
Copra—Malay and States ...ton	£59	£58 10 £23 15—£24	7/8
Gambier Good marks ...cwt.	41/0	49/0	16/10½
Indigo—Bengal good to fine ...lb.	13/0—16/6	9/6—10/6	3/2—3/8
Linseed Oil—Raw ...ton	£55	£60 10	£25 5
Linseed—Calcutta, spot ...ton	£30	£47 5	£13 15/0
— Odessa, U.K. trade, ex mill ...ton	—	£244 10	£7 17/6—£8
Olive Oil—Spanish ...ton	—	nom.	£49 10
Palm Oil—Lagos ...ton	£80	£86 10	£31 10
Petroleum—American ...gallon	9½d.	1/7	7¼d.
Rape Oil—Refined English ...ton	£86	£108	£32
Soya Oil—Refined ...ton	£80	£84	£24 10
Tallow—Imported ...cwt.	69/0—75/0	95/0—100/0	29/3—33/3
Turpentine—American ...cwt.	115/0	127/6	33/7½
Rape Seed—Tpla ...ton	£54	£42 10	£13 5
Rubber—Para, spot ...lb.	1/4½	2/6½	2/9½
— Fine plantation (stnd. crepe) lb.	1/1½	2/4½	2/2
— World's Production* Aug. tons	24,970	26,930	8,467
Shellac—T.N. Orange, fair ...cwt.	530/0 ... 505/0—510/0		63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	15·50d.	26·14d.	7·53d.
— Egyptian, good fair...lb.	23·60d.	36·84d.	8·75d.
— Pernambuco fair ...lb.	17·04d.	27·84d.	7·73d.
— Midland Upl. New York....lb.	18·05c.	30·15c.	13·25c.
— Stock, Liverpool (Nov. 12)bales	855,300	658,330	934,600
Flax—Petrograd, Yarapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£55	£48	£25 10
— Manila, Fair ...ton	£83	£53 10	£26 10
Jute—First Marks ...ton	£46 10	£70 £75	£26 15
— Red ...ton	£37—£38	£60	£24 15
Silk—Common, New Style ...lb.	32/0	34/0	12/0—12/6
Wool—Ft. Philip unwashed av. lb.	3/9	4/5	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/4	2/1½	1/0½
Hides—Eng. Ox, best, 70 lb. up lb.	12½d.	12½d.—13½d.	7½d.
Leather—Dressing Hides ...lb.	3/3—3/9	4/6—4/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	87,321,000	96,136,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	219/0	237/0	67/0
—English Gazette, aver. 480lb. qr.	60/3	72/7	34/3
Flour—O.S. ...280lb.	86/0	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	91/8	100/7	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	59/3	55/7	20/0
Maize—N.Y. (new bush.el) ...56lb.	98/8	176/0	76/0
— Amer. mixed, Liverpool.. 480lb.	54/6	nom.	32/4
— La Plata ...480lb. qr.	53/6	85/0	25/9
Potatoes—Good English ...ton	216/0	216/0	70/0—75/0
Rice—Bassein ...cwt.	44/0	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	36/0—40/0	45/0	14/0—17/8
Hay—best ...2,016lb. load	—	—	82/6
Hops—English ...cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	8/8	9/0	3/8—3/10
— Scotch sides ...8lb.	11/6	10/0	4/6—5/0
— English ...8lb.	11/0	10/0	4/6—4/5
Mutton—Scotch wethers...8lb.	15/8	10/6	5/8—6/0
— English wethers ...8lb.	15/8	10/6	4/8—5/4
— New Zealand frozen ...8lb.	4/0—6/0	8/6	2/4—3/2
Pork—English and Irish ...8lb.	16 0	10 8	3/6—4/0
Bacon—Irish, delivered ...cwt.	125/0	190/6	60/0—74/0
— Danish ...cwt.	120/0	187/0	58/0—68/0
— Canadian, ex Port ...cwt.	120/0	187/0	—
— American ex Port ...cwt.	118/6—132/0	187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	120/0	190 0	75/0—79/0
— — short cut, ex Port ...cwt.	120/0	190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	118/6	198/6	51/9—52/9
Butter—Danish ...cwt.	136/0	252/0	117/0—120/0
— Home ...cwt.	136/0	252/0	96/0—108/0
— Australian ...cwt.	136/0	252/0	98/0—110/0
— New Zealand ...cwt.	136/0	252/0	103/0—114/0
Cheese—Canadian ...cwt.	158 0—160/0	144/8	66/0—68/0
— United States ...cwt.	—	144/8	—
— Dutch ...cwt.	148 0—230/0	144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Oct. 31 ...cwt.	22,336,628	25,867,108	19,777,254
Home consump'n to Oct. 31 cwt.	19,686,525	25,021,529	17,272,000
— In Bond Oct. 31 ...cwt.	6,887,000	6,490,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	45/0	53/0	13/3
— — Yellow crystals ...cwt.	48/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	100/0	77/0	18/0
Coffee—Imports to Oct. 31 ...cwt.	706,978	986,948	720,360
— Home consump'n to Oct. 31 cwt.	299,366	267,687	141,410
— Exports to Oct. 31 ...cwt.	594,266	660,483	340,250
— In Bond Oct. 31 ...cwt.	767,000	771,000	484,000
— Price, Costa Rica gd. to fine cwt.	120/0—150/0	156/0—164/0	80/0—84/0
— — Brazil (Santos) Good ...cwt.	75 (com.	130/0—132/0	41/6
Tea—Imports to Oct. 31 ...lb.	367,629,923	379,640,604	123,230,277
— Home consump'n to Oct. 31 lb.	331,480,319	329,940,443	155,447,972
— Exports to Oct. 31 ...lb.	34,967,427	24,856,615	26,561,765
— In Bond Oct. 31 ...lb.	224,814,000	145,774,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	1/1	1/5	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/1	1/6	8½d.
— — Common Congou ...lb.	1/0	1/3	5½d.
Cocoa—In Bond Oct. 31 ...cwt.	1,326,000	1,129,000	309,000
— Grenada, good to fine ...cwt.	68/0—70/6	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Aug.	£17,995,000	+ £2,711,000	£2,201,000	— £1,577,000
	8 mos. to Aug.	£27,448,000	+ £2,070,000	£5,249,000	— £3,712,000
Grand Trunk ...	Sept.	£1,669,000	+ £2,000	£98,000	— £188,000
	6 mos. to Sept.	£11,762,000	+ £1,567,000	£30,000	— £50,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Oct. 16	1,044	R2,41,945 —	3,398	2	5,15,767 +	31,220
Barsi Light ...	Oct. 16	118	16,300 +	100	2	8,06,400 +	19,500
Bengal & N.W.	Oct. 16	2,067	4,47,610 +	92,104	2	9,84,186 +	2,31,352
Beng. Dooars	Oct. 9	158	50,930	40,760	1	—	—
Beng. Nagpur	Oct. 16	2,895	11,08,000 —	18,000	28	3,39,47,791 —	13,01,879
Bomb. Baroda	Nov. 6	2,871	17,87,000 —	8,000	5	95,85,000 +	13,85,000
Burma ...	Oct. 16	1,342	5,33,965 —	30,805	2	12,05,039 —	1,89,060
Del Um. Kalk.	Nov. 6	239	1,12,000 —	8,815	5	5,70,487 +	88,528
East Indian ...	Nov. 13	2,772	25,79,000	3,49,000	6	1,77,98,000 +	14,11,000
Gt. Indian Pen.	Nov. 6	3,121½	24,49,100 +	2,24,900	5	1,31,03,900 +	20,73,648
Madras & S.M.	Oct. 23	3,152	10,60,000 +	4,280	3	34,40,000 —	81,882
Nizam's Guar.	Oct. 9	900	3,01,164 +	68,715	1	—	—
Rohi. & Kurm.	Oct. 16	576	94,609 +	9,199	2	2,08,107 +	28,377
South Indian	Sept. 30	1,852½	13,83,981 —	17,384	26	3,07,939 +	32,423
South Punjab	July	716	9,32,457 +	203,632	4m	35,06,396 +	7,06,580

COLONIAL							
Can. Northern	Nov. 14	9,704	$1,774,500 +	522,100	44	54,859,023 +	9,834,824
Can. Pacific ...	Nov. 14	13,388	5,677,000 +	1,594,000	44	183,444,000 +	33,003,000
Grand Trunk ...	Nov. 14	3,616	£382,186 +	76,385	44	14,288,661 +	2,068,537
Kashmir Land ...	June	810	91,152 +	21,421	9m	682,619 +	178,922
Mid. W. Aust.	Aug.	277	8,785 +	345	2m	17,821 +	1,813
NewCapeCent.	Oct. 23	205	2,488 —	209	43	126,148 +	20,083
Rhodesia Rlys.	Nov.	1,397	157,517 +	34,687	11m	1,252,516 +	272,776
Temiscouata...	Sept.	—	$45,154 +	12,121	9m	—	—
W. Pass. & Yuk	Dec.	122	1,388,626 +	124,546	12m	1,388,628 +	124,546

FOREIGN.							
Argentine.							
Arg. N. East...	Nov. 6	752	£ 12,700 +	2,700	19	232,000 +	5,000
Arg. Transand.	Nov. 13	111	£ 1,177 —	1,725	20	41,197 +	17,741
B. A. & Pacific	Nov. 13	3,536	£ 109,000 —	50,000	20	2,423,000 —	378,000
B.A.Gt. South	Nov. 13	3,792	£ 137,000 —	36,000	20	2,813,000 —	478,000
Do.	May. 13	Net	£ 3,000 —	55,000	20	311,000 —	898,000
B. A. Western	Nov. 13	1,882	£ 71,000 —	26,000	20	1,411,000 —	517,000
Do.	May. 13	Net	— —	39 000	20	134,000 —	529,000
B. A. Central	Sept.	190	£ 52,478 +	6,726	3m	183,275 +	24,671
Cent. Argent.	Nov. 13	3,305	£ 193,000 +	4,000	20	3,934,000 +	685,000
Cord. Central	Nov. 13	1,205	$ 64,300 —	3,800	20	1,132,200 —	76,400
Entre Rios ...	Nov. 6	811	£ 29,000 —	3,900	19	406,300 —	5,400
Brazilian.							
BrazilGt.South	Sept.	110	M 40,750 —	7,750	9m	413,700 —	31,221
Brazil Railway	Dec.	3,530	M 4,859,000 —	141,271	12m	57,772,000 +	7,819,243
Gt. W. Brazil	Nov. 13	1,010	£ 23,100 +	1,900	45	861,500 +	122,600
Leopoldina ...	Nov. 6	1,831	£ 47,318 —	9,698	44	2,305,709 +	473,861
Mogyana	Dec.	1,180	M 1,451,000 +	958,490	12m	22,267,000 —	2,474,851
Paulista	Dec.	766	M 2,650,000 —	906,038	12m	32,475,000 —	1,325,892
Sao Paulo ...	Nov. 14	153½	£ 52,334 +	14,372	45	2,125,937 +	553,541
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,168	12m	21,953,000 +	976,692
S.of BahiaS.W.	Oct.	52	M 150,000 —	6,000	10m	1,060,000 —	111,000
Chilean and Peruvian.							
Antofagasta ...	Nov. 7	838	£ 31,030 +	11,425	44	2,051,620 +	912,010
Arauco	June	84½	£ 12,000 +	500	6m	276,000 +	140,700
Nitrate Rlys.	Oct. 31	390	£ 47,747 +	20,793	40	822,812 +	444,148
Peruvian Corp.	Oct.	1,140	$ 1,187,163 +	8,030	4m	4,698,605 +	311,711
Taltal	Oct.	180	£ 30,150 +	10,955	4m	117,046 +	64,036
Cuban.							
Cuban Central	Nov. 13	362	£ 19,662 +	839	20	418,882 +	82,016
Cuba Railroad	Aug.		$ 1,003,131 +	28,628	2m	2,241,785 +	264,923
Havana Cent.	Nov. 6	70	£ 14,113 +	3,675	19	233,886 +	54,719
U. of Havana	Nov. 17	681	£ 58,403 +	690	20	1,266,257 +	169,004
W. of Havana	Nov. 13	155	£ 9,634 +	1,445	20	215,860 +	42,154
Uruguayan.							
Cent. Uruguay	Nov. 13	273	£ 20,091 —	3,982	20	372,190 —	41,939
,, (E. Ext.)	Nov. 13	311	£ 6,054 —	57	20	86,176 —	5,140
,, (N. Ext.)	Nov. 13	185	£ 2,946 —	184	20	54,996 —	17,347
,, (W.Ext.)	Nov. 13	211	£ 2,772 —	382	20	47,517 —	2,683
Mid. Uruguay	Oct.	319	£ 16,596 —	3,235	4m	67,778 —	5,915
N.W. Uruguay	Oct.	113	$ 6,063 —	720	4m	23,308 —	2,779
Urug. Northern	Oct.	73	£ 2,181 —	121	4m	8,157 —	316
Miscellaneous							
Alcoy & Gandia	Nov. 6	33	Ps. 17.000 +	2,000	44	580,000 +	123,400
Bilbao	Oct.	15	£ 4,017 +	2,109	10m	33,646 +	8,511
Bolivar	Oct.	136	£ 7,398 —	1,982	10m	100,616 —	12,191
Colomb. Natnl.	Sept.	88	£ 18,084 +	3,084	9m	170,489 +	36,820
Costa Rica ...	Sept.	189	£ 26,378 +	3,815	3m	80,125 +	15,566
Dorada Ext. ...	Sept.	70	£ 16,000 +	4,000	9m	151,923 +	54,328
Egyptian Delta	Oct. 31	559½	£ 21,195 +	3,852	30	294,177 +	114,653
Gt. S. of Spain	Nov. 6	104	Ps. 78,780 +	553	45	3,926,534 —	805,101
La Guaira&Ca.	Oct.	22½	£ 12,210 +	1,970	10m	139,360 +	52,870
Ottoman Ry...	Nov. 6	379	£ 11,775 —	—	—	—	—
Paraguay Cent.	Nov. 6	274	£ 4,670 —	1,170	19	95,880 —	7,970
Puerto Cabello	Oct.	34	£ 4,500 —	600	10m	54,000 +	7,375
Salvador	Nov. 13	100	£ 2,820 —	522	20	63,119 +	4,176
Santa Fe &							
French Rys.	Sept.	1,181	£ 171,630 +	10,157	9m	1,468,336 +	13,833
St'ntaFe&St'igo	Sept.	80	£ 8,350 —	5,351	9m	130,433 +	18,204
Zafra & Huelva	Sept.	112	£ 15,417 +	2,466	9m	113,169 +	23,854

TRAMS.							
Anglo-Argent.	Nov. 11	400	£ 77,319 +	7,653	45	3,427,647 +	794,633
Auckland Elec.	June	30	— —	—	52	292,502 +	2,083
Bombay Elec.	June	39	R. 8,16,237 +	86,100	6m	47,91,128 +	6,28,886
Brazilian Trac.	Sept.	378½	M 12,643,000 +	2,251,000	9m	96,665,000 +	13,106,000
Brisbane Elec.	Dec.	40½	£ 46,310 +	2,770	10m	439,330 +	69,420
Brit. Columbia	Sept.	334	$ 756,956 +	72,004	3m	2,253,693 +	259,487
B. A. Lacroze	Oct.	51	£ 57,618 +	7,827	4m	216,882 +	29,812
Calcutta	Nov. 13	35½	R 84,942 -	8,975	46	40,48,002 +	2,59,814
Cape Electric	Sept.	42½	£ 23,502 +	5,371	3m	83,116 +	22,037
Carth. & Herr.	Oct.	9	£ 3,319 +	1,854	10m	42,083 +	15,114
Chatham & Dist.	Nov. 4	15	£ 1,824 +	324	44	76,891 +	9,405
Havana Elect.	May	8	$ 946,391 +	205,997	5m	4,587,136 +	1,010,581
Isle of Thanet	Nov. 10	20½	£ 483 +	38	6	4,208 +	611
Kalgoorlie ...	Aug.	20½	£ 3,111 -	229	8m	24,248 +	2,611
Lanarkshire ...	Nov. 4	28½	£ 3,919 +	78	44	187,634 +	23,287
Luna Light ...	Aug.	85	£ 58,551 +	9,830	8m	461,800 +	80,711
London O.O. ...	Nov. 17	141½	£ 101,573 +	28,762	32	2,918,141 +	257,339
Madrid (Gwks.)	Nov. 15	15½	£ 48,704 +	4,874	42	1,045,840 +	163,556
Manila Electric	sept.	66	$ 230,391 +	59,127	9m	2,437,399 +	633,981
Pernambuco...	Nov. 14	59	£ 5,885 —	1,115	45	303,402 +	59,830
Provincial ...	Nov. 6	21½	£ 2,933 —	133	6	17,513 +	19
Rangoon Elec.	sept.	25	£ 7,857 +	845	9m	64,357 +	12,243
Shanghai Elec.	Oct.	26½	$ 1,168,931 +	18,900	10m	1,150,511 +	248,511
Singapore Elec.	Oct.	28½	$ 14,368 —	2,021	39	992,129 +	290,378
U. of Montevid.	Oct.	90½	£ 41,516 +	5,452	44	516,131 +	72,493

The Statist.

LONDON, SATURDAY, NOVEMBER 20, 1920.

THE PARLIAMENT OF MAN.

On Monday last at Geneva was opened the first meeting of the Assembly of the League of Nations, almost ten months after the initial session of the Council of the League at Paris in the French Foreign Office. Utopian as may seem the hopes centred on the new association as an international peace-maker, it has, at any rate, the advantage of being the first honest and democratic effort in this direction. Disparaging comparisons with the Holy Alliance that followed the Congress of Vienna on the close of the Napoleonic wars are out of place, as the latter was largely a family arrangement between semi-despotic monarchs. The peoples of Europe at that time, seeking what they thought was liberty, had found only an enduring bondage, and a long period elapsed before the leeway lost to human progress through their blunder was recovered.

A distinctive feature of the present League is its representative character, and herein it marks a great advance on its predecessor. The Assembly at Geneva comprises forty-one nations, but it is a strange irony that the United States, whose President conceived the meeting, should be unrepresented. We trust that the land of Washington and Lincoln will not forsake the high ideals of duty inculcated by these teachers, and will abandon its present narrow nationalism in favour of whole-hearted co-operation with the League in the heavy task that lies before it. The carrying-out of the Peace Treaties, the fixing of mandates, the reduction of armaments, and the restoration of the stricken countries of Europe to some semblance of political and economic well-being are duties calculated to tax the efficiency of the Assembly of Nations to the utmost. It must ever be remembered that the new body will be as powerful only as the constituent members choose to make it, and if it fails of its purpose, the responsibility for failure will lie at the door of all the Powers, and will be a lasting condemnation of their insincerity of purpose. Already some of the leading members of the League have openly flouted it, and a sort of international freebooting has become fashionable. The military compact between France and Belgium was not communicated, as required by the covenant, to the League Council. The armistice between Lithuania and Poland, concluded under the League's auspices, was violated by Polish irregulars under General Zeligowski, and the Polish Government, though repudiating the act, which was undertaken by one of their own generals in command of a section of their own army, took no energetic action against the offender. We are not stainless ourselves. Time and again in the last twelve months we have protested that we are not at war with Russia, yet, in defiance of the accepted canons of international morality, we have persistently blockaded that country. Even after negotiations for the resumption of trade were opened, and the Russians accepted our preliminary conditions, we continued our illegality, and even Lord Curzon, skilled diplomat though he is, found it difficult to explain, much less justify, our behaviour. Now it appears that the Cabinet has given its consent to a draft agreement on the lines of the arrangement suggested in July, with certain modifications. We have long urged the reopening of trustfulness, mainly because of the enduring trade and unemployment complications in the United Kingdom through the lack of new markets. The Government's foreign policy has been having a disastrous effect on export trade, as it has practically shut us out from markets in the Baltic and Black Seas and throughout Eastern Europe. We have stated more than once. British prisoners must be unconditionally released, and [illegible] the threat of the Entente against the meeting of Bolshevik [illegible] the unparalleled [illegible] Russia [illegible] the Allied blockade is, according to the testimony of [illegible] to a small degree responsible.

A variety of delicate problems awaits the attention of the League. [illegible] on the humanitarian professions of all civilised nations, must be finally disposed of, and some mandatory Power, or Powers, entrusted with the function of delivering this people from the horrible *milieu* in which they have dragged out an intermittent existence. [illegible] recommendations of the Brussels Financial Conference must be considered. The importance of Government expenditure as a factor in [illegible] has come to be universally recognised, and to rehabilitate national finances such expenditure must be curtailed. Non-productive outlay must be altogether eliminated, and for this purpose limitation of the cost of armaments to the minimum requirements of national safety should be insisted on. The internationalising of the world's armies and navies is a remote ideal, but it may eventually be attained, and it should not at any rate be dismissed as a chimera merely because it opposes the militaristic tendencies of present European and American Governments.

The Right Hon. Reginald McKenna, the Chairman of the London Joint City and Midland Bank, in an address delivered during the week before students of the University of Manchester, laid stress on the importance of the League's [illegible] in connection with the economic revival of Europe. He stated that the promise of peace and of greatly reduced expenditure on armaments offered the only hope of stable exchanges and of an expanding and prosperous international trade. If we take Germany as an example, there exists in that country, as Mr. McKenna said, not only a serious shortage of raw materials, but the means of production had been seriously impaired, and consequently an abnormal demand existed for foreign imports. In the circumstances, it seems to us a mistake to refuse admission to the League to Germany, or to Austria, which is in an even worse plight than her former ally. The wider the circle of nations [illegible] by the League [illegible] and what is perhaps no less important, its impartiality will be guaranteed.

We have previously dealt with M. ter Meulen's scheme for supplying financially crippled countries with the means of securing essential imports, and we earnestly recommend to the League the main features of the scheme as likely to provide a solution of the present difficult position. It would be advisable to set up as soon as possible an International Commission of bankers and merchants in order to evolve a workable arrangement from the principles outlined by the Dutch representative at Brussels. The Commission could, in addition, decide on the merits of the various applicants for relief. The procedure recommended by M. ter Meulen is that the Government of the country which is permitted to take advantage of the scheme should prepare bonds in various amounts to the extent of the credits granted. These bonds will be passed to the importer, who in turn hands them to the exporter as a security that the amount of his claim, in the event of the importer's failure to pay, will be met by the State. Where obligations to exporters are discharged as they fall due, the bonds revert to the State, and [illegible] The difficulty arises when we consider that the promises to pay will be made by practically bankrupt Governments, and as such will provide little additional security to exporting interests in, say, the United Kingdom or the United States. The problem must not, however, be shirked on account of its difficulty, as the future well-being of Europe, together with the vitality of the League of Nations [illegible]

IRISH POLITICS AND TRADE.

The prevailing insecurity of life and property in Ireland is exercising a serious effect on trade, and the lot of the Irish trader cannot be said to be a happy one. In considering his future course of action he is at the moment faced by a problem the solution of which presents great difficulties. In view of the possibly complete suspension of railway services and the restrictions on motor transport, the latter taking effect from December 1, the object of the trader in the interior of the country should, on a superficial view, be the speedy accumulation of stocks. There is, however, an element of speculation in this course which does not commend itself to his taste. In the first place, he may be buying in a falling market and overloading himself with stock, which, should the future be less unfavourable than generally anticipated, might require to be disposed of at a loss. Furthermore, even if the worst surmises in regard to transport were confirmed, he might in the event of a scarcity of goods in his own area be compelled to surrender his surplus stock to a local committee at a price yielding him a very small return. Secondly, there are obvious risks attaching to the holding of stocks, small or large. An outbreak of violence in his district might speedily be followed by their complete destruction. The creameries, with their holdings of butter and cheese, afford an example. The risk he runs might be covered by an insurance policy, but the addition of the heavy premium might seriously impair the marketability of the goods; and the possibility of such a premium being ignored by a local committee, should it decide to appropriate them, must also be borne in mind. The heavy premiums at present charged in respect of premises entail a serious reduction in the trader's net profits, and the ruling scale of commodity prices does not, we believe, take full cognisance of this point. Thirdly, if the enterprising retailer, undeterred by an uncertain future, decided to carry large stocks the reluctance of the wholesale houses to fill large orders on a credit basis would present a serious obstacle. Wholesalers do not view with favour the idea of forwarding big consignments to any particular district, and prefer, where credit terms are arranged, to distribute their risks as widely as possible.

Apart from the existing insecurity due to the influence of politics on the economic system, the perplexity of Irish traders largely proceeds from the extraordinary position of the railways. They are well aware of the fact that the suspension of this most important transport agency would entail the most disastrous consequences for the country. The notices terminating the engagements of the weekly employees all over the Midland and Great Western Railway system were served on the 14th inst., but it seems, according to the latest intelligence, that the men will be continued in employment from day to day until the line is compelled to close down. On the other lines the reduction of the railway staff as a result of the dismissal of men refusing to convey armed soldiers and police and munitions of war is reflected in the curtailment of train services. As the staffs on all the main lines, with the exception of the Great Northern, running from Dublin to Belfast, have now been seriously depleted, their complete suspension is said to be a matter of a few weeks at the utmost. A conference of representatives of municipal authorities, held on the 12th inst., decided to appeal to the directors to carry on the railway services even if the Government withdrew its subsidy and the shareholders were compelled to forego their dividends. Under such an arrangement operating expenses could probably be defrayed from revenue, but the apparent presumption underlying the proposal, that the Government would stand idly by while the railway directors acquiesce in the refusal of the men to convey armed guards or munitions of war and restore dismissed men to their former positions is, we believe, mistaken. Possibly, with a view to the contingency of such an occurrence, the Government has taken powers under the Restoration of Order Act to prohibit the carriage of passengers or any article and to take such other steps as seem desirable. In any event, the wide powers now possessed by the Government in Ireland makes it easy for them to defeat any effort to maintain the economic well-being of the country.

From the idea of railway transport to that of motor transport is a natural transition. Heavy motor traffic, it is stated, is now successfully competing with the railways in some parts of the country, the loads often consisting of foodstuffs, drapery, and other classes of goods. But the belief that the Government would leave this loophole open was, of course, a mistaken one. During the past week they have issued an Order, coming into force on December 1, that the use of motor vehicles all over Ireland, except in Dublin and Belfast, will be permitted only between 6 A.M. and 8 P.M., and then only within a radius of twenty miles from owners' residences. The Irish Government's rudimentary perception of justice is sufficiently shown in the statement that "owners are reminded that they are personally responsible for the safe custody of their motors, and the fact that a motor which is illegally used was taken from the custody of its owner by force or intimidation does not exempt the owner from any penalty or confiscation (of the vehicle) to which he would otherwise be liable." Hitherto the organisation of a motor transport service has been regarded by many as the best method of alleviating the situation which would arise from the closing down of the railways. The difficulty of this task will now be apparent from the new restrictions on the operating time of vehicles and the distances they may cover. A workable scheme could be evolved, even under these adverse circumstances, but the frequent transhipment necessitated would add enormously to the prime cost of the load and would call for the employment of a considerable number of vehicles. Another effect of the new restrictions will probably be a considerable slump in the Irish demand for new cars.

The absence of a conciliatory trend in the policies of the participants in the embittered conflict now raging makes the outlook for Irish trade a gloomy one. Coercion is still the chief weapon of the Government's armoury, and, pending its abandonment, we can discern no ray of hope in the immediate future.

Few British readers take it to heart that we are spending over one million pounds per month on the army of occupation in Ireland, and that, moreover, by our present policy we are strangling one of our best markets and destroying the productivity of one of our chief suppliers of food. Over ninety per cent. of Irish imports come from Great Britain, and in coal, iron, steel and other metals, textiles, and leather goods practically all the Irish consumption is satisfied from British factories and workshops. We depend on Ireland for the major portion of our imported food supplies. Irish livestock is required not only for our tables, but also for our farms, where it is brought to maturity and fattened. Bacon, butter, poultry, eggs, and oats are some of the other necessaries of life which we draw to a large extent from across the Channel. Our actions in the political sphere, therefore, are having a ruinous effect not only on Ireland, but on ourselves. The loss to us does not end here, as the present destruction of property and of accumulated wealth, in the form of stores of agricultural produce and other commodities, lessens the capacity of the Irish taxpayer to bear his burden, and accordingly increases the sum which we will eventually be called upon to supply. No accurate estimate can be formed of the value of the movable and immovable property destroyed in Ireland in the last six months, but it certainly reaches an enormous figure. Irish political discontent thus reacts directly on our own prosperity, and the sooner our politicians realise this truth the keener will they be to effect a settlement.

AMERICAN BANKING.

The growth of American internal and external trade has gone hand in hand with the expansion of banking facilities, and there has been no exception to the general development of National credit. State banking. The stability of the American banking system is largely accounted for by the system of legislative and administrative functions between the Federal and the State authorities. It constitutes, in fact, a good illustration in view of the immense extent of the country. The National Banks date from the time of the Civil War, the first Act of Congress concerned with their establishment having been passed in 1863. They now number 7,900, and are, of course, federally controlled, the majority of them operating as part of the Federal Reserve system, and discharging functions which had hitherto been entrusted to the State Banks. The latter, which numbered 17,225 at the end of 1919, as compared with 11,598 at the end of 1915, are subject to the laws of the particular State in which they transact business. The authorised capital stock of the National Banks was recently $1,155,139,165, an average of $146,000 each, and the paid up total reached $1,137,995,000, or $143,000 each. The paid up capital of the State Banks works out individually at $67,000, a much higher figure. In the following table we give particulars compiled from the reports of the Comptroller of the Currency, of the aggregate resources and liabilities of the State Banks in each year from 1915 onwards:

Between 1915 and 1919 the total [illegible] increased by 170 per cent., or from $4,393,602,000 to $11,701,606,000. The capital stock, surplus funds, and undivided profits [illegible] in the same period by 170 per cent. The expansion in deposits from $3,227,772,000 to $8,999,131,000 [illegible] than the similar increase which took place in the United Kingdom. The growth of bond holdings [illegible] from $242,754,000 to $2,279,583,000, is very marked, and indicates the increasing extent to which American Government and other bonds have been taken up by the banks in recent years. The liquidity of the general position has not [illegible] between 1915 and 1919 has risen only from $242,754,000 to $2,567,000, whereas total liabilities have expanded by 170 per cent. On the other hand, the amounts due from other banks [illegible] from $557,629,000 to $1,574,100,000, and this is an item which, presumably, is for the most part liquid, though against it must be set, as a form of prior charge, the debts due to other banks, mentioned in the statement of liabilities, and amounting, if we take the latest figures, to $444,769,000.

As showing the relative importance of the two classes of institution, it might be pointed out that the aggregate resources of the State Banks in 1919, $11,701,606,000, was about one-half of the similar figure for the National Banks. It is [illegible] not possible to present statistics relating to the National

STATE BANKS.

(In Thousands of Dollars.)

ASSETS.	1915	1916	1917	1918	1919
	$	$	$	$	$
Loans	2,882,998	3,579,823	4,080,511	4,735,931	6,622,403
Overdrafts ...	24,926	27,158	31,944	50,588	75,959
Due from other banks	557,629	817,578	1,054,588	1,062,949	1,571,100
Real estate, &c.	168,885	193,248	215,764	229,967	274,284
Cheques and other cash items	71,437	132,263	138,138	146,444	319,143
Bonds	420,475	693,287	890,717	1,258,288	2,280,583
Cash on hand ...	242,754	271,754	319,375	278,628	355,567
Other sources ...	27,596	37,815	47,561	102,124	196,869
Total ...	4,399,602	5,552,977	6,799,669	7,815,739	11,701,606

LIABILITIES.	1915	1916	1917	1918	1919
	$	$	$	$	$
Capital stock	503,985	568,167	650,644	1,140,997	785,757
Surplus fund ...	221,481	268,532	288,168	324,747	447,813
Other undivided profits ...	372,210	91,592	168,146	104,304	164,126
Dividends unpaid ...	[illegible]	5,081	5,596	4,271	7,542
Individual deposits	3,277,772	4,296,253	5,390,824	6,114,199	8,999,131
Bank's certified cheques ...	[illegible]	5,429	5,477	5,974	6,055
Due to other banks ...	174,961	232,312	274,906	278,934	444,769
Other liabilities ...	116,180	185,502	156,875	342,222	845,900
Total	4,393,602	5,552,977	6,799,669	7,815,739	11,701,606

NATIONAL BANKS.

(In Thousands of Dollars.)

ASSETS.	New York	New York Chicago and St. Louis	Other Reserve Cent. Banks	Country Banks	Aggregate
	$	$	$	$	$
Loans and discounts	2,273,350	2,994,473	3,474,623	4,616,366	11,085,462
Overdrafts	590	573	2,400	12,098	15,131
Customers' liability under letters of credit ...	2,779	3,492	588	[illegible]	4,592
U.S. Government securities, owned ...	500,186	727,609	966,506	1,002,478	3,296,593
Other bonds, securities, etc. ...	263,673	313,161	411,046	[illegible]	1,806,595
Stocks, other than Federal Reserve bank stock ...	10,982	14,107	20,758	17,263	[illegible]
Stock of Federal Reserve banks	9,354	12,763	17,472	[illegible]	60,473
Bank Premises	27,247	39,160	61,505	155,643	[illegible]
Furniture and fixtures	407	695	5,450	30,801	37,519
Other real estate owned	1,549	5,285	13,704	28,824	47,813
Lawful reserve with Federal Reserve banks ...	362,743	465,125	365,920	[illegible]	[illegible]
Items with Federal Reserve banks in process of collection ...	64,122	111,819	234,568	31,474	277,861
Cash in vault	67,495	97,231	116,355	225,625	439,211
Net amounts due from National Banks ...	12,159	110,538	439,641	706,488	1,268,627
Net amount due from other banks, bankers and trust companies ...	62,598	119,769	227,945	91,335	[illegible]
Exchanges for clearing house	161,815	447,385	745,045	17,901	610,331
Cheques on other banks in the same place ...	16,284	15,620	13,704	21,918	67,526
Outside cheques and other cash items ...	12,961	14,253	22,785	22,356	59,594
Redemption fund and due from U.S. Treasurer	4,250	5,366	10,920	24,079	44,664
Interest earned but not collected ...	8,264	8,854	10,678	28,141	47,672
Other assets	33,772	35,228	11,010	2,192	18,430
Total	4,345,412	5,695,847	6,752,042	9,167,527	21,615,416
LIABILITIES.					
Capital stock paid in	131,600	200,550	524,528	615,317	1,137,995
Surplus fund ...	176,800	224,455	288,168	406,437	887,860
Undivided profits, less expenses and taxes paid ...	24,961	112,211	102,460	200,035	111,506
Interest and discount collected but not earned ...	12,925	18,886	19,577	20,351	38,740
Amount reserved for taxes accrued ...	21,919	27,096	12,193	5,597	44,886
Amount reserved for all interest accrued ...	2,569	2,765	4,274	9,553	19,161
National bank notes outstanding ...	37,678	18,764	179,791	10,147	251,380
Due to Federal Reserve banks	[illegible]	[illegible]	7,895	[illegible]	17,468
Net amount due to National Banks ...	355,977	548,288	566,914	[illegible]	[illegible]
Net amounts due to other banks, bankers and trust companies ...	568,153	769,569	796,331	[illegible]	[illegible]
Certified cheques outstanding	167,887	193,464	24,486	[illegible]	[illegible]
Cashiers' cheques on own bank or trust co. ...	20,416	108,408	49,444	[illegible]	[illegible]
Demand deposits	1,946,870	2,295,899	2,992,816	[illegible]	[illegible]
Time deposits	135,761	177,668	[illegible]	2,215,117	[illegible]
U.S. deposits	143,034	142,858	210,479	[illegible]	[illegible]
U.S. Government securities borrowed ...	42,176	38,664	[illegible]	34,190	[illegible]
Other bonds borrowed	1,140	1,140	2,750	1,886	[illegible]
Securities other than U.S. or other bonds borrowed ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bills payable, other than with Federal Reserve banks ...	41	50	[illegible]	[illegible]	[illegible]
Bills payable with Federal Reserve banks ...	301,358	[illegible]	100,889	[illegible]	[illegible]
State bank circulation outstanding	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Letters of credit and acceptances executed ...	[illegible]	8,262	[illegible]	[illegible]	[illegible]
Acceptances	128,541	[illegible]	[illegible]	[illegible]	[illegible]
Time liabilities	[illegible]	9,561	3,771	[illegible]	13,379
Liabilities other than those above	[illegible]	[illegible]	32,564	[illegible]	[illegible]
Total	4,345,412	5,695,847	6,752,042	9,167,527	21,615,416
Liabilities for acceptances, &c., shown above ...	130,239	149,104	160,606	131,200	440,910

* Includes Liberty loan bonds, Victory notes, United States certificates of [illegible] and United States.

Banks in as comprehensive a form as those given in the preceding table, but we show in the statement at foot of previous page details of the assets and liabilities of the banks in New York, Chicago, St. Louis, and other centres and elsewhere throughout the country, together with totals for the whole United States. In the second portion of the table the liabilities for re-discounts, including those with Federal reserve banks, have been dealt with outside the general total. For the various centres they were as follows, in thousands of dollars: New York, 130,239; New York, Chicago and St. Louis, 149,104; other Reserve City banks, 160,606; country banks 131,200; aggregate, 440,910. The cash in vault amounted to $439,211,000, a small proportion of the liabilities, which exceeded 21,615 million dollars; but other items of a more or less liquid character included reserve with Federal reserve banks, $1,227,341,000; various sums with Federal reserve banks in process of collection, $377,861,000; and sums due from different banks and trust companies of $1,707,000,000, making a grand total, including cash in vault, of $3,751,413,000, or seventeen per cent. of the aggregate liabilities. The position thus presents certain features of strength, and organisation of the American system is fundamentally so sound that the credit structure is not likely to be impaired, even in weathering a period of falling markets. The percentage change over recent years in certain features of the assets and liabilities of the National Banks is shown in the following table:—

PERCENTAGE OF LOANS, U.S. BONDS, &c., TO THE AGGREGATE RESOURCES OF NATIONAL BANKS, 1915-19.

	1915	1916	1917	1918	1919
Loans and discounts	55·0	54·1	55·2	54·1	52·3
U.S. bonds	6·4	5·1	6·9	13·2	14·9
Total ...	61·4	59·6	62·1	67·3	67·2
Capital ...	8·7	7·1	6·5	5·9	5·2
Surplus and profits	8·3	7·5	6·9	6·7	6·4
Individual deposits	55·1	58·6	60·9	56·3	57·5
Total	72·1	73·3	74·5	68·9	69·1

A decline in the ratio of capital to aggregate liabilities from 8.7 per cent. to 5.2 per cent. is the most remarkable change, but a somewhat similar variation has been shown in the United Kingdom, owing to the large increase in deposits. The loans and discounts have contracted from 55 per cent. of the total assets to 52.3 per cent. A big increase has taken place in the holdings of United States bonds, from 6.4 per cent. to 14.9 per cent., being due, of course, to the taking up of Government War and post-War issues. Liberty Loan bonds, Victory Notes, Treasury certificates of indebtedness, and other Government securities are included in the item, and they undoubtedly constitute a valuable asset amongst the Bank's holdings.

INDUSTRIAL RESEARCH.

IN order to extend and retain the market for its products, the keenness of international competition makes it essential for the modern industrial nation to adopt such methods as will safeguard against a too devoted adherence to long-established custom and will permit of the discovery and exploitation of new ideas. Critics of our industrial system had, before the War, professed to detect symptoms of lethargy, which were held to proceed from an unjustified confidence in the strength of our position. The facts of the case may have tended to support this view, and if it had a firm foundation we may well hope that the salutary experiences of the War have administered the needful corrective. Our financial and industrial relations towards the world have substantially changed. Old trade rivals have been disposed of, for some time, at any rate, but new competitors have taken their place, and our heavy liabilities abroad compel us to maximise production and to do it in the most economical manner, in the face of chronic labour unrest at home. The tendency of industry to invoke the aid of science in the solution of its manifold problems has, no doubt, been substantially motived by the practical nature of the assistance afforded by scientists to the Government during the War. Of more weight, perhaps, has been the publicity thrown upon the measures taken by Germany to build up her formidable pre-War industrial organisation. The knowledge gained from a close study of the working of the industries of these islands formed the foundation stone of Germany's industrial success, but this knowledge was largely supplemented by the labours of the German universities and technical institutions which, owing to their number and close bond with industry, were enabled to secure the prompt utilisation of their own practical discoveries and to turn to account the discoveries of other countries. It is significant that Germany's industrial strength lay largely in industries where laboratory work could be turned to good advantage.

From the report for 1919-20 of the Department of Scientific and Industrial Research it appears that the action of one British industry or another has been responsible for the establishment of eighteen research associations, and that, in addition, five others will shortly receive their licences from the Board of Trade. The industries include linen, glass, refractories, leather, cocoa, chocolate, rubber and tyre, non-ferrous metals, shale oil, and laundry, motor-cycle, electrical, silk, cutlery, music, &c. The field of research is a wide one in glass and refractories, and, as is well known, the labours of German scientists were unceasing in this direction. The eighteen established research associations, embracing 2,500 firms, have guaranteed to raise an aggregate income of £38,400 during each of their five years of existence. In actual practice, however, it is anticipated that this amount, owing to the accretion of fresh members, will be exceeded. The ten research associations actually at work have raised from their 2,300 members an aggregate income of nearly £40,000 in their first year of existence. Of the fund of a million sterling appropriated by Parliament for the purpose of making grants over a period of five years to industrial research associations £63,800 has, according to the 1919-20 report of the Committee for Scientific and Industrial Research, been expended in grants, and it is estimated that the Department is committed at the present time to a total expenditure of nearly £454,000 on account of the established associations, and to a further expenditure of at least £120,000 on account of those approved but not yet licensed. The commitments will, it is expected, be proportionately increased should the existing associations enlarge considerably the scale of operations now contemplated. Bearing in mind the fact that negotiations are already proceeding for the formation of a number of other associations, the total commitments out of the million fund are expected shortly to reach £800,000. The sum thus placed at the disposal of the Department is not likely to be more than sufficient to aid the associations either formed or likely to be formed. Under an arrangement with the Treasury, however, the interest of the million fund that has accrued, and will fall due in future, can be applied to the cost of research for the benefit of industries that have not yet been able to establish research associations. It is, of course, recognised by the various established research associations that at the end of five years they must be prepared to continue without further subvention from the State, and some are raising large additional funds for the building, equipment, and endowment of research institutions. The cotton industry is engaged in raising £250,000 for that purpose and the linen research association is also active.

The formation and upkeep of an industrial research association being somewhat expensive, the co-operation of a number of firms is desirable when such a step is contemplated. This co-operation is unfortunately not always easy to achieve, as the interests of the various concerns are often of a conflicting nature, and, even if unanimity were secured, the research association

inception of co-ordinating measures. How diverse the cutlery trade alone. Certain industrial groups, such as the heavy chemical industries, contain such large economic units that they are enabled to carry on research work without any appeal to outside aid; other groups are not, however, so well placed, and the . . . where the size of the economic unit is small or the average capitalisation low. The industries making . . . nish an example. In other industries the belief exists that the nature of their products does not call for research work. Certain problems of . . . application demand inquiry by bodies other than those restricted to the somewhat narrow sphere of operations of an industrial research institution. The Fuel Research Board is an example, and through its labours reliable data are being accumulated for technical experts and manufacturers desirous of utilising coal in the most economical and efficient manner. Other committees deal with food preservation, wireless telegraphy, tin and tungsten, oxygen, &c.

Research work is now being actively pursued in the Colonies, the United States, and other foreign countries. We cannot afford, therefore, to lag behind, and State assistance with this object in view, provided it is dispensed in a discriminating manner, should be . . . than justified by results.

ARGENTINA.

NEED FOR LOWER PRICES.

In the pre-War period, when sterling . . . gold values, we exchanged into the Argentine dollar at the rate of 47½*d*. Recently, we have been giving over 64*d*. for the Argentine dollar. At the present time the rate is a little over, as the reader will, no doubt, have observed in our daily contemporaries, 52*d*. Whereas, therefore, we were paying a premium of 16½*d*., we are now paying a premium of only 4½*d*. Nevertheless, it will be observed that for bread, meat, linseed, hides, and such Argentine wool as we do purchase we are paying a premium, over and above the ordinary trade charges, of something more than 8½ per cent. It is evident that the English consumer is at a great disadvantage in purchasing food and raw materials under such conditions. Nevertheless, Argentina supplies us with those commodities for which we are in urgent need, certainly on a lower economic basis than many other countries, and probably on a lower . . . It will be seen, moreover, that, although the present condition leaves a very great deal to be desired, there has been a marked improvement in recent months. This improvement seems likely to go further, as we note—and, no doubt, the reader has noted as well—that there has been a very material fall in wholesale prices in all the great international markets. The improvement has been brought about partly by the export of manufactured goods from this country, and partly by the sale of securities which, in the aggregate, as we mentioned recently, amount to something like six per cent. of our former holdings in this country of Argentine securities. Nevertheless, we still hold the bulk of our Argentine securities; and, consequently, are entitled to a large sum in payment of interest upon those investments. We have, in addition, sent gold through the United States. It has to be remembered that when we say gold has been shipped on British account, which is a phrase to which we were long accustomed, it no longer has the same significance . . . gold in the sense that bankers and economic writers were accustomed to use the term at the period when . . . position to send gold anywhere under existing conditions . . . it not for the fact that the British Empire happens . . . the South African mines, the British Empire produces between one-third and one-half of the total gold raised annually from the mines of the whole world. As a result, English shareholders who own the bulk of those mines, and the nation taken as an economic entity, are dealers in gold as a commodity, and this phrase should be understood as quite distinct from the phrase "remitting gold" in the sense in which we used the term formerly. In the pre-War period we remitted gold for convenience for the purpose of settling some balance of trade, as absolute owners of the commodity. Now we sell it in the market very much as we sell the produce of the mills of Bradford or those of Yorkshire. We enjoy, that is to say, very little more than the profit of traders in such a remittance.

If we are to bring down the Argentine exchange more in our favour, it will be necessary either to increase our exports of manufactured goods; to increase the services which we render to the Republic; or to sell more of our Argentine securities. It would manifestly be in the interest not merely of this country, but of Argentina as well, if we could adjust the balance by the export of manufactures and by rendering services. Argentina, it is true, developed during the War period, when it was so difficult to obtain manufactured goods from outside, a certain measure of manufacturing activity. But it may be truly said that the whole manufacturing industry of the Republic is trifling compared with the great primary industries, which are the production of food and raw materials, upon which Argentina lives. Consequently, Argentina is in that stage of development when she is still capable of rendering us great services, which we can repay adequately and to the mutual advantage of both countries. We are, or should be, in a position to manufacture on a much lower economic basis than is practicable for Argentina, while the Republic, which . . . proportion to the consuming power of its still modest population, requires overseas markets for its further development. Argentina, in fact, in its present economic state serves its best interests by developing the great natural resources existing in the country, and importing manufactured goods and those articles, such, for example, as railway material, which are urgently needed for the further development of those resources.

We are now, as we have recently been reminded, just two years from the Armistice which concluded the great European War. But we are still, and all the world is still, in the throes of what for convenience has been called the re-construction period. . . . fall, and in some countries a very heavy fall, in prices . . . stages of the War . . . ice. This fall in prices . . . far enough, nor has it been of sufficient general application . . . with certain exceptions, the big fall in prices has occurred in the great wholesale markets, and so far

has hardly to any appreciable extent reached the consumer at all. Certain countries, like the United States of America, have cut prices to a very remarkable extent, as it became evident that the world outside the United States could not continue to purchase on the level of prices ruling until recently. In England, however, we have so far failed to reduce prices to anything like the level that will be necessary if we are to dispose of our goods in the few countries which are still in a position to pay for what we have to sell. There are indications which point to the conclusion that during the past two years we have restocked our own markets and obtained a sufficient quantity of raw materials, partly by exports, partly by rendering services, and partly by the selling of securities which has once more put us in a position to manufacture upon a great scale, and offer our goods in large quantities in the markets of those countries capable of paying us for such goods. On the other hand, as said above, we have not succeeded in reducing prices to a level which would attract buyers on anything like the scale which we need if we are to restore the exchange in our favour. Argentina is one of the countries which, having prospered during the War, is in a position to pay for what she buys; and, moreover, she has not yet attained an economic development which would make it practicable for her to supply herself with manufactured goods. In order, however, to enable us to supply those markets on the conditions above stated, it is essential that we should be able to produce not merely in greater magnitude than we are doing at present, but upon a lower economic value. At present the cost of production, taken as a whole, is so extravagant that when the goods are produced there are relatively few buyers. In other words, at the present time we are threatening the destruction of the goose which lays the golden egg. The manufacturer must naturally have his profit, the middleman his commission, and the worker his wages. But at present all these are upon the basis of a currency resting on the printing press. Real profits, real commissions, and real wages might be even higher than they are at present if it were possible to base them upon economic, as distinct from purely currency, values, and that currency itself based upon no solid foundation. Of course, while the 4-lb. loaf costs 16*d.*, and meat and clothing are at their present extravagant and enhanced values as expressed in currency, it is idle to talk of a real reduction in the cost of production. But it is evident, at the same time, that if we neglect to follow the example of the United States and reduce prices drastically the profit of the merchant, the commission of the middleman, and the wages of the worker will, in fact, come down to a great extent as a result of the reduction in the volume of business which it is possible to do at these extravagant rates. Of course, it must be understood that when we are urging a reduction in prices, both in the wholesale and in the retail trades, we are well aware that the conditions prevailing in England and those in the United States of America are not merely different in degree, but they differ in kind to such an extent that they are really not comparable. The United States is some sixteen times larger in area than the British Islands, is almost wholly self-supporting in the matter of food and raw materials; while she has a population not very much more than twice that of these islands. Consequently, it would not be practicable to take the drastic steps here for the reduction of prices which have been taken with such effect at the other side of the Atlantic. Necessarily, the Government and the leaders of industry in this country must proceed with a caution which is not imposed by circumstances upon the Government at Washington, or the great economic interests of the United States. On the other hand, it has to be borne in mind that important as foreign trade is to the United States, foreign trade is far more important to us. We will not say that readers of this Journal, which is self-evident, but every intelligent person who is capable of reading and understanding the most elementary economic article in those organs of the Press which cater for the greatest number of readers knows that we produce very little of the food we consume in this country, and still less of the raw materials essential for feeding our manufactures. Consequently, if we are not able to trade and render services abroad upon such a basis of values as our customers are willing and able to pay, it is perfectly evident that a population anything like so large that disclosed in the last Census returns cannot long be maintained upon our restricted area.

NATIONAL GOLD RESERVES.

The financing of international trade and the regulation of the exchanges, as has been proposed in more than one quarter, by the manipulation of the gold reserves of the different national banks, makes the question of the extent of these gold holdings one of particular interest at the moment. As is well known, a general movement of gold westward from European to American countries, especially the United States, took place during the War, and even since, while neutral countries in Europe also made large additions to their holdings. The belligerents, who were eager to be supplied with commodities, could offer no countervailing exports and therefore had to pay for imports largely in gold. Government restrictions, however, jealously guarded the gold hoards, except to pay for essential imports, and by appeals to patriotism and purchases of current production, nearly all countries succeeded in augmenting supplies. The extent to which the various influences operated may be gathered from the following table in which statistics for 1913 and for the latest available date in 1920 are given: —

Country	Total Gold Reserve 1913	Total Gold Reserve 1920	Gold Reserve per Head of Population 1913	Gold Reserve per Head of Population 1920
	£	£	£	£
Great Britain	35,000,000	123,000,000	77	2·70
United States	47,500,000(a)	410,000,000	·52	4·55
France	110,500,000	222,000,000	2·74	5·65
Italy	66,000,000(b)	81,500,000(g)	1·91	2·33
Belgium	12,000,000(b)	14,250,000	1·65	1·89
Spain	22,000,000(b)	100,000,000(g)	·12	1·76
Netherlands	18,100,000	53,000,000	2·85	7·82
Spain	19,200,000	98,100,000	·96	4·73
Norway	2,600,000	8,200,000	1·08	3·11
Sweden	5,700,000	11,500,000	1·03	2·49
Denmark	4,100,000	12,000,000	1·45	4·18
Switzerland	6,800,000	21,000,000	1·81	5·48
Russia	151,600,000	—	·91	—
Germany	58,500,000	53,750,000	·92	·85
Austria-Hungary	51,700,000	11,000,000(h)	1·81	·38
Greece	8,500,000(d)	12,500,000(g)	1·79	13·17
Roumania	6,100,000	61,500,000(g)(i)	·78	3·72
Finland	1,400,000	1,700,000	·45	·51
Portugal	—	1,700,000(g)	—	·28
Australia	4,500,000	23,700,000(e)	1·01	5·32
New Zealand	5,200,000	7,800,000(e)	5·15	7·69
Canada	7,800,000(f)	16,700,000(h)	1·48	2·31
British India	21,500,000	26,000,000	·06	·08

(a) 1914. (b) Gold and silver. (c) Coin and bullion. (d) Gold and balances abroad. (e) March 1920. (f) Gold and subsidiary coin, Canada and elsewhere. (g) Treasury notes only. (h) Includes "disponibles-traites et bons de Tresor."

The 1920 figures relate generally to August, and the changes since registered in most countries are of no great significance. The biggest decline, from £51,700,000 to £11,000,000, took place in the case of Austria-Hungary owing to the disruption of the old Empire. Germany's holding has fallen only from £58,500,000 to £53,700,000. All other countries show substantial increases despite the fall in gold production since 1915. Particulars as to the output in the various producing areas are given in the following table: —

World's Output of Gold.

(At 84*s.* 11½*d.* per fine oz.)

(In millions of £)

Year	Transvaal	Rest of the Empire	British Empire	Foreign Countries	World
1913	37·4	21·0	58·4	36·3	94·7
1914	35·6	20·4	56·0	76·6	132·6
1915	38·6	21·8	60·4	36·4	96·8
1916	39·5	20·7	60·2	33·7	93·9
1917	38·3	17·8	56·1	33·3	89·4
1918	35·8	16·5	52·3	26·7	79·0
1919	27·5	14·0	41·5	25·5	67·0

The year 1919 marked the lowest level reached for quite a long period, and the hopes that were earlier entertained of an enhanced output in the current year are likely to be disappointed. The returns for the

Transvaal, which is [illegible] latterly been short of export [illegible] large portion of the world's demand for the precious metal as bullion and for the arts must go unsatisfied. The greatest concentration of gold has taken place in the United States, and since the early part of June 1919, when the embargo on the export of gold was removed, New York has remained practically the only free gold market in the world. The gold movements to and from the American capital, therefore, have a great influence not only on the New York Money Market, but also on the exchanges. After the lifting of the export ban, gold readily left the United States, and while there was an excess of gold imports in the year to June 1, 1919, of $31,816,000, there was a net loss of gold amounting to $376,275,000. Improvement in the exchanges with Spain and Argentina helped, however, to check the outflow, and during the three months, May to July last, the gold entering the country exceeded the amount leaving it by $27,516,000. Since July imports have continued to be heavy, and the net loss through exports has been substantially reduced. In consequence of the general indebtedness on the part of Europe to the United States, and also of the favoured position of Great Britain *vis-à-vis* her Continental creditors, the restoration of free gold movements among the nations is likely to be long postponed. The reserves of debtors would speedily be drained, and in the absence of gold backing the value of their paper currencies would in many cases be even more shadowy than it is at present.

NITRATE COMPANIES' RESULTS.—VI.

ANGLO-CHILIAN NITRATE AND RAILWAY CO.

Issued Capital: £900,000 in 70,000 7% Cumulative and Participating Preference Shares of £5 each, and 110,000 Ordinary Shares of £5 each. 4½% Consolidated Mortgage Bonds £291,600.

Year to Dec. 31	Sales Quintals	Net Profit*	Int. Sinking Fund &c.	Re-newals Acct.	Pref. Divs.	Ord. Divs.	Carried Forward
		£	£	£	£	£	£
1913	2,625,000	343,299	31,749	20,000	105,000 30	105,000 30	141,705
1914	2,650,800	316,696	31,749		87,500 25	137,500 25	161,652
1915	2,195,900	208,522	31,749	10,000	87,500 25	105,000 30	165,125
1916	2,750,000†	511,021	31,749	10,000	105,000 30	165,000 30	213,710‡
1917	3,590,000†	363,316	31,749	—	87,500 25	157,500 25	285,277
1918	2,276,000†	65,612	31,749		52,500 15	82,500 15	155,819
1919	1,555,000†	101,851	31,749		52,500 15	82,500 15	153,471

* After provision for depreciation, income tax, &c. † Number of sacks. ‡ Carried forward. § Subject to excess profits duty. ‖ Reserve £250,000.

Though the production of nitrate declined by thirty-two per cent. from 2,275,000 quintals to 1,555,000 quintals, and the traffic carried on the Company's railway by thirty-three per cent. from 215,641 tons to 165,203 tons, the trading profit of the Anglo-Chilian Nitrate and Railway Company, Limited, after providing for the difference in exchange, amounted in 1919 to £157,967, compared with £169,494 in the previous year, a reduction of only seven per cent. The balance carried to balance sheet, inclusive in each case of £31,749 for the [illegible] per Cent. Consolidated Mortgage bonds, was smaller in 1919, being £101,851, against £65,612 in 1918. The main losses in 1919 were incurred on the railway, and not on the oficinas, as the closing of the latter considerably reduced their working and up-keep expenses. Although [illegible] earn profits in 1919 on the basis of [illegible] because of the generally lower level of the Chilian gold rate, while exchange was also more favourable, the average rate for the Chilian dollar, Valparaiso on London, being 10d., against 15½d. in 1918. The carry-forward to 1919 was £155,819, and to this was added £62,566 recovered in respect of excess profits duty paid in 1916, a further favourable factor in last year's accounts. The table above given includes railway tonnages but the natural weight and passenger traffic carried in recent years may be set out as follows:—

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

THE ALIANZA COMPANY, LIMITED.

Issued Capital: £500,000, in £5 Shares.
Debenture Stock: £52 800, in 4½ % Debentures.

Year to Dec. 31	Sales Quintals	Net Profit*	Depreciation	Insurance Reserve	Ord. Dividend		Carried Forward
	£	£	£	£	%		£
1913...	2,162,170	226,590	56,982	1,000	150,000	30†	97,804
1914	1,724,113	89,777	47,770	1,000	25,000	5	114,210
1915...	1,026,476	88,223	31,966	131,000	25,000	5	14,467
1916...	2,590,092	209,661	75,588	1,000	75,000	15†	74,589
1917...	2,993,857	347,855	85,166	1,000	200,000	40†	135,928
1918...	2,010,799	385,651	51,289	1,000	200,000	40†	269,291
1919...	1,186,191	87,529	19,083	1,000	50,000	10	286,737

*After providing for Income Tax, Debenture interest, and all general charges. †Free of Tax.

The South American business of this Company is now managed by a Valparaiso board, which is wholly independent of the London board, and of general meetings of the Company other than those held in Chili. In consequence, the last general meeting was held at the Chilian capital, and so presumably will future meetings, as the local board is vested with power to submit to them the annual accounts. The last statement showed a gross trading profit for the year of £78,803, compared with £467,213 in 1918, and a decline in the dividend from forty per cent., free of tax, to ten per cent. The net profit, after providing for income tax, Debenture interest, and all general charges, fell from £385,651 to £87,529. The carry-forward from 1918 was given in the balance sheet as £299,889, but from this we have deducted £30,598 in respect of excess profits duty payment for that year. A sum of £19,083 was allocated to depreciation, as compared with £51,289 in 1918. The carry-forward amounted to £286,737, but further charges in respect of excess profits duty are possible. Against a share capital of £500,000, 4½ per Cent. Debentures of £52,800, sundry creditors and bills payable, £159,992, a total of £712,792, the assets held on December 31 included, raw material, and rights in lands, less allowances for exhaustion, £493,712, buildings, plant, and machinery of the oficinas, £77,442, and various equipment, £10,957, a total of £582,111. The liquid assets, including stocks and stores, as certified by managers, reached an even larger sum, £660,933. As regards prospects in the current year, business was held up to a large extent in the first six months through the deficient service afforded by the Nitrate Railways Company. Less than two-thirds of the nitrate produced in the period was carried. Deliveries had consequently to be postponed, resulting in loss to the Company. Conditions have recently improved, but it was not always possible to take advantage of the best markets. The £5 shares are now quoted at £19 10*s*. The yield on the basis of last year's dividend is insignificant, but a large increase in the distribution for the current year may, in the absence of unforeseen circumstances, be expected.

Royal Statistical Society.—In the course of an illuminating Presidential address to the Society on Tuesday last Sir R. Henry Rew, K.C.B., after referring to the varied fortunes of the Society during the War, discussed the necessity of remedying the present defects of official statistics in the United Kingdom, and of setting up a Central Bureau in order to avoid overlapping. Sir Henry Rew went further, and heartily favoured the establishment in London of a British Empire Statistical Bureau, as recommended at the Statistical Conference held in the early part of the year. Such an Imperial office would render invaluable aid in co-ordinating the collection of statistics here and abroad. As ever, the Society is vigilant to improve statistical methods, and it is noteworthy that many of its suggestions are to be carried out in the next census. Demographic statistics are, by their nature, extra-departmental, as they cut across all branches of administration. Over two dozen Government offices in Great Britain have separate statistical departments, and the possibility of economy is obvious.

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Financial Notes.

International Exchange.

The address on International Exchange delivered on Wednesday before the University of Manchester by the Right Hon. R. McKenna constituted a lucid, though an elementary and necessarily cursory, exposition of the subject. He succeeded in presenting forcibly, not merely as a subject of academic discussion but also as a matter of vital importance for the community and a duty for the individual, the necessity for greater production and increased saving. His analysis of the determinants of the price-level was unconvincing, and contributed nothing to current knowledge on the subject. It is difficult to understand why, having enunciated as factors governing the price-level, the purchasing power of the public and the quantity of goods available for consumption, he should be at such pains to prove the influence of another factor which, equally with the foregoing, had been recognised by economists long before the War—namely, the velocity of circulation of credit and currency. Nor is the method by which he endeavours to establish the existence of this factor less surprising. He instances an increase in wholesale prices of twenty-seven per cent. from June 1919 to June 1920. During the same period purchasing power—the total of bank deposits and money in circulation—expanded by only six per cent., and since the quantity of things available for the public to purchase increased instead of declining during the same period, he concludes that there must be some other factor besides expansion in purchasing power making for the increase in prices—an increased velocity of circulation. Statistics as applied to the theory of money are notoriously misleading, and though the examples given by Mr. McKenna support his contention, others of a contrary nature could also be adduced. For instance, the level of wholesale commodity prices advanced by twenty per cent. between December 1916 and December 1919. During the same time the total of money in circulation and deposits increased by the same amount—twenty per cent. These figures might be used to support the original proposition which Mr. McKenna goes out of his way to refute, namely, that the price-level is determined by the relation between purchasing power and the quantity of consumable goods. Between Decem-

ber 1917 and December 1918 prices rose by twenty-three per cent.; currency and deposits during the same year increased more rapidly, by forty-seven per cent. It can hardly be contended that there was an increase during 1918 in the amount of commodities available for consumption, while, on the other hand, it would be extremely difficult to prove a decline in the rapidity of circulation during the same period. During the year ending June 30, 1918, purchasing power expanded by twenty-one per cent. in the United States; prices, during the same period, declined by nearly five per cent., a discrepancy that cannot be sufficiently explained by an increase in production during the year. Reverting to the instance given by Mr. McKenna, it might be pointed out that the period selected was specially suited for his contention, for in June 1919 prices had not long begun to recover from the post-Armistice decline, whereas in June 1920 the price-level was only four per cent. below the highest. The theory of money cannot be tested statistically only over long periods, using average figures instead of figures taken on particular dates. Figures for deposits and currency have to be modified so as to exclude deposits not liable to immediate operation by cheque and currency which is hoarded or otherwise withheld from circulation.

Effects of High Taxation.

Speaking on the question of high taxation, Mr. McKenna gave powerful support to the growing public demand for a reduction in Government expenditure. The present high scale of taxation, he says, tends to raise prices by killing enterprise, and thereby restricting production, by increasing bank deposits, as a large part of the community must borrow to meet demands of the tax collector, and by increasing the velocity of circulation, for thrift is either discouraged or rendered impossible. Besides the effect of raising prices, the prevention of capital accumulation is a result of high taxation that is in itself a sufficient argument for drastic Government economy. It is to be hoped that Mr. McKenna's authoritative statement on this question will be taken to heart by the Government.

Conditions in Japan in November.

Advices from Japan under date the 17th inst. indicate a general improvement in the Commodity markets under the influence of an active demand for winter goods. Stocks of commodities show a strong tendency to decline, and this feature, combined with the recovery in cotton yarn, imparted a firm tone to the Stock Exchange. On the 15th inst., however, sentiment was again unsettled by a sharp reaction in the price of cotton yarn, following the fall in American cotton and in silver prices. The latest development in the Silk market is a decision of the silk producers to postpone the reopening of the mills from the 30th inst. until February 25, 1921. The probability of a resultant dwindling of market supplies has encouraged demand somewhat, a movement which was accentuated by the preparations of the Imperial Filature Company to begin absorbing the stocks. The Money market is still stagnant; issues of Debenture stocks, which were made recently in rapid succession, have been oversubscribed. The discount rate is 9.8 per cent. and the call money rate 2½ per cent. Imports during October, at Y.108 million, show a decrease of Y.10 million, as compared with the previous month. Exports show a greater falling off, being Y.134 million, as against Y.154 million in September. Thus the favourable trade balance of last September, Y.36,000,000, was reduced by Y.10 million to Y.26,000,000 last month.

Foreign Trade of France.

That France is rapidly reducing its adverse trade balance is demonstrated by the statistics of the Customs Department of the French Ministry of Finance. A comparison of the monthly imports and exports of the first nine months of the current year with those of the corresponding period of last year reveals a very marked improvement, the excess of imports being reduced by Frs.7,231 million, from Frs.17,863 million to Frs.10,632 million. The following table shows the change:—

Foreign Trade of France for the first nine months of 1920, compared with the corresponding period of 1919 (in thousands of francs).

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	1920	24,967,420	6,734,410	18,233,010
Increase	1920	2,622,651	656,161	1,966,490

A good crop season has enabled a large reduction to be made in the importations of foodstuffs, and such increase as has taken place in imports is entirely due to increased purchases of raw materials. Exports of manufactured articles, moreover, have also shown a considerable expansion, so that it is apparent that France has already done much to reconstruct its industries. This development appears all the more satisfactory in consideration of the severe blow which was dealt to the export trade of our Ally by the adoption of prohibition in the United States and the raising of the duty on wines imported into the United Kingdom. Though the home consumption of wines in France is very large, the export trade handles the best and most expensive vintages, and accordingly the loss incurred by the partial or complete suspension of consumption in other countries is a matter of serious import to French interests.

Commodity Prices in Shanghai.

Recently there have been indications that China is beginning to recognise the importance of providing reliable statistics relating to the social and economic life of the community. The latest step in this direction, chronicled by the "North China Daily News," is the establishment by the Treasury Department's Bureau of Markets of index-numbers for wholesale commodity prices in Shanghai. According to the published results, Shanghai has experienced what has been a feature in most countries recently—a fall in the general price-level. In June last prices were 9.9 per cent. above the level of September 1919, but during the next quarter they fell by four per cent., the index-number for last September being five and a-half per cent. above that for September 1919. This system of index-numbers will be of special interest to economists, as it is the only system in the world founded on silver prices. The data extend only to September 1919, and their value would be enormously increased if taken back to the pre-War period.

Manuel des Sociétés Anonymes Helléniques. 1919. This is a useful little volume in French compiled by M. Ernest Pech, and published by the Bank of Athens. It contains detailed statements of the Greek debt; the various descriptions of loans outstanding as well as particulars of the railways, banks, insurance companies, and other commercial enterprises of the country. The total amount of the public debt outstanding on the last day of 1918 was 2,054,585,761 drachmas. Advances by the three Powers amounted to 750 million drachmas. The 5 per cent. Loan of 1904 accounted for 128 million drachmas, and the Five per cent. Loan of 1914 exceeded 125¾ million drachmas. The results of last year's working of the Bank of Athens showed gross profits, including the amount brought forward of Drs. 23,125,000. Administration expenses amounted to Drs.17,125,000, making the profits available for distribution Drs.6,000,000. Dividends disposed of Drs.4,200,000. Drs. [illegible] was placed to reserve and Drs. [illegible] to pensions, leaving Drs. [illegible] to be carried forward.

SOUTH AND CENTRAL AMERICA.

BRAZIL'S TRADE.

We are indebted to the British Bank of South America, an ally of the Anglo-South American Bank, for figures of the exports of Brazil for the first six months of the current year. There are several remarkable features in these figures, showing an expansion in the trade of Brazil. Whereas in the first half of 1919 Brazil only exported some 1,700 tons of cotton, valued at £310,000, in the first half of the current year she exported nearly 21,000 tons, of a value of nearly five millions sterling. Rice, which Brazil has only recently started to export, amounted during the first half of the present year to over 71,000 tons, of a value of nearly three and a-half millions sterling. Sugar, of which she exported some 18,000 tons in the first half of last year, increased in the first half of the current year to 46,000 tons, the value of this much-needed commodity increasing from £688,000 to nearly 3½ millions sterling. The rubber figures are very much the same as they were twelve months earlier, being 14,000 tons, of a value of £2,600,000. Exports of cocoa, unfortunately, show a falling off, being only some 17,726 tons, against 32,000 tons. Preserved meats show a notable falling off. As against this, the exports of chilled and frozen meat, and particularly frozen meat, have nearly doubled. Hides show a falling off, but there is a notable expansion in table fruits, which now closely approach £100,000 in value for the half-year. Oil fruits, a comparatively recent export, show an increase, and amount to, all told, some 49,000 tons, of a value of 1¾ millions sterling. Tobacco shows a falling off, being about half what it was in the first half of last year. Herba matte has expanded to 37,593 tons, the value now approaching 1½ millions sterling, or at the rate of three millions per annum. Wool is still a small item. There are not a very large number of sheep in Brazil, but the value of the wool exported in the first six months of last year exceeded a quarter of a million sterling; while for the first six months of the present year it exceeded half a million sterling. The export of timber is expanding, and was valued during the first half of the current year at very nearly £600,000. Manganese ore at 187,000 tons is little more than half what it was during the height of the War. This, of course, was to be expected, as manganese ore is principally required for the strengthening of steel. The export of oil seeds has increased, while the exports of skins, other than hides, have nearly doubled in the half-year, and there is a notable recovery in the export of zarque beef. It will be remembered that formerly zarque beef was one of the principal exports of foodstuffs from Brazil. But during the height of the War the anxiety of stock-breeders to supply the demands of Europe at the then high prices ruling had the effect of checking the zarque trade.

These figures are of importance in another way. Whereas in 1919 the coffee exports formed some sixty per cent. of the total foreign trade of Brazil, the proportion has now fallen to forty-eight and a-half per cent. This is, of course, still unduly high; but the decline is very much in the right direction. The exports of rubber, which formerly formed an unduly high proportion of Brazil's exports, are now less than four per cent. Cocoa exports are now two and three-quarters per cent. of the total, and sugar exports have expanded from one per cent. to five per cent; hides and skins to seven and a-half per cent.; meat to five and a-half per cent; Herba matte to two per cent.; manganese ore to one per cent.; and various articles under the name of sundries to twenty-two and a-half per cent. of the whole. In this list of percentages cotton is not included. But it will be seen from the figures we have given that it forms an appreciable, and ought to be a growing, factor in the export trade of Brazil.

One is apt to be too impatient when one has endeavoured to master the intricacies of the trade relations of any particular country and become deeply interested in its expansion. The potentialities of Brazil are so great that, as already said, the writer is apt to get impatient at the slow growth. Nevertheless, the figures are in the right direction. Up to about twelve or fifteen years ago, Brazil was almost wholly dependent for her foreign trade upon the export of coffee and rubber, two articles which are very much in the nature of luxuries. When there was a great demand for these two commodities, particularly in the United States, which is by far the greatest consumer of Brazilian coffee and Brazilian rubber, Brazil was exceedingly prosperous, and not the slowest upon her foreign debt with ease, and she had a large surplus for the development of the various industries in which the country is interested. When, however, there was a fall, and a simultaneous fall, as there was in the early years of the present century, both in coffee and in rubber, the one falling by about half and the other by something like two-thirds in price, Brazil became seriously embarrassed, and found great difficulty in meeting the interest upon her foreign debt. Brazil, as we have just said, has extraordinarily great potentialities. Probably no country in the world with so small a population, and so extensive a territory, is more favourably situated. With very few exceptions, the Republic is capable, within the confines of her own borders, of raising nearly every kind of raw material required by man for his sustenance, and for the feeding of the various industries in which he is engaged in different parts of the world. It is always exceedingly dangerous for any country to rely upon one, or even two, products upon which to base its prosperity or otherwise. It was found in this country, although we produce hardly any raw materials at all, that the difference between good years and bad years in our trade in the generation which preceded the outbreak of the great European War varied only to the extent of some three or four per cent. This was explained by the fact of the multiplicity of our interests, and the fact that we carried on trade more or less with every civilised, and even some barbarous, countries in different parts of the world. Brazil has as yet not attained an economic development, neither has she a population, which would enable her to carry on a great trade with every part of the world. But she has in her extensive and rich territory, and in the enterprise of her people, a unique opportunity of expanding her production of various kinds of food and raw materials. As we have said, she is capable of producing nearly every requirement of man, both for his own sustenance and for the feeding of his industries. She enjoys this advantage because, although nearly the whole of her territory is situated within the tropics, or sub-tropical regions of the earth, a great part of it is at high elevation; and, consequently, while it would be impossible to breed sheep in the warm central valley, or great trough of the Republic, on her extensive ranges of mountains there is room for an enormous expansion of the sheep-breeding industry. On the great plains there is still greater room for an expansion in cattle-breeding. Probably no country is more favourably situated for cattle-breeding upon a really extensive scale. Most countries are subject to varieties of climate which, while giving them great advantage in favourable seasons, are accompanied by corresponding drawbacks when the season is unfavourable. With the exception of a relatively very small area in North-eastern Brazil, drought may be said to be absolutely unknown throughout the length and breadth of this favoured area. Brazil, in addition to enjoying the possession of the greatest individual river in the world, enjoys, likewise, a river system that is unequalled in any corresponding area of the world. Consequently, Brazil has heat, sunshine, and an abundant supply of water for the development of almost any industry in which her people desire to engage.

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American Topics.

UNITED STATES FOREIGN TRADE.

Our own and the foreign banks in this country, as well as the great banking institutions abroad, are doing a real service to economic science at the present time in compiling statistics and various forms of information which, when enough has been accumulated, will throw a flood of light upon the economic condition of various countries.

It will be recollected that we gave some figures last week derived from official sources showing the growth of the United States foreign trade during the recent War period. In those figures we endeavoured to distinguish the apparent growth of the foreign trade of the United States as expressed in monetary as distinct from commodity values. The object was to show, as indicated by the official statistics of the United States Bureau of Commerce, that while as expressed in paper money the growth was enormous, when expressed in actual commodities the growth was very slight. Mr. Austin, the statistician of the National City Bank of New York, has made, as he is accustomed to do from time to time, a calculation of the growing commodity and money values. The banking figures are far more elaborate than anything we ventured to attempt in the article referred to. On the whole, they tend rather to accentuate than to diminish the force of the argument we deduced from the United States returns. The official figures, it will, of course, be understood, deal with aggregates, and [illegible] commodity values as distinct from money values. The Bank figures, as the reader may have observed, have been cabled over this week by the New York correspondent of *The Times*. They show that while there was a growth of more than 200 per cent. in mere paper-money values, there was only a growth of about one-third throughout the whole period in commodity [illegible]. It was not [illegible] figures for the whole of the foreign trade of the United States, but these figures deal with between two-thirds and three-quarters of the total [illegible]. Of course, this is no new feature in the exportable surplus available for the rest of the world from the United States. On the contrary, it is a factor with which bankers, financiers, traders, and economists [illegible] during the past few generations. [illegible] certain parts of South America. It has been to a large extent accentuated by the action of the United States itself. When she saw other countries being opened up for the purpose of feeding the vast industrial populations of Europe she determined herself to become an industrial country in the modern sense. To attain this object she built up a high tariff wall, which has proved exceedingly difficult for the European trader to scale. While produce coming from the United States has steadily become increasingly expensive, it has been practically impossible to adjust the balance by European exports to the United States to an adequate extent. A large part of the export trade of the United States would have disappeared altogether were it not for the fact that in certain specified articles she has enjoyed up to the present, and enjoys still, a virtual monopoly. Most of the primary articles of food, such as wheat and meat, we have long been able to obtain in increasing supplies from sources other than those of the United States.

Cotton and tobacco, however, we have not been able so far to obtain in sufficient quantities from any other source. It is not merely a question of price, and has not been a question of price throughout. If we wanted the cotton and the tobacco we had to buy it from the United States or go without. To this day, notwithstanding a steady rise in the price of cotton, for nearly twenty years the international markets of the world are dependent for their supplies of cotton, to an extent varying between seventy and eighty per cent., upon the United States. Various schemes are on foot, and various attempts are being made, notably in different parts of the British Empire, to grow cotton upon an extensive scale, but so far we have not been able to grow within the whole extent of the British Empire sufficient cotton, not merely to meet the demands of that Empire, but to supply the mills of Lancashire. It is evident, therefore, that we must, while we are able, obtain a certain quantity of cotton from the United States to feed the Lancashire mills. What that quantity will be will depend to a large extent upon the action of the United States itself, provided always that no new sources of supply of cotton are developed capable of feeding the mills of Lancashire. Although we buy so enormous a proportion of the raw material used in our cotton mills from the United States, the bulk of the finished product is sold abroad. There is only a demand in this country for a little over one-fifth part of the annual product of the cotton mills. If we cannot sell nearly eighty per cent. of that product abroad our demand for the raw material will fall to that extent. Among the great difficulties with which the Lancashire cotton mills are faced is the one of selling a large part of their products on the present basis of values. There is, of course, the high cost of production in the Lancashire mills themselves, largely due to recent legislation. This will have to right itself, or the industry will come to grief in any case. With this aspect of the question, however, in the present article we do not propose to deal, because it has no real reference to our obtaining [illegible] economic basis as will enable us to re-sell the finished product in the markets of the world. It is evident, however, that with the United States unwilling to [illegible] Lancashire industry is heavily handicapped at the very start in its attempt to obtain raw materials at a price at which it has any reasonable prospect of re-selling the finished product at a profit.

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ALLIANCE ASSURANCE COMPANY, LIMITED.

As might be expected from the character of its directorate, which includes some of the most eminent and influential bankers and merchants in the City of London, the operations of the Alliance Assurance Company, whether as regards the scope of its business or the regulations of its finance, have always been conducted on cautious and conservative lines. The volume of the business conducted by it in the commercial sections of insurance—such as fire, accident, and marine—is exceeded by a considerable number of offices; but no leading company, over a long series of years, has shown a larger trading profit proportionately to its premium income. The Company's success in this direction is in great measure due to a well-conceived development policy very successfully carried out in past years, whereby from time to time it has been able to acquire the businesses of a number of insurance offices which were themselves distinguished for the select nature of their operations. This was particularly the case in the fire department, as was shown by the acquisition of the Westminster Fire and the County Fire Companies in 1906 and the Law Fire Company in 1907. These were all offices which specialised to a large extent in the insurance of house property and contents, and thus it happens that the Company transacts a larger proportion of fire business of the less hazardous kinds than do most of its prominent competitors. Similar characteristics are to be noted in the management and development of other departments, and the aim of the directors has evidently been to build up a substantial insurance business of the highest class, from which a steady trading profit may be fairly anticipated, rather than to cultivate a more extensive one in the more speculative descriptions where results are subjected to a greater degree of fluctuation from year to year.

The Company offers exceptional security to its policyholders through the strength of its capital. The subscribed capital amounts to £5,450,000, of which £1,000,000 is paid-up, in 250,000 shares of £20 with £2 4s. paid on each, and 450,000 shares of £1 each fully paid. All these shares, irrespective of differences between amounts from time to time paid thereon or credited thereto, carry equal rights to dividend and to participation in assets in event of liquidation. Owing to the nature of the Company's business, as above described, trading profits, as distinct from interest earnings, assume greater prominence as material for the manufacture of dividends than is usually the case; but whatever the amount of these profits may have been, the directors have shown little disposition in the past to increase the rate of distribution to shareholders, their main desire having evidently been to maintain and even to increase the Company's exceptionally abundant resources. In 1911, in respect of 1910, the dividend was increased from 10s. to 12s. per share, and the latter rate has been maintained for the eight following years, ending with 1919 in respect of 1918. Sheer weight of metal tells, however, in the long run, and although the shareholders have had to wait nine years for an increase, they have now the satisfaction of knowing that as the outcome of the report and accounts presented for 1919, the directors saw their way to increase the dividend in respect of that year, payable in 1920 to 14s. per share, which may with good reason be expected to be at least continued in the future.

The results in 1919 in the extensive life department of the Company's business may first be alluded to, although they have no bearing on the profits taken into account for that year, as the question of life profits is only dealt with at quinquennial investigations, the last of which was made as at December 31, 1918. During the year the Company issued new life policies to £2,703,307, of which £372,285 was reassured, the net retention at its sole risk thus being £2,331,022, all of which was transacted within the United Kingdom. The facts that this is by far the largest total of new business recorded in any year of the Company's history, and that it is about two and a-half times higher than the corresponding figure for 1918, show that the Alliance remains a very popular life office, and has obtained an adequate share in the revival of life business under peace conditions. Owing to War circumstances, no general distribution of bonus had been made in respect of the last quinquennium, but prior thereto the Company had for many years declared compound reversionary bonuses at the rate of 30s. per cent. per annum on original sums assured and subsisting bonuses, and it is apparent that no doubt is felt by the public in its ability under normal circumstances to give a good account of itself in this respect. About half of the Company's life funds relate to acquired businesses which are being run off as closed series in each case, and under these circumstances it is satisfactory to find that the total net life premium income shows an advance of about £40,000 in 1919, when it amounted to £1,133,977. Expenses of management, inclusive of commission, absorbed slightly less than ten per cent. of the total net premiums, old and new, which is an unusually low proportion for a commission-paying life office. The claims amounted to £1,212,979, of which £888,371 arose by death and £324,608 by survivance. Through the year's operations the life assurance funds were increased by £310,000 to £16,687,118, and the net interest yield thereon, after deduction of income tax, seems to have been about £3 18s. per cent., as compared with £3 14s. 5d. per cent. in 1918, and with the rate of three per cent. assumed for valuation purposes. The annuity account for 1919 shows that a sum of £51,107 was received as consideration for new annuities, that annuities of £133,093 were paid, and that the annuity fund at close of year amounted to £1,290,915. Sinking fund and capital redemption insurance premiums, £68,075; relative fund at close of year, £1,015,606. Undernoted, the main results in the other sections of the Company's business in 1919 are briefly summarised:—

Fire Department.—Premium income (increased by £80,365), £1,696,245. After adjustment of the reserve for unexpired risks on the usual forty per cent. basis, a trading profit of £258,218 (or about 15.2 per cent. of the premiums) is shown, apart from departmental net interest earnings of £86,511, the transfer to profit and loss amounting to £344,729.

Marine Department.—Premium income (decreased by £445,240), £1,183,123. The sum transferred to profit and loss account at the end of the year is £400,774, and as the net departmental interest earnings amounted to £75,774, the gross trading profit taken into account seems to be £325,000. Thereafter the marine fund amounted to £1,778,240, and seems exceptionally strong.

Personal Accident Department.—Premium income (increased by £8,656), £26,441. After adjustment for unexpired risks, £1,115 was transferred to profit and loss. As the net interest earnings amounted to £952, the trading profit seems to be limited to £163.

Employers' Liability (within the United Kingdom) *Department.*—Premiums £51,177; £207,328. After adjustment for unexpired risks, trading profits, £18,765; net interest earnings, £13,034; transfer to profit and loss account, £31,799.

Miscellaneous Insurance Account (Personal accidents, burglary and fidelity guarantee business).—Premiums income (increased by £60,040), £161,163, which £106,992 received from the Britannic Guarantee Trust on the transfer of its liabilities to the Company. Total premium receipts thus, £271,155. The sum transferred to profit and loss is £16,719, and as the interest earnings amounted to £10,951, a [illegible] £5,788 is assumed.

General Account.—Receipts and fees of £20,026, inclusive of deposits, are credited to this account, from which there is no transfer to profit and loss. Fund at close of year, £262,970.

Profit and Loss Account.—This account is credited with £70,047 for net interest earnings not carried to other accounts, and with fees of £3,204, and is debited with £293,581 for taxes paid and for reserve funds and excess profits duty and not required.

The net outcome of the year's operations, as dealt with in the 1919 accounts, seems to have been as follows:—

Department or Account.	Premiums Less Reinsurances.	Net Interest Earnings.
Fire	£208,218	£86,511
Marine ...	2[illegible],[illegible]	75,774
Personal Accident	163	952
Employers' Liability (U.K.)	18,765	13,034
Miscellaneous	5,788	10,951
Profit and loss	3[illegible],[illegible]	[illegible],047
	[illegible],[illegible]	
Less taxes [illegible] to profit and loss ...	£[illegible],581	
	£[illegible],[illegible]	£[illegible],249
	£571,896	

The allocation is as follows:—

1. The declared dividends [illegible] for distribution	£[illegible],000
2. Applicable to [illegible]	14,592
3. Applied to [illegible] market value	243,184
	611,896
Less interest [illegible]	37,080
	£574,896

The total assets shown in the Company's balance sheet as at December 31, 1919, amounted to £27,674,805. The reserves carried forward to 1920 in the fire, personal accident, employers' liability, and miscellaneous accounts, after provision for outstanding losses, added to balance of profit and loss account, after provision for dividends, and reserve for contingencies, appear to amount to £3,567,017, which exceeds the reserve for unexpired risks in these sections by £2,728,586.

BRITISH EQUITABLE ASSURANCE CO., LTD.

(Continued from last week.)

The fire, accident and general account shows a premium income of £165,686, making an increase of £89,973. Presumably this includes marine business, which was opened in 1919, in which the Company is stated to have had [illegible] during the initial twelve months. The relative funds at the close of the financial year amounted to £91,231, after transfer of £1,969 to profit and loss account.

Minor accounts are those relating (1) to employers' liability and domestic servants insurance, and (2) to capital redemption business. From (1) there is a transfer of £109 to profit and loss. The relative funds at close of the financial year were respectively (1) £5,022, and (2) £23,055.

The shareholders capital amounts to £300,000, of which £34,500 is paid up, in shares of £10 with £1 3*s.* paid on each. The dividend payable in 1920 is continued at the former annual rate of 8*s.* per share. A balance of £1,486 was carried forward in the profit and loss account as at January 31, 1920.

The total assets as shown in the Company's balance sheet at that date amounted to £1,585,356. Of this [illegible] £1,[illegible] invested in [illegible] ground rents and house property, and £102,314 to British Government securities. The future of the Company, which has never been very successful as a bonus-producing life office, is now much bound up with the new general department, the development of which will be watched with interest.

Sun Insurance Office.—We have pleasure in correcting a statement in "Insurance Notes" of the 13th instant to the effect that although the Company [illegible] insurance business, they had not as yet exercised the same. The Notes referred to related to the accounts for 1919, and the Company had not written marine business up to the close of last year. The Manager informs us, however, that such business was commenced by the Sun Office early in July last, when an underwriting office was opened for the purpose at the head office, 63 Threadneedle Street.

DIVIDENDS ANNOUNCED THIS WEEK.

BREWERIES AND DISTILLERIES:					
[illegible]	[illegible]	13	[illegible]	15	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
CANALS AND DOCKS:					
Shadwell Dock	[illegible]	12½	20[illegible]	[illegible]	[illegible]
COMMERCIAL:					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	15[illegible]	15[illegible]	25[illegible]	16[illegible]
[illegible]	[illegible]	12½	12½	15	2
[illegible]	[illegible]	15	11	10	9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	25	25	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	12½	10	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	25	15	[illegible]
[illegible]	[illegible]	2[illegible]	5[illegible]	2[illegible]	10
[illegible]	[illegible]	[illegible]	15	[illegible]	10
ELECTRIC LIGHTING AND POWER:					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Rubber Topics.

THIS has been a week of depressing liquidation in the Rubber market. It is true that, with rare exceptions, sales were on a small scale. Nevertheless, the market is so depressed that the slighest sign of realisations causes prices to drop heavily. On Monday holders of Anglo-Dutch were sellers, and the price closed 6*d.* down at 43*s.* 6*d.* Rubber Trusts were reactionary for the greater part of the week, the closing price on Thursday being as low as 20*s.* 6*d.* Anglo-Malay were on tap on Tuesday, and dropped ⅛ to 1⅞. Paris was disposing of its rubber shares as well as of its gold shares. Consequently Malacca fell ¼ to 2¾, and were one time quoted as low as 53*s.* 1¾*d.*; whilst Kualu Lumpur closed ⅛ down at 2⅝. Wednesday found Highlands and Lowlands reacting ⅞ to 1⅛.

In the Commodity market this has been a critical week. Rumours were early afloat to the effect that the November "prompt" would not be negotiated without difficulty, especially in view of failures anticipated in the New York market. Mincing Lane, however, accomplished the settlement satisfactorily, but there is still a feeling of nervousness in the air regarding the critical December settlement. It is, however, to the good that two of the most difficult months have been weathered so successfully. The price of the commodity still hangs sluggishly around 1*s.* 1½*d.* per lb. for crêpe and 1*s.* 0¼*d.* per lb. for smoked sheet. It is gratifying, therefore, to record definitely, in face of these low prices and the stagnation in the share market, that over seventy per cent. of the producing area held by members of the International Association for Rubber Cultivation in the Netherlands Indies will be included in the scheme for the restriction of output by twenty-five per cent. since November 1 advocated by the Rubber Growers' Association. In some quarters a more drastic cut still is being suggested; but before agreeing to a complete suspension of production we should prefer to await the results of the first few months from the scheme now in such universal operation. On the other hand, we are in complete agreement with the proposal that a definite selling organisation, analogous to the Nitrate Producers' Association, should be formed to control the disposal of the rubber crop. Obviously as long as a scattered multiplicity of sellers compete for the orders of a relatively smaller and better organised group of purchasers, the economic advantage rests with the latter. The principle of collective bargaining applies with no less force here than in the case of employers and employed.

ANNUAL REPORTS ANALYSED.

BAJOE KIDOEL.

From all points of view the report presented by the Bajoe Kidoel Rubber and Produce Company for the year ended March 31, 1920, is of a very satisfactory character. The results of the year, from the standpoint of outputs and finance alike, are embodied in the following table in conjunction with those of the two previous years:—

	1920		1919		1918	
	Rubber	Coffee	Rubber	Coffee	Rubber	Coffee
Planted acres	5,185	*	5,175	*	5,191	*
Output ...	Lb. 941,776	Piculs 18,341	Lb. 799,515	Piculs 13,585	Lb. 473,095	Piculs 18,647
	Per Lb.	Per Picul	Per Lb.	Per Picul	Per Lb.	Per Picul
Aver. price realised	1 10·36*d.*	£4 3 10	1 6·76*d.*	£4 1 9*d.*	1 8*d.*	£1 10 10
Cost of production	1 1·28*d.*	2 5 0	1 0·28*d.*	£2 9 8*d.*	1 0·46*d.*	£2 0 4
Profit	+ 1·08*d.*	£1 18 10	+ 0·48*d.*	£1 12 1	− ·74	—
	£	£	£	£	£	£
Output value	86,774	82,807	59,538	70,839	44,207	29,972
Cost of production	51,895	41,269	36,905	36,830	30,458	39,686
Gross profit ...	41,879	41,268	22,633	34,009	13,749	9,714
	£		£		£	
	86,507		56,642		4,035	
Sundry revenue ...	8,694*d.*		134		2,418	
Total ...	95,201		56,776		6,453	
London charges ...	1,801		1,725		1,287	
Net profit ...	93,400		55,051		5,166†	
Brought forward ...	18,001		49,823*e.*		26,983	
Total available ...	111,401		104,874		32,149†	
Allocations:—						
Dividend	43,632 (20%)		47,723 (25%)		— —	
Excess profits tax ...	34,800		(c)		—	
Taxation Reserve ...			29,150			
Carry-forward ...	32,969*b.*		18,001		32,149	
	111,401		104,874		32,149	

* Rubber area interplanted with coffee.
† Excluding claim for refund of excess profits tax.
(a) Net price: (b) F.o.b. cost: (c) £17,707 refund of excess profits duty included in amount brought forward. (d) Including £8,265 in respect of interest and exchange. (e) Reduced to £1,878 by payment of £1,094 extra remuneration to directors.

With a full year of unrestricted tapping the rubber output not only considerably exceeded that of 1918-19, but was also over 115,000 lb. in excess of the estimate of 825,000 lb. Nevertheless, despite this marked growth in the rubber crop to 941,776 lb., there was an increase in the f.o.b. cost of nearly 1½*d.* per lb., which is probably due to the higher level of prices and of wages. However, availing of the favourable conditions of the Rubber market during the greater part of the year under review, the Company was able to dispose of its crop at an average net price of 1*s.* 10.36*d.* per lb. Hence this improvement of 3.36*d.* per lb. in the sale price much more than counterbalanced the advance in the working costs. Thus there resulted a gross profit on the rubber crop of £44,879, or nearly double that of the previous year. Equally successful, though not in the same degree, were the results of the cultivation of coffee. Here again the final crop of 18,341 piculs exceeded the estimate by nearly 3,000 piculs. But this increase was reflected in the expected reduction in the working costs, the f.o.b. cost dropping from £2 9*s.* 8*d.* per picul to £2 5*s.* per picul. Similarly, with a favourable coffee market, the average net price realised per picul improved from £4 1*s.* 9*d.* to £4 3*s.* 10*d.* Accordingly the gross profit on the coffee crop worked out at £41,628, or over £7,000 more than in 1918-19. Consequently, once again rubber has proved to be the more remunerative crop of the two. Sundry revenue for the year under review amounted to £8,694, the bulk of the increase—£8,265—being due to profit on the exchange, and to interest. The total revenue reached the record figure of £95,201, or over £40,000 in excess of that of the previous year. There is allocated to the income-tax reserve a sum of £34,800, thereby raising the fund to a total of £58,815. On the other hand, the dividend is reduced from twenty-five per cent. to twenty per cent., in view of the rather unfavourable outlook for the current year, leaving to be carried forward, after payment of extra remuneration to the directors, a balance of £31,878, as against £18,001 brought forward from the last accounts.

As just indicated, the conservatism of the directors in confining the dividend to twenty per cent., and carrying forward the substantial balance of £31,878, was bound up with the present situation of the rubber and coffee markets. Originally the estimates forecasted a crop of 1,000,000 lb. of rubber, and of 13,500 piculs of coffee. For the first six months of the current year there had been already collected 13,742 piculs of coffee, thus exceeding the estimate, and, although the best cropping months were over, it was expected that some 2,000 to 3,000 piculs more

would yet be secured. However, the existing financial stringency caused many losses to speculative holders. There has been a severe panic amongst dealers in coffee, with the result that the profit-outlook on this crop is by no means as bright as was the case at the year under review. The position of rubber is still more unfavourable. The crop harvested for the first six months of the current year amounts to 447,839 lb., thereby indicating that the estimate of 1,000,000 lb. would possibly have been exceeded under normal conditions. But the restriction of output now in force, under the auspices of the Rubber Growers' Association, will reduce the crop to some 870,000 lb. if maintained for the remainder of the current year. Furthermore, in the absence of a marked improvement in the sale price of rubber, which is now commanding as low as 1*s.* 2*d.* per lb. for crêpe, the margin of profit will not be very great, especially as working costs show no tendency to decline. It appears that certain sales have been effected by forward contracts, but the terms were not disclosed, so it is not possible to decide what relief will be afforded from this direction. However, the possibility of a refund under the excess profits duty should be remembered. Moreover, there is no reason for pessimism in so far as the future prospects of the Company are concerned. During the current year the planted area will be increased by 390 acres, and the period of restriction will afford time for attention to the development programme and to the combating of pests and diseases. Financially the Company is in a very strong position. In the balance-sheet of March 31, 1920, current liabilities, including the final dividend of £21,816, do not exceed £7,326, whereas liquid assets are available to a total of £213,498. And the amount carried forward (£31,878) is nearly sufficient to pay a dividend of fifteen per cent. In view of the depressed condition of the Rubber Market the £1 shares have dropped to 10*s.* 3¾*d.*, which price a dividend of over twenty per cent. would be required to afford a return of ten per cent.

SUNGEI BULOH (SELANGOR).

Issued Capital : £50,000 in £1 Shares.

Results for Years to December 31

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Acre	Bearing Price Realised	"All-In" Cost	Net Profit	Div. Amt.	Div. %
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915 ...	1,788	1,118	350,298	381	2 8½	–/10.66	50,419	30,000	60
1916 ...	1,845	1,413	590,963	417	2/8·6	–/4½	54,933	32,500	65
1917 ...	1,845	1,468*	615,160	419*	2/4	–/11·8	58,710	20,000	40
1918 ...	1,886	--	491,057	—	2 0	1 0½	16,891	15,000	30
1919 ...	1,886	--	6 1,557	—	2 1½	- 11	38,811	30,000	60

* Estimated.

Price of Shares, 98·9. Market Capitalisation per planted acre, £132.

The report of this well-known rubber Company for the year ended December 31, 1919, reveals a very satisfactory state of affairs. With the disappearance of the restrictions on output at the end of 1918, it became possible to look forward to a crop of 600,000 lb. for 1919. The actual crop harvested during the year exceeded this estimate by 31,557 lb. Side by side with this return to more normal crops came the gratifying decline in the cost of production, the "all-in" cost falling from 1*s.* 0¾*d.* per lb. in 1918 to 11*d.* per lb. for the year under review. In part this reduction can be accounted for by the well-known economic fact that cost of production per unit declines generally with the increase in the quantity of the output. But this is only part of the explanation. It is widely recognised that 1919 was a year of rising prices, and for the rubber industry this fact was reflected in the increased outlay on wages and on stores and materials. The decline under such conditions could only have been accomplished by an exceptionally capable and efficient administration. Meanwhile, the average price realised by the sale of the commodity advanced from 2*s.* per lb. in 1918 to 2*s.* 1½*d.* per lb. in 1919. Accordingly a profit of 11½*d.* per lb. in 1918 was replaced by one of 1*s.* 2¾*d.* per lb. in the year under review. Thus the net profit of £38,811 was equal to rather more than 15*s.* per £1 share in 1919, as compared with £16,891, or 6*s.* 9*d.* per £1 share, in 1917. Shareholders participated fully in the prosperity of the year, receiving in dividends £30,000, or twice the amount allocated in 1918. The dividend of sixty per cent. was not only twice the rate of 1918, but compared favourably with the rate of sixty-five per cent. in 1916, and more favourably still with the rate of forty per cent. in 1917. The balance carried forward amounts to £24,413, as compared with £15,602 brought forward from the last accounts. The profits for the year do not include the anticipated refund of excess profits duty in connection with the low profits level of 1918. It is, however, stated in the report that this refund has been received, and that it is estimated to be more than sufficient to meet the liability in respect of excess profits duty for 1919. Consequently, it will not be necessary to reduce the amount carried forward for this purpose. We venture to suggest, however, that no good purpose is served by concealing the amount of the refund, and that the interests of the Company would in no way be prejudiced by giving this amount in the ordinary course of the accounts.

Having a rather average datum line for assessment under the excess profits duty, this Company will not in all probability suffer unduly from the increase in this duty to sixty per cent. Nevertheless, profits for the current year will be subjected to heavier deduction, not only in this respect, but also under the corporation tax. The estimate of the current crop is as high as 708,000 lb.; but the actual crop secured for the first six months only amounts to 315,500 lb., thereby leaving much headway to be made up in the latter portion of the year if the estimate is to be realised. Forward contracts have been entered into for the disposal of 322,560 lb. in Singapore at an average price of 2*s.* 0¾*d.* per lb. On the other hand, certain forces are in operation tending to counterbalance the decline in cost of production rendered feasible by the increase in the output. In addition to the high level of prices of stores and materials, allowance has to be made for the rise in the value of the rupee and the scarcity of rice. To cope with the latter difficulty, foodstuffs have been planted on eighty acres, whilst arrangements are being made for the utilisation of another forty acres if necessary. Owing to the recent appreciation in the sterling value of the rupee, it has been found necessary to subsidise the remittances of the coolies to India in order to compensate them for the loss incurred in converting Straits dollars into Indian currency. Taking all these factors into account, the outlook for the current year is, on the whole, favourable. Financially the position of the Company as seen in the balance sheet dated December 31, 1919, is unassailable. Current liabilities, including the final dividend of £20,000, do not exceed £25,031, and are more than twice covered by the total of liquid assets, which amounts to £52,091. Considering the rather large amount carried forward, we are of opinion that a dividend of forty per cent. for the current year is not unlikely. The £1 shares are quoted at 98*s.* 9*d.*, and yield at this price, assuming a dividend of forty per cent., a return of over eight per cent.

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Commercial.

THE WOOL TEXTILE INDUSTRY.

THE seventeenth series of Government sales of Colonial wool began in London on Tuesday, 9th instant, and ends to-day, 20th instant. A large part of the industry has been eagerly awaiting these sales in the hope that they would disclose the lower scale of prices for raw wool, which is so urgently needed. The general circumstances were very propitious because, owing to the suspension of sales and the falling market, the wool stocks of spinners and manufacturers have reached a low point, and the trade is beginning to get an idea of the prices at which business will be possible. The Government reserve prices have at last been reduced, but they are still very much above the figures at which the industry is prepared to buy; and, although an excellent range of material has been offered, a very large part has been withdrawn. It is quite clear that, rather than pay the Government prices, mill-owners are forced in the present conditions to face the stoppage of machinery.

A few people argue that the prices paid in Australia do not justify any further reduction in the Government limits, but it must not be forgotten that very small quantities have as yet been sold in Australia, and the principal buying has been for U.S.A. Farmers in Australia and New Zealand are prepared to hold their wools in the hope of obtaining better prices later on, and there is no possible objection to their doing so, because the wool trade of the world is not at present in a position to purchase more than a very small portion of the existing stocks. It is unsound to regard the present Australian prices as anything but temporary, and there is little doubt that, before active trade can be resumed, a reduction must occur on the prices now ruling on the other side.

For fine merino wools the Government reserves varied from 84*d.* to 96*d.* per lb. on a clean scoured basis, but these prices are about 2*s.* per lb. of top above the level at which the Bradford trade is slowly becoming ready to do business. The wools offered in this class were very attractive, but only very small quantities have been bought for America. A fair amount of average merino was sold at ten per cent. below last series' prices, and the disposals of short wool, suitable for the Continent, were quite good at five per cent. decline. The reduction in the reserve prices for fine crossbreds has been twenty-five per cent., this action being forced, of course, by the figures accepted in South American and other markets for material of similar quality. In this class fairly substantial sales took place, but the Government reduction is still not sufficient to meet the views of the majority of users in this country. The decline in medium crossbreds was about fifteen per cent., but the quantities sold in this and lower types were insufficient to enable any judgment to be given. Fine crossbreds were practically the only class in which prices were governed by competition, for in all other cases the high limits prevented much business being done. We have, therefore, to record with regret that the sales, from which so much was expected, have passed without any appreciable assistance being given to the much-needed resumption of trade; and the Government have once again prevented progress in the industry by their desire to maintain the prices of raw wools at unduly high levels. In the meantime, full-time running is becoming exceptional in the trade, and many firms are continuing the twenty-four-hour week, which was introduced during the coal strike.

Some discussion has taken place regarding the decision of the Government to supply direct to the Austrian Government some 20,000 bales of Colonial wool, and also a proposal to furnish supplies to Poland in a similar manner. The wool for Austria will be shipped direct from Australia, and payment will be made by the British Relief Commission for 9,000 bales at the prices ruling at the last London auctions, 4,000 bales at the prices obtained at the first series of 1921, a further 4,000 bales at the prices of the second series, and the remaining 3,000 bales at the levels existing at the third sales of next year. The main grounds of the criticism are that such transactions should take place through ordinary trade channels, and that Austria is obtaining some advantage in price over the trade in this country. As regards the first point, it is, perhaps, natural that the trade will look with disapproval on the slightest extension of direct Government trading, but in the present case it is difficult to see how a transaction of this kind could be arranged in any other manner. The loan could, of course, be made available for Austria to purchase wool at any London sale in exactly the same way that is open to users in other parts of the world, but in that case additional expense would be caused in transport both to the Austrian and the British Governments. It is really difficult to appreciate any grounds for dissatisfaction in our own industry, or to see how the Government could have devised a businesslike plan which could have been fairer to all parties.

The funds at the disposal of the Relief Commission are, of course, voted on behalf of certain distressed countries, including Austria and Poland, and there is no likelihood of a similar concession being made to Germany. All reports from that country indicate that the wool trade is recovering slowly but surely, and the Board of Trade Monthly Returns show that the German mills are by no means inactive. For example, before the War Germany imported from this country roughly 1,000,000 lb. of tops per month, but the quantity taken in October last was no less than 2,137,500 lb. The monthly exports of tops to Germany have rapidly increased since the fall in wool values began in April and May last, and the result of October trading with that country cannot, in view of all the conditions, be regarded as anything but very [illegible]. The figures given [illegible] of

...ing at pre-War ... small portion of the ... man spindles. The fact is interesting, however, as demonstrating the manner in which the German trade is obtaining material without the special assistance of foreign Governments. A certain portion of the tops exported to Germany may possibly be owned by firms in his country and have been sent for spinning on commission in fulfilment of old contracts. In any case, however, the material represents work, wages, and profit to the German industry.

U.K IRON AND STEEL PRODUCTION.

THE production of pig iron and steel, which had been 741,000 tons and 884,700 tons respectively in September, fell in October, owing to the coal strike, to 533,200 tons and 544,300 tons respectively. The pig iron production included 193,300 tons of hematite, 162,800 tons of basic, 101,800 tons of foundry, and 46,600 of forge qualities.

The following table compares the production of pig iron and steel in the first ten months of 1919 and 1920. It will be remembered that in October 1919 production was adversely affected by the railway strike:—

	Pig Iron		Steel Ingots & Castings	
	1919 Tons	1920 Tons	1919 Tons	1920 Tons
First six months	3,561,000	4,111,000	4,264,000	4,877,000
July	611,000	727,000	718,000	861,000
August	520,000	745,100	621,000	884,700
September	581,000	741,000	718,000	[884,700
October	415,000	533,200	494,000	[544,300
Total ...	6,112,000	6,807,300	7,315,000	[8,012,000

For the ten months the production of pig iron produced in the current year exceeded last year's figure by 780,000 tons, while the tonnage of steel ingots and castings was also higher by 1,278,100 tons. Though the increases are gratifying, especially when the acute fuel shortage is remembered, there is likely to be no permanent reduction in iron and steel prices until outputs are raised above their present level. The weakness of the market at the moment is due more to a lack of demand than to a decline in costs of production, and unless our currency and financial policy brings about a generally lower level of prices, iron and steel quotations may to some extent recover when markets now closed are thrown open.

NEW ZEALAND GOVERNMENT AND WOOL.—Before it proceeded on the Exhibition Commission Parliament passed a Finance Bill giving the New Zealand Government power to guarantee advances made by banks against primary products, especially wool. In this connection the Farmers' Conference Committee approved of the advice to growers of crossbred wool, who, when ... to hold on ... of fashion ... culties in the way of the proposal are anticipated, and its effect on the Wool market will be watched with interest.

CANADIAN FINANCE.—At the ... Canadian Bankers' Association it was stated by the President that Canada, ... and the steadily increasing volume of its production, would recover from the effects of the War more quickly than almost any other country. He quoted figures showing that, while ... the end of August 1920 ... exceeded by nearly $2,000,000,000 ... and increased by $1,750,000,000, ... States by $250,000,000. Many commercial adjustments were inevitable, and those engaged in lines of business ... to value things ... profits and losses ... accumulated sufficient ... contingencies in Canada.

Industrial Companies.

AERATED BREAD COMPANY, LIMITED.

Issued Capital: £977,500 in £1 Shares.

Year	Trading Profit	Net Profit	Ordinary Dividend	Carried Forward
	£	£	£	£
1914	289,149	253,146	[illegible]	[illegible]
1916	299,435	282,351	[illegible]	[illegible]
1917	[illegible]	303,882	[illegible]	[illegible]
1918	419,112	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]
1920	[illegible]	520,271	[illegible]	[illegible]

THE existence of trade ... recognised feature of our industrial organism that economists have sought to discover the symptoms—level ... Sir William Beveridge is endeavouring, with better success, to generalise from atmospheric conditions of temperature and pressure—to analyse the disease with a view, if possible to prevent, or at least to check, the industrial evils that follow in the train of such depressions. No department of trade or industry is immune from attack; but when the attack comes it is only the highly-efficient and well-organised unit that can hope to meet it with success. Weak structures are submerged. Businesses, whose destinies are controlled by scientific administrations, are temporarily weakened, but their foundations not being undermined, they weather the storm with success, and regain sooner or later their former standard of prosperity. Judged from this point of view, the Aerated Bread Company must be placed in the category of sound industrial structures, for the wisdom of its directorate has not only enabled it to pass successfully through the depression encountered during the War, but to emerge now into an era of greater prosperity. The first effects of the depression were reflected in the drop of ten per cent. in the dividend for the year ended September 30, 1915, to seventeen and a-half per cent. The following year witnessed a further and more marked decline to five per cent. The bottom of the depression was touched in 1917, when the low trading profit of £289,199 was recorded, to earn which involved an outlay of £303,882. Consequently, for shareholders this was a barren year. During the depression the fluctuations in the trading profit were not very wide, the extreme limits being £299,435 in 1915-16, and £289,149 in 1914-15. Recovery, however, was much more rapid. For 1917-18 the trading profit rose by nearly £130,000 to £419,112, which was considerably ahead of the last pre-War profit of £315,476. The advent of peace, with the gradual reversion to normal industrial conditions, made 1918-19 a year of still more pronounced prosperity, the trading profit jumping by over £168,000 to £587,456. Owing, however, to the marked rise in price levels, which caused expenses to grow by £113,000, the growth in the net profit was only £56,000. Nevertheless, it was substantial enough to justify a dividend of thirty per cent., as against fifteen per cent. in the previous year. Nothing succeeds like success. Accordingly, the report presented for the year ended Septembr 25, 1920, reveals a still further expansion in profits. The total trading profit amounted to £685,831, as against £587,456, thus creating a new record. The year in question was characterised by steadily rising prices, and this at once suggests to some minds the possibility of profiteering. In this case the idea can be instantly dismissed. The popular A.B.C. depôts during the year were frequented by a greatly increased number of customers, thus resulting in a satisfactory expansion in the turnover. Admittedly prices charged were higher, for the burden ... in mind, the customers of this well-known catering

concern will readily agree that the increase in prices was by no means disproportionate. The very fact that they flocked there in increasing numbers is a silent proof in itself. Finally, it is categorically stated in the report that the net profit on the turnover was less than that of last year, which in turn was below the pre-War level. After deducting the increased expenses there remains a net profit of £165,556, as against £151,950 in 1918-19. The allowance for depreciation is maintained at £20,000. Other allocations include £22,500 to reserve for income tax and corporation tax—no liability for excess profits duty being incurred apparently—£5,000 for the staff recreation ground fund, and £10,382 for writing off the expenses on new issues referred to below. Dividends paid to Ordinary shareholders absorb £113,750, as compared with £92,500 in the previous year; but the rate appears at first sight to have fallen from thirty per cent. to twenty-five per cent. The explanation is furnished by the new issues of capital, which took place during the year. In February 63,750 Ordinary shares of £1 each were offered to existing shareholders at £4 per share in the ratio of three shares for every twenty shares held. The issue was fully subscribed, thereby raising the issued capital from £425,000 to £488,750, and giving a total share premium of £191,250. At the end of March the capital of £488,750 was doubled by the issue of bonus shares at the rate of one share for every share held. The scheme was financed out of the share premium accounts, the property reserve, and the reserve for bakery reconstruction and repairs. The interim dividend of 3*s.* per share (fifteen per cent.) was only paid on £425,000; but the increased capital of £977,500 ranked for the final dividend of 2*s.* per share (ten per cent.). Accordingly, in comparison with the 1918-19 dividend of thirty per cent., the rate is, allowing for the dividend of ten per cent. on the bonus issue, thirty-five per cent. The balance carried forward to the next accounts is reduced from £20,132 to £14,757.

The outlook for the current year is on the whole rather promising. Depression in trade should be very pronounced before it could adversely affect the catering trade. Whether a particular trade be brisk or slack, the multitude of workers that frequent the City as well as the large number of people that go shopping daily in the West End require to be fed. And the A.B.C. with its variety of branches dotted judiciously around this busy area is well equipped to supply their needs. To cope with the growing demand, as evidenced in the steady growth in the clientele of the Company, the number of branches are being multiplied as the opportunity offers. Five new depots were opened during the year under review and arrangements are being made to add five others during the current year. Furthermore, the premises of the Company at Southampton Row which had been requisitioned by the Government in 1918 have been restored and are again in full working order. Again, a very promising freehold site in close proximity to Victoria station has been acquired. The amalgamation with Buszard's continues to yield results up to expectations. The expansion in the trade in chocolates and sweets has necessitated the acquisition of a new factory. The business of Bertram and Co. has also been extended and its success is reflected in the securing of the catering contract for the Royal Agricultural Hall. The sound financial position of the Company is well portrayed in the following table:—

Balance-Sheet Figures at end September.

LIABILITIES.	Reserves and	ASSETS.				
	Carried forward	Property	Stocks	Investments	Debtors	Total
	£	£	£	£	£	£
1917	1 571	129 [illegible]	45,233	45,956	16,289	18,337	323,814
1918	2 [illegible]	190 [illegible]	82,851	52,854	24,078	23,754	485,541
1919	14 [illegible]	454 [illegible]	510,074	126,521	153,573	62,539	852,707
1920	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sundry creditors, including the final dividend amounting to £68,425 net and the reserve for income tax and corporation tax of £22,500 did not exceed £179,835 on September 25, 1920; whereas liquid assets in the form of cash, Treasury bills, and sundry debtors were available to a total of £217,817. It is a tribute to the policy of the directors that notwithstanding the rise in prices the stock has been kept down to £142,932. The additions of £219,582 during the year accounts for the increase in fixed assets to £729,656. How conservative this valuation is can readily be discerned from the statement made in March on the occasion of the bonus issue. Then it was asserted that a revaluation by experts showed that fixed assets standing in the books of the Company at £555,990 were worth £1,165,215. Thus the Company possesses a secret reserve of £600,000. In considering the dividend situation, however, for the current year, it is well to recollect that the whole issued capital of £977,500 will rank for dividends. Consequently, a dividend of twenty per cent. would absorb, after deduction of income tax at 6*s.* in the £, a sum of £136,850, or £23,800 more than in the year under review, whereas the expansion in net profit in 1919-20 was less than £14,000. On the other hand, we do not believe that, in the absence of unforeseen difficulties, the dividend will fall below fifteen per cent. At the current market price of 35*s.* 6*d.*, the £1 shares afford on the basis of a [illegible] eight and a-half per cent.

D. NAPIER AND SONS, LIMITED.

Issued Capital: £755,000, in £00,000 7 [illegible]% Cum. Pref. and and 455,000 Ordinary Shares of £1 each.
Debenture Stock: £50,000 5½% First Mortgage.

Year to Sept. 30	Net Profits*	Deb. Int.	Pref. Div.	Ord. Div.		Sundry Allowances	Carry-forward	Stocks	Surplus Liquid Assets†
	£	£	£	£	%	£	£	£	£
1914 ...	46,965	5,874	19,481	10,000	5	Nil	11,767	230,863	38,285
1915 ...	63,302	5,600	22,500	17,500	5	20,000	9,434	268,804	5,070
1916 ...	65,718	5,500	22,500	20,000	6	20,000	9,652	311,198	10,365(a)
1917 ...	127,192	5,500	22,500	70,000	20	20,000	13,738	341,427	14,469(a)
1918 ...	134,256	5,500	22,500	78,750	22½	5,000	6,074	506,379	187,353(a)
1919 ...	126,803	4,433	22,500	96,500	25	50,000	9,966	395,944	67,885

* After provision for income tax and depreciation.
† Excluding stocks. (a) Deficit.

The report of this firm of motor manufacturers for the year ended September 30, 1919, indicates a slight falling-off in net profits, from £134,585 to £126,893. Making allowance, however, for the difficulties inherent in the transition from war to peace production, the serious delays in obtaining deliveries of raw material, and more especially the injurious effects of the moulders' strike, the result of the year's operations is satisfactory. The charge for Debenture interest is reduced in consequence of the redemption during the year of £50,000 of the Debenture stock. The Preference dividend amounts to £22,500, the same as in each of the four preceding years, but the Ordinary dividend is reduced from twenty-two and a-half per cent. to ten per cent. The amount distributed does not show a corresponding reduction, however, as an additional capital of £105,000 ranks for dividend. In view of the severe strain on the financial resources of the Company due to the moulders' strike last year, it has been deemed advisable to increase the reserve allocation from £35,000 to £50,000, leaving an undivided balance amounting to £9,966, which is carried forward.

Amongst the liabilities in the balance sheet, the item sundry creditors shows a diminution of £38,238, whilst the general reserve, with this year's allocation, amounts to £143,000. The sum of £31,400 was received during the year in respect of premiums on shares issued, and this will probably be transferred ultimately to the reserve. On the assets side, the fixed assets and debtors show little change, but stocks and work-in-progress have been reduced from £506,379 to £395,944, and cash holdings from £35,677 to £13,702. There has been a very remarkable increase in investments, however, which, figuring at only £8,170 in 1918, are shown in last year's balance sheet at £217,595, the increase being mainly attributable to the purchase of National War Bonds to the sum of £200,000. No attempt has been made to reduce the item of goodwill,

[illegible] is valued at £[illegible] figure at [illegible] £227,178. [illegible] a good improvement, however, and, excluding stocks, the liquid [illegible] current liabilities (including dividends due), as compared with a deficiency of £187,363 in the previous year's accounts.

The [illegible] sources is obviously necessary in view of the unsettled outlook in the motor-car industry. The downward tendency of prices in the motor trade during the current year is [illegible] rivalry in the home markets is likely to become much more intense during the coming year. The cars manufactured by the Company occupy a leading position in the trade, and the concern has continued its pioneer work in the manufacture of a special type of aero engines without receiving, however, proper support from the Government. Having regard to the conditions prevailing in the industry, the Company is not likely to pay a greater dividend than ten per cent. for the current year. [illegible] Ordinary shares are now [illegible] a return of [illegible] per cent. The Seven and a-Half per Cent. Cumulative Preference shares yield a return of ten per cent. at their present price of [illegible], and the [illegible] Half per Cent. First Mortgage Debentures, now quoted at 92½, yield nearly six per cent.

THE STAVELEY COAL AND IRON CO., LTD.

Issued Capital: £2,318,867 in 2,416,617 Ordinary shares of £1 each (2,025,617 shares being fully paid).

Year to June 30	Net Profit	Pref. & Debenture Interest	Dividends	Ordinary Dividend	Carried Forward
	£	£	£	%	£
1913 ...	303,345	1,250	268,812	[illegible]	[illegible]
1914 ...	272,104	1,250	151,156	12½	[illegible]
1915 ...	254,083	1,250	131,906	12½	[illegible]
1916 ...	329,422(a)	1,250	286,522	25	[illegible]
1917 ...	317,625(a)	1,250	216,650	15½	[illegible]
1918 ...	279,467(a)	1,250	154,208	12½	[illegible]
1919 ...	279,168(a)		249,820	11	[illegible]
1920 ...	290,466(a)		266,872	11½	[illegible]

(a) After providing for [illegible] and Debenture interest. † Of which £20,000 [illegible] ‡ Including [illegible] to £84,000 carried forward from [illegible] ¶ After providing for [illegible] taxation.

THE net profit of this Company for the twelve months ended June 30 last amounted to £290,466, representing an increase of £11,298 over that for the previous year. Provision has been made for depreciation amounting to £97,146, and taxation being [illegible] at the net profit. The Preference Share Capital, £25,000 [illegible] converted into Ordinary stock in 1918 and the balance of the debenture issue was paid off last year, and accordingly there is no charge against these members upon profits. The Ordinary dividend is increased from ten per cent. to eleven and a-quarter per cent., but, being paid free of tax this [illegible] is equivalent to sixteen per cent. on last year's basis. The reduced rate of dividend in recent years is explained by the reserve capitalisation of £[illegible] in 1915, and of £573,167 last year, which together with the issue of 286,734 £1 shares in 1918 and the conversion of the Preference shares already referred to has increased the Ordinary capital from £1,[illegible] to £2,[illegible]. The result of this expansion is reflected in the fact that a twelve and a-half per cent. dividend in 1915 absorbed no more than £131,906, whereas a [illegible] per cent. dividend last year required £266,872. [illegible] balance of profits a sum of £[illegible] is allocated to reserve to which no transfer was made last year, leaving £46,424 to be carried forward, as compared with £66,830 brought in.

The balance sheet discloses some important alterations to which reference may be made. The item sundry creditors, which includes provision for taxation, now figures at £[illegible], representing nearly £240,000, as compared with the previous year. An interesting change has been effected in the manner of treating provisions for depreciation. Thus on the liabilities side [illegible] representing the deduction under this heading from the net profits, whereas in previous years no indication was [illegible] value of the fixed assets the additional capital expenditure "after deducting depreciation and sales." Thus, in last year's balance sheet the net capital additions figured at £27,184; this year the capital outlay after deducting sales amounted to £108,569, but following [illegible] been reduced from £47,139 to £44,714, whilst the reserve against foreign outstanding remains at £5,230. The general reserve which was entirely depleted by the capitalisation in 1919 is re-created with this year's allocation of £50,000. The item stocks and raw materials has been reduced by £14,961 to £384,956, whilst sundry trade debtors show an increase of almost £[illegible] [illegible] of its associated enterprises—the Yorkshire Main Colliery—remain unaltered at £79,987. Insurance funds investments figure at £27,940 the same as in [illegible] reduced by £188,393 to £398,294. Excluding stocks, insurance funds, investments, and advances made by the Company the liquid assets still exceed current liabilities (including dividend payments due) by £672,792, as compared with £642,391 last year.

Taking into account the bonus share distributions, in conjunction with the dividends paid since 1912 the shareholders have received a very liberal return without straining the large financial resources of the Company. Heavy taxation, Government interference, and numerous industrial difficulties have, however, naturally hindered the full expansion of the enterprise in recent years. The effects of the late coal strike upon earnings during the current year may be counteracted, however, by the beneficial results which would follow from the settlement provided that the much-needed increase in output proceeded from it. The trade prospects at present are at least as promising as in 1919, and it is therefore unlikely that any reduction will occur in dividend. The fully-paid shares, on the basis of the last dividend, yield 6.4 per cent., tax free, at their present price of 34*s.* 10½*d.*, and the 15*s.* paid shares quoted at 23*s.* 1½*d.* yield 7.3 per cent., tax free.

WARING AND GILLOW, LIMITED.

Issued Capital: £1,005,000, in 750 000 6% Cum. Pref. Shares of £1 each, 500,000 Ordinary Shares of 10s. each, and 5,000 Management Shares of £1 each.

Debenture Stock: £447,360, in 5% First Mortgage Debentures.

Year	Net Profit	Int.	Depreciation	Income Tax	Dividends	Ordinary Dividend	Carried Forward
	£	£	£	£	£	%	£
1914	398,078	24,360	50,000	[illegible]	[illegible]	[illegible]	[illegible]
1915	398,078	24,360	50,000	[illegible]	[illegible]	[illegible]	[illegible]
1916	398,078	24,360	50,000	[illegible]	[illegible]	[illegible]	[illegible]
1917)							
1918	1,191,[illegible]	71,[illegible]	18,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919)							
1920	194,992	24,360	7[illegible]1	45,000	—	[illegible]	[illegible]

for contingencies.

THE report of this firm of general furnishers and contractors for the year ended January 31 last shows a net profit of £194,992, after providing for depreciation, amortisation of leases, and requirements for contingencies. While the result is far below the average of £398,078 for each of the three preceding years, still it compares very favourably with the earnings during the financial years ending on January 31, 1915 and 1916. Besides, it must be remembered that the present accounts cover the first year's trading under post-War conditions, during which Government contracts [illegible] for civilian requirements. In the allocation of profit, [illegible] and the Directors [illegible] £45,000, leaving a balance of £[illegible], which, [illegible] £[illegible] brought in, [illegible] £[illegible] carried forward.

forward this large sum in view of the Company's liability for excess profits duty and corporation tax, estimated by the Revenue authorities to amount to about £1,000,000. The Preference dividend for the thirteen months ended January 31, 1915, therefore remains unpaid, and there has been no Ordinary distribution since the reconstruction of the Company in 1912, when the capital was reduced and rearranged. It is now apparent that had the old capitalisation remained, the standard percentage allowed on the capital by the Revenue would have been several times the figure allowed on the existing capital, and accordingly the Company would have been relieved to a great extent of the burden of excess profits duty. Several hundreds of thousands of the excess profits duty claims have been paid, and it is contended by the Company that no further liability exists.

The Ordinary shareholders are intimately concerned with the ultimate terms of settlement, and taking all the circumstances of the present position into consideration, the action of the directors in withholding dividends is clearly deserving of support.

A survey of the balance sheet discloses a reduction of £19,350 in the Debenture stock, which now figures at £447,360. A small overdraft of £2,124 has been created in the Company's Montreal branch, arising out of exchange difficulties. The item creditors, credit balances, and reserves, which last year amounted to £705,454, has now reached the large total of £1,205,529, but the liability for "Government contract materials," which amounted to £966,560 in last year's balance sheet, has now disappeared, so that there is actually a net reduction of £496,487. The reserve for Debenture redemption with this year's allocation of £7,311 amounts to £36,670. On the assets side, the item freehold and leasehold properties has been increased by £209,200, representing additional capital expenditure during the year. A further sum of £2,875 has been written off for amortisation of leases, the net additions therefore amounting to £206,325. The total expenditure during the five preceding years amounted only to £52,445, and the abnormal outlay during the past financial year is represented entirely by expenditure on factories and other buildings, and in the purchase of important properties in Liverpool. Stocks (including work in progress) have been reduced by over £854,100 to £821,438, largely in consequence of the termination of Government contracts. Investments in and amounts due by subsidiary companies figure at £715,989, representing a reduction of £106,330. Sundry debtors, including payments on account of excess profits duty and income tax, have increased by almost £645,300 to £1,222,410. This remarkable expansion is attributable in large part to the additional excess profits duty payments, which would appear to amount during the year to over £300,000. These payments are reflected in the fall in cash holdings, including War Loan investments, from £372,688 to £99,055. The item of goodwill figures at £516,785, to which it was reduced by the allocation of £42,500 in 1919. It is to be hoped that this item will be further reduced whenever the opportunity offers, as the figure still exceeds the fixed assets, despite large additions, by £79,630. It is impossible to draw any valid comparison between current liabilities and liquid assets owing to the inclusion of undisclosed revenue payments on account among book debts and various reserves amongst sundry creditors. It is clear, however, that with the addition of stocks there is a considerable surplus of liquid assets, and that the financial position is sound.

The outlook of the Company for the current year appears to be promising. It was stated at the general meeting recently held that the rapid expansion of the ordinary business of the Company, which characterised operations during the period covered by the present accounts, has been fully maintained during the current financial year, of which nearly ten months have already elapsed. It is therefore likely that profits will show some increase, but the payment of a dividend on the Ordinary shares will primarily depend upon a satisfactory settlement of the Company's liability for excess profits duty. It must be remembered that there are arrears of Preference dividend amounting to over £45,000, and that this liability will represent a prior charge upon any increase in profits.

The prices and yields of the Preference and Debenture stocks are shown below. The Ordinary shares are now quoted at 7*s*.

	Price	Yield
	£ s. d.	£ s.
6% Cum. Pref. Shares	0 10 1½	11 5
5% Debenture Stock	65 0 0	7 7

THE MAGADI SODA COMPANY, LIMITED.

Issued Capital: £1,312,550, in 1,250,050 Ordinary Shares of £1 each and 1,250,000 Deferred Shares of 1s. each.
Debenture Stock: £499,950, in 6% Registered Convertible Debentures.

Year to Dec. 31	Gross Profits	Depreciation	Net Loss	Carried forward	Stocks and Stores	Surplus of Liquid Assets
	£	£	£	£	£	£
1916	7,525	19,769	12,244	35,174	20,817	20,590
1917	8,917	25,688	16,771	51,945	26,741	7,87[illegible]
1918	19,155	68,112	48,954	100,899	119,239	11,749
1919	4,884	101,816	96,832	197,731	180,549	234,237

Debit balance. Including stocks and stores [illegible] Exchange difference [illegible] £25,413, and debenture interest £20,394.

The report of the Magadi Soda Company for the year 1919 is only now to hand, and again discloses unsatisfactory trading results. The operations of the concern in British East Africa were discontinued for the greater part of the year in consequence of delay in the delivery of essential plant and machinery. Moreover, to complete the alterations and extensions at the Magadi works it was found necessary to discontinue production, and the output of granular soda was thereby very considerably reduced. These factors, taken in conjunction with labour difficulties and prohibitive shipping freights, led to a considerable reduction in gross profits. The general charges were further increased by the appearance for the first time of exchange losses amounting to £25,413, and Debenture interest of £20,394, so that the accounts showed a net loss of £96,832, as compared with £48,954 in 1918. This, added to the debit balance brought forward, gives a total net loss of £197,731 since the registration of the Company in 1911. It should be noted that no provision has been made for depreciation in the annual accounts either for amortisation of leases or fixed assets.

Some important alterations have been made in the balance sheet of the Company. Besides the Ordinary capital of £1,312,550, there is now a Debenture capital of £499,950, involving an annual charge of £30,000. The proceeds of the Debenture issue have been applied in part to the repayment of the loan of £112,900 which appeared in the 1918 accounts. Amongst the assets, the most important changes are represented by the additional capital expenditure of £39,618 on railways and works in East Africa, of £6,566 on "other works," the increase of £70,310 in stocks and stores, and the issue of short-dated loans amounting to £93,000. The Debenture issue expenses, amounting to £20,888, are provisionally included amongst the assets, and this item, added to the original formation expenses of £152,752, which still figure in the balance sheet, gives a total of "fictitious" assets amounting to £152,752. In addition there is, of course, a debit balance from profit and loss of £197,731.

The absence of any improvement in the financial position is only natural in view of the many difficulties with which the Company has had to contend. In respect of the claim against the Government for compensation for the use of the Magadi Railway and water supply during the War in Eastern Africa, no information is furnished either in the report or the proceedings at the general meeting beyond the bald statement that the claim is "still unsettled and negotiations are pro[illegible]

have not yet been restored to the Company, but the concern has now obtained an actual rent by way of compensation. The outlook at present cannot be considered satisfactory, especially in view of the danger that trade legislation may exclude the Company's products from the Australian market, and the position is not rendered anything brighter by the uncertainty of the exchange situation. Even the Chairman himself, at the general meeting, was not confident of the prospects for 1920. "I do not wish to mislead the shareholders," he said, "by asking them to believe that 1920 is going to be anything better than 1919." The market, realising these facts, quotes the Ordinary shares at 12*s.*, whilst the Deferred shares of 1*s.*, which stand to benefit most during years of prosperity, have been marked down to 5*s.* The six per cent. Registered Convertible Debentures are quoted at 80½, yielding a return of nearly 6·7 per cent.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Particulars of these bonds, which are still on offer, appeared in THE STATIST of November 6, 1920.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier issues.

NEW SOUTH WALES INSCRIBED STOCK, 1930-40.

Offer at par of £4,000,000 Six and a-Half per cent Inscribed Stock, 1930-40. Interest is payable on February 1 and August 1. The principal is repayable at par on August 1, 1940, the Government of New South Wales having the option to redeem the stock at par after August 1, 1930, on giving three months' notice.

The loan is raised for permanent and reproductive works, and will be exempt of all taxes, duties and levies of the State of New South Wales. It ranks *pari passu* with the existing £2,500,000 Six and a-Half per cent. Inscribed stock, 1930-40, and is secured on the revenues of the State. The quotation for the stock already issued is 101½. The lists close on Saturday, November 20.

THE EBBW VALE STEEL, IRON AND COAL CO., LTD.

Offer for sale by the Imperial and Foreign Corporation of £1,500,000 Eight per Cent. Seven-year Notes at ninety-eight and a-half per cent., repayable at par on January 1, 1928. The notes are registered in denominations of £25, £50, £100, and £500. Interest will be paid half-yearly.

The document offering the issue for sale states that the Company has agreed not to create, without the consent of the note-holders, any Debentures or other prior charges other than to discharge the present Debenture liability or to secure banker's loans. The proceeds are required for the purpose of discharging certain capital liabilities arising out of the instalment of two new blast furnaces, coke ovens, and waterworks, and also for the purchase of Lancaster's Steam Coal Collieries, Limited, and in part satisfaction of the aquisition of shares in Associated Companies. The notes now offered are part of a total emission of £3,000,000, half of which has already been sold. They rank as to capital and dividend after £1,010,000 Debentures, but before the Preference and Ordinary shares, which amount to £3,700,000. The Ordinary dividends fluctuated considerably in pre-War years, but have been maintained for the past four years at fifteen per cent., a rate which the Chairman anticipates will not be reduced. Net assets, after allowing for the Debentures outstanding, are valued at £6,142,000, so that the notes are amply covered as to capital. The absence of a definite statement as to past profits vitiates what otherwise seems to be a desirable short-term investment. The flat yield is £8 3*s.* 9*d.* The lists close on Wednesday, November 24.

HADFIELD'S, LIMITED.

Offer of £1,000,000 Seven and a-Half per Cent. Ten-Year First Mortgage Debenture stock at [illegible] per cent., repayable at 102 per cent. on February 1, 1931. Interest is payable on February 1 and August 1.

The Company has a world-wide reputation for the manufacture of steel and alloy-steel castings and forgings and numerous other engineering products. The foundries in Sheffield, the largest in Great Britain, are capable of producing up to 200,000 tons of high-grade and special steel per annum. The issued capital is £2,145,034, and a further £1,000,000 is now required to defray the cost of adapting the works to post-War conditions, to provide additional working capital, and to extend operations generally. The Debenture stock is limited to the present issue and will be secured by trust-deed as a first specific charge on the Company's freehold properties and plant and a floating charge on the other assets. The Company reserves the right to anticipate the redemption date at any time on giving six months' notice. Net assets appear in the last balance sheet at £2,353,754, thus adequately covering as to capital the Debentures now offered. Certified net profits, before charging income tax, increased from £135,000 in 1912 to £595,000 in 1917, being reduced to £346,000 in 1919. As the Debenture interest will require an annual payment of only £75,000, its security is beyond doubt. The net yield is £7 17*s.* 11*d.* per cent., without taking into account the premium on redemption of £4 4*s.* 2*d.* per cent.

SIEMENS BROTHERS AND COMPANY.

Offer for sale of 481,875 £1 shares at 22*s.* each.

The Company, formed in 1880, manufactures cables, metallic filament lamps, and other electrical apparatus. In a letter to the British Bank for Foreign Trade (the vendors of the shares), the Chairman states that the value of the net assets, after deducting £977,600 Four and a-Half per Cent. Debenture stock outstanding, is £2,290,248, against a total issued share capital, including the present emission, of £1,500,000. No amount is included in the valuation for the large number of patents held by the Company. The new capital will be used for extensions of plant and for financing the increasing volume of business, the value of unexecuted orders in hand being approximately £2,750,000. The present market quotations for the shares is 24*s.*, and, though these now offered will not rank for dividend during 1920, the price of issue is likely to call forth a ready response. At the same time, it must be stated that the information supplied by the vendors is meagre, and no details are given as to profits and dividends in recent years. The lists close on Tuesday, November 23.

THE STANDARD HOUSING COMPANY, LIMITED

Offer of 207,500 Ten per Cent. Participating Preference shares of £1 each.

The Company has been incorporated, with a capital of £450,000, to exploit slate quarries and timber plantations and saw-mills in Wales. It also possesses mills and wharves on the river Medway and joinery works at Birmingham. By constructing a standard type of house, from which the work of the bricklayer and plasterer is largely eliminated, the Company expects to obtain very high profits. In the course of a lengthy prospectus, however, no estimate as to the actual cost of production per house is put forward, nor is there any statement as to contracts secured, except in the appended remarks of a Liverpool journalist. Without these vital details, extensive descriptions of individual properties, valuations of the surplus carports of the properties, and predictions of abnormal profits are not of great use. The Company may have discovered a solution to the national housing problem, but that it offers a remunerative investment remains to be proved. The lists have no definite closing date.

BRISTOL INDUSTRIES, LIMITED.

Offer at par of 51,892 Ordinary and 17,168 Eight per Cent. Cumulative Preference shares.

The Company has been recently formed to take over five Bristol concerns, including a foundry and cold-storage and haulage concerns. The authorised capital is £250,000. The properties and plant acquired are valued at £238,733, and the purchase consideration is £215,830, payable £180,830 in shares (32,812 being Preference) and £35,000 in cash. The Preference shares appear fairly well secured as to capital [illegible] profits statement [illegible] the Ordinary shares [illegible]

JAMES HOWELL AND CO., LIMITED.

[illegible]

established Cardiff drapery business. The authorised capital is £500,000, divided into 200,000 £1 Preference and 300,000 £1 Ordinary shares, of which 130,000 and 165,000 respectively have been issued. Net assets, exclusive of goodwill, figure at £423,678, which amply secures the Preference issue. Net profits, before charging income tax, depreciation, or Managers' commission, increased from £20,600 in 1911 to £39,600 in 1918 and to £73,200 in 1920. The total annual Preference dividend of £16,000 is, therefore, well covered, but it will be noted that the market for the shares is narrow. The Ordinary shares are of interest only to those with an intimate knowledge of the concern.

KADUNA PROSPECTORS, LIMITED.

The above Company has issued a statement in conformity with Stock Exchange regulations. It is an offshoot of the prosperous Kaduna Syndicate, Limited, and holds six mining leases covering an area of 690 square miles in Nigeria, and applications have been made for five exclusive prospective licences covering thirty-two square miles. Work was commenced in July 1918, and up to the present 147 tons of tin concentrate have been obtained. No prospecting work has been carried out on the exclusive prospecting licences, but the manager states that he believes them to contain large tin deposits. The advertised statement is not very informative, but the enterprise is under capable administration.

SCARAB OIL BURNING COMPANY, LIMITED.

Presumably with the intention of introducing the shares on the market, the directors have made a public statement in accordance with the Stock Exchange regulations.

The Company was incorporated in September 1919 to exploit the Scarab Oil Burner and three other patent rights. The purchase consideration was £130,000, payable £115,000 in Ordinary shares and £15,000 in cash. The authorised capital is £250,000, divided into 100,000 Seven per Cent £1 Participating Preference, of which 40,000 have been allotted for cash and 150,000 £1 Ordinary, all of which are issued. The statement gives no information as to the value of the patents held.

ISSUES TO SHAREHOLDERS.

Spencer, Turner and Bolders.—100,000 new £1 Ordinary at par in the proportion of one new for every five shares held. The right of renunciation for part or whole allotment is given.

Tara Tea.—15,000 new £1 Ordinary in the proportion of three new for every four Ordinary shares held. The right of renunciation is given and split forms will be issued.

Poonmadi Tea and Rubber.—£25,000 Nine per Cent. Debenture stock, redeemable at 105 in 1930, and carrying an option, expiring 1st June 30, 1924, to convert into fully paid shares of equal nominal value.

African Lakes Corporation.—50,000 £1 "A" shares at 25*s.* each in the proportion of one share for every four held. The right of renunciation is given.

Anglo-United Oilfields.—75,000 £1 shares at par.

PENDING ISSUES.

Anglo-Johore Rubber.—By a resolution of the shareholders, the capital has been increased to £175,000, of which £20,000 will be immediately issued to holders at a premium of twenty five per cent.

Café Copper Company.—£120,000 Eight per Cent. Ten-Year Debentures at par, carrying the right to convert into Ordinary and Preference shares at par during the currency of the Debentures.

Gordon Hotels.—£250,000 Eight per Cent. Seven-Year Notes at par, redeemable at 107.

Niger Company.—2,500,000 Eight per Cent. Seven-Year Notes at 98 per cent., repayable at 103 per cent.

Rassak (F.M.S.) Rubber.—To finance the purchase and development of an estate in the Ulu Selangor district, the directors propose to increase the capital to £80,000 by the creation of 600,000 shares of 2*s.* each.

Income Tax Acts as they affect the Public. By George Frederick Emery, LL.M. Price, 21*s.* net. London: Effingham Wilson. The rules and regulations relating to the income tax are generally considered to be framed for the purpose of making business for solicitors, inasmuch as they are generally too difficult for the average man to understand. It is well to have access to a volume which, while intended to be useful for solicitors and accountants, will be found of at least equal utility by the general public.

COMPANY ANNOUNCEMENT.

Hadfield's Issue of 7½ per cent. Debenture Stock.

£1,000,000 Offered at £98 per cent.
Repayable in 1931 at £102 per cent.

A Total Yield of £7 18s. per cent.

The world-wide reputation of "Hadfield's" as manufacturers of steel castings and forgings and other products focusses particular attention on this great Company's present issue of £1,000,000 Debenture stock.

Sound management, combined with a financial policy which has been from its inception an extremely cautious one, has enabled the Company to build not only an array of valuable assets, which may well make envious less conservatively managed concerns, but an array of profits over the last eight years, set out year by year, which could only have been achieved during so long a period, not owing to any exceptional or possibly abnormal period of prosperity, but by steady and conservative business methods, absent entirely from the distributions to shareholders during the latter portion of the Company's history.

These assets and these profits will be found fully set out in the prospectus inviting subscriptions to an issue of £1,000,000 of Seven and a-half per Cent. First Mortgage Debenture stock, of which each £100 of stock will be offered at £98, and of which all will be repaid on or before February 1, 1931, at 102 per cent. Assuming the Company allows the full term to elapse before repayment, the yield works out at £7 18s. per cent. per annum on whatever sum is invested. The Company, however, reserves the right to pay off the whole or any part of the stock at 102 per cent. before the expiration of the full term, which, if exercised, would result in an even greater yield.

But the importance of security is every day becoming better recognised as being of even greater moment than any question of a temporarily high yield. Even satisfactory high yield may be, and behind this stock is identified as security the whole of the business built up over so many years by this great firm.

Everyone is familiar with the enormous increase in present-day values over those but recently in force; but the Debenture stock will be seen to be amply protected even if these present-day values be totally ignored: and it is generally conceded that a considerable proportion of to-day's high values is likely to be permanent.

The net excess of assets over liabilities, including among the assets the net proceeds of the present issue, cover the Debenture stock three and a-quarter times as to principal if the balance-sheet figures are taken for freehold land and buildings, fixed plant and machinery; and these figures represent these items at the original cost less a very liberal depreciation. This excess of assets over liabilities is arrived at without taking any account of goodwill or patents.

The Debenture stock, moreover, constitutes a first specific charge on the freehold land and buildings, fixed plant, and machinery above referred to, and a floating charge on the undertaking and all other assets.

As regards the profits of the Company, which the cautious investor will look into carefully, the Company's auditors are able to set out profits year by year and to certify that over the last eight years the average profits, after adjustment, have been at the rate of £344,579 per annum, after payment of all outgoings, depreciation, munitions levy, excess profits duty, &c., but before charging income tax; while in one year the remarkable figure of £595,247 was attained.

During these years the dividends on the Ordinary share capital have averaged twenty four per cent. per annum (free of tax), although in 1919 the reserve fund and part of the undistributed profits were capitalised and issued in the form of bonus shares, while 400,000 new £1 Ordinary shares were issued to the Ordinary shareholders at a premium of 10*s.* per share.

The issue has been underwritten by B.S.T., Limited, and is of the type with which this financial house is generally associated.

MEETINGS
OF PUBLIC COMPANIES.

IMPERIAL OTTOMAN BANK.

Conditions in Turkey : Increased Volume of Business.

[illegible] Annual General Meeting of the Bank was held on November 17 at [illegible], London, E.C.

[illegible] Governor, presided and said: Gentlemen, before proceeding to refer to the various matters connected with the Bank's business during the past year, I must deal with the deeply regretted death of our colleague Mr. [illegible], who was a member of the Board of Directors for nearly [illegible] years, and whose loss we all deplore. His place on the Board has been filled by the election of Mr. [illegible], who has been a member of the Paris Committee for [illegible] years. Mr. [illegible] has also been appointed a Director of the Bank's business in Paris. At the outset I think it is my duty to say that, in the abnormal condition [illegible] of political affairs, I [illegible] to the general business [illegible] Turkey in the past year [illegible] springing directly from the Bank's business. At the outset I think it is my duty to say that, in the abnormal condition of political affairs in Turkey, and to the general business depression throughout the world, the Bank has had to contend with difficulties and dangers which have seriously affected its business.

Review of the Past Year.

Before turning to the balance sheet to December 31, 1919, I would refer briefly to the conditions under which we have been working during the year. The delay in the [illegible] and the [illegible] of the country. The various political changes at Constantinople, and later the Anatolian disturbances with the consequent military intervention, were also adverse factors. The harvest of 1919 [illegible] was good, although the difficulties of transport continued [illegible] necessary to any improvement in the Turkish exchange. Imports [illegible] of the country [illegible] with a view to re-export to Russia. The closing of the Russian and Anatolian markets, however, caused much congestion and consequent commercial embarrassment. In the districts free [illegible] increased amounts, but owing to the depreciation of currency, they remain insufficient to meet the foreign obligations for the payment of which they are hypothecated. Now that the Treaty of Peace has been signed and, pending the definitive appointment of the Financial Commission stipulated therein, a provisional controlling commission instituted, it is to be hoped that preliminary measures of reorganisation of the Turkish finances will shortly be adopted until such time as the [illegible] can be resumed. The period covered by [illegible] and [illegible] placed before you witnessed a considerable increase in the volume of our commercial operations, in spite of the political disturbance which existed and unfortunately still continues to exist in Turkey. The activities of many of our branches have been curtailed, particularly in the interior of Anatolia, which is entirely cut off from direct communication with Constantinople, and in some cases there it has been necessary to close the branch [illegible] for the time being. I would [illegible] tion, we have to record with deep regret that two members [illegible] staff [illegible] massacre. In face of these difficulties and dangers the staff [illegible] The policy of the Committee, which has been directed to the development of commercial business, proved, we think, fully [illegible] of Turkey, to which I have referred, and the general condi-

Exchange Problems.

[illegible] heavily affected by the depreciation in the Turkish pound [illegible] feel justified in asking you to appreciate the foresight with which, since the period of the Balkan War, they anticipated difficulties in Turkey, and consequently arranged accordingly the distribution of the Bank's funds. Had this pre- [illegible] of funds [illegible] the Bank have to be presented, would have been extremely serious. The decline in the sterling value of the franc to [illegible] would not have been similarly provided for. Before the War the exchanges [illegible] its aftermath, currencies generally have been subject to violent fluctuations, and, in the case of the Turkish pound and the franc, have experienced unprecedented depreciation [illegible] rates ruling were 370 piastres and 41 francs to the pound sterling, and these were the rates applied for the purpose of the balance sheet now presented to you.

The balance standing to the credit of the profit and loss [illegible] unsettled condition of affairs in Anatolia and elsewhere, and [illegible] balance sheet, as you are aware, there has been a further heavy depreciation in the sterling value of the Turkish pound and the franc, which causes a diminution of sterling valuation for the balance-sheet figures, especially in that part of our assets which are at present in francs. The making of a provision for this diminution will absorb the carry forward and even part of the Statutory Reserve, but it is to be hoped that this low value of the franc is only temporary.

Changes in the Committee.

As you will have observed from the report, several changes have taken place in the Committee. In the first place, you are asked to confirm the election to the Committee in Paris of M. [illegible] Hottinguer. In the second place, we have to note with great regret that Messieurs le Comte A. de Germiny and [illegible] have retired. These two vacancies have been refilled by the election to the Committee in Paris of Messieurs H. Finaly and A. Berthelot, respectively of the Banque de Paris et des Pays-Bas and the Banque Industrielle de Chine, two institutions with which we are on terms of close and friendly collaboration. Elections to the vacancies on the Committee in London have also to be confirmed -i.e., Lord Hillingdon, Lt.-Col. Sir Albert Stern and Sir W. Guy Granet.

The huge increase in the cost of living in Turkey and the Near East has necessitated our allowing further increases [illegible]

To Mr. [illegible] discharge the functions of director-general until the end of 1919, we wish to record our gratitude for the distinguished [illegible] eighteen years during which he devoted himself to the furtherance of its interests.

In conclusion, I would add that our more recent expansion has been in the opening of an office in the Ashar district of Basra, as well as a branch at Kermanshah, which we are of opinion will assist in the development of our business in Mesopotamia. There, as elsewhere, we are devoting every energy to the assistance of trade development, and the offices more or less especially organised for this business, such as Manchester, London, Marseilles, Tunis, Egypt, Bagdad, and Basra are displaying most energetic efforts in assisting various trades, and the results should be satisfactory both to trade and the shareholders.

Speaking at this time of year, I think that you will be interested to know that the working results attained for the first six months of the current year have been gratifying. We think this will be satisfactory to the shareholders, considering the difficult period through which we have been [illegible] by the Committee.

I cannot sit down without asking you to join with me in heartily thanking our management and staff at home and abroad for the devotion which they have shown to the interests of the Bank in face of so many difficulties and increased volume of work during recent years.

The report and accounts submitted were unanimously [illegible]

ASSAM-BENGAL RAILWAY COMPANY, LIMITED.

[illegible] November 16 at the office, Bishopsgate House, Mr. James M. Rendel presiding.

[illegible] exercise his power of determining the Company's working contract at the end of next year. What they had now to [illegible] different from what it was that day. The directors claimed that all railways now existing or hereafter [illegible] their terminus at Chittagong, on the Karnafuli River, was

its natural port. The directors held, therefore, that unless this principle of administration was recognised and not only recognised, but acted on by losing the Company as a first step the control of the Dhond-Manmad-Kalyan-Jaggonathpur line, which was at present under State management, as an outlying part of the Eastern Bengal State Railway, neither the Assam-Bengal Railway nor the port of Chittagong could be afforded the unrestricted opportunity of development to which railway and port were both equally entitled. The next point on which the Company were specially dependent on the help of the Government was the physical improvement of the port of Chittagong. Assuming that they could count on the support and encouragement of the Government of India in regard to these two matters, he thought that the progress they had been able to make under the difficult conditions of the past was of such a character as to justify them in saying that they would enter on their next tenure with a fair prospect that the great capital expenditure already involved in the construction of the Assam-Bengal Railway would ultimately be made directly remunerative. He concluded by moving the adoption of the report and accounts.

The Managing Director (Lieut.-Col. George Huddleston, C.I.E., V.D.) seconded the motion, which was carried unanimously.

BENGAL-NAGPUR RAILWAY COMPANY, LIMITED.

Industrial Progress of India.

THE SIXTY-SECOND ordinary general meeting of this Company was held at Gresham House, Old Broad Street, E.C., on November 18, Mr. Robert Miller (the Chairman) presiding.

The Managing Director (Sir T. R. Wynne, K.C.S.I., K.C.I.E.) read the notice convening the meeting and the report of the auditors.

The Chairman, in the course of his speech, said: Our gross earnings for the year were Rs.657 lacs, as compared with Rs.620 lacs for the previous year. These figures show that with the same mileage worked as in the previous year our average earnings increased from Rs.441 per mile to Rs.469.

The number of third-class passengers, who are the backbone of the coaching traffic, increased from 16,000,000 to 18,100,000 in 1919-20. The tonnage of our goods traffic increased by half a million tons, and our gross receipts for the same by Rs.11 lacs.

Taking our working expenses, in 1918-19 they were Rs.307 lacs, and in 1919-20 they were Rs.384 lacs.

The general result of working for the year under review has been the satisfactory increase in gross receipts, but also, on the other hand, a very large increase in working expenses. You are all aware how enormously the cost of living has increased, together with the great rise that has taken place in wages, and in the cost of all materials, plant, and rolling-stock required for railway purposes.

In spite of every attention and care taken to keep expenditure within the most economical limits, the percentage of working expenses for the year 1919-20 has been 58.54 per cent. of the gross earnings, as against 49.01 per cent. for the previous year. It may be taken that this rise in the cost of working has come to stay, and, in fact, in regard to wages and salaries, I think we may have to assume that we have not yet come to any state of stability.

Increased Rates Proposed.

With the cost of working increased from a cause beyond control it is reasonable that the rates charged to the public for railway transportation should be increased in India as they have been increased in England. Indian railways have been able to make some increase in rates to compensate towards the high cost of working, but, as you are aware, the charges they are authorised to make are limited by maxima and minima rates for each class of goods in a classification laid down by the Government of India. These maxima and minima rates were fixed many years ago, and the fixing of them is a function pertaining solely to the Government.

Under the conditions now existing all over the world as a result of the Great War, I should submit that the Government of India would find ample justification for a review of the subject of rates.

The policy in the past of the Indian railways has been to refrain from exacting to the full the maxima charges which they were entitled to make under the Government classification, but rather to regulate the rates for each commodity on lines calculated to assist in the development of industry and commerce, while at the same time giving the railways a fair return for the service rendered by them. This policy the railways have held to as far as possible in revising rates within the existing maxima to meet the additional cost of working, but if this policy is to be maintained in the course of the further rise in rates which is necessary to cover the increased cost of working, it is obvious that the existing maxima will have to be reconsidered, and the onus for acting in respect of the raising of the maxima rests on the Government.

The existing mileage of the Indian railways is, relatively to the size of the country, extremely small. India itself is now moving rapidly in the direction of industrial development, and to assist this most desirable move additional railway transport is absolutely essential. This will not be forthcoming unless, and until, the revenues of the existing railways are expanded, so as to counterbalance the great rise in working expenses, and also to give a fair return on the capital invested. It is in the interests of India and its people that the capital invested in these railways should receive a fair dividend, and it is of the highest importance for the development of the country that capitalists should be encouraged to invest in the expansion of the Indian railway system.

Large Field for Development.

Having shown by an analysis of the figures of the railways as a whole, from 1881 onwards, how the production and movement of goods had grown with the increase of railway mileage, the Chairman continued:—

As far as the Bengal-Nagpur Railway is concerned, the demands on it to expand its system to meet the development of industry and commerce are large. They will grow, and they should be met, as we hold that is the duty of a railway to provide for all the traffic which is offered to it.

This railway, as you know, serves a great coal and mineral area of India. On its system are situated the Tata Iron and Steel Works, which are the only steelworks at present in India producing steel. The production of steel in India is in its infancy, and, in the opinion of this board, India will eventually become one of the largest steel-producing countries in the world.

A new steel company is about to establish itself on our railway system, and schemes for other installations are being matured. These must be provided with adequate railway communication. An immense new coalfield, called the Karanpura, is about to be opened up by the extension of the Ramgarh Bokharo Branch into it.

Turning now in another direction, we have in hand the construction of a port at Vizagapatam, which will give a much-required harbour on the East Coast.

Arrangements have been made to acquire the large area of land needed for this purpose, and active operations are shortly to be taken in hand. An essential component of the scheme is, of course, the Raipur-Vizianagram Railway, to connect the port with our main line, and of this line about sixty miles have already been built.

In addition to this work we have to double sections of our single line where the traffic has reached its carrying capacity, and we have to provide new yards and station facilities, and largely increase our rolling stock.

This railway has, in fact, before it an immense field for development in directions which will largely increase the trade and commerce and prosperity of India, and be beneficial to the earning capacity of the railway itself. The difficulty before us is how all the capital required for this development is to be provided.

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Need for Capital.

At present our capital requirements are met by the Government of India out of the yearly sum they are able to provide under what is called the Railway Programme, and with the growing demand for railway equipment and extensions in India, the annual amount of capital available is nothing like sufficient to meet the requirements of the Indian railway system. It seems, therefore, that the Government of India to meet these demands must presently adopt methods for raising capital other than those which they have followed in the past—that is to say, methods more in accordance with modern financial conditions, and unhampered by the traditions of finance, which, up to the present, have been rigidly, and no doubt wisely, adhere to.

This question of the future financing of the railways of India is, I am glad to say, about to be thoroughly inquired into by the Railway Commission which is proceeding to India this winter, one of the terms of reference on which they are to report being the following :—

"To consider the arrangements for the financing of railways in India, and particularly the feasibility of the greater utilisation of private enterprise and capital for the construction of new lines."

With regard to private enterprise, there is a very considerable field to work in within certain limits. Additional main trunk lines are not required in India, and to construct more of them, would be seriously to affect the old-established routes, and be uneconomical only for export trade. What is really wanted is the development of the areas through which each individual railway runs, and for this purpose private enterprise is very well suited. Up to the time of the War, a not inconsiderable mileage of feeder lines was constructed under what are called the Branch Line terms of the Government of India. This Company is prepared to assist private enterprise on branch line terms, and we appreciate that the pre-War terms are now insufficient, and that better must be given if there is to be real progress. It seems, therefore, that the first thing to do is to bring these branch line terms up-to-date.

Investment Merits of Indian Railways.

Indian railway companies are, in my opinion, one of the best investments in the world. The railways have been soundly and economically constructed, expenditure on capital and on revenue account is carefully controlled both by the Government and by the home boards. India is developing rapidly its trade and industries, and this means more demand for transport facilities. Our future is a great one; and we cannot yet see the end of the new traffic which is waiting only for us to give it facilities. I cannot help thinking that investors in Indian securities allow themselves to be influenced by the Indian political situation to a degree not justified by the facts. In my opinion there is no need for alarm about the future of India. The people of India are born traders, and as such will realise that in order to attract capital to Indian railways a fair rate of interest is indispensable, and that unless the charges made to the public for railway transportation are sufficient to maintain the lines in a high state of efficiency, and also to provide a reasonable dividend to the investor in railway stocks, the standard of maintenance and working must deteriorate, and the trade and commerce of the country will be adversely affected thereby.

The report and accounts were unanimously adopted.

The dividend as recommended was approved; the retiring directors (Mr. R. Miller and Mr. F. Schooling) were re-elected; and the auditors (Messrs. Gerard Van de Linde and Son, and Messrs. W. B. Peat and Company) were re-appointed.

WARING AND GILLOW, LIMITED.

Expansion of Ordinary Business—The Board's Financial Policy.

The annual general meeting of this Company was held on November 16 at 150 Oxford Street, W., Mr. W. J. Jennings presiding.

The Chairman, in moving the adoption of the report and accounts, said: I think you will agree with the directors that the balance of profit, amounting to £194,992, after charging amortisation of leases, directors' and auditors' fees and trustees' remuneration, but subject to excess-profits duty and corporation tax, is a very satisfactory figure, having regard to the difficult period covered by the accounts—a period marked by the changing over from the production of articles needed by the Government for the prosecution of the War to the ordinary requirements of our clientèle in time of peace. This figure compares with £1,101,535 for the three years to January 31, 1919, or an average of £398,078 per annum. One has but to remind you that for the year ended January 31, 1915, our profits were £35,216, and for the year ended January 31, 1916, £100,884, as compared with the figure of £194,992 to-day—and these are the true figures for comparison—to realise how far the Company has progressed. Our up-to-date and well-equipped factories at Lancaster, Liverpool, and Hammersmith have been reorganised on a peace footing, and are again working with the full strength available in producing the highly artistic furniture, equipment, and decorative work for which the firm is famous.

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BANKERS [illegible]
Head Offices and Works: BOLTON.
LONDON MANCHESTER
66 Gracechurch St. [illegible]

Balance Sheet Items.

Turning now to the balance-sheet, the cash at bank, in hand, on deposit, and investments in War Loan as at January 31 last, £99,054, compares with £372,698 in the previous year—a difference more than accounted for by payments during the year on account of excess-profits duty. Our book debts and debit balances show a very large increase as compared with last year namely, £1,222,410, as against £577,114. This difference is due—apart from payment on account of excess-profits duty—to the increased book debts, which naturally follows an expansion of business. From inquiries which have reached us it has been suggested that a considerable proportion of this large sum may not be sound. Let me assure the shareholders in the most unequivocal manner possible that the directors are satisfied that ample provision has been made for all bad and doubtful debts. The stock-in-trade and works in progress show a large diminution, the figures being £821,437, as against £1,681,583. The investments in and amounts due on current accounts by subsidiary companies show a diminution of £106,330, the figures to-day being £715,989, as compared with £822,319.

The freehold and leasehold properties show an increase of £206,000, the sum to-day standing at £407,774—an increase entirely made up of expenditure upon our factories and other properties, and in the acquisition of properties in Bold Street, Liverpool, occupied by the Pioneer Stores; property formerly occupied by Ridgways at the corner of Titchfield Street and Oxford Street; also property in Winlsey Street and Castle Street, generally known as the old Princess's Theatre. Our building in Bold Street, Liverpool, now comprises a block of property occupying one of the best positions in the city, with a frontage of upwards of 125 ft., and forms a highly important and valuable block, said by those competent to judge to be worth considerably over £100,000.

Excess-profits Duty.

The really important question before the directors—one which has caused them the greatest concern—is the incidence of that crippling tax, the excess-profits duty. It is a matter intimately bound up with the payment of dividends. When we met you last year there was a general feeling in industrial circles that this tax, which was understood to be a purely War tax, would be removed entirely. Certainly few people thought it would be increased; and I then ventured to suggest that assuming trade continued to improve—as, in fact, it has done—and the tax were removed, or even not increased, the board hoped to be in a position to pay off the arrears of dividend on the Preference shares. We also hoped that before we met the shareholders again we should have disposed of all outstanding questions with the taxing authorities. In both these matters we have unfortunately been disappointed; not merely was the tax retained, but it was increased from forty to sixty per cent., and we are still contending with the taxing authorities as to our liability.

The excess-profits duty hits with special severity companies such as ours with no pre-War standard of profit. When the Company was reconstructed in 1912 it was thought that an excellent thing had been done by reducing and rearranging the capital; as events have turned out this has proved extremely disadvantageous. Had the old capitalisation remained, the standard percentage would have been several times what the authorities contend it should stand at to-day, and we should have been relieved to a great extent of the burden of this punishing tax.

Mr. H. W. Weaving seconded the resolution, and, after the Chairman had replied to various questions, it was put to the meeting and carried unanimously.

BERANANG (SELANGOR) RUBBER PLANTATIONS, LTD.

The tenth ordinary general meeting of this Company was held on November 15 in the Council Chamber of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. E. G. Money presiding.

The Representative of the Secretaries (Messrs. Boustead Brothers) read the notice and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said that the issued capital of the Company stood at £72,703, of which £65,472 was in Ordinary shares and £7,231 in Preference shares. During the past year about £3,300 was expended on capital account—on improvements and on extensions of cultivation—and they had written off £1,000 for depreciation. They had transferred £5,000 to reserve, bringing it to £15,000, and had carried to the balance sheet, subject to any liability there might be for excess profits duty, £9,250, and with the amount brought forward they had a balance of £9,792. Generally speaking, he thought the results of the year's working might be considered satisfactory. They were gradually extending the acreage under cultivation. In 1919 they added 85 acres, bringing the total to 1,132 acres, and at the present time they were about to plant up a further 98 acres. The directors recommended the payment of the usual ten per cent. dividend on the Preference shares, together with the proportion of the surplus profits due to those shares, and the payment of ten per cent. on the Ordinary shares, leaving £958 to be carried forward. They considered themselves to be in a position to work the estate even at the very low price of 1*s.* per pound for rubber, so as, very nearly at any rate, to cover production expenses; and as to the additional expenditure represented by outlay on improvements and development in hand, they had cash enough to provide for that. Unless, therefore, anything very unforeseen and very much worse than at present existed should arise, he thought he might say there were no grounds for any anxiety.

Everyone knew that during the past ten years plantation rubber had had many ups and downs, but a position such as now existed had never previously occurred, and he thought the present slump was due to very different causes from those which had produced previous depressions in prices, and for that reason it was only prudent to assume that it might take somewhat longer before they saw more normal conditions obtaining. The Rubber Growers' Association had formulated a restriction of output scheme, but some little time must elapse before its effect could be felt. In further remarks the Chairman referred to a scheme which the directors had under consideration with a view to the conversion of the Preference shares of the Company into Ordinary shares.

Mr. W. R. Davies seconded the motion, which was carried unanimously, and the dividends recommended were declared.

TANJONG MALIM RUBBER COMPANY, LIMITED.

The tenth ordinary general meeting of this Company was held on November 16 at the Cannon Street Hotel, E.C., Sir Frank A. Swettenham, G.C.M.G., presiding.

The Chairman said that the production of rubber for the twelve months ended June 30 last amounted to 1,817,374 lb., being 52,626 lb. short of the estimate, but 340,715 lb. in excess of the harvest for the previous year. The shortage was due to the extension of alternate day tapping, but the yield per acre was 274 lb., against 223 lb. in the previous season. The cost of production showed a slight reduction of about 1¼*d.* per pound f.o.b., and just over ½*d.* per pound "all in." The average gross price obtained for the whole harvest was excellent, being just over 2*s.* 2¾*d.* per pound, against rather under 1*s.* 7¾*d.* in the previous year. The profit was therefore 11*d.* per pound, as against a little over 3½*d.* per pound for the year 1918-19. The actual profit on the twelve months' production was £87,086, which compared very favourably with the £22,310 of the previous year. The directors recommend the payment of a dividend of ten per cent., free of income tax, which would absorb £49,987, and leave £17,204 to be carried forward. The two divisons which combined to make the 6,617 planted acres of the Company's property were now under new managers, and the board had great hopes that they would succeed in making economies in costs of production without detriment to the well-being of the plantations. Making due allowance for the restricted production, the harvest for the current twelve months was estimated at 1,350,000 lb., and towards that total 541,720 lb. had been produced in the first four months of the financial year. Referring to the prospects of the industry, he said that there was a very large stock of unabsorbed rubber—over 40,000 tons now, and it might be 50,000 tons by the end of the year. Until that was got rid of the position could not improve. Having regard to the strong financial position of the Company, and the fact that they had contracts to deliver over 800,000 lb. of rubber throughout the year 1921 at over 2*s.* per pound, the directors were justified in paying a dividend of ten per cent., free of income tax.

The report and accounts were adopted.

ANGLO-UNITED OILFIELDS, LIMITED.

The first ordinary general meeting of this Company was held at Winchester House, E.C., on November 19, Sir Trevredyn R. Wynne presiding.

The Chairman said that the Company began to produce oil in April of this year, and had made a profit for the six months to the end of September of close upon $40,000, without deducting depreciation and taxation. When they first commenced producing oil they made a contract with the Riverton Refinery Co. for the sale to them of 60,000 barrels at a price of forty per cent. above that ruling when the Company was formed. Mr. Campbell Hunter, their Consulting Engineer, who had just returned to England from a visit to the property, had been able when in the United State to rearrange this contract on a higher basis as from September 1, 1920. This new price would be still further increased under a sliding scale so soon as their deliveries of oil increased in tonnage and the sale price of Oklahoma oil rose. From September 1, therefore, they were receiving a minimum of sixty per cent. over and above the price per barrel a year ago, with the certainty of a further rise as they increased their output and should the market price of Oklahoma oil rise. The total output of crude oil from the property up to the end of September was 49,297 barrels, of which 40,360 were delivered to the Riverton Refinery by the end of that month the deliveries during September (7,050 barrels) being at the new increased price. Their new wells had been drilled in the vicinity of the old wells, and shareholders would thus appreciate the large extent of pro-

perty in which up to the present no wells had been sunk. It might be fairly said that they had hardly tapped their real sources of future supply of oil. At the end of October they had 18 old wells producing oil and 15 new wells drilled, all producing oil except one, which was drilled on the boundary of the property to test a small area there. Since the date of the statutory meeting in January last, when they had on hand about £42,000, they had remitted £35,000 to America for the work to which he had referred, and a further sum of £22,500 for the purchase of the Wyopo Pipe Line. To meet the difference and to cover other expenses the directors and their friends had guaranteed £20,000, most of which had been called up. To increase the output more wells must be rapidly drilled in the large new area which so far had been left untouched. For this purpose and to replace some of the amount expended on the purchase of the pipe line, they required a modest amount of additional capital, and it was proposed that the nominal capital should be increased from £225,000 to £350,000, so as to allow of the immediate issue of 75,000 more shares. This issue of 75,000 shares would be offered to the shareholders at par, and part of the issue had been underwritten on terms which were considered very reasonable in these times.

A resolution was passed adjourning the meeting until after December 31 next for presentation of accounts to that date, and at an adjourned extraordinary general meeting the proposed increase of capital was arranged to be effected.

DALGETY AND COMPANY, LIMITED.

The thirty-sixth annual meeting of Dalgety and Company, Limited, was held at the offices, 45 Bishopsgate, London, on November 19.

The Acting Chairman (Sir Lionel Fletcher) said he thought he was justified in congratulating the shareholders on the balance sheet presented, more especially when it was remembered that the past year had imposed upon the Company its own specially heavy financial obligations. The heaviest special call upon the profits of the year was the provision that had had to be made for the heavy fall in values of the reserve fund and other investments. Although they had invariably written-off any depreciation as it occurred, and had kept the book value of the reserve fund and investment stocks at their safe market values at the close of the financial year, it had been found necessary on this occasion to write off a net sum of no less than £111,497. This, it might reasonably be hoped, brought them nearly, if not quite, to the end of the drop in values of these gilt-edged stocks, and, as the details of the investments given in the balance sheet would indicate, it merely meant that the fortunate shareholders of later years would reap the benefit as the stocks matured and were paid in full.

Australian Prospects now Satisfactory.

At the date of the last annual meeting the season in Australia was distinctly unfavourable, and, as the months went by without any general fall of rain, the situation grew worse and losses of stock became increasingly serious. However, the outlook had now been quite transformed, owing to several copious and general falls of rain all over Australia, and prospects in all the States were at present highly satisfactory. New Zealand had had a better season than in 1918-19, and the outlook for all the staple products of the Dominion was quite satisfactory so far as quantity was concerned, but the market prospects for the wool clip were decidedly disappointing at the moment. The scheme under which the British Government purchased the Australian and New Zealand wool clips terminated on June 30 last, and the old method of sale of the wool had now been resumed. Unfortunately, the market was seriously handicapped by the heavy unsold Government stocks of old wool, amounting to not less than 2,500,000 bales, and by the absence of demand for certain classes, notably coarse and inferior qualities. The result would be a slower realisation of the clip and a less satisfactory return than they had been accustomed to for some years past, and there seemed no prospect of any substantial relief in this respect until conditions in Central and Eastern Europe were more settled, and business and financial arrangements could be made to enable the enormous wool-using population of those countries to obtain the supplies of which they were so badly in need. When this state of things came about the liquidation of the unsold Government stocks would be greatly helped and expedited. Meanwhile, though they had the obstacle just mentioned to surmount, the future held out the promise of substantial, and, he might even say, full compensation, through the medium of the wheat crop, the prospects for which at this stage could hardly be more satisfactory. Should these prospects materialise at harvest time the money returned to Australia at current market values would be enormous, and far in excess of anything hitherto realised by the Commonwealth from this source.

Valuable Wheat Crop.

Estimates of the value of the coming wheat crop to Australia had reached as high a sum as one hundred millions sterling, and even a good deal less than this would mean a prosperous year to that country, and in this their Company would naturally share. At the date of the last annual meeting the interests of [illegible] Australia and New Zealand were seriously prejudiced by the [illegible] ample supply of tonnage for present needs, and the congested conditions which existed for so long had practically disappeared. The Chairman mentioned in 1918 that an attempt was being made to alter the conditions under which pastoral leases had been granted by the Government of Queensland, and to [illegible] rental than the one originally agreed upon, and he pointed out that such action on the part of the Queensland Government would constitute a gross breach of contract if carried into effect, and would inevitably react most prejudicially upon the credit of Queensland. The repudiatory legislation referred to had now been made law, having been forced through the Queensland Upper House by the aid of fourteen new members and supporters of the Government who were specially appointed with the above object in view. The natural result had quickly followed, and the credit of Queensland had, unfortunately, suffered to an extent for which the revenue arising from the increased rents now being imposed would never compensate. Shareholders were informed at the last annual meeting of the sale of the Company's Bishopsgate premises and the purchase of a freehold site in Crosby Square, with the intention of erecting suitable offices thereon. Owing to a variety of causes they had been unable to make any appreciable progress in the way of building, but they expected that building operations would be in full swing early in the New Year.

Allocation of Profits.

In dealing with the profits available for distribution, the directors proposed to pay a final dividend of 5s. per share, being at the same rate as last year, namely, ten per cent. per annum, while an additional one per cent. was added to the bonus, making it five per cent., so that the total distribution for the twelve months amounted to fifteen per cent., free of British income tax, as compared with fourteen per cent. last year. The amounts proposed to be allocated to reserve fund and staff benevolent fund were the same as last year, but the directors recommended that an extra £20,000 be applied this year to writing down premises. He deemed it his duty to sound a note of warning with regard to the future. The earnings of the Company during the past year had been easily a record, as a result, broadly speaking, of the high prices of the varied commodities which were handled by their many-sided business. To-day, however, the outlook was very different to what it was a year ago. Now the tendency of prices was for the most part distinctly downwards—a movement which was intensified by the world-wide financial stringency and general unsettlement, while the realisation of the Company's staple products was sometimes difficult, and occasionally almost impossible, for the moment. For these reasons caution dictated that they should prepare for a lower standard of earnings, and if the present conditions should pass away sooner than seemed likely at present, and it should fortunately prove to be the case that they had been unduly pessimistic, so much the better. However, come what might, shareholders could safely rely that Dalgety and Company would maintain its relative position in the commercial and financial world, and it might happen that any reduction in earnings would be largely compensated by smaller figures on the debit side of the ledger.

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Australia and New Zealand : Pastoral and Agricultural Conditions.

Having dealt with the figures appearing in the balance sheet, the Acting Chairman said he would pass on to the latest report as to pastoral and agricultural conditions and prospects in Australia and New Zealand, as to which he was pleased to be able to speak more cheerfully than was possible a year ago. The latest cable advices read as follows :—

Australia.—Pastoral prospects are particularly good all over Queensland, where the fly trouble has somewhat abated, and good throughout the rest of Australia except in the Upper Murchison District of Western Australia, where dry conditions still prevail. It is estimated that, as a result of the recent drought, the present season's Australian wool clip will be about sixteen per cent. less than that of 1918-19.

The agricultural outlook is excellent in New South Wales and Victoria, and good elsewhere; and substantial exportable surpluses of cereals may be looked for from Victoria, New South Wales, and South Australia.

The dairying districts of Queensland are experiencing an excellent season, while conditions are good in New South Wales and prospects promising in Victoria. A largely increased production as compared with last year is forecasted, especially in Queensland and South Australia.

New Zealand has had an open winter and a wet spring, which has assured an abundance of food for stock, which are fetching high prices. The lambing has been well up to the average.

The outlook for the frozen meat, dairying, and agricultural industries is good, but for wool the prospects generally are unfavourable.

A good demand continues for dairying and agricultural land, but there is less inquiry for pastoral properties, though up to the present values have not receded.

Mr. Stephen Fairbairn seconded the motion, which was carried unanimously.

The retiring directors and auditors were re-elected, and a hearty vote of thanks to the Chairman, the board of directors, the local boards of advice, and staff concluded the proceedings.

We are asked to announce that the Offices of the Central Bureau of Statistics of Holland have been removed to 2 Oostduinlaan, La Haye, Pays-Bas. At the same address is the Office of the International Institute of Statistics. The Director of the Bureau is Mr. H. W. Methorst.

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The Statist.

LONDON, SATURDAY, NOVEMBER 27, 1920.

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The Money Market.

Bank of England Rate... 7% (Apr. 15, '20) 6% (Nov. 6, '19)
Deposit Rates:—
[illegible]

Discount Rates:—

	%	%	%	%
Treasury Bills ...	—	[illegible]	[illegible]	[illegible]
Bank Bills	6½	[illegible]	[illegible]	[illegible]
Trade Bills	[illegible]	7-7¼	7¼-½	7½

GROWING STRINGENCY.

[illegible] in the annual balance sheets, reacted adversely on borrowers in the Money market during the week, and since Wednesday the central institution has been repeatedly called on for funds. The amount thus borrowed, however, was small, for the shortage of floating credits in the open market was not very pronounced, though up to 6 per cent. had to be paid occasionally for day-to-day loans. The general range of rates, however, was 5½-5¾ per cent. The Discount market was again very quiet, but rates were characterised by firmness throughout.

Since the beginning of November borrowers have been subject to a gradual but none the less apparent difficulty in obtaining accommodation, and, unless the forthcoming large Government disbursements relieve the situation, this difficulty should become more pronounced next month. At the same time, the future does not give ground for any serious uneasiness, though the shortage of ready money experienced by so many companies at present will probably become a more prominent feature in the near future. A few minor difficulties were reported during the week: the failure of a small bank near Barcelona was announced, but it is understood that the Bank of Spain [illegible] to its relief with 15,000,000 pesetas.

Foreign Exchanges. Last week's reaction in the New York rate after the previous sharp fall extended into the early part of the present week, until on Tuesday a quotation of 3.50⅞ was reached. The recovery was not fully maintained, but no serious reverse set in, and to-day there was another upward movement to 3.49⅜. A definite easing of the credit situation in New York has developed, and this should serve to prevent a fresh collapse in the dollar value of sterling. South American rates were more irregular during the week; the Buenos Ayres rate moved in sympathy with New York, but Montevideo transfers became cheaper at 51⅞*d*. On Monday and Tuesday the currencies of France, Belgium and Italy appreciated, and on the two following days renewed weakness developed, but to-day there was a moderate improvement. The German mark again displayed remarkable strength; by Tuesday the quotation fell to 235 to the £; later it reacted to 250 but again fell 5 points to-day to 245. The [illegible] the week is a depreciation in terms of sterling. The [illegible] 11.43¾; on the three following days the movement was [illegible]

currency must fail because they are mere palliatives instead of remedies. The latest example of their futility is that of Finland, whose restrictions on dealings in exchange have recently been discontinued, as it was found that they proved a serious impediment to trade while benefiting in no way the exchange value of the Finnish mark. The collapse of Eastern currencies still continues: the Shanghai tael was quoted at as low as 4*s.* 7*d.* and the Hongkong dollar at 3*s.* 6¾*d.* Even the rupee shared in the weakness, and to-day's quotation, 1*s.* 6⅝*d.*, marks the lowest point reached since the Government of India discontinued the system of selling Reverse Councils.

Income and Expenditure.

The improvement shown in the national accounts during the week ending on the 13th inst. was repeated more markedly last week, when there was a surplus revenue of £7,342,000, as compared with £4,652,000 previously. Expenditure rose by £3,053,000 to £14,836,000, but on account of an increase in Excise receipts to £13,544,000, revenue was £5,733,000 higher at £22,167,349. The surplus thus occasioned was increased by a further excess of Treasury bill receipts over maturities; sales amounted to £77,665,000, and maturities to £76,330,000, the net receipts being £1,335,000, as against £267,000 during the previous week. Among other items, net receipts for Savings Certificates were £200,000. Treasury Bond sales were again higher at £601,000, the total subscriptions to date being £13,100,000; Government securities cancelled in payment of excess profits duties and death duties amounted to £1,197,000, and the depreciation fund absorbed £1,000,000. A net repayment of £6,350,000 in Ways and Means Advances was effected, advances of the Bank being reduced by £5,250,000 to £50,500,000, and advances of public departments by £1,100,000 to £185,864,000. At £1,326,743,000 the total floating debt shows a reduction on the week of £5,025,000.

Judging by movements in the Money market during the week, it seems likely that the predominant feature of the week under review—a surplus revenue—will appear again in the accounts for the present week. Additional evidence to this effect is afforded by the Bank return, discussed below, which indicates a further reduction in Ways and Means Advances. As it is unlikely that the surplus funds denoted by this movement can come from Treasury bill operations, they must be caused by another good showing on the part of revenue.

Currency Notes.

Returns of currency notes from circulation were on a smaller scale during the week ending on the 24th inst.; fresh issues, on the other hand, showed an appreciable increase. The result, however, unlike the movement in the Bank note circulation described below, was a net contraction of about £1,000,000 in the total. The combined total of notes and certificates, at £316,377,000, shows a reduction on the week of £1,072,000, as against £3,617,000 during the previous week. The fiduciary issue shows a corresponding decline to £299,127,000, which allows a margin of expansion of about £21 million.

The present outstanding total of notes and certificates, it is interesting to note, is the lowest since May 19 last, and is £15,899,000 below the high "record" of £362,277,000 on July 14. Since November 3 the circulation has steadily declined. On that date there were outstanding £481,392,000 in currency notes and Bank of England notes, as against £474,341,000 on Wednesday last, representing a decline during the three weeks of £7,051,000.

Bank of England.

Some interesting movements are shown in the Bank return for the week ending on Wednesday last. In the first place, the aggregate of private balances was reduced during the week by nearly £11 million to £105,314,000, a figure which is not far above the lowest reported for the year. In the second place, a decline of £11,385,000 to £52,401,000 is shown in the amount of Government securities, indicating a reduction in the Government short-term debt to the Bank. Finally, an expansion in the note circulation and a further addition to the gold holdings left the reserve practically unchanged at £14,598,000. The reserve ratio, on account of the decline in deposit liabilities already noted, rose from 10.8 per cent. to 11.8 per cent., the highest since the end of September last. The net increase in the note circulation was £395,000, bringing the total outstanding to £127,964,000. At £124,112,000 the holding of coin and bullion shows an increase of £393,000 on the week, the present total being the highest ever recorded.

Bullion.

India was not a buyer in the Gold market this week, and all arrivals were taken for the United States. To-day's quotation is 117*s.* 7*d.* per ounce fine, as against 118*s.* 4*d.* a week ago.

The continued weakness which has recently characterised the Silver market continued during the current week, but a steadier tone has been apparent towards the end of the week. Continental supplies came in greater volume, and very little improvement in demand was in evidence. China's influence was irregular, for some of the stocks held here awaiting shipment to the East were resold, and, at the same time, there were some buying orders for Chinese account, chiefly for bear covering. A little inquiry from the United States at the low prices was also reported, but the chief support to the market came from the Indian bazaars. The volume of orders from that quarter, however, was not sufficient to maintain quotations, and the spot price fell from 49⅞*d.* on Friday last to 46⅛*d.* on Wednesday. On the following day there was a reaction to 47⅛*d.*, and to-day there was a further recovery to 48⅝*d.* Forward silver rose to a premium of ⅛*d.* on Saturday last, and on Monday the margin widened to ¼*d.* Later it fell to ⅛*d.*, and continued so until to-day, when a discount of ⅛*d.* was established.

It is difficult to say how far the present low level of quotations may stimulate buying, and thus prompt a reaction, for little material improvement is developing in the export trade of India and China. If the cause of the depression in the market for Eastern products is similar to that affecting Western countries, namely, a disparity between prices and buying power, then it seems likely that no revival will come for some months at least. Little support to the Silver market is to be expected from these countries until the present abnormal position of their foreign trade is cleared.

Recent movements in the Indian Currency Returns are shown below:—

1920	Note Circulation Lacs	Silver in India Lacs	Gold in India Lacs	Gold Elsewhere Lacs	Proportion of Metallic Res. to Notes	Government Securities Indian Lacs	Government Securities British Lacs
Nov. 15 ..	15,943	5,923	2,379		52·1	6,807	834
Nov. 7 ..	15,963	5,941	2,380	—	52·1	6,807	835
Oct. 31 ..	15,958	5,941	2,375	—	52·1	6,807	835
Oct. 22 ..	15,880	5,860	2,378	—	51·9	6,807	835
Oct. 15 ..	15,853	5,835	2,376	—	51·8	6,807	835
Oct. 7 ..	15,775	5,817	2,389	—	52·1	6,712	835
Sept. 30 ..	15,763	5,806	3,615	—	59·8	4,714	1,628
Sept. 22 ..	15,634	5,650	3,642	—	59·4	4,714	1,628
Sept. 15 ..	15,862	5,862	3,766	—	59·1	4,714	1,777
Sept. 7 ..	16,125	5,545	3,843	—	58·2	4,809	1,928
Aug. 31 ..	16,327	5,529	3,912	—	57·8	4,733	2,153
July 31 ..	16,387	5,935	4,462	—	58·0	4,062	2,827
June 30 ..	16,434	4,555	4,348	219	55·7	3,525	3,727
March 31 ..	17,462	3,985	4,437	345	50·2	1,959	6,672
Jan. 1 ..	18,621	4,257	3,421	943	46·3	1,750	8,250

NEW YORK.

The statement which we made in recent weeks, that the heavy fall demands for credit in the United States have already passed the maximum, is supported by recent returns of the New York Clearing Banks and the Federal Reserve Banks. Last Saturday's return of the first-mentioned group shows another reduction of

$8¼ million in the total of loans, discounts, and investments. This is the fifth successive reduction in this item, and the present total, $5,251,290,000, is $234,840,000 below that for the week ending October 16 last. It compares with $5,238,530,000 on November 22, 1919—an increase of only $12,760,000. The Federal Reserve Banks' statement shows a reduction in bill holdings amounting to $124,000,000 for the week ending on Friday last. The Federal Reserve System has been more liberal in granting accommodation during the period of financial strain through which the country has passed, and the volume of credit created, despite the severe restrictions involved by the deflation campaign, reached unprecedented dimensions. As compared with a year previously the combined bill-holdings of the Federal Reserve Banks, as returned on the 19th inst., show an increase of $343,320,000. During last fortnight, however, a substantial reduction was made, last Friday's total, $2,948,600,000, being $178,000,000 below the high "record" of $3,126,600,000 reported on the 5th inst.

Another improvement as regards the reserve situation is shown in last week's statement of the New York banks associated with the New York Clearing House, and the present position is the strongest since the beginning of July. The aggregate reserve rose by $6,530,000 to $552,890,000 during the week, and as deposit liabilities declined the excess over legal requirements rose proportionately by $7,830,000 to $19,490,000.

The ratio of total reserves of the Federal Reserve Banks to the combined net deposit and Federal Reserve note liabilities was returned on the 19th inst. at 44.1 per cent., the highest since the beginning of August last. During the week the total reserves rose to £2,180,230,000—the highest for twelve months. Deposits fell by $36,440,000, and the Federal Reserve note circulation declined by $21,550,000 to $3,307,440,000.

An exceptionally strong position is shown by the latest return of the New York Federal Reserve Bank. The gold holdings were strengthened by the addition of $14,570,000, and total reserves rose by $13,660,000 to $610,860,000. The note circulation again declined by $3 million to $859,620,000, and net deposits fell by $27.5 million. The result was a rise in the reserve ratio from 38.3 per cent. to 40.2 per cent.

At the moment the opinion is being freely expressed in America that both the financial and the industrial situation is likely to improve early in the New Year. As regards the credit position, now that bank reserves are improving, there is some ground for the belief, but large amounts of funds still remain tied up in the interior, and the fall in commodity prices is acting to prevent their release. Thus, although rates in the Money market rule lower than at any previous period of the year, there cannot yet be said to be a sufficiency of funds. Call money rates in New York ranged from six to seven per cent. during the week, and some loans on Stock Exchange collateral at as low as five per cent. were reported. This however, did not give rise to a speculative drive in stocks in Wall Street, as operations were hampered through a shortage of funds. Of course, there were other reasons of a more temporary nature preventing a recovery in quotations, but these are subordinate to the money situation. As regards the industrial situation, of course, owing to the great size of the domestic market for United States producers, the reduced buying power of other countries, as measured by the depreciation in the international value of their currencies, is not so important a factor in American trade as it is in, for instance, that of the United Kingdom. Attention must then be directed towards the state of the markets in the United States itself, and reports from various centres do not indicate any great revival of buying, despite the extensive fall in commodity prices. This may be due, however, to the fact that the trend of prices is still downward, and that the consumer is pursuing a waiting policy. If this is true there seems to be good ground for the revival of optimism in trade circles.

Prime commercial paper was quoted at seven and three-quarters to eight per cent., as against eight per cent. previously.

THE
ANGLO-SOUTH AMERICAN
BANK, LIMITED.

CAPITAL & RESERVES EXCEED £13,000,000

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BRADFORD OFFICE : 69, MARKET STREET.

AFFILIATIONS :
THE BRITISH BANK OF SOUTH AMERICA LIMITED
and
THE COMMERCIAL BANK OF SPANISH AMERICA LIMITED

Stock Exchange.

All departments of the House have been characterised during the past week by a marked shrinkage in values. Forced liquidation is in evidence in many quarters, and with a complete absence of public support, quotations show an all-round lack of stability. With restricted credit facilities, traders are finding increasing difficulty in financing the carrying of heavy stocks. Tumbling commodity prices will not allow of a profitable realisation of holdings, and the only alternative is to liquidate Stock Exchange securities. Paradoxically it is the better-class shares that suffer most from this policy, the reason being that they possess an active market, which is, of course, an essential for quick sale at approximately ruling prices. Many of the recent capital flotations have been made primarily for the purpose of obtaining funds to tide over the present weakness of commodity markets. This method, however, is at the disposal of only the strongest. The public response to many very attractive issues has been unexpectedly poor. The underwriters of Beardmore's £1,000,000 Eight per Cent. Seven-Year notes were called upon to take up 58 per cent. of the emission and 65 per cent. Siemens' issue of £481,875 £1 shares, while subscriptions to the Ebbw Vale £1,500,000 Eight per Cent. notes amount to less than a quarter of the whole. Only 30 per cent. of the New South Wales £4,000,000 Six and a-Half per Cent. Loan was placed. In sharp contrast with these results, the offer of £4,500,000 Twenty per Cent. Preferred Ordinary shares by Lever Brothers left the underwriters under no obligation.

The Committee of the Stock Exchange announced during the week the rules under which arbitrage dealings will be permitted. The initiative in this matter has come from Wall Street. The Committee of the New York Stock Exchange recently decided to allow joint arbitrage accounts, and drew up rules governing such transactions, which they sent to the London Committee. Presumably the present announcement is the result of the negotiations between the two Houses.

The Gilt-edged section displayed a declining tendency, which became more pronounced towards the end of the week. Provincial liquidation, combined

with a decided lack of public support, left Consols, War Fives and Fours, Victory Bonds and Funding Loan all lower. County and Corporation stocks were unaffected by the new £4,000,000 loan floated by the Seven Towns. Bristol and Swansea eased away slightly in the early part of the week, but no other alterations were recorded. Colonials were equally dull.

Quotations in the Foreign Bond market sagged consistently from day to day, the only improvements of note being a further rise in German Threes and a recovery in Japanese issues consequent on the increase sterling value of the dollar. Paris continued to unload her South American specialities, and though offerings were not heavy, the absence of buyers caused an all-round slump in Argentine and Brazilian bonds. Prices became steadier towards the close, but showed no evidence of stability. Venezuela, Colombia, Cuba, and Ecuador descriptions moved in sympathy, and Mexican issues were also somewhat weaker on balance. Greek Monopoly was marked down further on the uncertain outlook in Hellenic affairs.

Home Rails shared the general pessimism of the other departments. Business was very restricted, but fractional declines were numerous. Among the Heavies, prior charge stocks remained comparatively steady, and by Thursday the general drop in other issues had stopped.

The Foreign Rails section failed to attract the interest of buyers, and, as elsewhere, a moderate amount of liquidation caused a general scaling down of prices. Offerings of Argentine and Brazilian holdings came mainly on provincial account. The Buenos Ayres Great Southern was not helped by the announcement of the acquisition of the Bahia Blanca and North Western Railway. The report of the United Railways of the Havana, issued during the week, shows an increase in net profits, all of which goes, however, to reserves. The market quotation dropped ½ to 71½.

In the Industrial market, continued liquidation brought about a marked fall in share values. Vague rumours of increasing difficulties among manufacturers intensified the gloomy sentiment already prevailing. In the Iron and Steel division, good features were practically non-existent. Pease and Partners were marked up on the improved interim dividend, but the rally was only temporary. Thornycroft's excellent dividend announcement failed to impress buyers. Though the final dividend brings the return for the year up to 13 per cent., as against 12½ per cent. for 1919, and the participating Preference shares obtain their maximum of 9 per cent., quotations remained unaltered. Shipping securities were generally weaker, P. and O. Deferred, Royal Mails, and Cunards showing much lower on the week. Cable securities maintained their usual firmness. Unfavourable reports of conditions in the nitrate industry brought considerable supplies of the shares on offer, and a marked decline in values occurred. Textiles continued dull, but movements were restricted to narrow limits. Amalgamated Cotton Mills remained unchanged at 21*s.* 3*d.* on the announcement of a final dividend of 1*s.* 6*d.*, which brings the total payment for the year to 22½ per cent., free of tax.

The Oils section opened with a drooping tendency, but showed considerable buoyancy on Tuesday. Weakness ensued later, however, and heavy selling orders from New York caused a general tumble in prices. Royal Dutch improved strongly with a mid-week demand, but closed lower on balance. Shells and Scottish-Americans were flat, but the outstanding movement was the collapse in Mexican Eagles. It was reported that a big failure in New York had caused forced selling. So heavy were the offerings that on Thursday the price of the Common stock fell 1½. Lobitos were an exceptionally bright spot up to the close, appreciations being recorded each day. Tankers also exhibited marked firmness.

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Mining Topics.

SELECTED RAND MINES.

DECEMBER DIVIDENDS FORECAST.

The steady improvement in the premium on gold since July, coinciding as it did with the restoration of realisation charges to the normal basis of sixpence per ounce of gold, and the concealed profits which must have resulted from the premium on remittances during the last few months, has given rise to the belief that the dividends to be declared next month by the Rand gold mines will be of striking dimensions. For June the leading producers estimated the value of the output at 102*s.* 6*d.* per ounce, less 7*s.* per ounce realisation charges, equivalent to a net value of 95*s.* 6*d.* per ounce. Thenceforward the price of gold moved up steadily with the relapse in the New York exchange, and simultaneously the exchange situation with South Africa improved considerably. Thus in July the gold output was valued at 105*s.* an ounce, less 1*s.* 6*d.* per ounce realisation charges, with the result that the net value worked out at 103*s.* 6*d.*, as against 95*s.* 6*d.* in June. Month by month the average price of gold appreciated, whilst after August realisation charges remained unaltered at 6*d.* per ounce. For October the output was valued at 117*s.* 6*d.* per ounce, less 6*d.*, or a net value of 117*s.* Furthermore, let it be recollected that the tendency of the mines in all cases was to put a conservative value on the output. Consequently, adjustments will be necessary at the end of the year, which will add to the already satisfactory working profits recorded by the mines for the first ten months of 1920. Again, as mentioned above, some mines have earned a profit on remittances owing to the alteration in the exchange rate. All these factors make for a substantial increase in working profits, and hence sup-

port the expectations current in the market of large dividend declarations next month.

With returns to hand dealing with the first ten months of 1920, it is possible to give an idea of the dimensions of the dividends that some of the leading Rand mines could afford to declare in respect of the year (or in a few cases of the six months) ending December 31, 1920. The forecast which we submit below is based upon the actual working profits recorded up to the end of October after adding the amount likely to be earned in November and December. The estimation of the latter has been fraught with not a little difficulty. The uncertainty of the supply of labour, the erratic course of the price of gold, which during November has touched as high as 122*s.* and as low as 115*s.* 3*d.*, and the holidays in December militate against accuracy. Any increase in the native labour supply with a maintenance of the price of gold around 117*s.* 6*d.* will tend to make the forecast conservative. Any further decline in the number of natives or any marked recovery in the New York exchange may have the effect of making the estimated dividend a maximum. Again, allowance may have to be made in cases where the directors decide to declare only a moderate dividend and to return the remainder to mine to facilitate an extensive development programme. In some quarters the fear is expressed that the dividends may have to be restricted owing to the necessity of employing all the decision of the Custodian of Enemy Property in South Africa, that applications for enemy holdings must be lodged before the close of the year. According to Sir Lionel Phillips, the amount of such holdings that have to be liquidated stands at £6,000,000. The fear is based upon the necessity of diverting funds, otherwise available for distribution, to the purchase of these holdings. However, assuming that this is true, it is not likely to interfere seriously with the dividends. Its chief effect would probably be to convert the nature of the dividend from a cash distribution into one of partly scrip and partly cash. It is much more likely that, in order to secure these shares cheap, the mines are refraining from purchasing in the open market just now, which would easily account for the failure of the Kaffir Circus to respond more readily to the anticipations of bumper dividends. In the light of this fact and of the liquidation which the market is called upon to bear on every adverse movement of the French exchange, the low prices that are yet quoted for some of the leading producers become much more intelligible.

The table supplied herewith sets out for purposes of comparison the dividends paid in June and December 1919 and in June 1920 by some of the principal Rand mines, and the estimated dividend for December 1920. For the benefit of those who are considering the advisability of purchasing shares, we attach the yield which the estimated dividend would afford on the basis of the current price of the shares. The last column shows the return which the purchaser of the shares at current prices would obtain on the dividends declared in 1920.

In many cases a sufficient margin is shown [illegible] at current prices the most remunerative share is that of Geldenhuis Deep, which on the basis of a final dividend of seven and a-half per cent. affords a return of nearly twenty-one and a-half per cent.. Technically speaking this is a [illegible] mine. According to a recent return of the Chamber of Mines, the cost of producing an ounce of gold averaged for this mine between January and August of the current year as [illegible] per ounce this mine would work at a loss in the absence of a reduction in its working costs. The low price of 7*s.* for the shares is comprehensible in the light of the statement in the report of the Consulting Engineer for 1919 to the effect that the life of the mine was entirely dependent on the magnitude and duration of the gold premium, since the grade of the ore mined was more likely to decline than to improve. The same return of the Chamber of Mines shows that Rose Deep can produce an ounce of gold at an average cost of 80*s.* 5*d.* The low price of the share, and the consequent high yield of nearly eighteen and a-half per cent. on the estimated final dividend of fifteen per cent., is explained largely by the fact that this mine has only some five years more of life. The dividend of fifteen per cent. may be a little too high in this case unless the adjustments in connection with the conservative valuation of the gold prove to be fairly substantial. It is gratifying to find that staunch producer of the General Mining group—Meyer and Charlton—retaining third from point of view of gold. [illegible] mine which has the record of producing gold at the lowest cost per ounce for the period January to August 1920. The cost works out at 41*s.* 5*d.*, so that with no gold premium this mine could still return a handsome profit. The estimated dividend of seventy-five per cent. could be paid without encroaching upon the balance carried forward from 1919. The year with Consolidated Main Reef ends in June. Consequently, in this case the dividend will be an interim one. In view of the marked improvement in the working profit, which amounted to £90,697 for the four months July to October, as against £67,568 for the six months January to June, a dividend of seven and a-half per cent., absorbing £93,750, does not appear unduly optimistic. Van Ryn Deep has done very well [illegible] and the increase in the dividend from twenty-five per cent. in June to thirty-five per cent. in December seems warranted by results, and could be met without reducing the amount brought forward from 1919. Modder B will do at least as well as in 1919, and consequently the total dividend for 1920 should equal that of 1919. This necessitates a final dividend of sixty per cent. In view of the expenditure that is being incurred on shaft sinking, any further profits available will in

Mine	—Dividends— 1919 June	1919 Dec.	1920 June	1920 Dec.	Par Value of Share	Current Price of Share	Yield on Estimated December Dividend	Yield on Total Dividends 1920
	%	%	%	%		s. d.	%	%
Geldenhuis Deep	2½	7½	2½	7½	£1	7 0	21.43	28.57
Rose Deep	7½	17½	10	15	£1	16 3	18.46	30.77
Meyer and Charlton	50	50	50	75	£1	94 3	16.11	26.81
Consolidated Main Reef	2½	6½	6½	7½	£1	13 0	11.61	21.16
Van Ryn Deep	22½	25	25	35	£1	71 6	9.79	16.78
Modderfontein B.	45	47½	32½	60	£1	72 6	9.23	14.91
Crown Mines	5	35	27½	42½	£1	49 0	8.67	14.28
Modderfontein Deep	50	60	60	75	£1	44 0	8.52	15.11
Brakpan	12½	15	15	25	£1	59 9	8.38	14.14
Government Areas	17½	20	20	30	£1	83 1	7.20	13.05
City Deep	10	15	12½	17½	£1	99 6	7.07	12.12
New Modderfontein	32½	37½	15	45	£1	71 10	6.26	12.52
Geduld	6	10	7½	12½	£1	45 7½	5.48	8.76
Springs Mines				10	£1	58 9	5.16	7.74

...dividends ... small ... and ... shares command 32*s.* 6*d.* in the market, affording a return of nearly nine and a-quarter per cent. on the final dividend alone.

Yet another producer with still many years of life ... Mines ... a return of over eight and a-half per cent. on the current price of 49*s.* for the 10*s.* shares on the basis of a final dividend of forty-two and a-half per cent. As compared with £750,423 for 1919, the working profit is likely to exceed £964,000. In this case the estimated dividend is probably a maximum, as the payment of it may even involve a slight reduction in the amount brought forward. Modder Deep can well manage to declare a final dividend of seventy-five per cent. and still carry forward the same balance as in 1919. At a price of 44*s.* for the 5*s.* shares the shares are clearly the most expensive in the list, and probably in the market, and, nevertheless, a return of over eight and a-half per cent. can be obtained on the basis of the final dividend alone. Similarly, a yield of over eight and a-quarter per cent. is furnished by Brakpan, which can easily declare a final dividend of twenty-five per cent. and still add to the amount carried forward. The well-known popularity of that standard producer—Government Areas—keeps the £1 shares at 83*s.* 1½*d.* Consequently, the return on the basis of a final dividend of thirty per cent. is less than seven and a-quarter per cent. However, a purchase of these shares at the above price is worth consideration, as this mine is now approaching the era in which it can declare much higher dividends. Between January and August 1920 it turned out gold at an average cost of 58*s.* 11*d.* per ounce. With New Modderfontein the year ends in June, and hence only an interim dividend will be declared in December. The working profit for the half-year will easily exceed that of the six months, January to June, by £180,000. The declaration of a dividend of forty-five per cent. is, therefore, by no means unlikely. However, owing to the high price of the share (71*s.* 10½*d.*) the yield is as low as six and a-quarter per cent.

The recent satisfactory news of development work from Geduld has been responsible for enabling the shares to maintain themselves at the high price of 45*s.* 7½*d.* in a somewhat depressed market. Hence the return, on the basis of a final dividend of twelve and a-half per cent., is less than five and a-half per cent. It is unlikely that a higher dividend will be declared, as the payment of twelve and a-half per cent. will only leave a small balance to be carried forward. The total dividends for 1920 of twenty per cent. fall below those of 1919 by two and a-quarter per cent. Springs Mines stand lowest in the lowest, affording only a yield of less than five and a-quarter per cent. Assuming a final dividend of ten per cent. the total for the ... would ... fifteen per cent., as against ... in 1919, when it was decided to utilise the profits for ... and ... expenditure to the ... of £379,274. A final dividend of ten per cent. would ... the amount carried forward to ... double ... the previous year at least. Should the directors decide to distribute fifteen per cent. they could still carry forward as much as in 1919. In this list we have confined ourselves to the more interesting Rand dividends. For the benefit of our readers we add that the next interim dividend of that well-known Rhodesian mine, Lonely Reef, which is due in January, will not be less than the twenty-five per cent. already declared ... October.

WORKMEN'S DEVELOPMENT. The ... for the quarter ended October 31, 1920, shows that of 1,070 ... applied, 572 ... payable. The best ... ... the Standard ... 281 ... 17 ... 24 ... ... 98,500 ... yielding ... profit of £44,010.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, November 24, 1920.

Issue Department.

Notes Issued	£140,779,435	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	122,329,435
	£140,779,435		£140,779,435

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£52,401,073
Rest	3,239,975	Other Securities	74,105,784
Public Deposits	17,989,416	Notes	12,814,620
Other Deposits	105,314,613	Gold and Silver Coin	1,783,416
Seven-day and other Bills	9,869		
	£141,105,873		£141,105,873

Comparison with Previous Four Weeks [£0,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
1920.	£	£	£	£	£	£	£	%	%	%
Nov. 24	127.9	124.1	17.9	105.3	52.4	71.1	14.5	11.8	7	6⅝
Nov. 17	127.5	123.7	19.5	116.2	63.7	73.1	14.5	10.8	7	6¾
Nov. 10	127.8	123.4	19.8	113.4	63.7	73.2	14.1	10.6	7	8⅜
Nov. 3	128.4	123.1	18.1	115.1	63.9	73.8	13.0	9.9	7	8½
Oct. 27	127.6	123.2	16.4	120.5	64.5	76.0	14.1	10.3	7	8½
Diff.	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52.10	3	2⅝

* July 30, 1914 = to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Nov. 24, 1920	Nov. 26, 1919	Nov. 27, 1918	Nov. 28, 1917	Nov. 23, 1910
Circulation	£127.9	£98.7	£68.0	£43.1	£23.1
Public Deposits	17.9	19.3	31.4	41.5	11.3
Other Deposits	105.3	101.0	143.7	122.7	39.0
Government Securities	52.4	38.3	65.6	53.8	14.6
Other Securities	74.1	80.1	101.0	91.3	27.5
Reserve	14.5	19.7	28.3	31.9	25.9
Ratio to Liabilities	11·8%	16.3%	26·25%	19 41%	51·17·3
Coin and Bullion	124.1	87.9	75.8	53.5	35.6
Money:					
Bank of England Rate	7%	6%	5%	5%	5%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6-8%	5-5⅛%	3½-3⅝%	4½-4⅝%	4⅛%
Exchanges:					
Paris Cheque	57 70	39·30	25·98½	27·27½	25·31
New York 60 days	3 46½	4·02	4·73⅛	4·72	4 82·20
Bombay Telegraphic Transfers	1/6⅛	2/2⅝	1/6⅜	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	44	51¼	60	56	78⅛
French Rentes 3% Money	55·80	60·10	62·90	59·75	97·40
Silver, London spot	48.4	73.1.	48.4.	47.4.	24·3·1.
Wheat, *Gazette* average qr.	90 3	73 7	72 4	70 2	29 8
Cotton, Mid Upland lb.	13·77·1	26 21·4.	21 10·1.	22 4·7·1.	8 0·4·1.
Iron, Scotch pig ton	231 0	166 0	101 0	93 6	55 6

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Nov. 24, '20	6,405,928	7,507,443	346,377,371	23,511,000	18,750,000	13·6
Nov. 17, '20	5,584,528	9,183,938	347,478,932	24,511,000	18,750,000	13·6
Nov. 26, '19	6,423,783	6,911,084	338,317,537	28,500,000	—	8·4
Nov. 27, '18	6,036,459	4,855,755	296,341,434	28,500,000	—	9·6
Nov. 28, '17	5,927,002	3,736,345	191,134,819	28,500,000	—	14·7
Nov. 29, '16	5,380,790	4,686,617	136,582,217	28,500,000	—	20·8

Balance Sheet, November 24, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	271,216,744	Other Bankers ...	—
Ten Shillings ...	41,408,626	Trustee Savings Banks ...	—
Certificates outstanding ...	33,750,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	346,377,370	Bank of England Notes...	18,750,000
Notes issued in but not yet cancelled	2,937,115	Government Securities ...	318,460,814
Investments Reserve A/c ...	16,533,925	Balance at Bank of England	157,563
Total	365,868,410	Total	365,868,410

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Revenue	Excess of Expenditure	Receipts	Issues	Cash Balance
	£	£	£	£	£	£	£
Nov. 20	£22,167	£14,835	£7,332	—	£84,412	£94,674	£3,796
Nov. 13	16,434	11,782	4,652	—	93,682	98,851	2,727
Nov. 6	18,454	23,913	—	5,479	104,537	99,733	3,045
234 days '20-21	783,666	681,858	101,808	—	3,559,536	3,870,813	— 5,573
236 days '19-20	590,433	935,863	—	345,430	4,145,168	3,808,020	— 8,282
Yr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	—	6,092,709	5,766,507	8,389
Yr. '18-19	889,021	2,579,301	1,690,280	—	7,033,402	6,351,353	12,788
Yr. '17-18	707,234	2,696,221	1,988,987	—	7,499,604	3,816,023	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
Nov. 20	£15,168	£736	£2,498	£3,815	£3,320	£773	£10,753
Nov. 13	4,338	1,291	5,104	5,670	1,637	175	9,970
Nov. 6	4,913	3,030	3,187	6,804	11,816	409	11,642
234 days '20-21	212,315	145,086	137,449	289,006	219,743	13,775	413,141
236 days '19-20	171,701	146,156	176,512	115,334	214,063	8,316	713,434
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	897,904
Yr. '19-20	265,023	359,089	290,045	407,404	332,034	16,171	1,317,583
Yr. '18-19	162,220	291,186	265,028	150,987	269,964	11,380	2,297,934
Yr. '17-18	110,033	239,509	220,214	137,478	183,851	11,401	2,494,988

FLOATING DEBT. [000's omitted.]		Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Nov.	20, 1920 ...	£1,090,379	£236,364	£1,326,743	£13,100
Nov.	13, 1920 ...	1,089,934	242,714	1,331,784	12,493
Nov.	6, 1920 ...	1,088,934	244,614	1,333,493	11,944
Oct.	30, 1920 ...	1,084,829	241,364	1,326,993	11,774
June	30, 1919 ...	796,130	774,240	1,570,387†	—

* Budget estimates. † Higher. ‡ Excess of revenue.

FOREIGN BANKS :

[In £'s Sterling—000's omitted.

		Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£833	£11,810	£41,925	£51,900	£4,293
Nov. 11, '20	...	10,850	1,109	11,959	24,717	240,000	57,300
Nov. 18, '20	...	10,660	1,107	11,767	24,135	238,66	53,743

		Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *							
Oct. 6, '20	...	£398,775	£87,184	£61,978	£33,150	£431,111	£55,373
Oct. 23, '20	...	398,706	86,893	70,848	94,417	457,921	54,321
Nov. 7, '20	...	398,713	86,476	74,667	102,461	455,483	61,183

		Gold	Silver	Total	Discounts	Balances Abroad	Circulation	Deposits
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£788	£9,893	£97
Sept. 30, '20	...	12,644	145	12,789	14,703	1,679	30,011	2,201
Oct 30, '20	...	12,644	139	12,783	15,383	1,080	32,114	2,933
Oct. 31, '18	...	10,034	182	10,216	8,934	2,013	28,745	3,656
Oct. 31, '18	...	10,485	136	10,621	3,650	3,587	23,581	679

		Gold	In Bank Abroad	Total Cash	Incl'g Silver	Other Bills	Circulation	Public	Deposits Private
FRANCE.									
July 30, '14	...			£165,654	£190,667	£97,768	£267,327	£15,332	£37,933
Nov. 19, '20	...	141,680	77,935	241,341	120,427	1,573,251	1,434	152,156	
Nov. 25, '20	...	141,733	77,935	240,562	121,181	1,532,343	1,433	115,540	
Nov. 27, '18	...	143,047	79,131	234,124	43,198	1,448,660	2,983	173,571	
Nov. 28, '18	...	136,289	81,484	231,254	32,614	1,153,445	11,251	212,641	

		Gold	Silver	Total	Other Notes	Treasury & Loans & Discounts	Circulation	Deposits
GERMANY.								
July 23, '14	...	£67,843	£16,727	£84,570	£5,279	£490,055	£941,515	£47,193
Nov. 8, '20	...	54,579	334	54,913	1,004,005	2,434,193	3,140,035	684,543
Nov. 15, '20	...	54,579	346	54,925	40,713	2,528,670	3,011,794	811,443
Nov. 15, '19	...	54,537	1,038	55,613	473,641	1,703,854	1,558,174	532,783
Nov. 15, '18	...	127,512	1,089	128,681	169,213	1,057,908	877,715	515,193

		Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.								
Aug. 1, '14	...	£13,198	£249	£13,715	£13,422	£10,332	£25,630	£1,137
Nov. 15, '20	...	53,012	1,644	54,656	12,445	24,271	91,871	7,533
Nov. 22, '20	...	53,012	1,661	54,673	14,057	23,013	88,733	7,082
Nov. 22, '19	...	52,690	483	53,173	15,531	22,633	86,313	6,954
Nov. 23, '18	...	37,951	683	38,634	19,923	11,833	91,293	7,331

		Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.								
July 31, '14	...	—	—	—	£48,456	£25,017	£63,204	£4,837
Sept. 20, '20	...	£32,192	£3,018	35,210	11,179	201,651	527,308	70,161
Sept. 30, '20	...	32,192	3,018	35,210	12,195	214,471	539,535	79,282
Sept. 30, '19	...	32,501	2,959	35,260	23,811	75,337	441,415	74,755
Sept. 30, '18	...	32,722	3,072	35,795	5,815	59,293	342,182	54,893

		Gold	Silver	Total	Discounts	Advances	Notes	Public	Deposits Private
JAPAN.									
Aug. 1, '14	...	£21,887	£1,899	£7,883	£32,722		£13,818	£1,521	
Oct. 9, '20	...	107,881	11,243	14,137	107,280		98,353	10,593	
Oct. 16, '20	...	106,596	10,236	14,115	106,875		96,954	11,453	
Oct. 18, '19	...	79,858	8,033	30,845	109,218		111,018	3,430	
Oct. 19, '18	...	67,802	7,074	35,138	82,357		97,870	2,634	

		Cash Own Vaults	Aggregate Reserve	Loans, Discts. Invest., &c.	Net Deposits — Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,888	£411,030	—	—	£397,185	£1,720
Nov. 13, '20	...	£19,788†	168,272	1,051,908	1806,274	654,201	833,261	2,332
Nov. 20, '20	...	19,434†	110,578	1,050,258	804,363	53,961	839,162	3,333
Nov. 20, '19	...	20,918†	118,903	1,047,706	939,915	54,111	932,246	7,228
Nov. 23, '18	...	21,612†	114,376	950,434	765,882	30,980	882,510	12,882

		Gold	Balance Abroad	Norw. & For. Govt. Secs.	Discts. & Loans	Circulation	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,338	£3,753	£703
Nov. 8, '20	...	8,117	2,629	578	24,931	23,511	1,1
Nov. 15, '20	...	8,116	2,492	578	23,463	25,573	4,772
Nov. 15, '19	...	8,151	4,106	674	17,750	23,618	2,670

		Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.							
June 2, '20	...	£1,908	£3,921	£5,827	£20,106	£10,136	£10,615
June 9, '20	...	1,908	3,921	5,827	22,567	94,858	8,858
June 11, '19	...	1,905	3,935	5,840	8,198	85,038	3,474
June 12, '18	...	1,905	3,475	5,380	8,922	48,378	2,186

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Aug. 7, '20	...	£58,009	£19,955	£3,873	£81,831	£201,814
Aug. 14, '20	...	58,408	20,339	3,850	24,243	211,953
Aug. 21, '20	...	74,009	20,988	4,316	75,024	217,915
Aug. 23, '19	...	44,472	9,152	2,293	11,413	133,1

		Gold	In Bank	Total Cash Abroad	Incl'g Silver	Loans & Discts	Circulation	Notes to Reserve	Total Deposits
RUSSIA.									
July 21, '14	...	£160,114	£14,395	£181,892	£78,681	£163,411	£6,589	£109,911	
Oct. 28, '17	...	128,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550	

		Gold	Silver	Total	Loans, &c.	Spanish 4's	Circulation	Deposits
SPAIN.								
Aug. 7, '14	...	£21,904	£29,187	£50,991	£10,572	£13,778	£77,957	£18,955
Nov. 13, '20	...	88,183	23,007	121,190	92,849	16,771	179,221	33,115
Nov. 10, '20	...	98,185	23,166	121,351	94,219	13,779	181,567	41,110
Nov. 22, '19	...	86,779	25,267	122,046	90,448	13,771	151,331	40,124
Nov. 23, '18	...	89,630	25,786	114,716	60,...	13,777	121,921	42,...

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.							
Aug. 1, '14	...	£5,717	£6,159	£1,595	£7,449	£13,432	£3,993
Nov. 15, '20	...	15,635	8,151	2,193	30,567	41,510	3,...
Nov. 20, '20	...	15,689	5,710	4,453	33,115	45,...	7,931
Nov. 22, '19	...	16,670	7,213	2,786	17,945	35,...	6,6
Nov. 23, '18	...	15,474	7,137	6,691	18,...	42,...	5,...

		Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.							
July 23, '14	...	£7,202	£768	£7,980	£4,817	£10,718	£2,326
Nov. 6, '20	...	21,635	4,145	25,...	15,342	38,251	4,117
Nov. 15, '20	...	21,636	4,316	25,...	13,597	34,...	4,...
Nov. 15, '19	...	18,980	2,414	21,401	18,...	37,...	4,817
Nov. 15, '18	...	15,...	2,...	17,...	23,...	36,...	6,...

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.							
Nov. 15, '20	...	£41,736	£416,602	£56,...	£...	£...	£...
Nov. 22, '20	...	£...	£...	£...	£...	£...	£...
Nov. 14, '19	...	162,644	249,410	433,252	341,688	73,756	22,834	326,551	511,04
Nov. 15, '18	...	162,644	249,410	433,252	341,688	73,756	22,834	326,551	511,04

II.—CURRENT BANK RATES OF DISCOUNT.

Amsterdam	5		Lisbon ...	Jan.	15, '14
Berlin	5	23/14	Madrid ...	6	
Brussels	5	21/19		6	
Bombay	5	29/20		6	
Calcutta	5	28/20		6	
Christiania	7	5/19		7½	
Copenhagen	7	16/0	Tokio ...		
Frankfort	5		Vienna ...		

III.—FOREIGN EXCHANGES.

LONDON ON —				
Amsterdam	12/... '20	12/... '20	12/... '20	Nov. 5, '20
Berlin	45	45	45	278m.
Brussels	54fr. 50c.	54	54	25fr. 45
Buenos Ayres	25kr. 75	25kr. 75	25kr. 75	25kr. 45
Calcutta	1/...	1/...	1/...	1/...
Cape Town	do.	93/... 00	93/... 00	97/... 00
Chicago	do.	7/...	7/...	3/...
New York	do.	$3 42½	$3 42½	$3 36½
Paris		$3 42½	$3 42½	$3 47½
Petrograd		25kr. 85	25kr. 92	25kr. 92
Paris	Sight	25kr. 75	25kr. 75	25kr. 75
	Cable	25kr. 75	25kr. 75	53fr. 45c.
Shanghai		4/...	4/...	42/...
Singapore		4/...	4/...	42/...
Stockholm	Cable	26kr. 75	26kr. 75	23kr. 30
Switzerland	3 mths.	18fr. 70	18fr. 70	17fr. 93
Valparaiso		18fr. 75	18fr. 75	17fr. 93
Yokohama		2/... 5/...	2/... 5/...	2/... 5/...

ON LONDON —					
Amsterdam	Sight	12/...	12/...	12/...	12/...
Amsterdam	Cable	12/...	12/...	12/...	12/...
Athens	Cable	24fr. 75	24fr. 75	24fr. 75	24fr. 22½
Belgium		1/... 63½	1/... 7...	1/... 8...	
Berlin		24/... 44	24/... 37...	25/... 32...	
Buenos Ayres		58/...	51/...		47/...
Calcutta		1/... 8/...	1/... 7/...	1/... 8/...	2/...
Christiania		25kr. 82	25kr. 91	25kr. 72	18/...
Copenhagen		25kr. 85	25kr. 75	25kr. 73	18/...
Helsingfors		170m.	161m.	154m.	
Hong Kong		3/... 7½	3/... 9½	3/... 11½	
Lisbon		91/... 25	92/... 00	98/... 00	25/...
Madrid		7/...	7/...		5/...
Montreal		1/... 6/...	1/... 7/...	1/... 8/...	
Madrid		26fr. 75	26fr. 33	25fr. 05	25/...
Montreal		5/...	5/...	5/...	
Montreal	Cable	$3 96	$3 88	$3 97	$4 86
New York	Sight	$3 48½	$3 47	$3 48½	
		$3 48½	$3 45	$3 37	
—	Cable	$3 49	$3 48½	$3 39	$4 86½
Paris		25fr. 70c.	25fr. 70c.	25fr. 55c.	25fr. 22½c.
Petrograd		11/...	11/...	11/...	16d.
Stockholm		4s. 8½d.	5s. 0½d.	5s. 4½d.	
Shanghai		2s. 3½d.	2s. 3½d.	2s. 3½d.	
Switzerland		24fr. 10	18fr. 12	17fr. 99	18/...
Vienna		22/... 10	22/... 10	21/... 07c.	
Valparaiso		9/...	9/...		18/...
Yokohama		2/... 10½	2/... 11½		24/...

* Fixed at 1s. 10 to the [illegible]. † Average to Nov. 1, 1920.

NEW YORK ON —	Nov. 13, '20	Nov. 19, '20		
Amsterdam, sight	40 3/...	40 3/...	40 20/...	40 ...
Belgium, cheques	27 5/...	27 5/...	43 85	5 ...
Buenos Ayres, cheques	13 7/...	14 1/...		
Copenhagen, cheques	13 7/...	13 7/...	26 89c. for 1 kroner	
Copenhagen, cheques	13 5/...	13 3/...	26 81	
Christiania, cheques	9 8/...	9 10/...	19 25	
Hamburg, cheques	64 50/...	64 50/...	74 ...	5 ... $1
Italy, sight	27 1/...	26 3/...	5 11	5 ... $1
Italy, cheques	27 1/...	26 3/...	5 11	
Lisbon, cheques	4 4/...	4 4/...	4 ...	
Madrid, cheques	18 50/...	18 50/...	90	4 ...
Montreal	12 5/...	12 5/...	2 ...	5 ...
Norway, cheques	14 81/...	14 81/...	3 ...	5 ...
Rio de Janeiro, cheques	6 6/...	6 5/...	3 082 milreis for $1	
Shanghai, cheques	83 1/...	83 1/...		8 ...
Singapore, cheques	42 0/...	42 0/...	56 77c. for $1	5 ...
Spain, cheques	13 1/...	13 1/...	19 30c. for 1 peseta	
Stockholm, cheques	14 2/...	14 1/...	26 80c. for 1 kroner	
Switzerland, cheques	6 9/...	6 9/...	19 ... $1	5 18½
Valparaiso, cheques	17 00/...	17 00/...	20 61c. for 1 peso	
Yokohama, cheques	50 6/...	50 6/...	49 ...	

* Average to Nov. 1, 1920.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

BIRMINGHAM	Nov. 21	£...	—	£...	£170,181	+ £...	— £...
BRISTOL	21	1,70...	—	83	82,563	+ 14,424	— 21
DUBLIN	21	2,90...	—	1,1...	406,185	+	
LEEDS	21	1,19...	—	3...	80,378	+	
LEICESTER	21	1,...	—	5...	57,868	+	
LIVERPOOL	21	14,01...	—	5,46...	757,931	+	
MANCHESTER	21	24,5...	—	3,84...	1,358,797	+ 534,647	+ 61
NEWCASTLE	20	3,7...	—	7...		+	
NOTTINGHAM	21	7...	—	2...		+	
SHEFFIELD	20	1,21...	—	17...		+	
	1920						
Bombay	Nov. 24	36,4...	—	...	...	+	
MADRAS	23	38,5...	—	...	...	+	
CALCUTTA	24	50,81...	—	16...	...	+	
TOTAL	4	8...	—	14...	...	+	

V.—FREIGHTS — Average Rates to Mostly [illegible]

HOMEWARDS.	1920 Nov. 26	1920 Nov. 19	1913 Nov. 27	HOMEWARDS.
Alex. to U.K.	...	9 6		
[illegible]				
[illegible]				
[illegible]				
[illegible]				
[illegible]				
[illegible]				
[illegible]				
R. Plate to U.K.	1 6	1 0		
[illegible]				

OUTWARDS.

[illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	NOV. 26, 1920.	NOV. 28, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	231/0	166/0	57/0
— Middlesbro' warrants ...ton	225/0	160/0	51/0
— Hematite warrants ...ton	260/0	200/0	61/0
— Staffordshire bars, London ton	£30 10	£25 £28	£8 10
— Common bars ...ton	£30—£30 10	£22	£6 18
Steel Rails ...ton	£25	£16 10—£17	£6 2/6
Galvanised Sheets ...ton	£38—£40	£37—£37 nom	£16 17/1
Copper—Standard ...ton	£79	£95	£68
Tin—English Ingots ...cwt.	£217—£218	£293	£142 10
— Straits ...ton	£221 10	£296	£124 10
Tinplates, I.C. Coke, S. Wales, box	40/0	45/6—46/0	11/10½—12/0
Lead—Soft Foreign ...ton	£28—£28 17/6	£38	£19
Spelter—Ord. Foreign ...ton	£29 5—£23 5	£48 10—£49	£21 7/9
Quicksilver—(75lb.) ...bottle	£15 10—£16	£20	£7
Aluminium ...ton	£195 home	£150	£82
Antimony—Regulus Foreign ...ton	£43—£45	£46	£27 10
— English ...ton	£52—£55	£47 10	—
Coal—Best Yorkshire ...ton	37/2—38/9	29/6—30/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	46/0—51/0	14/8
CHEMICALS, OILS, &c.			
Nit. of Soda—Crude, Chile, terquinta ...cwt.	14/0	9/10½	7/4
— Crystals ex wharf ...ton	140/0	129/0—130/0	42/6—45/0
Soda—Caustic 76 per cent. ...ton	£48 15	£59 5	£23 15—£24 7/6
Cocoa—Malac and States ...ton	60/0	47/0	16/10½
Gambier—Good marks ...cwt.	13/0—16/6	10/0—12/0	3/2—3/8
Indigo—Fengal good to fine ...lb.	£46	£48	£25 5
Linseed Oil—Raw ...ton	£26 nom	£48	£13 16/9
Linseed—Calcutta, spot ...ton	—	£25	£7 17/6—£8
— Cakes, U.K. made, ex mill ...ton	—	nom	£49 10
Olive Oil—Spanish ...ton	£47	£87	£31 10
Palm Oil—Lagos ...ton	£39	£54	£24 15
Petroleum—American ...gallon	2/3½	1/7	7½d.
Rape Oil—Refined English ...ton	£86—£90	£109	£32
Soya Oil—Refined ...ton	£90	£98	£44
Tallow—Imported ...cwt.	£9/0—76/0	95/0	29/3—33/3
Turpentine—American ...cwt.	105/0	126/0	33/7½
Rape Seed—Coria ...ton	£32	£41	£13 5
Rubber—Para, spot ...lb.	1/4	2/6	2/9
— Fine Plantation (Ceylon rose) lb.	1/1½	2/5	2/2
— World's Production Ang. tons	24,970	26,937	8,467
Shellac—T.N. Orange, fair ...cwt.	550/0	560/0—570/0	63/0—84/0
TEXTILES.			
Cotton—Middling Upland ...lb.	13·77d.	28·21d.	7·53d.
— Egyptian, good fair ...lb.	20·00d.	37·00d.	8·75d.
— Pernambuco fair ...lb.	13·97d.	39·45c.	13·25c.
— Middling Tri. New York ...lb.	18·00c.	39·45c.	13·25c.
— Stock, Liverpool (Nov. 19) bale	848,240	654,010	934,600
— Do. Alexandria ...bale	—	—	£28
Flax—Petrograd, Yarapol ...ton	£55	£48	£25 10
Hemp—New Zealand ...ton	£69	£56	£28 10
— Manila, Fair ...ton	£47	£68	£26 15
Jute—First Marks ...ton	£39	£54	£24 15
— Red SCC ...ton	31/0	34/0	19/0—12/6
Silk—Common, New Style ...lb.	3/8	4/6	11½d.—1/0
Wool—Ft. Philip unwashed av. lb.	1/4	2/11	1/0½
— Limestone Half Hoes ...lb.	12½d.	12½d.—13½d.	7½d.
Hides—Eng. Ox, best 70 lb. up lb.	3/0—3/8	3/3—3/9	1/4—1/8
Leather—Dressing Hides ...lb.			
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	84,065,000	142,921,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	190/0	237/0	67½c.
—English Gazette, aver. 480lb. qr.	90/3	72/7	34/3
—English Gazette, aver. 480lb. qr.	86/0	44/3	28/6
Flour—G.R. ...280lb.	89/7	104/11	25/4
Barley—Eng. Gaz., aver. 400lb. qr.	51/11	55/11	20/0
Oats—Eng. Gaz., aver. 312 lb. qr.	92/6	167/6	76/2
Maize—N.Y. (new bushel) ...56lb.	61/0	nom	32/4
— Amer. mixed, Liverpool ...480lb.	50/0	85/0	25/8
— La Plata ...480lb. qr.	195/0	216/0	70/0—75/0
Potatoes—Good English ...ton	44/0	26/0	7/0—7/3
Rice—Bassein ...cwt.	36/0—40/0	45/0	14/0—17/8
Tapioca—Pearl, medium ...cwt.	—	—	82/6
Hay—best ...2.016lb. load	—	—	£6 5—£7
Hops—English ...cwt.			
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs. ...8lb.	8/8	9/0	3/8—3/10
— Scotch sides ...8lb.	10/8	10/0	4/6—5/0
— English ...8lb.	10/8	10/0	4/2—4/5
Mutton—Scotch wethers ...8lb.	14/8	10/6	5/8—8/0
— English wethers ...8lb.	14/8	10/6	4/6—5/4
— New Zealand frozen ...8lb.	4/0—6/0	8/6	2/4—3/2
Pork—English and Irish ...8lb.	16/0	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†245/0	250/0	190/6	60/0—74/0
— Danish ...cwt.	†230/0	†187/0	58/0—68/0
— Canadian, ex Port ...cwt.	†225/0	†187/0	—
— American ex Port ...cwt.	†186/6—192/0	†187/0	72/0—74/0
Hams—American, short cut, Port cwt.	†220/0	†190/0	75/0—79/0
— short cut, ex Port ...cwt.	†220/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	†198/6	51/9—52/9
Butter—Danish ...cwt.	†336/0	†252/0	117/0—120/0
— French ...cwt.	†336/0	†252/0	96/0—108/0
— Australian ...cwt.	†336/0	†252/0	98/0—120/0
— New Zealand ...cwt.	†336/0	†252/0	108/0—114/0
Cheese—Canadian ...cwt.	156/0—160/0	†144/8	66/0—68/0
— United States ...cwt.	—	†144/8	—
— Dutch ...cwt.	†168/0—230/0	†144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Oct. 31 ...cwt.	22,336,628	25,967,108	19,777,254
Home consump'n to Oct. 31 cwt.	19,680,338	25,021,520	17,270,000
— In Bond Oct. 31 ...cwt.	6,987,000	6,490,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	†22/6	45/0	13/0	10/3
— — Yellow crystals ...cwt.	†22/6	86/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	†22/6	100/0	72/0	18/0
Coffee—Imports to Oct. 31 ...cwt.	705,978	988,348	720,360
— Home consump'n to Oct. 31 cwt.	259,366	267,882	141,410
— Exports to Oct. 31 ...cwt.	394,366	560,483	340,250
— In Bond Oct. 31 ...cwt.	767,000	771,000	484,000
— — Ceylon, Pek. Souc. fine cwt.	120/0—150/0	158/0—184/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	75/0 nom	130/0—132/0	41/6
Tea—Imports to Oct. 31 ...lb.	367,028,923	378,640,604	123,230,277
— Home consump'n to Oct. 31 lb.	331,080,319	329,940,443	155,447,972
— Exports to Oct. 31 ...lb.	34,987,427	24,856,615	26,561,765
— In Bond Oct. 31 ...lb.	224,814,000	145,774,000	78,292,000
— Price, Indian, Pek. Souc. gd. lb.	54d	1/5	8½d.
— — Ceylon, Pek. Souc. Ord. lb.	54d	1/6	8½d.
— — Common Congou ...lb.	54d nom	1/3	5½d.
Cocoa—In Bond Oct. 31 ...cwt.	1,326,000	1,129,000	309,000
— Grenada, good to fine ...cwt.	63/0—65/0	85/0	52/6—56/0

• Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Aug.	$17,995,000	+2,711,000	$2,201,000	−$1,577,000
	5 mos. to Aug.	127,428,000	+2070,000	15,749,000	−3,712,000
Grand Trunk ...	Sept.	£1,669,300	+£230,100	£38,000	−£188,000
	9 mos. to Sept.	11,702,800	+1,567,200	630,100	−530,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Oct. 16	1,041	R2,41,945	— 3,398	2	5,15,767	+ 31,220
Barsi Light ...	Oct. 23	118	16,400	— 2,100	29	8,22,800	+ 17,400
Bengal & N.W.	Oct. 16	2,067	4,47,610	+ 92,104	2	9,84,186	+ 241,352
Beng. Dooars	Oct. 23	158	32,451	+ 25,651	3	106,111	— 119,722
Beng. Nagpur	Oct. 16	2,695	11,09,000	— 18,000	28	3,39,47,791	— 13,01,879
Bomb. Baroda	Nov. 13	2,871	16,13,000	+ 2,25,000	6	1,11,98,000	+ 11,60,000
Burma	Oct. 16	1,342	5,33,965	— 20,905	2	12,05,039	— 1,89,060
Del. Um. Kalk.	Nov. 13	239	1,23,000	+ 9,282	6	6,93,487	+ 88,810
East Indian ...	Nov. 20	2,772	27,02,000	— 1,09,000	7	2,05,00,000	+ 13,02,000
Gt. Indian Pen	Nov. 13	3,121½	24,13,000	+ 4,40,000	6	1,55,16,800	+ 18 13,001
Madras & S.M	Oct. 23	3,162	10,60,000	+ 4,290	3	34,40,000	— 81,682
Nizam's Guar.	Oct. 23	900	2,94,049	+ 28,909	3	7,31,396	+ 94,421
Roh. & Kurm.	Oct. 16	576	94,610	+ 9,199	2	2,08,107	+ 28,377
South Indian	Oct. 16	1,852½	7,97,316	+ 24,551	28	2,31,80,831	+ 10,29,593
South Punjab	July	716	9,32,457	+ 203,632	4m.	35,06,396	+ 7,06,580

COLONIAL								
Can. Northern	Nov. 21	9,704	$1,806,700	+ 488,000	45	58,65,733	+ 10,332,824
Can. Pacific ...	Nov. 21	13,388	5,230,000	+ 1,119,000	45	188,674,000	+ 34,122,000
Grand Trunk	Nov. 21	3,616	£364,806	+ 70,252	45	14,633,487	+ 2,138,779
Mashonaland	June	810	91,152	+ 21,431	9m	662,619	+ 178,922
Mid. W. Aust.	Sept.	277	10,784	+ 1,618	3m	28,605	+ 3,430
New Cape Cent.	Oct. 30	205	2,616	— 403	44	128,764	+ 19,881
Rhodesia Rlys.	Aug.	1,397	137,517	+ 34,630	11m	1,252,518	+ 272,778
Temiscouata...	Sept.		$45,154	+ 12,121	9m	—	—
W. Pass. & Yuk	Dec.	122	1,368,826	+ 124,546	12m	1,368,826	+ 124,546

FOREIGN.								
Argentine.								
Arg. N. East...	Nov. 17	752	$ 10,300	— 1,800	20	242,300	+ 3,200
Arg. Transand.	Nov. 20	111	$ 3,373	— 1,457	21	44,570	+ 16,384
B. A. & Pacific	Nov. 20	3,536	$ 109,000	— 48,000	21	2,536,000	— 426,000
B.A.Gt. South	Nov. 20	3,782	$ 129,000	— 56,000	21	2,942,000	— 534,000
Do.	Nov. 20	Net	$ 71,000	— 21,000	21	317,000	+ 789,000
B. A. Western	Nov. 20	1,882	$ 77,000	— 25,000	21	1,483,000	— 542,000
Do.	Nov. 20	Net	$ 1,000	— 28,000	21	135,000	— 567,000
B. A. Central	Sept.	190	£ 52,478	+ 6,726	3m	163,275	+ 24,871
Cent. Argent.	Nov. 20	3,305	£ 190,000	— 3,000	21	4,124,000	+ 681,000
Cord. Central	Nov. 20	1,205	£ 47,000	— 12,300	21	1,169,200	— 88,700
Entre Rios ...	Nov. 13	811	£ 21,400	— 2,000	20	427,700	— 7,400
Brazilian.								
Brazil Gt. South	Dec.	110	M 40,000	— 14,750	10m	453,700	— 45,971
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil	Nov. 20	1,010	£ 23,500	— 2,300	46	984,000	+ 120,300
Leopoldina ...	Nov. 20	1,831	£ 41,715	— 17,935	46	2,397,068	+ 452,133
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,851
Paulista	Dec.	788	M 2,850,000	— 806,038	12m	32,479,000	— 1,225,892
San Paulo ...	Nov. 21	153½	£ 44,548	— 7,995	46	2,170,433	+ 543,548
Sorocabana ...	Dec.	1,003	M 1,749,000	— 248,163	12m	21,953,000	+ 976,892
S.of Babias, W.	Oct.	52	M 150,000	— 6,000	10m	1,020,000	+ 111,000
Chilean and Peruvian.								
Antofagasta...	Nov. 21	838	£ 37,925	+ 14,395	46	2,126,955	+ 933,355
Arauco	June	84½	£ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate (2wks.)	Nov. 15	390	£ 44,079	+ 16,258	42	886,891	+ 460,408
Peruvian Corp.	Oct.	1,140	S 1,187,162	+ 8,030	4m	4,638,635	+ 311,711
Taltal	Dec.	180	£ 30,150	+ 10,455	4m	117,046	+ 84,036
Cuban.								
Cuban Central	Nov. 20	382	$ 16,768	— 69	21	435,648	+ 81,977
Cuba Railroad	Aug.	—	$ 1,003,131	+ 26,628	2m	2,241,745	+ 264,923
Havana Cent.	Nov. 13	70	$ 13,731	+ 3,322	20	257,396	+ 58,043
U. of Havana	Nov. 20	681	$ 57,249	— 197	21	1,323,508	+ 163,807
W. of Havana	Nov. 20	155	$ 8,042	+ 364	21	223,902	+ 42,518
Uruguayan.								
Cent. Uruguay	Nov. 20	273	£ 20,752	+ 5,744	21	332,942	+ 49,833
" (B. Ext.)	Nov. 20	311	£ 5,261	+ 1,178	21	101,437	+ 8,318
" (N. Ext.)	Nov. 20	185	£ 2,475	+ 1,343	21	57,471	+ 18,840
" (W. Ext.)	Nov. 20	211	£ 2,643	+ 731	21	50,186	+ 3,418
Mid. Uruguay	Oct.	319	£ 16,595	+ 3,235	4m	67,776	+ 9,915
N.W. Uruguay	Oct.	113	$ 6,063	+ 720	4m	23,338	+ 2,779
Urug. Northn.	Oct.	73	£ 2,181	+ 121	4m	8,157	+ 316
Miscellaneous								
Alcoy & Gandia	Nov. 20	33	Pts. 15,000	+ 2,000	48	610,000	+ 138,400
Bilbao	Oct.	15	£ 4,017	+ 2,109	10m	33,648	+ 8,811
Bolivar	Oct.	136	£ 7,348	+ 1,984	10m	100,616	+ 12,191
Dolores, Natal	Oct.	88	£ 18,580	+ 4,120	10m	189,063	+ 50,910
Costa Rica ...	Sept.	189	£ 28,378	+ 3,815	3m	80,125	+ 15,586
Dorada Ext....	Oct.	70	£ 16,300	+ 3,700	10m	167,323	+ 56,028
Egyptian Delta	Oct. 31	559½	£ 21,195	+ 3,852	30	294,477	+ 114,653
Gt. S. of Spain	Nov. 13	104	Pes. 9,684	+ 6,057	46	4,030,132	+ 799,044
La Guaira & Ca.	Oct.	22½	£ 12,210	+ 1,970	10m	139,360	+ 52,870
Ottoman Ry....	Nov. 6	379	£ 11,775	—	—	—	—
Paraguay Cent.	Nov. 20	274	£ 4,520	+ 580	21	105,030	+ 9,540
Puerto Cabello	Oct.	34	£ 4,500	+ 600	10m	54,500	+ 7,375
Salvador	Nov. 13	100	£ 2,820	+ 522	20	63,119	+ 9,176
Santa Fe Prov.								
French Rys.	Sept.	1,181	£ 171,620	+ 10,157	9m	1,468,336	+ 13,833
S'tos & S'tiago	Oct.	80	£ 7,840	+ 1,063	10m	138,273	+ 14,981
Zafra & Huelva	Oct.	112	£ 14,870	+ 80	10m	127,939	+ 23,934

TRAMS.								
Anglo-Argent.	Nov. 18	400	$ 77,952	+ 11,654	46	3,595,599	+ 806,293
Auckland Elec.	June 30	27	—	—	52	292,502	— 4,065
Bombay Elec.	June	39	R. 8,16,237	+ 80,100	6m	47,91,126	+ 6,28,838
Brazilian Trac.	Sept.	378½	M12,643,000	+ 2,251,000	9m	96,86,000	+ 13,106,000
Brisbane Elec.	Oct.	40½	£ 46,310	+ 2,770	10m	433,331	+ 63,420
Brit. Columbia	Sept.	334	$ 756,900	+ 74,304	3m	2,253,693	+ 229,497
B. A. Lacroze	Oct.	61	£ 57,619	+ 7,521	4m	216,382	+ 23,012
Calcutta	Nov. 20	35½	R 94,042	+ 5,215	47	43,12,831	+ 2,64,529
Cardiff	Sept.	42½	£ 23,502	+ 3,471	3m	88,116	+ 12,037
Carth. & Herr.	Oct.	9	£ 3,319	+ 1,854	10m	42,033	+ 15,114
Chatham & Dist.	Nov. 14	15	£ 1,725	+ 438	45	73,6.9	+ 9,322
Havana Elec.	May	86	$ 946,301	+ 205,937	5m	4,587,376	+ 1,010,581
Isle of Thanet	Nov. 17	20½	£ 491	— 55	7	4,697	+ 687
Kalgoorlie ...	Aug.	20½	£ 3,111	— 228	8m	24,248	+ 2,041
Lanarkshire ...	Nov. 14	28½	£ 3,981	+ 308	45	191,538	+ 23,995
Lima Light ...	Aug.	85	£ 58,502	+ 9,813	8m	481,800	+ 80,721
London & Gt.	Nov. 17	141½	£ 101,575	+ 26,762	32	2,918,141	+ 253,319
Madras (2wks.)	Nov. 15	151½	Rs. 48,704	+ 4,874	42	10,40,840	+ 1,65,005
Manila Electric	Sept.	55	$ 880,356	+ 59,127	9m	2,493,366	+ 653,994
Pernambuco ...	Nov. 21	59	£ 5,556	— 1,883	46	306,756	+ 59,251
Provincial ...	Nov. 13	21½	£ 3,143	— 242	7	20,658	+ 205
Rangoon Elec.	Sept.	25	£ 7,857	+ 845	9m	64,357	+ 12,645
Shanghai Elec.	Oct.	26½	M s. $168,300	+ 18,300	10m	1,503,300	+ 218,511
Singapore Elec.	Oct.	26½	$ 14,047	— 71	31	433,548	+ 286,423
U. of Montevid.	Dec.	80½	£ 43,616	+ 5,422	12m.	516,133	+ 72,415

Government Securities and the Investor

THE present low price of British Government Securities is the natural result of various economic factors which have been operating during and since the war. Such Securities are nevertheless, as hitherto, the best holding for the investor whose first care is for safety of principal and stability of income.

This Company has just prepared a pamphlet, "British Government Securities and the Investor," which gives in some detail the salient characteristics of several of the outstanding Government issues, and the reason why the present seems a wise time for investment. Copies will be sent on request.

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The Statist.

LONDON, SATURDAY, NOVEMBER 27, 1920.

BRITISH RAILWAY FINANCE.

The financial results of the working of our railways in the six months to the end of September, which have just been published by the Minister of Transport, reflect in the closing month the result of the general increase in goods rates and passenger fares. The net Government liability in respect of the full six months working is £15,640,551. The monthly liability reached its peak in June and subsequently declined to the extent shown by the following figures: April, £3,033,195; May, £3,346,795; June, £4,078,803; July, £2,651,569; August, £2,155,584. It was converted into a surplus of £228,485 in September, and, as the full effect of the recommendations of the Railway Rates Advisory Committee will be set forth below, as may also be the case with the considerable increase in working expenses, an expansion of the surplus in October and subsequent months.

For the financial year to March 31, 1921, the Minister of Transport estimated a deficit of £40,000 (after the loss of the old charges) and up to the end of August that is, not to the end of the second, the deficit realised was over £16,000,000, or slightly less than the original estimate. The new charges are expected to restore the financial equilibrium of the lines, and their effect on gross receipts should certainly be marked, though the net gain, in view of possibly not slight compensatory increases in working expenses, is, of course, still problematical. Traffic receipts, especially if the trade depression [illegible] Geddes, but it is doubtful if his original scheme, which [illegible] adopted without modification. The Transport Minister [illegible] railway or other interests will submit fresh proposals [illegible] £70,732,489 were slightly in excess of the passenger train receipts at £63,995,113. After deducting expenses of collection and delivery and some minor charges the gross traffic receipts were £129,571,746. Expenditure totalled £118,819,039, leaving a credit balance of £10,752,707, reduced to £10,247,449 [illegible] Government guarantee in respect of the six months totalled £25,888,000, and thus its net liability worked out at £15,640,551. In the following table we show in detail under different heads the accounts for August and September and for the [illegible] months:

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

and in the figures given herewith we show the gross and net receipts and the receipts per ton-mile for the [illegible] Great Britain for each month from June to September:—

Gross and Net Receipts and Receipts per Ton-mile of Controlled Railways in Great Britain.

	Four Weeks ended	Gross Receipts	Cost of Collection and Delivery	Tons Miles	Net Receipts	Receipts per Ton-Mile Excluding Cost of Collection and Delivery	Receipts per Ton-Mile
		£	£		£	d.	d.
[illegible]	Sept. 13	6,618,563		522,350,579	3,161	2·745	
	Aug. 15	4,851,655	1,998,128	454,425,435	5,092	2·611	
	July 18	6,17,610	5,139,139	496,617,877	2,982	2·481	
	June 20	7,281,009	4,154,4[illegible]	483,[illegible],092	2,906	2·61	
[illegible]	Sept. 12	2,857,191		675,915,882	1,067		
	Aug. 15	2,468,877		634,[illegible],[illegible]	868		
	July 18	2,802,[illegible]		715,740,073	850		
	June 20	2,[illegible],[illegible]		667,[illegible],[illegible]	925		
	Sept. 12	1,[illegible],[illegible]		580,[illegible],[illegible]	1,[illegible]		
	Aug. 15	1,281,972		568,195,142	1,147		
	July 18	1,[illegible],[illegible]		293,857,420	1,[illegible]		
	June 20	*1,336,011*		*[illegible],[illegible],441*	*1,222*		
	Sept. 12	11,463,813	10,602,331	1,489,083,448	1,818	1·569	
	Aug. 15	9,[illegible],[illegible]	[illegible],927	[illegible],[illegible],[illegible]	1,746	1,576	
	July 18	9,923,659	9,045,188	1,506,215,370	1,581	1·441	
	June 20	9,[illegible],[illegible]	9,[illegible],[illegible]	[illegible],[illegible],[illegible]	1,657	1,477	

[illegible] weeks [illegible] to the Year [illegible]

The figures for the four weeks ended September 12 show a gratifying increase under various heads. There has been a rise in the gross receipts per ton-mile in respect of merchandise from 3.092*d.* to 3.161*d.* A rather anomalous feature of the results as above given is that the cost of collection and delivery of merchandise showed a marked falling-off in September, despite the largely enhanced revenue from this source. Receipts increased by £925,500, from £5,854,533 to £6,880,045, but expenses declined by £925,500 from £856,000 to £262,000. The net receipts per ton-mile for total freight traffic shows the large advance of .156*d.*, but the operation of the rates increase since September 1 naturally prevents comparisons being made on a proper basis between the different periods. It might be remarked, however, that the tonnage carried showed an expansion in a number of items. The changes in some of the more important classes of traffic are shown in the adjoining statement:—

	[illegible] Four Weeks ended Sept. 12	Aug. 15	Increase or Decrease
	Tons	Tons	Tons
Coal, coke and patent fuel ...	15,109,333	13,542,441	+1,566,892
Ironstone and [illegible]	1,240,575	1,278,980	– 38,405
Iron and [illegible]	512,311	255,812	– [illegible]
Pig iron ...	401,487	383,506	+ 17,981
Road stone	636,458	[illegible]	[illegible]
Basic	390,851	351,045	+ [illegible]
Timber	654,253	587,587	+ 66,666

Of these representative articles ironstone and ore alone register a decline. The coal strike and the accompanying disturbance to trade will adversely affect the later September and the October returns, and it has been estimated that the total loss of revenue involved to the railways by the dislocation of industry in the two months will not be less than £8,000,000.

Data as to the average train-load and the number of ton-miles per route-mile show the efficiency, or otherwise, of the railroads, and we give a *résumé* of working results in recent months:—

	[illegible] Four Weeks [illegible] 1920	Average Train Load	Ton-miles per Route-Mile
	Sept. 12	141·58	[illegible]
	Aug. 15	[illegible]	[illegible]
	July 18	141·16	[illegible]
	June 20	*136·*	[illegible]
	Sept. 12	95·[illegible]	[illegible]
	Aug. 15	9[illegible]	38,534
	July 18	98·12	[illegible]
	June 20	[illegible]	[illegible]
	Sept. 12	151·37	[illegible]
	Aug. 15	130·33	[illegible]
	July 18	151·56	[illegible]
	June 20	*1·2·4*	[illegible]

There has been an improvement in the average train-load for September, as compared with the previous period, of 3.99 tons, but the August figure was abnormally low, and the latest figure is still below the average load for three periods during the current year. The average wagon-load, which was only 5.30 tons, showed a decrease and marked the lowest level yet reached since the statistics were compiled.

An unexpected feature in the September financial returns was the rise in expenditure. To take only one item, the outlay on maintenance of rolling stock was £4,160,000, the highest monthly figure yet reached, and the rise in wages consequent upon the operation of the sliding scale entails a further heavy increase from October 1.

EASTERN EUROPE.

The violation of elementary axioms of [illegible] many clauses of the various Peace Treaties is now bearing its evil fruits, and the subdivision of States from purely strategic or political motives, which was engineered in Paris last year and continues to be beau ideal of French Chauvinists, is now seen to lack practically every element that makes for solidarity or permanence. Proper attention should have been paid to ethnographical lines of cleavage, and changes made in accordance therewith, though not always attended by happy results, are at any rate defensible. Ethnology was, indeed, said to be one of the prime considerations at the time of the Peace Conference, but its application was purely one-sided, and it was used to provoke instead of modifying racial antagonism, while no attempt whatever was made to secure unity, or even an approach to harmony, in the economic sphere amongst the large number of small, contiguous States that were set up. The result has been that trade and finance are now hampered by a medley of regulations devised by particularist Governments for their advantage, as it is thought, and without consideration of their neighbours' needs. These regulations aggravate the position, already serious enough on account of the debasement of national currency. Czecho-Slovakia, Poland, and several other States are new to their independence, and to a large extent are merely striving to raise their heads out of the welter of confusion that surrounds them, and, unversed as they are in the guiding principles of international economics, they cannot be expected to see that attempts to interfere with the exchange of goods, beyond the precautions necessary to ensure supplies adequate to home needs, will ultimately work to their own detriment.

The present state of affairs in Eastern Europe affords a good illustration of our contention. Austria and Germany are compelled not to discriminate between one country and another as regards trade relations, but the new States which surround Austria are, in effect, blockading her. Czecho-Slovakia led the way, and Jugoslavia, Poland, and Hungary followed suit. Czecho-Slovakia has gone further and raised a Customs barrier against Austria, applying the "autonomous" tariff and not the lower treaty tariffs. Austria cannot respond by differentiating amongst good and bad neighbours, since she must afford equal treatment to all. Import and export embargoes enforced and removed at whim exercise an unsettling influence on trade throughout the whole of Eastern Europe, and they have become so general that a series of "compensation treaties" have been concluded between different States regulating the exchange of goods. Austria's hands are, however, tied, and accordingly she receives scant consideration in these matters. Freedom of trade, at least within the limits of the Dual Monarchy, is, however, essential for her continued existence. At the present time, being completely surrounded by more or less hostile neighbours, she receives little coal, raw material, or semi-manufactured goods, and is unable to export native products to her customary markets. The position is a defiance of economic common sense. Sir W. Goode has been endeavouring to bring the seriousness of Austria's plight under Allied notice in Paris, and any attempt to ameliorate it should be accompanied by some general scheme for economic unity amongst the new States of Eastern Europe. Without that, action in individual cases is doomed to be of little effect.

EXPORT TRADE METHODS.

[illegible] criticisms [illegible] on our exports selling [illegible] is largely [illegible] to the pressure [illegible] of the moment. [illegible] United Kingdom, but through [illegible] the conditions under which industry and trade have been carried on since the Armistice are thoroughly unsettled, and the satisfaction of the demands of markets long accustomed to seek a large proportion of their imports from us has been a difficult task. Due allowance has [illegible] by critics for the [illegible] caused by unsettled exchanges [illegible] of abnormal raw materials, and for the manner in which the full development of production is hindered by strikes. Still, it must be admitted that our own uncommunicativeness on these points often gives rise to serious misunderstandings, and a more friendly attitude would undoubtedly surround our dealings with some foreign and colonial customers if an adequate explanation were given in cases of failure to make delivery of goods or to quote firm prices.

The abnormal conditions brought about by the partial cessation of production during the War and consequent scarcity of commodities are not likely to be remedied for some time yet, but we have to look forward eventually to a period when the trading world will have adjusted itself to a more permanent order of things. Pending its re-establishment it is obviously our duty to secure ourselves for a perhaps more formidable era of international competition than any we have heretofore encountered. The manufacturing equipment of the United States has expanded to a [illegible] degree, and the formation of [illegible] with the object of financing the export trade and securing ample representation abroad for American producers is proceeding steadily. No doubt the high value of the dollar will continue to operate towards the restriction of imports by many European and other countries from the United States, but the preference thus instituted in our favour should not be made an [illegible] in our export trade organisation.

Before the War trade with many countries had largely been of a routine nature. Orders for certain lines were repeated from time to time without much thought on the part of the buyer as to the possibility of securing corresponding goods at equal prices from other sources. Since the War buyers have been obliged to look for other sources of supply, and, though some of the goods so introduced have proved unsatisfactory, others have quite suited the purpose of the importer, and in the Colonies, where we enjoyed a practical monopoly in pre-War days, foreign competitors have, by patient study of the needs of these markets, made great attempts to supplant us. The natural preference for British goods will tend to aid our exporters, but the point has to be borne in mind that the Colonial importer, having introduced to his notice a greater variety of goods of the same category, is inclined to become more critical of comparative prices. There, as regards the [illegible] a suspicion that the British manufacturer exploits this advantage unduly. Supplies of goods urgently needed in the Colonies are, it is stated, often diverted to foreign destinations when the opportunity of snatching a greater profit presents itself, the manufacturer apparently cherishing the impression that the strength of his connections with the Colonies will safeguard his interests from any harm.

The conditions prevailing in Europe at present call for a great degree of enterprise and economy in our export selling organisation. Should trading relations be resumed with Russia, a large demand will be created for those qualities of the peculiar requirements of that country; and a similar demand appears to the newly formed States of Central Europe and the Baltic coast-line, the problem of trading with which will require careful investigation. The export trade scheme does apparently offer considerable facilities for placing trading relations with these regions on a per- [illegible] has been taken of these facilities, and there is a danger that more enterprising competitors may secure a firm foothold there. American interests are firmly entrenched in Copenhagen, and from that convenient centre are enabled to keep in close contact, in particular, with countries bordering the Baltic coast. A first-hand knowledge of local conditions is here a prime essential for our exporters. When world markets are in a state of flux such knowledge is scarcely less essential elsewhere, and thus the necessity arises of close co-operation between the manufacturer and the mer- [illegible] that the manufacturer should in all cases be personally represented abroad by an agent working on a commission basis, and that, in any event, the manufacturer should keep in close personal touch with the needs of the market. Agents of this description would in [illegible] in order to earn an adequate income, and a difficulty would arise in supplying them with non-competitive lines. Where an agent undertakes to sell competitive goods he would be naturally inclined to push the sale of those which returned him the largest commission. In the engineering industry small companies have been established by particular groups of manufacturers for the purpose of pushing some of their wares in certain countries, and as the selection is so made that these goods do not enter into competition with one another each manufacturer is enabled to name a specific selling price. He has, however, to give credit, as the companies do not follow the example of the merchant houses in paying for the goods. Associations of producers may conceivably effect an improvement of our present selling organisation; but even in Germany, where this system was largely adopted, considerable difficulty was experienced in adjusting the conflicting interests of members. So far as the United Kingdom is concerned, the system of selling through wholesalers possesses great strength, but their whole-hearted co-operation with manufacturers has never been more essential than at the present moment, when the currents of international trade are so unsettled.

An interesting event in the trading history of recent years is the rapid growth of direct importing from the United Kingdom by small businesses located in the Colonies and elsewhere. Many retail establishments, operating on a small scale as judged by United Kingdom standards, have their own buying agents in London, and these and others buy also through the great number of indent agents who are always calling upon them. They only do business through wholesale houses when there is urgent need of replenishing stocks. It consequently happens that a manufacturer is dealing with a retail connection under the impression that it is wholesale. Where direct importing on these lines is proceeding the observation has [illegible] steps to meet the resulting demand he is not making the utmost of the market. The direct importing retailer will, it is stated, not abandon his direct importing because one manufacturer does not cater for him: he will merely look for another. In these circum- [illegible] sale interests. Such conflicts have not been unknown [illegible] irreparably harmed in a district where his goods have [illegible] cause for unpleasantness.

CATERING COMPANIES' RESULTS.

The advent of peace witnessed the gradual emergence of British catering companies from the period of war rationing, which had naturally been inimical not only to enhanced profits but to business expansion in many directions. The last vestige of food control disappears next week with the restoration of freedom to the sugar trade, and the whims of Controllers—a perpetual source of uneasiness and irritation to the business community—can, for a time at any rate, be relegated to the limbo of forgotten things. The reports of the majority of catering concerns in 1919 reflected the benefits derived from a return to peace conditions and to liberal food supplies, and the reports so far issued in the current year register a continuance of this progress. The enhanced earnings are not the result of profiteering, despite the loose and unsubstantiated allegations made to the contrary, but of a progressive expansion in the business turnover. At the annual meeting of the Aerated Bread Company on Monday last the Chairman quoted figures for a number of selected foodstuffs in which caterers are particularly interested; and the average increase shown over the pre-war level of prices exceeded 193 per cent. In the last twelve months manufacturing costs had advanced from 120 per cent. to 170 per cent. above the pre-war level, and general equipment expenses were also higher by an amount varying from 150 to 400 per cent. Earlier in the year, at Lipton's meeting, it was stated that if prices to the public had been further reduced by even one-halfpenny in the shilling, all profit on the home trade would have been wiped out. Contrasting the 1914 with the latest dividend, we get the following figures: Aerated Bread Company: 1914, 27½ per cent.; 1920, 25 per cent. Home and Colonial Stores: 1914, 25 per cent; 1919, 30 per cent. R. and E. Jones: 1914, 31¼ per cent.; 1919, 45 per cent. Lipton, Limited: 1914, 6 per cent.; 1920, 12½ per cent. J. Lyons and Company: 1914, 42½ per cent.; 1920, 42½ per cent. Maypole Dairy Company: Deferred Ordinary, 1914, 100 per cent.; 1919, 100 per cent. Spiers and Pond: 1914, nil; 1920, 12½ per cent. Various alterations in the share capital made since 1914 vitiate the comparison to some extent, but, generally speaking, such increases as have taken place in the aggregate amount annually distributed to shareholders are not out of proportion to the distributions made by joint-stock companies operating in other spheres. In the following table, in addition to the dividends for selected years from 1914 to 1920, we show the highest and lowest quotations in the different years, the current price and the current yield, based on the last dividend.

Name of Company		1914	1917	1918	1919	1920 Jan. 2– Nov. 17	Yield Present Price
Aerated Bread Co., Ltd	(H.	4⅜	2⅞	3½	4⅜	5⅝	
	(L.	3⅝	1⅝	29/9	3½	31/3	35/7½ 14
Dividend		27½%	nil	15%	30%	25%	
Home & Colonial Stores, Ltd.: Dividend		25%	30%	30%	30%	—	42/6
R. E. Jones, Ltd.	(H.	—	6 9/32	—	18/3	12 1½	
	(L.	—	6/9	—	15/1½	13/4½	13/4½ 16·8
Dividend		31¼%	20%	30%	45%		
Lipton, Ltd.	(H.	19/9	26 0½	30/-	34/9	36/9	23/6 10·6
	(L.	15/6	12/9	21/9	26/-	23/6	— —
Dividend		6%	7½%	12½%	12½%	12½%	— —
J. Lyons & Co., Ltd.	(H.	6⅝	88 1½	5⅝	6⅝	5⅞	86/5 9·8
	(L.	4½	66 1½	73 1½	5	80/7½	
Dividend		42½%	25%	25%	35%	42½	
Maypole Dairy Co., Ltd.	(H.	27/3	31/-	21/6	26/9	24/3	11/2½ 18·0
	(L.	17/6	16/6	15/-	14/6	9/10½	
Dividend (Def. Ord.)		100%	225%	100%	100%		
Spiers & Pond, Ltd.	(H.			2/3	32/-	32/6	
	(L.			1/3	17/6	19/6	20/3 9·9
Dividend		Nil	Nil	Nil	10%	12½%	

The yields run from 9.8 per cent. to 16 per cent. A higher yield, 16.8 per cent., is obtainable in one case, but the figure is based on an old quotation. The shares are in most cases experiencing the results of the general depression, and have been recently marked down. Their further course, apart from the immediate outlook in the catering trade, depends on general financial conditions, but the compulsory liquidation on the stock markets to meet the heavy demands of the tax-gatherer, the restriction of banking advances, leading to a further forced sale of stocks, and the probability of a growing restriction of credit in the ensuing weeks to the close of the year, render the future more than usually difficult to forecast.

The surest guide to the future is the strength of the companies as reflected in their latest profit and loss accounts and balance-sheet figures. Particulars for the seven companies dealt with are set forth in the following table:—

Statement of Profits and allocation thereof, according to Latest Published Accounts.

Name of Company	Net Profit	Depreciation	Debenture Int. and Preference Dividends	Ordinary Dividends		Reserve	Special Allocations	Carried Forward
	£	£	£	£	%	£	£	£
Aerated Bread Co., Ltd.	165,557	20,000	—	115,050	25	—	37,882(a)	14,757
Home and Colonial Stores, Ltd.	258,462	9,172	123,600	30,000	30	25,000	52,663(a)	85,427
R. E. Jones, Ltd.	42,797	—	7,224	19,364	45	—	976	15,233
Lipton, Ltd.	162,796	17,104	87,463	156,250	12½	100,000	1,000	134,874(b)
J. Lyons & Co., Ltd.	417,645(c)	—	120,751	204,174	42½	60,000	—	35,569
Maypole Dairy Co., Ltd.	1,080,418	10,872	197,500	978,958	100	10,000	—	16,307
Spiers & Pond, Ltd.	151,365	—	23,451	76,649	12½	30,000	18,000(a)	15,657

(a) Including provision for taxation. (b) Subject to taxation. (c) After providing for depreciation of interest on sundry mortgages.

In four instances substantial sums have been set aside for depreciation. The charge for depreciation made by J. Lyons and Company is not disclosed in the accounts, having been deducted before arriving at the net profit. The exact extent of the interest on mortgages, which amount to £389,271, is also not revealed by the Company. A sum of £20,961 for Debenture interest is included with other charges in the third column. The figure of £7,224 in the same column for R. and E. Jones represents Preference dividend only. The Home and Colonial Stores, it might be remarked, have no Debenture capital. With regard to the Maypole Dairy Company, no Debentures exist, but there are Preference and Preferred Ordinary shares, the latter being entitled to a cumulative dividend of twenty per cent. The distributions on both

Name of Company	LIABILITIES. Issued Capital	Debentures and Mortgages	General Reserve	Sundry Provisions and Carry-forward	ASSETS. Sundry Creditors	Property, Plant and Machinery	Sundry Stocks	Investments	Debtors and Cash	Goodwill	Total
	£	£	£	£	£	£	£	£	£	£	£
Aerated Bread Co., Ltd.	377,010	—	—	93,538	179,825	729,656	112,932	137,086	217,817	—	1,377,316
Home & Colonial Stores, Ltd.	1,410,000	—	425,000	187,427	595,985	1,046,152*	849,973	419,029	303,258	—	2,618,412
R. E. Jones, Ltd.	237,592	31,500	56,356	15,233	155,666	311,109	91,908	28,223	42,306	—	476,546
Lipton, Ltd.	2,250,000	1,100,000	550,000	232,502	1,522,115	2,338,579*	2,130,793	185,543	979,703	—	5,654,614
J. Lyons & Co., Ltd.	3,027,462	885,072	900,000	35,569	1,592,132	2,759,883	2,042,552	808,567	829,177	—	6,440,179
Maypole Dairy Co., Ltd.	2,033,333	—	11,667	816,789	2,170,158	3,149,115†	1,045,549	—	414,663	422,900	5,032,226
Spiers & Pond, Ltd.	292,829	59,021	60,000	210,568	216,185	1,275,348	176,535	120,73	122,647	—	1,888,665

* Including goodwill. † Including investments and loans.

these classes of shares are included under the head of Loans and payments on the Debenture Ordinary in the next column. In the case of Spiers and Pond, it would appear that no depreciation has been charged against profits. The Company has no Preference or Preferred shares, and the item of £23,451 in the table represents Debenture interest only.

To complete our description of the position of the various companies we show at the foot of previous page the liabilities and assets under different heads.

The amount of the Debentures and mortgages outstanding is there shown. Strong reserve funds, partly for the equalisation of dividends and partly to meet unforeseen contingencies, have been built up by J. Lyons and Company, Lipton, Limited, and the Home and Colonial Stores. In view of the magnitude of its operations, the item sundry creditors, £179,835, is low for the Aerated Bread Company, and in the case of other concerns this sum frequently approaches or exceeds the paid-up capital. On the assets side both Lipton, Limited, and the Home and Colonial Stores include an unspecified amount for goodwill. The former lumps together goodwill of the business, freehold and leasehold properties, and freehold estates in Ceylon, all at a net value of £1,926,847. The Home and Colonial values the goodwill of business and leaseholds at £671,246. It would be more advisable in both cases to separate the goodwill items, as is done by the Maypole Dairy Company. For the last-named, considering the nature of the business done, a rather high valuation seems to be placed on goodwill. The investments naturally show variation according to the amount of the general and sundry reserves. The cash holding in most instances is large, and liquidity has apparently been attained in one or two cases by an expansion in capital.

EMPLOYMENT AND WAGES IN OCTOBER.

According to the *Labour Gazette*, the decline in employment noticeable in September continued throughout October. Most industries were affected by the coal strike in the middle of the latter month, especially as numerous orders restricted the consumption of coal, gas, and electricity. The proportion unemployed among members of trade unions, comprising skilled men for the greater part, and making returns to the Ministry of Labour, rose from 2.2 per cent. at the end of September to 3.3 per cent. at the end of October; and the total number of unemployment books and out-of-work donation policies lodged by workpeople to whom the Unemployment Insurance Acts and out-of-work donation schemes apply, rose during the same period from 274,000 to approximately 500,000. In calculating the 3.3 per cent. above given for October, the miners have been excluded, as they ceased work and were not, in the strict sense, unemployed. Further, large numbers of workpeople were placed on short time, and these, too, have to be omitted from consideration, though their individual and aggregate earnings must have fallen off considerably. Depression in the cotton trade, as measured by unemployment returns, was a feature of October, and operatives were "played off" for twenty-four hours each week. Reports from other branches of the textile industry, including the woollen, worsted, linen, silk, lace, and hosiery, were also unfavourable. The jute trade seemed particularly depressed, and towards the end of the month the mills were working only three days a week. Coal mining was the exception, as employment continued good.

In the coal and iron mines the strike meant a cessation of work, except as regards maintenance and repairs, from the middle of October. Shale, lead, and zinc miners and quarrymen were, however, well employed, but reports from the tin-mining area in Cornwall indicated a growing slackness.

The iron and steel industries suffered from the damping down of the furnaces in the pig-iron section, and from the stringency of fuel supplies, and by the end of the month they were thoroughly disorganised, and much short time was being worked. In the tinplate trade workers were similarly affected, and at the close of October only 412 mills were in operation, compared with 506 at the end of September. It is anticipated that further closing down will occur in engineering and shipbuilding, and short time, amounting in some cases to three days a week, has become a not unusual feature.

The returns received from the boot and shoe trades indicate a continuance of unemployment and reduced hours. In the paper, printing, and bookbinding trades a marked decline in employment has occurred, but only fair with printers and paper-workers.

A word might be added with regard to rural districts. The necessary autumn work, combined with favourable weather, caused a demand for labour, and employment was therefore good.

SEVERN POWER SCHEME.

The civil engineering department of the Ministry of Transport has prepared a gigantic scheme for harnessing the Severn tides with a view to generating electricity for use over a wide industrial area. The framing of the plan is the result of suggestions made by independent engineers two years ago to the Water Power Resources Committee, and the scheme now put forward claims to be the first to be worked out in detail for the purpose of using the rotating forces of the earth in conjunction with the attractive powers of the sun and moon for the benefit of mankind. The grandiloquent phraseology is in itself sufficient to cause a careful scrutiny of the proposal. At the outset it might be stated that the Severn, in the opinion of experts, dwarfs into insignificance all the other potential sources of inland water power in the United Kingdom. The river is unique in combining practically every condition necessary to the economic development of tidal water power on a large scale. The essential requirements are an exceptionally high range of tide, [illegible] and good geographical position as regards present and possible future industrial centres. A study of the project was undertaken by the Ministry in view of the necessity for immediate increased railway communication between South Wales and other parts of the kingdom, the long-felt need of access over the Severn Estuary for vehicular traffic and the possibility of combining these with a large scheme for cheaper power for industrial purposes. While all the advantages claimed may be realised, the enormous first cost, estimated by unofficial sources at between £25,000,000 and £30,000,000, renders the scheme almost impossible of realisation under present conditions. The financial aspect of the matter has, indeed, received scant consideration, and on examination the report yields only such vague comfort as can be extracted from the phrases, "a paying proposition" and "limitless attractions." The leading feature is the construction of a great concrete dam or barrage across the river. [illegible] the water of the incoming tide, and chambers installed with turbines for using the trapped water as it [illegible] as "The Shoots," in the form of a tail race. Through this gulf shipping would pass to the basin above, being worked through by means of electric locomotives, somewhat similar to those in use in the Panama Canal. While the technical side of the scheme is developed in detail, the finances, which must be the determining consideration, [illegible] annual charge in respect of interest must at the present [illegible] mentioned.

MEXICO.

A BRIGHTER PROSPECT.

After [illegible] years of revolution there appears every reason to believe that Mexico is [illegible] a period of [illegible] prosperity. Those who are in close touch with conditions in the Republic take an exceedingly [illegible] view of the situation. The general feeling appears to be that the Mexican people are thoroughly sick and tired of the prolonged period of anarchy through which they have recently passed. Various people—financiers, bankers, merchants, and others—with whom the present writer has had the good fortune to come in contact recently, asked whether there were outside influences guiding the present policy in Mexico, assured him that, in their opinion, this was not so. Their impression was that the Mexican people were, as already said, absolutely sick of the prolonged period of anarchy which has supervened since the death of the late President Diaz. According to the latest advices, the last of the various brigand chiefs who have been making themselves a nuisance in the western mountains have surrendered to the constituted authorities; an election has taken place; and General Obregon has been elected President of the Republic, and will shortly assume office. The General himself has had a somewhat stormy career. He was at one time mixed up with the revolution, and is by no means wholly unacquainted with some of the episodes connected with the recent period of disorder. Nevertheless, the incoming President is trusted by the financial and economic world in Mexico City and at Tampico. It may strike the reader that the name "Obregon" is not a Spanish name with which he is acquainted. As a matter of fact, it is a Spanish corruption of a name originating in these islands. The great-grandfather of the new President of Mexico was an Irishman who emigrated from his native country during one of the troublous periods which have throughout its history afflicted that country. The name of the General's ancestor was O'Brien, and the present form in which we find it in Mexico is a Spanish corruption of the well-known Irish name.

We will consider the present conditions as they actually exist at the moment in Mexico. In a concluding paragraph we will point out the great potentialities of the Republic and the services, peculiarly valuable, which that country, in common with so many parts of Spanish America, is capable of rendering to the world at the present time of urgent need. From all sources we hear that the Mexican Government is doing what it can to repay both its own subjects and foreign investors for the losses they incurred during the recent troublous period in Mexico. It must be remembered that, of course, the Government can only do what is possible. Nevertheless, we hear on excellent authority, and from many varied sources, that the Government is doing what it can to restore to the mine owner, the railroad owner, and the concessionaires of various kinds, the rights to which they were legally entitled when they were granted the concessions under which they hold their titles, and hold them, be it remembered, under the Mexican authorities themselves. For practical purposes there seems no reasonable doubt now that the Government has authority throughout the length and breadth of the Republic. But, at the same time, it must be clearly borne in mind that it is not possible to police the country with the same effectiveness that would be the case at home. A remarkable illustration of this fact was afforded us in a discussion we had recently with a well-known banker. He pointed out that, for example, in the hotels in Mexico City it is perfectly safe to order a taxicab at the bureau, but no sane man would think of taking a cab off the streets, for fear of being driven into the outskirts of the city and robbed and murdered. This illustration shows that it will take some time before the sense of order, the obedience to the law, and the respect for life and property are restored after so many years of disruption and anarchy. We see all over Europe at the present time a readiness to commit crimes as a result of the terrible experiences which so many people went through during the great European War now concluded just two years ago. On the economic side, of course, it must be borne in mind that the Government can only gradually repay the heavy losses sustained by the various interests concerned. It will be remembered that the railways were taken over and held for a period of years by the various revolutionary Governments which succeeded one another with such rapidity in Mexico. It will necessarily take some considerable time before the Government is in a position to recoup the various interests affected. Mexico, however, is in a position to pay handsomely for all the damage done by the revolutionaries, and all that is really necessary is, what we are assured is a fact, that the Government is desirous of re-establishing its credit in the international markets of the world.

The Mexican Railway is an English-owned company. We cannot do better than give an extract from the Chairman's speech at the meeting last summer as affording an indication of the feelings of those who are working in the country. "As a result of discussion," said the Chairman at the meeting referred to, "an agreement was drafted for reference to the Mexican Government, and we have since received a cable from our General Manager stating that the Government has not only agreed but signed this agreement." The Chairman summarised the position as between the Mexican Railway and the Mexican Government under four heads. Under the first head, said the Chairman, the Government agrees to pay the Company the average gross receipts, plus ten per cent., of the years 1909 to 1913 inclusive, less the average of the expenses, plus ten per cent. of the same period. Under the second head, the Government agrees to pay to the Company the value of all goods and materials taken by them in November 1914 and April 1917, less the value of such goods and materials handed back to the Company in September 1916, and to be handed back on the return of the railway for the second time. The third head is that the Government undertakes to pay the Company the value of the locomotives and rolling stock destroyed and damaged. And fourthly, the Government agrees to pay the cost of the repair and reconstruction of all stations and buildings which have been destroyed or damaged. It is only fair to say that one should speak of a Government or an individual only as one finds it, and it will be seen from what we have said above that the Government is showing every sign in its power that it is anxious to do what is just and right to the English shareholders of the Mexican Railway Company. Such a policy is sound business, as well as in accordance with the principles of justice. It is evident that neither Mexico nor any other country can hope to attract foreign capital unless that capital has a reasonable prospect of protection by the properly constituted authorities. As we have said, extravagant hopes could not be entertained as to the possibility of Mexico immediately repaying the cost of the destruction of the various foreign interests engaged in different enterprises in Mexico. But from all the sources we have come in contact with in close connection with Mexico, there seems every reason to believe that the Government is able, and willing, to do the utmost in its power to reimburse the various foreign interests, which have been so badly treated during the prolonged period of the revolution.

Mexico is some 767,000 square miles in area, and at the last census, taken shortly before the outbreak of the recent revolution, the population was estimated—the Mexican census is usually little better than an estimate—at some fifteen millions of people. It will be evident that so small a population in so enormous a

and animal. But in the immediate future it would be rash to expect any appreciable addition to this natural wealth, until such time as one or two harvests shall have re-stocked the country from the terrible raids to which it has been recently subjected. Of course, there are plenty of fine herds, some of the finest horses to be seen anywhere, and abundance of food in certain restricted areas. People who are in a position to pay high prices can obtain ample supplies in Mexico just as they can in other countries. But the resources of the country have been so strained, particularly in foodstuffs and in certain raw materials, that amongst the mass of the population there are many signs of poverty, hunger and misery. It will take some time, therefore, before the country is in a position to supply large quantities of foodstuffs and raw materials to our communities to an extent which she should be capable of doing, assuming that the new Government realises the bright hopes entertained of it. Mexico has always been a great cattle country from the early colonial period when cattle were introduced on to the great plains surrounding Mexico City. Mexico is capable of greatly adding to the world's supply of cotton, now so urgently needed; and, moreover, she is capable of greatly increasing the world's supply of various articles of foodstuffs, both of the tropical and of the temperate variety, as the elevation of the country varies from a few feet above sea level to between 8,000 and 9,000 feet. It is, however, as a source of supply for minerals that Mexico must be regarded in the immediate future. Mexico, as is well known, is one of the principal sources of supply for silver. It is also a great copper-producing country. At the present time, perhaps, as a source of supply of petroleum, it is capable of rendering greater services than in any other way. Even during the prolonged period of the revolution the wells on the Atlantic seaboard raised something like sixty million barrels in a single year, and there is no reasonable doubt that this supply can be greatly increased during a period of peace. Assuming that the Mexican Government realises the hopes, as above said, which are entertained of it, there should be an enormous development of the petroleum industry in Mexico. Competent mining engineers who have visited many parts of Mexico past and present, state that as are the fields on the Atlantic seaboard, there are indications that those on the Pacific are richer still. Many competent authorities believe that Mexico, if its oil-bearing resources were fully developed, would produce a greater supply of oil than does the United States of America, which is now by far the principal source of supply for the requirements of the world.

IRISH CROPS AND LIVE STOCK, 1920.

The acreage under crops and number of live stock in Ireland on June 1, 1920, [illegible] years are given in the following table:—

					Increase
Wheat	[illegible]	[illegible]	[illegible]	[illegible]	— 111,116
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	+11,3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	— 4,186
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	— 1,776
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
No.	5,019,837	5,029,150	4,863,282	4,970,111	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
No.	3,588,892	3,513,345	3,627,178	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

A few notes from the Department's Report may be of some interest. The grain crops, outside the later and more mountainous districts, had nearly [illegible] in the earlier parts of the country there had been little threshing done, but reports indicated that grain yields would be low, and the quality of the sample inferior. Barley is credited with being the best of the grain crops, though in many cases the sample will be deficient in colour and plumpness. Winter wheat was stacked in good order and yield may be fair where the crop was early sown. Oats as a rule are a light crop. Potatoes are variable, but yields should be lower than last year. The hay crop was over average in bulk and the quality is fair; on the whole it was saved with comparatively little injury despite the broken weather of July. Flax had nearly all been stacked; only a very small quantity has been cleaned; the few returns available were disappointing, though in some counties as the straw bulked well, the crop was expected to be average in yield.

NEW EXPORT CREDITS SCHEME.

Under the Overseas Trade (Credits and Insurance) Act, recently passed through Parliament, certain modifications have been made in the export credits scheme, and the facilities afforded by the Export Credits Department in relation to British trade in Central and South-Eastern Europe are increased. Up to the present the scheme has not been taken advantage of to a very great extent, partly owing to the fact that manufacturers and merchants in this country have enjoyed a period of unprecedented prosperity, and have had no time to consider extensions in new directions. There are now signs of reaction, and consequent slackness of trade, and it is therefore likely that manufacturers and others will be seeking new outlets for business.

By the provisions of the new Act credits may be accorded up to an aggregate amount not exceeding 26 million pounds in respect of exports of British manufactured goods to the following countries: Finland, Latvia, Esthonia, Lithuania, Poland, Czecho-Slovakia, Serb-Croat-Slovene State, Roumania, Georgia, and Armenia. Bulgaria has also been added to the schedule, and other countries may possibly be included as occasion arises.

Under the scheme as originally framed advances were made by the Department only up to eighty per cent. of the cost of the goods, including freight and insurance, and commission paid to the Exports Credit Department, such advances being without recourse against the exporter. The Department is now authorised to advance in approved cases up to 100 per cent., retaining recourse against the exporter in respect of [illegible]

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SOUTH AND CENTRAL AMERICA.

BRITISH GUIANA.

We publish below a letter on British Guiana giving kindly criticism of our recent article on that colony, and also the views of the writer on the way the colony should be opened up.

We have received, in addition, an exceedingly interesting letter, which we are asked by the writer not to publish, written by one who has spent the greater part of his official life in the colony. He is evidently interested in what we have written on British Guiana, and the assistance we have endeavoured to give, so far as publicity can do so, towards the opening up and development of that, our only, colony on the great rich continent of South America. The writer says, and says very truly, that there is often a reluctance to invest money in British colonies and dependencies and, indeed, in any places under British law, while the investor shows almost a keenness to employ his capital, and often himself, in lands not under the British Government. Our correspondent says, quite naturally, that it would be very interesting to find an explanation why this is so. He illustrates British Guiana in which, as we have said above, he has spent the greater part of his official life. Everybody who knows British Guiana knows that there are few parts of the British Empire that have been so completely ignored in the past by the British Government, by the British mercantile, financial, and investing classes, and by the British public taken as a whole. Probably the explanation which the writer seeks will be found in the over-anxiety of British officials to protect the various interests entrusted to them. On the whole, the principle is a sound one. But the best of principles are only good if they are applied with reasonable regard to their economic effects. We saw the influence of Government control upon trade and industry during the late War. We see its effect upon trade and industry in the country at the present time. We see its effect in the reluctance of the various Control Boards to release control of various commodities. We see its effect in the reluctance of any particular department which has bought immense quantities of supplies in a rising market to dispose of them in a falling one. Now, no trader would hesitate to cut a loss as soon as he sees he has made a mistake; and if he did, he would inevitably land himself in bankruptcy. It has to be remembered that trade follows specific lines. Any country which is opened up is opened up for a specific purpose. India has never been opened up. Why? Because the old East India Company was too jealous of any trader, except itself, doing anything in India to give any such facilities to a promoter or investor as would induce him to employ his money, or seek to employ the money of other people, in the development of the Peninsula. India is potentially one of the greatest producers of cane sugar, not merely in the British Empire, but in the world. She has an area under cane sugar which is enormous. But, as a matter of fact, her production is miserable, simply owing to the fact that the plantations have never been taken over by people capable of developing them with adequate machinery, and chemical and mechanical skill. Since the Mutiny, and the adoption of the bureaucratic system which has governed India hitherto, the authorities at Calcutta have been as reluctant to grant facilities for British trade as the old East India Company was. Why? It has never been possible for anyone to determine who was not an Indian Government official. Nearly all our colonies, and nearly all the various Dependencies under the Colonial Office, are administered more or less on the same scale, and difficulties of every kind are put in the way of those who would seek a concession for the purpose of developing any particular area within the British Empire.

To show what we mean it will be just as well to illustrate what has been done in those countries which have been developed rapidly by means of British capital. When the Corn Laws were repealed, and it became clear to everybody that a great industrial era was dawning in the island of Great Britain, it became equally clear that it would not be possible to feed the masses of our population with the produce of our own soil, even upon the most extravagant economic basis. Traders, bankers, financiers, and manufacturers, therefore, sought a field where it was possible to obtain immense supplies of food for the purpose of feeding our great populations upon as low an economic basis as possible. The result, as the reader is well aware, was the development of the United States of America, and the opening-up of that immense country by means of railways. Not merely were concessions readily obtained for the construction of railways, but every local Governor was so anxious to have his territory opened up that he granted concessions with a recklessness which proved in the sequel exceedingly embarrassing to the various concessionaires. In many cases it became necessary for the wealthier concessionaires to buy out the weaker ones. Otherwise there would have been parallel roads of railways belonging to various companies. The net result, however, was the building of the most remarkable railroad system which has been undertaken in any part of the world. A little more than a generation ago it became evident that the United States was no longer capable of supplying food and raw materials upon the low economic basis with which consumers in this country had become accustomed. Now where did the British investor turn? To India, to Australia, to any part of the British Empire? No! He sought the great level fertile plain at the mouth of the Rio de la Plata, and opened up the Argentine Republic with the greatest system of railways existing in any part of the continent of South America. The reason was, as had been the case in North America, that the local authorities were exceedingly anxious to have their country opened up, and the rich province of Buenos Ayres, which is in extent larger than the whole of the United Kingdom, offered a prospect in a very short time of supplying enormous quantities of food and raw materials upon an exceedingly low economic basis. It has been said that trade follows the flag. It has been demonstrated again and again that trade follows investment. Those who opened up the then unsettled prairie lands of North America, and later the unsettled prairie lands of the Argentine Republic, opened up those countries with a definite and specific object. And they found greater facilities afforded them in those countries than in any part of the British Empire. If the British Empire is to be opened up as

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should be, would [illegible] of our governmental [illegible] policy in many ways, and to [illegible] policy has not been [illegible]

THE OPENING UP OF BRITISH GUIANA

To the Editor of THE STATIST.

SIR,—I have read with great interest the [illegible] article on "The opening up of British Guiana" in your issue of the 13th inst. The development of British Guiana is a matter [illegible] that has any knowledge [illegible] has the interests of our British Empire at heart, would much like to see encouraged. I think that more stress should be laid on the [illegible] would result from the systematic planting of cotton. Cotton was [illegible] there is no reason [illegible] not be equal to, if it did not surpass, the cotton actually grown in the Northern States of Brazil at the present time.

Another [illegible] is the [illegible] on a large scale. This is probably one of the most remunerative crops it is possible to grow in the tropics. [illegible] tioned, but it is as well to remind people over here that manioc and rice are very profitable, and that they yield abundantly in South America.

With regard to opening up the country, my idea is to build a well laid metre gauge railway from Georgetown, in a southerly direction, to the Brazilian frontier. Such a line might be built on the basis of a land subsidy; but before this line is definitely laid I would suggest that a cheap form of tram line worked by steam power, on which but a single steel rail is used, but with plain wheels running on the [illegible] part of the weight, be employed for transporting the first produce obtained, and also for assisting the construction of the definite line. As traffic demands the same.—Yours, &c.,

November 18, 1920. W. [illegible]

YIELD TABLES.—A recently [illegible] at a glance the prices which should be paid for £1 shares receiving dividends at various rates from five to twelve and a-half per cent. in order to obtain yields of from five to fifteen per cent., is being published at one shilling by Messrs. Edwards and Smith, Drapers' Gardens, E.C. 2. The same firm has also compiled a smaller table at the price of sixpence, indicating the price to be paid per cent. to obtain a return of from five to ten per cent on stocks carrying dividends of from four to ten per cent.

BANQUE BELGE POUR L'ETRANGER.—The report for the year ending June 30, 1920, shows a remarkable expansion in the activity of the Banque Belge pour l'Etranger. In addition to the increasingly busy branches in Belgium, England, Germany, China, and Egypt, the Bank now possesses agencies or branches in France, Spain, Roumania, Bulgaria, and New York. The expansion of interests calls for an increase of capital, and to this end the sanction of the shareholders will be asked at an extraordinary general meeting to be held shortly. As compared with the year ending June 30, 1919, the present year shows an increase in balance-sheet totals of nine millions to £28,679,669. On the liabilities side the outstanding change is an expansion of ten millions to £24,322,713 in the item of sundry creditors, chiefly in respect of deposit and current accounts. Acceptances are almost halved at £1,240,159. Among the assets, cash has risen by three millions to £7,074,744, and sundry debtors by 5.5 millions to £11,169,107. Bills receivable are also greater by two millions at £6,028,117. The net profit for the year is £359,430, against £184,554 for the previous twelvemonth. A dividend of nine per cent. per annum absorbs £180,000. £157,972 is passed to reserve and £238 is carried to the credit of profit and loss, bringing the latter balance to £7,857.

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Financial Notes.

U.S. Gold Imports.

Recently we had occasion to draw attention to the changing gold situation in the United States. The latest available figures for gold movements to and from the country confirm the statement we then made to the effect that United States banking interests had no longer anything to fear from a drain of gold from the country such as followed the removal of the embargo on exports in June of last year and which was primarily responsible for the acute credit situation that arose in the early part of the current year. Between June 1919 and March 1920 the net loss in gold amounted to $376,275,000. Thenceforward the position began to change, and from April to September, instead of a loss, there was a net gain of $43,798,000. In June the excess of imports amounted to $21,445,000; in July and August $11,663,000 were lost, but in September there was a [illegible] exports, amounting to $22[illegible]. When the October figures are published this surplus will be found to have been greatly increased, for purchases of gold in the London market on United States account during October were the largest for any previous month of the year, and were, in all probability, far in excess of the total gold imports into the United States for any single month in previous years. This was due to the enormous seasonal expansion in banking credits in the United States for financing crop movements which reached their maximum during October at a level never before attained. As the gold standard is still operative in the United States the banks had to prepare for the movement by increasing their gold reserves, and the bulk of the supplies were purchased in the London market. It is now clear, also, that the South American republics, which had previously been taking large quantities of gold owing to the discount at which the United States dollar stood in those countries, are likely to send some of the metal back, as the dollar has now risen to a premium. This, however, is proving a serious obstacle to South American purchases of United States products, while it is putting an increased strain on New York banks. [illegible] American houses.

Commodity Prices in France.

[illegible] compiled by the *Statistique Générale* [illegible] ing October. The general index-number for that month is 581.5, as against 637.7 [illegible] of special interest, as during July, Aug[illegible] April last the [illegible]

1918, and 42·7 per cent. above that of July 1914. An analysis of the movement in the last month shows that the group which includes foodstuffs and materials, for instance, rose by 3 per cent. and 5·2 per cent. The movement in the first-mentioned group was mainly due to higher sugar values, for both animal and vegetable food rose appreciably. In the materials group the greatest fall occurred in textiles, which declined by fully 10·9 per cent.

Tramway Undertakings.

A demand presented by tramway employees on October 15 last for an increase in wages of 12s. per week for adults and 6s. per week for youths under eighteen years of age, was made the occasion of an inquiry into the present rates of wages paid by municipal tramway authorities and their relation to the rates paid in other local trades and occupations. The results of the inquiry, from which the municipal authorities of Glasgow, Liverpool, Lancaster, and Southend-on-Sea dissociated themselves, are now published. A questionnaire addressed to the authorities elicited replies in eighty-one instances. The number concerned in the wages application employed by the authorities was 15,531 of eighteen years of age and over, and 1,739 under eighteen years. Information was sought as to the increased cost of living compared with the increased wages or bonuses paid to the various classes of tramway employees, as to the wages paid in other classes of comparable occupation, and as to the present financial position of the various undertakings. The main conclusion arrived at is that on October 1, 1920, when the cost of living had increased by 164 per cent. (the date with which the comparison is made not being stated), the weekly increases in wages were as follows: drivers, 132 per cent.; conductors, 147 per cent.; car repairers, 149 per cent.; power-station workers, 163 per cent. A separate table deals with wages in the first year owing to the reduced week of forty-eight hours, which began in March 1919, the percentage increases in rates per hour were much greater than the rise in the weekly rates. As against this, however, it is affirmed that the increase in the hourly rate, consequent upon the reduction of the weekly hours to forty-eight, has not increased the number of shillings earned per week. It is, in fact, urged that, with the exception of the tramway undertakings in the Metropolitan area, there has been a decline in the total weekly income per employee in every case. This point deserves to be finally elucidated before the effect on the financial standing of the undertakings of increased costs of operation, as offset by the increased charging powers that have been granted, can be determined, or the extent to which the applications may without prejudice be granted, can be settled.

New Balkan Bank.

According to information recently received in London, it is proposed to establish a new bank at Zagreb under the title of "Shedisnje Zadruzna Banka." It is expected to be formed within two months' time with a capital of 100,000,000 kronen (present rate £25,000), for the purpose of financing and organising on a large scale the agricultural and economic output of the western districts of the Serb-Croat-Slovene Kingdom. The chief founder of this Bank is the Croatian-Slavonian Agricultural Co-operative Society of Zagreb, an organisation of considerable influence, with wide connections with the peasant and agricultural societies in Croatia, Bosnia, Dalmatia, and Slavonia. It is understood that the Bank will be financed by the First Croatian Savings Bank and by other banks associated therewith.

Exchequer Bonds.

It is announced that the issue of Five per Cent. Exchequer Bonds due December 1, 1920, that November 29 is the last day for availing themselves of the Government offer to accept their holdings as the equivalent of cash for purchase of the new issue of five- to fifteen-year Treasury Bonds. The terms of exchange are attractive, as Treasury Bonds yield a higher rate of interest—seven per cent. up to May 1, 1921, and from five per cent. to seven per cent. afterwards, according to the Treasury bill rate, but never less than five per cent. Another advantageous feature is a gain of thirteen days' additional interest, full interest at five per cent. being paid on the Exchequer Bonds up to December 1, and seven per cent. being paid on the Treasury Bonds from November 18.

A MEXICAN GOLD BOND DEBT.

Cable advices from New York announce that holders of Mexican Irrigation Works Four and a-Half per Cent. Sinking Fund Gold Bonds, 1943, are invited to deposit their bonds with the New York Trust Company on or before December 31 next, subject to the terms of the bondholders' agreement of November 18. The total issue of $25,000,000 Mexican Irrigation Works Gold Bonds was placed in the United States, Great Britain, and other countries in October 1908. Since May 1, 1914, no interest has been paid on the bonds, and since May 1, 1919, there has been default also in respect of sinking-fund payments. The issue was unconditionally guaranteed as to principal, interest, and sinking fund by endorsement by the Mexican Government. Since the default New York interests have made repeated efforts on behalf of the bondholders to have the interest and sinking-fund instalments paid, and to compel the Mexican Government to honour their guarantee, but without avail. The President-elect of Mexico, Mr. Alvaro Obregon, has been reported as saying that the new Mexican Government will recognise all legal foreign debts, and that such debts will as far as possible be honoured. A firm of New York bankers, Speyer and Company, have undertaken to look after the interests of depositing bondholders without charge for their services. Under the agreement the total due in respect of defaulted interest to November 1, 1920, is $9,600,000, while the overdue sinking-fund payments amount to more than $1,250,000. Arrangements have been made to enable the bonds to be deposited in London, Amsterdam, and other Continental cities where a considerable number of them are held. The whole of the original issue, which is redeemable in 1943, is still outstanding, and the London quotation has varied considerably, following the political barometer in Mexico. On July 27, 1914, the price was 66 per £100, and in 1919 the highest and lowest quotations were 62½ and 29 respectively. The figure is now 40, and the accrued interest represents a considerable sum, though something more than assurances will be required from Mexico before confidence in the issue can be restored. Mexico's national and local debts must first be recognised by the new Administration, and arrangements must be made to meet the just claims of foreign companies operating in Mexico whose plants and factories have been damaged or wilfully destroyed in the course of civil disturbances. It is expected that the Wilson Administration will not press this matter home very vigorously, but when the new President takes office next March some attempt to satisfy American and other outside interests that have suffered in Mexico will probably be made.

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ECONOMIC PROBLEMS.

On March 4 next [illegible] will be inaugurated President [illegible] of the United States of America, and he will have the support of [illegible] both Houses of Congress. It [illegible] interesting to consider [illegible] in the United States, and the influences they are likely to exercise upon economic conditions in Europe. There are very grave economic problems facing the United States, and, whatever the solution of them may be, they cannot fail to have an important influence upon the course of events in Europe.

We published, in our issue of October 23 last, a table showing the extent of the adverse balance of trade against Europe and in favour of the United States at the end of 1919. The total of this adverse balance of trade amounted to 4,253 million dollars. Of this amount nearly 2,000 million dollars was accounted for by the adverse balance of trade against the United Kingdom and in favour of the United States of America. The policy to be adopted by the incoming President and his Administration in March next will largely determine when and how that adverse balance against Europe is to be liquidated. In addition to this adverse balance of trade, there is in our own case a debt owing to the United States exceeding £1,200,000,000, the interest upon which is not being paid at the present time. Now, how is it possible for ourselves in particular, and Europe in general, to gradually liquidate these various obligations?

There are various ways by which these obligations can be gradually [illegible]. We will confine ourselves mainly to the consideration of how to pay off the debt incurred by the United Kingdom to the United States. We could, of course, sell [illegible] American securities. Even if we did so it is exceedingly doubtful if they are adequate to meet the full amount of the [illegible]. It is obvious that the [illegible] various trade operations which would enable us to pay off the debt. We [illegible] this country, although not in the British Empire [illegible] as a creditor nation, [illegible] as the people of the United Kingdom [illegible] owned, it is possible to pay off [illegible] rendering services or by exporting manufactured goods. We still [illegible] the largest proportion of the carrying trade of the world. If the United States is willing to accept our services as world carriers a large proportion of the debt will in course of time be liquidated. We are still the greatest merchant bankers, and in [illegible] further liquidation of this heavy burden. Finally, we have in this country, up to the present, done the major part of the insurance of the world's mercantile marine [illegible] is the sale on our part of manufactured goods. At [illegible] stitutes a barrier which has proved to be exceedingly [illegible] come. Will the incoming Government in the United States see its way to modify the tariff, in view of the [illegible] was a debtor nation. In the post-War period she has become a creditor nation. This change in her financial position has not merely materially, but completely, altered her relative economic position with this country [illegible] in general. If she should decide to become her own merchant banker, her own insurance agent, to carry [illegible] tariff wall which the foreign manufacturer cannot scale, it is difficult to see how the United States can maintain an international trade with a very large part of the world at all. It is exceedingly doubtful if it would be her real economic interest to engage in any of the projects just named. In two short paragraphs we propose to consider the changed economic position in the United States and the possibility of receiving payment of her debts, owing to her necessity to purchase [illegible] to an adequate extent within her own borders.

In the [illegible] a creditor nation, she is no longer under the necessity of sending out each year, as she formerly did, large quantities of produce to meet the interest upon her own debt. As a result, she can only sell her own products provided she is able to offer them in the international markets of the world upon a lower economic basis than other countries. If she is unwilling to accept services rendered by foreigners and manufactured goods of foreign origin it is difficult to see how her European creditors are to liquidate their liabilities.

We have now to consider the purchases of the United States from countries overseas. Amongst the interesting tables which the statisticians of the National City Bank of New York are accustomed to [illegible] of the United States overseas trade during the War period as measured in dollar values. These it must be remembered are quite distinct from commodity values. The table showed that during the War period the United States overseas trade had multiplied three times over. Does this fact offer a solution or even a partial solution of the difficulties the European manufacturers encounter in endeavouring to assist in the liquidation of the obligations of their several coun-

THE STATES OF SOUTH AMERICA

By CHARLES DOMVILLE-FIFE

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ner own borders. Provided that the amount of these purchases is of sufficient magnitude to admit of the payment of the European debts to the United States within a reasonable period, the problem could be solved by Europe supplying the countries from which the United States obtains these commodities with industrial goods. Now, of the countries from which she obtains these raw materials are manufacturing countries, and, consequently, they must obtain these manufactures from somewhere. Up to the present they have been accustomed to obtain them from Europe, and largely from ourselves. A very important question, however, awaiting an answer is, Are those purchases of certain raw materials by the United States upon an adequate scale, which would admit of Europe paying her debts by the exports of manufactures within any reasonable time?

The Banca Commerciale Italiana have taken an interest in a long-established Italian bank in San Francisco, the Banca Italo-Americana, both by subscribing to a substantial share in a recent increase of its capital (from one to two million dollars) and by having three of its representatives elected on the board.

San Antonio Land and Irrigation Company, Limited.—Holders of the £1,200,000 Twelve-year Six per Cent. bonds of this Company will be relieved to hear of a probable termination of the lengthy legal proceedings concerning their claims. A provisional sale contract has been signed in Texas by which the purchasers of the assets will pay $5,000,000 in cash in instalments extending over three years. The exact details are not yet to hand, but are expected to be available at the meeting of bondholders to be convened on December 14. The committee consider the offer as attractive as circumstances allow, and request holders to deposit their bonds at their bankers and sign the necessary proxy without delay.

L'Index Financier.—A valuable documentary annual up to date, published in weekly numbers of 48 to 100 pages. The year 1919, in two volumes, half-bound cloth, 2,460 pages, price Fcs.60, consisting in the publication of the complete history of the societies, whenever an official event happens. Sample numbers are sent on demand in return for a post order of Fcs.5. Contents of No. 44 of October 31 (48 pages) are as follows:—Chemins de fer de Madrid-Saragosse-Alicante; Briquettes de houille du Nord; Société Belge des Bétons; Compagnie Générale Française de Tramways; Banque Arlonaise; Tramways de Taschkent; Compagnie Agricole du Nil; "Alberta," Cie belge d'Assurances; Chemin de fer Ottoman Jonction Salonique-Constantinople; Société Franco-Belge pour la Fabrication du Caoutchouc régénéré en abrégé "Socaré"; La Lys; Chemins de fer de Porto-Rico; Compagnie Générale Belge: La Chaussure; Emprunt de Colombie; Emprunt de Costa Rica; Emprunt de la République de Cuba; Emprunt Danois; Ville de Copenhague; Emprunts Bulgares; Ville de Sofia; Banque Nationale de Bulgarie; Ville de Varna; Chantiers Navals Belges; Compagnie Immobilière d'Egypte; Usines et Aciéries de la Campine; "Pharma," usine bruxelloise de produits pharmaceutique; Distillerie de Kniajevo; La Royale Belge (Vie, Accidents); Tramways de Kiew; Brazilian Traction Light and Power Company, Limited; Rio de Janeiro Tramway, Light and Power Company, Limited; Rio de Janeiro and Sao Paulo Telephone Company; Sao Paulo Tramways, Light and Power Company, Limited; Sao Paulo Electric Company; Tanneries d'Anderlecht; Huileries de Deli; Notice d'émission: Société Française des Aciéries de Blanc-Misseron; Société anonyme d'Ougrée-Marihaye; Avis aux Actionnaires; Société anonyme des Forges de Vireux-Molhain. In all 1,248 notices, making 2,376 pages, have been published since January 1, 1920. Messrs. Achille Baudouin, Limited, 4 and 5 Copthall Court, E.C. 2, apply further information as to the Index.

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1916-17	6,630	5,200	1,229,067	236	2/3½	1/3½	75,187	50,000	10
1917-18	6,927		1,577,112	"	1/9½	1/5½	75,187	"	10
1918-19	6,617†	"	1,476,659	"	1/7½	1/4½	25,297	25,000	5
1919-20	6,617	"	1,817,374	"	2/2½	1/8½	87,641	49,988	10

* Free of income tax. † 6,215 acres 5 years old and over.

Price of Shares, 21/0. Market Capitalisation per planted acre, £81.

In these days of depression in the Rubber market it is good to come across such a report as is presented by Tanjong Malim for the year ended June 30, 1920. Whilst the actual crop harvested fell short of the estimate by some 52,626 lb., it was nevertheless 340,715 lb. in excess of the crop secured in the previous year. This expansion in the crop to 1,817,374 lb., equivalent to an average yield per bearing acre of 274 lb., as against 223 lb. in 1918-19, resulted in a satisfactory decline in the cost of production. The reduction was most marked in the f.o.b. cost, which dropped from 1*s.* 2.70*d.* per lb. to 1*s.* 1.56*d.* per lb., despite the higher prices commanded by stores and materials. This gain was to some extent offset by the growth in freight, insurance, and selling charges from 1.32*d.* per lb. to 1.71*d.* per lb., and in administrative charges and exchange from 0.30*d.* per lb. to 0.50*d.* per lb. The exchange movements on balance were unfavourable to the Company, causing a loss of £1,454, as against a profit of £1,879 in the previous year. The total result was to produce an "all-in" cost of 1*s.* 3.77*d.* per lb., in comparison with 1*s.* 4.32*d.* in 1918-19. This testimony to the efficiency of the administration is corroborated in a striking manner by the improvement in the average gross price secured by the sale of the crop from 1*s.* 7.64*d.* per lb. to 2*s.* 2.77*d.* per lb.—a result due entirely to the wise policy of disposing in advance of a considerable portion of the crop at favourable prices. Thus there was recorded the salient net profit of £87,641, as compared with £25,297 in 1918-19, and £75,487 in 1917-18. Taxation, evidently including excess profits duty, is provided for by a reservation of £25,000, as against £10,000 in the previous year. Shareholders received a dividend of ten per cent. free of tax (equivalent to nearly 14½ per cent. subject to tax), as compared with five per cent. in 1918-19. The balance carried forward to the next accounts is increased from £4,550 to £17,204.

The consistent policy of securing forward contracts at good prices enables this Company to look forward to the current year with comparative equanimity. For the year 1921 contracts had been secured for the disposal of over 800,000 lb. of rubber at a price exceeding 2*s.* per lb. With rubber oscillating sluggishly around 1*s.* 1*d.* per lb., this price will be generally admitted to be satisfactory. Originally the estimate crop for the

[illegible] 11,700 lb. Although [illegible] likely to exceed 1,250,000 lb. This [illegible] quently, the existence of the above contracts is all the more to be [illegible] has been in force on the estates during the year under review. [illegible] of the planted area [illegible] the trees. Financially the Company is well equipped to weather the present storm. Current liabilities, including the dividend amounting to £49,988, did not exceed £62,800 on June 30, 1920 and were amply covered alone by the cash balance of £83,820. In addition, there were other liquid assets available, including investments, the market value of which on June 30 was £64,000 approximately subject to the value of £23,123, and sundry debtors to the extent of £1,328. In a depressed market the £1 shares have been marked down to 21*s.*, which is equivalent to the small market capitalisation of £81. As a lock-up investment the shares are decidedly attractive.

ANGLO-JOHORE.

Issued Capital : £80,000.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	%
1916-17	906½	655	250,763	107	2/6	1/8½	16,151	12,000	15
1917-18	1,161½	713	342,501	424	2/1	1/3	12,485	—	—
1918-19	1,200	887	277,155	331	1/4½	1/2·80	1,767	3,600	4½
1919-20	1,261	855	369,337	442	2/4½	1/2·84	16,234	16,000	20

Price of Shares, 1 11. Market Capitalisation per planted acre, £61.

With unrestricted tapping in force for the whole of the year, the report issued by Anglo-Johore for the year ended March 1, 1920, reveals a substantial recovery from the mediocre results of the two previous periods. Thus the crop of 369,337 lb. is not only over 90,000 lb. in excess of the 1918-19 crop, but also exceeds the amended estimate for the year by [illegible] lb. [illegible] lb. per bearing acre in 1918-19 is replaced by one of 422 lb. per acre for the year under review. On the other hand, it is not so gratifying to discover that this marked increase in the crop only resulted in a nominal reduction of the "all-in" cost from 1*s.* 2.86*d.* per lb. to 1*s.* 2.84*d.* per lb. This result is entirely due to the growth in the allowance for depreciation from 0.53*d.* per lb. to 0.67*d.* per lb., and in the expenditure in respect of freight and selling charges, which rose from 1.16*d.* per lb. to 1.50*d.* per lb. Estate charges reflected the customary reduction, the f.o.b. cost amounting to 11.83*d.* per lb., as against 12.24*d.* per lb. in the previous year. However, the gross average price realised by the sale of the crop is recorded at 2*s.* 1.53*d.* per lb., as compared with 1*s.* 6.54*d.* per lb. in 1918-19. Accordingly there results the satisfactory net profit of £17,565, as against £1,767 in the previous year and £16,234 in the last year of unrestricted production, 1916-17. From this the expenses of the new capital issue, amounting to £374, are written off, and £1,785 are transferred to the reserve, bringing the total up to £10,000. Dividends paid to shareholders absorb £16,000, as compared with £3,360 in 1918-19, the rate having increased from eight per cent. to twenty per cent. There is carried forward to the next accounts a balance of £12,260.

During the year the issued capital was increased to £80,000 by the successful issue in June 1919 of [illegible] shares at a premium of 1*l.* [illegible] similar exercise in January 1920 at a premium of 1*s.* 6*d.* per share. Thus the Company has accumulated a share premium account of £15,345, [illegible] adequate for writing off the development account as and when required. The proceeds of these issues provided the Company not only with the funds required to purchase 670 acres of additional land, but also to develop its immature area and to increase the area [illegible] will have been planted. As to the condition of some [illegible] still *sub judice*. At the general meeting it was announced that a report had been received from the visiting agent commenting somewhat adversely upon the policy of allowing so much of the land in grass. Owing to the low-lying nature of the land, weeding was a matter of great difficulty, and hitherto it had been decided to restrict expenditure on this area to a minimum in favour of opening up the better reserve land. However, another agent is to report on the estate, and this report will be issued in the form of a circular to shareholders when presented. On the other hand, the freedom from pests and diseases is freely admitted.

For the current year it is somewhat difficult to visualise the outlook. Originally the estimate anticipated a crop of 380,000 lb., of which 194,152 lb. had been harvested in the first six months. The proposed restriction of twenty-five per cent. after November will [illegible] foreshadowing a rise in the cost of production, especially as wages and the prices of stores and materials are going up. On the other hand, in view of the very low prices now quoted for crêpe and smoked sheet, it is satisfactory to note that forward contracts between April and December 1920 cover 201,690 lb., at an average of 2*s.* 3¾*d.* per lb.; whilst between January and December 1921 there have been sold forward 134,400 lb. at 2*s.* 6*d.* per lb. Again, the financial position of the Company as seen in the balance sheet dated March 31, 1920, is very sound. Including the dividend of £16,000, current liabilities do not exceed £20,333, and are covered by the cash balance of £22,662 alone. The total liquid assets available exceed £46,061. Quoted in a depressed market at 1*s.* 11*d.*, the 2*s.* shares afford a return of over six per cent. on the basis of a dividend of six per cent.

SEAPORT (SELANGOR).

Issued Capital : £187,500 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	%
1916-17...	[illegible]	[illegible]	431,...	1[illegible]	2/1[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917-18...	[illegible]	[illegible]	0...	0	1/5[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918-19	1,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919-20...	1,[illegible]	[illegible]	5[illegible]	[illegible]	1[illegible]	1/[illegible]	[illegible]	[illegible]	[illegible]

Price of Shares, 18 9. Market Capitalisation per planted acre, £90.

The report presented by Seaport (Selangor) for the year ended June 30, 1920, is a record of satisfactory progress. The crop harvested reached the record total of 506,000 lb., exceeding that of the previous year by nearly 109,000 lb. On the other hand, the crop fell short of the estimate by 44,000 lb., the deficiency being attributed to the absence of efficient Chinese [illegible] and the new Land Shares [illegible]

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the English accustomed to the work. Notwithstanding this marked increase in the crop there was a rise in the f.o.b. cost from 9.28*d.* per lb. to 11.37*d.* per lb., and in the "all-in" cost from 1*s.* to 1*s.* 1.84*d.* per lb. The cost of packing materials, duty, and food cultivation accounted for this advance in the cost of production. However, it was more than counterbalanced by the increase in the average net price realised by the sale of the crop from 1*s.* 8.13*d.* per lb. to 1*s.* 10.92*d.* per lb. Thus, for purposes of effective comparison with the previous year, it appears that there was left a profit of £27,408. In the accounts, however, the net profit is stated at £22,829, the balance representing a loss of £2,129 incurred on the realisation of £20,000 of the War Loan, and a liability in respect of the Corporation Profits Tax of £450. Even with these deductions the profit of £22,829 is over £3,000 in excess of the profit for 1918-19. Moreover, this deduction was more than offset by the refund of £3,614 of excess profits duty in respect of 1918-19, thus giving, with the addition of £13,788 brought forward, a balance available for distribution of £40,231. This accounts for the declaration of the record dividend of thirteen per cent., absorbing more than the net profit of the year, and leaving, nevertheless, an increased balance to be carried forward to the next accounts of £14,162, which is liable to be still further increased by a refund of excess profits for the year under review.

The outlook for the current year, whilst by no means bright, does not justify undue pessimism. The estate is in very good order, and, in the words of the visiting agent, there is "hardly a weed to be seen." Furthermore, there is now a good permanent force of Indian coolies on the estate. Originally the estimate foreshadowed a crop of 575,000 lb., of which 123,708 lb. had been secured in the first three months. The restriction of twenty-five per cent. now in force will probably reduce the crop to 488,000 lb., which involves a possible rise in the cost of production. With standard crêpe commanding a price as low as 1*s.* 2*d.* per lb., the margin for profit vanishes. But it is stated that forward contracts have been entered into at satisfactory prices for some 180,000 lb. Consequently, the sale of the remainder of the crop can be postponed until the effects of the restriction have made themselves manifest in an improvement in the price of rubber. At present the situation is so uncertain that the shares have dropped to 18*s.* 9*d.*, at which price the market capitalisation is just below £90. Thus the uncertainty has been almost fully discounted. Financially the position of the Company, as seen in the balance sheet on June 30, 1920, is very sound. Liquid assets exceeding £50,338 are available to meet current liabilities, which, with the final dividend of £15,000, do not amount to £21,205.

PERAK RUBBER.

Issued Capital: £89,000 in 2/0 Shares.

Results for Years to March 31									
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividends Amount £	Dividends %
1916-17	1,341	948	524,138	551	2*s.* 0.1*d.*	8.05*d.*	37,917	33,375	37½
1917-18	1,389	946	352,140	372	2 0.3	8	29,984	14,855	16⅝
1918-19	1,389	993	426,220	307	1 9.84	1 0.1	6,955	5,562	7½
1919-20	1,551	1,300	578,480	442	1 11.39	1 0.95	26,322	16,688	18¾

Price of Shares, 3/11½. Market Capitalisation per planted acre, £114.

A satisfactory report is presented to shareholders in Perak Rubber Plantations for the year ended March 31, 1920. Whilst falling somewhat short of the estimate of 590,000 lb., the crop harvested exceeded the reduced crop of the previous year by over 150,000 lb. This growth in the crop is reflected in the gratifying increase in the average yield per bearing acre from 307 to 442 lb. On the other hand, owing to the higher prices of stores and materials, as well as the increased rates of wages demanded, the increase in the crop did not bring about the customary decline in the cost of production. In an effort to combat the loss incurred by the high price which had to be paid for rice, some of the new clearings were handed over to the Javanese coolies to be planted with this foodstuff, and some was planted by the Company itself. In this manner the loss on rice was reduced to £588. However, the final result was to raise the f.o.b. cost from 11.68*d.* per lb. to 1*s.* 0.12*d.* per lb., whilst the "all-in" cost moved up from 1*s.* 0.1*d.* per lb. to 1*s.* 0.95*d.* per lb. This loss was more than counterbalanced by the improvement in the price realised by the sale of the crop, which worked out net at an average of 1*s.* 11.39*d.* per lb., as against 1*s.* 3.84*d.* per lb. in 1918-19. The exchange situation had moved on balance against the Company, producing a net loss of £22 in the year under review, in contrast with a profit of £50 in the previous year. On the whole, however, the year was far more remunerative from the point of view of the shareholders, the net profit rising from £6,955 to £26,322. Hence it was possible to increase the rate of dividend from seven and a-half per cent. to eighteen and three-quarters per cent., and to carry forward a balance of £17,255, as against £12,999 brought forward from 1918-19.

In view of the depressed condition of the Rubber market the outlook for the current year is at best uncertain. Originally the estimate provided for a crop of 620,000 lb., of which over 379,000 lb. had been harvested in the first seven months. The extent to which the Company will participate in the reduction of twenty-five per cent. in force now appears to be undetermined. "Your directors," stated the Chairman at the general meeting, "are seriously considering this proposition, and are trying to decide to what extent it is possible for them to restrict the output, which is at the present time considerably below what it should be had they not been called upon to reduce it in 1918." Until this decision is known, it is impossible to decide the crop that is likely to be secured. Any reduction will be reflected in a rise in the "all-in" cost; but the rise is not likely to be very serious, since the full reduction of twenty-five per cent. monthly would give a crop nearly equal to that secured in the year under review. In the light of the current low prices for rubber it is to the good that the Company should have forward contracts for five tons a month, January to June 1920, at 2*s.* 4½*d.* per lb., and five tons a month, January to June 1921, at 2*s.* 2*d.* per lb. ex-godown Singapore. The conservatism of the directors in carrying forward the substantial balance of £17,255 will help to enable them to tide over the present without sacrificing their stocks of rubber. Financially the position of the Company as seen in the balance sheet dated March 31, 1920, is very strong. Current liabilities, including the final dividend, absorbing £5,563, do not exceed £18,387, whereas liquid assets are available to a total of £50,144. In the market the 2*s.* shares have been marked down to 3*s.* 11½*d.*, at which price a dividend of ten per cent. would afford a return of five per cent. Whether the dividend will be passed or not depends largely on the position of the Rubber market in the early months of 1921.

LARAS (SUMATRA).

Issued Capital: £95,875 in Shares of 2/- each.

Results for Years to March 31									
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price "All-in" Realised per lb.	Cost per lb.	Net Profit £	Dividends Amt. £	Dividends %
1918	1,394	740	266,687	360	1/8½	1 1¼	4,844	—	—
1919	1,600	947	296,080	313	1/10·5	-/11 16	2,435	—	—
1920	1,777	1,214	392,961	324	1/11½	-/10 14	22,768	12,964	15

Price of Shares, 2/7½. *Market Capitalisation per planted acre, £71.

A very satisfactory report is presented by Laras (Sumatra) Rubber Estates for the year ended March 31, 1920. The estimate forecasted a crop of 360,000 lb.; whereas the actual crop harvested reached 392,961 lb., equivalent to an average yield of 324 lb. per bearing acre, as compared with 313 lb. in the previous year. In common with most other producers, Laras had to meet increased charges in respect of wages and of food-

result of the war period. Shareholders, who had received nothing since the dividend of five per cent. in 1916-17, received a total distribution of fifteen per cent., leaving to be carried forward to the next account a balance of £12,820, as against £2,566 brought forward. This balance is subject to an estimated [illegible] in respect of the corporation profits tax.

The authorised capital has been increased from £90,000 to £150,000, by the creation of 600,000 shares of 2s. The object of this operation was to enable the directors to secure funds for development purposes at a favourable opportunity offers. Advantage was taken of this extra capital to extinguish the contingent liability of £16,244 due to vendors in respect of [illegible] per cent. [illegible] the profits of the Company in May 1916 and December 31, 1914, respectively. It will be recollected that no payment was to be made in this connection except in a year when a dividend of twenty per cent. was paid when a sum up to ten per cent. of the amount of the dividend was payable to the vendor. Moreover, no interest was chargeable on the loan. In the light of these facts the settlement of this claim for net cash £1,244 and £10,000 in shares appears to be an unduly generous arrangement, especially in view of the depressed condition of the market which postpones the days of twenty per cent. dividends still further. However, the proposal was approved of by the shareholders. Similarly we are of opinion that the directors would have been well advised to put off the increase in their fees—moderate though it is—until brighter days had dawned for the rubber industry. Wisdom should have counselled them to refrain at least until preliminary [illegible] and [illegible] had been [illegible] the amount of any profits. The [illegible] are decidedly uncertain at best. For the first seven months there has been harvested a crop of [illegible] lb. as against [illegible] lb. The restriction now in force will prevent the securing of this crop, and will consequently make for an increase in the [illegible] cost. However, there is a margin which has proved its ability to produce rubber at a very low cost and hence the rise will not be very serious. In the absence of any information as regards future contracts, it is impossible to decipher the outlook for the sales [illegible] months of 1921 will improve a situation otherwise disappointing. The balance sheet of the Company, dated March [illegible], 1920, [illegible] to cover current liabilities not exceeding £16,205. [illegible] for claims on profits. Allowing for the estimated corporation tax, and the cash payment of £1,244 to vendor, the balance carried forward could pay a dividend of [illegible] working such a dividend is, however, unlikely. Quoted [illegible] and [illegible]

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Insurance Notes.

NORWICH UNION FIRE INSURANCE SOCIETY, LIMITED.

THE scheme of fusion between the Norwich Union Fire and the Phœnix Assurance Companies, which has been repeatedly referred to in these columns, became effective as from January 1 last. Thereunder the companies, while preserving their identity, will work under the same Chairman (Sir Gerald H. Ryan, Bart.), and General Manager (Mr. R. Y. Sketch). The Norwich Union Fire shareholders received ten fully Phœnix shares of £1 each in exchange for each of their 44,000 Norwich Union shares of £25, with £1 paid on each, and the capital of the Norwich Union thus passes into the hands of the Phœnix Company. It is announced in the annual report of the Norwich Union Fire Company for 1919 that the whole of the Norwich Union Fire shareholders have agreed to this exchange, and that Phœnix (Norwich Union Fire) shares have been allotted in respect of all completed transfers. An interim dividend, in respect of the operations in 1919, amounting to £1 2s. 6d. per share, less income tax, was paid to Norwich Union Fire shareholders in January 1920, and by the terms of the agreement between the two companies, the final dividend, which has been declared by the Norwich Union Fire directors [illegible] Phœnix Company. It [illegible] at the rate of £1 [illegible] payable from Phœnix Company's [illegible] at £1 [illegible] Norwich Union" share, less tax, was credited to the Norwich Union shareholders payable on May 1, 1920 [illegible] 1920, in [illegible] of Phœnix (Norwich Union Fire) shares, thus [illegible] Union share.

[illegible] marised as follows:

year's premiums for that purpose, the departmental account for 1919 shows a trading profit of £213,620 (or about 12.7 per cent. of the relative premium income), which was transferred to profit and loss account. This is a very satisfactory result. At the close of the year the fire fund amounted to £1,968,481, exceeding the year's premium income.

Accident, Employers' Liability, and General Account.—Premium income (increased by £210,614), £840,238. Trading profit, after adjustment of reserve for unexpired risks, £35,924 (about 4.3 per cent. of the relative premium), which was transferred to profit and loss. Departmental fund at close of year, £386,095, exclusive of £208,841 reserved in respect of outstanding claims. The trading profits, in accordance with a fairly general experience, were not so large in this section as in 1918.

Marine Account.—Premium income (increased by £102,466), £576,065. The underwriting account in this section for 1918 was closed on December 31, 1919, with an ascertained profit of £26,186, which was applied through cross transfers between the marine and profit and loss account in increasing the marine funds, which thereafter amounted to £650,733, and appear to be in a strong position.

Profit and Loss Account.—Interest earnings, less tax, amounting to £170,304, were credited to this account. After deduction of £14,798 paid as interest, less tax, on "Norwich and London" Debenture stock, the Company's net interest revenue for the year appears to have been £155,506, which in itself was sufficient to provide a dividend of about £6, less tax, on each old Norwich Union share. Transfer fees of £126 are credited to this account. The strain of taxation, as shown in the accounts, is very heavy. The sum of £160,529 appears as having been paid for income tax and tax on excess profits. This presumably relates to the profits of 1918, for a further sum of £221,662 is provided for similar taxation "estimated to December 31, 1919." £34,969 is appropriated in providing for decreased value of investments and loss on sale of stocks, and £3,515 in writing off bad debts. The balance of profit and loss account on December 31, 1919, before adjustment for dividends was £273,634.

The Company's balance sheet at the close of 1919 shows total assets of £5,658,590, of which £1,863,433 is represented by British Government securities. In addition to the departmental reserves above referred to, a contingency fund of £100,000, and "clerks superannuation and benefit funds" of £42,029 are carried forward. The Directors and General Manager certify in a note to the balance sheet that in their belief the assets set forth in the balance sheet were in the aggregate at the date of their certificate (May 17, 1920), fully of the value stated therein, the Stock Exchange securities having been taken at market values on December 31, 1919, less accrued interest and dividends.

The results of the fusion between the Phœnix and Norwich Union Fire offices will be watched with interest, and a favourable outlook therefrom appears to be well justified. Under an able and central control it is fair to assume that a considerable saving of expenditure will be effected, and that further advantages will accrue from the consolidation and co-operation of interests. Both companies have been in the front rank of contemporary institutions for very many years, products as they were of the later days of the eighteenth century, and their union represents one of the most powerful insurance combinations amongst British institutions transacting business of world-wide scope and importance.

ECCLESIASTICAL INSURANCE OFFICE, LTD.

Great credit is due to the directors and officials of this Company for the admirable results achieved by them since its establishment thirty-three years ago. The original object of the founders of the institution was to offer facilities to the clergy and churchwardens of the Church of England for the insurance of buildings and property of which they were custodians against the risk of damage or destruction by fire at the lowest practicable cost, and to apply all the profits declared as divisible and arising from such operations for the benefit of approved charitable objects and Church purposes. In later years the sphere of transactions has been extended to the insurance of employers' liability (in respect of Church workers and domestic servants) school managers' liability, plate-glass, and personal accident insurance. In every section of its business the premiums charged have been on the lowest recognised scale, and by judicious reinsurance of all amounts which experience has shown to be within the Company's unaided capacity to bear, by care in the scrutiny of the risks proposed, and by an exceptional degree of economy in working, a large and profitable business of the soundest character has been gradually built up. The subscribed capital amounts to £250,000, of which £50,000 is paid up in 25,000 shares of £10 each, with £2 paid; but under the Company's Articles of Association the utmost dividends that the shareholders are entitled to receive are five per cent. on the paid-up capital per annum, free of income tax, which is surely a very modest return on capital subjected to commercial hazards and to a proportionately high uncalled liability. This dividend has been regularly paid throughout, and it is needless to say that the capital remains intact.

The Company's annual report for the year ended February 29, 1920, shows that in its main account relating to the general funds, which deals with all the insurance operations, excepting a recently formed life assurance branch, the premium income (increased as compared with that of the immediately preceding year by £7,698) amounted to £100,019, and the other earnings, inclusive of interest after deduction of income tax, to £16,252. Claims and expenses absorbed £79,825, investments were written down by £21,109, and a grant of £20,000 was made to parent and diocesan societies. The premium income in the life assurance and endowment certain section amounted to £1,832. The total assets as shown in the balance sheet on February 29, 1920, amounted to £411,741, of which £176,433 is allocated to the fire insurance fund, £82,920 to the employers' liability and other reserve funds, £42,500 to the investment fluctuation fund, £2,216 to the life assurance fund, and £1,032 to the endowment certain fund.

The reserves are quite exceptionally strong as compared with premium income, exceeding £300,000, and during its career the Company has allocated nearly as large a sum as the amount of these reserves to the benevolent purposes already referred to.

Queensland Insurance Company, Limited.—A cable received from the head office in Sydney states that the profit for the past year has been £137,685. The staff bonus absorbs £6,064. £62,500 was paid away in dividends and bonus, leaving, with the amount brought forward from last year, £73,665. This amount was appropriated as to £40,000 to reserve fund, £25,000 to unearned premiums, and £8,665 carried forward.

The Swiss Bank Corporation and the Banque de Schaffhouse.—The Swiss Bank Corporation propose to take over the Schaffhouse Bank in pursuance of an arrangement between the boards of directors of the two banks. The provisional settlement is subject to the decision of the meeting of shareholders of the latter Bank, which takes place on the 3rd proximo. The Banque de Schaffhouse, of which the capital is 4½ million francs, was established in 1862, and its board is composed of a number of the leading Swiss manufacturers. Schaffhouse is the centre of the aluminium industry, and in its neighbourhood are a number of important spinning mills, ironworks, and factories. The absorption, if carried out, will be one of a number put through in recent years by the Swiss Bank Corporation.

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Commercial.

MANGANESE ORES.

It was reported some time since that deposits which gave indications of being extensive of manganese ores had been discovered in British Guiana, our only Colony on the South American continent. As far as we are aware, no serious attempt has yet been made to work these ores, although, as already stated there are indications that they exist upon a sufficiently extensive scale to justify their working upon a commercial basis. The deposits, if we are rightly informed, are located in the far interior of the Colony. If this is so it would account for the hesitation of capitalists to engage in their exploitation. Practically all enterprise in the interior of the Colony is held up pending the development of some better means of transportation than at present exists. The discovery, however, that valuable manganese ore deposits do, in fact, exist in British Guiana should excite no surprise in the mind of the reader. Probably the richest and most extensive deposits of this valuable ore found in any part of the world are located in the neighbouring Republic of the United States of Brazil. So extensive are these deposits known to be that competent mining engineers with a reputation to lose have not hesitated to state that on the basis of world consumption at the present time the manganese ore deposits of Brazil could supply the total demand of the international markets of the world for several centuries. Of course, this is in the nature of a guess, however eminent the engineer may be who ventures upon such a prediction. It is only worthy of record here to give the reader interested in the subject some idea of the magnitude of these deposits. They have never so far been worked sufficiently to enable an engineer to say with any real degree of certainty their actual extent, and the probable time in which they could be worked on any given basis of consumption. Manganese ore, as, no doubt, the reader is aware, is required for the strengthening of steel. The demand for this ore during the War was so great that the price rose to an extravagant extent, and these rich ore deposits of Brazil were developed to the extent of about three times their output in the pre-War period. Many competent authorities believe that, owing to the richness of these ore deposits and the comparative ease with which they are worked, Brazilian manganese ore could be supplied to the international trade upon [illegible] than other known deposits, were it not for the fact that they are situated at a very great distance from the accessible part of shipping. If and when the extensive area of Brazil is thoroughly opened up by means of railways and other transportation facilities it seems reasonably certain that these ore deposits will be worked upon a greatly increased scale. At present the only means of shipping the ore when mined is by means of a railway which crosses the mountains, such as the Atlantic Coast Range of mountains in Southern Brazil. As a consequence the cost of [illegible] is excessive for anything [illegible] material. In the period that preceded the outbreak of the recent European War Brazil occupied only third place as the source of supply for the world's markets. The total world's supply in the pre-War period was, roughly, 1,750,000 tons. The principal source of supply was Russia, which raised altogether about 750,000 tons. This was closely followed by India, the annual production of which amounted to some 650,000 tons, while Brazil occupied third place with a production varying between 200,000 and 250,000 tons, the balance coming from various other countries in Europe and elsewhere. Manganese ores are found over a very extensive area of the earth's surface, but in anything like a pure form they have only been mined in three countries—Russia, British India, and the United States of Brazil. The ores raised from these sources had very high contents of pure manganese. The Russian had a content per unit of fifty-four per cent., the Brazilian fifty-three per cent., and the Indian fifty-one per cent.

Over the greater part of the earth's surface from [illegible] manganese ore is found but [illegible] is usually found mixed with some other metal, not infrequently iron, and can be worked at a profit only as a by-product. In addition to the three countries mentioned above manganese ore is found, and to some extent produced, in Canada, in the United States, in what was formerly the Austrian Empire, in Belgium, France, Greece, Italy, Spain, Sweden and the Turkish Empire. We are not aware that any deposits have been worked in the Turkish Empire in recent years. It is found, and has been occasionally worked, in the United Kingdom. Japan produced a small quantity during the early years of the War. South Africa contributed a considerable amount as recently as 1917. Deposits are known to exist, and have been worked to some small extent, in Australia. Deposits also exist in New Zealand; but, so far as we are aware, these have only been worked to such an extent as would demonstrate their actual existence.

When the War broke out, and Russia became inaccessible to Western Europe, this, the principal source of supply hitherto, was completely cut off from the world's markets. We need not add that more recent events in Russia have not improved the position so far as manganese ores are concerned. Although, as said above, Brazil greatly increased her supplies during the War period, speaking generally it may be said that the loss of such an immense quantity of ore coming from Russia has not so far been made up from any other source. There remains the British Empire as a potential source of supply. That the British Empire is capable of supplying the world's demand is not probable in the absence at any rate of greater developments than have so far taken place. At present the only really important source of supply within the confines of the British Empire is India; and India appears to be [illegible] capable of doing with her available transportation facilities. The Australasian deposits have not so far been worked to an extent which would demonstrate their actual capacity. Of the deposits referred to above in British Guiana it is, of course, impossible to say [illegible] The deposits would require to be carefully examined [illegible] time before it would be possible really to demonstrate [illegible] practicability of the British Empire supplying its [illegible]

of values with which it would be difficult for the rest of the world to compete in the international markets. If this is so it seems evident that the comparatively poor mines, so far as ore contents are concerned, have very little prospect of being worked in competition with those of Brazil whenever that country is really afforded adequate transportation facilities.

THE LEATHER TRADE.—III.

BOOT AND SHOE SECTION.

The boot and shoe trade has experienced a very difficult period so far this year, for not only has it had to pass through the transition stage from Government control to pre-War conditions since June 30, but has had to perform the task under quite unexpectedly severe trading conditions. It must be remembered that, altogether apart from the production of civilian footwear—an admittedly comparatively small quantity—British manufacturers supplied between August 4, 1914, and March 31, 1919, the tremendous quantity of 61,899,626 pairs of Army boots. This gigantic and praiseworthy feat was, of course, accomplished only by the installation of all necessary up-to-date plant and machinery, involving, in the majority of instances, not only additions to factory space, but frequently the acquisition of new factories altogether. When decontrol came into operation boot manufacturers had one main desire, to so increase their civilian and overseas trade as to permit of all their extensions and additional workers and machinery being profitably employed.

The immense output of these up-to-date factories soon provided more than was needed for the home trade. The first disappointment was the unsatisfactory condition of the export demand, the continued depreciation of Continental currencies preventing buyers in France, Belgium, and Italy from "taking up" the shipments of footwear expressly made to their orders. The bulk of these goods were either reshipped to England, or left on hand in manufacturers' possession, and eventually sold at ruinously low prices.

The next serious difficulty that has had to be tackled has been the financial problem. This came into being through the curtailment of credit facilities. With their capital largely represented by raw material and machinery, manufacturers had to either sell goods at unremunerative prices, or raise loans on stock at high rates. Naturally, manufacturers stopped production to a great extent, bought very little leather, and put their workpeople on short time. The latter became less and less, until many factories closed for a week or fortnight at a time, or worked part of the week with alternate staffs. In certain centres it was known that fifteen to twenty hours per week was the limit of working for considerable periods.

The Standard Boot Scheme, from which so much was expected last year and this, proved a practical failure owing entirely to the provision of a clause that fixed prices were to be charged, which prices the manufacturer was to stamp upon the soles. Despite the fact that the goods are sterling value for the money demanded, they have not been seriously pushed by retailers, for the simple reason that they preferred to push other, and occasionally more stylish, lines that showed a better margin of profit. It is credibly stated that had the goods been permitted to be sold at prices arranged by the retailers themselves the scheme would in all probability have proved a big success. It is still considered probable that an honest boot, bearing a standard mark, and on sale at prices within the retailers' discretion, would enjoy a big demand, and prove the best practical check to the low-priced, shoddy article that is, unfortunately, being offered to a credulous public.

The change over from prosperous, big wage conditions to limited employment and cash resources has caused the majority to study economy in many ways, and the plausible advertisements of footwear speculators lead them to believe that really good-grade, all-leather boots can now be obtained for 29s. per pair.

The export trade, although making good, steady progress in most of our markets, has not come up to general expectations. The Continent, from one end to the other, is very badly provided with footwear, and if only financial conditions had been anywhere approaching normal there is no doubt that all anticipations would have been exceeded. There have been several semi-official inquiries for low-grade footwear of Army pattern, but the prices offered are by no means attractive. The only reason for considering the business at all is that it would find much-needed employment to factory hands.

Probably the most satisfactory feature of the export section is the steady progress that has this year been made in our Colonies. During the War they were mostly neglected, and had either to make their own or secure their supplies from America. The latter course was practised principally by reason of the determined efforts made by United States manufacturers to get hold of these markets. In this they were very successful, but recently the pendulum has swung in our favour, and we have made satisfactory progress in these and several foreign markets that were not specially known to us prior to the War. Thus to South Africa and other markets the sales for 1919 and 1920 were as follows:—

	1919	1920		1919	1920
	£	£		£	£
South Africa ...	320,197	1,540,270	New Zealand ...	9,950	68,111
East Indies ...	114,875	582,580	West Indies ...	1,500	51,549
Australia ...	7,815	14,456			

To foreign markets the principal gains were with Germany, 1919 £24,747, 1920 £239,513; Netherlands 1919 £89,153, 1920 £370,979; other countries, 1919 £686,461, 1920 £1,446,230.

Our total exports for the nine months ended September were:

	1913		1919		1920	
	Doz.	£	Doz.	£	Doz.	£
Manufactured Leather	1,089,120	5,134,884	372,465	2,705,150	628,816	5,506,884
Other Material ...	103,390	82,467	59,673	112,610	163,032	441,019
Rubber ...	29,780	96,875	89,522	167,635	114,761	248,965
Total Exports	1,286,290	5,314,216	521,660	2,985,375	901,609	6,096,868

Whilst we are inclined to deplore the adverse condition of most of the Continental exchanges, it is well to bear in mind that there are certain others that favour foreign buyers of our goods. Among them is America, probably the wealthiest and most potential market in the world, where already some good business has been obtained. Groups of manufacturers first explored the country, and then prepared on a large scale samples which they introduced personally in many leading cities, and took quite satisfactory orders. It has been found that the majority of buyers prefer high style to durability. The particular task of manufacturers, therefore, is to combine high-class, stylish shapes with the British hall-mark of reliability in wear. Given these features, the present exchange should put them far and away in front of American goods, even after making a liberal allowance for freight and all distributing expenses.

Our imports of footwear deserve a word of notice. Probably France and Switzerland, and to a lesser extent America, have proved the countries of origin. They are steadily increasing each month, and in the present state of the English shoe trade our manufacturers should take steps to examine the lines most favoured, and do their utmost to "compete" them out of the market. The total imports, for home sale, for the nine months ended September 1913, 1919, [illegible]

	[illegible]		[illegible]		[illegible]	
	Doz.	£	Doz.	£	Doz.	£
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The present position and immediate outlook both are much brighter than they have appeared at any time this year. Productive conditions are more favourable, chiefly by the substantial declines in leather values that have taken place since the end of June. Common-grade sole leathers were a positive drug at

that date, and farmers had [illegible] stocks sold. Unfortunately, there was little use for these at the time; consequently [illegible] could not be taken by them. Offers in dry-hide selections, such as bellies, have been obtainable at prices below the cost of tanning. In upper leathers the drop from top prices is in many cases fifty per cent., so that the combined declines represent a big saving in the raw material accounts. Labour is unaltered at present, but the coming year will witness the close of the present working arrangement, and it is stated that thereafter new wage schedules will be demanded. Seeing that there is not full-time employment at present, the new demands, if made, will probably prove impossible of acceptance. Railway charges and standing expenses are all on the upward grade, and, with poor output results, are relatively higher than on full-time conditions.

The recently held Shoe and Leather Fair has done much to stimulate trade, for it has attracted buyers from all quarters of the world. There is an air of activity and greater confidence since October 9, which cannot fail to have good effect upon all sections of the industry. There are signs, too, that the public are slowly realising that the low-priced shoe is not a cheap or even a comfortable article, and decidedly deleterious to health. Unless, therefore, conditions of living become much more difficult, there should be experienced a brisk home trade during the coming months of winter, whilst the real push that is being given to export business should enable our manufacturers to clear old stock, and by the receipt of substantial orders keep their extensive plants and workpeople fully and remuneratively employed.

DIVIDENDS ANNOUNCED THIS WEEK.

BANKS:				
Bank of New Zealand 8% [illegible]				
Dominion Bank				
National Bank of S. and [illegible] Shares, £100 paid				
BREWERIES AND DISTILLERS:				
[illegible]				
Distillers Preferred				
Marston, Thompson & Evershed				
Usher, Wilts & Bristol				
COMMERCIAL:				
[illegible]				
American Securities and Realties Corp. Ord.				
Blackwood Hodge				
British Portland Cement				
Chapple, W.				
Ellenberg [illegible]				
Egypt [illegible]				
Electric [illegible]				
Elemite [illegible]				
Hely's				
Inland Steamers Ord.				
James Dredging				
Norman Cement				
Potters, Ltd.				
Power Gas Corp.				
Shiloh Spinning				
South American Stores (Gt. Br.) and Deferred				
South American Stores Ord.				
Thames Dredging				
Stanhill Ring Spinning				
Times Colonial Syndicate				
United Provinces Oil & Cake				
Zwanenberg				
ELECTRIC LIGHTING AND POWER:				
Pennsylvania Water and Power				
FINANCIAL:				
Calcutta and [illegible]				
London General Land & Dock S.A.				
IRON, COAL AND STEEL:				
Brown (John)				
Pease and Partners				
Sheet Iron				
Tube and Iron	10†	10		
MINING:				
Cassel Cyanide, 5s. shares	20/0			
Frank Pelat				
Mexican Tin Dredging				
St. Aubyn Ind. Est.				
Zaruma Ltd.				
NITRATE:				
London Nitrate				
Santa Catalina Nitrate				
TEA, COFFEE AND RUBBER:				
Rasnak (U.M.S.) Rubber				

* Tax Free. † Equal to [illegible] (a) Bonus, 10% per share, plus 5% bonus. (b) Bonus, one new share for [illegible] share held. (c) Plus 1% bonus. (d) Plus 15% bonus. (e) Plus 5% bonus.

Industrial Companies.

THE UNION COLD STORAGE CO., LTD.

Issued Capital: £2,080,000, in 1,480,000 6 Cum. Pref. Shares, 300,000 10% "A" Cum. Pref. Shares, and 300,000 Ordinary Shares of £1 each.

Debentures: £1,187,574 4½% First Mortgage.

[illegible]

THE accounts of this undertaking for the year 1919, which are only now to hand, show that a net profit was obtained of £306,361, representing an increase of £12,937 as compared with that in 1918. The amount allocated to depreciation reserve is £2,097 greater at £78,776, but the charge for Debenture interest is further reduced by £4,200 to £58,133, so that the available surplus on the year's working amounts to £169,452, or £15,040 greater than in the previous year. The Preference distribution remains the same at £118,800, and the usual ten per cent. Ordinary dividend is declared, absorbing £30,000, leaving £71,716 to be carried forward, as compared with £51,066 brought in from 1918.

The balance sheet contains some important alterations. On the liabilities side, mortgages on specific properties have been increased by £253,000 to £444,974, and sundry creditors by £226,799 to £845,684. The Debenture stock, however, has been further reduced by £53,780. Amongst the assets, property, plant and machinery figure at the large total of £3,820,529, representing an increase of £386,500 as compared with 1918. Sundry debtors and stocks, which are grouped together, show an increase of £28,819 at £481,396. Loans made by the Company on mortgage have risen by £84,715 to £920,315, and cash [illegible] have been increased by £14,632 to £68,625. The item goodwill remains at £26,050, whilst discount on issue of Debentures has been further reduced by £3,779 to £64,284 as a result of Debenture redemption during the year. The only reserve which appears in the balance sheet is that for depreciation, amounting, with this year's allocation, to £562,754. In this connection it should be noted that until a general reserve fund of £75,000 has been built up, together with a dividend equalisation fund of £125,000, no larger dividend that ten per cent. can be paid on the Ordinary shares. The current liabilities, including mortgages on specific properties and dividends due, amount to £1,302,936, against which there are liquid assets, including stocks and loans, amounting to £1,240,337. There is, therefore, a deficiency of £62,599 in liquid assets, as compared with a surplus in the previous balance sheet of £274,490, the change being entirely due to the heavy additional expenditure on the fixed assets.

Since the date of the accounts the capital of the Company has been increased by £2,700,000 to £4,780,000 [illegible] of the Blue Star Line. [illegible] £4,312,500 part [illegible] at £2,000,000 [illegible] shares [illegible] at £1,187,574 [illegible] of the steamers purchased, and that the services of

profit have been made. The disposal of the Company for some years. It is anticipated that the net profit accruing out of the acquisition will amount to at least £300,000 per annum, so that the annual charge of £210,000 payable on the new Preference capital would appear to be adequately covered. In its ordinary sphere of activity the Company has continued its programme of development, important extensions being made to its premises in Liverpool and Glasgow. The full results of the continued expansion in transport and cold storage accommodation may not be evident in the results of the current year's operations, but there is every likelihood that the progressive increase in net profits which has characterised the trading returns in recent years will be maintained.

The prices and yields of the Preference and Debenture stocks are set out in the following table. The Ordinary shares are not quoted, being privately held.

	Price	Yield
	£ s. d.	%
5% ...	0 7 6	7·0
7% ...	0 16 0	8·9
10% ...	1 2 6	8·9
4½% ...	80 10 0	5·6

TALTAL RAILWAY COMPANY, LIMITED.

Year to June 30	1919-20	1918-19	1917-18	1916-17	1915-16	1914-15
	£	£	£	£	£	£
Gross earnings	241,005	141,499	230,446	229,483	225,912	132,882
Expenses	140,040	108,327	144,361	117,356	111,658	79,174
Ratio	(60.62)	(76.56)	(62.65)	(51.14)	(49.43)	(59.58)
Net earnings	90,965	33,172	86,085	112,127	114,254	53,708
Miscellaneous	71,942‡	51,328‡	76,270	14,955	8,156	7,215
Net income	162,905	84,499	162,355	126,082	122,410	60,923
Debenture service	24,000	24,000	24,000	24,000	24,000	24,000
Balance	138,905	14,499	138,355	102,082	98,410	36,923
Income Tax	15,193	14,727	6,130	5,817	6,913	6,276
Net profit	123,712	29,373	132,225	96,265	91,497	30,647
,, on Ordinary	(15.11)	(3.26)	(14.7)	(10.70)	(10.20)	(3.42)
Ordinary dividend	90,000	54,000	90,000	81,000	72,000	54,000
Rate per cent.	(10)	(6)	(11⅛)	(9)	(8)	(6)
Surplus	33,712	21,627†	33,225	15,265	19,497	Dr. 23,353
General reserve, &c.	33,000		22,500	14,000	20,000	
Balance	712	21,627†	10,725	1,265	Dr. 503	Dr. 23,353
Brought forward	14,175	36,102	28,377	27,022	27,251	4,898
Carried forward	14,887	14,475	39,102	28,377	27,022	27,251

‡ Profit on exchange 1916-17, £14,631; 1917-18, £65,464; 1918-19 £29,129; 1919-20, £60,973. † Dr. Balance.

The Taltal Railway serves a nitrate-producing area, and its prosperity is interwoven with the well-being of the nitrate industry. The report for the year ended June 30 last, published last week, reveals an expansion of 55.43 per cent. in passenger traffic, together with an increase in the nitrate traffic from 135,038 tons to 233,167 tons, and in the oil traffic from 24,191 tons to 49,914 tons. In consequence of this the gross earnings have risen from £141,499 to £231,003, while expenses mounted only from £108,327 to £140,040. The net result is a decrease in the expenses ratio from 76.56 per cent. to 60.62 per cent. and a rise in net earnings from £33,172 to £90,963. A final dividend of seven per cent., less income tax, was approved at the meeting this week, against six per cent. in the previous year. It should be noted that the debtor balance of £24,627 mentioned in our table for 1918-19 is due to the fact that the various allocations exceeded the net profit, exclusive of the sum brought forward from 1917-18, but, including that sum, there was a credit balance of £14,475 left to be carried forward. The premium on gold operated very much in the Company's favour. It is fixed by the Custom House from month to month in dollars and these dollars have a sterling value of 18*d*. Accordingly the higher the premium the greater the benefit derived by the Company. To obtain more correctly the ratio between working expenses and receipts, the profit arising from the gold premium is shown separately in the accounts and is included in our table with miscellaneous revenue. It amounted in 1919-20 to £60,973, compared with £23,419 in the previous year. The increase in the gold premium, £37,554, was more than sufficient to offset the increase in working expenses, £31,713. In the four and a-half months that have elapsed since the closing of the accounts the gold premium on sterling has been on a higher average level than before, and profits from this source are, therefore, likely to be enhanced unless values decline unexpectedly before June 30 next. There has been an increase in expenses, as regards both wages and cost of materials, but the ten per cent. addition to the tariff rates granted in February last covers the greater portion of the increase. The Debentures are being steadily paid off, and at the end of the year they should be less than £100,000. Oil fuel has largely replaced coal, and seems to give every satisfaction in use. A telegram recently received from South America indicates that the gross receipts for the past five months of the year were £144,000, or more than double the receipts for the corresponding period of 1919. Cash bargains at 5¼ have passed in the Ordinary shares (£5 paid), fully paid, at which price they yield, on the basis of the dividend, £9 12*s*. 10*d*. per cent. The Four and a-Half per Cent. First Charge Debentures at 93¾ yield practically five per cent.

D. DAVIS AND SONS, LIMITED.

Issued Capital: £887,500, in 3,150,000 Ordinary Shares of 5/ each and 100,000 6% Cum. Pref. Shares of £1 each. Debenture Stock: £75,000, in 5% "B" Mortgage bonds.

Year to Dec. 31	Net Profit	Reserve	6% Preference Dividend	Ordinary Dividend	Rate per cent.	Carried Forward
	£	£	£	£		£
1913	109,526	40,000	6,000	107,756	17½	17,529
1914 ...	130,000		6,000	76,640	10†	64,889
1915 ...	130,881	50,000	6,000	78,750	10†	60,510
1916 ...	195,511	12,647	6,000	157,500	20	81,884
1917 ...	148,754		6,000	157,500	20	67,138
1918 ...	269,556	100,000	6,000	157,500	20	73,175
1919 ...	248,915	43,750	6,000	181,125	20†	91,215

After providing for debenture interest, depreciation and all taxation. † Free of tax.

Despite the greatly increased difficulties under which work was carried on, this South Wales Colliery Company was very successful in its trading operations during the past year. The accounts show that a net profit was obtained of £248,915, which, although £20,621 less than the previous return, is nevertheless over £100,000 greater than the profit in 1917. Before arriving at the net income, provision has been made for depreciation, excess profits duty, income tax, and deferred repairs. The practice of showing the actual deductions for depreciation and taxation has been discontinued since 1916, and it is not possible therefore to make any detailed analysis or comparison of the results in recent years. In the distribution of last year's profit an allocation of £43,750 is made to the general reserve, as against £100,000 in 1918, and the Preference dividend receives the usual sum of £6,000, but the Ordinary distribution is increased by £23,625 to £181,125, the explanation being that the dividend of twenty per cent. is payable free of tax, whereas in each of the three preceding years it was paid subject to tax. This year's dividend is therefore actually equivalent to 28.6 per cent. on the previous basis. The balance carried forward to the current year amounts to £91,215, which is £18,040 greater than the sum brought in from 1918.

The balance sheet contains some important changes to which reference may be made. On the debit side the item of £7,875, loan on terminal bonds, has disappeared, having been paid off. The mortgage bonds, which figure in the accounts at £75,000, fell due for redemption in July last at £5 per cent. premium, and accordingly will not appear in the next balance sheet. The reserve account, which stood at £450,000, was reduced to £56,250 in March 1919, by a bonus distribution of £393,750 payable in Ordinary shares of the Welsh Navigation Steam Coal Company, Limited, but with this year's allocation it is increased to £100,000. Sundry creditors (including provision for excess profits duty, coal mines excess payments, and deferred repairs) now figure at £752,273, representing an increase of nearly £489,600. On the assets side, properties, together with investments in other companies, have increased by over £14,000 to £819,160. The item

includes the holding, amounting to £157,450 in the Welsh Navigation Steam Coal Company, but no indication is given of the investments in the other companies. Stocks are £45,579 the greater at £98,815. Sundry debtors show a reduction of over £465,000 at £271,591, mainly in consequence of the elimination of the loan to the above-mentioned Company, and the item now consists almost entirely of Ordinary trade balances. Investments in Government securities have been increased by £305,000 to £407,912, and holdings in trustee and other stocks amount to £148,969, representing an increase of nearly £128,400. Despite the large growth in stocks and investments cash holdings have increased from £118,678 to £268,666, but in consequence of the reduction in debtors and the abnormal increase in sundry creditors, the surplus of liquid assets over current liabilities has been reduced from £688,459 to £338,305.

At the general meeting in March last the Chairman referred to the financial control of the coal industry during last year as being of a "most confused and chaotic character," involving the suspension of development work to a great extent. It was estimated that over the whole country suspended expenditure on extensions and improvements approximated to £60,000,000. The Company has apparently made liberal provisions for deferred repairs, but the postponement of capital outlay has naturally affected the efficient working of the mines, and the difficulties experienced by the Company have been accentuated by the continued increase in the cost of materials, together with inferior transport facilities.

The industrial conditions prevailing during the current year can scarcely be regarded as tending towards the removal of the most serious of these difficulties. Despite the recent deadlock, however, it seems probable that the Company will be able to maintain last year's satisfactory dividend of twenty per cent., free of tax. On this basis the Ordinary shares at their present price of 10*s.* 1½*d.* would yield a return of 9.9 per cent. (tax free), whilst the six per cent. Preference shares yield seven per cent. at their present quotation of 17*s.*

CITY OF DUBLIN STEAM PACKET COMPANY.

Issued Capital: Ordinary Stock, £585,950; 5% Preference Stock, £259,900.

Year ending Aug. 31	Net Income	Pref. Divs. (b)	Ord. Divs. (b)		Carry-forward	Surplus Liquid Assets
	£	£	£	%	£	£
1916	58,488 (a)	12,995	13,350	4½	12,975	233,226
1917	49,258 (a)	12,995	16,113	5½	12,401	295,120
1918	58,529 (a)	12,995	16,816	5½	14,511	351,777
1919	50,103 (a) (f)	12,995	23,438	8 (d)	15,572	1,247,859
1920	41,989	12,995	23,438	4 (e)	15,532	1,248,715

(a) Including dividends on investments. (b) Less income tax. (c) Free of Income Tax as to £ . (d) Calculated on the increased capital of £585,950 and including bonus equivalent to 1% per annum. (e) Including bonus of 2% per annum. (f) After provision for interest on mortgage loan, sinking fund and guarantee to City of Dublin Junction Railways. (g) After placing £10,000 to Special Fund for replacement of mail steamers.

While the net income of this Company, as shown in the above table, reveals a decrease of £8,114 since 1919, the balance carried forward to the new account is only slightly below that brought in. Preference shareholders receive the usual sum of £12,995, less income tax, and the distribution on the Ordinary shares, £23,438, actually indicates no change compared with the previous year. The Company's Act, which received the Royal Assent on March 31 of the present year, provided for the increase of the Ordinary stock to its former value, £585,950, and certificates were accordingly sent to each proprietor equal in amount to the stock held. This increase was rendered possible by the transference to capital of the whole of the special reserve fund and of a sum of £35,356 from the special fund for the replacement of mail steamers. It might be recalled that the decision to reduce the capital of the Company in 1910 by writing off £292,975 of the Ordinary stock was ratified by an agreement, to which statutory effect was duly given, between the above Company and the Dublin and Liverpool Steamship Building Company. The latter was wound up and dissolved and the shareholders became Preference stockholders in the Steam Packet Company, which, in order to carry out this purpose, was empowered to create £300,000 Five per Cent. Cumulative Preference stock, and allot the same as fully paid to the shareholders of the other concern, the total capital of which, £300,000, was held as to £39,750 by the Steam Packet Company. Provision was then made that, in the event of the Steam Packet Company winding up, the Preference stock thus created was to be entitled to priority "over all other shares or stocks of the Packet Company" so far as two-thirds of the capital was concerned, and as regards the remaining one-third the surplus assets were to be divided in the ratio of £100,000 to the holders of shares in the Steamship Building Company and £538,000 to the holders of Ordinary stock or shares of the Steam Packet Company.

As revealed by the balance sheet for the half-year ended August 31, 1920, the Company, with a term of existence covering ninety years, is in a very strong financial position. The valuation the assets bear in that statement is shown below:—

	£	s.	d.	£	s.	d.
Mail steamers	790,165	9	7			
Less amount written off	369,163	9	7			
				[illegible]		
Lands, building and plant				11[illegible]	11	5
Sundry debtors				[illegible]		
Cash at bankers and in hand				[illegible]	16	1
Stock of coal and stores				[illegible]		
Investments at cost				1[illegible]	8	5
Interest in purchase of £2,000 City of Dublin Junction Railways 1st mortgage 4% guaranteed stock	2,000					
Less written off	240	0	0			
				1,570,[illegible]	15	5

Taking due account of the apathy of the demand amongst shipowners for new tonnage the market value of the Company's fleet is probably far in excess of the figures given above. Bearing also on this matter is the litigation between the Company and the Admiralty as to the replacement of the *Connaught*, the property of the former, which was lost at the beginning of the War. An extract from the report of the directors for the half-year ended February 28, 1919, will help to make the position clear. "As soon as it appeared probable that an armistice would be signed, a communication was addressed to the Transport Department of the Admiralty, calling on them to carry out the undertaking given in regard to the replacement of the *Connaught*. As the proprietors are aware, this undertaking is a twofold one: when the vessel was requisitioned, His Majesty's Government undertook, in the event of her loss, to pay whatever sum was necessary to replace her by a vessel suitable in all respects to carry out the postal contract, and also to be responsible for any adverse effect the requisition might have on the mail contract. After the vessel was lost a further undertaking was given that as it was impossible owing to the exigencies of war, to allow the construction of a vessel to be commenced, His Majesty's Government agreed that priority would be given for her construction over that given for any other vessel privately owned or by a railway company designed for a service similar to the mail steamers, and also agreed that the Company should not be prejudiced in respect of the Post Office contract service. Following this letter the Company's Managing Director was asked to go to London, interviews and correspondence took place. The Company had already been advised by eminent counsel that the undertakings given on behalf of His Majesty's Government were binding and enforceable, but a definite reply was not received until March 8, [illegible] after the Company had sent their first communication. This reply contained a proposal absolutely at variance with the [illegible] undertakings, and a counter-proposal [illegible] was addressed to the Secretary of the Ministry of Shipping, stating that His Majesty's Government [illegible] and that unless a satisfactory reply was received the Company would present a petition [illegible]

lodged. Judgment was given by Lord Coleridge in the Company's favour in the present year, but the Crown has given notice of appeal.

The investments of the Company represent almost in entirety British and Indian Government, railway and corporation stocks. According to the accountant's certificate, "the value of the Company's investments at the market price on August 31, 1920, shows a depreciation of about £255,228, against which there is a reserve of £169,809 only." On this point the directors' report states that "no credit has been taken for the sums which the Company may expect to receive under the judgment which has been obtained in the petition of right case. Whenever this matter is settled it is expected that the special fund for replacement of mail steamers, and also that for the depreciation of investments, can be dealt with."

The funds built up from undivided profits, constituting liabilities to the shareholders, and the liabilities to sundry creditors appear in the last balance sheet as follows:

	£	s.	d.
Sundry creditors ...	[illegible]		
Unclaimed dividends and interest ...	[illegible]		
	£	s.	d.
Special fund for renewal and replacement of mail steamers ...	[illegible]		
Less transferred to capital account ...	[illegible]		
Special reserve fund ...	[illegible]		
Less transferred to capital account ...	[illegible]		
Depreciation of Investment Fund ...			
General Repair Fund ...			
Workmen's Compensation Fund ...			
War Reserve Fund ...			
Trading account balance ...			

From the foregoing it is evident that the Preference and Ordinary shareholders are very amply secured as regards the return of their capital. During the past fortnight the quotation for the Ordinary stock has jumped from 115 to 135, and the underlying expectation is that the Company will decide on dissolution owing to the loss of the mail contract.

Whether the directors will decide on recommending this course of action to the shareholders we are not in a position to say, but undoubtedly the prospects for running a profitable passenger traffic between Kingstown and Holyhead are not very rosy at present. The approaching deadlock on the Irish railways and the gloomy political situation constitute very adverse factors.

THE ORIENT STEAM NAVIGATION CO., LTD.

Issued Capital: £763,820, in 24,338 Preferred Shares of £10 each and 104,088 Deferred Shares of £5 each.
4½% Debenture Stock, £393,750.

Year to June 30	Net Profit	Debenture Interest	Income Tax Adj.	Repairs and Renewals Reserve	General Reserve	Preferred Dividend	Ordinary Dividend — Rate	Ordinary Dividend — Amount	Carried Forward
	£	£	£	£	£	£	£	£	£
1913	242,405	40,027	50,000	75,000	10,176	63,701	55†	56,717	
1914	226,839	22,768	25,000	75,000	10,176	63,701	55†	86,911	
1915	200,892	17,184	50,000	50,000	10,176	63,701	55†	96,742	
1916	169,473	27,999	25,000	25,000	11,168	6,448	5	96,996	
1917	179,537	23,512		100,000	11,602	26,060	15‡	112,758	
1918	165,836	22,279	50,000	50,000	14,602	26,060	15‡	115,073	
1919	161,447	21,946		150,000	14,602	26,060	15‡	63,912	
1920§	218,084	20,650	–	100,000	14,602	78,066	15‡	68,678	

After provision for Income Tax. † Including Bonus of 5% per cent. ‡ Free of Tax. § Eight months' trade, £111,110 to £765,820 in 1919.

The recently published accounts of this shipping Company for the twelve months ended June 30 last make an eminently satisfactory showing. The net profit, which amounts to £218,084, is £56,637 greater than for the previous financial year, and is substantially in excess of the profits earned during the War period. The result is not very remarkable, however, when compared with the average profit of £241,976 for each of the three years immediately preceding the War. Still, the provision which is now made for depreciation before striking the profit balance probably represents a much higher charge than in pre-War years, and besides, in consequence of the systematic redemption of Debentures, interest represents a much smaller charge in the allocation of profits, so that the surplus available for dividend purposes is only slightly less than during the earlier period of prosperity. As in 1919 no appropriation is made to the repairs and renewals reserve, and the general reserve allocation, which amounted to £150,000 last year, is now reduced to £100,000. The five per cent. Preferred dividend absorbs the usual sum of £14,602, and the Deferred dividend is maintained at fifteen per cent. free of tax; but as the capital was increased during the year from £173,730 to £520,440 by the issue of 69,342 shares at par to the Deferred holders, the dividend absorbs £78,066, as compared with £26,060 in 1919. In addition, it is proposed to capitalise £520,440 of the general reserve fund and to distribute the shares *pro rata* amongst the Deferred shareholders, thereby increasing the Deferred share capital to £1,040,880. The balance carried forward amounts to £68,678, as against £63,912 brought in from last year. It will be noted that no sums have figured in the accounts for war taxation.

Besides the alteration in the capital account to which reference has already been made, other important changes have taken place. The Mortgage Debenture stock has been further reduced by £88,150 to £393,750. Sundry creditors, including reserves for contingencies, figure at £30,289, or nearly £30,300 less than in the previous return. A remarkable feature is the amount of the liability for freight and passage money paid in advance, which stood at £30,964 last year, and has now been increased to £259,265. The underwriting account has been reduced to £283,696 by a transfer of £50,000 to the general reserve, to which there has been also transferred a sum of £100,000 from the contingencies reserve. These transfers, together with the allocation of £100,000 from revenue, raises the general reserve to £1,000,000, of which it is now proposed to capitalise £520,440. The repairs and renewals reserve remains at £300,000. On the assets side of the balance sheet, ships, plant and investments figure at £3,432,464, or over £767,100 more than in the 1919 accounts. It is evident, therefore, that the additional capital raised during the year has been fully utilised in the development of the undertaking. Stores have been increased from £24,102 to £53,264, and sundry debtors by nearly £11,500 to £541,548. Insurance policies figure at £24,125, as compared with £15,067 last year, whilst cash holdings are down by £102,499 to £64,901. Owing to the inclusion of investments among the fixed assets, and contingency reserves among sundry creditors, it is impossible to make any accurate comparison between liquid assets and current liabilities. It would appear, however, the latter are considerably in excess of the liquid resources. The financial position is, nevertheless, one of remarkable strength, and the proposed capitalisation scheme will not unduly deplete the large reserves of the Company.

Since the close of the year under review the concern has purchased from the Government three ex-enemy steamers of a total tonnage of 34,639 tons. It is expected that two of these ships will be available for service early next year. No alteration has been made in the Company's mail service to and from Australia. As regards the outlook for the current financial year, the recent slump in freights makes the position rather uncertain, and the level of profits now established can only be maintained by an expansion in trade. Next year the Deferred share capital ranking for dividend will be twice the existing capital, and the maintenance of a fifteen per cent. dividend free of tax cannot therefore be expected unless the directors adopt a far less conservative policy. In view of the dividend and bonus distribution the £5 Deferred shares are now quoted at 20⅛; the £10 Cumulative Preferred shares are quoted at 7⅜, and the four and a-half per cent. Mortgage Debentures at 89¾.

New Issues.

5 15 YEAR TREASURY BONDS (SERIES B).

Particulars of these bonds which are still on offer appeared in THE STATIST of November 6, 1920.

LONDON HOUSING BONDS.

Full particulars were given in the issue of September 25 of London issues.

SEVEN TOWNS LOAN.

Offer at [illegible] £4,000,000 Six per Cent. [illegible] December 1, 1950, or at [illegible] £105 per £100 of the [illegible] Redemption. Flat yield, £5 [illegible] per annum; yield with redemption, £5 6s. 1d. per cent. per annum.

The issue of [illegible] Corporation [illegible] to be dealt with by the [illegible] Housing Committee. The above issue is being made on [illegible] under the joint auspices of Bootle, Bournemouth, Ipswich, Northampton, Rotherham, Stoke-on-Trent, and Wolverhampton. The following tabular statement shows in detail the financial resources of each town:

Bootle ...	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Apart from the £4,000,000 now required, the total outstanding debt of the seven municipalities is £27,502,721. Of this, £758,366 is to be repaid out of the proceeds of the present loan, so that the total debt which the stock now offered is placed, will be £10,744,355. As £4,490,000 is already sunk in reproductive undertakings, and as the stock now on offer is intended mainly to finance housing schemes, at least £8,000,000 of the £10,744,000 debt will be engaged in profit-bearing enterprises. The return on the civic undertakings should be sufficient to cover the annual interest charges which in the case of the 1938-50 stock will amount to £240,000. As a charge against the rates this figure would represent on the average an additional 1s. 6d. in the £. In the case of Rotherham, it would be 3s. in the £. The total debt of the last-named Corporation is excessive in relation to its rateable value, but the money has been practically all applied in reproductive undertakings. Statements as to the net value of the assets of municipal enterprises or as to the rents which they anticipate from their housing schemes are never included in prospectuses of Corporation loans, but, as the present issue is a joint one, such statements would be more pertinent than a table of rateable values. The present issue, of course, possesses the sound and permanent security which characterises previous flotations of a similar nature, all of which are now quoted at or above the price at which they were offered. As the instalments are spread over a period of three months, the first half-yearly interest payment [illegible] £2 9s. per cent. (actual). On the second [illegible] of subscription. The full amount of £3 2s. 10d. per cent. (actual), therefore, gives a [illegible] 18s. 10d. per cent. The issue closes on Thursday, December 2.

THE NIGER COMPANY, LIMITED.

Offer [illegible] £2,500,000 Eight per Cent. [illegible] December 20, 1927, or earlier, at the option of the Company. Flat yield, £8 0s. 9d. per cent.; yield with redemption, £8 12s. per cent.

The Company [illegible] 1886 holds the premier position in the [illegible] and [illegible] Nigeria. It specialises in the supply of [illegible] for the production of margarine and soap, and its [illegible] in the Nigerian trade [illegible] the possession of financial and [illegible] Africa enterprises. Early this year, Messrs. Lever Brothers obtained control of the Company by acquiring 7,227,165 £1 Ordinary shares at £6 10s. each. Under the new auspices the capital was increased from £3,000,000 to £10,000,000, divided into £3,000,000 Preference and £2,000,000 Ordinary, of which £1,500,000 and £1,250,000 respectively [illegible] Preference and Ordinary [illegible] Messrs. Lever Brothers [illegible] the Niger Company [illegible] has still further strengthened the position of both undertakings. The present [illegible] enlarged volume of trade and the greatly increased costs of raw materials. Messrs. Lazard Brothers have purchased [illegible] these on the public [illegible] course of business. There is already outstanding, however, £1,500,000 [illegible] exceed £3,000,000. Profits before the War dwindled from £238,733 to a loss of £33,152 in 1914. By 1916 they rose to £[illegible] duty), and after declining slightly again, soared to over £550,000 in 1919. The profits for the current year are not expected to reach the latter figure on account of the general fall in commodity prices, but they should certainly exceed the £200,000 required as interest for the notes. The issue seems well covered both as to capital and interest, and is made under auspices very popular with the investing public. The Lever interests have hitherto confined their capital flotations to attractive Preference shares, the nature of which is retained in the notes now offered through the medium of their eventual convertibility rights. The lists close on Tuesday, November 30.

THE ENGLISH ELECTRIC COMPANY, LIMITED.

Offer [illegible] £1,250,000 Six per Cent. Six-Year Secured notes, repayable on January 1, 1927, at 103 per cent. Flat yield, £8 3s. 3d.; yield with redemption, £8 16s. 6d.

The English Electric Company was formed in 1918 to amalgamate the Coventry Ordnance Works, the Dick, Kerr Works, Preston, the Phœnix Works, Bradford, the Siemens Works, Stafford, and the Willans Works, Rugby. It holds over ninety-five per cent. of the share capital of the subsidiary firms, which, with the exception of the Coventry Ordnance Works, are all conspicuous in the electrical industry. The group manufactures water and steam turbines and electrical machinery of every description, and possesses distributing branches throughout the world. To meet expenditure incurred in the purchase of the Stafford works and provide additional working funds, the issued share capital of £2,220,073 has to be supplemented by the present emission. The notes are [illegible] subject to £980,000 mortgages outstanding and charges securing bankers' loans in the ordinary course of business. They thus partake of the nature of Debentures. Certified net assets, according to the balance sheet of December 31 last, amount to £2,770,804. Without allowing for the conservative valuation of properties and plant, the figure provides ample capital backing for the issue now on the market. Net profits, as shown by the [illegible] accounts, [illegible] the War period only. They increased from £281,500 in 1915 to £493,744 in 1918, and declined to £405,012 in 1919. It is doubtful if this standard of profits can be maintained [illegible] £5,000,000. As the [illegible] interest amounts to only £155,000, however, it is amply secured. The issue is an attractive short-term investment. The lists close on Monday, November 29.

THE CAPE COPPER COMPANY, LIMITED.

Offer at par of £120,000 Convertible Eight per Cent. [illegible] November 1, 1930, or earlier, at the option of the Company [illegible] 1923 at £105 per £100 [illegible] cent., plus accrued interest. [illegible] Interest is payable on May 1 and November 1. The [illegible] possess the right to convert at any interest-date into fully-paid shares on the basis of twenty-five £2 Ordinary and twenty-five £2 Cumulative Preference shares for each £100 Debentures.

The Company [illegible] its profits chiefly from two copper mines in Namaqualand, South Africa. [illegible] [illegible] [illegible]

owed. It is hoped to resume payment on them when conditions permit, and the probabilities are that the large reserves in the sinking fund will enable it to be strong. The Company acquired another copper-mine in India in 1913, the capital expenditure on which has amounted to £470,000. Available ore reserves are computed to contain over 11,370 tons of copper, and local water, labour and transport conditions are favourable. At the end of the present year the completed plant will be able to handle about 250 tons of copper per month. The new capital is required to provide funds for completing the equipment of the Indian mines and to maintain drilling operations in South Africa. The Debentures will be secured by trust deed as a specific first charge on the mining properties and works in India, the smelting works in South Wales, and other fixed plant and machinery in England and India, as well as a floating charge on the other assets in the United Kingdom and India. They will carry a similar charge on the Namaqualand assets if and so far as may be possible under the laws of South Africa. The remaining £300,000 Debentures will be issued to the Company's bankers as collateral, making the total issue up to £420,000. The prospectus states that the assets as set out in the balance sheet of December last were £1,033,735. This figure does not include liquid assets or liabilities, and if the African assets are excluded, it is reduced to £556,881. The covering as to capital and interest, therefore, is not clearly apparent, though possibly substantial. The present weakness of the copper market introduces another speculative element, and considering the numerous well-secured Debentures of higher yield at present on the market, the investment cannot be considered very attractive. Considering both the Ordinary and Preference shares are both quoted at fifty per cent. below par at present, the convertibility rights do not possess more than a highly speculative value. The lists for Great Britain close on November 29.

RHODESIA RAILWAYS TRUST, LIMITED.

The issue of £1,500,000 Six per Cent. tax-free Ten-Year, referred to in THE STATIST of November 6, has been privately placed. Repayment will be made at par on February 1, 1931, or at any time after 1925, at the option of the borrowers at 103 per cent., subject to six months' notice. The Rhodesian Railways, Limited, are jointly interested with the present Company to the extent of one-third of the proceeds, but the Companies are severally liable as to capital and interest. The issue is secured as a charge on all the assets of the Rhodesian Railways, Limited (subject to an annual charge of £264,028 on £6,180,965 existing Debentures), and also on those of the Rhodesia Railways Trust (which has created no Debentures), as well as being unconditionally guaranteed by the British South Africa Company. The notes will be ready for issue about February next, and a Stock Exchange quotation will be obtained in due course.

MARSH, JONES AND CRIBB, LIMITED.

Offer of £150,000 Eight per Cent. Ten-Year Notes at ninety per cent. The notes will be redeemed at par on January 1, 1931, or earlier at the Company's option, on giving six months' notice. No prior charges on present assets will be created without the consent of the note-holders. Flat yield, £8 17*s.* 9*d.* per cent.; yield on redemption, £9 12*s.* 10*d.* per cent.

The Company, incorporated in 1905, carries on a building, furnishing, and decorating business in Leeds. It is centrally situated, and possesses a high-class *clientèle*. Certified net assets amount to £170,210, so that the notes now offered are already covered as to capital. Certified profits, before charging excess profits duty, income tax, bank and mortgage interest are set out for ten years in the prospectus. During the four pre-War years they fell from £9,800 to £5,700. During the period of hostilities the Company was engaged on aircraft work, and profits rose to £39,000 in 1917, but by 1919 they fell to £14,900. The latter year, being one of transition, is not perhaps a fair criterion as to the present financial condition of the business. Turnover is stated to have increased considerably during 1920, and the object of the present issue is to provide additional working capital. The annual interest on the notes will be £12,000, a figure which is covered by the 1919 profits standard. The margin, however, is rather narrow. With falling markets, increased turnover does not necessarily connote increased profits. The concern is well managed, and for those confident in the ability of the management to maintain profits, the investment is attractive though confined to a fairly narrow market. The lists close on Tuesday, November 30.

THE TOTTENHAM CINEMA AND ENTERTAINMENT COMPANY, LIMITED.

Offer of par of 26,110 £1 Ordinary shares. The Company possesses a newly-erected cinema in Tottenham. It is centrally situated, well equipped, and includes an up-to-date café. The ground is leased for ninety-nine years, with an option to acquire the freehold at twenty years' purchase up to 1940. The new capital is required to complete construction so as to open the theatre early in the New Year. There have been already issued 21,290 Ordinary shares, and those now offered are the balance of 49,400 authorised. Estimating on a basis of seven full houses out of twenty-one performances per week, the directors anticipate a minimum annual profit of £18,500. The Company seems well managed, and offers a fairly attractive offer of its class. Despite the assertions of the prospectus, however, this type of investment is highly speculative, and in the present case does not provide an active market for the shares. The lists close on November 30, 1920.

WATFORD GAS AND COKE COMPANY.

Offer at par of £25,000 Seven per Cent. Debenture stock, redeemable at par on December 31, 1930.

The Company, incorporated in 1871, supplies gas to Watford and Bushey. The total stock capital is £330,935 and the loan capital £165,467, of which £196,735 and £24,000 have already been issued. The present emission is required to finance the increasing business of the undertaking. Revenue in 1920 amounted to £6,451, thus giving ample cover for the annual interest charge of £3,070 on the existing mortgages and the Debentures now on offer. The investment is quasi-gilt edge but does not command an active market. The lists close on Monday, December 6.

SOUTHEND GAS COMPANY.

Offer at par of £25,000 Seven per Cent. Preference stock, redeemable at par on January 1, 1928.

The investment is similar in nature to the Watford issue. The lists close on Monday, December 13.

THOMAS SMITH AND SONS (DERBY), LIMITED.

Offer at par of 15,000 £1 Eight per Cent. £1 Cumulative Participating Preference, and 15,000 £1 Ordinary shares. The participation rights consist of fifty per cent. of the surplus profits left after a payment of ten per cent. on the Ordinary shares.

The Company has been formed to take over a private business of the same name, manufacturing railway-carriage reps and laces, and silk throwsters, and the whole of the authorised capital is now offered for subscription. The vendors are Commercial Reconstructions, Limited, who acquired the assets, exclusive of stock-in-trade, for £9,250 in cash and are selling them for £13,150 in cash and £3,000 in shares or cash at the Company's option. As the net assets are valued at £22,178, the original vendors (one of whom is auditor to the present Company) appear to have made a very business-like bargain. Profits, which are shown for the war period only, fluctuated between £2,196 and £2,906, being £2,467 for 1919. These figures are arrived at before charging interest on loans and capital, depreciation, and aircraft insurance. To pay eight per cent. on the capital would require an annual net profit of £2,400, which is not likely to be obtained on the basis of past working. The directors, however, anticipate a large increase in business and seem to be capable men. The investment will only appeal to those with an intimate knowledge of the business. The lists close on Tuesday, December 7.

PENDING ISSUES.

Darlington Traction, Light and Power.—£1,650,000 Eight per Cent. Debentures at 94, redeemable at 106 within twenty years.

Frank Matt, Limited, Ironfounders, Wolverhampton.—£50,000 Seven per Cent. Ten-Year First Mortgage Debentures at 95 and accrued interest.

Manchester Brewery.—£150,000 Eight per Cent. Seven Year Mortgage Debentures at 102, carrying a bonus equivalent to fifty per cent. on the interest paid to the extent of thirty per cent. of the note-holdings.

Manchester Steam Coal and Coke Company.—£100,000 Eight per Cent. Debentures at par, redeemable at 105.

Sawyer Engineering Works, Limited.—£50,000 Eight per Cent. shares at 97, with bonus of 100 for every £100 of shares held.

ISSUES TO SHAREHOLDERS.

Kaduna Syndicate and Kaduna Prospecting.—£7,000 Five per Cent. Joint note[illegible] carrying [illegible] October 31, 1925, to [illegible] shares [illegible] bonus [illegible] for each £50 note held.

Bessa Tierra Mining.—£66,000 Five per Cent. Five-Year [illegible] redeemable at 125 [illegible] £25 note being issued for every five shares held.

Vryntuchar Tea.—5,000 £10 Ordinary shares at par, subject to confirmation at the meeting to be held December 31.

Dhamgolie Tea.—10,000 £1 shares [illegible] to present holdings.

Noyapara Tea.—£67,000 Ten per Cent. Debentures at par.

Anglo-United Oilfields.—£125,000 £1 shares at par.

Sebastian Mercantile Land and Finance.—10,000 £1 shares at par.

Books Received.

The Debates in the Federal Convention of 1787 which formed the Constitution of the United States of America. Reported by James Madison, delegate from the State of Virginia. International edition. Compiled by Messrs. Gaillard Hunt and James Brown Scott. (London: Oxford University Press.)

Economics of Labour. Co-operation. By Emil Sax. [illegible] introduction by S. C. Harrison. Price, 2*s.* net. (London: Williams & Norgate.) This author, a Norwegian, spent ten years of his life in London, and contributed [illegible] Norwegian and Swedish papers. Unfortunately, the author did not live to see the present edition published, having died whilst on a visit to Stockholm in 1914. After [illegible] this country and of English business organisation, he described [illegible] success [illegible] Norway [illegible] higher co-operative [illegible] closely [illegible] ing the economic development of the country, and by viewing it in connection with contemporary events in the world at large. Taking together the needs of man, and the labour he must perform to satisfy them, the author comes to the conclusion that it is the productive ideas of man's work, materialised one after another, which constitute the foundation of the fabric of human civilisation.

The 100 Best Investments. We have received the usual quarterly supplement to the above, which brings that annual work of reference up to date. An [illegible] "The Investment Outlook" deals with present conditions and the course to be adopted by the prudent investor. The price of the supplement is 1*s.*, [illegible] can be obtained from the offices of the British, Foreign and Colonial Corporation, 57 Bishopsgate, E.C. 2.

Cardiff. A Commercial and Industrial Centre. 1919. We have just received a copy of this illustrated [illegible] which has been issued under the auspices of the City Council (Development Committee), Cardiff, and is edited by D. Willson Lloyd, B.A., F.S.S. The commercial activities of Cardiff cover a wide field, there being as many as fifty distinct trades centred in the neighbourhood. The keen competition for the world's trade will necessitate manufacturers giving careful consideration to every factor which will cheapen the cost of production. Cardiff, being on the fringe of the South Wales coalfields, and [illegible] at the entrance to the Bristol Channel, is twice blest in the advantages it affords to its manufacturers over those located inland in the competition for foreign trade. A copy of this handbook will be sent, post free, to any manufacturer or trader on application to the Development Agent, City Hall, Cardiff.

Market [illegible] Fine [illegible] Price [illegible] post, 6*d.*

Annual Report of the Department of Labour [illegible] Ended [illegible] 1919. [illegible] Arthur J. W. [illegible]

Sixty Years [illegible] By [illegible] Kelk. [illegible] Messrs. Smith, Elder & Co.)

Women's Work in Modern Business. By Florence B. Low. Price 2*s.* (London: William Stevens, Limited, Henrietta Street, W.C. 2.). A useful handbook containing information, based on personal investigation, as to the economic and social conditions; statements of employers and employees; and data supplied in personal interviews with Government [illegible] occupying important positions in connection with different branches of women's work.

Fifty Years' Freights. Compiled by E. A. V. Angier, of J. C. Gould, Angier and Co., Ltd., with the assistance of Mr. H. Watson, of *Fairplay*, from the original [illegible] 1870 to 1920. Messrs. Angier Brothers [illegible] Mr. E. A. V. Angier. Price 2 2*s.* (London: *Fairplay*, 51 Palmerston House, E.C.)

The Bankers' Magazine [illegible] year, fifty cents a copy. (New York: The Bankers Publishing Company.)

Price and Price Control in Great Britain and the United States during the World War. By Simon Litman, Professor of Economics, University of Illinois. (New York: Oxford University Press.) This book should prove of exceptional interest to economic writers and business men. It forms parts of a series of preliminary economic studies of the War issued by the Carnegie Endowment for International Peace. The section devoted to price control in the United Kingdom was completed in July 1918, while that dealing with price regulation in the United States was only begun in the following November and completed in June 1919. In the case of the United Kingdom, detailed discussion is included as to the causes of the rise in prices and industrial unrest, and is omitted from the section dealing with the United States to avoid repetition. Separate consideration, however, is given in the case of the United States to the control of articles directly [illegible] hides, and leather. Copies of the work can be obtained in London, Edinburgh, and Glasgow from the Oxford University Press.

Bank Credit. By Chester A. Phillips. Price 24*s.* (New York and London: Macmillan and Company, Limited.) This book considers the principles of bank credits, and sets out the main factors underlying loans and credits by bankers to borrowers. The work is in two parts, and should prove invaluable to economic students and merchants as a detailed analysis of mercantile credit.

The Round Table. A quarterly review of the politics of the British Commonwealth. December 1920. Price 5*s.* (London: Macmillan.)

Annual Report of the Superintendent of Banks relative to Savings Banks, Trust Companies, Investment Companies, Safe Deposit Companies, Loan Companies, and Personal Loan Brokers for the year ended December 1919. Issued by the Legislative Department, State of New York, U.S.A.

Annual Report of the Comptroller of the Currency to the Second Session of the Sixty-sixth Congress of the United States, 1919. Vol. II. (Washington: Government Printing Office, 1920.)

SOUTH AMERICAN RAILWAYS.

[illegible] Buenos Ayres Great Southern and the Bahia Blanca and North Western Railways have announced that the Bahia Blanca Company have sold to the Great Southern Company, at cost, the branch line from near Bahia Blanca to [illegible] The Great Southern undertake the [illegible] officers [illegible] Company to [illegible] Company [illegible] by the [illegible]

MEETINGS
OF PUBLIC COMPANIES.

Royal Bank of Scotland.

ANNUAL GENERAL COURT OF PROPRIETORS.

The annual meeting was held at Edinburgh on the 24th inst., Mr. James A. Fleming, K.C., Chairman of Directors, presiding.

In moving the adoption of the report the Chairman said: I presume it will be your pleasure that the annual report and balance sheet, with the auditors' report, which has now been in your hands for some days, shall be taken as read.

Increases in Deposits and Advances.

In submitting this report your directors have again to record a large increase in the business of the Bank. The deposits have been added to by over £3,500,000, and stood at the date of the balance at over £39,000,000, while the advances on cash, credit and current accounts have increased by over £4,500,000 to £13,625,000. Notwithstanding this growth of commercial advances, the liquid position has been well preserved, as, in addition to what might be termed the ready money reserves of the Bank, which form our first lines of defence, our holding of British Government Treasury bills has been increased by nearly £850,000, and amounted at the date of the balance to £6,950,000. These Treasury bills mature from day to day, and, apart from the other first-class bills in our portfolio, which also show a considerable increase over last year's figures, form a ready resource of a liquid character. The increase in the deposits as well as in the advances is very generally spread over the whole system of the Bank. As regards the advances, it was fully expected that there would be an extensive demand following upon the developments of our post-War trade. The figures, being handled by many firms and companies, are necessarily greatly in excess of their pre-War experience, and, as you will appreciate, the utmost care is required in dealing with the business which comes before the Bank from week to week, especially at the point we have now reached, when commodity prices are tending downwards. Your directors have endeavoured to meet the legitimate trading requirements of the Bank's customers in a sympathetic way, and, while discouraging all mere speculation, have, as they believe, assisted materially in the productive enterprise of the country at a critical period. On the part of the Bank, the difficulties of manufacturers, merchants, and traders are fully realised in respect of the greatly increased resources that are required, owing to high prices and the conditions which have affected the obtaining of stocks of commodities owing to Government control and other causes.

Effects of Excess Profits Duty.

The continuation of the excess profits duty, which in numerous cases has operated harshly and inequitably, has exacted a heavy toll from many businesses where it was of the utmost importance in the interest of the commercial recovery of the country that profits should have been accumulated and retained to meet the special requirements of a difficult time. This tax, though justifiable as an emergency War measure, can scarcely be upheld as applicable to the period of reconstruction. Its result in many cases is that while what are called "excess profits" have been made there is no money available to pay the duty with—these profits taking the form in not a few instances of raw materials and stock in trade necessarily held at high prices, or it may be of extended premises, or increased and costly machinery and plant. The banks have done their best to meet the difficulty, but it has always to be remembered that the root principle of sound banking is the maintenance of a liquid position having regard to the obligation to repay deposits on demand. As regards the general situation, it is well to keep in mind that there is no royal road to commercial and financial salvation for the nation, any more than for the individual, and the country will only escape from its present embarrassments by drastic economies, alike in national as in individual expenditure, and by increased production through harder and better work.

Increased Profits.

As was to be expected from the large business done, the results of the year's operations have been most satisfactory as regards the profits earned by the Bank. The gross profits, after making various provisions, including a provision for depreciation in investments in addition to that stated in the profit and loss account, exceed those of the previous year by about £120,000; but the charges of management have been increased by £70,000, so that the increase in net profits is £59,000 or thereby. It is a pleasure to record that, as noted in the report, additions of a substantial character have been made to the remuneration of the staff in the course of the year. This will tell more heavily on the charges account during the next year, as the accounts only include the results of the most recent increase for the last three months of the Bank's financial year.

Investments: Provisions for Depreciation.

As is well known, a patriotic duty was imposed upon the banks to help in financing the War by taking large blocks of the different War Loan issues, and the Royal Bank of Scotland accepted their full share of responsibility in this matter. For reasons which need not be entered into here, there has been a very considerable shrinkage in the market quotations of these stocks during the year, and, in common with all banks and other institutions who hold high-class securities, the Bank has been faced with depreciation upon a scale which could scarcely have been contemplated. It is to be regretted that the largely increased earnings of the Bank during the year have been swallowed up in the provisions which have been necessary to meet this depreciation. It is satisfactory, however, to think that the Bank has been able to face the whole of this depreciation without encroaching upon their public reserve or rest, which still remains at last year's figure—namely, £1,082,276. As you will observe, all the investments, including the Bank's large holdings of War Loans, are valued in the state of affairs at or under the prices ruling at the date of the balance, with the exception of certain holdings of very short-dated Exchequer Bonds and National War Bonds, payable at par or at a substantial premium within the next four years, which are taken at cost. Other provisions are, however, amply sufficient to cover all market depreciation of these bonds. In this connection it may be explained that the greater portion of the reduction in the amount of British Government securities as compared with last year's figures is due to the maturing during the year of certain holdings of Exchequer Bonds.

Appropriations.

Apart from the provisions against depreciation the other appropriations of the year are the same as those of last year. The dividend and bonus absorb the like amounts. £20,000 has been written off Bank buildings and heritable property, and it is agreeable to reflect that the value of the various buildings belonging to the Bank must now represent in the aggregate a very much greater figure than that at which they stand in the balance sheet. In this connection it may be noted that, owing to the improved demand for heritable property, the Bank has been able to effect sales on advantageous terms of a number of subjects which had fallen into their hands in past years. In view of the largely augmented charge for salaries it has been thought desirable to continue the provision of a further substantial sum towards pension reserve fund, as the increase in salaries involves as a consequence corresponding benefits to the staff as regards the amount of pensions which will become payable under the Bank's superannuation scheme. It is unnecessary to dwell upon the greatly added strength which all these provisions give to the institution.

Extended Powers under New Act.

The Provisional Order which was promoted by the Bank, and which received the approval of the proprietors at a special meeting held on May 25 last, passed into law as an Act of Parliament on August 16, without material alteration. With the extension of the powers conferred upon the Bank under this measure the institution has been brought into line with all modern requirements, and the Bank is now placed in as favourable a position as any banking concern in the United Kingdom to meet the greatly extended needs of its customers, whether at home or abroad.

Foreign Exchange Business.

The foreign exchange departments established at the head office, at the principal Glasgow branch, and at the London office of the Bank, have done a largely increased business during the year, and the whole organisation for dealing with foreign and overseas business on the most favourable terms at every branch office of the Bank has yielded most satisfactory results, alike to the Bank's customers and to the Bank itself. It is the constant desire of the directors and of the management that the Bank, whilst maintaining its distinctive character as a Scottish institution, should be able to undertake every description of banking business, and perform every class of service which is open to a British bank, and it is believed that this is being achieved with success and to the satisfaction of our large and growing body of clients.

The report was approved and a dividend was declared at the rate of ten per cent. per annum for the half year, together with a bonus of one per cent., both being subject to deduction of income tax.

The Governor, Deputy-Governor, extraordinary director, and the retiring ordinary director were re-elected, and auditors were appointed for the ensuing year.

Australian, Mercantile, Land and Finance Company, Limited.

FRESH CAPITAL REQUIREMENTS—EFFECTS OF THE DROUGHT.

The sixth annual ordinary general meeting of the Company was held on November 25 at the Cannon Street Hotel, E.C.

The Secretary (Mr. H. R. B. Lelley) read the notice convening the meeting and the auditor's report.

Mr. Robert Herries (Central Queensland Director) who presided, said:—Ladies and gentlemen, as the report has been in your hands for a fortnight I propose, with your permission, to take it as read.

The year dealt with in the report has been one of great anxiety on account of the drought, and it was only during the last month of that year that that anxiety was at all relieved, for the dry weather continued over a very large part of New South Wales well on to the middle of last June, and indeed over a very considerable area that relief did not come until a month later. The drought broke earlier in Queensland, while in Victoria, though the season was fairly good, the country was so over-stocked with sheep, cattle, and horses from the drought-stricken areas that it could afford no further assistance. For severity in the districts affected by it I do not think a worse drought has been experienced during the fifty years I have been connected with Australia, but its effect has been, though serious enough in all conscience, still less than it would have been in former years when transportation facilities were less, and when less provision had been made for storage of water.

Heavy Drought Losses.

The losses of stock have been heavy, and we do not now think they have been, for the latest available statistics for New South Wales only gave the losses up to December 31 last, when there were 5,555,594 less sheep in New South Wales than on December 31, 1918, and I am afraid we must reckon that losses continued right up to June 30, caused by the drought and starvation, and even after that in several districts heavy losses were caused by the floods, and by the sheep getting bogged where they stood in the paddocks after the heavy rain, so that they could not move, and often it was quite impossible to get near them, for men and horses also got bogged in the soft ground. You may imagine that all our staff in Australia have had a very trying time, and it is largely owing to their hard and continuous work, prudently and carefully guided by our General Manager for Australia, Mr. James Kidd, who has been loyally assisted by the managers of our different offices, and by the station inspectors, and the managers of our various properties, that we have come through this drought, not without loss, but still in a position to pay a handsome dividend, and to show you such a balance sheet as you hold in our hands to-day.

I may tell you that the special drought expenses for the year were £49,806, and if it had not been for the drought your profit would have been so much greater. There will, of course, be further heavy drought expenses this year, but the drought itself is now a thing of the past, and we can reasonably look forward to good seasons, already we hear of abundance of food and water, and the probability of a general harvest.

Valuable Breeding Flocks Saved.

The station expenses have been very heavy. I am glad to be able to tell you that we have been successful in saving the greater part of our valuable breeding flocks, and, with a double lambing, which we propose to take, we hope soon to restore our numbers to what they were before the drought set in more than two years ago. I am glad to be able to report that at Barratta the season has been fairly good, and as that is the station where we have our principal stud flock it is fortunate that we should be there.

Now, our experience is not unique, but has been felt sometimes even more severely by most of our friends, and you can understand therefore that the calls on our resources are heavy to assist our friends to restock their country and repair the damage done by the drought and the floods, and while we require large outlay to reinstate our own properties, we feel bound to consider the wants of our clients and not let them go short of assistance while we reconstitute our own properties.

The Financial Position.

The financial position is complicated by the anomalous position of the wool market, and it is difficult to calculate what sums may be required to finance our own and our friends' wool, pending sale, but it seems certain that a great part of the clip will be slow of sale, and that very considerable sums of money will be required to enable our friends to carry on their business without sacrificing their produce at a time when the very heavy weight of Government held over will be hanging [illegible] and no one knows what may happen to prices.

The [illegible] for Australian wool [illegible] for we grow no crossbred wool, but they are not encouraging from the general financial point of view, for, though the quantities catalogued are limited, and though, no doubt, the qualities unlikely to sell are not catalogued at all, still, the [illegible] with the amount of Australian wool that has to be realised, the quantity sold is infinitesimal, for including the Government-held Australian wool, and the new clip, there are probably some 3,500,000 bales of Australian wool that should be realised in the next nine or ten months, before the 1921 clip begins to come down, and, in addition, there is the Government New Zealand wool still held, probably some 700,000 bales, and the 1920-21 New Zealand clip, not to mention wool from the Cape and South America.

Another complication is the present state of exchange between England and Australia. Six months ago there seemed to be far too large a proportion of the resources of the Australian banks in London, but the extraordinary volume of exports from this country to Australia has completely reversed this, and the difficulty now is the banks have not, in London, at any rate, in a liquid form, sufficient resources to enable them to buy the bills of exchange offered to them.

This is most unfortunate, especially for this country, at a time when one of the most vital needs is an increasing flow of exports. Various plans for coping with the difficulty have been propounded, and the Commonwealth Government have approached the Chancellor of the Exchequer with a proposal that he should anticipate part of the profits on the sale of the wool purchased by the Imperial Government, one-half of which belongs to the Australian growers. As there are some 2,000,000 bales, there would not seem to be any risk to the British Government if they paid now, say, £10,000,000, and that would greatly relieve the position and enable the flow of exports to go on on the [illegible] Australia wants, and can well pay for by her produce, but for which there is at the moment no money available in London, owing to the disorganisation of trade consequent on the War.

The Chancellor's View.

The Chancellor of the Exchequer, however, I understand, takes the narrow and short-sighted view and refuses on the ground that the wool has not yet been realised, and so the British exporters, and all the British trades dependent on these exports must suffer by the delay till imports from Australia restore the balance. In the meantime, it is hoped the demand will not disappear, or the goods be supplied from some other source.

That Australia can pay there is no doubt whatever, and she can pay in products we badly want, for her grain harvest alone this year is estimated to be worth 80 to 100 millions sterling, and surely it is better to foster such trade than to embark on speculative adventures in Russia. (Hear, hear.)

A consideration of all these circumstances has convinced your directors that the time has come when our resources should be augmented, and we have therefore called up the £2 on the 40,000 shares on which only £3 had been paid. This course has been adopted chiefly in order that the whole present issued capital should be on the same footing, and so that any future issue of shares could be made *pro rata* to the shares held, which could not have been fairly done when different shares had different amounts paid up.

In this connection I should like to explain why we propose to charge interest at such a high rate as ten per cent. on calls unpaid after January 5. The reason is that these shares will participate in the dividends for the current year, and as our interim dividend, payable in May, has not for many years been less than [illegible] it is only fair that the shareholders should pay that rate if they are in arrear with the call. Some shareholders have expressed to us that [illegible] and [illegible] reasonable. I would point out that no [illegible] made unless the Company is wound up, and that, I think, is a very remote event. (Hear, hear.)

Question of New Capital.

The state of the money market here has driven us to the [illegible] finance, whereby we worked so largely on borrowed capital, [illegible] are [illegible] to [illegible] shareholders in proportion to their holdings it is thought [illegible] of retaining the full benefit, whereas if we had followed our

to pay a very high rate of interest—perhaps not so high as the rate of dividend we hope to pay on the shares, but it would be going into someone else's pocket and not into our own.

Now, having abandoned for the time the policy of borrowing on the security of the unpaid capital, there is no object in retaining so large a denomination as £25 for our unissued shares, and we think that a £5 share will be more convenient for distribution *pro rata*, and more readily marketable when fully paid than would a share of £25. (Hear, hear.)

When I speak of abandoning the policy of working with borrowed capital, of course I mean for future issues, and I do not refer to our splendid asset of nearly two millions of borrowed money which costs us less than four per cent. per annum. Now, of course, the first thought that strikes one is, can we hope to pay as good a dividend on the increased capital as we have been able to pay on the present capital? That is a question to which you must find your own answer, but to help you to form a judgment I should like you to consider what we have done in the last ten years and, mind you, those ten years include two very severe droughts. Well, we have paid an average of twelve and a-half per cent., and we have added to reserves, out of profits, £250,000. We have also written off all losses, including £125,000 written off for depreciation in the price of gilt-edged securities, now nearly all short-dated, and, therefore, more likely to appreciate than to depreciate further.

Our reserves are now ample, and I do not see why they should be further increased. Indeed, I think it may be good policy to decrease them by capitalisation, for in these days a nominal high rate of dividend may become a danger, and so long as a shareholder gets the same amount of money it does not matter to him whether it is at the rate of fifteen per cent. on £5 or at the rate of seven and a-half per cent. on £10, and we are asking you to make such alteration in the articles of association as will enable you by ordinary resolution to authorise some such conversion of reserves into capital.

Proposed Issue of 60,000 New Shares.

We are doing this now to avoid having to hold two meetings when the time comes to make such an issue, but in the meantime, provided you pass the special resolution, we propose to make an issue of 60,000 of the new shares, to be paid for at par by the subscribers and to be offered to the present shareholders in the proportion of one new share for every two shares of £25 each held when the books are closed. Of course, you will understand that what I have just said about capitalising part of the reserves does not apply to this issue, for getting the new money there should be no reduction in our dividend-paying power when this money comes into full use.

As the £300,000 to be paid for these new shares will not be available for the current year the shares will not participate in the dividends to be paid during 1921, but instead they will be paid interest at the rate of six per cent. per annum, free of income tax, from the date the calls are paid up to December 31, 1921, and thereafter they will rank for whatever dividend we may be able to pay. In he meantime they will, however, rank for any distribution of bonus shares that may be made.

Reverting to what I have said as to the prospect of maintaining our dividend on the increased capital, and taking the last ten years as a guide, the dividend cost us £65,000 per annum. What we put to reserve cost us £25,000 per annum, and what we wrote off investments cost us £12,500 per annum, so that on the supposition that our average earnings are maintained, and that no more is required for reserves or writing down, you would have £102,500 per annum available, and, if we earn, say, ten per cent. on the new money, £380,000, that would give us another £38,000, or a total of £140,500 to provide dividend on the increased capital of £900,000. I must impress on you that these figures are only an inference from what we have done in the past ten years, and I cannot guarantee that we shall do as well in future, but I shall be quite content to take up my own share of the new capital.

Perhaps a good deal of what I have said to you now should have been reserved for the special general meeting, but as questions would probably have been put to me at this meeting I have thought it best to say what I had to say on the subject now, rather than make another long speech at the special general meeting to follow this one.

Balance Sheet Items.

I do not know that there is much in the figures of the balance sheet and profit and loss account that requires explanation. We have bought in a little more of the Debenture stock, and the "sundry creditors" shows an increase of about £100,000. On the assets side "cash" is a few thousands less than last year, and "investments" is less by more than £150,000, for we sold all our War Loan last year at over 94, while "loans on land, &c.," shows an increase of nearly £237,000, which is satisfactory, as that is the active line of business.

The item, "freehold and leasehold premises," shows a small decrease, but that line will probably show a considerable increase in our next balance sheet, for, as I expected last year when I addressed you, we are now building on the site we bought in Coleman Street, and the building is making such good progress that I think we may confidently expect to hold our annual meeting next year in our own offices.

The buildings we are erecting are so designed that, while we shall have for ourselves a self-contained and commodious building, we shall have a very large floor space to let off, probably some 10,000 or 12,000 feet, and for which I have no doubt we shall be able to get a very satisfactory rental.

Political Situation in the Commonwealth.

When I last addressed you I was hopeful that the political situation in the Commonwealth would improve, and I am glad to say that the Coalition party gained the day at the last elections, and Mr. Hughes has continued as Prime Minister; but there, as here, there seems to be a lack of disposition on the part of the Government to curtail their expenditure, or to abandon interference with trade in various forms. Specious arguments can, no doubt, be adduced in favour of such interference, but I feel sure that both Australia and this country will be better off when we see the end of it. (Hear, hear.) I alluded last year to Queensland State politics, and the elections which have just taken place have resulted in the return of Mr. Theodore and his party, with a majority reduced to only four, and he may realise that the policy recently pursued does not meet with the approval of the electors of Queensland, as the total vote of the electors shows a large majority against him—something like 16,000 votes against the party which has a majority in the House—and this, together with his recent failure to secure a loan in London, may cause him to hold in greater respect the contractual obligations of the State.

Mr. Theodore, in recent speeches, has sought to fasten on the financial companies in London the responsibility for this failure, and attributes to them a power to turn the British investor against Queensland, which I do not think they would use even if they possessed it; and Mr. Theodore and his party should attribute their failure to borrow money in London to the true cause, which is that, by their acts and by their words, they have created an impression in London that they do not respect a contract if it suits them to break it, and their recent threats to capital and fulminations against what they term "wealthy London companies" are not at all calculated to remove this impression, indeed they accentuate it. (Hear, hear.) All this is very much to be regretted, for I am perfectly certain that no one here wishes in any way to interfere with the policy of any party in Queensland so long as the terms of contracts are respected, but if Queensland desires to have the benefit of British capital it does not seem to be too severe a condition to impose that all contracts should be carried out in their intregity. (Cheers.)

I do not know if you are all familiar with the particular grievance to which I am alluding, though it has been pretty widely discussed in the Press, both here and in Australia, and the action of the Queensland Government has been generally condemned.

The Repudiation Act.

Very briefly put, there are two main causes of strife, the one concerning the treatment of the Brisbane tramways, and the other the breach of contract with the Crown tenants effected by the passing of the Land Act Amendment Act, 1920, commonly known as the Repudiation Act.

With the former we are not concerned, but the latter affects us, though only in a small degree, as for many years I have been rather suspicious of the trend of politics in Queensland, and we have not invested there to any great extent. The history of the matter goes back to 1902, when great areas of country in Queensland were derelict on account of the ruinous drought, and the Crown tenants would not continue under the then existing law, and the Government of that day, in order to induce people to take up leases re-enacted, I think in 1905, a former provision of the land laws whereby at each decennial revaluation the rent could not be raised by more than fifty per cent. above the rent paid for the previous ten years.

This gave people security of tenure, and resulted in the leases being taken up, and large sums have been spent by the lessees in water and other improvements, and the land has increased in value.

Covetous eyes have been cast on these lands by people who have not borne the burden of development, and there has been agitation for some years to abolish the limitation on the rise of rent, and this has finally been accomplished by the Repudiation Act, and the work of development done by the lessees is now ignored and their rents raised to the present-day value of the land, thus, of course, robbing the sitting tenant of the capital value of his development work.

The bargain made by the State with the tenant in 1905 was a good bargain for the Government, for it was the only way they could raise revenue at that time from vast areas of country that had been devastated by drought, but, good or bad, one party to a lease cannot during the currency of that lease abrogate a vital provision of that lease without the consent of the other party, and that is just what the Repudiation Act does.

Mr. Theodore's Threats of Confiscation.

Mr. Theodore professes to consider the protests of injured lessees as an interference with State rights, and threatens to tax and confiscate the capital that is already within the borders of the State, but that does not seem to me to be a likely method of inducing people to lend more money to Queensland. Capital is "a shy bird," and is not likely to fly to a country where threats of confiscation are openly made. Mr. Theodore himself admits that Queensland requires capital to develop her latent resources, and I quite agree with him. That capital would be forthcoming if the investor could be assured that every contract made with the Government would be respected.

I think your thanks are due to you officers abroad for the very admirable way they have conducted your business. Mr. James Kidd, as General Manager for Australia, is ably assisted by Mr. Boyne in charge of the Melbourne branch, and Mr. Bond in charge of Sydney, while Mr. Fowler, acting during Mr. Devereux's absence on leave to this country, has been in charge of the Brisbane office, and Mr. Bailey continues in charge in Argentina, where, though the winter has not been too favourable, we are getting our properties into good shape, and also extending our agency business. I must not forget your London office staff, where Mr. Lilley still remains in charge. (Hear, hear.)

Cables from Australia and Argentina.

In order that you may have the latest information about both Australia and Argentina, I will read the latest cables I have received. From Australia: "Seasonal conditions all three States excellent, abundance feed and water and stock doing well, but general tendency towards easing value stock, and flush feed has caused good deal trouble from flies, but this now diminishing. Pastoralists insuring against possible fire trouble. Prospects of crops are exceptionally good in all three States, but extreme labour demand wages may drive farmers cut exceptional proportion for hay." From Argentina: "General rains have saved agricultural pastoral situations. Crops prospects satisfactory."

I now conclude by moving: "That the report for the year ended June 30, 1920, with the statement of accounts as before the meeting, be approved and adopted; and a final dividend of five per cent. be hereby declared, together with a bonus of two and a-half pr cent., both free of income tax, the same to be payable on the 26th inst." I will ask Mr. White to second the resolution, and before putting it to the meeting I shall be pleased to answer any questions to the best of my ability.

Shareholders' Questions.

Mr. Frederick A. White seconded the resolution.

Mr. Cross said he noticed that the Company had made advances on wool and other produce, £128,000. One read in the newspapers that there had been a great fall in the price of wool, and he should like to ask how this would affect them.

Dr. Forman thanked the Chairman for his lucid speech, but said that, as an old shareholder, and one whose family were also large shareholders, it seemed to him that the holders of the new shares would be better off than the holders of the old ones. For instance, those who now came in would buy £5 shares with no liability, whereas the old shareholders held shares of £25 each with a £20 liability. He would like to ask if the Chairman thought that on the whole the prospects of the Company were favourable.

A shareholder remarked that he supposed the right to take up the new shares would be accompanied by letters of renunciation.

The Chairman, in reply, said, with regard to Mr. Cross's question about the wool advances, that the Company did a large business in advances on wool, but they took very good care to be well protected. As he had said in his speech, it was this question of advances on wool, *inter alia*, that had caused the board to propose the new capital, because it would require a considerable amount of capital to carry the wool if the difficulty in selling continued, as he rather expected would be the case for some little time. He did not apprehend there would be any loss to the Company, because their wool was the finest merino, which had been affected less than any other kind up to the present time. With regard to Dr. Forman's remarks about the new shares, of course it was obvious that a £5 share with no liability, and getting the same dividend as a £25 share with £5 paid and a liability of £20, was in a better position. There was no doubt about that; and it was one reason why he would certainly take up all the £5 shares he could get, but he must point out that these new shares were to be offered to the shareholders. Every shareholder would have an equal right to take up these new shares, and no one outside the Company could obtain the shares unless shareholders chose to part with them. With the letters offering the shares to the shareholders there would be issued forms of renunciation. Personally he should think the shares would be worth a premium, although he could not speak definitely as to that; however, he would not sell them except at a very good premium.

The resolution was then carried unanimously.

The Chairman next moved: "That the Hon. Sir Arthur Lyulph Stanley, K.C.M.G., who now retires by rotation, be re-elected a director." He said that Sir Arthur, who had only been a director for a short time, knew Australia well, having been Governor of Victoria for five years, and had already proved of great help to them.

Sir Frederick Green, K.B.E., having seconded the motion, it was unanimously adopted.

On the proposition of the Chairman, seconded by Mr. Alan H. Brodrick, the auditors (Messrs. Turquand, Youngs and Co.) were reappointed.

Chairman's Reply to Questions.

The Chairman afterwards moved: "That the cordial thanks of this meeting be tendered to the Colonial advisers and the London, Colonial, and Argentine officers of this Company, for their zeal in the discharge of their important duties." He remarked that this was a resolution he proposed every year, and he thought it was well deserved by their officers. (Hear, hear.) In the course of his speech he had mentioned the names of several of them, and there were a few others he would like to mention; they were Mr. Carson, who managed the Company's wool-broking business in Melbourne, Mr. Allen, who managed their wool-broking business in Sydney, and three gentlemen who had been most useful during the past two years while the dreadful drought had lasted. These were Mr. Cameron, Mr. Stead, and Mr. Bossley, station inspectors, who had spared no amount of labour in going about the country looking for agistment land for the Company's starving stock. That had entailed a severe physical strain, but they had done it uncommonly well, with the result that the Company had suffered the minimum losses.

Mr. Graham B. White cordially seconded the resolution, which was unanimously passed.

An extraordinary general meeting was afterwards held to consider resolutions authorising each of the 40,000 shares of £25 each now remaining unissued being divided into five shares of £5 each, and the allotment or disposal of the same by the board at such times and to such persons and on such terms as they may think fit; and also making various alterations in the articles of association.

The resolutions having been moved by the Chairman and seconded by Mr. White, they were put to the meeting *seriatim*, and carried unanimously.

A cordial vote of thanks was proposed to the Chairman and directors by Mr. R. R. Dunlop, who remarked that the present board, like their predecessors, had carried the Company through bad and good years to a position in which it was able to pay substantial dividends. On one or two occasions he had rather cavilled at their conservative policy, but he now repented. (Laughter.)

Colonel R. Wishart seconded the vote.

The motion was unanimously agreed to.

London and Brazilian Bank, Limited.

ESTABLISHED 1862.

Subscribed Capital	-	£3,000,000
Paid-up Capital	-	£1,500,000
Reserve Fund	-	£1,500,000

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ANGLO-EGYPTIAN BANK, LIMITED.

Acquisition by Barclays.—Position and Outlook.

THE thirty-fourth ordinary general meeting of the Anglo-Egyptian Bank, Limited, was held on November 23 at the offices of the Company, 27 Clement's Lane, E.C., Mr. Raoul H. Foà (the Chairman) presiding.

The Chairman said: Gentlemen,—Since I last had the pleasure of addressing you the position of affairs throughout the world has undergone much change. A very noteworthy occurrence in the history of this Bank has been the acquisition of over 101,000 out of the 120,000 of our shares by Barclays Bank Limited. The affiliation of our business to so strong an institution as Barclays Bank seemed to me and my colleagues eminently desirable, and that our opinion was shared by a large majority of the shareholders has been proved by the number of those who accepted the offer of purchase made by Barclays Bank Limited. The object which the Chairman of Barclays Bank had in view in acquiring our business was the very laudable one of wishing to create a chain of banks working in all portions of the British Empire and its dependencies, though I question whether, in view of the negotiations now going on between the members of Lord Milner's Mission and the members of the Egyptian Nationalist party, headed by Zaghloul Pacha, this be the right term to use to describe the relationship which is to exist between Egypt and England, which will perhaps be modified in the way in which you have had detailed in the newspapers. Politics do not come within the scope of the matters I have to deal with, and I can only express the hope that the outcome of these negotiations will be satisfactory to both England and Egypt, for any alliance in which one of the Allies is dissatisfied never lasts long. By years of toil we have built up for you a fine business in Egypt, and I hope and believe that, whatever conditions may obtain in Egypt, the prestige of the Anglo-Egyptian Bank will always remain on the high pinnacle which it now occupies. Last year I told you that we were in negotiation to obtain a site wherein to house ourselves with a sufficiency of space to enable our large staff to cope with the ever-increasing flood of work pouring in upon us. I am sorry to say that the negotiations fell through, and it was only a month ago that we were able to obtain a site for our new offices, and the purchase money has now been paid.

Fall in Price of Cotton.

At this time last year the prices of commodities were very high. This year a fall, especially marked in raw materials, has taken place and promises to become even more marked. At the end of last year there was still a great demand for all material, raw or manufactured. The price of cotton—the staple commodity of Egypt—stood at 45*d.* for fully good fair Sakellaridis, and rose to 96*d.* on February 20, to fall to its present price, 32½*d.* Among the directors facing you to-day is Mr. J. E. Mounsey, a director of Barclays Bank, who has been nominated by them to represent them on our board, and whose re-election at your hands we cordially recommend. His knowledge of banking is great, and he will, I am sure, be of great use to us. Another newcomer among us, and one whom I am specially glad to recommend to you for election, is Colonel Hall. When I was in Egypt last year I came across him and was much struck by his profound knowledge of Egypt and the Egyptians. For more than 23 years he has lived in that country and has built railways both there and in the Sudan, and when I had the advantage of making his acquaintance he was occupying the position of traffic manager to the Egyptian State Railways. Taking advantage of Colonel Hall's presence among us and his knowledge of the country, I was lucky enough to get him to come with me to Egypt in April of this year. I told you when last I addressed you that we were having difficulties with our staff, and these came to a head in March. Certain demands were made to us by the staff in Egypt which I found it absolutely impossible to deal with unless I was on the spot and could there measure the demands and the need for their satisfaction. After a fortnight Colonel Hall and I returned, having dealt, I hope successfully, with what was a burning question. We have very considerably helped our staff by not only increasing their salaries, but also by giving them very liberal allowances, which will continue as long as the high cost of living lasts. It is, of course, devoutly to be wished that the cost of living should diminish materially, but until these conditions prevail we must continue to make such payment to those who give us good services as will enable them to live in comfort.

A Difficult Position.

Conditions throughout the world governing the movement of merchandise and dependent generally upon the insufficiency of cash and of credit have made banking a more than usually difficult and preoccupying calling. You have, no doubt, read how nearly all banks have been obliged to restrict the accommodation given to merchants—their customers—and, although we are not inclined, of course, to encourage further business at the present moment, I am sure that there are but few instances where we have had to deny our customers the assistance they have required at our hands. The great fall in the value of Manchester goods has not added to our feeling of security in Egypt, but I think I may tell you that we have taken all possible precautions to safeguard your interests in these as in all matters coming under our purview. To turn to our balance sheet, you will see few important changes. The deposit, current, and other accounts have fallen from £17,100,000 to £15,400,000. On the other side, the cash in London, &c., has fallen from £3,600,000 to £1,900,000. Of our investments £1,750,000 are short-dated securities and will, within a very short space of time, be repaid at a premium. The bills receivable, including Treasury bills, amount to £8,460,000. You will remember, of course, that we are dealing with figures as at August 31, which is the apex of the idle time in Egypt. As to the distribution, we propose to pay to the shareholders the very handsome dividend of fifteen per cent., plus two and a-half per cent. bonus, both free of income tax, as has been our custom in the past few years. We reserve for the premises nearly £13,000, and we carry forward £50,000, whereas last year we only carried forward £40,000. I now move that the directors' report and the accounts annexed thereto be received and adopted.

Mr. H. A. Richardson seconded the motion, which was carried unanimously, and the dividend and bonus recommended was declared.

ARGENTINE GREAT WESTERN RAILWAY COMPANY, LIMITED.

THE ordinary general meeting of this Company was held on November 22 at Winchester House, Old Broad Street, E.C., the Right Hon. Viscount St. Davids (the Chairman) presiding.

The Chairman said: Gentlemen,—As you are aware, under the terms of our working agreement with the Pacific Company we are entitled to a dividend of five per cent. on the Preferred and Ordinary stocks when that Company pays five per cent. to its Ordinary stockholders, and a dividend at that rate has been paid to the Ordinary stockholders of that Company in respect of the year to June 30 last. In May last you received dividends of two and a-half per cent. on both stocks, and, with the dividends we now declare, you will receive a dividend at the rate of five per cent. on both the Preferred and the Ordinary stocks.

You were informed at the general meeting last year that separate records of the earnings of this line were no longer to be kept, but we stipulated that the Pacific Company should continue to keep a separate account of the tonnage of goods carried and the number of passengers transported over our line, and, therefore, our statistics only deal with the latter figures.

The tonnage of goods traffic suffered considerably, owing to the decrease in merchandise passing to and from Chile because of the closing down of the Transcontinental service for over three months, owing to snowstorms in the Cordillera.

Although your dividends do not depend on the traffic receipts of the line, it is gratifying to know that your line has shared in the prosperity of the past year, and I would point out that had receipts from the passenger traffic and goods carried been shown there would have been a considerable increase over the figures of the year to June 30, 1919, owing to the higher rates put in force.

Current Year's Outlook.

The outlook for the current year is good, for not only is there a large quantity of wine to carry—there being some 315,000 tons stock of the old harvest still to carry—but the vineyards are in good condition, and there is reason to expect better results from the general cultivation of vegetables. We have received the following cable, dated November 19, from Mr. Usher, the General Manager: "Vines excellent; isolated losses due frost and hailstorms amount to slightly over one per cent. of total area planted. Fruit trees excellent. Vegetables promise increased traffic this year. Wine dull, but increase expected from middle of next month, when receipts should show benefit of recent increased tariffs."

I should like to mention that the Buenos Ayres and Pacific, the working Company, is publishing a new map of the whole system, and that if any stockholder of this Company would like to have a copy of that map, and would write to the Secretary, he will send him one. As regards our investments, they stand in the balance sheet at £157,000, of which £100,000 is in War Loan, and a valuation of the securities at June 30 last showed a depreciation of 23.08 per cent.

The Hon. Charles N. Lawrence seconded the resolution, which was carried unanimously.

BAHIA BLANCA AND N.W. RAILWAY CO., LTD.

THE thirty-first ordinary general meeting of this Company was held on November 23 at Winchester House, Old Broad Street, E.C., the Right Hon. the Viscount St. Davids (Chairman of the Company) presiding.

The Chairman said: As your income is guaranteed by the working company, you are not interested to the same extent in the working of the line as you would otherwise be, but I feel sure you will be pleased to see from the figures of tonnage carried how your property has shared in the general prosperity of the country during the past year. The tonnage of cereals carried is well above the record of any previous year, no less than 1,334,000 tons being carried, the

chief increase being in the export trade. The goods tonnage of [illegible] was [illegible] in 1918-19, an increase of seventy-two per cent. Passenger traffic and live stock also showed large increases.

We had a very busy time at one port, and you will have noticed from our report that 154 steamers loaded during the season. The facilities at the port were severely taxed, and we have been forced by the Board of Works to provide additional grain storage and conveyor plant. Only such absolutely necessary work as was authorised and referred to on page 7 of the present report shows that the capital expenditure for the year to 31st March [illegible] was over £30,000 was spent on the port of Galway. You will also notice that old rolling-stock to the amount of £141,000 has been written off from revenue.

Last year a reference was made to the necessity of borrowing in our own name for the Board of Works capital outlay necessary for oil-fuel requirements for the whole line should not be undertaken until supplies were assured. The opportunity arose of the working company obtaining an interest in an oil property at Comodoro Rivadavia, and that Company, together with the Buenos Ayres Great Southern and Buenos Ayres Western companies, has taken a lease of the oilfields of the Compania Argentina de Comodoro Rivadavia, and steps are being actively taken to develop the property. At the Pacific meeting I made a statement of the crops as they then were on that system. I told the Pacific shareholders then that on the Pacific system, as a whole, there was nine per cent. less land under cultivation for fine crops, and that some crops had been done to drought. We have heard since that [illegible] have been done by very severe hailstorms. The vines on the Argentine Great Western section of the Pacific system are in very good condition.

Mr. Edward Norman seconded the motion, which was carried unanimously, and a resolution was then passed increasing the directors' fees.

AERATED BREAD COMPANY, LIMITED.

Another Record Year—Provision for Further Expansion.

Increased Cost of Commodities and Wages.

The sixty-seventh ordinary general meeting of this Company was held on November 22 at the Cannon Street Hotel, Mr. Charles E. Cottier (Chairman of the Company) presiding.

The General Manager (Mr. Charles E. Davies) read the notice convening the meeting and the report of the auditors.

The Chairman said: At your meeting of December 1918, following the amalgamation of the Company's business with that of W. and G. Buszard, Ltd., a record year's trading was announced. At the last annual meeting I was fortunately able to indicate that this record had been beaten, and it is with great pleasure that I am, on behalf of my colleagues and the management, able to state to this meeting that the year now under review claims the distinction of having surpassed all previous years' results. (Applause.)

The gross profit on trading for the year amounted to £667,841, an increase of £92,455 over last year. The charges against gross profit amount to £520,274, compared with £435,505 last year, an increase of £84,769. The net divisible profit thus arrived at, plus the interest on investments, sundry profits, and transfer fees, amounts to £165,556 18s. 9d., an increase of £13,606 on last year's record. (Applause.) It will, I think, be appreciated that to obtain such improved results has meant very constant and thorough attention to the business of the Company, under conditions which have become increasingly difficult during the past twelve months.

Increased Costs.

The manufacturing costs of the Company's commodities, which were last year 120 per cent. above pre-war standard, have now advanced to over 170 per cent., an increase of fifty per cent. during the last financial year, while constructional work and plant, china, glass, cutlery, etc., show increases of from 150 to 400 per cent. over pre-war costs. In this connection, as the Company mainly caters for the working public, I should like to give you a few instances of the increased cost of foodstuffs. The following show in percentages the average advances during the year on those items:—

Flour	114 per cent.
Sugar	493 per cent.
Tea	100 per cent.
Coffee	[illegible] per cent.
Milk	[illegible] per cent.
Eggs	[illegible] per cent.
Meat	[illegible] per cent.
Butter	[illegible] per cent.
Dried fruits	[illegible] per cent.

The total wages paid [illegible] 107 per cent.

These increased costs, with their particular effect on a business of this nature, and other and more general conditions, which have more or less affected all businesses, have made the past year a trying and anxious one for the directors. It is therefore particularly pleasing to find that the Company obtained such excellent results in its trading and has retained in every sense the support of that portion of the community for which it caters.

[illegible] customers served and the volume of business done, a very large increase on the previous year's record figures. This has not been secured, ladies and gentlemen, by virtue of the lessening of competition. We fairly claim that we are securing an ever-increasing patronage because the directors and management have maintained, as far as possible, high-class yet popular-priced catering, of which this Company was the pioneer. (Applause.) I am voicing the feelings of my colleagues, and I hope those also of the shareholders present, in saying that it is gratifying to us to be able to consider such a satisfactory account as we have before us to-day, with the knowledge that the results shown thereby have not been obtained without due regard to the means of those upon whose support and patronage the success of the undertaking rests.

Appreciation of Freeholds, Leaseholds, and Plant.

I should like now to deal with the accounts, copies of which are before you, and will take first the assets side of the balance sheet. Freeholds, leaseholds, plant, &c., are shown at £729,656, an increase of £219,582 over last year. This increase includes freehold and leasehold properties and plant which have been acquired for the further development of the business. Shareholders are aware that early in the [illegible] properties —freeholds and leaseholds—plant, machinery, furniture and fittings and equipment, was made by two well-known firms of London valuers. The revaluation disclosed that, instead of the book value at that date of £555,990, these assets were, in fact, of the value of £1,165,215—(applause)—and if we add to this figure £98,665, being the additions since the date of the valuation, we have a present value of at least £1,265,880. I say "at least," because this kind of asset is constantly increasing in value, and I am sure that if we had to go into the market to buy such assets to-day the sum of £1,263,880 would not cover our expenditure. I have given you these figures and this explanation because, from questions which have been asked of me privately, I am sure that this point is not appreciated by all the shareholders. You have, in fact, a potential and profit-making asset under this heading of £1,263,880, or, say, £534,224 more than is disclosed by the book figure in the balance sheet—(applause)—and this without taking anything into account for the valuable goodwill of the Company.

Stocks amount to £142,932, an increase of £16,411 over last year. The whole of the stocks are good, are quickly turned over, and have been carefully taken. Sundry debtors amount to £[illegible] Investments and [illegible]

KING'S HEAD
Tobacco



There is no greater companion in the lone hours of solitude, no better friend in a circle of friends, than this fine, full-flavoured tobacco. Old smokers of King's Head never desert their choice; new ones come to stay.

THREE NUNS
is a similar but milder blend
Both are sold everywhere
Packets: 1-oz. 1 2, 2-oz. 2 4. Tins: 2-oz. 2 5, 4-oz. 4 8

"THREE NUNS" CIGARETTES

MEDIUM	6d	1 -	25	48
HAND MADE	8d	14	34	68

to £117,110, which includes £71,600 British Government securities. We have also £10,000 Treasury bills, and cash at bank and in hand amounts to £48,219, a total of £195,329. These investments and Treasury bills represent part of the new capital subscribed during this year as working capital, and which has not yet been used, but is destined to be invested in the operation of the new depôts and further depôts your directors will gradually acquire, and in the extension and improvement of the Company's bakeries and works. The productive use of this further capital will, I feel sure, be favourably reflected in the next year's accounts. (Hear, hear.) On the liabilities side of the balance sheet the issued capital now stands at £977,500, the increase being due to the issue of 65,750 shares made in March last at a premium of £3 per share, and 488,750 bonus shares issued to shareholders free in the proportion of one for one in April last, representing accumulated profits and premiums. Sundry creditors amount to £88,909, sundry reserves amount to £10,399, staff pensions fund amounts to £20,000.

Profit and Loss Account.—The amount of £165,556 18*s.* 9*d.*, plus £20,132 5*s.* brought forward from last year, makes a total available profit for this year of £185,689 3*s.* 9*d.*, which I will deal with later. I think you will agree with me that these figures show that the Company's financial position continues a very sound one. (Hear, hear.) Before, however, asking you formally to adopt the accounts and to pass the necessary resolutions authorising the distribution of profit, I should like to give you such details as you are naturally anxious to have with regard to arrangements your directors are making for the future conduct and expansion of your business. As I have previously had the pleasure of indicating, the board is adopting a policy of constant endeavour to attain a higher level of efficiency, and we feel that even yet we have a great field for this work. Much of such work must be slow and laborious, but I think I shall be able to show you that no efforts are being spared nor opportunities neglected.

New Properties Acquired.

The following further properties have been acquired, which will be opened for business when the leases fall in and the necessary alterations have been made :—

151 High Street, Kensington (to be opened as a branch of Buszards).
406 Mare Street, Hackney.
88 High Street, Peckham.
47 High Street, Tooting.
155 Broadway, Cricklewood.
56 Gracechurch Street, E.C.

New branches, to which I referred in my speech at the last annual meeting, have been opened during the year, and are proving successful depôts. We have also obtained much needed extensions of premises on long leases at the following depôts :

147-9 Cannon Street—Recently opened and already showing a very large increase in business.

278-9 High Holborn—At present being fitted up for opening at an early date.

100 High Street, Kensington—Alteration work in hand.

150 Southampton Row—This depôt, which was taken over by the Government during the War, has been restored to the Company, thoroughly renovated and brought up to date, and is now doing a very much larger business.

217 Edgware Road—A building lease for eighty years has been obtained for these premises, so that this important branch can be retained and rebuilt.

18 George Street, Croydon—The freehold of this branch has been purchased.

70 Park Street, Camden Town—The freehold of this branch has been purchased, which will enable the board to carry out an extensive scheme of alterations to cope with increased business.

The board consider that, where circumstances justify it, many of the old depôts of the Company should be modernised and improved, with more adequate service arrangements and better accommodation for the staff. Several depôts have been dealt with in this way during the year, and are reflecting the improvement in substantially increased trade. It is the intention of the board to continue this policy, as we believe there is scope at many branches for a further development of business.

White City Contract.

The directors have secured the catering contract for the White City, Shepherd's Bush, and they anticipate, when the exhibition is in proper working order, that it will be of great benefit to your Company.

The shareholders will have noticed that the directors refer in their report to the acquisition of an interest in an important site near Victoria Station, without doubt one of the busiest thoroughfares and finest positions in London. A contract for the purchase of this important freehold property from the Duke of Westminster has been entered into, and your Company were fortunate in securing so substantial an interest in the contract as they have done. The site was purchased by two of your directors, who quite properly offered it in its entirety to the Company without profit. (Hear, hear.) The sum of money involved being of such magnitude it was decided that the Company would not be justified in taking the responsibility of the whole contract, but considering that the Company's requirements would be met and their existing interests preserved and improved thereby, decided to take one-third of the purchase at one-third of the price paid. The profit from this investment should be of a very substantial character.

The business of your subsidiary company, Bertram and Co., has been maintained during the year. The catering contract at the Royal Agricultural Hall has been secured and is proving satisfactory. We have since secured an additional centrally situated factory, which has practically been completed with the latest machinery for the manufacture on a large scale of Buszard's well-known chocolates and confectionery, the demand for which has greatly exceeded the capacity of Buszard's factories. (Hear, hear.)

Allocation of Profits.

I have now to deal with the proposed allocation of the divisible profit, amounting, as I have previously stated, to the sum of £185,689 3*s.* 9*d.* The directors propose to allocate this as follows : Final dividend of 2*s.* per share on the issued capital of the Company, which, less tax, amounts to £68,425 ; amount of interim dividend of 3*s.* per share, less tax, £44,625 ; reserve for depreciation, £20,000 ; reserve for income tax and corporation profits tax, which has not been determined, £22,500 ; reserve for staff recreation ground fund, £5,000 ; expenses of new issues (including stamp duties), £10,381 16*s.* This disposes of £170,931 16*s.*, leaving a carry-forward to next year of £14,757 7*s.* 9*d.*

I have much pleasure in moving : " That the report and statement of accounts as submitted be received, approved, and adopted ; that a final dividend of 2*s.* per share be paid on the issued capital of the Company for the year ended September 25, 1920, and that the interim dividend of 3*s.* per share paid in May last be confirmed."

Mr. George Harvey seconded the motion, which was carried unanimously.

SOUTH DURHAM STEEL AND IRON COMPANY, LTD.

Need for Increased Production.

The annual meeting of this Company was held on November 24 at the offices of the Cargo Fleet Iron Company, near Middlesbrough.

Lord Furness, in moving the adoption of the report and balance sheet, said : A year ago we adjourned our meeting until the completed accounts for the twelve months ended September 30, 1919, were ready, and these are now presented for your consideration. You will have received the directors' report, from which you will notice that the divisible profit is less than that of the previous year by nearly £90,000, and that after payment of Debenture interest, Preference dividend, and twenty per cent. Ordinary dividend, there remains a sum of £244,481, of which your directors have decided to allocate £50,000 to depreciation and £150,000 to deferred renewals and repairs. The cost of these renewals and repairs is very heavy, and, in view of the current high prices, we find it essential to make increased provision under this head. The amount then remaining to carry forward of £44,481 is a slight increase on the amount brought into the year's account. You will observe a new item on the liabilities side of the balance sheet, namely, £270,783, increase placed on the value of the stock-in-trade to meet the requirements of the Inland Revenue for taxation.

Foreign Steel : Increasing Competition.

It would appear that we shall soon have to write down the value of these stocks as there are ominous signs of increasing competition from abroad, foreign steel being offered at such low prices as will necessitate a reduction in the value of our stocks. By way of example I may mention that what are known as semi-manufactures—that is, steel slabs, blooms, and billets—which were imported here so largely from Germany before the War, are now being offered from France, Belgium, and Luxemburg at exceedingly low prices. Whereas the present price of blooms and slabs in this country is £20 to £22 per ton, Continental makers have recently been delivering these in the Tees at £14 per ton, and such prices as these must necessarily affect and largely reduce stock values. This means that the home price of steel must be reduced. British manufacturers, however, will find this very difficult to accomplish without loss, in view of the present high prices of every item of raw material, increased wages and railroad rates, to say nothing of decreased production, which has the inevitable effect of increasing costs. It is, therefore, incumbent upon us as a nation not only to cut down our expenditure and eliminate waste in every possible shape and form, but also to put forward every effort to ensure increased production. Increased production cannot be obtained without an adequate supply of coal and ore to keep our works occupied to their fullest capacity. Hence the vital necessity for a maximum output of coal, which can only be achieved by increased individual effort and the abolition of strikes.

Returning to the balance sheet, you will notice that we have invested a further sum of £300,000 in an affiliated company, and we are still pursuing this policy, the principal object of which is to ensure our supplies of raw materials. Prior to the War your Company relied upon the open market for its raw materials, which are principally coal and pig iron ; but the scarcity of these commodities has caused your

[illegible] to a moderate [illegible] year Company [illegible] of supplies [illegible] The [illegible] to the [illegible] made [illegible] £40,500 and has been [illegible] by the sum of £20,163.

Demand for Steel Plates.

With regard to the future, I am glad to say that the demand for our steel plates [illegible] good. I am glad to [illegible] our relations with our employees continue harmonious and that our works have not been [illegible] unfortunately many shifts have been lost through strikes in other trades, which caused loss of work in our mills for want of materials.

I have now pleasure in moving the adoption of the report and [illegible] the confirmation of the dividends mentioned therein.

Captain John E. Rogerson seconded the resolution, which was carried.

Lord Furness [illegible] said: [illegible] are not yet ready owing to the delay in determining our liabilities to the Government for taxation. The present is a purely formal meeting for the purpose of transacting the ordinary routine business of an annual meeting, after which it is proposed to adjourn to an [illegible] for the presentation of the accounts relating to the past year's operations. After taking all the circumstances into consideration, and such figures as are available, your directors have decided to pay out of the profits for the twelve months ended September 30 last a final dividend of fifteen per cent. on the Ordinary share capital, making a total distribution of twenty-five per cent. for the year, this being the highest return that has been paid in the history of the Company with the one exception of the year 1913, when a similar dividend was distributed.

Mr. B. Talbot moved, and Mr. E. Lloyd Pease seconded, the confirmation of Mr. Tom Furness as a director, and Mr. E. Lloyd Pease and Mr. G. S. Barwick were re-elected directors, Messrs. Peat and Company being re-elected auditors.

TALTAL RAILWAY COMPANY, LIMITED.

The thirty-ninth annual general meeting of this Company was held on November 24 at River Plate House, Finsbury Circus, E.C., Mr. Charles Woodbyne Parish (the Chairman) presiding.

The Chairman said that during the last eight months of the year to which the accounts referred they had witnessed good progress towards a return to normal conditions. At the meeting in December last he explained that the railway was in a state of "marking time"; there were scarcely any ships available for bringing nitrate from Chili, nor was there any demand for it, as large stocks which had been accumulated for war purposes had to be liquidated. These conditions continued during the early part of the present financial year. He mentioned at the last meeting that the gross receipts for five months were estimated at only about £70,000. Shortly afterwards a general improvement commenced, fresh sales of nitrate were made and shipments became possible, so that they were able to conclude the year with a good record, showing a total receipt of £231,088, without including the difference in the gold premium. It was to meet increased costs that they were granted a 10 per cent. addition to their tariff rates last February, but this percentage fell far short of the addition to the expenses, and when the next period came for a revision of their rates they had every hope that the Government would agree to such an increase as the monetary and other conditions then ruling would demand, and at the same time be just and reasonable in every way. The board recommended a final dividend at [illegible] making ten per cent. for the year, leaving £14,887 to be carried forward. Unfortunately, it had been necessary to write off a further £23,000 from the cost of their investments to bring them down to their market value, and this had been effected by a transfer from the reserve fund. Therefore, although they had added £33,000 to the reserve, the actual increase was only £10,000. The rolling-stock had been kept in first-rate condition, and the locomotives had [illegible] fully satisfactory manner. The [illegible] using oil in place of coal to a large extent, which was proved to be the [illegible] during last year by over 100 per cent., while there was a decrease [illegible] traffic showed a remarkable improvement, for the Company carried over 70,000 passengers, while in 1918-19 they only carried [illegible] £5,977. As far as the directors could judge, the prospects of the Company were satisfactory. Most of the oficinas on the line were now commencing to work, and, although they might not be [illegible] give a fair quantity of traffic.

The report and accounts were unanimously adopted and the dividend recommended was declared.

CARGO FLEET IRON COMPANY, LIMITED.

[illegible]

Lord Furness (Chairman) presiding.

The Chairman said: Our annual meeting for the year ended September 30, 1919, was held at these offices on November 26, 1919, and on that occasion I informed you that the directors were unable to present the accounts owing to the difficulty we had experienced, as on several previous occasions, in determining our liability to the Government for taxation. Since then our negotiations with the Government officials have reached a more advanced stage regarding the accounts for the year 1918, but we are not even yet in a position to submit to you the final figures in respect of the year 1919. In the report and balance sheet now before you we have estimated our liability to the Government as accurately as possible, and we have every reason to believe that the provisions made will be adequate to meet their claims. We therefore consider it our duty to the shareholders that we should now present the completed accounts as far as we are able to do so rather than wait until a final adjustment of [illegible] effected.

The Balance Sheet.

Turning to the balance sheet, you will see that we have cancelled during the year Four and a-Half per Cent. First Mortgage Debentures to the extent of £18,400, thus reducing the amount outstanding to £284,300. General reserve now stands at £100,000, after taking into account the £50,000 provided in the previous year's accounts. Your directors propose to increase this reserve by a further sum of £50,000 out of the profits for 1919. The item sundry creditors, after allowing for the usual trade discounts, &c. (including provision for estimated liabilities to the Government), and unclaimed dividends, now stands at £860,638 4*s*. 4*d*., as against £1,040,860 12*s*. 2*d*. in the previous year. The amount provided for renewals, relinings, and maintenance now stands at £119,358 18*s*. 4*d*., as against £116,819 6*s*. 8*d*. in 1918.

Turning to the assets side of the balance sheet, it will be observed that we have written off £75,000 for depreciation provided for in the previous year's accounts. Additions to plant amount to £88,365 17*s*. 10*d*. The item of Treasury bills and accrued interest now stands at £298,205 16*s*. 10*d*., as compared with £647,576 1*s*. 4*d*. in 1918. This reduction is mainly due to the realisation of National War Bonds and War Loan stock to meet the payments of taxation. Cash at bankers and in hand amount to £59,802 3*s*. 10*d*., as against £97,853 7*s*. 6*d*.

The profit and loss account, after making adequate provision for estimated liabilities to the Government, shows a gross trading and manufacturing profit for the year of £215,940 18*s*. 4*d*., as against £193,766 16*s*. 3*d*. for the previous year. The increase in the profit is due entirely to the fact that the excess profits duty was temporarily reduced to 40 per cent. for the year commencing January 1, 1919. But for this temporary reduction in taxation the actual profit would have been less than that for the preceding year. After adding the amount brought into the accounts from 1918 namely, £27,055 14*s*. 5*d*. and deducting £43,148 4*s*. 11*d*. for Debenture interest, there remains a disposable balance of £220,458 7*s*. 10*d*. The dividend of five per cent., less income tax, was paid on December 31, 1919, and this you are now asked to confirm. It is further proposed to appropriate £75,000 for depreciation, being the same amount as was allocated for this purpose in the three preceding years. Finally, it is proposed to augment the general reserve fund by the further sum of £50,000 already referred to, and to carry forward the balance of £45,458 7*s*. 10*d*. In view of the uncertain outlook in the iron and steel trade, your directors are convinced that this provision is absolutely essential in the best interests of the Company. The resolution was carried.

The Past Year's Accounts.

In regard to the accounts for the year ended September 30, 1920, the Chairman said: You will have seen from the notice convening the annual meeting in respect of the year ended September 30, 1920, that your directors are again unable to present the balance sheet and report owing to the difficulties we are still experiencing in determining our liabilites to the Government for taxation. While your directors are not yet able to present the accounts, they wish to assure you that these will be completed and presented to the [illegible] with [illegible]

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dent of the last five annual meetings [illegible] proceeding with the usual routine of the re-election of directors and auditors, and to then adjourn the meeting to a date to be fixed later by the board, when the balance sheet and directors' report will be submitted. In the meantime, after careful consideration of all the circumstances, and such figures as are available, your directors are satisfied that the Company's profits for the year ended September 30, 1920, permit of the payment of a dividend of five per cent., less income tax, which dividend it has been decided to pay on December 31, 1920, to all shareholders registered on the Company's books as at December 4, 1920.

The Chairman then moved: "That this meeting be adjourned to a later date to be fixed by the board." This was agreed to.

CHARLES MARSDEN AND SONS, LIMITED.

Company's Sound Position.

THE seventeenth ordinary general meeting of Charles Marsden and Sons, Limited, was held on November 25, at the Connaught Rooms, Great Queen Street, Kingsway, London, W.C., Mr. F. E. R. Becker (the Chairman) presiding.

The Secretary (Mr. Jno. T. Crookes) read the notice convening the meeting, and the report of the auditors (Messrs. C. M. Merchant and Son) was read by Mr. Merchant.

The Chairman: In considering the accounts and commenting upon them, I would like to point out, in the first place, that we bring down £110,000. We put £6,000 more to depreciation; we pay £5,700 more for interest, whereas our dividends on investments are £20,000 less. You will observe, gentlemen, that we show only four per cent. on our investments in these accounts. With regard to the mills, and referring first to the Northfleet Mill, I may say we have recently subscribed privately for £100,000 of Debentures, and the mill is doing well—surprisingly well; but in this year's accounts we have taken nothing out of profit under this head, because the tax-gatherers are so greedy that we cannot both have it, and we have therefore decided to wait. We shall probably wait next year likewise as far as Northfleet is concerned. I can assure you, however, gentlemen, that we have got a very nice little nest-egg there against an evil day.

The Irish Paper Mills.

The Irish paper mills had completed their alterations at the close of last year, and we have had nine months' working. I am very pleased to tell you that it has resulted in a profit of £40,000. Major Moore is to be very much congratulated upon his handling of a very difficult labour question. (Hear, hear.) Of course, we have taken nothing out of that either, and we shall probably have to issue a Debenture to finance that mill. It is a very much bigger mill than most people are inclined to believe; it has a capacity of 250 tons per week. As far as Ireland is concerned things look very black, but we who know the country best can tell you there really is daylight, and there is some hope of a settlement of all their troubles, and one which will bring peace and some contentment. We have exceptionally good relations with our men at the Irish paper mills.

Ramsbottom, under the careful direction of Mr. Seddon, continues to make money. It has established its name and its high repute, and practically the whole of the contribution which you see in the top line of the profit and loss account comes from Ramsbottom. The rest of the concerns under the head of investments we are not largely interested in, but I have heard a whisper that Watsons, of Bullionfield, will pay fifteen per cent., free of income tax.

Now, gentlemen, high prices, of course, bring about a shortage of cash, even with our customers; but the goodwill that has been established between us is likely to last over the serious times that are coming. There is not one of our customers who can say that Charles Marsden and Sons have taken the last shilling out of their pocket, and I think we stand very well with our *clientèle*. Our creditors' item stands at a low figure, and our overdraft is a mere three per cent. of our assets. The rotten item on the balance sheet is the promotion charges. We absorbed the premium on the debentures that we cancelled out of revenue, because that was of no use to us as against excess profits duty, but *vis-à-vis* the Treasury this is a grand item; we get nine per cent. on it, and we therefore leave it there for the time being.

The eight-hour shift has been inaugurated, and our production generally has increased, with the assistance of additional machinery, by thirty per cent. Our average wages in 1918 were £5, and in 1920 £7 3*s*. per ton of paper made, but the variety of papers that we make is so extensive that our minimum was £2 6*s*. per ton, and our maximum is £12 15*s*. Three months ago we were turning away export business with both hands, because of the urgent need and importunity of our customers. Now, like a "thief in the night," the trade seems all to have fallen away. The Government appealed for more effort from the men, and the paper-makers—the best workers in the world—responded to an extent which is here shown in the fact that we have an additional production of thirty per cent. Well, the result is now that, owing to one circumstance and another, of which the Government cannot be entirely excused, these men have nothing to do except what we can find them in the way of painting and cleaning up.

Foreign Competition: Exchange Problems.

This is largely accounted for by a sudden rush of foreign competition, not in the least genuine. Germany cannot make paper to compete with English paper mills; it is impossible. We have nothing to fear from Finland in paper making. But it is the fluctuation of the mark which is our adverse factor. Last Saturday week the mark was at 300; on Tuesday it was at 212. Consequently a buyer could buy German papers at twenty-five per cent. less on Saturday week than he could on the following Tuesday. Well, we cannot pretend to compete in such a market as that, and the result is not that there is a great deal of German paper being sold, but that the whole of the purchasing power of the people is disturbed. The same thing happens with Finland. The Finnish mark has dropped from 25 pre-War to 125 at this time last year and to 160 to-day. Well, gentlemen, there is some hand on the affairs of State as far as finances are concerned which is not steering the ship particularly well; she is doing a fine old zigzag course. (Hear, hear.) I mean that surely we must either free the export of gold on some basis or another, or "pin" the exchanges. When we want to sell in foreign countries we do not know what on earth we are going to get. We cannot quote, because there is no bottom and there is no top to the market, whereas a "pinned" exchange is a proper collateral movement with a stoppage of the gold export, but if you free the gold the exchanges will "pin" themselves. Now, another thing is that the Germans will only license paper out if the price is satisfactory. Surely a Board of Trade that was a Board of Trade might see about the licensing of it in. That is to say, the home price is something like half the price that they have to obtain for export before they are allowed to export.

Another cause which, of course, has greatly contributed to the present state of affairs is the coal strike, and, far more than the coal strike, the coal control. We had no difficulty in our mills in securing a ten or even twenty weeks' stock of coal. You and I had great difficulty in getting 20 cwt. Again, the ships that bring our raw material, by some great piece of wisdom, have to pay £4 to £5 15*s*. for bunkers, and a big 5,000-ton ship that was lying at the Tyne, and going out to Chicoutimi to get the whole of our winter supplies, was denied coal at the Tyne, and we had to go across to Rotterdam to load American coal at £7 10*s*. per ton. Well, it may be very clever coal control, but it does not strike me as being very effective. However, gentlemen, I look forward to the future with great hope. There will be a time when "controllers cease from troubling and the Treasury gets a rest." (Laughter.)

Condition of the World's Markets.

Mr. Holland, who is known to most of you, has just returned from a comprehensive trip round the whole of the East, and he brings us back glad tidings. The disturbance in Japan has stopped trade for the time being. China is a little difficult, but while he was there he was sending big orders from there, which we were unable to accept owing to our being too full up with home supplies. The truth is that their godowns are empty, their markets are bare, and the whole paper shortage of the world continues; but the present position is only temporary. So far as Australia is concerned, I hear there have been cases where in a large town only 40 tons of newsprint existed, and although promises have been made of large shipments from Canada and America, they have again been suspended owing to local gold manipulations. All Governments seem to like to play about with gold. As to America, our connections there, which are very important, advise that there is a very broad basis for the market, and that although things there also are disturbed for the time being, the hopes of prompt recovery are very good.

I tell you, gentlemen, that as far as we are concerned we are not at all downhearted. We are passing through a time which is unnatural and which will settle out; and as far as this Company is concerned, we are in such a strong position that we need not fear the enemy when we speak to him at the gate. I should like to refer to the very great assistance which my colleague, Mr. Stanley Cousins, has given me during this year, and to take this opportunity of returning him my heartfelt thanks. Mr. John Dobson, who has been associated with the Company for over forty years, has taken a well-earned rest and retired from active management, but he remains a member of the board, and I am sure every shareholder will wish him well. (Hear, hear.) I have to propose now, gentlemen, that negotiations which have been proceeding with regard to the directorate should be brought to a head. Mr. Bradley has been with us for some time, and I shall propose that he be elected a member of the board. We have also had the privilege of getting Mr. Powers to take over the duties left over by Mr. Dobson and he will at the turn of the year take up his service with the Company. I now have to propose: "That the report of the directors produced, together with the annexed statement of

the Company's accounts for the year ending September 30, 1920, duly audited, be received, approved and adopted and I have much pleasure in [illegible] upon Mr. Neyvle Marsden, whom we are pleased to see with us for the first time, to second that resolution. (Applause.)

The Dividends.

Mr. Neyvle Marsden seconded the motion, which was carried unanimously.

The Chairman next moved: "That the following dividends be declared out of the net profits of the Company for the year ended September 30, 1920, viz.: (*a*) upon the Preference shares a dividend at the rate of seven per cent. per annum, less tax, that the payment [illegible] the rate of seven and a-half per annum, less tax, made in April and October last be approved, and the balance of two and a-half per cent. per annum, less tax, be paid forthwith. (*b*) upon the Ordinary shares [illegible] per cent. per annum, less tax, and that this be paid forthwith."

Mr. Tattersall seconded the motion, which was unanimously agreed to.

Mr. John Dobson [illegible] by rotation, was re-elected, and Mr. H. Bradley was elected to the board, the Chairman remarking that the directors had power to co-opt Mr. W. C. Powers as a director, and his name would be submitted to the [illegible] of the shareholders at the next annual meeting.

A resolution was passed fixing the directors' fees, and the auditors having been reappointed, a vote of thanks was passed to the Chairman and his colleagues on the board.

A Presentation.

Later in the day [illegible] directors and staff presented to Mr. John Dobson a [illegible] of affection and esteem on his retirement from the Company after 40 years' service.

The Chairman (Mr. F. E. R. Becker) observed that Mr. Dobson had been with the Company [illegible] and he was now leaving them, to take a well-earned rest, when it was the wish of [illegible] He had a standing to be the pioneer and master [illegible] Mr. Dobson. That gentleman, he said, had never spared himself in the interests of the Company. He was deeply respected by his colleagues and the whole of his staff, and on his retirement from business Mr. Dobson had received tributes from many quarters outside their own Company.

Mr. Stanley Cousins also spoke of the high honour and respect in which Mr. Dobson was held by all with whom he had come in contact, and expressed the wish that, in his retirement, he might have a long life and much happiness.

Mr. Dobson, in reply, said that he had received many tokens of affection and esteem during the past 15 years from the directors and staff. He gave some interesting reminiscences connected with the progress of the Company, remarking that it was a great gratification to him that, at the time when he was severing his connection with it, the Company was at the height of its prosperity.

MINERALS SEPARATION, LIMITED.

Details of the Progress made by the Company's Processes.

The [illegible] annual ordinary general meeting of this Company was held at Winchester House, E.C., on November 24, Mr. Francis L. Gibbs, Chairman of the Company, presiding.

The Secretary (Mr. H. C. Hankins) having read the notice calling the meeting and the auditors' report.

The Chairman, in the course of his speech in moving the adoption of the report and accounts, said that their income had amounted to £43,158, as against £54,092, owing to the decrease in royalties from the Braden Copper Company and the temporary stoppage of dividends by the Australian Company through the strike at Broken Hill. They had paid an interim dividend of 5*s.* per share. Proceeding to deal with the coal business, he said they had come to an agreement with the Powell Duffryn Company of South Wales, under which they had obtained an option over all the waste heaps and current waste belonging to that Company in the Aberdale Valley, and the option provided that it should be treated on a large scale under a half-joint account arrangement. A pilot plant on a commercial scale had been erected. They anticipated that this enterprise would eventually become a very important one. Plants were in course of erection under agreement with other companies, and numerous collieries were negotiating for the erection of plant.

An Important Agreement.

[illegible] the most important [illegible] the Skinningrove Iron Company for the treatment of their coking coal. The decision to put in this plant was arrived at by that Company after extensive experiments had been carried out in the London laboratory, and at their works in the North of England. The Company was also engaged in the examination of many large waste heaps in various parts of the country, some of which showed promise of large business. The waste coal heaps over which they had options amounted to several millions of tons, all of which would prove very profitable. The coal business was also gaining ground abroad. In France the pilot plant had been erected, in Spain a new company had been formed, in Chile a plant was about to be erected, and they had been [illegible] colliery owners in South Africa, India, Japan, and elsewhere. They had the written opinion of two of the most eminent [illegible] importance.

Metalliferous and other Business.

With regard to the [illegible] referred to in the report, the works they had in hand should be completed very shortly. This fuel is claimed to be unaffected by sea-water, and has no tendency towards spontaneous combustion; also, if on fire the flames may be quenched by water, and if in storage it can be protected from fire by a water seal. Passing on to the metalliferous and other business in which they were interested, he wanted the shareholders to realise that the perfection to which they had brought their many processes for concentration of ores and minerals—particularly the concentration of classes of ores which had not previously been successfully concentrated—opened out an immense field for their operations, and one which presented many favourable opportunities for acquiring raw material which previously had little or no value. This fact, and the necessity of having ample funds for the development of their business were the chief reasons for their having in the last twelve months raised £600,000 additional working capital by the issue of new shares, and everything that has happened since made him feel that the issue was [illegible] Bwana M'Kubwa oxidised copper deposits, which had not hitherto been treatable profitably by any process, had now been thoroughly tested by this Company's process, with splendid results, and Minerals Separation, Limited, had become entitled not only to royalties, but also to what he thought likely to prove a valuable option over a large block of that Company's shares. In Chili several large low-grade silver and copper mines were under option to the Company, and there had opened out to them a prospect of doing a great deal of work in the concentration of tin ores throughout the world.

In regard to the concentration of gold ores, that they could evolve new methods for this purpose seemed for years to be an idle dream, but again perseverance had produced remarkable results, so that now this dream promised to change into a reality. Plants on a commercial scale were under erection on two important gold mines. This side of the business was beginning to show valuable results in France and Spain. They had a testing laboratory in Madrid, where there was a promising field of operations, and a company had been formed for the purpose of entering into profit-sharing [illegible]

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progressing very satisfactorily, and was in negotiation with most of the leading colliery companies in Asturias. Progress was also being made in South America and South Africa, and they had obtained a property also in Serbia which they anticipated would prove a sound enterprise. The Australian company had suffered from the strike at Broken Hill, but work there had now been resumed. They looked for much good business in that country.

The Chairman also gave details of "Sozol," an anti-rust preparations from which the Company anticipated great profits. He also said they had other matters of great potential value in hand, and they looked to the future with confidence.

The report was unanimously adopted, and the usual formal business transacted.

NARAGUTA (NIGERIA) TIN MINES, LIMITED.

The tenth ordinary general meeting of this Company was held on November 23 at Winchester House, E.C., Mr. Frank N. Best (the Chairman) presiding.

The Chairman said: Under the conditions that have prevailed we consider the result of the year's working to be quite satisfactory. The output would have been greater had it not been for the very unsatisfactory labour conditions. Our profits would also have been greater by about £10,000 had not a large quantity of our tin been held up on the railway during the time the price of the metal was high, and when it arrived here the market value had fallen about £100 per ton; and unfortunately we have no redress. During the War the railway, which is Government property, drifted into a deplorable condition owing to the want of rolling-stock and the difficulty of keeping worn-out engines on a road sadly in need of renovation, &c.—nobody's fault, perhaps, but certainly our misfortune.

On the credit side of the balance sheet you no doubt have noticed year by year that the property account stands at £156,000. Everybody knows that mining, especially alluvial mining, is a wasting asset, and I am not alone in thinking that no real taxable profit is made until that item has been written off out of revenue. Unfortunately, our income tax authorities do not view the matter in the same light; therefore your directors have felt it their duty, so far as they are able, to see that the £156,000 represents real value, and I am quite confident that if all our properties were sold the amount realised would exceed the figure mentioned.

This opinion is confirmed by the most excellent report from our General Manager. From this report it will be seen that on our Korot areas alone about 1,200 tons of tin had been proved to exist in one block, and in his recent letters our General Manager states that still further payable ground has been proved. Being deep, however, it cannot be economically worked without the installation of gravel pumps. We have little or no doubt whatever that when these properties are fully equipped the output could easily be doubled, and that if the price of tin holds good we have many successful years before us. The retiring director (Sir Edwin Speed) was re-elected, and a vote of thanks to the Chairman, directors, and staff concluded the proceedings.

EAST RAND MINING ESTATES, LIMITED.

The annual general meeting of this Company was held on November 25 at the Company's offices, Threadneedle House, 34 Bishopsgate, E.C., Mr. C. F. Rowsell (the Chairman) presiding.

The Chairman said: The profit and loss account for the year ended June 30, 1920, shows a surplus revenue of £1,338, which has been carried to the balance sheet, as against £1,021 last year. The revenue derived from interest is £3,643, as against £3,917 last year, and the farm revenue is £2,488, as against £2,021 in the previous year. Turning to the balance sheet, the freehold farms and interest stand at £186,509, as against £180,804 last year; the increase is accounted for by the purchase of the remaining portion of the farm Grootvlei during the year. The only other alteration on this side of the account under the heading of "Shares in other companies" is due to the fact that we have subscribed for 68,597 partly paid shares of the Grootvlei Proprietary Mines, so that we now hold in that company a total of 321,617 shares. Our cash position continues to be a strong one, as we have on deposit and at our banks a total of £67,730, as against £69,036 last year. I need hardly say that I am very disappointed that the hopes which I held out last year, that the Grootvlei Mines would be developing when next I met you, have not been fulfilled. As I stated at that meeting, immediate steps were taken by our engineering staff to prepare the necessary plans for the equipment of the property with the view of its immediate development; there were a number of difficulties, however, which had to be disposed of with reference to the location of mynpacht, &c., before the work could actually be commenced, and the board of the Grootvlei Company came to the conclusion that, owing to the enormous increase in the price of machinery, and also the high cost of labour, it would be inadvisable to commence operations at that time. In the meantime, I may mention that I propose to visit South Africa early next year, when I shall have an opportunity of discussing with the board of the Grootvlei Company and its engineers the whole position, and I hope that we may soon consider the time is ripe to commence active work. I will next refer to the Largo Colliery, in which, as you know, you hold 100,000 shares. Development was started in February 1919, and the output has now reached about 20,000 tons per month, the output for August being 19,222 tons; the development is proceeding rapidly, and two seams are being worked. A large area of the coal has been proved by boreholes, which will ensure continuous working of the colliery for many years. The colliery has been equipped with plant capable of dealing with 40,000 tons per month. I think, gentlemen, in this asset we have a very valuable addition to our resources.

As we informed you in our report for 1919, 500 acres on the western side of the Farm Grootvlei had been set aside for the establishment of a tree plantation. The work has now been in operation on this ground, and the first 250 acres are practically ready for planting, the actual seedlings being already pricked out in tins ready for transplanting. I beg to move the adoption of the report and accounts. Mr. Barnet Lewis seconded the resolution.

The resolution was carried unanimously.

JOSHUA HOYLE AND SONS, LIMITED.

The third annual general meeting of Messrs. Joshua Hoyle and Sons, Limited, was held on Thursday, November 25, at the Registered Office, India Mills, Bacup, Lieut.-Colonel J. Craven Hoyle, T.D., D.L., the Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that at the meeting held in 1918 he was rather bold in making a prophecy as to the future outlook, and, so far, he had not proved a false prophet. The result of the last twelve months' work had been gratifying to the directors, and also, he was sure, pleasing to the shareholders. As regarded their mills, the return to pre-War conditions was making satisfactory progress, and nearly the whole of the machinery was now running to its full capacity. The Deputy-Chairman, speaking twelve months ago of the growth of Joshua Hoyle and Sons as a manufacturing firm, said, "There is no limit to the possible growth of the firm," and that view he (the Chairman) endorsed and even would go further and say that a business must move in one of two directions, either forward or backward, and they had determined that it should not be the latter. (Hear, hear.) The guiding principle in their forward movement had been to acquire businesses, the productions of which were on lines untouched by mills already owned by the firm. He desired to call attention to the position of Joshua Hoyle and Sons when it ceased to be a private Company and its position to-day. In 1917 the firm had 3,100 looms and 91,000 mule and ring spindles. To-day they actually owned nearly 300,000 mule and ring spindles and 9,330 looms, 1,200 being sheeting looms and 4,306 fitted with Dobby, Jacquard, and other motions. The profit for the year amounted to £289,507, making, with the amount brought forward, a disposable balance of £328,756. The renewals and reserve fund now stood at £360,000, against £140,000 twelve months ago. The item for fixed plant in the balance sheet, which stood at £340,178, was a purely nominal one, the real value of the properties, on a very conservative basis, being a matter of millions, whilst the stocks held on September 30, valued at nearly £2,000,000, were also taken on a safe and conservative basis. Regarding the present situation in the cotton trade, there were various forces operating against the confidence of the buyers over the whole world, not the least being the state of the foreign exchange. The resumption of buying could only be deferred for a period, and the natural demand for goods in the different countries of the world would have to be satisfied. The directors proposed to increase the capital of the Company to £5,000,000, by the creation of 3,000,000 Eight per cent. "B" Cumulative Preference shares. Their great and main object in creating the new capital was to provide for the constant development of the business and to be in a position to take advantage of the psychological moment for the further extension of their ramifications.

The report was adopted, and resolutions were duly passed authorising the increase of capital from £2,000,000 to £5,000,000 by the creation of 3,000,000 "B" Preference shares.

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GOLDEN GUINEA

THE FINEST SPARKLING MUSCATEL

LANGKAPOERA (SUMATRA) RUBBER ESTATE, LIMITED.

The twenty-first ordinary general meeting was held at Winchester House, E.C., on November 26, Mr. W. O. Burt (Chairman and Managing Director) presiding.

The Chairman said that the profit for the year under review amounted to £14,175, which, with the carry-forward of £5,761, left a total sum of £19,957. Although this amounted to about thirty per cent. on the capital of the Company, the directors had seen fit to transfer only £5,000 to reserve, and to carry forward £14,957. It was a matter for congratulation that the shareholders of the critical times through which the rubber industry was passing. At the present moment there was a practical impossibility of selling rubber, but the fact that it was often impossible to sell at all, and as in the meantime it was imperative to continue the maintenance and cultivation of the estates, in order to be able to take full advantage of every improvement in the market, it would be most unwise to part with any more of the Company's cash assets. The planted area had been increased to 1,641 acres, while 113¾ acres were now in process of being planted. The capital cost per acre, including the Debenture issue, came in therefore at the very reasonable figure of about £48 per acre, which would be further reduced to £45 per acre by next year. The present estimate of output was 380,293 lb., but he expected little increase on last year's figures. The increase of about 4½d. in the "all in" cost over that of last year might seem somewhat alarming, but as it was chiefly due to adverse factors which were quite abnormal, it was not [illegible] to be expected in the future. The visit to the estates of Mr. Percy Cross and himself, accompanied by Mr. Bruce Petrie, would, he felt sure, have beneficial results. The tapping was now being carefully done with one cut on the quarter of the [illegible] with regard to the litigation in Java relating to the shares in the Dutch company, the decision of the Java Courts was expected next month. As to the general rubber position, he said that there was now a strong movement on foot to bring about not only control of output but control of price, and he would ask the shareholders to do everything in their power to support and promote this movement. There was no intention of interfering with natural laws, nor had it been proposed that Government should control the industry. The natural laws of supply and demand had already been interfered with by unnatural means, and it was to cope with this position that combination was necessary. The Straits Government had not proposed to interfere with the industry, but rather to give it all the assistance possible, while leaving the control entirely in the hands of the growers, and it was almost unthinkable that such an offer should be rejected.

The report and accounts were unanimously adopted.

The Royal Bank of Scotland (Chairman Sir Alexander Kennedy Wood) reports for the year ending October 9, 1920, reveals a further expansion in the Bank's business. The deposits have increased by over 3½ millions to £39,114,117, while the advances on cash, credit, and current accounts have risen by over 4½ millions to £13,625,000. The liquidity of the position has not been sacrificed, as the gold and silver coin, currency notes, notes of other banks, and cash with Bank of England and other London bankers has risen from £5,158,547 to £5,376,180. British Treasury bills at £6,930,000 are £843,000 in excess of the figure on October 11, 1918.

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There is a special Department at the Head Office for the Agency of Colonial and Foreign Banks [illegible] and Customers residing in the Country or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.
The Officers of the Bank are [illegible] to exercise such [illegible] of its Customers.

REPORT BY THE COURT OF DIRECTORS OF THE ROYAL BANK OF SCOTLAND,

To the Annual General Court of Proprietors, on Wednesday, 24th November, 1920.

The Directors now submit to the Proprietors the annexed Abstract Statement of the Affairs of the Bank at the Second Saturday of October, 1920, with relative Profit and Loss Account, certified by the Auditors.

The Net Profits of the Year, after providing for all bad and doubtful debts, and for depreciation in Investments in addition to that stated below, amounted to			£375,138 16 7
The Midsummer Dividend, at the rate of 10 per cent. per annum, required ...	£100,000		
Less Income Tax	30,000		
		£70,000 0 0	
It is now proposed to pay a similar Dividend at Christmas and a Bonus of 1 per cent., which together will require	£120,000		
Less Income Tax	36,000		
		84,000 0 0	
There has been written off Expenditure on Bank Buildings and Heritable Property		20,000 0 0	
Carried to Pension Reserve Fund		30,000 0 0	
And applied to Investments Account, the balance of		171,138 16 7	
			£375,138 16 7

The Rest remains at £1,082,276 3s. 8d.

All the Bank's Investments are valued in the annexed State of Affairs at or under the prices ruling at the date of the Balance, with the exception of the holdings of Exchequer Bonds and National War Bonds payable at par, or at a premium, in 1921, 1922, 1923 and 1924, which are taken at net cost. There is ample provision, however, for all market depreciation on these Bonds.

The Provisional Order "to amend the Royal Charters and Acts of Parliament relating to the Royal Bank of Scotland, and to confer further powers on the Bank," approved by the Proprietors at the Special Meeting held on 26th May, 1920, which to meet the requirements of Parliament was subsequently proceeded with as a Bill, was passed by both Houses of Parliament without material alteration, and received the Royal Assent on 16th August last.

Substantial additions have been made to the remuneration of the Staff during the year.

The Governor, the Deputy-Governor, the Extraordinary Directors, and the Senior Ordinary Director (Mr. Baxter) all retire at this time, but are eligible for re-election.

Auditors also fall to be appointed for the ensuing year, and Mr. J. Maxtone Graham, C.A., and Mr. Eric M. Beilby, C.A., offer themselves for re-election.

By Order of the Court of Directors,

A. K. WRIGHT,
Cashier and General Manager.

ABSTRACT STATE OF AFFAIRS at 9th OCTOBER, 1920.

LIABILITIES.

1. Deposits with accrued Interest... ...		£39,114,127 1 3	
2. Notes in Circulation		3,539,685 0 0	
3. Drafts Outstanding		1,328,825 4 6	
4. Acceptances and Indorsements of Foreign Bills		311,771 19 10	
		£44,294,409 5 7	
5. Capital	£2,000,000 0 0		
6. Rest	1,082,276 3 8		
7. Proposed Half-year's Dividend and Bonus payable at Christmas (*less* Income Tax) ...	84,000 0 0		
		3,166,276 3 8	
Total Liabilities		£47,460,685 9 3	

ASSETS.

1. Gold and Silver Coin, Currency Notes, Notes of other Banks, and Cash with Bank of England and other London Bankers ...	£5,376,180 1 11		
2. Money in London at Call and short notice, and Cheques, &c., payable on demand, in hand, and *in transitu*	5,333,477 0 2		
3. British Government Securities (War Loans, Exchequer Bonds, and National War Bonds)	9,817,120 12 7		
4. Indian and Colonial Government Securities, Bank of England Stock, and British Railway Debenture and Corporation Stocks		260,045 0 0	
5. Foreign Government Stocks, Bank of Ireland Stock, Indian Railway Stocks, and other Marketable Securities		460,403 17 11	
			£21,247,226 12 7

Note.—All the above Investments are valued at or under the prices ruling at the date of the balance, with the exception of the holdings of Exchequer Bonds and National War Bonds, payable at par or at a premium, in 1921, 1922, 1923 and 1924, which are taken at net cost.

6. Bills discounted (of which £6,930,000 British Treasury Bills)		10,832,678 18 9	
7. Advances on Cash, Credit, and Current Accounts		13,625,144 12 1	
8. Loans on Stocks and Securities		895,404 1 11	
9. Banking Correspondents and other Customers for Acceptances and Indorsements, *per contra*		311,771 19 10	
10. Bank Buildings (partly yielding rent) ...		269,179 4 5	
11. Property yielding rent		154,279 19 8	
12. Freehold Property in London (partly occupied by Bank and partly yielding rent)		125,000 0 0	
			26,213,458 16 8
Total Assets			£47,460,685 9 3

PROFIT AND LOSS ACCOUNT.

To Expenditure on Bank Buildings and Property written off		£20,000 0 0	
„ Dividend for Half-year, paid at Midsummer, *less* Income Tax		70,000 0 0	
„ Dividend and Bonus to be paid at Christmas, *less* Income Tax		84,000 0 0	
„ Pension Reserve Fund		30,000 0 0	
„ Applied to Investments Account		171,138 16 7	
„ Balance, being free Rest or undivided Profits, carried forward		1,082,276 3 8	
		£1,457,415 0 3	
By Rest at 11th October, 1919			£1,082,276 3 8
„ Gross Profits, after deducting rebate on Bills Current, Income-tax, Corporation Profits Tax, providing for all bad and doubtful debts, and for depreciation in Investments besides that stated *per contra*		£747,691 14 0	
Less Charges of Management at Head Office and 173 Branch Establishments		372,552 17 5	
Net Profits			375,138 16 7
			£1,457,415 0 3

D. SPEED, *Accountant.*

AUDITORS' REPORT.

As Auditors appointed by the Proprietors of THE ROYAL BANK OF SCOTLAND, we have checked the Cash on hand at Head Office, Glasgow, and London, verified the cash with London Bankers, the Securities for money at call and short notice, the Government Securities and other Investments, and examined the details of the other Assets and of the Liabilities set forth in the foregoing Abstract State of Affairs; and we now certify that in our opinion said Abstract State is a full and fair Balance Sheet, properly drawn up, and exhibits a true and correct view of the state of the Bank's Affairs as shown by the books, at 9th October, 1920.

J. MAXTONE GRAHAM, C.A., *Auditor.*
E. M. BEILBY, C.A., *Auditor.*

EDINBURGH, 15th *November* 1920.

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*November* 27, 1920.

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Assets Exceed - - - - £17,300,000

Claims Paid Exceed - - - £30,000,000

IMPORTANT NOTICE!

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager,

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SPECIAL NOTICE.

On Saturday next, December 11th, we shall publish our INTERNATIONAL BANKING NUMBER. This number will contain data concerning the important Foreign Banks. The information given will enable Bankers, Merchants and Investors to mark the progress not only of the Institutions in which so much British Capital has been invested and British money placed, but also the economic condition of the various countries. Orders for extra copies should be placed without delay.

The Statist.

LONDON: SATURDAY, DECEMBER 4, 1920.

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The Money Market.

Friday, December 3, 1920.

	Current Rate	Previous Rate	
	%	%	
Bank of England Rate...	**7**	(Apr. 15, '20) 6	(Nov. 6, '19)
Deposit Rates:—			
Banks (Discount. Ho (Call)	5	(Apr 15. '20) 4½	(Nov. 6, '19
Discount Houses (Notice)	5¼	(Apr 15. '20) 4¼	(Nov. 6, '19

... has been advanced.

Discount Rates:—	60 Days	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Treasury Bills ...	—	6½	—	
Bank Bills	6½	6	6	6
Trade Bills	—	7 7/8	7 7/8	7 7/8

INFLUENCE OF GOVERNMENT DISBURSEMENTS.

... national finances continue to exercise on the Money market an influence similar to that experienced during the ... £80,000,000 in Government dividends and repayments.

B

and last week's stringency, under which borrowers were frequently forced to borrow at the Bank, gave way to a recurrence of comparative ease after the turn of the month, despite an increased demand for loans. Moreover, as the Bank return shows, the Government had to borrow very largely from the central institution in order to meet these heavy demands, and the fresh credit thus created provided a further relief in the tension. These cash displacements affected the market more quickly than has been the case at similar periods in the past, and the result was an abundance of floating credits in the latter part of the week.

These developments, however, can only be regarded as of a transient nature; they do not constitute a fundamental improvement in money market conditions, and when their effects will have passed it is more than probable that the previous stringency will be renewed. The Banks have to be more cautious than ever now; practically no money can be had for speculation; little known or new companies will find themselves in an increasingly difficult position through lack of floating capital, and the time will come when a discrimination in the matter of financial accommodation will have to be observed even against sound and deserving concerns.

Foreign Exchanges.

The week passed quietly in the Foreign Exchange market and the movements were for the most part without any special significance. The most noteworthy was a further weakness in Eastern currencies, which carried the quotations to the lowest levels since the beginning of the depression in this group. The Shanghai tael was no better than 4*s*. 4½*d*. to-day, as against 4*s*. 8*d*. a week ago, and on Wednesday its value was still lower at 4*s*. 4*d*. Similarly the rupee fell steadily from 1*s*. 6⅝*d*. on Friday last to 1*s*. 6*d*. to-day, Calcutta transfers being even lower at 1*s*. 5¾*d*. The Hongkong dollar fell more sharply than any of the foregoing, for to-day's quotation, at 3*s*. 4*d*., shows a fall of fully 3*d*. on the week. From this description of Eastern rates Japan must, of course, be excepted. The value of the yen in sterling has been rising instead of falling of late, though it fell slightly during the past fortnight. To-day's quotation, 2*s*. 10½*d*., shows a slight movement in our favour on the week. This rate now fluctuates in close sympathy with the dollar-sterling rate, as both New York and Japan still maintain the gold standard. It is not so well known that the discount of the £ sterling as compared with the pre-War parity is greater in Japan than in the United States. The rate on the latter moved in our favour during the week from 3.49⅜ to 3.50¼. An unfavourable development was a rise in South American rates; Buenos Ayres transfers moved up to 53½*d*., and Montevideo transfers to 53*d*. Francs and lire and Central European currencies show little change, with the exception of a pronounced weakening of the Polish mark. The Scandinavian group moved slightly against us. Other neutrals went in our favour.

Income and Expenditure.

Despite the inclusion of special miscellaneous receipts amounting to over £3 million, revenue for the week ending on November 27 was, at £15,705,000, more than £6,462,000 below that for the previous week. Expenditure, on the other hand, rose by £1,491,000 to £16,326,922, so that instead of the previous week's surplus revenue of £7,342,000 there was a deficit of £621,000 during the week under review. Exchequer funds, however, were increased by net receipts from Treasury bills amounting to £6,204,000, so that there was a margin available for repaying Ways and Means Advances. The total of these outstanding was reduced by £5¼ million, but, as foreshadowed by last week's Bank of England return, the outstanding advances by the Bank were reduced by a considerably greater amount—£16½ million. This was effected by borrowing £11¼ million from Public Departments. Advances by the Bank stood at £34 million on Saturday last, and advances by Public Departments at £197,114,000. The total amount of the floating debt was £1,327,708,000, showing an increase of £965,000 on the week.

A comparison of the national finances during October and November shows that the position improved considerably last month. Between September 30 and October 30, £54,165,000 net had to be disbursed in respect of Treasury bill maturities. As revenue was insufficient to provide for this repayment, £98,250,000 had to be borrowed on Ways and Means Advances, so that the total floating debt was increased by £44,085,000 during October. During the four weeks to November 27, unlike the previous period, Treasury bill receipts exceeded maturities by £11,965,000, while Ways and Means Advances were reduced by £10,250,000, the net movement in the floating debt being an increase of £1,715,000. The changes in the portion of the floating debt owed to the Bank were also more satisfactory during November. On September 30 there were no advances by the Bank outstanding, and between that date and October 30 £56,250,000 was borrowed. Of this, £22,250,000 net was repaid during the following four weeks, last week's repayment, noted above, being £11,250,000.

Currency Notes.

The Currency Notes Return for the week to Wednesday last shows the customary end-of-the-month expansion in fresh issues of notes accompanied by a falling-off in the returns from circulation. The former amounted to £8,311,464—the highest since the

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week ending October 6—the latest available figures—£1,851,663. The total outstanding increased by this amount to £348,232,033, and the fiduciary issue correspondingly to £300,082,033, the reserve ratio declining to 13.5 per cent. Adding the increase in the bank-note circulation, the total notes issued increased by £4,413,000, and the combined total outstanding on Wednesday last was £478,714,000, as compared with £428,412,000 on December 3, 1919, and a maximum of £50,000,000. The highest ever recorded was on August 4 last, when the outstanding circulation was £486,566,000, or £7,852,000 more than on Wednesday last.

Bank of England.

The Bank of England return discloses a decline in the Reserve accompanied by an increase in liabilities and a consequent fall in the reserve ratio. The fall in the Reserve was due to the withdrawal of £2,548,000 in the form of gold bullion. The effect of this movement was mitigated by a further addition of £879,000 to the note and bullion fiduciary, so that the actual fall in the Reserve was £1,640,000. A reflex of the Government disbursements at the beginning of the month is provided in the increase of £37,371,000 in "other" deposits, as well as in the increase of £41,495,000 in Government securities. Public deposits fell £2,652,000 to £21,651,000. That the market's borrowing during last week was on a small scale is shown by an addition of only £1,246,000 to the holding of "other" securities.

It is interesting to note that the present levels for many of the items constitute a record. The amount of the gold holdings, for instance—£124,991,000—has never previously been surpassed, and the same is true of the note circulation which stands at £130,482,000. The fall in the Reserve makes the present amount, £12,958,000, the lowest since that of August 5, 1914, and the proportion of the Reserve to liabilities at 7.9 per cent. is the lowest ever recorded. It compares with 11.8 per cent. last week and 13.2 per cent. a year ago; the previous lowest was 8.5 per cent. at the end of last June. The amount of Government securities held on Wednesday last is the highest since July 9 of last year.

Bullion.

The moderate amount offering in the Gold market during the week was again taken for the United States. To-day's price is 117*s.* 6*d.* per ounce fine, as compared with 117*s.* 7*d.* on last Friday.

Movements were unusually violent in the Silver market. In addition to the customary supplies from the Continent there were also some offerings from the United States, while both China and India were selling intermittently. On Saturday last there was a rise of 3*d.* in the spot price, but thereafter, under the influences noted above, there was a severe decline during the first of the month. The fall during the two days Monday and Tuesday was no less than 2¼*d.* per standard ounce. Tuesday's price, 43⅞*d.*, was the lowest for over two and a-half years. On Wednesday a reaction to 44¼*d.* occurred, but the quotation fell on the following day. To-day there was another reaction to 44⅜*d.* On Monday the spot and forward quotations were identical, but on Tuesday, and again yesterday and to-day, forward silver was at premium of ¼*d.*

An interesting light on the course of silver quotations is provided by the movements of the Shanghai tael during recent weeks. At the beginning of November the rate ruled at 5*s.* 3*d.*; on November 4 it rose to 5*s.* 4*d.*, at which level it became stabilised until the 12th; from that date onwards its value fell with uninterrupted rapidity, and on December 1 the quotation was 4*s.* 1¼*d.*, a decline of 17½ per cent. during November. The cash price of silver fell by 15.6 per cent. during the same period, showing that, despite the recent growth in importance of speculation, as a factor affecting the Silver market, China is still the predominant influence. "It is now difficult to dis-

[illegible] indebtedness between China and other countries it is [illegible] China's trade position. Until this recovers no substantial improvement can be looked for in the Silver market.

NEW YORK.

The movements recorded in the New York City Clearing Banks' statement for last week are in conflict with those shown in the Federal Reserve Banks' return. The former shows a continued contraction in loans but a disimprovement in the reserve position, while a slight expansion in the credit granted, accompanied by an increase in the reserve ratio, is recorded in the latter.

The weakening in the reserve position of the New York banks is in contrast with the previous week's [illegible]. During the week ended on Saturday last the aggregate reserve fell by $4.3 million to $548,620,000. As net demand deposits increased slightly the excess reserve was reduced by a greater amount—from $19,490,000 to $15,060,000. At the end of the week the aggregate reserve was $4,090,000 below legal requirements. Loans, discounts, and investments were further reduced by $32,540,000 to $5,218¾ million, the lowest for ten weeks. The remarkable reduction of $100,530,000 to $169,290,000 in net time deposits is also a feature of the statement.

The rediscounts of the Federal Reserve Banks were increased during the week to November 26 by $62,060,000. Still the total bill holdings, though very great as compared with the corresponding date of previous years, are yet $143,470,000 below the high "record" of November 5. During the week under review the gold reserves rose by over $15.8 million to $2,023,920,000, and the total reserves increased to $2,195,280,000, the highest for over twelve months. This movement was sufficient to induce a rise in the reserve ratio from 44.1 per cent. to 44.4 per cent., the highest since July 26, despite a substantial increase in both deposit and note liabilities. Deposits [illegible] lation of Federal Reserve notes expanded by $18,[illegible]

Little change is reported in the general financial [illegible] columns that the period of greatest strain in the credit [illegible] week's ease, rose again this week, when the ru[illegible]

Stock Exchange.

FAILURES and rumours of failures on both sides of the Atlantic have helped to intensify the pessimism ruling generally throughout the Stock markets. Few items of strength have been in evidence on the lists during the week, and among the newly-issued prior-charge securities the amounts left with the underwriters have been unusually large. The distribution of War Loan interest and the redemption of Exchequer bonds, of which only 20 per cent. approximately were converted into Treasury bonds, did not give the fillip to quotations that was expected in some quarters, and the Prime Minister's speech to the Federation of British Industries contributed little to the creation of an optimistic outlook.

The Gilt-edge section opened with a downward tendency, but the heavy disbursements of Government dividends later brought support to the market, and quotations, particularly for the short-dated National War Bonds, improved during the rest of the week. Victory Bonds showed better on balance, while Consols were easy and Funding Loan slightly lower. Alterations in County and Corporation and Colonial stocks were few and uninteresting.

Foreign bonds, though attracting only a modicum of business, made quite a favourable showing as compared with the previous week. Chinese and Japanese descriptions drooped at the outset, but quotations eventually hardened, and in many cases closed at higher levels. Argentine, Brazilian, and Mexican bonds developed no activity. Greek Monopoly suffered from the increased uncertainty of Hellenic affairs, but a re-[illegible] prices to opening figures. Peruvian Corporation shares were in some demand on Monday and Tuesday as a result of optimistic dividend estimates, but the announcement later of heavy allocations to reserves with a consequent diminution in dividends, caused prices to ease away again.

Prices in Home Rails, after a quiet opening, pursued no definite trend. The statement of Mr. J. H. Thomas of the pending demands of the railwaymen to obtain a share in the management did not affect quotations in any way. After a few minor declines a hardening tendency was in evidence in many quarters, particularly in London and North Western, London and South Western, Great Western, Great Northern Deferred, and Midland Deferred.

In common with the other sections, Foreign Rails registered a [illegible] but presented a more optimistic front towards the close. Business in Brazilian and Argentine issues was restricted, but on the whole seemed to favour sellers. United of the Havana failed to receive any strength from the satisfactory statements presented at the meeting.

The Industrial section, except for a few bright spots, continued stagnant, movements, however, being limited to narrow margins. Iron and Steel shares were a heavy market and all changes were downward. Vickers, whose report is due next week, and Pease and Partners, proved exceptions, but the appreciations were only fractional. Textiles developed a better tone towards the finish, and several minor improvements were recorded. Motor and Shipping securities continued featureless. Gas shares, however, attracted attention with the increased demand for Imperial Continental. Among new issues Niger Notes were dealt in at about six discount, and Sheffield Steel Preference came on the market at 19*s.* 6*d.*

Forced liquidation caused an all-round slump in the Oil market on Monday, but influential support resulted in a sharp recovery by mid-week. Towards the close, however, the absence of public buying an easy tendency again was in evidence. Royal Dutch was a feature of consistent strength, and finished several points higher. Shells were also better on balance but closed weak. Mexican Eagles after an early slump recovered gradually to opening levels.

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GOLDEN GUINEA

THE FINEST SPARKLING MUSCATEL

Mining Topics.

In the Mining market the week as a whole has been dull and uninteresting. Up to Wednesday liquidation on Paris and Colonial account prevented any recovery in the Kaffir Circus. Reactions which were fractional were largely confined to Finance issues and to De Beers, which fell from 14 to 13¼. In the latter half of the week the tone became harder, and Rand Mines were firm at 2⅜, Gold Fields at 1⅛, and De Beers at 13⅜. Rumours of favourable developments on the Union en Cuale property gave rise to much activity in Esperanzas on Tuesday. Despite a colourless [illegible] the shares improved [illegible] to 1⅛, closing on Thursday at 1¼. The report from Lonely Reef for the quarter ended September 30 is again favourable. Ore reserves have risen from 198,341 tons at June 30 to 217,912 tons, the average value of 21.39 dwt. being only 0.815 dwt. below that of the previous quarter. This reduction in the grade of the ore is attributed to the fact that none of the levels passed through the richest zone in the ore shoot. The total profit for the quarter amounted to £33,917.

GLOBE AND PHŒNIX.

From the point of view of actual working results, the report of this Rhodesian gold-mining company for the year ended December 31, 1919, has been of a rather [illegible] nature. The improvement in the labour position is reflected in the increase in the quantity of ore treated to 67,308 tons, despite the attention paid to development work. Estimating the output on the basis of the par value of gold so as not to vitiate comparison with the results of previous years, the gold yield per ton works out at 110*s.* 7*d.*, as against 104*s.* 11*d.* in the previous year. This working of higher-grade ore counteracted the expansion in working costs from 42*s.* 5*d.* to 47*s.* 9*d.* per ton. Including costs of development, the total cost per ton worked out at 52*s.* 8*d.*, or 3*s.* 9*d.* more than in 1918. Yet the working profit increased from 56*s.* per ton to 57*s.* 11*d.* per ton, and in amount from £185,827 to £195,033. In common with the other African gold mines, this mine benefited from the existence of the premium on gold after July. Although in the accounts credit is only taken for £4,472, the amount actually received in this respect is stated to be £61,894, which would raise the gold yield per ton to 128*s.* 11*d.* and the working profit to £256,927, or 76*s.* 3*d.* per ton. How these operating results compare with those of previous years can be seen from the following table:—

	Ore Milled	Gold Obtained		Working Costs Mining, &c.	Working Costs Develop-ment Allow-ance	Working Costs Total	Working Profit	
Years	Tons	£	Per Ton	Per Ton	Per Ton	Per Ton	£	Per Ton
1914 ...	73,559	465,181*a*	126/5	38/6	5/6	44/0	303,200	82/5
1915 ...	74,251	405,725*a*	109/4	40/9	5/6	46/3	234,230	63/1
1916 ...	77,461	432,601*b*	111/8	41/2	5/6	46/8	251,724	65/0
1917 ...	75,465	407,292*c*	107/11	38/4	6/6	44/10	237,916	63/1
1918 ...	66,383	348,250*d*	104/11	42/5	6/6	48/11	185,827	56/0
1919 ...	67,308	372,277*	110/7	47/0	4/11	52/8	195,033*	57/11*

Exclusive of [illegible] premium amounting to £61,894, equivalent to 18*s.* 4*d.* per ton milled.

(*a*) Exclusive of gold placed to reserve.
(*b*) Including £17,175 taken from gold reserve, reducing same to £9,000.
(*c*) Including £3,951 taken from gold reserve, reducing same to £5,079.
(*d*) Including £5,79 taken from gold reserve.

	Years ended Dec. 31				
	1919	1918	1917	1916	1915
	£	£	£	£	£
Gold output	356,719	346,151	402,371	415,155	312,733
Gold reserve... ...	—	+ 3,679	+ 3,951	+ 17,175	— 6,248
	356,719	349,830	406,322	432,330	306,485
Sundry revenue	7,850	8,117	80,070	9,312	1,810
Total revenue	364,569	356,567	487,392	441,642	308,295
Total working costs* ...	159,162	144,296	187,428	196,147	182,514
Profit	205,407	212,271	299,964	245,495	125,781
Taken from reserve ...	—	—	34,400	—	—
Total	205,407	212,271	334,364	245,495	125,781
Deduct:					
Income tax	50,818	52,167	90,424	71,607	25,388
Gold realisation and bank charges ...	† 2,355	6,422	7,944	5,000	—
Amounts written off ...	1,652	13,697	185,670	9,602	9,281
Litigation costs	—	5,160	8,783	59,451	18,570
Litigation reserve ...	—	—	—	—	72,000
	54,815	77,446	292,821	145,660	125,239
Balance available	150,592	134,825	41,543	99,835	542
Dividends paid	18,000	20,000	40,000	60,000	80,000
	(20%)	(10%)	(20%)	(30%)	(40%)
Surplus profit or deficit ...	132,592	114,825	1,543 †	39,835	79,458 †
Brought forward	4,742	10,676	4,567	6,062	11,239
Carried forward	97,394	4,742	10,677	4,767	8,062
Surplus liquid assets(b) ...	99,134	82,761	9,677	52,011	13,651
Capital issued	200,000	200,000	200,000	200,000	200,000

* Including London office and sundry charges. † *Import.*
‡ Including £4,142 of sundry creditors.
(*a*) Excess of current liabilities over liquid assets.
(*b*) Excluding shares. (*c*) In the books £70,150 London cost reversed.

The total revenue only amounts to £384,575, as compared with £356,367, owing to the fact, just mentioned, that the £57,452 in connection with the gold premium was not received until after the accounts were prepared. Yet the balance available for dividends was £132,652, as compared with £114,066 in 1918. In view of the financial stringency of the period, and realising the necessity of having ample funds to pursue essential development work, the directors decided to distribute in dividend only £40,000, equivalent to a rate of twenty per cent., as against £120,000 or sixty per cent. in 1918. They were thus able to carry forward the substantial balance of £97,394, in comparison with the £4,742 brought forward from 1918.

Started under many difficulties during the year, the development work was, on the whole, disappointing. In most cases no payable values were disclosed. In the light of this fact the reduction of the ore reserves, as embodied in the following table, was not surprising:

Ore Reserves at December 31.

	1919	1918	1917	1916	1915	1914
Tons ...	108,182	159,916	184,053	173,981	189,200	194,400
Value per ton	136*s.* 5*d.*	125*s.* 8*d.*	121*s.* 7*d.*	124*s.* 1*d.*	125*s.* 6*d.*	126*s.* 4*d.*

However, one consolation emerges in the increase in the value per ton, based on the par value of gold only, to 136*s.* 5*d.* Still, the necessity for continuing this work of prospecting and development was emphasised, and it is gratifying to learn that satisfactory results are being reported in the current year. On June 30 ore reserves were returned at 101,116 tons, with the value practically unchanged. According to a cable on October 1, over 51 feet average value was met over a width of 8 inches for 75 feet in No. 14 level [illegible] leader; whilst a month later it was announced that in view of this development a cross-cut had been made at No. 15 level, exposing ore averaging as high as 115 dwt. over the stoping width.

With the premium on gold in operation for the whole of 1920, and standing at a favourable level, especially since July, the outlook for the current year has been very encouraging. Owing to the higher level of working costs for wages have risen—and to [illegible] elsewhere—the working profit for the ten months to date, based on the value of the output at 84*s.* per oz. of gold, will, it is true, fall somewhat short of that of 1919. But when the addition in respect of the premium on gold is taken into consideration the position assumes a much brighter aspect. For the September quarter alone the premium amounted to £31,800. Hence the declaration already of [illegible] interim dividends at a total of [illegible] per cent. is not astonishing. Financially, the position of the Company, as set out in the balance sheet at the end of 1919, was exceptionally strong. Current liabilities did not exceed £67,982, whereas liquid assets [illegible] and bullion accounted for £125,276. Quoted in the [illegible] and [illegible] thirty per cent.

BISICHI TIN.

Capital: £200,000, in Shares of £1.

1916	175	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917	298	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	275	219	9	11	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Ever since 1916 the position of this Nigerian tin-mining Company has been dominated by the labour [illegible] labour, the output of black tin was returned at 473 tons. The recruiting of the best men for military [illegible] in 1917, [illegible] quality of labour available, with the result that the output dropped to 278 tons. The outbreak of the epidemic of influenza in 1918 so demoralised the natives that they abandoned work in large numbers and returned to their villages. Consequently the output was reduced to 275 tons. The report for the year ended December 31, 1919, records the extremely low output of 199½ tons. Again, the unsatisfactory supply of labour is the determining factor. The growing prosperity of agriculture enabled it to offer more remunerative inducements to the native; whilst the nature of the work, in comparison with that in the mining industry, was much more attractive. At times the native force became so depleted that the Company were working with only ten per cent. of the labour it could employ profitably. Under such conditions it is surprising that the Company was able to secure even an output of 199½ tons, since there is nothing [illegible] supply of labour. It was unfortunate in more than one respect that this shortage should have occurred in 1919. In the first instance prices of stores and materials reached high levels, and the effect on the cost of production was aggravated by the decline in the quantity of output. Thus the total cost jumped [illegible] In the second place, it is to be regretted that production was curtailed at a period when tin was commanding very favourable prices. The average price realised by the sale of the output amounted to £242 16*s.* 6*d.* per ton, as compared with £219 9*s.* 11*d.* per ton in the previous year. On the other hand, it appears that, had a greater supply of ore been forthcoming, difficulty would have been experienced in marketing it. There was such an accumulation of imported goods at Lagos that the railways became congested. Consequently outward shipments were restricted at a period when high prices for tin were ruling. Thus, being unable to market their output in the most propitious season, the Company incurred a negative loss; their average price was less than it would have been otherwise. However, the increase in the sale price was so favourable that, notwithstanding the rise in working costs and the reduction in output, the net profit only fell from £26,569 to £22,409. Accordingly, after [illegible] absorbing £20,000, was declared. Allowing for the adverse factors at work, this compares favourably with the 1918 [illegible]

[illegible]

is inevitable. In well-informed circles the best remedy for the former evil lies only in the co-operation of the companies interested; whilst the provision of adequate rolling stock, which alone can solve the transport crux, is entirely a matter for Government action. The prices ruling for tin essentially during the last six months seem to necessitate somewhat lower dividends than those of 1919. With the ruling below £210 a ton, a company producing ore assaying seventy-two per cent. could not count on a price exceeding £152, and with costs above £150 a ton the margin of profit, even on an output of 190 tons, is almost reduced to vanishing-point. However, as regards sale prices, this figure of £152 is probably unduly low. Incidentally it is interesting to note that the total working cost of less than £152 serves to show that the statement of Mr Thomas at the recent Rayfield meeting, to the effect that the working cost to-day for tin on the basis of an assay of seventy per cent. would average £200 a ton, does not apply to Nigerian concerns. If, however, the current prospects are none too bright, the more distant outlook is more encouraging. The price of tin cannot remain permanently at £210 unless working costs are reduced correspondingly. Engineers estimate that ground ready to be worked on the Bisichi property contains 2,500 tons of ore. Prospecting work during 1919 was severely handicapped by the shortage of labour. Preliminary examination had yielded satisfactory results on areas held jointly with Forum and with the Northern Nigerian Trust. Consequently it is now proposed that Bisichi should absorb Forum River Company, Ninghi (Nigeria) Company, and the Northern Nigerian Trust, Limited, in order to carry out on more economic lines the prospecting and development not merely of the areas held in common, but also of their separate properties. With this end in view a meeting of each Company is to be held on December 6. The terms of the amalgamation involve an increase in the authorised capital of Bisichi from £200,000 in shares of £1 to £500,000 in shares of 10s., by the creation of 600,000 Ordinary shares of 10s. each. Shareholders in the Forum and Ninghi Companies are to receive two fully-paid shares of 10s. each in Bisichi for every share of £1 already held in the parent Company, whilst the exchange with Northern Nigerian Trust is on the basis of share for share. The result will be to increase the total issued capital of Bisichi to £372,039, leaving a balance of 255,922 shares available for issue should further capital be required. Yet this total of £372,039 is over £28,000 lower than the total of the existing capitals of the separate Companies. It is obvious that such an amalgamation will facilitate the provision of the heavy capital expenditure which the working of the new areas will involve. Furthermore, certain economies in administration charges should readily be effected, and a reduction in working costs becomes correspondingly easier. Again, the larger unit will be able to handle more successfully the difficult problem of labour supply. When the combined properties are in full working order Bisichi will undoubtedly rank amongst the foremost tin producers. Financially the Company is in a strong position. Including the dividend of £20,000, current liabilities did not exceed £37,845 on December 31, 1919, whereas the liquid assets available amounted to £72,504. On the basis of a dividend of five per cent., the £1 shares afford at the present quotation of 7s. 6d. a return of 13⅓ per cent.

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FRED. C. SALTER, European Traffic Manager

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, December 1, 1920.

Issue Department.

Notes Issued	£141,617,535	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	123,167,535
	£141,617,535		£141,617,535

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£93,893,073
Rest	3,308,967	Other Securities	75,352,824
Public Deposits	21,851,393	Notes	11,135,385
Other Deposits	142,695,454	Gold and Silver Coin	1,823,758
Seven-day and other Bills	9,124		
	£182,207,838		£182,207,838

Comparison with Previous Four Weeks [00,000's omitted.]

Date	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
1920.	£	£	£	£	£	£	£	%	%	%
Dec. 1	130.4	124.9	21.6	142.6	93.8	75.3	13.9	7·3	7	8½
Nov. 24	127.9	124.1	17.9	105.3	52.4	74.1	14.5	11.8	7	8½
Nov. 17	127.5	123.7	19.5	116.2	63.7	75.1	14.5	10.8	7	6½
Nov. 10	127.8	123.4	19.8	112.4	62.7	73.2	14.1	11.9	7	6½
Nov. 3	128.4	123.1	18.1	115.1	63.9	73.8	13.0	9·9	7	6½
1922.'14	29.3	40.2	13.7	42.2	11.0	33.8	29.3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 6%; Aug. 9, 5%. July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1919, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Dec. 1, 1920	Dec. 3, 1919	Dec. 4, 1918	Dec. 4, 1917	Nov. 30, 1910
Circulation	£130.4	£88.1	£67.0	£43.7	£24.4
Public Deposits	21.6	20.8	25.5	36.5	11.4
Other Deposits	142.6	146.5	154.2	135.6	33.7
Government Securities	93.8	84.3	73.5	65.9	14.8
Other Securities	75.3	78.8	97.6	91.8	28.5
Reserve	13.9	22.1	27.4	34.1	25.7
Ratio to Liabilities	7·9%	13·2%	15·17%	13·71%	50·1%
Coin and Bullion	124·9	91.9	76.0	57.5	33.6
Money:					
Bank of England Rate	7%	6%	5%	5%	4½%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅝%	5⅝%	3½-⅝%	4½-⅝%	3½%
Exchanges:					
Paris Cheque	57·57	40·15	25·93	27·21	25·28
New York 60 days	3.46	3·84	4·73	4·72	4.82·40
Bombay Telegraphic Transfers	1/5⅛	1/2⅛	1/5⅛	1/4⅜	1/4⅜
Prices:					
Consols 2½% Cash	43¼	51	60·xd	55⅛xd	79¼d
French Rentes 3% Money	56·40	59·80	62·90	54·50	97·90
Silver, London spot per oz.	44⅛d.	74d.	48⅞d.	43d.	95d.
Wheat, *Gazette* average per qr.	90/0	72/7	72/3	70/2	29/11
Cotton, Mid Upland per lb.	12·75d	27·13d.	19·71d.	22·16d.	8·03d.
Iron, Scotch pig per ton	231/0	168/0	101/0	101/0	55/10d

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Dec. 1, '20	8,511,464	6,656,901	348,233,033	23,500,000	18,750,000	13·5
Nov. 24, '20	6,405,928	7,507,493	346,377,370	28,500,000	18,750,000	13·6
Dec. 3, '19	7,859,842	5,729,899	340,277,510	29,500,000	—	8·3
Dec. 4, '18	7,797,120	3,959,483	300,179,085	28,500,000	—	9·5
Dec. 5, '17	6,771,761	3,351,852	197,454,727	28,500,000	—	14·4
Dec. 6, '16	5,783,199	3,777,289	158,688,127	28,500,000	—	20·5

Balance Sheet, December 1, 1920.

Notes outstanding—	£	Advances—	£
One Pound	273,034,831	Other Bankers ...	—
Ten Shilling	47,447,212	Trustee Savings Banks	—
Certificates outstanding ...	33,750,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	318,232,033	Bank of England Notes...	18,750,000
Notes called in but not yet cancelled	2,872,277	Government Securities ...	321,113,980
Investments Reserve A/c ...	17,455,457	Balance at Bank of England	195,807
Total	368,559,767	Total	368,559,767

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Nov. 27	£16,705	£16,327	£622	£98,754	£98,578	£3,350
Nov. 21	22,167	14,835	7,332‡	84,412	94,674	3,798
Nov. 13	16,434	11,782	4,652‡	93,682	98,851	2,727
241dys. '20-21	768,272	697,985	101,284‡	3,658,289	3,768,945	— 6,009
243days '19-20	604,680	960,981	356,301‡	4,236,830	3,880,110	— 9,531
Fr. '20-21*	1,418,300	1,184,102	234,198‡	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,768,507	8,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	5,616,023	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Nov. 27	£5,679	£695	£3,053	£5,473	£1,933	£350	£14,044
Nov. 20	15,668	786	2,488	3,815	3,320	778	10,750
Nov. 13	4,358	1,251	5,154	5,970	1,637	175	9,970
241days'20-21	217,994	145,791	139,402	296,285	214,875	14,125	482,184
243days'19-20	177,341	128,123	180,199	118,217	216,190	8,318	735,682
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,099	290,045	407,404	332,034	16,171	1,317,589
Yr. '18-19	162,220	291,188	285,028	150,587	269,964	11,380	2,297,968
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,988

FLOATING DEBT.	(000's omitted.)	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Nov.	27, 1920 ...	£1,095,891	£231,114	£1,327,709	£13,705
Nov.	20, 1920 ...	1,090,572	236,364	1,326,743	13,100
Nov.	13, 1920 ...	1,039,004	244,714	1,284,768	12,489
Nov.	6, 1920 ...	1,088,981	244,614	1,333,595	11,941
June	30, 1919 ...	796,100	774,237†	1,570,337†	—

* Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS ‡

[In £'s Sterling—000's omitted.

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6. '14 ...	£19,977	£833	£11,810	£41,925	£51,800	£3,333
Nov. 19. '20 ...	10,660	1,107	11,687	24,134	231,081	53,733
Nov. 25. '20 ...	10,660	1,112	11,872	25,238	233,931	54,237

	Claim on Anglo-Hung. Bank	Contingent Liabr. on Bank Notes	Total Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *						
Oct. 23. '20...	£398,775	£87,104	£81,976	£83,340	£431,193	£55,353
Oct. 23. '20...	398,706	86,893	70,648	94,412	455,024	54,331
Nov. 7. '20...	398,713	88,476	73,687	102,421	456,483	64,189

	Cash— Gold	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
DENMARK.							
July 31. '14 ...	£4,100	£341	£4,441	£6,197	£786	£9,893	£47
Sept. 30. '20 ...	12,844	145	12,789	14,703	1,829	30,031	2,871
Oct. 30. '20 ...	12,644	139	12,783	15,353	1,080	32,114	2,984
Oct. 31. '18 ...	10,634	182	10,816	8,954	2,013	28,745	3,686
Nov. 31. '18 ...	10,465	136	10,801	3,650	3,587	23,681	679

	Gold— In Bank	Abroad	Total Cash	Incl'e Silver	Bills	Circulation	Deposits— Public	Private
FRANCE.								
July 30. '14 ...	—£165,654—		£190,667	£97,768	£267,327	£15,302	£37,903	
Nov. 25. '20 ...	141,733	77,935	230,282	131,181	1,552,313	11,433	145,593	
Dec. 2. '20 ...	141,870	77,935	229,173	138,294	1,542,932	4,420	157,276	
Dec. 4. '19 ...	143,958	79,131	234,399	52,017	1,510,754	2,015	119,215	
Dec. 5. '18 ...	137,221	81,484	231,503	39,917	1,149,313	10,318	102,481	

	Cash— Gold	Silver	Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23. '14...	£87,843	£18,727	£94,570	£5,279	£40,055	£91,515	£17,199
Nov. 15. '20...	54,579	346	54,925	1,040,739	2,528,640	3,301,731	314,893
Nov. 23. '20...	54,579	356	54,935	997,742	2,491,343	3,179,815	655,351
Nov. 23. '18...	54,539	1,042	55,580	476,569	1,608,364	1,581,952	463,975
Nov. 23. '18...	115,416	1,015	116,443	188,414	1,047,876	894,271	510,813

	Cash— Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1. '14 ...	£13,498	£249	£13,746	£13,422	£10,332	£35,839	£1,437
Nov. 22. '20 ...	53,012	1,881	54,873	18,257	23,013	88,733	7,882
Nov. 29. '20 ...	53,012	1,681	54,693	18,943	23,177	91,027	7,323
Nov. 29. '19 ...	52,680	527	53,207	16,218	23,133	87,593	6,786
Nov. 30. '18 ...	57,783	686	58,483	19,440	12,030	90,319	6,164

	Cash— Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31. '14 ...	—	—	—£48,456—		£25,017	£89,204	£3,837
Sept. 20. '20 ...	£32,192	£3,018	35,210	11,479	201,561	577,828	70,461
Sept. 30. '20 ...	32,192	3,016	35,210	12,495	214,474	593,535	79,292
Sept. 30. '19 ...	32,201	2,999	35,200	20,640	75,397	441,425	71,755
Sept. 30. '18 ...	32,722	3,072	35,795	5,845	59,283	312,182	54,983

	Gold	Discounts	Advances	Notes	Deposits— Public	Private
JAPAN.						
Aug. 1. '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Oct. 16. '20 ...	106,596	10,236	14,115	106,875	98,954	11,453
Oct. 23. '20 ...	107,329	9,962	14,431	108,101	96,730	11,813
Sept. 25. '19 ...	80,046	10,804	31,069	110,930	113,251	3,773
Sept. 28. '18 ...	88,228	2,111	38,365	83,995	93,632	3,727

	Cash On Hand	Aggregate Reserve	Loans, Discts., &c. Invest., &c.	Net Deposits— Demand	Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1 '14 ...	—	£89,888	£411,238	—	—	£387,185	£1,720
Nov. 20, '20 ...	£19,494†	110,578	1,050,258	£804,363	£53,353	839,162	3,331
Nov. 27, '20 ...	19,850†	108,724	1,043,769	804,628	33,853	849,535	3,012
Nov. 28, '19 ...	20,100†	119,610	1,038,068	831,572	53,353	914,643	9,932
Nov. 30, '18 ...	21,528†	113,442	932,018	753,600	33,370	842,491	13,678

	Gold	Balance Abroad	Norw. & For. Govt. Secs.	Disc'nts Loans	Circulation	Deposits
NORWAY.						
July 31. '14 ...	£2,980	£1,879	£493	£4,838	£3,752	£791
Nov. 15. '20 ...	8,116	2,492	678	23,963	25,573	4,772
Nov. 22. '20 ...	8,116	2,632	678	22,868	24,935	4,279
Nov. 22. '19 ...	8,151	4,119	674	17,913	23,332	3,081

	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
PORTUGAL.						
June 2, '20 ...	£1,908	£3,921	£5,827	£20,406	£30,438	£10,635
June 9, '20 ...	1,908	3,921	5,827	22,587	31,855	8,858
June 11, '19 ...	1,905	3,935	5,840	8,198	25,038	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	18,378	2,183

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
Aug. 7, '20 ...	£68,709	£19,985	£3,936	£23,921	£200,644
Aug. 14, '20 ...	68,408	20,319	3,850	24,249	201,953
Aug. 21, '20 ...	74,009	20,688	4,336	25,024	217,995
Aug. 23, '18 ...	44,472	9,152	2,293	11,443	133,332

	Gold— In Bank	Abroad	Total Cash	Incl'e Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.								
July 21, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911	
Oct. 28, '17...	129,523	230,865	378,205	1,889,559	1,836,217	16,783	345,550	

	Cash— Gold	Silver	Total	Loans, &c.	Spanish 4%	Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,904	£29,187	£50,991	£10,572	£13,778	£77,557	£18,955
Nov. 20, '20 ...	98,185	23,188	121,351	94,219	13,773	189,387	41,105
Nov. 27, '20 ...	98,193	23,552	121,745	91,792	13,773	185,292	42,708
Nov. 29, '19 ...	86,781	25,367	122,148	89,004	13,778	153,241	34,931
Nov. 30, '18 ...	89,130	25,855	114,985	6,761	13,777	123,352	43,535

	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Nov. 20, '20 ...	15,683	5,710	2,433	19,115	43,525	7,331
Nov. 27, '20 ...	15,682	8,501	1,901	23,471	51,731	10,078
Nov. 29, '19 ...	18,864	7,054	2,788	23,394	40,133	8,183
Nov. 30, '18 ...	16,742	7,647	6,872	9,422	45,555	7,351

	Cash— Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23 '14 ...	£7,202	£758	£7,980	£4,817	£10,718	£2,023
Nov. 15 '20 ...	21,836	4,316	25,454	13,397	34,803	4,375
Nov. 23. '20 ...	21,637	4,480	26,117	14,913	37,115	5,676
Nov. 22 '19 ...	19,128	2,393	21,521	19,724	37,121	6,531
Nov. 23 '18 ...	15,171	2,235	17,405	23,431	37,709	6,441

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Reserve Deposits	Bills Discounted	Total Bills Discounted	Bills Bought	Total Bills Purchased	Total Earning Assets	Circulation	Gross Deposits	Reserve Ratio
Nov. 13.'20 ...	£301,622		£436,040	£241,674	£255,015	£1,432,...	...	£618,561	48·8
Nov. 20.'20 ...	404,784		439,056	547,086	49,540	3,182	342,728	685,126	
Dec. 1.'19 ...	166,951		266,562	431,934	442,847	99,120	19,632	377,987	509,476
Nov. 29.'18 ...	154,112		254,543	124,074	333,041	70,964	47,432	343,656	515,736

II.—CURRENT BANK RATES OF DISCOUNT.

	Rate.	Date.		Rate.	Date.
Amsterdam ...	4½	Nov. 1.15	Lisbon ...	5½	Dec. 15.14
Berlin ...	5	Dec. 23.14	Madrid ...	6	Nov. 4.20
Berne ...	5	Aug. 21.19	Paris ...	6	Aug. 8.20
Bombay ...	5	July 29.20	Petrograd ...	6	July 29.14
Brussels ...	5½	Apr. 28.20	Rome ...	6	May 12.20
Calcutta ...	6	June 5.19	Stockholm ...	7½	Sept. 16.20
Christiania ...	7	June 25.20	Vienna ...	8·03	Nov. 19.20
Copenhagen ...	7	Apr. 16.20	Warsaw ...	6	Aug. 12.1

III.—FOREIGN EXCHANGES.

LONDON ON—	Dec 3.'20	Nov. 26.'20	Nov. 19.'20	Nov. 12.'20
Berlin ... Cable	244	245m.	262m.	269m.
Brussels ... do.	54f. 35c.	54f. 50c.	54f. 32c.	54f. 57c.
Denmark ... do.	25kr. 25	25kr. 75	25kr. 75	25kr. 75
Holland ... do.	11f. 4c.	11f. 4c.	11f. 3c.	11f. 1c.
Italy ... do.	95c. 62	94c. 75	92c. 00	97c. 87½
Lisbon and Oporto do.	7d.	7d.	8d.	8d.
New York ... do.	$3 49	$3 49	$3 43	$3 36
— ... 3 days	$3 50	$3 49½	$3 47½	$3 38½
Norway ... Cable	25kr. 25	25kr. 25	25kr. 93	25kr. 72
Paris ... 3 mos.	58c. 50c.	58c. 50c.	58c. 15c.	59c. 00c.
— ... Cable	57c. 56c.	57c. 25c.	57c. 70c.	57c. 45c.
Spain (Bank rate) ... 3 mos.	44f.	44f.	44f.	42f.
— ... Cable	26p. 77	26p. 75	26p. 35	28p. 30
Sweden ... do.	18kr. 02	18kr. 10	18kr. 15	17kr. 98
Switzerland ... 3 days	22fr. 75c.	22fr. 76c.	22fr. 65c.	22fr. 55c.
— ... Cable	22fr. 85c.	22fr. 86c.	22fr. 75c.	22fr. 08c.

ON LONDON—	Dec 3.'20	Nov. 26.'20	Nov. 19.'20	Par.
Alexandria ... Sight	97¼m.	97m.	97m.	97m.
Amsterdam ... Cheques	11f. 4½c.	11f. 4½c.	11f. 3½	12 107½
Athens ... Cable	42fr. 00	41fr. 75	38fr. 50m.	25fr. 22½
Bombay ... Telegrafic	1s. 6d.	1s. 6d.	1s. 6d.	1s.*
Brussels ... Cheques	54f. 42c.	54f. 42c.	54f. 37c.	25f. 22½c.
Buenos Ayres ... Telegrafic	54d.	52d.	51d.	47·58.
Calcutta ... do.	1s. 5 15-16d.	1s. 6d.	1s. 7d.	1s.*
Christiania ... Sight	25kr. 21	25kr. 82	25kr. 91	18·159kr.
Copenhagen ... do.	25kr. 17	25kr. 84	25kr. 75	18·159kr.
Helsingfors ... Cheque	170m.	170m.	161m.	25m. 22½
Hong Kong ... Telegrafic	3s. 4d.	3s. 7d.	3s. 9d.	2s.*
Italy ... Sight	96fr. 42c.	94fr. 25c.	92fr. 00c.	25fr. 22½c.
Lisbon ... do.	7½	7½	7¾	5 3/4
Madras ... do.	1s. 5 13-16d.	1s. 6d.	1s. 7d.	1s.*
Madrid ... do.	26fr. 75	26fr. 75	26fr. 33	25f. 22½
Montevideo ... Telegrafic	54d.	51d.	52d.	51d.
Montreal ... Cable	$3 93	$3 96½	$3 88	$4 86
New York ... Sight	$3 49½	$3 49½	$3 47	—
— ... 60 days	$3 48	$3 48½	$3 45½	—
— ... Cable	$3 49	$3 49½	$3 48	$4 86½
Paris ... Cheques	57fr. 57c.	57fr. 70c.	57fr. 70c.	25f. 22½c.
Rio de Janeiro ... 90 days	11d.	11d.	12d.	16d.
Shanghai ... Telegrafic	5s. 4d.	4s. 8d.	5s. 0d.	—
Singapore ... Sight	2s. 3 3-4d.	2s. 3 3-4d.	2s. 3 5-8d.	—
Stockholm ... do.	18kr. 01	18kr. 10	18kr. 12	18·159kr.
Switzerland ... do.	22fr. 85c.	22fr. 85c.	22fr. 75c.	25f. 22½c.
Valparaiso ... do.	9d.	9d.	9d.	18d.
Yokohama ... Sight	3s. 1d.	3s. 10d.	3s. 11d.	24·58d.

* Fixed at Rs. 10 to the gold sovereign, February 2, 1920.

NEW YORK ON—	Dec 3.'20	Nov. 26.'20	Parities Issuing Quoted	Rate July 3
Amsterdam, sight ...	39 5/8	39 5/8	40 20 ... for 1 rouble	40 25c.
Bombay, cheques ...	27c.	27 50c.	48 65c. for 1 rupee	33 00c.
Buenos Ayres, cheques ...	129 0	132 50		
Christiania, cheques ...	13 60c.	13 50c.	26 80c. for 1 kroner	26 85c.
Copenhagen, cheques ...	13 65c.	13 55c.	26 80c. for 1 kroner	
Greece, cheques ...	8 25c.	8 80c.	19 25c. for 1 drachma	
Hungary, cheques ...	6 00c.	6 50c.	74 54 ... for Mex. $1	46 4c.
Italy, sight ...	26 70c.	27 42c.	5 14 ... for $1	5 17c.
Lima, cheques ...	4 42c.	4 42c.	4 85 55 for 1 libra	
Manila, cheques ...	46 70c.	46 70c.	50 ... for 1 peso	49 8
Montreal ...	12 125 ... Dec. 12	12 5/8 ... Nov. 1	Premium per $100	Par
Paris, sight ...	16 50c.	16 50c.	5 14 ... for $1	5 16c.
Rio de Janeiro, cheques ...	6 35 ...	6 65 ...	3 032 milreis for $1	
Shanghai, cheques ...	80 0	85 00	52 35 ... for 1 tael	83 00
Singapore, cheques ...	42 00c.	42 00c.	56 75c. for $1	57 12c.
Spain, cheques ...	13 05c.	13 10c.	19 30c. for 1 peseta	
Stockholm, cheques ...	19 40c.	19 40c.	26 80 ... for 1 kroner	5 18
Switzerland, cheques ...	6 50c.	6 48c.	5 14 ... for 1 franc	5 18c.
Valparaiso, cheques ...	16 00c.	17 00c.	20 61c. for 1 peso	
Yokohama, cheques ...	50 5/8	50 3/8	49 84c. for 1 yen	49 90c.

* According to Guaranty Trust Company of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week ended	Amount.	Increase (+) or Decrease (−)	1920 Amount.	Increase (+) or Decrease (−)
	1920				
BIRMINGHAM ...	Nov. 27	£9 454	— £921	£172 635	+ £4 632 + 2·8
Bristol ...	" 27	1 481	— 326	84 044	— 14 093 + 20·1
Dublin ...	" 27	7 951	+ 509	114 146	— 62 496 + 17·8
Leeds ...	" 27	1 299	— 467	81 677	— 19 427 + 31·2
Liverpool ...	" 27	748	237	58 616	— 11 [illegible] + 25·3
LIVERPOOL ...	" 27	14 [illegible]	+ 4 309	771 100	— 169 504 + 28·1
MANCHESTER ...	" 27	19 [illegible]	— 5 876	1 378 195	+ 548 771 + 66·3
NEWCASTLE ...	" 27	3 151	— 61	144 820	— 38 980 + 36·8
NOTTINGHAM ...	" 27	631	— 140	52 180	— 17 637 + 51·0
SHEFFIELD ...	" 27	1 041	— 242	78 465	— 24 [illegible] + 44·6
LONDON ...	1920				
Town ...	Dec. 1	6 [illegible]	[illegible]	9 [illegible]	+ 9 348 610 + 44·6
Metropolitan ...	" 1	14 [illegible]	[illegible]	2 [illegible]	[illegible]
Country ...	" 1	8 [illegible]	[illegible]	3 [illegible]	[illegible]
Total ...	Dec. 1	[illegible]	[illegible]	[illegible]	[illegible]

V.—FREIGHTS.—According to Messrs. J. C. Gould, Angier & Co., Ltd.

HOMEWARDS.	1920 Dec.	1920 Nov.	1913	Homewards—	1920 Dec.	1920 Nov.	1913
Alexandria ...				Bombay ...			
Antwerp ...				Calcutta ...			
Baltimore ...				Karachi ...			
Bombay ...				Rangoon ...			
Buenos Ayres ...				Singapore ...			
Calcutta ...				OUTWARDS.			
Galveston ...							
Montreal ...							
New Orleans ...							
Rio de Janeiro ...							

* Per ton.

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	DEC. 3, 1920.	DEC. 5, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	231/0	166/0	57/0
— Middlesbro' warrants ...ton	235/0	160/0	61/0
— Hematite warrants ...ton	260/0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£25 £28	£8 10
— Common bars ...ton	£30—£30 10	£22	£8 16
Steel Rails ...ton	£25	£16 10—£17	£6 2/6
Galvanised Sheets ...ton	£38—£40	£37—£37nom	£16 17/
Cooper—Standard ...ton	£79 15	£101	£66
Tin—English Ingots ...ton	£218—£219	£266 10	£149 15
— Straits ...ton	£291	£295 5	£139 10
Tinplates, I.C. Coke, S. Wales...box	40/6	45/6—46/0	11/10¼—12/0
Lead—Soft Foreign ...ton	£27 5—£28	£40 5	£19
Spelter—Ord. Foreign ...ton	£31 10—£23	£51 15—£52 5	£21 7/9
Quicksilver—(75lb.) ...bottle	£15	£23	£7
Aluminium ...ton	£185 home	£150	£82
Antimony—Regulus Foreign ...ton	£43—£45	£47 10	£27 10
— English ...ton	£62—£65	£50	—
Coal—Best Yorkshire ...ton	27/0—28/0	19/6—20/6	17/6
— Steam (best) Newcastle ...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, refined ...ton	14/0	9/0/	7/4
Soda—Crystals ex wharf ...ton	140/0	129/0 –130/0	42/6—45/0
Copra—Malay and States ...ton	£42	£59 10	£23 15–£24 7/6
Gambier—Good marks ...cwt.	40/0	48/0	11/0
Indigo—Bengal good to fine ...lb	13/0—16/6	10/0 –12/0	3/2—3/8
Linseed Oil—Raw ...ton	£60	£93	£25 5
Linseed—Calcutta, spot ...ton	£26	£50	£13 16/9
— Cakes, U.K. made, ex mill ...ton	—	£24 15—£26	£7 17/6–£8
Olive Oil—Spanish ...ton	—	nom	£49 10
Palm Oil—Lagos ...ton	£9 15	£87	£31 10
Petroleum—American ...gallon	9/3	1/7	7¾d.
Rape Oil—Refined English ...ton	£76	£100	£32
Soya Oil—Refined ...ton	£76	£98	£24 10
Tallow—Imported ...cwt	53/0—79/0	98/6	29/3—33/3
Turpentine—American ...cwt	105/0	127/0	33/7½
Rape Seed—Toria ...ton	£30	£44	£13 5
Rubber—Para, spot ...lb	1/5	2/8½nom	2/9½
— Fine plantation (stnd.crepe) lb	1/4	2/6½	2/2
— World's Production* Aug. tons	24,970	28,790	8,467
Shellac—T.N. Orange, fair ...cwt	610/0	560/0—570/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	19·75d.	27·13d.	7·53d.
— Egyptian, good fair ...lb	18·50d.	47·00d.	8·75d.
— Pernambuco fair ...lb	21·50d.	29·63d.	7·73d.
— Middling Trd. New York ...lb	16·65c.	39·75c.	13·25c.
— Stock, Liverpool (Nov. 26 bales	874,460	589 6	934,800
Flax—Petrograd, Yarapol ...ton	—	£54	£39
Hemp—New Zealand ...ton	£54	£48	£25 10
— Manilla, Fair ...ton	£59	£61	£26 10
Jute—Fine1 Marks ...ton	£43	£68 £75	£26 15
— Red SCO ...ton	£34	£54	£24 15
Silk—Common, New Style ...lb	3/0	34/0	12/0—12/6
Wool—Ft. Philip unwashed av. lb	2/10	5/7	11½d.—1/0
— Lincoln Half Hogs ...lb	1/3	2/3½	10d.
Hides—Eng. Ox, best 70 lb. up lb	9½d	12½d.—13½d.	7½d.
Leather—Dressing Hides ...lb	3/0—3/6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus	93,305,000	139,174,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	209c.	237c.	87c.
—English Gazette, aver. 480lb. qr.	50/0	72/7	34/3
Flour—G.R. ...280lb.	82/0	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr	86/1	107/9	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	48/11	56/0	20/0
Maize—N.Y. (new bushel) ...56lb	98½	166½c.	76½c.
— Amer. mixed, Liverpool ...480lb	56/6	nom.	32/4
— La Plata ...480lb. qr.	55/0	65/0	25/9
Potatoes—Good English ...ton	158 0	218/0	70/0—75/0
Rice—Bassein ...cwt	44/0	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	34/0—38/0	43/0	14/0—17/8
Hay—best ...9.018lb. load	—	—	82/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hindqrs...8lb.	6/8	9/0	3/8—3/10
— Scotch sides ...8lb.	10/6	10/0	4/6—5/0
— English ...8lb.	10/8	10/0	4/2—4/5
Mutton—Scotch wethers ...8lb.	13/4	10/6	5/8—6/0
— English wethers ...8lb.	13/4	10/6	4/3—5/4
— New Zealand frozen ...8lb.	4/0—6/0	7/0	2/4—3/2
Pork—English and Irish ...8lb.	13/4	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	†245/0	†250/0	60/0—74/0
— Danish ...cwt.	†200/0	†187/	58/0—68/0
— Canadian, ex Port ...cwt.	†225/0	†187/0	—
— American ex Port ...cwt.	†185/6—192/0	†187/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	†220/0	†190/0	75/0—79/0
— — short cut, ex Port ...cwt.	†220/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	†158/6	†198/6	51/9—52/9
Butter—Danish ...cwt.	†336/0	†252/0	117/0—120/0
— French ...cwt.	†336/0	†252/0	93/0—104/0
— Australian ...cwt.	†336/0	†252/	98/0—110/0
— New Zealand ...cwt.	†336/0	†252/0	108/0—114/0
Cheese—Canadian ...cwt.	156/0—160/0	†144/8	66/0—68/0
— United States ...cwt.	—	†144/8	—
— Dutch ...cwt.	†168/0—230/0	†144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Oct. 31 ...cwt.	22,336,628	25,967,109	19,777,254
— Home consump.to to Oct. 31 cwt.	19,686,335	25,021,529	17,277,000
— In Bond Oct. 31 ...cwt.	6,987,000	6,490,000	6,308,000
— Price, Java, 96° Pol. ...cwt.	45/0	53/0	10/3
— — Yellow crystals ...cwt.	66/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	160/0	79/0	18/0
Coffee—Imports to Oct. 31 ...cwt.	705,976	986,946	720,360
— Home consump.to to Oct.31cwt.	259,366	267,687	141,410
— Exports to Oct. 31 ...cwt.	384,286	560,483	484,000
— In Bond Oct. 31 ...cwt.	767,000	771,000	484,000
— Price, Costa Rica gd. to fine cwt.	120/0—160/0	156/0—174/0	80/0—93/0
— — Brazil (Santos) Good ...cwt.	72	130/0—132/0	41/6
Tea—Imports to Oct. 31 ...lb.	367,298,923	379,840,604	123,230,277
— Home consump.to Oct. 31 lb.	331,670,319	329,940,443	155,447,972
— Exports to Oct. 31 ...lb.	34,967,427	24,856,615	26,561,765
— In Bond Oct. 31 ...lb.	224,614,000	145,774,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	1/5	1/5½	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/2	1/6	8½d.
— — Common Congou ...lb.	—	—	5½d
Cocoa—In Bond Oct. 31 ...cwt.	1,326,000	1,129,000	309,000
— Grenada, good to fine ...cwt.	60/0—62/0	85/0	52/6—56/0

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Oct.	$24,801,000	+6,504,000	$7,701,000	+$2,303,000
Grand Trunk	*10 mos. to* Oct.	£12,338,000	+297,000	£3,808,000	— 1,043,000
	...10 wks. to Oct.	£1,796,600	+ £330,200	£213,000	— £63,000
	10 mos. Oct.	13,489,400	+1,897,400	843,100	— 613,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Oct. 23	1,044	R1,94,209	— 78,264	3	7,99,976	— 47,044
Barsi Light ...	Oct. 31	118	17.00	— 14,600	30	8 40,400	+ 2 800
Bengal &N.W.	Oct. 23	2,067	3,81,820	+ 32,618	3	13,65,800	+ 2,63,970
Beng. Dooars	Oct. 30	158	34,048	— 4,486	4	1,40,159	+ 1,24,182
Beng. Nagpur	Oct. 23	2,895	12,23,000	+ 1,44,000	24	3,61,80,791	— 11,67,431
Bomb. Baroda	Nov. 20	2,871	20,18,000	+ 1,78,000	7	1,32,14,00	+ 13,38,000
Burma	Oct. 23	1,342	5,88,796	— 64,113	3	17,63,835	+ 2,53,173
Del.Um. Kalk.	Nov. 20	239	1,07,000	+ 5,655	7	8,00,487	+ 94,465
East Indian ...	Nov. 27	2,772	27,76,000	+ 1,02,000	8	2,32,78,000	+ 14,04,000
Gt.Indian Pen	Nov. 20	3,121	25,17,500	+ 2,02,600	7	1,80,34,400	+ 15,72,315
Madras & S.M.	Oct. 30	3,152	10,25,000	— 7,181	4	3,74,00,791	+ 2,51,654
Nizam's Guar.	Oct. 23	900	2,64,049	+ 28,909	3	7,31,395	+ 94,421
Rob. & S.M.	Oct. 23	158	32,815	+ 8,850	3	5,01,002	+ 37,227
South Indian	Oct. 23	1,8524	7,73,741	+ 90,436	29	2,39,54,535	+ 11,11,091
South Punjab	July	716	9,32,457	+ 203,632	4m	35,06,396	+ 7,08,580
COLONIAL							
Can. Northern	Nov. 21	9,704	$1,896,700	+ 498,000	45	56,665,723	+10,332,824
Can. Pacific ...	Nov. 21	13,388	5,230,000	+ 1,119,000	45	188,674,000	+34,111,000
Grand Trunk	Nov. 21	3,616	£364,806	+ 70,252	45	14,633,487	+ 2,134,779
Mashonaland	June	810	91,152	+ 21,421	9m	662,619	+ 178,922
Mid. W. Aust.	Sept.	277	10,784	+ 1,618	9m	28,805	+ 3,430
NewCapeGeat.	Oct. 30	205	2,616	— 403	43	128,761	+ 19,681
Rhodesia Rlys.	Aug.	1,397	137,517	+ 34,637	11m	1,252,518	+ 272,776
Semiconcato	Sept.	—	845,154	+ 12,121	9m	—	—
W. Pass.& Yuk	Dec.	122	1,368,626	+ 124,546	12m	1,368,626	+ 124,546
FOREIGN.							
Argentine.							
Arg. N. East...	Nov. 20	752	£ 10,900	+ 300	21	253,200	+ 3,500
Arg. Transand.	Nov. 27	111	£ 3,174	— 1,958	22	47,744	+ 14,328
B. A. & Pacific	Nov. 27	3,536	£ 103,000	— 50,000	22	2,659,000	+ 476,000
B.A.Gt. South	Nov. 27	3,792	£ 148,000	— 47,000	22	3,090,000	+ 581,000
Do.	Net		£ 14,000	— 68,000	22	326,000	+ 237,000
B. A. Western	Nov. 27	1,882	£ 73,000	— 29,000	22	1,556,000	+ 571,000
Do.	Net		£ 1,000	— 40,000	22	136,000	+ 607,000
B. A. Central	Dec	190	£ 49,718	+ 4,987	4m	213,037	+ 29 682
Cent. Argent.	Nov. 27	3,305	£ 194,000	— 8,000	22	4,318,000	+ 674,000
Cord. Central	Nov. 27	1,205	£ 47,000	— 11,500	22	1,216,200	+ 100,200
Entre Rios ...	Nov. 20	811	£ 19,700	— 7,800	21	447,400	+ 15,200
Brazilian.							
BrazilGt.South	Oct.	110	M 40,000	— 14,750	10m	453,700	+ 45,971
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,071	12m	57,777,000	+ 7,819,243
Sth. W. Brazil	Nov. 27	1,010	£ 22,940	— 3,690	47	1,003,930	+ 116,700
Leopoldina ...	Nov. 27	1,831	£ 38,071	— 22,723	47	2,435,139	+ 429,415
Mogyana ...	Dec.	1,180	M 1,561,000	+ 956,490	12m	22,267,000	+ 3,474,651
Paulista ...	Dec.	766	M 2,850,000	+ 906,038	12m	32,479,000	+ 1,225,882
San Paulo ...	Nov. 28	153½	£ 55,889	— 1,449	47	2,228,333	+ £ 644,047
Sorocabana ...	Dec.	1,003	M 1,749,000	+ 246,163	12m	21,953,000	+ 978,692
S.of BahiaS.W.	Oct.	52	M 150,000	— 6,000	10m	1,020,000	+ 111,000
Chilean and Peruvian.							
Antofagasta ...	Nov. 28	838	$ 44,315	+ 16,860	47	2,171,270	+ 250,215
Arauco ...	June	84½	$ 12,000	+ 500	6m	76,000	+ 10,700
Nitrate(2wks.)	Nov. 15	390	$ 44,079	+ 16,258	42	886,691	+ 460,496
Peruvian Corp.	Net.	1,140	$ 1,187,187	+ 8,030	4m	4,698,635	+ 311,711
Taltal ...	Oct.	180	$ 30,150	+ 10,455	4m	117,046	+ 64,036
Cuban.							
Cuban Central	Nov. 27	362	$ 27,254	+ 9,711	22	462,992	+ 91,688
Cuba Railroad	Sept.	—	$ 1,194,589	+ 93,618	3m	3,438,374	+ 364,541
Havana Cent.	Nov. 20	70	$ 13,126	+ 2,912	21	270,522	+ 60,956
U. of Havana	Nov. 27	681	$ 57,309	+ 483	22	1,180,810	+ 169,276
W. of Havana	Nov. 27	165	$ 10,047	+ 1,815	22	233,949	+ 44,133
Uruguayan.							
Cent. Uruguay	Nov. 27	273	$ 22,537	— 2,704	22	415,449	— 52,367
,, (E. Ext.)	Nov. 27	311	$ 6,448	+ 319	22	107,803	— 5,999
,, (N. Ext.)	Nov. 27	185	$ 2,913	+ 808	22	80,134	+ 19,498
,, (W. Ext.)	Nov. 27	211	$ 3,15 —	+ 2,7 22	22	53,3 2	— 5,675
Mid. Uruguay	Oct.	119	$ 16,598 —	+ 3,235	4m	67,778	+ 8,915
N.W. Uruguay	Oct.	113	$ 6,063 —	+ 720	4m	23,338	+ 2,779
Urug. Northn.	Oct.	73	$ 2,184 —	+ 121	4m	8,107	+ 316
Miscellaneous							
Alcoy& Gaudia	Nov. 20	33	Ps. 15,000 +	2,000	46	610,000	+ 138,400
Bilbao ...	Oct.	15	$ 4,017 +	2,109	10m	33,946	+ 8,511
Bolivar ...	Oct.	136	$ 7,338 —	+ 1,982	10m	100,61 —	+ 12,181
Colomb. Natnl.	Oct.	86	$ 18,580 +	4,120	10m	189,05 —	+ 50,910
Costa Rica ...	Sept.	189	$ 26,378 +	3,845	3m	80,125	+ 15,586
Dorada Ext....	Oct.	70	$ 16,9 0 +	3,700	10 m	167,928	+ 58,028
Egyptian Delta	Nov. 10	559½	$ 19 839 +	1 013	31	314,3 6	+ 115 669
Gt. S. of Spain	Nov. 20	104	Ps. 75,30 +	30,53 2	47	4,105,433	+ 783,612
La Guaira&Ca.	Oct.	22½	$ 12,210 +	1,970	10m	139,360	+ 62,870
Ottoman Ry...	Nov. 6	379	$ 11,775	—	—	—	—
ParaguayCent.	Nov. 20	274	$ 4,620 —	580	21	105,03 —	+ 9,640
Puerto Cabello	Oct.	34	$ 4,50 —	60	10m	54,000	+ 7,375
Salvador ...	Nov. 27	100	$ 3,827 +	21	22	69,893	+ 4,237
Santa Fe Prov.							
French Rys.	Oct.	1,181	$ 162,830 +	7,944	10m	1,631,136	+ 21,777
S'th'n&S'th'go	Oct.	80	$ 7,840 —	1,063	10m	13,473	+ 14,981
Zafra & Huelva	Oct.	112	£ 14,670 +	80	10m	127,439	+ 23,934
TRAMS.							
Anglo-Argent.	Nov. 25	400	$ 82,262 +	12,877	47	3,597,881	+ 819,176
Auckland Jpn.	June 30	27	£ 4,030 —	—	52	292,502	— 2,033
Bombay Elec.	Sept.	38	R. 8,49,033 +	1,15,373	9m	73,27,000	+ 10,66,817
Brazilian Trac.	Oct.	378½	M13 44 000 +	3,462,000	10m	110,107,000	+13,563,000
Brisbane Elec.	Oct.	40½	£ 46,310 +	2,770	10m	433,31 —	+ 69 420
Brit. Columbia	Sept.	334	$ 796,930 +	72,304	3m	2,253,693	+ 259,487
B. A. Lacroze	Dec.	51	£ 57,619 +	7,327	4m	216,332	+ 29,812
Calcutta ...	Nov. 27	35½	R 87,564 +	6,956	48	44,10,335	+ 2,71,365
Cape Electric	Oct.	42½	£ 32,858 +	5,300	4m	120,014	+ 35,92
Carth. & Hors.	Nov.	9	£ 2,719 +	165	14	44,747	+ 15,278
Chatham&Dist.	Nov. 18	15	£ 1,647 +	345	46	31,208	+ 10,288
Havana Elect.	Nov.	86	$ 793,107 —	22,782	8m	7,350,331	+ 1,417,831
Isle of Thanet	Nov. 24	20½	£ 475 —	9	8	5,174	+ 638
Kalgoorlie ...	Aug.	20½	£ 3,114 —	289	8m	23,448	+ 2,811
Lanarkshire ...	Nov. 18	28½	£ 3,987 +	842	46	199,823	+ 24,437
Lima Light ...	Aug.	85	£ 58,551 +	9,833	8m	464,814	+ 80,711
London O.C. ...	Dec. 1	141½	£ 98,908 +	23,893	34	3,411,423	+ 283,735
Madras (2wks.)	Nov. 15	15½	Rs. 48,704 +	4,874	32	10,45 840	+ 1,61,556
Manila Electric	Sept.	55	$ 280,396 +	59,142	9m	2,465,396	+ 683,984
Pernambuco...	Nov. 28	59	£ 5,189 —	2,611	47	315,347	+ 55,853
Provincial ...	Nov. 20	21½	£ 2,950 +	9	8	43 333	+ 242
Rangoon Elec.	Sept.	25	R 7,647 +	845	9m	64,337	+ 12,243
Shanghai Elec.	Oct.	262½	$.1,168,990 +	18,300	10m	1,503,344	+ 218,311
Singapore Elec.	Oct. 16	26½	£ 16,817 —	2,110	34	933,398	+ 285,423
U.of Montevid.	Oct.	90½	£ 44,816 +	5,442	14m	318,133	+ 74,445

Guaranty Trust Company of New York

MAIN OFFICE 140 Broadway New York | LONDON OFFICES 32 Lombard Street, E.C. 50 Pall Mall, S.W. | LIVERPOOL OFFICE 27 Cotton Exchange Buildings.

PARIS BRUSSELS HAVRE CONSTANTINOPLE

Condensed Statement, November 15, 1920

ASSETS

Cash on Hand in Federal Reserve Bank and due from Banks and Bankers	$178,723,425
Loans and Bills Purchased	526,864,768
U.S. Government Bonds and Certificates	32,934,332
Public Securities	24,306,694
Other Securities	33,140,197
Bonds and Mortgages	2,315,250
Foreign Exchange	26,332,239
Credits Granted on Acceptances	60,330,807
Real Estate	8,486,918
Accrued Interest Receivable and Accounts Receivable	10,635,006
	$904,069,636

LIABILITIES

Capital	$25,000,000
Surplus Funds	25,000,000
Undivided Profits	11,114,842
Accrued Dividends	625,000
Notes and Bills Rediscounted with Federal Reserve Bank	89,580,000
Notes Secured by Liberty Bonds Rediscounted with Federal Reserve Bank	18,861,446
Acceptances Rediscounted with Federal Reserve Bank	7,481,849
Due Federal Reserve Bank against U.S. Government Obligations	2,000,000
Outstanding Treasurer's Cheques	21,995,667
Foreign Accounts	13,243,755
Acceptances—New York Office	48,494,334
Foreign Offices	11,836,475
Accrued Interest Payable and Reserve for Taxes, Expenses, etc.	14,048,177
Deposits	614,788,091
	$904,069,636

SPECIAL NOTICE.

On Saturday next, December 11th, we shall publish an INTERNATIONAL BANKING NUMBER. This number will contain data concerning the important Foreign Banks. The information given will enable Bankers, Merchants and Investors to mark the progress, not only of the Institutions in which so much British Capital has been invested, and British money placed, but also the economic conditions of the various countries. Orders for extra copies should be placed without delay.

The Statist.

LONDON, SATURDAY, DECEMBER 4, 1920.

THE SUPPLEMENTARY ESTIMATES.

tions in national expenditure were urged. It was stated that direct taxation on production under existing conditions was fundamentally unsound, and, if continued, would endanger the stability of the country's than could be borne without ultimate disaster. The points were made quite briefly, and a little amplification would not be out of place. First of all, we present in the following table a statement of our national

In the year before the War our expenditure amounted to £197¼ million, and income to £198¼ million, leaving a surplus of three-quarters of a million. From 1914 to 1919 there was an annual deficit which reached a maximum of £1,988,986,840 in 1917. A surplus of £234,200,000 was anticipated in the current was over £101,000,000. The national savings cluding expenditure on Government account, the total 600 millions. Owing to the reduced value of the £ sterling the equivalent of a surplus of 600 millions in 1914 would now be much greater. To estimate the equivalent we may assume that the general level of prices is represented by THE STATIST's index-number. Our index-number, which averaged 85 in 1913, was 282.2 in October last. It would, therefore, take before the War. The equivalent of 600 millions is, therefore, £1,633,000,000.

munity has not diminished, the utmost that could be of £1,633,000,000. If taxes, as stated above, absorb 1,200 millions, the margin of our income left to provide for capital depreciation in all industries, the foundinnumerable functions necessary to the economic vitality of the nation, will be £493,000,000. But the and its modern equivalent should not be less than 11,288 millions. This calculation shows that trade and industry, owing to the ruinous taxation, are being denied their legitimate and accustomed supplies of capital.

we may find the pre-War equivalent of the present gives the equivalent as 174 millions, co

CAPITAL ISSUES IN NOVEMBER.

THE marked revival in capital issues which was witnessed in the last few months has still continued. The total for November reached £40,743,439, as compared with £30,481,397 in October and £26,095,859 in September. The demand for money on Government account has shown a decline from last month, but the demand on private account, including issues by local authorities, increased substantially. Despite the formidable total of practically 40¾ millions for November, we are still below the high level reached in January last, when capital subscriptions to the extent of over 50 millions were invited. A number of new issues, which were held over from October owing to the coal strike, made their appearance last month, thereby helping to swell the total. As can be seen from the table given at the end of the paper, the proportion of this sum intended for foreign countries is small, amounting to only £1,440,113, though in excess of the figures for the previous two months. The amount of British capital now being invested abroad is much less than at any period before the War. The demand for capital for home purposes is almost insatiable, and besides, the Treasury is exercising an effective control over the destinations of money subscribed in these islands. The control is in some ways beneficent, as our commercial and industrial undertakings, being denied their normal supplies of capital during the War, have now much leeway to make up. The capital wastage involved by the War was enormous, and the shortage of capital goods at the present time, more than two years after the cessation of hostilities, is very pronounced. The signs of trade depression and the declining tendency of commodity prices have so far had no effect in checking the flood of capital issues. A part, no doubt, of the heavy emissions now being made is due to the restriction of banking credit and the difficulty, or undesirability, of disposing of existing stocks in a falling market.

In calculating the extent of Government borrowings we have omitted Treasury Bills and Ways and Means Advances, as they are temporary in character. Only War Savings Certificates and Treasury Bonds are taken into account, and while the former declined from £2,900,000 in October to £2,630,000 in November, the latter rose from £800,000 to £1,931,000. The larger total for Government borrowings in October was due to the Local Loans issue of £7,500,000. There was an emission of £4,000,000 by the New South Wales Government. The rise in municipal borrowings from £319,000 to £4,673,724 was caused by the Seven Towns Loan of £4,000,000 5½ per Cent. Stock at 95½, made under the joint auspices of Bootle, Bournemouth, Ipswich, Northampton, Rotherham, Stoke and Wolverhampton. A further amount is made up of small sums raised locally by District Councils.

In the commercial and industrial section issues, though registering a decline on the previous month, continued heavy. The principal items making up the total of £12,331,193 were: Jute Industries, £2,500,000 in Nine per Cent. Cumulative Participating Preference; Lever Brothers, 4,500,000 5s. Twenty per Cent. Cumulative Preferred Ordinary at 10s. 9d., equal to £2,418,750; and Niger Company, £2,500,000 in Eight per Cent. Seven-year Notes at 98. In this department alone there were in all four large note issues during the month, and as the subject of notes is of great interest at the moment, we show herewith particulars as to the chief recent emissions of this kind which have obtained a quotation:—

	Month of Issue, 1920	Notes	Nominal Amt. Issue £	Price of Issue	Present Price	Yield on Present Price £ s. d.
U.S.A.	Jan. 6%	12-Yr.	25,000,000	90	96	6 6 6
Lever Bros. & Mar.	June 7½	5-Yr.	3,000,000	100	102	6 12 6
South Australia	June 6%	12-Yr.	3,000,000	100	84	7 10 0
Hudson Bay & Pacific Corp. Prov. Co.	July 8	6-Yr. Conv.	6,000,000	96	98	8 3 0
Bournemouth & Poole Electric Supply	July 7½	7-Yr.	150,000	100	98	7 13 0
Lever Bros. & Unilever Works	July 7	6½ Yr.	2,000,000	100	95	7 7 0
Niger Co.	July 8	7-Yr.	1,500,000	95	95	8 8 0
Johnson, Matthey	July 8	7-Yr.	250,000	100	102½	7 16 0
Vickers	Oct. 10	5-Yr.	2,000,000	100	95	15 15 0
Amalgamated Textiles	Oct. 8	7-Yr.	4,000,000	92½	88	10 0 0
R. & J. Dick	Oct. 8½	7-Yr.	250,000	97	98	8 13 0
Explosives Trades	Oct. 8½	7-Yr.	2,000,000	99½	97	8 15 0
Courtaulds	Oct. 8%	7-Yr. (Prior Charge)	3,000,000	95	95	8 8 0
Lever Bros.	Nov. 8%	7-Yr.	1,000,000	95½	12 13/16 pm	10 0 0
Lever Bros.	Nov. 8%	7-Yr.	3,000,000	95½	1 pm	10 0 0
Niger Co. Ltd.	Nov. 8%	5-Yr.	2,500,000	98	1 pm	9 0 0
Bryant & May Ltd.	Nov. 6½	7-Yr.	1,000,000	98	1 pm	6 19 0

We include details as to date, amount, price of issue, present quotation, and amount payable on redemption. In some cases the full sum has not been paid up, and the quotations rule accordingly. In but three instances, those of Bryant and May, Johnson, Matthey and Company, and R. and J. Dick, are the notes quoted at a premium. Several are quoted at par, and the remainder at discounts reaching as high as twenty per cent. The variations in the market value are sometimes a little difficult to account for. Investors who take up notes would be well-advised to see that they are legally secured on definite assets, or that regular annual provision is made for sinking funds to provide against redemption. In the case of issues of debenture stock there is security, or a sinking fund has been made. The prevailing type of note is one for seven years at eight per cent. issued at about 98. The hope apparently is that at the end of seven years money will be obtained on more favourable terms, and, therefore, the repayment of these notes will be easily effected. It is possible that the [illegible] will be realised, and in many cases large sections of the outstanding debt of a company are undesirable. The paying-off of these considerable amounts immediately on the date of maturity may prove more difficult than is now anticipated.

Amongst Gas, Electric and Water descriptions the [illegible] £2,500,000 of Five and a Half per Cent. [illegible] Metropolitan Water Board, and the [illegible] for the big increase to £2,812,000 shown by this section in November, as compared with [illegible] £750,000 for October. The next section in our table, that relating to Iron, Steel and Engineering, also showed a remarkable rise, from £932,027 to £8,887,562. The chief emissions were: Ebbw Vale, £3,000,000 Eight per Cent. Seven-year Notes at 98½; the English Electric Company, £1,250,000 Eight per Cent. Six-year Secured Notes at 98; Bolckow Vaughan, £1,000,000 Eight per Cent. Debenture stock at par. The last-named issue was privately placed and over-subscribed, but of the others which, with the exception of Sheffield Steel Products, were all underwritten, percentages varying generally from twenty to fifty-eight of the sum offered to the public were left with the underwriters.

	United Kingdom			Rest of Empire			Foreign Countries			Totals		
	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.	Sept.	Oct.	Nov.
Government	4,295,000	11,500,000	1,631,000	-	-	-	-	-	-	4,295,000	11,500,000	1,631,000
Municipal	6,300,000	313,000	4,673,724	-	-	-	-	-	-	6,300,000	313,000	4,673,724
Banks and Insurance	—	—	—	-	-	800,000	—	-	-	800,000	—	—
Commercial & Industrial	9,717,253	13,817,331	12,331,190	595,000	300,000	-	-	-	—	10,312,253	14,117,331	12,331,190
Financial Land & Investment Trusts	-	-	50,600	111,250	—	60,000	—	208,270	—	111,250	208,270	110,600
Gas, Electric & Water	80,000	155,500	183,500	—	—	—	-	—	329,000	83,000	155,500	2,812,000
Iron, Steel & Eng.	-	932,027	8,887,562	—	-	-	—	—	—	—	932,027	8,887,562
Mines	-	-	178,750	3,300,000	3,340,000	120,000	-	-	56,200	3,390,000	3,340,000	354,950
Oil	-	—	-	-	-	250,000	200,000	50,000	1,054,913	200,000	50,000	1,304,913
Rubber and Tea	-	-	-	100,356	58,500	284,500	265,000	10,769	—	604,356	69,269	284,500
Railways	-	-	-	-	-	-	1,500,000	—	—	—	—	1,500,000
Total	20,106,253	26,423,858	33,138,826	5,586,106	3,698,500	6,104,500	403,000	269,039	1,440,113	26,095,859	30,481,397	40,743,439

THE EXPENDITURE OF LOCAL AUTHORITIES.

The grievances entertained by all branches of industry against the heavy weight of national taxation have naturally contributed to keep that question largely before the public mind and to engender, to some extent, a neglect of the related problem of taxation for local purposes. This neglect has been further fostered by the fact that not until the current financial year in particular did the course of local expenditure show a sharp upward inclination. Between 1914 and 1919 the upward movement was but gradual, as will be seen from the following table, which shows for that period the total amounts received by local authorities from public rates and Government grants respectively and, in the last column, the total expenditure met not only out of rates and grants, but out of rents, fees, tolls and all other income, including the gross income of trading undertakings:—

Year ended March 31st	Total Receipts by Local Authorities from Government Grants	Total Receipts by Local Authorities from Rates, Grants, &c., in other Services, except Loans	Total Expenditure by Local Authorities, not met from Rates, Government Grants, &c., except Loans	Total Expenditure Met out of Rates and Government Grants	Total Expenditure
	Rates*	Grants	£	£	£
1914 ...	71,576,158	22,519,799	148,259,788	48 07	15 19
1915 ...	73,733,826	23,417,351	153,274,184	48 19	15 27
1916 ...	75,859,831	23,176,296	153,964,988	49 28	15 05
1917 ...	72,885,306	22,926,155	156,119,443	46 08	11 08
1918 ...	75,577,400	26,440,000	170 [illegible]	44 34	15 54
1919 ...	84,000,000	28,000,000	191 [illegible]	43 47	14 88

* Including poor rates, general district rates, equal to Local Taxation and railway rates, and also water rates for public health purposes, but not property and other rates levied on assessments.

† Including certain amounts in the form of rent, charges, interest and profits, for which no information is available as to their exact amount, but which are considered to be relatively small.

Comparing 1914 and 1919, it will be seen that rates have increased by nineteen per cent., Government grants by twenty-eight per cent., and total expenditure by thirty-one per cent. Various causes combined during the above-mentioned years to present a rapid advance in the receipts obtained from rates. The normal activity of local authorities was considerably restricted during the War owing to the absence on naval and military duties of a large number of their employees, and as a result a large amount of work was allowed to fall into arrear. Expenditure was, in addition, reduced on account of the restrictions imposed on the lighting of roads and streets. A reluctance was also noted on the part of many authorities to keep the salaries and wages scale in tune with the increased cost of living. Furthermore, enlarged opportunities of employment secured a reduction in the number of the destitute poor receiving relief, and the cost of the service of the local debt was temporarily almost unaffected by the increase in the cost of living. Had these influences failed to make their presence felt rates economy would, of course, have been impracticable in view of the largely decreased purchasing power of money. Their intrusion, therefore, invests a comparison of the increase in the rates during the War period and the increase in the cost of living with some interest. It will be borne in mind that a large part of the expenditure borne on the rate estimates of local authorities embraces payments, in the form of wages or salaries, to employees who are vitally affected by the higher scale of the cost of living. The following table strikingly illustrates the inequality of the rate of increase in the two items mentioned:—

Year ended March 31st	Increase 1914-15 in Amount of Local Rates per Head of Population.	Increase July 1914 in the Cost of Living.
1914	£	%
1915	£	%
1918	£	%
1919	1[illegible]	111

On the resumption of normal activities after the Armistice it was but natural to expect that the expenditure of local authorities would bear towards a higher level. Work in arrear had to be taken in hand and heavy outlays had to be provided for in connection with housing and education. Moreover, since the upward movement in total assessable value was comparatively [illegible] £211,[illegible] in 1914 to £[illegible] in 1919 and £[illegible] in 1920, [illegible] here be observed that since assessable value has been [illegible] of house building and the imposition of restrictions on rents, the significance of rate increases per pound may, perhaps, be over-estimated. What the actual expenditure for the whole of England and Wales has been during the financial year ended March 31, 1920, it is at present impossible to say, but the Ministry of Health, from particulars supplied by typical localities, is enabled to give some indication of the course of rates in a year to which greatest interest necessarily attaches —namely, 1921. These localities, represented by six Metropolitan boroughs and twelve county boroughs, record, after averaging their returns, that the rates per pound of assessable value have practically doubled since 1913-14, the increase being from 8*s.* 3*d.* in that year to 16*s.* 9*d.* in 1920-21. Assuming that the percentage of increase, viz. 103, revealed by these figures is general throughout the country, the position in respect of England and Wales as a whole up to 1921 may be shown as follows:—

Year ended March 31	Average Assessable Value of Rateable Property	Rate Per Head of Estimated Population	Increase since 1914	Increase since 1919
	£	£ s. d.	%	%
1914 ...	[illegible]	1 18 11	–	
1915 ..	[illegible]	1 19 11		
1919 ..	[illegible]	3 5 [illegible]	1[illegible]	[illegible]
1921	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

According to these figures, the estimated rates per pound of assessable value in 1921 are nearly double those of 1919. Due account must, needless to say, be taken of the relatively small growth in assessable values when appraising this advance. The percentage increase in rates per head of estimated population since 1914-15, however, works out at 103, as compared with an increase since July 1914 of 151 per cent. in the cost of living. On the supposition that subsequent returns will not greatly disturb the accuracy of these estimates there is certainly ground for some degree of satisfaction. There is also the consideration that the growth in assessable value which accompanies the building of addition houses will help to distribute the rates burden more equably. On November 1 the number of houses built under the Housing Acts by local authorities and public utility societies in England and Wales was 9,171, and the number built by private persons under the subsidy scheme authorised by the Housing (Additional Powers) Act was 3,106. The number of houses now under construction by the former is 46,471. Up to the date mentioned upwards of thirteen million pounds had been raised by means of Housing Bonds. The outlook for the future is, however, affected by the consideration that the full incidence upon the rates of the service of the debt incurred for housing and other purposes can scarcely be appreciated in full before the period covered by the financial year ending March 31, 1922. The burden, if such it proves to be, may possibly be offset by a general decline of local expenditure, proceeding from lower costs of materials and reduction of salaries and wages of *personnel*, but the realisation of this possibility is more than doubtful. Nevertheless, the present forms the most opportune time for the keenest scrutiny by trading bodies and industrial organisations of every kind of all proposals [illegible] enhanced outlay of money. Their criticism in this regard should certainly [illegible] directed at the Government, and should, moreover, be helpful in [illegible] extravagance which, if widely followed, would bring [illegible] trade.

AMERICAN RAILROAD EARNINGS.

JANUARY-SEPTEMBER.

THE comparative buoyancy of railroad stocks in the New York market has been a heartening feature in the midst of the prevalent depression, and dealers as well as the outside public seem to be impressed by the earning possibilities of the better-managed lines under the increased charging powers granted by the Transportation Act and sanctioned by the Interstate Commerce Commission. The future of security values is naturally bound up with the course of money rates, and as far as can be judged the most acute period of monetary stringency has passed. Already rates have become easier, but this does not imply that a period of plenitude lies ahead. New applications for capital continue to flood the market from manifold sources, and this item of demand will continue to have a hardening effect on rates. The passing of the seasonal crop movements has naturally coincided with a lessening of demand for money from rural areas, especially as the crops are in many cases being held in the hope of an improvement in grain and other produce markets.

An undue optimism should not be entertained in regard either to railway prospects or to the strength of the buying demand for railway stocks in America consequent on the somewhat easier money conditions. Some of the market activity is undoubtedly due to professional manipulation, and not to outside buying. Sporadic liquidation is much in evidence as sentiment changes, particularly in Southern Pacific and other stocks, where periodical "bear" raids force weak holders to unload. The selling of stocks in order to secure funds for business financing is not uncommon, and we are at present going through a somewhat similar experience here. Moreover, the fall in commodity prices has led to a deflationary movement in many sections, but industrials, including steel and automobile shares, have so far been the principal sufferers. There is a high premium on the dollar in nearly every country in the world, and as this premium is steadily growing larger, exports tend to be discouraged, and manufacturers become more largely dependent on the home market. A consequent reduction in long-haul traffic to the ports is sure to follow, but it may be offset by increased earnings. The following table, which relates to twenty-four of the chief railroads, shows the working results for the nine months ended September last, as compared with the corresponding period in 1919:—

Railroad	January 1 to September 30, 1920— Revenue	Expenses	Surplus or Deficit	January 1 to September 30, 1919— Revenue	Expenses	Surplus or Deficit
	$	$	$	$	$	$
1. New York Central* ...	140,160,049	125,885,113	+16,275,036	383,840,496	306,449,587	+77,390,909
2. Southern Pacific*	199,060,904	175,760,867	+23,300,037	170,069,667	136,572,680	+33,496,987
3. Atchison, Topeka & Santa Fe	181,610,094	156,705,260	+24,904,834	146,091,130	112,734,305	+33,359,825
4. Baltimore & Ohio ...	162,573,871	164,152,772	1,578,901	132,609,922	125,432,966	7,176,956
5. Union Pacific*	150,688,741	113,369,879	+37,318,862	129,192,968	88,941,025	+40,251,943
6. Chicago, Milwaukee & St. Paul	121,277,139	120,600,380	676,759	101,262,256	102,269,959	+ 7,992,297
7. Chicago & N. Western	119,215,096	112,689,671	+ 6,523,416	102,112,652	85,397,691	+16,114,961
8. Illinois Central ...	101,035,560	98,936,995	+ 5,058,571	78,895,768	71,315,939	+ 7,579,829
9. Chicago, Rock Island & Pacific	99,120,805	94,615,349	+ 4,805,456	80,105,589	68,722,874	+11,682,515
10. Louisville & Nashville	92,043,833	89,755,511	+ 2,284,322	78,592,992	68,512,471	+10,080,521
11. New York, N.H. & Hartford...	90,701,129	86,888,971	+ 3,811,155	76,728,381	67,553,475	+ 9,174,906
12. Great Northern ...	88,787,115	82,187,324	+ 6,599,791	77,235,005	62,681,103	+14,553,902
13. Missouri Pacific ...	83,044,107	81,767,762	+ 1,176,735	67,183,924	59,962,968	+ 7,220,956
14. Erie	80,104,189	72,351,679	+ 7,752,510	75,788,479	72,111,918	+ 3,686,557
15. St. Louis & San Francisco	70,145,461	62,668,955	+ 7,513,514	58,963,619	45,673,931	+13,289,688
16. Philadelphia & Reading	64,256,209	65,505,221	1,249,109	55,764,511	47,512,786	+ 6,251,525
17. Chesapeake & Ohio ...	60,988,523	59,225,845	+ 6,762,678	53,673,732	42,898,722	+10,775,010
18. Boston & Maine ...	67,[illegible]18	65,133,671	[illegible]424,768	52,451,129	47,318,619	+ 5,132,507
19. Wabash	14,[illegible]791	12,476,737	1,[illegible]945	34,727,292	31,844,149	+ 2,883,053
20. Minneapolis, St. Paul & S. M. ...	53,[illegible]1[illegible]	50,[illegible]148	+ 3,042,754	30,679,835	24,772,278	+ 5,907,557
21. Delaware & Hudson ...	27,[illegible]408	25,[illegible]044	+ 1,536,364	25,643,712	23,140,923	+ 2,502,789
22. New York, Chicago & St. Louis	20,[illegible]7[illegible]	14,[illegible]956	+ 4,582,465	17,707,486	13,472,187	+ 4,235,299
23. Alabama Great Southern ...	8,[illegible]324	6,384,[illegible]4	+ 2,062,193	7,540,959	6,392,103	+ 1,157,856
24. Union R.R. of Penn.	7,[illegible]4[illegible]	7,[illegible]8	125,738	5,[illegible]401	5,[illegible]138	558,663
Grand Total	2,124,178,577	2,978,012,432	+146,165,941	2,050,323,108	1,707,788,160	+342,527,608

* Including extensions and subsidiary lines.

The gain in gross revenue has been considerable, —$373,855,265—but the increase in expenses— $570,226,332—is rather startling. To a material extent this increase has taken place since July, the month when a new wages award was made by the Railway Labour Board. Large increases, estimated to cost between $600,000,000 and $625,000,000 per annum, were granted, and the resultant addition to the companies' wages bill was between $50,000,000 and $52,083,000 per month. Further, owing to the poor condition of the roads when they were handed back to the companies on March 1 last, maintenance outlays have been unsually high, and are likely to continue so for some time until all arrears have been cleared off. For these reasons the surplus of the twenty-four roads included in our table showed a decline of fifty-eight per cent., from $342,537,008 in the first eight months of 1919 to $146,165,941 in the corresponding period of 1920. The experience of other roads has been similar, and many are asking if the rise in operating costs will not more than account for the increase in revenue brought in by the advance in freights, and so permanently reduce the surplus available for stockholders. A dogmatic answer to the question presents difficulty, but it may be pointed out that the advances approved by the Interstate Commerce Commission were not put into force until August 26 last, and apply, therefore, only to one out of the nine months included in the table. Further, they did not affect all the traffic carried in that month, as a large amount of freight for September transmission had previously been accepted by carriers; while, in regard to intra-State traffic, as a number of authorities appealed from the increases, the new scales were in some instances not operative. Gradually everybody will fall into line, and the net revenues should then show a healthy expansion. The additional charges were computed to bring in $1,500,000,000 per annum, sufficient to cover not only existing but probable future items of expense, and unless the calculations of the Commerce Commission are upset by a decrease in traffics or a suspension of working through strikes and other causes, the net figures from the commencement of the New Year ought to register improvement.

Coming to a detailed consideration of the above table, in no less than five cases has a surplus in 1919 been converted into a deficit in 1920. The figures, which relate, of course, to a period of nine months, are as follows for 1919 and 1920 respectively: Baltimore and Ohio, +$7,176,953, −$1,578,901; Erie, +$3,686,557, −$7,929,059; Boston and Maine, +$5,132,507, −$2,124,768; Wabash, +$2,883,053, −$1,202,943; Union Railroad of Pennsylvania, +$338,663, −$125,738. The Erie results are perhaps the most startling, though Baltimore and Ohio and Boston and Maine also show large deficits.

As September was the first month of operation of the new schedules, with the qualifications above referred to, we give at the top of next page a detailed analysis of the returns in that month of six selected companies. The Pennsylvania System includes the

Revenues and Expenses of Certain Railroads in September 1920.

Railway	Railway Operating Revenues	Railway Operating Expenses	Net Revenue from Railway Operations, 1920	Increase or Decrease on 1919	Railway Tax Accruals	Uncollectible Railway Revenues	Railway Operating Income	Net Revenue from Railway Operations, 1919	Railway Tax Accruals	Uncollectible Railway Revenues	Railway Operating Income	Increase or Decrease on 1919
	$	$	$	$	$	$	$	$	$	$	$	1919
Pennsylvania System	75,215,700	65,677,285	7,568,116	712,512	2,273,054	11,245	5,294,871	24,251	2,250,451	2,803,712	1,444,512	7,358
Pennsylvania Rd. Co.	58,821,980	52,290,942	6,530,118	1,241,678	1,661,512	14,126	4,854,480	5,615	1,651,257	1,910,454	1,293,604	882,319
Pittsburgh, Cincinnati, Chicago & St. Louis Rd. Co.	9,550,928	9,035,224	115,704	765,857	351,539		236,265	452,957	350,350	1,500	300,892	1,457
Long Island Rd. Co.	2,807,845	2,185,516	622,329	266,257	105,400	30	516,899	219,479	1,000	1,565	342,856	232,853
West Jersey & Seashore R.R. Co.	1,182,541	1,361,459	121,081	87,963	57,207	85	64,789	20,282	41,052	15,885	6,850	6,149
Grand Rapids & Indiana Railway Co.	981,006	845,270	135,736	41,921	34,750		101,735	48,921	4,718	1,000	51,816	7,170

† Decrease. ‡ Deficit. § Increase over 1919.

lines owned and operated by the Pennsylvania Railroad, controlling 28,032 miles of track. In the case of each Company appearing in the table both operating revenues and expenses have risen as compared with September 1919. The rise in the former has, however, been greater, and the result is an increase in net for the Pennsylvania System, the Pennsylvania Railroad Company, and the Long Island Railroad Company, and a decrease in net for the Pittsburgh, Cincinnati, Chicago and St. Louis, the West Jersey and Seashore, and the Grand Rapids and Indiana Railway Companies. The operating income, which is equivalent to the net revenue minus railway tax accruals and uncollectible revenue, shows an increase in all except two cases. When rents for equipment and joint facility rents are deducted we arrive at net operating income; and under this head increases of $882,319 and $232,853 are shown by the Pennsylvania Railroad and the Long Island Railroad. The deficit of the Pittsburgh line increased, however, during the month to over one million dollars. The varying character of the results shows that, apart from other considerations, efficiency of management will play a large part in determining the financial future of the roads.

BRAZIL.

All human relationships, to be of a permanent nature, must be based upon some solid foundation of mutual advantage and inspired by mutual good will. During the recent War, the United Kingdom and the United States of Brazil were in close political alliance. Brazil did a very great deal to assist Great Britain and her allies in the prosecution of the War upon the European continent. She sent a contingent to the Front; she assisted our Navy in policing the Southern Atlantic; and she particularly distinguished herself in sending to Europe a brilliant corps of aviators. Perhaps her assistance was of greater value in the economic than in the military sphere. Brazil has an exceedingly small population for the enormous extent of her territory. That territory is so richly endowed with agricultural and mineral products that she is able to furnish enormous supplies of food and raw materials, so far as the country has yet been equipped for the growing of crops and with plant for the extracting of her rich mineral deposits. She sent us meat at a time when animal food was badly needed in this country to the extent of 60,000 tons in a single year, having developed that industry from zero at the outbreak of the recent hostilities. Of her mines, by far the most valuable product she was able to send us was manganese ore, which was used extensively in the allied munition factories for the strengthening of what is known as "high-speed" steel, that is, steel having high resisting properties. We have just said that human relationships, to be permanent, should be based upon goodwill and the practicability of rendering services which would be of mutual advantage. We in this country have a very good will towards the Brazilian Republic. And Brazil, on her part, welcomes British capital and British subjects wherever any of these [illegible] Brazil seeks to enter the territories of the Republic. English investors and English traders are particularly acceptable in South America because of our well-established reputation for seeking merely economic advantages in the various enterprises in which we engage. Neither our Government nor our people have—and this is well recognised by the various republics in South America—any ulterior motives other than those of avowed gain. Neither the trader, nor the investor, nor the settler, whether they be railroad men, planters, or cattle-ranchers, go to South America for purely philanthropic motives. No one would expect that they would do so. They go there for the avowed purpose of obtaining solid economic advantages, and having obtained them they are satisfied. This is fully recognised in each of the ten republics. The peoples and the Governments of those republics are fully aware that we seek as handsome a return as we are able to obtain upon our investments, and as high a rate of pay as we can get for any services we are able to render.

We have in the past developed various parts of North and South America, as well as other localities situated in different parts of the world, mainly in search of increased supplies of food and raw materials needed for the feeding of our enormous population here at home, and for the feeding of the manufacturing industries upon which a large proportion of our population—indeed, the major portion of our population—are either directly or indirectly engaged. Something like eighty per cent. of our total population in Great Britain are engaged in occupations other than those of the production of primary articles of necessity, as, for example, the raising of foodstuffs or the extracting of mineral products from the mines. Large classes of our population who are not commonly associated in the public mind with manufacturing enterprise are, in fact, assisting in trade and manufactures in various forms. Now, a stockbroker is an agent, and, in the strict sense of the term, neither a manufacturer nor a trader. But a large part of his business consists in assisting the various great industries upon which the existence of this country depends. We select the instance of a stockbroker because he appears to the observer who pays little attention to economic matters absolutely divorced from any kind of trade or manufactures in the common acceptation of those terms. Nevertheless, in order to earn a living he is continuously engaged in endeavouring to raise money for various kinds of enterprises in the sale and distribution of the shares in which he deals. Even our newspapers are engaged to a very large extent in the furtherance of trade and industry. A financial corporation, for example, may purchase a concession authorising it to build a railway, say, from the great coffee plantations in Sao Paulo to the port of Santos. Even the greatest of financial corporations will only have a small part of the resources available necessary for the building of a great railway, and it must be content with a large proportion of [illegible]

community who are not themselves in a position to build a railway, either from a coffee plantation or anything else. Even if the corporation had available, say, the ten or twenty millions necessary for building the railway, it would, if it locked it up in the railway, bring its own business to a complete standstill. Its business is to acquire concessions and authority for building railways, bridges, docks, harbours, and so on, and to sell these to the investing public while it makes provision for opening up some other district. Consequently, it will be seen that an abnormal proportion of our population, although neither traders nor manufacturers in the strict acceptance of the term, act as auxiliaries in assisting the trading and manufacturing interests of the country. A doctor who subscribes a thousand pounds, say, to the Royal Mail Steamship Company for an issue made by the company for the purpose of buying a new ship to trade between Southampton and South America, assists to that extent in the development of the mercantile marine of Great Britain, and specifically in the development of trade between England and South America. The doctor himself probably obtains the means whereby he is able to save the thousand pounds from attending patients who are more or less engaged in various kinds of trade and industry in the country.

England, therefore, requires in ever-increasing amounts supplies of food and raw materials, which will enable her to develop her trade and her industries and prevent the vast and growing population of this country, which cannot feed itself from the raw products raised here, from dying of starvation. Now, Brazil is especially well situated from a variety of causes to supply us with exactly what we need in ever-increasing amounts for at least the life of the next two generations. She enjoys, as we have pointed out upon various occasions, an exceptionally fine climate. Like the whole of South America, her territory is capable of producing a great variety of products owing to the different levels of altitude at which that territory is situated. The trough of the centre and western plains is low-lying and is capable of producing tropical products. The plateaus of the east and the mountain ranges, owing to their great elevation, are equally capable of producing various commodities which we commonly associate with the temperate zone. It has been said that Brazil is not a sheep country, and in a sense that is true up to the present. But there is no reason why immense flocks of sheep should not be bred upon the elevated lands so common throughout the various areas of Brazil. As a cattle country Brazil is, of course, peculiarly well situated to supply immense herds for feeding the congested areas of Europe. Brazil, from very early colonial times, has been a great cattle country. She remains a great cattle country, and all she really requires is the importation of cattle of approved breeds to improve the native varieties which now roam her extensive plains in such large numbers. We have said, we think, enough, as space is pressing, to show that, so far as Brazil is herself concerned, she is capable of fulfilling our demands in the supply of food and raw materials for which during the past three or four generations we have been continuously engaged in developing various new countries throughout the world.

Now comes the question, What can we send to Brazil in exchange? As said above, relations such as we contemplate between this country and Brazil, to be permanent, must be based on solid economic advantages to both countries. We think we have shown conclusively in the various articles we have written on the subject that Brazil is pre-eminently capable of supplying us with those articles which are needed for the feeding of our industries and which we are not able to produce ourselves. It so happens that in our turn we are just as favourably situated for providing Brazil with the very articles she needs as she is well situated for providing foodstuffs for the sustenance of our people, and for the feeding of their industries. Just as Brazil can provide us with those articles which we cannot produce in our own borders, we can provide Brazil with those articles which she has neither the adequate population, the plant, the trade industry, and the accumulated resources which would enable her to provide herself upon any reasonable economic basis. Amongst her many advantages, Brazil has, if not the most extensive iron-ore deposits to be found in any country of the world, at any rate iron-ore deposits which are admitted on competent authority to be very rich, and which extend over an enormous area of the country. Now, to develop those iron-ore deposits with any prospect of success Brazil requires cheap power. It happens that one of the greatest needs of the present time is cheap power, not merely in Brazil, but in every industrial country and in every country which aspires to be industrial at the present time. As the reader is aware, the Ministry of Transport has propounded a scheme whereby the rise and fall of the tides in the River Severn are to be utilised for the production of power for the working of certain industries in that district of England. It is estimated that something like four million tons of coal will be saved every year provided the scheme proves practicable. It may be said that to save four million tons is not a large amount in the production of something like 250 million tons of coal each year. It is more to the point to show that owing to the variations of the tides there will be very serious difficulties, both engineering and economic, in working the scheme at a profit.

We would not, however, desire to do anything in the nature of throwing cold water on the proposal. The adoption of hydro-electric plant to water-power has been carried so far that there seems no reasonable doubt that the skill of our engineers will ultimately solve even such a formidable project as that proposed in harnessing the tides of the River Severn by means of hydro-electric plant. It is probable that the scheme will take longer to develop, and will require a greater expenditure of capital than is at present thought likely. It is not improbable that before it is [illegible] study on the part of engineers and others will be required. Nevertheless, it is all to the good that our engineers are seeing the potentialities of such a scheme and are endeavouring to tackle it. The Manchester Ship Canal certainly did not appear a very promising proposition when it was first propounded. Nevertheless, the Canal has been constructed, and is, in fact, working. In adapting hydro-electric plant to industry in Brazil we are on very much surer ground. Already there are great engineering works in the Republic using its rich water-power. The water-power obtained from waterfalls is constant; and, therefore, does not raise the formidable difficulties which have to be surmounted if the English scheme is to be made successful. So [illegible] are rich in waterfalls. The rainfall throughout the greater part of the Republic can be continuously relied upon; and, consequently, the adaptation to industry of water-power by means of hydro-electric plant is a feasible proposition in Brazil to an extent which is not the case in most other countries of the world.

THE CRISIS IN JAPAN.

The Commercial Counsellor to his Majesty's Embassy in Tokio has recently paid visits to Kobe and Osaka, where the depression has been even more acute than in the North. From interviews with leading business men *à propos* of present conditions, he elicited the general opinion that matters will grow worse before the end of the year, and that there is no hope of improvement before spring. Any improvement which may then be forthcoming will be dependent on conditions in America. In spite of the pessimistic views held by many competent judges, the British representative believes that the country as a whole is financially sound. But it is necessary to appreciate as an

important factor in the situation the mercurial temperament of the Japanese people, which rushes from sunk to-day to unascertained depths of pessimism and soar to-morrow to unjustifiable heights of optimism. The latest trade figures for the period up to the end of August show a total of Y.1,857,000,000 imports and Y.1,467,000,000 exports. The returns for trade with the United Kingdom for a similar period stand at about Y.150,000,000 imports and Y.75,000,000 exports. Notwithstanding the heavy adverse balance, the yen to-day is worth nearly 3*s.*, instead of 2*s.* 0½*d.*, the par rate of exchange. This fact, coupled with the large and steady imports of gold, which exceed Y.120,000,000 since the commencement of the year, prove that Japan's finances are on a sound basis. The continued high rate of exchange is due partly to the manner in which Japanese exchange follows the cross-rate between England and America, and partly to the fact that, whereas in normal times bankers finance exports by imports, importers being at present unable to meet their bills at maturity, have to get them renewed, and bankers must find cash for the export business.

The most striking example of the unbridled speculation which took place in Japan at the time of the boom is to be found in the case of raw cotton and cotton yarn. With the necessary changes, the remarks regarding this business may be applied to any other important line. Prior to the War, Japan's imports of raw cotton, which come mostly from India and America, amounted to an average of 1,667,300 bales of 400 lb. yearly. In 1914 the imports were 1,969,000 bales, while up to the end of August the figure will be nearly 2,900,000 bales. Even allowing for war-time conditions and the expansion of the cotton-spinning industry, it will be seen that there has been a very heavy importation in excess of requirements, so much so that it is said that to-day there are 1,300,000 bales held by the cotton mills and the cotton merchants.

A large part of this cotton was bought at extremely high prices, on which there must be a loss of about fifty per cent. The mills were justified in making their purchases at these high prices, because they were selling their yarn to the yarn brokers at figures which showed an excellent return, but now that prices have dropped so heavily the yarn brokers protest that it is impossible for them to take delivery of their contracts, and accordingly the mills are saddled with their losses on raw cotton, as well as with their losses on yarn. How severe the fall has been can be judged by the fact that in April the quotation for 20's yarn was Y.641 for April and Y.582 for September delivery, while to-day it is Y.269.

One may wonder that the cotton mills do not combine to force the yarn brokers to carry out their contracts. A syndicate has been formed, and the Government have advanced Y.40,000,000 to help the parties concerned to tide over their difficulties. Further complications have, however, been introduced, because some of the firms, owing to losses in other directions, are unable to carry out their share of the compromise. The parties involved are the cotton spinners, the raw-cotton merchants, the cotton-yarn brokers, the cotton-yarn exporters, the weavers, and the cotton textile merchants and exporters. The ramifications are so great that in the opinion of many it will be impossible to begin to attempt to settle Japan's other commercial difficulties until this problem has been cleared out of the way.

In connection with the labour question, it will be recollected that at the Washington Labour Conference Japan undertook to abolish night work for women from 1922 onwards, and generally to adopt factory conditions more in conformity with modern European methods. The Bill providing for these reforms should have been passed in the last regular session of Parliament, but, owing to the dissolution of the Diet and the shortness of the special session, the Bill was postponed until next year.

Seeing that one of Japan's chief assets in cotton spinning was cheap labour, and particularly night work for women, it might have been thought that at a time like this, when the cotton industry is confronted with all sorts of difficulties, Japanese millowners would be prepared to argue that they were not yet in a position to abolish night work, but, on the contrary, the representative of the Japanese capitalists at the Washington Conference assured the British representative that not only will there be no difficulty in getting the Bill passed, but that most of the millowners would welcome its immediate application, as it would enable them to carry out what he stigmatises as the suicidal policy of further curtailment of output.

Great importance attaches to the course of prices for American cotton during the next few weeks. If [illegible] Japanese cannot [illegible] their own market, both for cotton and also for silk, will be impaired. The position with regard to silk is almost worse than that of cotton, except that the former is an export instead of an import. Silk before the War used to cost on an average about Y.900 a bale, the yen being equal to 2*s.* 0½*d.* In January 1920 the price had been forced up by speculation in Japan and in America to Y.4,500. In March, just before the slump, it was Y.3,500; in April it had fallen to Y.2,500; and in July it reached Y.1,150, the lowest point touched. The yen this year has fluctuated in value between 2*s.* 6*d.* and 3*s.* A method has been devised to relieve the market, but, in the opinion of many good judges, the scheme is not likely to succeed.

Financial conditions in Japan were recently on the way to recovery; but according to latest advices, circumstances have somewhat changed. There was an announcement of insolvency of the Agricultural and Industrial Savings Bank. As the institution is rather small, with a capital of only 200,000 yen, its insolvency had no material influence on the money situation. An apprehension of further financial trouble was, however, induced. In addition, the fall in the price of silver and American cotton, the dulness of the foreign sugar market, the inactivity of the export trade, and the unfavourable reports from foreign markets contributed to the feeling of depression.

SEVERN POWER SCHEME.

The proposals of the provisional [illegible] Ministry of Transport for the Severn has aroused widespread interest, and inquiries at the Ministry have yielded some technical details as to the proposed barrage, road, and railway. The principal characteristics which distinguish the tidal power scheme from a hydro-electric installation of the usual description are, firstly, that the power is only obtainable intermittently, [illegible]

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secondly, that even while the turbines are at work the conditions of head are continually varying. In the scheme which is under consideration at the Severn Barrage the working period for the turbines occurs shortly after the ebb tide has commenced to run, and continues throughout the hours of low water and until the tide has risen to about half its height. Owing to the fact that the ebb tide in the Severn occupies a longer period than the flood tide, it is possible to obtain a working period for the turbines of approximately seven hours' duration, which is followed by the period of five hours' duration during which no power is obtainable. The head under which the turbines work would be, to commence with, about five feet, and towards the middle of the seven-hour working period it would increase to a maximum (on spring tides) of thirty feet.

The type of turbine contemplated is "mixed flow turbines," the runners being of ten feet diameter with axes vertical. With this type of turbine it is essential, in order to obtain the highest efficiency at every head, that the turbines are run at a different speed for each particular head. The first difficulty, therefore, which is to be overcome from an electrical point of view is to adapt the electric generator to the varying speeds of the turbine. In the case of the Severn installation the turbines would rotate at speeds approximately between forty and eighty revolutions per minute. It is proposed in this case to drive the generator through helical gearing having a ratio of approximately seven and a-half to one, and producing generator speeds of between 300 to 500 revolutions per minute. The generator proposed is a direct-current dynamo of special design with vertical axis. These machines would be separately excited with shunt characteristic. The control would be effected, either automatically or by an operator controlling the excitation and load currents of the dynamos, in such a way that the resisting torque offered by the dynamo would be such at any moment as to prevent the turbine from rotating at a speed greater than the theoretically correct speed for maximum output under the particular head of water which happened to prevail at the moment in question. The operator would, of course, be guided by an indicator which would show him exactly what head of water he had to deal with at every moment. The greatest rate of change of head which is anticipated will be ten feet increase or diminution in the hour. Dynamos would be required to produce current at the varying speeds, but at constant voltage of 525 volts, the average output of each dynamo being approximately 1,300 kilowatts. The direct current so produced will be passed into rotary converters of large capacity which will produce alternating current of 330 volts. The static transformers would transform up to from 330 to 60,000 volts, the tension at which it would be proposed to transmit the energy. The energy would be transmitted direct to industry from the tidal turbines. At such times, however, as the tidal turbine installation was producing a greater amount of power than that which could be absorbed by industry, the residue of the power would be transmitted a distance of about ten miles up to the storage reservoir, where it would be made use of to drive motors, which in turn drive centrifugal pumps to force water up the forty-foot diameter tunnel into the high-level lake. The motors which it would be proposed to make use of would have a speed of about 375 revolutions per minute, working at 2,200 volts, with output of about 13,000 kilowatts. The type made use of would in respect of ninety per cent. of the motors be induction alternating current motors, and in respect of the remaining ten per cent. synchronous alternating current motors. The induction motors would be used as being cheaper and more easily paralleled. The purpose of the synchronous motors is to keep up the power factor when these are acting as motors, and to supply wattless current to the induction machines when the whole are acting as generators. In order to save the cost of installing two sets of electrical machines at the storage reservoir it would be proposed to combine in one machine the motor for driving the centrifugal pumps and the generator, which is to be driven by a turbine, at such times as when the storage reservoir is giving forth power.

Whereas the amount of energy to be derived from the tides in the Severn average week in and week out about half a million horse-power for a ten-hour day, it would be proposed to instal machinery at the storage reservoir to give a maximum or peak output of approximately one million horsepower.

As regards the distribution of the energy, four principal outlets are to be looked for. The first of these is in the immediate neighbourhood of the Severn, and would be created by the growth of industries requiring cheap power on the banks of the dockised river, in very much the same way as there have arisen a group of power-absorbing industries in the neighbourhood of the Niagara Falls. The second outlet for the energy would be in the industrial area of South Wales, the whole of which lies within a radius of fifty miles of the Severn Barrage. A third outlet for the energy would be found in the English Midlands. Birmingham is approximately seventy miles and Stoke-on-Trent approximately 100 miles distant from the Barrage. It is anticipated that there will be considerable difficulty in setting up steam super-power stations in the Midlands on account of the lack of condensing water available in that area, and on this account the supply of the Severn power would be particularly advantageous for supplying the Midlands. The fourth outlet for the power is for the supply of the Thames Valley and London. London is situated at a distance of 115 miles from the Barrage, and it may be possible to transmit the energy at 120,000 volts in this instance. The cost of the transmission line to London and the loss of energy which may be expected therein, is not by any means so formidable as might at first be supposed.

The cost of a transmission line to London capable of conveying half a million kilowatts with a ten per cent. loss in the line would be approximately one and a-quarter millions sterling. The cost of the line and the transmission loss taken together would therefore only add a small fraction of a penny on to the cost of the B.O.T. unit delivered in London.

It is thought that the appropriate use for the electrical energy of the Severn, having in view the storage reservoir and storage power-house which is capable of producing peak load output at short notice, is to apply the energy to take up the peak load in industrial areas—that is to say, the Severn scheme can be made to work largely in conjunction with steam-generating stations in such a way as to enable the latter to work with a load factor of from seventy to eighty per cent. instead of from twenty to fifty per cent. as at present.

It would be noticed in the arrangement which has been briefly indicated above that the only machines which are not always running at full load are the dynamos in the tidal turbine installation. All the other electrical machines work under conditions of full load, and therefore under the best conditions for efficiency. The existence of the storage reservoir would enable the output of the tidal installation to be absorbed at all times. The number of machines in the reservoir installation which would be employed as generators at any particular time, when the supply from the tidal installation was in abeyance or insufficient, would depend on the demand from industry.

Sir John Francis Cheverton Snell, Member of Council of the Institution of Civil Engineers and Past President of the Institution of Electrical Engineers, has been appointed by an Order of Council dated November 23, 1920, to be a member of the Advisory Council to the Committee of the Privy Council for Scientific and Industrial Research.

STERLING EXCHANGES—JULY TO DECEMBER.

During November the tendency of sterling to improve in various currencies continued, and the movement was, generally speaking, uniform; extending not only to countries where the pound stands at a premium but also to those where, for a long time past, it has been quoted at a discount. A careful scrutiny of the quotations for previous months revealed the existence of two movements which were to some extent inconsistent. On the one hand, the premium had been increasing, and on the other, the discount in certain places abroad had taken an upward turn. November, therefore, marks a further step in rehabilitating our international position.

Quotations are, of course, affected by divers influences, sentiment playing a large part as well as more material considerations, such as adverse or favourable trade balances. The rates for money prevailing at different centres also have an important bearing, especially on the dollar-sterling rate, while over long periods exchange variations between any two countries are largely determined by differences in the respective price levels. In the tables here given the principal centres where the pound is quoted are arranged in alphabetical order, the premiums and the discounts being shown separately:—

Exchanges favourable to U.K.

	Par.	Average Nov. 30	Average Oct. 31	Average Sept. 30	Average Aug. 31	Average July 31
Berlin ...	20·42 mk.	2·40	2·68	2·87	2·67	1·75	1·05
Brussels ...	25·22½ fr.	54·92	54·34	50·31	48·67	47·43	44·97
Christiania ...	18·159 Kr.	25·56	24·74	25·21	24·38	24·—	23·46
Copenhagen ...	18·159 Kr.	25·56	25·70	25·03	25·19	24·70	25·62
Madrid ...	25·22½ pes.	26·71	25·95	—	—	—	—
Paris ...	25·22½ fr.	57·55	57·62	55·05	54·20	50·51	48·14
Rio de Janeiro ...	16d.	11⅜	11½	11¼	12½	13⅞	14⅞
Rome ...	25·22½ lire	94·87	94·87	88·72	80·41	75·09	67·70

Exchanges against U.K.

Amsterdam ...	12·107 fl. c.	11·41	11·36	11·25	11·22	11·00	11·05
Berne ...	25·22½ fr. c.	22·26	22·12	21·87	21·63	21·75	22·05
Buenos Ayres ...	47·58 d.	54	53⅝	50¼	52½	53⅞	57⅛
Madrid ...	25·22½ pes.	—		24·23	23·86	24·00	24·25
Monte Video ...	50 d.	53½	53½	52⅞	52¼	52½	50⅝
Montreal ...	4·86⅔ $	3·96	3·85½	3·82½	3·85½	4·00	4·09½
New York ...	4·86⅔ $	3·45½	3·45	3·41½	3·52	3·60½	3·87½
Stockholm ...	18·159 Kr.	18·01	18·05	17·65	17·42	17·62	17·67
Yokohama ...	24·58 d.	2·10½	2·11⅝	2·11½	2·10½	2·9⅛	2·7⅛

Percentage Premium.

Berlin	1,094·5	1211·8	950·1	895·6	746·5	656·1
Brussels	118·6	115·4	99·4	92·5	88·0	78·5
Christiania	40·1	41·5	38·9	39·2	33·9	29·2
Copenhagen	40·1	41·4	37·8	38·7	33·9	30·1
Madrid	6·0	7·0				
Paris	128·4	128·4	110·—	107·3	100·—	90·9
Rio de Janeiro	46·5	36·2	35·2	28·5	14·1	12·6
Rome	276·1	278·2	251·7	215·9	175·7	145·5

Percentage Discount.

Amsterdam	5·8	6·4	7·1	7·4	9·—	8·7
Berne	11·8	12·4	13·—	14·—	14·—	13·—
Buenos Ayres	11·—	10·6	13·1	10·2	10·—	14·5
Madrid			3·9	4·6	4·2	3·8
Monte Video	1·7	2·2	3·—	3·—	10·9	9·6
Montreal	18·6	20·8	21·4	20·1	17·4	15·8
New York	20·9	29·1	29·8	27·6	26·—	20·4
Stockholm	7·—	7·4	9·2	10·—	9·6	9·4
Yokohama	28·8	28·4	28·6	28·8	28·8	29·—

As illustrating the importance of other than trade influences we might mention the case of Amsterdam where the pound, of a par value of 12.107 florins, averaged 11.36 florins in November, and was quoted at 11.41 florins on December 1. The average discount in November was 6.5 per cent., and yet the balance of trade is in our favour. For the first nine months of 1920 our exports to Holland amounted to £46,592,215 and our imports to £29,461,720, leaving a balance due to us of £17,130,495. As examples of

quite the opposite kind we might mention the case of Madrid, where sterling at a premium of 24·22, parity, quoted at rates generally between 24·50 and 24·25 (since then fully to 25·— in November, the average for the month being 24·23), and the quotation on December 1 25·71 francs, showed a further enhancement of the premium. Yet our imports from Spain exceeded our exports to that country by £12,102,710 in the nine months ended September last. Speaking generally, however, the improvement [illegible] largely the result of a betterment in the trade position. The excess of imports into the United Kingdom has gradually fallen. The record monthly excess occurred in January 1919, [illegible] decline, which has not been altogether steady, has set in. The record high figure so far in the current year was £61,940,000 in December, and the record low £38,942,000 in July. In October the adverse balance was £21,460,000, which is approximately one-half of the lowest monthly figure of £40,382,000 touched last year.

Principal interest naturally attaches to the dollar-sterling exchange, and the decline in sterling which was witnessed each month from June onwards continued in November when the average rate was 3.45. On December 1 it moved upwards to 3.48⅜. The variations since that date have been within narrow limits, the improvement being, no doubt, due in part to easier money conditions in New York. Towards the middle of last month sterling was very weak on account of the multitude of cotton and grain bills offering in New York, and the upward movement has proved all the more welcome, though [illegible] for it is likely to be permanent no one can foretell. Speculative purchases of sterling across the Atlantic may have been instrumental in causing the improvement. One factor certainly in our favour is the diminution in excess exports from the United States and in excess imports into the United Kingdom. For the nine months ended September last our exports to the United States totalled £110,470,398 and our imports £434,174,379, leaving an adverse balance of £323,703,981, compared with £172,142,073, in the corresponding period of 1919, a decrease of practically forty million pounds in the excess of imports.

The Antofagasta (Chili and Bolivia) Company, Limited, announces that it has now obtained the approval of the Chilian Government to increase by twelve per cent. the tariffs on the Company's lines in Chili, including those of its subsidiary, the Company Ferrocarril de Aguas Blancas (Aguas Blancas Railway). The increase will, however, not apply to passenger fares, which normally represent, more or less, ten per cent. of the gross receipts. The statutory sixty days' notice being required, the increase mentioned will come into force on January 22.

NATIONAL BANK OF TURKEY

ESTABLISHED 1909 BY IMPERIAL FIRMAN

Capital - - £1,000,000 Sterling

Head Office: CONSTANTINOPLE

Telegraphic [illegible]

Branches: [illegible]

London Office: 50 CORNHILL, E.C.

The Bank [illegible] Accounts [illegible] with [illegible] Letters [illegible] Credits [illegible] Bills [illegible] Drafts [illegible] Cables [illegible] Business [illegible] Trade [illegible] Commercial [illegible] in Turkey are invited to apply to the above.

THE BANK OF TAIWAN, Ltd.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

Head Office .. .. TAIPEH, FORMOSA.
London Office .. 58 OLD BROAD ST., E.C. 2.

BRANCHES: Amoy, Batavia, Bangkok, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Keelung, Kobe, Moji, New York, Osaka, Seoul, Shanghai, Singapore, Soochow, Swatow, Taihoku, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town in the world.

The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts General Banking, Exchange business, undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are given for exchange business on Japan, China, India, Straits Settlements, Dutch East Indies and France through the Bank's special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

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"ETON"

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JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), Ltd.
23 & 25 Queen Victoria Street, E.C. 4.

Financial Notes.

Taxation and Industry.

In the existing conditions of finance and industry every week that passes brings more into relief the evils arising from a system of Government financing which does not allow of the national expenditure being altered in accordance with changes in the national income. The present scale of Government expenditure and taxation was planned in the beginning of the year, when trade was at the height of the post-Armistice boom, and when, consequently, the existing volume of taxation, though great, did not burden it unduly. Prior to April last the banks were lending confidently and freely; assisted by speculation, credits and currency, taken in conjunction, of course, with the rapidity with which they were used to effect exchange of commodities, were expanding more rapidly than the activities of trade, and, in consequence, prices and profits were increasing. Since that month the reverse process has set in, and we have begun to learn what deflation means; the amount of financial accommodation accorded to industry had perforce to be curtailed; the volume of credit and currency diminished in proportion to the requirements of industry based on the old standard of prices, and trade had to adjust itself to the new conditions by reducing the level of prices and also by curtailing its activities. Now, just as profits expand when prices are rising, so profits inevitably diminish with a contraction of the price-level. The reaction on industry in this instance was accentuated by the fact that though wholesale prices fell, the cost of living as measured by retail prices continued rising, so that demands for increased wages were made and granted, and the cost of labour rose proportionately. Again, while prices are rising buying naturally assumes an activity which it does not evince in a falling market. Moreover, the increased internal commodity-value of our currency had its counterpart in an increased exchange value in terms of the currencies of other countries in general, with a resulting discouragement of buying on the part of our foreign customers. These symptoms of depression, which of late have become increasingly apparent, will continue until financial accommodation is extended in sufficient quantity to check the fall in prices, when in face of an undoubted shortage of production, buying must again be stimulated. The period intervening until this is effected must be a trying one for industry, and the difficulties will increase with each fresh fall in prices.

It is pertinent to inquire how the Government have adjusted the national finances to the altered conditions of production. Last April, when the Budget and Estimates for the current financial year were presented, the consensus of opinion among the leaders of industry was emphatically to the effect that industry could not support the proposed scale of taxation and expenditure. If that was true then, when trade was prosperous, it is much more so to-day, when trade is in the midst of a period of depression. Yet instead of cutting down expenditure the Government is bringing forward Supplementary Estimates, as discussed elsewhere in this issue. When companies or private individuals find their income reduced their first care is to reduce expenditure; the policy of the Government, when the national income grows less, seems to be to spend more. Criticism must aim especially against the £242,000,000 proposed for debt redemption during the current year. The fallacy underlying the Chancellor's purpose in this regard, frequently pointed out in the columns of THE STATIST, is now more than ever apparent. To state it in simple language, the nation cannot afford these ambitious schemes of the Government, and until they are abandoned and the burden of taxation lightened to some extent, our national industry will be placed increasingly at a disadvantage in relation to that of other countries whose financial authorities do not show such a lofty indifference to existing conditions.

A Nitrate Development.

Advices from Chili report that the German companies have at last been induced to join the Nitrate Producers' Association. It is understood that they will be paid 3*s.* 6*d.* per quintal on the two-million quintals they hold for sale up to June 1921, which will involve a deduction of about 2¼*d.* per quintal on the sales made by the Association during the year to June 1921. The Producers' Association was formed in June 1919 to control the selling price of Chilian nitrate, but their first attempts to do so were rendered abortive by the German, American, and Antofagasta and Union Companies, who refused to join. When a sale of 750,000 tons was made at an unprofitable price the Antofagasta and Union Companies, comprising about two per cent. of the total productive capacity, entered the combine, and thereafter the operations of the Association were more successful. This was largely due, however, to a considerable growth in the demand for Chilian nitrate, helped by a fall in freights, and as the combined German and American interests represented about fourteen per cent. of the total production, the position of the Association was still very insecure. Now that the Germans have joined the power of the Association will be greatly increased, as they will control approximately ninety-eight per cent. of the total output. Efforts are still being made to induce the American companies to join, but the United States Sherman Law against trusts will probably form an insurmountable obstacle. As, however, the American minority account for only two million quintals out of a total production of 100 millions, the Association has little to fear from their competition. Originally the Association was to be dissolved in January next unless by that date they included ninety per cent. of the total production. Following this new development the date of dissolution will probably be postponed to January 1921.

The Excess Profits Duty.

As was rightly pointed out by the Chairman at the recent annual meeting of the Royal Bank of Scotland, the continuation of the excess profits duty is most undesirable at the present juncture, when it is essential that the maximum effort should be

devoted to our industrial and commercial recuperation. In many instances where the duty is paid there are in reality no excess profits, the increased figures being due to raw materials and stock-in-trade held at high prices or to expensive machinery and plant. The payment of the tax sometimes imposes a severe strain on the financial resources of traders and manufacturers, who have no other alternative, in the circumstances, but to apply to the banks. The latter, as Mr. Fleming remarked, have done their best to cope with a difficult situation, but they have had to bear in mind their duty to depositors and the necessity imposed upon them as bankers to keep their resources in liquid form. The need for economy is as urgent for the individual as for the community, and the lesson, though somewhat trite, cannot be too often insisted upon.

Canadian Trade Balance.

According to the Canadian trade returns for October record imports were valued at 105,770,000 dollars and exports at 131,100,000 dollars, these being 35,000,000 dollars in excess of the exports for September and 18,000,000 dollars more than in October 1919. The excess of exports over imports for the month was 26,000,000 dollars. Agricultural products, mostly of foodstuffs, headed the list of exports, amounting to 55,000,000 dollars, and lumber, pulp, and paper exports were worth approximately 30,000,000 dollars. The large surplus of exports was to some extent due to grain movements to the United Kingdom and to Europe in general, and, in view of the urgency of the food demand on the Continent, grain exports are likely to continue high. The natural effect will be to enhance further the value of the Canadian dollar.

New Zealand Trade.

The Prime Minister of New Zealand says that despite the increased cost of running ships since 1914 he cannot see any justification for the recent increases in freights, especially on cheese. The cable negotiations between Lord Milner and the New Zealand Government to secure more rapid lifting of meat owned by the Imperial Supply Department still stored in New Zealand have greatly improved the position for forthcoming seasons. By the end of December only a million carcases of Imperial-owned beef and mutton will remain in store. An active campaign is in progress throughout the Dominion to raise funds for the relief of starving children in Central Europe.

Baldwins, Ltd., and British Mannesmann Tube Company, Ltd.—The directors of these companies have entered into a provisional agreement for the purpose of effecting a fusion of interests on the basis of an exchange of shares. Shareholders of the British Mannesmann Tube Company, Ltd., will be invited to exchange their £1 Ordinary shares for shares of Baldwins, Ltd., in the ratio of two British Mannesmann Tube Company shares for one Baldwins Ordinary share and 11s. in Baldwins Five per Cent. Cumulative B Preference shares, tax free up to 6s.; British Mannesmann Tube shareholders to receive the final dividend on British Mannesmann Tube shares to June 30, 1920, the new shares of both classes of Baldwins, Limited, to be issued in exchange to rank for dividend as from July 1, 1920. The ratio of exchange is arrived at after an investigation of the position of the two companies apart from goodwill. The proposed arrangement is subject to the concurrence of British Mannesmann shareholders holding seventy-six per cent. of the total Ordinary capital, or any less number which may be agreed, and to the necessary increase in Baldwins' capital, and when carried out should effect considerable economies in the operations of both concerns, ensuring to Baldwins an increasing demand for the output of the new Margam Steel Works, and to the British Mannesmann Tube Company a reliable source of supply of raw material.

DIVIDENDS ANNOUNCED THIS WEEK.

Banks					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Breweries and Distilleries :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commercial :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belfast Mineral Water, £5 shs. ...	12½	5	5	5	5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lipton, Ltd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Electric Light and Power :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Globe Telegraph & Trust Ord. ...	30/-	5	5	5	
Scottish Tea & Rubber Trust ...	5/-	1/-	1/-	1/-	1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Insurance :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Iron, Coal and Steel :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dinnington Main Coal ...	50/-	1½	1½	2½	1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mining :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oil :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Railways—American :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shipping :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tea, Coffee and Rubber :					
Anglo Sumatra	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assam Rubber, 10s. sh.	10 †	5/-	1/-	1/-	1
Bantam (Java) Rubber ...	10/-	1/-	10	1/-	1/-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prigh Rubber, 2s. shs. ...	6/-	1/-	[illegible]	1/-	6
Pundut Tobacco Trst. Ord. ...	2/6	1/-	1/-	1/-	1/-
Jugra Estate, 2s. shs. ...	1/6	1/6	1/-	5/-	5/-
Kapar Para Rubber	7/6	1/-	[illegible]	6	5/-
Kuala Lumpur	50/-	5/-	1/-	1/-	30
Pahang Tea	2/-	[illegible]	[illegible]	[illegible]	[illegible]
Serdang Rubber	5/-	[illegible]	2/-	2/-	2/-
Somerset Plantn	5/-	[illegible]	[illegible]	[illegible]	[illegible]
Straits Valley Rubber Estates	2/6	[illegible]	2/-	2/-	2/-
Ulu Tiro	5/-	[illegible]	[illegible]	[illegible]	[illegible]
Ulu Remis Rubber	5/-	[illegible]	2/-	1/-	1/-
Telegraphs and Telephones :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Waterworks :					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] [illegible] [illegible] [

SOUTH AND CENTRAL AMERICA.

PRODUCE AND MANUFACTURES.

Elsewhere, in dealing with the United States of Brazil, we endeavour to show that if a close commercial *entente* is to be brought about as a result of the recent alliance between this country and Brazil during the recent war, we are capable of acting in a complementary sense to one another, because each is capable of producing exactly what the other country requires. Now this statement is not merely true of Brazil, but it is true of the whole of the ten Republics which constitute the great continent of South America taken as a composite whole. The great eastern States, from the Guianas to Patagonia, are capable of producing, and producing for many decades and in ever-increasing amounts, immense quantities of food and raw materials needed for the sustenance of our population and for the feeding of their manufactures. The western Republics are, perhaps, more essentially destined to develop their resources by the production of the vast mineral deposits contained in their mines. Nevertheless, it has to be remembered that the agricultural potentialities of the western Republics have never in modern times been tested to any considerable extent. It is estimated that Chili, which is by far the most developed and the most progressive of the western Republics, only cultivates some ten per cent. of the essentially agricultural district which constitutes the central zone. Little or no attempt so far has been made to develop the great southern region, so rich in various kinds of timber. Sheep farming on a considerable scale has, of course, been developed in Chili, as well as in Argentine Patagonia, and quite recently expeditions have been sent out with a view to ascertaining the suitability of certain of the woods grown in Southern Chili for paper-making. Exactly, therefore, what are the agricultural capabilities of even Chili, the most progressive of all the western Republics, is a matter of very little more than conjecture. When we come to the great northern Republics like Peru, Ecuador, Bolivia, Colombia, not to mention Venezuela, we have very little beyond conjecture to go upon as to what their real agricultural potentialities are. All these countries, with the exception of Ecuador, are of enormous extent. The whole of them are situated in the tropics. Nearly all of them have vast areas, the altitudes of which constitute them for agricultural purposes a temperate zone, and also still more extensive areas the altitude of which and the latitudinal situation constitute them tropical areas in the strictest application of the term. Ecuador, it may be contended, has grown, and does grow, a very large proportion of the world's supply of cocoa. It was at one time the principal source of the world's supply of cocoa. But, as everyone who knows anything of Ecuador is well aware, only a very small part of the country has so far been developed in the production of cocoa, so far as that can be called a really tropical industry, bearing in mind the method by which it is carried out in that Republic. Finally, we have the argument that in Peru, in Colombia, and in Ecuador, as well as in parts of what we now call Chili, there are evidences that the ancient peoples carried on agriculture even in the most unfavourable situations to an extent that apparently has never even been attempted since Pizarro landed at Tumbez.

While South America is—and if stable conditions are again restored in the economic world must continue to be for many generations to come—one of the principal sources of the world's supply of food and raw materials, it can supply those raw materials after slight preparation, as distinct from raising them in the crudest possible form. Finding in many respects a very great civilisation established in South America, the Spanish colonists, instead of developing that civilisation, practically destroyed it, and concentrated their attention more and more upon forcing the natives to raise as much gold and silver as possible from the rich mines of Peru, Chili, and Colombia. The result was that the development of industry was checked rather than promoted by the Spanish conquest. South America made exceedingly little progress in spite of her contact with Europe until the growing industrialism of Europe itself demanded supplies of food and raw materials in ever-increasing proportions to feed the rapidly growing populations, particularly of Western Europe. When that necessity arose England in particular, and parts of Europe in general, found the means for opening up certain great areas in South America with the object of obtaining the food and raw materials required in as large a measure as possible, and at as little expense as was convenient. Naturally, European investors and traders who were in no way responsible for the condition of things as the Spaniards had chosen to maintain them in their various colonies confined themselves to providing the necessary transportation facilities and the necessary plant which would enable the natives to raise sufficient supplies of food and raw materials to repay the exertions and the sacrifices of those Europeans who had risked their money and their persons in the pursuit of gain. As a natural result, for a very long time the various South American States sent produce in the very crudest form to Europe. For a long while very little came except raw hides, the cattle themselves being slaughtered and left on the open Pampas to pollute the air and to feed birds of prey. Gradually the extravagance and wastefulness of this process came to be seen; but it was not until science applied to practical ends disclosed the possibilities of the frozen-meat trade that it was possible to use the vast herds which roamed over the plains of Patagonia for the service of feeding the manufacturing population of England. Before that local enterprise had tried to develop what we still know as the zarque trade, that is, the export of dried and salted beef to various neighbouring countries. This process, however, has never succeeded in producing a form of food that would be likely to commend itself to anybody whose absolute necessity did not compel him to consume it. It is, if possible, worse and more difficult to digest than the bully beef with which very many of our younger readers became familiar during the progress of the recent War. Moreover, and perhaps for the reason we have given, the demand for xarque beef was never on a commensurate scale to admit of the use of anything like the proportion of animals slaughtered to obtain hides, for which there has always been a demand ever since the South American plains were stocked with cattle from Europe.

As a result of the recent War this state of things has not merely been modified, but it has been changed in a sense that it is difficult for those Europeans who knew South America, say twenty years ago, and have not kept any close intercourse with the continent since, to really appreciate. The enterprising States, both of the Atlantic seaboard and of the Pacific coast, have, largely as a result of European investment during a period extending now for more than two generations, developed very important industries.

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They had relied, and wisely relied, upon Europe for nearly every article of manufacture which they required, and they were content, and wisely content, to develop the industries for which their environment, economic condition, and opportunities peculiarly fitted them. When Europe, however, decided to plunge into a world-wide war and to squander its resources as rapidly as possible, it deprived itself of the possibility of supplying South America, or anywhere else, with manufactures. As a result, in order to carry on the industries for the products of which there was an ever-growing demand in Europe, it became necessary for the South American either to obtain manufactures from somewhere or to make the goods himself. In some cases he succeeded in obtaining goods from outside sources. In other cases he was reduced to the necessity of making the best kind of implements which he could fashion out of the material to hand, often with inadequate plant, inadequate knowledge, and under exceedingly great difficulties. As trade gradually resumes normal conditions he will, of course, resume his purchases of European commodities from those sources which are best able to supply him upon the soundest economic basis. He has learnt, however, the important lesson that the value of raw produce can be very materially increased by a moderate process of manufacture. Raw hides, for example, may be submitted to a preliminary dressing. Much of the foreign matter may be eliminated from the various mineral ores which it is designed to transmit to any considerable distance. Fortunately, the laws of this country forbid the import on the hoof of South American cattle from nearly all the Republics; and, as a result, the South American owner has been reduced to the necessity of subjecting his cattle to the process of the freezing-house before despatching them across the Atlantic, and in this way he has obtained enormously enhanced values for his meat, which he could never have obtained had he shipped it as live cattle in cattle boats. It will not for a very long time be sound economic policy for any of the Republics, and still less for the continent of South America taken as a whole, to engage in manufactures upon any considerable scale. But it is always sound policy to subject very raw produce to some preliminary process of manufacture, which will reduce its bulk to approximately the size in which it will ultimately be consumed, or, at any rate, eliminate foreign matter which is of little or no value to the purchaser. In this way freight charges will be reduced, and the original exporter will obtain not merely his profit in raising the raw material, but his profit as a manufacturer in the first process of preparing the product for market.

CANADIAN TRADE.—The Canadian trade returns for October indicate exports to the United Kingdom worth $24,000,000, and imports therefrom valued at $17,431,000 which is an increase of 100 per cent. over the imports for even during October 1919. Imports from the United Kingdom during the twelve months ended October amounted to $226,000,000, as compared with $81,500,000 for the same period in 1918-19. The total exports of pulp and paper during October amounted to $10,700,000, this figure being twenty-eight per cent. more than that for the corresponding month last year. Bank clearings throughout Canada for the week ended November 25 reached a total of sixteen per cent. in excess of that for the corresponding period last year, and it is notable that Mr. J. H. Gundy, one of Canada's representatives at the Brussels Financial Conference, states that the information he gathered there convinced him that the Dominion is economically among the most favoured countries in the world. In consequence of this opinion, it is not to be doubted that the leading Canadian banks may easily meet the still more extensive demands of the future.

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American Topics.

HEAVY TAXATION.

IT is now evident that while the United States of America came out of the War with greater advantages than any of the other belligerents, she certainly has not come out of the War in the same condition in which she entered it. She has, of course, gained valuable experience. The actual residence of such an enormous body of intelligent men as constituted the army of the United States in France gave a proportion of her citizens an insight into actual conditions as they exist in Europe which only the travelled and wealthier of her citizens possessed in the pre-War period. Even they did not possess to the full measure what has been extended to the American military men who were engaged in the War in France. Many of the wealthy Americans who have been accustomed to travel in Europe really gained surprisingly little experience from their trip. They were permitted only to see Europe through what we may describe for convenience as rose-coloured glasses. They did not see the submerged sections on the dark side of the picture with which the inhabitants of the various countries and districts of Europe are so well acquainted. Moreover, very few of them ever came in contact with a European population actually engaged in War. During the period while the American Army was engaged in France they saw not only what Europe is like, but what condition a European population is reduced to when it is engaged in a great and devastating war. They saw what it means to have a country peopled up to approximately its limit of sustenance. They saw the conditions of life in a continent not very much bigger than their own territory, but having more than four times the population. They saw what America may some day become if she is ever peopled to the same extent that has been the case in Europe. This aspect of the question would, of course, appeal merely to the [illegible]. The [illegible] military experts of Europe how to conduct an army. And it cannot be denied that the American officers, by the [illegible] [illegible] [illegible]

of this military knowledge will be upon the course of events in the United States, both political and economic, of course remains to be seen. But it is bound to have some influence, either favourable or otherwise.

Such experience as we have alluded to above is very valuable. But experience, like other commodities in this world, has to be paid for. A recently issued paper from the United States Treasury disclosed the fact that, in order to meet the various obligations into which the United States Government has entered, that country will have to incur an expenditure of between four and five thousand million dollars each year for several years to come. That is to say, the taxpaying public of the United States will have to provide their Government with a revenue something between 800 and 1,000 millions sterling each year. In a sense the United States enjoyed extraordinary prosperity during the progress, and particularly during the early part, of the late European War. But it was by no means all advantage. To a very large extent what the United States has obtained are promises to pay from impecunious creditors, which those creditors will undoubtedly honour if they are ever in a position to do so, but which it is now perfectly evident that a large proportion of those creditors will not be in a position to honour in any period that need trouble the American business man in the immediate future. If he cannot get on without those payments, it is very certain that he will have retired from business long before he is in receipt of those debts. Consequently, the advantages which the United States obtained in the sense of real wealth are almost purely illusory. Producing consumable commodities for impecunious creditors which are destined to be rapidly destroyed does not in reality conduce to the wealth even of the producer. He is very much in the position of a tradesman who serves a spendthrift customer, who rapidly runs through his estate and ultimately becomes bankrupt. In order to increase real wealth it would have been necessary for the United States to have obtained some tangible form of wealth from those creditors with whom she was doing apparently such an enormous trade during the period which elapsed between the outbreak of the War and the end of the trade boom which followed the armistice of November 1918. She, in fact, obtained nothing of the kind. She supplied munitions of war, food, and raw materials, all of which were rapidly consumed or almost immediately destroyed. As a result, she obtained no new source of wealth which would assist her in any way in the development of her own natural resources. One of the greatest needs of the United States at the present time is the development of the natural resources lying latent in the soil, the subsoil, and the mountains of that immense tract of North America which we call the United States. Towards that consummation the Allies contributed practically nothing during the progress of the War. When the United States in former periods enjoyed a great boom she supplied certain parts of Western Europe in general, and this country in particular, with immense quantities of her mineral products, foodstuffs, and raw materials. But in return she received means whereby she could improve her transportation facilities, increase her manufacturing and agricultural plant, and erect great storage warehouses of various kinds. In that way, in return for the food, mineral resources, cotton, and so on which the United States furnished to us we gave her the means of increasing her potential products in the near future. And, consequently, we gave her the means of developing her natural resources and, as the economic phrase is, increasing the wealth of the country. During the War, however, neither we nor any of the other Allies did anything of the kind. We took as many shells as we could get, as much steel as we required to make big guns, and as much food and other raw materials for military purposes as the United States was able to turn out from her fields and from her factories. In return we either gave her back securities which we had formerly bought from her, and which only to a small extent relieved her from the necessity of raising produce; and when these securities ceased to be adequate we gave her simply a promise to pay when we were able to do so. As a result, while the United States has been for several years feeding and munitioning the armies of Europe, she has received nothing which would enable her to improve the transportation capacity, say, of her railways. She has received nothing which would enable her to build great main roads throughout the United States, which are badly needed. She has received nothing which would enable her to improve navigating facilities on the Great Lakes. And she has received nothing that would enable her to develop her great water-power resources. Consequently, although she comes out of the War nominally a creditor of a large number of more or less impecunious debtors, she has, in fact, received very little in return for the immense amount of foodstuffs and munitions which she has supplied to the various Allied Governments.

INCREASED COAL OUTPUT.

According to the latest returns for this year, a record output of coal, 5,210,700 tons, was attained in the week ended November 20, the second complete week after the strike. The previous highest figure in 1920 was 4,989,666 tons, for the week ended April 24. The present is, therefore, the first occasion on which the five million figure has been reached and passed in the current year, and the result, while reflecting, no doubt, the benefits of the more or less enforced holiday to the miners, is probably also due to more harmonious working between them and the managers. At the time of the recent settlement, towards the end of October the Miners' Federation and the Miners' Association agreed to co-operate in an effort to increase the coal output. It is premature as yet to say if the good results now achieved will be permanent, but they are an excellent augury of the future, and show that the problem of output, which has proved so vexatious and harassing in the past, is by no means insoluble, given good will on both sides. The output, if maintained at its present high level until December 18, will mean an additional 1*s.* 6*d.* per shift to the miners in January, or a total advance of 9*s.* per week where full time is worked. The wages increase conceded at the end of the last strike is, of course, to terminate next month, from which date a system of monthly adjustments of wages on the basis of export coal prices is to come into operation. The amount of export-coal in each four-weekly period for which wages are to be regulated will be deemed to be the tonnage produced in excess of 219,000,000 tons per annum; and the proceeds are to be calculated by multiplying such excess tonnage by the average f.o.b. price, as shown in the Trade and Navigation Accounts for the quarter ended September 30 last. The system is rather complicated, but it should prove an incentive to effort on the part of the miners. The record now attained can be easily surpassed, as it totals only 260,000,000 tons per annum, allowing for a year of fifty working weeks, while the output in the last complete pre-War year was 287,000,000 tons.

Coal Exports from U.S.A.—There has been some outcry in the United States, as in this country, against the export of coal while home industries are stinted of their needed supplies, and this feeling finds echo in a considered statement just issued by the U.S. Secretary of Commerce. He emphasises the value of coal as a raw material to home manufacturers, and states that it would be preferable to export it in the form of manufactured commodities. Moreover, if coal is utilised for power in the making of finished commodities the labour and capital engaged in producing coal will receive the same return as if coal was shipped overseas.

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Insurance Notes.

FRIENDS' PROVIDENT AND CENTURY LIFE OFFICE.

As from December 1, 1920, the business of the Century Insurance Company, of Edinburgh, with the Friends' Provident Institution, whose headquarters (the foundation of 1832 might just as well have been in Bradford, because already a considerable part of the business of the Friends' Provident is transacted in that city, and is supervised by [illegible] of the Century, as is the case with the Scottish business) continues to transact fire, accident, marine, employers' liability, sickness, and miscellaneous insurance business. The capital of the Century Company, which is the Friends' Provident [illegible] £1,000,000, to £315,000 [illegible] £685,000 [illegible] £21 [illegible] £1 [illegible] that the interest of the Friends' Provident in the Century business [illegible] the [illegible] of an [illegible] The [illegible] representing a possible liability of £210,000 representing uncalled capital need excite no apprehension in the minds of the Friends' Provident policyholders, for the Century's life and other business [illegible] by [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] benefit to both institutions, and brings the combined office into the [illegible] [illegible] institutions which transact all kinds of insurance business while [illegible] [illegible] departments.

At the annual general meeting of members of the Friends' Provident, on May 9, 1919, the directors arranged as from September 26, 1919, to close the head office of the institution at Bradford, and to remove it to 42 Kingsway, London, the freehold of the building at that address having been purchased for this purpose. As from the beginning of the present year, the directors have also, in accordance with authority given by the members, established another head office at the old headquarters of the Century Company at 18 Charlotte Square, Edinburgh. To provide for the proper supervision of the office's business at Bradford, a new office has been opened at 22 Forster Square in that city. The arrangements made are doubtless designed with the object of increasing the office's connection in the Metropolis and of preserving its valuable acquired Scottish business, without detriment to its old-established connection in the progressive and flourishing centre with which its name has been so long and so honourably associated.

The report presented by the Friends' Provident and Century for 1919 shows an increase in premium income in all directions. The new life policies issued covered assurances of £1,520,151, of which £16,000 was reassured, the net retention thus amounting to £1,504,151. This volume of transactions, all of which were effected within the United Kingdom, is about double that which was recorded for 1918, which in itself was in excess by about £120,000 of the combined new life businesses of the two new amalgamated institutions in 1917. The life premium income (excluding that in the closed Century series hereafter referred to) was increased as compared with that of 1918 by £40,313, and amounted to £282,688. Of this income, expenses of all kinds absorbed about 16.6 per cent., which must be esteemed a low ratio, making allowance for the unusually large proportion of the amount of the premiums which is attributable to new transac- [illegible] example, of some increased remuneration to their [illegible] which have evidently come to stay. A sum of £26,811 was received as consideration for new annuities. This is larger by nearly £10,000 than the corresponding item in the accounts for 1918 (see a reference hereafter to annuity business transacted in 1919 by the Century Company). It is stated in the annual report for 1919 that the rates for annuities were revised during the year, and are now very favourable to applicants. The claims in the course of last year (again excluding the Century figures) amounted to £190,636, of which £130,850 was due to death and £59,786 to maturity. The amount of the death claims is reported as having been considerably below the "expectation," and "a substantial profit from favourable mortality is consequently announced." The net interest yield on the life and annuity funds amounted to £4 1s. 6d. per cent., after deduction of income tax. This represents an increase of 3s. 10d. per cent. as compared with 1918, and is £1 1s. 6d. per cent. in excess of the rate of interest assumed for the valuation of the liabilities. It is reported that although heavy depreciation of many first-class investments took place during 1919, the shrinkage referred to was made good out of profits realised on other securities, and the funds were maintained intact, while the stringent standard of valuation was preserved. The life and annuity funds were increased through the year's operations by £157,172 to £3,451,309. The sinking fund assurance account [illegible] tive fund at the close of the year amounting to £48,629.

An agreeable feature of the 1919 Friends' Provident report is the resumption of the declaration of a bonus on participating life policies. It will be remembered that no distribution was made in respect of the five years [illegible]

valuation on that date. A valuation made as at December 31, 1919, by the OM(5) Table at 3 per cent. interest, showed a surplus of £145,440, after making the most liberal provision for any depreciation in securities, and out of this surplus a sum of £58,555 has been set aside for the purpose of declaring a bonus for 1919, which, in the case of participating new series policies (issued since November 20, 1902) and endowment assurances amount to 30*s.* per cent. on the sum assured and previous bonus additions. This leaves £86,885 to be carried forward. Provision has also been made for interim bonuses at the rate of 25*s.* per cent. in the case of death claims prior to the next valuation in respect of participating life policies and 30*s.* per cent. in the case of maturing participating endowment assurance, calculated on the sum assured and existing bonuses, if any, for each year's premium paid subsequently to December 31, 1919; this arrangement, however, to be subject to reconsideration before the next valuation.

It may be pointed out that the old rule under which new entrants into this life office were limited to members of "the Society of Friends and those connected therewith" was altered in 1915.

The life and annuity account of the Century Company for 1919 shows a premium income of £121,533. Expenses of all kinds amounted to 10 per cent. of the premiums, and the net interest yield appears to have been arranged at 4 per cent., after deduction of income tax. Although no new life business was transacted in this section, a sum of £60,487 appears in the year's account as having been received in respect of the issue of new annuities. Through the year's operations the Century life assurance and annuity funds were increased by £146,311 to £1,309,331.

Premium income during 1919 and funds at the close of the year (exclusive of provision for outstanding losses) as shown in the other accounts of the Century Company were as follows:

Account	Premium Income	Funds at Close of Year
	£	£
Sinking fund	4,605	33,608
Fire insurance fund	154,672	142,336
Marine insurance fund	150,025	153,329
Accident and general fund	23,837	41,536
Employers' liability fund	36,634	26,485
Sickness fund	25,866	203,601

The Century Company's funds are reported to have increased during 1919 by £226,000, and amounted to £2,061,000 at the close of the year. Out of the available interest earnings, dividends of 7*s.* 6*d.* per share (25 per cent. on the share capital paid up) were declared, giving a yield (apparently subject to deduction of income tax) of 5 per cent. on the office's investment in Century shares.

The total assets shown in the balance sheets presented as at December 31, 1919, were as follows:—

Friends' Provident and Century Life Office ...	£3,670,153
Century Insurance Company, Limited	£2,302,443

South Africa.—According to a cable received by the National Bank of South Africa, Limited, business generally is very quiet in the Union, and the position gives importers anxiety. The general opinion is that many dealers are overstocked and require cash to meet their bills. Many leading lines are being offered below landed cost, but even with this inducement difficulty is experienced in moving stocks.

The Steaua Romana (British), Limited.—This Company announces that the Steaua Romana Société Anonyme pour l'Industrie du Pétrole, Bucharest, proposes to increase its capital from 100,000,000 lei to 300,000,000 lei by offering to its old shareholders two new shares at 525 lei each for every one old share held by them. As is well known, the Steaua Romana (British), Ltd., holds a large number of shares in the Roumanian Company, and this holding will be trebled by the exercise of its right to subscribe to the new shares. The Steaua Romana (British), Ltd., has ample funds with which to exercise this right, and no increase of its own capital is in contemplation.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue.

Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY

LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

With standard crêpe as low as 1*s.* 1½*d.* and not rising above 1*s.* 2¼*d.* per lb., the stagnant and depressed condition of the Share market was but a logical sequence. Declines were fairly general. Amongst the leaders the fall in Anglo-Dutch from 25*s.* 9*d.* to 24*s.* 3*d.* was most pronounced. Malaccas were weak on the new issue, dropping ⅜ to 2⅛ on Wednesday. Some companies are going in for a more drastic restriction than the twenty-five per cent. advocated. Three of the subsidiaries of the Batavia and General Plantations Trust propose to suspend tapping entirely on half the area for three months, and on the other half for the next three months. Moreover, alternate daily tapping will be in force on the areas worked. Furthermore, the wise decision has been come to not to sell any rubber, other than that disposed of under forward contracts, until May 1, 1921.

ANNUAL REPORTS ANALYSED.

KURAU (PERAK).

Issued Capital: £112,500 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Results for Years to December 31 — Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...	987	900	327,910	371	2/5·88	1/0½	25,065	17,812	47½
1917...	987	—	284,575	—	2/3·15	1/2½	15,072	12,500	33⅓
1918...	983	—	262,126	—	1/8·1	1/1·1	7,924	9,375	25
1919...	983	—	351,657	—	1/9·8	1/0·6	16,729	18,750	40

Price of Shares, 25/3. Market Capitalisation per planted acre, £144.

A report satisfactory from all points of view is presented by the Kurau Rubber Estate for the year ended December 31, 1919. With the disappearance of the restrictions on output which characterised 1918 the estimate foreshadowed a crop of 325,000 lb., as against the 262,126 lb. of 1918. But even this high figure was exceeded, the crop harvested reaching the record total of 351,657 lb. Whilst this substantial increase in the crop rendered it possible to reduce the cost of production per unit, the actual extent of the reduction reflects great credit on the administration of the estate when allowance is made for the all-round increase in the cost of labour and materials during 1919. With normal tapping in force in 1917 the estate cost averaged 9.02*d.* per lb.; for the year under review it was reduced to 7.91*d.* per lb. Similarly, the f.o.b. cost of 10.13*d.* per lb. in 1918 is replaced by an f.o.b. cost of 9.11*d.* per lb. in 1919; whilst the "all-in" cost dropped from 1*s.* 1.4*d.* per lb. to 1*s.* 0.6*d.* per lb. Meanwhile the crop was disposed of generally to better advantage, the average price realised per lb. of 1*s.* 9.8*d.* representing an increase of 1.7*d.* per lb. over the low level of the previous year. Including the small profit of some £60 derived from the twenty-five acres under coconuts, there was secured for 1919 a net profit of £16,729, as contrasted with £7,924 in 1918. Moreover, not only is the Company not liable for excess profits duty for 1919, but in respect of 1917 and 1918 it received a refund of £7,193, equivalent

to the full amount it had paid the Treasury since the inception of this tax. Thus, including the £5,845 brought forward from the previous year, a total of £29,766 is available for distribution. Out of this shareholders received the substantial dividend of forty per cent., leaving a balance of £11,016 to be carried forward to the next accounts. This dividend compares very favourably with the 1916 record of forty-seven and a-half per cent., and is a considerable advance on the 1918 distribution of twenty-five per cent.

It was not only in this direction that the shareholders of this Company were remunerated during the year. In order to redress the balance between the issued capital and the value of the assets, it was decided before the close of 1919 to reconstruct the Company. The issued capital of £37,500 was replaced by a new issued capital of £112,500. But the change was accompanied also by a somewhat uncommon change in the denomination of the shares. In place of every ten fully-paid shares of 2*s.* each in the original concern, shareholders received three fully-paid shares of £1 each in the new Company. This conversion represented a very substantial bonus in addition to the above satisfactory dividend. It is, however, this increased capital of £112,500 that ranks for dividends during 1920. The comparatively high datum line which the Company fortunately possesses enables it to view with indifference the increase in the excess profits duty to sixty per cent., although, in common with all other companies, it will have to contribute to the new corporation tax. With the estate in an excellent condition the forecast of a crop of 370,000 lb. for the current year was not surprising. However, the return of 232,116 lb. for the first eight months, in conjunction with the probable participation in the restriction of output by twenty-five per cent. for November and December, renders it unlikely that the estimated crop will be realised. On the other hand, there is good reason for anticipating a crop of not less than the 1916 return of 327,010 lb. In view of the extremely low prices quoted for rubber in the last few months, it is gratifying to learn that forward contracts have been entered into for the disposal of 135,520 lb. at the average gross price of 2*s.* 1.01*d.* per lb. Furthermore, 70,560 lb. of the 1921 crop have been sold forward at an average price of 2*s.* 1.32*d.* per lb. Financially, the position of the Company as disclosed in the balance sheet dated December 31, 1919, is very satisfactory. Including the final dividend of £11,250, current liabilities do not exceed £18,378, and are more than amply covered by liquid assets which are available to a total of £33,895. Considering the large amount of £11,016 carried forward, a dividend of fifteen per cent. does not seem out of place for the current year. On the assumption of this dividend the shares at the market price of 25*s.* 3*d.* afford a return of nearly twelve per cent.

INCH KENNETH RUBBER.

Issued Capital: £80,000 in Shares of £1 each.

Debentures: £10,000.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Acre lb.	Price "All-in" per lb.	Net Realised per lb.	Cost per lb.	Profit	Div. Amt.	Div. %
								£	£	%
1917	1,455	—	124,250	—	2 9 6	1 7	—	16,875	—	—
1918	1,555	—	81,139	—	1 7 1	1 3 6	1 3 6	19,562	8,000	10
1919	1,527	—	261,150	—	1 7 10	1 1 8	1 0 11	14,994	16,000	20
1920	1,527	—	232,116	—	1 3 8	1 0 5	1 0 2	18,022	32,000	40

Also [illegible]

Price of Shares. 25⅝. Market Capitalisation per planted acre, £116.

Shareholders have every reason to be satisfied with the favourable report presented by this rubber Company for the year ended June 30, 1920. The crop harvested amounted to 427,039 lb., exceeding the crop of the previous normal year. Period. However, it fell short of the estimate by 34,961 lb., "owing to continuous damage by rain in the last three months of 1919, at which season the largest crops are usually expected, and to protracted wintering of the trees." The year under review was one characterised by high prices, which involved heavier outlays on stores and materials, as well as higher wages. Hence, despite the increase in the crop as compared with that of 1918-19, the f.o.b. cost worked out at 11.71*d.* per lb., as against 10.81*d.* per lb.; whilst the "all-in" cost rose from 1*s.* 1.82*d.* per lb. to 1*s.* 3.52*d.* per lb. Fortunately this increase coincided with a satisfactory improvement in the price secured for the crop. The gross average price amounted to 2*s.* 1.2*d.* per lb., instead of 1*s.* 9.43*d.* per lb. only in the previous year; and the net average price advanced from 1*s.* 7.59*d.* per lb. to 1*s.* 10.8*d.* per lb. Consequently there resulted a profit per lb. of 7.18*d.*, as against 5.77*d.* in 1918-19. However, the increase in the amount of the profit was only from £14,994 to £18,022, owing to the inclusion in the former total of £2,626 in respect of a refund of excess profits duty. Still, the increase was enough to justify the expansion of the dividend from forty per cent. to forty-five per cent. The balance carried forward to the next accounts amounts to £15,206, as against £12,465 in 1918-19. The latter amount was subsequently reduced to £6,555 as a result, mainly, of the payment of £5,359 for income tax. The current balance is subject to a deduction estimated at £7,000 in this connection, and also in connection with the liability incurred under the corporation profits tax. Consequently it will ultimately be reduced, possibly by half.

Current prospects cannot be said to be very bright. With rubber ruling as low as 1*s.* 2*d.* per lb. a company with an "all-in" cost of 1*s.* 3½*d.* is working at a loss under existing conditions. To what extent the loss is mitigated by forward contracts is not revealed. Furthermore, in view of the reduction of the crop by twenty-five per cent. since November 1 the cost is more likely to rise than to fall. Originally the current crop was estimated at 488,000 lb. However, the yield even for the first five months, when unrestricted tapping was in force, was only 151,430 lb., probably owing to the inadequate labour supply. Consequently the final crop is likely to be less than that of the year under review. On the other hand, since the current year does not end until June 30, 1921, there is yet ample time for the normality market to improve. But if the outlook is at present gloomy, the distant future is bright. Financially the Company is in a very strong position. The balance sheet on June 30, 1920, shows that current liabilities, including the final dividend, amounting to £3,150, did not exceed £5,448, whereas cash balances alone were available to a total of £11,416. Furthermore, the total of liquid assets reached £36,254. The Debenture issue of £10,000, which is not due for redemption until December 31, 1921, is fully covered by a Debenture redemption fund of £13,000. Again, a capital of £30,000 exists side by side with a reserve of £38,000; whilst the estate account, including buildings and shares in the Kajang Rubber Factory, stands at £75,400. This total, moreover, includes buildings at £1,700 which are valued for insurance purposes at £15,758. The shares in the rubber factory, which cured over 3,000,000 lb. of rubber last year—Inch Kenneth rubber securing a substantial rebate—are only valued at £2,334. Considerations such as these account for the fact that in a depressed market the £1 shares still command £5[illegible] equivalent [illegible] £116 per acre.

HARRISONS & CROSFIELD, LIMITED.

ISSUED CAPITAL £1,844,080

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[illegible]

Australia [illegible] India [illegible]

The Company acts as Eastern Agents for manufacturers and others, and invites correspondence with the view of developing foreign trade.

NORTH LABIS (JOHORE).

Issued Capital: £109,245 in Shares of £1 each.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Bearing Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917	1,508	—	258,964	—	2/6·23	1/7·05	12,228	7,500	7½
1918	1,508	—	334,645	—	1/10·12	1/5·50	12,775	7,500	7½
1919	1,508	—	332,400	—	1/8·09	1/3·90	10,269	7,500	7½
1920	1,508	—	501,715	—	1/11·83	1/0·58	28,030	16,406	15

* Gross price.

Price of Shares, 29 4½. Market Capitalisation per planted acre, £107.

To the fact that production for the whole of the period under review was not handicapped by restrictions on output is primarily due the satisfactory nature of the report of North Labis (Johore) Rubber and Produce Company for the year ended June 30, 1920. The beneficial effects which the previous curtailment of tapping had on the trees was fully reflected in the increased productivity for the period in question. The record crop of 501,715 lb. rendered it possible for the efficient administration to reduce the working costs per unit of output. The f.o.b. cost per lb. fell from 1*s.* 0.64*d.* to 10.41*d.*, while the "all-in" cost worked out at 1*s.* 0.58*d.* per lb., as against 1*s.* 3.90*d.* per lb. in the previous year. Moreover, the average price realised by the sale of the crop improved from 1*s.* 8.09*d.* per lb. to 1*s.* 11.83*d.* per lb. Consequently, the net profit reached the record total of £28,030, or nearly three times the net profit of 1918-19. Furthermore, from this sum had been deducted £750 in respect of the corporation profits tax, and £115 in respect of the costs of the issue of 9,370 shares during the year. It will be recollected that in January an offer of one share at par for every ten shares held was made to existing shareholders in order to secure funds for development and extension purposes. Of the 10,000 shares offered, 9,370 were issued, thereby raising the paid-up capital to £109,245 on June 30, 1920. Out of this record profit shareholders received in dividends £16,406, as against £7,500 in the three previous years, the rate of the dividend being fifteen per cent., as against seven and a-half per cent. As compared with £6,565 brought forward from 1918-19, there is carried forward to the next accounts a balance of £17,916. No statement is forthcoming as to whether any liability has been incurred in respect of excess profits duty. However, owing to the rather mediocre results of the pre-War years, the liability, if any, should not be very great.

In view of the serious depression in the Rubber market, the prospects of this Company for the current year are somewhat uncertain. Provisionally, the manager had estimated the crop at 550,000 lb., of which four months of unrestricted tapping had yielded 162,217 lb. Coming under the scope of the twenty-five per cent. reduction, the final crop, if such restrictions are maintained for the remaining eight months of the current year, will probably not exceed 450,000 lb. This will naturally involve some increase in the "all-in" cost. With rubber ruling below 1*s.* 2*d.* per lb., such an increase will destroy any reasonable margin of profit. Should the anticipated recovery in price take place early in 1921, the position will be correspondingly improved. Furthermore, any sales forward—and no information in this respect is available—at good prices will help to ameliorate the position. Financially the position of the Company, as seen in the balance sheet dated June 30, 1920, is very sound. Liquid assets exceeding £49,052 are available to meet current liabilities, which, with the final dividend of £8,203, do not amount to £14,612. The substantial balance carried forward, unless unduly depleted for excess profits duty, which is not likely, should help the Company to tide over the present crisis. According to the latest report of the visiting agent, "the estate is in excellent order and the growth is excellent." In a depressed market the £1 shares have been marked down to 29*s.* 4½*d.*, corresponding to a market valuation of £107 per planted acre.

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ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

THE COTTON CROP.

PRICE FORECAST.

(From Our Special Correspondent)

New Orleans: November 12, 1920.

To-day, for the first time this season, freezing temperatures were reported over practically the entire Cotton Belt, and as still lower temperatures are predicted for to-night it can be said that the crop season, so far as further maturing of the fruit is concerned, is over. This is beyond the normal date for killing frost over the greater portion of the Belt, and the late fall has undoubtedly added something to the crop, as it has enabled practically all of the late-planted cotton to reach full maturity. There are but two things now which may affect the final outturn of the crop, and these are the weather and the price. At the prices now prevailing the impression prevails among the trade here that a large percentage of low-grade cotton in the fields will never be picked. A recent telegram from a firm in Houston, Texas, stated that it was estimated there that a quarter of a million bales would be left unpicked in the fields in West Texas. In North Texas and Oklahoma, where there have recently been heavy rains, it is estimated that another quarter of a million bales will probably never be gathered. If prices should advance sharply between now and Christmas some portion of this low-grade cotton might be picked and ginned, but if weather conditions should henceforth be unfavourable, the disposition to leave this cotton in the fields ungathered would be greatly strengthened.

Several crop estimates, ranging from 12,700,000 bales to 13,000,000 bales, all based on actual growth and exclusive of linters, have already been issued. Opinion in this market seems to be crystallising around 13,000,000 bales as the probable size of the crop, exclusive of linters. The following estimate, by States, referring to actual growth and without linters, sums up the general expectation of the trade here:—

	Bales.
Alabama	750,000
Arkansas	1,000,000
California	100,000
Florida	15,000
Georgia ...	1,500,000
Louisiana ...	400,000
Mississippi	1,046,000
Missouri	70,000
North Carolina	900,000
Oklahoma	1,100,000
South Carolina	1,500,000
Tennessee	265,000
Texas ...	4,000,000
All other ...	151,000
Total crop ...	12,850,000

On a crop of this [illegible] and adding the world's carry-over of lint cotton [illegible] season, we should have a total indicated supply [illegible] of 17,936,000 bales of American [illegible] which compares with an actual supply [illegible] of 17,424,000 bales. If, as some observers of the situation contend, the actual outturn of ginned bales fall short of the current estimates of the growth this year by half a million bales, we still have a supply of approximately 17,436,000 bales, or an excess over last season of only 12,000 bales. The average price of middling spot last season was 38.21c., whereas middling in this market [illegible] is quoted at 18.75c., which is the same as that prevailing about a month ago.

As to the market itself, conditions have been quite unsatisfactory, at least from the point of view of producers of the raw material. There has been no general demand for spots, which have been ranging between 18.75c. and 21.75c. for the past month. A concerted buying movement by bullish interests led to a big covering movement in the latter part of last month that lifted contract values about 500 points from the previous low levels. This rise in futures stimulated some buying of spots by interests who found a profitable hedging basis, but spots advanced only three cents a pound, as compared with the rise of five cents a pound in contract deliveries. In the last few weeks the market has gradually been dropping back to the old levels. To-day January futures were within thirty points of the former low level of the season—namely, 17.02—while spots are now quoted at exactly the price at which they were ruling when last month's advance started.

The holding movement over the South is becoming general, and dealers who have spots sold ahead are experiencing considerable difficulty in fulfilling their commitments on the better grades of spots. In the past few days there has been a good demand locally for strict middling on up, at an enhanced basis, but offerings are quite limited, not only here but in the interior also. No better evidence of the strength and general character of the holding movement is needed than the fact that although nearly 7,500,000 bales of cotton had been ginned to November 1, less than 3,000,000 bales had been brought into sight up to November 5. Producers are not only holding most of their cotton for what they consider the cost of production—namely, thirty cents per pound—but threaten that unless this level is realised before next spring they will reduce next year's acreage by fifty per cent. The best opinion of our leading merchants is that prices in this market will probably hold around present levels until about January 1, after which time the market, it is thought, may do considerably better. A turn for the better in the financial situation is looked for by then, and this will possibly improve conditions in the cotton market. American mills, which have been holding off for several months, working on their reserve stocks, may then also come into the market on a large scale and help to put values up with a view of [illegible] a higher range. In the meanwhile the market is likely to be chiefly a professional affair, with the Bureau estimate about December 8 as the [illegible]

WOOL MANUFACTURE IN AUSTRALIA.

In our recent article on this subject, published on November 6, we dealt with some of the general conditions which have led to the recent development in the desire of Australia to supply its own requirements of woollen goods instead of exporting such large [illegible] amount of finished articles. We also pointed out that, although the building and equipping of mills are matters of difficulty at present, yet the most serious [illegible] nucleus of expert workers and organisers, and the training of the large number of hands required to run modern mills. The private developments in the Australian wool industry which have taken place during the last few years have been greatly hindered—but in some ways greatly helped—by war conditions. If the initial difficulties of buildings and machinery have been overcome, there has not been the slightest difficulty in disposing of the whole output to customers so badly needing supplies, that quality of workmanship has not been too critically examined. The same conditions have, of course, existed in civilian wool goods made in other parts of the world, but this phase has now definitely passed, and competition between firms and between countries has forced a return to pre-war standards in this respect. Anyone possessing experience in the working of a woollen or worsted mill of any type knows only too well the serious damage which may result from carelessness or lack of skill in even the humblest workers, and to such men the formidable nature of the Australian proposal is very real.

The whole subject of the development of wool manufacturing in Australia has been brought to the fore by a very ambitious scheme prepared by the head of the Federal Bureau of Commerce and Industry and supported by the Commonwealth Government. A rough approximation was made of the amount of capital necessary to provide plant to manufacture the whole Australian clip, and the comparative ease with which this could be raised was shown by calculating the insignificant amount which this represented when divided amongst all wool growers. It is proposed to form one large company in each State to undertake the principle operations of combing, spinning, weaving, knitting, &c., and also a central company, which would be responsible for the purchase or making of machinery, dyewares, and all other materials, including raw wool, and the sale of the finished products. It is stated that there is no intention of nationalising the industry, but public money will be spent on technical instruction and research work. There is no information to hand respecting the position, which existing mills would occupy in such a scheme, but it is presumed that they will be regarded as competitors in the usual way.

We shall not criticise this plan in detail because the difficulties in its successful accomplishment are such as would make the greatest experts of the West Riding quail, and, in other hands, may safely be re- [illegible] If any [illegible] beginning is made on the lines proposed we do not think that British manufacturers will fear the issue. In [illegible] we do not wish it to be understood that we regard the [illegible] manufacturing in Australia as impossible, or to convey the impression that we wish to support our home [illegible] young and enthusiastic community to improve its [illegible] that, if developed on sound lines, there is a big future for wool manufacturing in Australia and New Zealand, but success in such a complicated trade is not likely [illegible] industry in the short space of ten or fifteen years. If we assume that the level of wages in Australia and Great Britain remains practically the same—and this [illegible]

by Australia in the saving of transport and other charges might be entirely balanced merely by greater skill in blending wools leaving out of account such things as economy in the various processes of manufacture, superior design, &c. Of the many factors to be taken into consideration the traditional skill of the Yorkshireman in the blending of wools is not to be ignored. It may be possible, for example, to produce a certain article by using Australian wools only, and it may be equally possible to make a similar or even better article at a cheaper price by the skilful blending of various other wools with a proportion of Australian wool. The wools of every breed of sheep in every country of the world have their own peculiar characteristics and uses in manufacturing. It might, of course, be possible to overcome any objections of the wool growers and to import special wools into Australia, but as long as England remains the central wool market, the British manufacturer will be better able to select the cheapest wool suitable for his particular purpose.

Sufficient has, perhaps, been written to show that the main need of Australia in expanding the wool industry is the attraction of the skill and knowledge gained by generations of experience in the older manufacturing centres. There is a disposition amongst many large firms in this country to establish branch mills in Australia or New Zealand. Several are already running or are being constructed, and others are in contemplation, and we suggest that Australia has more to gain by encouraging movements of this kind than by attempting the very risky experiment of creating a new industry on State lines. A British firm opening a branch mill will automatically furnish the necessary trained men, who will take with them the knowledge and traditions of the English factories, and who would have the support of the parent company to ensure the success of the new venture. Australia has, therefore, much to gain by encouraging development along the lines of co-operation between Australian and British capital.

SUGAR.

In our issue of October 30 last we published an article on the sugar question and asked, Was the then existing control system necessary. Fortunately, that system has now been abolished. For practical purposes it may be said that at last the sugar market in this country is now free from the operations of the Sugar Control Board under which it laboured during the continuance of the recent War, and for too long a period after the conclusion of the Armistice in November 1918. What advantage does the sugar market propose to take of its regained freedom? It may reasonably be taken for granted that so far as the sugar importers of this country are concerned, they will use their regained freedom for the purpose of obtaining sugar in the cheapest markets of the world. What advantage do the sugar planters, particularly of the tropical areas of the British Empire and other parts of the world, propose to take for supplying one of the world's greatest consuming markets, and, in fact, the world's greatest consuming market so far as international trade is concerned? In the article we published at the end of October last we gave a table showing the world's production of sugar in the clear year that preceded the outbreak of the recent European War, and contrasted this with the world's production of sugar for the season 1919-20. That table showed that, whereas in the year before the War the total world's production was in round figures some 19,000,000 tons, in the season 1919-20 the total production was a little over 15,000,000. In other words, according to this table, which we compiled from information furnished us from official and private sources engaged in the sugar trade, there was a total world's shortage somewhat exceeding 3,500,000 tons. When we use the term total world's production it will be understood that we mean the total amount of sugar known to and available within the limits of the international markets. In estimating the total production of any commodities it is only possible to take account of the quantity of sugar or other commodity which pass through the hands of traders in the various countries which produce the particular article, the aggregate production of which it is desired to ascertain. It is not possible to take account of sugar grown for private consumption. The most striking illustration of this fact is afforded by the tea industry. It is, of course, common knowledge to anyone who has any acquaintance with the tea industry that immense quantities of tea are grown in various parts of China destined for private consumption. In computing the total world's production of Asiatic tea it is only possible in estimating the amount grown in China to rely upon the figures furnished by Chinese traders, native and foreign, engaged in the industry, and who deal with tea which passes through their hands for purposes of trade, whether that tea be destined for home consumption in China or to be exchanged in the international markets of the world. It used to be computed that the total combined production of beet- and cane-sugar amounted before the War to something over 20,000,000 tons. It is highly probable that it considerably exceeded this figure. Nevertheless, when we endeavoured in October last to obtain actual figures of the total amount of sugar grown in the various plantations of the world which furnished returns either to Government officials or whose product was known to the sugar traders of the various countries, the total amount, when we came to add the figures up, was under 19,000,000 tons. The table showed that in the pre-War period the total amount of cane-sugar grown throughout the world was under 10,000,000 tons, while the total amount of beet-sugar raised in Europe and in other parts of the world was slightly under 9,000,000 tons. In the post-War period the total amount of cane-sugar grown on the various plantations of the different countries of the world in round figures amounted to very nearly 12,000,000 tons, whereas the total production of beet-sugar was considerably under 3,500,000 tons, or not much more than a third of what it had been in the pre-War period. Beet-sugar was grown, and is grown, in various parts of the world, notably in Ontario in Canada, and in the United States. The vast proportion of the world's supply of beet-sugar, however, came from Belgium, France, Austria, and Russia, in the period before the War. These countries no doubt will gradually, in course of time, produce once more the 9,000,000 tons they were capable of raising in the pre-War period. There is, however, in the freeing of the English market an opportunity afforded to the cane-sugar growers of the tropical regions of the earth to make up the deficiency in the world's supplies which now exist before the beet-sugar growing countries have sufficiently recovered from the effects of the recent War to produce sugar once more upon the accustomed scale. We showed in the article referred to that the tropical sugar-cane planters had increased their production of sugar during the period of the world-wide shortage by only some 2,000,000 tons. We showed also that apparent lack of enterprise was in no way due to any slackness or failure to take advantage of the state of the world's sugar market on the part of the planters concerned. It was entirely due to the action of the Sugar Commission controlled by the Allied Governments. The island of Java, in fact, enormously increased her output of sugar, as her planters rightly anticipated the coming world shortage. Their reward, however, was to find that they could only dispose of their products in a local market and at a price which did not repay them for the cost of production. With the removal of the restrictions which recently existed the cane-sugar planters have an opportunity of obtaining a footing in the world's international markets, which, if once secured, it would be difficult to dislodge them from.

Two aspects of the question have an important bearing on the prospect of the sugar industry. These are the fact that cane-sugar growing is [illegible] agriculture in a sense that very few tropical products really so far are. The other important aspect of the question, to which we should direct attention, is the importance of England as an importing market. Although in a sense we have ceased to be the actual largest sugar consumers, in another sense we are still the most important and the largest consumers of that commodity so far as the international markets are concerned. The whole of the sugar consumed in this country is imported from overseas. In the period before the War our total sugar consumption amounted in round figures to 2,000,000 tons. During the last few years the trade has been so absorbed with the question of sugar as an article of diet that its influence upon the trade of the country has either been forgotten altogether, or wholly obscured by the urgency of the demand of those who wanted to obtain sugar for their own personal consumption and the consumption of the members of their several households. In the pre-War period, however, a very large part of the sugar we imported was used in the various branches of the confectionery industry. As we had access to supplies from all the world wherever the sugar was to be obtained, we purchased our supplies upon a lower basis of economic values than any other country at that time. As a result, the confectionery and jam industries obtained this essential constituent for the conduct of their business at very cheap rates. We enjoyed as a consequence a very considerable share of the international trade in providing of jams and various forms of confectionery. Whether it will be possible to regain the position we held before the War in this branch of industry remains to be seen. Doubtless the traders engaged in this branch of trade will endeavour to regain it, but their success will depend upon various factors, as, for example, the ability of the bakers and confectioners to obtain cheaply the other constituents demanded for the successful conduct of their business.

We have not space here to enter into the question which parts of the British Empire or other countries may be suitable for the planting of sugar-cane over an extensive area. Suffice it to say that a very large part of the acreage of the tropical countries of the world is available for the growth of cane-sugar. In our own Empire, we may mention the West Indies, Northern Australia, India, and a large part of tropical Africa. Outside the British Empire, a very large part of tropical South America, as well as an extensive area in Asia, particularly those islands enjoying an adequate rainfall, are suitable for growing cane-sugar.

Finally, it has to be remembered that cane-sugar growing is agriculture, as distinct from a merely plantation industry. Cane-sugar can be planted and harvested within a single season in properly prepared areas. Consequently, the cane-sugar grower can look for a rapid return from this industry, just as the farmer who is accustomed to grow [illegible] Cane-sugar offers various advantages to the cultivator. From the cane he extracts his sugar; from the residue he distils an exceedingly palatable spirit, for which there is a great demand in various parts of the world. He has not even then exhausted the potentialities of his crop, because there still remains a by-product which can be made into a rich, nourishing food for cattle. In addition to all these advantages, cane-sugar keeps exceedingly well. It can be sent over great distances across the ocean in almost any kind of sea-going vessel. It is not necessary, as is the case with so many industries, to build a specially constructed ship for the purpose of carrying cane-sugar from the port of embarkation to the port where it is destined to be consumed. Its properties to the actual consumer.

Industrial Companies.

P. & O. STEAM NAVIGATION COMPANY.

Issued Capital: £6,431,120 in £3,040,000 Cumulative 5 Preferred Stock and £3,391,120 Deferred Stock. 3½ Debenture Stock: £1,495,880.

1913...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1914...	[illegible]	[illegible]	174,469	15·0	15	[illegible]	[illegible]	[illegible]
1915...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	402,316	[illegible]	[illegible]
1917...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The directors of this important shipping concern, in their report for the year ended September 30 last, continue their policy of presenting results in a highly summarised form. Thus, the net profit is stated to amount to £710,430 after providing for depreciation and making an allocation to the insurance fund. In the previous reports the net profit was shown "after providing for depreciation, &c." The absence of any information as to the extent of the provisions made, or the amount of the working and administration expenses renders it impossible to draw any valid comparison. It is stated in the report that "the cost of overhauling the steamers which were severely knocked about during the War has been very serious and has materially reduced the result of the year's operations." The fall in net profit, however, from £1,614,585 in 1919 to £710,430 this year, may not be so pronounced as it appears, especially as an appropriation has been made this year to the insurance fund before showing the net balance, whereas in the previous year no such deduction was made. Moreover, it is rather significant that although allocations amounting in all to £1,000,000 were made to various reserves last year, no specific appropriations are now shown. In the distribution of the net balance this year, Debenture interest absorbs £53,054, as against £55,055, and the Preferred dividend £406,934, the same as in the previous year, leaving a balance of £507,376, which, added to the amount brought forward, leaves an available surplus of £619,656. The Deferred dividend [illegible] is increased from twelve per cent. to fifteen per cent., involving a distribution of £508,668, as compared with £384,027 last year. The increase in the amount distributed is, however, attributable in part to the additional capital of £190,885 created by the issue of bonus shares, ranking for dividend as from October 1, 1919. In addition, it is now proposed to make a further reserve capitalisation, amounting approximately to £205,000, in Deferred shares, ranking for dividend as from October 1, 1920. The source of the bonus distributions in each case arises from the appreciation in value of the holdings in associated companies.

The position as shown in the balance sheet has undergone some important alterations. As against the increase in capital, the Debenture stock has been further reduced by £33,600 to £1,495,880. The [illegible] than last year. The contingent fund and the provi[illegible] £300,000 respectively, whilst the insurance fund, with [illegible] ing all claims, together with the allocation from revenue [illegible] £2,500,000. [illegible] prepared with the previous figure. Although no indica-

most to this large expansion, it would appear from the directors' report that the increase has been mainly in the fixed assets. Thus, considerable progress has been made in the construction of new steamers, additional premises have been purchased, and, besides, an interest has been taken in the P. & O. Banking Corporation, Limited, formed in the spring of this year. The scope of the Company's operations has been still further enlarged by the purchase of the General Steam Navigation Company, Limited. This transaction is not included in the present accounts, however, not having been completed during the financial year. It is satisfactory to note that only one of the Company's vessels now remains under full requisition to the Government, as against twelve steamers last year.

The new aquisitions, together with the return to commission of several ships which underwent heavy repairs during the year, point to a substantial increase in earnings in the near future. Due account must be taken, however, of the uncertain outlook in the shipping trade, and the usual pronouncement on this subject at the general meeting of the Company will be awaited with interest. It may be remarked that in view of the increased capital, which will rank for dividend next year, the maintenance of a fifteen per cent. dividend can only be effected by a corresponding expansion in net profits, unless a more liberal policy is adopted by the directors.

The Deferred shares of the Company are quoted at 421, yielding a return of 3.8 per cent., tax free. The five per cent. Preferred shares yield 6.7 per cent., tax free, at their present quotation of 74½, and the three and a-half per cent. Debenture stock, quoted at 55, yield 6.4 per cent.

J. AND P. COATS, LIMITED.

Subscribed Capital: £20,250,000, in 250,000 6 per cent. Preference shares of £10 each; 3,000,000 6 per cent. "B" Preference shares of £1 each; and 14,750,000 Ordinary shares of £1 each.

Year to	Profits before Depreciation, Income Tax, &c.	Income Tax	Net Profits	Preference Dividends	Ordinary Dividends	Rate per cent.	Balance carried forward
June 30	£	£	£	£	£		£
1913	2,005,230	120,441	1,884,789	1,575,000	309,789	2	1,555,112
1914	2,034,897	125,541	1,909,356	1,575,000	334,356	2½	1,555,112
1915	2,568,969	180,247	2,388,722	1,575,000	813,722	6	1,555,112
1916	3,285,366	191,466	3,093,900	1,575,000	1,518,900	12	1,130,012
1917	3,360,950	194,151	3,166,799	1,575,000	1,591,799	12½	1,130,012
1918	3,171,796	189,730	2,982,066	1,575,000	1,407,066	11	2,705,777
1919	3,995,119	303,138	3,691,981	1,575,000	2,116,981	16½	4,191,277
1920	4,164,894	473,005	3,691,889	1,575,000	2,116,889	16½	4,306,166

After deducting expenses, profits tax, &c. Also carried to Reserve Fund £2,000,000 and Insurance Fund £250,000.

The report of this well-known Company for the twelve months ended June 30 last shows that a net profit was obtained of £4,164,894, after providing for depreciation, excess profits duty, and corporation tax, but before deducting income tax. Interest, excluding that received from subsidiary companies, contributed £93,257 to revenue, as against £17,521 in 1919, and the deduction for depreciation at £35,474 is £17,565 less than last year. Administration charges, however, figure at £104,266, as compared with £48,826, and besides, before arriving at the net profit this year corporation tax has been deducted, whereas this tax did not arise previously. The item "Income tax paid less retained" represents a charge of £473,005 this year, as compared with £301,138 last year and £189,730 in 1918, and allowing for this item the net balance works out at £3,691,889, as against £3,694,011 last year. Adding the amount brought forward there is an available balance of £4,191,277, the distribution of which proceeds on a new basis in consequence of the capital rearrangement towards the end of last year. This adjustment involved the conversion of the Cumulative Preferred Ordinary stock of £3,000,000 into Six per Cent. "B" Preference stock of £3,000,000, the bonus issue of £2,800,000 in Ordinary shares to the Preferred holders and of £4,500,000 to the Ordinary holders. The Preferred and Ordinary stockholders received, in addition, the [illegible] to the number of 700,000 and 2,250,000 respectively. The scheme resulted in an increase of £10,250,000 in the capital, which now amounts to £20,250,000. In the dividend distributions this year the Six per Cent. Preference holders receive the usual sum of £150,000; the Six per Cent. "B" Preference holders receive £180,000, and the Ordinary dividend of seventeen and a-half per cent. which is declared gives them a further distribution of £490,000 on the bonus shares which were issued to them, making £670,000 in all, as compared with £600,000, to which they were formerly entitled. In addition, they receive a dividend of ten per cent. upon the 700,000 shares which were taken up early in the present year. The old Ordinary shareholders receive £1,575,000, as compared with £1,800,000 last year, the reduction being due to the fact that although their capital was doubled by the bonus distribution, the rate of dividend is less than half that paid last year, although it is, of course, equivalent to thirty-five per cent. on the old capital basis. They benefit considerably, however, by the dividend of ten per cent. payable upon the 2,250,000 shares which were issued at par early this year. From the balance of undivided profits the war contingencies fund receives £250,000, as compared with £750,000 in 1919, the marine and fire underwriting reserve £150,000, the same as previously. The reserve for depreciation of investments, to which no allocation was made in 1919, receives £200,000, but no appropriation is made to the pension fund, which was credited with £250,000 last year. The total additions to reserves amount to £600,000, as compared with £1,150,000 in 1919, and a balance of £903,058 is carried forward, as against £499,388 brought in, after deducting £1,800,000 under the capitalisation [illegible]

The changes which have occurred in the financial position of the Company may be seen from the following summary of the balance sheets in 1919 and 1920:

Liabilities	1919	1920	Assets	1919	1920
	£	£		£	£
[illegible]	[illegible]	[illegible]	[illegible]	11,928,175	11,954,154
[illegible]	[illegible]	[illegible]	Stocks	6,388,464	7,357,878
[illegible]	[illegible]	[illegible]	[illegible]	8,168,630	12,772,355
[illegible]	[illegible]	[illegible]	Investments	2,513,146	2,967,888
[illegible]	[illegible]	[illegible]	Cash	516,265	1,193,811
	[illegible]	[illegible]		29,514,680	36,246,106

[illegible] subsidiary [illegible]

It will be seen that £12,779 of the subscribed capital of £20,250,000 remained unpaid at the date of the present accounts. Dividends and interest due, amounting to £1,099,763 in 1919 and £1,350,082 this year, are included in the above table among sundry creditors. This item also includes provision for excess profits duty and corporation tax. The bank loan of £400,000 which figured in last year's accounts has been repaid. The general reserve of £5,500,000 does not appear in the present balance sheet, being absorbed in the issue of bonus shares last year. The allocations now made increase the other reserves to £7,197,040, the marine and fire underwriting account amounting to £1,000,000, the dividend reserve fund to £2,100,000, the war contingencies fund to £3,000,000, the pension fund to £750,000, and the reserve for depreciation of investments to £147,040. The fixed assets, which include holdings in other companies, were increased during the year by £58,021, as compared with £16,381 in the previous period, but the deduction of £32,046 for depreciation resulted in a net increase of only £25,975. Stocks, which were increased by nearly £743,000 last year, show a further expansion of over £969,400. The growth of £4,603,725 in sundry debtors is mainly attributable to the increase in the amounts due by subsidiary companies from £4,831,711 to £7,931,860. Investments have also increased substantially and cash holdings are more than twice as large at £1,193,811. It will be seen that the liquid assets, excluding shares in subsidiary companies and the large item of stocks, amount to £16,934,074, against which there are

[illegible] liabilities (excluding proposed dividend) of £7,908,783, leaving a surplus of about £9,025,000, as compared with less than £6,079,800 last year.

As to information to be obtained in the report regarding the present trade conditions it is difficult to form an estimate of the prospects for the current financial year. The recent depression in the textile industry may lead to a period of decreased profits, and competition in foreign markets, where more than eighty per cent. of the Company's products are sold, is likely to become keener in the near future. The financial strength of the Company, however, combined with its strong selling agencies and its control of a large number of important subsidiary companies [illegible] abroad, provide adequate safeguards against any serious setback. Although a dividend for the year of seventeen and a-half per cent. would require an Ordinary distribution of £2,581,250, or £223,031 more than the present figure, still the additional capital of £2,950,000 raised during the first half of 1920 will be fully available for employment, whereas in the past financial year a comparatively small part only of the new capital was available and for a much more limited period. It is not, therefore, unreasonable to assume that the dividend of seventeen and a-half per cent. will be maintained. On this basis the Ordinary shares, [illegible] quoted at 45*s.* 6*d.*, would yield a return of 7.8 per cent. The prices and yields of the Preference shares are set out below:

	Par	Price	Yield
	£ *s.* *d.*	£ *s.* *d.*	%
[illegible] ...	10 0 0	7 11 0	[illegible]
[illegible] ...	1 0 0	0 18 0	6 6

THE BRITISH COTTON AND WOOL DYERS' ASSOCIATION, LIMITED.

The interim report presented by this Company, covering the half-year's trading to September 30 last, shows that the exceptional prosperity enjoyed by the Company during the past financial year has been rather well maintained. Operations resulted in a profit of £76,055, as compared with nearly £90,000 for the corresponding period in 1919; but allowance must be made for the fact that besides an increased provision for taxation, the amount deducted for renewals and repairs before arriving at the profit is over £27,800 greater than the provision made last year. Allowing for miscellaneous charges and Debenture interest, and [illegible] £12,500 to the depreciation fund, as compared with £15,000 previously, a net balance of profit is shown amounting to £50,100, as against £52,200 in 1919. The trading results of the Company during the [illegible] years are shown in the following table:

Year ended March 31.	Net Profits.	Dep. and Renewals.	Ordinary Dividend.	Reserve.	Carried forward.
	£	£	£	£	£
1915	125,000	50,000	37,500	25,000	15,000
1916	180,000	68,000	37,500	15,000	15,000
1917	141,250	75,000	24,000	15,000	15,000
1918	208,125	90,000	24,000	15,000	15,000
1919	218,962	100,000	24,000	15,000	15,000
1920	296,787	114,000	24,000	15,000	15,000

* After providing for [illegible] and excess profits duty.
† Excluding bonus.

It will be seen that the net profits for the [illegible] months ended March 31 last were exceptionally satisfactory, but that the charge for depreciation and renewals was far greater than in previous years. In view of the particulars now given it is likely that the total charge for the current financial year will be still greater. The capital was increased last year to £580,624 by a bonus share distribution of £193,541 from the reserve, and the maintenance of the usual dividend of ten per cent. involved a corresponding increase in the amount of the dividend. The last balance sheet showed a general reserve fund of £125,000, and the depreciation fund, with the allocation now made, amounts to £127,500. The directors are likely to maintain a [illegible] attitude with regard to dividend payments, and even if profits show a further substantial increase during the current year a [illegible] dividend [illegible] anticipated. The 5*s.* Ordinary shares of the Company [illegible] yielding [illegible] per cent. on the basis of [illegible] per cent.

TODD, BURNS AND CO., LIMITED.

Subscribed Capital: £50,000 in 10,000 6% Cum. Preference Shares of £5 each; £100,000 in 100,000 Ordinary Shares of £1 each; £100 in 20 Founders' Shares of £5 each.

Red. Debenture Stock: £60,935.*

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1915	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

In common with other Dublin drapery houses this Company prospered during 1919. The trading profit increased substantially by £18,052, or eighty-four per cent., and this affords another instance of the remarkable demand for goods experienced during that year. With the addition of the amount brought into the accounts, £23,747, the directors had available for disposal the sum of £62,606. Out of this Debenture interest and Preference dividends absorbed the usual sum of £5,742; £1,770 was written off on account of depreciation, and the Ordinary dividend, as a result of the increase from seven per cent. to eight per cent., less income tax, required £4,000, as compared with £3,500 last year. There then remained to be carried forward the sum of £25,593, which is £1,846 in excess of last year. As regards Founders' shares, the arrangement is that they take one-half the surplus profits after the payment of ten per cent. on the Ordinary. The presence of this item in the balance sheet does not facilitate the issue of fresh share capital to the public, and considering the rate of interest now obtaining on industrial investments, it seems to be out of place.

The enhanced scale of prices ruling for stock and the increased costs of running the business forced the directors early in the present year to follow an example set by many companies. At the ordinary general meeting held on March 31 it was decided to increase the capital of the Company to £150,000 by the creation of 50,000 additional Ordinary shares of £1 each, ranking for dividend and in all other respects *pari passu* with the existing Ordinary shares. Of this issue, 20,000 Ordinary shares were offered at par to the Ordinary shareholders, in the ratio of two new Ordinary shares for every five held. An allotment of 10,000 shares, also at par, in the proportion of one new Ordinary for each Preference held, was offered to the Preference shareholders. The balance of 20,000 shares was to be disposed of as the directors thought fit. As may be seen from the table at the head of this column, liquid assets, represented by cash in hand and sundry debtors, are in excess by £61,522 over current liabilities, represented by sundry creditors. This indicates [illegible] per cent. by the previous year. The increase is [illegible] the item [illegible] sundry debtors from £107,831 to £153,658. It may be noted in passing that debt reserve fund, on the other side of the balance sheet, is down for £10,000. Cash in hand shows a decline from £2,226 in 1919 to £1,346 in 1920, and similarly the valuation put on stock-in-trade has slightly fallen, from £124,313 to £118,583. Trade fittings, furniture, &c., are entered at £11,546 this year, as compared with £12,080 in the previous accounting period. The only other asset of any importance, freehold and leasehold premises, again figures at £75,208. Glancing at the liabilities, debt reserve [illegible] reserve fund, after being doubled, stands at £10,000.

and to the course of display goods prices within a recent term, both additions constituted wise precautions. This exhausts the list of funds built up out of undivided profits, the total of which on January 31, 1920, worked out at £113,162. The remaining liability calling for mention is cash on deposit, the amount thereunder [illegible] £5,271 to £19,739.

The yield at present prices of the various classes of share capital is [illegible]:—

[illegible]

BLEACHERS' ASSOCIATION, LIMITED.

The report of this Company for the half-year ended September 30 last shows a record growth in prosperity. The cost of maintenance and upkeep, however, has increased by almost £87,600 as compared with the corresponding period last year, and interest charges show an increase of nearly £17,000. The report states that an estimated amount in respect of income tax, excess profits duty, and Corporation tax has been provided for, and it seems safe to assume that this provision is much greater than the sum, amounting to £25,000, set aside a year ago. It is therefore remarkable that the net profits should work out at £576,404, as compared with £509,940 for the corresponding period in 1919. In the reserve allocations this year a sum of £25,000 is transferred to contingencies fund, the same as last year, but the depreciation fund receives £90,000, as compared with £65,000. The Preference distribution remains the same, and the interim dividend of four per cent. (actual) is maintained, leaving a balance of £620,029 to be carried forward, as compared with £546,831 for the corresponding period in 1919. Assuming that a similar measure of success will characterise the Company's operations during the current half-year, there is good reason for anticipating that the final dividend will be at least equal to the sixteen per cent. which was paid in respect of the year 1919-1920. On the basis of this final distribution of sixteen per cent. the Ordinary shares, quoted at 31s., will afford a yield of over 10.3 per cent.

BRITISH GLASS INDUSTRIES, LIMITED.

This Company was formed in January 1919 for the purpose of developing the production of glassware by automatic machinery. The progressive nature of the enterprise may be measured by the continuous development of the works at Canning Town and Charlton, and the acquisition of a controlling interest in several large undertakings, including the United Glass Bottle Manufacturers Limited, Webb's Crystal Glass Company, Limited, and their important subsidiaries, and in the British Window Glass Company, Limited. The financing of this ambitious programme necessitated an increase in the issued capital from £300,000 to £3,615,384 during the period from April 1919 to July 1920. The premiums received on capital issues amounted to £2 450,000, of which a sum of £2,100,000 was distributed in bonus shares in June last.

The first annual report now published shows the position of the Company as at March 31 last, but as the bonus capitalisation and some important purchases have been completed since that date, the statement does not represent in any way the present position. However, the manner in which the various assets have been distributed is of interest. The investments in and loans to subsidiary undertakings figure at £2,844,901, whilst the expenditure on land, factories, machinery, and plant amounts to £630,991, apparently representing in large part the original assets acquired, together with the additional capital expenditure thereon. Sundry debtors and stocks amount to £15,351 and £14,476 respectively, whilst cash resources reach the large total of £1,148,743. Formation expenses are stated at £127,622, and the balance of revenue expenditure amounting to £28,263 is provisionally entered among the assets, pending the presentation of a statement of profit and loss. On the debit side of the balance sheet, "liabilities on account of uncompleted purchases of shareholdings in subsidiary companies amount to £947,536. These transactions have since been completed, and the capital account and the premium on shares account have also undergone radical alterations, as already indicated. Part of the balance of the premium account will probably be applied in due course to the elimination of the item preliminary expenses. Trade creditors figure at the small total of £26,223. The liquid assets, taken as a whole, amount to £1,191,981, representing a surplus of £218,222 over current liabilities.

The trading results of the Company, together with those of its subsidiary and associated concerns, will be submitted in the report for the financial year ending March 31 next. Details furnished in June last showed that the combined undertakings were earning profits of about £600,000 per annum, and this standard has probably been largely increased as a result of the much greater productive capacity now existing. An interim dividend of ten per cent., amounting to £350,000, was paid in September last. A detailed review of the present position may be anticipated at the general meeting of the Company to be held on December 8. The trade prospects appear to be good, although the danger of foreign competition cannot be overlooked. In the present depressed conditions of the market the shares of the Company are quoted at 13s. 10½d., yielding a return of ten per cent. on the basis of a dividend of seven per cent.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Particulars of these bonds, which are still on offer, appeared in THE STATIST of November 6, 1920.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier issues.

BARCELONA TRACTION, LIGHT AND POWER COMPANY, LIMITED.

Offer at ninety-four per cent. of £1,050,000 Eight per Cent. Secured Debentures, redeemable at 106 per cent. within twenty years by annual drawings. Flat yield, £8 9s. 7d. per cent. per annum; yield with redemption, £8 14s. 10d. per cent. per annum; average yield with redemption, £9 6s. 7d. per cent. per annum. Premium on redemption, £12 14s. 5d. per cent.

Barcelona Traction Light and Power is a holding Company, domiciled in Canada, which controls several Spanish subsidiaries operating hydro-electric plants, transmission lines, and power-stations. The issued share capital is $35,933,500, and outstanding bond emissions amount to £11,161,825 and Ptas.20,000,000, plus a further £2,372,136 Income Bonds issued or to be issued in satisfaction of funded interest. Of the £2,225,000 Prior Lien "B" Bonds (ranking next after the £1,656,825 Seven per Cent. Prior Lien "A" Bonds), £225,000 were deposited as collateral for the six-year bonds, and the remaining £2,000,000 were sold in France in 1915. The directors, taking advantage of the low sterling value of the franc, have now bought back £1,915,500 of the latter issue for £907,966, and the present Debenture issue is made in order to finance this operation. The stock now on offer forms a direct obligation of the Company, and is a specific first charge on the £1,915,500 Prior Lien "B" bonds. The annual interest on the latter amounts to £114,930, which is sufficient to meet the service of the £84,000 yearly Debenture interest and the cumulative sinking-fund. Net earnings, after providing for interest on the Prior Lien "A" bonds (the only charge in front of the "B" issue), have exceeded £400,000 annually from 1917 to 1920, except in 1919, when, owing to severe labour troubles, they dropped temporarily to £366,000. These figures seem to give ample cover for the service of the "B" bonds. The recent weakness of the peseta and the syndicalist tendencies of Spanish labour [illegible]

elements of speculation to the investment. The yield, however, is attractive, and, as the success of the emission means a marked improvement in the financial organisation of the enterprise, it will appeal in particular to present shareholders. The lists close on Tuesday, December 7.

BOVRIL, LIMITED.

Offer of 100,000 Eight per Cent. Preferred Ordinary £1 shares in Estates Control, Limited.

Estates Control, an associated company of Bovril, Limited, is part proprietor of the Bovril Estates Companies and of Vinol, Limited, and carries heavy stocks of raw material, principally for Bovril, Limited. The capital of £520,000 includes £249,500 Five and a-Half per Cent. Preference and £250,000 Eight per Cent. Preferred Ordinary shares. Of the latter £150,000 were issued recently to shareholders, and the balance is now offered. There is also £20,500 in 4s Ordinary shares, all of which are owned by Bovril, Limited. Since incorporation in 1903 Preference dividends have been regularly paid, and the directors state that the Ordinary shares have always yielded a substantial return. The issue of Preferred Ordinary shares increases the annual Preferred dividend liability from £13,722 to £33,722, but this figure is amply covered if the net profits, which amounted to £45,847 for 1919, are maintained. The conservative and protective price policy of Bovril, Limited, shows that their profits in the past have not been on an abnormal scale, and the general high status of the Company will in itself add attraction to the issue. The absence of a detailed statement of profits and of asset values, however, is a regrettable deficiency in the advertised offer. The lists close on Thursday, December 9.

NATIONAL DIAMOND FACTORIES (BERNARD OPPENHEIMER), LIMITED.

Offer at par of £1,000,000 Eight per Cent. Six Year Convertible Secured notes, repayable by annual drawings at 105 per cent., unless previously converted.

The Company was formed in December 1919 to acquire the Oppenheimer Diamond works at Brighton, which had been started in 1917. Over 800 disabled ex-Service men have already been trained and provided with remunerative employment. The capital, which has been privately subscribed, amounts to £1,300,000, and the present issue is tendered necessary in order to provide funds for the purchase and carrying of the stock of diamonds. The notes will be paid off at the rate of £400,000 in 1924, £300,000 in 1925, and £300,000 in 1926, giving a maximum yield with redemption of £9 5s per cent. per annum and a minimum of £8 16s 8d. per cent. per annum. They are secured as a specific first charge on the property and plant, and a floating charge on the other assets of the Company, and hold the right to convert at par into Ordinary shares at any time up to January 1, 1924. Certified net assets at present standing at £1,390,914 leave a margin of £390,914, after providing capital cover for the present issue. The annual interest charge will amount to £80,000, as security for which, it is stated, assets have increased in value during the past year by £90,000. This figure does not, however, allow for corporation tax or excess profits duty, if any. The diamond industry at present is surrounded by many adverse factors, not least of which are the impoverishment of the Continent and the high tariffs on luxuries in most foreign countries. For these reasons confidence in the company, discounts the speculative aspect of the issue, the notes offer a very attractive yield. Further details may be obtained in our advertisement columns.

ALLEN AND HANBURYS, LIMITED.

Offer of 150,000 Eight per Cent. Cumulative ... Preference Ordinary shares of £1 each at par.

The Company, whose trade mark ... Allenburys ... enjoys a world-wide reputation ... carries on the business of wholesale and manufacturing chemists and druggists. The existing capital is:

	Issued	Total
...	...	...
...	...	...
...	...	...

The notes are not specifically secured, nor is there any limit to the amount to be issued in the future, but the Company undertakes not to create Debentures ranking before those already existing. An attractive feature of the investment is the yearly redemption from 1922 onward of 400 of the notes. The average yield, with redemption at the price of issue, is thus £8 10s. 2d. The lists closed on Friday, December 3.

THE MALACCA RUBBER PLANTATIONS, LIMITED.

Offer at ninety-six per cent. of £150,000 Eight per Cent. Seven Year Notes, repayable at 101 per cent. on or before November 30, 1927. Flat yield £8 4s. 10d. per cent. per annum; premium on redemption £5 4s. per cent.

The Company, incorporated in 1906, holds extensive rubber plantations in the Straits Settlements and the Federated Malay States. Of the 16,559 planted acres 14,538 are already in tapping and have given increasingly high yields, the output of rubber for 1919 being 4,210,746 lb. The plantations stood in the Company's balance sheet on December 31 last at £1,220,547, against an issued capital of £353,964, giving a share capitalisation of approximately £22 per planted acre. There is at present outstanding £200,960 six per cent. Debenture stock, for the service of which the Company has to set aside one-tenth of its surplus net profits after payment of a seven and a-half per cent. Preference dividend. The present issue is not secured as a definite charge against assets, but the Company undertakes to place to the credit of a sinking fund an annual sum of £15,000 payable out of surplus profits after the Preference and Debenture claims have been met, and all receipts in regard to option rights referred to later, and a further guarantee is given that no other charges, other than as security for bankers' loans, will be created without the consent of holders of the notes. Each allottee will receive an option certificate entitling the holder to subscribe to thirty £1 Ordinary shares at £2 10s. each for every £100 of notes held. The shares at present stand at 2½, but the eventual recovery of the commodity market should place the option rights at a premium. The prosperity of the Company is evident from the fact that Ordinary dividends have varied between ten and seventy-five per cent. during the last ten years. The Preference dividend and Debenture interest claims amount to £20,682. After one-tenth of the remaining profits have been allocated to the Debenture sinking fund, the note interest of £12,000 ranks for payment. As certified annual net profits for the last ten years have, with one exception, run into six figures, the interest is amply secured. The investment combines sound security with a high yield and potentially valuable option rights. The lists close on Friday, December 10.

CAMBRIAN LEATHER WORKS, LIMITED.

Offer at par of 175,000 £1 shares.

The Company has been formed to acquire the business of J. Meredith-Jones, Limited, at the Cambrian Leather Works, Wrexham. The principal manufacture is roller leather for cotton-spinning and fancy leathers for bookbinding and other purposes. The net assets acquired are certified at £120,000 (including a 1920 valuation of property and plant). The purchase consideration is a similar amount in cash. Certified net profits fell gradually from £11,984 in 1911 to £7,386 in 1915, but rose consistently afterwards till £35,015 was reached in 1920. The prospectus points out that the average profits for the past three years are more than sufficient to provide a return of fifteen per cent. on the Ordinary shares. These figures, however, do not allow for Debenture and loan interest, nor for the possible creation of other prior charges. The inevitable collapse of commodity prices in itself renders the maintenance of present profits highly improbable. The Company is highly organised on its technical side, but, capitalised as it is on a basis of inflated values, the taking up of shares in the present issue is unduly speculative. The lists close on Friday, December 10.

THE BRITISH-AMERICAN SAFETY RAZOR COMPANY, LIMITED.

Offer of 225,000 £1 "A" shares at par.

The Company has been formed to acquire from the American Safety Razor Export Corporation of New York the sole rights for Europe, Africa, India, and Australia for manufacturing "Ever Ready," "Gem," and "Star" safety razors, and "Safetee" toilet requisites. The capital is £400,000 divided into £225,000 "A" shares (now offered) and £175,000 "B" shares, of which £165,000 are allotted to the Export Corporation as purchase consideration (£35,000 being for goodwill). Both classes of shares rank *pari passu* as to capital and interest, but each "B" share holds five times the vote value of an "A" share. The prospectus gives a mass of detail concerning the American undertakings, but includes no statement as to past profits or asset values. This unsatisfactory document, coupled with the fact that the American Corporation retain complete voting control of the undertaking, is not likely to attract the interest of investors who are already besieged with highly attractive offers. The list closes on Monday, December 6.

FRANK MYATT, LIMITED.

Offer at ninety-eight per cent. of £400,000 Six per Cent. Tax-free First Mortgage Debentures, redeemable at 102½ per cent. by annual drawings before July 1, 1946. Yield: £8 14s. 11d. per cent. per annum, less tax.

The Company was formed in June 1920 to acquire two Wolverhampton breweries, and has a share capital of £500,000, all of which is held by the directors and their friends. The properties owned now include two freehold breweries, wine, spirit and bottling store, 146 freehold, 4 copyhold, and 31 leasehold licensed houses, and an increasing business is being carried on with free licensed traders. The Debentures now on offer are secured by trust deed as a first specific mortgage on the land, buildings, plant, and machinery, and a floating charge on the other assets of the Company. Certified net assets, calculated on a basis of present-day values, are £775,000. Net profits are shown in the prospectus for 1918 to 1920 only, when they rose from £83,360 to £128,725. These figures are arrived at before charging income tax, excess profits duty, corporation tax, directors' remuneration, or depreciation, but as the annual interest on the present issue will require only £34,286, it seems fairly well secured. The lists closed on Friday, December 3.

THE BOEKET BOENDAR RUBBER COMPANY, LTD.

Offer at par of £75,000 Eight per Cent. Convertible Debenture stock, redeemable before October 31, 1926, carrying an option to convert at any time into Ordinary shares at par.

The Company operates an estate of 2,100 acres in Sumatra, and has an issued share capital of £120,600. The total planted area is 1,959 acres, the bulk of which will remain immature for several years. The present issue is being made to provide funds necessary to complete planting operations and to bring the whole into bearing. The estate seems of a promising nature, but the details published are not sufficient to allow of a definite opinion. Investors will not be attracted by the restricted market for the stock. The lists close on Wednesday, December 15.

THE TENASSERIM HEVEA PLANTATION, LIMITED.

Offer at par of £30,000 Ten per Cent. Convertible First Mortgage Registered Debentures, redeemable at 105 on or before November 30, 1930, and carrying an option to convert as per note. Ordinary shares

The Company owns about 2,600 planted acres in the Mergui district of Burma. The low price of rubber leaves no margin of profits for the development of immature areas on the estate, and consequently the present issue is being made. The Debentures are secured by trust deed as a specific first mortgage on the whole of the properties and a floating charge on the other assets of the Company. The liability, which works out at only £11 10s. per planted acre, is amply secured as to capital, and the convertibility rights may eventually prove of substantial value. £12,000 of the issue is already placed firm, leaving £18,000 for public subscription. Prior to conversion, however, the bonds will be confined to an inactive market. The lists close on Wednesday, December 15.

SAMUEL JONES AND COMPANY (DEVONDALE).

Offer at par of 25,000 Eight per Cent. £1 Cumulative Preference, and 50,000 £1 Ordinary, shares.

The Company has been formed to acquire a paper coating and gumming mill in Clackmannanshire. The purchase price is £12,000, and the property is valued at £22,400, though the latter figure, it is stated, should be trebled on the basis of present values. No indication is given as to past profits or as to the exact nature of pending capital outlay, which will amount to five times the purchase consideration. The vagueness of prospects deprives the investment of interest for any except those intimately connected with the undertaking. The lists close on Friday, December 10.

MEETINGS
OF PUBLIC COMPANIES.

Liverpool Marine and General Insurance Company, Ltd.

SATISFACTORY YEAR'S WORKING.

Sir Alfred Read (Chairman of directors) presided over the annual meeting of the Liverpool Marine and General Insurance Company, Limited, held on Thursday, November 25, at the Association Rooms, Cook Street, Liverpool. The other gentlemen present were Messrs. J. Lionel Barber, Bernard Barton, J.P., Charles A. Cain, J.P., Major A. S. Collard, C.B.E., J.P., H. Ernest Leetham, J.P., J. W. Pearson, H. Percy Steeves, William Symington, and Henry Williams, with Messrs. E. Bailey (London underwriter), A. W. Edmondson (Liverpool underwriter), P. H. Exell (fire manager), Edmund Gormly (accident manager), W. E. Mounsey (auditor), Andrew Hannay (secretary), and a large number of shareholders.

The Chairman said he would ask the Secretary to read the notice convening the meeting and the auditors' report.

The Secretary then read the notice and the auditors' report.

The Chairman: Gentlemen.—I have the pleasure to submit to you the report, accounts, and balance sheet for the year ending June 30 last, and as you have all had copies of these I suppose you will agree that they may be taken as read. Agreed.

The Chairman: Gentlemen.—You will see that we have had a much better year. As you know, we have to deal with the second year of the Company's operations, and since our last meeting the Company has been changed from a private to a public Company, and the authorised capital increased from £500,000 to £1,000,000, and paid-up capital from £100,000 to £207,000. This increase was considered to be wise and prudent by your directors in view of the rapid expansion of the business of the Company, and I am pleased to be able to tell you that the issue of capital was all subscribed by original shareholders—(hear, hear)—without going to the public and probably saving the cost of underwriting the new issue, if it had been necessary to apply to the public. We are making applications to the Stock Exchange for official quotations, which will, we hope, eventually tend to increase the number of our shareholders, which many people think very desirable, and while hoping for continued support from all those who assisted in launching the Company, whether they retain their shares or not, we naturally hope to secure further new business from any extension of our members.

Marine Account.

In the marine account you will notice there is a change in the form from last year, when only claims paid were included. I want to draw attention to this, because the figures before you require explanation. This year we include claims paid and estimate for outstanding at £380,723, which I should like to explain includes an amount of about £150,000 which we have put by to meet claims which might arise on recorded casualties. The amount paid out in claims on account of the present and previous year was £230,000, and the balance of the marine fund was approximately £400,000 instead of £242,000 shown in the account before you. The actual settlement on the account to date at the end of seventeen months is about forty-five per cent.

Our premium income is principally derived from marine department, and incidentally from London marine department, which, although only starting in June 1919, quickly earned the confidence of London marine brokers and established itself in a strong position in business circles there; and in this connection I know from personal experience that we are working on the most favourable lines with our *confrères* in the insurance world, who, without exception, are our friends and recognise that we are not out to create unhealthy competition. We confidently anticipate a further substantial profit from the first year's working of marine account, as reserves were made very ample.

Fire Department.

The fire department only started its operations twelve months ago and is proceeding on very conservative lines, which I feel assured will meet with your approval. (Hear, hear.) The ratio of expenses compared with premium income is undoubtedly high, but this ought to be considerably reduced in our next accounts, as the department is now well established and we look confidently for a much increased premium income from this branch of the Company's business.

Accident Account.

As in the case of the fire department, the building up of a substantial premium income in the accident department can only be slow if a conservative policy be adopted. We slow business, and it can only, I feel sure, meet with your

to build the edifice on such a sure foundation as will enable it to weather many storms. The motor trade in particular has been depressed, as you will probably know, and this has undoubtedly militated against better results from the accident department. To enable us to get a really good, sound footing, as it were, in the general accident world your board purchased a controlling interest in the United Motor and General Insurance Company, Limited, with its head office in London and twenty-four branches throughout the country, which took effect on April 1 last—it is not a very good day, probably—and we confidently expect will prove to be a desirable asset to us in the near future. It is being very well controlled and managed, and I am happy to say that the representatives of your directors on that board are spending a large amount of time in supervising its affairs. On Mr. Leetham, as Chairman, falls the major portion of the work, and I think it will not be long before the concern is really doing fifty per cent. better than it has done before. (Hear, hear.)

Investments.

With regard to our investments, you will note that we have a much larger amount invested than the paid-up capital, and practically two-thirds of this amount is invested in British Government securities, a large proportion of the same being short-term bonds payable at a premium from 1925 onwards. The market value of our securities at June 30 last was about £21,000 under cost. Well, we all know the reason. All securities are depressed at the moment, but we hope for a brighter future. We have decided not to write off any of this amount, because we consider they are well secured and bound to appreciate in the near future as the stock becomes due for redemption. The balance to credit of profit and loss account is £29,548 10*s.* 9*d.*, after writing off depreciation on furniture and all formation expenses, which I think you will agree is quite satisfactory. We are anxious to conserve profits and build up a sound financial organisation, and in recommending a dividend of seven and a-half per cent. we feel we are adopting a safe and prudent course for the Company. It may be here explained that the dividend of seven and a-half per cent. is payable on the whole of the paid-up capital, about one-half of which was only received quite at the close of the financial year, so that the dividend is approximately equal to fifteen per cent. on the original amount. The amount required to pay this dividend only slightly exceeds the income of the Company from its investments, viz., £9,449 2*s.* 2*d.*, and, as before stated, we have every hope that there will be a further substantial net profit on the first year's accounts. For the second year, ended June 30 last, we can, of course, only make estimates at present, and it will only be possible at this time next year to see how far these estimates are justified by results, but we consider that ample provision has been made. I should like, before sitting down, to pay tribute—and I am sure I am voicing the wishes of the shareholders—to our managers, underwriters, and the whole of the staff, who have worked with absolute zeal looking after the interests of the Company in every respect, and I hope they will continue to do in the future as they have done in the past. (Hear, hear.) Before moving the resolution I shall be glad to answer questions the shareholders may like to put to me on the report and accounts.

No questions were forthcoming.

The Chairman: If there are no questions, and I have been happy in elucidating any mysteries without your having to ask, may I therefore take it that the report—and I will formally move—

That the directors' report, accounts, and balance sheet for the year ending June 30, 1920, as presented to the shareholders, be and they are hereby received and adopted, and that a dividend of seven and a-half per cent. on the paid-up capital of the Company, less income tax, be and is hereby declared, payable on and after December 31 next.

This resolution was seconded by Mr. H. Ernest Leetham, J.P., and unanimously carried.

The remaining directors, Sir Alfred Read, Sir Walter Maxwell, K.B.E., and Mr. H. Percy Steeves, were re-elected, and the auditors, the same were re-appointed, and a vote of thanks to the Chairman terminated the proceedings.

COLOMBIAN NORTHERN RAILWAY.

Expansion in Gross Receipts : Satisfactory Results.

The twenty-second ordinary general meeting of this Company was held on December 2, at 9 Bishopsgate, London, E.C., Mr. P. C. Matts (the Chairman of the Company) presiding.

The Secretary having read the notice convening the meeting and the report of the auditors,

The Chairman said : In moving the adoption of the report and accounts, I congratulate the shareholders on the very favourable statement the directors are able to put before them. The comparative table given in the report shows an increase in the gross receipts over those of the previous year of £11.676 19*s*. 4*d*., equal to 13.30 per cent., whilst the net receipts are up by £15.825 18*s*. 3*d*., or say 33.91 per cent.; the respective figures for the year being gross £93,473 4*s*. 4*d*. and net £62,497 8*s*. 1*d*. These are the highest figures yet recorded by your Company. They are principally due to increased passenger traffic, also, but to a relatively small extent, to the favourable rate of exchange at which it was possible to remit, owing to the appreciated value of Colombian currency as against sterling. During the year local staff salaries and wages of the workmen were advanced, and whilst the cost of imported material required for renewals, etc., was greater, yet the percentage of working expenses is but 37.22, as compared with 46.84 for the previous year, giving a reduction, under this heading, in sterling of £4,148 8*s*. 11*d*. As you are aware, your line is favourable to low working costs by reason of the track being fairly level, that it has its own ballast pit, and that practically half of the receipts are derived from passenger traffic. In spite of this I think great credit is due to the local staff, who, under the very able administration of your Managing Director, Mr. Carlos Davila, are responsible for the efficient and economical manner in which your line is worked.

Report on the Line.

That the permanent way, rolling-stock, and buildings have been well maintained is confirmed in an independent report issued by Messrs. Perkiss and Kidd, an English firm of engineers, whose partner, Mr. Perkiss, in company with your Managing Director, inspected the line in September last, and reports as follows : "During the course of the journey from Bogota to Nemocon frequent stops were made *en route* to inspect bridges and other points of interest. The permanent way was found to be in very good shape. About two-thirds of the line has been reballasted with broken rock ballast, and relaid to line and surface, and presents a very good appearance, a section from Km. 37 to Cajica Station calling for particularly favourable comment. The journey was made at an average speed of 40 kms. per hour, and the running was remarkably smooth. The track is very well sleepered up, the ties being closely spaced, and a considerable portion of the ties replaced during the last few years are of lignum vitæ and cumula, two native hardwoods which are of great durability and give a good guarantee of substantial track.

The Track.

"The track, which is of the metre gauge, is laid with 40-lb. steel rails of excellent quality, which, notwithstanding the fact that they have been in use for from twenty-two to twenty-five years, show very little signs of wear or deterioration. The joints are in very good order, and the line as a whole shows very slight vertical deflections. Iron rails were found on some of the sidings, and were beginning to flake somewhat noticeably. The points and crossings are mostly of English type and manufacture, and in good condition. The iron bridge, seventy-five feet in length, across the Bogota River, the only bridge of any considerable length on the line, was inspected and found to be in excellent condition. It was repainted about a year previously. Four cross-girders were dented by a derailment some years ago, but this has in no way weakened the bridge. The culverts, of which there are sixty-five, are mostly of a small, open type, constructed of masonry, and are in good repair. The line is fortunate in possessing two excellent quarries, from which it obtains ballast under very economical conditions, the ballast consisting of a somewhat soft, yellow sandstone, but of a quality hard enough to have warranted its use in the paving of the city of Bogota. Fencing in this country is not an obligation on the railway company concerned, but on the private owners of the land adjoining the railway, and the line is fenced almost in its entirety, except at points where it runs parallel to and practically upon the high road. The track lies generally upon good solid ground, and the little drainage that is required has been well attended to. On the dry Sabana upland weeding is a small item, and at the time that the trip was made the track was in exceptionally clean condition. The service of the line is carried on by telegraph and telephone lines laid on posts set up at about sixty-five metre intervals and kept in good repair. The locomotive water supply is obtained at five different points well distributed along the line and in quantities sufficient for the present moderate traffic. The tanks are filled by hand-pumps drawing from small reservoirs underneath the tanks.

Extensive Alterations at Bagota.

"There are six stations on the Northern Railway Company's line—namely, Bogota, Chapinero, Uribe, Caro, Cajica, and Zipaquira. These are solidly constructed in all cases of masonry, with tile roofs, and with accommodation sufficient for existing traffic, except at Zipaquira and Bogota. In the case of the former, Mr. Davila, the Managing Director, proposes to put up a new passenger station, leaving the existing one for freight, while at Bogota extensive alterations are planned to make room for the annually increasing freight traffic. The present passenger station, already far too small for the demands made upon it, will become the freight terminal, while it is intended to build a large new passenger station about 100 metres west of the present one on the plot of ground acquired for that purpose. Rather more than one-third of this plot will be allocated to the new station, about one-third to the projected new workshops, while the remainder will become a supplementary freight yard, giving about 500 metres additional siding accommodation. Other alterations will be made in the existing lay-out of the yard, including a new short leg to the 'Y' that will save considerable mileage in the turning of trains. The existing equipment is small, but contains the necessary machinery for making their own locomotive repairs, but not for turning locomotive and car wheels. As soon, however, as the contemplated new workshop is erected, the line will be completely independent of outside assistance. The wood-working shops have turned out a number of very efficient car-bodies for their passenger coaches. In the year 1919 the Company transported 748,643 passengers, or a daily average of 2,051, whereas its daily carrying capacity would be 5,458 passengers, allowing for a double journey per day for each car and discounting ten per cent. for cars under repair. In the same year the Company moved 86,320 tons of cargo, giving a daily average of 270 tons in a year of 320 days. Its maximum capacity would be 927 tons per day, allowing one journey per day per car and discounting ten per cent. for cars under repair. The Colombian Northern Railway Company possesses forty-seven kilometres of sound track, eleven engines in service, forty-three passenger coaches in good condition, 108 freight cars in fair condition (with another eighteen new ones on their way), and a service of trains amply sufficient to cope with existing requirements. Furthermore, the management, by improving their road-bed and increasing terminal accommodation, are putting themselves in a position to handle any extension of business that may come to them from the North, as well as their own rapidly increasing freight and passenger traffic."

The Accounts.

I now call your attention to the balance sheet. You will see that under liabilities, sundry creditors stand at £21.285 17*s*. 1*d*. The greater part of this amount has, since the date of the balance sheet, been liquidated. The total nominal value of bonds redeemed to date is : £16.540 First Mortgage Debenture, and £6,125 Second Mortgage Debenture Bonds, and there remains available for further redemption £4,150 13*s*. 9*d*. and £2.770 6*s*. 10*d*. respectively. On the other side, under assets, there is additional capital expenditure during the year of £26,143 3*s*. 6*d*., which represents the cost of the site acquired for the new station at Bogots and that necessary for the additional sidings. The land purchased is adjacent to the existing station, and was obtained at quite a fair price. The net revenue appropriation account shows that, after providing for interest on the First and Second Mortgage Debentures, £15.382 7*s*. 11*d*., making provision for the redemption funds, £6.767 7*s*. 8*d*., and writing off the expenditure during the year for the replacement of rolling stock, £13,268 19*s*. 5*d*., and passing £7,000 to the reserve account, there remains a balance of £47,603 1*s*. 7*d*. Out of this amount your directors recommend that a dividend of four per cent., free of income tax, on the share capital be distributed, absorbing £6.000, carrying forward £41,603 1*s*. 7*d*., as against £36.049 1*s*. 2*d*. last year. Your Board considered it inadvisable to declare a higher dividend, as all capital improvements must be met out of revenue, and at present this particularly refers to the building of the new station at Bogota. The annually increasing traffic over your line, for which the existing station at the terminus was inadequate, made this extension imperative, and, in view of future developments, it was considered desirable to make provision in this respect for many years ahead. The investments have been reduced from £31.129 11*s*. 1*d*., shown in last year's account, to £23.537 17*s*. 10*d*. by the sale of local securities, the purchase of which was a temporary investment. The sale was effected with a small profit.

The Economic Situation in Colombia.

In the remarks from the chair at the general meeting of last year reference was made to the renewed attention which the Colombian Government was giving to the building of the extension of the Colombian Central Railway, which, as you know, is linked up with your line. In order to further the work, negotiations have been opened up with the Colombian Government, through your Managing Director, and a proposal has been submitted in which your Company undertakes to construct the projected line on behalf of the Government. The advantages which will accrue to your Company

from the completion of this extension are manifest to all. The economic situation in Colombia is to-day far from bright. The country is passing through a bad crisis, brought about by the curtailment of credits, the heavy fall in the value of coffee and other products, and the importation of an enormous amount of merchandise, far more than can be readily assimilated, with the consequent result that the balance of trade, which for 1919 was over thirty million dollars in Colombia's favour, is temporarily against her. Exchange follows in natural sequence. From recent cables received, the export of gold, which had hitherto been prohibited, is now permitted, and the exchange rates have gone more in favour of Colombia as a consequence. The traffic on your line being purely local, it is not expected that the unfavourable position I refer to will greatly affect its receipts. I now have pleasure in formally moving: "That the directors' report and statement of accounts to June 30 last appended thereto, and now submitted, be and are hereby received and adopted, and that a dividend of four per cent., free of income tax, payable on December 4, 1920, be and is hereby declared payable on the shares of the Company."

Mr. E. A. Green seconded the motion, which was carried unanimously.

The retiring director, Mr. E. A. Green, was re-elected, and Messrs. Duncan, Belcher and Company were reappointed auditors.

Mr. Frederick Belcher said he had no doubt that the staff on the other side would appreciate the vote of thanks which was usually accorded to them, and they certainly deserved it for the results they had been able to show on the past year's working, which must have entailed a considerable amount of skill and work on their part. He therefore proposed a cordial vote of thanks to the manager and staff at Bogota, and he coupled with the motion a hearty vote of thanks to the Chairman and the directors for their services.

The motion was seconded and unanimously agreed to.

The Chairman briefly acknowledged the compliment, and the proceedings then terminated.

UNITED RAILWAYS OF HAVANA.

The Crisis in Cuba.

The twenty-third ordinary general meeting of this Company was held on December 2, at Winchester House, E.C., Mr. C. J. Cater Scott (Chairman of the Company) presiding.

The Chairman said he had to admit that the report was disappointing in the sense that, while the gross traffic total increase was no less than £555,000, the result of the working for the year showed but very little improvement. The Cuban Government had wisely perceived that, to meet the heavy increase in working expenses, which all railway companies had to meet to-day, an increase in tariffs was necessary if a satisfactory service for the public was to be provided. In goods the position was not quite so satisfactory so far as tonnage was concerned, but in point of earnings there was the satisfactory increase of £169,000. Working expenses had increased by £535,000, so that the extra profit resulting from the increase in gross takings was but a beggarly £19,000. Since the General Manager's report was sent home, a further increase in wages had had to be granted, but he was glad to say that the Cuban Government had again met the Company generously and had authorised an increase of about ten per cent. on the tariffs, which would come into force after December 12 next. The effect of that would be that for the first four or five months of the current year the Company would have to bear the increased cost of working, but they would not get the benefit of the higher tariff save for the last seven months. However, they certainly would have the benefit for their busy season.

The Directors' Conservative Policy.

He was aware that there had been some disappointment that the board had not been able to declare a larger dividend than seven per cent. for the year. The directors would gladly have done so, and at one time they actually thought that they would be able to give the shareholders something more, but, with the heavy increase in expenses, and the financial crisis in Cuba, they had come to the conclusion that it would be much wiser to conserve, as far as possible, the resources of the Company. There was another strong reason for a conservative policy. During the past year an exceptional profit of £166,000 had been made on remittances. In view of the violent fluctuations which had taken place in the rate of exchange it was absolutely impossible to make any forecast as to its future course. The Company owned no less than ninety-nine per cent. of the Ordinary stock of both the Western Railway of Havana and the Cuban Central Railways, and 50 per cent. of the Preference stock of the latter, the Western Company having no Preference stock. The "Western" paid its usual seven per cent., with a small increase in the carry forward, and the Cuban Central paid four per cent., while placing £145,000 to reserve. Since this Company had obtained control of these two lines, both had been brought under the general management of the "United." "I three railways had undoubtedly benefited very considerably from central management, but they had not reached, in the opinion of the board, the full benefits which would have resulted had there been but one Company.

Actual Fusion Desirable.

The board thought the time had come when an actual fusion was desirable in the interests not only of the "United" but also of the other two companies. There would be very large benefit in the actual working, and also considerable economies. The directors strongly recommended the scheme as beneficial to all three companies. The Debenture-holders in both the other railways having agreed to the proposals, the raising of new capital had been avoided, and it had also been possible to preserve unimpaired the full borrowing powers of the "United," which might be very useful in the future. Their General Manager, while not committing himself to figures, had expressed his belief that the economies to be effected would be very appreciable indeed, while the Government of Cuba had also recognised the advantages of a fusion of the three companies.

As to the immediate future, the traffics of the combined companies to November 27 last were £2,078,000, or an increase of £305,000. Their General Manager concluded that, in spite of the difficult situation now ruling in Cuba, they would carry quite as large a tonnage of sugar as in the previous year. Generally they might regard the position as satisfactory. As to the crisis in Cuba, that was due not to a generally unsound trading position in the island, but to reckless speculation in sugar. The price of sugar reached in May last 23 cents per lb., as compared with a price of from 2½ to 3 cents per lb. previous to the War. Of course, against such an enormous advance a reaction had been inevitable, and the price was now down to from 5 to 6 cents per lb., which he thought they might regard as a much more normal figure. About nine-tenths of the crop had been marketed, so that only one-tenth, or, say, 350,000 tons, had been affected by the decline. That was held by speculators, and, to a certain extent by the mills, and was largely carried by loans from the banks. There had been a run on certain banks which had been unable to realise the sugar and get in their loan, and to avoid a very considerable disaster a moratorium had been declared to November 30, which had since been extended, certainly to the end of this year.

Sir Henry Mather Jackson, Bart., C.B.E. (Deputy-Chairman), seconded the resolution, which was carried unanimously.

The final dividend as recommended was approved, and the retiring directors and the auditors were re-elected.

SOUTH AFRICAN DIAMOND CORPORATION, LIMITED.

Results Show a Marked Advance.

The seventh ordinary general meeting of this Corporation was held on November 30 at the works of the National Diamond Factories (Bernard Oppenheimer), Ltd., Lewes Road, Brighton, Mr. Bernard Oppenheimer, the Chairman of the Company, presiding.

The Chairman said: I have only just lately recovered from a serious breakdown, and my medical adviser does not want me to overtax myself. I must, therefore, crave your indulgence, and ask you to permit my son to read my speech. Captain C. M. Oppenheimer accordingly read the Chairman's speech, which was as follows: "It gives your directors great pleasure in again being able to place statements before you which show another big advance on the previous years' results. You will see that the profit earned for the year is £131,306 10*s.* 1*d.*, against a profit of £44,472 3*s.* 4*d.* for the year 1919. The issued capital of your Company up to December 31, 1919, was £100,000, and a further issue of 200,000 shares took place on January 1 this year. Thus, the profit of £131,000 odd for the twelve months was made up to December 31, 1920, on a subscribed capital of £100,000, and for the remaining six months of the financial year on

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the increased capital of £500,000. I am sure you will consider this result satisfactory. The issue of the 200,000 shares itself on January 1 of this year was a great success, and as this issue was only made to existing shareholders, I think your directors can take this as a vote of confidence in their management. These 200,000 shares were issued to you at a premium of £1 per share; the premium of £200,000 has been placed to reserve account, thus strengthening your company's position very considerably. The cash on hand and your shareholdings exhibit a strong position. The big increase over last year in shares in other companies from £257,181 3s. 5d. to £773,652 8s. 6d. is almost entirely due to the investment of £400,000 in £ shares in the National Diamond Cutting Factories. You have left an undivided profit of £55,039 9s. 2d. for the year under review. This is, however, subject to excess profits duty, and it is this point which is receiving the very serious consideration of your Board. It is with the utmost satisfaction that I am able to state we are in a position to keep up our dividends of fifty per cent. per annum, if we are not mulcted in heavy excess and other duties.

The Diamond Market.

"The Diamond market, although it is at least thirty per cent. higher than when I addressed you last, is at the moment very slack, but prices are being held, not artificially, but for the simple reason that the returns of rough diamonds are not overtaxing the market. The present slackness is attributable, in the first place, to the various labour troubles and the general unrest that has taken place all over the world, but with over forty years' experience of the trade behind me I am emboldened to say that there is nothing wrong with the Diamond market at all, and that it will recover its old buoyancy in the near future. Very few people understand that there is really at all times a scarcity of diamonds—diamonds do not grow like potatoes, for instance, and are not quite as plentiful as people who read about them in the papers imagine. The purchasing public here, in America, and everywhere else should know this, and should have their attention drawn to the great advantages of precious stones, and especially of the diamond as an investment. There is an old saying that every man has his day. Equally true it is that every man has his hobby. Whatever it is, he takes it up because it gives him personal delight, and also because at the back of his mind he considers his own special hobby a sound investment—either a commercial investment, or, if I may coin a phrase, a pleasure investment. The diamond should be equally advertised and publicised. It scintillates, it fascinates, it beautifies and adorns, and at the same time it is really an absolutely sound investment—an investment without bulk and easily negotiable. I believe that if this investment side of the diamond were only more generally emphasised it would not be long before producing companies of the precious gem would have to look round to find more diamond mines to satisfy the demand.

"An Unjust and Iniquitous Tax"

"The statements of the Chancellor of the Exchequer and the increase in the excess profits duty which were brought into effect from April of the present year, despite the promise made that this duty would be reduced if not abandoned altogether, did, as you are all well aware, lead to a considerable slump in all the produce markets, with the natural result that people generally are not inclined to spend money on personal luxuries until an improvement in trade generally sets in. The action of the Government as far as the excess profits duty is concerned is, of course, one of vital importance to us, and your Corporation is particularly affected. Your Company was floated in 1913. Any new enterprise requires to do a lot of ground-work before it can show good results. We were no exception to this rule. Our profits for the first year on the then capital of £100,000 were £10,000; consequently, the standard allowed us is very small. I do not propose to weary you with a long dilation on the subject, but I would add my own complaint, in common with numberless others who control large industries founded during recent years and who are mulcted in very heavy taxes, while old-established firms are allowed to get off scot-free. (Hear, hear.) I believe I am right in stating that the excess profits duty has been the greatest cause of the present high cost of living—(hear, hear)—which, in turn, has brought about the serious labour disturbances from which the country has suffered so severely during the past year. It is to be hoped that the Government will listen to every business man's just complaint on this point and repeal this most unjust and iniquitous tax. (Hear, hear.) I have already told you that we will be able to keep up our fifty per cent. dividend if we are not taxed unfairly. I have also told you that although business is slack we are making profits. As, however, we are not able to tell you what the taxation we have to pay is likely to be, your board are somewhat in the dark as to what would be the fairest way of dealing with declarations of dividends. The views of my colleagues are, or I should say were, that we should postpone the payment of any dividend until June 30, as before we know what we have to pay to the Government they consider we should not deplete our cash resources. As, however, I do not wish the shareholders to be disappointed I have proposed to my co-directors, and they have agreed, that we declare a dividend to-day at the rate of 25 per cent. per annum for the six months ending December 31, and if you confirm this at to-day's meeting dividend warrants will be posted to you on December 31 next. I hope that at June 30, 1921, the position of affairs generally, so far as taxation is concerned, will have improved so that we are enabled to pay you the usual dividend of fifty per cent. per annum and the remaining twenty-five per cent. which we are now proposing to keep in reserve for eventualities.

The Diamond-Cutting Works.

"I now want to say a few words about the diamond-cutting works in which you hold an interest of thirty per cent. The directors' report states, and states to my mind quite correctly, that this investment will be a very paying one for you in the near future. I am glad that so many shareholders have found it convenient to come here to-day and to look over the works. I may say that so that you should get a thorough grip of affairs and of how we conduct our establishment here, we have not given instructions to alter anything and have made no special arrangements for you, and I hope you have enjoyed your visit and that you are able to agree with me that we have founded a wonderful industry which will outlive us all. (Applause.) I hope there are some diamond experts among you who have been able to follow the technical part of our works, and I shall be very pleased to elucidate any points you wish to raise here after. I personally can tell you that I am more than pleased with the progress we have made, and I can also tell you that our diamonds find a ready sale all over the world. I am pleased to report that, although we may from time to time have a little trouble with the men, the pleasantest relations exist between them and the management and between them and me personally, and the managers, as well as myself, are at all times most anxious to meet the men and to discuss with them any imaginary or real grievances. I want to repeat here what I have told you the last two years, ever since we have started this diamond-cutting—that we are not competing or intending to compete in a harmful way against our Continental competitors, and that, moreover, we have made arrangements with the Continental Union of Diamond Cutters that we all come into line.

Issue of Short-term Notes.

"I want to point out to you that this diamond-cutting scheme is capable of great extension, and so as to be able to carry out this extension we are going to the public for a further £1,000,000 in Eight per Cent. Six-year Convertible Secured notes at par, which notes will be exchangeable any time before January 1, 1924, into shares at par, or they will be paid off after January 1, 1924, in three yearly instalments as follows:—

1924	£400,000
1925	300,000
1926	300,000

We require this money to enable us to give work to the 2,000 men we contemplate taking on, 700 of whom are now in our employ. Now, with regard to the workmen, you have all had an opportunity of watching them at work, and you have seen the conditions under which they are employed.

"As far as the wages are concerned, I recognise one thing, and that is that every man has the same right as I have, or as you have, to earn as much money legitimately as his capacity of work entitles him to, and in the furtherance of our work this will be our guiding principle. We do not care a bit what a man earns so long as he shows us a profit, and we hope in a few years' time to spend a minimum of between £600,000 and £1,000,000 in wages. I believe the scheme, as I have already mentioned, is capable of great extension, and I as well as my co-workers will do our best to bring about this extension if we get the loyal support of our shareholders. The scheme which I have outlined to you will be advertised shortly, and shareholders on the register of our corporation will receive priority in their applications for these notes.

New Interests in South Africa.

"Your directors have lately taken up some new interests in South Africa which promise fair results, and, as you will have learned from the report, three of your directors—myself, Mr. Rowsell and Colonel Watt—are proceeding in January to South Africa, where they will thoroughly investigate the position and have an opportunity of consulting with the experts who have reported upon the business offered to us. If we are satisfied that the reports we have received are fully justified, I think we may consider that we have secured interests which will raise your Company from the important position it now enjoys into a premier position in the world of commerce. Of course this undoubtedly would mean a further extension of capital, but any proposals with regard to this will not be placed before you until we have absolutely clear evidence as to the value of the interests which we have secured."

The Chairman then formally moved the adoption of the report and accounts.

Mr. C. F. Rowsell seconded the motion, and the Chairman having replied to questions, it was carried unanimously

UNION COLD STORAGE COMPANY, LIMITED.

Continued Progress and Prosperity.

THE twenty third ordinary general meeting of this Company was held on November 29 at Winchester House, E.C., Mr. Roger P. Sing (the Chairman) presiding.

The Secretary (Mr. Edward Hinchliff) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: From the accounts you will have seen that the Company still continues to make the usual satisfactory progress, and I have pleasure in telling you that the volume of the Company's business is still increasing. In these unsettled times the interests of your business require special care and attention, and I think we are justified in feeling satisfied with the results which have been obtained.

If you will refer to the balance sheet you will notice that, including the amount brought forward, we have a balance of £566,569 to deal with, which enables us to pay the interest on the Debenture stock, the dividends on both classes of Preference shares, to provide for head office expenses, and to leave a balance of £180,493. Out of this we have set aside £78,776 to the depreciation reserve, and your directors recommend the payment of the usual dividend of ten per cent. on the Ordinary shares, leaving £71,716 to be carried forward, as against £51,066 brought in from the previous year. We have for the year 1919 purchased and cancelled £53,780 Debenture stock, and we have also during the year reduced the outstanding mortgages by £12,150. As you will at once recognise, these payments improve the position of the Company. Up to date we have redeemed Debenture stock for a total nominal value £481,206, and also reduced our specific mortgages by £77,950. The depreciation reserve now stands at £562,753. I do not know that there is anything further in the accounts which calls for special attention.

Company's Progress.

The period under review is the twenty-third year of this Company's operations, and the business during each of these twenty-three years has shown a consistent and substantial progress. You will see from the accounts in your possession that the year 1919 maintains a good record. We are, in common with other businesses, passing through a period which calls for quite exceptional care and foresight in the management of your affairs. The consistent policy of your board of meeting in advance the requirements and convenience of our customers and giving them the whole benefit of our experience will stand the Company in good stead, and will, I have no doubt, ensure our continued progress and prosperity. I need hardly mention to you that the management realises its responsibilities in connection with the enormous value of goods our customers leave with us, and one of the secrets of our success lies in the fact that we specialise in the cold storage business, and have made a constant and successful study of what is necessary, not only for maintaining in perfect condition the produce entrusted to us, but also in affording to our customers those many facilities which we are particularly able to render them.

You may rest assured that your board will continue to be inspired by the same policy, and will, to the best of their judgment, see that the business of this Company is developed on the same broad, safe, and progressive lines as hitherto, and I may say that your directors have already authorised several extensions of the Company's business, and have in view certain other developments which they think will considerably assist and strengthen our position.

We are here to-day to give an account of our stewardship for the year 1919, and I should, perhaps, have apologised to you for the late date at which we are holding our annual meeting. This has been caused by the large amount of additional work which has been placed on the staff recently.

It is my usual practice to refer at these meetings to the current year, and I am pleased to be able to tell you that the results, so far, show that the Company's rate of progress has been fully maintained, and I have no doubt that when the Company's accounts for the year 1920 are put before you you will be perfectly satisfied with the progress they reflect. (Applause.)

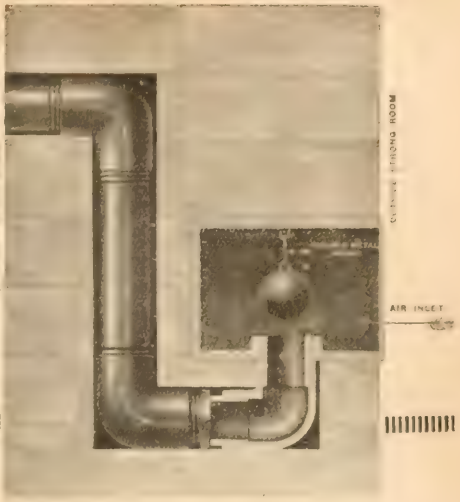
As has always been the case in the past, we have received the heartiest co-operation and the greatest assistance from the staffs at all our centres, and I am sure that you will join with me and my co-directors in acknowledging the good work that has been done and in expressing our appreciation of their efforts.

It may interest you to know that there are now on the Company's share and Debenture stock registers a total of over 18,000 holders. It is a source of strength to the Company that its securities should be so widely held, and I take this opportunity of welcoming the new shareholders that have recently come on our registers.

I now formally beg to move: "That the report and the accounts for the year ended December 31, 1919, as represented to the meeting, be approved and adopted."

Mr. Thomas B. Horsfield seconded the motion, which was carried unanimously, and the dividend recommended was declared.

The retiring directors (Sir William Vestey and Mr. T. B. Horsfield) were re-elected, and Messrs. Deloitte, Plender, Griffiths and Company were reappointed auditors.



VENTILATING THE STRONG ROOM

THE CHATWOOD AUTOMATIC AIR INLET
used exclusively in the ventilation of
THE CHATWOOD STRONG ROOMS

AN efficient ventilation system is one of the most important features in the scientific construction of the Strong Room. It is essential that the contents entrusted to its care be preserved in a dry and otherwise suitable atmosphere. It is, however, just as important that in case of fire the ventilator should automatically close to prevent the entry of flames.

THE CHATWOOD AUTOMATIC VENTILATOR illustrated above is not only simple and inexpensive, but is particularly effective. It consists of a cast-iron box built into the masonry, connected with the interior of the strong room by a syphon pipe. Inside the box and above the end of the pipe an iron ball is suspended by means of a fusible hook, which melts at an extremely low temperature, so that if fire occurs the ball automatically drops into the end of the pipe and the only passage into the strong room is effectively sealed.

THE CHATWOOD STRONG ROOM

WE ARE ALWAYS PLEASED TO CONSULT WITH ARCHITECTS AND TO SUBMIT DESIGNS AND SPECIFICATIONS FREE OF CHARGE

THE CHATWOOD SAFE CO., LIMITED
BANKERS ENGINEERS
Head Offices and Works: BOLTON.
LONDON MANCHESTER GLASGOW
66 Gracechurch St. Royal Exchange 3 Greenmarket Cor. Grassmkt.

CONSOLIDATED GOLD FIELDS OF SOUTH AFRICA, LIMITED.

Investments in Industrial Undertakings.

THE ordinary general meeting of the Consolidated Gold Fields of South Africa, Limited, was held on December 2, at the Cannon Street Hotel, Lord Harris presiding.

The Chairman said that the report this year contained not only particulars of the Consolidated Gold Fields of South Africa, but, as the assets of the Company with a few exceptions were transferred to the New Consolidated Gold Fields, Limited, in accordance with the resolution passed on July 31 last year, the directors felt, in order to give the whole story of the year's business, that they were bound to furnish shareholders with the report and accounts of the latter Company.

The Past Year's Results.

The position was that the old company—the holding company—carried on for three months, after which the new company—the operating company—continued for the remainder of the year, but there was a short period from the date when the new company commenced trading up to the date when the assets were transferred during which the transactions of the two companies overlapped. The total management cost for the year—that was, for the first three months of the old company and the remaining nine months of the new company—amounted to £39,168, as compared with £22,075 last year, or an increase of £17,000 odd. This was accounted for by increased remuneration to the employees and work which they had had to do in the building. On the other side they had dividends, profits, &c., amounting altogether to £590,952, which compared with £572,141 odd last year. The revenue from dividends had increased, but the profit on sales of investments was slightly less than that of last year. Still, they could not complain of markets. They had taken the opportunity of good markets to realise some of the Company's South African mining holdings, and had reinvested largely in industrials, which policy the shareholders approved when the new company was formed. There remained a balance of £488,161 odd, against which £165,408 had been charged for depreciation and £21,946 odd representing the cost of the formation of the new company. A provision had been made for corporation profits tax, income tax in South Africa and America, and out of the balance remaining a dividend of six per cent., free of tax, amounting to £270,000, had been paid by the new company to the old company. That left a balance of £20,528 odd to be carried forward. The Company's position was not as liquid as they had been accustomed to see in in past years, owing, of course, to the fact that they had had good opportunities for investment. It was, however, at the date of the accounts approximately £750,000.

Sub-Nigel and Robinson Deep Mines.

With regard to general subjects, he supposed if there were any who doubted the wisdom of the change by which the directors were given full power to invest outside as well as inside South Africa, and in other investments besides mining, they must now acknowledge after the catastrophes of the last twelve months that the change was fortunate, even if not wise. He claimed, of course, that it was wise, because although it was impossible to foresee such a calamity as the burning of Knight's Deep Mill, it was wise because they could not ignore the extremely hazardous conditions under which low-grade mines were working, having regard to the paucity of native labour and the increased costs all round. In accordance with their usual custom, the directors had asked their representative in Johannesburg to cable the latest news for the information of shareholders, and they would be glad to hear that he cabled an excellent report on the present condition and prospects both of Sub Nigel and Robinson Deep Mines. As regards Sub Nigel, the recent development in the "C" shaft area indicated that sufficient payable ore could be opened up in that area to supply the mill, which would enable the ore reserves to accumulate in all the other areas where development was going on. As regarded Robinson Deep, the intersections of reef in the cross-cut at a depth of 3,700 feet were very good indeed, and a most important indication was the fact that the south reef, which had hitherto not been reckoned upon at all at this depth, had shown values of 7 dwt. over 58 and 65 inches, whilst the main reef leader had shown values of 13 dwt. over 67 inches and 9⅔ dwt. over 52 inches. There was thus a distinctly hopeful ring about the prospects of these two mines.

The Chairman then referred to other mining ventures in South Africa, including diamond and coal, in which the Company was interested, and for which there were good prospects. With regard to West Africa, the Gold Coast Amalgamated had paid dividends, and, so far as the directors could see, it was likely to continue to do so. Referring to the Company's interests in America and the West Indies, he said that the latest cable advice with regard to the American Trona Corporation was that during the month of November there was an estimated production of high-grade potash and refined borax of 1,620 tons, which was fifty per cent. above the monthly average for the eight months referred to in the annual report. He concluded by moving the adoption of the report and accounts, and the declaration of a cash dividend of seven and a-half per cent., free of income tax, on the Ordinary shares.

Mr. S. Christopherson seconded the motion, which was carried unanimously.

The retiring directors and the auditors were re-elected.

THE STRAND HOTEL, LIMITED.

High Standard of Accommodation.

THE thirteenth ordinary general meeting of the holders of Participating Preferred Ordinary and Deferred Ordinary shares of the Strand Hotel, Limited, was held yesterday at the Trocadero Restaurant, under the presidency of Mr. Alfred Salmon.

The Chairman said: The accounts to be dealt with are those in respect of our eleventh year of trading, which, I am happy to say, once more shows progress in the results achieved, our profits amounting to some £15,000 more than those of last year. This is particularly gratifying when you consider that the expenditure under every heading of expense connected with the business has increased. In fact, apart from the cost of food and provisions, which has also increased, the trading expenses alone during the year have risen by some £66,000 over those of 1919. In addition to this, we have had to provide for further taxation in the form of corporation tax. We have found it necessary during the year to revise our charges for rooms. They are now 10*s.* for a single room and 17*s.* for a double room, which, I think you will agree, having regard to general conditions, are still very moderate. I am glad to say that in spite of this increase the demand for accommodation is still as keen as ever, and every available room in both hotels is practically always occupied, thus proving that our reputation for pre-eminence in value is maintained. The number of guests accommodated during the year was a record.

High Standard of Accommodation.

With regard to the Royal Palace Hotel, Kensington, which came under the control of this Company on September 1 last year, I have to report that good progress has been made in the matter of redecoration, re-equipment, and generally putting the hotel into an efficient state of repair. There is, however, more to be done. The standard of accommodation now afforded is not surpassed by any other hotel in London.

Player's Navy Cut

Tobacco

"BEAUTIFULLY COOL & SWEET SMOKING."

Packed in varying degrees of strength to suit every class of smoker.

Player's Gold Leaf Navy Cut.
Player's Medium Navy Cut.
Player's "Tawny" Navy Cut.

PER 1/- OZ.

Player's "White Label" Navy Cut.

PER 10½D. OZ.

Also PLAYER'S NAVY CUT DE LUXE, a development of Player's Navy Cut packed in 2oz and 4oz. air tight tins at 2/4 and 4/8 respectively.

JOHN PLAYER & SONS, Nottingham.

PLAYER'S NAVY CUT

Branch of The Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

From the business now being done at this hotel your directors are confirmed in their judgment in acquiring its control, and they look forward to its future with confidence.

With reference to the Baker Street Hotel, as mentioned in the report, your Board regrets that the proposals referred to last year, which had principally to do with the raising by the Metropolitan Railway Company of the necessary capital for the construction of the building, did not fructify. The difficulty arose over the enormously increased cost of building since the proposal for the erection of this hotel was propounded. In view of this, an agreement has been entered into with the Railway Company cancelling the former agreements in respect of the scheme. This new agreement contains some minor reservations in favour of our Company which are operative for several years, but the prospects of our Company obtaining any real benefit from it are very remote. Dealing with the accounts, the Chairman said that the capital account was increased this year by the 200,000 eight per cent. Cumulative Preference shares created and issued in December last, and the total amount of the issued capital now stood at £735,000. As to Debenture stock, the total sum outstanding and accrued interest thereon amounted to £232,039. Reserve was increased to £50,000 by the addition of the premium received from the issue of the eight per cent. Preference shares. Investments, at £99,754, compared with £81,427 last year, and cash at bank and in hand stood at £84,808.

The profit for the year was £136,324, after making provision for excess profits duty, corporation tax, and contingencies. Added to that was the balance brought forward from last account, £11,564, making an available profit of £147,889.

The directors now proposed that final dividends be paid for the half-year ended September 30: On the Participating Preferred Ordinary shares at the rate of thirteen per cent. per annum, making, with the interim payment, a dividend of ten per cent. for the year, taking £14,950. After allocating a similar sum on the Deferred Ordinary shares, there remained a balance of £15,036 to carry forward to next year, £3,472 in excess of the sum brought in. The Chairman concluded by moving the adoption of the report and accounts and the payment of the dividends as recommended.

Mr. Balfour seconded the motion, and it was unanimously adopted.

ANSELLS BREWERY, LIMITED.

Properties now nearly £1,100,000 in Value.

At the twentieth annual meeting of shareholders of Ansells Brewery, Limited, held at the Queen's Hotel, Birmingham, on Friday, November 26, Mr. Edward Ansell (Chairman) presided. The report showed that the net profit for the twelve months ended September 30 was £120,780, to which was added £69,065 brought forward. The sum of £42,062 had been paid in Debenture interest and in interim dividends. It was recommended that a final dividend of five per cent. per annum (less tax) be paid on the Preference shares, and at the rate of twelve per cent. per annum on the Ordinary shares, free of tax, making, with the eight per cent. interim dividend, a dividend of ten per cent. for the year.

The Chairman made reference to the loss the firm had sustained by the death of Mr. Harry Ansell, who had been Chairman for 18 months. He added that Mr. Thomas Ansell, the new deputy chairman, had been connected with the Company for over 30 years, and for the past 13 years as Managing Director.

The Chairman added that the Company had always maintained a good dividend, and was to-day in a stronger position than ever. The assets were real and tangible. The ordinary shares were still in the hands of the original holders or their families, which he thought was right in view of the risk.

A Voice: We would like to take a bit of the risk, sir. (Laughter.)

The Chairman explained that the increase in sundry creditors was due to the increased duty. The licensing properties held by the Company now totalled in value nearly £1,100,000, partly by the conversion of leaseholds into freeholds, but chiefly by the acquisition of additional businesses.

Suggestions were made by Debenture and Preference shareholders that the Company might consider the increase of the rates of interest, and the Chairman, while declining to express an opinion, said no doubt the directors would consider the suggestions.

The proposed dividends were confirmed, and Mr. J. A. Faulkner was re-elected a director.

KAMUNTING TIN DREDGING, LIMITED.

The seventh annual general meeting of this Company was held on November 29 at the offices of the Company, 7 Martin's Lane, Cannon Street, E.C., Mr. John I. Philips (Chairman of the Company) presiding.

The Chairman said: You will have noticed that both as regards hours run, ground treated, and ore recovered the results for the year under review exceeded those of the previous year, and although the average tin contents of the ground treated were slightly less, the increased price obtained for the metal more than compensated for this slight decrease in recovery. Although the cost of repairs and renewals shows a tendency to increase, the dredge ran practically without interruption for the fifth year in succession. As you will see, our working costs were again appreciably higher at 7*d.* per cubic yard, comparing with just under 5½*d.* during the previous year. I think you will agree that the results shown by the accounts are very satisfactory, and I am glad to be able to recommend the payment of a total dividend for the year of ten per cent., free of tax. It must be remembered that, taking income tax into account, this is equal to a return of fourteen per cent., and, further, that it is payable on the recently increased capital, which at the present time is not should be considerably increased. When I addressed you last year I dealt with the programme of development and stated that, should you approve of the resolutions then proposed for increasing the Company's capital, immediate steps would be taken to put in hand a further two dredges. I need only say, therefore, that the directors' intention was at once put into effect, and tenders were called for from all the leading dredge builders of this country for the construction of two powerful dredges, incorporating the latest modern improvements in design and each capable of both dealing with and treating 100,000 cubic yards per month. I now move: "That the directors' report and statement of accounts for the year ended June 30, 1920, as presented to this meeting, be and they are hereby received and adopted, and that a final dividend of five per cent., free of income tax, be declared and paid, making a total of ten per cent., free of income tax, for the year."

Sir Ernest W. Birch, K.C.M.G., seconded the motion, which was unanimously adopted without discussion.

The retiring director and auditors were re-elected.

An extraordinary general meeting followed, at which a resolution was adopted increasing the fixed remuneration of the directors, in view of the enlargement of the undertaking by the acquisition of new property and the construction of additional dredges.

ABYSSINIAN CORPORATION, LIMITED.

The first ordinary general meeting of this Corporation was held on December 2 at Winchester House, Old Broad Street, E.C., The Viscount Wolmer, M.P. (Chairman of the Company), presiding.

The Chairman said: It is a matter of profound regret to your board that the results are so unsatisfactory. As you will see, after allowing for depreciations, a loss of nearly £150,000 has been made. When the Company started operations last year it was one of the principal objects of the board to establish the Corporation on a firm working foundation. To this end, as has already been announced, the Corporation took over last autumn the firm of Gerolimato and Armanza, who held a prominent position in the trade of Western Abyssinia. In pursuance of the same policy the firm of J. D. Nicholas and Company was shortly afterwards absorbed. The businesses of Nicholas and Gerolimato and Armanza depended primarily for their prosperity upon the export trade of Abyssinia, but neither possessed premises adequate for a large retail store in Adis-Abâba. In March 1920, therefore, the board deemed it prudent to acquire the business premises and store of Messrs. Jewaji and Company as the best foundation for import trade. In December 1919 Mr. T. Armanza left Adis-Ababa with a large caravan of goods and dollars to take charge of the Corporation's western business, with instructions to proceed on the same lines by which the trade of his late firm had been built up. Owing to the lack of reliable communications with the coffee district, it was necessary to give a very free hand to Mr. Armanza, who himself held 27,000 Ordinary shares in the Corporation. On the initiative of Mr. Armanza extensive coffee purchases were made, and he also undertook the development and combination of the two businesses of Gerolimato and Armanza and Nicholas. The ultimate result of his efforts, with reference to the coffee, will only be determined in next year's balance sheet. From the first it has been the policy of the board that the activities of the Corporation should be for the mutual benefit of the shareholders and the people of Abyssinia. The Corporation in the early months of its existence was able to establish itself actively in Abyssinia, and to gain the confidence of the Abyssinian people. By May of this year however the situation was suddenly and very adversely altered by the heavy fall in prices of the commodities, hides, cotton, coffee, beeswax, and also the Abyssinian dollar, in which we had invested, and the board considered it best to suspend its activities to meet the new difficult conditions.

The Chairman concluded by proposing the appointment of a committee to confer with the board and report at an adjourned meeting.

ABACO (SELANGOR) RUBBER, LIMITED.

The seventh ordinary general meeting of this Company was held on December 1 at the offices, 7 Martin's Lane, E.C., Mr. W. Arthur Addison (Chairman of the Company) presiding.

The Chairman said: The report and accounts you have very favourably with that submitted to you at the last annual meeting. For the previous year there was a net loss of £767, which has been converted during the year under review into a profit of just over £5,000, representing about sixteen per cent. on the capital of the Company. The output was the

largest yet achieved by this estate, and the average net realised price of approximately 2*s.* 2*d.* per pound will compare very favourably with the operations of other estates covering the same period. I hoped that it would have been my pleasure to recommend to you the payment of a dividend of at least ten per cent., but the directors, after giving this question their earnest consideration, have unanimously decided that it would be contrary to the best interests of shareholders to make any distribution of the Company's cash resources at the present time. I still hope that the position of the industry may so improve in the near future that it will be possible to declare an interim dividend at no very distant date; but I am convinced that it would be folly to weaken the Company's financial position under existing circumstances by any such payment at the present time. I do not propose venturing on the dangerous path of prophecy, but I may point out, as an economic fact, that no industry can continue for any extended period disposing of its output at less than the actual cost of production, and, as this is taking place almost without exception among rubber-producing companies at the present time, there can be no possible doubt that, sooner or later, a recovery in the price of the commodity must inevitably take place. The outlook at the moment is not without signs that an improvement in the position may be nearer than many people imagine. I believe our financial position is strong enough to carry us over the difficult times through which we are now passing, provided that the Company's affairs are carefully handled and every wise economy in expenditure is exercised. With regard to the actual position of affairs on the estate, I think that the additional 100 acres referred to in the report will have been planted by this time, and that in all probability a further 125 acres will be ready for planting before the end of next March. Our visiting agent speaks in high terms of our present manager, who has undoubtedly achieved good work, and the condition of the estate is in every way entirely satisfactory.

Mr. Hawkins B. Varwell, J.P., seconded the motion, which was unanimously adopted.

BAKAP RUBBER PLANTATIONS, LIMITED.

The twelfth ordinary general meeting of this Company was held on November 29 at 138 Leadenhall Street, London, E.C.

Mr. A. J. M. Harrison, who presided, said that the profit and loss account showed a credit balance of £10,880, which was reduced by £3,000 by the interim dividend of five per cent., but, by adding a contemplated repayment from the Government respecting excess profits duty estimated at £2,300, they arrived at a total available balance of £10,180, which they proposed to carry forward, subject to corporation tax. They made this suggestion for various reasons—the heavy fall in the price of rubber and its uncertainty in the near future, and feeling that they must conserve their resources for the requirements of their increased acreage. The dividends paid during the last eight years gave a yearly average of about seventeen and a-half per cent. during that period, and thus showing a very satisfactory record. They now had a total acreage of 2,614 acres, of which, by the end of the year, the planted area would be 1,480 acres. Mr. Gordon (visiting agent) considered that the new estate was a very valuable acquisition, especially in relation to the quality and productivity of the soil. They had a total of £23,400 available for the development and upkeep of the property in general and to meet any bad times through which they might have to pass. Referring to the fall in the price of rubber and to the Rubber Growers' Association scheme for the restriction of output, he said that the directors ventured to think that this was not a sufficient remedy, seeing that by the end of the present year there might be a surplus stock in England of about 50,000 tons, while in America the available surplus was in excess of that figure. They were convinced, on high expert authority from the Straits, that the principal and best remedy was cessation of tapping for, say, two or three months by placing the tappers in the meantime on some of the other numerous tasks and occupations on the estates, necessarily resulting in the reduction, wholly or largely, of the present surplus stocks, and raising the price to a profit instead of keeping it at figures which showed an absolute loss. He also alluded to the necessity for a scheme of selling control, adding that there was a very strong feeling that these remedies ought to eventuate, either wholly or in part, and, should they do so, the result would, the directors thought, be very beneficial.

The report was unanimously adopted.

TANDJONG RUBBER COMPANY, LIMITED.

The thirtieth ordinary general meeting of this Company was held on November 30 in the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. Charles Heath Clark presiding.

The Chairman said the issued and paid-up capital at the date of the balance sheet was £250,000, as against £150,000 at the end of the previous year. The total amount remaining at the credit of reserve account was £18,684. During the year no additions were made to the planted area, which remains at 5,886 acres: 165 acres prepared for planting had to be planted up with foodstuffs for the labour force. The balance of extensions sanctioned up to the present will be taken in hand as circumstances allow.

The crop of rubber harvested during the financial year amounted to 1,612,628 lb., against the managers' estimate of 1,660,000 lb. The crop was harvested from an average bearing area of 4,912 acres, or about eighty-two and a-half per cent. of the total planted area. The yield per acre per annum was 328 lb., and per tree 3.76 lb. The cost of production f.o.b. at the port of shipment, including provision for commission to staff, depreciation, &c., but excluding loss on exchange, was 1*s.* 2.33*d.* per pound, as against 1*s.* 1.95*d.* in the previous year. The average net price realised for the crop, including a conservative valuation of the unsold portion, was 1*s.* 10.78*d.* per pound, as against 1*s.* 8.79*d.* for the previous year.

For the current financial year our managers have estimated for a crop of 1,800,000 lb., subject to the restriction of output scheme, and up to the end of October last we had harvested 691,281 lb. We have sold under forward contract 190,400 lb., at an average net price of 1*s.* 10.22*d.* per pound.

The net profit for the year's working was £40,886 10*s.* 2*d.*, to which has to be added £3,186 11*s.* 8*d.* carried forward and the refund of excess profits duty, amounting to £3,206 6*s.* We propose that a dividend of ten per cent., less income tax, be paid; that the sum of £1,056 0*s.* 1*d.* be written off increase of capital and new issue expenses; and that the balance of £21,233 7*s.* 9*d.* be carried forward, subject to liability for excess profits duty and for Netherlands Indies war profits tax, if any.

The distribution of ten per cent. on the present capital of the Company is equivalent to fifteen per cent. on the capital existing before the recent issue of 100,000 Bonus shares to the shareholders, and, except for the crisis through which the industry is at present passing, the directors might have felt justified in recommending a larger dividend being paid to-day, but circumstances being as they are, I am sure you will approve the conservative attitude which we have adopted by carrying forward the larger amount. The first duty of the directors is to protect the properties and endeavour to keep them in first-class condition, so that the earning power of the Company may be increased rather than impaired when the markets for our produce become normal once more.

Mr. J. R. Gray seconded the resolution, which was unanimously agreed to.

GENERAL

A PROBLEM SOLVED.

For theatre parties;
For football and other teams
playing "away";
For day or evening outings
of any kind.

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A PRIVATE MOTOR-BUS
OR CHAR-A-BANC

To take the whole party there
and back.

Quotations for any journey on application to—
THE GENERAL PASSENGER AGENT.
ELECTRIC RAILWAY HOUSE,
BROADWAY, WESTMINSTER.
S.W. 1

A 1 R 228

AFRICAN AND EASTERN TRADE CORPORATION, LTD.

MR. J. H. BATTY (Chairman of Directors) presided over three meetings of the African and Eastern Trade Corporation, Limited, which were held at the Exchange Station Hotel, Liverpool, on Friday last, for the purpose of confirming resolutions regarding the fusion of the Company's interests with Lever Brothers' West African interests, also to meet the requirements of the Chancery Court.

All the resolutions were adopted with an overwhelming majority, and a poll which was demanded will be declared during the coming week.

Result of the Poll.

The African and Eastern Trade Corporation, Limited, officially announced on Monday, November 29, the result of the poll which was demanded at last Friday's meeting, which is as follows: The total number of Ordinary shares held by persons attending the meeting or voting by proxy was 2,771,657, and of these 2,459,618 voted in favour of the scheme, being over eighty-eight per cent. of the whole, whereas only seventy-five per cent. was required.

Books Received.

"*A Tax on Turn-Over.*" The only safe and effective substitute for the excess profits duty which now cripples industry and trade, inflates prices, causes unemployment, and is largely responsible for prevailing discontent." A re-statement in concentrated form of articles which have appeared in *The Financier*.

NATIONAL TRUST COMPANY, LTD.

HEAD OFFICE: TORONTO, CANADA.

BRANCHES:
Montreal, Winnipeg, Regina, Saskatoon, Edmonton.

Executor and Trustee.

Paid-up Capital - £410,958 18 2
Reserve Fund - £410,958 18 2
Assets under Administration £18,275,599 15 9

Acts as Agents for clients and corporations and has exceptional facilities for investing British and Foreign Funds in carefully selected First Mortgages on Farms and improved City properties in Canada.

Guaranteed Trust Investments.

Correspondence Invited.

28 Bishopsgate, London, E.C.2. A. L. NUNNS, London Representative

Bankers:—
Bank of Scotland. Canadian Bank of Commerce.

Under Contract with H.M. Government.

P&O & British India Mail & Passenger Services

Sailings from LONDON, MARSEILLES, &c.
Tickets interchangeable.

MEDITERRANEAN, EGYPT, INDIA, PERSIAN GULF, BURMA, STRAITS, CHINA, JAPAN, AUSTRALASIA, MAURITIUS, EAST & SOUTH AFRICA, NEW ZEALAND (via PANAMA CANAL)

P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company via Panama or by Orient Line.

Address for all Passenger Business P. & O. House, 14, Cockspur Street, London, S.W. 1; for Freight or General Business P. & O. and B. I. Offices, 122, Leadenhall Street, London, E.C. 3.

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EXTEND and INCREASE
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SOUTH AMERICA!

THE
Nelson Lines

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Services to
RIO DE JANEIRO, MONTE VIDEO & BUENOS AIRES.

Write for particulars to:
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Head Office:
98 Leadenhall St., London, E.C.3
& 20 Water St., Liverpool.

BASS, RATCLIFF & GRETTON LIMITED.

Notify that the Transfer Registers of their Debenture and Preference Stock will be Closed from the 17th to the 31st instant, both dates inclusive, for the preparation of Interest and Dividend Warrants.

December 1920

UNION-CASTLE LINE.

South and East Africa
ROYAL MAIL ROUTE.

The Cape, Natal, Transvaal, Rhodesia, East African Ports, Mauritius, etc.

For sailings and other information apply to the Head Office, 3 Fenchurch St., E.C.3. West-end Agency: Thos. Cook & Son, 125 Pall Mall, S.W. 1

WHERE COPIES OF THE "STATIST" CAN BE OBTAINED ABROAD.

INDIA.—D. B. TARAPOREVALA, SONS & CO., Booksellers, Bombay.

JAPAN.—Z. P. MARUYA & CO., LTD., 11 to Nihonbashi Tori Sanchome, Tokyo, and 28 Benten Dori Nichome, Yokohama; Y. OKURA, Nihonbashi, Tokyo.

EGYPT.—F. DIEMER, Shepheard's Buildings, Cairo; THE ANGLO-AMERICAN BOOK SELLING DEPOT Port Said

SOUTH AFRICA.—CENTRAL NEWS AGENCY Johannesburg, Bloemfontein, and Durban; WILLIAM DAWSON & SONS, Capetown Johannesburg and Durban.

MUNTZ'S METAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of this Company will be Closed on the 30th and 31st instant for the payment of Dividends, and preparation of transfers for exchange of Stocks into those of Muntz's Metal Company Limited, in accordance with the terms of the agreement with that Company.

After the 30th instant no further transfers from members who have already assented to the terms of the Agreement will be registered.

Dividend Warrants will be posted, if possible, at about the end of December.

By Order of the Board,
KENYON BRIGHT,
Secretary.

French Walls, near Birmingham,
December 2nd, 1920.

THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

NOTICE IS HEREBY GIVEN that the Transfer Books of the Company, so far as regards the Five per Cent. Perpetual Debenture Stock (Grand Trunk Borrowed Capital) and Perpetual Four per Cent. Consolidated Debenture Stock, will be closed from Monday, the 13th December, 1920, to Thursday, the 13th January, 1921, both days inclusive.

Warrants for the interest accrued to 31st December, 1920, will be forwarded on the 13th January, 1921, to all proprietors of those Stocks registered on the Books of the Company on the 13th December, 1920.

And NOTICE is also given that the Transfer Books of the Company, so far as regards the Five per Cent. Perpetual Debenture Stock (Great Western Borrowed Capital) and the Four per Cent. Perpetual Debenture Stock (Northern Borrowed Capital), will be Closed from Monday, the 17th January, 1921, to Monday, the 31st January, 1921, both days inclusive.

Warrants for the interest for the half-year to the 31st January, 1921, will be forwarded on that date to all proprietors of those Stocks registered on the Books of the Company on the 17th January, 1921.

By Order,
H. H. NORMAN, Secretary.

Dashwood House,
9 New Broad Street, E.C. 2.
3rd December, 1920.

Not only provides for Death Duties — but

an insurance policy with the Scottish Widows Fund affords relief from other taxation, namely, Income Tax (within certain limits) on the premiums paid.

Write for Booklet "Big Burdens and How to Bear them"

Scottish Widows Fund

Founded 1815.

THE LARGEST BRITISH MUTUAL LIFE OFFICE.

Funds: 22 MILLIONS. Claims Paid: 50 MILLIONS.

Write for the Society's Booklet.

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London Offices: 28, Cornhill, E.C. 3, & 17, Waterloo Place, S.W. 1.

BANK OF MONTREAL

Established in 1817.
Paid-up Capital, $22,000,000.
Rest, $22,000,000.
Undivided Profits, $1,030,440.
Total Assets (30th April, 1920) $371,150,178

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O.
C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., H. Cockburn Meighen, M.C., Harold Kennedy, Esq., H. V. Meredith, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., E. W. Beatty, Esq.
Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
PARIS AGENCY: BANK OF MONTREAL (FRANCE)
17 Place Vendome, Paris.
London Committee: Sir Thomas Skinner, Bart.
Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels

Financial Agents or the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of general Banking business in Canada, Newfoundland, the United States, Mexico and France.

THE ROYAL BANK OF CANADA

ESTABLISHED 1869.

Capital Paid up	$19,000,000
Reserve Funds	$19,000,000
Total Assets ...	$384,000,000

Head Office—MONTREAL.

SIR HERBERT S. HOLT, E. L. PEASE, *President.* *Vice-President & Managing Director.*
C. E. NEILL, *General Manager.*

700 Branches in Canada and Newfoundland; in Cuba, Porto Rico, Dominican Republic, Haiti, Guadeloupe, Martinique, Costa Rica, Venezuela, and Colombia

IN BRITISH WEST INDIES AT:
Antigua, Barbados, Grenada, St. Kitts, Bahamas, Dominica, Jamaica, Trinidad, British Guiana, British Honduras.

ARGENTINE	Buenos Aires.
BRAZIL	Rio de Janeiro, Santos.
URUGUAY ...	Montevideo, Sao Paulo
BARCELONA, SPAIN ...	Plaza de Cataluna 5.
NEW YORK AGENCY ...	68 William Street.
LONDON OFFICE ...	Princes Street, E.C. 2.

FRENCH AUXILIARY.
THE ROYAL BANK OF CANADA (FRANCE).
PARIS: 28 Rue du Quatre Septembre.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 9 Threadneedle Street, E.C. 2.

Paid-up Capital	£4,765,730
Reserve Fund	3,275,000
Reserve Liability of Proprietors	4,765,730
	£12,806,460
Aggregate Assets, 31st March, 1920	£75,543,242

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application, and conducts every description of Australian Banking business.

H. MELBOURNE,
Assistant Manager.

BANQUE NATIONALE DE CREDIT.

CAPITAL	Frs. 530,000,000
RESERVE FUND	„ 90 000,000
DEPOSITS	„ 2 4.0,000,000

Head Office:
— PARIS. —

300 Branches in France.

4 Branches in the Rhenish Provinces.

GENERAL BANKING BUSINESS.

THE
Merchants Bank of Canada

Total Deposits (30th Sept., 1920) $167,000,000
Total Assets (30th Sept., 1920) $205,000,000

COMPLETE BANKING SERVICE

399 Branches in Canada.

Special Department at Montreal gives manufacturers and merchants opening up in Canada all information regarding Water Power, Sites, Tariffs, etc.

LONDON OFFICE: 53, CORNHILL.

J. B. DONNELLY, D.S.O., *Manager.*

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital ... ... (25,000 Shares of £10 each)	**£250,000 0 0**
Reserve Fund	**£725,000 0 0**
Reserved Profits ...	**£20,562 0 0**
Reserve Liability of Shareholders,	**£250,000.**

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange business connected with Western Australia conducted through the London Agents,

The Bank of Adelaide, 11 Leadenhall Street, E.C.

THE CANADIAN BANK OF COMMERCE.

HEAD OFFICE ... ... TORONTO.

Paid-up Capital ...	$15,000,000 (£3,082,192)
Reserve Fund ...	$10,000,000 (£3,082,192)

President:
SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.
Vice-President and General Manager: SIR JOHN AIRD.
Assistant General Manager: H. V. F. JONES.

Over 520 Branches throughout CANADA, and in NEWFOUNDLAND, THE UNITED STATES and MEXICO.

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A general Banking business conducted with ALL POINTS IN NORTH AMERICA.

C. CAMBIE, Manager.

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Established 1880.

Oldest Business Establishment in the River Plate.

Fully Paid up Capital, Reserves and Surplus, $14,192,498.91, Argentine Gold, equal to £2,815,972 Sterling.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

HONGKONG AND SHANGHAI BANKING CORPORATION.

CAPITAL, all paid up	$15,000,000
STERLING RESERVE, held in London at Exchange of 2s. per $ =£1,500,000 ...	$15,000,000
SILVER RESERVE ...	$28,000,000
	$58,000,000
RESERVE LIABILITY OF PROPRIETORS	$15,000,000

Head Office: HONGKONG.
Chief Manager—N. J. STABB.

BRANCHES and AGENCIES: Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Hongkew (Shanghai), Iloilo, Jolo, Kobe, Hiogo, Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Surabaya, Tientsin, Tsingtao, Vladivostok, Yiloilo, Yokohama.

COMMITTEE IN LONDON:
Sir CHARLES ADDIS, Chairman.
Hon. Cecil Baring. C. A. Campbell.
David Landale. Sir George Sutherland.
A. M. Townsend. C. F. Wingham.
W. M. BLACKIE, Accountant.

9 Gracechurch Street, London, E.C.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	$3,000,000.00
SHAREHOLDERS' LIABILITY	$3,000,000.00
SURPLUS AND PROFIT ...	$7,500,000.00

Bills of Exchange
Telegraphic Transfers
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available throughout the World.

Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States. Correspondence Solicited.

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LONDON JOINT CITY & MIDLAND BANK, LIMITED.
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Cable Address—"FOURBANK."

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Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	British
Cawnpore	Aden and	Kisumu	E.A.
Lahore	Aden Point		
Amritsar	Colombo	Entebbe	Uganda
Delhi	Kandy	Kampala	
Tuticorin	Nuwera Eliya	Jinja	
		Dar-es-Salaam	Tanganyika Territory.
		Tanga	

SUBSCRIBED CAPITAL	£3,000,000
PAID UP CAPITAL	£1,500,000
RESERVE FUND	£2,000,000

LONDON BANKERS.—Bank of England, National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balance at the rate of 2 per cent. per annum.

Kansallis-Osake-Pankki.

NATIONAL JOINT-STOCK BANK.

Head Office: Helsinki (Helsingfors) Finland.

Branches 120 all over Finland

Paid-up Capital ..	**Fmk. 150,000,000**
Reserve Funds ..	**„ 80,000,000**

Every kind of Banking and Exchange Business Transacted.

Telegraphic Address: "Kansallispankki"

London Agents: London Joint City & Midland Bank.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital	$7,000,150
Rest and Undivided Profits ...	$5,976,375
Total Assets	$140,999,050

The Bank has over 400 Branches in CANADA and Agents in the principal Offices in AMERICA.

Deposits received at favourable rates, which may be ascertained on application to:—

LONDON OFFICES { 6 PRINCES STREET, E.C. 2. 26 HAYMARKET, S.W. 1.

New York Agency: 49 Wall Street.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C. 3

Authorised Capital (200,000 Shares of £10 each)	£2,000,000
Called up	£1,000,000
Reserve Liability of Shareholders	£1,000,000
Reserve Fund	£225,000

Branches: AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

BOARD OF DIRECTORS.

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G.
JAMES H. BALLY, ESQ. G. BROMLEY MARTIN, ESQ.
EMILE FRANCQUI, ESQ., J. S. HASKELL, ESQ.
MEYER SASSOON, ESQ.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*December 4, 1920.*

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HOTEL RESTAURANT, OR AS OFFICES. Class [illegible] Block Plan [illegible] Modernised Building, with Passenger Lift. Some forty rooms, one or two [illegible] on ground floor. To be SOLD or LET on Lease. Possession [illegible] Sole Agents, Messrs. Geo. [illegible] & Co., West Halkin Street, Belgravia, S.W.

CITY OF ANTOFAGASTA FIVE PER CENT. STERLING LOAN OF 1925

[illegible]

THE YOKOHAMA SPECIE BANK, LTD.

[illegible]

Yen 1,416,054,418.07

PROFIT AND LOSS ACCOUNT

[illegible] penses, Rebate on Bills Current, Bad and Doubtful Debts, Bonus [illegible]

Yen 150,395,803.88

By Balance brought forward from last account [illegible]

By Amount of Profit for the half year ended [illegible]

Yen 150,395,803.88

THE ALEXANDRIA WATER CO., LTD.

INTERIM DIVIDEND.

NOTICE IS HEREBY GIVEN that [illegible] December, 1920, at Messrs. Barclay's Bank, Ltd., [illegible] a declaration as to ownership in the form required by Banks, form of [illegible]

PROVINCE OF SASKATCHEWAN [illegible]

6 Princes Street.

ARNOLD PERRETT & CO. [illegible]

Proclamation

Whereas

for many months ENGLISH HOUSE has been in the hands of [illegible] essential reconstructions, we are now [illegible] announcing the completion of their labours—and our trials.

ONLY the loyal, uncomplaining service of our executive and our staff, the camaraderie of our colleagues in the Insurance world, and the helpfulness of our host of friends, has made it possible for us to carry on and deal with our growing volume of business.

NOW English House is a fitting home for the ENGLISH INSURANCE COMPANY LTD. It has been planned for this purpose, and for the convenience of those whom it is our pleasure to serve. Everything necessary for the efficient handling of a big national business has been installed. In all things we have kept the modern point of view in prospect, and the interests of our patrons in front.

WE are rather proud of the result. So much so that we should like you to come along and see for yourself. If you cannot come during our "House-warming" days—

Tuesday, December 14th. Press Day.
Wednesday, December 15th. Shareholders' Day.
Thursday, December 16th. Insurance Day,

come when it suits you best. We shall be charmed to see you at your convenience.

The policy of "The English" is Thorough and Forward, and can best be attained by service. If you have an insurance problem, ask our advice. Our executive are specially selected, trained, experienced men. Throughout the provinces we have able Managers and Inspectors trained in all classes of Insurance.

If, therefore, you cannot call—write.

We are at your service under any circumstances, at all times and for any problem.

That is our policy.

[illegible] December, 1920.

Clauston
CHAIRMAN

W. H. Packer
DEPUTY CHAIRMAN

Percival Alexander
MANAGING DIRECTOR

HONESTLY— THE BEST POLICY

CAPITAL

AUTHORISED · · £1,000,000
SUBSCRIBED · · £589,396
PAID UP · · £294,698

DIRECTORS

SIR GEORGE J. CARTER, K.B.E.
SIR FRANK M. CRISP, Bart.
SIR GEORGE A. E. HUSSEY.
SIR ERNEST WILLIAM MOIR, Bart., M.I.C.E.
Brig.-Gen. C. H. NICHOLSON, C.B., C.M.G.
SIR JULIAN W. ORDE.
Lieut.-Gen. SIR ARTHUR T. SLOGGETT, K.C.B., K.C.M.G., K.C.V.O.
SIR JOHNSTONE WALLACE, K.B.E.
ROBERT WILSON, J.P.

THE CHINESE ENGINEERING AND MINING COMPANY, LIMITED.

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER.

NOTICE IS HEREBY GIVEN that the Eighth Annual Ordinary General Meeting of the Company will be held at Winchester House Hall No. 1-4), Old Broad Street, London, E.C., on Thursday, the 16th day of December, 1920, at 2.30 o'clock in the afternoon, to receive the Directors' Report and Accounts, to declare a dividend, to elect Directors and Auditors, and to transact any other business of an Ordinary General Meeting.

AND NOTICE IS ALSO HEREBY GIVEN that at the said Meeting the following Extraordinary Resolution will be proposed, which, if passed (with or without modification), will be submitted to a subsequent Extraordinary General Meeting for confirmation as a Special Resolution:—

RESOLUTION.

"That the Articles of Association of the Company be altered by inserting the following new Article next after Article 121, namely:—

"121A. A General Meeting may direct the capitalisation of the whole or any of the profits for the time being of the Company, or any accumulations of profits carried to reserve or any sum carried to reserve as the result of a sale or revaluation of the assets or goodwill of the Company, or any part thereof, or any sum received by way of premium on the issue of any Shares, Debentures or Debenture Stock of the Company, by the distribution amongst the holders of the Ordinary Shares of the Company of paid up Shares, Debentures or Debenture Stock of the Company, and the Board shall give effect to such Resolution and shall apply such portion of the profits or reserve fund as aforesaid as may be required for the purpose of making payment in full at par for the Shares, Debentures or Debenture Stock of the Company so distributed, provided that no such distribution shall be made unless recommended by the Board. Where any difficulty arises with regard to the distribution the Board may settle the same as they think expedient, and may direct that cash payments may be made to any Members in order to adjust the rights of all parties, and generally may make such arrangements for the allotment, acceptance and sale of such Shares, Debentures or Debenture Stock, and otherwise as they may think fit. Where required a proper contract shall be filed in accordance with the provisions of the Companies (Consolidation) Act, 1908, and the Board may appoint any person to sign such contract on behalf of the holders of the Ordinary Shares participating in such distribution, and such appointment shall be effective, and the contract may provide for the acceptance by such holders of the Shares to be allotted to them respectively in satisfaction of their claims in respect of the sum so capitalised."

AND NOTICE IS HEREBY ALSO GIVEN that an Extraordinary General Meeting of the Company will be held on Tuesday, the 4th day of January, 1921, at 12 o'clock noon, at the same place, for the purpose of receiving a Report of the proceedings at the above-mentioned Meeting, and of confirming, if thought fit, as a Special Resolution such Resolution as may have been passed as an Extraordinary Resolution at such Meeting, and also for the purpose of considering and, if thought fit, passing the following further Resolutions, with or without modification:—

(1) "That the Directors be and they are hereby authorised to increase the capital of the Company to £2,000,000 by the creation of 1,000,000 new Shares of £1 each ranking in all respects *pari passu* with the existing Shares of the Company.

(2) "That the sum of £400,000 being part of the undistributed profits of the Company be capitalised by the distribution among the holders (at the closing of the Transfer Books on such date as may be fixed by the Board of Directors) of the existing Shares of the Company of 400,000 of the new Shares of £1 each of the Company all of which 400,000 new Shares are to be issued as fully paid at the rate of two such fully paid new Shares in respect of every five Shares held and that up in full at par the 400,000 new Shares of £1 each of the Company to be distributed as aforesaid.

(3) "That such holders shall be entitled if they so desire to have issued to them free of charge duly stamped share warrants to bearer in respect of the Shares to be allotted to them under the last preceding resolution such warrants to be issued in such denominations as the Board may determine provided that no share warrant will be issued in respect of a fraction of a share."

Holders of Share Warrants to Bearer wishing to attend or vote at these Meetings must deposit their Warrants with the Company at the Registered Office in London, No. 22 Austin Friars, E.C.2, two clear days before the dates thereof.

The Transfer Books will be Closed from the 8th to the 18th December, 1920, inclusive.

Dated this 6th day of December, 1920.

By Order of the Board,
ALF. W. BERRY,
Secretary.

22 Austin Friars,
London, E.C.2.

COMMERCIAL COMPANY OF SALONICA LTD.

ISSUE OF NEW COUPONS.

NOTICE IS HEREBY GIVEN that on and after 20th December, 1920, the talons attached to the sheet of coupons numbered 1 to 20 may be exchanged at the Offices of the Company in Constantinople for a new sheet of coupons numbered 21 to 40.

Forms of Lodgment for the purpose of exchange may be obtained at the Offices of the Company in Constantinople, Salonica, or London, and must be deposited (together with the talons) ten days for examination.

By Order of the Board,
IS. FERNANDEZ,
Director.

London Office:
Kennan's House, Crown Court,
Cheapside, E.C.2.

MIDLAND ELECTRIC CORPORATION FOR POWER DISTRIBUTION LIMITED.

NOTICE IS HEREBY GIVEN that the Transfer Books of this Company will be Closed from the 18th to 31st instant, both dates inclusive, for the preparation of Debenture Interest Warrants.

GORDON SAIES,
Secretary.

24 Waterloo Street,
Birmingham.

THE ELECTRIC SUPPLY COMPANY OF VICTORIA LIMITED.

NOTICE IS HEREBY GIVEN that the Debenture Transfer Books of this Company will be Closed from the 18th to the 31st instant, both dates inclusive, for the preparation of Debenture Interest Warrants.

GORDON SAIES,
Secretary.

35 Royal Liver Building,
Liverpool.

THE ANTOFAGASTA (CHILI) AND BOLIVIA RAILWAY CO. LIMITED.

NOTICE IS HEREBY GIVEN that the Transfer Books of the 4% Perpetual Debenture Stock of the above Company will be Closed from the 17th December to the 31st December, 1920, both days inclusive, for payment of interest.

By Order,
A. W. BOLDEN,
Managing Director and Secretary.

3 Broad Street Place, E.C.
7th December, 1920.

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THE FREDERICK HOTELS, LIMITED.

NOTICE IS HEREBY GIVEN that the Transfer Books of the 4% Perpetual Debenture Stock of this Company will be Closed from the 17th to 31st December, 1920, both days inclusive, for the preparation of Interest Warrants.

By Order of the Board,
A. MACMURCHY,
Secretary.

Hotel Russell,
Russell Square, London, W.C.1,
7th December, 1920.

THE CAPE ELECTRIC TRAMWAYS, LIMITED.

NOTICE IS HEREBY GIVEN that a Dividend of 5% (Five per Cent.), less tax, has been declared, payable to all Shareholders registered on Thursday, the 2nd December, 1920, and to the holders of Coupon No. 29 attached to Share Warrants to Bearer.

The Dividend will be paid on the 31st day of December, 1920. Coupons must be left four clear days for examination.

Listing forms can be had on application.

By Order,
F. HAINES, Secretary.

1 London Wall Buildings, London, E.C.2,
9th December, 1920.

THE LEOPOLDINA RAILWAY COMPANY LIMITED.

ISSUE OF £1,000,000 5% TERMINABLE DEBENTURES.

NOTICE IS HEREBY GIVEN that the half-yearly interest due on the 1st January, 1921, on the above Debentures, will be paid on and after that date at the Banking House of Messrs. Glyn, Mills, Currie & Co., 67 Lombard Street, E.C.3. The Coupons must be left three days clear for examination between the hours of 10 and 2 (Saturdays 10 and 12).

By Order,
J. H. DRURY,
Secretary.

Offices of the Company:
3 Lombard Street, E.C.,
9th December, 1920.

THE LEOPOLDINA RAILWAY COMPANY LIMITED.

NOTICE IS HEREBY GIVEN that the Register of the Four per Cent. Debenture Stock of this Company will be Closed from the 17th to the 31st inst., both days inclusive, for the purpose of preparing the interest warrants for the half-year ending 31st December, 1920.

By Order,
J. H. DRURY,
Secretary.

Offices of the Company:
3 Lombard Street, E.C.3,
9th December, 1920.

LEOPOLDINA TERMINAL COMPANY LIMITED.

ISSUE OF £1,500,000 5% FIRST DEBENTURES.

NOTICE IS HEREBY GIVEN that the half-yearly interest due 1st January, 1921, on the above Debentures, will be paid on and after that date at the Banking House of Messrs. Glyn, Mills, Currie & Co., 67 Lombard Street, London, E.C. The coupons must be left three clear days for examination between the hours of 10 and 2 (Saturdays 10 and 12).

By Order,
J. H. DRURY,
Secretary.

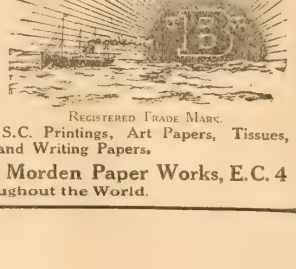
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Assets Exceed - - - - £17,300,000
Claims Paid Exceed - - - £30,000,000

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The Statist.

LONDON, SATURDAY, DECEMBER 11, 1920.

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The Money Market.

Bank of England Rate... 7 (Apr. 15, 20) 6 Nov. 6, 19
Deposit Rates:—
Bankers' Deposits (Current) 5 (Apr. 15, 20) 4½ (Nov. 6, 19
Discount Houses' Deposits 7 (Apr. 15, 20) 6½ (Nov. 6, 19
Discount Rates:—

Treasury Bills	...	—	6	—	—		
Bank Bills	...	...	6	6	6	6	
Trade Bills	...	...	7	7½	7½	7	

INCREASING FIRMNESS.

the Short-loan market, though naturally more strin-

Early in the week loans were usually arranged at four and a-half per cent. to five per cent.: later the range of rates was more usually five per cent. to five and a-half per cent., but still there was a fair amount of surplus balances offering at four and a-half per cent. The hardening tendency as the week progressed was due to a growth in demand, and also may have been

view is supported by the Bank return, showing a con-

ties." The Discount market was affected by the tightening of money rates as well as by unfavourable

well maintained. The banks showed no marked reluctance in taking bills, but their inquiry seems to have been chiefly for special dates.

Regarding the immediate outlook, it is likely that the present growing stringency of the market will con-

a severe "squeeze" is improbable, as the banks seem to have large holdings of December maturities.

Foreign Exchanges.

movements in the Foreign Exchange market during the week, for nearly all the important exchanges moved adversely, and in those directions in which sterling appreciated a fall in the value of our currency would be more to our interest at the present time. This latter feature was especially marked in the case of the Eastern exchanges: the rupee, the Shanghai tael, and the Hong Kong dollar all depreciated sharply. The

column. The Shanghai tael was quoted at 4*s.* 1*d.*

the beginning of October the quotation was 6*s.* The present rate is, in fact, the lowest since the Armistice: it shows a decline of fifty-six and a-half per cent. from

1920. The widespread distress in China and the disturbed political state of the country offer little prospect

ments were not of an unusual nature. A considerable adverse movement was displayed by the Scandinavian exchanges, owing to a slackening of imports from the United Kingdom into these countries. Christiania fell from Kr.25.22½ to the £ to Kr.23.60, Copenhagen declined to 23.50, and the Stockholm rate fell 19 points during the week to 17.85. The New York rate and the South American group again went against us, the movement being more pronounced in the latter. Buenos Ayres transfers rose from 53½*d.* to 55¾*d.*, and Montevideo transfers from 53*d.* to 55¾*d.* The Rio ninety-days rate, exceptionally, moved in our favour. Montreal cable transfers also became cheaper, the rate rising to just under $4.00. The New York rate was irregular; it fell rather sharply to 3.43½ in the earlier part of the week, recovered to 3.45 on Wednesday, declined to 3.43¼ yesterday, but rallied again to-day to 3.46¼.

Income and Expenditure.

It was not to be expected, of course, that the large Government disbursements of December 1 could be made without borrowing heavily on Ways and Means, and, indeed, last week's Bank return foreshadowed the manner in which the national accounts would be affected. The actual statement of income and expenditure for the week ending on Saturday last shows the extent of this form of borrowing to be much less than might have been expected under the circumstances: a feature that was due, not to a large revenue, but to a considerable excess in sales of Treasury bills over maturities. Ordinary revenue for the week at £16,805,000 was only £1.1 million in excess of that for the previous week, though it included nearly £3 million "special miscellaneous receipts." On the expenditure side, £20,360,000 was disbursed in respect of supply services, against £14,044,000 during the previous week, so that, even excluding the £44,140,000 interest distribution, ordinary expenditure shows an increase on the week. The total amount was £65,336,000, and the aggregate outgoings of the Exchequer reached £169,555,000, including £19,660,000 for principal of Exchequer Bonds paid off and £63,600,000 for maturities of Treasury bills. Receipts for the latter amounted to £93,812,000, or £30,212,000 in excess of maturities. It is worthy of note that sales of Treasury Bonds during the week reached the figure of £2,050,000, but this, in all probability, includes some subscriptions in the form of the maturing Exchequer Bonds. These maturities came at a time when the market's funds were at a low ebb, and when, consequently, liquid resources were urgently needed; so that if the above figure represents approximately the amount of conversions from Exchequer Bonds into the "B" series of Treasury Bonds, its smallness need cause little surprise

The total borrowings on Ways and Means were £37,300,000, and of this the greater portion—£30,750,000—was advanced by the Bank of England, only £6,550,000 being obtained from Public Departments. This divergence between the respective amounts of temporary advances provided by the two sources was probably due to the fact that on the previous week £11½ million was borrowed from Public Departments and went towards reducing the liability to the Bank by £16½ million. The amounts of the outstanding advances by the Bank and by Public Departments were on Saturday last £64,750,000 and £203,664,000 respectively. The net change in the floating debt during the week was an increase of £67,435,000 to £1,395,143,000.

Currency Notes.

Another increase in the circulation of currency notes was a feature of the week ending on the 8th inst. The amount of fresh issues, at £9,410,636, was the largest for any week since that ending on May 5 of this year. Cancellations, on the other hand, were the smallest since the week ending August 4 last, at £5,848,898. The net increase in notes and note certificates was £3,231,738, bringing the outstanding total to £351,463,771, the largest since the week ending on November 3. No change was made in the redemption account, and accordingly the fiduciary issue rose to £304,213,771, or nearly £16.4 million below the legal limit. The reserve ratio declined from 13.5 per cent. to 13.4 per cent.

As the note circulation usually increases rapidly at the present season of the year, the expansion of recent weeks is not an abnormal movement. The extent of this expansion, however, is much less than that of the corresponding period of previous years since 1914. This may be attributed to the restriction of banking credits, and it is also in part an outcome of the fall in commodity prices—conditions which did not obtain during the corresponding season of any previous year since the commencement of the War. Were these the only influences affecting the note issue the circulation would undoubtedly undergo a further considerable contraction. Last week's heavy borrowing on Ways and Means, however, on the part of the Government, as well as the large Government distributions of the 1st inst., will be an influence towards increasing the note circulation in the immediate future.

Bank of England.

A reaction against the weakness of the previous week in the reserve position of the Bank of England is shown in the return issued on Wednesday. The improvement was due to a decline in liabilities as well as an increase in the amount of the reserve. The latter, at £13,916,000, is £958,000 above the record low level of last week; the rise was chiefly due to a further increase of £886,000 in the gold holdings. The present amount of this item, £125,577,000, constitutes a new high record. In contrast with the movement in currency notes during the week, as described above, the Bank note circulation was reduced by £71,000 to £130,411,000. The reserve ratio rose from 7.9 per cent. to 9.3 per cent. At £126,483,000 "other" deposits show a fall of £16,202,000 on the week, a movement that was probably due to the large purchases of Treasury Bills last week. "Other" securities rose by £3,172,000 to £72,180,000. It is satisfactory to note that some of the extensive Government borrowings from the Bank to meet the interest on War Loan and maturities of Exchequer Bonds paid at the beginning of the month have already been repaid. The extent of the repayment is indicated by a decline of £13,188,000 to £80,708,000 in the amount of Government securities.

Changes in the Bank's reserve position are, of course, now much less important than they were before the War, as at present the Bank's obligation to make payments in specie is a purely nominal one, in view of the legal restrictions on the use of gold coin and bullion. The fact, however, that such an obligation does exist is sufficient to attach a certain, perhaps an undue, significance to movements in the Bank's reserve, especially in the eyes of foreign observers of our financial position. On that account an improve-

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ment in the ratio of reserves to liabilities, such as occurred during the week under review, is to be welcomed.

Bullion.

All the supplies in the Gold market were again taken up by the United States, following the movements of the New York Exchange the price rose to 18*s.* 10*d.* per ounce fine.

Since the moderate rally towards the end of last week the course of silver quotations was persistently towards lower levels. On Monday the spot price was down to 43¾*d.*; on the following day it lost another ¼*d.*, and to-day the quotation was no better than 43¾*d.* Forward silver was at a premium of ⅛*d.* on Monday, but dropped to ¼*d.* on Tuesday and Wednesday. This was also the premium to-day. The factors affecting quotations were essentially the same as during recent weeks, and any change which has occurred in the general conditions of the market are in favour of still lower prices. The downward trend of quotations seemed to have little effect in checking offerings from the Continent, and again, helped by the weakness of the Shanghai exchange, bear selling was in evidence. Arising perhaps from China's weakened buying power a moderate amount of offerings came from the United States. The chief support to the market came from the Indian Bazaars, and these checked somewhat the rapidity of the fall towards the end of the week. The present level of quotations is down to that ruling in July 1917.

NEW YORK.

The latest statement of the New York Banks and Trust Companies associated with the Clearing House shows a continuance of the unfavourable movements of last week. Net demand deposits, however, were reduced by $18,650,000 to $4,004,490,000, and this movement counteracted to some extent the effects of a further fall of $5,590,000 to $5,43,930,000 in the aggregate reserve. The average excess over legal requirements was reduced by $3,620,000 to $12,040,000, but this is not very significant, as there was an actual excess reserve of $21,980,000 on Saturday last, as against a deficit of $4,090,000 a week previously. Loans, discounts, and investments are again lower by nearly $9.9 million, and the present aggregate of these items, at $5,208,880,000, is $277,250,000 below the high record of the week ending on October 16.

The Federal Reserve Banks' statement for the week ending on the 3rd inst. shows that the previous week's improvement in the reserve position was altogether lost. This was due entirely to a large expansion in deposit liabilities. Total reserves rose by $2,920,000 to $2,198,100,000, despite a loss of $1,240,000 in gold. This figure for the total reserves, it is interesting to note, is the highest since the first November of last year. The Federal Reserve note circulation diminished by $13,590,000 to $3,312,040,000, and is now $94,160,000 below the high record level of October 22. The holding of bills discounted for member banks rose again during last week, but the movement is much less violent than those which occurred during October. The reserve ratio is 44.1 per cent., as compared with 44.4 per cent. the previous week and 46.1 per cent. a year ago.

The New York Federal Reserve Bank records a decline of $33,700,000 in the total reserves during the week ending on Friday last. The note circulation fell by nearly $3 million, but net deposits expanded by $32,840,000. In consequence of these striking movements the ratio of total reserves to the combined net deposit and Federal Reserve note liabilities fell abruptly from 40.8 per cent. to 37.8 per cent.

No improvement in the general trade situation is reported, but a favourable element is a continuance of the price-cutting movement among retail dealers. Further wage reductions also have been reported from a few centres. Bradstreet's record of business failures during November is the largest for any month since January 1918.

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The Money market, affected by the near approach of the quarterly tax collections, grew decidedly firmer in tone, the ruling rate for call money rising to around seven per cent. Time money rates ranged from seven and a-half per cent. to seven and three-quarters per cent., and prime mercantile paper was quoted at seven and three-quarters per cent. to eight per cent.

The movements in the Stock markets were characterised by extreme irregularity, but, on the whole, the tightening of money rates gave "bear" speculators predominance, and though the markets were very active in contrast with last week's dullness the general trend of quotations was downwards.

INDIA.

The rather spectacular movements which have recently characterised the course of rupee exchange rates seems to be reacting severely on the general industrial and financial situation of India. At the beginning of November the rate was 1*s.* 7¼*d.* for cheques, the first week of that month, but since then it declined steadily until by the beginning of the present month is reached 1*s.* 6⅞*d.* The present quotation is no better than 1*s.* 4¾*d.* As Indian importers have recently made heavy purchases abroad, a great part of which is still unpaid for, this drop in the exchange value of the rupee becomes a serious matter. It has led to a congestion of stocks at the large distributing centres, and was responsible for a further access of stringency in the banking situation. The world-wide fall in the prices of the commodities India has to offer, combined with the generally unfavourable crop results, do not give much ground for hope of an immediate relief in the situation, and it seems likely that conditions in India will have to adjust themselves to a lower exchange value of the rupee. Experienced observers of the situation were [illegible] of the outlook some months back, but conditions have changed so much since then that it looks as if the conclusions drawn at that time will have to be altered in the light of recent developments.

Incidentally, it may be noted that the present exchange value of the rupee in terms of sterling is not far from the old ratio of Rs.15 to the sovereign. The price of silver also has fallen heavily during the past month, and at the moment shows little signs of recovery. In consideration of these circumstances the [illegible] of India to consider [illegible] the value of the rupee to [illegible] and [illegible] give some measure of stability to the actual rate. It is [illegible] that [illegible] with the [illegible] are [illegible] been [illegible] and [illegible] [illegible]

Stock Exchange.

RESTRICTED business and a pessimistic tone continued to characterise the Stock Markets during the current week, and the near approach of the Christmas holidays promises a still further decrease in public interest during the intervening fortnight. Firm features have been conspicuous by their absence, and no general recovery can be expected till the industrial community has returned to a normal basis of values and the resumption of international relations on amicable lines paves the way for a revival of trading prosperity. Authoritative opinions differ as to the probable duration of the present despondency, and until the nature of many still uncertain factors is revealed it would be unwise to hazard a definite prophecy. So much depends on the future foreign policy of our own and continental Governments, and on what is perhaps equally important, the probability of the release of the stranglehold which the excess profits duty has put on enterprise, that other factors scarcely count. It may be taken as assured, however, that no recrudescence of investing activity can be anticipated before the close of the financial year.

Moderate buying caused a firm tendency in the Gilt-edged section on Monday and Tuesday, but the tone weakened considerably on the following days. War Fives and Fours and Funding Loan closed without net alteration, while Consols showed somewhat better on the week, but Victory Bonds finished at slightly lower levels. County and Corporation stocks remained a heavy market, with no important changes. The striking failure of the Seven Towns loan, referred to in detail in "Financial Notes," did not reflect itself in the market quotations for the stock. Bournemouth was at par shortly after opening, and even the Rotherham scrip, of which the public took only one per cent., did not descend to below two per cent. discount.

The Foreign Bonds department was subject to fairly heavy realisations, Paris being reported as the chief source. Argentine and Brazilian varieties were marked down. Mexican bonds suffered a sharp mid-week relapse after an early rally. The depreciation of the drachma was responsible for a further decline in Greek Monopoly. The increased sterling value of the dollar resulted in an improvement in Japanese securities, but the eventual fall in the dollar caused a slight reaction.

Business in Home Rails was hardly sufficient to test quotations, but whatever movements occurred were against holders. On Thursday Metropolitan shares benefited fractionally, and a few prior-charge stocks were marked up.

Foreign Rails failed to attract much interest, and no definite tendency was observable. Argentine and Brazilian issues opened firm, though quiet, but a number of minor declines were recorded before the close.

The Industrial market continued the most depressed section of the House. Scattered liquidation, combined with a complete absence of buying interest, helped to force prices downward. Iron and Steel shares were subject to quiet liquidation, with a corresponding depreciation in value. Shipping securities remained dull, while Textiles exhibited a similar lack of activity. Among the latter, Amalgamated Cotton Mills Trusts benefited from a steady demand, but British Cellulose reacted sharply on the disappointing report.

In common with the other sections, the Oil share market was characterised by a marked absence of stability. Purchases by the Continent imparted a certain firmness to quotations at the beginning of the week, but conditions became very unsettled later. Mexican Eagles were a centre of high activity, but the price was forced down daily, despite optimistic estimates of the forthcoming bonus. Shells also registered many declines. Elsewhere dealings were confined to professional interests.

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Mining Topics.

CONSOLIDATED GOLD FIELDS.

Issued Capital: £4,500,000, in 2,000,000 Ordinary shares of £1 each and 2,500,000 6% Preference shares of £1 each.

	Sundry Revenue	General and Dev. Expenses	Debenture Int. Less, cr. int.	Sundry Amt. written off	Depre-ciation	Ordinary Dividends Amount	%	Carried forward
	£	£	£	£	£	£		£
1917..	161,350	15,193	155,500	1,650	360,2724	150,000	7½	58,406
1918..	136,091	18,416	151,126	2,013	76,8564	150,000	7½	49,095
1919..	502,142	27,221	152,750	5,500	134,855‡	150,000	7½	184,722
1920..	590,953	52,461	115,575§	29,069	165,408	150,000	7½	183,164

* Depreciation, profits realised by sales of investments, contingencies and sundry receipts now shewn separately.
† Profits from investments written off.
‡ Written from reserve, bonuses from profits.
§ Less tax.

NOT a little difficulty is experienced in endeavouring to contrast the operations of this Company for the year ended June 30, 1920, with those of previous years. In part the difficulty resides in the internal changes that took place during the year under review. In July 1919 the Company decided that its memorandum of association placed an undesirable limitation on the scope of its activities. On investigation it was found that the requisite elasticity could best be attained by the formation of a new company to which the assets of the existing Company could be sold or transferred. Accordingly, the New Consolidated Gold Fields, Limited, was registered early in August and commenced operations on August 27. Meanwhile the old Company carried on for three months; so that for part of the year both were functioning together. The result of this complication is that shareholders are furnished with two sets of accounts, each purporting to give the results for the year under review, the accounts of the New Consolidated Gold Fields dealing

with the period August 27, 1919, to June 30, 1920. For purposes of effective comparison, however, the two profit and loss accounts have been amalgamated and the joint result embodied in the table above.

At the outset let us register a protest against the manner in which the profit and loss accounts in both instances are presented. No one expects a detailed list of the revenues accruing to an separate investments—either in the form of dividends or profits on realisations; but, on the other hand, one does expect a clear and concise analysis of the separate divisions of revenue and expenditure. Shareholders in finance companies are entitled to know to what extent the revenue consists of dividends, to what extent of profits on sales of securities and to what extent of miscellaneous receipts other than these two main sources. The only information supplied in the accounts consists of a total revenue from all sources, and even this is stated to be subject to sundry amounts written off. Both in the profit and loss account of the old Company and of the new Company this cryptic statement appears. Heterogeneous sources of revenue are lumped together, and without disclosing even the nature, not to mention the amount, sundry deductions are made from this total and the balance entered in the accounts. Such a figure is utterly valueless, and we find it difficult to establish valid comparisons between the results of different years in the absence of more detailed information. We suggest that in future the revenue from dividends, from profits on sales of investments, and from miscellaneous sources should be stated distinctly, and any deductions which the directors consider advisable should then be made openly in the accounts.

Subject to this criticism, the figure given under the heading of "sundry revenue" in the table at the head of this article shows an increase of over £18,000 as compared with the previous year. Despite the drawback involved in the reconstruction of the Company, the remarkable progress achieved in 1918-19 was well maintained, provided of course that these unusual amounts deducted before arriving at this total were not unduly disproportionate. Of the total the present Company during three months earned £67,630, the balance being attributable to the working of the New Consolidated Gold Fields after August 27, 1919. The growth in general expenses from £27,221 to £52,461 appears much more formidable than it really is, for in this total is included all liability for taxation, which reached £13,241, as against £3,146 in 1918-19. Of this amount no less than £10,000 represented the liability incurred under the corporation profits tax. General administrative expenses increased from £22,075 to £39,170. Whether this increase is greater or less it is impossible to determine as long as the Company continues to deduct from such expenditure an unknown amount in respect of sums received from other companies, including transfer fees. This year the increase in expenditure has been so marked that some light is thrown on the sundry receipts, the amount of which was stated at the general meeting to be as much as £12,200 in excess of the total of the previous year. It appears, too, that increased salaries and bonus accounted for £18,400 of the rise in expenses, whilst work in the London office, which had to be continued during the War, involved an outlay of £7,000. The pronounced expansion in sundry allocations from £3,209 to £29,053 is mainly due to the writing off of the preliminary expenses in connection with the formation of the new Company to the total of £21,947—a step which speaks well for the policy of the directors. The staff provident fund—another wise provision—appears for the first time with a total of £1,012; whilst subscriptions and donations absorb £3,020 instead of £3,209. A sum of £165,188 is set aside for depreciation of investments, as against £191,335 in 1918-19. The decline in the amount for Debenture interest and Preference dividends to £115,573 is mainly due to the fact that this time the totals are given after deduction of income tax. Despite the growth in expenses and in sundry allocations, the [illegible] the Ordinary dividend at seven and a-half per cent. free of tax, equivalent to nearly ten and three-quarters per cent. subject to tax. The balance carried forward to the next accounts is increased from £104,722 to £[illegible], of which £[illegible] is carried forward by the New Consolidated Gold Fields, the balance of £162,636 being carried forward by the original concern.

Prior to its reconstruction this finance Corporation was largely interested in low-grade Rand mining propositions. The unfortunate experience of these mines in the last year furnishes perhaps the best justification for the policy now in force, which enables the directors to distribute their funds over a wider range of securities, and which no longer confines their sphere of action to South Africa. Whilst still interested in these low-grade mines, the Company is now investing its funds in industrial undertakings. Since 1918, when the last schedule of its investments was supplied, there have been changes many and varied. Shares held in mines, such as Simmer Deep and Jupiter, which have been forced to close down, have been reduced from 376,694 to 199,600, and from 208,938 to 160,604 respectively. Similarly, interests in Abbontiakoon, Cam and Motor, Falcon Mines, and Fanti Consolidated have been realised. Likewise it is to the good that the holding in Knights Deep, which the recent fire compelled to close down, has been reduced from 422,052 shares to 116,366. At the same time it is encouraging to learn that there is a good prospect of the shares realising a substantial proportion of their face value. Again, the developments on Sub Nigel and Robinson Deep are distinctly encouraging. On the other hand, whilst in the interval the Company has disposed of over 500,000 shares in Simmer and Jack, it still retains as many as 840,466, and the prospects of this mine are entirely dependent upon the continuance of a satisfactory gold premium. At the same time, the increase in the holdings in Government Areas from 60,000 shares of 74,000 shares and in New Modderfontein from 3,868 shares of £4 to 81,348 shares of 10s., represents additional investments in very promising mines. Evidence of the new range of activities is furnished in the holding of £28,100 in the Albany Brick, Tile and Potteries, Limited, and of 19,850 Ten per Cent. Participating Preference shares, and of 12,780 Ordinary shares in the celebrated South African trading Company of Messrs. Allen, Wack, and Shepherd. Recently a coal mine has been acquired, from which in a year's time a monthly output of 20,000 tons is expected; whilst forward sales at favourable prices cover 150,000 tons a year for two years. Shares have also been taken in a cement company operating in England. This extension of the field of investment is bound in the long run to prove of great advantage to the Company, though the Chairman was well advised to strike a note of caution at the general meeting when he warned shareholders that industrial concerns, in common with mining propositions, required time for development. Yet this wider range of investment must help to average the risks and thus make for less serious variations in the income of the Company. Financially the position, as revealed on June 30, 1920, was very sound. According to the balance sheet of New Consolidated Gold Fields, current liabilities, including the dividend of £270,000 paid to the parent Company out of the profits of the trading period, and the final guarantee on the Second Debenture of Simmer and Jack East, did not exceed £[illegible]. Treasury bills, loans at short call, and sundry debtors, were [illegible] Investments figure in the balance sheet at £4,030,099, [illegible] values on the date in question (June 30). Turning to the [illegible]

liabilities, including the dividend of £150,000, and £25,000 in respect of the outstanding Debentures, which have since been redeemed, do not exceed £243,088, whilst the dividend paid by the new Company alone amounted to £270,000. Other liquid assets were available to a total of £123,125. The other assets of the Company consist solely of the 4,500,000 shares in the New Consolidated Gold Fields. Quoted in the market at 21*s.* 3*d.*, the Ordinary shares afford on the basis of a dividend of seven and a half per cent. free of tax, a return of over seven per cent. free of tax, or of very little less than ten per cent. subject to tax.

RHODESIA COPPER COMPANY.

Results for Years to March 31.

	Dividends and Profits on Investments	Sale of Land	Total Gross Profits	Working Expenses	Net Profit	Dividend Amount	Carried Forward
	£	£	£	£	£		£
1915 ...	7,127	1,763	10,329	3,745	6,496	4,166 1s	1,666
1918 ...	8,084	—	9,267	2,561	6,706	—	8,373
1919 ...	12,500	1,265	20,096	5,196	15,000	17,501 1s	7,702
1920	22,964	4,461	28,317	2,678	25,639	22,931 1s	8,809

* Including small sum in respect of interest.

Since the writing down of its authorised capital in 1918 from £352,793 to £241,555, and the corresponding reduction in the nominal value of its 1,173,405 issued shares from 4*s.* 6*d.* to 3*s.*, the fortunes of the Rhodesia Copper and General Exploration and Finance Company have taken a turn for the better. Thus, as the above table shows, the trading results for 1916-17 were so mediocre that only a nominal dividend of one penny per share of 4*s.* 6*d.* could be declared. Whilst the profit for 1917-18 was somewhat larger the assets of the Company, particularly its shareholdings, had suffered such a depreciation that not only were the directors unable to declare any dividend, but also they considered it advisable to seek permission of the Court to reduce the capital as indicated above. Recovery now set in and the year ended March 31, 1919, witnessed the record gross profit of £20,096, as against £9,267 in the previous year. Consequently, a dividend of ten per cent. was paid, leaving a balance of £7,702 to be carried forward. Successful as were these results, the report presented for the year ended March 31, 1920, is still better. Whilst profits from the sale of farm lands have risen by nearly £200 to £4,461, the revenue from dividends and from the realisation of investments has increased from £13,760 to £22,964. Thus a gross profit of £28,317 is recorded, in contrast with £20,096 in the previous year. Meanwhile working costs had dropped from £3,196 to £2,678, largely owing to the absence of legal charges. Accordingly the net profit works out at £25,639, or £8,739 in excess of the net profit for 1918-19. These satisfactory results are reflected in an increase in the dividend paid to shareholders from ten per cent. to twelve and a-half per cent, the amount rising from £17,601 to £22,001. After paying this dividend the balance carried forward to the next accounts is increased by over £1,100 to £8,809.

At the general meeting it was asserted by the Chairman that, in the absence of unforeseen circumstances, the [illegible] was expected to be maintained. The output of the Rhodesia Copper Consolidated Mines has been increased, as the Company considers these shares capable of substantial appreciation. Financially, the position of this finance concern has improved during the year. Including the dividend of £22,001, current liabilities as shown in the balance sheet dated March 31, 1920, amounted to £57,871, whereas liquid assets in the form of cash and sundry debtors were available to a total of £65,340. While securities quoted, other than War Bonds and Funding Loan, are entered in the balance sheet at £32,723, their market value on March 31, 1920, was £34,810. In the market the 3*s.* shares are quoted at 2*s.* 6*d.*, and afford at this price on the basis of a dividend of ten per cent. a return of twelve per cent.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, December 8, 1920.

Issue Department.

Notes Issued	£142,525,285	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	124,074,285
	£142,524,285		£142,524,285

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£80,707,702
Rest	3,334,069	Other Securities	72,180,016
Public Deposits	22,472,966	Notes	12,113,230
Other Deposits	126,482,957	Gold and Silver Coin	1,833,226
Seven-day and other Bills	10,252		
	£166,804,174		£166,804,174

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits—Public	Deposits—Other	Securities—Govt.	Securities—Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Nov. 3	130,4	126,8	22,1	126,4	80,7	76,1	13,9	8 3	7	6½
Dec. 1	130,4	124,9	24,6	142,6	93,8	75,3	13,9	7·9	7	6½
Nov. 24	127,9	124,1	17,9	105,3	52,4	74,1	14,5	11 8	7	8½
Nov. 17	127,5	123,7	19,5	115,2	63,7	75,1	14,5	10·8	7	6½
Nov. 10	127,8	123,4	19,8	112,4	62,7	73,2	14,1	10·5	7	6½
July 22,'14	29.3	40.2	13.7	42.2	11.0	33.8	29.3	52·10	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8% Aug. 8, 6%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (In £'s sterling 00,000's omitted):	Dec. 8, 1920	Dec. 10, 1919	Dec. 11, 1918	Dec. 12, 1917	Dec. 7 1916
Circulation	£130,4	£83,1	£67,5	£43,9	£33,2
Public Deposits	22,4	20,8	27,4	40,4	10,1
Other Deposits	126,4	146,5	153,0	123,2	41,1
Government Securities	80,7	84,3	73,7	57,9	15,6
Other Securities	76,1	78,8	95,9	91,5	27,4
Reserve	13,9	22,1	28,7	31,0	25,9
Ratio to Liabilities	9 3/8%	13·2%	15·89%	19·53%	50·57%
Coin and Bullion	125 8	91,9	77,7	57,5	33,6
Money:					
Bank of England Rate	7%	6%	5%	5%	4½%
Bank of France Rate	6%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅝%	5⅜%	3⅝%	4 1-16%	3⅜%
Exchanges:					
Paris Cheque	58·70	40·15	25·97½	27·21½	25·27½
New York 60 days	3 41½	3 81	4·73	4·72	4 87·55
Bombay Telegraphic Transfers	1/4⅛	2/2⅝	1/6⅛	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	43⅛	51	60	55	73⅝
French Rentes 3% Money	58 20	59·60	62·90	59·50	97·87
Silver, London spot	35d.	74d.	48⅝d.	43⅛d.	61d.
Wheat, *Gazette* average	89.7	72/7	72/4	70/7	30/6
Cotton, Mid Upland	13·29 l.	27·13d.	19·82d.	22·31d.	8·08 l.
Iron, Scotch pig	231/0	166/0	101/0	101.0	65/10½

CURRENCY NOTE ISSUE.

	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
Week to	£	£	£	£	£	%
Dec. 8, '20	9,837,836	6,448,818	351,463,771	23,500,000	18,750,000	13·1
Dec. 1, '20	8,511,464	6,656,801	348,234,033	28,500,000	18,750,000	13·6
Dec. 10, '19	8,112,744	5,097,609	343,292,845	29,500,000	—	8·3
Dec. 11, '18	8,781,898	3,685,376	305,085,407	28,500,000	—	9·3
Dec. 12, '17	6,583,801	4,664,222	193,446,306	28,500,000	—	14·3
Dec. 13, '16	8,223,274	3,630,504	141,173,897	28,500,000	—	20·2

Balance Sheet, December 8, 1920.

Notes outstanding—	£	Advances—	£
One Pound	276,184,745	Other Bankers ...	—
Ten Shilling	41,854,026	Trustee Savings Banks	—
Certificates outstanding ...	33,420,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	351,463,771	Bank of England Notes...	18,750,000
Notes called in but not yet cancelled	2,834,241	Government Securities ...	323,993,476
Investments Reserve A/c ...	16,493,932	Balance at Bank of England	148,468
Total	370,791,944	Total	370,791,944

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Dec. 4	£16,806	£65,336	£48,530	£151,764	£104,219	£2,365
Nov. 27	15,705	16,327	622	98,704	98,578	3,350
Nov. 20	22,167	14,835	7,332‡	84,412	94,674	3,796
243days '20-21	816,077	763,321	52,756‡	3,810,054	3,872,183	— 7,00
250days '19-20	613,797	1,021,177	401,380	4,328,899	3,940,388	— 8,430
Fr. '20-21*	1,418,300	1,184,102	234,198†	—	—	—
Yr. '19-20	1,339,571	1,665,773	326,202	6,092,709	5,766,507	8,368
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	18,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,489,804	5,616,023	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Dec. 4	£4,223	£2,772	£9,658	£5,153	£43,196	£820	£20,360
Nov. 27	5,679	699	3,093	6,278	1,935	399	14,044
Nov. 20	11,693	788	3,811	5,875	3,350	778	10,730
243days '20-21	722,217	148,353	145,850	391,457	265,834	13,164	484,514
250days '19-20	182,883	129,678	187,054	1,040,902	283,396	9,708	738,422
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,098	290,045	407,404	332,034	16,171	1,317,588
Yr. '18-19	162,220	291,186	285,028	150,367	283,364	11,360	4,237,398
Yr. '17-18	110,033	239,509	220,214	137,478	183,851	11,401	2,434,868

FLOATING DEBT.	[000's omitted.	Treasury Bills	Ways & Means Advances	Total	Treasury Bon Receipts
Dec.	4, 1920 ...	£1,126,729	£288,414	£1,395,143	£5,705
Nov.	27, 1920 ...	1,096,894	231,114	1,327,708	13,705
Nov.	20, 1920 ...	1,090,379	236,364	1,326,743	13,100
Nov.	13, 1920 ...	1,089,004	242,714	1,331,718	12,499
June	30, 1919 ...	796,100	774,257	1,570,357†	—

*Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS ‡

[In £'s Sterling—000's omitted.

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£6,263
Nov. 25, '20 ...	10,660	1,112	11,672	25,278	243, 1?	54,247
Dec. 2, '20 ...	10,680	1,115	11,875	24,977	237, 65	59,819

	Claim on Austro-Hung. Bank	Contingent Liabv. on Bank Notes	Discounts	Advances	Circulation (State Notes)	Deposits
CZECHO-SLOVAKIA *						
Nov. 7, '20 ..	£398.719	£86.478	£73.687	£102.461	£455.443	£61.189
Nov. 16, '20 ..	398.725	86.205	76.215	93.207	452.567	55.731
Nov. 23, '20 ..	396.735	84.840	71.255	90.918	444.3.1	57.733

	Gold	Silver	Total Cash	Discounts	Balances Abroad	Circulation	Deposits
DENMARK.							
July 31, '14 ...	£4,100	£341	£4,441	£6,197	£788	£9,613	£47
Oct. 30, '20 ...	12,844	139	12,783	15,163	1,031	32,114	2,934
Nov. 30, '20 ...	12,644	145	12,783	14,338	757	30,410	3,315
Nov. 29, '18 ...	11,787	190	11,977	10,426	1,547	28,203	2,313
Nov. 30, '18 ...	10,424	144	10,568	3,828	4,338	24,453	733

	Gold	Silver	Total Cash	Treasury & Other Bills	Loans & Discounts	Circulation	Deposits Public	Deposits Private
FRANCE.	In Bank	Abroad	Incl'g Silver					
July 30, '14 ...	£166,854		£190,687	£97,768	£287,327	£15,392	£37,903	
Dec. 2, '20 ...	141,870	77,935	229,178	138,994	1,542,932	4,420	157,275	
Dec. 9, '20 ...	141,988	77,935	230,548	133,516	1,516,303	6,115	154,733	
Dec. 11, '19 ...	147,974	79,131	234,157	11,585	1,507,118	3,788	122,430	
Dec. 12, '18 ...	137,371	81,484	231,830	17,192	1,181,135	9,111	90,524	

	Gold	Silver	Total Cash	Other Cash	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£67,843	£19,727	£84,570	£5,279	£40,355	£34,515	£47,194
Nov. 23, '20...	54,579	316	54,895	987,702	2,441,413	3,114,315	869,611
Nov. 30, '20...	54,578	318	54,896	1,018,213	2,779,420	3,214,220	866,977
Nov. 29, '18...	54,526	1,066	55,592	487,233	1,713,834	1,545,291	358,379
Nov. 30, '18...	115,418	1,003	116,421	210,376	1,107,071	930,191	534,153

	Gold	Silver	Total Cash	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£25,830	£1,437
Nov. 29, '20 ...	53,012	1,881	54,893	18,915	23,176	93,027	7,323
Dec. 6, '20 ...	53,012	1,891	54,706	18,912	22,975	90,210	8,201
Dec. 6, '19 ...	52,079	583	53,241	17,331	24,634	87,113	8,293
Dec. 7, '18 ...	57,693	683	58,386	18,135	11,862	83,430	6,031

	Gold	Silver	Total Cash	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	—	£48,456	£25,917	£33,204	£3,337
Sept. 30, '20 ...	£32,192	£3,018	35,210	11,479	201,361	577,828	76,161
Sept. 30, '20 ...	32,192	3,018	35,210	12,195	214,474	593,535	79,232
Sept. 30, '19 ...	32,201	2,999	35,200	20,619	75,397	441,415	71,755
Sept. 30, '18 ...	32,722	3,072	35,795	5,845	59,283	342,182	54,883

	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.						
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Oct. 23, '20 ...	107,329	9,862	14,431	108,201	95,730	11,333
Oct. 30, '20 ...	110,439	11,363	17,673	119,108	100,977	4,149
Nov. 1, '19 ...	80,794	16,833	34,411	119,905	109,718	4,501
Nov. 2, '18 ...	68,215	4,735	41,480	88,525	97,417	3,499

	Cash Own Vaults	Aggregate Reserve	Loans, Discts, Invest., &c. Demand	Net Deposits Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.						
Aug. 1 '14 ...	—	£89.888	£411.238	—	—	£397.165	£1.720
Nov. 27, '20 ...	£19,850†	108.724	1,013.750	£804.629	£33.153	841.515	3.312
Dec. 4, '20 ...	19,758†	108.803	1,011.776	801.913	54.111	859.313	2.403
Dec. 8, '19 ...	20,820†	119.597	1,008.868	819.582	53.333	931.919	9.755
Dec. 7, '18 ...	21,610†	11.270	925.876	756.324	30.553	849.219	11.118

	Gold	Silver	Total	Balance Abroad	Norw. & For. Govt. Secs. & Loans	Discounts & Advances	Circulation	Deposits
NORWAY.								
July 31, '14 ...	£2,960		£1,678	£493	£4,868	£6,752	£731	
Nov. 22, '20 ...	8,116		2,532	578	22,868	24,935	4,273	
Nov. 30, '20 ...	8,115		2,604	578	24,437	24,182	5,117	
Nov. 29, '18 ...	8,147		4,139	674	19,158	23,703	3,937	

	Gold	Silver	Total	Discounts & Note Circn Advances	Circulation	Deposits
PORTUGAL.						
June 8, '20 ...	£1,906	£3,921	£5,827	£20,446	£20,438	£10,845
June 8, '20 ...	1,906	3,921	5,827	22,567	94,858	8,318
June 11, '19 ...	1,905	3,935	5,840	8,198	65,013	3,474
June 12, '18 ...	1,905	3,475	5,380	8,822	48,373	2,183

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
Aug 14, '20 ...	£88,409	£20,349	£3,850	£24,241	£201,451
Aug 21, '20 ...	74,000	20,569	4,316	25,024	217,935
Aug 28, '20 ...	88,008	20,503	3,847	24,414	250,317
Aug 30, '18 ...	44,672	9,868	1,866	11, 34	133,481

	Gold In Bank	Gold Abroad	Total Cash Incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 21, '14...	£180.114	£14.395	£181.892	£76.081	£163.411	£8.539	£109.911
Oct. 29, '17...	128.523	230.865	378.205	1.869.559	1.836.217	15.783	345.550

	Gold	Silver	Total	Cash Other Cash	Loans, &c.	Spanish Circulation	Deposits &c.
SPAIN.							
Aug. 1, '14 ...	£21,094	£29,187	£50,991	£40,572	£13,778	£77,557	£13,895
Nov. 27, '20 ...	98,193	23,572	121,765	99,994	13,773	153,572	42,748
Dec. 4, '20 ...	98,261	23,349	121,610	94,024	13,773	153,374	43,277
Dec. 6, '19 ...	86,851	25,040	121,941	87,175	13,773	154,191	30,151
Dec. 7, '18 ...	89,134	25,860	114,992	65,400	13,777	133,013	42,345

	Gold	Balance Abroad	Swed. & For. Govt. Secs	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,435	£13 432	£3,333
Nov. 27, '20 ...	15,682	6,501	1,801	29,471	34,733	10,078
" 4, '20 ...	15,682	6,491	1,852	30,447	45,515	11,313
" 6, '19 ...	16,155	6,737	2,843	23,449	33,219	12,473
" 7, '18 ...	15,780	7,435	6,971	25,311	44,119	13,815

	Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23 '14 ...	£7,202	£768	£7,980	£4,817	£10,718	£2,323
Nov. 23, '20 ...	21,637	4,480	28,117	14,313	37,145	5,373
" 30 '20 ...	21,638	4,495	28,133	14,361	34,744	3,317
Nov. 29, '18 ...	19,845	2,351	21,998	19,727	34,133	6,137
Nov. 30, '18 ...	15,150	2,263	17,413	3,333	37,333	5,172

* Converted at 24 crowns to £1.

† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

	Gold	Legal Tender	Total	Bills Discounted	Bills Bought	Total Earning Assets	Deposits Net	Reserve Ratio
Nov. 27,'20 ..	[illegible]	[illegible]	4439 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
" 6,'20 ..	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec. 8,'19 ..	150,271	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
" 6,'18 ..	155,316	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

II.—CURRENT BANK RATES OF DISCOUNT.

	Rate Fixed.	Previous Rate.	Date.		Rate Fixed.	Previous Rate.	Date.
Amsterdam ...	4½	5	Dec. 15,'19	Lisbon ...	5½	Oct.	15,'14
Athens ...	7	6½	Aug. 21,'19	Madrid ...	6	Nov.	4,'20
Berlin ...	5	6	Nov. 4,'20		6	Aug.	8,'19
Berne ...	5	6	Aug. 21,'19		6	July	24,'14
Bombay ...	5	6	"		6	May	12,'20
Brussels ...	5½	6	"		7½	Sept.	16,'20
Calcutta ...	5	June	5,'19		9.03	Nov.	18,'20
" ...	7	"	"		6	Nov.	18,'20
Christiania ...	7	6	Nov. 4,'20				

III.—FOREIGN EXCHANGES.

LONDON ON —	Dec. 10, '20	Dec. 3, '20	Nov. 26, '20	Par.
Belgium ... Cable	97⅛	97⅛	97⅛	25.22½
Amsterdam ... Cheques	11⅞ 11⅞	11⅞ 11⅞	11⅞ 11⅞	12·107½
Athens ... Cable	45⅝ 50	42⅛ 50	40⅛ 75	25.22½ 224
Berlin ... "	14⅝	14⅝	14⅝	20·43
Berne and Geneva ... Cheques	55⅛ 52½	54⅛ 49⅝	54⅛ 49⅝	25.22½
Buenos Ayres ... "	53⅛	52⅛	52⅛	47·58½
Calcutta ... do.	1s. 4 11-16d.	1s. 5 1-16d.	1s. 6 1-16d.	2s.*
Copenhagen ... Cable	23kr. 47	25kr. 21	25kr. 82	18·163½
" ... Cheques	23kr. 25	25kr. 17	25kr. 84	18·159½
Helsingfors ... Cable	147m.	170m.	170m.	25m. 22½
Hong Kong ... Cheques	3s. 11⅛	3s. 4 11-16d.	3s. 7d.	2s.*
Italy ... Cable	97⅞ 6	95⅞ 4	94⅞ 3	25.22½
Japan ... do.	7/4	7/4	5/11	2s.*
Malta ... "	1s. 4 1-16d.	1s. 5 1-16d.	1s. 6 1-16d.	2s.*
Madrid ... "	26⅝ 97	26⅝ 76	26⅝ 75	25.22½
Montevideo ... Cheques	55½	54½	51½	51d.
Montreal ... Cable	$3 99	$3 93	$3 96	$4 86⅝
New York ... "	$3 43	$3 43	$3 43	—
— ... 60 Days	$3 41	$3 40	$3 41	—
— ... Sight	$3 44	$3 43	$3 43	$4 86⅝
Paris ... Cable	58⅛ 57⅝	57⅝ 57⅝	57⅝ 70⅝	25.22½
Rio de Janeiro ... 90 D.	12d.	11d.	11d.	16d.
Stockholm ... Cheques	4s. 11d.	5s. 4½d.	4s. 8½d.	—
Switzerland ... Cable	25.13½	25.3 4½	25.3 4½	—
Switzerland ... do.	17s. 83	18s. 01	18s. 10	18·159kr.
" ... do.	25s. 75	25s. 75	25s. 75	25.22½
Vienna ... 90 D.	93½	93½	90½	18d.
Yokohama ... Cheques	1s. 11 3-16d.	1s. 11¼d.	2s. 10¼d.	24 3/8d.

* Fixed at Rs. 10 to the [illegible] on January 2, 1920.

NEW YORK ON —	Par in currency	Dec. 13, '20	Dec. 6, '20	Par in currency	July 3
Amsterdam, cheques	40 2/10	39 5/10	40 10	for 1 guilder	40 25/32
Bombay, cheques	24 5/10	35/16	48 65	for 1 rupee	33 30/32
Buenos Ayres, cheques	1 45 3	129/32			
Christiania, cheques	14 55/100	13 69/100	26 80	for 1 krouner	
Copenhagen, cheques	14 55/100	13 86/100	26 80	for 1 krouner	38 35/100
Havana, cheques	9 73/100	9 25/32	9 25/32	for $1	
Helsingfors, cheques	3 86/100	3 61/100	3 74/100	for $1	45 4/100
Hong Kong, cheques	57 1/2	56 3/4	56 3/4	for $1	57 1/2
Italy, cheques	19 3/10	26 7/8	5 11/16	for 1 lira	5 1/2
Japan, cheques	49 7/8	49 3/4	49 3/4	for $1	
Montreal, cheques	46 7/8	46 7/8	49 3/8	for $1	49 3/8
Montreal	13 37/100	13 25/32	13 25/32	for $100	Par
Paris, cheques	16 5/10	16 5/10	5 11/16	for $1	5 16/32
Rio de Janeiro, cheques	6 4/10	6 3/10	3 9/32	for $1	
Shanghai, cheques	72 3/10	69/10	97 1/2	for 1 tael	83 30/32
Stockholm, cheques	27 0/10	26 4/10	26 77	for 1 krouner	37 12/32
Switzerland, cheques	19 3/10	19 1/10	26 80	for 1 krouner	
Vienna, cheques	14 08/100	13 77/100	26 80	for 1 krouner	
Yokohama, cheques	49 7/8	49 3/4	49 3/4	for $1	51 13/16
Montreal	19 0/0	19 0/0	19 0/0		49 9/16
Cuba ... Dec.	8	65 3/16	65 3/16	30,923,706	+ 1,000	30,924,706	+ 1,000
Mexico City ... "	8	41.702	+ 1,307	1,933,233	+ 1,000	1,934,233	+ 1,000
Costa Rica ... "	8	[illegible]	877	3,832,435	+ 1,000	3,833,435	+ 1,000
Total ... Dec.	1	[illegible]		33,771,391		[illegible]	

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week ending.	Clearings.		Clearings.		Clearings.	
Total ...	1919						
BIRMINGHAM ...	Dec. 4	£4,6[illegible]	—	£[illegible]2	£177,250	+	£[illegible]
BRISTOL ...	" 4	1,[illegible]	—	[illegible]	[illegible]	+	13,913
DUBLIN ...	" 4	9,101	—	712	431,357	+	6,[illegible]
LEEDS ...	" 4	1,[illegible]	—	[illegible]	[illegible]	+	[illegible]
LIVERPOOL ...	" 4	50	—	50	83,653	+	10,[illegible]
MANCHESTER ...	" 4	1,[illegible]	—	245	59,639	+	15,587
NEWCASTLE ...	" 4	15,239	—	3,350	738,338	+	166,154
NOTTINGHAM ...	" 4	23,941	—	7,710	1,401,135	+	541,061
SHEFFIELD ...	" 4	[illegible]	—	237	[illegible]	+	[illegible]
[illegible] ...	" 4	[illegible]	—	[illegible]	[illegible]	+	[illegible]
[illegible] ...	" 4	2,611	+	1,[illegible]	81,106	+	[illegible]
[illegible] ...	1920						
CORK ...	Dec. 8	65,[illegible]		65,903	30,923,706	+	[illegible]
[illegible] ...	" 8	41,702	+	1,307	1,933,233	+	[illegible]
[illegible] ...	" 8	[illegible]		877	3,832,435	+	[illegible]
Total ...	Dec. 1	[illegible]			33,771,391		[illegible]

V.—FREIGHTS —According to Messrs. [illegible]

HOMEWARDS.	1920	1920	1913	HOMEWARDS.	[illegible]	[illegible]	[illegible]
	Dec. 10	Dec. 3	Dec. 31		[illegible]	[illegible]	[illegible]
Aust. to U.K. ...	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Aust. to U.K. ...	100/0	100/0	31/6	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Burmah to U.K. ...	75/0	75/0	24/3	OUTWARDS.	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R. Plate to U.K. ...	50/0	55/0	13/6	[illegible]	[illegible]	[illegible]	[illegible]

* Per ton. † Per quarter.

Final Quarter, 12 [illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	DEC. 10, 1920	DEC. 12, 1919.	JUNE 30, 1914
Iron—Scotch pig warrants ton	231/0	166/0	57/0
— Middlesbro' warrants ton	225/0	160/0	51/0
— Hematite warrants ton	260/0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£25 £26	£8 10
— Common bars ton	£30—£30 10	£22	£6 16
Steel Rails ton	£25	£16 10—£17	£6 2/6
Galvanised Sheets ton	£38—£40	£37—£37 10s	£18 17/1
Copper—Standard ton	£221	£101	£68
Tin—English Ingots ton	£220—£221	£296 10	£142 15
— Straits ton	£224	£289 5	£139 10
Tinplates, I.C. Coke, S. Wales...box	40/0	45/6—46/0	11/10½—12/0
Lead—Soft Foreign ton	£26 15—£26 10	£40 5	£19
Spelter—Ord. Foreign ton	£30 5—£31 15	£51 15—£52 5	£21 7/9
Quicksilver—(75lb.) bottle	£15	£23	£7
Aluminium ton	£185 home	£156	£82
Antimony—Regulus Foreign ton	£50	£47 10	£27 11
— English ton	£48	£50	—
Coal—(best) Yorkshire ton	37/0—38/0	19/6—20/6	17/6
— Steam (best) Newcastle ton	50/2—55/2	36/0—41/0	14/8
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, perquintal	13/0	9/10½	7/4
Soda—Crystals ex wharf ton	140/0 ... 129/0	—130/0 ... 42/6—45/0	
Copra—Malay and Straits ton	£45 15	£58 10 £23 15—£24	7/6
Gambier—Good marks cwt.	40/0	48/0	16/10
Indigo—Bengal good to fine ...lb.	13/0—16/6	10/0—12/0	3/2—3/8
Linseed Oil—Raw ton	£47	£98	£25 5
Linseed—Calcutta, spot ton	£24—£24 10	£50	£13 16/9
— Cakes, U.K. made, ex mill ton	—	£24 15—£25	£7 17/6—£8
Olive Oil—Spanish ton	—	nom	£49 10
Palm Oil—Lagos ton	£49 10	£87	£31 10
Petroleum—American gallon	1/7	1/7	7½d
Rape Oil—Refined English ton	£84—£90	£109	£32
Soya Oil—Refined ton	£78	£98	£24 10
Tallow—Imported cwt.	60/0—70/0	98/6	29/3—33/3
Turpentine—American cwt.	105/0	127/0	33/7½
Rape Seed—Toria ton	£27	£44	£13 5
Rubber—Para, spot lb.	1/2	2/8½ nom	2/9½
— Fine plantation (stnd.crepe) lb.	1/0	2/5½	2/2
— World's Production, Aug. tons	24,970	28,750	8,367
Shellac—T.N. Orange, fair ...cwt.	450/0	560/0—570/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland lb.	13·99d.	27·13d.	7·53d.
— Egyptian, good fair lb.	19·50d	47·00d.	8·75d.
— Pernambuco fair lb.	12·99d.	29·63d.	7·73d.
— Middling Upl. New York ...lb.	16·25c	39·75c.	13·25c
— Stock, Liverpool (Nov. 26) bales	874,466	689,670	934,600
Flax—Retted grd. Varapol ton	—	—	£28
Hemp—New Zealand ton	£64	£48	£25 10
— Manila, Fair ton	£59	£51	£26 10
Jute—First Marks ton	£38 10	£68 £75	£26 15
Red SCC ton	£34	£54	£24 15
Silk—Common, New Style lb.	28/0	34/0	19/0—12/8
Wool—Pt. Philip unwashed av. lb.	2/10	5/7	11½d.—1/0
— Lincoln Half Bees lb.	1/3	2/3½	10½
Hides—Buenos Ayres, 70 lb. up lb.	12½d.	12½d.	7¾d.
Leather—Dressing Hides lb.	3/0—3/6	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. bus	97,247,000	136,703,000	34,640,000
— Red, price, N.Y. 60lb. bushel	197½	237½	67½c.
— English Gazette, aver. 480lb. qr.	80/7	72/7	34/3
Flour—G.R. 280lb.	82/0	44/3	28/6
Barley—Eng. Grz., aver. 400lb. qr.	81/3	102/9	25/4
Oats—Eng. Grz., aver. 312 lb. qr.	45/6	56/0	20/0
Maize—N.Y. (new) 480lb. bush.	98½	166½	76½c.
— Amer. mixed, Liverpool 480lb.	56/0	nom.	32/4
— La Plata 480lb. qr.	53/9½	85/0	25/8
Potatoes—Good English ton	200/0	218/0	70/0—75/0
Rice—Bassein cwt.	27/6	26/0	7/0—7/3
Tapioca—Pearl, medium cwt.	34/0—36/0	43/0	14/0—17/8
Hay—best load	—	—	82/6
Hops—English cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs. 8lb.	6/8	9/0	3/8—3/10
— Scotch sides 8lb.	10/10	10/0	4/6—5/0
— English 8lb.	10/10	10/0	4/2—4/5
Mutton—Scotch wethers 8lb.	13 8	10/6	5/8—6/0
— English wethers 8lb.	13 8	10/6	4/6—5/4
— New Zealand frozen 8lb.	4/0—6/0	7/0	2/4—3/2
Pork—English and Irish 8lb.	15/6	10/8	3/6—4/0
Bacon—Irish, delivered cwt.	†245/0—250/0	200/6	80/0—76/0
— Danish cwt.	†230/0	†187/	68/0—68/0
— Canadian, ex Port cwt.	†225/0	†187/0	—
— American ex Port cwt.	†185/6—192/0	†187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	†220/0	†190/0	75/0—79/0
— short cut, ex Port cwt.	†220/0	†190/0	71/0—74/0
Lard—Amer. boxes, ex Port cwt.	†158/6	†198/6	51/9—52/9
Butter—Danish cwt.	†336/0	†252/0	117/0—120/0
— French cwt.	†336/0	†252/0	98/0—104/0
— Australian cwt.	†336/0	†252/0	98/0—110/0
— New Zealand cwt.	†336/0	†252/0	103/0—114/0
Cheese—Canadian cwt.	152/0—158/0	†144/8	66/0—68/0
— United States cwt.	—	†144/8	—
— Dutch cwt.	†168/0—230/0	†144/8	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Nov. 30 cwt.	24,682,068	28,869,711	19,777,254
— Home consumpt'n to Nov. 30 cwt.	20,806,343	27,643,426	17,272,000
— In Bond Nov. 30 cwt.	6,382,000	6,683,000	6,308,000
— Price, Java, 96° Pol. cwt.	45/0	53/0	10/3
— Yellow crystals cwt.	86/0	63/	12/6—14/0
— Tate's Cubes, No. 1 cwt.	100/0	73/	18/0
Coffee—Imports to Nov. 30 cwt.	716,868	1,016,800	720,360
— Home consumpt'n to Nov. 30 cwt.	283,267	293,000	141,410
— Exports to Nov. 30 cwt.	467,700	597,15	340,250
— In Bond Nov. 30 cwt.	684,000	735,000	484,000
— Price, Costa Rica gd. to fine cwt.	120/0—160/0	158/0—174/0	80/0—93/0
— Brazil (Santos) Good cwt.	70/ 75/	130/0—132/	41/6
Tea—Imports to Nov. 30 lb.	465,577,574	452,286,128	123,220,277
— Home consump'n to Nov. 30 lb.	365,612,654	367,743,966	155,447,972
— Exports to Nov. 30 lb.	36,501,412	27,706,719	26,561,765
— In Bond Nov. 30 lb.	227,803,000	169,861,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	5d		1/5½
— Ceylon, Pek. Soug. Ord. lb.	5d		1/6
— Common Congou lb.	nom		1/3
Cocoa—In Bond Nov. 30 cwt.	1,123,000	979,000	309,000
— Grenada, good to fine cwt.	60/0—62/0	85/0	52/6—56/

* Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific cwt.		$24,861,000	+ 6,504,000	$7,701,000	+ $2,353,000
	10 mos. to Oct.	172,238,000	+ 29,701,000	26,358,000	— 1,345,000
Grand Trunk	Oct.	£1,796,600	+ £330,200	£213,000	£63,600
	10 mos. to Oct.	13,499,400	+ 1,897,400	849,100	— 613,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation 1 of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Nov. 6	1,044	R2,45,127 —	4,883	5	11,70,502 —	1,08,831
Barsi Light ...	Nov. 13	118	14,600 —	17,600	32	‡‡ 8,73,600 —	70,200
Bengal & N.W.	Nov. 6	2,067	4,43,670 —	1,51,350	5	22,75,837 +	2,17,590
Beng. Dooars	Oct. 30	158	34,048 —	4,360	4	1,40,159 +	1,24,182
Beng. Nagpur	Nov. 6	2,695	12,00,000 —	34,000	26	3,75,52,791 +	11,31,728
Bomb. Baroda	Nov. 27	2,871	21,67,000 +	3,23,000	8	1,53,76,00 +	16,81,000
Burma	Nov. 6	1,342	5,28,764 —	88,470	5	29,12,247 —	3,07,276
Del. Um. Kalk.	Nov. 20	239	1,07,000 +	5,855	7	8,00,487 +	94,465
East Indian ...	Dec. 4	2,772	28,11,000 +	51,000	9	2,58,87,000 +	14,56,000
Gt. Indian Pen.	Nov. 27	3,121½	32,63,300 +	5,03,000	8	2,12,97,700 +	20,87,015
Madras & S.M.	Nov. 13	3,152	10,50,000 +	33,654	6	3,94,90,791 +	2,90,881
Nizam's Guar.	Nov. 23	900	2,94,049 +	28,993	3	7,31,348 +	94,421
Rohi. & Kurna.	Nov. 27	576	68,217 +	1,748	5	4,84,836 +	50,982
South Indian	Oct. 30	1,852½	7,72,058 +	71,785	30	2,48,83,581 +	13,19,237
South Punjab	Aug.	716	9,03,903 +	202,049	5m	43,78,299 +	8,75,626
COLONIAL							
Can. Northern	Nov. 21	9,704	$1,806,700 +	498,000	45	58,785,733 +	10,332,824
Can. Pacific ...	Nov. 30	13,388	6,894,000 +	1,808,000	48	193,782,000 +	35,859,000
Grand Trunk	Nov. 30	3,818	£471,000 +	11,700	48	15,104,436 +	2,250,489
Mashonaland	Sept.	810	76,301 —	10,132	12m	—	—
Mid. W. Aust.	Sept.	277	10,784 +	1,618	3m	28,605 +	3,430
NewOspeCent.	Nov. 13	205	2,146 —	902	46	133, 41 +	17,932
Rhodesia Rlys.	Sept.	1,397	134,117 +	16,202	12m	1,387,433 +	286,981
Temiscouata...	Sept.	—	$45,154 +	12,121	9m	—	—
W. Pass. & Yuk	Dec.	122	1,388,626 +	124,546	12m	1,388,626 +	124,546
FOREIGN.							
Argentine.							
Arg. N. East...	Dec. 4	752	£ 9,800 +	100	23	274,200 +	1,800
Arg. Transand.	Dec. 4	111	£ 3,373 —	1,837	23	51,117 +	12,491
B. A. & Pacific	Dec. 4	3,536	£ 107,000 —	48,000	23	2,736,000 —	554,000
B.A.Gt. South	Dec. 4	3,792	£ 155,000 —	42,000	23	3,245,000 —	622,000
Do.	Dec. 4	Net	£ 20,000 —	61,000	23	346,000 —	898,000
B. A. Western	Dec. 4	1,882	£ 76,000 —	24,000	23	1,653,000 —	595,000
Do.	Dec. 4	Net.	£ 4,000 —	36,000	23	141,000 —	643,000
B. A. Central	Dec.	190	£ 49,718 +	4,967	4m	213,037 +	29,882
Cent. Argent.	Dec. 4	3,305	£ 183,000 —	15,000	23	4,501,000 +	659,000
Cord. Central	Dec. 4	1,205	£ 69,000 —	2,400	23	1,274,200 —	102,600
Entre Rios ...	Dec. 4	911	£ 18,500 —	5,800	23	485,600 —	12,700
Brazilian.							
BrazilGt.South	Oct.	110	M 40,000 —	14,750	10m	463,700 —	45,971
Brazil Railway	Dec.	3,530	M 4,859,000 —	141,271	12m	57,772,000 +	7,819,243
Gt. W. Brazil	Dec. 4	1,010	$ 20,700 —	9,700	48	1,028,200 —	107,600
Leopoldina ...	Dec. 4	1,831	£ 43,604 —	13,546	48	2,478,733 +	45,888
Mogyana	Dec.	1,180	M 1,561,000 —	868,490	12m	22,287,000 —	2,474,851
Paulista	Dec.	768	M 2,850,000 —	906,038	12m	32,479,000 —	1,225,832
,, San Paulo ...	Dec. 5	153½	£ 5,278 +	4,944	48	2,278 621 +	548,096
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,163	12m	21,953,000 +	978,682
S.of Bahias, W.	Oct.	52	M 150,000 —	9,000	10m	1,060,000 +	111,000
Chilean and Peruvian.							
Antofagasta ...	Dec. 5	838	£ 46,105 +	43,010	48	2,217,375 +	993,225
Arauco	June	84½	£ 12,000 +	500	6m	76,000 +	10,700
Nitrate(2wks.)	Nov. 30	390	£ 48,589 +	21,270	44	913,280 +	481,678
Peruvian Corp.	Nov.	1,140	S 935,050 —	349,950	5m	5,833,855 —	38,238
Taltal	Oct.	180	£ 30,150 +	10,450	4m	117,046 +	64,036
Cuban.							
Cuban Central	Dec. 4	382	£ 25,989 +	8,033	23	488,871 +	93,721
Cuba Railroad	Sept.	—	$ 1,194,589 +	94,616	3m	3,436,374 +	364,541
Havana Cent.	Nov. 27	70	£ 13,935 +	3,287	22	284,427 +	64,222
U. of Havana	Dec. 4	881	£ 9,348 +	1,195	23	243,297 +	45,328
W. of Havana	Nov. 27	155	£ 10,047 +	1,815	22	233,919 +	44,133
Uruguayan.							
Cent. Uruguay	Nov. 27	273	£ 22,507 —	2,704	22	415,449 —	52,367
,, (E. Ext.)	Nov. 27	311	£ 6,446 —	319	22	107,603 —	5,899
,, (N. Ext.)	Nov. 27	185	£ 2,943 —	808	22	60,844 —	19,498
,, (W.Ext.)	Nov. 27	211	£ 3,152 —	2,271	22	53,314 —	3,675
Urug. Northn.	Nov.	319	$ 17,880 —	3,986	5m	89,005 —	32,331
N.W. Uruguay	Dec.	113	$ 6,063 —	720	4m	23,308 —	2,779
Urug. Northn.	Nov.	73	£ 1,979 —	873	5m	10,187 —	1,138
Miscellaneous							
Alcoy & Gandia	Nov. 27	33	Pa. 25,000 +	4,500	47	635,000 +	143,000
Bilbao	,,	15	£ 2,224 —	718	11m	35,870 +	7,792
Bolivar	,,	136	£ 7,338 —	1,982	11m	100,956 —	12,181
Colomb. Natnl.	Jan.	86	£ 18,580 +	4,120	10m	189,063 +	50,910
Costa Rica ...	Sept.	188	£ 26,378 +	3,845	3m	80,125 +	15,588
Dorada Ext....	,,	70	£ 16,000 +	3,700	10m	167,928 +	56,028
Egyptian Delta	Nov. 20	559½	£ 17,106 —	1,276	34	331,422 +	114,390
Gt. S. of Spain	Nov. 27	104	Pa. 80,483 +	29,578	48	4,185,326 —	733,634
La Guaira&Ca.	Sept.	22½	£ 2,210 +	1,970	10m	139,364 +	52,870
Ottoman Ry...	Nov. 20	379	£ 11,348 —	—	11m	—	—
ParaguayCent.	Nov. 27	274	£ 4,680 —	670	22	109,610 —	10,310
Puerto Cabello	Nov.	34	£ 4,230 —	—	11m	66,750 +	7,375
Salvador	Dec. 4	100	£ 3,933 +	1,128	23	73,732 +	5,365
Santa Fe Prov.							
French Rys.	Oct.	1,181	£ 162,800 +	7,944	10m	1,631,136 +	21,777
Sant'na&Cstge.	Dec.	80	£ 7,840 —	2,063	10m	138,473 +	14,961
Zafra & Huelva	Oct.	112	£ 14,670 +	80	10m	127,939 +	23,935
TRAMS.							
Anglo-Argent.	Dec. 2	400	£ 79,089 +	10,529	48	3,866,923 +	829,699
Auckland Elec.	June 30	27	— —	—	52	292,502 —	2,033
Bombay Elec.	Sept.	39	R. 8,49,038 +	1,15,973	9m	73,27,000 +	10,66,817
Brazilian Trac.	Oct.	378½	M 13,442,000 +	3,462,000	10m	110,107,000 +	16,563,000
Brisbane Elec.	Oct.	40½	£ 48,310 +	2,770	10m	439,331 +	69,420
Brit. Columbia	Sept.	334	$ 756,950 +	72,004	3m	2,253,893 +	259,487
B. A. Lacroze	Dec.	51	£ 67,619 +	7,321	4m	216,882 +	29,612
Calcutta	Dec. 4	35½	£ 95,160 +	1,036	49	45,05,575 +	2,72,471
Corpn. Elec.	Oct.	42½	£ 32,648 +	5,855	4m	120,814 +	30,323
Delhi	Nov.	9	£ 2,710 +	16	4m	44,757 +	10,279
Chatham & Dist.	Nov. 25	15	£ 1,589 +	240	47	31,855 +	10,538
Havana Elect.	Aug.	86	$ 793,107 —	22,782	8m	7,360,331 +	1,417,881
Isle of Thanet	Dec. 1	20½	£ 450 +	15	9	5,822 +	676
Kalgoorlie ...		20½	£ 3,361 +	356	9m	27,699 +	2,967
Lanarkshire ...	Nov. 25	28½	£ 4,044 +	291	47	199,559 +	24,758
Lima Light ...	Sept.	85	£ 56,513 +	7,363	9m	510,414 +	84,182
London O.C.	Dec. 8	141½	£ 22,000 +	2,340	36	3,42,000 +	31,348
Madras (2wks.)	Nov. 30	151	Rs. 42,446 +	186	44	10,84,288 +	1,01,744
Manila Electric	Oct.	55	$ 347,852 +	85,211	10m	3,823,018 +	749,176
Pernambuco...	Dec. 5	59	£ 5,287 —	2,853	48	319,388 +	53,171
Provincial ...	Nov. 27	21½	£ 2,887 —	23	9	26,930 +	153
Rangoon Elec.	Sept.	25	£ 7,657 +	845	9m	64,357 +	12,243
Shanghai Elec.	Nov.	262½	£ 21,300 +	21,300	11m	1,866,811 +	239,811
Singapore Elec.	Dec. 30	38½	$ 13,997 +	1,912	33	983,844 +	283,888
U.of Montevid.	Nov.	90½	£ 43,846 +	3,038	1m	—	—

The Statist.

LONDON, SATURDAY, DECEMBER 11, 1920

MINISTERIAL EVASIONS.

The [illegible] debate on Thursday last was disappointing both for the Government and for the Opposition, so far as the latter can be said to exist in any effective form. By a majority of 321 votes to 66 the House rejected Mr. Lambert's motion limiting the expenditure for 1921-1922 to £808,000,000. To have refused sanction to anything in excess of this amount does not appear unreasonable when we consider that it was the sum estimated in October 1919 by the Chancellor of the Exchequer as necessary for a normal year. It is unfortunate that the debate developed into a Party conflict, and that national interests were rather sacrificed to the desire to score off political opponents. The Chancellor, in replying on behalf of the Government to the charges of waste, made the most striking contribution to the proceedings. His announcement that the Budget estimates of revenue and expenditure are likely to be realised in the current year occasioned some surprise in view of the stagnation in trade that has now prevailed over several months, and of the consequent falling-off in profits. In 1918-19 our expenditure was nearly £3,140,000,000, in 1919-20 it was reduced to £2,160,000,000. This sum it is [illegible] been further reduced, according to the Estimates, to £1,282,000,000, apart from provision for the redemption of debt. Of the total Budget estimate of £1,418,300,000 presented in April last; £234,000,000 was not expenditure in the ordinary sense, but repayment of debt. The figures here given show that the Chancellor may claim credit for substantial reductions, but it is easy on transition from a war to a peace footing to effect a curtailment of public Budgets, and the change is necessarily so marked as to invalidate the comparisons from which the Chancellor draws such comfort. Moreover, the spending Departments have been steadily adding to their commitments since the Estimates left the House of Commons. We may mention *inter alia* the additional requisition of ten million pounds for the Civil Service, eight millions for the Navy and Air Force, and forty millions for the Army, a total of fifty-eight million pounds. These items alone represent a respectable proportion of the total pre-War outlay, which was less than two hundred million pounds per annum. We can set off against this a meagre reduction of eight and a-half million pounds so far in the current year. It is difficult to see how the Chancellor's estimate of further reductions amounting to fifty-two million pounds is to be realised. He gives us no inkling as to what Departments are [illegible] to [illegible].

If revenues are maintained at the Budget estimate of £1,418,300,000, a sum of between £200,000,000 and £234,000,000 will be available for the reduction of debt. This means a less amount than was anticipated for the cutting down of the Floating Debt, especially as the sales of new Savings Certificates have been falling off. It seems undesirable finance to reduce the provision for redeeming the Floating Debt whilst increasing our outlay on other and less important objects; but the inadvisability of such a course apparently did not strike members of the Coalition. Sixteen million pounds of the additional Army expenditure is called for owing to the disturbed condition of the Middle East. The prevailing unrest has prevented the reduction of the forces contemplated in the Estimates, and has even called for a temporary increase in the troops in Mesopotamia. The [illegible] cost of [illegible] and [illegible] police in Ireland has [illegible] Government [illegible] month, as evidenced from recent Ministerial declarations. The return which the Empire gets on this latter outlay can be gathered from some recent admissions of the Chief Secretary. Incidentally, these admissions throw a vivid light on the extent to which the [illegible] of Sir H[illegible] Government can be relied on. On October 20 the Chief Secretary informed the House, "I have never seen a tittle of evidence to prove that the servants of the Crown have destroyed these creameries," the creameries in question being situated in the West of Ireland. Subsequently, on November 25, Sir Hamar, quoting from the police report made on or before October 6, said, "It is admitted in each case that the burning was committed by members of the police force on October 1." Payments for this and similar damage will add further to the Estimates, as any attempt at a settlement of the Irish question will be doomed to failure unless compensation is made for property wilfully destroyed since the commencement of the present trouble.

It is satisfactory to record a further reduction in our foreign debt. In 1919-20, though Government borrowings were on a larger scale, £86,000,000 of foreign debt was repaid, and in the current year obligations in the United States, Canada, Japan, Holland, Norway, Sweden, Spain, Argentina and Uruguay will be repaid to the extent of over £90,000,000. Repayment has already been effected in a number of cases, and this is no doubt responsible for the noticeable improvement in the Spanish, Dutch, Swedish, Norwegian, and South American exchanges.

With regard to deflation, we are glad to see the Chancellor's pronouncement to the effect that he did not believe in carrying out the process too abruptly, as it would inevitably produce a commercial and financial crisis. He recognises the impossibility of raising money for funding the floating debt on the scale on which loans were raised during the War. It is well to take the differences between the two periods into account, as at that time there were practically no other demands on the money market, but now, in addition to the large trade and industrial demands, local authorities are seeking funds not only for works of public health and utility, held up since 1914, but also for the carrying out of ambitious housing pro[illegible]. [illegible] scale accordingly would destroy the prospects of local and other issues. Mr. Chamberlain, however, intends to pay off as much debt as possible, and he puts the minimum sum this year at £160,000,000. This amount is made up of statutory sinking and depreciation funds, £35,000,000, and of obligations to the State tendered in payment of taxes to the extent of £75,000,000. A further sum of £50,000,000 will be needed for the repayment of debt maturing within the year. It is not clear, however, how the debt maturing in 1921-1922 is to be repaid. It reaches a much more formidable total, £140,000,000, of which approximately one-half was borrowed abroad. Unless the economy campaign makes some progress beyond the vague aspirations expressed in the resolution that was finally carried in lieu of Mr. Lambert's motion, the retirement of this sum will occasion considerable difficulty.

It is somewhat reassuring to find that the Cabinet, having regard to the exceptionally heavy taxation which is the inevitable consequence of the war, the high cost of material and the emergency measures re[illegible] [illegible] on the Exchequer or on the rates are to be undertaken [illegible]

INTERNATIONAL PUBLIC FINANCE.

In practically all civilised countries a strong outcry has arisen against Governmental extravagance, and the popular will tend more and more in the direction of economy. Great Britain has proved no exception to the rule, but criticism seems to have been largely misdirected. As the Chancellor of the Exchequer pointed out when the House discussed the Estimates in April last, expenditure is largely a matter of policy, and, such being the case, he cannot be saddled with the responsibility for present extravagance. For that the Cabinet, which approved the Estimates, and the House of Commons, which passed them, are alone to blame; and protestations of economy such as the Prime Minister made at the banquet of the Federation of British Industries sound hollow in view of the facts. The head of the Cabinet and the leader of the majority in the House can have economy if he wishes; and if he lacks the strength to translate his wishes into action he is unfitted to be leader. This is the situation stripped of all artificialities, and if the taxpayer does not realise its true significance, he will continue to be the victim of Governmental incapacity, though fed daily by claptrap on financial reform and other shibboleths dear to the heart of the politician. The Air Service now costs 23 millions per year, and our total military expenditure is 300 millions. We spend but 60 millions per year on education, and some reforming zealots would have us limit this item, though permitting indefinite expansion in military outlay. While recognising the necessity of safeguarding our position as a World Power, such a policy seems to us extremely futile; and, in any case, even if we decided to be hopelessly short-sighted, the saving effected would not suffice to cover the increased expenditure now proposed on the various services. The expansion in State outlay since pre-War days has been over 500 per cent., and we occupy in this respect an unfavourable position amongst the leading States in the world, as is shown by Table I. on the opposite page. The countries included, for which details were submitted to the Brussels Financial Conference, are arranged according to the percentage increase in expenditure. The abnormally high level in the case of Germany is due to the depreciation of the currency by extensive issues of paper, while for France the large sum required to restore the devastated area naturally enhances the present expenditure. If any event, such expenditure would be swollen on account of the great rise in prices within the country. Some may wonder at the big percentage expansion in outlay shown by the United States, in view of its relatively late entry into the War and the comparatively small amount of its public debt. Federal expenditure was, however, very low in pre-War days, and the increase, expressed as a percentage is, therefore, high.

It will be noted that debt services in all cases bear now a much higher proportion to total outlay than before the War; the proportion at the present time being highest in the United Kingdom, followed by Portugal, Germany, and France in the order named. Of the Dominions, South Africa shows relatively the smallest increase in total expenditure, and excluding both it and British India, Japan has come off best of all the belligerents, her position being even more advantageous than that of neutrals like Holland, Sweden, and Switzerland.

In our second table we give particulars of the amount of taxation per head levied in various countries in their own currencies and in dollars at the par and current rates of exchange. Taxation is unduly burdensome only when it is in excess of taxable capacity, and it is difficult, on this account, to compare different States. As far as the figures in the table permit of such a conclusion, the United Kingdom is most heavily taxed, at whatever rate we convert into dollars. The United States comes next, succeeded, on the basis of the present exchange, by France, Norway, and Denmark. The varying values of the currencies in terms of dollars illustrates the difficulty of determining to what extent present levels of taxation can be considered equitable or burdensome in different countries. The sums should, properly speaking, be brought into relation with national incomes, and, as regards the latter, estimates of a most divergent character have been framed. In a memorandum prepared by the League of Nations an attempt was made to make proper allowance for the various factors that might cause error and so arrive at some statistical approximation as to the present and pre-War positions. The results of the investigation are shown in Table III. In calculating the various national incomes to-day it has been assumed that sixty per cent. of such income before the War consisted of goods whose valuation was subject to the variations shown in the wholesale price index-numbers. In consequence of the War this part of the national income has been, it is assumed, reduced by ten per cent. in the United Kingdom, by thirty per cent. in France, Germany, and Italy, and has remained unchanged in the United States and in the other countries quoted. These estimates have been made following a consideration of harvests, mineral outputs, unemployment returns, and other available data. Different ratios of increase in prices have had to be allowed for, and the rise has been taken to be Germany 10 fold, Italy 6, France 5½, Japan 3¼, United Kingdom 3, Canada 2½, United States 2½, and Australia 2¼. The remainder of the national income, forty per cent., consists of transport, distribution, personal, professional, and other services, and is assumed to have been unchanged, though in some cases it has undoubtedly increased with the growth in population.

The assumptions here made give the following factors for the whole national income—Germany 6¼, Italy 3¾, France 3½, Japan 2⅔, United Kingdom 2¼, Canada 2, United States 2, and Australia 1¼. The results shown in the table are arrived at on this basis, the Budget figures being taken to represent Government revenue. The columns marked (*e*) and (*i*) are the most instructive from the comparative standpoint, as they show the percentage of national income which Government revenue represented before the War and represents to-day. In the case of the United Kingdom the percentage has increased threefold from nine per cent. to twenty-seven per cent., by far the largest increase shown in the table. The rise in Italian and Australian taxation has been slight, but American has jumped very appreciably.

In our concluding table we show the proportion of 1920 estimated expenditure, which was covered by the revenue raised in the last completed year, and the proportion of it which is covered by the estimated revenue of the current Budget:—

PERCENTAGE OF REVENUE TO EXPENDITURE.

State	Percentage of Actual 1919 Revenue to estimated 1920 Expenditure	Percentage of estimated 1920 Revenue to estimated 1920 Expenditure
United Kingdom	113·0	119·7
Czecho-Slovakia	105·8	108·1
British India	91·4	98·2
Norway	88·2	90·0
United States	75·4	89·7
Holland	99·2	82·6
Sweden	88·6	80·4
Japan	65·2	78·2
Spain	67·3	76·6
South Africa	71·7	73·2
Canada	72·4	68·0
Switzerland	83·0	63·1
Germany	32·4	53·5
Portugal	47·3	49·9
Greece	39·2	46·9
France	23·5	44·6
Poland	12·3	44·1
Belgium	32·5	42·8
Italy	39·8	42·5

TABLE I.—EXPENDITURE OF VARIOUS STATES
(in millions).

State	Unit of Currency	Pre-war* Expenditure	Estimated Expenditure 1920	Percentage increase in expenditure	Service of debt pre-war	Required for service of debt in 1920	Percentage of estimated 1920 expenditure required for service of debt
Germany	Mark	3,520·9	52,100	1,388	239·4	12,400	23·8
Belgium	Franc	810·9	8,800·4	+ 990	147·5	1,066·6	12·0
France	Franc	5,066·9	48,995·4	867	1,287	11,465	23·4
United States	$	735·1	6,812·0	827	26·9	1,052	15·4
Italy	Lira	2,765	24,670	792	688	5,346	21·7
United Kingdom ...	£	197·5	1,184	500	32·7	345	29·1
Switzerland	Franc	105·3	604·1	474	9·2	90·4	14·9
Norway	Krone	166·7	759·8	356	17·3	34·7	4·6
Canada	$	144·5	537	272	14·75	—	
Portugal	Milreis	70·3	234·7	234		64	27·3
Sweden	Krona	261·1	869·6	233	38·9	106·3	12·2
Holland ...	Gulden	238·7	733·1	207	38·0	141·7	19·3
Japan	Yen	573·6	1,563·9	172	142·6	94·5	6·0
Denmark	Krone	123·6	335·4†	171	14·1	48·9	14·6
South Africa	£	19·2	39·9	108	4·7	7·2	18·0
Spain	Peseta	1,526·6	2,403·7	57		535·1	22·2
British India	Rupee	1,543·5	2,226·1	+ 44		122·9	5·5

* Expenditure for the Financial Year 1913 or 1913-1914, except in the case of Belgium, for which figures for 1911 have been taken.

† On June 16, 1920, the Danish Minister of Finance stated that the Financial Year 1919-20 would show a deficit of 17 million £'s.

TABLE II.
DIRECT AND INDIRECT TAXATION PER HEAD OF POPULATION OF VARIOUS STATES IN 1920.

State	Unit of Currency	Taxation per head in currency of country — Direct	Indirect	Taxation per head in £S at par of exchange — Direct	Indirect	Taxation per head in £S at present exchange — Direct	Indirect
Belgium	Franc	94·9	79·2	18·3	15·3	8·3	6·9
France ...	Franc	221·3	195·5	42·7	37·7	18·4	16·2
Italy	Lira	60·6	34·2	12·7	6·6	3·6	2·0
Portugal ...	Milreis	3·9	5·3	4·2	5·7		
United Kindom	£	14·7	7·5	71·5	36·5	58·2	29·7
British India	Rupee	2·06	2·50	0·67	0·81	0·73	0·89
South Africa	£	1·64	1·09	7·98	5·30	6·92	4·60
Holland	Gulden	21·4	30·7	8·6	12·3	7·7	11·0
Spain	Peseta	33·1	30·4	6·4	5·9	5·5	5·1
Switzerland	Franc	24·5	21·2	4·7	4·1	4·5	3·9
Sweden	Krona	59·5	23·1	15·8	6·1	13·1	5·1
Norway	Krone	127·7	48·2	33·9	12·9	20·9	7·9
Denmark	Krone	62·7	61·5	16·6	16·3	10·3	10·1
Finland	F. Mark.	100·7	139·1	19·4	26·8	4·4	6·0
Germany ...	Mark	288·0	186·9	68·6	44·5	7·6	4·9
United States	$	56·5		56·5		56·5	
Japan ...	Yen	6·2	5·1	3·1	2·5	3·2	2·6

TABLE III.—PRE-WAR AND PRESENT NATIONAL INCOMES.

Country (a)	Unit of Currency (b)	Pre-war Income per head (c)	Pre-war Government Revenue per head (d)	Percentage of (d) to (c) (e)	Ratio of present to pre-war National Income (f)	Present National Income per head (g)	Present Government Revenue per head (h)	Percentage of (h) to (g) (i)
			IN LOCAL CURRENCY.					
United States ...	$	350	7	2	2	700	56¼	8
Australia	£	54	4½	8	1¾	94	9	9½
United Kingdom	£	50	4½	9	2½	112½	30¾	27
Canada ...	$	195	22	11	2	390	42	11
France	Franc	960	120	13	3⅓	3,200	574	18
Germany	Mark	625	50	8	6¼	3,900	474	12
Italy ...	Lira	580	65	11	3¾	2,175	276	13
Japan	Yen	60	12	20	2¾	160	21	13
			IN DOLLARS.					
United States ...	$	350	7	2	2	700	56¼	8
Australia	$	263	21	8	1¾	374	35¾	9½
United Kingdom	$	243	22	9	2½	445	120	27
Canada ...	$	195	22	11	2	351	37¾	11
France	$	185	25	13	3⅓	265	47¾	18
Germany	$	149	12	8	6¼	103	12	12
Italy ...	$	112	12¼	11	3¾	130	16	13
Japan ...	$	30	6	20	2¾	82	10¾	13

The countries are arranged in the order of the percentage shown for the current year. The need for expenditure on reconstruction naturally gives France and Belgium a low place in the table. It will be seen that through increase in taxation and other devices the estimated revenue for 1920 is ex-

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

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THIS month we have to record a further recession in wholesale prices of commodities, and the new level is lower than that ruling a year ago. Only twice before since the commencement of the War—in March and again in April of last year—did a similar position obtain. Our index-number for November is 223.8, as compared with 231.0 in November 1919, a fall of 3.1 per cent., and is the lowest since September of last year. The downward movement again accelerated last month, the decline being 6.7 per cent., as compared with 3.5 per cent. in October, and 1.9 per cent. in September, and was more extensive, indeed, than for any month since last April. The end-of-November level is 163.3 per cent. above the average for 1913, and 13.2 per cent. above that of October 1918. The following table affords a comparison of the latest group and general index-numbers with those for October 1920, November 1919, and June 1914.

	Monthly Index-Nos.				+ or − % Nov. 1920 on		
	Nov. 30 1920	Oct. 31 1920	Nov. 30 1919	June 30 1914	Oct. 1920	Nov. 1919	June 1914
Veg. Food ...	214·1	239·0	185·2	66·5	− 7·7	+15·6	+222·0
Animal Food	292·1	288·7	225·3	97·5	+ 1·2	+29·6	+199·6
Sugar, Coffee & Tea ...	127·7	127·8	178·0	51·8	− 7·3	−28·3	+146·5
Foodstuffs ...	**224·7**	**233·4**	**193·8**	**74·3**	**− 3·7**	**+13·0**	**+200·4**
Minerals ...	202·0	305·5	249·8	96·7	− 4·1	+17·5	+248·9
Textiles ...	178·0	219·6	253·7	80·6	−18·9	−29·0	+120·8
Sundries ...	211·4	224·0	[243·4	82·5	−5·6	−13·1	+156·2
Materials ...	**223·1**	**244·6**	**254·4**	**85·7**	**− 8·8**	**−12·3**	**+160·3**
Totals ...	**223·3**	**239·9**	**231·0**	**81·2**	**− 6·7**	**− 3·1**	**+175·6**

It will be noted that foodstuffs, with the exception of animal food, declined during November, though the movement was not as great as in the minerals group. This, as we pointed out last month, is but in accordance with the world conditions of food production as indicated by the harvest results. The rise in the animal food group was due to an increase in mutton values. Of the whole forty-five commodities mutton and leather were the only ones to show a rise. Rice, Friesland butter, beef and pork, among foodstuffs; and iron, olive oil, petroleum, soda crystals, and indigo, among materials, remained unchanged; all the others are lower on the month. The fall was greatest in the textile group, cotton, flax, jute, and wool falling heavily. American maize, in the vegetable food group, also shows a considerable decline.

At this stage of the decline in prices it is becoming apparent that the period of trade depression attendant on the lowering of money values is being unnecessarily prolonged by attempts on the part of retailers to maintain selling prices to the public. Our monthly index-numbers show that the general level of wholesale prices has fallen steadily since last April, when the peak of high prices was reached, the total decline during those seven months being 15.9 per cent. It is true that during the same period the cost to the consumer has been correspondingly lowered in some lines, notably textiles, but it is notorious that in a great many cases the retail prices have actually increased, while the general level of retail prices has not by any means shown a fall parallel to the movement in wholesale prices. This desire of the retail dealer to avoid price-cutting is, of course, easy to understand; but it argues a false appreciation of the trend of events.

The present depression was brought about by a restriction of banking credits dictated by motives of prudence on the part of bankers, and was greatly [illegible] on the part of the consumer. Under the level of prices ruling at the beginning of the current year an undue proportion of the wealth of the community gravitated to those actually engaged in the production and marketing of commodities. Other classes of the community forming the bulk of the consumers had perforce to restrict their consumption, while banking interests also found the prevailing price-level too high to be consistent with healthy finance. The present decline in the price-level may then be regarded as a natural reaction from the abnormal and, to a great extent, artificial enhancement of money values that began soon after the Armistice. When terminated, industry and finance will be in a much sounder position than previously, if the liquidation does not assume a more violent movement than it has shown up to the present. It will continue until prices have been reduced to a level that will make banking resources again sufficient for the ordinary requirements of trade. This may mean that prices will return to the Armistice level, but nothing definite can be said in this regard, as the powerful influence on the progress of events which must be exercised by the national finances is of a very uncertain nature.

It is clear, at any rate, that the course of prices is as yet beyond the control of industry, and any attempts on the part of retailers to check the movement, while they cannot bring relief to trade, will only delay the period of recovery. Events would proceed much smoother if dealers, instead of trying vainly to prevent the present economic readjustment, were to act with courage and foresight and dispose of their stocks by reducing prices. By selling, if necessary, at a loss, the painful but necessary period of deflation would be rendered more even, and manufacturers and wholesale houses would feel the depression less severely.

If retailers continue to oppose themselves to the march of events it is possible that wholesale firms here will, as in the United States, be compelled to take control of the situation by getting directly into touch with the public.

A comparison of the movements in the United Kingdom with those in some of the leading foreign countries is afforded by the subjoined table.

International Wholesale Prices.

	Index-Numbers				Expressed as a Percentage of 1913			
	U.K. ("Statist")	America (Bradstreet's)	Japan (Bank of Japan)	France	United Kingdom	United States	Japan	France
1913...	85·0	9·2115	132·2	115·6	100·0	100·0	100·0	100·0
1914...	85·0	8·9034	126·3	117·9	100·0	96·7	95·5	102·0
1915...	108·0	9·8530	127·8	161·6	127·1	107·0	96·7	139·8
1916...	136·0	11·8237	154·9	217·6	160·0	128·4	117·2	187·0
1917...	175·0	15·6385	196·4	302·4	205·9	170·0	148·5	261·6
1918...	192·0	18·7117	259·0	392·1	225·9	203·2	195·9	339·2
1919...	206·0	18·6683	316·6	411·8	242·4	202·7	239·5	355·6
1919								
June...	199·4	18·8964	305·0	384·0	235·0	205·2	223·1	329·0
July...	206·4	20·0017	319·0	403·0	242·8	217·2	241·3	349·0
Aug....	212·7	19·4720	324·0	401·7	250·2	211·5	245·1	347·0
Sept.	214·8	19·5215	342·0	415·0	252·7	211·9	251·1	359·8
Oct....	224·3	19·9026	352·1	441·1	264	216·1	266·3	382·0
Nov....	231·0	20·1756	370·2	425·5	272	219·0	280·0	405·0
Dec....	235·2	20·3658	382·5	488·6	276	221·1	288·6	422·7
1920								
Jan....	245·3	20·8690	347·9	562·7	288	226·6	301·1	486·9
Feb....	260·4	20·7950	413·8	609·3	306·3	225·7	313·6	521·9
Mar....	261·8	20·7124	425·0	641·0	308	224·9	321·5	554·5
April...	266·1	20·7341	390·6	679·2	313·1	225·1	300·0	587·5
May....	260·0	19·8752	328·0	633·9	305·9	215·8	248·1	548·6
June....	253·7	19·3528	337·0	569·6	298·5	210·1	254·9	492·7
July....	254·6	18·8273	317·0	572·9	299·5	204·4	239·8	495·6
Aug....	250·0	17·9746	311·0	522·5	294·2	195·1	235·3	501·3
Sept....	248·7	16·9091	305·0	607·7	292·6	183·8	230·7	525·7
Oct....	238·9	15·6770	298·5	581·5	281·2	170·2	225·8	503·0
Nov....	223·8	—	—	—	263·3	—	—	—

It is worthy of particular notice that the course of price movements changed again in France during October, the increase under the head of month, as compiled by the *Bulletin de la Statistique Générale de la France*, being 4·3 per cent. below that for the previous month. We commented on the high level reached the October figure showed a falling of 11·1 per cent.

A comparison of the November index-number with previous monthly and annual figures is afforded by the following table :-

Year	Annual Numbers	End-of-Month Numbers		End-of-Month Numbers	
1909 [Jevons'...	189	June '14 ...	81.2	Apr. '18 ...	189.8	Oct. '18 ...	224.3
1910 adjusted...	171	Dec. „ ...	118.1	May „ ...	191.1	Nov. „ ...	231.0
1918 figures]	159	Jan. '16 ...	125.6	July „ ...	192.9	Dec. „ ...	235.2
1873	111	Mar. „ ...	130.4	Aug. „ ...	195.9	Jan. '20 ...	245.3
1880	88	Oct. „ ...	141.5	Sept. „ ...	195.3	Feb. „ ...	260.4
1896	61	Dec. „ ...	154.3	Dec. „ ...	196.9	Mar. „ ...	261.8
1911	80	Jan. '17 ...	159.3	Jan. '19 ...	192.1	April „ ...	266.1
1912-13-14 ...	85	Feb. „ ...	164.0	Feb. „ ...	187.5	May „ ...	2[illegible]
1915	108	April „ ...	173.0	Mar. „ ...	184.7	June „ ...	2[illegible]
1916	136	June „ ...	180.4	May „ ...	184.6	July „ ...	251.5
1917	175	Aug. „ ...	175.7	June „ ...	189.4	Aug. „ ...	2[illegible]
1918	192	Oct. „ ...	180.6	July „ ...	200.4	Sept. „ ...	[illegible]
1919	206	Dec. „ ...	185.1	Aug. „ ...	212.7	Oct. „ ...	[illegible]
		Jan. „ ...	186·2	Sept. „ ...	214.8	Nov. „ ...	2[illegible]

TAXATION AND INDEBTEDNESS OF AUSTRALIA.

AUSTRALIA was in the past a favourite field of investment for British capital, and though confidence in the future of the country has been rather severely tried by the ultra-liberal character of many of the State Administrations, and the excessive taxation which has driven British companies operating in the Antipodes have been called upon to bear, the material position is otherwise sound. During the present year various loans have been floated in the London market. Western Australia placed £1,500,000 Five-and-three quarters per Cent. Inscribed stock at 98 in January last. In July the Victoria Government issued £2,725,000 Six-and-a-quarter per Cent. Inscribed stock to redeem outstanding Four per Cent. Debentures due October 1, 1920. New South Wales has been an extensive borrower, calling for £2,000,000 Five-and-three-quarters per Cent. Debentures in February at 98½, in June for £2,500,000 Six and a-half per Cent. Inscribed stock at 100, and in November for £4,000,000 Inscribed stock on the same terms. The February loan of New South Wales was really a Conversion Loan for an equivalent amount of Four-and-a-half per Cent. Debentures maturing on March 1. The Queensland Government intended to place a loan in London, but their cavalier treatment of British land-owning interests situated within the State aroused such unpopularity on this side that the project was abandoned. Threats of a forced loan, of which some garbled accounts came through, likewise failed to materialise, and the shaken confidence has now been somewhat restored. The extent of the debts of the various States in Australia, headed by New South Wales, is somewhat large, and we consider the moment opportune for giving at foot of page a detailed statement of the position.

The table, which distinguishes between London and Australian quotations, excludes all issues made since June 30, 1919. The total gross and net indebtedness of the six States on that date amounted to £396,356,149 and £384,686,437 respectively. The net total worked out at £74 16*s.* 8*d.* per head of population, a rather low figure, especially as the similar figure on June 30, 1914, was £62 18*s.* 7*d.* The cost of the War to Australia for five financial years, 1914 to 1919, was £268,[illegible] of which £15,[illegible] was derived from [illegible] revenue and £222,296,922 from War Loan Bonds. The total public debt of the Commonwealth on June 30, 1919, was £325,770,747, which, added to the public debt of the States, as above given, [illegible] £722,126,896. Allowance is not here made for duplication, and after the necessary deductions under this head the net sum is £63 14*s.* 3*d.* per head. The rates of interest vary generally from [illegible] excludes the Commonwealth subsidy, and expenditure [illegible] £13,818,322, and 1919, £58,962,524. As regards taxation, all that of the State Governments is direct and amounts to £2 7*s.* 7*d.* per head; but the more important is that of the Commonwealth Government, [illegible] half direct and indirect, the former amounting to £3 1*s.* 4*d.* and the latter to £3 9*s.* 4*d.* per head. The total burden of taxation is therefore £6 [illegible] per head, which is approximately one-third of the rate obtaining in the United Kingdom. The taxable capacity of the country is, however, much less than that of the United Kingdom, though the table at top of next page shows that it has substantially increased since 1909.

This table was prepared by Mr. A. H. Ashbolt, the Agent-General for Tasmania. Between 1909 and 1917 the value of the industrial output increased by over 100 millions. Since 1917 the actual quantity and value of the output has been considerably increased, and a good effort is being made to supply the needs of the country in manufactured goods from home sources. This movement has made considerable progress, but with expanding requirements imports also have risen in value. In a recent paper read before the Royal Society of Arts, Mr. Ashbolt gave the following interesting comparison between imports in 1913 and 1918 :-

Including Treasure.

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

	No. of Establishments	Hands Employed	Salaries and Wages Paid	Value of Plant, Land, Machinery and Buildings	Value of Materials Used	Value added by Manufacture	Total Value of Output
			£	£	£	£	£
1909 ...	13,197	266,405	21,105,456	54,622,672	64,028,881	41,929,447	105,958,328
1917 ..	15,179	321,670	36,618,218	90,528,300	132,283,096	74,103,550	206,386,646

to be helpful response. The reluctance to act is defensible when we consider that they do not wish the country to import more than it can pay for by current exports. Moreover, many of the Australian markets are already well supplied with goods, and the Government do not wish to cause further embarrassment by increasing the glut. For some time the Australian banks have not been inclined to discount bills of exchange drawn by importers in the Antipodes in favour of British exporters; but the Australian Associated Banks have recently advanced their exchange rates on London, thus reflecting the altered trade balance between the two countries. A buying rate is now quoted for telegraphic transfers at 20s. premium, and the selling rate is 50s. premium. According to advices received on this side the advances made are as follows:—

	Buying		Selling	
	Dec. 1	Nov. 1	Dec. 1	Nov. 1
	Per cent.	Per cent.	Per cent.	Per cent.
On demand	... 7/6 prem.	2/6 dis.	37/6 prem.	27/6 prem.
3 days' sight	... 5/- prem.	5/- dis.	—	—
30 days' sight	... 5/- dis.	15/- dis.	27/6 prem.	17/6 prem.
60 days' sight	... 17/6 dis.	27/6 dis.	17/6 prem.	7/6 prem.
90 days' sight	... 30/- dis.	40/- dis.	10/- prem.	Par.

TRADE OF THE UNITED KINGDOM IN NOVEMBER.

In most quarters there was a general tendency to adopt a cautious and even a pessimistic attitude on the trade outlook for November. Such an attitude was more than justified by the variety of adverse factors in evidence. However, the fact remains that the return of the Board of Trade for November can only be described as genuinely satisfactory. The general trend of trade during the month can be seen in the following table:—

Course of Foreign Trade.

(000's omitted.)

	November 1920.	Inc. or Dec. on		11 Mos. to November 1920.	Inc. or Dec. on	
	Amount.	1919.	1913.	Amount.	1919.	1913.
	£	£	£	£	£	£
Imports ...	144,260	— 715	+ 75,703	1,791,951	+361,870	+1,096,711
Re-exports ...	13,115	— 7,150	+ 5,115	209,027	+ 71,948	+ 109,787
Net imports	131,145	7,865	+ 70,678	1,584,924	+289,322	+ 986,924
Exports ...	119,365	+ 85,254	+ 71,005	1,273,938	+534,141	+ 756,596
Exc. of imports	11,780	—93,119	— 327	310,986	—244,819	+ 230,328

A further low record is created by the return of £144,260,000 for the total imports. Apart from the reductions in distinct items or groups, it is well to recollect that November was a shorter month than October; that the coal strike was in force for the opening week of the month; and that the falling price levels, notably in America, were operating in this direction. Still the total is over £5,600,000 below that of October, and does not exceed that of the previous November by £700,000. This decline represents the joint result of a drop of nearly £7,750,000 in the imports of food, drink, and tobacco, of a little over £250,000 in the imports of manufactured articles, and of a rise in the import of raw materials and articles mainly unmanufactured of over £2,250,000.

The value of food, drink, and tobacco imported into the United Kingdom during the month amounted to £61,499,000, as compared with £69,168,000 in October. The movement was mainly associated with the sharp fall in the import of grain and flour from £27,270,000 to £19,597,000. Investigation shows that the decline was entirely in the grain section, for the value of wheat meal and flour imported rose from £1,995,000 to £2,546,000, with a corresponding rise in quantity. It is satisfactory to note that there was a marked fall in the import of American wheat from 8,977,000 cwt., worth £14,617,000, in October to 4,566,000 cwt., valued at £7,458,000. Lesser quantities of oats and maize came from the Argentine, the value of the import of maize falling from £2,907,000 to £2,263,000 and that of oats from £506,000 to £80,000. A small decline in the meat import to £11,094,000 covered three large movements. The trade in American bacon was only returned at £1,521,000, as against £2,823,000 last month; the import of frozen mutton from New Zealand dropped from £1,549,000 to £651,000, and there was a rise in the value of frozen beef from the Argentine by over £600,000 to £2,575,000. The returns furnish indeed several potent illustrations of the manner in which the adverse American exchange reacts against imports from that source. It is not only American wheat and American bacon that have suffered even in Class I. The decline in the import of tobacco from £2,339,000 to £1,733,000 is more than accounted for by the fall in the import from America, which was valued at £1,207,276, as against £1,958,274 in October. In this case the drop also illustrates the extent to which prices are falling in the United States, for the decline in quantity was by no means proportionate, the October import of 15,621,000 lb. comparing with 11,607,000 lb.

Imports of raw materials and articles mainly unmanufactured were over £2,250,000 higher at £46,560,000. Rises and falls in this class were rather evenly distributed. The salient feature of the class was undoubtedly the great expansion in the import of raw cotton, which rose from £9,184,000 in October to £17,171,000. It speaks well for the prescience of Lancashire that, despite the current depression of the trade, it is taking advantage of the low prices ruling for raw cotton in the United States. The November import from this source was returned at 1,320,718 bales, valued at £13,211,000, as against 487,334 bales, valued at £5,251,000 in October. The noteworthy point in the Egyptian import is the small increase in the value from £2,324,000 to £2,577,000, as compared with the rise in quantity from 107,813 bales to 147,890 bales. The drop in the import of wool from £6,541,000 to £4,356,000 is mainly due to the decline in the Australian clip from £3,281,000 to £1,854,000, with a fall in quantity from 361,116 bales to 203,349 bales. The Argentine wool import of £327,000 in October has dwindled to £9,000. The most pronounced fall however, was in the import of wood and timber, which amounted only to £5,853,000, as against £8,796,000 in October. The decrease was common to all sections, but was greatest in the import of soft sawn timber. Here the Russian import dropped from £2,102,000 to less than half: the Swedish import of £1,057,000 was nearly £800,000 down, and the value of Canadian timber imported amounted to £841,000 instead of £935,000.

Imports in Class III. showed a small falling-off with a total of £35,955,000. With three exceptions movements within this class were in keeping with the general tendency. The trade in manufactured oils, fats, and resins rose from £6,627,000 to £8,935,000. There was an increase in the import of chemicals, drugs, and dyes of over £1,250,000 to £3,961,000, mainly owing to the fact that dyes, other than alizarine and indigo, were received to a value of £1,915,000, as against £567,000 in October. It would be of interest to the British dye industry to discover to what extent German dyes contributed to this addition. The third exception to the general movement was the small increase in the import of non-ferrous metals and manufactures to £2,416,000.

It is in the export trade that the November figures show to best advantage. The total exports of the

United Kingdom amounted to £132,180,000, the fourth best return for the year. In addition, the exports of £13,115,000, the exports of British produce and manufactures reached £119,365,000, showing a decrease of over £7,000,000, as compared with the total for October. This considerable decline in our total exports must be attributed entirely to the expansion in the trade in manufactured goods, for the exports of coal, coke, and patent fuel showed a much smaller decrease, the exports of coal alone rising from 9,272,000 tons to 9,399,000. This falling-off in Class II. is explained by the drop in the export of coal from £6,108,000 to £5,681,000. Furthermore, it is stated that the quantity of coal used in bunkers fell from 1,040,000 tons to 868,594 tons. Both these movements are directly the outcome of the coal strike, which was prolonged into November.

Exports of manufactured produce rose from £95,701,000 to £103,694,000. The majority of the movements within this class were of a favourable nature. The most marked fall took place in the foundational iron and steel trades, the exports dropping by nearly £1,000,000 to £11,596,000; whilst the trade in manufactures of non-ferrous metals fell from £2,305,000 to £1,974,000. On the other hand, it is interesting to note that the exports of machinery rose from £6,251,000 to £7,788,000. This upward tendency was characteristic of all sections of the trade, but was most pronounced in the textile section, the export of textile machinery increasing from £541,000 to £1,622,000. Again, there was still more satisfactory advance in the export of vehicles, from £5,822,000 to £8,796,000. It was the shipbuilding industry that benefited most here, for the export of ships jumped from £2,783,000 to 5,286,000. In the textile industries both Lancashire and Yorkshire recovered some of the ground lost in the previous month. The export of cotton goods increased from £32,306,000 to £35,057,000; whilst that of woollens amounted to £11,896,000, as against £10,045,000. Cotton exports reflected largely the course of the exchanges. With the London rate moving steadily against them, France, Belgium, Netherlands, and Germany reduced their takings of yarns and piece goods alike. On the other hand, with the dollar exchange moving in favour of New York, the export of cotton yarn to the United States amounted to £459,000, as against £255,000, and the export of piece goods to £669,000, as against £297,000. The trade with China was still the dominant feature of the export of piece goods, the value rising from £2,860,000 to £2,906,000. Egypt took as much as £1,922,000, as compared with £1,427,000, and the Dutch East Indies increased their consumption from £1,330,000 to £1,746,000. The trade with India via Bombay fell from £3,452,000 to £2,738,000; but this was more than counterbalanced by the inflow through Bengal, Assam, Bihar, and Orissa of £2,778,000, as against £1,753,000.

Excess of Imports into United Kingdom.

Month	1920	1919	1918	1917	1916
	£	£	£	£	£
Jan. ...	52,154,000	82,615,000	54,202,000	35,361,000	29,348,000
Feb ...	61,946,000	55,039,000	57,214,000	24,668,000	22,470 000
Mar. ...	45,918,000	43,715,000	68,042,000	29,465,000	39,707,000
April ...	40,195,000	40,382,000	77,621,000	40,244,000	30,805,000
May ...	26,755,000	59,318,000	77,516,000	32,582,000	25,786,000
June ...	34,015,000	46,[illegible]00	64,176,000	35,999,000	20,780,000
July ...	8,042,000	76,[illegible]00	63,525,000	35,703,000	22,515,000
Aug. ...	24,984,000	58,748,000	61,135,000	46,220,000	20,632,000
Sept. ...	21 886,000	66,376,000	56,094,000	39,870,000	26,842,000
Oct. ...	21,460,000	54,783,000	72,768,000	39,[illegible]00	28,[illegible]00
Nov. ...	11,780,000	36[illegible]000	70,752,000	62,621,000	39,510,000
Dec. ...	—	52,717,000	74,797,000	41,450,000	29,434,000

The decline in re-exports of over £3,000,000 was much more than compensated for by the drop in imports of £5,500,000. Consequently, the effect of the expansion of the exports of British produce and manufacture by £7,000,000 was to reduce the October adverse trade balance of £21,460,000 to £11,780,000 for November. This is the second best return of the year, being only excelled by the July balance of £8,042,000. [illegible] ordinarily favourable conditions. That a balance of pre-War dimensions should be secured in November despite all the drawbacks experienced is a surprising achievement. It is now as certain as anything can be that our total foreign trade for 1920 will leave a balance in our favour after allowing for invisible exports. To date the total adverse balance does not exceed £350,000,000. Assuming that the outlook for the current month is so unfavourable—and the short time in Lancashire in mills using alike Egyptian and American varieties, the cancellation of orders which still continues, the exchange situation, and the general financial stringency point to an unfavourable return—as to result in a repetition of the adverse balance of £62,000,000 for the worst month of the year, this will only give a total of £412,000,000, which is still over £250,000,000 below the total of £669,000,000 for 1919. If the Board of Trade estimate of our invisible exports for 1920 of £600,000,000 be accurate, this would leave in our favour a trade balance of £188,000,000.

External Trade of the U.K. since 1914.

(000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1920	£	£	£	£	£
Nov. ...	144,[illegible]00	13,115	[illegible]	119,365	11 780
Oct. ...	149,889	16[illegible]4	133,755	112,295	21,460
Sept. ...	152,[illegible]00	13,559	[illegible]2	110,[illegible]6	2[illegible]000
Aug. ...	155,256	13,363	139,887	114,903	24,984
July ...	160,342	17,848	142,494	137,452	5[illegible]42
June ...	170,491	20,124	150,367	114,353	31,015
May ...	166,334	20,260	146,074	119,319	26[illegible]755
Apr. ...	167,154	20,407	146,747	106,252	40,495
March ...	176,643	27,031	149,617	103,699	45,918
Feb. ...	170,514	22,604	147,910	[illegible]5,964	61,946
Jan. ...	183,498	25,464	158,034	[illegible]05,880	52,154
Year					
1919 ...	1,631,902	164,322	1,467,580	798,373	669,207
1918 ...	1,316,150	30,945	1,285,205	501 419	783,786
1917 ...	1,064,164	69,677	994,487	[illegible]27,[illegible]80	467,107
1916 ...	948,506	97,566	850,940	[illegible]6,[illegible]89	344,[illegible]66
1915 ...	881,985	90,[illegible]62	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440

THE COMMERCIAL BANK OF SCOTLAND. The report of the Commercial Bank of Scotland for the year ended November 1, 1920, to be submitted to the shareholders at the annual meeting on the 17th inst. discloses a net profit for the year of £302,039, which, added to £52,632 brought forward, makes a total of £354,671. Final dividends are declared, bringing the distribution on the "A" shares to fourteen per cent. and on the "B" shares to ten per cent. for the year, subject to tax. £100,000 is set aside for investments depreciation, and all the bank's holdings are now marked down to the prices ruling on November 1 last. After other allocations a sum of £52,171 is carried forward to the current year. Balance sheet totals show an increase from £45,205,117 on October 31, 1919, to £51,241,596 on November 1, 1920, the rise being mainly due to the expansion in deposits from £36,071,162 to £41,096,567. Cash balances are up from £5,123,875 to £5,494,705, and money at call and short notice in London from £4,110,793 to £5,332,423.

The Rt. Hon. Sir John N. Jordan, G.C.I.E., K.C.B., K.C.M.G., has been appointed to the Court of Directors of the Commercial Bank of India, Australia and China.

FOR DISCRIMINATING SMOKERS

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ARGENTINA.—I.
ECONOMIC COMPLICATIONS.

ARGENTINA is at present passing through a phase of economic development which is trying, and will for a long time continue to try, the statesmanship of the leading citizens of the Republic. It seems impossible to devise any system whereby human affairs will run smoothly for any considerable time. Argentina is suffering, and, unless her statesmen are very careful, her political and economic development will receive a permanent check if she fails to adapt herself to the conditions of her environment. It may be said with truth that Argentina is by no means the only country at the present time suffering from political unrest and from the disorganisation of its economic equipment. This, of course, is true up to a point. Argentina, on the other hand, has of late years enjoyed extraordinary advantages. She has not lately been devastated by a terrible war. She is not loaded with a great debt incurred solely for purposes of destruction. What debt she has has been very largely incurred for purposes concerned with her economic development. Moreover, she has been benefited in an economic sense to an extent that very few countries have benefited as a result of the recent War.

Everything has its causes, and the present state of affairs in the Argentine Republic are due, of course, to the peculiar way in which political and economic resources have developed. When the Argentine Republic threw off the control of Spain in the second decade of last century she adopted the republican form of government. The republican form of government may mean anything from an oligarchy to the state of things existing in Russia at the present day. The form of government which it pleased the Argentine people to adopt after they threw off the Spanish yoke developed into a series of revolutions; and throughout the republic there was lack of regard for the safety of life and property which is one of the principal reasons why civilised people submit to government at all. Consequently, there was in the Republic at the time when England in particular, and Western Europe in general, poured capital into the country which has resulted in her present economic development, no well-established sense of respect for law and order. A people which lacks respect for law and order lacks one of the essential constituents which make a civilised community possible. England has throughout its history been remarkable for the respect it has always paid to the various forms of government which from time to time have been established here. Provided a Government was able to establish itself in full authority it has always been accepted by the great body of the people. In Argentina, on the contrary, revolution succeeded revolution until Western Europe took up its economic development.

Argentina has, in a sense, been exceedingly unfortunate in the peculiar form in which her economic development has been brought about. It has not followed in any sense what for convenience we may call natural lines of development. Most communities in the early stages of their development have to struggle against enemies from without and threatened starvation from within. Hence they learn a measure of discipline which usually succeeds in keeping even the most refractory elements in some sort of order. Argentina has never had the advantage of being compelled to submit to a rigorous discipline for fear, on the one hand, that her people would be wiped out of existence altogether, or that they would perish from famine. On the contrary, after their early struggles against Spain they were protected by this country and the United States. Shortly after attaining nationhood they were taken in hand by certain countries of Western Europe, and particularly by this country, for the purpose of their economic development as a source of supply for food and raw materials. Capital was poured into the country mainly from England for the purpose of obtaining abundant supplies of primary products. The part of Argentina which was first developed—the great Province of Buenos Ayres—is extraordinarily rich and very fertile, and English traders and English financiers realised that by opening up this country they could obtain supplies of food and raw materials upon a basis of economic values upon which the United States had ceased to be able to supply them. The result was that the Republic was opened up with extraordinary rapidity. Scarcity of everything needed for the ordinary requirements of civilised life became a chronic feature as distinct from an occasional occurrence. The result has been that conditions are, and almost always have been, abnormal in the Argentine Republic in a sense that they are not abnormal in other countries. In other countries abnormal conditions tend to right themselves after a short time; but for reasons into which we hope to enter very briefly this has not been possible in Argentina which has never had an adequate control over her own economic development. That development has been from the very outset dominated by outside influences over which the Republic has never exercised full control. Argentina is an enormous country with a very small population enjoying, in a sense, the control of enormous resources out of all proportion to the magnitude of that population; but enjoying that control only in a sense, and in so far as that population is able and willing to satisfy the demands of those abnormal resources. Argentina, like all South America, is a country of very large estates. In the abnormal conditions which existed the rich tended to become very rich. It would not be true to say that the condition of the poor tended to become very poor. On the contrary, wages were, and always have been, abnormally high. The difficulty has been that, in spite of extravagantly high wages, the worker has been only able to obtain a small measure of comfort or convenience for the expenditure of his *peso*. Perhaps the reader who is unacquainted with Argentina will better appreciate the conditions which prevail if we compare them with those to which we have been accustomed in Europe since the outbreak of the great European War. Those who were in a position in Europe to supply Governments with the commodities which were in request realised enormous paper fortunes. The workman on his part obtained quite abnormal wages, but neither the War capitalist nor the workman, in spite of the large profits of the one and the high wages of the other, were able to obtain any considerable quantities of commodities they required—failed even to obtain enough food. Of course, in Argentina, particularly before the War, there was no lack of food; but the scarcity and difficulty of obtaining almost every other commodity had become a normal factor in the situation. The result has been a state of chronic discontent and the growing up in the Republic of a class who are able to live almost wholly by exploiting that discontent. We hope to show in the course of this and succeeding articles that the abnormal demand for labour wherever it could be obtained has not always been supplied by immigrants of the best class.

We will endeavour to explain very briefly how this situation has come about. We have explained on various occasions that Argentina, in the modern sense in which we know it to-day, has come into existence for the purpose of providing enormous supplies of food and raw materials to be shipped across the ocean to sustain the large industrial populations of Western Europe. Readers who have been recently in La Plata will have noticed that the first thing one sees on arrival at the wharves of Buenos Ayres is the great grain elevators, which practically obscure every other view of the city. These grain elevators standing at the entrance to Buenos Ayres are typical of a country which

raises immense quantities of raw products which it cannot use itself, and which are destined to be shipped abroad.

European investors built railways, and the owners of the rich but inaccessible plains of Argentina found the value of their yields multiplied a hundredfold. They found, moreover, an eager market for any and every kind of produce they were able to raise on those fields. Naturally, the landowner wanted labourers to till his fields. The local "gaucho" was neither skilled nor numerous enough to fulfil his purpose. The emigration companies in Europe were urged to make every endeavour in their power to obtain as many emigrants for the Republic as possible. In too many cases the emigrant has been lured across the ocean in the expectation of finding conditions which, in fact, have never materialised. Most of these labourers came from Italy, and various parts of Spain; and a considerable proportion of the latter were drawn from the Barcelona area of the Peninsula. The reader will readily infer from the slight indications we have given of the conditions under which agricultural labourers were obtained for Argentina that there was likely to be a measure of disappointment both on the side of the farmer and on that of the common labourer. Many of the labourers imported were almost wholly unacquainted with agricultural conditions; and the farmer was in not a few cases very much disappointed with the type of labourer with which he was supplied. The labourer, on his part, had in too many cases been led to believe that he was going from toil in Europe to an Eldorado in South America. Conditions in the agricultural districts have, it will be readily understood, left a good deal to be desired; but the growing prosperity of agricultural Argentina year by year and decade by decade was so great that even the labourer found that the life, hard as it was in a sense, was not wholly without compensations.

In some instances he was, in fact, afforded assistance under a benevolent employer, and, in favouring circumstances, attained to opulence. Unfortunately, the agricultural population of the Argentine Republic, like the agricultural population of a great part of the rest of the world, is far from being a majority of the population of the country. The conditions under which industrial Argentina has grown up during the past generation make it impossible that this should be so. But it is a most unfortunate and dangerous element to the well-being of the Republic, nevertheless. As we have said, Argentina has been built up to supply raw produce for consumption abroad. That means that an abnormal proportion of the population are employed in the distributing, financial and auxiliary functions of the producing trades as distinct from being themselves actual producers. In other words, as large a proportion of the population of Argentina are located in the great centres of industry as is the case with the population of industrial Europe. We have upon more than one occasion explained what the "compañía" system in Buenos Ayres is like. It is typical of the conditions under which very large masses of the population have to live. We hope soon to be able to explain still more fully the causes of the general unrest which is such a grave feature in the political and economic outlook at the present day.

SOUTH AND CENTRAL AMERICA.

BRAZIL'S DEVELOPMENT.

In an article dealing with the present state of commercial intercourse between this country and Brazil, which appeared in our last issue, we endeavoured to show how the resources existing in Brazil at the present time, and those existing in the United Kingdom, are complementary to one another in the sense that Brazil is capable of supplying us with the greater part of the food and raw materials which we require, while we on our part are capable of supplying her with the manufactures and the plant of which she is in such urgent need if she is to develop herself, as she seems eminently capable of doing, to be one of the greatest of the South American republics. In area, it has to be remembered, Brazil represents between one-third and one-half of the total area of the South American continent. In population she accounts for nearly half the population of that [illegible] what is commonly called Spanish America, the area of Brazil alone accounts for, as near as one can say for convenience, about one-third of the total land area of Spanish America; and in that case her population would be about one-third of the Spanish-American population. Two-thirds of Spanish America, it will be seen, is really Spanish. But the remaining third, which we call the United States of Brazil, is Portuguese. It is Portuguese-speaking, has a Portuguese civilisation, and its institutions and laws are modelled upon those prevailing in Portugal. Including in Spanish America the whole of the nine republics—of course excluding Brazil—the five republics of Central America, but including Mexico, we have what constitutes an enormously fertile area, capable of extraordinary development. But it is doubtful if any similar area of between 3¼ and 3½ million square miles is comparable in actual fertility to the United States of Brazil. Any reader who has an atlas handy on his library table should turn up the map of Brazil, and compare it with the other continents of Asia, Central America, and Mexico, particularly, if it is a map that gives the elevations of the various parts of the different republics showing the mountain area and the low-lying rich and fertile plains. A large part of nearly all the Western republics, for example, are occupied by the plateaus on the foothills of the Andean chain of mountains; and, consequently, that part of the area cannot in any sense be [illegible] at all. The Andes [illegible] run through Central America. Nevertheless, what remains of that great chain of mountains does tend to lessen the fertility of the greater part of that area, while the varied altitudes in Mexico constitute that country almost a continent; that is to say, in the higher altitudes it is capable of producing those commodities which we associate with the temperate zone, while in the lower, or hot, lands it is eminently capable of growing all those products which we are accustomed to associate with the Tropics.

Take Brazil, then, on the Equator or the northern shore of the Amazon River, almost down to Sao Paulo, and we have one of the richest areas in the world. We have the well-known and fully explored eastern plateau, including the Northern States, with the rich States of Piauhy, Parahyba, Fernambuco, Bahia and Goyaz, comprising the great coffee, tobacco, sugar and cotton States. Beyond this region, and on the west side of the Atlantic plateau, we have the great trough of the South American continent. This is, of course, essentially—particularly in the north—a tropical region, in which almost every kind of rich tropical product can be produced in enormous quantities.

We have said enough, therefore, in this and in former articles, to show that Brazil is capable, were she equipped with adequate plant and had she an adequate population, of supplying Europe with enormous quantities of food and of raw materials, and particularly so for this country, which is not able to raise any [illegible] and she will continue to remain very much as [illegible] produce she is so pre-eminently able to raise from her

We said last week that no arrangement could be permanent between nations, any more than between individuals, that did not rest upon services which each are capable of rendering to the other with mutual advantage. Now it so happens that Brazil and this country are eminently capable of rendering mutual services to each other at the present time. We require a continuous and ever-increasing supply of raw materials and of foodstuffs upon the lowest economic basis of values upon which we are able to obtain them from any part of the world. No amount of Protection that can be devised by law would enable us to feed ourselves and to secure raw material in adequate quantities which would enable anything like the existing population of the island of Great Britain to be maintained. It is reasonably certain that no serious scheme of Protection will be adopted, because the price of it would be to permanently resign ourselves to a very much smaller population than it is now possible to maintain upon these islands; and as our safety as an Empire depends upon our maintaining a large population it is practically certain that we shall remain for all practical purposes a Free Trade market as we have been in the past. Now it is perfectly useless for Brazil, or for any other country, to attempt to supply either ourselves or any other people in the outside world with food or raw materials upon the basis of war values. That period is at an end, and is likely to remain at an end until the world is unfortunate enough to find itself involved in another great war. Meanwhile, in order to hasten the period of recuperation it is essential that we should get as large a supply of food and raw materials as we can and upon as low an economic basis of values as possible. In order to enable Brazil to do this, however, it is essential that she should develop her own natural resources. She cannot, with a population of twenty-six millions in an area of nearly three and a-half million square miles, produce adequate supplies of anything. At present, she is unduly dependent upon the coffee industry, which, in the nature of the case, can never cater for a market offering an unlimited demand. Quite recently she has developed a frozen-meat industry. But this is too new to enable us to say with any degree of accuracy whether she will be able to hold her own as a permanent source of supply of cattle to Europe. We hope and believe she has the ability. To attain that end she should import a greater number of beasts of approved strain than she has done in the recent past, and she should aim at the improvement of the breed of her own native cattle to a greater extent than has been done hitherto. This she is doing to a large extent, but it is desirable that the good work should be pushed forward as rapidly as is convenient. Now the part that we can play is supplying Brazil with plant of various kinds upon such an economic basis of values that she will be able to raise enormous supplies of food and raw materials to pay for such plant. She has within her own borders sources of power which, if adequately developed, should revolutionise our conception of the prime cost of power production. She has the greatest potential system of water-power known to the civilised world; and this only requires to be made useful by the adaptation of hydro-electric plant. She has rich coalfields. But the coal is not considered of equal value to that obtainable either in Europe or in the United States. As we explained last week, she has some of the richest iron-ore deposits known to exist in any part of the globe. But in order to develop any of these, and particularly to develop her production of food, fibres, and mineral resources in which three spheres of activity she is capable of excelling, she will require what we call investment of capital—in other words, she will require to be supplied, and primarily it is to be hoped supplied from this country, with the means of developing those resources. And, in addition, she could take from us the more expensive kinds of textile fabrics for the clothing of a large proportion of her population.

THE BANK OF TAIWAN, Ltd.

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Capital, Y. 60,000,000. Capital Paid up, Y. 45,000,000.
Reserve Fund, Y. 9,680,000.

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The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa, conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlement, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

Short-Term Notes.

A method of raising funds now frequently resorted to by companies is the issue of fixed-interest-bearing redeemable notes, the term being usually seven years. The subjoined table gives details of the issues of this nature made since the beginning of the year which have received a quotation on the London Stock Exchange. It will be noticed that some of them are quoted at a premium, while others stand at a considerable discount.

Short-Term Note Issues—January to November 3rd, 1920.

	Month of Issue, 1920	Notes	Nominal Amt.	Price of Issue	Present Price	Interest allowed
			£			
B. S. A. ...	... Jan.	6½	12-Yr.	2,500,000	99	91½	100
Cayzer & Maw	... June	7½	5-Yr.	300,000	100	100	7½
Crosse & Blackwell	... June	7½	10-Yr.	300,000	100	91½	7½
Harris (Lime) and the Cons. Prod. Co.	... July	8%	6-Yr. Conv.	600,000	96	95½	100
Lovibond, South & Poole Electric Supply	... July	7½%	7-Yr.	150,000	100	98	100
Parsons, United Electric Works	... July	7½	15-Yr.	200,000	100	94	105
Vickers ...	... July	7	7-Yr.	1,500,000	95	94½	100
Johnson, Matthey	... July	8%	7-Yr.	250,000	97½	101	100
Vauxhall ...	... Oct.	10	5-Yr.	300,000	100	95	10
Amalgamated Textiles	Oct.	8%	7-Yr.	600,000	97½	84½	100
R. & J. Dick	... Oct.	8%	7-Yr.	250,000	97	99	100
Explosives Trades	... Oct.	8%	7-Yr.	3,000,000	99½	96½	100
Dorman ...	... Oct.	8%	7-Yr. (1926)	500,000	97	93½	100
Beardmore ...	... Nov.	8%	7-Yr.	1,000,000	97½	42½(47½pd.)	100
Ebbw Vale ...	.. Nov.	8	7-Yr.	3,000,000	98½	43½(50pd.)	100
Santa Gertrudis	... Nov.	8%	5-Yr.	300,000	98	3½(50pd.)	110
Woodhead Tramway	Nov.	6%	£1,10-Yr.	1,500,000	98	20½(50pd.)	100
Nitrate Co., Ltd.	... Nov.	8%	7-Yr.	2,500,000	98	94½	100
Gordon Hotels	... Nov.	8%	7-Yr. Conv.	250,000	100	56½(60pd.)	107
Spanish Mines ...	. Nov.	8%	16-Yr.	700,000	97½	28½(25pd.)	102

It is only in recent months that this type of issue on the part of companies has been used to a large extent, a fact that is not very difficult to understand. On account of the increased difficulty of borrowing from banks, those who are urgently in need of money, and who could not otherwise obtain it except by disposing of their stocks in a falling market, find the above method well suited to their purpose. It has the added advantage of not involving a permanent addition to the capital, which would be undesirable, while interest rates are at their present high level. This form of borrowing, however, may involve dangers for the companies themselves if an adequate sinking fund is not provided for the retirement of the notes on maturity, and on that account investors would be well advised to examine carefully the terms of each such issue before subscribing. Another disadvantage, from the point of view of the investor, is that the security offered is very slender in a number of cases. In some instances of such issues made recently the noteholders are secured on specific assets of the company, while they have also an assurance that no further charges on the assets of prior rank will be created without their consent. In too many cases, however, no security is given beyond the goodwill and general standing of the borrower, and the inadequacy of such intangible assets, especially in the present

period of trade depression, could hardly be counted upon. In many instances, if the company were forced into liquidation, the noteholder would be in the same position as the ordinary trade creditors. Naturally, in consideration of these circumstances, and also on account of the comparatively short currency of the notes, the rate of interest offered is generally very high, but even so it is questionable if, in a few cases whether the yield obtainable fully covers the increased risk attached.

These remarks have, of course, only a general application, and each case must be examined on its own merits. There are certain desirable features, however, which should obtain in all emissions of the type under discussion, and intending subscribers would be well advised to look for them in the case of particular issues. These may be enumerated as follows: the notes should be adequately secured by trust deed on specific assets of the Company; there should be a covenant that no further charges ranking in priority be created without the consent of the noteholders; trustees should be nominated to safeguard the interests of the noteholders; and, finally, an annual sinking fund should be provided sufficient to redeem the notes at maturity.

French Loan Success.

The new French loan, for which the subscription lists closed on November 10, has, according to unofficial reports, resulted in a success greater than has attended any previous emission of the French Government. Beyond this it is difficult to obtain a reliable estimate of the actual amount of the subscriptions, but the final result is expected to be in the neighbourhood of Frs.25,000,000,000. It is generally asserted that, while the proportion of new money received is up to expectations, the amount received in short-term bonds of the Government, as well as in the old Rentes, will make a good improvement in the position of the floating debt. As a considerable part of the large note issue will also return from circulation as a result of the loan, the finances of our Ally will be in a materially sounder position. An improvement in the foreign value of the franc is confidently expected by French financiers as a result of the loan success, but whether the improvement will include a greater purchasing power of French currency in the United States or in this country is, of course, difficult to say in view of the progress of deflation here and in the United States.

Important Banking Amalgamation.

It is reported that arrangements are now completed for the absorption of Becketts' Banks of Yorkshire by the London County Westminster and Parr's Bank. The former institution, founded as far back as 1750, comprises two private banking firms, Messrs. Beckett and Co., of Leeds, who have a fixed note issue of £130,757, and Messrs. Beckett and Co., York, and East Riding Bank of York, whose fixed issue is £53,392. The combined note circulation was £153,690 on December 31, 1919. The partners' capital stood at £600,000 on that date, and deposits and credit balances amounted to £10,740,917, as against £10,191,883 a year previously. The assets exceeded £10,000,000 at the end of 1917 for the first time in the history of the firm; by the end of 1918 they had risen to £11,250,000, and at the date of the last balance sheet, December 31, 1919, they exceeded £12 million. Despite the growth of joint-stock banking the firm was able to maintain and, indeed, strengthen its hold upon its Yorkshire *clientèle*. It has twenty branches and ten agencies distributed throughout the North, as well as numerous correspondents in the United Kingdom and all parts of the world. The fusion will redound to the benefit of the woollen industry of the North, as it will place at its disposal the extensive resources of the London County Westminster and Parr's Bank.

Seven Towns Loan Result.

The astonishingly meagre amount of the recent Seven Towns issue taken up by the general public provides a striking comment on the present financial situation. The actual results of the loan are set out in the following table:—

Loan.	Amount offered.	Public applications.	Amount allotted.
	£	£	£
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	300,000	[illegible]	285,000
[illegible]	400,000	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Previous corporation and county issues made recently have been none too successful, but the results of this latest loan constitute a record failure. It is all the more remarkable as the issue was made at the time of the large Government disbursements on December 1. Its failure, of course, reflects in no way on the credit of the municipalities concerned, and was largely, if not altogether, due to the scarcity of funds for investments of this type. Were there in this country, as in France, a large number of *petits épargneurs*, no doubt the loan would have been taken up easily, as its terms possess considerable attractions for this class of investors. As it was, the bulk of the subscriptions had to come from a class who are at present more urgently in need of cash than securities. It is possible, however, considering the present level of market quotations for other recent corporation and county issues, that the underwriters will not find much difficulty in unloading their holdings.

Conditions in Turkey.

According to the Monthly Market Review of the National Bank of Turkey, the general situation in Turkey and contiguous areas has disimproved instead of ameliorating during October. The export trade has been extremely dull, and in consequence the exchange value of the piastre has depreciated further in terms of dollars, sterling and francs. The exchange on London was 423 piastres to the £ at the end of September; by the end of October the quotation had risen to 445½. On the same date the New York rate was 77½c. to 100 piastres, as against 82¾c. at the end of the previous month. French francs were 12.15 to 100 piastres, as compared with 12,30. The Milan rate, exceptionally, moved in favour of Turkey, the respective quotations at the beginning and end of October being 19.60 lire and 20.70 lire per 100 piastres. The Commodity markets are generally very quiet; supplies of some commodities are large, but in others a pronounced shortage exists and imports are restricted by the weakness of the exchanges. Reports from South Russia, from Asia Minor and from Roumania are all of an unfavourable nature. Under existing conditions many of the foreign banks have found themselves compelled to restrict their accommodation to merchants in certain branches of commerce.

New Token Coins.

On Monday next [illegible] will be issued [illegible] in accordance with the provisions of the Coinage Act, 1920. This measure, it may be recalled, was put through the House of Commons before last Easter, and owed its origin to the high level of silver prices in the early months of the year, making the bullion content of our silver coins worth more than their face-value. The new coins will be [illegible] formerly. The old silver pieces will be gradually withdrawn from circulation. This reduction of the fineness of the [illegible] has already been made in most other countries. Though the [illegible] has now passed, yet it will have the effect of saving the Treasury [illegible] of unnecessary expenditure in the provision of their silver coins.

American Topics.

FEDERAL RESERVE SYSTEM.

DURING the third week of October the American Bankers' Association held their annual Convention at Washington, when various important addresses were delivered by distinguished bankers from different parts of the United States, as well as by Mr. David Houston, Secretary of the United States Treasury. A large proportion of the addresses was taken up by discussing the heavy seasonal demands upon the banks of the United States occasioned each year by the moving of the crops. There were speeches upon the working of the Federal system during the progress of the recent War. But perhaps the most interesting address from the point of view of readers in Europe was that dealing with the limits imposed by the extent of their resources upon American bankers in the granting of credits. As we explained last week, although the United States came out of the War with many advantages and in a far more favourable economic position than any of the other belligerent countries, she did not in reality increase her wealth. She acquired experience of European conditions, and in a sense of world-wide conditions, which may be, and indeed should be, of real value to her in the future. Some of her experiences were of real economic value, but very few of them can be turned to immediate advantage. She certainly acquired, as we did here, a remarkable facility for producing enormous quantities of goods in a relatively short time, but in the absence of markets to consume those goods in times of peace the acquisition of such knowledge is a doubtful advantage. We in this country during the War created great factories, and we showed that with the employment of only a small measure of skilled labour and plenty of machinery and a large measure of unskilled labour it was possible to multiply our output of various kinds of munitions to a remarkable extent. In very few instances, however, has it been found practicable to adapt these factories to peace conditions, and in very many cases these factories have had to be scrapped. The real difficulty is that though there is abundance of demand for various kinds of commodities in Europe, as well as in other parts of the world, there is comparatively little of what economists call effective demand. The number of people who might desire to possess a motor-car or a steam-yacht has little economic significance unless those who desire to make such a purchase have some economic value to offer in exchange which would enable them to satisfy such desires. As various bankers pointed out at the Convention held in Washington, the United States Government and the American banks have been urged to grant enormous credits to impoverished Europe, which would enable this continent to purchase whatever supplies of foodstuffs and raw materials Europe might desire. The bankers naturally pointed out that to grant such credits was not banking, but philanthropy, and would only in the sequel leave the recipients in a more unsatisfactory position than they are in at present. Europe can only hope to recover by devoting herself to increased production and gradually saving each year some little which will enable her in due course to reduce her already abnormal indebtedness to the United States. Europe's difficulties arise not from the need of credits, as she has had too many already, but from her extraordinarily heavy expenditure beyond her accumulated resources. One of the great difficulties of the United States, of Argentina, of Japan, and of those countries whose exchanges are unfavourable to us in particular and to Europe in general, is that we all in Europe have bought from those countries more than we have been able to pay for either in the export of goods or in the rendering of services. American bankers and the United States Government wisely declined to grant credits which would only involve impoverished Europe in further indebtedness. Europe in the pre-War period was the great source from which, owing to her accumulated resources, the newer countries of the world were accustomed to obtain such capital as they required for the development of their resources. Europe in the post-War period has very little accumulated resources which she is in a position to employ overseas. Consequently the newer countries of the world must rely upon themselves for the means of developing their resources to an extent that they have not hitherto been accustomed to do in recent times.

As was clearly demonstrated at the discussion which took place at Washington at the meeting of the Bankers' Association, American bankers realise that they require the bulk of their available accumulated resources for their own trade and for the development of their own country. The export trade of the United States has to be financed, but it has been made clear, as the result of experiences obtained during the recent War, that if that export trade is to be retained she will require to spend very large sums in the development of new resources. We pointed out last week that it is estimated that during the next few years the taxation alone will amount to something between £800,000,000 and £1,000,000,000. This is a very heavy charge for even a great and rich country like the United States to sustain. Experience obtained during the War showed that while in money values her exports multiplied between five and six times over, in volume they only appreciated to the extent of about twenty-five per cent. In other words, the United States is no longer in a position to supply the rest of the world with the commodities purchased from that country upon a low basis of economic values. In addition, it has to be borne in mind that, in the case of those countries having an adverse exchange with the United States, there is a heavy additional charge over and above the ordinary profits of trade. In our own case it amounts to, in round figures, about thirty-three and one-third per cent. It is evident that while this state of things continues the United States export trade is working, and will continue to work, under a heavy handicap. How these difficulties will ultimately be adjusted will largely depend upon the policy adopted by the incoming President and his Administration after March next.

SOUTH AFRICAN RAILWAYS.—The open track mileage of railways operated in the Union at June 30, 1920, totalled 11,478, made up of 9,542 miles of S.A.R. lines, 1,285 miles of lines in South-West Protectorate, and 651 miles of private lines.

THE FREDERICK HOTELS, LIMITED.—The transfer books of the Four per Cent. Perpetual Debenture stock of this Company will be closed from December 17 to 31, 1920, both days inclusive, for the preparation of [illegible] warrants.

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Insurance Notes.

GUARDIAN ASSURANCE COMPANY, LIMITED.

ANNUAL REPORT AND QUINQUENNIAL LIFE VALUATION.

In the course of next year this important insurance Company will complete its first century of existence. It now takes rank with the great composite companies, whose doors are open to every description of insurance business (except industrial) which is usually transacted by joint-stock undertakings. For the greater part of its career its operations were limited to the life and fire sections, but a good number of years ago they were extended to the accident and miscellaneous sphere, and the tranaction of marine insurance was commenced in 1917, following the purchase of the Reliance Marine Company of Liverpool, which had successfully specialised in that section since 1881. On the Reliance absorption the share capital was reorganised as follows: The subscribed amount is £2,000,000, of which £1,000,000 is paid up, there being 200,000 Five per Cent. Preference shares of £4 each, fully paid, and 400,000 Ordinary shares of £3 each with 10*s.* paid. In respect of 1917 and 1918 dividends were paid on the Ordinary shares at the rate of 6*s.* per share in each year, of which 2*s.* was paid as interim and 4*s.* as balance dividend. The declaration in respect of 1918 appeared to be conservative, for the amount required for the distribution of both the Ordinary and Preference dividends was nearly covered by the Company's net interest earnings in that year. An expectation of an increased dividend for 1919 might not have appeared over sanguine twelve months ago, especially as the interim dividend in respect of that year was 3*s.* per share, or 1*s.* higher than in each of the two preceding years. But any such anticipation has not been realised, the full year's dividend arising from the 1919 operations being 6*s.* per share, as for 1917 and 1918, and an examination of the annual report and figures for last year shows that in not recommending an increase of dividend on this occasion the directors have acted rightly. Although a considerable amount of trading profit was made in 1919, it was barely sufficient in itself to provide for the depreciation in the shareholders' funds, which were written down to market values at the close of last year, simultaneously with provision for depreciation in the life fund's investments as ascertained on the occasion of the quinquennial life valuation. It was right that the depreciation difficulty should be fairly faced, and through their action in this matter the directors have facilitated the earning of improved profits by the shareholders in future years. The dividend has again been covered by interest earnings, and under normal conditions the trading profit from a fine and well-managed business cannot indefinitely remain a negligible quantity.

As was the case with many other offices engaged in life business, the new business returns of the Guardian in that section showed a very large increase for 1919, concurrently with the restoration of pacific conditions. New life policies were issued for £1,594,971, of which £94,650 [illegible] sole [illegible] being £1,500,321, [illegible] £988,897 in 1918. The life assurance revenue account for 1919 [illegible] operations in the direct Guardian business and those in the acquired Westminster life account. The direct Guardian premium income was increased by £24,783 to £[illegible],217, [illegible] from a total of £[illegible],426 [illegible] as consideration for new annuities granted during the year. The expense ratio was about 13.1 per cent. of the premiums, [illegible] looking to the increased new business and to other well-understood conditions; and it is, indeed, below the average in the experience of this section for the last ten years. The amount of the Guardian death claims, £213,461, is stated to be below the expectation. Endowment assurances for £59,778 matured by survivance. The Westminster life premiums amounted to £24,294, and the Westminster claims by death and maturity to £63,677. The quinquennial valuation in the cases of both Guardian and Westminster policies was made by the O^M Table (with some unimportant exceptions) in combination with net premiums and three per cent. interest, which gives good opportunity for profits being earned from interest and economical working. It may be mentioned that the actual net interest yield on the Guardian life funds during the quinquennium was £3 17*s.* 9*d.* per cent., after deduction of income tax. The margin of premiums reserved at the valuation as a provision for expenses and profits is about 20.4 per cent. After provision for depreciation in securities in the Guardian life fund amounting to £262,228, that fund prior to the valuation adjustments amounted to £3,874,090. The surplus as compared with the valuation liabilities amounted to £202,158, while £23,571 had been paid during the quinquennium as interim bonuses on claims. The total profit of the quinquennium in the Guardian section thus amounted to £225,729, of which it was decided to carry forward £18,974 to the now current quinquennium, and to apportion £206,754 amongst participating policyholders and shareholders, according to the Company's regulations. Shareholders obtain one-fifth thereof, or £41,351. The participating policyholders' share of £165,403 is reduced by the amount paid as interim bonuses to £141,833, which is sufficient to provide uniform reversionary bonuses of 15*s.* per cent. on the sums assured in respect of each premium paid during the past quinquennium. Although this is considerably less than Guardian participating policyholders received on many previous quinquennial occasions, the fact that any general distribution was made in respect of the last quinquennium places them in a more favourable position than their contemporaries in many other first-class companies. In the Westminster life fund a specially heavy provision for depreciation, amounting to £121,377, had to be made over the quinquennium, and although the relative fund (£527,151) showed a small surplus, it was not found possible to declare a bonus to the policyholders in this section.

The main results in the other sections of the Company's business in 1919 were as follows:—

Fire Department.—Premium income (increased by £229,654), £1,022,124; net interest earnings, £14,989; depreciation in securities written off, £51,180; transfer to profit and loss, £58,011; relative fund at close of year, £1,056,070.

[illegible] Revenue Account.—Premium income (increased by £64,827) £382,856; net interest earnings, £13,496; depreciation in securities written off, £11,549; transfer to [illegible] £38,802; [illegible] year, £288,466, after provision for outstanding claims.

Marine Insurance Account.—Premium income (decreased by £18,974), £252,054; net interest earnings, £21,940; depreciation in securities written off, £873; transfer to profit and loss, £36,571. The marine fund at close of year, amounting to £430,367, looks very strong.

Redemption Assurance Account.—Premium income, £11,068; net interest earnings, £2,627; depreciation in securities written off, £18,439. After transfer of £4,975 loss, profit and loss account thereto the relative fund at close of year amounted to £79,047.

Profit and Loss Account.—In addition to the departmental transfers thereto (less departmental transfer therefrom) this account is credited with net interest earnings and fees of £37,778 not elsewhere taken into account; and also with £8,270, representing one-fifth of the proprietors' share of the profits arising from the quinquennial valuation. The same account is debited wth £52,156 for taxes on profits, £1,386 for subscriptions to charities, £24,216 for depreciation written off securities, and £10,000 transferred to staff pension fund (thereafter amounting to £20,400).

The directors report that the total sum written off the assets in all departments during the past quinquennium for depreciation in securities is £715,010.

The total assets, as shown in the Company's balance sheet on December 31, 1919, amounted to £9,600,351. In a note thereto the directors certify, *inter alia*, that the values at which the Stock Exchange securities were taken were the market prices or less at the close of the year, and that in their belief the assets were in the aggregate fully of the value stated in the balance sheet, less the investment reserve fund, which apparently belongs to the life department and amounted to £22,000.

Excluding capital, life fund, marine fund, redemption assurance fund, staff pension fund, and investment reserve fund, the following reserves appear to be carried forward to 1920 after provision for the full shareholders' dividends (Preference and Ordinary) in respect of 1919:—

Fire insurance fund ...	£1,056,070
Accident, &c., fund	288,066
Profit and loss balance	193,553
Shareholders' life profits balance	33,081
	£1,571,170

This sum represents about 112 per cent. of the total premium income in 1919 in the fire and accident departments.

City of London Reinsurance Company.—The directors' report for the period ended September 30, 1920, states that the reorganisation of the capital of the Company from £50,000 to £500,000 was effected towards the end of last year, with a view to undertaking insurance business in connection with tariff fire and general insurance companies. An application for the Company to become an Associate was made to the Fire Office Committee, and the Company was admitted in March last, so that the operations of the new Board cover only about six months of the period under review. The revenue from all sources amounted to £47,525, which, with the credit balance at March 31, 1919—£8,861—makes a total to the credit of revenue account, less reinsurance and returns, of £56,387. Claims paid and outstanding and expenses of management absorbed £55,358, leaving a credit to this account of £1,019. The cost of meeting liabilities on policies issued prior to the appointment of the present Board considerably exceeded the estimated amount of this account when the capital was increased. Net premiums before the reorganisation amounted to £13,651, and the claims to £28,532. In this connection the report states that the fire and accident policies were for definite periods, and have now all expired, and that the marine policies were for cargo and voyage only. On the business written since that time the premium income amounted to £31,133 and the claims to only £9,208, thus showing that the new business has been carefully selected. A reserve of forty per cent. on this business has been set aside in the accounts for unexpired risks, and this the directors consider ample. The balance sheet shows investments in Five per Cent. National War Bonds, 1922-23, £87,051; cash at bank and in hand, £2,544; sundry debtors and dividends accrued but not paid, £34,283, whilst sundry creditors and claims intimated but not paid amounted to only £15,943. As has been announced, the directors contemplate developing the marine department, and for this purpose Mr. Leonard H. Brading, for the past six years underwriter to the Motor Union Insurance Company and its allied groups, has been appointed principal underwriter to the Company.

DIVIDENDS ANNOUNCED THIS WEEK.

		1920	1919	1918	1917	1916
BANKS:						
[illegible]		[illegible]	15	15	15	15
BREWERIES AND DISTILLERIES:						
[illegible]		[illegible]	15	10[illegible]	2[illegible]	5
[illegible]		[illegible]	15[illegible]	14[illegible]	10	12[illegible]
COMMERCIAL:						
[illegible]		[illegible]	10	10	10	15
[illegible]		[illegible]	5	5	5	5
[illegible]		[illegible]	20			
[illegible]		[illegible]	10			
[illegible]		[illegible]	17½	20	21	22½
[illegible]		[illegible]	—		—	—
[illegible]		[illegible]	—			
[illegible]		[illegible]	—			
[illegible]		[illegible]	15	15	15	20
[illegible]		[illegible]				
[illegible]		[illegible]	10	10	10	10
[illegible]		[illegible]	20	20	20	20
[illegible]		[illegible]	5	—	—	—
[illegible]		[illegible]	10	10	10	10
[illegible]		[illegible]	5	12½	12½	11
[illegible]		[illegible]	1	—	—	—
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	10	22½	5	5
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	10	10	10	10
[illegible]		[illegible]	—	—	—	—
FINANCIAL:						
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	1	1[illegible]	2[illegible]	1[illegible]
Government & Gen. Invest. Def.						
[illegible]		[illegible]	10	10	5	5
[illegible]		[illegible]	15	15	30	25
INSURANCE:						
[illegible]		[illegible]	15	15	15	15
IRON, COAL AND STEEL:						
[illegible]		[illegible]	5	—	—	—
[illegible]		[illegible]	5	5	10	5
[illegible]		[illegible]	10 (B)	12½	10	10
[illegible]		[illegible]	5	5	5	5
[illegible]		[illegible]	12½	12½	12½	15
[illegible]		[illegible]	—	—	—	—
MINING:						
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	7½	8[illegible]	10[illegible]	10
[illegible]		[illegible]	7½	7½	—	—
[illegible]		[illegible]	90	90	110	—
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	20	2[illegible]	35[illegible]	35
[illegible]		[illegible]	20	20	30[illegible]	2[illegible]
RAILWAYS—INDIAN:						
[illegible]		[illegible]	10	5	5	6[illegible]
SHIPPING:						
[illegible]		[illegible]	—	—	—	—
Parley Steam Navigation		[illegible]	—	—	—	—
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	—	—	—	—
TEA, COFFEE AND RUBBER:						
[illegible]		[illegible]	5	5	10	15
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	40	20	30	40
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	5	30	5	20
[illegible]		[illegible]	25	12½	12½	13[illegible]
[illegible]		[illegible]	10	10	5	20
[illegible]		[illegible]	15	12	12	12
[illegible]		[illegible]	5	25	10	12
[illegible]		[illegible]	5	—	—	—
[illegible]		[illegible]	2½	15	15	15
TRAMWAYS AND OMNIBUS:						
[illegible]		[illegible]	5	5	5	5
WATERWORKS:						
[illegible]		[illegible]	—	—	—	—
[illegible]		[illegible]	7	7	7	7

* Plus [illegible] total for 1920. (B) Host [illegible] (D) Quarterly [illegible] shares for two held. (E) 45 shares sub-divided. (G) Plus 2s. [illegible] (D) Bonus, one new share for each share held.

Sell's World's Press. The handbook of the fourth estate. Founded by Henry Sell, thirty-sixth edition, 1921. Edited by E. T. Brown. (London: Sells, Limited, 168 Fleet Street, E.C. 4.)

The Project of a Permanent Court of International Justice and Resolutions of the Advisory Committee of Jurists. Report and Commentary by James Brown Scott, Secretary of the Carnegie Endowment for International Peace. Published by the Endowment, Washington.

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Rubber Topics.

THE crisis [illegible] an acute stage. During the week smoked sheet fell below 1s. per lb. [illegible] on which day standard crêpe was quoted at 1s. 0½d., and at one time it was [illegible]. However, the effects of the restricted outputs should soon begin to be felt. The November returns show in all cases compliance with the request of the Rubber Growers' Association, and in some cases the reduction is much greater. Grand Central Ceylon record only a crop of 359,939 lb., as against 509,583 lb. in November 1919. The Seafield rubber crop drops from 100,003 lb. in 1919 to 51,760 lb. Langen (Java) return 46,996 lb., as against 74,000 lb. [illegible] has passed over the interim dividend, reports a crop of 63,700 lb., as compared with 86,600 lb. in 1919. This tendency to refrain from declaring interim or final dividends just now is becoming general, and is not only justifiable, but even necessary in view of the present situation in the Commodity market. Vallambrosa, with its record of high dividends, has adopted this conservative policy. Another recent adherent is Bukit Panjong. This Company has sold over sixty per cent. of its 1919 crop at a gross average of 1s. 9.97d. per lb., and has future contracts covering ninety-six [illegible] 1921.

LANGKAT SUMATRA.

Issued Capital: £100,000.

Results for Years to December 31:

	Acres	£
1916	[illegible]	[illegible]
1917	[illegible]	[illegible]
1918	[illegible]	[illegible]
1919	[illegible]	[illegible]

Price of Shares, 32s. 6d. Market Capitalisation per planted acre, £89.

LIKE so many other rubber companies, the report [illegible] for the year ended December 31, 1919, is a record of satisfactory achievement. The final crop of [illegible] provement on the previous crop. Furthermore, [illegible] at the satisfactory price of 2s. 4.17d. per lb. Consequently, the average price realised by the sale of [illegible] 1s. 6.2d. per lb. in 1918. Again, the increased output [illegible] duction per unit; but, owing to the higher price-levels prevailing during the year for stores and materials, as well as for wages, and to the greater loss incurred in exchange operations (the loss for 1918 was £144; for 1919, £1,178), the "all-in" cost only dropped [illegible] less, with a profit per lb. of 10.4d., as against 3.4d. in the previous year, there was secured a net profit of £21,897 in 1919, or more than three times the net profit of 1918. With this marked improvement in the net profit, it was possible to allot to shareholders the satisfactory dividend of twenty per cent., as against twelve and a-half per cent. in 1918. And this dividend was paid after transferring £3,500 to the reserve, thus [illegible] and machinery, leaving these assets standing in the balance sheet at the nominal value of £1. There is carried forward to the next accounts a balance of £4,675, as compared with £3,348 brought forward from 1918.

Before the close of 1919 it was agreed to increase the authorised capital of the Company from £75,000 to £100,000 with a view to the issue of bonus shares. The reserve of £25,000 (including the allocation of £3,500 out of the profits of the year) was capitalised, and shareholders received a bonus issue of one fully-paid share for every three shares already held. It is this issued capital of £100,000 that will rank for dividends during 1920. For the current year the Manager estimates a crop of 500,000 lb. The return of 248,700 lb. for the first seven months indicates that the final crop will again fall short of the estimate, apart from any scheme of restricted output that may come into force before the close of the year. This deficiency is explained, in part by the drought that has been experienced in the Langkat district, and in part by the fact that it was considered advisable to rest some trees entirely and to tap others less drastically. However, on the whole the outlook for this Company for 1920 is encouraging. As regards the sixty per cent. excess profits duty, it is well to recollect that with an issued capital of £100,000 a datum line of £18,887 gives scope for a reasonable dividend. Furthermore, the Company is in the happy position, in view of the present stagnant conditions of the market for the raw material, of having disposed in advance at the gratifying average price of 2s. 4.1d. per lb. of 120 tons of its current crop, or rather more than half its estimated crop. Added to this, forward contracts have been arranged covering the disposal of 100,000 lb. of the 1921 crop at an average price of 2s. 6½d. per lb. Financially its position, as seen in the balance sheet dated December 31, 1919, is very strong. Instead of including, as other companies have done, refunds received on account of excess profits duty in the profits for purposes of distribution, it has allocated them to a reserve against future taxation, which now stands at £7,784, and, as a further sum was expected, this reserve would benefit accordingly. Including the final dividend for 1919, absorbing £11,250, current liabilities amounted to £24,982; whereas the total of available liquid assets exceeded £69,238. At a market price of 32s. 6d. for the shares the market capitalisation is as low as £89. Assuming a dividend of thirteen per cent. for 1920, the shares yield at the [illegible]

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Issued Capital : £77,625 in shares of 2s. each,

Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1918... 966	851	381,504	448	1/9¼	1/0¼	12,834	7,763	10
1919...1191	—	365,417	—	1/7·21	1/0·24	3,708	—	—
1920...1191	—	430,559	—	1/11·43	1/0·13	19,658	11,644	15

Price of Shares, 3/8¾. Market Capitalisation per planted acre, £121.

The report presented by Kuala Pergau Rubber Plantations for the year ended February 29, 1920, records a considerable improvement on the results of the previous year. As against an estimate of 403,000 lb., there was harvested a crop of 430,559 lb., which represents an increase of nearly 75,000 lb. over the crop of 1918-19. During the year under review there was a marked advance in the cost of working rubber estates consequent upon not only the higher rate of wages that had to be paid, but also upon the higher prices ruling for stores and materials. Hence, in the absence of an increased crop, the cost of production per unit must have risen. However, in this case the growth in the crop was almost sufficient to neutralise the increased expenditure involved in the outlay on stores, materials and wages. Accordingly, the "all-in" cost per lb. only moved up from 1*s.* 0.21*d.* to 1*s.* 0.46*d.* On the other hand, with more favourable conditions ruling in the market for rubber, the average price realised by the sale of the crop amounted to 1*s.* 11.43*d.* per lb., or over 8*d.* per lb. in excess of the average sale price secured in 1918-19. The joint result was that the profit per lb. nearly reached 10*d.*, as against a little over 3*d.* in the previous year. With the larger crop, the profit expanded in amount from £3,708 to £19,658. In view of the recent heavy outlays on the extension and improvement of the estates—in the year under review above the estate account was increased by nearly £3,200, whilst nearly £500 was added to the buildings account—the directors wisely decided to transfer £7,500 to the reserve account, thereby raising the total to £12,500. Shareholders, for whom 1918-19 was a barren year, are consoled by the satisfactory dividend of fifteen per cent., which leaves a balance of £3,810 to be carried forward to the next accounts.

Prospects for the current year are clouded by the dismal depression now in being in the Rubber market. Before this condition had set in, the Company had anticipated a crop of 450,000 lb. However, the eight months of unrestricted tapping, ended October 31, only yielded 271,670 lb., indicating that, even in the absence of any restrictions, it was unlikely that the estimate would be realised. Should the reduction of twenty-five per cent. be adopted, the final crop will not exceed 390,000 lb. This would tend to make for an increase in the cost of production. No information is supplied as to the existence of forward contracts. In their absence, it seems very unlikely that any dividend will be declared for the current year. Advantage may be taken of the curtailment of the crop to extend the area under rubber. On the other hand, the directors may well question the wisdom of locking up liquid capital in this manner under the existing conditions of stringency. It is to be hoped that, when normal conditions are restored, the transport facilities will have improved to such an extent as to free the Company from complete dependence upon their launches. As usual, reports show the estate to be in a very satisfactory condition. Financially the position as disclosed in the balance sheet dated February 29, 1920, is sound. Including the dividend of £11,644, current liabilities did not exceed £18,220, whereas liquid assets were available to a total of £23,107. There has been little dealing in the shares of late. Holders are evidently content to weather the storm. The last quotation, towards the end of July, was 3*s.* 8¼*d.*, corresponding to the market capitalisation of £121 per planted acre. This is high enough, in view of the current depression.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

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St. Swithin's House,
St. Swithin's Lane,
London, E.C.4.
General Manager: J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street,
London, E.C. 4.
Actuary and Secretary:
Chas. Windett.

Commercial.

THE COTTON INDUSTRY.

For some time past practically all sections in the cotton trade have been working short time, but the results have so far not been reflected in the export trade. If we take the figures of exports for November we find that they are larger than in October, though representing a substantial decrease on the early part of the year. The figures for yarn and piece goods are shown in the following table: —

	Yarn (Lbs.)	Piece goods (Sq. Yds.)
January	16,458,200	414,757,300
February	11,962,700	341,389,200
March	16,072,100	397,148,700
April	11,100,500	322,818,300
May	14,280,000	413,251,000
June	14,800,700	405,813,400
July	15,320,800	394,129,600
August	12,927,700	366,540,300
September	11,588,500	282,158,600
October	10,576,000	304,941,900
November	11,002,100	342,922,500

It will be seen that the yarn exports reached high-water mark in January, and again attained a substantial figure in July, since when they have consistently declined. The piece goods exports attained their maximum in May, and, though the November exports represent an increase of thirty-eight million square yards as compared with the previous month, they are more than 100 million square yards below the exports for last May. The value of the yarn sent out of the country was £3,836,317, and of the piece goods £27,641,188, as compared with £3,089,637 and £19,156,835 respectively in November 1919, representing a total increase in value of £9,231,033.

Although the export figures do not make an altogether favourable showing compared with the best months in the year, the degree of activity registered is very satisfactory in view of the curtailed time now being worked in Lancashire. It is probable, however, that the orders filled in November and previous months represent commitments undertaken long ago, and we must wait for later trade returns to reflect the apathy that is at present manifest in practically every department of the Manchester trade.

The position at the moment lends unusual interest to Mr. Tattersall's annual analysis of the reports of Lancashire cotton-spinning companies for the twelve months ended November 30, 1920. The figures show that record dividends have been paid. In previous years it has been possible to give comparative figures relating to profits, but very few cotton companies in Lancashire now issue balance sheets, and statistics of a reliable character are not available. Particulars have been obtained, however, of 100 companies, the average dividend being 29.47 per cent. on share capital. The payments have absorbed £2,263,899. It may also be said that thirteen companies during the year have made bonus calls amounting to £241,927 out of profits. From a dividend point of view 1920 has been the best year ever experienced in the Lancashire trade, the average dividend for 1919 being twenty-one per cent., whereas previous to that year

the most prosperous year was 1907, when there was an dividend was easily earned per cent. The 100 mills dealt with contain 3,921,064 mule spindles, 1,190,512 ring spindles, and 5,8[illegible] 2,910 weft spindles.

The past year opened with the trade [illegible] but [illegible] the early summer a [illegible] has shown a decided [illegible] the [illegible] having much difficulty in securing the produc[illegible] of yarn and cloth. Both American and Egyptian, are running short time. It is probable that the [illegible] will be less [illegible] many companies will probably be compelled to reduce [illegible] dividends. Certainly nothing [illegible] last spinners' dividends constituted a record for the cotton trade. It will occasion no surprise, therefore, if the figures are not surpassed in the current year. The rise in the value of sterling in Continental and [illegible] countries has [illegible] imports at the moment continue to be fairly heavy. For November they exceeded 1¼ million centals, and for the eleven months totalled 17,030,094 centals. The latter figure, though over 1,018,000 centals less than for the corresponding period of 1913, represents a value of £236,062,064, as compared with £59,131,527 in the year before the War. News from America continues to be favourable. The sixth ginning report of the season, issued by the Census Bureau, shows that the [illegible] ginned up to December 1 was 10,145,000 bales, an increase of 1,301,000 bales on the amount ginned to the corresponding date last year. Since the last report, made up to November 15, 1,225,000 bales have been ginned, comparing with 1,256,000 bales in the corresponding period of last year. Comparisons with a year ago show an increase of 1,323,000 bales in Texas, bringing the State's total to 3,423,000 bales, which is the second best on record, the highest having been in 1914, the bumper crop year, when 3,747,000 bales were ginned in Texas to date. Other increases are: 207,000 bales in Arkansas, 134,000 in Oklahoma, 71,000 in Louisiana, and 13,000 in Tennessee. States showing reductions are: Georgia (295,000 bales), North Carolina (84,000), Alabama (61,000), South Carolina (39,000), Arizona (22,000), and Virginia (7,000). The total includes 192,000 round bales, 1,000 bales Sea Island, and 48,000 bales American-Egyptian, comparing with 100,000, 6,000, and 24,000 bales respectively last year.

The following table gives the details, with comparisons:

	1920.	1919.	1914.	1913.
Alabama	[illegible]	[illegible]	[illegible]	[illegible]
Arizona	[illegible]	[illegible]	[illegible]	[illegible]
Arkansas	[illegible]	[illegible]	[illegible]	[illegible]
California	[illegible]	[illegible]	[illegible]	[illegible]
Georgia	[illegible]	[illegible]	[illegible]	[illegible]
Georgia	[illegible]	[illegible]	1,565,000	[illegible]
Louisiana	[illegible]	[illegible]	[illegible]	[illegible]
Mississippi	[illegible]	[illegible]	[illegible]	[illegible]
Missouri	[illegible]	[illegible]	[illegible]	[illegible]
North Carolina	[illegible]	[illegible]	[illegible]	[illegible]
Oklahoma	[illegible]	[illegible]	471,747	[illegible]
South Carolina	[illegible]	[illegible]	1,241,656	1,055,676
Tennessee	[illegible]	[illegible]	[illegible]	[illegible]
Texas	[illegible]	[illegible]	2,325,701	[illegible]
Virginia	[illegible]	[illegible]	[illegible]	[illegible]
Other States	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	9,713,529

Why Prices Rise and Fall, by F. W. Pethick Lawrence; and *Capital and Labour on Their Merits*, by A. C. Pigou. Two half-crown works being Nos. 5 and 6 of a series on "The World To-day," under the general editorship of Victor Gollancz. Mr. Lawrence's book explains that the basis of prices is the relation of supply and demand, and gives an illustration many examples taken from everyday life. Professor Pigou, while not concealing his own views as to the right policy to be pursued in the matter of a levy, endeavours to write in a scientific spirit, setting out both sides in a non-partisan fashion.

Statistics of the State of Tasmania for the Year 1913-19. Compiled in the office of the Government Statistician from official records. John Vail, Government printer, Tasmania.

Industrial Companies.

AMALGAMATED COTTON MILLS TRUST.

Issued Capital: £7,250,000, in 2,000,000 7½ Preference Shares of £1 each and 4,650,000 Ordinary Shares of £1 each.

——Results for Years to October 31——

[illegible]

Exhibition at the White City could scarcely fail to have been impressed by the powerful influence of an efficient advertising propaganda in pushing the sale of any commodity. Those who reflected, however, must also have perceived the deeper and more valuable lesson—that efficiency is the keynote of success in all branches of finance, industry, and commerce. Hence efficiency in organisation and administration are as vital factors in the prosperity of any individual organism as efficiency in advertising the finished product. It is the recognition of this great truth that has given birth to the large-scale organisations so characteristic of trade, commerce, and finance in the twentieth century. Where these amalgamations have been effected upon a true economic basis they have invariably reaped a measure of success far beyond that which the individual [illegible] could [illegible] Because of the gigantic size of the combine important economies not only in administrative expenses, but also in actual operating expenses, in the buying of the raw materials and stores, and in the selling of the finished product, are realised. Moreover—and in these days of financial stringency this fact is of no small importance—this large and self-sufficing unit, because of its stability, is in a better position to command financial support from the banks or from the general public.

The Amalgamated Cotton Mills Trust furnishes an excellent illustration of a recent combine in that dominant section of our textile industries. Here is a financial Corporation which has secured control of many of the most important firms in the Lancashire cotton industry. Thus it holds all the Ordinary capital of the [illegible] one of the oldest and most famous cotton-spinning firms, which itself controlled no less than seven important concerns. Other acquisitions include Eckersley's Cotton Trust, the Wardle Cotton Company, and Horrockses, Crewdson and Company, with its wide range of merchanting connections. This latter acquisition brought into the group a firm whose name was almost a "household" word in the industry. Altogether, no less than seventeen of the outstanding firms engaged in the various branches of the cotton industry have been included within this combine. And all this work has been accomplished in a little over two years. The process of growth has, however, been most marked in the last year, 1919-20. On October 31, 1919, the total issued capital was £1,000,000; on October 31, 1920, it had jumped to £7,250,000. It is true that of the latter total £2,250,000 represented an issue of bonus shares made to shareholders during the year, but nevertheless the actual rate of expansion from £1,000,000 to £5,000,000 represents a remarkable achievement.

The Amalgamated Cotton Mills Trust is thus a highly organised combine, and the nature of the firms [illegible] efficient seems evident from a perusal of the accounts. [illegible] and the financial results here summarised in the table at the head of this article. Obviously, with a sevenfold expansion of capital, comparison between

the two trading periods is a matter of great difficulty. However, it is remarkable that whilst the issued capital —excluding the bonus shares of £2,250,000—rose from £1,000,000 to £5,000,000, the revenue was multiplied sixfold. Even if the comparison is effected between the actual expansion of the capital from £1,000,000 to £7,250,000, the rate of increase in the revenue was no less rapid, if allowance is made for the fact that not all the firms contributed to the profits for the whole year under review. Thus Haslams were not acquired until March; the profits of Horrockses, Crewdson and Company were only available after January 16; whilst the Wardle Cotton Company, having been purchased only just before the close of the year under review, did not figure in the profits at all. Furthermore, it is no less essential to bear in mind the crushing burden of taxation now in force. Thus it is stated that no less than £1,800,000 had to be reserved by the subsidiary companies to meet their liability under the excess profits duty, the corporation profits tax, and the income tax. In the light of these facts it is evident that under more normal taxation, and with all the subsidiaries contributing for the full period, the rate of expansion of the profit would at least have been equal to that of the capital. Expenses have grown from £27,752 to £80,689; but the rate of increase is less than three to one, as against a growth in profits of over six to one. Here is a forcible illustration of the economies in administrative charges which can be effected in gigantic organisations of this type. In 1919 a sum of £7,157 was set aside, representing fifty per cent. of the preliminary expenses. This year no such allocation was necessary, for the balance of these expenses, as well as the cost of all the new issues, including the bonus issue, was written off out of the premium on shares account, which, despite these deductions, still amounts to £458,086. Moreover, as was pointed out on a former occasion, being a holding Corporation there is no need for the accumulation of reserves. Consequently, after the deduction of the expenses, the net profit of £778,589 is all available for purposes of dividends. The growth in the Preference share capital from £800,000 to £2,600,000 accounts for the increase in the total of the dividend from £26,490 to £88,085. The ordinary dividend is again paid free of tax, but the rate works out at twenty-two and a-half per cent. (over thirty-two per cent. subject to tax), as against forty per cent. (almost fifty-six per cent. subject to tax) in the previous year.

It is necessary to recall, however, that the dividend of forty per cent. had reference only to a capital of £200,000, and absorbed £80,000, whereas the dividend of twenty-two and a-half per cent. called for more than seven times as much. This dividend was paid in two instalments. An interim dividend of fifteen per cent. free of tax, absorbing £225,000, was paid on an issued capital of 1,500,000 shares in March. The final dividend of seven and a-half per cent. free of tax, amounting to £348,750, is now proposed by the directors on a capital of 4,650,000 shares. Moreover, this increased capital ranking for the final dividend included the bonus issue of 2,250,000 shares in the ratio of three shares for every two held. Allowing for this bonus, the dividend paid to the original shareholders works out at thirty-three and three-quarters, as compared with forty per cent. in 1918-19. Notwithstanding the pronounced increase in the sum required to meet the Ordinary dividend, the amount carried forward to the next accounts is increased substantially from £769 to £117,524.

Reference has already been made to the transformation in the capital account during the year from £1,000,000 to £7,250,000. The change took place in three steps. In December 1919 there were issued 1,300,000 Ordinary shares of £1 each at a premium of £2 per share. The bonus issue of 2,250,000 Ordinary shares was made in April 1920, and the following month 1,800,000 Preference shares at par and 900,000 Ordinary shares at a premium of 5*s.* per share were successfully placed. The funds thus secured were mainly utilised to purchase the controlling interests in the different firms. The resulting changes in the balance sheet can be seen in the following table: —

	October 31, 1919	October 31, 1920
LIABILITIES.	£	£
Ordinary shares	200,000	4,650,000
Preference shares	800,000	2,600,000
Mortgage and interest	103,866	378,782
Loans and interest	—	218,394
Sundry creditors	897	2,378
Premiums on shares	—	458,086
Bank overdraft	-	197,734
ASSETS.		
Cash	61,109	—
Dividends accrued	-	566,301
Loans and interest	—	1,264,845
Preliminary expenses	14,315	—
INVESTMENTS.		
In associated companies	1,179,197	6,987,397
Sundry	178,969	153,099

Apart from the increase in investments in associated companies, the other main changes are all connected with the general financial stringency of the period. This explains the expansion in advances to the combine in the form of loan or mortgage from £403,866 to £597,176, and the existence of a bank overdraft of over £197,734, as compared with a cash balance of £61,109 in 1919. We regret that the accounts are not a little more explicit on this point. There is no advantage to be got by not including the actual cash in hand as an asset, instead of deducting it from the overdraft and giving only the difference. This decline in liquid assets is more apparent than real. The combine is owed no less than £566,301 in dividends by its constituent companies; whilst a measure of the extent to which it is financing these companies is furnished in the total of £1,264,845 for loans and interest. Thus the position as disclosed in the current balance sheet is financially sound. All liabilities, other than those on capital account, and including £348,750 in respect of the final dividend on the Ordinary shares, do not exceed £1,146,034, whereas loans and dividends due to the combine amounted to £1,831,146. Again, current liabilities, including the bank overdraft, were not greater than £548,867, and were amply covered by the total of £719,400 in the form of dividend accrued and other investments, which are of a very liquid character. It is furthermore stated that the stocks of the subsidiary companies, valued conservatively, exceeded £7,000,000, and that there was a surplus of liquid assets over all trade liabilities, including taxation, of over £5,000,000.

The immediate outlook of the cotton industry as a whole is clouded by the trade depression, which has recently been rather acute. With short time in force in the sections using both American and Egyptian varieties, prospects for the current year are naturally not so bright as those of the year under review. It is not possible yet to hazard an opinion as to the duration of the present unsatisfactory trade conditions. At the same time it is well to remember that the reduction in the price of raw cotton is bound to prove of advantage, especially to such an organisation as the Amalgamated Cotton Mills Trust, which is better able to buy in the cheap markets and to refrain from sacrificing its stocks at unremunerative prices in order to secure liquid capital. The fundamental point is that such a combine is in a more favourable position to weather the storm than smaller individual concerns. Apart from the substantial increase in the amount carried forward and the existence of a share premium account of £458,086, it is to the good that the net profit earned by all the subsidiary concerns during the year under review, after making ample provision for taxation, "was considerably in excess of the amount declared in dividends." This fact would seem to indicate the existence of a reserve that might be utilised for the equalisation of dividends. The companies are well-equipped to meet any expansion in the trade demand, considerable extensions having been made during the year. Thus, if the immediate prospects are rather uncertain, there is little doubt of the more distant future. As the Premier recently pointed out, Europe is clamouring for manufactured goods as well as raw materials, and as soon as the exchanges have been

THE GRAMOPHONE COMPANY, LIMITED.

Issued Capital: £850.000. in 100.000 5 Pref. and 750.000 Ordinary Shares of £1 each.
Debenture Stock : £300.000 5 First Mortgage.

As shown by its trading results the Company experienced the usual difficulties in the transition from the manufacture of war materials to its ordinary business. The profits, which amounted to £215,750 in 1918, fell to £142,397 last year, and in the report which is presented for the twelve months to June 30 last the recovery shown is comparatively small, the balance of profits after providing for income tax and depreciation amounting to £147,962. It is satisfactory to learn, however, that the work of reorganisation has now been successfully completed. Interest and sinking-fund charges amount to £22,800, the same as in the five preceding years, leaving a net profit of £125,162. The usual sum of £5,000 is absorbed in Preference dividends, and the Ordinary dividend, which is maintained at seven per cent., absorbs £112,500, the same as last year. There remains a transfer of £8,500 is made for the purpose of writing off stamp duty on the additional capital created during the year, leaving £40,064 to be carried forward, as compared with £40,901 brought in from 1919.

The balance sheet shows an increase of £850,000 in the nominal capital. The war contingency fund, the Debenture redemption fund and dividend equalisation fund together amount to £176,887. Amongst the assets the item land and buildings shows a slight increase at £153,842, whilst the net additions to machinery and plant amount to £47,356. An expansion of £194,861 is shown in stocks, which figure at £708,162. Debtors have likewise increased by over £182,200, and in view of the large reduction in creditors it is therefore only natural that cash holdings, which amounted to £513,350 in last year's accounts, should [illegible] investments at £14,758 remain unaltered. The stringency of liquid capital consequent upon the heavy [illegible] by the reduction in the surplus of liquid resources from £496,732 to £182,255. In considering the financial position of the Company it should not be overlooked that patents, goodwill and trade marks are not included among the assets, having been written off by the transfer of £184,816 from [illegible] reserves in 1917. Besides, land and buildings appear to be valued on a [illegible] which the Company held in Russia, Germany and Austria were written off during the War, but the recovery of some of these properties may be eventually [illegible].

Since the date of the present accounts important developments have occurred. The 500,000 5% Ordinary shares of £1 each have been issued at a premium of 5s. per share to acquire a controlling interest in the Victor Talking Machine Company, Limited. The agreement provides that in respect of the next three financial years the existing Ordinary shares will rank [illegible] the new shares for dividend, but thereafter will rank pari passu with the new shares in respect of dividends. The new shares will be entitled to a cumulative preference dividend at the rate of seven per cent., and participate equally with the new shares in [illegible] per cent. on the new shares. The old Ordinary capital being £750,000 the fusion will give the American Company a controlling interest in the undertaking. It was stated at the general meeting that no pronounced effect upon the current year's trading is likely to result from the new capital resources or closer association with the Victor Company. The ultimate benefits accruing from the combination are likely to be very considerable, however.

In consequence of the depressed condition of industry as a whole, the marketing of the Company's products [illegible] difficulties, although the disabilities which characterised the period of transition to normal production no longer exist. However, the maintenance of the dividend of fifteen per cent. on the old Ordinary shares can scarcely be considered doubtful. The expansion of profits beyond the present level is primarily a matter for the American Company, which in seeking a ready return upon its new investment incidentally helps to guarantee the position of the old Ordinary shareholders.

The prices and yields of the different stocks of the Gramophone Company are set out in the following table, the yields on the Ordinary shares being calculated on the basis of a fifteen per cent. dividend :—

5% 1st Mortgage Debentures	£	%

DALGETY AND COMPANY, LIMITED.

Issued Share Capital : £1.500.000. in 50,900 5 £10 Pref. and 200,000 £20 Ord. Shares, £5 paid up.
Debentures : £499,910 4½%, £1,725,544 4%, both irredeemable and £100,048 5% and £12,200 4% terminable.

1917	627,404	111,581	238,477	277,346	132,119	130,000	13	110,000	102,771

The remarkable success which for many years has [illegible] the affairs of this [illegible] produce merchants is still further pronounced in the report presented for the twelve months ended June 30 last. Net profits reached the record total of £340,829, or over £7,500 more than last year, despite the growth of nearly £87,000 in general expenses, the writing-off as a special charge against revenue of £111,500 from the value of investments, and £50,000 as against £30,000 from premises. The comparison is still further improved when account is taken of the adverse climatic conditions which prevailed in Australia during the first half of the period under review, the drought causing heavy losses of stock and seriously affecting the wool clip both as to quantity and quality. Whilst Australasian taxes figure for £11,600 more in the accounts, English taxes are reduced by nearly £26,500. The Preference dividend absorbs the usual sum of £25,000, but Debenture charges have been further reduced by £2,890 to £98,251. The Ordinary dividend (free of British income tax) is [illegible] per cent., involving an additional distribution of £10,000. The allocations to reserve and to the staff benevolent fund remain the same at £50,000 and £10,000 respectively, leaving £198,[illegible] against £120,928 brought in.

The position as shown in the balance sheet is [illegible] an analysis of previous a[illegible]

Analysis of Balance Sheets at June 30.

	Liabilities.			Assets.				
	Capital.	Reserve and Carry forwd.	Creditors.	Premises, Plant, &c.	Cash, Bills, Debtors, Invest.	Merchandise	Advances	
	£	£	£	£	£	£	£	
1914	4,068,093	818,915	3,156,488	815,409	2,811,392	288,950	4,621,564	
1918	3,360,209	1,021,571	2,485,831	559,263	3,150,085	428,483	3,377,750	
1919	3,913,042	1,091,928	2,696,758	560,360	3,128,191	555,215	3,678,162	
1920	3,877,002	1,156,760	3,165,841	559,291	2,969,465	762,851	4,067,996	

* Including Debentures stock. † Including staff benevolent fund (£31,000) at June 30, 1920.

Included in the item capital is Debenture stock, in which the reduction this year amounted to £63,940. With the allowances now made for depreciation and the staff fund amount to £900,000 and £131,000 respectively. Sundry creditors are £409,116 the greater, at £3,165,851, a total which is, however, substantially below the outstandings in the 1914 accounts. Premises and plant, which figured at £815,409 in 1914, now stand at only £559,291, the net reduction this year after charging depreciation being £51,302. Debtors, general investments, and bills, all show considerable reductions, but cash holdings have grown by nearly £104,000 to the large total of £798,778. The investment of the reserve fund is mainly represented by Government and Colonial securities, the depreciation of which has involved a heavy drain upon profits. Sundry stocks show a further expansion of nearly £227,600, and advances (which have been made principally on land, stocks and wool) have also grown by over £378,800. It will be seen that corresponding with the expansion in the item of sundry creditors a pronounced tendency has been exhibited in favour of distributing the liquid capital of the Company in much the same proportion between the different items as in 1914. The financial position of the Company is obviously strong. The fixed assets represent a very small proportion of the total resources of an undertaking of this nature, and it is not surprising therefore to find that the liquid assets excluding stocks exceed current liabilities by over £3,895,000.

The outlook for the current year is very satisfactory in some respects. The general agricultural prospects in Australia are bright and the wheat crop in particular promises to be a record. Besides, the export trade from Australia is no longer hampered by lack of shipping facilities, and the exchange situation is particularly favourable at the moment. Disturbing factors, however, are the downward tendency of prices and the disappointing market at present for the wool clip. Still a concern like Dalgety and Company possesses sufficient financial resources to enable it to cope with any difficulties which may arise in this respect. The following table shows the prices and yields of the different stocks of the Company, the yield on the Ordinary being calculated on the basis of a distribution of fifteen per cent.:

	Par.	Price.	Yield.
	£ s. d.	£ s. d.	%
5% Preference shares ...	1 0 0	0 12 6	7.5
Ordinary shares ...	5 0 0	10 3 9	7.4
4½% Inscr. Debs. ...	1 0 0	0 13 0	7.1
4% Do. Do. ...	100 0 0	61 10 0	6.5

Excludes.

IMPERIAL CONTINENTAL GAS ASSOCIATION.

This Company, which was established in 1824, and incorporated in 1853, received further extensions of powers in various years up to and including 1916. Prior to the War it supplied gas in Antwerp, Brussels, Brux, Flushing, Graslitz, Komotau, Prague, and Saaz, and electricity in Brussels and Komotau. It also possessed important interests in other gas undertakings. Its share in the Frankfürt-on-Maine Gas Company has been disposed of to the Municipality of Frankfürt; and the Berlin and Hanover businesses were liquidated by order of the German Federal Council. Its Belgian properties suffered heavily during the War; and in all the claims of the Association to the Reparations Commission came to £16,000,000. In October £185,000 was received in respect of pre-War debts in Germany, and recently a sum of £1,740,527 came to hand from the Controller of the Clearing Office (Enemy Debts) on account of the liquidation of the Association's German assets. It is expected that another £1,000,000 will follow, and the balance of the claim will be dealt with by the Reparations Commission.

A meeting will be held on December 21 to consider the distribution of the Association's surplus assets. The capital stock is £4,940,000, and Three-and-a-half per Cent. Debentures exist to the amount of £1,154,640. It will be seen that recent and prospective payments are much in excess of the Ordinary stock. The meeting on Tuesday week will decide details as to the distribution, but at the last meeting it was suggested that sixty per cent. of the Debenture debt should be paid off at one hundred and five per cent., and that sixty per cent. of the Ordinary stock should be repaid. The latter last received a dividend in May 1915 of two and a-quarter per cent., and a distribution of twenty per cent., tax free, to cover accumulated dividends is foreshadowed, to be paid from the Company's reserve, which, according to the last balance sheet, amounted to £400,000. The stock stood at 155 early in the year, but by November 29 it had receded to 132. Business was done on Thursday and Friday at 145-150. If the stock is purchased in the market at 150 and £60 is repaid, the net amount sunk will be £90, on which a dividend of twenty per cent. will represent a return of 22⅔ per cent. Dealings in the Debenture stock have taken place at 94½, and if the method of repayment is by drawing, the average yield will obviously, on large holdings, work out at three-fifths of 11½, that is, seven per cent.

ROBINSON AND CLEAVER, LIMITED.

Allotted Capital: £200,000 in 200,000 5 % Cum. Preference Shares of £1 each; £250,000 in 250,000 Ordinary Shares of £1 each. 4½% 1st Mortgage Debenture Stock (authorised and issued), £200,000.*

Year ending July 31	Trading Profit.	Debt Int.	Pref. Div.	Ord. Div.	To Reserve	Carried forward	Trade Profits.
	£	£	£	£	£	£	£
1916	21,754	18,000	Nil			7,232	168,000
1917	35,582	18,000	Nil			16,647	186,418
1918	56,116	18,000	7,500	5	20,000	29,063	220,456
1919	96,178	18,000	10,000	7½	50,000	109,241	249,144
1920	78,413	18,000	12,500	5	20,000	39,154	288,824

* Redeemable before January 1, 1921, at £110 ; and afterwards at £105.
† Less income tax.

The ill-luck that characterised the trading operations of this Irish dry goods firm up to 1917 extended back to 1907, as in the period embraced between these years the Ordinary shareholders did not participate in the profits. The outside investing public was, however, little disturbed by this, as these shares are held entirely by the directors and their friends. Since 1916 the fortunes of the Company have taken a turn for the better, and from the above table it will be observed that up to 1919 trading profits have shown a progressive increase. To a large extent a self-contained unit—it undertakes the retail marketing of its own manufactured linen products—the concern possesses some advantages which are not without weight.

Trading profits for 1920, at £78,413, revealed a set-back compared with the £90,478 registered for the previous year. To the former amount has to be added the sum of £45,656 brought into the accounts and a small sum for transfer fees, which provides an aggregate total of £124,092. Of this total, after deducting various charges, including provisions for an instalment towards the sinking-fund for the redemption of the Company's leaseholds and for the depreciation of fixtures, there remained available for disposal a balance of £103,590, as against £94,656 last year, and out of this the directors recommend the payment of the usual dividend on the Preference shares. The five per cent. tax-free distribution to the Ordinary shareholders absorbed £12,000, an increase of one per cent., or £2,000, on last year; to the reserve fund £30,000 was again allotted. Staff benevolent fund again received £2,000, and the carry-forward of £52,090 compares with the £45,656 of the preceding year.

In the balance sheet shops, warehouses, and factories are entered at £978,265, the corresponding figure last year being £668,429. At cost they are entered at £828,779, but through the medium of general depreciation and other funds have been written down to the lower figure. In 1913 the Company purchased some extensive additional premises in London, payment of which was to be made by instalments. Of a total purchase money of £120,000, the balance of £110,000 still appears as a liability in the balance sheet, no change in this respect having been made from last year. Turning to the remaining assets, stocks-in-trade have increased by £100,651, and general investments fund at cost, at £58,433, denotes no change from 1919. Sinking-fund investment account shows an advance on 1919 from £2,475 to £2,951. Sundry debtors have increased by £31,503 to £90,517; cash at hand, at £1,419, reveals little difference, but cash at bankers and the investment in the Four per Cent. Funding Loan, which in combination figured at £39,055 in the 1919 balance sheet, make no appearance in the present. Amongst the liabilities, cash due to bankers, however, reaches £59,825, while another important current liability, sundry creditors on open account at £126,763, has risen by £10,906. The allocations made to reserve fund in the past few years have now brought it up to £110,000.

At their present price the Preference shares give a yield of eight and [illegible] per cent., but as to [illegible] tax

New Issues.

5 15 YEAR TREASURY BONDS (SERIES B).

Particulars of these bonds, which are still on offer, appeared in THE STATIST of November 6, 1920.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier issues.

THE STOLL FILM COMPANY, LIMITED.

Offer at par of 200,000 Ten per Cent. £1 Cumulative Preference shares.

The Company was established in London on April 18, 1913, as film renters to cinema theatres, the subscribed capital being £100,000, divided into 99,900 £1 Ordinary and 100 £1 Founders' shares. In May this year a subsidiary undertaking, Stoll Picture Productions, with a callable capital of £400,000, was floated, and the pictures produced are exclusively marketed by the parent enterprise. The present issue is being made in order to repay bankers' loans and to provide further working capital. The prospectus states that "the capital of the Company, namely, £300,000, plus the assets, namely, £268,642, i.e., £568,642, exceed the liabilities, including all loans and the expenses of this issue, by about £315,000." This method of portraying the Company's financial position is, to say the least, very undesirable. Capital naturally can never be an asset and the present issued capital is only £100,000. The surplus of £315,000 must therefore be pointed to £300,000, giving an actual surplus of £15,000. Deducting the latter amount from the assets we obtain £253,642 as the total liabilities (including expenses of the present issue). As the chartered accountants certificate shows liabilities, exclusive of loans and interest, at £29,330 it must be concluded that loans (plus interest due and expenses of this issue) amount to £224,306, and that the actual loan liability is about £200,000 the value of the shares now offered. The validity of the claim that surplus assets exceed £15,000 is further impaired by the existence of such items as "Amount receivable from Stoll Picture Productions (including £99,950 on shares) as £151,155," "advances to licensees" at £52,369, "film patterns and copyrights, cartoon Lupino," at £3,845, and "stocks of posters" at £3,362. The actual security to the £200,000 Preference shares offered is not very great at present, and the probability of it becoming strong is not immediately apparent. The profit for the twelve months ended October 31 last was £51,801, and the anticipated profits for the coming year are £65,860, thus giving ample cover for the annual Preference dividend liability of £20,000. The issue is however, we gather, to appeal to the cautious investor, particularly as there is no mention of a future quotation on the Stock Exchange. Further information may be obtained from our advertisement columns.

THE MID-KENT WATER COMPANY.

Tenders at a minimum of par will be received for £16,000 to £19 5s. per Cent. Preference shares.

The Company, established in 1896, supplies water to a statutory area of over 100 square miles in Mid Kent and also holds contracts for adjoining districts. The issued capital consists of £133,240 in Ordinary shares and £99,020 in Preference shares and stock, in addition to which there are £54,740 Debentures outstanding. Fresh funds are now required to repay bank loans amounting to £4,500, and to carry out extensions to the works and plant. Net revenue has been maintained at between £12,000 and £12,611 during the past eight years, except in 1919, when it fell to £9,104 (due to increased costs of material and labour and the statutory limitations to the Company's charging powers). Since March last, 1919, the undertaking has been granted power to increase charges by fifty per cent., and the net revenue for 1920 has in consequence risen to £12,351. As the annual amount required to pay interest on the loan capital and dividends on the Preference shares and stock, including the £10,000 now offered for tender is only £7,235, the present issue offers a well secured and permanent seven per cent. investment, which will be confined, however, to an exceptionally limited number. The last day for reception of tenders is Friday, December 17.

THE LUNGLA (SYLHET) TEA COMPANY, LIMITED.

Offer at par of £75,000 Ten per Cent. Five-Year Convertible First Mortgage Debentures.

The Company, formed in 1895, owns 15,506 acres in Assam, 6,266 acres of which are at present under tea. The abnormally depressed conditions now ruling in the tea market render it impossible to obtain funds necessary for the upkeep of the gardens through the ordinary channels of trade and consequently the present issue is offered to the public. The Debentures will be secured by trust deed as a first mortgage over the estates, buildings, and machinery of the Company. They may be exchanged at any time, on giving one month's notice, into an equivalent nominal amount of Ordinary shares and, if not so converted, will be redeemed on January 1, 1926. The estates were valued at £275,322 on December 31, 1919, thus giving an ample margin of capital security. Net profits in 1912 were £36,897; by 1916, they had risen to £67,925; but by 1919, had receded to £15,393. The annual interest on the bonds, which amounts to only £7,500, seems adequately assured. As no sinking fund arrangements have been made, it is to be presumed that the Company expect all holders to take advantage of the conversion option. The latter may be substantial when the commodity market returns to normality, but the addition of 75,000 to the 200,000 Ordinary share already existing would greatly reduce the probability of the quotation, at present standing at 16s. 9d., returning to a premium. The interest on the Debentures during conversion will necessarily be limited. The lists close on Tuesday, December 14.

ARDING AND HOBBS.

Offer at par of £100,000 £1 Eight per Cent. Preference and 20,000 £1 Ordinary shares.

The Company has carried on a large drapery and outfitting business at Clapham Junction since 1912. The issued capital is £140,007, divided in 70,000 £1 Preference and 70,007 £1 Ordinary shares, and net profits were returned as the balance of [illegible] 20 last at £193,084. The present offer, upon which we commented some weeks ago as being [illegible] for the requirements of expanding business. The Preference shares are secured as to capital and cumulative dividend, but the Ordinary are not very attractive in view of the [illegible] and [illegible] of a period of abnormal prosperity for the drapery trade. In neither case will there be any [illegible] shares. The lists close on Tuesday, December 14.

DRAKE AND GORHAM, LIMITED.

Offer at par of £50,000 Ten per Cent. Seven-Year Notes [illegible] December 1, 1927, at 105 per cent. [illegible] £10 per annum, [illegible] with redemption, £10 12s. per cent. per annum.

The Company, established in London for thirty-four years, is mainly engaged in the provision of electric light and power installations in factories, mines, and private houses. The subscribed capital of £125,000 has remained unaltered during the past twenty years, despite increased business, and the continued expansion of trade has now compelled the directors to create a mortgage debt of £12,000 and to make the present issue. Certified net assets, exclusive of goodwill, appeared in the balance sheet of June 30 last at £123,970, but a recent valuation of premises increases this figure to £128,170. The outstanding items in the list of assets are "investments" at £86,518, and "sundry debtors, including works in progress," at £147,266, against either of which there exists no specified reserve. The withholding of details as to the nature of investments and debtors is an important defect in the prospectus, and the absence of such information precludes any definite opinion on the issue. Certified net profits were £21,341 in 1918, £26,091 in 1919, and £25,279 in 1920. These figures compare favourably with the £5,000 required annually as interest on the notes now offered, but profits during an abnormal period afford no indication as to normal earning capacity. The directors and staff have indicated their confidence by taking up £20,000 of the issue, but the unsatisfactory nature of the prospectus will limit subscribers to those with personal knowledge of the financial stability of the business. The lists close on December 16, 1920.

THE VAUDEVILLE THEATRE (READING), LIMITED

Offer of 60,000 £1 Ordinary shares at par.

The Company has been formed to acquire a cinema theatre established in 1909 at Reading. The nominal capital is £120,000 in £1 shares, of which £60,000 are now offered to the public and £40,000 are allotted as purchase consideration. The theatre is at present being enlarged, and the Company undertakes to refund to the vendors £28,062 so expended by them, in addition to which it will be liable for preliminary expenses, estimated at £3,000. The balance of the proceeds of the present issue will be required to complete the programme of extension by the end of the present year. Goodwill is valued at £15,000, and the properties and equipment at £25,000. No independent valuation of the latter is given, however, nor is there any statement, beyond indefinite references to past prosperity, as to profits obtained during the eleven years of its existence. Receipts, based on one and one-eighth full houses per day, are estimated to yield a return of twenty-five per cent. on the present issued capital, but this figure makes no allowance for excess profits duty, corporation tax, or income tax. The value placed on goodwill seems extravagant and altogether out of proportion to the total value of the property. The outlook for such undertakings is uncertain, and the issue must be regarded as speculative. The lists closed on Friday, December 10.

TREBURGETT MINES.

Offer at par of 80,000 of 5*s.* each.

The Company was formed in 1919 to acquire and re-open the Treburgett Silver-Lead Mine in Cornwall. The issued capital is £27,171 in 5*s.* shares. Of this, £21,171 has been subscribed in cash (£8,133 by the directors), and the remaining £6,000, plus £525 in cash, allotted as purchase consideration. At the beginning of this year an issue of 40,000 shares was successfully placed, and in the interval a further 8,685 has been taken up for cash. The consulting engineer to the Company states that ore reserves amount to 4,500,000 tons. The mine is now equipped for an output of over 500 tons of ore weekly, and the dressing plant, on being completed, will be able to handle this amount, giving an estimated production of eighty to one hundred tons of pure zinc and silver-lead ore. The directors anticipate that annual net profits should amount to at least £19,000, and that, as the richer levels are reached, a return of £52,000 may be expected. The statement that "the values of zinc, lead, and silver are fairly steady and there will be for a long time to come very little fluctuation," may be compared with the actual facts as shown in the following table:—

[illegible]

No estimate is provided as to the percentage of either silver or lead in the silver-lead ore—a remarkable omission in view of the fact that the silver output is a dominant factor in the earning capacity of the mine, nor is there any statement as to zinc contents of the zinc ore. Prospectuses of this kind are incomplete without certified analyses and independent valuations. The list has no definite closing date.

ASH'S EAST KENT BREWERY COMPANY, LIMITED.

Offer of 20,000 £5 Eight per Cent. Cumulative Participating Preference shares and 100,000 Ordinary £1 shares. The participation rights consist of a *pari passu* and *pro rata* division of surplus profits (after a payment of ten per cent., tax free, on the Ordinary shares) up to a further four per cent.

The Company has been formed to acquire two old established breweries at Canterbury and Sandwich, seventy-two freehold and twenty-one leasehold licensed premises in Canterbury, Deal, Dover, Sandwich, Folkestone, Ashford, Ramsgate, Margate, Herne Bay, and Whitstable, a barge and freehold wharves at Sandwich. A prosperous trade is done with the seaside resorts on the Kent coast, and an increasing export business is being developed. The capital is £200,000, divided evenly between Participating Preference and Ordinary. The certified valuation of the assets taken over is £225,703, and the purchase consideration £223,170, payable as to £183,170 in cash and £40,000 in shares. The latter operation has been financed by the allocation of shares for £78,803 and the creation of a mortgage of £160,000. Preliminary expenses are estimated at £14,000, of which £2,000 is satisfied by allotment of shares. The undertaking seems capably organised, but the absence of a statement as to past profits renders it difficult to form a definite judgment. The lists closed on Tuesday, December 7.

THE SOUTH LONDON HOMESTEADS.

Offer at par of £50,000 Ten per Cent. Mortgage Debenture Stock, redeemable at 105 per cent. on December 31, 1930. Subscribers will obtain 10 1*s.* shares with every £10 of Debenture stock taken up.

The Company has been formed, with a share capital of £5,000 in 1*s.* shares and Debenture stock capital of £100,000, to acquire two freehold building estates and a brickworks at Plumstead, London. The certified valuation is £35,500, and the purchase price, £29,070, payable £15,000 in cash and £14,070 in Debenture stock. The estates have been planned to permit of the erection of 470 houses, of which twenty have been completed. The document offering the issue for sale states that £100 has been obtained for the freehold of each plot, but omits the receipts for the dwellings. All the bricks necessary for construction will be obtained from the neighbouring works, the products of which are in "stupendous demand." As a result of last year's trading alone a bonus of fifteen per cent., in addition to fixed interest, was paid on the existing debentures. Since none of the latter apparently have been issued for cash, the financing of the Company during the highly prosperous year just passed requires explanation. The omission of costs of construction, and selling prices, of the houses, and the withholding of the names of the two trustees appointed on behalf of stockholders, of the amount of capital at present outstanding, and of the terms on which the Industrial and Mercantile Trust (the vendors of the present issue) obtained the Debenture stock, will naturally prejudice the flotation.

ISSUES TO SHAREHOLDERS.

[illegible] 75,000 £1 Ordinary [illegible] December 10.

Harmony Proprietary — £75 9 0 Eight per Cent. Debentures at 90.

Kaffraria Rubber — £20 0.0 Ten per Cent. Debentures at 95, redeemable at par on June 30, 1925. Closing date: Saturday, December 11.

Ohlsson's Cape Breweries — 120,000 new Ordinary £1 shares at par.

Stevenmore Rubber — £20,000 Ten per Cent. Convertible Debentures at par, redeemable on July 1, 1923. Closing date: Monday, December 13.

Imperial and Foreign Corporation — 1,000,000 9*s.* Ordinary shares.

PENDING ISSUES.

Barrangueira Railway and Pier — £50,000 Eight per Cent. Seven year Notes.

Amalgamated Trading and Industrial — 20,000 7 per Cent. Income Bonds of £5 each.

"The Statist."

INTERNATIONAL BANKING SECTION.

VOL. XCVI.—No. 2233. SATURDAY, DECEMBER 11, 1920.

SOCIÉTÉ GÉNÉRALE (DE PARIS)

(SOCIÉTÉ ANONYME).

Subscribed Capital - -	Frs. 500,000,000
Paid-up Capital - - -	Frs. 250,000,000
Reserve Fund - - -	Frs. 51,743,124
Uncalled Capital - -	Frs. 250,000,000
	Frs. 551,743,124

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Amiens	Calais	Dieppe	Langres	Orléans	Saint-Nazaire
Annecy	Cambrai	Dijon	Laon	Pau	Saint-Quentin
Arcachon	Cannes	Dinan	Lille	Puy (Le)	Sedan
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Belfort	Cateau (Le)	Epernay	Molo-les-Bains	Royan	Tours
Bergues	Cherbourg	Epinal	Monte-Carlo	Sables-d'Olonne (Les)	Trouville-sur-Mer
Biarritz	Clermont Ferrand	Evian les Bains	Montpellier	Saint-Amand-les-Eaux	Valenciennes
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B

THE

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Reserve Fund - -	**£2,893,335**
Uncalled Capital - -	**£6,687,495**
	£11,809,995

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INTERNATIONAL BANKING.

A study of the accounts of the principal banks, in whatever part of the world they may be situated, reveals to the discerning reader the general cause of the prevailing trouble and unrest. Paradoxical as it may seem, we are suffering from too much money. Look where we will, with hardly an individual exception, the accounts show an increase in bank deposits which only a few years ago would have surpassed the wildest expectations. In normal times such an increase in the volume of a bank's deposits would have been held up with pride as an infallible index of the growth and prosperity of the bank. Now we find that such expansion is above all things evident in countries such as Austria, where the exhaustion and misery produced by the War are greatest. In fact, we find that just where production has reached its lowest ebb and the stock of everything necessary to maintain the population has shrunk to its smallest proportions, there it is that money has been most recklessly multiplied, with the object of masking the real extent of the evil. It is a well-known saying that "bank loans make bank deposits." If a bank lends money, whether to governments or to traders and others, the greater proportion of the amount so lent comes back to the bank, or to some other bank, in the form of increased deposits. We say the greater part, for some goes into circulation in the form of notes or whatever form of currency may be in use in everyday retail transactions. The creation of deposits is therefore limited by the amount of currency available for circulation; and it may be expected, in every part of the world there has been an enormous expansion of note issues. In many countries this expansion has been going on with unabated recklessness during the past year, and is still continuing without check. What the end will be in those countries it is impossible to say, but it is certain that no revival of international credit, whether on the part of traders or governments, can be expected until an end is put to the process.

In other countries there has been a definite check on the expansion of the note issue, which is fast bringing with it a check in the expansion of credit. In Great Britain the limit of the Treasury Note Circulation is fixed, not by law, but by an undertaking on behalf of the Government, at the maximum amount of the previous year. But it must be remembered that the note circulation is a necessary part of the machinery of credit expansion, and that it is utterly futile to limit the amount of the circulation, while at the same time continuing to inflate credit.

During the year under review the situation has, on the whole, been a favourable one for the banks. Prices have been maintained, trade has been active, and demand apparently insatiable. It has not been without anxiety, but the anxiety has been for the future, not for the immediate present. The policy which the banks have pursued has not been received with approval by all parties. In this country, as well as in nearly all the leading commercial countries, there has been a sharp antagonism between the interests of the producing classes and the consumers. The manufacturing and trading classes, anxious to expand their business to meet the pressing demand for their products, and having to carry stocks at very high prices, have urged the banks to grant increased accommodation. The public, on the other hand, goaded by the constantly upward trend of prices and scenting profiteering on all sides, has accused the banks of helping speculators to withhold goods from the market, and so delay the hoped-for fall in prices.

It must be remembered, however, that from the banks' point of view the situation has undergone a very considerable change since the end of the War. At that time the most pressing problem in all the belligerent classes was to get back industry from a war to a peace footing with the least possible delay, and, more especially, to absorb into the ranks of industry the enormous masses of men in the fighting ranks or engaged in munition work. This problem has been in most countries so effectually solved, and with so little friction, that the anxiety with which it had at one time been regarded is sometimes overlooked. In addition, there was an urgent need to provide for raw materials in order to give a basis for the new industrial revival. In such circumstances banks were adjured on all hands, by politicians and the public alike, that they must not be niggardly in their advances to industry. Hardly anyone anticipated the rise in prices which has occurred since November 1918; indeed, mercantile opinion distinctly feared a fall. In such circumstances the banks can hardly be blamed for lending freely, and the charge that by their conduct they have bolstered up prices cannot be substantiated.

The situation which faces the banks now is radically altered. Throughout the world there has been a distinct check in the demand for both materials and manufactured products, and prices show almost everywhere a downward tendency. The causes of this tendency are treated later. At the bottom of it all is the uncertainty due to the influence of unsound financial methods upon national currencies, aggravated by the continuance of a veiled state of war over large parts of Europe and Asia. The result is that the banks have to face insistent demands for further advances at a time when the [illegible] given during a time of very high prices. The coming year, therefore, is likely for the banks to be an anxious one. Fortunately, there is no evidence of unpreparedness on the part of our banks to meet whatever the future may have in store. The same is true of the United States, where already a period of severe monetary stringency, accompanied by a general fall of commodity prices, has been safely passed. Canadian experience has been somewhat similar, but in the Dominion, as in Australasia and the Union of South Africa, the banks have emerged from the War period immensely strengthened in resources and in a position to withstand the buffeting of financial storms. The latter not unusually arise during a cycle of trade depression into which we seem to be now entering. The returns of commercial failures show a steady increase in the United Kingdom, the United States, and all countries whose prosperity is sensitive to world influences; and as such a movement usually takes a crescendo form, and spreads in ever-widening circles, it behoves bankers to take careful stock of their position and to maintain as great a degree of liquidity as is commensurate with their duty, on the one hand, to the trading community, and on the other, to their depositors. As regard general financial policy, the swing of the pendulum from the era of inflation through which we have passed must not be too violent. To reverse completely a process that has been in operation for a number of years would only precipitate a crisis and inevitably endanger the equipoise of the commercial world, which is at present so precarious as to need careful and delicate handling.

Problems of exchange continue to be vexatious, and fluctuations in the value of many Continental currencies are a daily occurrence, to the [illegible] extremely discouraging to trade. Attempts to control exchange by Government regulations have proved futile. In order to obviate the difficulties of the situation various remedies have been discussed notably at the Brussels financial conference and at the sessions of the League of Nations in Geneva. The deliberations have so far resulted in no practical steps being taken, but the need for action is every day becoming more acute.

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80 Lombard Street,

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THE FOREIGN EXCHANGES.

THE actual exchange quotations of the pound sterling at the end of each week since the beginning of October 1919 are contained in the appended table. The accompanying charts present these quotations expressed as premiums or discounts on the pound sterling abroad with reference to the old mint parities.

For the Shanghai tael, the parity between which and the sovereign fluctuates with the gold price of silver, the discount of sterling has been calculated on the rate ruling at the end of June 1914. Again, in the case of the rupee exchange the old parity has been retained as the basis for the calculations, for the new ratio of Rs.10 to the sovereign, fixed in September last by the Legislative Council at Simla, has at present no influence on the course of exchange quotations in the open market. Measured by the new parity, indeed, the pound sterling is at a premium instead of a discount in terms of the rupee.

A general survey of the diagrams shows that since about May last two broad changes appear in the trend of international exchange values. The first is a general appreciation in the value of sterling abroad. As compared with the beginning of last May, the pound sterling now possesses a greater value in neutral European and Scandinavian centres and in South American and Eastern currencies. It will be noticed in particular that sterling has risen to a premium in Rio de Janeiro and Madrid, and that the Buenos Ayres rate, which formerly fluctuated in close sympathy with the U.S. dollar, has, since May last, moved strongly in our favour

To this rise in the values of sterling in other currencies there are some important exceptions, the most outstanding being the United States dollar and the Japanese yen—the two currencies that are still on a gold basis. In the first week of February last the New York exchange touched the low record level of $3.19½ to the pound sterling. Subsequently there was a steady improvement until by the first week of April a quotation of $4.02⅛ was reached. A reaction which followed was succeeded in turn by another improvement, but in the beginning of July there began a sharp fall which continued until early in November. In this latter movement, however, the value of sterling was not carried to the low level of February last, the lowest rate touched being 3.35. In recent weeks another recovery has set in.

These general movements of the dollar readily admit of explanation. Towards the end of 1919 the New York exchange was falling steadily, and those who had to make remittances to the United States, expecting that the downward movement would be quickly terminated, kept postponing their purchases of dollars in the hope of getting them cheaper later on. In January, however, instead of recovering, as expected, the rate continued to fall. By the beginning of February the accumulation of orders for dollar exchange came suddenly on the market, with what result we have seen. When the abnormal demands of February last were satisfied, a natural reaction occurred. The decline since July may be attributed in part to the seasonal buying of dollars in order to finance the heavy purchases of cotton and wheat in the United States. Judging by the recent improvement in the rate, as well as by a considerable reduction in bank loans in the United States during the past few weeks, it is probable that the maximum of these seasonal demands has already been passed.

An opinion as to the duration of the present improvement in the dollar value of sterling can only be made with the greatest reservation owing to the conflicting nature of the influences at work. There is one feature, however, in the existing situation which calls for attention. It is not a factor which will affect the course of rates over short periods, but, as it forms one of the fundamental determinants of exchange values under present conditions, it must have a potent influence on future movements. This factor is a change in the relative level of commodity prices in the United States and the United Kingdom. A little explanation will make clear the extent of its influence.

It is obvious that, since the gold basis for currency had to be discarded at the outbreak of the War, the old mint parities have ceased to fulfil any exchange movements. Instead of gold we have now for the most part purely paper exchanges. The new parities are to be found in the relation between the internal commodity values of the different currencies. A little reflection will show that there is a strong tendency impelling open market exchange quotations to represent the relations between the internal purchasing power of the different currencies. To take an example, suppose that the general level of commodity prices, measured by the purchasing power of the pound sterling, is the same in the Union of South Africa and the United Kingdom, there being no premium in the exchange rate between the two countries. If a fall in prices now occurs in the United Kingdom while prices in South Africa remain unchanged, a profit beyond the normal trade profit will arise on exporting to South Africa. This will tend to increase exports to the Union and so to disturb the equilibrium of supply and demand in the exchange market, by increasing the demand in South Africa for remittances to London. The result will be the establishment of a premium on exchange on London. This process will continue until it becomes no longer abnormally profitable to export goods to South Africa.

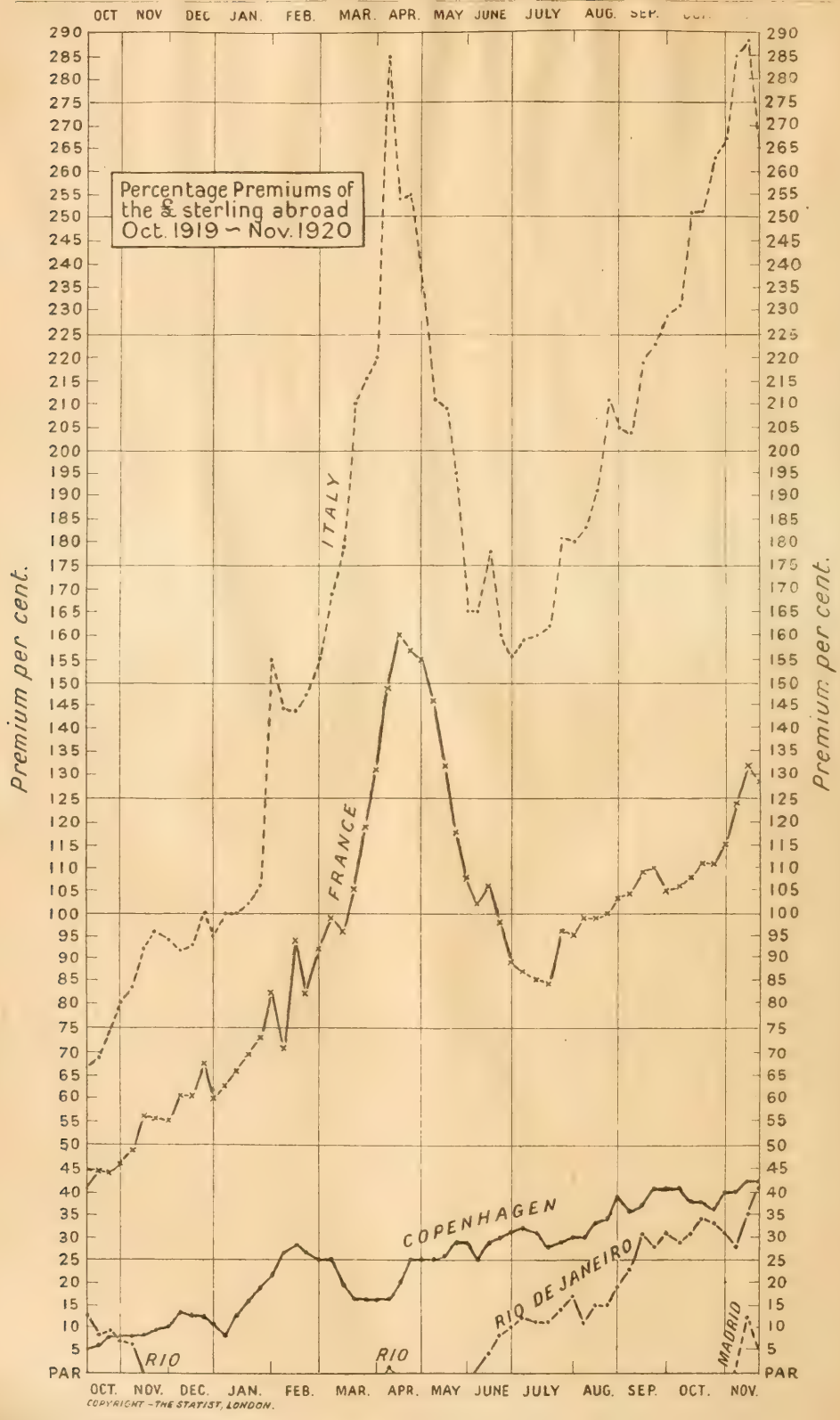
In this connection it may be noted that such a statement as "an adverse exchange is its own remedy" is misleading, while it is erroneous to say that there is a tendency for the exchanges to return to the mint parities. Such a tendency would exist if the free export of gold were permitted from all countries, but this is obviously infeasible at present. It will be possible only when prices in all countries are reduced to the pre-War basis or to the same level above that basis. Till this is effected the levels about which the exchanges fluctuate are not fixed, but, as explained above, vary with the changes in the relation between the price-levels of the different countries.

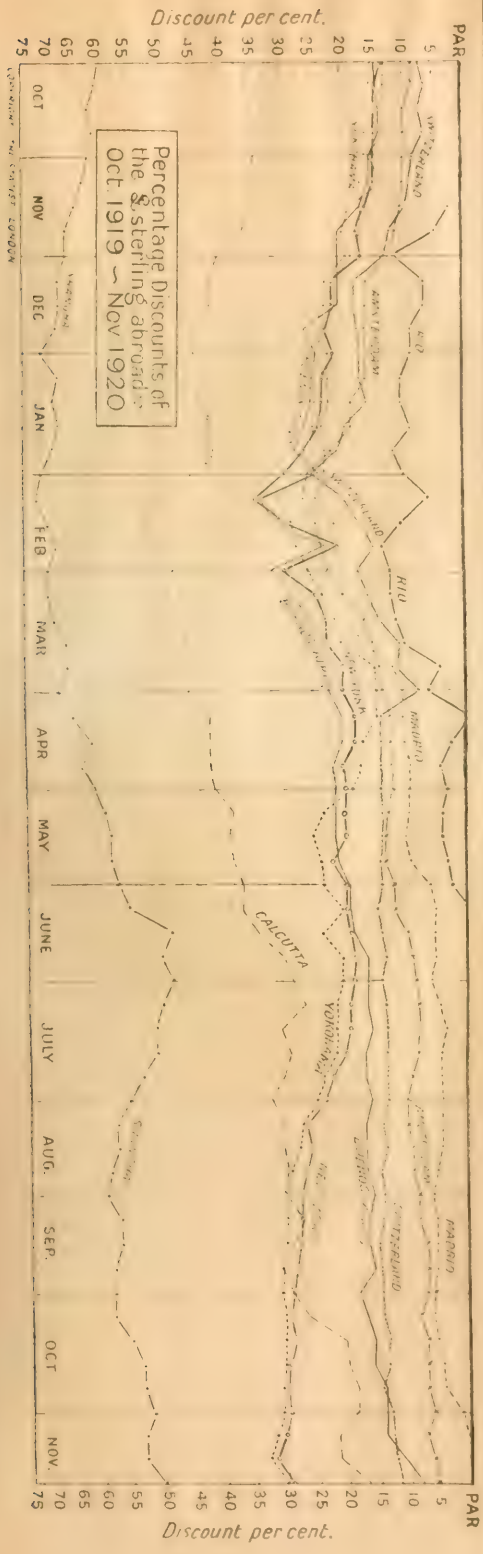
A minute mathematical test of the above proposition is infeasible owing to the difficulty of making an exact comparison of price-levels in different countries as well as to the impracticability of obtaining a statistical representation of the extent to which the free interplay of economic forces is at present interrupted by Government interference. An investigation of the available records bearing on this subject, imperfect though they be, will, however, reveal the existence of a sympathy between international commodity-price and exchange movements sufficiently close to show the importance of a study of changes in price-levels in connection with exchange rates.

On viewing the course of the New York exchange in this light it will be found that since April last prices have fallen to a greater extent in the United States than in this country. According to Bradstreet's index-numbers for wholesale prices of commodities the price-level declined by twenty-four per cent. in United States between the end of April and the beginning of November 1920; the corresponding movement for the United Kingdom was ten per cent. Other things being equal then, we should expect the dollar value of the pound sterling to fall by about eleven per cent. during these six months, or, in other words, the rate should be fluctuating around 3.44 at the end of October. A glance at the course of rates at that time will show how close actual quotations were to this level.

It need hardly be emphasised that the relation between international price-levels exercises only a general control over the course of exchange rates and that short-period fluctuations may occur independently

(Continued on page 959.)


Percentage Premiums of the £ sterling abroad Oct. 1919 – Nov. 1920
OCT NOV DEC JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEP. OCT.
Premium per cent.
ITALY
FRANCE
COPENHAGEN
RIO DE JANEIRO
MADRID
RIO
RIO
PAR
OCT. NOV. DEC. JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEP. OCT. NOV.
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(*Continued from page 957.*)

of this influence. Sufficient has been said, at all events, to show that a forecast of the course of rates between any two countries must be based on the respective trend of commodity prices.

The second general feature shown by the diagram referred to above, is that since about the end of April last fluctuations have become much less violent than in previous months. When it is considered that it is in the [illegible] and that the actual extent of their divergence from the pre-War levels lies the cause of the present difficulty in carrying on international trade, this feature will be seen as an eminently satisfactory development. While exchanges are stable, or fluctuate only within narrow limits, trade can move with certainty; but when, as under present conditions, rates are liable to fluctuate very widely within [illegible] obvious. Herein lies the necessity for re-establishing the currencies of the world on a gold basis. When gold was allowed to move freely from one country to another, as in pre-War days, fluctuations in exchange rates were very slight. If at present price-levels could be stabilised in all countries or made to move in harmony the exchanges would also remain stable, and a reversion to the gold standard would be unnecessary. In order to stabilise the general price-level, the factors which determine prices should also be regulated. That is to say, generally speaking, banking credits should not be created for unproductive uses, and the volume of currency taken in conjunction with its rapidity of circulation should be made to depend on the legitimate requirements of trade. Unfortunately, however, unsound financial methods are still pursued by nearly all the war-stricken countries with the result that the relation between the different price-levels is continually changing. These variations, as we have seen, become reflected in exchange movements and the consequence is that trade between many countries is a matter of extreme uncertainty.

Another cause of fluctuations, affecting especially the exchanges on Central European countries, is the varying estimation held abroad of the credit of the different countries. In the case of Germany, for instance, a large part of the depreciation in the value of the mark in foreign countries is due to the unsettled nature of conditions in that country. Though prices have increased enormously in Germany during the War, there is little doubt that the present value of the mark abroad is much less than would be warranted by the extent of the rise in the price-level in that country in relation to the rise in other countries. The difference must be considered as an insurance by purchasers of German currency against a sudden collapse in its value which may be possible under existing financial and political conditions in Germany.

It is probable, indeed, that this factor is a more potent cause of fluctuations in the exchanges on Germany and on countries similarly situated than changes in the international price-levels, or, taking the shorter view, than changes in the relative indebtedness between these and other countries. Being, by its nature, a factor of very uncertain operation, it causes movements in the exchanges on the devastated countries of Central Europe so violent as to make trade with them an extremely speculative undertaking. It will be noted that the external value of, for instance, the German mark being less than its internal purchasing power, there is a premium on export of commodities from Germany not obtainable in the case of more settled countries. The result is that German producers are very advantageously placed in regard to competition in the international markets. This position has, in fact, reacted with severity on our own home as well as foreign trade.

Diseased finance, making for an unhealthy economic life, has gone from bad to worse in nearly all countries since the Armistice; but, since the beginning of the

[illegible] page 961.

FOREIGN EXCHANGES—TABLE I.

WEEKLY EXCHANGE QUOTATIONS OF THE £ STERLING FROM OCTOBER 10, 1919, TO NOVEMBER 19, 1920.

Date	Germany Marks	Denmark Kroner	Holland Florins	Italy Lire	United States Dollars	France Francs	Spain Pesetas	Switzerland Francs	India Rupees.	China (Shanghai) Taels.	Japan Yen	Argentina Pesos.	Brazil† Milreis.
1919.	Par 20·43	18·159	12·107	25·22½	4·86⅝	25·22½	25·22½	25·22½	1s. 4d.‡	2s. 6½d.*	2s. 0·58d.	47·58d.	16d.
Oct. 10	114·00	19·27½	11·08	41·75	4·17½	35·60	21·90	23·70	2 0⅝	6 3½	2 5	55½	14⅛
,, 17	117·50	19·37½	10·98	42·32½	4·17	36·33½	21·87½	23·46	2 0½	6 6	2 5½	55½	14⅞
,, 23	116·50	19·55½	11·07	43·40	4·15½	36·20½	21·72½	23·52½	2 0	6 5	2 5	55½	14⅝
,, 31	127·50	19·54½	10·99	45·15	4·15½	36·95	21·50	23·30	2 0	6 6	2 5	55⅛	14⅝
Nov. 7	145·00	19·52½	10·99	46·35	4·15½	37·26	21·87½	23·07½	2 0⅝	6 7½	2 5½	55⅝	15⅛
,, 14	157·50	19·64	10·96½	48·30	4·12½	39·15	20·76	22·77	2 0⅞	7 0	2 5½	56⅝	16⅛
,, 21	180·00	19·87½	10·78	49·25	4·02	39·10	20·32½	22·20	2 1½	7 3½	2 5½	58	16½
,, 28	170·00	19·96	10·62½	49·07	4·04	39·10	20·52½	22·10	2 2⅛	7 4	2 6	58	18⅛
Dec. 5	174·50	20·55	10·09	48·30	3·86½	40·15	19·70	20·77	2 3½	7 8	2 7	60⅛	17½
,, 12	180·00	20·55	10·09	48·30	3·86½	40·15	19·70	20·77	2 3½	7 8	2 7	60⅛	17½
,, 19	182·50	20·46	10·14	50·00	3·81½	42·15	19·20	21·05	2 4½	7 10	2 8	63½	17⅝
,, 23	182·50	20·25	10·09	49·13½	3·86½	39·97½	19·90	21·15	2 4½	8 3½	2 7½	61½	17½
1920.													
Jan. 2	187·50	19·65	10·09	50·12½	3·76½	40·95	19·67	21·12½	2 3⅞	7 9	2 8	62⅛	17⅛
,, 9	192·50	20·53½	9·95	50·35	3·76	41·97½	19·66	21·27½	2 4⅛	8 0	2 8½	62½	17⅛
,, 16	212·50	21·00	9·94	50·55	3·72½	42·60	19·30½	20·43	2 3⅞	7 9	2 8	63⅛	17⅛
,, 23	257·50	21·52½	9·68	51·32½	3·61½	43·55	19·49	20·20	2 3⅛	8 1	2 8⅛	64⅛	17½
,, 30	275·00	21·86	9·16	54·25	3·51½	46·50	19·20	19·90	2 3⅛	8 8	2 9	62½	17½
Feb. 6	325·00	22·88½	8·90	64·00	3·22½	43·35	19·22½	20·15	2 8⅜‡	9 1	2 11½	71⅛	17⅛
,, 13	337·50	23·27	9·18	61·50	3·37½	48·60	19·60	20·56	2 9⅛	8 1	2 10⅛	69⅛	18⅛
,, 20	325·50	22·95	9·27	61·47½	3·82½	45·75	19·74	21·35	2 8	8 0	2 10	62½	18⅜
,, 27	337·50	22·79½	9·22½	62·37½	3·39	48·35	19·57	20·99	2 7½	8 4	2 9½	69⅛	18⅛
Mar. 5	348·00	22·76	9·66½	64·50	3·66	49·85	20·30	21·17½	2 7⅜	8 4	2 8⅛	66⅛	18⅜
,, 12	270·00	21·65	10·16	67·87	3·75	49·52	20·91	21·80	2 5⅜	8 2	2 7⅜	63⅛	18⅛
,, 19	290·00	21·25	10·31½	70·50	3·73½	51·65	21·23½	22·35	2 4½	7 5	2 6⅛	62	17⅜
,, 26	287·50	21·23	10·47	78·00	3·86	55·25	22·14	22·43½	2 4⅛	7 5	2 4⅜	60⅛	16⅜
,, 31	280·00	21·24	10·43	80·75	3·85½	58·20	22·31	23·11	2 4⅛	7 7	2 4⅜	61	17⅛
April 9	230·00	21·23	10·64	97·25	3·97½	62·50	22·27	21·98	2 3⅜	7 2	2 4⅜	59½	15⅜
,, 16	240·00	21·95	10·71	89·50	3·96⅜	65·50	22·77	22·01½	2 3⅜	6 5	2 5⅜	59⅛	16⅛
,, 23	238·50	22·72	10·60½	89·75	3·87½	64·85	22·87	21·84	2 3⅜	6 9½	2 5⅛	60⅜	16⅛
,, 30	220·00	22·65	10·64	84·67½	3·87½	64·20	22·69	21·57½	2 3⅜	6 7	2 6⅛	60⅛	16½
May 7	203	23·70	10·55	78·50	3·87	62·15	22·82	21·72	2 1⅜	6 1	2 7⅜	60⅛	16⅛
,, 14	184½	22·90	10·49	78·00	3·82	58·60	22·70	21·75	2 2⅛	5 11½	2 8⅜	60⅛	16⅜
,, 21	172½	23·37	10·48	74·50	3·81⅛	54·87	22·90	21·62	2 1⅜	6 0	2 8	60⅛	16⅛
,, 28	160	23·42	10·67	67·00	3·90⅛	52·50	23·82	21·75	2 1⅛	5 11	2 7½	59⅜	16⅛
June 4	170	22·82½	10·69	67·00	3·90⅜	51·07	23·05	21·45	2 1⅛	5 7	2 6⅜	59⅛	
,, 11	157	23·40	10·91	70·25	3·95⅛	51·98	23·95	21·70	2 0⅛	4 10⅜	2 8	58⅛	15⅛
,, 18	154	23·70	11·03	65·50	3·97⅛	49·90	23·91	21·87	1 10·⅞	5 0	2 6⅜	57⅛	14⅞
,, 25	147	23·80	11·05	64·50	3·97	47·70	23·77	21·80	1 10	4 10	2 6⅜	57⅛	14⅜
July 2	149	24·00	11·17	65·25	3·96⅛	47·12	24·10	21·84	1 9⅞	5 1	2 7⅛	57⅝	14⅛
,, 9	150	23·85	11·17	65·50	3·96	46·75	24·35	22·00	1 10⅛	5 1⅜	2 7⅛	56⅞	14⅝
,, 16	150	23·35	11·12	66	3·89⅛	46·45	24·30	22·00	1 10⅛	5 2	2 7⅛	57⅛	14⅝
,, 23	165	23·40	10·97	71	3·80	49·50	24·16	21·97	1 10⅛	5 4⅛	2 7⅝	57⅛	14
,, 30	161	23·63	10·92	70·75	3·75⅛	49·15	24·27	21·97	1 11⅜	5 6⅛	2 8⅛	56⅛	13⅞
Aug. 6	167	23·65	10·90	71·50	3·61⅛	50·25	24·20	21·82	1 10⅞	5 9⅛	2 9⅛	57⅛	14⅛
,, 13	169	24·10	10·99	73·50	3·63⅛	50·27	24·17	21·85	1 10⅞	5 10⅜	2 9⅛	57⅛	13⅛
,, 20	179	24·32	11·01	78·37	3·69⅜	50·56	23·93	21·65	1 10⅛	6 0⅜	2 10	57⅛	13⅛
,, 27	176	25·27	11·12	77	3·87½	51·10	23·80	21·70	1 10⅛	6 1⅛	2 10⅛	56⅛	13½
Sept. 3	177	24·70	11·16	76·75	3·56	51·42	23·85	21·66	1 10	5 10½	2 10⅛	57⅛	13
,, 10	188	24·95	11·21	80·50	3·52½	52·97	23·87	21·55	1 10⅛	5 10⅜	2 10⅜	57⅛	12½
,, 17	225	25·62	11·27	81·50	3·50⅛	53·05	23·95	21·65	1 10⅛	6 0⅛	2 11⅛	56⅞	12⅛
,, 24	222	25·60	11·25	83	3·49	51·75	23·81	21·68	1 10⅛	5 11⅛	2 11⅛	57⅛	12⅛
Oct. 1	214	25·55	11·17	83·50	3·48	52·02	23·75	21·70	1 9⅞	5 11⅛	2 11	57⅛	12⅜
,, 8	222	25·02	11·28	88·50	3·51	52·45	23·87	21·87	1 8	5 6⅜	2 10⅜	56⅛	12⅛
,, 15	244	25·10	11·25	83·60	3·47⅛	53·25	24·16	21·86	1 8	5 4⅛	2 11	56⅛	11⅝
,, 22	242	24·80	11·22	91·50	3·44	53·22	24·32	21·81	1 7⅞	5 3⅛	2 11⅛	55⅛	12
,, 29	266	25·42	11·34	92·50	3·46⅛	54·30	24·99	22·05	1 7⅞	5 2⅛	2 11⅛	55⅛	12⅛
Nov. 5	278	25·45	11·32	97·00	3·41⅞	56·57	25·22	21·99	1 8⅛	5 4⅛	2 11⅛	55⅛	12⅛
,, 12	289	25·75	11·34	97·87	3·36⅛	58·45	28·30	22·08	1 8⅛	5 4⅛	2 11⅛	53⅛	11⅝
,, 19	262	25·75	11·39	92·00	3·46	57·70	26·35	22·15	1 7⅛	5 0⅛	2 11	51⅛	11⅛

* For China the par is taken as the rate prevailing at the end of June 1914.
† The Brazil (Rio de Janeiro) rate is for 90-day bills. All the others are cable transfer rates.
‡ For India the par was raised to 2s. gold on September 8, 1920.

FOREIGN EXCHANGES—TABLE II.

HIGHEST AND LOWEST EXCHANGE QUOTATIONS FROM OCTOBER 10, 1919, TO NOVEMBER 19, 1920.

	Highest	Date	Lowest	Date
France	68·50	April 12, 1920	35·60	October 10, 1919
Italy	106	April 12, 1920	41·75	October 10, 1919
Amsterdam	11·34	November 10, 1920	8·70	February 4, 1920
Switzerland	23·70	October 10, 1919	19·52	February 4, 1920
Spain	28·85	November 13, 1920	18·60	December 10, 1919
Denmark	25·85	November 18, 1920	19·27½	October 10, 1919
Germany	356	January 27, 1920	114	October 10, 1919
United States	4·17½	October 10, 1919	3·19½	February 4, 1920
Argentina	52⅛	November 19, 1920	73⅛	February 6, 1920
Brazil	18⅝	February 9, 1920	11⅝	November 19, 1920
India	2, 9⅛	February 4, 1920	1/6⅞	October 19, 1920
China	4 9	June 10, 1920	9/4⅛	February 10, 1920
Japan	2, 4⅛	March 27, 1920	3/-	November 14, 1920

current year, considerable progress towards recovery has been made in some countries, notably in the United States and in the United Kingdom. The consequent appreciation in the value of the dollar and the pound sterling has brought little benefit to these countries, and, for reasons already explained, has gone towards increasing the difficulties of international trade. These difficulties will disappear only when other countries have shown a parallel recovery. The steps by which this recovery may be effected have so frequently been shown that they need not be repeated here; suffice it to say that the urgency of the problems in point of time cannot be too often or too strongly insisted upon.

INTERNATIONAL MOVEMENTS OF WHOLESALE PRICES OF COMMODITIES SINCE 1914.

THE accompanying table contains index-numbers for wholesale prices of commodities since the outbreak of the War in the United Kingdom and some of the leading foreign countries. In each case a representative pre-War level has been taken as the basis for comparison, and the index-numbers, which are averages for three months, represent simple percentages of that level.

Quarterly Index-numbers of Wholesale Prices of Commodities in the Undermentioned Countries since the commencement of the War

		U.K. (Statist) 45 Commodities	U.S.A. (Bureau of Lab.) 150 Commodities	CANADA (Dept. of Lab.) 271 Commodities	FRANCE (Statist) 45 Commodities	ITALY (Pacl. Index) 45 Commodities	JAPAN (Bank of Japan) 56 Commodities	SWEDEN (Statist) [illegible]
QUARTERS								
1914	3 ..	101·2	104·5	102·4	102·2	95·8	98·0	111
	4 ..	106·0	99·2	101·8	106·9	99·9	95·2	120
1915	1 ..	118·0	106·6	105·3	124·1	111·1	94·9	135
	2 ..	125·6	107·9	108·6	131·7	125·0	97·5	141
	3 ..	126·0	108·6	108·6	141·1	145·3	96·2	147
	4 ..	135·9	117·1	114·3	155·2	159·1	102·4	165
1916	1 ..	142·4	125·7	128·5	178·2	190·6	115·4	164
	2 ..	150·8	128·2	142·9	189·2	188·4	114·8	175
	3 ..	156·6	129·6	152·2	185·8	147·8	115·1	166
	4 ..	165·1	145·4	145·1	197·2	218·1	126·9	209
1917	1 ..	163·1	156·1	158·8	222·6	243·2	127·9	205
	2 ..	168·6	171·1	174·9	255·9	278·0	139·1	229
	3 ..	207·4	183·2	179·6	271·7	315·3	163·6	249
	4 ..	215·1	182·9	182·7	292·7	350·7	163·9	252
1918	1 ..	220·1	200·0	194·4	318·6	379·1	185·2	276
	2 ..	224·5	209·2	203·0	351·4	408·1	186·3	331
	3 ..	229·8	209·5	206·8	346·4	441·6	202·1	351
	4 ..	230·9	207·0	213·7	355·7	417·5	213·1	359
1919	1 ..	234·5	191·2	207·2	364·1	422·8	209·0	346
	2 ..	229·8	189·8	208·1	327·6	416·6	204·0	301
	3 ..	248·6	216·3	259·1	360·8	367·9	248·9	320
	4 ..	270·7	221·7	228·0	404·7	428·9	281·5	311
1920	1 ..	300·8	228·7	266·1	519·2	530·7	315·7	358
	2 ..	306·6	219·3	266·1	511·6	600·9	271·1	369
	3 ..	296·8	197·0	246·1	505·8	[illegible]	258·1	365

Differences in the method of compiling the various systems of index-numbers shown above, as regards the number and nature of the commodities selected, detract somewhat from their value for purposes of comparison. Some are compiled wholly from raw materials or articles in the first stages of manufacture, while others include finished products; some are "unweighted," or weighted only in a crude form, and in the case of Sweden the index-numbers are weighted according to an estimate of the values of the commodities consumed in the pre-War period. Of the systems given above, that for the United Kingdom, for France, and Italy bear the closest resemblance and may legitimately be compared in detail. The others admit only of a general comparison. With these reservations a study may be made of the accompanying chart, which presents the data of the above table in graphical form. In the construction of the diagram the logarithmic method has been employed as being the most reliable for presenting price indices. Though this method is admirably adapted to the representation of certain classes of statistical series, its use is not very common, and accordingly some explanation is necessary. Briefly stated, then, equal vertical intervals on the diagram represent, not equal *differences*, but equal *ratios*. Under this system a straight line sloping upwards or downwards denotes a uniform rate of increase or decrease; if the line curves upwards it signifies an increase in the rate of progression of the series, if downward a decrease in the rate. Bearing in mind, then, that the slopes of the curves represent velocity of movement instead of actual changes, the different lines, as well as different portions of the same line, may be compared with confidence.

In the early months of 1914 prices were falling in all the countries given, with the exception of Sweden. The outbreak of War, however, immediately reversed the direction of the movement for the belligerent countries, and a sharp upward turn began. In Italy, exceptionally, the decline continued, this country being chiefly agricultural and possessing a good harvest in 1914. The upward movement continued more towards the end of 1917 without interruption except during the autumn of each year, when a seasonal decline in food prices brought about a temporary check to the rise. The latter feature is especially noticeable in the cases of the United Kingdom and Canada. Roughly speaking, by about the third quarter of 1917 production had adjusted itself somewhat to the new conditions, and Governmental control had been extended to most commodities, with the result that thereafter until the Armistice an appreciable diminution in the rate of increase was experienced by all countries. The termination of hostilities was reflected in a fall in the price-level, varying from 4.5 per cent. in the case of Canada to 27.6 per cent. in the case of Italy, which extended into about April of 1919. From that period until about April of the current year the upward movement was again in evidence, and was in most cases more rapid than at any previous period. Since about April last another fall has set in, greater in all cases with the exception of Italy and Sweden, than the post-Armistice decline. In the following table is shown the actual extent and duration of the movements since the Armistice [illegible] described:

Country	Extent	Dates		Extent	Dates	
		From	To		From	To
[illegible]	[illegible]	[illegible]	Apr. 1919	11·1	[illegible]	[illegible]
[illegible]	[illegible]	Dec. ,,	Mar. ,,	21·—	[illegible]	[illegible]
[illegible]	... 4·5%	Nov. ,,	Mar. ,,	[illegible]	May ,,	8·4%
[illegible]	... 9·7%	Oct. ,,	May ,,	[illegible]	[illegible]	[illegible]
[illegible]	...27·6%	Oct. ,,	Feb. ,,	111·8%	[illegible] ,,	9·8%
[illegible]	... 4·6%	[illegible]	[illegible]	[illegible]	Dec. ,,	[illegible]
[illegible]	...17·0	Oct. ,,	Nov.	[illegible]	July ,,	[illegible]

The feature of most immediate interest is the fall in prices during the current year which is still continuing in nearly all countries, and it will be useful to inquire into the significance of this movement. In order to understand the problem one must consider the changes in our economic life wrought by the four years of war, and how these came to be reflected in the price-level. To state that the period of the War was one of destruction instead of accumulation of wealth is but stressing the obvious. A large portion of the most valuable section of the community, from the economic point of view, were diverted to unproductive pursuits; and of the remaining productive energies of the nation the amount available for supplying normal wants was further restricted, through the necessity for providing munitions and other warlike equipment. It was impossible to remedy the deficit by drawing on foreign sources of supply since, as the War proceeded, shipping was largely requisitioned and entirely controlled by the Government, the construction of new mercantile tonnage was hampered by naval demands on the shipyards, and our existing merchant fleet was decimated by the submarine offensive.

These developments would have been sufficient in themselves to cause a large rise in prices, but the position was rendered more acute by what is popularly known as inflation. This term has been used in so many different senses that it is necessary for our purpose to give it a definite meaning. We shall define it then as an increase in the purchasing media in excess of the normal requirements of trade.

It seems most probable that inflation was begun by the Government who in order to secure the forces of production for the purposes of war, in competition with other demands, had to pay for them at greatly [illegible] prices. This artificial enhancement of the price-level quickly created a demand for more currency, a demand which the Government met by issuing paper money having little or no metallic backing. As the process went on, most classes of workers, finding their *real* wages declining, began to demand more money, and

again more currency was required. The most marked form of inflation was that occasioned by Government borrowing, which had the effect of expanding bank deposits. The latter, being capable of effecting payments by means of cheques, are essentially the same as paper money. Meanwhile, the fact that we were living on our capital in addition to current income gave an appearance of fictitious prosperity to the country, which resulted in a general excess of extravagance. This, combined with a growing use of the cheque system, greatly increased the rapidity of circulation of both deposits and currency, and thereby gave a further impetus to the upward movement of prices.

Before passing to the consideration of recent developments, an important aspect of war-time conditions affecting the distribution of wealth remains to be dealt with. Of the great burden of taxation imposed by the belligerents the greater portion is to be ascribed to the necessity for paying interest on the huge sums borrowed by Governments during and since the War. Generally speaking, the money lent to the State was provided by the wealthier classes—those who had the greatest margin for restricting consumption—and it is these classes, consequently, that receive the bulk of the enormous revenue now being raised annually for Debt service. Thus, even allowing for the fact that the greater part of the revenue is contributed by the wealthier portion of the community, the effect of the present large scale of taxation is, in general, to make the rich richer and the poor poorer. These changes in the distribution of wealth were later to have a powerful influence in the diversion of consumption from luxuries to necessaries.

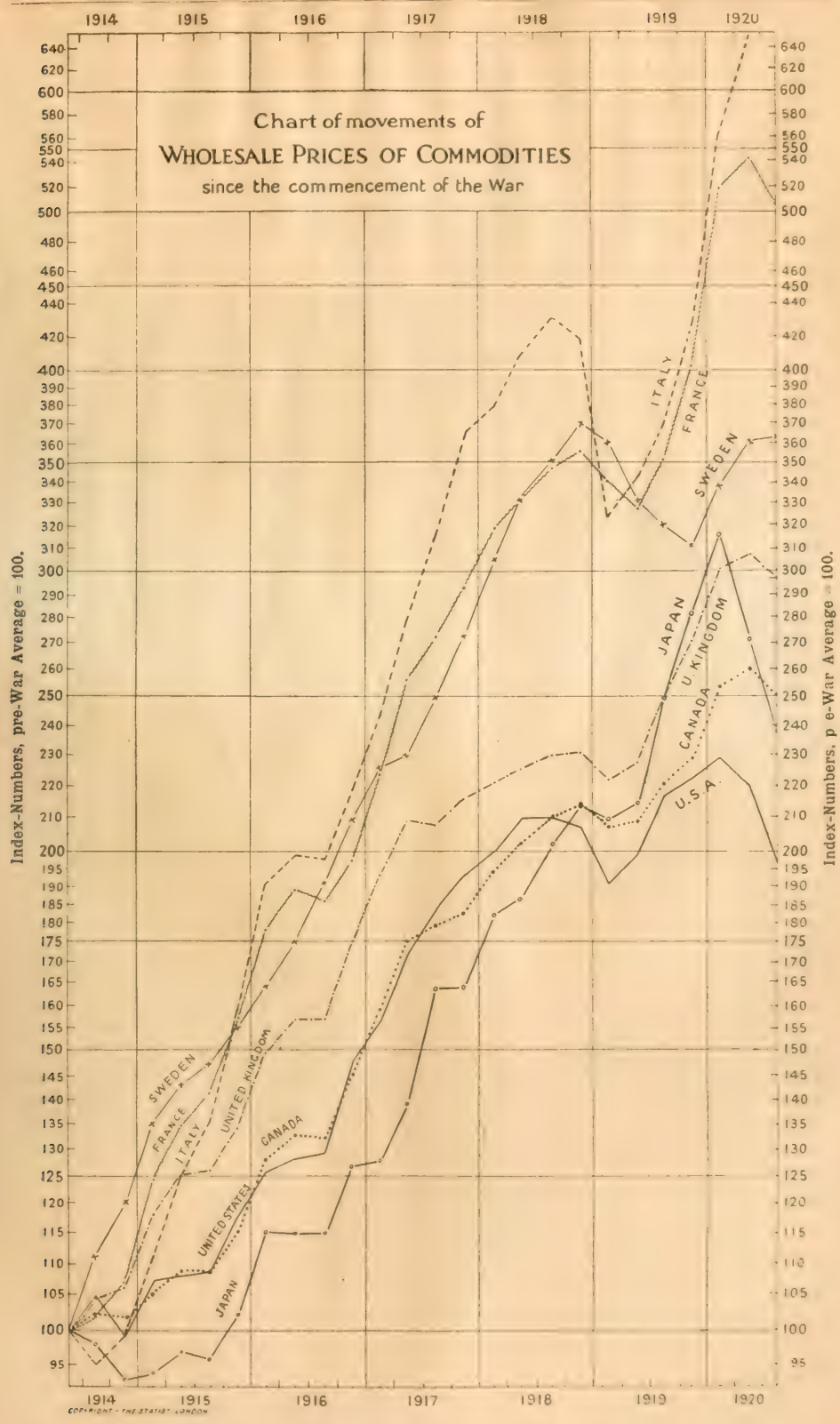
The course of commodity prices subsequent to the War will become more intelligible in the light of the war-time developments described above. We have already seen that in most countries, towards the close of the War, the upward movement of prices was losing some of its force. When the Armistice was declared the productive energies of the nations were again turned to peace-time activities; large stocks of food and materials held by the Governments were placed on the market; the resumption of international commerce was made possible by the diversion of shipping from naval uses, and buying power was lessened somewhat by the release of a large amount of labour from the work of munition-making. The result was an immediate recession in the general level of commodity prices. As, however, the nation could not, of course, at once revert to normal conditions, the temporary increase in stocks of commodities which followed the Armistice quickly disappeared; the nation had not yet learned the necessity of a drastic restriction of consumption, in view of a great shortage of production, and the old order of extravagant spending recommenced. Profits were generally high, and large quantities of capital were advanced for new undertakings, resulting in a strong wave of speculation. Very soon the experience of the War was renewed; prices began to rise rapidly again, and wages tried to keep pace with the decline in the commodity value of the purchasing media. Since the gold standard had been shelved at the outbreak of the War, increased quantities of paper money could be printed as fast as the demands for increased currency arose, and banks were enabled to make fresh creations of credit without having to provide a gold backing. Financial exigencies did not, therefore, at first intervene, as they might have done in normal times, to check the rising tide of prices.

A powerful check was soon to come, however, in the form of an exhaustion of the buying power of the great mass of the consuming classes: as previously shown, it came in most countries about April last, or, roughly speaking, a year after the beginning of the fresh rise in prices which followed the post-Armistice decline. It needs but little reflection to analyse the nature of this new development. All during the War, and up to the beginning of the current year, labour and capital were endeavouring to retain the same real income as they had in pre-War days—very often, indeed, they succeeded in getting an increased remuneration measured in terms of commodities. As at the same time, the amount of the national income available for distribution over the whole community was considerably diminished, they could do so only at the expense of other classes. This is, in fact, what happened. The numerous sections of the community whose function is to render services rather than actually to contribute to the stock of commodities—chiefly the professional classes and people with fixed incomes—these it was who, seeing their purchasing power grow less and less as prices advanced, were forced eventually to restrict their consumption to such an extent that producers, faced with a greatly diminished volume of buying, were forced to lower prices.

The phenomena here described accompany all great wars, and by analogy with previous periods in history of a like nature, and also by comparing recent events with similar occurrences in times of peace, many observers have gone to the conclusion that a general trade slump is at hand, while not a few have gone as far as to predict a panic. Such comparisons, however, must be made very guardedly as, to be just, they have to take account of many essential differences. In the first place, any comparison of present conditions with those of normal times, which appear to bear a resemblance, is almost sure to be misleading. The War is an isolated incident in the normal development of the community which it completely interrupted: its conditions are purely abnormal, and are best studied *per se*. It is true that the movements of commodity prices since the Armistice resemble closely the course of prices during a normal industrial cycle, but the resemblance is only in the outward manifestation; the motive causes differ widely. What was experienced in most countries last April may, indeed, be called a crisis in the sense that there was a miscalculation on the part of industry. In normal times, however, the miscalculation resulting in a crisis was almost always evidenced by an excess in productive activities over normal requirements; previous to the recent world-crisis, referred to above, there was not an overplus but a great scarcity of commodities, and the miscalculation consisted in an over-estimation of the buying capacity of peoples impoverished by the War.

In the second place, any analogy between present conditions with those of a previous period, whether normal or abnormal, must be so modified by a consideration of changes in the financial and economic spheres that such an analogy will be almost valueless. The growth of banking and insurance, for instance, has never been more rapid than in recent years, and finance is now so highly organised that it can ride safely through storms which would formerly have involved disaster. Side by side with improvements in the domain of finance the organisation of industry has also been strengthened; the developments known as integration and concentration of businesses has resulted in greater unity of control, and has given business men greater power in dealing with the problems which confront industry. The growth in our economic knowledge, too, must not be left out of account as it enables us to foresee times of stress and face them with greater confidence.

Finally, the probability of anything in the nature of panic, which frequently attended crises in the past, becomes very remote in considering the changes above enumerated. Moreover, the greater elasticity of our financial system, consequent on the disappearance of the gold standard, is in itself a sufficient ward against such a development. The crisis, in fact, has so far been passed through easily; liquidation has been gradual instead of abrupt; speculation is now reduced to a minimum, and the stock markets are in a healthy condition. Finally, the banks are displaying a praiseworthy caution and foresight, and no unduly severe monetary stringency has yet been felt.


Chart of movements of
WHOLESALE PRICES OF COMMODITIES
since the commencement of the War
Index-Numbers, pre-War Average = 100.
Index-Numbers, p e-War Average = 100.
1914
1915
1916
1917
1918
1919
1920
SWEDEN
FRANCE
ITALY
UNITED KINGDOM
CANADA
UNITED STATES
JAPAN
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THE WORLD'S CURRENCY PROBLEM.

THE phenomenon of inflation has become so widespread in recent years, and its appearance has everywhere synchronised with such disastrous results that many writers denounce it unthinkingly, without due appreciation not only of the difficulties of belligerent Governments during the War period but of certain off-setting factors which, when taken into account, show that real, as distinct from apparent inflation, is not so great as is generally supposed. The most important of these factors is the withdrawal of gold and silver from circulation, leaving a large gap which had to be filled by the issue of notes. The United States and Japan are now the only countries where the precious metals are in general circulation, as the convertibility of the paper currency has been maintained. In the following table, which has been prepared for various sources, we show the gold, silver and paper circulations of the different countries of the world in December 1913 and 1919, and the percentage increase which the total for the latter date represents on the peace figure:—

TABLE I.—Currency Circulation in Millions.

	Unit of Currency	December 1913 Gold	Silver	Paper	Total	December 1919 Gold	Silver	Paper	Total	% Which i is of e
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
United Kingdom	£	123	34	57	214	–	77	459	536	250
United States	$	1,640	704	1,069	3,413	1,738	490	3,642	5,870	172
France	Franc	2,680	1,500	5,714	9,894	—	1,000	37,275	38,275	387
Italy	Lira	2	114	2,783	2,899	—	—	18,814	18,814	649
Belgium	Franc	103	57	1,067	1,227	—	31	4,786	4,817	392
Holland	Gulden	17·7	69·4	317	404.1	—	119	1,099	1,218	302
Denmark	Krone	—	28·3	152	180.3	—	9·4	489	498.4	276
Finland	Finnish Mark	19·2*	2·6*	113	134.8	—	—	1,124	1,124	834
Sweden	Krona	12.8*	5·7	234	252.5	—	40	742	782	310
Switzerland	Franc	60·2*	70*	318	448.2	—	225	1,061	1,286	287
Japan	Yen	37	142	426	605	60†	151†	1,486†	1,697	281
Brazil	Milreis	—	—	897	897	—	—	1,748	1,748	195
British Empire										
India	Rupee	750	2,000	646	3,396		3,000	1,829	4,829	142
New Zealand	£	2	1	1·7	4.7		1·5	7·8	9.3	198

* 1912 figures. † Figures refer to January 31, 1920, and include base metal currency.

The estimates of metallic circulation in 1913 follow for the most part those prepared, after exhaustive inquiry, by the Director of the United States Mint. In respect of 1919, statistics have been very difficult to procure, and we have followed mainly the estimates accepted by the International Conference recently held in Brussels. With regard to silver, however, a word of caution is necessary, as the demonetisation of the metal on the Continent has led to the melting-down of coins on an extensive scale and the export of the bullion to this and other countries where Continental currencies are at a discount. The percentage increase in currency here has been 150 per cent., as compared with seventy-two per cent. in the United States, and 181 per cent. in Japan. As regards European neutrals, the rate of expansion has been remarkably consistent, as is shown by the following figures of increase over the pre-War level, Switzerland, 187 per cent.; Holland, 202 per cent.; Sweden, 210 per cent.; and Norway, 216 per cent. Amongst belligerents on the Continent the increase has naturally been far greater than amongst the neutrals and has also been in excess of the corresponding increase either here or in America. We may mention particularly France, 287 per cent.; Belgium, 292 per cent.; Italy, 549 per cent.; Finland, 734 per cent.; and Germany, 735 per cent. Reliable figures for Russia are unobtainable, but there, as elsewhere abroad, the year 1920 has witnessed no cessation in the activity of the printing press, and in many countries the currency position, even allowing for the gold and silver that have been withdrawn from circulation, has disimproved during the year.

The connection between the volume of purchasing power and the prices of commodities is dealt with at length in another portion of the present issue, but we show in the following table a summary of movements in prices and the extent of note issues for the most important countries from 1913 to 1919:—

TABLE II.—Annual Percentage Increases in Prices and Note Issues.

	1914 Expressed as Percentage of 1913	1915 Expressed as Percentage of 1914	1916 Expressed as Percentage of 1915	1917 Expressed as Percentage of 1916	1918 Expressed as Percentage of 1917	1919 Expressed as Percentage of 1918
United Kingdom						
Prices	110	129	130	120	106	120
Notes	252	186	137	137	152	113
United States						
Prices	100	101	123	142	111	109
Notes	101	108	114	121	104	110
France						
Prices	116	146	122	150	116	120
Notes	117	199	125	134	135	123
Italy						
Prices	101	169	137	155	120*	123
Notes	129	141	125	161	136	134
Sweden						
Prices	116	125	128	132	139	97
Notes	131	114	127	133	142	91
Japan						
Prices	90	119	122	127	128	135
Notes	90	112	140	138	131	116
Canada						
Prices	100	118	129	124	113	112
Notes	118	115	113	133	116	105

* November 1918 expressed as percentage of December 1917.

It would have been better for our purpose to have included gold and silver, as well as paper, since the precious metals represent purchasing power in its highest form. The withdrawal of both these metals from circulation, however, and the varying rate at

TABLE III.

Percentage Changes in Note Circulation and Prices since the Armistice, Dec. 1918 = 100.

	March 31 1919	June 30 1919	September 30 1919	December 31 1919	March 31 1920
United Kingdom					
Prices	94·1	101·7	109·6	120·0	133·6
Notes	103·4	107·5	106·5	113·7	112·0
United States					
Prices	97·6	100·5	106·8	115·5	122·8
Notes	95·6	93·6	95·5	102·9	102·6
France					
Prices	95·2	93·2	102·0	119·8	157·2
Notes	110·2	115·7	118·3	123	123·4
Italy*					
Prices	74·5	81·9	85·0	104·6	141·6
Notes	101·7	104·8	117·1	133·7	131
Sweden					
Prices	95·2	87·1	85·8	85·2	95·2
Notes	90·2	88·4	87·3	91·2	84·4
Japan					
Prices	96·5	106·7	120·5	135·0	150·0
Notes	79·4	96·8	101·4	115·5	114·4
Australia					
Prices	98·3	100·7	107·8	114·9	120·2
Notes	95·6	94	93·5	95·8	95 8

* Based on November 1918.

which they were withdrawn would make the calculation of the gradual extent of their disappearance too difficult to undertake. The statistics follow those accepted at the Brussels Conference, and it is interesting to observe an approximate correspondence in both groups. Professor Bachi's article, which appears in the forefront of our Italian Section, elaborates this point with reference to Italy. In regard to movements since the Armistice, if we take December 1918 as a basis, equivalent to 100, for each country, and calculate the ensuing changes, we get the results up to March 31 last, as given in Table III above.

It may be concluded from the data here given that, though inflation has continued, and in many cases become intensified, the rate at which it has been taking place up to the concluding date in the table has declined. It is significant that, according to the later figures, the upward movement in prices has tended to outrun currency expansion, showing the greater action of factors on the supply side, such as the curtailment of commodities on offer.

The scarcity of the precious metals caused by the sudden demand for them from all quarters has been emphasised by the fall in the output of both gold and silver after 1915. Figures of production for the various important areas are shown in the following tables:—

World's Output of Gold.

(at 84*s.* 11½*d.* per fine oz.)

(In millions of £.)

Year	Transvaal	Rest of the Empire	British Empire	Foreign Countries	World
1913 ...	37·4	21·0	58·4	36·3	94·7
1914 ...	33·6	20·4	56·0	36·6	92·6
1915 ...	38·6	21·8	60·4	36·4	96·8
1916 ...	39·5	20·7	60·2	33·7	93·9
1917 ...	38·3	17·8	56·1	33·3	89·4
1918 ...	36·8	16·5	52·3	26·7	79·0
1919 ...	35·5	14·0	49·5	25·5	75·0

World's Production of Silver (in Millions of Ounces).

	United States	Mexico	Canada	Australia	Other Countries	Total
1901 ...	55·2	57·6	5·2	10·2	44·8	173·0
1902 ...	55·5	60·2	4·3	8·0	34·8	162·8
1903 ...	54·3	70·5	3·1	9·7	30·1	167·7
1904 ...	57·7	60·8	3·7	14·5	27·5	164·2
1905 ...	56·1	65·0	5·9	15·0	30·5	172·3
1906 ...	56·5	55·2	8·5	14·2	30·6	165·0
1907 ...	56·5	61·0	12·8	19·0	34·8	184·2
1908 ...	52·4	73·6	22·1	17·2	37·8	203·1
1909 ...	54·7	75·9	27·5	16·3	36·7	212·1
1910 ...	57·1	71·4	32·9	21·5	38·8	221·7
1911 ...	60·4	79·0	32·7	16·6	35·5	224·2
1912 ...	63·8	74·6	31·6	18·1	36·2	224·3
1913 ...	66·8	70·7	31·5	3·5	51·4	224·4
1914 ...	72·1	27·5	28·4	3·6	36·5	168·1
1915 ...	74·9	39·5	28·4	4·1	37·3	184·2
1916 ...	74·1	38·2	25·4	4·2	26·6	168·5
1917 ...	71·7	25·0	22·2	10·0	25·5	174·2
1918 ...	67·8	62·5	21·2	10·0	35·9	197·4
1919* ...	55·0	60·0	18·0	10·0	37·0	180·0

* Figures for 1919 subject to correction.

In regard to gold, the year 1919 showed a lower figure than any recorded over a long period, and the output in the current year, in view of the disappointing returns from the Transvaal, will probably not exceed 69 millions. All countries have been hoarding gold, with the result that the stocks have increased to the extent here shown:—

Country	Total Gold Reserve 1913	Total Gold Reserve 1920	Gold Reserve per Head of Population 1913	Gold Reserve per Head of Population 1920
	£	£	£	£
Great Britain	35,000,000	123,000,000	·77	2·70
United States	47,500,000(a)	410,000,000	·62	4·36
France ...	140,300,000	223,600,000	3·54	5·65
Italy ...	86,400,000 (b)	84,300,000(g)	1·91	2·33
Belgium ...	12,300,000(b)	14,300,000	1·65	1·89
Japan ...	22,400,000(b)	160,300,000(g)	·42	1·76
Netherlands ...	18,100,000	53,000,000	2·85	7·82
Spain ...	19,200,000	88,100,000	·96	4·75
Norway ...	2,600,000	8,200,000	1·06	3·11
Sweden ...	5,500,000	13,500,000	1·03	2·49
Denmark ...	4,100,000(c)	12,000,000	1·49	4·18
Switzerland ...	6,800,000	21,000,000	1·81	5·48
Russia ...	161,600,000	—	·91	—
Germany ...	58,500,000	53,700,000	·92	·85
Austria-Hungary ...	61,700,000	11,000,000(h)	1·81	·38
Greece ...	8,000,000(d)	62,500,000(g)	1·79	13·17
Roumania ...	6,100,000	64,300,000(g)	·78	5·72
Finland ...	1,400,000	1,700,000	·43	·61
Portugal ...	—	1,500,000(e)	—	·28
Australia ...	4,500,000	23,500,000(e)	1·01	5·32
New Zealand ...	5,200,000	7,800,000(e)	5·15	7·69
Canada ...	7,800,000(f)	16,000,000(h)	1·08	2·31
British India ...	21,300,000	26,100,000	·06	·08

(*a*) 1914. (*b*) Gold and silver. (*c*) Coin and bullion. (*d*) Gold and Treasury bills abroad. (*e*) March, 1920. (*f*) Gold and subsidiary coin. Currency notes (now in circulation) are not included. (*g*) To end of June. (*h*) To end of July. (*i*) Includes "deposits abroad" and "Caisse de Tresor."

In almost all cases gold holdings are now concentrated with the Government bank in each country. On account of the general indebtedness of Europe to the United States, and also of our favoured position in this country *vis-à-vis* our Continental creditors, the restoration of free gold movements among the nations is likely to be long postponed. Deflation, even granted goodwill on the part of the Government and the financial community in each country, must, if one may judge from these figures and from the data as to paper circulation above given, be a slow process, and one difficult to accomplish without disaster. The two strongest countries, the United States and the United Kingdom, have had proof of the difficulties which beset the path of the deflationist, and the way for weaker countries will surely be harder.

TABLE VII.—Physical Volume of Trade.

	Aggregate Weight of Imports.	Aggregate Weight of Exports— Including U.K. Coal Exports.	Aggregate Weight of Exports— Excluding U.K. Coal Exports.
	Million tons	Million tons	Million tons
1913			
Quarterly average ..	40·3	36·9	18·5
1919			
1st quarter	18·2	12·3	3·4
2nd ,, .. .	21·8	14·3	4·7
3rd ,, .. .	27·0	13·4	5·1
4th ,, .. .	25·5	14·7	6·3
1920			
1st quarter .. .	24·0	15·0	6·6
Decrease in 1920 compared with 1913	16·3 40%	21·9 59%	11·9 69%

THE COURSE OF INTERNATIONAL TRADE.

THE full resumption of international trading relations has been hindered by many influences during the two years that have elapsed since the signing of the Armistice. The causes that have had a retarding effect on the world's recovery may be summed up in a few words—the economic exhaustion consequent on the War, the unsettlement of labour, the shortage of raw material, the cataclysmic upheaval in production, the political changes that followed the conclusion of the various treaties, the open or veiled antagonism of many States nominally at peace, and the wide oscillation of exchanges consequent on the state of trade or the internal monetary and financial policy of various Governments. The measurement of the progress which the world has made towards the recovery of its normal economic life, taking the pre-War standard as normal, is extremely difficult, but in our first table we show the 1913 and 1919 imports and exports of the chief countries and the percentage increase or decrease in the latter year:—

TABLE I.

Comparison of Trade of Principal Countries of the World in 1913 and 1919. (In Millions.)

	Unit of Currency.	Imports. 1913.	Imports. 1919.	Increase or Decrease%	Exports. 1913.	Exports. 1919.	Increase or Decrease %
United Kingdom	£	659	1,468	+123	525	798	+ 52
United States	$	1,757	3,733	+113	2,448	7,751	+217
France	Franc	8,421	29,188	+247	6,880	7,429	+ 8
Italy	Lira	3,646	16,517	+353	2,512	5,189	+107
Belgium	Franc	4,636	5,246	+ 13	3,634	2,296	— 37
Holland	Gulden	3,918	2,825	— 30	3,083	1,411	— 54
Denmark	Krone	771	2,357	+205	637	734	+ 15
Finland	Finnish mark	495	2,505	+406	405	843	+108
Sweden	Krona	847	2,500	+195	817	1,589	+ 94
Switzerland	Franc	1,920	3,533	+ 84	1,376	3,298	+140
Japan	Yen	726	2,125	+192	629	2,051	+226
Brazil	Milreis	1,007	1,334	+ 32	982	2,179	+122
British Empire—							
Australia	£	78	82	+ 5	75	131	+ 75
Canada	$	659	940	+ 41	436	1,202	+176
India	Rupee	2,257	2,326	+ 3	2,490	3,058	+ 23
New Zealand	£	21	30	+ 43	21	52	+148

The figures refer only to "special trade"—that is, imports for home consumption and exports of native produce and manufactures. Currency depreciation has swollen the returns for 1919 to a different extent for different countries. The most notable feature emerging from the table is the greater relative increase in the import trade of European countries, as compared with the export trade. Some of the chief changes recorded are: France, increase in imports 247 per cent., increase in exports 8 per cent.; Italy, increase in imports 353 per cent., increase in exports 107 per cent.; Belgium, increase in imports thirteen per cent., decrease in exports thirty-seven per cent.; Holland, decrease in imports thirty per cent., decrease in exports fifty-four per cent. The disproportion was not so great in the United Kingdom, where imports increased by 123 per cent. and exports by fifty-two per cent. For other parts of the Empire the results, as might be expected, are even more favourable. We may quote as examples: Australia, increase in imports five per cent., increase in exports seventy-five per cent.; Canada, increase in imports forty-one per cent., increase in exports 176 per cent.; India, increase in imports three per cent., increase in exports twenty-three per cent.; and New Zealand, increase in imports forty-three per cent., increase in exports 148 per cent. To Japan fell the good fortune of having the largest absolute rise in exports, 226 per cent., but relatively the United States made the best showing, as exports increased by 217 per cent., compared with an increase in imports of 113 per cent.

To some countries international trade is of more importance than to others, as self-sufficiency is necessarily a variable factor. The imports per head of population in 1913 may safely be taken as indicative of the needs of various countries which had to be satisfied from external sources, payment being made in commodities produced at home. The amount of the trade in dollars per head is shown in the following table:—

TABLE II.—Imports and Exports per Head of Different Countries. (In Dollars.)

	Imports. 1913	Imports. 1919	Exports. 1913	Exports. 1919
United Kingdom	71	138	57	75
United States	17	35	24	72
France	41	105	34	27
Italy	20	46	14	15
Belgium	118	91	93	40
Holland	254	178	200	89
Denmark	70	161	58	50
Finland	30	60	25	20
Sweden	40	104	38	66
Switzerland	96	162	69	152
Japan	7	19	6	19
Brazil	13	12	13	20
British Empire—				
Australia	79	72	76	115
Canada	85	104	56	133
India	3	4	3	5
New Zealand	94	115	94	199

The data here given, which were submitted to the Brussels Conference, bring the figures into clearer relation to one another. For 1913 the par of exchange has been taken, and for 1919 the average current rate. In both this and the first table the large peace trade shown for both Holland and Belgium is due to the volume of the transit traffic to and from Germany, and the decline in this traffic largely accounts for the enormous falling-off noticeable in the Dutch and Belgian returns for 1919. In the case of the United Kingdom, imports increased from 71 to 138 dollars, while exports rose only from 57 to 75 dollars. In the United States the respective increases were from 17 to 35 dollars and from 24 to 72 dollars, and a very striking advance was recorded also by Japan and by the various Dominions.

As a result of the manifold changes wrought in the last six years, the trade balances of the various nations have undergone radical alterations, both as to nature and volume. The wholesale character of the changes can be readily gathered from the following table, where details as to the amount of the 1913 and 1919 balances are shown:—

TABLE III.—Balance of Trade.

+ Surplus of Exports. — Surplus of Imports.

	Unit of Currency.	1913.	1919.
United Kingdom	£	— 134	— 639
United States	$	+ 691	+ 4,018
France	Franc	—1,541	—21,759
Italy	Lira	—1,134	—11,328
Belgium	Franc	—1,000	— 2,949
Holland	Gulden	— 835	— 1,414
Denmark	Krone	— 134	— 1,623
Finland	Finnish mark	— 91	— 1,662
Sweden	Krona	— 30	910
Switzerland	Franc	— 543	- 235
Japan	Yen	— 97	- 74·5
Brazil	Milreis	— 26	+ 844
British Empire—			
Australia	£	— 3	+ 49
Canada	$	— 223	+ 262
India	Rupee	+ 233	+ 731
New Zealand	£	— 4	+ 22

The table brings out some noteworthy features, first, the general large increase in the adverse trade balances of European countries, with the chief exception of Switzerland; secondly, a similar rise in the favourable balance for the United States and India; and, thirdly, the conversion of an unfavourable into a favourable balance in the case of Australia, New Zealand, South Africa, and Canada. The depreciation of the currencies has, of course, to be taken into account when estimating the relative significance of the 1919, as compared with the 1913 balance of trade, but though such balances may not, on consideration, be so formidable as they appear at first sight, their liquidation is now many times more difficult than before the War, owing to the impaired resources of a large number of the present debtor countries. The value of the various services rendered by different nations, usually included under the comprehensive title of "invisible exports," has been omitted, as not even a remote pretension to accuracy attaches to such estimates as can be made.

Differences in methods of compiling trade statistics create an unavoidable but indefinite margin of error for comparative purposes as between different countries. The factor of currency depreciation also affects comparisons between the present and the pre-War periods, and its importance in this respect has already been emphasised. To state that the combined exports and imports of the United Kingdom in 1919 totalled £2,594,596,775, as against £1,403,555,065 in 1913, does not, because of the divergence of the relations between money and commodities, convey a clear idea of the position. Accordingly, a measure other than that of value must be sought. In the majority of trade returns the Governments concerned include data as to the weight of goods, but the units used vary according to the classification of the goods, and this hinders the possibility of expressing with absolute accuracy the physical volume of the external trade of any country. In the annexed table, based on data supplied by the Supreme Economic Council, the aggregate weight of the imports and of the exports of nineteen countries, quarter by quarter in 1919 and 1920, as compared with the last quarter of 1913, is shown:—

Growth of Aggregate Imports and Exports of Nineteen Countries Quarter by Quarter during 1919 *and* 1920, *compared with* 1913.

	Aggregate Weight of Imports.		Aggregate Weight of Exports. Including British Coal.		Aggregate Weight of Exports. Excluding British Coal.	
	Million Tons	Expressed as a Percentage of 1913	Million Tons	Expressed as a Percentage of 1913	Million Tons	Expressed as a Percentage of 1913
Quarterly Aver. 1913	71·0	100·0	72·1	100·0	53·7	100·0
1919						
1st Quarter	34·8	49·0	32·5	45·1	23·6	43·9
2nd ,,	42·1	59·3	42·0	58·3	32·4	60·3
3rd ,,	46·8	65·9	45·1	62·6	36·8	68·5
4th ,,	44·1	62·1	43·4	60·2	35·0	65·2
1st Quarter 1920	49·7	67·2	44·5	61·7	36·1	67·2
Decrease in 1920 compared with 1913	24·3	32·8	27·6	38·3	17·6	32·8

Between the first quarter of 1919 and the first quarter of 1920 the aggregate weight of imports increased from 34.8 million tons, or forty-seven per cent., to 49.7 million tons, or 67.2 per cent., of the pre-War standard. The upward movement was steadily maintained during three-fourths of 1919, but in the last quarter of that year the momentum was slightly arrested, and the returns for the first quarter of 1920, though they make a better showing, are easily susceptible of improvement. The interaction of a number of factors, economic and political, explains the partial set-back. Rigorous Government control of exports of foodstuffs and other essentials and of imports of luxuries and other unessentials has been partly responsible, as has the partial satisfaction of the dearth of stocks abroad in the months immediately succeeding the Armistice. The difficulties attendant on unfavourable and rapid fluctuations of rates of exchange have raised insuperable barriers to trade, and some attempt to rectify the chaotic conditions here prevailing is a necessary preliminary to an extensive resumption of trading activity. In the course of economic history it has been shown time and again that any serious derangement of the circulating media ultimately causes stagnation in trade. Depreciated exchanges are an infallible symptom of economic ill-health. Goods are wanted by the impoverished countries of Europe, and their wants are on an increasing scale; but this potential demand cannot be made effective through inability to pay. Between sellers and buyers there exists a barrier, but the barrier is not insurmountable. The first essential is the restoration of peace throughout Europe, followed by the cessation of the inflationary policy on the part of all Governments. To restore the currencies to a sound basis will not be possible except by slow stages. The over-production of money and the under-production of goods is the root of the present *malaise*, and the natural remedy is the curtailment of purchasing power and the increased production of purchasable goods. Different countries set a value on foreign money in direct proportion to its internal purchasing power. Under normal conditions of freedom of trade the rate of exchange between, say, Italy and Spain will not be altered if the purchasing power of the currency in each country remains stable. But if inflation takes place in Italy and brings about a reduction in the purchasing power of its currency, the value of Italian currency in Spain will be reduced in the same proportion. Similarly, if Spanish money is inflated, the value of Italian money in Spain will increase in the same proportion. This result inevitably follows in the long period, but it takes no account of temporary upheavals caused by artificial rigging or manipulation of the exchange market. We see a concrete example in the case of Great Britain and the United States. The alteration in the value of the pound, measured in dollars, is due, and in almost inverse proportion, to the respective rise of prices here and across the Atlantic. To put it differently, the purchasing power of the pound in England has fallen much more than the purchasing power of the dollar in America, and there has been a corresponding depreciation of sterling in terms of dollars. Prof. Cassel, of Stockholm University, has expressed himself in favour of stabilising exchanges in proportion to the internal buying power of different currencies. He would set up a new parity called "the purchasing power parity." This new normal rate of exchange would be equal to the old rate multiplied by the quotient between the degrees of inflation of both countries, and deviations will be admissible, as they are inseparable from movements of international trade. It must not be overlooked that the channels of trade have changed on account of the development in the late belligerent and neutral countries of many manufacturing industries. The dye-making, magneto, and glass industries in the United Kingdom, the making of synthetic nitrogenous products in Germany, and wool manufacture in Australia are a few examples that spring to the mind.

In Australia and Canada, and to a less degree in South Africa, iron and steel and allied industries have been developed to a large extent. Everywhere attempts are being made to develop native deposits of coal and iron-ore, and the national objective, owing to the lessons taught by the War, has become economic independence and self-sufficiency. In Australia, for example, pig iron, steel tools, and, to some extent, machine tools, are now being made as a result of the loss of foreign sources of supply during the War. Structural iron and bloom and rail mills have been set up and are producing satisfactorily. The requirements of all the new countries are, however, expanding, and there will still be room for large imports from the manufacturing centres of Europe and from the United States. The resumption of trading relations with Russia and Eastern Europe will also open further avenues of demand, which will help to lift international trade from the present depression.

THE BANK SHARE MARKET.

The Bank Share market has a reputation for conservatism, arising from the fact that the shares are usually so well held as to eliminate the large fluctuations associated with a number of other markets. The shares have hitherto not made a very wide appeal on account of the big uncalled liability often attaching to them, and to extend their popularity the uncalled margin has in many cases been reduced and even extinguished. The re-arrangement of capital thereby involved has been taken advantage of to split shares into smaller denominations, and this should help to increase the circle of investors, though the figures for a number of the individual shares are still high, as can be seen from Table I. given below. It relates to banks operating abroad whose shares are quoted in London. The quotations are in pounds sterling unless otherwise stated. The highest and lowest prices for 1919 and up to date in 1920 are included, as well as the present price, and it will be seen that many shares are now standing at levels below the lowest of last year. The market has not been immune from the general Stock Exchange depression, which has also eaten into net profits on account of the large allocations necessary for investment depreciation. Despite this the high rates obtaining for money and the demand for banking credits, which has been far in excess of the bankers' lending capacity, have helped to maintain earnings. The heavier salary lists and establishment expenses have, of course, been countervailing factors, but the dividends from 1916 onwards have declined in few cases and increased in many, as is shown by Table II. given below. The approximate yields at present prices are there worked out on the basis of previous dividends. The return to the investor, it will be seen, is satisfactory, and often as high as can be obtained from other shares of a speculative character. Banks have the further merit of being, on the whole, steady dividend payers; and as dear money invariably accompanies bad times, they are assured of a market for their commodity, while other joint-stock companies connected with trade and industry are suffering from stagnation. At the present time bank shares are in many cases but little above the lowest figure for the year, as the depression in the stock markets has lately been gathering volume. This depression will almost certainly continue for the remainder of the financial year, and its prolongation will depend on general trade and financial conditions.

TABLE I.

Name of Bank	Nom. Cap.	Paid up	1919 Highest	1919 Lowest	1920 Highest	1920 Lowest	Present Price
Agricultural Bank of Egypt	5	5	7	4 15/16	6 1/8	3 7/8	78/-
Bank of Australasia	40	40	150	121	135	81 1/2	82
,, British West Africa	10	4	8 9/16	6 3/4	7 1/2	5 1/4	5 1/4
,, New South Wales	20	20	40	30 1/4	34 1/2	27	27
,, New Zealand	6 3/4	6 3/4	17 15/16	16 3/4	26 1/4	13 3/4	23
,, Roumania	6	6	8 1/2	6 1/4	6	4 1/4	5
,, Victoria	10	5	95/-	85/-	98/1 1/2	90/-	95/-
British Bank for Foreign Trade	3 1/2	3 1/2	68/9	54/6	50/-	21/-	22/-
,, Overseas Bank, "A" Ord.	5	5	6 1/16	5 1/2	6 7/16	5 1/8	5 1/2
,, Trade Corporation	10	10	11 1/2	9 1/2	10 1/16	7 1/8	7 1/2
Canadian Bank of Commerce	$100	$100	47	42 1/4	48 3/4	36 3/4	39 7/8
Chartered Bank of India, Australia and China	5	5	89 1/2*	67 1/2	16 3/8	13 3/8	14 1/4
Eastern Bank	10	4	9 1/16	6 1/4	7 5/16	6 1/8	6 3/4
English, Scottish and Australian	25	12 1/2	24 3/4	19 3/8	23 1/2	17 1/4	17 1/2
Imperial of Persia	6 1/2	6 1/2	11 1/4	8 1/2	10 1/2	7 1/4	7 1/2
,, Ottoman Bank	20	10	12 1/4	8 1/4	11 1/2	8 1/4	8 1/4
Ionian	5	5	6 9/16	5 1/8	6 1/8	4 3/4	4 7/8
London and Brazilian	20	10	31 3/8	25	30 1/8	22 1/4	22 1/2
National Bank of Australasia	8	5	6 13/16	5 1/4	6 1/2	5 7/8	6 3/16
,, ,, Egypt	10	10	22 3/4	19 1/4	24 5/16	16 1/2	16 3/4
,, ,, India	25	12 1/2	75	50 1/2	62 1/4	35	40 1/2
,, ,, New Zealand	7 1/2	2 1/2	6 3/4	5 1/4	6 3/8	5 3/4	5 3/4
,, ,, S. Africa	10	10	15 1/16	13 3/8	14 3/8	11	11 1/8
Standard Bank of S. Africa	20	5	16 1/4	13 1/4	15 1/4	10 3/16	10 1/4
Union Bank of Australia	15	5	13 7/16	11 1/2	13 7/8	12	12

* Paid up £20.

TABLE II.

Name of Bank	Nom.	Paid up per Share	Dividends 1920	1919	1918	1917	1916	Approx. Yield at Present Prices
Agricultural Bank of Egypt	5	5	8	8	8	7	6	£10 5 -
Bank of Australasia	40	40	13(*i*)*	18*	17*	17*	17*	8 6/-(*a*)
,, British West Africa	10	4	10	9 1/2	8	8	8 1/2	6 19/-
,, New South Wales	20	20	10	10	10	10	10	7 8/-
,, New Zealand, Ord.	6 3/4	6 3/4	17 1/2	15	15	15	15	5 1/-
,, Roumania	6	6	—	—	—	—	—	—
,, Victoria	10	5	7	7	6	6	6	7 7/-
British Bank for Foreign Trade	3 1/2	3 1/2	—	—	—	—	—	—
,, Overseas Bank, "A" Ord.	5	5	—	—	—	—	—	—
,, Trade Corporation	10	10	—	4	2 1/2	—	—	5 7/-(*b*)
Canadian Bank of Commerce	$100	$100	12	12	12	12	12	—
Chartered Bank of India, Australia and China	5	5	14(*i*)*	20 1/2*	20 1/2*	19*	17*	7 0/-
Eastern Bank	10	4	7 1/2(*i*)	8 3/4	7 1/2	7	6	5 4/-
English, Scottish and Australian	25	12 1/2	10(*i*)*	10	9	8	8	7 2/-
Imperial of Persia	6 1/2	6 1/2	3/-(*i*)	8/-	8/-	8/-	7/-	5 7/-
,, Ottoman	20	10	—	—	—	—	—	—
Ionian	5	5	6(*i*)*	7*	7*	6 1/2*	5*	7 4/-
London and Brazilian	20	10	18	18	16	16	16	8 0/-
National Bank of Australasia	8	5	8	8	7	7	7	6 13/-
,, ,, Egypt	10	10	16(*i*)	14	10	8	6	8 10/-(*c*)
,, ,, India	25	12 1/2	20(*i*)*	20*	20*	20*	16*	6 3/-
,, ,, New Zealand	7 1/2	2 1/2	14*	13*	13*	13*	13*	6 13/-
,, ,, S. Africa	10	10	8	7	6	6	6	7 6/-
Standard Bank of S. Africa	20	5	14(*i*)*	16 1/2	16 1/2	15 1/2	14	7 16/-
Union Bank of Australia	15	5	15*	14*	14*	14*	14*	6 5/

* Tax free. (*a*) At 17% (*b*) At 4% (*c*) At 14% (*i*) Interim.

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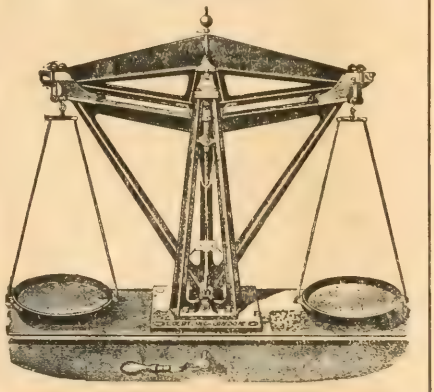
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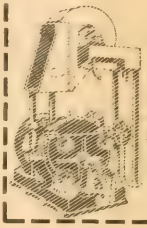
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AFRICAN BANKS.

BANKING conditions in South Africa since the Armistice have been complicated by the peculiar position of that country in relation to gold. During the War the gold output was at the disposal of the Imperial Government, and in spite of the enormous gold production of the country, the banks' reserves became depleted. When in 1919 the export of gold from South Africa was once more permitted, gold bullion jumped to a heavy premium, and the restoration of these reserves became a costly matter. The future policy of the country in respect of gold became a matter of acute controversy. Some were advocates of a policy of placing South African currency on a real gold basis by divorcing the South African gold pound from the British paper pound. Others feared the effect of such a step upon the export trade of the Union, if the rate of exchange with London were raised to correspond with the price of gold in the London Money market. The views of the latter prevailed, and the Currency and Reserve Bank Act, which was passed a few months ago, provided for the suspension of specie payments, while the market price of gold should exceed £3 17*s.* 10½*d.* an ounce. This proviso is contained in the first part of the Act, which is to be in force until June 30, 1923. The Treasury is empowered to receive deposits of gold coin or bullion at the mint price, in exchange for gold certificates, which are to be legal tender up to their face value, and redeemable in gold on demand. When, as at present, the market price of gold in the Union is above the mint price, the Treasury may suspend specie payments. It may also compel the Banks to give up their gold holdings, and this provision largely accounts for the unpopular reception accorded to the new legislation in some quarters.

Another change brought about by the Act is the establishment of a Central Reserve Bank for the Union of South Africa with a monopoly of the right to issue notes for a period of twenty-five years. A feature of the new Central Bank is that much of the ordinary business of a commercial bank is forbidden to it by its constitution, while every bank carrying on business in the Union is required to hold a minimum amount of its stock and to maintain with the Central Bank a reserve balance bearing a proportionate relation to the amount of its liabilities to the public. The new Central Bank, therefore, bears in its main features a distinct resemblance to the United States Federal Reserve Banks. Like most agricultural countries South Africa has enjoyed a period of great prosperity during the period under review, but the rapid fall in the prices of raw materials, particularly of wool, has reversed the position, and many of the staple trades are faced with a period of stagnation.

It should be added that, while the right of note issue for twenty-five years is reserved to the new central institution, the other banks will be allowed to continue issuing notes backed by a minimum gold specie reserve of forty per cent. until the Reserve Bank takes over the issue. The latter must maintain a gold reserve of at least forty per cent. against its notes, and the remaining sixty per cent. will be secured by commercial bills and by a fixed charge on all the assets of the Bank. The same minimum gold reserve must be held against deposits and bills payable. Monthly statements will henceforth be required from all banks operating in the Union. With the new institution, which is to be officially styled "The South African Reserve Bank," and is to have head offices in Pretoria, each bank must maintain a reserve balance of at least ten per cent. of its demand deposits, the proportion being raised to thirteen per cent. after three years from the commencement of the Act. In addition, a reserve equivalent to three per cent. of their time deposits must be maintained. The regulations thus imposed on the banks are far-reaching and severe; and it may not be wise, especially in view of the partial trade depression and the impoverished condition of many of South Africa's former customers, to insist from the outset on complete enforcement of the enactment. In the aggregate table which we publish, the separate and combined figures for a number of African banks, mainly South African, are given for 1919-20. The changes in the ratio of different items to the aggregate total may be set out as follows: Liabilities —capital and reserve, 1919, 7.2 per cent.; 1920, 5.7 per cent.; notes, 1919, 5 per cent.; 1920, 4.6 per cent.; acceptances, 1919, 11.2 per cent; 1920, 12.1 per cent.; deposits, etc., 1919, 75.9 per cent.; 1920, 77 per cent.; profit balance, 1919, .7 per cent.; 1920, .6 per cent. Assets, cash in hand, 1919, 17.2 per cent.; 1920, 16 per cent.; money at call, 1919, 1.2 per cent.; 1920, 1.4 per cent.; total cash, 1919, 18.4 per cent.; 1920, 17.4 per cent.; investments, 1919, 8.3 per cent.; 1920, 10 per cent; bills discounted and advances, 1919, 60.7 per cent.; 1920, 59.4 per cent.; customers' liability for acceptances, 1919, 11.2 per cent.; 1920, 12.1 per cent.; bank premises, 1919, 1.4 per cent.; 1920, 1.1 per cent.; balance-sheet totals, 1919, £130,946,541; 1920 £186,771,197.

In South Africa the process of amalgamation among the banks has been advanced another step by the purchase of the undertaking and assets of the African Banking Corporation by the Standard Bank of South Africa, the details of which will be found in the reports of these banks which follow. In West Africa the Bank of British West Africa has issued £2,000,000 new capital, half of which, £400,000 paid up, has been allotted to the London County Westminster and Parr's Bank, the National Provincial and Union Bank, and the Standard Bank of South Africa, with the consent of [illegible] already holds 37,500 shares.

LIABILITIES OF FIVE AFRICAN BANKS, 1919-20.

LIABILITIES.	Capital		Reserve		Total Capital and Reserve		Notes		Acceptances		Deposits, etc.		Profit Balance		Balance-Sheet Totals	
	£	%	£	%	£	%	£	%	£	%	£	%	£	%	£	%
African Banking Corporation	[illegible]	[illegible]	[illegible]	[illegible]	11·6	[illegible]	3·3	[illegible]	·3	[illegible]	83·5	[illegible]	·7	[illegible]	[illegible]	[illegible]
Bank of Brit. W. Africa ...	[illegible]	[illegible]	[illegible]	[illegible]	7·3	—	—	[illegible]	15·8	[illegible]	76·4	[illegible]	·5	[illegible]	[illegible]	[illegible]
National Bk. of S. Africa	[illegible]	[illegible]	[illegible]	[illegible]	4·6	[illegible]	5·0	[illegible]	14·4	[illegible]	75·5	[illegible]	·5	[illegible]	[illegible]	[illegible]
Netherlands Bk. of S. Africa	[illegible]	[illegible]	[illegible]	[illegible]	17·9	[illegible]	5·1	[illegible]	9·7	[illegible]	65·9	[illegible]	1·4	[illegible]	[illegible]	[illegible]
Standard Bk. of S. Africa	[illegible]	[illegible]	[illegible]	[illegible]	5·4	[illegible]	5·5	[illegible]	10·3	[illegible]	78·2	[illegible]	·6	[illegible]	[illegible]	[illegible]
Total [illegible] 5 Banks	6,587,500		4,048,567	10,616,067	5·7	8,668,136	4·6	22,601,062	12·1	143,863,022	77·0	1,022,910	·6	185,771,197		

ASSETS OF FIVE AFRICAN BANKS, 1919-20.

ASSETS.	Cash in Hand		Money at Call		Total Cash		Investments		Bills Discounted and Advances		Customers' Liability for Acceptances		Bank Premises		Balance-Sheet Totals	
	£	%	£	%	£	%	£	%	£	%	£	%	£	%	£	%
African Banking Corporation	[illegible]	26·7			[illegible]	26·7	[illegible]	8·9	[illegible]	61·8	[illegible]	·9	[illegible]	1·7		
Bank of Brit. West Africa ...	[illegible]	17·9	—		[illegible]	17·9	[illegible]	4·8	[illegible]	60·2	[illegible]	15·8	[illegible]	1·3		
National Bk. of S. Africa ...	[illegible]	12·9	[illegible]	2·9	[illegible]	15·8	[illegible]	14·0	[illegible]	54·6	[illegible]	14·4	[illegible]	1·2		
Netherlands Bk. of S. Africa	[illegible]	37·4			[illegible]	37·4	[illegible]	4·0	[illegible]	46·4	[illegible]	9·7	[illegible]	2·5		
Standard Bk. of S. Africa	[illegible]	17·2			[illegible]	17·2	[illegible]	6·7	[illegible]	65·0	[illegible]	10·3	[illegible]	·8		
Total Assets ... 5 Banks	29,948,988	16·0	2,528,558	1·4	32,477,546	17·4	18,770,606	10·0	110,938,358	59·4	22,601,062	12·1	1,983,625	1·1	186,771,197	

AFRICAN BANKING CORPORATION.

(*See* **Standard Bank of South Africa.**)

Head Office: 63 London Wall, E.C. 2.

Capital—

Authorised	... ...	£2,000,000
Subscribed	... ...	2,000,000
Paid up	... ...	1,000,000

THE African Banking Corporation was formed in June 1890. In 1895 the paid-up capital amounted to £297,645, while there was then no reserve fund. Since that date amounts have been set aside as reserve, and the fund had reached £210,000 in 1913, and on September 30, 1919, stood at £360,000.

The authorised capital of the Bank is £2 million in 200,000 shares of £10 each, with power to increase to £5 million subject to the consent of shareholders in general meeting. Up to 1919, 120,000 shares had been issued, with £5 paid on each, making the paid-up capital £600,000. In that year, however, an issue was made of a further 80,000 shares of £10—£5 paid—at a price of £5 10*s.* per share, such shares to rank *pari passu* with those already issued. They were offered to existing shareholders at the rate of two new shares for every three already held. The paid-up capital, therefore, now amounts to £1 million.

The balance sheet for the year ending September 30, 1919, showed an increase of £1,159,000 to over £3 million in the cash and call money, as compared with the previous year. The rise is accounted for by the large increase in current accounts and deposits. Just before the War these latter items came to less than £5 million: on September 30, 1919, they stood at £9,792,589, an increase of £1,600,000 during the year. Securities at over £1 million were about £240,000 more than the previous year's figures, and all depreciations have now been written off. Bills of exchange purchased showed a decrease of £280,000. These, with cash and securities, represented about sixty-two per cent. of the Bank's liabilities to the public. Bills discounted and advances at £5 million showed an increase of nearly £1 million. The total of the assets has increased by over £2 million during the year.

The note issue showed a slight drop, which is accounted for in part by restrictions on cash operations. It amounted to only £388,000, though the Bank is authorised to issue notes to the extent of its paid-up capital.

The year's net profit was £158,760, as compared with £132,007 for the previous year. This profit is equal to 15.8 per cent. on the paid-up capital, and to 11.6 per cent. on the combined amount of capital and reserve. A sum of £30,000 (together with the £40,000 premium on new shares) was placed to reserve fund. A dividend of nine per cent. was paid, the interim dividend being four per cent. and the final five per cent. £10,000 was written off premises account, and £20,000 allocated to the pension fund.

A provisional agreement has now been entered into between this Bank and the Standard Bank of South Africa, for the amalgamation of the two banks, subject to the consent of the Treasury. The Standard Bank is to purchase the undertaking and assets of the African Corporation, on the basis of two new shares of the Standard Bank of £20 each—£5 per share paid up—for each three shares of the African Banking Corporation of £10 each—£5 per share paid up. This is subject to certain reserves for the purpose of satisfying the debts and liabilities of the African Corporation. The new shares are to rank for dividend from January 1, 1920, except that they are not to participate in the interim dividend payable by the Standard Bank in October.

At an extraordinary general meeting, held on October 25, resolutions providing for amalgamation with the Standard Bank of South Africa were carried unanimously, and these have been subsequently confirmed.

Profits of the African Banking Corporation.

Year ended Sept. 30	Gross Profit.	Expenses.	Net Profit.	Div. subject to Tax. Amount.	%	Special Allocations.	Carried Forward.
	£	£	£	£		£	£
1919 ...	392,400	233,640	158,760	90,000	9	67,107	37,666
1918 ...	324,424	192,416	132,007	48,000	8	76,734	36,013
1917 ...	252,324	172,363	79,961	45,000	7½	35,063	23,741
1916 ...	215,641	160,781	54,860	39,000	6½	14,718	28,843
1915 ...	191,130	150,285	40,845	36,000	6	4,621	27,701
1914 ...	197,179	150,751	46,428	36,000	6	4,145	27,477
1913 ...	211,385	147,024	64,361	32,000	5	28,928	21,194

AGRICULTURAL BANK OF EGYPT.

(Société Anonyme Incorporated under Egyptian Law.)

(*See* **National Bank of Egypt.**)

Head Office: Cairo.

London Office: 57½ Old Broad Street, E.C. 2

Capital—

Debentures Issued—	
3½% Bonds, First Series	£2,350,000
3½% Bonds direct'y guaranteed by the Egyptian Government	4,220,000
	£6,570,000
Share Capital Authorised—	
496,000 Ordinary Shares of £5 each	£2,480,000
125,000 Cumulative 4% Preferred Shares of £10 each	1,250,000
2,000 Deferred Shares of £5 each	10,000
	£3,740,000

All Issued.

NOTE.—Except where specified the "£" is the £ sterling 97.5 Egyptian £'s are equal to £1,000 sterling, or £E.1 equals approximately £1 0*s.* 6*d.*

THE Agricultural Bank of Egypt was created by Khedivial Decree dated May 17, 1902, under a Concession of the same date granted by the Egyptian Government. Its object was to lend money to small cultivators on the security of their land, so that they could obtain credit on reasonable terms.

The Bank is an offshoot of the National Bank of Egypt, as the latter recognised that a large portion of its capital could not be devoted to financing these small cultivators, and so decided to form the Agricultural Bank, to which it handed over loan business of this character. The National Bank owns 50,000 of the Ordinary shares of the Agricultural Bank.

Liabilities and Assets of The African Banking Corporation, Limited.

LIABILITIES. Sept. 30	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919 ...	1,000,000	360,000	1,360,000	11·6	388,584	3·3	102,814	·9	9,792,589	83·5	87,666	·7	11,731,653
1918 ...	600,000	290,000	890,000	9·2	400,117	4·1	150,707	1·6	8,187,778	84·5	60,013	·6	9,688,615
1917 ...	600,000	250,000	850,000	10·1	332,357	4·0	176,353	2·1	7,003,476	83·2	52,740	·6	8,414,926
1916 ...	600,000	220,000	820,000	10·8	225,603	3·0	367,196	4·9	6,032,424	80·7	49,842	·6	7,495,065
1915 ...	600,000	210,000	810,000	11·6	262,428	3·8	94,339	1·3	5,763,367	82·6	45,701	·7	6,976,235
1914 ...	600,000	210,000	810,000	13·1	212,622	3·4	203,430	1·7	4,995,330	81·1	39,477	·7	6,160,879
1913 ...	400,000	210,000	610,000	9·2	240,300	3·6	325,697	4·9	5,398,604	81·7	37,194	·6	6,613,795

ASSETS. Sept. 30	Coin, Bullion, Notes, Cash at Call, &c.		Investments.		Bills of Exchange Purchased.		Bills Discounted, Loans and Advances.		Liability of Customers for Acceptances.		Bank Premises Accounts, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919 ...	3,131,996	26·7	1,048,235	8·9	2,148,030	18·3	5,105,156	43·5	102,814	·9	194,503	1·7	11,731,653
1918 ...	1,972,371	20·3	804,128	8·3	2,429,457	25·1	4,126,154	42·6	150,707	1·6	201,498	2·1	9,688,615
1917 ...	1,733,173	20·3	784,413	9·3	2,069,617	24·6	3,449,186	41·0	176,353	2·1	205,384	2·4	8,414,926
1916 ...	1,257,814	16·8	914,870	12·2	1,287,048	17·2	3,464,124	46·2	367,196	4·9	204,033	2·7	7,495,065
1915 ...	1,234,950	18·1	1,037,016	14·9	1,335,013	19·2	3,011,214†	43·6	94,339	1·3	203,678	2·9	6,976,235
1914 ...	1,265,181	23·5	709,685	11·4	1,143,781	19·2	2,714,402	44·1	103,150	1·7	189,100	3·1	6,160,879
1913 ...	1,220,423	18·4	696,137	10·5	1,286,580	19·5	2,921,469	44·2	325,697	4·9	162,139	2·5	6,613,795

* Per cent. of Total Liabilities or Assets.

† Includes £400,000 Treasury bills.

Agricultural Bank of Egypt.

Year ended Jan. 31	Gross Profit. £E.	Loans and Instalments in Arrear. £E.	General Expenses, &c. £E.	Commission to National Bank. £E.	Debenture Interest. £E.	Net Profit. £E.	Preferred Dividend 4 %. £E.	Ordinary Dividend.— Amount. £E.	%	Deferred Dividend.— Amount. £E.	%	To Reserves, &c. £E.	Carried Forward. £E.
1920 ...	792,279	22,427	107,283	11,384	235,625	415,560	48,750	193,440	8	78,000	800	83,562	666,873
1919 ...	1,026,506	28,097	102,982	18,088	235,251	642,088	48,750	193,440	8	78,000	800	61,081	585,673
1918 ...	1,229,616	41,774	109,313	19,569	234,890	824,070	48,750	193,440	8	78,000	800	201,523	424,806
1917 ...	1,174,448	71,078	89,351	14,104	234,540	774,375	48,750	169,260	7	78,000	800	370,576	122,498
1916 ...	1,014,349	164,164	91,451	9,791	234,293	515,870	48,750	145,080	6	23,250	300	283,815	14,709
1915 ...	1,011,708(a)	550,730	71,270	4,102	233,877	151,729	48,750	48,36		4,875	50	70,722	5,734
1914 ...	897,011	238,509	80,276	10,357	233,582	334,307	48,750	145,080	6	39,000	400	76,622	26,713

(a) Includes £E.472,700 transferred from general reserve fund and £E.11,652 received from Egyptian Government under guarantee.

Liabilities and Assets of The Agricultural Bank of Egypt.

LIABILITIES.

Jan. 31	Capital. £E.	Reserve Fund. £E.	Total Capital and Reserve.— £E.	%	—Debentures.— £E.	%	Sundry —Creditors. £E.	%	Interest on Loans Accrued (as per contra). £E.	%	Miscellaneous.— £E.	%	Profit Balance.— £E.	%	Total Liabilities. £E.
1920 ...	3,646,500	1,150,166	4,796,666	38·5	6,405,750	51·3	144,273	1·2	40,384	·3	81,806	0·5	47,008	2·0	12,475,247
1919 ...	3,646,500	1,141,368	4,787,868	38·1	6,405,750	51·0	189,560	1·5	75,256	·6	290,597	4·7	510,414	4·1	12,557,355
1918 ...	3,646,000	1,360,736	5,007,236	40·1	6,405,750	51·3	184,114	1·5	74,249	·6	238,179	1·9	568,184	4·6	12,480,712
1917 ...	3,646,500	1,371,472	5,320,472	42·6	6,405,750	51·3	166,631	1·3	84,357	·7	145,328	1·2	355,018	2·9	12,479,117
1916 ...	3,646,000	1,664,343	5,314,343	43·5	6,405,750	52·4	135,247	1·1	93,752	·7	97,321	·8	183,306	1·5	12,229,819
1915 ...	3,646,500	1,587,777	5,234,277	43·8	6,405,750	53·5	110,686	·9	104,853	·9	86,510	·7	32,256	·2	11,973,332
1914 ...	3,646,500	1,282,582	4,929,082	41·8	6,405,750	54·2	120,219	1·0	118,388	1·0	28,620	·2	208,934	1·8	11,810,993

ASSETS.

Jan. 31	—Cash.— £E.	%	—Investments.— £E.	%	—Loans &c.— £E.	%	—Discount, &c.— £E.	%	Instalments —Overdue, &c.— £E.	%	Interest on Loans —Accrued.— £E.	%	Bank —Premises.— £E.	%	Total Assets. £E.
1920 ...	502,954	4·0	7,435,472	59·6	3,714,213	29·8	537,928	4·3	162,955	1·4	66,701	·5	60,721	·4	12,475,247
1919 ...	788,837	6·2	6,766,659	53·9	4,046,702	32·2	548,992	4·4	276,855	2·2	75,256	·5	56,054	·5	12,557,355
1918 ...	766,053	6·1	5,557,267	44·5	4,382,809	39·1	559,681	4·5	580,174	4·7	74,248	·6	60,480	·5	12,480,712
1917 ...	1,488,954	11·9	3,918,216	28·9	5,584,168	44·8	570,410	4·6	1,052,931	8·4	85,337	·7	82,471	·7	12,479,117
1916 ...	1,356,956	11·1	2,540,674	20·7	6,136,968	50·2	579,989	4·7	1,443,280	11·8	93,353	·8	38,599	·7	12,229,819
1915 ...	418,823	3·5	2,423,908	20·2	6,809,787	56·8	589,631	4·9	1,536,405	12·9	104,853	·9	94,865	·8	11,973,332
1914 ...	795,477	6·7	2,210,993	18·7	7,185,679	60·8	598,946	5·1	804,783	6·8	118,387	1·0	97,628	·9	11,810,993

* Per cent. of Total Liabilities or Assets.

The duration of the Company was fixed at fifty years, to run from June 1, 1902, and its sole object was declared to be the making of advances to small farmers on the following conditions: (1) Advances not exceeding £E.300, to be repayable within ten and a-half years, and to be secured by a first mortgage on land of at least double the value of the advance; (2) advances not exceeding £E.20, to be repayable within fifteen months. It was further provided in these cases that the rate of interest must not be greater than nine per cent., nor in any case exceed the maximum rate established by law.

In 1913 the Bank obtained control of the Mortgage Company of Egypt, Limited, having been authorised to invest its surplus funds in loans on the first mortgage of land in Egypt. In January last the Bank held 197,471 shares in the Mortgage Company, each share of £5, with £1 5*s.* paid up. In 1913 the Government of Egypt allowed an increase in the maximum amount of the Agricultural Bank's loans, that of the "A" loans to be £E.200 (these are shown under (2) above), that of the "B" £E.1,000 ((1) above). The total number of loans made during the year 1919-20 was 247, amounting to £E.39,742. Of these ninety-seven were "A" loans, amounting to £E.2,733, 150 were "B" loans, amounting to £E.37,009. The total for the previous year was 338 loans, for £E.63,697. The capital reimbursed by the Bank's clients greatly exceeded the new output of loans, and this result was largely due to the disturbances that took place in the country in 1919.

The position of the Mortgage Company has greatly improved during the year under review, and the directors are of opinion that the shares may be considered as worth the cost price at which they stand in the Agricultural Bank's balance sheet.

According to the profit and loss account for the year ending January 31, 1920, the gross profit was £E.792,279, reduced by £E.22,427 for loans and instalments in arrears, £E.107,283 for general expenses (which stand at approximately the same figure as in the previous year), £E.11,384 for commission to the National Bank of Egypt, and £E.235,625 for the interest on the Debentures, leaving a net profit of £E.415,560. This compares with a gross profit for the previous year of £E.1,026,506, and a net profit of £E.642,088. Attention is drawn to the fact that the total amount of arrears collected during the year—*i.e.*, £E.102,581—has gone entirely to the profit of the year, whereas the total of arrears outstanding for encashment in future years is £E.83,724. A decrease is therefore to be expected in this source of revenue in the future.

The fixed dividend of four per cent. was paid on the Preference shares, eight per cent. per annum on the Ordinary, and 800 per cent. per annum on the Deferred shares.

The balance-sheet figures are satisfactory, total assets standing at about the same figure as last year. Cash in hand was slightly lower, while investments showed a rise. The total of loans, at £E.3,714,213, registered a decline, but there were signs of an increased demand for the new mortgage loans.

The total of the Bank's general reserve fund, special reserve fund, and provision for depreciation on investments was £1,008,318. Over £80,000 was set aside for these funds out of the current year's profits.

ANGLO-EGYPTIAN BANK.

Head Office: 27 Clement's Lane, Lombard Street, E.C. 4.

Capital—

Authorised	£1,800,000
Subscribed	1,800,000
Paid up...	600,000

The Anglo-Egyptian Bank was formed in 1864 with a capital of £2 million, of which £500,000 was paid up. The business rapidly increased with the growing commerce of Egypt, with the result that by 1887 the paid-up capital had reached £1,600,000. Then, however, a reconstruction took place, as the Bank found it had a larger capital than it could profitably employ, and returns were made to shareholders, reducing the paid-up amount to £400,000. In the last balance sheet the item stood at £600,000, having been increased from £500,000 in 1919 to that figure. In 1895 there was no reserve fund, but in ten years enough had been set aside to equal the paid-up capital, and by 1920 the fund, at £720,000, considerably exceeded such capital.

In addition to its head office at Cairo, the Bank has branches at Alexandria, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Malta, Gibraltar, Haifa, Jaffa and Jerusalem. Branches have now been opened at Port Soudan, which is the port for practically the whole of the Soudan, and at Assiut, the centre of the cotton-growing district of Upper Egypt. The Bank is also negotiating for new premises in London, the present ones proving wholly inadequate for the business. In Palestine, the institution acts as Banker to the Administration.

Liabilities and Assets of The Anglo-Egyptian Bank, Limited.

LIABILITIES. Aug. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Bills Payable. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	600,000	720,000	1,320,000	7·7	735,699	4·3	561,518	3·3	15,653,862	85·1	130,483	·7	18,401,562
1919 ...	600,000	720,000	1,320,000	6·7	466,144	2·4	438,885	2·3	17,223,839	88·0	118,336	·6	19,567,202
1918 ...	500,000	710,000	1,210,000	8·2	269,728	1·8	455,244	3·1	12,656,372	85·5	203,038	1·4	14,794,382
1917 ...	500,000	710,000	1,210,000	11·0	228,186	2·1	241,599	2·2	9,168,422	83·4	141,347	1·3	10,989,554
1916 ...	500,000	690,000	1,190,000	12·5	373,657	4·0	203,163	2·1	7,603,341	80·1	122,674	1·3	9,492,835
1915 ...	500,000	680,000	1,180,000	16·4	527,556	7·4	109,427	1·5	5,251,623	73·0	127,555	1·7	7,196,161
1914 ...	500,000	680,000	1,180,000	21·6	706,369	12·9	168,676	3·1	3,277,121	60·0	129,591	2·4	5,461,757
1913 ...	500,000	680,000	1,180,000	21·6	904,917	16·6	225,170	4·1	3,047,763	55·7	110,027	2·0	5,467,877

ASSETS. Aug. 31	Cash in Hand and at Call. £	% *	Investments. £	% *	Bills Receivable. £	% *	Advances, &c. £	% *	Clients' Liab. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920	1,965,354	10·7	1,464,102	7·9	8,460,106†	46·0	5,681,600	30·9	735,699	4·0	94,611	·5	18,401,562
1919	3,604,709	18·4	1,958,805	9·9	10,443,855†	53·4	3,021,736	15·4	466,144	2·4	91,953	·5	19,567,202
1918	2,441,108	16·5	1,089,651	7·4	7,515,760†	50·8	3,388,919	22·9	269,728	1·8	89,216	·6	14,794,382
1917	2,128,637	19·4	1,082,465	9·8	4,824,496	43·9	2,650,667	24·1	228,186	2·1	75,000	·7	10,989,554
1916	1,786,160	18·8	776,531	8·2	4,347,124	45·8	2,124,363	22·3	373,657	4·0	85,000	·9	9,492,835
1915	1,279,658	17·8	642,589	8·9	2,352,147	32·7	2,303,526	32·0	527,556	7·4	90,685	1·2	7,196,161
1914	816,827	14·9	330,658	6·1	976,543	17·9	2,547,934	46·7	706,369	12·9	83,426	1·5	5,461,757
1913	545,707	10·0	396,652	7·2	902,404	16·5	2,654,532	48·6	904,917	16·6	63,665	1·1	5,467,877

* Per cent. of Total Liabilities or Assets. † Including (1918) £4,000,000, (1919) £6,150,000 and (1920) £6,200,000 British Treasury bills.

The balance sheet as on August 31, 1919, showed record figures, while the total of this year's, though not as high as in 1919, considerably exceeds previous years' totals. Acceptances for third account rose from £269,728 in 1918 to £466,144 in 1919, and stand at £735,699 this year. Deposits in 1919, at £17,113,000, showed an increase of over £4½ million, but have dropped to £15,542,000 this year. On the assets side, cash in hand stood in August of this year at £1,965,353, as compared with £3,604,709 last year. Bills receivable were £8,460,000 (including £6,200,000 Treasury bills), as compared with £10,443,000 (including £6,450,000 Treasury bills) last year. Shipping being more free, advances dropped in 1919 by about £300,000, to £3,021,000, but have recovered this year to £5,681,000.

The net profit for the year to August 31 last was £133,405, as compared with £142,980 for the previous year. It is equal to 22.2 per cent. on the paid-up capital and to 10.1 per cent. on the combined amount of capital and reserve. The dividend for the year was maintained at fifteen per cent., and also, as last year, an additional two and a-half per cent. was paid in the shape of bonus. £12,922 was set aside as a reserve for new premises, and £50,000 is carried forward.

During this present year Barclays Bank Limited has acquired control of the Anglo-Egyptian Bank, by the purchase of over 100,000 of the 120,000 shares existing. This follows on a provisional agreement whereby, subject to the consent of the Treasury, Barclays Bank was to acquire not less than fifty per cent. of the shares of the Anglo-Egyptian, by giving nine fully-paid "B" shares of £1 each in exchange for each £15 share, on which £5 has been paid, in the Anglo-Egyptian Bank. Each bank is to retain its independence and separate board of directors. This association with one of the largest British banks cannot fail to aid in the expansion of the Anglo-Egyptian Bank.

Profits of the Anglo-Egyptian Bank.

Year to August 31—	1920 £	1919 £	1918 £	1917 £	1916 £	1915 £
Gross profit	398,143	325,803	273,885	247,617	212,609	188,930
Expenses and taxes ...	270,220	186,159	122,885	115,117	112,333	102,936
Net profit	127,923	139,644	151,000	132,500	100,276	85,994
Paid to shareholders as dividends	105,000	105,000	175,000	87,500	83,125	66,250
Dividends % (actual) ...	—	—	—	—	—	—
Interim ,, ...	5*	5*	5*	5	5†	5†
Final ,, ...	10*	10*	10*	10*	10*	10†
Bonus ,, ...	2½*	2½*	20‡	2½*	2½*	—
Total ,, ...	17½*	17½*	35*	17½*	17½	15†
Reserve fund	—	10,000	—	20,000	10,000	—
Investment depreciation ...	—	—	—	—	—	26,744
War contingencies ...	—	—	—	—	—	20,000
Premises account ...	12,923	22,644	5,000	10,000	5,151	—
Balance	10,000	2,000	Dr.29,000	15,000	2,000	Dr27,000
Carried forward ,,	50,000	40,000	38,000	67,000	52,000	50,000

* Free of income tax. † Subject to income tax. ‡ Scrip bonus.

BANK OF BRITISH WEST AFRICA.

Head Office: 17 and 18 Leadenhall Street, London, E.C. 3.

Capital—

Authorised	£4,000,000
Subscribed	3,000,000
Paid up	1,200,000

ESTABLISHED in 1894, this Bank had little competition in West Africa until 1918, when the Colonial Bank opened branches there. The original head office was at Liverpool (with one branch at Lagos), but in 1910 London was made the headquarters. The absorption of the Bank of Nigeria largely increased the number of branches. To-day, most of the Bank's offices are on the Gold Coast, in Ashanti, and Nigeria, but it has branches also in Morocco, Egypt, Canary Islands, Gambia, Sierra Leone, Liberia, Togoland, Cameroons, and Fernando Po, besides branches in England at Liverpool, Manchester, and Bradford, and one in New York.

The accounts of the Bank show that the business is developing with the expansion of West African trade. The deposits rose from £1,186,000 in 1910 to £12,617,000 in 1920, and in the same period the total assets increased from £1,626,000 to £16,500,000. The reserve fund has also grown, amounting in March 1920 to £400,000, against £80,000 in 1910.

In August of this year it was announced that by resolutions confirmed by the shareholders 200,000 new shares of £10 each had been created. The further interesting announcement was made that 100,000 of these shares had been allotted (£4 paid) as follows:

33,333 to London County Westminster and Parr's Bank, Limited.

33,333 to National Provincial and Union Bank of England, Limited.

33,334 to Standard Bank of South Africa, Limited.

The price was £6 5*s.* per share, and the premium of £225,000 thus received has been added to the reserve fund, increasing the latter to £625,000. Each of these three Banks will be represented on the board of the Bank of British West Africa. The arrrangement has been entered into with the concurrence of Lloyds Bank, Limited, which already holds 37,500 shares in the African Bank. The directors of the latter state that not only is desirable new capital thus provided, but the mutual interest thus established with three such banks cannot fail to add greatly to the business and expansion of the Bank of British West Africa.

The net profit for the year ending March 31, 1920, amounted to £125,147. The paid-up capital was then £800,000 and reserve £400,000, and this profit is equal to 15.6 per cent. on the former and 10.4 per cent. on the total of capital and reserve. £21,250 was placed to reserve and £15,000 set aside for depreciation of premises. Dividends amounting to 10 per cent. for the year were paid. £30,000 was carried

Liabilities and Assets of The Bank of British West Africa, Limited.

LIABILITIES. March 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances, &c. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920... ...	800,000	400,000	1,200,000	7·3	2,605,105	15·8	12,617,437	76·4	78,377	·5	16,500,922
1919... ...	580,000	250,000	830,000	9·2	1,228,591	13·8	6,876,847	76·4	54,580	·6	9,000,018
1918... ...	580,000	237,500	817,500	12·6	712,975	11·0	4,883,959	75·8	47,713	·8	6,462,158
1917... ...	560,000	220,000	780,000	18·0	227,244	5·2	3,288,885	75·9	39,177	·9	4,335,306
1916... ...	400,000	150,000	550,000	15·3	164,781	4·6	2,840,842	79·1	35,417	1·0	3,591,040
1915... ...	400,000	150,000	550,000	17·0	162,589	5·0	2,496,520	77·1	26,141	·8	3,235,250
1914... ...	400,000	187,000	587,000	18·6	309,338	9·8	2,222,905	70·6	31,599	1·0	3,150,842

ASSETS. March 31	Cash in Hand, &c. £	% *	Investments. £	% *	Bills Discounted. † £	% *	Loans, Advances, &c. £	% *	Cust. Liab. for Acceptances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1920	2,951,334	17·9	791,563	4·8	4,940,678	29·9	5,003,206	30·3	2,605,105	15·8	206,843	1·3	16,500,922
1919	1,667,564	18·5	1,026,821	11·4	2,219,803	24·6	2,706,768	30·1	1,228,591	13·8	140,471	1·6	9,000,018
1918	1,127,144	17·4	925,528	14·3	2,331,890	36·1	1,244,904	19·3	712,975	11·0	120,177	1·9	6,462,158
1917	1,142,575	26·4	494,719	11·5	1,264,186	29·2	1,109,420	25·6	227,244	5·2	89,812	2·1	4,335,306
1916	1,025,712	28·4	546,101	15·2	1,153,239	32·1	688,398	17·8	164,781	4·6	67,789	1·9	3,591,040
1915	1,161,397	35·9	527,520	16·3	607,089	18·7	706,741	21·9	162,589	5·0	69,914	2·2	3,235,250
1914	830,596	26·4	419,159	13·3	965,626	30·6	566,321	18·0	309,338	9·8	59,802	1·9	3,150,842

* Per cent. of Total Liabilities or Assets. † Including Treasury Bills.

forward, against £22,000 brought forward from the previous year.

Profits of the Bank of British West Africa.

Year to Mar. 31	Gross Profit. £	Expenses. £	Net Profit. £	Dividend Amount. £	Dividend %	Special Reductns. £	Carried Forward. £
1920 ...	—	—	125,147	71,200	10	46,250	30,377
1919 ...	—	—	83,767	52,200	9	30,500	22,680
1918 ...	—	—	71,514	46,075	8	25,000	21,613
1917 ...	216,997	152,237	64,760	32,000	8	10,000	18,177
1916 ...	170,586	111,310	59,276	32,000	8	22,000	15,417
1915 ...	138,902	91,360	47,542	26,000	6½	21,000	10,141
1914 ...	148,049	87,249	60,800	33,680	9½	24,250	9,599

As compared with the previous year, the deposits, at £12,617,437, have practically doubled. The cash in hand has increased from £1,667,564 to £2,951,334. Investments showed a decrease of over £200,000, while bills discounted, at £4,940,678, have increased more than twofold. The total of advances has risen to over £5 million. Against liabilities to the public amounting to £12,617,437, assets were held in the following approximate proportions: Cash, twenty three per cent.; investments, six per cent.; bills discounted, thirty-nine per cent.; advances and loans thirty-nine per cent.

BANQUE DU CONGO BELGE.

Head Office: 48 Rue de Namur, Brussels.

London Office: 9 Bishopsgate, E.C. 2.

Capital—

Authorised 24,000 shares of Frs. 500 each	...	Frs.12,000,000
Subscribed	...	5,000,000
Paid up	...	1,000,000

This Bank, which acts as bankers to the Government of the Belgian Congo, was established at Brussels in 1909 to facilitate Belgian trade with that territory. The War suddenly deprived the African field of operations of its directing head office, and an office was opened in London in September 1914. No accounts were published during the War, and it is pleasing to note that the accounts now to hand for the financial periods 1914-15 to 1918-19 show considerable expansion, as the following comparison with June 1914 will indicate:—

	June 30, 1914 Frs.	June 30, 1919 Frs.
Notes in circulation ...	5,187,380	12,158,707
Cash reserve	4,797,620	10,981,207
Sundry debtors	2,004,250	34,177,191
Sundry creditors	6,863,754	41,441,897
Natives' savings deposits ...	132,515	331,603

The 1919 accounts were made up to June 30, and, as stated above, covered five years. The profit and loss account, including about 9,000 francs brought forward, showed a credit balance of Frs.2,515,867. Out of this a dividend of six per cent. and an additional dividend of four per cent. were paid for each financial period, *i.e.* fifty per cent. in all on the paid-up capital. A bonus of Frs.500,000 was also allotted to the shareholders, equal to a further fifty per cent. of the capital. Frs.125,000 was transferred to reserve and Frs.1,040,585 was paid to the Colonial Treasury.

During 1919 the authorised capital was increased from Frs. five million to Frs. twelve million, thirty per cent. of which was to be paid up. The new shares of 500 francs each were issued at par to original shareholders in proportion to their holdings. This increase was necessitated by the disproportion between the amount of the Bank's engagements and its capital.

We append a statement of assets and liabilities as on June 30, 1919.

LIABILITIES.	1919, June 30, Belgian Frs.	ASSETS.	1919, June 30, Belgian Frs.
Capital paid up ...	1,000,000	Cash in hand and at bankers ...	17,195,704
Legal reserve ...	15,319	Government loans ...	4,000,000
Notes in circulation ...	12,158,707	Bills receivable ...	15,312,978
Bills payable ...	2,605,850	Sundry debtors ...	34,297,253
Sundry creditors ...	52,288,277	Bank premises, etc. ...	1
Other liabilities	49,916		
Profit balance ...	2,515,867		
Total liabilities ...	70,633,935	Total assets ...	70,633,935

NATIONAL BANK OF EGYPT.

(Se Agricultural Bank of Egypt.)

Head Office: Cairo.

London Office: 6 and 7 King William Street, E.C. 4.

Capital—

Authorised	...	£3,500,000
Issued, 300,000 fully-paid Shares of £10 each	...	3,000,000

The National Bank of Egypt was established by Khedivial Decree in 1898, and is to all intents and purposes the State Bank of Egypt. It possesses the sole right to issue notes in that country, to an unlimited extent, the statutory backing being partly gold and partly securities approved by the Egyptian Government. Since 1916 British Treasury Bills have been allowed to take part place of gold. The first balance sheet published showed a paid-up capital of £1,500,000. In 1903, 1904, and 1905, 150,000 new shares were issued at premiums up to £10 per share, making the capital up to its present figure of £3 million.

In addition to the offices at Cairo and Alexandria, the Bank has seventeen branches in Egypt and three in the Soudan. One of the Bank's objects, when it was founded, was to give assistance to the fellaheen (tillers of the soil) of Egypt, and its business in this direction was so successful that it would have been possible to employ a much larger amount of the Bank's capital in this way than it was thought advisable to do. Accordingly, in 1902, the Bank handed over its fellaheen business to the recently formed Agricultural Bank of Egypt, in which institution the National Bank holds a large number of shares.

The accounts last presented are dated December 31, 1919. Compared with the previous year, notes in circulation have increased from £E.44,489,578 to £E.62,804,670, an evidence of the general inflation. The deposits also showed a large increase, from £E.28 million to over £E.36 million.

The total of the assets has risen by no less than £E.26 million during the year. Cash was slightly higher, and the total of Treasury Bills and investments has expanded from £E.57,809,965 to £E.80,397,074. The total of advances showed a falling-off of £E.900,000, while bills receivable fell by £E.250,000. The Bank's holding of bills rose from £E.2,708,410 to £E 7,393,090.

Liabilities and Assets of The National Bank of Egypt.

LIABILITIES.

Dec. 31	Capital Paid up. £E.	Reserve Funds. £E.	Capital and Reserve. £E.	%	Notes in Circulation. £E.	%	Mixed Tribunals. £E.	Govt. Deposits. £E.	Other Deposits. £E.	Total Deposits, &c. £E.	%	Cheques and Bills Payable. £E.	%	Acceptances. £E.	%	Profit Balance. £E.	%	Total Liabilities. £E.
1919...	2,925,000	1,[illegible]0	4,[illegible]0	4·7	62,[illegible]0	60·0	2,713,972	11,267,315	21,240,734	36,242,088	34·6	294,452	·3	—	—	408,874	·4	104,701,035
1918...	2,925,000	1,850,000	4,775,000	6·2	44,489,578	56·7	2,609,971	9,786,916	15,647,557	28,044,424	35·7	178,003	·2	465,967	·6	430,668	·6	78,484,540
1917...	2,925,000	1,821,696	4,746,696	8·0	29,552,332	52·0	2,345,686	7,924,590	12,072,554	22,344,804	39·3	126,856	·2	—	—	305,978	·5	56,876,666
1916...	2,925,000	1,576,069	4,501,069	10·7	19,371,321	47·9	1,519,412	5,834,166	8,956,571	16,310,149	40·4	145,844	·3	99,819	·2	211,757	·5	40,457,450
1915...	2,925,000	1,267,500	4,192,500	16·1	10,582,292	40·8	1,261,121	2,901,136	6,581,6[illegible]	10,514,631	40·6	201,040	·8	301,993	1·2	127,261	·5	25,919,717
1914...	2,925,000	1,267,500	4,192,500	21·5	7,464,954	38·2	1,320,891	2,898,686	3,172,637	7,092,211	36·4	117,443	·6	512,510	2·6	120,325	·7	19,499,943
1913...	2,925,000	1,486,875	4,411,875	30·1	2,236,117	15·2	1,310,995	1,837,195	3,780,651	7,128,841	48·7	125,717	·9	597,907	4·1	153,130	1·0	14,653,587

ASSETS.

Dec. 31	Cash. £E.	%	Treasury Bills & Investments. £E.	%	Loans at Call, &c. £E.	%	Advances on Securities. £E.	Other Advances. £E.	Total Advances, &c. £E.	%	Bills. £E.	%	Custrs.' Liab. for Accepts. £E.	%	Bank Premises, &c. £E.	%	Total Assets. £E.
1919 ...	3,620,540	3·5	80,3[illegible]0,074	76·8	2,374,125	2·3	1,441,[illegible]95	9,174,882	10,616,477	10·1	7,593,090	7·0	—	—	296,739	·3	104,701,035
1918 ...	3,536,607	4·5	57,809,965	73·7	2,125,500	2·7	712,680	10,837,289	11,549,969	14·7	2,708,410	3·4	465,967	·6	288,122	·4	78,484,540
1917 ...	3,036,130	6·9	34,123,478	61·8	2,193,750	3·9	1,385,370	8,873,063	10,258,433	18·0	5,091,228	9·0	—	—	270,647	·4	56,876,666
1916 ...	6,051,302	15·0	21,097,184	52·2	1,389,375	3·4	1,291,459	4,849,720	6,141,1[illegible]9	15·2	5,421,970	13·4	99,819	·2	250,621	·6	40,457,450
1915 ...	7,302,638	28·1	6,961,416	26·9	1,131,000	4·3	1,576,296	4,881,981	6,457,377	24·9	3,511,305	13·6	301,993	1·2	253,988	1·0	25,919,717
1914 ...	4,399,492	22·5	4,783,485	24·6	736,125	3·8	2,109,373	4,090,743	6,191,116	32·0	2,612,834	13·4	512,510	2·6	264,080	1·3	19,499,943
1913 ...	2,531,030	17·2	2,293,457	15·7	299,203	2·0	1,627,674	5,411,772	7,039,446	48·0	1,617,152	11·0	597,907	4·1	275,392	1·9	14,653,587

* Per cent. of Total Liabilities or Assets.

The statement of the Issue Department shows that gold has been replaced by British Treasury Bills to the extent of £E.30,316,810, leaving actual gold held £E.3,333,189.

Turning to the profit and loss account, we find that net profit for the year amounted to £714,680. A sum of £259,383 was allocated for depreciation of securities, and in addition to the statutory dividend of four per cent. a dividend of ten per cent. was paid on the share capital, making fourteen per cent. for the year. The balance carried forward, £141,932, was considerably in excess of the amount brought into the account. The Bank's reserve funds now total £2 million.

Profits of the National Bank of Egypt.

Year to Dec. 31	Gross Profit. £E.	Expenses. £E.	Net Profit. £E.	Dividend. Amount. £E.	Dividend. Rate. %	Special Allocations. £E.	Carried Forward. £E.
1919 ...	1,0[illegible]1,407	307,594	6[illegible]6,813	40[illegible]9,500	14	25[illegible]9,0	[illegible]4
1918 ...	940,481	256,175	684,306	292,500	10	336,104	103,970
1917 ...	747,965	208,872	539,093	234,000	8	278,451	48,668
1916 ...	609,248	191,341	417,927	175,500	6	220,801	21,626
1915 ...	397,292	161,133	236,159	117,000	4	119,159	—
1914 ...	248,714	159,595	89,119	117,000	4	Cr.10,469	—
1913 ...	398,917	178,907	220,010	219,375	7½	—	17,212

Assets were held against the Bank's liabilities to the public, in the following approximate proportions:—Cash, four per cent.; Treasury bills and investments, eighty-one per cent.; call loans, two per cent.; advances, eleven per cent.; and bills, seven per cent.

NATIONAL BANK OF SOUTH AFRICA.

Head Office: Pretoria.

London Offices { Circus Place, London Wall, E.C.2.
18 St. Swithin's Lane, E.C.4.
25 Cockspur Street, S.W.1.

Capital—

Authorised	£4,000,000
Subscribed and Paid up	2,965,000

The National Bank was constituted in 1890 under a concession from the Volksraad as the National Bank of the South African Republic, but in 1902, on the overthrow of the Republic, the concession was abandoned, the name changed as above, and the continued incorporation of the Bank was provided for by an Order in Council of the British Government. It now acts as banker to the Union Government in the Transvaal, the Orange River Colony, and Natal, and also to the Imperial Government. In 1918 the authorised capital was increased from £3 million to £4 million, by the creation of 100,000 shares of £10 each, and the subsequent issue of some of these shares (at a premium) has resulted in an increase in the paid-up capital from £2,850,000 to £2,965,000. The reserve fund now amounts to £1,250,000, £200,000 having been transferred to it from the profits of the year ending March 31, 1920.

Some idea of the rapid growth of this institution can be gained from the comparison of figures of past years with those of the present year. In 1909 the number of branches and sub-branches was 66: this year the number is 510, 103 new branches having been opened during the year under review. In addition to its offices in South Africa, the Bank also has branches in Portuguese Territory, Basutoland, South-West Protectorate, Tanganyika, British East Africa, and Nyasaland. There are also offices at Bombay, Antwerp, Rotterdam, Amsterdam, and on St. Helena and Mauritius. The deposits, which stood at £8,549,725 in 1909 and at £16,675,284 in 1914, had risen in the current year to £61,323,019. Since 1909 the note circulation has increased from £250,373 to £4,327,011, while the loans and discounts have expanded from £2,823,520 to £32,961,033.

The balance sheet on March 31, 1920, evidenced a large development of business during the year, and reflected on the whole the prosperous condition of South Africa. The Chairman stated that the most formidable difficulty experienced during the year had been the maintenance of the gold reserves. When permission to export gold freely from the South African Union was given, and the New York exchange was unpegged in March 1919, the price of gold advanced to a premium over the statutory price, and this premium was at one time over forty-seven per cent. The gold mines have benefited from the increased price, but other producers have been handicapped by exchange difficulties.

During the year to March 31, 1920, notes in circulation increased from £3,070,263 to £4,327,012. Acceptances on behalf of customers, with the corresponding liability of the latter, jumped from under £8 million to £12,492,130. Deposits increased over £23 million during the year.

The total of assets shows a rise each year, and now amounts to £86,824,707. The Bank's steadily increasing figures have been partly caused by absorptions of other banks. During its career it has taken over the Bank of Africa, the National Bank of the Orange River Colony, and the Natal Bank, as well as the banking business of the African Lakes Corporation.

Cash in hand and its equivalent increased by £2,500,000 to over £11 million, and money at call by £1 million. Investments showed an increase in the year of over £7 million to over £12 million, and advances and bills discounted expanded from £33,579,511 to £47,390,549. Liquid assets totalled £40,375,000 and represented fifty-eight per cent. of the Bank's liabilities to the public.

The net profit for the year was £515,477, after applying £50,000 in reduction of bank premises account. £60,000 was transferred to the pension fund and £43,200 carried forward. The dividend amounted to seven per cent. per annum, and a bonus of one per cent. for the year was paid in addition. Net profit for the previous year was £437,871.

Profits of the National Bank of South Africa.

Year to Mar. 31	Gross Profit. £	Expenses. £	Net Profit. £	Dividend. Amt. £	Dividend. %	Reserve, &c. £	Carried Forward. £
1920 ...	1,58[illegible]825	1,0[illegible]6,348	5[illegible],477	9[illegible]5,184	8	2[illegible]0	43,200
1919 ...	1,230,669	792,798	437,871	200,401	7	250,000	23,206
1918 ...	990,537	637,[illegible]25	35[illegible],602	171,000	6	1[illegible]5,0[illegible]0	35,736
1917 ...	945,794	571,454	37[illegible],340	169,[illegible]00	6	200,000	49,134
1916 ...	701,342	510,351	190,991	167,282	6	10,000	44,294
1915 ...	622,640	466,267	156,373	153,973	6	—	10,585
1914 ...	843,657	432,485	411,172	176,250	6	309,931	28,185

The profit is equal to 17.3 per cent. on the paid-up capital, and to 12.8 per cent. on the total of capital and reserve. An interim dividend was paid last month at the rate of eight per cent. per annum.

Liabilities and Assets of The National Bank of South Africa, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Capital and Reserve.		Notes in Circulation.		Acceptances, &c.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	% *	£	% *	£	% *	£	% *	£	% *	£
1920 Mar. 31	2,500,000	1,500,000	4,015,000	4·3	4,227,1[illegible]	4·5	12,492,13[illegible]	13·4	[illegible],63,9[illegible]	7·5	[illegible],926	·5	86,8[illegible],4,7[illegible]7
1919 ,,	2,850,000	800,000	[illegible],[illegible],000	6·5	3,07[illegible],283	5·3	7,916,812	13·8	42,380,034	73·8	[illegible],07	6	[illegible],[illegible],[illegible]16
1918 ,,	2,850,000	700,000	3,550,000	7·7	2,586,924	5·6	5,709,[illegible]·9	12·4	33,847,[illegible]·1	73·6	[illegible],[illegible]6	·7	45,[illegible],940
1917 ,,	2,[illegible],000	535,000	[illegible],[illegible],000	8·8	1,780,[illegible]87	4·6	4,[illegible],[illegible]1[illegible]	11·4	[illegible]8,[illegible],430	74·3	[illegible],[illegible]1	·9	38,818,354
1916 ,,	2,788,040	525,000	3,31[illegible],040	10·2	1,246,283	3·8	3,530,813	10·9	24,243,197	74·7	137,[illegible]5	·4	32,471,298
1915 ,,	2,782,129	[illegible]25,000	[illegible],307,129	11·4	1,165,741	4·0	3,538,912	12·2	20,832,622	72·0	114,[illegible]58	·4	28,956,753
1914 ,,	2,350,000	500,000	2,850,000	11·8	793,180	3·2	2,956,419	12·2	17,292,611	71·4	328,685	1·4	24,220,845

ASSETS.	Cash in Hand, &c.		Money at Call, &c.		Investments.		Bills Discounted, Advances, &c.		Cust[illegible] Liab for Acceptances, &c.		Bank Premises, &c.		Total Assets.
	£	% *	£	% *	£	% *	£	% *	£	% *	£	% *	£
1920 Mar. 31 ...	11,232,536	12·9	2,628,[illegible]·8	2·9	12,1[illegible],361	11·0	47,390,[illegible]0	54·3	12,492,130	14·4	[illegible],681	1·2	86,824,707
1919 ,, ...	8,744,197	15·2	1,530,250	2·7	1,[illegible],049	8·3	33,579,511	58·4	[illegible],[illegible]12	13·8	[illegible],[illegible]7	1·6	57,469,916
1918 ,, ...	6,342,772	13·8	2,212,403	4·8	4,756,191	10·4	26,[illegible],656	56·8	5,709,879	12·4	[illegible],679	1·8	45,[illegible],940
1917 ,, ...	5,[illegible],411	15·0	1,[illegible],434	4·4	[illegible],[illegible],030	8·5	[illegible],[illegible],[illegible]6	58·3	4,[illegible],[illegible]6	11·4	[illegible],770	2·6	38,818,354
1916 ,, ...	4,522,003	13·9	1,510,575	4·7	3,[illegible],550	10·1	18,[illegible],765	57·6	3,530,843	10·9	917,562	2·8	32,471,298
1915 ,, ...	4,433,304	15·3	2,967,725	10·2	1,378,527	4·8	15,700,541	54·2	3,538,912	12·2	947,744	3·3	28,956,753
1914 ,, ...	3,510,194	14·5	1,474,077	6·1	1,052,709	4·4	14,438,877	59·6	2,956,419	12·2	779,569	3·2	24,220,845

* Per cent. of Total Liabilities or Assets.

NETHERLANDS BANK OF SOUTH AFRICA.

(Nederlandsche Bank voor Zuid Afrika.)
[12 Florins = £1.]

Head Office: Amsterdam.

London Office: 2 Great Winchester Street, E.C. 2.

Capital—

Authorised, 12,500 Shares of £60 each	£750,000
Paid up, 4,000 ,, ,, ...	240,000

THIS Bank was registered as a limited liability company in Holland in 1888, and commenced business in 1889 at Pretoria, which afterwards became its chief office for South Africa. The Bank now has fifteen branches in South Africa, with a head office at Amsterdam and a London agency at 2 Great Winchester Street, E.C. 2.

In 1910 the paid-up capital amounted to £400,000, in shares of £100 each, but it was found necessary to write off £40 per share in view of expected depreciation of real estate and other property in South Africa.

The resources of the Bank are still kept, as during the War, in a very liquid condition. The cash in hand and with bankers represents fifty-six per cent. of the liability on deposit and current accounts and acceptances. Notwithstanding this factor, the Bank experienced a profitable year during 1919. The net profit, at £21,000, is equal to 8.6 per cent. on the paid-up capital, and exceeds the net profit of the previous year by £3,700. The dividend was raised from five per cent. for 1918 to five and a-half per cent. for 1919. £3,000 was transferred to reserve fund, making this item £41,500.

Year to Dec. 31	Gross Profit.	Expenses.	Net Profit.	Dividend Amt.	Dividend Rate.	To Reserve, &c.	Forward.
	£	£	£	£		£	£
1919...	76,501	55,490	21,014	15,[illegible]00	5½	8,148	11
1918...	64,784	47,517	17,267	12,000	5	5,250	515
1917...	56,191	38,777	17,114	12,000	5	5,583	328
1916...	53,427	35,707	17,720	12,000	5	[illegible],000	197
1915...	45,542	33,409	12,133	9,600	4	2,[illegible]33	797
1914...	46,989	32,917	[illegible],072	7,200	3	[illegible],000	657
1913...	53,500	40,328	13,172	9,600	4	3,000	285

The deposits now amount to £1,023,334, while cash in hand and with bankers is at £582,693. Investments stand at £60,787, bills discounted and advances at £711,053. The amount representing bank premises is £33,361.

Liabilities and Assets of the Netherlands Bank of South Africa.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Capital and Reserve.		Notes in Circulation.		Bills for Collection.		Deposits, Acceptances, &c.		Profit Balance.		Total Liabilities.
Dec. 31	£	£	£	% *	£	% *	£	% *	£	% *	£	% *	£
1919	240,000	38,567	278,567	17·9	79,661	5·1	152,063	9·7	1,026,654	65·9	21,359	1·4	1,558,304
1918	240,000	36,650	276,650	24·1	50,039	4·4	126,461	11·0	677,192	59·0	17,395	1·5	1,147,927
1917	240,000	33,733	273,733	25·6	32,164	3·0	92,298	8·6	652,392	61·1	17,911	1·7	1,068,488
1916	240,000	30,400	270,400	29·8	22,357	2·5	97,980	10·8	495,783	54·9	18,497	2·0	903,017
1915	240,000	28,400	268,400	32·8	19,657	2·4	83,875	10·3	433,143	53·0	12,930	1·5	817,785
1914	240,000	28,400	268,400	35·0	21,867	2·9	72,519	9·4	393,294	51·3	10,257	1·4	767,337
1913	240,000	27,000	267,000	32·4	24,147	2·9	88,443	10·7	428,940	52·2	13,580	1·8	822,315

ASSETS.	Cash in Hand, &c.		Investments.		Bills for Collection.		Bills Discounted, Advances, &c.		Bank Premises Account, &c.		Total Assets.
Dec. 31	£	% *	£	% *	£	% *	£	% *	£	% *	£
1919 ,,	582,693	37·4	60,787	4·0	152,063	9·7	722,[illegible]	46·4	[illegible]	2·5	1,558,304
1918	347,[illegible]	27·7	[illegible],[illegible]	7·5	126,461	11·0	[illegible],[illegible]	50·7	[illegible]	3·1	1,147,927
1917	302,[illegible]	28·4	149,[illegible]41	14·0	92,298	8·6	485,[illegible]	45·2	[illegible]	3·8	[illegible],[illegible]7
1916	266,[illegible]98	29·4	84,[illegible]50	9·3	97,980	10·8	[illegible],[illegible]	45·5	[illegible]	5·0	[illegible],[illegible]7
1915	308,378	37·7	82,[illegible]75	10·0	83,875	10·3	[illegible],[illegible]	36·2	[illegible]	5·8	[illegible],[illegible]5
1914	329,260	43·0	62,[illegible]25	7·0	72,519	9·4	[illegible],[illegible]	33·9	[illegible]1[illegible]	6·7	[illegible],[illegible]
1913	146,876	17·8	55,480	6·7	88,443	10·8	474,402	57·7	[illegible]1[illegible]	7·0	[illegible],[illegible]1

* Per cent. of Total Liabilities or Assets.

STANDARD BANK OF SOUTH AFRICA.

(*See* **African Banking Corporation** *and* **British Bank of West Africa.**)

Head Office: 10 Clements Lane, Lombard Street, E.C. 4.

West End Branch: 17 Northumberland Avenue, W.C. 2.

Capital—

Authorised	£10,000,000
Subscribed, 312,500 Shares of £20 each ...	6,250,000
Paid up, £5 per Share	1,562,500

THIS institution, established in 1862, acts as bankers to the Government of the Union of South Africa in the Cape Province, to the Imperial Government in South Africa, and to the Administration of Rhodesia. Its formation was in part the outcome of the conviction that a banking institution of considerable size was necessary to meet the increased trade of South Africa, and its present position is evidence of the growth of its prosperity. It was originally known as the Standard Bank of British South Africa, and started with an issue of 5,000 shares of £100 each, paying a dividend equal to twelve per cent. per annum after its first half-year's working. At the end of a year seventeen branches were in operation in South Africa, and to-day it has branches all over the continent, including Nyasaland, Uganda, Zanzibar, Belgian Congo, and elsewhere. There are also offices at Rotterdam and Amsterdam, an agency in New York, and an office in the West End of London, in addition to the head office in the City.

It is interesting to note the rise in the deposits since the inception of its career. In 1863 they stood at £114,154, and in 1870 at £510,881. By 1880 they had reached £6 million, and by 1900 £16 million. In 1905 they exceeded £20 million, but did not again exceed this figure until 1914. Further expansion has since taken place, and on June 30, 1920, they stood at over £51 million.

Taking the balance sheet as at December 31, 1919, we find, on comparison with the accounts of the previous year, that deposits rose from £39,629,892 to £52,624,151. In June 1920 a slight decline was registered. Notes in circulation increased by £860,000 during the year, and in June had again risen to £4,193,361. Bills payable increased from £5,289,823 to £7,248,947 last December and to £7,658,602 last June. The reserve fund at the latter date amounted to £2,200,000.

The total of the assets showed a marked increase, having risen from £53,640,065 to £70,155,611 at the end of 1919. On June 30, 1920, the total remained practically unchanged at £70,102,909. Cash in hand and with bankers increased by nearly £1 million during the year, and showed a further rise of over £2,400,000 at June 30 last. Investments also expanded to £4,683,190 on December 31. Bills of exchange showed an increase in December, but a drop in June last, when they stood at £9,088,766. Bills discounted, loans and advances increased from £24,748,114 in 1918 to £34,085,940 in 1919, and stood in June at £33,802,916.

Liabilities to the public on December 31, 1919, amounted to £53,745,279. Cash items, including money at call and in transit, represented twenty per cent. of this amount, investments eight per cent., and the total of bills and loans seventy-seven per cent.

The net profit for 1919 came to £634,074. This was equal to 40.5 per cent. on the paid-up capital and to 16.8 per cent. on the combined capital and reserve. Of this profit, £75,000 was allocated for writing down investments, £50,000 for writing down bank premises account, and £200,000 to exchange reserve account, as a provision towards meeting the loss in shipping gold to South Africa.

A dividend at the rate of fourteen per cent. per annum was paid half-yearly, and, in addition, a bonus of 2*s.* 6*d.* per share, equal to two and a half per cent. for the year.

One of the most recent developments in the Bank's history is its absorption of the African Banking Corporation, Limited (q.v.). The necessary resolutions for the purpose were carried unanimously at a meeting of the shareholders of the latter institution, held on October 25 last, the basis being two new shares in the Standard Bank for three shares in the African Corporation. The combined capital of the amalgamated banks will be £8,900,000, the reserve fund £2,900,000, and the deposits and other accounts over £60,000,000. The Standard Bank has further extended its influence to West Africa by its recent purchase of 33,334 shares, £4 paid, at £6 5*s.* per share, in the British Bank of West Africa, the London County Westminster and Parr's Bank, and the National Provincial and Union Bank of England taking practically equal amounts.

Profits of the Standard Bank of South Africa.

Year to Dec. 31	Net Profit.	Dividend Earned.	Dividend Paid.	Special Allocations.	Carried Forward.
	£	%		£	£
1919	634,075	40·53	16½	257,812	305,000	210,446
1918	540,357	34·93	16½	255,506	290,000	199,184
1917	406,712	26·27	15½	237,441	65,000	204,333
1916	364,824	23·55	14	216,794	135,000	100,062
1915	309,385	19·97	14	216,794	106,000	87,032
1914	315,142	20·35	14	216,794	50,000	100,441
1913	338,648	21·86	14	216,794	120,000	52,093

Liabilities and Assets of The Standard Bank of South Africa, Limited.

LIABILITIES.

Dec. 31	Capital Paid up.	Reserve Fund.	Capital and Reserve.	Notes in Circulation.		Acceptances.		Deposits, &c.		Other Liabilities.		Profit Balance.		Total Liabilities.
	£	£	£	£	%	£	%	£	%	£	%	£	%	£
1920†	1,512,500	2,200,000	3,762,500	4,193,361	6·0	2,448,180	3·6	51,748,824	73·9	7,658,602	10·9	210,446	·3	70,102,909
1919	1,562,500	2,200,000	3,762,500	3,877,879	5·5	2,248,251	3·2	52,624,151	75·0	7,248,947	10·3	398,883	·6	70,155,611
1918	1,548,525	2,200,000	3,748,525	3,012,175	5·3	1,573,356	2·9	39,629,892	73·9	5,289,823	9·9	386,294	·7	53,640,065
1917	1,548,525	2,000,000	3,548,525	2,155,683	4·9	1,228,240	2·8	32,981,024	74·6	3,953,431	8·9	363,377	·8	44,230,276
1916	1,548,525	2,000,000	3,548,525	1,559,011	4·4	1,327,161	3·8	25,390,823	72·1	3,128,030	8·9	238,459	·7	35,192,009
1915	1,548,525	2,000,000	3,548,525	1,284,897	3·9	993,881	3·0	24,608,279	74·6	2,347,460	7·1	215,429	·7	32,998,471
1914	1,548,525	2,000,000	3,548,525	1,121,025	3·7	1,036,313	3·4	21,821,853	72·4	2,407,370	8·0	228,837	·7	30,163,923
1913	1,548,525	2,000,000	3,548,525	1,119,132	3·8	1,262,958	4·3	20,952,674	70·7	2,572,682	8·7	170,489	·6	29,626,460

ASSETS.

Dec. 31	Cash. In Hand.	At Bankers & at Call.	Remittances in *transitu*	Total.		Investments.		Bills of Exchange.		Bills Discounted, Loans and Advances.		Customers' Bills for Collection.		Bank Premises, &c.		Total Assets.
	£	£	£	£	%	£	%	£	%	£	%	£	%	£	%	£
1920†	9,187,767‡	3,491,921‡	1,891,977	14,571,668	20·8	4,390,113	6·3	9,088,766	13·0	33,802,916	48·2	7,658,602	10·9	590,844	·8	70,102,909
1919	6,758,589‡	3,185,824‡	1,808,016	12,050,429	17·2	4,683,190	6·7	11,541,510	16·4	24,748,114	46·1	7,248,947	10·3	545,595	·8	70,155,611
1918	5,790,190	2,899,612	1,182,675	9,872,477	18·4	4,170,981	7·8	9,098,322	17·0	24,748,114	46·1	5,289,823	9·9	460,348	·8	53,640,065
1917	4,709,130	3,115,219	916,285	8,740,634	19·7	3,767,354	8·5	7,865,096	17·8	19,309,499	42·7	3,953,431	8·9	594,262	1·4	44,230,276
1916	3,767,965	2,400,891	864,473	7,033,329	20·0	3,679,592	10·5	4,479,611	12·7	16,322,396	45·4	3,128,030	8·9	548,951	1·5	35,192,009
1915	4,686,292	2,525,733	771,898	7,983,923	24·2	4,337,058	13·1	3,144,737	9·6	14,616,948	44·3	2,347,460	7·1	568,345	1·7	32,998,471
1914	3,785,625	3,215,148	689,362	7,690,135	25·5	2,949,131	9·7	2,136,497	7·1	14,413,462	47·8	2,407,370	8·0	567,328	1·9	30,163,923
1913	4,491,918	973,756	687,470	6,153,144	20·7	2,650,242	9·0	4,637,064	15·7	13,062,915	44·1	2,572,682	8·7	550,413	1·8	29,626,460

* Per cent. of Total Liabilities or Assets. † June 30. ‡ Cash at bankers included with cash in hand.

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Incorporated A.D. 1720.

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FIRE. MARINE.
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The ANGLO-EGYPTIAN BANK, LIMITED.

Subscribed Capital £1,800,000
Paid up - - £600,000
Reserve Fund - £720,000

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Branches:
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THE Bank transacts every description of Banking Business in Egypt, grants Letters of Credit, and affords facilities to Travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application.

On current accounts Interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

NATIONAL BANK OF EGYPT.

Established under Egyptian Law June, 1898, with the exclusive right to issue Notes payable at sight to bearer.

Capital - - £3,000,000
(In 300,000 Shares of £10 each, fully paid)
Reserve Fund - - £2,000,000

Governor—SIR FREDERICK T. ROWLATT, K.B.E.
Head Office - CAIRO.

London Committee:
E. W. P. FOSTER, C.M.G. HON. ALGERNON MILLS.
SIR CARL MEYER, BART. HON. SIDNEY PEEL, D.S.O., M.C.

London Agency:
6 & 7 KING WILLIAM STREET
LONDON, E.C. 4.

Manager ... ... J. T. BEATY-POWNALL.
Assistant Manager .. A. F. GILLBEE.

Accounts opened with traders and private persons. Circular Notes issued. Every kind of Banking business transacted.

Offices in Egypt at Cairo (Head Office), Alexandria, Assiout, Assuan, Benha, Beni-Suef, Chibin-el-Kom, Damanhur, Fayoum, Keneh, Luxor, Mansourah, Mersch, Monsky (Cairo), Port Said, Rod-el-Farag (Cairo), Sohag, Tantah, and Zagazig; and in the Sudan at Khartoum, Port Soudan, Suakim, and the Sub-Agencies at El-Obeid, Tokar, and Wad-Medani.

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AUSTRALASIAN BANKS.

WHEN we compare the aggregate figures of the banks with those of the pre-War year we do not find such a large increase as is found in Great Britain, in spite of the high prices which Australian produce has commanded. The deposits which in 1914 amounted to 204 millions sterling have increased, as will be seen from the summary at the foot of the page, to 355 millions, whilst bills and advances have risen from 148 millions to 214 millions. The expansion of acceptances in recent years has been an indication of the growth in trade as measured in terms of prices. In 1919-20 they constituted 1.9 per cent. of the liability of the nineteen banks included in our table, as compared with 1.4 per cent. in 1918-19. A slight contraction has taken place in the aggregate amount of bills, loans and advances, which at £214,509,754 is less by 1½ millions than the figure for 1918-19. The percentage which this item represents of total assets has also fallen from 53.9 to 47.0. In the ratio of capital and reserves to liabilities a satisfactory increase is noticeable from 10.1 per cent. in 1918-19 to 10.5 per cent. in 1919-20, the figures for the respective years being £40,651,753 and £48,113,485. Though notes in circulation have risen from £7,564,751 to £8,526,975, their proportion to total liabilities, 1.9 per cent., remains unchanged. As regards New Zealand banks, the notes of the Bank of New Zealand have expanded by £2,037,088 to £5,765,337, but the increase is not due to active circulation, the notes being paid to other New Zealand banks in settlement of exchanges. In any case, the issue of paper currency has been necessary in order to replace the gold coin withdrawn from circulation.

It might be pointed out with regard to the Australian note issue that it is not backed by the banks, but by the Commonwealth Government. The stock of gold in the Commonwealth Bank in June last amounted to no less than £23,900,000, compared with £4,500,000 before the War. The currency notes are legal tender in all States, and can, therefore, be used as reserves by the ordinary banks. The total gold holdings of the Commonwealth Bank covers the outstanding issue several times over.

There is now a remarkable scarcity of funds in London available for financing exports to Australia, and the situation is complicated by the fact that Australian produce has largely been paid for, and consequently there are no exports from Australia which can be used to redress the balance, and by the further fact that the shipment of gold is practically forbidden by the Australian Government. The outcome of the situation is that Australian bankers in London have been extremely reluctant to discount bills of exchange drawn by importers in the Antipodes in favour of British exporters. Considerable anxiety has been occasioned in commercial and shipping circles on this side by the practical deadlock thus brought about. Recent heavy imports by Australia have aggravated the difficulty, especially as the heavy exports made from the Commonwealth during the summer and autumn months have largely been paid for, and do not, therefore, provide counter claims on London, which Australian importers might purchase to liquidate the bills that they have accepted. The difficulty is essentially temporary in character, and it will no doubt disappear when wheat shipments, which are now being made, have been fully resumed. The wool sales will further help to swing matters in Australia's favour.

LIABILITIES OF 19 AUSTRALASIAN BANKS, 1919-20

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.		Acceptances.		Deposits, Current Accounts, &c.		Bills Payable and Other Liabilities.		Profit Balance.		Total Liabilities.
	£	£	£	%	£	%	£	%	£	%	£	%	£	%	£
Australian Bk. of Commerce	1,200,000	200,000	1,400,000	10·7	—	—	995,561	7·6	10,585,234	81·2	—	—	64,813	·5	13,045,608
Bank of Adelaide	500,000	570,000	1,070,000	13·7	7,519	·1	—	—	6,515,112	83·2	158,050	2·0	76,571	1·0	7,827,252
Bank of Australasia ...	2,000,000	3,100,000	5,100,000	15·1	424,100	1·3	—	—	24,351,904	71·9	3,670,254	10·8	317,823	·9	33,864,081
Bank of New South Wales	4,765,700	3,200,000	7,965,700	10·6	715,668	·9	4,754,301	6·3	49,417,059	65·4	12,346,925	16·3	344,589	·5	75,544,242
Bank of New Zealand ...	2,637,442	2,350,000	4,977,442	9·4	5,765,337	10·9	—	—	37,661,611	71·2	4,048,305	7·6	460,270	·9	52,912,965
Bank of Queensland ...	450,000	—	450,000	11·7	—	—	86,177	2·2	3,095,457	80·0	196,604	5·1	39,759	1·0	3,867,997
Bank of Victoria	1,478,010	475,000	1,953,010	14·4	6,674	—	398,333	2·9	10,384,073	76·6	687,942	5·1	128,771	1·0	13,558,803
Com. Bkg. Co. of Sydney ...	2,500,000	2,120,000	4,620,000	12·6	10,234	—	—	—	30,017,532	81·7	1,798,283	4·9	306,676	·8	36,752,725
Com. Bk. of Australia ...	1,770,349	—	1,770,349	9·0	68,339	·3	721,189	3·7	16,397,172	83·5	599,246	3·1	58,605	·3	19,614,890
Com. Bk. of Tasmania ...	300,000	190,000	490,000	17·7	5,737	·1	—	—	2,248,427	81·3	—	—	25,569	·9	2,767,733
Commonwealth Bank of Australia	—	2,756,105	2,756,105	4·3	—	—	264,699	·4	58,985,310	92·7	1,673,298	2·6	—	—	63,679,412
English, Scot. and Aust. Bk.	539,438	565,000	1,104,438	7·1	1,447	—	—	—	13,333,716	83·4	860,594	5·6	140,908	·9	15,441,103
London Bk. of Australia ...	794,785	450,000	1,244,785	11·4	5,059	—	—	—	8,742,701	79·8	900,595	8·2	63,797	·6	10,957,917
National Bk. of Australasia	2,000,000	1,200,000	3,200,000	11·1	49,810	·2	1,057,839	3·7	23,885,990	82·9	475,121	1·6	130,015	·5	28,798,775
National Bk. of New Zeald.	1,000,000	1,000,000	2,000,000	14·7	828,009	6·1	—	—	8,856,133	65·2	1,719,729	12·7	174,573	1·3	13,578,444
Queensland National Bank	796,656	300,000	1,096,656	8·3	—	—	—	—	11,518,744	87·2	570,076	4·3	26,081	·2	13,211,557
Royal Bk. of Australia ...	500,000	335,000	835,000	15·1	859	—	327,659	5·9	4,070,766	73·5	239,573	4·3	63,996	1·2	5,537,853
Union Bk. of Australia ...	2,500,000	2,630,000	5,130,000	12·5	628,667	1·5	—	—	31,840,563	77·7	3,128,504	7·6	281,716	·7	41,009,450
Western Australian Bk. ...	250,000	700,000	950,000	21·0	11,546	·2	—	—	3,440,154	76·0	62,625	1·4	63,507	1·4	4,527,812
Total, 19 Banks ...	25,972,380	22,141,105	48,113,485	10·5	8,526,975	1·9	8,605,758	1·9	355,348,638	77·8	33,135,724	7·3	2,768,039	·6	456,498,619

ASSETS OF 19 AUSTRALASIAN BANKS, 1919-20.

ASSETS.	Coin, Bullion, &c.		Investments.		Bills, Loans and Advances.		Bills Receivable, London, &c.		Customers' Liability for Acceptances.		Bank Premises.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£	%	£
Australian Bk. of Commerce	1,518,631	11·6	506,827	3·9	415,344	3·2	7,770,747	59·6	1,339,353	10·3	995,561	7·6	499,145	3·8	13,045,608
Bank of Adelaide	1,112,769	14·2	2,079,105	26·6	315,000	4·0	4,162,625	53·2	—	—	—	—	157,753	2·0	7,827,252
Bank of Australasia† ...	6,799,967	20·1	2,664,958	7·9	695,000	2·0	23,677,840	69·9	—	—	—	—	26,316	·1	33,864,081
Bank of New South Wales	17,607,709	23·3	9,234,614	12·2	6,690,000	8·9	32,001,496	42·4	4,456,122	5·9	4,754,301	6·3	800,000	1·0	75,544,242
Bank of New Zealand ...	8,772,286	16·6	4,064,081	7·7	19,622,411	37·1	20,093,079	37·9	—	—	—	—	361,108	·7	52,912,965
Bank of Queensland ...	1,095,709	28·3	185,000	4·8	—	—	2,381,111	61·6	—	—	86,177	2·2	120,000	3·1	3,867,997
Bank of Victoria	2,524,913	18·6	724,002	5·3	2,088,614	15·4	6,898,418	50·9	566,519	4·2	398,333	2·9	358,004	2·7	13,558,803
Com. Bkg. Co. of Sydney ...	7,494,484	20·4	4,435,338	12·1	870,000	2·4	20,219,365	55·0	3,100,997	8·4	—	—	632,541	1·7	36,752,725
Com. Bk. of Australia ...	3,771,382	19·2	462,272	2·4	3,240,000	16·5	9,781,616	49·9	1,145,231	5·8	721,189	3·7	493,200	2·5	19,614,890
Com. Bk. of Tasmania ...	632,533	22·9	249,900	9·0	—	—	1,822,255	65·8	—	—	—	—	62,945	2·3	2,767,733
Commonwealth Bk. of Australia...	8,057,307	12·7	17,975,463	28·2	21,430,000	33·7	15,543,496	24·4	—	—	264,699	·4	408,447	·6	63,679,412
English, Scot. & Aust. Bk.	2,390,004	15·5	1,007,848	6·5	358,893	2·3	9,162,560	59·3	2,208,712	14·3	—	—	316,086	2·1	15,441,103
London Bk. of Australia ...	1,814,944	16·6	†	—	335,000	3·0	6,305,188	57·5	‡2,111,064	19·3	—	—	391,721	3·6	10,957,917
National Bk. of Australasia	4,634,869	15·7	6,919,615	24·0	—	—	14,188,088	49·3	1,454,728	5·1	1,057,839	3·7	643,636	2·2	28,798,775
National Bk. of New Zealand	1,961,566	14·5	3,595,591	26·5	—	—	6,976,036	51·3	905,783	6·7	—	—	139,468	1·0	13,578,444
Queensland National Bk. ...	3,715,736	28·1	630,600	4·8	150,000	1·1	7,198,454	54·5	1,146,467	8·7	—	—	370,300	2·8	13,211,557
Royal Bk. of Australia ...	943,933	17·0	329,860	6·0	21,548	·4	3,026,425	54·6	772,728	14·0	327,659	5·9	115,700	2·1	5,537,853
Union Bk. of Australia ...	5,617,685	13·7	2,034,982	5·0	1,140,000	2·8	19,763,256	48·2	12,015,978	29·3	—	—	437,549	1·0	41,009,450
Western Australian Bk. ...	740,958	16·4	126,355	2·8	—	—	3,537,599	78·1	43,490	1·0	—	—	79,410	1·7	4,527,812
Total, 19 Banks ...	81,137,385	17·8	57,225,411	12·5	57,338,810	12·6	214,509,754	47·0	31,267,172	6·8	8,605,758	1·9	6,413,329	1·4	456,498,619

† Not shown separately. ‡ Includes Investments.

NEW SOUTH WALES
AUSTRALIA

The
LAND OF OPPORTUNITY
for the
INVESTOR, FARMER,
and
SKILLED ARTISAN, &c.

PROGRESSIVE NEW SOUTH WALES	1899	1909	1919
Population	1,344,080	1,645,444	2,000,173
Area under Crops (Acres)	2,204,500	3,174,854	3,893,602
Total Area Cultivated (Acres)	2,553,329	4,063,801	5,850,341
Total Primary Production	£29,278,000	44,420,000	65,875,000
Value of Manufactured Goods	£22,876,203	42,960,689	104,778,697
Value of Exports	£28,445,466	41,837,000	48,858,517
Value of Imports	£25,594,315	38,034,962	43,592,732

WATCH NEW SOUTH WALES GROW

NEW SOUTH WALES has an abundance of the RAW MATERIALS essential in Manufacturing Industries.

COAL, IRON, COPPER, LIMESTONE FLUX, LEAD, TIN, ZINC, ANTIMONY, MOLYBDENITE, WOLFRAM, GOLD, SILVER, also DIAMONDS, OPALS and OTHER PRECIOUS STONES.

WHEAT, OATS, BARLEY, MAIZE and practically ALL CEREAL CROPS grow to perfection.

BUTTER, CHEESE, BACON, MUTTON and BEEF.

NEW SOUTH WALES is unrivalled in the QUALITY and VARIETY of FRUIT produced.

NEW SOUTH WALES IS THE GREAT WOOL PRODUCING STATE. Great progress is being made in the manufacture of TEXTILES and CLOTHING.

INDUSTRIAL ARBITRATION ACTS provide for the fixing of WAGES and HOURS and CONDITIONS OF LABOUR.

One in every two persons has a private SAVINGS BANK ACCOUNT.

STATE OWNED RAILWAYS AND TRAMWAYS.

UNEQUALLED SHIPPING FACILITIES.

NEW SOUTH WALES the land of "REWARD FOR INDUSTRY."

For further information call or write to :—
THE AGENT-GENERAL FOR NEW SOUTH WALES,
AUSTRALIA HOUSE,
STRAND, LONDON, W.C. 2.

AUSTRALIAN BANK OF COMMERCE.

Head Office: George and King Streets, Sydney.

London Office: 37 Threadneedle Street, E.C. 2.

Capital—

Authorised, 2,000,000 Shares, of £1 each ...	£2,000,000
Subscribed and Paid up, 1,200,000 Shares of £1, fully paid	1,200,000

A SUCCESSOR of the old Australian Joint Stock Bank, Limited, which dates back to 1853, the present Bank was incorporated in September 1909 under the New South Wales Companies Act, under the title of the Australian Bank of Commerce, Limited. The paid-up capital at the end of 1910 was £1,145,933. To-day the Bank has a reserve fund of £200,000. There is outstanding £1,413,657 of inscribed deposits. In 1917 the Bank absorbed the City Bank of Sydney, and thus rose from the group of smaller banks in Australia to the third or fourth place among the New South Wales banks. The City Bank had a subscribed capital of £500,000 in £10 shares, £8 per share paid up; £7 5*s.* per share was paid by the Bank of Commerce, but the latter did not alter its capital, the funds necessary for the purchase coming out of liquid resources, and the payment being made in cash. Sydney is well supplied with offices of the Bank, and most of the branches are in New South Wales, with some in Queensland and one at Melbourne in Victoria. A branch is to be opened shortly at Adelaide in South Australia.

The balance sheet for the year ending June 30, 1920, shows that the Bank is making good progress in every direction. In comparison with the previous year's figures, acceptances show an increase of nearly £300,000, with a corresponding liability of customers. The deposits have risen from £7,960,000 to over £9 million; and the total due to other banks has dropped to £71,615. On the assets side we find cash in hand has expanded from £1,324,393 to £1,518,631. Investments are up by nearly £100,000 to over £500,000; the total of bills, loans, and advances is rather less at £7,412,708; and bills receivable have risen from £791,563 to £1,339,353. Owing to the purchase of the Bank's premises in Melbourne, the premises account is higher at £499,145, despite the application of £10,000 from the profits to the reduction of this account. The net profits have increased £21,135 to £118,390, equal to 9·8 per cent. on the paid-up capital and to 8·4 per cent. on the combined amount of capital and reserve. The first half-yearly dividend was at the rate of five per cent. per annum, the second at six per cent. per annum, making five and a-half per cent. for the year; £40,000 has been transferred to the reserve fund, and £28,812 is carried forward.

Profits of the Australian Bank of Commerce.

Year ended Dec. 31	Profit.	Interest on Ins. Deposits.	Net Profit.	Dividend. Amount.	Dividend. %	Special Allcns.	Carried Forward
	£	£	£	£		£	£
1920*	175,357	56,966	118,391	65,967	5	50,000	28,813
1919†	78,850	29,092	49,758	29,967	5	15,000	26,388
1918	154,084	59,388	94,696	59,954	5	30,000	21,597
1917	125,328	60,997	64, 31	35,960	3	20,000	16,836
1916	1.5,948	65,622	60,326	35,941	3	20,000	8,164
1915	120,913	64,201	56,712	35,879	3	20,000	4,079
1914	119, 88	65,749	54:239	35,868	3	20,000	3,248
1913	124,416	67,296	57,120	35,864	3	20,000	4,875

* Year to June 30. † Half year to June 30

BANK OF ADELAIDE.

Head Office: Adelaide, South Australia.

London Office: 11 Leadenhall Street, E.C. 3.

Capital—

Authorised, 200,000 Shares of £5 each ...	£1,000,000
Subscribed, 125,000 ,, ,, ...	625,000
Paid up	562,500

THE Bank of Adelaide was incorporated by Act of Parliament in 1865. Its authorised capital is £625,000 in £5 shares, but there is power to increase to £1,000,000. At the date of the last report, that for the year ending March 29, 1920, the issued capital was 125,000 shares of £5 each, £4 per share paid up, and it was then decided to call up this remaining £1 per share, increasing the paid-up capital by £125,000. 10*s.* per share was made payable on June 14. There is a further liability of £5 per share if assets prove insufficient to meet liabilities or in any emergency, but this latter £5 may be subsequently returned to the shareholders if it proves to be no longer required. A reserve fund exists of £600,000, in addition to the balance of profit and loss account. The Bank has many branches in South Australia, and announces that during the year it has acquired the business of the Australian Deposit and Mortgage Bank, Limited, with excellent business premises in Melbourne, and opened a branch there. The branch established at Sydney, New South Wales, has proved a success.

The note circulation, in common with other Australian banks, is on the decrease, owing to the almost prohibitive ten per cent. tax on circulation levied under the Australian Notes Act of 1910. The balance sheet for March 29, 1920, shows total assets to be over £1 million more than last year, at £7,827,252. The cash total, including remittances *in transitu*, is £1,112,769, as against £961,360. Money at call has increased from £190.000 to £315,000. The investments total at £2,079,105 is more than £1 million above last year's figure. This total includes Government Treasury Bills. The total of bills receivable and advances shows a decrease of about £500,000. Repayment by the Government of advances on wheat and wool has resulted in a large accumulation of funds

Liabilities and Assets of The Australian Bank of Commerce, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	Capital and Reserve. % *	Notes in Circulation. £	Notes in Circulation. % *	Acceptances. £	Acceptances. % *	Deposits, &c. £	Deposits, &c. % *	Inscribed Deposits. £	Inscribed Deposits. % *	Due to Other Banks. £	Due to Other Banks. % *	Profit Balance. £	Profit Balance. % *	Total Liabilities. £
1920†...1,200,000	200,000	1,400,000	10·7	—	—	995,561	7·5	9,[illegible]962	64·8	1,413,657	10·3	71,615	·6	61,[illegible]	·5	13,015,[illegible]08
1919†...1,198,679	160,000	1,358,679	11·5	—	—	705,195	6·0	7,960,074	67·9	1,451,593	12·4	220,853	1·7	56,556	·5	11,755,730
1918 ...1,198,679	145,000	1,343,679	12·1	—	—	709,549	6·4	7,386,382	66·3	1,474,705	13·2	171,018	1·5	51,564	·5	11,136,897
1917 ...1,19 ,679	115,000	1,313,679	17·3	562	—	464,854	6·1	4,166,392	54·8	1,514,705	19·3	123,910	1·6	34,815	·5	7,608,847
1916 ...1,198,679	95,000	1,293,679	18·3	633	—	230,500	3·3	3,703,361	52·4	1,555,665	22·0	251,046	3·6	26,444	·4	7,062,018
1915 ...1,196,109	75,000	1,271,109	19·5	847	—	162,011	2·5	3,433,436	52·5	1,595,331	24·4	53,281	·8	22,021	·3	6,538,039
1914 ...1,195,592	55,000	1,250,592	20·3	1,210	—	171,776	2·8	3,046,939	49·4	1,634,044	26·5	40,112	·7	21,180	·3	6,165,853
1913 ...1,195,447	35,000	1,230,447	20·0	1,955	—	123,612	2·0	3,056,663	49·7	1,672,738	27·2	40,449	·7	22,807	·4	6,148,671

ASSETS. Dec. 31	Coin & Bullion, Notes, &c. £	Coin & Bullion, Notes, &c. % *	Investments. £	Investments. % *	Cash at London Bankers & at Call. £	Cash at London Bankers & at Call. % *	Bills, Loans and Advances. £	Bills, Loans and Advances. % *	Liab. for Acceptances. £	Liab. for Acceptances. % *	Bills Receivable. £	Bills Receivable. % *	Due by other Banks. £	Due by other Banks. % *	Bank Premises, &c. £	Bank Premises, &c. % *	Total Assets. £
1920†...1,518, 31	11·3	503,827	3·3	415,344	3·2	7,412,708	56·8	995,561	7·5	1 339,353	10·3	3 8,039	2·8	499,145	3·3	13,045,6[illegible]
1919†...1,324,393	11·3	107,460	3·5	220,280	1·9	7,563,891	64·6	705,195	6·)	791,563	6·7	286,088	2·0	476,850	4·0	11,755,730
1918 ...1,347,087	12·1	401,931	3·6	170,650	1·6	7,096,963	63·8	709,549	6·4	775,540	6·9	156,175	1·4	479,001	4·2	11,136,897
1917 ...1,042,116	13·7	267,612	3·5	249,753	3·3	4,650,836	61·1	464,854	6·1	358,978	4·7	224,484	3·0	360,214	4·6	7,608,847
1916 ... 838,588	11·9	266,458	3·3	161,125	2·3	4,459,898	63·1	230,590	3·3	619,625	8·7	127,602	1·3	358,132	5·1	7,062,018
1915 ... 968,357	14·8	216,478	3·3	131,800	2·0	4,202,099	64·3	162,011	2·5	296,254	4·5	205,887	3·2	355,153	5·4	6,538,039
1914 ... 956,615	15·5	104,745	1·7	173,913	2·8	4,088,361	66·3	171,776	2·8	231,702	3·8	78,368	1·2	360,373	5·9	6,165,853
1913 .. 939,863	15·3	75,500	1·2	376,049	6·1	3,929,038	63·9	123,612	2·0	237,073	3·9	106,830	1·7	360,706	5·9	6,148,671

* Per cent. of Total Liabilities or Assets. † June 30.

Commonwealth Bank of Australia

HEAD OFFICE: SYDNEY.

Guaranteed by the Australian Commonwealth Government.

SIR DENISON MILLER, K.C.M.G., Governor. JAMES KELL, Deputy-Governor.



Head Office:
Sydney, New South Wales.

BRANCHES
IN
The Principal Cities and Towns of Australia
AND AT
36-41 New Broad Street, E.C., and Australia House, Strand, W.C.,
LONDON.

Agents and Correspondents throughout the World.

Banking and Exchange Business of Every Description Transacted.

Bankers to:
GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA.
GOVERNMENT OF THE STATE OF SOUTH AUSTRALIA.
GOVERNMENT OF THE STATE OF TASMANIA.

SAVINGS BANK DEPARTMENT.

Branches in the Chief Centres and 2,836 Agencies at Post Offices throughout Australia.

ON 30TH JUNE, 1920.

539,795 Savings Bank Depositors had balances ...	£17,982,402
General Bank balances	41,002,909
Other Items	4,694,101
Total	£63,679,412

LONDON BRANCH: 36-41 NEW BROAD STREET, E.C.
C. A. B. CAMPION, London Manager.

BANK OF NEW ZEALAND.

BANKERS TO THE NEW ZEALAND GOVERNMENT.

Authorised Capital - - £5,500,000

Subscribed Capital:

Four per Cent. Guaranteed Stock	£529,988
"A" Preference Shares of £6 13s. 4d., Issued to N.Z. Government	500,000
"B" Preference Shares of £6 13s. 4d., Issued to N.Z. Government	250,000
Ordinary Shares	1,500,000

Reserved Fund and Undivided Profits, £2,646,520

HEAD OFFICE: WELLINGTON, N.Z.
LONDON OFFICE: 1 QUEEN VICTORIA STREET, E.C. 4.

BRANCHES AND AGENCIES AT OVER 200 POINTS IN NEW ZEALAND,
And at Melbourne, Victoria; Sydney, New South Wales; Suva and Levuka, Fiji; Apia, Samoa.

Negotiates and collects **Bills of Exchange** drawn or payable in New Zealand, Australia, Fiji or Samoa. Issues **Drafts** and makes **Telegraphic Transfers.**
Undertakes all descriptions of Banking business connected with Australasia.

Liabilities and Assets of The Bank of Adelaide.

LIABILITIES. March 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Bills in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities £
1920† ...	500,000	570,000	1,070,000	13·7	7,519	·1	158,050	2·0	6,515,112	83·2	76,571	1·0	7,827,252
1919 ...	500,000	555,000	1,055,000	15·7	7,747	·1	149,525	2·3	5,438,797	81·1	53,877	·8	6,704,946
1918 ...	500,000	540,000	1,040,000	17·5	8,014	·1	201,950	3·6	4,663,413	78·0	62,528	1·0	5,975,905
1917 ...	500,000	510,000	1,010,000	19·7	8,517	·2	214,110	4·2	3,816,335	74·4	79,170	1·5	5,128,132
1916 ...	500,000	510,000	1,010,000	21·4	9,700	·2	121,128	2·5	3,522,930	74·5	62,997	1·4	4,726,755
1915 ...	500,000	510,000	1,010,000	20·9	11,003	·2	208,240	4·3	3,548,223	73·5	53,191	1·1	4,830,657
1914 ...	500,000	490,000	990,000	15·9	12,822	·2	265,711	4·3	4,889,340	78·5	70,168	1·1	6,228,041

ASSETS. March 31	Specie, Bullion and Cash Balances, and Notes and Remittances in *transitu*. £	% *	Money at Call. £	% *	Balances Due from other Banks. £	% *	Investments. £	% *	Bills Receivable, Advances, &c. £	% *	Bank Premises Account. £	% *	Total Assets. £
1920‡ ...	1,112,769	14·2	315,000	4·0	276,204	3·5	2,079,105†	26·6	3,887,421	49·7	157,753	2·0	7,827,252
1919 ...	961,260	14·3	190,000	2·8	123,975	1·9	901,187†	13·5	4,424,338	66·0	104,086	1·5	6,704,946
1918 ...	1,270,979	21·3	210,000	3·5	151,061	2·5	1,219,619†	20·4	3,023,097	50·6	101,149	1·7	5,975,905
1917 ...	915,157	17·9	530,000	10·3	105,607	2·1	751,568†	14·7	2,710,842	52·8	114,658	2·2	5,128,132
1916 ...	955,035	20·2	65,000	1·4	77,071	1·6	469,826	9·9	3,043,900	64·4	115,923	2·5	4,726,755
1915 ...	946,605	19·5	577,200	11·9	130,952	2·9	471,305	9·8	2,589,386	53·6	115,209	2·3	4,830,657
1914 ...	872,062	14·0	670,000	10·8	79,908	1·3	479,682	7·7	4,015,067	64·4	111,323	1·8	6,228,041

* Per cent. of Total Liabilities or Assets.

† Including Treasury bills of Imperial Govt.: 1917, £287,000; 1918, £705,000; 1919, £230,000; 1920, £1,455,000. ‡ March 29.

in London, which have been profitably employed in taking up short-dated securities. Liabilities to the public on March 29, 1920, were £6,680,681. The liquid assets represented as much as sixty-five per cent. of this total. Deposits show an increase during the year from £5,438,797 to £6,515,112.

The net profit for the year is £87,694. This equals 17.5 per cent. on the paid-up capital and 8.2 per cent. on the combined amount of capital and reserve. Dividends are paid half-yearly at the rate of ten per cent. per annum, and £30,000 is transferred out of the year's profits to the reserve fund, which now stands at £600,000. The final profit balance carried forward is £16,571, against £13,877 brought forward.

Profits of the Bank of Adelaide.

Year ended Mar.	Net Profit. £	Dividend. Amount £	Dividend. %	Special Allocations. £	Carried Forward. £
1920 ...	87,694	50,000	10	30,000	16,571
1919 ...	69,349	50,000	10	18,000	13,877
1918 ...	71,355	50,000	10	25,000	12,527
1917 ...	56,173	40,000	8	42,997	16,173
1916 ...	49,806	40,000	8	—	42,997
1915 ...	48,023	40,000	8	—	33,191
1914 ...	71,946	50,000	10	20,000	25,168

BANK OF AUSTRALASIA.

Head Office: 4 Threadneedle Street, London, E.C. 2.

Capital—

Authorised	£4,000,000
Subscribed and Paid up, 87,500 Shares of £40 each, fully paid	3,500,000

STEPS to obtain a charter for this Bank were first taken in 1832, when the title proposed was the Royal Bank of Australasia and South Africa. The Treasury was not, however, willing to sanction the large scope desired by the promoters, and it was not until April 1835 that the Royal Charter was actually secured. Consent was then given to a charter covering the continent of Australasia, and the present title was accordingly adopted. The Company was formed for the purpose of establishing banks of issue and deposit in various settlements of Australasia, and the capital was £200,000. The liability of the shareholders was limited to double the amount of their shares. The first office in Australia was opened at Sydney in December 1835, and the Bank now has many branches in all the provinces of Australia and in New Zealand and Tasmania, with its head office in London. The paid-up capital has been periodically increased, until in 1919 it reached the authorised limit of £2 million. Since the last published balance sheet—for the year to October 13, 1919—there has been a new issue of capital. At an extraordinary general meeting held in London on November 27, 1919, the Chairman stated that they had recently obtained a supplemental charter, increasing the authorised capital to £4 million and enlarging the area of operations. He asked for power to issue 25,000 further shares of £40 each, but stated that it was only proposed at present to issue 12,500 of these shares. The resolution was carried and confirmed, and this latter amount has since been issued at a premium of £70 per share, thus adding £500,000 to the paid-up capital and £875,000 to the reserve. This, added to the £3,100,000 already standing, will make the reserve fund nearly £4 million. A proposal being made to split the shares, it was stated that the Bank had no power at present to do so. At the annual general meeting on March 25, 1920, it was further decided to capitalise £1 million of the reserve fund by issuing 25,000 new shares of £40 each, fully paid, making the total paid-up capital £3,500,000. Each proprietor could take up two new shares for every five already held on May 12, 1920. It was stated that this capitalisation would not affect the amount of profit available for distribution, and was proposed solely that the published capital should represent more closely the actual capital of the Bank.

Taking the figures for the year to October 1919, in comparison with the previous year, the progress shown is satisfactory. Note circulation, like that of other Australian banks, is down, but the deposits show an increase of £2,400,000 to over £24 million, reaching a record amount. Bills payable are almost unchanged at £3,670,254. Total assets have risen to £33,864,081. The holding of cash shows an increase of over £1 million, cal loans are up from £20,000 to £695,000, while other advances have increased by over £500,000. The total of securities is somewhat lower at £2,664,958. The net profit for the year amounts to £460,767, and is equal to 23.0 per cent. on the paid-up capital at that date, and to 9.0 per cent. on the combined total of capital and reserve. It should be mentioned that this profit is arrived at after writing down investments to market price or lower. The dividend for the first half-year was six per cent., for the second half year eight per cent., or at the rate of fourteen per cent. per annum. A bonus of four per cent. was also paid half-yearly, and both dividend and bonus are paid free of income tax. £100,000 was transferred to the reserve fund, and the balance carried forward is about the same as last year, at £127,822.

Profits of the Bank of Australasia.

Yr. to Oct. 15	Gross Profit. £	Expenses. £	Taxes. £	Net Profit. £	Div. free of tax. Amount. £	%	Reserve, &c. £	Carried Forw'd. £
1919..	1,065,927	391,917	213,242	460,768	360,000	18	100,000	127,823
1918...	1,020,966	561,052	221,168	438,746	340,000	17	98,000	127,055
1917...	952,206	319,751	196,810	405,645	340,000	17	65,000	123,309
1916...	948,589	348,402	192,620	407,567	340,000	17	60,000	122,663
1915...	846,202	317,290	118,391	410,521	340,000	17	70,000	115,096
1914...	836,550	307,622	74,521	454,407	340,000	17	30,000	114,670
1913...	788,605	299,818	61,167	427,620	306,000	17	120,000	80,165

THE



ESTABLISHED 1858.

ESTABLISHED 1858.

OF AUSTRALASIA LIMITED

(INCORPORATED IN VICTORIA). (With which is now amalgamated THE COLONIAL BANK OF AUSTRALASIA, LTD.)

Authorised Capital ... ... £5,000,000 | Reserve Fund Account ... £1,200,000
Capital Paid up ... ... 2,000,000 | Reserve Liability of Shareholders ... 828,000

Head Office - - - MELBOURNE.

The Bank is fully represented by branch establishments and agencies throughout Australia, New Zealand and Fiji. BILLS on all parts of Australasia purchased and collected. DRAFTS and LETTERS OF CREDIT issued. MAIL AND TELEGRAPHIC TRANSFERS made at minimum current rates.

London Board of Advice:—E. H. CAIRD, Esq., J.P.; Hon. Sir ARTHUR L. STANLEY, K.C.M.G. Manager—J. B. HANCORNE.

London Office—7 LOTHBURY, E.C. 2.

The National Bank of New Zealand,

LIMITED.

AUTHORISED CAPITAL - - £3,000,000 | PAID-UP CAPITAL - - £1,000,000
SUBSCRIBED CAPITAL - - £3,000,000 | RESERVE FUND - - - £1,020,000
UNCALLED CAPITAL - - - £2,000,000.

Directors.

HON. WILLIAM PEMBER REEVES (*Chairman*)
JAMES H. R. COATES, ESQ. — HENRY F. FRESHWATER, ESQ. — ROBERT LOGAN, ESQ.
CHARLES ELGAR, ESQ. — SIR AUSTIN E. HARRIS, K.B.E. — LINDSAY ERIC SMITH, ESQ.

Head Office:—17 MOORGATE STREET, LONDON, E.C. 2. Chief Office in New Zealand:—WELLINGTON.
Manager:—ARTHUR WILLIS. General Manager:—D. W. DUTHIE.

Branches and Agencies throughout New Zealand and Correspondents in all parts of the World.

The National Bank of New Zealand, Limited, issues DRAFTS and LETTERS of CREDIT, makes Telegraphic Transfers, opens Current Accounts, negotiates and collects Bills of Exchange. Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application, and transacts every other description of banking business.

LONDON AND SCOTTISH

ASSURANCE CORPORATION, LIMITED.

ESTABLISHED 1862.



LIFE FIRE
ACCIDENT MARINE

Total Income exceeds - - £1,000,000

Total Funds and Assets exceed £5,500,000

Head Office:

66 and 67 CORNHILL, LONDON, E.C. 3.

WM. ÆNEAS MACKAY, *General Manager.*

LIFE ASSURANCE

Maximum Assurance at
: : Minimum Cost : :

THE above Scheme is particularly adapted for Partnerships and for all transactions where capital is involved. You are invited to write for Prospectus to :—

Western Australian Insurance Co., Ltd.,

45 to 47, CORNHILL, E.C. 3.

G. M. WYATT, *General Manager.*

FIRE. : ACCIDENT. :: MARINE.

ASSETS EXCEED £800,000
CLAIMS PAID EXCEED £2,000,000

Liabilities and Assets of The Bank of Australasia.

LIABILITIES.

Mid-Oct.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Bills Payable. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920...	2,000,000	3,100,000	5,100,000	15·1	124,100	1·3	24,351,904	71·9	3,670,254	10·8	317,823	·9	33,864,081
1918...	2,000,000	3,000,000	5,000,000	15·9	761,710	2·4	21,903,754	69·3	3,628,425	11·5	297,055	·9	31,590,944
1917...	2,000,000	2,905,000	4,905,000	16·3	959,819	3·2	20,891,101	69·5	3,021,534	10·0	293,309	1·0	30,061,763
1916...	2,000,000	2,840,000	4,840,000	17·1	404,549	1·4	19,672,174	69·6	3,075,117	10·9	292,664	1·0	28,284,504
1915...	2,000,000	2,780,000	4,780,000	16·4	263,038	·9	20,578,326	70·6	3,241,754	11·1	285,096	1·0	29,148,214
1914...	2,000,000	2,710,000	4,710,000	17·3	202,995	·7	19,108,792	70·2	2,896,301	10·7	284,575	1·1	27,202,663
1913...	2,000,000	2,690,000	4,690,000	18·1	168,818	·6	18,088,955	69·8	2,768,848	10·7	200,169	·8	25,916,790

ASSETS.

Mid-Oct.	Specie, Bullion and Cash £	% *	Loans at Call, &c. £	% *	British Govt. Securities. £	% *	Indian & Colonial Sec., &c. £	% *	Bills, Advances, &c. £	% *	Bank Premises. £	% *	Total Assets. £
1919 ...	6,799,967	20·1	695,000	2·0	2,227,499	6·6	437,459	1·3	23,677,840	69·9	26,316	·1	33,864,081
1918 ...	5,565,482	17·6	20,000	·1	2,180,343	6·9	632,894	2·1	23,123,421	73·2	18,799	·1	31,590,944
1917 ...	6,426,727	21·4	1,510,000	5·0	1,142,884	3·8	737,547	2·4	20,219,096	67·3	25,509	·1	30,061,763
1916 ...	5,194,097	18·4	345,000	1·2	1,221,629	4·3	1,403,511	4·9	20,093,667	71·1	26,600	·1	28,284,504
1915 ...	6,668,902	22·8	445,000	1·5	2,020,284	6·9	992,744	3·4	18,993,744	65·2	27,540	·1	29,148,214
1914 ...	5,424,703	19·9	—	—	805,030	3·0	916,850	3·4	20,041,792	73·7	14,288	—	27,202,663
1913 ...	5,552,259	21·4	1,232,000	4·8	834,469	3·2	730,386	2·8	17,565,435	67·8	2,241	—	25,916,790

* Per cent. of Total Liabilities or Assets.

BANK OF NEW SOUTH WALES.

Head Office: Sydney, New South Wales.
London Office: 29 Threadneedle Street, E.C. 2.

Capital—

Authorised, 250,000 Shares of £20 each	...	£5,000,000
Subscribed and Paid up	...	4,765,700

THE Bank of New South Wales has the distinction of being the oldest public Company established in Australia. It has now been in existence more than 100 years, dating back to April 1817, and it is one of the earliest of our colonial banks. When the Bank first started business its subscribed capital was £12,000, twenty-five per cent. of this being issued and called up. The first balance sheet, to December 31, 1817, showed paid-up capital of £3,625. The Bank's progress can be judged from the fact that in 1913 the capital stood at £3,500,000, and in 1916 it was decided to raise it further to £4 million. The reserve fund to-day stands at £3,275,000, against £300,000 in 1870 and £2,250,000 in 1913. The capital is in shares of £20 each, fully paid, with a reserved liability of an equal amount on each share. During 1919 the capital was increased by the issue of 50,000 shares of £20 each, making the total capital £5 million. At the date of the last balance sheet this had all been received, with the exception of £235,000, and it was expected that this would be paid up by the end of this year. Most of the Bank's branches are in New South Wales, but it has offices also in the other provinces of Australia, in New Zealand, Tasmania, Fiji, and Papua. The total number of branches and agencies is now 351.

Comparing the figures of the balance sheet of March 31, 1920, with those of a year ago, increases are found in most of the items. The deposits have risen considerably—by £4,480,000 to £49,417,000. The increase is due in part to the general high prices prevailing, and also to the large amount of loan money available for expenditure locally, a proportion of this coming to the Bank in the shape of deposits. The note circulation in New Zealand has decreased by £487,000. Bills payable at £12,346,925 (including some other liabilities, such as amounts due to other banks) show an increase of about £1 million, arising entirely out of import transactions. Actual cash held now amounts to nearly £17 million, and the total of liquid assets, including money at short call in London, British Treasury bills, investments, bills receivable in London, and amounts due by other banks, is now equal to nearly £38 million. The Wheat and Wool Schemes, entered into in conjunction with the Commonwealth and British Governments, have led to an accumulation of funds in London, which is to a certain extent very profitable. There has been a large reduction in the special advances made in support of such schemes started during the War. Ordinary advances have risen by about £80,000, and there is an increase of about £1 million in direct advances by way of overdraft, caused partly by expansion of trade, but chiefly because the drought made it necessary to lend money where possible to country clients.

Compared with the figures given six months previously—*i.e.*, on September 30, 1919, deposits have risen nearly £4 million, bills payable nearly £2 million. The cash total shows an increase of over £3 million, investments are up more than £4 million, and the total assets have risen from £67,036,249 to £75,544,242. Net profit for last half-year amounts to £304,218, and for the whole year to £606,643. This is equal to 12.7 per cent. on the paid-up capital at the date of the balance sheet, but the full amount had not been paid up during the whole year. Quarterly dividends have been paid at the rate of ten per cent. per annum,

Liabilities and Assets of The Bank of New South Wales.

LIABILITIES.

Sept. 30	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits. £	% *	Bills Payable and Other Liabilities. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920†	4,765,700	3,200,000	7,965,700	10·6	715,668	·9	4,754,301	6·3	49,417,059	65·4	12,346,925	16·3	344,589	·5	75,544,242
1919...	4,000,000	3,100,000	7,100,000	10·8	612,343	·9	2,590,212	3·9	43,709,722	63·2	10,662,742	15·9	340,700	·5	67,036,249
1918...	3,904,860	2,950,000	6,854,860	11·0	1,142,141	1·9	1,956,166	3·1	41,252,338	66·4	10,005,963	17·1	303,667	·5	62,115,135
1917...	3,904,860	2,800,000	6,704,860	11·7	499,203	·9	1,512,493	2·6	40,579,001	71·0	7,536,002	13·3	291,809	·5	57,153,428
1916...	3,705,320	2,675,000	6,380,320	11·5	455,620	·8	1,512,364	2·8	39,282,707	70·8	7,616,870	13·7	249,893	·4	55,497,774
1915...	3,500,000	2,550,000	6,050,000	10·5	369,181	·6	1,151,170	2·0	40,262,978	69·6	9,729,074	16·9	248,565	·4	57,751,268
1914...	3,500,000	2,450,000	5,950,000	11·7	287,655	·6	1,010,347	2·0	36,722,127	72·3	6,594,816	13·0	228,229	·4	50,793,174
1913...	3,500,000	2,250,000	5,750,000	12·2	264,437	·5	843,015	1·8	34,001,865	71·8	6,169,543	13·0	339,356	·7	47,368,216

ASSETS.

Sept. 30	Coin, Bullion, &c. £	% *	Investments. £	% *	Call Money in London and Tr. Bill... £	% *	Bills, Loans and Advances. £	% *	Bills Receivable in London, &c. £	% *	Custrs.' Liab. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1920†	17,007,700	23·3	9,231,014	12·2	6,690,000	8·9	32,001,496	42·4	4,456,122	5·9	4,754,301	6·3	800,000	1·0	75,544,242
1919 ...	14,304,032	21·3	8,840,611	13·1	3,520,000	5·2	32,555,687	48·3	4,46 ,101	6·7	2,590,212	3·9	8 0,000	1·2	67,036,249
1918 ...	13,523,713	21·7	8,726,949	14·1	1,140,000	1·8	32,540,150	52·4	3,408,1 7	5·6	1,956,166	3·1	82 ,000	1·3	62,115,135
1917 ...	14,111,846	24·7	8,118,390	14·3	3,960,000	6·9	26,132,991	45·7	2,472,708	4·3	1,512,493	2·6	825,000	1·5	57,153,428
1916...	14,849,773	26·8	6,396,185	11·5	800,000	1·4	28,243,137	50·9	2,831,315	5·1	1,512,364	2·8	835,000	1·5	55,497,774
1915 ...	20,167,249	34·9	5,460,759	9·5	1,220,000	2·1	25,734,765	44·6	3,192,326	5·5	1,151,170	2·0	825,000	1·4	57,751,268
1914 ...	14,540,870	28·6	3,312,178	6·5	670,000	1·3	27,207,839	53·6	3,256,949	6·4	1,010,347	2·0	795,000	1·6	50,793,174
1913 ...	12,114,757	25·6	3,384,683	7·1	1,195,000	2·5	25,386,628	53·6	3,669,133	7·8	843,015	1·8	775,000	1·6	47,368,216

* Per cent. of Total Liabilities or Assets. † March 31, 1920.

LONDON BANK OF AUSTRALIA
LIMITED.

HEAD OFFICE:
71 Old Broad Street, London, E.C.2

Branches and Agencies Throughout
AUSTRALIA
and
NEW ZEALAND

Approved Documentary Bills negotiated or sent for Collection

Remittances made by Draft or Telegraphic Transfer

THE
UNION BANK OF AUSTRALIA
LIMITED.

ESTABLISHED 1837. INCORPORATED 1880.

Authorised and Issued Capital		£7,500,000
Paid-up Capital, £2,500,000 Reserve Fund, £2,630,000	Together	5,130,000
Reserve Liability of Proprietors ...		5,000,000
Total Capital and Reserves		£10,130,000

DIRECTORS.
HENRY P. STURGIS, Esq., Chairman.
The Rt. Hon. LORD CARMICHAEL, G.C.S.I.
The Rt. Hon. The EARL OF CHICHESTER.
JOHN DENNISTOUN, Esq.
HUGH D. FLOWER, Esq.
The Rt. Hon. LORD HILLINGDON.
S. R. LIVINGSTONE-LEARMONTH, Esq.
WILLIAM R. MEWBURN, Esq.
ROBERT C. NESBITT, Esq.
FRED. G. PARBURY, Esq.
The Hon. EDMUND W. PARKER.
SIR WESTBY B. PERCEVAL K.C.M.G.

HEAD OFFICE:
71 CORNHILL, LONDON, E.C.3.
Manager—W. J. ESSAME. Assistant Manager—W. A. LAING.

Branches throughout Australia and New Zealand, viz.:

In VICTORIA ...	42
,, SOUTH AUSTRALIA ...	14
,, NEW SOUTH WALES ...	38
,, WESTERN AUSTRALIA	21
,, QUEENSLAND	19
,, TASMANIA	3
,, NEW ZEALAND	45
	182

Draft upon the Branches are issued by Head Office, and may also be obtained from the Bank's Agents throughout England, Scotland, and Ireland.
Commercial and Circular Travelling Credits issued available throughout the World.
Telegraphic Remittances are also made.
Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.
Deposits are received at Head Office at rates of interest and for periods which may be ascertained on application.

The QUEENSLAND NATIONAL BANK,
LIMITED.

Incorporated under "The Companies Act, 1863," of the Legislature of Queensland.

BANKERS TO THE QUEENSLAND GOVERNMENT.

Authorised Capital - - - -	£2,000,000
Subscribed Capital - - - -	£800,000
Paid-up Capital - - - -	£796,655 10s.
Reserve Fund - - - - -	£300,000
Interminable Inscribed Deposit Stock	£3,091,669

DIRECTORS.
Chairman—GEORGE E. BUNNING, Esq.
Hon. G. W. GRAY, M.L.C. | WM. HAMILTON HART, Esq.
JAMES LOVE, Esq. | A. C. LUYA, Esq.

Head Office - BRISBANE.
Manager—M. G. HAYMEN.
London Office - 8 PRINCES STREET, E.C.
London Directors D. W. MACDONALD, Esq., Sir T. B. ROBINSON, K.C.M.G., G.B.E., WM. F. HAMILTON, K.C.
Manager—J. W. DICKINSON.
Bankers—BANK OF ENGLAND, LLOYDS BANK LIMITED.
Branches.
MELBOURNE—360 Collins Street. SYDNEY—99 Pitt Street.
And throughout Queensland.
AGENCIES IN ALL PARTS OF THE WORLD.

The Bank grants Drafts on all its Branches and Agencies, also Telegraphic Transfers, and transacts every description of Banking Business in connection with Queensland and other Australian States on the most favourable terms.

THE
BANK OF VICTORIA
LIMITED.

ESTABLISHED OCTOBER 1852.
Registered under the Companies Act, 1890.

Authorised Capital - - -	£3,240,000
Capital Paid up - - - -	1,478,010
Capital Uncalled - - - -	1,061,250
Reserve Fund and Undivided Profits - - - - - - (Used in the business of the Bank)	547,040
	£3,086,300

Head Office: COLLINS STREET MELBOURNE.
General Manager: P. C. DE CRESPIGNY.
Head Office, Melbourne:
Manager, DUNCAN TAYLOR.
Accountant, F. J. NIVEN.

London Office: 69 KING WILLIAM STREET, E.C. 4
London Board:
V. A. CAESAR HAWKINS. A. E. WALLIS.
Manager, A. E. WALLIS.
Acting Manager, J. G. WATSON.
Secretary and Accountant, J. STARK.

114 Branches and Agencies.
Drafts issued, Remittances Cabled, Bills negotiated or Collected.

and £75,000 is added to the reserve fund this half-year, while £100,000 was the amount added for the previous half-year.

Profits of the Bank of New South Wales.

Year ended Sept. 30.	Net Profit	Dividend Amount	%	Balance.	To Reserve, &c.,	Carried Forward.
	£	£		£	£	£
1920 ...	304,219	219,142‡	10‡	85,077	75,000	150,447
1919 ..	379,185	304,158‡	10	184,325	175,000	140,370
1918 ...	552,345	390,486	10	161,859	150,000	131,046
1917 ...	553,653	389,707	10	163,946	150,000	119,187
1916 ...	496,328	357,151‡	10	139,177	145,000	105,242
1915 ...	470,337	350,000	10	120,337	100,000	111,066
1914 ...	522,071	350,000	10	172,071	150,000	90,729
1913 ...	537,598	328,779	10	208,819	225,000	68,658

* Half-year to March 31. ‡ At rate of 10% per annum.

‡ In addition 5% interest on capital paid in advance: 1916, £2,018; 1919, £962

BANK OF NEW ZEALAND.

Head Office: Wellington, New Zealand.
London Office: 1 Queen Victoria Street, E.C. 4.

Capital—

Authorised	£5,500,000
Subscribed—	
4% Guaranteed Stock	529,988
"A" Pref. shares, Issued to New Zealand Govt.	500,000
"B" Pref. shares	250,000
Ordinary shares	1,500,000
	£2,779,988
Paid up	£2,729,688

The Bank of New Zealand was incorporated in 1861, and is the principal financial institution in the Dominion. At that date the population of the colony was about 210,000, and it seemed time for New Zealand to have a bank of its own, and not to be dependent on branches of Australian banks. Accordingly, the prospectus stated that it was proposed to establish on a broad and permanent basis a banking institution capable of meeting the future requirements of New Zealand, which, it was believed, would be very considerable. The Bank would provide all possible facilities to both merchant and farmer. The institution acts as banker to the New Zealand Government.

The paid-up capital first shown was £108,786, and for the first period to March 31, 1862, there was a profit of £6,097, a dividend of six per cent. per annum being paid. According to recent balance sheets the Bank seems to be in a very strong position, with a reserve fund nearly equal to its paid-up capital. On March 31 the latter consisted of 4% Guaranteed stock, £529,988; "A" fully-paid Preference shares, £500,000, and "B" fully-paid Preference shares, £250,000, both issued to the New Zealand Government; Ordinary shares:—150,000 at £6 13*s.* 4*d.*, paid up to £3 6*s.* 8*d.* per share=£500,000 and amounts paid in advance on a further call of £3 6*s.* 8*d.*, payable April 1, 1920=£347,453—total amount paid up on these shares, £847,453; new Ordinary shares—75,000 at £6 13*s.* 4*d.*, fully paid—£500,000. Total paid-up capital thus amounted to £2,627,441, and will equal the subscribed capital when the balance of the call of £3 6*s.* 8*d.* on the Ordinary shares is received. In addition to its numerous branches in New Zealand, the Bank has offices at Melbourne and Sydney in Australia, two offices in Fiji, one in Samoa, and one in London.

The balance sheet for the year to March 31, 1920, shows total assets amounting to £52,912,965, or more than twice the 1914 figure. The notes in circulation have increased by over £2 million to £5,765,337 during the year, but most of this increase consists of notes in the hands of other New Zealand banks in settlement of exchanges, and does not indicate inflation of currency. The gold actually held by the banks in New Zealand is sufficient to cover all notes in the hands of the public. Compared with March 1919, deposits show an increase of nearly £6 million, and reflect the prosperous condition of the country. Bills payable are also at a higher figure. The total of coin, cash balances, and notes has increased over £2 million to £8,772,285. Money at short call and bills receivable in London have increased over £6 million, which represents roughly the growth during the year in the Colonial deposits. The total of investments in New Zealand, &c., has increased to over £4 million, while the advances show little change at £18,590,846.

Total liabilities to the public amounted to over £47 million, against which liquid assets were held to the extent of sixty-one per cent.

The net profit for the year, £419,046, as compared with £388,022 on March 31, 1919, was equal to 15.9 per cent. on the paid-up capital, and to 8.4 per cent. on the total of capital and reserve. This profit is arrived at after paying interest on the Guaranteed stock, making a grant to officers' provident fund, and writing £50,000 off premises account. Dividends of six per cent. and seven and a-half per cent., and a bonus of four per cent., were paid on the Ordinary and "B" Preference shares, making seventeen and a-half per cent. for the year, and six per cent. and four per cent. were paid on the "A" Preference shares, making

Liabilities and Assets of The Bank of New Zealand.

LIABILITIES.

Mar. 31	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.		Deposits, &c.		Bills Payable, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%	£	%	£	%	£	%	£	%	£
1920 ...	... 2,627,442	2,350,000	4,977,442	9·4	5,765,337	10·9	37,661,611	71·2	1,048,305	7·6	460,270	·9	52,912,965
1919 ...	... 2,279,989	2,200,000	4,479,989	10·4	3,728,249	8·6	31,716,353	73·4	2,860,391	6·6	428,724	1·0	43,213,706
1918 ...	... 2,279,988	2,135,000	4,414,988	10·8	3,312,995	8·1	30,437,937	74·5	2,329,559	5·7	343,203	·9	40,838,682
1917 ...	... 2,279,988	2,062,142	4,342,130	11·3	2,560,325	6·7	29,052,791	75·8	2,007,368	5·3	316,954	·8	38,280,168
1916 ...	... 2,279,988	2,012,142	4,292,130	13·5	1,862,823	5·9	23,556,677	74·3	1,767,410	5·6	238,674	·7	31,717,714
1915 ...	... 2,254,699	1,915,536	4,170,235	15·7	1,676,051	6·3	18,741,657	70·7	1,670,103	6·3	270,395	1·0	26,528,441
1914 ...	... 2,269,690	1,375,000	3,644,690	14·9	989,882	4·1	18,070,613	74·0	1,403,457	5·8	291,608	1·2	24,400,250

ASSETS.

Mar. 31	Cash and Notes in Hand, &c.		Investments in N.Z., &c.		Call Money and Investments in London.		Bills Discounted.		Loans, Bills, Advances, &c.		Bank Premises, &c.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£	%	£
1920 ...	... 8,772,286	16·6	4,034,081	7·7	19,622,411	37·1	1,502,233	2·8	18,590,816	35·1	361,108	·7	52,912,965
1919 ...	... 6,719,765	15·5	3,410,479	7·9	13,179,286	30·5	1,475,751	3·4	18,028,558	41·7	399,867	1·0	43,213,706
1918 ...	... 7,225,047	17·7	2,958,176	7·3	12,153,744	29·8	1,320,262	3·2	16,755,629	41·0	425,824	1·0	40,838,682
1917 ...	... 6,645,608	17·4	3,289,112	8·6	11,476,003	30·0	1,256,721	3·3	15,161,911	39·6	450,813	1·1	38,280,168
1916 ...	... 5,757,829	18·1	1,363,200	4·3	8,729,976	27·5	1,159,637	3·7	14,265,205	45·0	441 867	1·4	31,717,714
1915 ...	... 4,827,522	18·2	961,587	3·6	5,136,997	19·4	1,186,459	4·5	13,964,009	52·6	451,867	1·7	26,528,441
1914 ...	... 3,377,185	13·9	972,171	4·0	5,076,749	20·8	1,280,027	5·2	13,244,541	54·3	449,577	1·8	24,400,250

* Per cent. of Total Liabilities or Assets.

THE BANK OF ADELAIDE

Established 1865.

Paid-up Capital	**£500,000**
Reserve Fund	**600,000**
	£1,100,000
Uncalled Capital	**125,000**
Reserve Liability of Shareholders	**625,000**
	£1,850,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.

MELBOURNE OFFICE: 267 Collins Street.
SYDNEY OFFICE: 105 Pitt Street.
LONDON OFFICE: 11 Leadenhall Street, E.C. 3.

Bills on Australasia purchased or collected.
Drafts and **Letters of Credit** issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application, and every other description of banking and exchange business transacted.

THE
WESTERN AUSTRALIAN BANK

ESTABLISHED 1841.

Paid-up Capital ... ... (25,000 Shares of £10 each)	**£250,000**
Reserve Fund	**700,000**
Reserved Profits	**32,970**
Reserve Liability of Shareholders	**250,000**

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the

London Agents:

The Bank of Adelaide,
11 Leadenhall Street, London, E.C. 3.

THE
Commercial Banking Company of Sydney,

LIMITED.

ESTABLISHED 1834.

INCORPORATED IN NEW SOUTH WALES.

Capital Paid up	**£2,500,000. 0. 0**
Reserve Fund	**...£2,220,000. 0. 0**
Reserve Liability of Shareholders	**...£2,500,000. 0. 0**

Drafts payable on demand and Letters of Credit on Australasia are issued by the London Branch. Bills on Australasia negotiated or collected. Remittances cabled.

London Offices:

18 BIRCHIN LANE, LOMBARD STREET, E.C. 3.

F. A. SCRIVENER, *Manager.*

BANK OF NEW SOUTH WALES.

ESTABLISHED 1817.

LONDON OFFICE:

29 Threadneedle Street, E.C.2.

Paid-up Capital	£4,765,700
Reserve Fund	3,275,000
Reserve Liability of Proprietors	4,765,700
	£12,806,400

Aggregate Assets, 31st March, 1920, £75,544,242 6 9

The London Office issues drafts on demand on its Head Office and branches in Australia, New Zealand, Tasmania, Fiji, and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application, and conducts every description of Australasian banking business.

H. MELDRUM, *Acting Manager.*

English, Scottish & Australian Bank, Limited.

Head Office: 5 GRACECHURCH ST., E.C. 3.

Authorised Capital - -	**£3,000,000 0 0**
Paid-up Capital - - -	**£560,047 10 0**
Reserve Fund - - - -	**£635,000 0 0**

Board of Directors.

A. WILLIAMSON, ESQ., *Chairman.*

JOHN ANNAN BRYCE, ESQ.
HON. SIR JOHN A. COCKBURN, K.C.M.G.
THE RT. HON. VISCOUNT KNUTSFORD.
HON. SIR ARTHUR LAWLEY, G.C.S.I.
JOHN PATERSON, ESQ.
GEORGE SLADE, ESQ.
SIDNEY M. WARD, ESQ.
SIR FREDERICK W. YOUNG, M.P.

Manager—E. M. JANION.
Assistant Manager—JOS. GRIEVE.
Accountant—F. C. HOUNSFIELD.

Bankers.

BANK OF ENGLAND; LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.

Letters of Credit and Drafts on the Branches and Agencies of the Bank in Australia can be obtained at the Head Office, or through the Agents of the Bank in the Chief Provincial Towns throughout the United Kingdom.

Remittances made by **Telegraphic Transfer.**

Bills Negotiated or forwarded for **Collection.**

Banking and **Exchange** Business of every description transacted with Australia.

ten per cent. for the year. £150,000 was allocated to reserve fund, thus bringing the latter up to £2,500,000.

Profits of the Bank of New Zealand.

Yr. to Mar. 31	Gross Profit.	Ex-penses.	Net Profit.	Div., incl. Bonus, on Capital Amt.	Div., incl. Bonus, on Capital Stock.	Div., incl. Bonus, on Capital Pref. & Ord.	Special Allcns., &c.	Carried Forward.
	£	£	£	%	%	%	£	£
1920	1,376,838	886,593	490,245	289,950	4	10	17½	240,000	146,520
1919	1,217,153	757,932	459,221	258,699	4	10	15	200,000	146,224
1918	1,106,442	698,636	407,806	258,699	4	10	15	115,000	145,706
1917	964,911	528,279	436,632	258,641	4	10	15	122,859	111,596
1916	801,337	444,244	357,093	257,800	4	10	15	100,000	56,464
1915	755,240	359,073	396,167	256,141	4	10	15	134,464	57,171
1914	714,076	325,585	388,491	165,000	4	10	15	215,000	51,609

BANK OF QUEENSLAND.

Head Office: Brisbane.

London Office: 4 Queen Victoria Street, E.C. 4.

Capital—

Authorised, 100,000 Shares, £10 each... ... £1,000,000
Subscribed and Paid up... 450,000

THE Bank of Queensland, which commenced business as recently as January 31, 1917, is the result of the amalgamation of two smaller banks, the Bank of North Queensland, Limited, established in 1888, and the Royal Bank of Queensland, Limited, dating back to 1886. On June 30, 1916, the former Bank had a paid-up capital of £162,500, with a reserve fund of £37,500. The latter in the same year had a paid-up capital of £545,760 and a reserve fund of £82,500. Neither bank was, therefore, of very great proportions, and it was hoped that the amalgamation would be instrumental in providing increased facilities for financing the agriculture of Queensland. The institution has made progress during the first three years of its existence, as shown by the report for the year ending January 31, 1920. The business continues to develop on careful lines, but the district is a difficult one to finance, and the periods of drought are a great handicap to the agricultural industry, which is the principal one in Queensland. Total assets have increased since July 31, 1917, when the Bank issued its first half-yearly report, from £3,472,226 to £3,867,997. Comparing the figures in January last with those of the previous year, we find the deposits have risen by £21,000 to £3,095,457, and acceptances are up to £86,177, with a corresponding increase in liability of customers. The cash total is £260,000 higher, at £959,950, investments show an increase of £10,000, while the total of advances and bills discounted has dropped from £2,572,317 to £2,381,111. The quick assets represent 39.9 per cent. of the Bank's total liabilities to the public.

The net profit for the year amounted to £40,239. Dividends are paid twice yearly at the rate of six per cent. per annum and a reserve fund has been started with the amount of £25,000. The profit is equal to 8.9 per cent. on the Bank's paid-up capital.

BANK OF VICTORIA.

Head Office: Collins Street, Melbourne, Victoria.

London Office: 69 King William Street, E.C. 4.

Capital—

Authorised £3,240,000
Paid up 1,478,010
Reserve liability of proprietors 1,061,250

THE Bank of Victoria was originally established in 1852, when it was incorporated by Act of Colonial Council with a capital of £1 million in £50 shares, with £25 paid up on each. It was not until 1889 that the Bank was registered as a limited company under the Victoria Act of 1864, and it was later reorganised, as a result of the crisis of 1893, with a subscribed capital of £2,816,560. The capital now consists of 41,676 Preference shares of £10 each fully paid, and 212,250 Ordinary shares of £10 each, with £5 paid up. In 1900 the reserve fund stood at £100,000. To-day it amounts to £525,000, a further £50,000 having been added on June 30, 1920. The statement for the latter date shows that the Bank has prospered much during the past year. The Bank's activities are confined to Victoria, with the exception of a branch in Adelaide, South Australia, and the London office mentioned above.

Contrasting the figures on June 30, 1920, with those of the previous year, the acceptances are about the same amount, while bills in circulation have risen from £475,468 to £687,942. The note circulation is a comparatively small amount, owing, no doubt, to the prohibitive ten per cent. tax. Government deposits have run off about £75,000, but other deposits have reached the figure of £8,677,980, an increase of over £1,800,000. The amount due by other banks, at £500,000, is more than double last year's figure. Turning to the assets, we find that the total has increased over £2 million to £13,558,803. The cash holding is about £1 million greater, at £2½ million; investments have risen from £614,686 to £724,002. Money at call and Treasury bills in London are up to over £2 million from £739,000. Some reduction has taken place in Wheat and War Loan Advances, and bills and loans are at approximately the same level as two years ago.

The net profit for the year amounts to £149,400, an increase of £8,400 on the previous year. Dividends on all the shares are paid half-yearly. £5,000 was written off bank-premises account out of profits.

Profits of the Bank of Victoria, Australia.

Year to Dec. 31	Gross Profit.	Expenses.	Net Profit.	Dividends. Amt.	Dividends. Pref. %	Dividends. Ord. %	Special Allctns.	Carried Forward.
	£	£	£	£	%	%	£	£
1920† ...	291,303	141,862	149,441	103,461	7	7	57,000	22,040
1919† ...	137,415	65,342	72,073	51,730	7	7	—	33,060
1918 ...	247,078	117,097	129,981	96,071	6½	6½	32,000	12,718
1917 ...	222,753	111,421	111,332	88,680	6	6	27,000	10,808
1916 ...	217,264	109,202	108,062	88,680	6	6	27,000	15,156
1915 ...	217,038	109,732	107,306	88,680	6	6	37,000	22,774
1914 ...	233,089	108,766	124,323	81,290	5½	5½	20,000	41,148
1913 ...	233,407	107,455	125,952	88,680	6	6	37,000	18,115

† Half-year to June 30. ‡ Year to June 30.

Liabilities and Assets of the Bank of Queensland, Limited.

LIABILITIES.

Jan. 31	Capital Paid up.	Reserve.	Total.		Deposits, &c.		Bills Payable.		Acceptances.		Undivided Profit.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 ...	450,000	—	450,000	11·7	3,095,457	80·0	196,004	5·1	86,177	2·2	39,759	1·0	3,867,997
1919 ...	450,000	—	450,000	11·8	3,074,617	80·7	202,827	5·3	57,552	1·5	27,194	·7	3,812,190
1918 ...	450,000	—	450,000	12·4	2,928,452	80·5	236,062	6·5	—	—	23,316	·6	3,638,730
1917† ...	450,000	—	450,000	13·0	2,864,030	82·4	140,376	4·1	—	—	17,220	·5	3,472,226
1916‡ ...	708,259	120,000	828,259	22·5	2,728,559	74·2	95,803	2·6	—	—	24,211	·7	3,676,832

ASSETS.

Jan. 31	Cash, Notes, &c.		Remittances in transitu.		Government Stock.		Bills Discounted, Advances, &c.		Cust. Liab. for Accepts.		Bank Premises.		Total Assets
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 ...	959,950	24·8	135,759	3·5	185,000	4·8	2,381,111	61·6	86,177	2·2	120,000	3·1	3,867,997
1919 ...	697,209	18·3	155,112	4·1	175,000	4·6	2,572,317	67·4	57,552	1·5	155,000	4·1	3,812,190
1918 ...	949,681	26·1	119,855	3·3	175,000	4·8	2,236,694	61·5	—	—	157,500	4·3	3,638,730
1917† ...	940,162	27·1	114,672	3·3	150,000	4·3	2,109,892	60·8	—	—	157,500	4·5	3,472,226
1916‡ ...	987,894	26·9	74,036	2·0	147,382	4·0	2,299,697	62·5	—	—	167,766	4·6	3,676,832

* Per cent. of Total Liabilities or Assets. † July 31. ‡ Combined figures of the Royal B. of Queensland (at June 30) and the B. of N. Queensland (at Sept. 30).

GLYN, MILLS, CURRIE & CO.

ESTABLISHED 1753. REGISTERED WITH UNLIMITED LIABILITY 1885.

67 LOMBARD STREET, LONDON, E.C. 3.

CAPITAL	£1,000,000
RESERVE FUND	£500,000
CURRENT AND DEPOSIT ACCOUNTS	£28,637,101
CASH IN HAND AND AT BANK OF ENGLAND	£5,510,607
MONEY AT CALL AND AT SHORT NOTICE	£5,418,150
INVESTMENTS	£7,544,927
ADVANCES, &c.	£11,438,283

30th June, 1920.

MANAGING PARTNERS:
The Hon. A. H. MILLS. LAURENCE CURRIE.
LORD WOLVERTON. LORD HILLINGDON.
General the Hon. Sir H. A. LAWRENCE, K.C.B.

General Manager: Brig.-General A. MAXWELL, C.M.G., D.S.O.
Secretary: ERIC GORE BROWNE, D.S.O.

Every description of British and Overseas Banking and Exchange business transacted.
The Bank undertakes the office of Executor and Trustee.

Telegraphic Address: (Inland) "SAESREVO, THREAD, LONDON." (Foreign) "SAESREVO, LONDON."

The British Overseas Bank,

LIMITED.

FORMED UNDER THE AUSPICES OF THE FOLLOWING BANKS:

Anglo-South American Bank, Ltd.
Dominion Bank (Canada).
Glyn, Mills, Currie & Co.
Charles Hoare & Co.
Imperial Ottoman Bank.
Northern Banking Co. Ltd.
Union Bank of Scotland, Ltd.
Williams Deacon's Bank, Ltd.

CAPITAL - £5,000,000
Issued and paid up - £2,000,000

Foreign business of all kinds transacted. *Correspondence invited.*

31, LOMBARD STREET, LONDON, E.C.3.

TELEPHONE NUMBER: CITY 7140 (5 lines).

London Correspondents of the
BANQUE DE BRUXELLES, BRUSSELS,
with whom the British Overseas Bank, Limited, works in close association for all Belgian Business.

Affiliated Institution in Poland:
ANGLO-POLISH BANK, LIMITED (BANK ANGIELSKO-POLSKI),
Krakowskie Przedmiescie, 47/49, WARSAW.

Liabilities and Assets of The Bank of Victoria, Limited.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	% *	Notes in Circulation. £	% *	Accept-ances. £	% *	Bills in Circ. £	% *	Govt. Deposits. £	% *	Other Deposits. £	% *	Total Deposits, &c. £	% *	Due other Banks. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920†	1,478,010	475,000	1,953,010	14·4	6,674	—	398,333	2·9	637,942	5·1	1,245,055	9·2	7,577,980	55·9	9,883,035	72·9	701,038	5·2	128,771	1·0	13,558,803
1919†	1,478,010	475,000	1,953,010	17·3	6,845	—	384,207	3·4	477,108	4·2	1,258,214	11·2	6,870,782	61·0	8,129,996	72·4	168,191	1·9	84,790	·8	11,261,505
1918...	1,478,010	450,000	1,928,010	17·9	6,867	·1	408,999	4·6	497,767	4·6	960,187	8·9	6,138,689	56·9	7,098,876	66·5	581,471	5·4	96,418	·9	10,768,438
1917...	1,478,010	425,000	1,903,010	19·2	7,101	·1	214,215	2·2	379,680	3·8	1,031,645	5·913,276			6,944,921	70·1	378,239	3·8	82,148	·8	9,909,314
1916...	1,478,010	400,000	1,878,010	21·1	7,258	·1	274,249	3·1	561,676	4·0	695,055	5,355,116			6,240,171	70·3	34,720	·4	86,496	1·0	8,888,380
1915...	1,478,010	365,000	1,843,010	20·2	7,710	·1	215,495	2·4	380,334	4·2	547,678	5,968,685			6,516,363	71·4	58,752	·6	104,114	1·1	9,125,778
1914...	1,478,010	365,000	1,843,010	20·5	8,602	·1	225,470	2·5	256,907	2·8	591,320	5,883,360			6,474,680	72·1	94,452	1·1	78,098	·8	8,981,219
1913...	1,478,010	325,000	1,803,010	19·9	9,611	·1	210,555	2·3	416,951	4·6	550,052	5,910,193			6,480,245	71·7	44,279	·5	84,455	·9	9,049,106

ASSETS.

Dec. 31	Coin, Bullion and Notes. £	% *	Investments. £	% *	Money at Call. £	% *	Bills, &c., in transitu, &c. £	% *	Bills Discounted & Advances. £	% *	Due from Banks. £	% *	Liab. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets £
1920† ...	2,524,913	18·6	724,002	5·3	2,088,611	15·4	566,519	4·2	6,891,725	48·7	243,643	2·2	396,333	2·9	358,004	2·7	13,558,803
1919† ...	1,552,108	13·8	614,686	5·4	759,197	6·6	426,110	3·8	7,155,492	63·5	58,928	·5	384,207	3·4	334,627	3·0	11,261,505
1918 ...	1,330,219	12·4	616,822	5·7	499,882	4·6	782,000	7·3	6,664,276	61·9	15,117	·4	408,999	4·6	342,333	3·1	10,768,438
1917 ...	1,610,483	16·3	658,750	6·6	491,736	5·0	492,447	4·9	6,081,243	61·4	23,172	·2	214,215	2·2	337,268	3·4	9,909,314
1916 ...	943,101	10·6	281,840	3·2	—	—	619,687	7·0	6,392,586	71·9	35,026	·4	274,249	3·1	342,091	3·8	8,888,580
1915 ...	1,242,090	13·6	228,710	2·5	—	—	367,496	4·0	6,697,858	73·4	35,250	·4	215,495	2·4	338,860	3·7	9,125,778
1914 ...	1,318,674	14·7	242,780	2·7	—	—	442,987	6·0	6,271,131	69·8	32,497	·4	225,470	2·5	347,720	3·9	8,981,219
1913 ...	1,422,647	15·7	238,340	2·6	—	—	696,095	7·7	6,083,542	67·2	43,446	·5	210,555	2·3	354,481	4·0	9,049,106

* Per cent. of Total Liabilities or Assets. † June 30.

The net profit is equal to 10.1 per cent. on the paid-up capital, and to 7.1 per cent. on the combined amount of capital and reserve, including the balance of profit and loss account, £128,770.

COMMERCIAL BANK OF AUSTRALIA.

Head Office: Collins Street, Melbourne.

London Office: Bishopsgate (corner of Leadenhall Street), E.C. 2.

Capital—

Authorised	£3,150,000
Paid up (see letterpress below)	2,213,009

FOUNDED in 1866 with its head office at Melbourne, this Bank started with a capital of 50,000 shares of £10 each, and power was taken to increase the total amount to £1 million. The Bank was formed to provide suitable banking accommodation for manufacturers, small traders, farmers and other producers. By 1890 the paid-up capital amounted to £1,200,000, and there was a reserve fund of £1 million. The crisis of 1893 caused suspension and reconstruction, the authorised capital being then fixed at £4,800,000, reduced, however, in 1902, to its present figure—£3,150,000—by writing off £5 10s. per Ordinary share. The Bank has a large number of branches in Victoria, and a considerable number in all the other provinces. It has branches in New Zealand, and a London office, and in 1918 it purchased the business of the National Bank of Tasmania. Thereby it acquired fourteen branches and seven receiving offices in that State, in addition to the offices it already had there. The purchase consideration for the Tasmanian Bank was £263,587.

The last report, for the year ending June 30, 1920, shows that the Bank has continued its policy of expansion by opening fourteen new branches during the year. Since 1914 the total of deposits has steadily increased from £6,653,773 to £16,397,172 in 1920. There is an increase of over £4 million on last year's figures, and since 1918-19 both bills in circulation and acceptances show considerable increases. The note circulation, which dropped rapidly after the establishment of a Federal note issue, has since somewhat increased, in accordance with the general inflation. The cash total has risen from £2 million to £3,771,382; money at call has increased by nearly £1 million, and the total of bills discounted and other advances has risen by £1,400,000 to over £11 million.

In 1896, following the Bank's reconstruction, a company, called the Special Assets Trust Company, was registered to realise the Bank's assets. In each balance sheet a deduction is made from the amount of paid-up capital, corresponding with the estimated deficiency in connection with this latter company. The deduction in the recent balance sheet is £442,660, leaving the net actual capital at £1,770,349. Out of the year's profits £100,000 is set aside for reinstatement of capital.

The net profit for the year amounts to £202,891, and is equivalent to 11.4 per cent. on the net actual capital. The profit for the previous year was £170,300. A dividend of four per cent. per annum was paid on the Preference shares, and £10,000 applied in reduction of bank premises account, while £16,257 was carried forward to the next account, as against £13,060 brought forward in 1919.

It was stated in June that, owing to the satisfactory increase in the business of the Bank, it might be found advisable to increase the capital. Accordingly an extraordinary meeting was held on July 15 at which a resolution to effect the necessary alterations in the Articles of Association was passed, and within the last few weeks announcement has been made of a proposal

Liabilities and Assets of The Commercial Bank of Australia.

LIABILITIES.

Dec. 31	Net Effective Capital. £	% *	Notes in Circulation. £	% *	Bills in Circulation. £	% *	Acceptances, &c. £	% *	Govt. Deposits. £	% *	Other Deposits. £	% *	Total. £	% *	Contingent Liability. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920†...	1,770,349	9·0	68,329	·3	599,246‡	3·1	721,189	3·7	896,784	15,500,388	16,397,172	83·6	—	—	58,605	·3	19,614,890
1919†...	1,670,349	11·4	71,517	·5	365,382	2·5	444,362	3·0	1,088,786	11,073,964	12,162,747	82·2	—	—	55,407	·4	14,674,774
1918 ...	1,659,349	11·9	71,046	·5	418,735	3·1	594,713	4·3	1,441,468	9,524,529	10,965,997	79·8	—	—	36,251	·4	13,737,096
1917 ...	1,570,345	14·6	62,085	·6	279,480	2·6	458,554	4·3	650,636	7,665,180	8,315,786	77·5	—	—	48,782	·4	10,735,036
1916 ...	1,520,349	15·8	54,816	·6	574,203	6·0	301,595	3·1	495,707	6,013,001	7,108,708	74·0	—	—	49,731	·5	9,609,400
1915 ...	1,467,349	15·9	47,828	·5	429,198	4·6	223,124	2·5	409,004	6,561,468	6,971,372	75·5	34,524	·4	53,753	·6	9,232,133
1914 ...	1,432,346	16·3	34,794	·4	539,736	6·1	119,991	1·4	448,668	6,205,105	6,653,773	74·9	40,803	·4	49,997	·5	8,891,440
1913 ...	1,401,504	15·4	11,913	·1	367,611	4·0	116,473	1·3	431,493	6,237,040	6,668,533	73·1	515,288	5·7	39,480	·4	9,120,771

ASSETS.

Dec. 31	Coin & Bullion, Notes, &c. £	% *	Investments. £	% *	Money at Call & Notice. £	% *	Bills and Remittances in Transit. £	% *	Bills and Advances. £	% *	Liab. for Acceptances. £	% *	Due from Banks. £	% *	Contingent Assets. £	% *	Bank Premises. £	% *	Total Assets. £
1920†...3,771,382	19·2	472,272	2·4	1,740,000	8·9	1,145,251	5·8	11,134,481§	56·8	721,189	3·7	147,135	·7	—	—	493,200	2·5	19,614,890
1919†...2,000,553	13·7	439,412	3·0	766,000	5·2	710,817	4·8	9,735,567	66·3	444,362	3·0	80,968	·6	—	—	499,095	3.4	14,674,774
1918 ...2,223,112	16·2	446,417	3·2	191,000	1·4	447,663	3·3	9,285,293	67·6	594,713	4·3	62,453	·5	—	—	486,550	3·5	13,737,096
1917 ...1,882,986	17·5	405,436	3·8	1,231,000	11·5	562,111	5·2	5,703,834	53·1	458,554	4·3	35,055	·3	—	—	456,060	4·3	10,735,036
1916 ...1,817,951	18·9	248,960	2·6	251,000	2·6	1,038,417	11·1	5,458,952	58·8	301,593	3·1	20,037	·2	—	—	452,490	4·7	9,609,400
1915 ...1,563,282	16·9	244,070	2·6	506,000	5·5	447,434	4·9	5,756,633	62·3	228,124	2·5	9,810	·1	15,230	·2	461,830	5·0	9,232,133
1914 ...1,901,216	21·4	77,723	·9	409,000	4·6	709,662	7·9	5,211,954	58·6	119,991	1·4	9,204	·1	21,500	·2	431,190	4·9	8,891,440
1913 ...1,626,793	17·8	41,922	·5	1,025,000	11·2	838,863	9·4	4,373,775	54·5	116,472	1·3	15,891	·2	39,000	·4	423,055	4·7	9,120,771

* Per cent. of Total Liabilities or Assets. † June 30.

‡ Bills payable and other liabilities, including reserves for contingencies, &c. § Including £1,500,000 Australian Treasury Bills.

BROWN, SHIPLEY & COMPANY,

LONDON.

FOUNDERS COURT,
LOTHBURY, E.C. 2.

OFFICE FOR TRAVELLERS:
123 PALL MALL, S.W. 1.

Established 1810.

FOREIGN EXCHANGE. COMMERCIAL CREDITS.

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LLOYDS & NATIONAL PROVINCIAL FOREIGN BANK, LTD.

A British Bank conducted on British Lines.

Head Office: 31 THREADNEEDLE STREET, LONDON, E.C. 2.

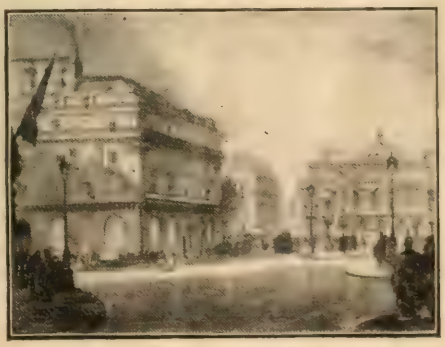
West-End Branch: 71 HAYMARKET, LONDON, S.W. 1.

Branches:

PARIS: 3 Place de l'Opéra.

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PARIS OFFICE—3 PLACE DE L'OPÉRA.

General Banking Business.

Collections throughout France, Belgium, Switzerland, &c.

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Enquiries may be addressed to any Office of the Bank or to any Branch of—

Lloyds Bank Limited, or

The National Provincial and Union Bank of England, Limited.

to issue at an early date some 400,000 new Ordinary shares of 10s. each, at a premium of 10s. per share.

Profits of the Commercial Bank of Australia.

Year ended Dec. 31	Gross Profit.	Expenses.	Net Profit.	Divs. Pref. Amt.	Divs. Pref. Shrs.	Divs. Ord. Shrs.	Adjustment of Capital, &c.	Carried Forward
	£	£	£	£	%	%	£	£
1920‡...	481,757	278,866	202,891	84,694	8	Nil	115,000	16,258
1919†...	305,062	118,559	86,503	42,347	4*	Nil	45,000	13,060
1918 ...	286,021	225,858	160,163	84,694	4	Nil	68,000	13,904
1917 ...	325,251	191,505	133,746	84,694	4	Nil	50,000	6,436
1916 ...	332,128	193,436	138,692	84,694	4	Nil	58,000	7,384
1915 ...	293,165	184,736	108,429	84,694	4	Nil	20,000	11,385
1914 ...	313,076	183,422	129,654	84,694	4	Nil	45,000	7,650
1913 ...	312,186	177,335	134,851	63,520	3	Nil	70,000	7,690

* At rate of. † Half-year to June 30. ‡ Year to June 30.

COMMERCIAL BANKING COMPANY OF SYDNEY.

Head Office: George Street, Sydney.

London Office: 18 Birchin Lane, E.C. 3.

Capital—

Authorised	£5,000,000
Subscribed	5,000,000
Paid up	2,500,000

This Bank commenced as a co-partnership in 1834, and was not incorporated until 1848. The original authorised capital was £300,000 in shares of £100, and the first report, issued in December 1834, showed a paid-up capital of £30,467, a note circulation of £8,143, and deposits amounting to £22,630. Though the Bank was in a strong position when the crisis of 1893 occurred, it was decided to protect the depositors by means of a reconstruction, under which the paid-up capital was increased to £400,000. It was not found necessary to draw on the reserve fund, and although there was a temporary falling-off in the amount of deposits, the lost ground was soon recovered, and progress has since been good in every way, the deposits totalling to-day over £30 million.

The capital has been increased from time to time. In 1911 the amount paid up was £1,500,000, increased in 1912 to £1,750,000 by the issue of new shares. A further increase to £2 million was effected during the latter part of 1913, and the paid-up amount is now £2,500,000. The reserve fund was less than £500,000 up to 1879, but had reached a million by 1893. At the end of December 1917 it was raised to an amount equal to the paid-up capital at the time—£2 million. To-day it stands at £2,220,000. £100,000 having been added out of the past year's profits. Unlike some of the Australian Banks, the Commercial Bank's operations are confined to New South Wales and Queensland, with the exception of its London office. It has not yet opened in any other parts of the Commonwealth, but during the past year has established seven new offices in New South Wales and closed one in Queensland.

The note circulation is slowly decreasing, as evidenced by the balance sheet for the year ending June 30, 1920. It is not now much above £10,000, while in 1910 it amounted to £631,538. The Government tax of ten per cent. is, of course, responsible for the shrinkage. Deposits, however, show an increase as compared with a year ago, and bills in circulation have risen from £1,312,047 to £1,798,283.

The total of assets shows an increase of over £2 million during the year, and now amounts to £36,752,725. The cash total is up £260,000, and investments, at £4,435,338, show an increase. While the money at short call is rather lower than it has been for four years, bills receivable have increased by more than £1 million to over £3 million, and the total of bills discounted and advances has risen from £19,359,555 to £20,219,365. The Bank's more liquid assets represent 56.5 per cent. of the total of its liabilities to the public. Dividends are paid half-yearly, and the last distribution was at the rate of ten per cent. per annum. As previously mentioned, £100,000 was transferred to the reserve fund, and the balance carried forward, £82,262, exceeds the amount brought forward by £3,400. The net profit of £348,602 for the year is equal to 13.9 per cent. upon the amount of paid-up capital and to 7.5 per cent. upon the total of capital and reserve.

Profits of the Commercial Banking Company of Sydney.

Year ended Dec. 31	Net Profit.	Dividend. Amount.	Dividend. %	Balance.	Special Appropriations.	Carried Forward.
	£	£	%	£	£	£
1920‡ ...	348,402	245,154	10	103,248	100,000	82,262
1919† ...	152,697	100,000	10*	52,697	40,000	78,814
1918 ...	295,863	200,000	10	95,863	80,000	66,117
1917 ...	297,496	200,000	10	97,496	100,000	50,254
1916 ...	271,788	200,000	10	71,788	95,000	52,758
1915 ...	255,009	200,000	10	55,009	50,000	75,970
1914 ...	287,489	199,258	10	88,231	75,000	70,961
1913 ...	272,364	174,883	10	97,481	100,000	57,730

† Half-year to June 30. * At rate of. ‡ Year to June 30.

The balance sheet recently issued is the first one that covers operations for a full period of twelve months. It is interesting to note that although special advances in connection with the Wheat Scheme and War Loans have been largely reduced, the failure of the wheat crop in New South Wales has caused an increase in ordinary advances, to enable customers to tide over the period of drought.

COMMERCIAL BANK OF TASMANIA.

Head Office: Hobart, Tasmania.

Capital—

Authorised, 100,000 Shares of £10 each ...	£1,000,000
Subscribed	800,000
Paid up...	300,000

The Commercial Bank of Tasmania, although not as large as many of our colonial banks, has shown some growth, if slow, and, while more than satisfying its shareholders, has established itself in a strong financial position. It dates back to 1832, and by 1890 the reserve fund exceeded the paid-up capital, the latter being £125,000 and the former £150,000. The reserve fund was subsequently drawn on, and the capital has been increased from time to time, the paid-

Liabilities and Assets of The Commercial Banking Company of Sydney, Limited.

LIABILITIES.

Dec. 31	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.	%	Notes in Circulation.	%	Deposits, &c.	%	Bills in Circulation.	%	Profit Balance.	%	Liabilities.
	£	£	£	°/°	£	°/°	£	°/°	£	°/°	£	°/°	£
1920† ...	2,500,000	2,120,000	4,620,000	12·5	10,234	—	31,017,532	81·7	1,798,283	4·9	306,676	·8	36,752,725
1919† ...	2,382,019	2,080,000	4,462,019	12·9	11,088	—	28,627,157	82·7	1,312,047	3·8	218,814	·6	34,631,125
1918 ...	2,000,000	2,040,000	4,040,000	12·2	11,403	·1	27,151,488	82·2	1,607,209	4·9	206,117	·6	33,019,167
1917 ...	2,000,000	1,940,000	3,940,000	13·0	12,264	—	24,809,493	81·6	1,415,862	4·7	210,254	·7	30,417,873
1916 ...	2,000,000	1,875,000	3,875,000	13·6	14,159	·1	22,960,082	80·7	1,436,793	5·0	177,758	·6	28,463,792
1915 ...	2,000,000	1,780,000	3,780,000	12·8	15,966	·1	24,522,018	83·6	786,273	2·7	200,970	·7	29,305,227
1914 ...	2,000,000	1,730,000	3,730,000	13·8	18,744	·1	22,228,133	82·2	865,207	3·2	195,961	·7	27,038,045
1913 ...	1,976,169	1,630,000	3,606,169	13·6	25,514	·1	21,156,322	79·8	1,522,363	5·7	195,229	·8	26,505,597

ASSETS.

Dec. 31	Coin, Bullion, Cash, and Notes.	%	Investments.	%	Money at Short Call.	%	Bills Discounted and Advances.	%	Bills Receivable, &c.	%	Bank Premises.	%	Total Assets.
	£	°/°	£	°/°	£	°/°	£	°/°	£	°/°	£	°/°	£
1920† ...	7,494,484	20·9	4,435,338	12·1	870,000	2·4	20,219,365	55·0	3,100,997	8·4	632,541	1·7	36,752,725
1919† ...	7,231,999	20·9	4,289,200	12·4	1,040,000	3·0	19,359,555	55·9	2,067,171	6·0	613,200	1·8	34,631,125
1918... ...	6,544,162	19·8	4,304,000	13·0	1,335,000	4·1	17,983,328	54·5	2,245,052	6·8	607,625	1·8	33,019,167
1917... ...	7,298,994	24·0	4,269,100	14·0	1,030,000	3·4	15,081,201	49·6	2,137,823	7·0	601,255	2·0	30,417,873
1916... ...	6,129,021	21·5	4,010,500	14·1	883,350	3·1	14,676,635	51·6	2,171,033	7·6	593,253	2·1	28,463,792
1915... ...	9,964,029	34·0	2,681,825	9·2	427,950	1·4	14,042,907	47·9	1,603,173	5·5	585,343	2·0	29,305,227
1914... ...	5,844,195	21·6	3,539,025	13·1	546,512	2·0	14,851,835	54·9	1,679,735	6·2	576,743	2·2	27,038,045
1913... ...	5,579,225	21·0	2,383,925	8·9	1,085,000	4·1	13,660,704	51·6	3,241,150	12·3	555,593	2·1	26,505,597

* Per cent. of Total Liabilities or Assets. † June 30.

BANK OF LIVERPOOL & MARTINS LIMITED.

Head Office: 7 WATER STREET, LIVERPOOL.

London Office: 68 LOMBARD STREET, LONDON, E.C. 3.

Capital Subscribed - - - - -	£17,191,120
Capital Paid up - - - - - -	2,148,890
Reserve Fund and Surplus Profits -	1,514,288
Deposits, etc., at 31st Dec., 1919 -	67,530,621

311 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign Exchange Business Transacted.

THE BANK IS PREPARED TO ACT AS AGENTS FOR FOREIGN BANKS ON USUAL TERMS.

THE LANCASHIRE & YORKSHIRE BANK, LTD.

ESTABLISHED 1872.

CAPITAL - - - £4,000,000.

Subscribed Capital, £2,013,120. Paid-up Capital, £1,006,560. Reserve Fund, £875,000.

DIRECTORS.

The Right Hon. Lord COLWYN, CHAIRMAN.
GEORGE COMBER, Esq., DEPUTY CHAIRMAN.

The Right Hon. Lord ARMAGHDALE.
The Right Hon. Lord EMMOTT, G.C.M.G., G.B.E.
CHARLES W. KEIGHLEY, Esq.
THOMAS NORTON, Esq., C.B.E.
E. M. PHILIPS, Esq.
ALFRED WATKIN, Esq.
JOSEPH WHEATLEY, Esq.
THOS. B. MOXON, Esq. (Honorary).

GENERAL MANAGER: F. W. RAMSBOTTOM, Esq.

Head Office—43 SPRING GARDENS, MANCHESTER.

Offices at LIVERPOOL, LEEDS, HUDDERSFIELD, BLACKBURN, BOLTON, BURNLEY, BURY, HALIFAX, OLDHAM, PRESTON, ROCHDALE, and 120 Offices in other towns in Lancashire and Yorkshire.

The Union Bank of Scotland Ltd.

ESTABLISHED 1830.

SUBSCRIBED CAPITAL - - - - -	£5,000,000
PAID-UP CAPITAL - - - - - -	£1,000,000
RESERVE FUND - - - - - -	£1,000,000
DEPOSITS - - - - - - - -	£31,307,229

Head Offices: GLASGOW: 191 INGRAM STREET. EDINBURGH: 64 GEORGE STREET.
With 160 Branches throughout Scotland.

LONDON OFFICE: 62 CORNHILL, E.C. 3. JOHN ALEXANDER, *Manager*.

Every description of HOME AND FOREIGN Banking Business transacted. Letters of Credit on all places abroad, and cable remittances arranged. Duties of Trustee and Executor undertaken.

The Bank is closely associated with, and represents at its Scottish Branches, THE BRITISH OVERSEAS BANK LIMITED, 31 Lombard Street, London, E.C. 3, which has been SPECIALLY ORGANISED FOR FOREIGN BUSINESS.

At London Office Current Accounts and other business conducted on the usual terms of London Banks. Deposits received at interest. NORMAN L. HIRD, *Financial Manager*.

Liabilities and Assets of The Commercial Bank of Tasmania, Limited.

LIABILITIES. End of Feb.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£
1919†	300,000	190,000	490,000	17·7	3,737	·1	2,248,427	81·3	25,569	·9	2,767,733
1919	200,000	285,000	485,000	18·6	3,973	·2	2,096,227	80·3	23,871	·9	2,609,071
1918	200,000	275,000	475,000	18·2	4,427	·1	2,107,817	80·8	23,103	·9	2,610,347
1917	200,000	270,000	470,000	19·9	4,577	·2	1,872,300	79·0	21,274	·9	2,368,151
1916	200,000	260,000	460,000	18·5	4,731	·2	1,999,621	80·3	26,522	1·0	2,490,874
1915	200,000	255,000	455,000	19·0	5,086	·2	1,910,862	79·8	23,120	1·0	2,394,068
1914	200,000	245,000	445,000	18·6	5,847	·3	1,919,117	80·1	24,589	1·0	2,394,553

ASSETS. End of Feb.	Specie, Bullion and Notes.		Investments.		Due from Other Banks.		Bills Receivable and Advances.		Bank Premises, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919†	632,533	22·9	249,900	9·0	177,912	6·4	1,644,443	59·4	62,945	2·3	2,767,733
1919	496,283	19·0	219,033	8·4	—	—	1,829,933	70·1	63,822	2·5	2,609,071
1918	616,196	23·6	371,280	14·2	125,225	4·8	1,437,555	55·1	60,091	2·3	2,610,347
1917	532,980	22·5	223,716	9·4	14,063	·6	1,538,214	65·0	59,178	2·5	2,368,151
1916	603,195	24·2	331,100	13·3	64,504	2·6	1,432,900	57·5	59,175	2·4	2,490,874
1915	537,170	22·5	157,800	6·6	85,453	3·6	1,555,642	64·9	58,003	2·4	2,394,068
1914	353,749	14·7	203,000	8·5	42,391	1·8	1,740,319	72·7	55,094	2·3	2,394,553

* Per cent. of Total Liabilities or Assets. † August 31.

up portion being now £300,000, with a reserve two-thirds of that amount. The Bank has eighteen branches in Tasmania, with a head office at Hobart. Negotiations were recently on foot to merge the Bank with the Commonwealth Bank of Australia, but these have come to an end without any agreement being reached.

At an extraordinary meeting following the annual one, at which the accounts for the year ending August 31, 1919 were submitted, a resolution was passed authorising the Bank to hold in future one general meeting each year instead of two. The Chairman was able to state on that occasion that the report might be regarded as very satisfactory, considering the amount of industrial unrest. Comparing its figures with those published six months earlier, deposits show an increase of £150,000, to £2,248,427. The total of specie, bullion, and notes has risen considerably—to £632,533, investments at £249,900 are £30,000 higher, while bills receivable and advances show a decrease from £1,829,933 to £1,644,443. The aggregate assets show an increase of about £160,000 in six months, and of about £300,000 during the whole year, the total in August 1918 being £2,573,555. Net profits for the half-year amounted to £25,568 and for the whole year to £49,438. This is equal to 16.4 per cent. on the paid-up capital and 10.1 per cent. on the total of capital and reserve. Dividends were paid half-yearly at fourteen per cent. and ten per cent., making the rate twelve per cent. per annum, and £5,000 was transferred each half-year to the reserve fund.

The report recently to hand for the year ending August 31 last records a net profit for that period of £60,906. Shareholders receive ten per cent. for the year, and additions to reserve have raised that fund to £210,000.

Profits of the Commercial Bank of Tasmania.

Year to Feb. 28	Gross Profit.	Expenses.	Taxes.	Net Profit.	Dividend. Amt.	Dividend. Rate.	Special Allow'ns.	Carried Forward.
	£	£	£	£	£	%	£	£
1919†...	42,890	19,705	1,647	21,538	15,000	10*	5,900	4,689
1919 ...	81,188	34,299	1,441	45,448	29,680	14	15,000	4,031
1918 ...	73,094	31,645	1,020	40,429	29,540	14	10,000	3,263
1917 ...	71,782	32,027	1,402	38,353	29,400	14	9,200	2,374
1916 ...	68,183	29,769	613	37,801	29,400	14	9,200	2,622
1915 ...	68,279	29,681	666	37,932	29,400	14	10,000	3,421
1914 ...	68,423	29,687	734	38,002	27,562	14	10,000	4,889

* Rate per annum. † Half-year to August 31.

COMMONWEALTH BANK OF AUSTRALIA.

Head Office: Sydney, New South Wales.

London Offices: 36-41 New Broad St., E.C. 2.

Australia House, Strand, W.C. 2.

The Commonwealth Bank of Australia is a national undertaking, established under the Commonwealth Bank Act 1911-14, without any share capital, its obligations being guaranteed by the Commonwealth Government, which wholly owns the institution. Under this Bank Act, very full powers are given to the Governor, there being no board of directors, and the Bank is entirely free from political interference or control. The Bank is thus the first actual State Bank of the British Empire, and commenced business in 1913 with six offices in Australia, and one in London, and it now has branches in all the Provinces of Australia, and in Tasmania and New Britain, the total number exceeding thirty. The Bank conducts the Savings Bank business for the Government at all its own branches, and at 2,823 agencies in post offices in the Commonwealth and Papua, and also at thirteen agencies in New Britain and the Pacific Islands. It performs many other services for the Government, including the floating of Australian loans in London, and the management of Government stocks there. It collects the gold won in Australia, holds the Commonwealth gold reserve, and is responsible for the Federal note circulation. It distributes gold when necessary over the wheat-producing areas, it has also attended to the financial arrangements of the Wheat and Wool Committees, and during the War made the payments on behalf of the Australian Expeditionary Force. As there is no capital, the whole of the profits are available for reserves, and are divided equally between the Reserve Fund and the Redemption Fund, each of which now stands at the sum of £1,378,052. The total, £2,756,104, represents the accumulated profits of less than eight years' working, and is clear proof that the Bank has justified its existence. The reserve fund can be used to meet any liabilities of the Bank.

The balance sheet for June 30, 1920, shows net profits for the half-year to be £392,604, which is rather less than those of the previous half-year, but slightly more than in the corresponding period last year, when the profits were £388,700. Last December the general deposits showed a drop, partly accounted for by a reduction in the Government's loan transactions after the war. This June there is a recovery of £1,700,000 to over £41 million, while Savings Bank deposits also showed a small increase at £17,982,402. The general deposits in June 1919 amounted to £43,672,200. Bills payable were practically unchanged as compared with a year ago. The actual cash holding is slightly less than it has been, but is still over £6 million, while the cash at call in London has risen during the twelve months from £9,470,000 to £21,430,000, having registered this increase during the first half of the year. Total assets show an increase of about £2 million on last half-year, but they have been higher than the present figure of £63,414,700. The item Australian Notes shows wide fluctuations. In 1914 it was £379,890; in 1915, £5½ million; in 1916, £11½ million. Now it is under £2 million, having dropped from £3 million last December, and £15,750,000 at the end of 1918. Investments have shown all along a steady increase, and now stand at nearly £18 million. The total represented by bills discounted and advances has risen from £11,073,500 to £13,194,700 during the half-year, but stood at £19,471,700 on June 30, 1919.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter 1727.

Paid-up Capital - - - £2,000,000
Rest and Undivided Profits - £1,082,276
Deposits - - - - - £35,548,823

Head Office: St. Andrew Square, Edinburgh.
Cashier and General Manager ... A. K. WRIGHT.
Secretary ... J. B. ADSHEAD.

London Office - - 3 Bishopsgate, E.C. 2.
Manager ... WM. WALLACE.

Glasgow Office: Royal Exchange Square and Buchanan Street.
Agent ... THOMAS LILLIE.

170 BRANCHES THROUGHOUT SCOTLAND.

Banking business of every description transacted. Deposits received at interest, repayable at call or at notice. Drafts, Circular Notes, Letters of Credit and Cable Transfers issued—available throughout the world. Foreign Exchange. Accounts opened, and Agency business undertaken for Foreign and Colonial Banks and other financial establishments.

CORRESPONDENCE INVITED.

THE
CLYDESDALE BANK
LIMITED.

Incorporated under Acts of Parliament.
ESTABLISHED 1838.

Head Office: GLASGOW.

Capital - - - - £5,000,000
Capital Paid up - - £1,000,000
Reserve Surplus Fund - £1,200,000

Directors.

Sir JAMES BELL, Bart., C.B., of Montgreenan, Ayrshire. *Chairman.*
HENRY ALLAN, Esq., 21 Bothwell Street, Glasgow, *Deputy-Chairman.*
ADAM PATERSON CROSS, Esq., 44 Bernard Street, Leith.
JOHN HENDERSON, Esq., Glen Tower, Kelvinside, Glasgow.
DAVID McCOWAN, Esq., Royal Exchange, Glasgow.
The Right Hon. REGINALD McKENNA, 36 Smith Square, Westminster, London, S.W. 1.
JOHN M. MACLEOD, Esq., C.A., M.P., 149 West George Street, Glasgow.
SAMUEL B. MURRAY, Esq., Waldorf Hotel, Aldwych, London, W.C. 2.
HUGH REID, Esq., C.B.E., LL.D., North British Locomotive Co., Ltd., Glasgow.
Sir ROBERT KING STEWART, K.B.E., of Murdostoun, Newmains.
WILLIAM P. URE, Esq., Balvaird, Helensburgh.
ARCHIBALD WALKER, Esq., Newark Castle, Ayr.

FREDERICK TOD and DAVID YOUNG,
Joint General Managers.

London Office:
30 LOMBARD STREET, E.C. 3.

WILLIAM LOCHHEAD, *Manager.* GEORGE REID WILSON, *Assistant Manager.*

National Discount Company,
Established 1856. Limited.

35 Cornhill, London, E.C. 3.

Telegraphic Address: NATDIS, STOCK, LONDON.
Telephone: Nos. 1474 AVENUE (2 lines), No. 11948 CENTRAL.

Subscribed Capital - - - - £4,233,325
Paid-up Capital - - - - - £846,665
Reserve Fund - - - - - £500,000

Directors.
Sir SIGISMUND E. MENDL, K.B.E., Chairman.
LAWRENCE J. CHALMERS, Deputy Chairman.
FREDERICK W. GREEN. | Col. The Hon. SIDNEY PEEL, D.S.O., M.P.
The Rt. Hon. E. LEVERTON HARRIS. | CHARLES D. SELIGMAN.
WALTER J. HERIOT. | PHILIP H. WADE.

Manager.
PHILIP H. WADE.

Sub-Manager.
FRANCIS GOLDSMITH.

Secretary.
CHARLES H. GOUGH.

Auditors.
FRANCIS W. PIXLEY, (Jackson, Pixley & Co.) | Sir ALBERT AYLEN, K.B.E. (Price, Waterhouse & Co.)

Bankers.
BANK OF ENGLAND.
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND LIMITED.

Approved Mercantile Bills Discounted.

Money received on Deposit at Call and Short Notice, and Interest allowed at the Current Market Rates; and for longer periods upon specially agreed terms.

Loans granted upon Negotiable Securities.

Investments and Sales of all descriptions of British and Foreign Securities effected. All communications on this subject to be addressed to the Manager.

ALEXANDERS DISCOUNT CO., LIMITED,

24 Lombard Street, E.C. 3.

Capital Subscribed £1,000,000
Paid up 550,000
Reserve Fund ... 240,000

£100,000 in £10 fully paid 6 per cent.) Preference Shares.

£900,000 in £10 Ordinary Shares (£5 paid).

DIRECTORS.

COLIN FREDERICK CAMPBELL, *Chairman.*
ROBERT ERNEST ALEXANDER.
GEORGE CLEVERLY ALEXANDER.
PHILIP PEMBROKE ALEXANDER.
Sir AUSTIN EDWARD HARRIS, K.B.E.

Manager—F. NEWCOMB.
Sub-Manager— *Secretary*—A. K. BRUCE.
E. D. SPRING RICE.

Approved Mercantile Bills discounted. Loans granted on negotiable securities. Money received on deposit at call and short notice at current market rates, as advertised from time to time in the daily papers. For longer periods on specially agreed terms.

Liaoilities and Assets of the Commonwealth Bank of Australia.

LIABILITIES. Dec. 31	Reserve and Redemption Funds. £	% *	Deposits. £	% *	Bills Payable, &c. £	% *	Savings Banks Deposits. £	% *	Acceptances. £	% *	Total Liabilities. £
1920†	2,750,105	4·3	41,[illegible]908	64·4	1,677,298	2·6	17,982,192	28·3	244,689	4	63,679,112
1919	2,[illegible]03,591	3·8	39,330,772	63·8	1,[illegible]97,628	3·3	17,[illegible]84,187	28·7	244,849	4	61,617,737
1918	1,554,297	2·2	50,823,660	72·4	1,455,358	2·1	16,125,050	23·0	194,306	·3	70,132,671
1917	758,951	1·6	30,773,195	65·2	1,716,904	3·6	13,748,274	29·2	195,810	·4	47,193,134
1916	500,141	·7	29,320,549	70·9	870,071	2·1	10,809,074	26·2	54,216	·1	41,354,051
1915	53,171	·3	14,713,574	61·5	946,141	3·9	8,186,130	34·2	34,393	·1	23,923,409
1914	—	—	4,970,881	43·8	285,051	2·5	6,078,392	53·4	26,180	·2	11,360,504

ASSETS. Dec. 31	Coin, Bullion and Cash Balances. £	% *	Australian Notes. £	% *	Money at Short Call in London. £	% *	Investments. £	% *	Deposits of Other Banks. £	% *	Bills Discounted, Advances, &c. £	% *	Liabilities of Customers for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1920† ...	6,092,584	9·6	1,964,723	3·1	21,430,000	33·7	17,975,103	28·2	1,029,000	1·6	14,514,496	22·8	244,689	·4	408,417	·6	63,679,112
1919...	6,137,277	10·0	3,[illegible]5,[illegible]39	5·0	21,585,[illegible]00	35·0	16,821,[illegible]47	27·3	1,089,000	1·8	12,297,043	19·9	244,349	·4	408,571	·6	61,617,737
1918...	5,832,970	8·3	15,751,256	22·5	12,215 000	17·4	15,747,293	22·5	1,089,000	1·5	18,997,084	27·1	194,306	3	306,462	·4	70,132,671
1917...	5,820,349	12·3	5,264,325	11·2	14,785,000	31·3	12,926,042	27·4	1,089,000	2·3	6,771,817	14·4	195,810	·4	340,791	·7	47,193,134
1916...	5,231,208	12·7	11,617,455	28·1	5,435,000	13·1	10,752,103	26·0	1,089,000	2·6	6,843,511	16·6	54,216	·1	331,558	·8	41,354,051
1915...	3,937,217	16·4	5,567,650	23·3	3,180,000	13·3	7,103,409	29·7	909,000	3·8	3,028,164	12·6	34,393	·1	173,576	·8	23,933,409
1914...	3,611,707	31·8	379,890	3·3	395,000	3·5	3,292,209	29·0	922,500	8·1	2,634,262	23·2	26,180	·2	98,756	·9	11,360,504

* Per cent. of Total Liabilities or Assets. † June 30.

Profits of the Commonwealth Bank of Australia.

Year to Dec. 31	Profit. £	To Reserve. £	To Redemption Fund. £	Written off. £
1920† ..	292,604	196,302	196,302	--
1919... ...	829,[illegible]06	414,602	414,602	—
1918... ...	775,346	387,673	387,673	—
1917... ...	458,810	229,105	—	229,405
1916... ...	246,970	123,485	123,485	—
1915... ...	76,737	26,585	26,585	23,567
1914... ...	21,522	—	—	21,522

† Half-year to June 30

Total liabilities to the public on June 30 were £60,658,608. Against these, assets were held in the following approximate proportions:—Cash, ten per cent.; Australian Notes, three per cent.; short call money, thirty-five per cent.; investments, thirty-one per cent.; bills discounted and advances, twenty-four per cent.

ENGLISH, SCOTTISH AND AUSTRALIAN BANK.

(*See* **London Bank of Australia.**)

Head Office: 5 Gracechurch Street, London, E.C. 3

Capital—

Authorised	...	£3,000,000
Subscribed, 65,000 Shares at £25 each	...	1,625,000

This Bank was registered in 1893 as a reconstruction of the English, Scottish and Australian Chartered Bank, following on the financial crisis. An extraordinary general meeting was held on March 24, 1920, to authorise the directors to increase the capital from £1,078,875 to £3,000,000. It was intended to issue forthwith 21,845 shares of £25 each, and these have since been offered to existing shareholders in the proportion of one share for every two shares held, at a premium of £4 per share. The premium, amounting to £87,380, will be carried to reserve, raising this fund to £672,380, and the £16 10s. to be called up was to be payable as follows: £1 by May 1, £5 10s. (including the premium) by July 1, £5 by October 1, and £5 by January 1, 1921. The directors stated that the increase of capital, which was desirable owing to the marked expansion of the Bank's business, would enable them to take advantage of new openings, while the capital should bear a larger proportion to the Bank's deposits. On August 18, 1920, a circular was issued announcing that the directors had entered into a provisional agreement for a fusion of the Bank with the London Bank of Australia. The offer to buy the shares of the latter Bank has been accepted to the extent of over ninety per cent., and the fusion of these institutions is now assured. The holders of Ordinary shares in the London Bank are to receive five shares of £25 each £(12 10*s.* paid) in the English, Scottish and Australian Bank, for every nine shares of £22 10*s.* each (£10 paid) held in the London Bank—fractions to be dealt with in cash at the rate of £19 16*s.* a share. Holders of Ordinary shares, who have prepaid their liability of £12 10*s.* per share, are to receive £24 10*s.* per share in cash. Holders of Preference shares (£10 each, fully paid) may either receive five shares in the English, Scottish and Australian Bank for every nine shares they hold in the London Bank, with £2 per share in cash, or they may receive £13 in cash for each such Preference share held. The English, Scottish and Australian Bank has branches in Victoria, New South Wales, South Australia, and Queensland, and also at Darwin (Northern Territory). Net profits for the year ended June 30, 1919, amounted to £133,179, a similar amount being shown in 1918. Taxation, however, had increased by about £34,000, so the profit really showed an increase. This profit was equal to 24.7 per cent. on the paid-up capital, and to 12.1 per cent. on the combined capital and reserve. A dividend of ten per cent. per annum, free of income tax, was paid, and £20,000 was added to the reserve fund.

Profits of the English, Scottish, and Australian Bank.

Year ended June 30	Gross Profit. £	Expenses and Taxes. £	Net Profit. £	Dividend (Tax-Free) Amount. £	Dividend (Tax-Free) Rate. %	Special Appropriations. £	Carried Forward. £
1919...	431,042	297,863	133,179	55,[illegible]41	10	77,981	[illegible]954
1918...	388,138	254,970	133,168	48,549	9	69,183	49,700
1917...	360,784	250,365	110,419	43,155	8	66,885	34,264
1916...	331,929	221,234	110,695	43,155	8	66 85	33,885
1915...	280,998	180,913	100,185	43,155	8	66,885	33,229
1914...	285,861	162,825	123,036	43,155	8	69,385	43,084

Liabilities and Assets of The English, Scottish, and Australian Bank, Limited.

LIABILITIES. June 30	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Deposits and Deposits Bearing Interest. £	% *	Notes in Circulation. £	% *	Bills Payable, &c. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	539,438	565,000	1,104,438	7·1	2,[illegible]3,466	16·1	1,447	—	[illegible],791	5·6	10,81[illegible],250	70·3	110,908	·8	15,[illegible]41,103
1918 ...	539,438	515,000	1,[illegible]4,438	7·7	2,565,966	18·1	1,697	—	750,[illegible]25	5·5	9,388,451	67·8	1[illegible]855	·9	13,835,062
1917 ...	539,438	465,000	1,004,438	7·3	2,523,966	18·3	1,742	—	998,993	7·3	9,159,319	66·4	105,226	·7	13,793,[illegible]84
1916 ...	539,438	415,000	954,438	8·0	2,541,466	21·4	1,873	—	625,107[illegible]	5·2	7,665,487	64·5	1[illegible],847	·9	11,893,718
1915 ...	539,438	365,000	904,438	8·1	2,558,966	22·9	2,052	—	532,445	4·8	7,058,797	63·3	106,691	·9	11,163,389
1914 ...	539,438	315,000	854,438	7·8	2,575,566	23·5	2,756	—	549,546	5·0	6,857,928	62·6	119,046	1·1	10,959,280

ASSETS. June 30	Cash and Bullion. £	% *	Cash at Bankers and at Notice. £	% *	Investments. £	% *	Bills Receivable and Re[illegible] £	% *	Advances. £	% *	Bank Premises. £	% *	Total Assets. £
1919	2,3[illegible]0, 04	15·5	35[illegible]8 3	2·3	1 0[illegible]7,8 8	6·5	[illegible],508,712	14·3	9,162,360	5·3	3[illegible]6,08[illegible]	1·1	15,441,103
1918	2,[illegible]82,551	17·9	240,[illegible]12	1·8	992,884	7·2	1,917,937	13·9	7,960,568	57·5	284,330	1·7	13,835,062
1917	1,904,709	13·8	1,838,774	13·3	627,948	4·6	3,[illegible]08,[illegible]09	22·3	6,[illegible]00,[illegible]36	44·1	251,708	1·9	13,[illegible]3,684
1916	2,187,469	13·4	631,908	3·7	417,976	2·8	1,310,4[illegible]2	11·0	7,[illegible]86,627	60·9	269,[illegible]26	2·2	11,893,[illegible]18
1915	2,[illegible]0[illegible]	21·8	756,717	6·7	[illegible],[illegible]37	3·3	1,243,664	11·1	[illegible],[illegible]55	54·5	284,[illegible]6	2·6	11,163,389
1914	1,832,191	16·7	850,603	7·8	182,046	1·7	1,337,132	12·2	6,457,279	58·8	300,029	2·8	10,959,280

* Per cent. of Total Liabilities or Assets.

COMMERCIAL BANK OF LONDON, LIMITED

Authorised Capital - £5,000,000
Issued and Paid-up Capital - - £2,250,000

CURRENT ACCOUNTS opened and every description of Banking business transacted.

DEPOSITS received at call, or for fixed periods, at rates which may be ascertained on application.

Bills discounted and Advances made to customers on approved security.

SPECIAL FACILITIES GRANTED TO COMMERCIAL AND INDUSTRIAL UNDERTAKINGS.

The purchase and sale of securities undertaken; safe custody of securities; also the receipt of dividends. Coupons and Drawn Bonds negotiated.

Joint General Managers:
ARTHUR H. KING, J. J. SPEAR,

37-41 GRACECHURCH ST., LONDON, E.C. 3.

Telegrams: "Commerbank, Lesd, London." Telephone: Central 7933 (5 lines).

LONDON JOINT CITY & MIDLAND BANK LTD.

Chairman:
THE RIGHT HON. R. McKENNA

Joint Managing Directors:
S. B. MURRAY, Esq., F. HYDE, Esq., E. W. WOOLLEY, Esq.

HEAD OFFICE:
5 Threadneedle Street, London, E.C. 2

Subscribed Capital - -	£38,096,363
Paid-up Capital - - -	10,840,112
Reserve Fund - - -	10,840,112
Deposits (*June 30th, 1920*) -	367,667,322

OVER 1,460 OFFICES IN ENGLAND & WALES

OVERSEAS BRANCH:
65 & 66 Old Broad Street, London, E.C. 2

ATLANTIC OFFICES:
"Aquitania" "Imperator" "Mauretania"

AFFILIATED BANKS:
BELFAST BANKING COMPANY LIMITED
Over 110 Offices in Ireland
THE CLYDESDALE BANK LIMITED
Over 150 Offices in Scotland



FARROW'S BANK

LIMITED.
CHAIRMAN - MR. THOMAS FARROW.

EVERY DESCRIPTION OF FOREIGN, COLONIAL AND GENERAL BANKING TRANSACTED.

FOREIGN & STOCK EXCHANGE BRANCH, 5, Angel Court, London, E.C.2.

Head Office
1, CHEAPSIDE
LONDON, E.C. 2

Branches throughout the United Kingdom
AGENTS THROUGHOUT THE WORLD

WILLIAMS DEACON'S BANK LIMITED.

TOTAL ASSETS 30th JUNE, 1920, £42,451,192.

London Office - - 20 Birchin Lane, E.C. 3
West-End Office, 2 Cockspur St., Charing Cross, S.W. 1
Manchester Office - - - Mosley Street

and 147 other Offices, principally in the manufacturing districts of Lancashire, Yorkshire, Cheshire, Derbyshire and Staffordshire.

SPECIAL WORKING ARRANGEMENTS FOR
FOREIGN EXCHANGE
AND
SHIPPING ADVANCES

FORWARD CONTRACTS ARRANGED.

Agency arrangements with our Colonies and all parts of the World.

Foreign Exchange, Shipping and Agency Dept.
Agency of the Anglo-South American Bank, Ltd.
Agency of the London and Brazilian Bank, Ltd.
YORK STREET, MANCHESTER

Agents for the British Overseas Bank, Ltd.

Notes in circulation and bills payable show little change in comparison with the previous year, but deposits have risen by about £1,500,000 to £10,848,250. Cash and bullion, and cash at bankers and at notice show little alteration, and investments have slightly increased. Bills receivable have risen to over £2 million. The increase of over £1 million in advances is largely due to the advances made to customers to enable them to take up War Loan. The Bank premises item shows an increase to £316,000, chiefly caused by the purchase of the lease of the Bank's new offices in Gracechurch Street, London.

LONDON BANK OF AUSTRALIA.

Head Office: 71 Old Broad Street, London, E.C. 2.

Capital—

Authorised	£3,000,000
Subscribed	1,557,997
Paid up	794,785
Reserve liability of proprietors	762,212

FOUNDED in 1852 by Royal Charter, this Bank was originally called the London Chartered Bank of Australia, and its original capital was £500,000. The crisis of 1893 necessitated a reconstruction with an authorised capital of £4,000,000, since reduced to £2,886,067. On December 31 last the issued capital consisted of 61,603 Ordinary shares of £22 10*s.* each, £10 paid, and 17,193 Preference of £10 each, fully paid. The reserve fund amounted to £450,000, having steadily increased from £35,000 in 1909, £270,000 in 1913, and £420,000 in 1918. In May of this year it was proposed to cancel the unissued Preference shares, and to increase the capital to £3 million by the creation of 64,089 new Ordinary shares of £22 10*s.* each, of which £12 10*s.* should only be called up in the event of liquidation. Negotiations have been taking place for the purchase of the shares of this Bank by the English, Scottish and Australian Bank, Limited, and the completion of this purchase is now assured. The full terms of this fusion are given in our article on the English, Scottish and Australian Bank.

The Bank has a large number of branches in New South Wales, Queensland, and Victoria, and two offices in Adelaide, South Australia. The accounts covering the year 1919 show good results and considerable expansion. After providing £4,000 for the provident fund, £10,000 to write down premises, and £30,000 as an addition to reserve fund, the profits allow the year's dividend to be increased by one per cent. to nine per cent. The net profit of £110,052 is equal to 13.8 per cent. on the paid-up capital. The dividend was increased in 1918 from seven per cent. to eight per cent. per annum.

Profits of the London Bank of Australia.

Year to Dec. 31	Gross Profit.	Expenses.	Net Profit.	Dividends. Amt.	Dividends. Pref.	Dividends. Ord.	To Reserve, &c.	Carried Forward.
	£	£	£	£	%	%	£	£
1919...	305,670	195,618	110,052	65,916	9	9	44,000	24,599
1918 ..	262,943	172,178	90,765	53,028	8	8	38,000	24,263
1917...	231,911	148,665	83,246	46,400	7	7	33,000	24,526
1916...	220,590	151,102	69,488	46,399	7	7	27,000	20,680
1915...	206,533	131,666	74,867	46,394	7	7	32,000	24,790
1914...	201,062	122,668	78,394	43,148	7	7	32,000	28,318
1913...	223,002	136,891	86,111	34,131	7	6	52,000	25,072

The balance sheet shows that liabilities are covered by over forty-four per cent. of liquid assets. Coin is up more than £300,000 at £1,814,944, money at call shows an increase of £85,000, and investments and bills receivable have risen from £928,801 to £2,111,064. Bills discounted and advances show a slight drop, while premises account is about £40,000 higher, owing to the final payments made for the new Sydney offices. Notes in circulation are only just over £5,000, bills payable have increased to £900,595, and the deposits show a marked rise from £7,370,362 to £8,743,701. The total of assets has increased about £1½ million to £10,957,917. In 1914 the total was £6,862,405.

NATIONAL BANK OF AUSTRALASIA.

Head Office: Collins Street, Melbourne, Victoria.

London Office: 7 Lothbury, E.C.2.

Capital—

Authorised	£5,000,000
Paid up	2,000,000
Reserve liability of shareholders ...	828,000

THE National Bank of Australasia was formed in1857. In 1918 Treasury sanction was obtained to a scheme for amalgamation with the Colonial Bank of Australasia, an institution established in 1856, which had confined its activities to the State of Victoria, with the exception of offices in London, and Sydney, New South Wales. Previous to amalgamation the National Bank had an authorised capital of £3,407,904, and a paid-up capital of £1,498,220, while the Colonial Bank's authorised capital was £737,931, and its issued capital consisted of 31,184 Preference shares of £9 15*s.*, fully paid, and 77,278 Ordinary shares of £4 5*s.* each (£1 15*s.* paid), leaving a liability of £2 10*s.* on each of these shares. Both banks had paid dividends of seven per cent. per annum on both Ordinary and Preference shares. Under the terms of the amalgamation the Preference capital remained unaltered, but the Ordinary capital was raised to £3,500,000, the Preference shares now being preferential only as to dividend up to five per cent. The total paid-up capital amounts to £2 million. The accounts, hitherto presented half-yearly, are in future to be brought out but once a year, on March 31, only one general meeting being held. This decision, which was arrived at at an extraordinary general meeting on June 17 this year,

Liabilities and Assets of The London Bank of Australia, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Bills Payable, &c. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	794,785	450,000	1,244,785	11·4	5,039	—	900,595	8·2	8,743,701	79·8	63,797	·6	10,957,917
1918 ...	669,685	420,000	1,089,685	11·6	5,107	—	885,786	9·5	7,370,362	78·3	54,091	·6	9,405,031
1917 ...	669,685	385,000	1,054,685	12·6	5,625	·1	982,257	10·6	6,344,838	76·1	47,726		8,335,131
1916 ...	669,670	355,000	1,024,670	13·4	5,874	·1	803,982	10·6	5,723,550	75·3	43,880	·6	7,601,956
1915 ...	669,588	330,000	999,588	13·7	6,248	·1	711,268	9·8	5,497,148	75·7	47,988	·7	7,262,240
1914 ...	668,832	300,000	968,832	14·1	7,155	·1	683,358	9·9	5,151,572	75·1	51,488	·8	6,862,405
1913 ...	548,393	270,000	818,393	11·2	8,343	·1	971,898	13·2	5,490,278	74·9	43,979	·6	7,332,891

ASSETS. Dec. 31	Coin, Bullion, Cash and Notes. £	% *	Call Money, &c. in London. £	% *	Investments and Bills Receivable £	% *	Bills Discounted and Advances. £	% *	Bank Premises. £	% *	Total Assets. £
1919	1,814,944	16·5	335,000	3·0	2,111,064	19·3	6,305,188	57·5	391,721	3·6	10,957,917
1918	1,514,762	16·1	250,000	2·6	928,801	9·9	6,360,460	67·6	351,008	3·8	9,405,031
1917	1,841,232	22·1	415,000	5·0	1,006,764	12·1	4,721,602	56·6	350,533	4·2	8,335,131
1916	1,495,462	19·7	165,000	2·1	1,140,041	15·0	4,510,883	59·3	290,570	3·9	7,601,956
1915	1,345,810	18·5	—	—	1,000,244	13·8	4,626,631	63·7	289,555	4·0	7,262,240
1914 ...	1,257,088	18·3	35,000	·5	917,575	13·4	4,378,277	63·8	274,465	4·0	6,862,405
1913	1,196,385	16·4	80,000	1·1	1,414,858	19·3	4,358,778	59·4	282,870	3·8	7,332,891

* Per cent. of Total Liabilities or Assets.

The National Bank of Scotland Limited.

Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825

Capital Subscribed, £5,000,000. Paid up, £1,100,000.
Uncalled, £3,900,000. Reserve Fund, £1,000,000.

Head Office—EDINBURGH. WILLIAM CARNEGIE, *General Manager.* GEORGE A. HUNTER, *Assistant.*

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

T. C. RIDDELL, *Manager.* DUGALD SMITH, *Assistant Manager.*

Every description of banking business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of remittances to all parts.

There is a specially equipped Foreign Department at the principal Glasgow Office.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its customers.

COMMERCIAL BANK OF SCOTLAND LTD.

ESTABLISHED 1810.

Head Office:—EDINBURGH.

CAPITAL:—Subscribed - £5,500,000 **Paid up - - - - £1,750,000**
Deposits (1st Nov., 1920) £41,000,000 **Reserve Fund - - £1,000,000**

ALEX. ROBB, *General Manager.* MAGNUS IRVINE, *Secretary.*

London Office: 62 Lombard Street, E.C. 3.

GEORGE S. COUTTS, *Manager.* JOHN F. SANDEMAN, *Assist.-Manager.*

General Banking Business and every description of Foreign Exchange Business transacted.

With 232 Branches and Sub-Offices throughout Scotland the Bank is in direct touch with every District, and in an exceptionally favourable position to deal with General Business and Agency Business for Foreign and Colonial Banks.

Telegraphic and Cable Address: "CHANBROMAC," London. *Telephone No.* [illegible] London Wall.

MacAfee & Company

LIMITED.

5 Copthall Court, LONDON, E.C. 2.

Merchant Bankers.

Correspondents in all the Principal Cities of the United States and Canada.

INVESTMENT SECURITIES. FOREIGN EXCHANGE. DRAFTS ON UNITED STATES.

BAKER, DUNCOMBE & Co., Limited,

36 LOMBARD STREET, LONDON, E.C. 3.

BALANCE SHEET, 30th September, 1920.

DR. LIABILITIES.	£ s. d.	£ s. d.
To CAPITAL ACCOUNT—		
16,000 fully paid "A" Shares of £5 each ...	80,000 0 0	
4,000 fully paid "B" Shares of £5 each ...	20,000 0 0	
		100,000 0 0
„ RESERVE		75,000 0 0
„ LIABILITY ON DEPOSITS AND LOANS AND BILLS REDISCOUNTED (including Rebate and Sundry Accounts)		5,703,372 8 3
		£5,878,372 8 3

ASSETS.	£ s. d.	CR. £ s. d.
By INVESTMENTS—		
5% National War Bonds (£215,000), 5% War Loan 1929-47 (£250,000)	[illegible]	[illegible]
„ BILLS DISCOUNTED (including Rediscounted)	[illegible]	[illegible]
„ LOANS ON SECURITY AND ACCOUNTS ... ... Assets of the value of £[illegible] held by Bankers and others as cover for contingent liabilities.	[illegible]	[illegible]
„ CASH IN HAND AND AT BANKERS		[illegible]
		£[illegible]

HERBERT SAMUELSON, } *Directors.*
D. M. S. WATT, }

AUDITORS' REPORT TO THE SHAREHOLDERS OF BAKER, DUNCOMBE & Co., Limited.

In accordance with the provisions of section 113, Sub-section 2, of the Companies (Consolidation) Act, 1908, we report to the Shareholders as follows:

1. We have audited the above Balance Sheet and have obtained all the information and explanations we have required.
2. We have examined the Securities, Bills, and Cash in Hand, and verified those in the hands of various Banks.
3. We are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company.

36 WALBROOK, LONDON, E.C. 4, 8th *October*, 1920. KEMP SONS, SENDELL & CO., *Chartered Accountants.*

Liabilities and Assets of The National Bank of Australasia, Limited.

LIABILITIES.

Mar. 31	Capital Paid up. £	Reserve Funds. £	Total Capital and Reserve. £	%	Notes in Circulation. £	%	Bills in Circulation. £	%	Govt. Deposits. £	Other Deposits. £	Total Deposits, &c. £	%	Balances Due to Other Banks. £	%	Acceptances. £	%	Profit Balance. £	%	Total Liabilities. £
1920	2,000,000	1,200,000	3,200,000	11·1	49,810	·2	475,121	1·6	2,481,169	21,167,995	23,649,164	82·1	236,526	·81	957,839	3·7	130,015	·5	28,798,775
1919	2,000,000	1,090,000	3,090,000	12·3	59,088	·2	565,591	2·2	2,227,158	17,692,081	20,219,239	80·4	185,672	·7	934,332	3·7	119,023	·5	25,163,945
1918†	1,937,501	975,000	2,912,501	12·0	50,667	·2	1,291,891	5·3	—	—	18,737,738	77·2	246,891	1·0	906,406	3·8	126,576	·5	24,272,670
1917	1,498,220	630,000	2,128,220	13·8	33,339	·2	665,629	4·3	1,562,298	10,961,117	11,926,415	77·2	172,347	1·1	437,918	2·8	91,132	·6	15,455,200
1916	1,498,220	565,000	2,063,220	13·9	34,690	·2	808,439	5·4	830,857	10,532,554	11,363,411	76·2	191,398	1·3	332,470	2·2	114,539	·8	14,908,167
1915	1,498,220	525,000	2,023,220	14·0	36,225	·2	576,337	4·0	891,228	10,592,341	11,196,369	77·3	232,813	1·6	308,671	2·1	108,332	·8	14,482,365
1914	1,498,220	465,000	1,963,220	13·2	58,981	·2	859,655	5·8	906,695	10,542,412	11,409,107	76·9	229,955	1·6	228,919	1·5	110,909	·8	14,840,726

ASSETS.

Mar. 31	Coin & Bullion. Aust. Notes, & Cash at Bankers. £	%	Investments. £	%	Bills & Remittances in transit, &c. £	%	Bills Discounted and Other Advances. £	%	Customers' Liability for Acceptances. £	%	Balances Due from Other Banks. £	%	Bank Premises, &c. £	%	Total Assets. £
1920	4,534,869	15·7	6,919,615	24·0	1,454,728	5·1	13,903,140	48·3	1,057,839	3·7	284,948	1·0	643,636	2·2	28,798,775
1919	3,930,276	15·6	1,811,482	7·2	1,227,047	4·9	16,573,230	65·9	934,332	3·7	156,643	·6	530,935	2·1	25,163,945
1918†	5,293,324	21·8	1,709,851	7·0	1,994,106	8·2	13,652,396	56·2	906,406	3·8	130,220	·6	586,367	2·4	24,272,670
1917	3,571,248	23·1	417,283	2·7	1,575,004	10·2	8,885,793	57·5	437,918	2·8	149,067	1·0	418,887	2·7	15,455,200
1916	2,964,713	19·9	377,518	2·5	1,374,810	9·2	9,343,903	62·7	332,470	2·2	91,349	·6	423,404	2·9	14,908,167
1915	3,212,400	22·2	585,036	4·0	956,445	6·6	8,914,253	61·5	308,671	2·1	78,619	·6	426,941	3·0	14,482,365
1914	2,734,502	18·4	567,852	3·9	1,461,560	9·8	9,306,647	62·8	228,919	1·5	106,775	·7	431,471	2·9	14,840,726

• Per cent. of Total Liabilities or Assets. † Combined figures of National Bank of Australasia, Ltd., and the Colonial Bank of Australasia, Ltd.

brings the Bank into line with many other Australian banks.

The balance sheet for March 31, 1920, shows deposits at over £23 million, an increase of £3,375,000 over the previous year, and of £8,900,000 over the combined deposits of the two banks in 1914. Balances due to other banks and acceptances have each risen slightly. Advances, at £13,900,000, are £2,670,000 lower than a year ago, owing to the repayment of Wheat and War Loan overdrafts. Investments, including British Government Treasury bills, have reached the large total of nearly £7 million, as against £1,811,482, while actual cash shows an increase of about £600,000. Total liquid assets—£13,194,000—represent the high proportion of fifty-four per cent. to the Bank's total liabilities to the public. Bank premises account is about £90,000 more than a year previously, mainly as a result of the acquisition of new premises in London. Net profit for the year amounts to £299,780, as compared with £235,194 for the previous year. This is equal to 14·9 per cent. on the paid-up capital, and to 9·3 per cent. on the total of capital and reserve.

The reserve fund now stands at £1,200,000, £110,000 having been transferred to it during the year. Dividends at the rate of eight per cent. per annum have been paid on both Ordinary and Preference shares.

National Bank of Australasia.

Year to March 31	Gross Profit. £	Expenses. £	Net Profit. £	Dividends. Amt.	Pref.	Ord.	To Reserve, &c. £	Carried Forward. £
				£	%	%		
1920	765,167	425,346	299,781	160,000	8	8	130,000	50,015
1919	557,279	322,085	235,194	131,227	7½	7½	93,613	40,234†
1918	414,279	244,795	169,484	104,876	7	7	60,000	18,302
1917	402,350	245,881	156,469	104,876	7	7	50,000	13,694
1916	391,175	224,092	167,083	104,876	7	7	78,001	12,101
1915	386,095	209,797	176,298	104,876	7	7	60,000	27,895
1914	389,338	205,198	184,140	104,876	7	7	79,000	16,472

† Inclusive of £11,578 balance brought forward from Colonial Bank of Australasia.

Colonial Bank of Australasia.

Year to Mar. 31	Gross Profit. £	Expenses. £	Net Profit.† £	Dividend. Amt.	Pref.	Ord.	Reserve, &c. £	Carried Forward. £
				£	%	%		
1918	143,928	87,850	56,078	30,750	7	7	22,000	9,462
1917	140,027	90,619	49,408	30,750	7	7	22,000	6,133
1916	134,908	80,960	53,948	30,750	7	7	22,000	9,475
1915	134,857	78,316	56,542	30,750	7	7	23,000	8,277
1914	136,656	78,316	58,340	30,750	7	7	27,000	4,485

NATIONAL BANK OF NEW ZEALAND.

Head Office: 17 Moorgate Street, London, E.C. 2.

Capital—

Authorised	£3,000,000
Subscribed	3,000,000
Paid up	1,000,000

Formed in August 1872, the National Bank of New Zealand was incorporated in England under the Companies Acts, and in New Zealand by Special Act of the General Assembly. It has its head office in London, its chief office in New Zealand at Wellington, and branches elsewhere all over the Dominion. New Zealand is the producer of many of the primary necessities in the way of food, and the Bank has prospered with the growing trade and revenue of the country, building up a reserve fund greater than the paid-up capital. In 1900 the fund amounted to only £60,000. The capital now consists of 400,000 shares of £7 10s. each, £2 10s. per share paid up. During 1919 100,000 shares were issued, and taken up at the price of £5 10s. per share, increasing the paid-up capital from £750,000 to £1 million. The reserve, amounting now to £1,020,000, has been largely built up from the premiums received on successive issues of shares. Lloyds Bank, Limited, London, holds 50,000 shares in the National Bank, and the Chairman of the latter stated that they were already reaping the fruits of their closer alliance with one of the leading London institutions. If we compare the balance sheet for the year ending March 31, 1920, with that of the previous year, satisfactory growth is seen to have taken place. The reserve fund has increased from £730,000 to £1 million, while deposits show an increase of £2,374,000 to £8,856,000, almost entirely on current accounts at call. Bills payable and other liabilities at £1,720,000 show an increase of £769,000. On the assets side, the total of actual cash and money at call shows a slight reduction, while investments have risen from £1,413,000 to £3,596,000, due in a large measure to the holding of Treasury bills and War Loans. Both bills discounted and advances show increases, and the total of assets has risen by over £3 million. Taking liabilities to the public at about £11 million, assets are held against them in the following approximate proportions:—Cash and call money, seventeen per cent.; investments, thirty-one per cent.; bills and advances, sixty-eight per cent.

Although the net profit has increased £70,000 to £256,000, it was not thought advisable definitely to increase the dividend, in view of the inflated prices of produce, but a bonus of two per cent. for the year was paid, instead of the one per cent. previously given, in addition to the dividend of twelve per cent. per annum. £20,000 is allocated to reserve fund; £30,000 to premises account; and £65,000 is set aside as a reserve for depreciation of investments. The net profit is equal to 25.6 per cent. on the paid-up capital, and to 12.8 per cent. on the total of capital and reserve.

Profits of the National Bank of New Zealand.

Year to Mar. 31	Gross Profit. £	Expenses and Taxes. £	Net Profit. £	Div. Tax Free. Amount £	Rate %	Reserve, &c. £	Carried Forward. £
1920	511,671	265,375	256,299	131,658	14	120,000	69,573
1919	413,490	226,607	186,883	97,500	13	70,000	64,933
1918	360,748	220,352	140,396	97,500	13	40,100	45,550
1917	329,268	184,123	145,145	97,500	13	47,000	42,754
1916	296,555	161,026	135,529	97,500	13	44,000	42,109
1915	275,239	25,476	149,763	97,500	13	47,500	48,080
1914	258,924	113,128	144,896	94,336	13	44,000	43,317

THE LONDON MERCHANT BANK, Ltd.

Subscribed Capital	£1,500,000
Paid-up Capital	750,000
Reserve Fund	350,000

F. LUBBOCK, *Chairman.* A. HARTER, *Manager.*
F. POOLE, *Secretary.*

OFFICE - - - - 38 Lombard Street, E.C. 3.

Clearing Agents: BANK OF ENGLAND ; COUTTS & Co.
Telegraphic Address: "LONDOMERCH, LONDON."

British Trade Corporation.

Incorporated by Royal Charter.

Telegrams—"TRABANQUE, LONDON." Telephone—LONDON WALL 2947-2948

13/14 AUSTIN FRIARS, LONDON, E.C.2.

CAPITAL: Authorised - £10,000,000 Subscribed and Paid up - £2,000,000

Governor ... THE LORD FARINGDON. Deputy-Governor ... SIR HENRY BABINGTON SMITH, G.B.E., K.C.B., C.S.I.
Manager: A. G. M. DICKSON. London Manager: P. C. WEST. Secretary: G. DE B. BROUNLIE.

The Corporation is prepared to assist in the development of the Trade of the British Empire in every part of the world, and offer exceptional financial facilities to British Manufacturers and Merchants for the increase of their export and import trade.
It has Agents and Correspondents in all parts of the world, and transacts Banking Business of every description.
It invites inquiries, and will endeavour, where necessary, to put expert advice at the disposal of correspondents regarding the financing of their foreign and overseas business.
Moneys received on fixed deposit. Terms on application.

Branches: BATOUM. BELGRADE. DANZIG.

AFFILIATED COMPANIES:

THE NATIONAL BANK OF TURKEY, Constantinople, and Branches.

THE TRADE INDEMNITY COMPANY, LIMITED. Established for the assistance of British Trade by the Insurance of Accounts.

AFRICAN AND EASTERN TRADE CORPORATION,
LIMITED

Merchants & Shipowners

Head Office:
ROYAL LIVER BUILDING, LIVERPOOL.
Telegrams: "Degama, Liverpool." *'Phone:* Bank 8893 Liverpool.
AND AT
West Africa House, Kingsway, London, W.C. 2.
Telegrams: "Ethiopic, London." *'Phone:* Regent 7300 London.
60, Whitworth Street, Manchester.
Telegrams: Degama, Manchester. *'Phone:* Central 7300 Manchester.
NEW YORK BRANCH:
African & Eastern Trading Company, Incorporated,
26, Beaver Street.
Telegrams: "Afrotrans, N.Y." *'Phone:* Broad 7229.

ESTABLISHMENTS AND AGENCIES:

Canary Islands	Gold Coast	Belgian Congo	Palestine
Senegal	Togoland	Angola	Syria
Gambia	Dahomey	Morocco	Mesopotamia
Liberia	Nigeria	Turkey	Persia
Ivory Coast	Cameroons	Levant	British East Africa

EXPORTERS OF
Cotton Piece Goods, Yarns, Silks, Velvets, Haberdashery, Hardware, Provisions, Perfumery, Salt, Tobacco & Manufactured Goods of Every Description.

IMPORTERS OF
All Produce of the Countries in which established.

Harrods
LIMITED LONDON

Authorised Capital	Issued Capital	Reserve Fund
£5,500,000	£4,915,000	£1,288,670

DIRECTORS

SIR ALFRED J. NEWTON, BART., CHAIRMAN.
SIR WOODMAN BURBIDGE, BART., C.B.E., MANAGING DIRECTOR.
FRANK CHITHAM, ESQ. F. H. HARVEY-SAMUEL, ESQ.
EDGAR COHEN, ESQ. MAJOR H. K. NEWTON, O.B.E., M.P.
ALLAN HEPWORTH, ESQ.

CHIEF ACCOUNTANT ... ... ALLAN HEPWORTH
SECRETARY ... ... R. H. GRIFFITH.
BANK MANAGER ... ... F. W. ATKINSON.

BANKING DEPARTMENT

Current Accounts are opened for Shareholders and Customers or Friends introduced by them. Interest at the rate of [illegible] per annum, credited annually in January, is allowed upon the minimum monthly balance, provided it is not under £20. No commission charged for keeping Accounts but the usual charges for [illegible] are made.

Money is received on Deposit in sums up to £500, subject to seven days' notice of withdrawal. Interest [illegible] with the Bankers.

Interest [illegible] drawn [illegible] withdrawn [illegible] or change the rate of interest.

Country and Foreign Drafts, Dividends Coupons, Annuities, Pensions, etc., received and placed to credit. Drafts, Circular Notes and Letters of Credit obtained.

[illegible]

HEAD OFFICE: BROMPTON ROAD, LONDON, S.W.1.

Liabilities and Assets of The National Bank of New Zealand, Limited.

LIABILITIES. Mar. 31	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	Capital and Reserve. % *	Notes in Circulation. £	Notes in Circulation. % *	Bills Payable, &c. £	Bills Payable, &c. % *	Deposits, &c. £	Deposits, &c. % *	Profit Balance. £	Profit Balance. % *	Total Liabilities. £
1920 ...	1,000,000	1,000,000	2,000,000	14·7	828,009	6·1	1,719,729	12·7	8,856,133	65·2	174,573	1·3	13,578,444
1919 ...	750,000	750,000	1,480,000	14·5	1,177,271	11·5	951,394	9·3	6,481,558	63·3	144,932	1·4	10,235,155
1918 ...	750,000	715,000	1,465,000	14·7	1,702,331	17·1	1,003,237	10·1	5,656,903	56·9	118,160	1·2	9,945,671
1917 ...	750,000	700,000	1,450,000	16·5	918,026	10·5	832,056	9·4	5,472,552	62·3	114,254	1·3	8,786,888
1916 ...	750,000	685,000	1,435,000	17·5	535,665	6·5	841,555	10·2	5,298,296	64·4	113,609	1·4	8,224,125
1915 ...	750,000	665,000	1,415,000	19·0	466,515	6·2	699,093	9·4	4,740,397	63·7	124,580	1·7	7,444,585
1914 ...	750,000	645,000	1,395,000	20·0	255,899	3·7	899,674	12·9	4,304,654	61·7	120,817	1·7	6,976,044

ASSETS. Mar. 31	Coin and Bullion. Money at Call, &c. £	Coin and Bullion. Money at Call, &c. % *	Investments and Treasury Bills £	Investments and Treasury Bills % *	Bills Receivable in London, &c. £	Bills Receivable in London, &c. % *	Bills Discounted. £	Bills Discounted. % *	Advances, &c. £	Advances, &c. % *	Bank Premises Accounts. £	Bank Premises Accounts. % *	Total Assets. £
1920 ...	1,961,566	14·5	3,595,591	26·5	905,783	6·7	1,050,767	7·7	5,925,263	43·6	139,468	1·0	13,578,444
1919 ...	2,173,945	21·3	1,413,264	13·8	588,719	5·7	802,110	7·8	5,117,110	50·0	139,977	1·4	10,235,155
1918 ...	1,487,793	15·0	2,317,886	23·3	412,115	4·1	550,007	5·5	4,989,664	50·2	188,006	1·8	9,945,671
1917 ...	1,616,443	18·4	1,460,201	16·6	404,977	4·6	590,364	6·7	4,552,965	51·8	161,938	1·8	8,786,888
1916 ...	1,295,801	15·8	1,161,124	14·1	1,096,866	13·3	697,357	8·5	3,802,305	46.2	170,672	2·1	8,224,125
1915 ...	1,233,272	16·6	659,067	8·8	1,370,158	18·4	578,163	7·8	3,442,888	46·2	161,037	2·2	7,444,585
1914 ...	1,171,137	16·8	632,415	7·5	833,843	11·9	808,555	11·6	3,554,338	51·0	85,756	1·2	6,976,044

* Per cent. of Total Liabilities or Assets.

QUEENSLAND NATIONAL BANK.

Head Office: Brisbane, Queensland.
London Office: 8 Princes Street, E.C. 2.

Capital—

Authorised	£2,000,000
Subscribed, 160,000 *Shares*, £5 *each*	800,000
Paid up	796,655
Interminable Inscribed 3½% Deposit Stock ...	3,091,669

THE Queensland National Bank acts as banker to the Government of Queensland under an agreement extending to June 30, 1921. It is also banker to the Commonwealth of Australia in Queensland. It was incorporated in 1872 under the Companies Act 1863. The crisis of 1893, which hit so many Australian Banks, caused suspension of payment, but without the necessity of going into liquidation. Under the arrangement then entered into, a call of £3 per share was made on the 160,000 shares of £10 each, of which £5 had so far been called up, and at the same time £2 per share was written off to provide for depreciation. A further £3 was subsequently written off, and in 1897 an arrangement was entered into with depositors whereby they received seventy-five per cent. of the amount due to them in three and a-half per cent. inscribed stock, twenty-five per cent. to be made good in cash from future profits before any dividend could be paid upon the capital. Since 1913 the annual net profit has exceeded £100,000. Since 1918 the Bank has again been in a position to pay dividends, and the present prosperity of the institution being gauged from the fact that ten per cent. per annum has been paid for the year to June 30, 1920, free of Queensland income tax. The balance sheet for that date also shows strong figures, and together with the balance sheet in the previous June compares favourably with the statements of previous years. Pending the issue of new shares, £2 per share on the 160,000 existing ones was called-up during 1919-20, which will make the total paid-up capital £800,000. As compared with last year, bills payable are somewhat lower. Government deposits show a fall of £1,100,000 to £2,051,000, but other deposits have increased, the net result being a diminution of about £600,000. The holding of notes and cash is down from £4,412,458 to £3,715,736. Government stocks and money at call both show increases, while the total of bills discounted and advances is at about the same figure.

Net profit for the year ending June 30, 1920, amounted to £104,672. This was after paying the interest on interminable deposit stock. It is equal to 13.1 per cent. on the paid-up capital, and to 9.5 per cent. on the total of capital and reserve. The reserve fund now amounts to £300,000, £28,000 having been transferred to it out of the year's profits. The quarterly dividend, as mentioned before, is at the rate of ten per cent. per annum.

Besides the Bank's many branches in Queensland, it has offices at Sydney, New South Wales, and at Melbourne in Victoria.

Profits of the Queensland National Bank.

Yr. to Dec. 31	Gross Profit. £	Expenses. £	Net Profit. £	Div. Amt. £	Div. Rate. %	Private Depositors' Repayment Fund. £	To Reserve Fund. £
1920‡ ...	—	—	104,673	77,274	10	—	28,000
1919† ...	140,781	86,387	54,394	29,144	10*	—	25,000
1918 ...	280,046	173,025	107,021	24,000	5	51,506	25,000
1917 ...	258,546	154,490	104,056	—	Nil	104,056	—
1916 ...	255,457	152,601	102,856	—	Nil	80,856	22,000
1915 ...	237,611	135,329	102,282	—	Nil	80,282	22,000
1914 ...	226,720	126,526	100,194	—	Nil	76,194	24,000
1913 ...	216,089	117,960	98,129	—	Nil	74,129	24,000

* At rate of. † June 30 (half-year). ‡ June 30 (year).

ROYAL BANK OF AUSTRALIA.

Head Office: Melbourne, Victoria.
London Office: 18 Bishopsgate, E.C. 2.

Capital—

Authorised, 600,000 Shares of £4 each ...	£2,400,000
Subscribed	1,400,000
Paid up { 50,000 Shares, fully paid / 300,000 ,, £1 paid } ...	500,000

THIS Bank, one of the smaller ones in Australia, was established in 1888, under the Companies' Statute,

Liabilities and Assets of The Queensland National Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up £	Reserve Fund. £	Capital and Reserve. £	Capital and Reserve. % *	Deposit Stock. £	Deposit Stock. % *	Bills Payable, &c. £	Bills Payable, &c. % *	Deposits. Govt. £	Deposits. Other. £	Total. £	Total. % *	Profit Balance. £	Profit Balance. % *	Total Liabilities. £
1920†	796,656	300,000	1,096,656	8·3	3,091,669	23·4	570,076	4·3	2,051,502	6,375,573	8,427,075	63·8	26,081	·2	13,211,557
1919†	691,850	247,000	938,850	6·8	3,091,669	22·1	806,580	5·7	3,117,351	5,957,654	9,075,005	65·0	48,910	·4	13,961,014
1918...	480,000	222,000	702,000	5·6	3,091,669	24·7	562,240	4·5	1,847,894	6,251,850	8,099,744	64·8	43,516	·4	12,499,169
1917...	480,000	222,000	702,000	5·4	3,091,669	23·5	448,467	3·4	2,589,590	6,261,110	8,850,700	67·3	52,160	·4	13,144,996
1916...	480,000	212,000	692,000	6·3	3,091,669	28·0	451,367	4·1	921,320	5,832,466	6,753,786	61·1	51,458	·5	11,040,280
1915...	480,000	190,000	670,000	6·0	3,091,669	27·9	353,828	3·2	974,336	5,941,773	6,920,110	62·4	59,536	·5	11,086,142
1914...	480,000	166,000	646,000	5·9	3,091,669	28·7	493,368	4·6	1,302,050	5,206,695	6,508,745	60·3	50,104	·5	10,789,886
1913...	413,418	142,000	555,418	5·1	3,091,669	28·6	303,476	2·9	1,520,130	5,290,312	6,810,442	63·0	49,915	·4	10,810,920

ASSETS. Dec. 31	Cash, Notes, &c. £	Cash, Notes, &c. % *	Government Stocks, &c. £	Government Stocks, &c. % *	Money at Call, &c. £	Money at Call, &c. % *	Bills Discounted. Advances, &c. £	Bills Discounted. Advances, &c. % *	Bills in transitu. £	Bills in transitu. % *	Bank Premises. £	Bank Premises. % *	Total Assets. £
1920†...	3,715,736	28·1	630,600	4·8	150,000	1·1	7,198,454	54·5	1,146,467	8·7	370,300	2·8	13,211,557
1919†...	4,412,458	31·6	535,200	3·8	100,000	·7	7,143,398	51·2	1,404,705	10·1	365,253	2·6	13,961,014
1918 ...	3,313,590	26·5	460,200	3·7	40,000	·3	7,421,317	59·4	911,482	7·3	352,580	2·8	12,499,169
1917 ...	4,444,551	33·8	754,980	5·8	48,700	·4	7,102,244	54·0	449,629	3·4	344,892	2·6	13,144,996
1916 ...	2,848,780	25·8	481,080	4·3	97,560	·9	6,403,152	58·0	873,878	8·0	335,830	3·0	11,040,280
1915 ...	2,600,536	23·5	341,200	3·1	302,910	2·7	6,825,933	61·6	691,832	6·2	323,731	2·9	11,086,142
1914 ...	2,932,489	27·2	118,700	1·1	547,003	5·0	6,349,998	58·9	530,645	4·9	311,051	2·9	10,789,886
1913 ...	2,536,089	23·4	118,700	1·1	630,000	5·9	6,426,894	59·5	795,584	7·3	303,653	2·8	10,810,920

* Per cent. of Total Liabilities or Assets. † June 30

THE UNION BANK OF MANCHESTER

ESTABLISHED 1836. MEMBER OF THE "BARCLAY" GROUP OF BANKS. LIMITED.

Head Office - YORK STREET, MANCHESTER.

Over 140 Branches, covering the whole of LANCASHIRE, CHESHIRE and the WEST RIDING of YORKSHIRE, including LIVERPOOL, LEEDS, BRADFORD, SHEFFIELD.

The "Barclay" Group of Banks—

BARCLAYS BANK LTD. THE BRITISH LINEN BANK (SCOTLAND).
THE ANGLO-EGYPTIAN BANK, LTD. THE UNION BANK OF MANCHESTER, LTD.

Total Paid-up Capital and Reserve Funds exceed - - - - - **£28,000,000**
Total Assets exceed - - - - - - - - - - **£410,000,000**

OVER 1,800 BRANCHES.

EVERY DESCRIPTION OF HOME AND OVERSEAS BANKING TRANSACTED.

FOREIGN DEPARTMENT. SAVINGS DEPARTMENT.

AGENTS EVERYWHERE AT HOME AND ABROAD.

EPSTEIN & FINKLESTONE

FOREIGN BANKERS

5/6 GT. WINCHESTER STREET,
OLD BROAD STREET,
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London Wall 9175 (3 lines) *London Wall 9175 (3 lines)*

Agents in every country. Every kind of Banking Business transacted.

FOREIGN EXCHANGE

THE MITSUBISHI BANK, LTD.

(Incorporated in Japan.)

Subscribed Capital - Yen 50,000,000 Paid-up Capital - Yen 30,000,000

President: Baron KOYATA IWASAKI.

Head Office: TOKYO.

Branches: TOKYO, OSAKA, KOBE, KYOTO, NAGOYA, SHANGHAI, NEW YORK.

London Office: 149 LEADENHALL STREET, E.C.3.

Liabilities and Assets of The Royal Bank of Australia, Limited.

LIABILITIES. Mar. 31	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	% *	Circulation. £	% *	Bills in Circulation. £	% *	Govt. Deposits. £	Other. £	Total £	% *	Acceptances. £	% *	Due to Other Banks. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920...	500,000	335,000	835,000	15·1	859	—	239,573	4·3	967,083	3,102,783	4,070,766	73·5	327,659	5·9	—	—	63,996	1·2	5,537,853
1919...	456,866	310,000	766,866	15·5	859	—	382,905	7·7	1,257,755	2,293,289	3,551,044	71·6	294,497	4.5	—	—	35,312	·7	4,961,181
1918...	300,000	280,000	580,000	13·8	872	—	278,756	6·6	662,219	2,271,234	2,933,513	69·7	383,461	9·1	—	—	33,718	·8	4,208,319
1917...	300,000	260,000	560,000	14·4	880	—	258,770	6·5	611,154	2,060,091	2,671,245	68·8	360,093	9·2	11,813	·3	30,156	·8	3,884,957
1916...	300,000	245,000	545,000	15·1	891	—	140,182	4·0	531,678	2,026,811	2,558,489	71·2	264,516	7·4	54,682	1·5	27,402	·8	3,594,162
1915...	300,000	232,500	532,500	15·9	961	—	295,661	7·7	506,271	1,776,937	2,279,208	68·4	234,924	7·0	4,778	·1	27,161	·9	3,355,293
1914...	300,000	200,000	500,000	14·1	1,103	—	55,602	1·6	482,682	1,842,008	2,325,290	65·4	640,730	18·0	720	—	29,165	·9	3,555,610

ASSETS. Mar. 31	Coin, Notes, and Cash. £	% *	Money at Call & Short Notice. £	% *	Investments. £	% *	Bills, &c., Discounted. £	% *	Due from Other Banks. £	% *	Bills Discounted & Advances. £	% *	Cust.' Liab. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1920 ...	943,993	17·0	21,548	·4	329,860	6·0	772,728	14·0	22,257	·4	3,004,168	54·2	327,659	5·9	115,700	2·1	5,537,853
1919 ...	772,160	15·6	—	—	117,109	2·4	455,286	9·2	9,275	·2	3,263,494	65·8	294,497	4·5	116,660	2·3	4,961,181
1918 ...	956,820	22·7	—	-	230,720	5·5	354,241	8·4	16,150	·4	2,189,227	52·0	383,461	9·1	77,700	1·9	4,208,319
1917 ...	845,789	21·8	—	—	138,140	3·6	490,403	12·7	3,569	·1	1,963,483	50·5	360,093	9·2	83,470	2·1	3,884,957
1916 ...	759,680	20·9	-	—	166,988	4·7	258,345	7·2	2,949	·1	2,065,634	57·4	264,516	7·4	85,050	2·3	3,594,162
1915 ...	859,105	25·8	—	—	69,955	2·1	421,251	12·6	27,146	·8	1,655,412	49·7	234,924	7·0	67,500	2·0	3,335,293
1914 ...	792,671	22·3	—	-	73,669	2·0	377,677	10·6	17,216	·5	1,590,682	44·8	640,730	18·0	62,965	1·8	3,555,610

* Per cent. of Total Liabilities or Assets.

1864, with a paid-up capital of £300,000. In 1893 came the reaction after the great land boom, with the disastrous financial crisis which shook all the banks in Australia. The Royal Bank, however, was one of the few which came through without any assistance, and since then it has shown steady progress year by year, its deposits to-day amounting to over £4 million, though in 1900 they were only £366,493. In the same period its total assets have increased from £700,000 to £5,537,853. It has built up a reserve fund, which now amounts to £335,000. A circular dated July 15, 1920, states that owing to the great increase in business, and to provide extension in directions offering good prospects, it is proposed to raise the paid-up capital to £750,000, by the issue of 40,000 new shares of £4 each fully paid, at a premium of £1 per share, and by allowing holders of shares with £1 paid to pay up £3 per share on 30,000 of such shares. The premium of £40,000 is to be placed to reserve. The Bank has branches in London, Sydney, Perth, and six other places in Australia, and it is proposed to open a branch shortly in Adelaide.

On March 31, 1920, deposits amounted to £4,070,766, as compared with £3,551,044 a year previously. The note circulation has almost disappeared with the ten per cent. tax in force, and bills in circulation show a decrease of £143,000. Turning to the assets, the cash total has risen from £772,160 to £943,993. Investments show an increase of over £212,000, while the total of bills discounted and advances has dropped somewhat, to £3,004,168, caused by the realisation of heavy stocks by mercantile customers. Liquid assets form 48.5 per cent. of the total liabilities to the public. Net profit for the year is £88,185. as against £55,594 for the previous year. The dividend has accordingly been increased, and is at the rate of nine and a-half per cent. per annum. £30,000 is transferred to the reserve fund, while £23,996 is carried forward to the next account. The profit amounts to 17.6 per cent. on the paid-up capital, and to 10.5 per cent. on the combined amount of capital and reserve.

Profits of the Royal Bank of Australia.

Year to March 31	Gross Profit. £	Expenses and Taxes. £	Net Profit. £	Dividend. Amount. £	Rate. %	Special Allctn's. £	Carried Forward. £
1920 ..	145,644	57,459	88,185	47,500	9½	50,000	23,996
1919 ...	106,370	50,776	55,594	24,000	8	20,000	13,312
1918 ...	99,860	43,298	47,562	24,000	8	30,000	1,718
1917 ...	81,848	40,094	41,754	24,000	8	17,500	8,156
1916 ...	72,308	35,567	36,741	24,000	8	12,500	7,902
1915 ...	70,475	30,979	39,496	24,000	8	15,000	7,661
1914 ...	73,339	27,633	45,706	24,000	8	20,000	7,165

UNION BANK OF AUSTRALIA.

Head Office: 71 Cornhill, London, E.C. 3.

Capital—

Authorised	£7,500,000
Subscribed	7,500,000
Paid up...	2,500,000

This important financial institution was established in 1837 and incorporated in 1880. On its foundation it took over other undertakings, and started with a capital of £500,000 in 20,000 shares of £25 each. The prospectus stated that the Bank was formed to meet the increased demand for capital in Australia, the directors being of the opinion that in no other part of the world could it be more advantageously or securely employed. In 1877 the paid-up capital reached £1,500,000, remaining at this figure until 1913. This Bank has the distinction of being one of the few which came safely through the serious financial crisis of 1893. All it suffered was a drop in deposits, which was, in the circumstances, inevitable. They fell from over £18 million in 1893 to £14,800.000 in 1899, but had completely recovered by 1906, while in 1914 they amounted to over £23½ million, and at the time of the last balance sheet they stood at £31,840,000.

In February 1919 there were issued 20,000 new shares of £75 each, £25 paid up, at the price of £50 per share. These were fully subscribed, increasing the paid-up capital from £2 million to £2,500,000. The premium of £500,000 was added to the reserve fund. By a special resolution passed in August 1919

Liabilities and Assets of The Union Bank of Australia, Limited.

LIABILITIES. End Feb.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Circulation. £	% *	Deposits, &c. £	% *	Bills Payable, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	2,500,000	2,630,000	5,130,000	12·5	628,967	1·5	31,[illegible]3,533	77·7	3,128,504	7·6	281,716	·7	41,009,150
1919 ...	2,000,000	2,050,000	4,050,000	12·2	549,455	1·6	26,136,296	78·3	2,414,428	7·2	248,614	·7	33,369,391
1918 ...	2,000,000	2,025,000	4,025,000	12·7	432,599	1·4	24,975,570	73·8	2,034,495	6·4	214,203	·7	31,679,957
1917 ...	2,000,000	1,980,000	3,980,000	12·7	877,405	2·9	24,227,108	77·5	1,956,814	6·2	211,133	·7	31,234,460
1916 ...	2,000,000	1,960,000	3,960,000	12·9	334,051	1·1	24,055,785	78·4	2,123,323	6·9	211,374	·7	30,684,533
1915 ...	2,000,000	1,960,000	3,960,000	13·3	274,937	·9	23,594,398	79·2	1,747,446	5·8	210,519	·8	29,787,791
1914 ...	2,000,000	1,960,000	3,960,000	13·4	183,408	·6	23,538,534	79·6	1,714,216	5·8	185,510	·6	29,581,668

ASSETS. End Feb.	Cash, Bullion, &c. £	% *	Money at Call, &c., in London. £	% *	Investments. £	% *	Bills Discounted, Loans, &c. £	% *	Bills Receivable, Drafts in Transit, &c. £	% *	Bank Premises. £	% *	Total Assets. £
1920 ...	5,617,[illegible]80	13·7	1,140,000	2·8	2,034,983	5·0	19,[illegible]63,156	47·2	12,[illegible]15,978	29·3	457,[illegible]10	1·0	4,[illegible]09,450
1919 ...	5,268,391	15·8	[illegible]95,000	1·8	2,017,396	6·0	21,919,004	65·7	3,099,036	9·3	400,564	1·4	33,369,391
1918 ...	6,152,031	19·4	830,000	2·5	1,655,878	5·2	13,007,417	53·9	4,499,055	14·2	495,516	1·5	31,679,957
1917 ...	4,871,[illegible]97	15·6	1,120,000	3·6	1,[illegible]68,718	5·3	18,582,776	59·5	4,497,498	14·4	490,501	1·6	31,234,460
1916 ...	5,150,634	16·8	320,000	1·0	1,658,894	5·4	19,085,373	62·2	3,974,207	13·0	495,425	1·6	30,684,533
1915 ...	5,500,872	18·5	500,000	1·7	2,507,759	8·4	17,704,216	59·5	3,074,614	10·3	500,330	1·6	29,787,791
1914 ...	4,933,179	16·8	1,805,000	6·1	2,020,433	6·8	16,306,479	55·1	3,992,361	13·5	504,216	1·7	29,581,668

* Per cent. of Total Liabilities or Assets.

BANK OF MONTREAL

Established in 1817.

CAPITAL Paid up, $22,000,000. **Undivided Profits, $1,090,440.**
Rest, $22,000,000. **Total Assets (30th April, 1920), $571,150,138.**

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Head Office: MONTREAL.

General Manager—Sir FREDERICK WILLIAMS-TAYLOR,

Branches and Agencies throughout Canada and Newfoundland. Also at New York, Chicago, San Francisco, and Spokane in the United States, and at Mexico City.

London Offices: 47 THREADNEEDLE STREET, E.C. 2.
9 WATERLOO PLACE, PALL MALL, S.W. 1.
Paris Agency: BANK OF MONTREAL (FRANCE), 17 PLACE VENDOME, PARIS.

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Financial Agents of the Government of the Dominion of Canada.

The Bank undertakes Monetary Business with all parts of the World, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, Mexico and France.

UNION BANK OF CANADA

INCORPORATED 1865. Head Office—WINNIPEG.

Paid-up Capital - - - $7,968,150
Rest and Undivided Profits - - $5,976,973
Total Assets - - - - $174,989,057

The BANK has over 400 Branches in Canada, and AGENTS IN ALL THE PRINCIPAL CITIES IN AMERICA.

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DEPOSITS RECEIVED at short notice or for fixed periods at favourable rates, which may be ascertained on application to:

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26 HAYMARKET, S.W.1.

NEW YORK AGENCY: 49 Wall Street.
PARIS AGENTS : : Park-Union Foreign Banking Corporation, 1 Rue Taitbout.

each of the Bank's shares of £75 £25 paid has been sub-divided into five shares of £15 £5 paid).

The net profit for the year to February 28, 1920, amounts to £158,102, and is equal to 15·8 per cent. on the paid-up capital and to 8·9 per cent. on the combined amount of capital and reserve. The latter fund now exceeds the paid-up capital—it has done so since 1918—and amounts to £2,630,000. £60,000 is transferred to it out of the current year's profits, in addition to the £500,000 premium on shares. £20,000 is written off bank premises account. The dividend for the year is at the rate of fifteen per cent., free of income tax. Fourteen per cent. was the rate paid for several years previously.

Profits of the Union Bank of Australia.

Year to Feb. 28.	Gross Profit.	Expenses and Taxes.	Net Profit.	Dividend—Tax Free. £	Dividend—Tax Free. %	Reserve, &c.	Carried Forward.
	£	£	£			£	£
1920	1,104,474	[illegible]	158,102	[illegible]	15	[illegible]	81,716
1919 ...	944,803	595,482	349,321	280,000	14	65,000	78,614
1918 ...	886,380	560,219	326,161	280,000	14	45,000	74,294
1917 ...	813,759	512,000	301,759	280,000	14	20,000	73,133
1916 ...	724,176	443,312	280,864	280,000	14	—	71,374
1915 ...	709,338	404,338	305,000	280,000	14	—	70,510
1914 ...	700,978	394,471	306,507	245,000	14	60,000	45,510

The balance-sheet figures, compared with February 1919, show a growth of £7,640,000 in the total assets. The deposits have increased £5,700,000 to £31,840,563, partly arising from the success of various industries in the country. Bills payable have risen from £2,404,028 to £3,128,504, and the note circulation shows an increase, despite the ten per cent. tax on this item. The cash holding has risen during the year by £372,000 to over £5½ million, and money at call in London has also expanded to £1,140,000. Investments are at about the same figure, while bills receivable and drafts and other items show an increase of £8,917,000 to over £12 million, chiefly due to disbursements made by the Imperial authorities in London in respect of wool and other produce purchased by the Government. This caused a large accumulation of funds in London, temporarily invested in Government Treasury bills and other securities. The increase in bills is also caused by the increased trade of Australia and New Zealand. Advances show a drop of £2,156,000 due to repayment in Australia of advances to the Wheat Pools. Liquid assets represent 58.3 per cent. of the Bank's total liabilities to the public, the balance sheet a year ago showing a proportion of 37.5 per cent.

WESTERN AUSTRALIAN BANK.

Head Office: Perth, W. Australia.

London Agents: Bank of Adelaide, 11 Leadenhall Street, E.C. 3.

Capital—

Authorised, 25,000 Shares of £10 each	...	£250,000
Subscribed and Paid up	... ...	250,000

ESTABLISHED in Perth, Western Australia, by a deed of settlement in June 1841, this Bank confines its operations to Western Australia, where it has about sixty branches. As it has no London office proper, the Bank of Adelaide acts as its London agent. Its original capital was £20,000 in £10 shares, and the first accounts issued showed a paid-up capital at the end of 1841 of £2,481, the profits for the period allowing a fifteen per cent. dividend to be paid. In 1853 a bonus of £1 per share was added to the capital, and in 1862 a bonus of £5 per share was also added. By 1895 the paid-up capital had reached £80,000, while the reserve fund exceeded this amount by £20,000. In 1900 the paid-up capital was £100,000, and the reserve fund no less than double this figure. In 1912 the capital reached its present figure at £250,000. The reserve fund is remarkable for being at its present amount, £700,000, nearly equal to three times the amount of the paid-up capital.

The balance sheet issued at the end of March 1920 shows deposits to have increased during the year by over £460,000 to £3,410,000. Most of this increase is in current accounts of the general public, and evidences activity of trade. Notes in circulation show little change, and bills in circulation exhibit the usual seasonal fluctuations. The total of the assets shows a substantial increase over a year ago, and now stands at more than £4½ million. The amount of actual cash held has dropped slightly, investments remaining at the same figure. Advances, however, have increased by about £388,000, the Bank's available funds being thus fully employed. Liabilities to the public exceed £3,484,000. Against these assets are held in the following approximate proportion:—Cash, twenty-one per cent.; investments, four per cent.; bills and advances, ninety-four per cent.

The year's net profit amounts to £60,485, and is equal to 24·5 per cent. on the paid-up capital, and to 6·4 per cent. on the total of capital and reserve. A dividend of £1 per £10 share, free of dividend duty, was paid in each half-year, making the rate twenty per cent. per annum, while £38,000 was carried forward, against £28,000 brought forward from the previous year.

Profits of the Western Australian Bank.

Year to March.	Gross Profit.	Expenses, &c.	Net Profit.	Dividend—Amt.	Dividend—Rate.*	To Reserve.	Carried Forward.
	£	£	£	£	%	£	£
1920 ...	150,207	[illegible]	60,486	50,000	20	—	38,536
1919 ...	140,526	81,845	58,681	50,000	20	—	28,020
1918 ...	134,327	78,558	55,969	50,000	20	—	19,339
1917 ...	139,657	84,127	55,530	50,000	20	20,000	13,370
1916 ...	133,291	77,330	55,961	50,000	20	—	27,840
1915 ...	137,701	79,257	57,444	50,000	20	—	21,879
1914 ...	148,749	80,190	68,559	50,000	20	20,000	14,435

* Free of State dividend tax.

Liabilities and Assets of The Western Australian Bank.

LIABILITIES. End Mar.	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	Capital and Reserve. %*	Notes in Circulation. £	Notes in Circulation. %*	Bills in Circulation. £	Bills in Circulation. %*	Deposits. Current. £	Deposits. Fixed. £	Deposits. Total. £	Deposits. %*	Due to Other Banks. £	Due to Other Banks. %*	Profit Balance. £	Profit Balance. %*	Total Liabilities. £
1920 ...	250,000	700,000	950,000	21·0	11,340	·2	92,025	1·4	2,082,467	1,328,025	3,410,492	75·3	30,042	·7	63,507	1·4	4,527,812
1919 ...	250,000	700,000	950,000	23·8	11,565	·3	20,250	·5	1,548,175	1,396,766	2,944,941	73·6	10,005	·5	53,020	1·4	3,998,781
1918 ...	250,000	700,000	950,000	25·8	11,638	·3	58,465	1·6	1,348,288	1,192,047	2,540,335	69·0	78,548	2·1	44,339	1·2	3,683,325
1917 ...	250,000	680,000	930,000	25·8	11,751	·3	45,265	1·3	1,185,128	1,191,303	2,376,431	68·5	43,706	1·4	58,370	1·7	3,470,723
1916 ...	250,000	680,000	930,000	25·9	11,970	·3	62,645	1·7	1,284,227	1,144,827	2,429,054	67·6	106,104	3·0	52,839	1·5	3,592,613
1915 ...	250,000	680,000	930,000	25·5	12,219	·4	78,544	2·1	1,201,620	1,284,611	2,486,231	68·1	93,980	2·6	46,878	1·3	3,647,852
1914 ...	250,000	660,000	910,000	24·5	12,913	·3	35,532	·9	1,378,452	1,243,585	2,622,037	70·7	67,788	1·8	59,435	1·8	3,707,705

ASSETS. End Mar.	Specie, Bullion, and Aust. Notes. £	Specie, Bullion, and Aust. Notes. %*	Investments. £	Investments. %*	Remittances in transitu. £	Remittances in transitu. %*	Bills and Advances. £	Bills and Advances. %*	Due from Other Banks. £	Due from Other Banks. %*	Bank Premises, &c. £	Bank Premises, &c. %*	Total Assets. £
1920 ...	...	740,958	16·4	126,355	2·8	43,490	1·0	3,267,686	72·1	269,913	6·0	79,410	1·7	4,527,812
1919 ...	...	822,770	20·6	126,555	3·2	52,913	1·2	2,879,699	72·0	38,604	1·0	78,440	2·0	3,998,781
1918 ...	...	781,556	21·2	126,635	3·5	33,769	·9	2,542,326	69·0	119,969	3·2	79,050	2·2	3,683,325
1917 ...	...	634,090	18·1	126,755	3·7	31,725	·9	2,516,343	72·5	86,010	2·5	79,200	2·3	3,470,723
1916 ...	...	777,763	21·7	124,355	3·5	31,181	·8	2,520,340	70·1	59,473	1·7	79,500	2·2	3,592,613
1915 ...	...	943,352	25·8	124,555	3·4	21,431	·6	2,395,622	65·7	82,982	2·3	79,880	2·2	3,647,852
1914 ...	...	1,026,232	28·0	124,585	3·3	47,724	1·2	2,413,230	65·0	17,934	·4	78,000	2·1	3,707,705

* Per cent. of Total Liabilities or Assets.

CANADA.

THE DOMINION BANK.

HEAD OFFICE: TORONTO.

TOTAL ASSETS: $143,505,000.

SIR EDMUND B. OSLER, President.
SIR AUGUSTUS M. NANTON and A. W. AUSTIN Vice-Presidents.
C. A. BOGERT, General Manager.

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S. L. JONES, Manager.

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GUADELOUPE—Pointe-a-Pitre and Basse Terre.
HAITI—Port-au-Prince.
MARTINIQUE—Fort de France and Trois [illegible]
COSTA RICA—San [illegible]
VENEZUELA—Caracas, Ciudad Bolivar, Maracaibo and Puerto Cabello.
ARGENTINE—Buenos Aires.
BRAZIL—Rio de Janeiro, Santos, and São Paulo.
URUGUAY—Montevideo.
COLOMBIA—Barranquilla.

BRITISH WEST INDIES

Antigua—St. John's.
Bahamas—Nassau.
Barbados—Bridgetown and Speightstown.
Dominica—Roseau.
Jamaica—Kingston, Spanish Town, and Ocho Rios.
Montserrat—Plymouth.
Nevis—Charlestown.
St. Kitts—Basseterre.
Tobago—Scarborough.
Trinidad—Port of Spain, San Fernando, and Sangre Grande.
Grenada—St. George's.
BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).
BRITISH HONDURAS—Belize.

With our chain of 710 Branches throughout Canada, Newfoundland, the West Indies, Central and South America, we offer a complete banking service to exporters, importers, manufacturers and others wishing to extend their business in these countries. Trade enquiries are solicited. Consult our LONDON MANAGER, or write direct to our *Foreign Trade Department, Montreal, Canada.*

CAPITAL PAID UP AND RESERVES - - - - - $38,000,000
AGGREGATE ASSETS - - - - - - - - - $590,000,000

CANADIAN BANKS.

BANKING in a country like Canada cannot stand still if it is to meet the legitimate wants of the country's inhabitants, and it is therefore natural to find that the policy of expansion over the vast area of the Dominion by opening up new branches—a policy which was, perforce, suspended during the War—has been in full swing during the past year. In addition, there is a growing tendency to expansion outside the limits of the Dominion, and several of the Canadian banks, as will be seen from the reports which follow, have obtained an interest in South America, the West Indies, and elsewhere, either by opening up branches or by association with United States banks in financing affiliated companies for the purpose.

It will be noticed that the summary of the liabilities and assets of eighteen Canadian banks, which appears at foot of page 1010, is not taken from the annual balance sheets of the individual banks, published on varying dates, but is taken from the official monthly return for July 31 last. The position revealed by the table is much the same as that shown elsewhere for the United States. The flow of gold from Europe during the War and latterly from the gold producing countries has been very marked, as the premium on the Canadian dollar lags only a little behind that on the American. As in the case of the United States importance of Canada from the food-producing point of view, and its relative nearness to Europe compared with other grain-growing countries, have operated and will in future operate to its benefit. The gold holdings of eighteen chartered banks on July 31 last exceeded 81 million dollars, a slight advance on the figure twelve months previously, but owing to the decline in other cash resources, total cash fell in amount from $605,833,000 to $519,905,000, and in proportion to total assets from twenty-one per cent. to seventeen per cent. The change in the position is, as might be expected, due to an extension of banking credit, the loans and advances outstanding on July 31 last amounting to the large sum of $1,666,795,000, compared with $1,214,696,000 on the same date in 1919. A similar increase is noted later on in the case of the United States, and the rise in both instances is due to the trade situation. Commercial activity has however recently shown a tendency to decline. The banks have been limiting their advances to the circle of industries regarded as essential and have striven to eliminate competition from the stock and commodity markets, thereby bringing about a decline in prices. Wheat and other staple commodities have accordingly been weakening: and furthermore, exports have been discouraged by the premium on the Canadian dollar and by the continued absence from the market of the large potential demand which undoubtedly remains to be satisfied in Eastern Europe. The state of the national budgets in most European countries does not suggest that this potential buying power will materialise to any substantial extent in the near future, and already there is considerable unemployment in Canada. The malaise is, however, only temporary as the position is, from the financial point of view, inherently sound though commercial failures may here and there cause passing embarrassment.

LIABILITIES OF 18 CHARTERED BANKS OF CANADA AS AT JULY 31, 1920.
(000's omitted.)

LIABILITIES. Name of Bank	Paid-up Capital and Reserve	%	Notes	Bills Payable	%	Accept-ances	%	Deposits: Dominion and Prov. Govts.	Deposits: Private—Canada	Deposits: Private—Elsewhere	Deposits: Due to Banks—Can. & U.K.	Deposits: Due to Banks—Elsewhere	Deposits: Total	%	Misc.	%	Profit Balance	%	Total Liabilities	
	$	%	$	$	%	$	%	$	$	$	$	$	$	%	$	%	$	%	$	
1 Bank of Montreal ...	41,000	8·0	46,564	7·4	3,455	·6	7,339	1·4	21,460	352,851	67,887	2,900	2,414	447,492	81·1	1,485	·3	6,522	1·2	551,657	1
2 Bank of Nova Scotia ...	27,700	11·5	22,205	9·3	—	—	707	·3	6,911	141,856	32,959	1,595	3,451	186,772	78·0	13	—	2,494	·9	239,591	2
3 Bank of Toronto ...	11,000	11·1	8,159	8·2	—	—	1,005	1·0	2,373	71,799	—	218	1,221	76,614	77·2	2	—	2,547	2·5	99,287	3
4 Molsons Bank ...	9,000	9·8	6,575	7·2	—	—	242	·3	10,916	61,625	—	1,182	170	73,893	80·8	540	·6	1,218	1·3	91,469	4
5 Banque Nationale ...	4,300	6·1	6,104	8·7	549	·8	—	—	9,151	13,441	6,053	3	73	28,721	83·6	3	—	549	·8	70,226	5
6 Merchants Bank ...	18,098	9·0	14,189	8·1	—	—	2,247	1·1	17,092	158,738	2,972	3 417	797	183,126	81·5	278	·2	209	·1	200,168	6
7 Banque Provinciale ...	2,910	10·0	2,377	7·7	—	—	—	—	2,538	28,891	—	5	339	31,734	81·4	190	·4	209	·5	38,980	7
8 Union Bank of Canada	15,000	8·4	10,586	6·5	—	—	3,988	2·5	19,894	97,376	8,219	2,733	2,918	131,140	81·0	112	·1	2,161	1·5	161,894	8
9 Can. Bank of Commerce	30,000	6·6	29,685	6·5	250	·1	13,757	3·0	39,698	288,842	12,278	1,106	7 757	370,81	83·1	7	—	5,185	·7	456,465	9
10 Royal Bank of Canada	36,954	6·3	40,360	7·0	1 617	·3	9,257	1·6	14,216	277,206	185,188	206	14,466	484,642	83·8	15	—	6,054	1·0	584,77	10
11 Dominion Bank ...	13,000	9·3	10,396	7·4	423	·3	2,599	1·8	10,742	95,189	2,853	1,592	1	111,718	79·7	678	·5	1,552	1·3	140,196	11
12 Bank of Hamilton ...	9,305	10·8	6,588	7·6	—	—	325	·4	7,756	59,954	—	492	0 5	68,517	79·5	—	—	1,443	1·7	86,178	12
13 Standard Bank of Can.	8,000	8·7	5,882	6·4	31	—	789	·9	9,941	64,355	—	2,057	894	76,527	83·3	—	—	669	·7	91,899	13
14 Banque d'Hochelaga	7,900	10·6	7,034	9·5	—	—	152	·2	7,510	49,646	—	25	686	58,064	78·1	—	—	1,171	1·6	74,321	14
15 Imperial Bank of Can.	14,500	11·7	13,793	11·1	—	—	236	·2	6,748	86,112	—	841	322	94,022	75·7	—	—	1,582	1·3	124,133	15
16 Home Bank	2,400	9·3	2,123	8·1	—	—	—	—	4,583	16,322	—	11	662	21,578	81·9	1	—	174	·7	26,335	16
17 Sterling Bank ...	1,679	6·5	1,389	5·4	—	—	18	·1	5,855	16,232	—	351	—	22,441	87·3	3	—	180	·7	25,710	17
18 Weyburn Secur. Bank	704	18·6	338	8·9	—	—	—	—	431	2,280	—	—	26	2,687	71·0	26	·7	28	·8	3,783	18
Total—18 Banks ...	256,079	8·1	231,534	7·5	6,335	·2	43,261	1·4	196,535	1,892,585	348,009	19,037	38,104	2,494,270	81·3	3,313	·1	32,069	1·1	3,066,861	—

* Per cent. of total liabilities.

ASSETS OF 18 CHARTERED BANKS OF CANADA AS AT JULY 31, 1920.
(000's omitted.)

ASSETS.	Gold and other coin	Dominion Notes	Other Cash resources	Total Cash	%	Money at Call, &c.	%	Investments	%	Loans and Advances	%	Custom. Liab. for Acceptances	%	Miscellaneous	%	Bank Premises. &c.	%	Total Assets	
	$	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	
1	24,688	50,080	41,437	116,205	21·1	104,276	18·9	56,597	10·3	261,106	47·3	7,829	1·4	56	—	5,578	1·0	551,657	1
2	12,155	10,290	25,755	48,200	20·1	28,770	12·0	37,513	15·8	118,014	49·3	707	·3	295	·1	5,782	2·4	239,591	2
3	971	8,041	7,926	16,938	17·1	4,886	4·9	13,614	13·8	59,197	59·6	1,005	1·0	—	—	3,616	3·6	99,287	3
4	581	6,336	6,912	13,829	15·1	9,580	10·5	12,992	14·2	51,688	56·5	242	·3	542	·3	2,824	3·1	91,469	4
5	362	1,421	7,296	9,079	12·9	6,242	8·9	13,271	18·9	39,274	55·9	—	—	88	·1	2,272	3·3	70,226	5
6	4,094	5,527	16,975	26,596	13·3	15,152	7·6	25,265	12·6	126,518	63·2	2,247	1·1	203	·1	4,186	2·1	200,168	6
7	134	265	2,782	3,181	8·2	13,715	35·2	8,922	22·9	12,566	32·2	—	—	290	·7	307	·8	38,980	7
8	1,057	12,081	9,573	22,711	14·0	13,828	8·5	20,301	12·5	99,689	61·6	3,988	2·5	59	—	1,386	·9	161,894	8
9	14,186	23,465	33,549	71,500	15·7	57,145	12·5	43,126	9·5	263,420	57·7	13,757	3·0	119	—	7,399	1·6	456,465	9
10	11,233	22,741	70,992	107,966	18·5	100,173	17·1	51,850	8·9	305,104	52·2	9,357	1·6	28	—	10,042	1·7	584,579	10
11	2,146	9,911	9,836	21,883	15·6	17,597	12·5	17,892	12·8	74,437	53·1	2,599	1·9	41	—	5,747	4·1	140,196	11
12	947	3,583	5,758	10,288	12·0	9,412	13·9	9,469	11·0	52,951	61·4	325	·4	295	·3	3,457	4·0	86,178	12
13	1,769	6,017	6,305	14,091	15·3	4,236	4·6	12,220	13·3	58,909	64·1	789	·9	51	·1	1,593	1·7	91,889	13
14	457	2,199	6,714	9,370	12·6	6,241	8·4	7,228	9·7	47,912	64·5	152	·2	84	·1	3,333	4·5	74,321	14
15	2,654	6,624	13,463	22,741	18·3	8,096	6·5	17,195	13·9	69,335	55·9	236	·2	654	·5	5,877	4·7	124,133	15
16	191	1,599	1,152	2,942	11·2	3,270	12·4	4,127	15·7	14,766	56·0	—	—	95	·4	1,135	4·3	26,335	16
17	121	1,015	1,050	2,186	8·5	492	1·9	12,788	49·7	9,537	37·1	18	·1	267	1·0	422	1·7	25,710	17
18	15	113	71	199	5·3	476	12·6	445	11·8	2,379	62·9	—	—	63	1·6	221	5·8	3,783	18
	81 061	171,308	267,536	519,905	17·0	403,587	13·2	365,248	11·9	1,666,795	54·3	43.261	1·4	2,888	·1	65,177	2·1	3,056,861	—

* Per cent. of total assets.

ESTABLISHED 1875.

IMPERIAL BANK
OF CANADA.

Capital Paid up - $7,000,000.
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BANK OF HAMILTON.

Head Office: Hamilton, Ontario.

Capital—

Authorised	$5,000,000
Subscribed	4,924,300
Paid up	4,860,770

The Bank of Hamilton, incorporated in 1872 with a paid-up capital of $275,000, opened its first branch in the following year. By 1888 the total number of offices was eight, and when we state that the present number of branches is 163, and that no less than twenty were established during the last financial year, the growth of this institution can readily be seen. The paid-up capital is now over $4,860,000, and the reserve fund over $4,630,000.

The accounts are now made up to the end of February in each year, instead of to the end of November as formerly. The general statement to February 28, 1920, in common with those of other Canadian banks, shows a marked increase in the volume of business, the total assets being $84,134,109, compared with $77,404,121 in the previous year. As regards increase of profits, the Bank of Hamilton can show one of the best statements of the year.

Taking the liabilities side, the paid-up capital has been increased by $1,000,000 during the year, the sum of $500,000 paid in as premium upon this stock helping to swell the reserve fund from $3,500,000 to $4,200,000. The notes in circulation have increased by about $600,000 to $5,941,901, and the total deposits also show a marked increase, *i.e.*, from $64,377,058 to $68,665,705, during the same period. Acceptances under letters of credit have nearly doubled to $301,047, balances due to other banks remaining at about the same figure (over $800,000).

On the assets side, cash and Government notes have increased during the year from $10,987,255 to $12,707,483, while the deposit in central gold reserve is down by $750,000 to $1,750,000. Call and short loans are down by over $2,000,000 to $8,169,905, but this is more than made up by the large increase in other current loans and discounts of about $7,000,000, the present figure under this head being $45,318,138. Investments stand at $10,385,759, a drop of nearly $900,000. Miscellaneous assets, including bank premises, amount to $3,320,545.

The net profit for the year amounts to $847,104, as against $571,226 for the previous year. This year's profit, therefore, is equal to 21.2 per cent. upon the paid-up capital, and to 10.3 per cent. upon the total of capital and reserve. The dividend, paid quarterly, amounts to twelve per cent. per annum. The amount carried forward is similar to last year, over $85,000.

Profits of the Bank of Hamilton.

	Net Profit.	Dividends, Amount.	%	Balance.	Special Allestn's.	Carried Forwrd.
	$	$		$	$	$
1920 (Year to Feb. 28)	1,347,105†	1,000,000	12	877,921	877,786	85,251
1919 ,, ,,	671,226*	360,000	12	311,226	458,533	85,115
1918 (15 mo. to Feb. 28)	508,522	450,000	15	148,522	125,657	232,421
1916 (Year to Nov. 30)	442,526	360,000	12	82,526	48,791	209,556
1915 ,, ,,	424,274	360,000	12	64,274	45,540	175,821
1914 ,, ,,	485,265	360,000	12	125,265	119,310	157,087
1913 ,, ,,	498,273	360,000	12	138,273	238,280	151,131

* Includes $100,000 recovered from over-appropriations.
† Includes $500,000 premium on new stock, carried to reserve fund.

Since the publication of the last general statement, a further issue of new capital has been made by the Bank, 10,000 shares of $100 each being offered to existing shareholders as at June 30, 1920, at $150 each, in the proportion of one new share for every four shares then held.

Liabilities to the public on February 28 last were $74,908,653, against which were held in the following approximate proportions:—Cash, seventeen per cent.; central gold reserve, two per cent.; call and short loans, eleven per cent.; loans and discounts, sixty-one per cent.; investments, fourteen per cent.

BANK OF MONTREAL.

Head Office: Montreal, Canada.
London Offices: 47 Threadneedle Street, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1.
24 Cockspur Street, S.W. 1.

Capital—

Authorised	$28,075,000
Subscribed	22,000,000
Paid-up, $100 (Reserve liability, $100) ...	22,000,000

In some respects the Bank of Montreal is to Canada what the Bank of England is to this country. It is the financial agent to the Government of the Dominion of Canada, besides being the oldest Bank there. It was founded 103 years ago, on November 3, 1817, and ever since it has been closely associated with the history of Canada, and has worked wonders in assisting the agricultural development of that country. Before its foundation, furs and lumber formed the chief business of our Colonies in North America. The connection between this Bank and the Government came about when the former had only been in existence one year, the Bank proposing to the Governor of Canada that it should have the right of supplying the Government with funds as needed.

Both actually, and relatively to those of its competitors, the Bank's deposits are of considerable magnitude. Many important undertakings bank with it, one of them being the Canadian Pacific Railway Company.

The paid-up capital at the end of the half-year to April 30 last was $20,000,000, and there was a rest or reserve fund of a similar amount. Each of these items had been increased from $16,000,000 to their present figure in 1918, in which year, it will be remembered, the Bank of Montreal absorbed the Bank of British North America.

Liabilities and Assets of The Bank of Hamilton.

LIABILITIES.	Capital Paid up.		Reserve Fund.		Capital and Reserve.		Notes in Circulation.		Total Deposits.		Acceptances.		Balance Due to Other Banks.		Undivided Profits.		Total Liabilities.
	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$
1920 (Feb. 28)	4,000,000		4,200,000		8,200,000	9·7	5,941,901	7·1	68,665,705	81·6	301,047	·4	817,983	1·0	207,473	·2	84,134,109
1919 ,,	3,000,000		3,500,000		6,500,000	8·4	5,354,903	6·9	64,377,058	83·2	171,597	·2	924,963	1·1	175,601	·2	77,404,121
1918 ,,	3,000,000		3,300,000		6,300,000	9·5	5,127,111	7·7	53,359,981	80·2	194,917	·3	1,236,551	1·8	323,121	·5	66,541,681
1916 (Nov. 30)	3,000,000		3,300,000		6,300,000	11·1	4,409,551	7·6	45,388,174	79·4	119,731	·2	655,935	1·1	300,154	·6	57,163,345
1915 ,,	3,000,000		3,500,000		6,500,000	13·1	3,489,830	7·2	38,069,965	78·9	57,175	·1	71,710	·2	266,140	·5	48,254,820
1914 ,,	3,000,000		3,600,000		6,600,000	14·8	3,022,100	6·8	34,523,828	77·3	87,802	·2	213,225	·4	247,323	·5	44,694,283
1913 ,,	3,000,000		3,600,000		6,600,000	14·3	3,259,820	7·0	35,908,171	77·5	98,332	·2	219,679	·5	241,486	·5	46,327,488

ASSETS.	Cash, Notes, &c.		Deposit in Central Gold Reserves.		Call and Short Loans.		Investments.		Due by Other Banks.		Loans and Discounts, &c.		Customers' Liability for Acceptances, &c.		Bank Premises, &c.		Total Assets.
Feb. 28	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$
1920...	12,707,483	15·1	1,750,000	2·1	8,169,905	9·7	10,385,759	12·3	1,154,508	1·7	46,044,862	54·7	301,047	·4	3,320,545	4·0	84,134,109
1919...	10,987,255	14·2	2,500,000	3·2	10,339,378	13·4	11,197,337	14·5	814,012	1·0	38,478,558	49·7	171,597	·2	2,915,984	3·8	77,404,121
1918...	9,161,638	13·8	2,500,000	3·8	4,887,496	7·3	11,511,897	17·3	1,398,162	2·1	34,419,566	51·8	194,917	·3	2,438,045	3·6	66,541,681
Nov. 30																	
1916...	8,097,145	14·2	1,500,000	2·6	3,844,635	6·7	7,816,778	13·7	558,809	·9	32,816,762	57·4	119,731	·2	2,379,485	4·3	57,163,345
1915...	8,974,489	18·6	300,000	·8	2,216,851	4·6	4,093,015	8·4	1,294,845	2·7	28,770,216	59·7	57,175	·1	2,448,229	5·1	48,254,820
1914...	7,858,484	17·6	100,000	·2	1,273,433	2·9	3,364,059	7·5	553,111	1·2	28,987,390	64·9	87,802	·2	2,470,004	5·5	44,694,283
1913...	8,528,788	18·4	—	—	1,378,242	2·9	3,786,702	8·2	951,090	2·1	29,302,276	63·2	98,332	·2	2,272,058	5·0	46,327,488

* Per cent. of Total liabilities or Assets.

The accounts are published twice yearly, on April 30 and October 31, and it is at the latter date that a full report is made. Taking the general statement for April 30, 1920, we start to do well to compare it with that for April 30, 1919, as this latter date was the first occasion on which the figures showed the result of the absorption of the Bank of Ottawa. The notes in circulation show a decrease of nearly $1 million, but the deposits, including the amounts due to other banks in Canada and abroad, show a large increase, i.e. from $338,776,233 to $475,197,792. Bills payable have also largely increased, from $1,808,530 to $3,348,977. Acceptances under letters of credit, with the corresponding liability of the customers shown as an asset, have nearly doubled, to $8,031,029.

The assets form the huge total of more than $571 million. Notes, coin, and cheques on other banks amount to $112,381,134, as compared with over $99 million the previous year. The amount of the deposit in the central gold reserves is down from $24,700,000 to $19,200,000, this being partly accounted for by the decrease in the note circulation. Call and short loans show an increase of nearly $25 millions to $103,290,448, while current loans and discounts have also largely increased during the twelve months—from $183 million to nearly $255 million. The Bank's total holding of investments is down to $57,425,591, from $81,541,752. The Bank premises account is down by $500,000 to $5½ million, owing to the sale of some banking properties not required.

The quarterly dividend of three per cent. continues to be paid, making a dividend of twelve per cent. per annum. Net profits for the year ending October 31, 1919, amounted to $3,314,227, equal to 16.6 per cent. on the paid-up capital and 8.3 per cent. on the combined amount of capital and reserve. Out of this profit the war tax on bank-note circulation has been met, and $39,750 has been subscribed to patriotic funds, a balance of $1,812,854 being carried forward.

Profits of the Bank of Montreal.

Year to Oct. 31	Net Profit.	Dividend.		To Reserve, &c.	Carried Forward.
	$	$	%	$	$
1920*	1,882,880	1,200,000	6	325,000	2,090,440
1919	6,814,2274	2,572,250	12	4,530,775	1,812,854
1918	2,562,720	1,920,000	12	406,900	1,901,613
1917	2,477,969	1,920,000	12	307,500	1,664,893
1916	2,200,471	1,920,000	12	160,000	1,414,424
1915	2,108,631	1,920,000	12	125,348	1,293,953
1914	2,496,452	1,920,000	12	390,000	1,232,679
1913	2,648,403	1,920,000	12	802,815	1,046,218

* For 18 years to April 30.
† Including $2,000,000 premium on new stock.

The profit shows a large increase on the $2½ million of October 31, 1918, although, as the general manager remarked at the annual meeting, there has been no profiteering by the Banks of Canada, for the price of money has not been raised, the profits being maintained through fuller employment of reserves, the ratio of liquid assets to liabilities being sixty-seven per cent., as compared with seventy-one on October 31, 1918.

During the year ending October 31, 1919, the Bank opened no less than forty-nine new branches. There are now branches in Newfoundland, in France, in the United States and in Mexico. The Paris office is now well established, and proves a link between the Bank's extensive connections. The branch in Trafalgar Square, London, has been closed, and its business transferred to the Waterloo Place office. It was only opened to provide additional facilities for Canadian soldiers.

Since the date of the last balance sheet here summarised, a new issue of capital stock—20,000 shares of $100 each—has been allotted to shareholders in the proportion of one new share for every ten shares held, at a price of $150 per share. A bonus of two per cent. has just become payable in respect of the year to October 31 last, which produced a record profit.

BANK OF NOVA SCOTIA.

Head Office: Halifax, Nova Scotia.

Capital

Authorised	$15,000,000
Subscribed and Paid up	9,700,000

The Bank of Nova Scotia was incorporated in 1832 with a paid-up capital of $200,000 and a note circulation of $66,454. The reserve fund has shown a remarkable growth, for by 1912 it was $8,728,146, and it is now $18,000,000.

In 1913 the Bank of New Brunswick was taken over, and in 1914 the Metropolitan Bank, which latter absorption increased the number of branches in Ontario by thirty-nine.

The outstanding feature of the past year with this bank is the amalgamation with the Bank of Ottawa, which took place on May 1, 1919. This latter bank was not an old one compared with some Canadian banks; it was founded in 1874, its paid-up capital being then $343,875. In 1918 its subscribed capital was $4 million fully paid, and it had as many as ninety-six offices in Ontario, Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia.

The disappearance of the name of the Bank of Ottawa was keenly resented by many, for the bank had been closely associated with the business life of that district. Apart from sentimental grounds, however, the amalgamation was fully justified, as only at a very few places was either bank a competitor of the other, and so considerable expansion was gained for each. The Nova Scotia gained connections in a wealthy district where it had not before been represented. This bank has, in addition to its Canadian offices, branches in Newfoundland, Cuba, Jamaica, Porto Rico, and in the United States.

The terms of the purchase were that five shares of the Bank of Ottawa should be exchanged for four shares of the Nova Scotia, the value of the shares for the purpose of adjustment being fixed at $220 and $275 respectively. The cash settlement for odd shares

Liabilities and Assets of the Bank of Montreal.

LIABILITIES.

Oct. 31	Capital Paid up.		Rest.		Reserve of Undivided Profits.		Notes in Circulation.		Deposits. Amounts not bearing Interest.		Deposits. All other Accounts.		Bills Payable.		Acceptances under Letters of Credit.		Liabilities not included under preceding heads.		Total Liabilities.	
	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%
1920†	20,000,000	20.0	20,000,000	20.0	16,000,000	7·0	16,128,000	7·0	8,031,029	1·4	475,197,792	83·3	3,348,978	·6	8,031,029	·2	2,699,574	·5	571,150,139	
1919	20,000,000	20.0	20,000,000	20.0	16,000,000	7·3	15,000,000	8·1	4,800,000	·9	338,776,233	82·3	1,808,530	·8	4,800,000	·2	2,421,476	·4	[illegible]	
1918 ...	16,000,000	16.0	16,000,000	16.0	22,000,000	5·7	12,000,000	7·5	3,674,800	·7	177,120,000	85·4	351,000	·1	3,674,800	·1	2,468,281	·5	355,413,546	
1917 ...	16,000,000	16.0	16,000,000	16.0	22,000,000	7·9	12,000,000	7·3	2,800,000	·8	235,120,000	83·0	921,000	·3	2,800,000	·1	2,228,534	·6	405,989,257	
1916 ...	16,000,000	16.0	16,000,000	16.0	22,000,000	8·2	11,000,000	5·9	2,100,000	·6	205,000,000	83·5	[illegible]	·3	2,100,000	·2	1,977,857	·6	[illegible]	
1915 ...	16,000,000	16.0	16,000,000	16.0	22,000,000	10·6	[illegible]	5·7	5,000,000	1·2	240,000,000	81·2	[illegible]	·4	[illegible]	·3	1,864,026	·6	[illegible]	
1914 ...	16,000,000	16.0	16,000,000	32.0	17,231,502	6·6	[illegible]	7·3	5,000,000	1·3	202,000,000	78·5	436,011	·2	[illegible]	·2	1,792,784	·7	259,181,663	
1913 ...	16,000,000	16.0	16,000,000	32.0	[illegible]	13·0	[illegible]	7·0	[illegible]	1·0	190,000,000	77·9	[illegible]	·4	[illegible]		[illegible]	·7	[illegible]	

ASSETS.

Oct. 31	Cash.		Deposit with Central Gold Reserve		Investments.		Call and Short Loans.		Current Loans and Discounts.		Bank Premises.		Liability on Acceptances.		Other Assets.		Total Assets.	
	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%
1920	112,381,134	19·7	19,200,000	3·4	57,425,591	10·0	[illegible]	18·1	254,857,018	44·6	[illegible]	1·4	[illegible]	1·0	[illegible]	
1919	98,541,065	18·1	24,700,000	4·6	119,541,751	21·9	80,500,000	14·8	13,856,800	2·6	[illegible]	36·1	[illegible]	·9	[illegible]	1·0	[illegible]	
1918	118,274,632	21·1	27,500,000	5·0	110,331,021	19·8	70,000,000	17·8	14,750,101	2·3	[illegible]	31·9	[illegible]	·7	[illegible]	1·1	[illegible]	
1917	69,958,891	17·3	14,500,000	3·6	74,000,202	18·5	[illegible]	24·9	16,000,000	4·1	120,346,339	29·8	[illegible]	·8	[illegible]	1·0	[illegible]	
1916	57,896,329	15·8	7,500,000	2·1	36,163,017	9·9	113,000,000	30·9	31,631,238	8·7	[illegible]	30·9	[illegible]	·6	[illegible]	1·1	365,215,342	
1915	51,695,781	17·1	1,500,000	·5	18,220,813	6·0	70,000,000	23·4	20,736,116	8·9	[illegible]	41·6	[illegible]	1·2	[illegible]	1·3	[illegible]	
1914	50,720,449	19·6	1,500,000	·6	12,245,402	4·7	41,500,000	16·0	[illegible]	6·1	[illegible]	50·2	3,365,067	1·3	[illegible]	1·5	[illegible]	
1913	31,607,852	13·0	1,000,000	·5	[illegible]	5·2	51,210,705	20·9	[illegible]	2·5	[illegible]	55·3	[illegible]	1·0	[illegible]	1·6	[illegible]	

† For 18 years to April 30.

was arranged on this basis. On January 15, 1919, Bank of Ottawa shares were quoted at 205: on January 17 Nova Scotias at 257½.

The annual report of the Bank of Nova Scotia for the year ending December 31, 1919, is of interest as being the first issued since the amalgamation, and we proceed to compare it with the combined figures of the two banks at the end of 1918.

The following table, on these lines, shows the main features:—

	1919	1918
	$	$
Net profits ...	1,925,478	2,057,362
Total deposits ...	180,292,607	178,338,107
Total assets ...	238,278,722	234,023,905
Commercial loans ...	77,868,930	75,977,695

It is seen that the profit for 1919 is slightly less than that of the two banks working separately in 1918. The deposits, however, are higher, and the total assets show an increase of about $4 million. The profit shown is equal to 19.8 per cent. upon the paid-up capital, or to 6.9 per cent. upon the combined amount of capital and reserve.

The cash, under which head we include coin, notes, and cheques on other banks, has largely increased during 1919, apart from the amalgamation—*i.e.*, by nearly $7 million. On the combined figures for each year, 1918 and 1919, there is a falling-off in the total of investments, but an increase in both call and short loans and in current loans.

Profits of the Bank of Nova Scotia.

Year to Dec. 31	Net Profit.	Dividend. Amount.	Rate.	Balance.	Special Allowances.	Carried Forward.
	$	$	%	$	$	$
1919 ...	1,925,478	1,381,333	16	544,145	539,667	704,172
1918 ...	1,411,925	910,000	14	501,925	312,500	749,694
1917 ...	1,295,315	910,000	14	385,315	409,700	560,269
1916 ...	1,252,039	910,000	14	342,039	153,500	584,654
1915 ...	1,220,057	910,000	14	310,057	115,000	396,115
1914 ...	1,196,117	848,750	14	347,367	187,433	201,058
1913 ...	1,210,774	814,504	14	396,270	410,000	41,124

Taking the profit and loss account, we find that the dividend has been increased from the fourteen per cent. per annum paid by the Bank of Nova Scotia in 1918 to sixteen per cent. per annum. It is paid quarterly. $200,000 is written off bank premises account, and a further $200,000 is transferred to the reserve fund, bringing the latter up to the already mentioned large total of $18,000,000.

On December 31, 1919, the liabilities to the public were $203,559,571. Assets were held against these in the following approximate proportions:—Cash, twenty-three per cent.; central gold reserve, eight per cent.; call and short loans, eighteen per cent.; investments, twenty-two per cent.; current loans, forty per cent.

BANK OF OTTAWA.

(*See* Bank of Nova Scotia.)

BANK OF TORONTO.

Head Office: Toronto.

Capital—

Authorised	$10,000,000
Subscribed, 50,000 Shares of $100 each ...	5,000,000
Paid up	5,000,000

HAVING commenced business in 1856 with a paid-up capital of $415,000, the strength of the Bank of Toronto was tested very early in its career, for in 1857 there was a financial crisis in Toronto, the result of excessive land speculation. The Bank more than weathered the storm, however, and to-day, with a paid-up capital of $5 million, and a reserve fund of $1 million more than this amount, i.e. $6 million, it has a well-earned reputation for a wisely cautious and progressive policy.

The accounts are made up to November 30 in each year, and the statement for the year ending November 30, 1919, shows that there has again been a marked advance in every department of the Bank's operations. The general prosperity of Canada has reduced the number of bad debts below the average, but at the same time the loans have been carefully scrutinised, and a possibly unfavourable change of conditions has been amply provided for. The resources of the Bank have increased, and as a result of their profitable employment the net profits are larger than they have ever been before.

In common with other Canadian banks, expansion has been sought by the opening of new branches, thirty-two having been started during the current year, making the total number 156. Most of the Bank's branches are in Ontario, but there are also many in Quebec, Manitoba, Alberta, Saskatchewan, and British Columbia, and there are correspondents all over the world.

Turning to the balance sheet, we find that the notes in circulation have increased during the year from over $7¼ million to over $8 million. The deposits, despite heavy withdrawals for investment in the Government Loan, have increased by $7,673,723 to $86,712,997. Balances due to other banks show a fall of more than $½ million. Acceptances under letters of credit are not far short, at $1,679,754, of three times last year's figure.

The total of the assets is high, being over $109 million—an increase of $9 million. The total of coin, notes and cheques on other banks is up to $17,736,184, and there is necessarily an increase in the deposit in central gold reserves to meet the increased note circulation. Investments are up about $1 million to over $23 million, balances due by other banks remaining at about the same figure—$1,457,020. While there is a shrinkage of about $800,000 in call and short loans, the current loans and discounts have risen from $49,408,960 to over $54 million. In fact, despite the heavy Government borrowing, all the Canadian banks

Liabilities and Assets of The Bank of Nova Scotia.

LIABILITIES.

Dec. 31	Capital Paid up.	Rest.	Capital and Reserve.		Notes in Circulation.		Total Deposits.		Due to Other Banks.		Acceptances.		Undivided Profits.		Total Liabilities.
	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$
1919 ...	9,700,000	18,000,000	27,700,000	11·6	23,266,903	9·8	180,292,608	75·7	5,440,186	2·3	485,038	·2	1,093,927	·4	238,278,722
1918 ...	6,500,000	12,000,000	18,500,000	11·5	17,568,924	10·9	122,228,162	75·8	1,677,219	1·0	375,750	·2	979,648	·6	161,329,703
917 ...	6,500,000	12,000,000	18,500,000	13·4	12,171,423	8·8	104,338,170	75·4	1,353,545	1·4	644,829	·4	789,278	·6	138,297,245
1916 ...	6,500,000	12,000,000	18,500,000	15·9	7,945,081	6·8	87,824,880	75·3	978,824	·8	559,888	·5	813,054	·7	116,621,727
1915 ...	6,500,000	12,000,000	18,500,000	17·8	7,154,415	6·8	76,808,168	73·7	1,021,794	1·0	135,374	·1	624,717	·6	104,244,468
1914 ...	6,500,000	12,000,000	18,500,000	19·3	7,148,813	7·5	68,955,351	72·0	647,413	·6	161,126	·2	420,967	·4	95,733,670
1913 ...	6,000,000	11,000,000	17,000,000	21·2	5,948,022	7·4	56,185,109	70·1	616,389	·8	145,641	·2	256,669	·3	80,151,830

ASSETS.

Dec. 31	Total Cash.		Deposit in Central Gold Reserve.		Investments.		Call and Short Loans.		Due by Other Banks.		Current Loans, Discounts, &c.		Customers' Liability on Acceptances.		Bank Premises.		Total Assets.
	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$
1919...	47,569,121	20·0	15,500,000	6·5	44,431,712	18·6	36,749,814	15·4	6,829,732	2·9	81,697,391	34·3	485,038	·2	5,015,914	2·1	238,278,722
1918...	34,308,003	21·3	12,000,000	7·5	30,638,180	19·0	25,610,577	15·9	5,219,499	3·2	50,378,868	31·2	375,750	·2	2,798,826	1·7	161,329,703
1917...	28,326,758	20·5	6,500,000	4·8	29,603,471	21·4	22,166,916	16·0	5,438,103	3·9	42,625,750	30·8	644,828	·4	2,991,419	2·2	138,297,245
1916...	24,171,403	20·8	2,000,000	1·7	18,446,892	15·8	20,104,483	17·2	6,842,435	5·9	41,859,319	35·9	559,888	·5	2,637,307	2·2	116,621,727
1915...	22,803,757	21·9	1,750,000	1·7	9,571,996	9·1	20,386,160	20·0	4,973,547	4·8	41,575,118	39·9	135,374	·1	2,543,516	2·5	104,244,468
1914...	19,106,398	19·9	1,500,000	1·5	7,359,831	7·7	16,642,862	17·4	4,623,322	4·8	43,951,976	45·9	161,126	·2	2,388,155	2·6	95,733,670
1913...	14,319,707	17·9	500,000	·7	5,409,481	6·7	14,837,315	18·5	4,006,605	5·0	39,372,931	49·1	145,641	·2	1,560,150	1·9	80,151,830

* Per cent. of Total Liabilities or Assets.

ISAAC BRANDON, President.
NATHANIEL BRANDON, Vice-President.
A. D. MELHADO, Acting Manager.

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PANAMA BANKING COMPANY

FOUNDED 1868.

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THE CANADIAN BANK OF COMMERCE.

PAID-UP CAPITAL - - $15,000,000 (£3,082,192).
RESERVE FUND - - $15,000,000 (£3,082,192).

Head Office: TORONTO.

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., *President.*
RT. HON. SIR THOMAS WHITE, K.C.M.G., *Vice-President.*
SIR JOHN AIRD, *Vice-President and General Manager.*
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520 BRANCHES throughout CANADA and NEWFOUNDLAND.

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A general Banking and Exchange business conducted with all points in North America.

Philippine National Bank

Manila, P.I.

SOLE OFFICIAL GOVERNMENT DEPOSITARY.

Capital Authorised	....	**P. 20,000,000.00**
Capital Subscribed	....	**P. 12,900,000.00**
Paid-up Capital	....	**P. 10,900,000.00**

RESOURCES:
December 31, 1919 .... P. 216,698,521.94

Codes used: Western Union A1 Code, Edition, Bentley's, Peterson and Lieber.
Cable Address: Philnatbank and National Bank.

BRANCHES:
LOCAL: Iloilo, Cebu, Corregidor, Cabanatuan, Aparri, Dagupan, Baguio, Legaspi, Lucena, Vigan and Dagupan.
FOREIGN: New York and Shanghai.

AGENCIES:
At 61 points throughout the Philippine Islands, including the Department of Mindanao and Sulu.

CORRESPONDENTS:
In all principal cities of the World.

DIRECTORS
V. CONCEPCION, Chairman.
V. MADRIGAL. RAFAEL CORPUS.
MILTON E. SPRINGER. A. B. POWELL.
SERAPION VALLE CRUZ.

OFFICERS:
V. Concepcion, President and General Manager.
M. S. Cerrano, Vice-President. Cayetano Martinez, Secretary.
D. Pelkens, Vice-President. Jose E. Guerrero, Assistant Secretary.
Santiago Mercado, Cashier. M. N. Alcala, Assistant Cashier.

GENERAL DOMESTIC AND FOREIGN BANKING

The IMPERIAL BANK OF PERSIA

25 Abchurch Lane, London, E.C. 4.

Incorporated by Royal Charter, 1889.

Capital, fully paid up - - -	£650,000
Reserve - - - - - -	£250,000
Reserve Liability of Proprietors -	£1,000,000

Bankers:
Messrs. Glyn, Mills, Currie & Co.
London County Westminster and Parr's Bank Ltd.
Lloyds Bank Ltd.

OFFICES AND AGENCIES:

Ahwaz, Bagdad, Birjand, Bunder Abbas, Bushire, Busreh, Hamadan, Ispahan, Kazvin, Kerman, Kermanshah, Meshed, Mohammerah, Nasratabad (Seistan), Resht, Shiraz, Sultanabad, Tabriz, Yezd, and Chief Office at Teheran.

This Bank is prepared to transact Banking [illegible] and every description of [illegible] Business, and Mercantile [illegible] on London, Paris, Constantinople, Teheran and [illegible] of Credit [illegible] collects Bills on Persia and the Near East.

Liabilities and Assets of The Bank of Toronto.

LIABILITIES.

Nov. 30	Capital Paid up.	Reserve.	Capital and Reserve.		Notes in Circulation.		Total Deposits.		Due to Other Banks.		Acceptances.		Undivided Profits.		Total Liabilities.
	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$
1919	5,000,000	6,000,000	11,000,000	10·1	8,003,980	7·3	86,712,997	79·3	943,596	·9	1,679,755	1.5	941,791	·9	109,285,119
1918	5,000,000	6,000,000	11,000,000	11·0	7,270,615	7·2	79,059,275	78·9	1,512,753	1·5	621,004	·6	764,350	·8	100,207,997
1917	5,000,000	6,000,000	11,000,000	13·1	7,606,005	9·0	63,907,298	75·8	555,768	·7	530,757	·6	694,091	·8	84,293,919
1916	5,000,000	6,000,000	11,000,000	15·1	5,699,133	7·8	54,893,507	75·1	480,703	·6	395,574	·5	645,638	·9	73,114,555
1915	5,000,000	6,000,000	11,000,000	16·4	5,504,704	8·3	48,769,767	73·0	231,713	·4	683,713	1·0	577,306	·8	66,767,203
1914	5,000,000	6,000,000	11,000,000	17·8	4,687,332	7·6	44,924,980	72·6	262,182	·4	464,206	·7	590,663	·9	61,929,363
1913	5,000,000	6,000,000	11,000,000	18·1	5,439,107	8·9	43,306,595	71·1	266,955	·4	417,735	·7	494,772	·8	60,925,164

ASSETS.

Nov. 30	Total Cash.		Deposit in Central Gold Reserve.		Investments.		Call and Short Loans.		Due by Other Banks.		Current Loans, Discounts, &c.		Customers' Liability for Acceptances.		Bank Premises.		Total Assets.
	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$
1919...	17,736,185	16·2	3,500,000	3·2	23,134,466	21·5	3,536,543	3·2	1,457,920	1·4	54,325,054	49·7	1,679,755	1·5	3,616,096	3·3	109,285,119
1918...	16,308,162	16·3	2,500,000	2·5	22,483,582	22·4	4,305,834	4·3	1,180,455	1·2	49,408,960	49·3	621,004	·6	3,400,000	3·4	100,207,997
1917...	13,419,888	15·9	2,500,000	3·0	17,265,153	20·5	2,158,412	2·5	2,332,775	2·8	42,576,049	50·5	530,757	·6	3,510,885	4·2	84,293,919
1916...	12,314,702	16·8	1,100,000	1·5	8,172,430	11·1	3,361,277	4·6	1,754,657	2·4	42,481,022	58·1	395,575	·5	3,534,892	5·0	73,114,555
1915...	11,341,193	17·0	—	—	3,379,677	5·1	2,607,124	3·9	3,078,783	4·6	42,334,604	63·4	683,713	1·0	3,342,109	5·0	66,767,203
1914...	10,544,699	17·0	—	—	901,487	1·5	2,171,419	3·5	1,628,040	2·6	43,106,127	69·6	464,206	·8	3,113,385	5·0	61,929,363
1913...	9,413,484	15·5	—	—	1,054,349	1·8	1,784,841	3·0	1,571,562	2·4	43,919,294	72·1	417,735	·7	2,763,899	4·5	60,925,164

* Per cent. of Total Liabilities or Assets.

appear to be doing their share towards financing the industry and trade of the country, and this, as has been pointed out elsewhere, at the lowest possible rates. It should be noticed that the total of cash and securities readily marketable amounts to more than fifty per cent. of the Bank's total liabilities to the public. The increase in the bank premises account, of $216,096, is due to the large number of premises acquired, both new branches and also in cases where the Bank was previously tenant.

Taking the profit and loss account, it will be seen that the net profit has reached the sum of $1,011,359, as against $844,402 for the year ended November 30, 1918. The profits declined somewhat during the War years, but have now reached their highest level. Out of this profit, $100,000 is reserved for Federal Tax, $25,000 is transferred to officers' pension fund, $18,000 is paid away in subscriptions, and $100,000 is written off bank premises account. The balance carried forward is about $170,000 more than last year. The quarterly dividend of three per cent. is maintained, making twelve per cent. per annum. The net profit is equal to 20.2 per cent. upon the paid-up capital—9.2 per cent. upon the total of capital and reserve.

Profits of the Bank of Toronto.

Year to Nov. 30	Net Profit.	Dividend. Amount.	Rate.	Balance.	Special Allocat'ns.	Carried Forward.
	$	$	%	$	$	$
1919 ...	1,011,359	600,000	12	511,359	243,000	793,833
1918 ...	844,402	550,000	11	294,402	224,085	625,624
1917 ...	802,920	550,000	11	252,920	205,604	555,306
1916 ...	730,954	550,000	11	180,954	112,347	507,990
1915 ...	663,074	550,000	11	113,074	76,503	439,382
1914 ...	829,539	600,000	12	229,539	134,000	402,811
1913 ...	850,694	600,000	12	250,694	120,000	307,272

	Capital and Reserved Funds.	Deposits.	Loans and Investments.	Assets.
	$	$	$	$
1857	439,148	263,100	1,103,078	1,268,413
1869	1,145,847	1,769,305	2,908,433	3,746,330
1879	2,754,136	2,629,346	5,431,060	6,411,307
1889	3,441,963	6,197,518	9,356,755	11,007,279
1899	3,915,445	11,560,474	13,984,561	17,247,630
1909	8,818,871	34,573,897	37,438,588	47,989,693
1914	11,402,810	44,924,980	45,939,033	61,929,363
1918	11,625,623	79,039,274	75,958,234	100,207,997
1919	11,793,983	86,712,997	81,048,649	109,285,118

Liabilities to the public on November 30, 1919, were $94,716,977. Assets were held against these in the following proportions:—Cash, nineteen per cent.; central gold reserves, four per cent.; investments, twenty-five per cent.; call and short loans, four per cent.; current loans, fifty-seven per cent.

BANQUE D'HOCHELAGA.

Head Office: Montreal.

Capital—

Authorised	$10,000,000
Subscribed and Paid up. 40,000 Shares of $100 each	4,000,000

THE Banque d'Hochelaga was formed in 1874 and operates chiefly among French-Canadians in the East, especially in the province of Quebec. It has its head office, as well as many other offices, in Montreal. Lately, however, the Bank has increased its connections further West, and has now quite a number of offices in Ontario, Manitoba, Alberta and Saskatchewan. It has correspondents in various parts of the world, including three of the principal banks of Paris.

Since its formation the accounts have always shown steady progress. In 1901 the paid-up capital was $1,500,000 and the reserve fund $770,000. To-day the paid-up capital is $4 million and the reserve fund no less than $3,900,000.

Comparing the figures in the balance sheet dated November 29, 1919, with those of the previous statement, we find that during the year the notes in circulation have increased by nearly $700,000, there being also an increase of $300,000 in the deposit in central gold reserve. The total of deposits shows an increase of over $13½ million, to $54,875,297. In 1913 the deposits only amounted to $20,291,047. Acceptances under letters of credit form a comparatively small amount.

On the assets side we find that the total of coin and notes has risen from $5,100,883 to $5,696,229. The liquid resources of the Bank are largely enhanced, as there is also an increase of about $3 million in call and short loans, and the total of these loans, together with the cash, is equal to about twenty-two per cent. of the Bank's liabilities in the shape of deposits and notes.

The year's business resulted in a net profit of $611,105, equal to 15.3 per cent. on the paid-up capital

Liabilities and Assets of The Banque d'Hochelaga.

LIABILITIES.

Nov. 30	Capital Paid up.	Rest.	Capital and Reserve.		Notes in Circulation.		Deposits, &c.		Due to Other Banks.		Acceptances.		Undivided Profits.		Total Liabilities.
	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$
1919 ...	4,000,000	3,700,000	7,700,000	11·1	7,734,921	11·1	51,875,297	76·7	509,764	·7	150,787	·2	169,035	·2	71,517,807
1918 ...	4,000,000	3,850,000	7,850,000	13·7	7,258,049	12·7	41,538,809	72·5	344,142	·6	89,855	·2	155,141	·3	56,985,996
1917 ...	4,000,000	3,700,000	7,700,000	15·0	6,111,742	11·9	37,229,393	72·3	246,908	·5	36,217	·1	137,087	·2	51,429,047
1916 ...	4,000,000	3,700,000	7,700,000	18·4	4,154,332	9·9	29,580,540	70·7	234,728	·6	54,331	·1	137,547	·3	41,861,528
1915 ...	4,000,000	3,700,000	7,700,000	22·3	3,321,402	9·7	22,423,936	65·4	337,303	1·1	49,011	·1	134,322	·4	34,515,874
1914 ...	4,000,000	3,700,000	7,700,000	23·1	3,319,072	10·0	21,293,483	63·9	797,990	2·4	76,959	·2	135,886	·4	33,323,390
1913 ...	4,000,000	3,625,000	7,625,000	23·9	3,213,616	10·1	20,291,047	63·6	737,486	2·3	—	—	27,561	·1	31,894,710

ASSETS.

Nov. 30	Cash and Notes, &c.		Deposit in Central Gold Reserve.		Investments.		Call and Short Loans.		Due by Other Banks.		Loans, Discounts, &c.		Custrs.' Liab. for Acceptances.		Bank Premises, &c.		Total Assets.
	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$
1919...	8,786,090	12·3	3,600,000	4·9	15,279,152	21·4	5,556,712	7·8	685,008	1·0	35,440,005	49·5	150,787	·2	2,273,095	·2	71,517,807
1918...	7,581,089	13·3	3,300,000	5·8	13,272,118	23·3	2,397,372	4·2	1,434,983	2·5	26,798,189	47·0	89,855	·2	2,112,390	3·7	56,985,996
1917...	7,238,678	14·1	2,000,000	3·9	10,511,018	20·4	1,632,408	3·3	952,325	1·8	27,389,143	53·2	36,217	·1	1,619,258	3·2	51,429,047
1916...	5,900,551	14·1	700,000	1·7	4,878,426	11·7	1,686,054	4·0	2,641,133	6·3	24,443,630	58·3	54,341	·1	1,557,403	3·8	41,861,528
1915...	4,448,720	12·9	—	—	2,651,376	7·7	1,644,600	4·8	861,902	2·5	23,405,311	67·8	49,011	·1	1,412,951	4·1	34,515,874
1914...	4,893,489	14·7	—	—	2,426,271	7·3	340,078	1·0	490,672	1·5	23,896,445	71·7	76,959	·2	1,199,476	3·6	33,323,390
1913...	4,696,797	14·7	—	—	2,639,639	8·3	595,273	1·9	1,070,095	3·4	21,919,522	68·7	—	—	973,384	3·0	31,894,710

* Per cent. of Total Liabilities or Assets.

and to 7.7 per cent. on the total amount of capital and reserve.

Profits of the Banque d'Hochelaga.

Year to Nov. 30	Net Profit.	Dividends. Amount.	Rate.	Balance.	Special Allocations.	Carried Forward
	$	$	%	$	$	$
1919* ...	611,105	360,000	9	251,105	175,000	76,064
1918 ...	595,188	360,000	9	235,188	217,250	62,959
1917 ...	565,433	360,000	9	205,433	203,123	45,021
1916 ...	546,012	360,000	9	186,012	183,923	42,711
1915 ...	530,237	360,000	9	170,237	170,701	40,622
1914 ...	566,614	360,000	9	206,614	191,000	43,176
1913 ...	534,700	270,000	9	264,700	269,862	27,562

* November 29.

The dividend, paid quarterly, is at the rate of nine per cent. per annum, as it has been now for several years. Out of the net profit, $8,000 has been parted with for subscriptions and $20,000 carried to officers' pension fund. $100,000 has been carried to the general reserve and $50,000 reserved for bank premises. The amount carried forward is $76,064, which compares favourably with the $62,959 brought forward from last year.

BANQUE NATIONALE.

Head Office: Quebec.

Capital—

Authorised	$5,000,000
Subscribed and Paid up, 20,000 Shares of $100 each	2,000,000

La Banque Nationale is one of the oldest institutions in Canada, having been established in 1860, but it is only since 1895 that its accounts have begun to assume their present magnitude. Up to that year the capital was $1,200,000, and there was no reserve fund. The Bank is, as its name indicates, French Canadian, and is still under the same management that controlled it in 1895. It has 309 branches and agencies in Canada, of which four are in Ontario and the remainder in the Province of Quebec, and it has a branch in Paris. It is worthy of note that, out of the large increase in the amount of deposits during the year under review, no less than $3,372,904 can be attributed to the Paris branch. This is traceable to both Canadian and Paris depositors, the former hoping to benefit by the French exchange rate.

The last general statement is for the year to April 30, 1920, and shows a net profit of $567,372. The net profit in 1913 was $302,304, and in 1895 only $122,239. The directors, in their report, state that "the Bank has had the most prosperous year of its existence," and they (the directors) "are in a position and are justified in proposing to pay future dividends on a twelve per cent. basis." Quarterly dividends at the rate of ten per cent. per annum are paid for the year under review, and ample amounts are set aside—namely, $100,000 to general reserve, $100,000 for depreciation on securities, $50,000 for bank premises, and $15,000 for fixtures, while $25,000 is contributed to the pension fund.

The net profit is equal to 28.4 per cent. on the combined amount of capital and reserve. The latter now stands at $2,000,000.

Profits of the Banque Nationale (Canada).

Year to April 30	Net Profit.	Dividends. Amt.	Rate.	Balance.	Special Allocations.	Carried Forward
	$	$	%	$	$	$
1920 ...	567,372	200,000	10	367,372	341,892	74,536
1919 ...	503,450	180,000	9	323,450	340,000	48,699
1918 ...	435,283	180,000	9	255,283	240,000	35,249
1917 ...	417,623	160,000	8	257,623	252,500	59,966
1916 ...	341,903	160,000	8	181,903	174,167	54,843
1915 ...	313,207	160,000	8	153,207	167,500	48,007
1914 ...	319,903	160,000	8	159,903	172,000	62,360

From the balance sheet we find that deposits have increased by over $16 million to $57,930,607. The total represented by coin, notes, and cheques on other banks is up about $2 million, as is also the investments and the call and short loans. Current loans and discounts have increased from $26,057,464 to $37,910,837. Liabilities to the public amount to $64,089,167, against which assets are set to approximate proportions as follows:—cash, twelve per cent.; central gold reserve, five per cent.; investments, eighteen per cent.; total loans and discounts, sixty-seven per cent.

CANADIAN BANK OF COMMERCE.

Head Office: Toronto.
London Office: 2 Lombard Street, E.C. 3.

Capital—

Authorised	$25,000,000
Subscribed, 150,000 Shares, $100 each ...	15,000,000
Paid up	15,000,000

The Canadian Bank of Commerce was incorporated by Act of Parliament in 1858 as the Bank of Canada. It was only, however, in 1867, that business was commenced at Toronto, the original charter having been sold in the previous year to another company. The present undertaking was then incorporated under its existing title, with the head office at Toronto, and three branches in Ontario. The number of offices on November 29, 1919, was 508, of which thirty-three were sub-agencies. Throughout the War, the Canadian banks, by mutual consent, abstained from the opening of new branches, but there has since been great activity in this respect, and the Canadian Bank of Commerce has been no exception. During its last financial year a large number of branches were added, its policy being influenced in this matter by two considerations—the providing of banking facilities in places where such are required, and the protection of business already acquired in a particular locality.

During 1920 the Bank has become associated, together with other influential banking institutions, in the organisation of the First Federal Foreign Banking Association. This is the first bank to be formed in the United States under the Edge Law, which authorises it to extend credit facilities for export and import trade. The Canadian Bank of Commerce is thus in working partnership with an American banking corporation, formed primarily for the development of foreign banking business. This is only part of a general tendency on the part of Canadian bankers to extend greatly their banking activities abroad.

Liabilities and Assets of La Banque Nationale.

LIABILITIES.	Capital Paid up.	Reserve.	Capital and Reserve.		Notes in Circulation.		Deposits.		Bills Payable.		Due to Other Banks.		Acceptances.		Undivided Profits.		Total Liabilities.
April 30	$	$	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$
1920 ...	2,000,000	2,000,000	4,000,000	6·3	5,660,060	8·2	57,93[illegible]	84·3	549,500	·8	165,020	·2	—	—	1[illegible]	·2	68,075,366
1919 ...	2,000,000	2,000,000	4,000,000	8·3	4,962,855	9·9	41,152,454	81·6	—	—	21,780	—	2[illegible]	—	9[illegible]	·2	[illegible]
1918 ...	2,000,000	2,100,000	4,100,000	10·0	4,260,980	10·3	32,647,591	79·3	—	—	51,647	·1	43,430	—	81,531	·2	41,185,179
1917 ...	2,000,000	2,000,000	4,000,000	13·9	3,551,356	9·8	27,418,301	75·5	1,200,000	3·3	54,316	·1	49,965	·1	100,710	·3	36,396,248
1916 ...	2,000,000	1,300,000	3,300,000	13·1	3,239,165	10·9	22,300,305	74·7	—	—	290,859	1·0	—	—	69,959	·3	[illegible]
1915 ...	2,000,000	1,800,000	3,800,000	14·1	3,140,995	11·6	19,433,064	71·8	—	—	380,112	2·2	—	—	88,709	·3	27,051,790
1914 ...	2,000,000	1,700,000	3,700,000	14·3	2,670,550	10·3	18,719,984	72·0	—	—	789,304	3·0	—	—	103,311	·4	25,983,239

ASSETS.	Total Cash.—		Deposit in Central Gold Reserve.		Investments.		Call and Short Loans.		Due by Other Banks.		Loans, Discounts, &c.—		Acceptances.—		Bank Premises, &c.		Total Assets.
April 30	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$
1920 ...	7,866,328	11·4	3,300,000	4·8	11,616,265	17·0	5,309,849	7·7	1,089,576	1·6	37,91[illegible]	55·2	—	—	5[illegible]	2·3	68,[illegible]
1919 ...	5,782,447	11·5	3,300,000	6·5	9,886,984	19·6	3,249,759	6·5	863,859	1·7	26,[illegible]	51·6	[illegible]	[illegible]	[illegible]	2·6	50,433,539
1918 ...	4,120,894	10·0	1,700,000	4·1	7,047,433	17·1	2,235,169	5·5	382,377	·9	24,495,395	59·5	43,430	—	1,170,[illegible]	2·9	41,195,179
1917 ...	3,782,869	10·3	1,200,000	3·3	5,699,058	15·6	2,406,783	6·7	648,672	1·8	21,650,954	59·1	50,965	·1	1,137,847	3·1	36,[illegible]248
1916 ...	3,215,151	10·8	800,000	2·6	2,975,606	10·0	2,508,969	8·5	589,334	2·0	18,6[illegible]	62·7	—	—	1,0[illegible]	3·4	29,737,976
1915 ...	2,436,907	9·0	1,100,000	4·1	2,189,047	8·1	3,019,727	11·1	537,173	1·9	16,825,701	62·2	—	—	943,255	3·6	27,051,790
1914 ...	2,515,404	9·7	700,000	2·7	2,035,033	7·8	3,184,543	12·1	356,507	1·4	16,440,[illegible]	63·3	—	—	781,742	3·0	25,983,239

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Canadian Bank of Commerce.

LIABILITIES. Nov. 30	Capital Paid-up. $	Rest. $	Capital and Reserve. $	% *	Notes in Circulation. $	% *	Deposits, etc. $	% *	Bills Payable. $	% *	Acceptances, etc. $	% *	Due to other Banks. $	% *	Undivided Profits. $	% *	Total Liabilities. $
1919†	15,000,000	15,000,000	30,000,000	6·2	30,047,660	6·3	393,605,156	82·1	441,181	·1	11,886,446	3·1	8,802,925	1·8	1,881,738	·4	479,644,206
1918...	15,000,000	15,000,000	30,000,000	6·8	21,683,695	7·2	353,158,816	80·2	118,347	—	13,048,927	3·0	10,426,699	2·4	1,974,219	·4	440,310,703
1917 ...	15,000,000	13,500,000	28,500,000	8·3	24,993,245	7·0	276,435,855	80·3	120 857	·1	5,597,665	1·6	7,876,068	2·2	1,859,743	·5	344,375,233
1916 ...	15,000,000	13,500,000	28,500,000	9·9	19,259,348	6·7	229,896,152	79·8	2,186,337	·7	2,092,640	·7	5,163,300	1·8	1,329,403	·4	288,427,580
1915 ...	15,000,000	13,500,000	28,500,000	11·3	16,397,907	6·6	194,523,079	77·7	1,501,443	·6	1,458,399	·6	7,051,406	2·8	989,606	·4	250,421,840
1914 ...	15,000,000	13,500,000	28,500,000	11·6	14,943,553	6·1	181,511,541	74·0	3,924,161	1·6	2,746,016	1·1	12,097,369	4·9	1,642,763	·7	245,364,398
1913 ...	15,000,000	13,500,000	28,500,000	10·9	15,642,923	6·0	192,816,382	74·1	9,515,788	3·7	1,941,544	·8	10,704,554	4·1	909,530	·4	260,030,721

ASSETS. Nov. 30	Total Cash. $	% *	Deposit in Central Gold Reserve. $	% *	Investments. $	% *	Call and Short Loans. $	% *	Due by other Banks. $	% *	Loans, Discounts, &c. $	% *	Custrs.'Liab. for Acceptances. $	% *	Bank Premises, &c. $	% *	Total Assets. $
1919†	63,667,643	13·3	16,500,000	3·4	82,666,708	17·2	45,609,714	9·5	10,589 868	2·2	239,817,384	50·0	14,866,446	3·1	5,930,443	1·3	479,641,206
1918...	62,165,994	14·2	17,500,000	4·0	72,067,541	16·4	41,862,050	9·5	8,267,288	1·9	219,605,088	49·8	13,048,927	3·0	5,493,815	1·2	440,310,703
1917...	58,587,885	17·0	10,000,000	2·9	55,884,015	16·2	33,537,766	9·8	8,496,104	2·5	167,070,134	48·5	5,597,665	1·6	5,201,664	1·5	344,375,233
1916...	51,589,465	17·9	6,000,000	2·1	27,875,334	9·7	35,866,469	12·4	7,303,188	2·5	152,834,122	53·0	2,092,640	·7	4,966,362	1·7	288,427,580
1915...	49,432,167	19·3	—	—	13,256,014	5·3	31,381,850	12·5	6,319,866	2·5	143,766,461	57·4	1,458,399	·6	4,807,083	1·9	250,421,840
1914...	37,554,493	15·4	—	—	21,191,247	8·6	27,677,386	11·3	5,799,886	2·3	145,616,892	59·3	2,746,016	1·1	4,778,478	2·0	245,364,398
1913...	39,940,311	15·4	—	—	23,957,819	9·2	25,764,911	9·9	6,906,776	2·6	157,216,467	60·4	1,941,544	·8	4,302,893	1·7	260,030,721

* Per cent. of Total Liabilities or Assets. † November 29.

The report for the year ending November 29, 1919, shows that the Bank has made a new record in both profits and total assets. The net profits shown, after making ample provision for all doubtful items in the assets, are $3,074,000. This is an increase of $224,000 over the figures of the previous year, equal to 7.9 per cent., but the assets themselves have increased by 8.9 per cent. Rates of interest in Canada have not been raised in common with other costs, and consequently the earning power of assets is not always so great as formerly. The net profit is equal to 20.5 per cent. upon the paid-up capital, and to 10.2 per cent. upon the combined amount of capital and reserve. The latter is equal in amount to the capital, at $15 million, having been raised from its 1917 figure of $13,500,000. A quarterly dividend at the rate of twelve per cent. per annum was paid, and $120,000 was transferred to the pension fund. $22,000 was set aside for various subscriptions, $250,000 was written off bank premises account, and a sum of $750,000 was reserved to adjust British and foreign investments on existing exchange rates. To the three per cent. quarterly dividend due on the 1st instant a bonus of one per cent. has been added.

Profits of the Canadian Bank of Commerce.

Year to Nov. 30	Net Profit. $	Dividend.—Amount. $	%	Balance. $	Special Allocatn's. $	Carried Forward. $
1919 ...	3,074,893	1,800,000	12	1,274,893	1,292,000	1,427,735
1918 ...	3,850,318*	1,800,000	12	1,050,318	1,937,530	1,444,842
1917 ...	2,637,555	1,800,000	12	837,555	307,800	1,332,074
1916 ...	2,439,415	1,800,000	12	639,415	298,988	802,319
1915 ...	2,352,036	1,800,000	12	552,036	1,207,907	461,893
1914 ...	2,668,233	1,800,000	12	868,233	135,000	1,117,763

* Includes $1,000,000 recovered from over-appropriation.

Taking the balance sheet and comparing it with the previous year's (November 30, 1918), the increase of $40,446,000 in the deposits is the most noticeable item. The note circulation has decreased, for the first time since the commencement of the war, by $1,536,000 to $30,047,659. The increase in the use of letters of credit is an indication of a revival of foreign trade, following the end of the War.

The total assets have increased from $440,310,703 to $479,644,205. Cash in hand shows an increase of $1,390,000. As a result of the decreased note circulation, central gold reserves are down $1 million. Investments have increased by more than $10 million, to over $82 million. Call and short loans are up nearly $4 million, and other current loans and discounts are up from $218,748,977 to over $238 million.

Liabilities to the public amount to $424,093,995, and assets are held in the following approximate proportions:—Cash, notes and cheques eighteen per cent.; investments, nineteen per cent.; call and short loans, eleven per cent.; other loans, fifty-six per cent.

DOMINION BANK.

Head Office: Toronto, Canada.
London Office: 73 Cornhill, E.C. 3.

Capital—

Authorised	$10,000,000
Subscribed	6,000,000
Paid up	6,000,000

The Dominion Bank commenced business in 1871, though its charter had received the Royal Assent as early as June 22, 1869. The first report, in 1872, showed a profit of $107,488, which justified a dividend at the rate of eight per cent. per annum. In 1875 the paid-up capital was $970,250, and the reserve fund stood at $225,000. Since 1914 both paid-up capital and reserve have stood at their present figures, viz., $6 million and $7 million respectively; but the net profits, while showing, in common with those of other Canadian banks, some falling-off during war years, are now steadily on the increase, and for 1919 amounted to $1,169,703, as compared with $950,402 for 1913. The total deposits have nearly doubled since 1914, and the total assets have reached the huge figure of over $143 million, as compared with $80,457,109 in 1914.

The Bank now has 115 branches; in 1900 it had only twenty-two. Most of these are in Ontario, but there are also offices in Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia, and there is a London office in Cornhill. Seventeen new branches were opened in 1919, in districts far apart, and an important extension of operations was marked by the opening of an agency of the Bank in New York in March 1919. In consequence of these extensions, bank premises account showed an increase of about $250,000 at December 31, 1919, as compared with the previous year, but $300,000—a larger amount than in any previous year—has been written off this account out of the year's profits.

Early in 1919, reciprocal relations with the British Overseas Bank, Limited, were established, and this should prove of great advantage in connection with the Bank's foreign business.

Turning to the balance sheet for December 31, 1919, we find that total deposits due to the public have for the first time passed $100 million, and stand at $111,414,057. They would have shown a greater increase during 1919 than in any two previous years had not the Government Finance Department disbursed a large amount (transferred to the credit of the Dominion Government at Ottawa branch) in payments on the 1919 Victory Loan. During the year, the notes in circulation have dropped from $9,858,533 to $9,525,809, and there is a decline of $500,000 in the deposit with central gold reserves. The bills payable have increased from $86,520 to $197,533, and there is a big rise in the acceptances under letters of credit, from $305,617 to $1,168,405, set off on the other side of the balance sheet by the customers' liability thereon. On the assets side, the total represented by coin, notes, and cheques on other banks shows an increase of nearly $4,400,000. The total cash assets of the Bank represent nearly twenty-five per cent. of the Bank's public liabilities, and if we also add the Bank's investments, and call and short loans, a total of about $70 million results, which is equal to fifty-four per cent. of the public liabilities. Both call and short loans and current loans and discounts show an increase during the year, the total advance under this head being nearly $7 million.

At the last annual meeting the general manager stated that at no period of the Bank's history had the commercial loans been in as satisfactory or liquid a position as they were then, but it was intended to

BRANCHES OF THE NATIONAL CITY BANK

ARGENTINA
Buenos Aires
Rosario
BRAZIL
Bahia
Pernambuco
Porto Alegre
Rio de Janeiro
Santos
Sao Paulo
BELGIUM
Antwerp
Brussels
CHILE
Santiago
Valparaiso
COLOMBIA
Barranquilla
Bogota
Medellin
CUBA
(Total of 28 Cuban branches)
ENGLAND
London, West End Branch
ITALY
Genoa
PERU
Lima
PORTO RICO
Ponce
San Juan
RUSSIA
Moscow
Petrograd
(Temporarily Closed)
SOUTH AFRICA
Cape Town
SPAIN
Barcelona
Madrid
TRINIDAD
Port of Spain
URUGUAY
Montevideo
VENEZUELA
Caracas
Ciudad Bolivar
Maracaibo

BRANCHES OF THE INTERNATIONAL BANKING CORPORATION

CALIFORNIA
San Francisco
CHINA
Canton
Harbin
Hankow
Hongkong
Peking
Shanghai
Tientsin
Tsingtau
ENGLAND
London
FRANCE
Lyons
INDIA
Bombay
Calcutta
Rangoon
JAPAN
Kobe
Yokohama
JAVA
Batavia
Soerabaya
DOMINICAN REPUBLIC
Barahona
Puerto Plata
Santiago
San Pedro de Macoris
Santiago de los Caballeros
Santo Domingo City
PHILIPPINE ISLANDS
Cebu
Manila
REPUBLIC OF PANAMA
Colon
Panama
STRAITS SETTLEMENTS
Singapore

The National City Bank of New York
and Branches

Statement of Condition June 30th, 1920

RESOURCES

Cash on Hand, in Federal Reserve Bank, due from Banks, Bankers and United States Treasurer	$305,405,185.26	
Acceptances of Other Banks	22,563,092.28	
United States Treasury Certificates	19,243,000.00	$347,211,277.54
Loans and Discounts	617,241,652.86	
United States Bonds, other Bonds and Securities	38,446,632.98	
Stock in Federal Reserve Bank	1,800,000.00	657,488,285.84
Banking House		5,000,000.00
Due from Branches		3,027,919.94
Customers' Liability Account of Acceptances		60,852,979.74
Other Assets		3,774,115.67
		$1,077,354,578.73

LIABILITIES

Capital, Surplus and Undivided Profits	$83,834,920.74
Deposits	799,489,831.27
Reserved for Taxes and Interest Accrued	3,864,162.70
Unearned Discount	3,300,693.43
Circulation	1,362,930.00
Due to Federal Reserve Bank	83,602,630.80
Other Bank Acceptances and Foreign Bills sold with our Endorsement	31,691,812.77
Acceptances, Cash Letters of Credit and Travelers' Checks	64,348,047.26
Bonds Borrowed	3,333,200.00
Other Liabilities	2,526,349.76
	$1,077,354,578.73

International Banking Corporation

Owned by The National City Bank of New York

Head Office: New York

London Office: 36 Bishopsgate, E. C. 2

Capital and Surplus - - - $10,000,000

OUR Eastern and Caribbean branches do a general banking and exchange business. With ample resources, and an experienced staff they offer and are prepared to give exceptional service of an international character to importers, exporters, merchants and manufacturers having or desiring to develop business overseas.

The National City Company
American Investment Securities

THE NATIONAL CITY COMPANY, an affiliate of The National City Bank of New York and of the International Banking Corporation, offers through its London Office to British Bankers, Brokers and others the facilities of its entire international organization for executing the purchase or sale of investment securities issued or to be issued in the United States.

These facilities include those of its more than fifty offices located in the principal commercial and financial centres of the United States, many of which are connected by about 10,000 miles of private telegraph wires with the main office, 55 Wall Street, New York, N. Y.

Correspondence is invited from Bankers contemplating the placing of new issues of securities in the United States or the sale of blocks of issues already outstanding.

London Office



4, London Wall Buildings London, E. C. 2

Liabilities and Assets of the Dominion Bank.

LIABILITIES.	Capital Paid up.	Rest.	Capital and Reserve.	Notes in Circulation.	Deposits &c.	Acceptances	Bills Payable	Due to Other Banks	Undivided Profits.	Total Liabilities.
Dec. 31	$	$	$	$ %	$ %	$ %	$ %	$ %	$ %	$
1920† ...	6,000,000	7,000,000	13,000,000	9·3	110,700,615 79·0	2,921,123 1·9	582,180 ·4	2,579,558 1·8	385,418 ·6	140,164,643
1919 ...	6,000,000	7,000,000	13,000,000	9·1	81·6	1,[illegible] ·8	197,535 ·1	1,352,768 1·3	739,796 ·5	143,501,920
1918 ...	6,000,000	7,000,000	13,000,000	9·7	80·5	305,617 ·2	86,520 ·1	2,134,559 1·6	630,193 ·5	133,506,275
1917 ...	6,000,000	7,000,000	13,000,000	11·9	9,417,684 8·6	84,163,705 76·9	362,561 ·3	283,352 ·2	1,684,211 1·6	574,632 ·5	109,436,145
1916 ...	6,000,000	7,000,000	13,000,000	14·0	7,118,232 7·7	70,773,847 76·2	[illegible] ·3	138,912 ·1	984,272 1·1	544,382 ·6	92,866,092
1915 ...	6,000,000	7,000,000	13,000,000	14·9	4,495,666 5·7	66,232,854 75·7	1,215,563 1·5	47,552 —	1,458,218 1·6	525,489 ·6	87,475,127
1914 ...	6,000,000	7,000,000	13,000,000	16·2	4,143,040 5·1	58,299,300 72·5	[illegible] ·5	9,000 —	3,955,208 5·0	584,287 ·7	80,457,109
1913 ...	5,811,345	6,811,345	12,622,690	15·7	4,637,890 5·8	59,477,280 74·4	931,915 1·1	184,717 ·2	1,323,682 1·6	935,258 1·2	80,506,462

ASSETS.	Cash on Hand.	Deposit with Central Reserve.	Investments.	Call and Short Loans.	Due by other Banks.	Discounts &c.	Liab. for Current Loans. Acceptances	Bank Premises.	Total Assets.
Dec. 31	$ %	$ %	$ %	$ %	$ %	$ %	$ %	$ %	$
1920†	21,914,897 15·6	[illegible] 2·9	18,248,142 13·0	14,220,249 10·1	2,682,704 1·9	70,749,815 50·5	2,924,123 1·9	5,735,08[illegible] 4·1	140,164,643
1919	25,811,238 18·0	4,100,000 2·8	24,120,722 16·8	14,051,519 9·8	1,991,901 1·4	66,853,355 46·6	1,168,105 ·8	5,407,180 3·8	143,501,920
1918	21,446,797 16·1	[illegible] 3·5	[illegible] 19·0	9,678,204 7·2	2,451,184 1·8	61,520,365 48·3	[illegible] ·2	5,151,444 3·9	133,506,275
1917	20,894,869 19·1	4,300,000 3·9	22,691,227 20·7	7,632,091 7·0	2,142,266 2·0	46,081,551 42·1	362,561 ·3	5,331,580 4·9	109,436,145
1916	15,810,887 16·7	1,500,000 1·7	12,297,421 13·2	5,577,404 6·0	2,740,184 3·0	49,437,959 53·2	307,047 ·3	5,495,790 5·9	92,866,092
1915	17,095,242 19·5	— —	6,560,115 7·5	6,166,360 7·0	2,829,383 3·2	47,976,938 51·9	1,215,563 1·5	5,622,226 6·4	87,475,127
1914	13,699,441 17·0	— —	5,800,313 7·2	6,168,[illegible] 7·6	1,644,034 2·4	47,608,673 59·1	465,674 ·5	5,070,651 6.3	80,457,109
1913	13,856,751 17·3	500,000 ·6	6,237,532 7·8	4,899,463 6·1	1,609,130 2·0	48,946,445 60·8	931,915 1·1	3,525,226 4·4	80,506,462

• Per cent of Total Liabilities or Assets. † June 30.

continue the policy of making ample provision for any possible cases of weakness.

The year's net profit, after paying $86,350 in taxes, amounted to $1,169,703. This is equal to 19.5 per cent. on the paid-up capital and to 8.9 per cent. upon the combined amount of capital and reserve. The shareholders received a quarterly dividend amounting to twelve per cent. per annum, and, further, a bonus of one per cent. $30,000 was contributed to officers' pension fund, and contributions to patriotic and other funds amounted to $10,500. The balance carried forward was $495,707, against $446,503 brought forward from the previous year.

Profits of the Dominion Bank.

Year to Dec. 31	Net Profit. $	Dividends.—Amount. $	Rate %	Balance. $	Special Allocations. $	Carried Forward. $
1920* ...	566,229†	360,000	12†	206,229	—	701,936
1919 ...	1,149,704	780,000	13	389,704	340,500	495,707
1918 ...	1,086,498	720,000	12	366,498	313,000	446,503
1917 ...	1,005,062	720,000	12	285,062	255,500	393,005
1916 ...	893,502	720,000	12	173,502	154,500	363,443
1915 ...	805,123	720,000	12	85,123	25,000	344,440
1914 ...	925,365	835,236	14	90,129	400,000	284,317
1913 ...	950,403	765,823	14	184,580	225,000	647,689

* Half-year to [illegible]. † At rate of.
‡ After deducting [illegible] taxes.

On June 30 a statement covering the previous six months is published. Comparing the figures this year with those of the previous December, we find that the notes in circulation have risen once more, but there is a further reduction of $100,000 in the deposit with central gold reserves. The total of deposits shows a drop of nearly $6 million. Acceptances and bills payable both register substantial increases. Both the cash and the investment totals are lower, while loans, both short and call, and current, have increased in amount. This seems to indicate that the Bank is making use of some of its more liquid resources to finance the trade of the country. The total of the assets is about $3 million less, but more than $16 million over the amount on June 30, 1919.

IMPERIAL BANK OF CANADA.

Head Office: Toronto.

Capital—

Authorised	$10,000,000
Subscribed and Paid up	7,000,000

FORMED in 1875, the Imperial Bank of Canada is not among the oldest banks of the Dominion. Its first report was issued in June 1876, and showed a paid-up capital of $804,884, a reserve of $25,000, and a note circulation of $310,902. In 1890 its paid-up capital had reached $1,500,000. Previous to the War in 1914 its capital stood at the present figure of $7 million, and there was a reserve fund of an equal amount. The latter to-day stands at $½ million more, or $7,500,000. In 1914 the note circulation was $4,762,347, and this, in harmony with the general expansion, stood on April 30, 1920, at $13,354,212. The deposits have also increased very largely, for in 1914 they were $58,238,854, while this year they amount to $97,784,217.

Most of the Bank's branches are in Ontario—Toronto is particularly well served—but there are also many offices in Alberta, Saskatchewan, Manitoba, and Quebec. Since the end of the War seventy-six branches have been added, of which forty-two have been opened during the last financial year. The general manager is able to report that satisfactory results are being obtained in this manner, as the branches were only opened at points where there was a fair prospect of reasonable returns.

The last statement of affairs covered the twelve months up to April 30, 1920. Comparing it with the previous statement, we find the note circulation has grown by about $1½ million, and there is an increase of $1 million in the deposit in central gold reserve. The deposits have increased from $83,198,234 to $97,784,217, in spite of the large amount withdrawn for investment in the 1919 Victory Loan. Against this increase of nearly $15 million, that in the previous year amounted to about $8 million.

There is a steady expansion in the total of the assets, which during the year under review have increased from $112,186,457 to $128,274,168, or by fourteen per cent. Total cash is at about the same figure as before, investments are about $3 million less at $18,152,934, while loans and discounts have advanced by about $14 million, call and short loans also being larger. This is a tendency noticeable in other Canadian banks, and goes to show that these institutions are doing their part in helping the production of the country. At the same time, the general manager states that there has been a most thorough examination of the assets, with what is believed to be full allowance for possible loss and contingencies. The increase in call loans is largely due to advances to enable subscribers to hold Victory Bonds; the increase in current loans is largely in respect of advances in connection with agriculture.

The President states that in spite of greater expenses, and though average interest rates obtained were not increased, there has been little difficulty in profitably employing the larger resources, and the profit has warranted the payment of a bonus in addition to the regular dividend.

The net profit of $1,379,318 is equal to 19.7 per cent. on the paid-up capital and to 9.5 per cent. on the total of paid-up capital and reserve. A quarterly dividend at the rate of twelve per cent. per annum is paid, and a bonus of one per cent. for the whole year. A special contribution of $100,000 is made to the pension fund, and $1,062,278 is carried forward, as compared with $865,459 in the previous year.

Profits of the Imperial Bank of Canada.

Year to April 30	Net Profit. $	Dividend. Amount. $	%	Balance. $	Special Allocations. $	Carried Forward. $
1920 ...	1,254,318	910,000	13	344,318	147,500	1,062,278
1919 ...	1,177,517	840,000	12	337,517	677,000	865,460
1918 ...	1,115,067	840,000	12	275,067	235,000	1,204,943
1917 ...	1,050,220	840,000	12	210,220	135,000	1,164,876
1916 ...	941,666	840,000	12	101,666	25,000	1,089,656
1915 ...	1,008,570	840,000	12	168,570	421,500	1,012,990
1914 ...	1,236,985	834,784	12	402,201	140,279	1,265,920

Liabilities and Assets of The Imperial Bank of Canada.

LIABILITIES.

April 30	Capital Paid up.	Rest.	Capital and Reserve.	%	Notes in Circulation.	%	Deposits, &c.	%	Acceptances, &c.	%	Due to Other Banks.	%	Undivided Profits.	%	Total Liabilities.
	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$
1920...	7,000,000	7,500,000	14,500,000	11·3	13,554,215	10·4	97,384,217	76·2	198,100	·4	765,041	·6	1,342,278	1·1	128,274,188
1919...	7,000,000	7,500,000	14,500,000	12·9	11,870,573	10·6	83,189,234	74·2	139,575	·1	1,192,465	1·2	1,075,460	·9	112,186,457
1918...	7,000,000	7,000,000	14,000,000	13·8	9,308,514	9·7	75,341,655	74·0	81,600	·1	1,098,109	1·0	1,414,231	1·4	101,817,909
1917...	7,000,000	7,000,000	14,000,000	15·4	7,656,944	8·5	66,199,281	72·9	57,600	·1	1,467,557	1·6	1,371,826	1·5	90,753,208
1916...	7,000,000	7,000,000	14,000,000	17·1	5,911,439	7·3	60,118,028	73·5	90,347	·1	378,688	·4	1,290,856	1·6	81,911,758
1915...	7,000,000	7,000,000	14,000,000	18·5	4,528,952	6·0	55,081,904	72·9	48,677	·1	688,125	·9	1,222,989	1·6	75,568,247
1914...	7,000,000	7,000,000	14,000,000	18·0	4,762,317	6·0	58,238,854	73·8	175,599	·2	210,656	·2	1,475,796	1·8	78,863,252

ASSETS.

April 30	Total Cash.	%	Deposit in Central Gold Reserves.	%	Investments.	%	Call and Short Loans.	%	Sums Due by Other Banks.	%	Loans, Discounts, &c.	%	Liability for Acceptances.	%	Bank Premises.	%	Total Assets.
	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$
1920...	17,327,217	13·5	7,000,000	5·5	18,152,934	14·2	5,739,097	4·5	5,138,868	4·2	69,462,348	54·1	498,400	·4	4,955,564	3·6	128,274,468
1919...	17,332,314	15·5	6,000,000	5·4	21,412,377	19·1	4,866,495	4·3	3,936,242	3·5	55,109,120	49·1	139,575	·1	3,390,334	3·0	112,186,457
1918...	17,008,265	16·7	3,500,000	3·4	19,943,075	19·6	2,450,027	2·4	7,639,196	7·5	48,110,772	47·3	81,600	·1	3,064,996	3·0	101,817,909
1917...	16,542,401	18·2	1,000,000	1·1	14,866,893	16·4	3,900,248	4·3	4,313,601	4·7	47,186,702	52·0	57,600	·1	2,908,085	3·2	90,775,728
1916...	12,869,624	15·7	—	—	19,751,582	13·1	4,131,372	5·0	8,881,804	10·8	42,565,083	52·0	90,347	·1	2,621,946	3·2	81,911,758
1915...	17,434,099	23·0	—	—	2,664,115	3·6	3,973,960	5·2	4,234,758	5·6	44,716,032	59·2	48,677	·1	2,496,606	3·3	75,568,247
1914...	16,098,510	20·4	—	—	2,440,867	3·1	4,050,811	5·2	7,863,799	9·9	46,000,169	58·3	175,599	·2	2,233,497	2·9	78,863,252

* Per cent. of Total Liabilities or Assets.

Liabilities to the public on April 30, 1920, were $112,431,890. Against these, assets were held in the following approximate proportions:—Coin, notes, and cheques on other banks, fifteen per cent.; deposit in central gold reserve, six per cent.; investments, sixteen per cent.; call and short loans, five per cent.; sums due by other banks, five per cent.; loans and discounts, sixty-two per cent.

MERCHANTS BANK OF CANADA.

Head Office: Montreal.

Capital—

Authorised	$15,000,000
Subscribed	10,149,600
Paid up	9,878,220

In 1864 the Merchants Bank of Canada was established, with a capital of $100,000. It has its head office at Montreal, and is represented in nearly every town of importance in the Dominion of Canada, besides having agents and correspondents all over the world. During the year ending April 30, 1920, sixty-five new branches have been opened, with a number of sub-agencies, and the results from these have fully justified their inauguration. In December 1919 an office was opened in London, and already good progress has been made in the building up of a London connection.

During the last financial year an issue of $1,400,000 of new stock was made and taken up by the shareholders at a premium of fifty per cent. This raised the paid-up capital to $8,400,000, and the reserve fund, which for some time had equalled the paid-up capital, continued to do so by the addition of the $700,000 premium received and a further $700,000 transferred from the profit and loss account.

A further issue of $2,100,000, in $100 shares at $150 per share, was announced in May last. The new stock was offered to the shareholders in the proportion of one share to each four shares already held, those taking them up benefiting to the extent of nearly $10 per share. There is a reserved liability of $100 per share on the capital.

The President stated at the annual shareholders' meeting that it had been deemed advisable during the year to liquefy to some extent the asset represented by bank premises account. This was done by turning over certain premises to a subsidiary company, the Merchants Realty Corporation, who issued bonds amounting to $4 million against the respective properties. The Bank still controls the property by holding all the stock of the Company.

The notes in circulation have increased, compared with the statement on April 30, 1919, by over $1,400,000 to $14,791,027. Deposits have increased from over $135 million to over $159 million. Bills payable, at $831,997, are nearly eight times their previous figure. Acceptances under letters of credit have increased from $464,153 to $2,117,441.

At $197,387,855, the assets exhibit an increase of over $30 million, or a larger sum than the total itself in 1900. The amount of coin and notes has not altered much, but cheques on other banks show an increase of $5 million. Securities are at about the same figure—$25 million—but both call and short loans and current loans and discounts show large increases, the former from $7,936,548 to $12,678,032, the latter from $95,874,426 to $116,786,405.

It should be noted that, although the subscriptions of the Bank's clientèle to Victory Loans exceeded over $41 million, most of which was a direct charge against the deposits, the latter have increased by nearly $25 million.

The dividend is now on a regular twelve per cent. per annum basis, paid quarterly, and, in addition, a bonus of one per cent. was paid, the net profit for the year—$1,080,156—warranting this. [illegible]

Liabilities and Assets of The Merchants Bank of Canada.

LIABILITIES.

April 30	Capital Paid up.	Rest.	Capital and Reserve.	%	Notes in Circulation.	%	Deposits, &c.	%	Acceptances, &c.	%	Due to Other Banks.	%	Undivided Profits.	%	Total Liabilities.
	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$
1920...	8,400,000	8,400,000	16,800,000	8·5	14,791,027	7·5	159,501,053	80·8	2,117,441	1·1	3,579,000	1·8	590,334	·3	[illegible]
1919...	7,000,000	7,000,000	14,000,000	8·4	13,470,035	8·0	135,457,508	81·2	464,153	·3	2,179,241	1·6	568,981	·5	166,725,405
1918...	7,000,000	7,000,000	14,000,000	9·9	12,227,168	8·8	110,855,735	78·7	598,581	·4	2,502,919	1·8	614,874	·4	140,937,545
1917...	7,000,000	7,000,000	14,000,000	11·6	9,483,468	7·8	92,102,072	76·0	411,842	·4	1,553,554	3·7	570,658	·5	121,121,594
1916...	7,000,000	7,000,000	14,000,000	14·5	7,486,206	7·8	72,177,029	74·9	1,021,709	1·1	1,241,149	1·3	426,997	·4	96,361,563
1915...	7,000,000	7,000,000	14,000,000	16·2	6,204,069	7·2	63,739,163	72·8	696,100	·8	2,146,281	2·5	426,851	·5	86,190,464
1914...	7,000,000	7,000,000	14,000,000	16·8	5,597,714	6·8	59,256,044	71·3	76,939	·1	3,566,721	4·5	424,226	·5	83,120,741

ASSETS.

April 30	Total Cash.	%	Deposits in Central Gold Reserve.	%	Investments.	%	Call and Short Loans.	%	Sums Due by Other Banks.	%	Current Loans, Discounts, &c.	%	Customers' Liability for Acceptances.	%	Bank Premises.	%	Total Assets.
	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$
1920...	24,865,798	12·6	7,500,000	3·8	25,640,123	13·0	12,678,032	6·4	2,015,506	1·0	119,287,755	60·4	2,117,441	1·1	3,385,131	1·7	197,489,825
1919...	20,420,210	12·2	7,000,000	4·2	25,563,678	15·2	7,936,548	4·8	2,029,737	1·2	95,874,426	58·6	464,153	·3	5,768,419	3·5	165,057,171
1918...	17,007,016	12·1	6,000,000	4·3	24,044,735	17·1	9,130,603	6·4	1,445,128	1·0	77,474,145	55·0	598,851	·4	5,197,054	3·7	140,897,545
1917...	18,885,425	15·6	3,500,000	2·9	19,089,955	15·7	8,089,284	6·6	2,476,961	2·1	63,933,578	52·7	411,842	·4	4,744,344	3·9	121,130,855
1916...	15,245,069	15·8	1,000,000	1·0	12,786,874	13·3	7,826,453	8·1	1,102,091	1·3	49,720,449	51·6	1,021,709	1·1	4,645,033	4·8	96,361,563
1915...	18,824,409	21·8	1,000,000	1·2	6,455,861	7·5	4,570,536	5·3	2,235,566	2·6	48,100,037	55·8	696,100	·8	4,307,955	5·0	86,190,464
1914...	11,651,914	14·0	—	—	5,289,080	6·4	6,889,959	8·3	1,092,451	1·3	54,265,705	65·3	76,939	·1	3,854,793	4·6	83,120,741

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Molsons Bank.

LIABILITIES. Sept. 30	Capital Paid up.	Rest.	Capital and Reserve.		Notes in Circulation.		Deposits, &c.		Acceptances.		Balances Due to Govt. & Other Banks.		Undivided Profits.		Total Liabilities.
	$	$	$	% *	$	% *	$	% *	$	% *	$	% *	$	% *	$
1919 ...	4,000,000	5,000,000	9,000,000	9·5	7,015,344	7·4	63,810,845	67·6	5,910	—	14,283,166†	15·1	397,807	·5	94,513,102
1918 ...	4,000,000	4,800,000	8,800,000	11·3	7,796,679	10·0	52,158,786	67·2	194,238	·3	8,329,021†	10·7	359,305	·5	77,638,029
1917 ...	4,000,000	4,800,000	8,800,000	13·4	6,653,453	10·1	48,451,243	73·7	1,068,945	1·6	543,734	·8	262,844	·4	65,780,219
1916 ...	4,000,000	4,800,000	8,800,000	16·7	4,804,730	8·0	45,764,069	76·1	251,076	·4	284,284	·4	237,946	·4	60,142,105
1915 ...	4,000,000	4,800,000	8,800,000	16·9	3,519,155	6·8	38,909,877	74·8	166,290	·3	442,133	·9	172,095	·3	52,009,550
1914 ...	4,000,000	4,800,000	8,800,000	17·5	3,925,160	7·8	37,018,387	73·5	48,670	·1	420,558	·8	177,569	·3	50,390,344
1913 ...	4,000,000	4,800,000	8,800,000	17·5	3,933,360	7·8	37,067,396	73·5	101,910	·2	289,054	·6	192,549	·4	50,384,269

ASSETS. Sept. 30	Cash and Dom. Notes.		Deposit in Central Gold Reserves		Investments.		Call and Short Loans.		Sums Due by Other Banks.		Loans, Discounts, &c.		Custrs.' Liab. for Acceptances.		Bank Premises, &c.		Total Assets.
	$	% *	$	% *	$	% *	$	% *	$	% *	$	% *	$	% *	$	% *	$
1919	10,797,035	11·4	2,500,000	2·6	24,308,178	25·8	7,618,188	8·1	2,161,637	2·3	44,507,124	47·1	5,940	—	2,525,000	2·7	94,513,102
1918	10,812,746	13·9	3,000,000	3·9	17,924,987	23·1	4,148,353	5·3	2,483,117	3·2	36,749,588	47·3	194,238	·3	2,325,000	3·0	77,638,029
1917	8,812,888	13·4	1,750,000	2·6	13,201,525	18·6	3,822,986	5·8	1,703,915	2·6	34,134,960	51·9	1,068,945	1·6	2,285,000	3·5	65,780,219
1916	7,695,510	12·8	500,000	·8	8,758,737	14·6	4,347,039	7·2	2,685,333	4·5	33,824,997	56·2	251,076	·4	2,079,423	3·5	60,142,105
1915	6,340,016	12·2	—	—	3,546,952	6·8	5,302,065	10·2	2,029,299	3·9	32,610,928	62·7	166,290	·3	2,014,000	3·9	52,009,550
1914	6,311,771	12·5	—	—	2,771,640	5·5	5,221,693	10·4	1,533,352	3·1	32,570,659	64·6	48,670	·1	1,832,559	3·8	50,390,344
1913	7,647,864	15·2	—	—	2,691,088	5·3	5,724,203	11·4	1,415,068	2·8	31,039,639	61·6	101,910	·2	1,764,497	3·5	50,384,269

* Per cent. of Total Liabilities or Assets. † Includes (for 1919) $12,423,185 and (for 1918) $7,857,097 due to Dominion Government.

is equal to twenty per cent. on the paid-up capital or ten per cent. on the combined capital and reserve.

Profits of the Merchants Bank of Canada.

Year to April 30	Net Profit.	Dividends. Amt.	Rate.	Balance.	Special Appropriations.	Carried Forward.
	$	$	%	$	$	$
1920	2,386,156*	1,068,286	13	1,317,870	1,631,139*	260,775
1919	1,383,569	805,000	11½	578,569	442,500	574,043
1918	1,236,681	700,000	10	536,681	520,000	437,974
1917	1,120,309	700,000	10	420,309	250,000	421,293
1916	950,713	700,000	10	250,713	244,870	250,984
1915	947,006	700,000	10	247,006	250,000	245,140
1914	1,218,694	686,574	10	532,120	865,825	248,134

* Including $700,000 premium on new stock, transferred to reserve.

THE MOLSONS BANK.

Head Office: Montreal.

Capital—

Authorised	$5,000,000
Subscribed and Paid up	4,000,000

ESTABLISHED in 1855, Molsons Bank is one of the oldest in Canada. The first balance sheet was made up to July 26, 1856, and was issued in sterling. In currency figures it showed a paid-up capital of $387,384, with deposits of $240,000. By 1860 the paid-up capital had reached $1 million, and in 1910 its present figure. The reserve fund exceeds the capital, amounting to $5 million.

Investors in this country are specially interested in the Bank by reason of the fact that there is a London register of shares. This is because, in 1910, $500,000 of capital stock was offered for sale in London in shares of $100 each, the price of issue being $216 per share.

The progress made has been distinctly good all through. Speaking of the year ending September 30, 1919, the General Manager remarked that the business of the Bank had been the largest in its history, and they had been fortunate in handling it successfully. During the year nineteen branches and sub-agencies were opened—sixteen in Ontario and three in Quebec. The Bank now has branches in Alberta, British Columbia, and Manitoba, in addition to these two Provinces.

Comparing the figures of the general statement with those for September 30th, 1918, we find a drop of over $700,000 in the note circulation, and a corresponding decrease in deposit in central gold reserves of $\frac{1}{2}$ million. Deposits have risen from $52,158,786 to $63,810,845, and there is $12,423,185 due to the Dominion Government, and nearly $2 million due to other banks, the total under these last two heads having been only $289,054 in 1913. The total of cash, notes, and cheques on other banks remains at about its previous figure—$10,797,035; but investments, call and short loans, and other loans and discounts, have all increased considerably.

The net profit for the year, $818,802, is more than $100,000 larger than in any previous year, and is equal to 20.4 per cent. on the paid-up capital, or 9.1 per cent. on the total of capital and reserve. In the second quarter of the financial year the dividend was increased from eleven to twelve per cent. per annum, and it has been maintained at this figure. $85,000 is paid out in taxes, $15,000 is subscribed to various funds, and $200,000 transferred to reserve. The amount carried forward in the profit and loss account is $275,435—an increase of over $27 thousand on the amount brought forward.

Profits of the Molsons Bank.

Year to Sept. 30	Net Profit.	Taxes.	Dividends. Amt.	Rate.	Balance.	Special Allowns.	Carried Forward.
	$	$	$	%	$	$	$
1919 ...	818,802	85,000	420,000	11	263,802	236,396	275,435
1918 ...	712,485	40,000	440,000	11	232,485	136,283	248,029
1917 ...	615,515	40,000	440,000	11	135,515	111,308	151,827
1916 ...	582,356	40,000	440,000	11	102,356	36,036	127,620
1915 ...	556,194	25,500	440,000	11	90,694	96,452	61,300
1914 ...	608,196	—	440,000	11	168,196	183,070	67,058
1913 ...	694,357	24,984	440,000	11	229,373	309,269	81,932

PROVINCIAL BANK OF CANADA.

Head Office: Montreal.

Capital—

Authorised	$5,000,000
Subscribed	3,000,000
Paid up	2,834,140

THE Provincial Bank of Canada is a French-Canadian institution known in Canada as La Banque Provinciale du Canada. It is of comparatively recent origin, as it was only incorporated in July 1900, and its deposits

Liabilities and Assets of The Provincial Bank of Canada.

LIABILITIES. Dec. 31	Capital Paid up.	Rest.	Capital and Reserve.		Notes in Circulation.		Deposits, &c.		Due to Other Banks.		Undivided Profits.		Reserve for Pension Fund		Total Liabilities.
	$	$	$	% *	$	% *	$	% *	$	% *	$	% *	$	%	$
1920† ...	2,000,000	1,100,000	3,100,000	7·9	2,246,873	5·8	31,034,336	84·5	513,341	1·3	82,974	·2	100,000	·3	39,077,524
1919† ...	1,944,590	1,000,000	2,944,590	9·3	1,547,653	4·9	26,270,060	82·9	792,210	2·5	83,836	·2	55,000	·2	31,693,379
1917 ...	1,000,000	750,000	1,750,000	8·1	1,157,378	5·3	18,194,234	84·0	500,000	2·3	39,484	·2	30,000	·1	21,670,996
1916 ...	1,000,000	700,000	1,700,000	9·2	1,162,318	6·3	14,725,642	80·0	765,000	4·2	36,514	·2	35,000	·1	18,414,464
1915 ...	1,000,000	650,000	1,650,000	11·5	1,090,258	7·6	10,688,468	74·4	905,681	6·3	35,085	·2	—	—	14,369,492
1914 ...	1,000,000	650,000	1,650,000	12·2	1,156,878	8·5	9,189,703	68·2	1,456,328	10·8	31,912	·3	—	—	13,484,821
1913 ...	1,000,000	625,000	1,625,000	12·5	1,146,923	8·8	8,821,908	67·7	1,409,291	10·8	29,248	·2	—	—	13,032,370

ASSETS. Dec. 31	Specie, Dominion Notes, &c.		Investments.		Call and Short Loans.		Sums Due by Other Banks.		Current Loans and Discounts, &c.		Bank Premises, &c.		Total Assets.
	$	% *	$	% *	$	% *	$	% *	$	% *	$	% *	$
1920† ...	6,745,237	17·3	9,305,588	23·8	7,919,414	20·3	2,519,260	6·4	12,309,215	31·5	278,780	·7	39,077,524
1919† ...	5,098,374	16·1	10,010,089	31·6	4,240,191	13·4	3,186,347	10·1	8,921,779	28·1	236,599	·7	31,693,379
1917 ...	3,632,827	16·7	5,079,075	23·4	2,787,808	13·0	2,191,794	10·1	7,651,367	35·3	328,135	1·5	21,670,996
1916 ...	3,185,742	18·9	3,511,054	19·2	2,678,875	14·6	1,342,444	7·4	7,054,502	38·3	301,817	1·6	18,414,464
1915 ...	2,634,612	18·3	2,538,812	17·7	1,558,458	10·9	826,374	5·7	6,582,725	45·7	248,511	1·7	14,369,492
1914 ...	2,395,307	17·8	2,572,923	19·0	1,712,152	12·7	686,279	5·1	6,064,660	45·0	53,500	·4	13,484,821
1913 ...	1,979,609	15·2	3,053,551	23·4	1,792,981	13·7	578,557	4·5	5,572,772	42·7	54,900	·5	13,032,370

* Per cent. of Total Liabilities or Assets. † June 30.

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Bankers' Sealing Wax.

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Established 1752.

THE
CONSOLIDATED
Assurance Company, Limited.

Established 1903.

FOR RE-INSURANCE BUSINESS.

FIRE - ACCIDENT - MARINE

Extracts from Statement at December 31, 1919

Share Capital Authorised . .	£1,000,000
Share Capital Issued . . .	£600,000
Amount Paid up	£176,334
Reserve Funds	1,237,185
Making the Total Funds . .	£1,413,519
The Uncalled Capital is . .	423,666
And the Total Security stands at	£1,837,185

FIRE AND GENERAL DEPARTMENT
AND MARINE DEPARTMENT:
St. Swithin's House, St. Swithin's Lane, E.C.4.
General Manager | HERBERT F. LANE

REGISTERED OFFICE AND FIRE DEPT.:
9 Fleet Street, LONDON, E.C. 4.
Actuary and Secretary: CHAS. WINDETT

COX, McEUEN & CO.

Baltic House, 27 Leadenhall Street, London, E.C.

Cable Address: "CONARUM, LONDON." *Codes: A1 and Scott's.*

General Import & Export Merchants.

IMPORTS :—Cereals, Peas and Beans, Oil Seeds, Hides and General Produce. Purchased on usual C.I.F. terms to United Kingdom and European Ports.

CONSIGNMENTS RECEIVED AND ADVANCED AGAINST.

EXPORTS :—Textiles of all descriptions; Iron, Steel, and all Metals; Hardware, Chemicals, Groceries, Liquors, etc.

C.I.F. QUOTATIONS GIVEN. *INDENTS EXECUTED.*

at the end of that year were only $1,524,243, as compared with $7,002,163 in 1910 and $33,034,336 in 1920. Steady progress has thus been made during the first twenty years of the Bank's existence. It has now 106 branches, all of which are situated in Quebec, Ontario, New Brunswick, and Prince Edward Island.

Its paid-up capital on June 30 this year was $2 million, and there was further a reserve fund of $1,100,000. On July 2, however, a new issue of stock of $1 million was over-subscribed at $120 per $100 share. This will ultimately make the total paid-up capital $3 million, and, with the premium on the shares, the rest comes to $1,300,000. The prompt over-subscription evidenced the confidence shown in the undertaking by the public. In 1917 the paid-up capital was only $1 million.

In the statement for the year ending June 30, 1920, we find a net profit of $333,882. The previous statement covered eighteen months, and showed a net profit of $434,594, the proportionate increase for the twelve months being thus $44,152. This net profit is equal to 16.7 per cent. on the paid-up capital, or 10.7 per cent. on the combined total of capital and reserve.

The dividend is now at the rate of eight per cent. per annum, and is paid quarterly. Out of the net profits, taxes to the extent of $20,931 were met, $100,000 was transferred to reserve, and $45,000 provided for the pension fund, while $25,000 was written off the bank premises account.

Profits of the Provincial Bank of Canada

Year to Dec. 31	Net Profits.	Dividend. Amount.	Rate.	Balance.	To Reserve, &c.	Carried Forward.
	$	$	%	$	$	$
1920§	343,632*	158,927	8	184,705	100,931	83,167
1919†	521,841*	124,192	7.08‡	400,652	375,904	44,692
1917	207,483	70,000	7	137,483	135,000	20,004
1916	203,984	70,000	7	133,984	132,502	17,521
1915	196,356	70,000	7	126,356	124,217	16,039
1914	194,215	70,000	7	124,215	123,188	13,900
1913	180,781	60,000	6	120,781	121,774	12,872

* Including 1919, $90,250 and 1920, $87,750 premium on new stock. † 18 months to June 30. ‡ Per annum. § Year to June 30.

The balance-sheet figures show an all-round improvement over those of a year ago. Deposits have risen by nearly $7 million to over $33 million, and the note circulation has now increased, having hitherto shown little change since 1916. The total assets have advanced by over $7 million to upwards of $39 million. The total of more or less liquid assets—*i.e.*, cash, investments, call loans, and sums due by other banks, amounting to over $26 million—represents seventy-four per cent. of the liabilities to the public. This, the report says, is in accordance with the measures of prudence hitherto observed. The total of coin, notes, and cheques on other banks shows an increase of $1,700,000, to $6,745,237. Investments are slightly less, but call and short loans have increased by $3,700,000 to nearly $8 million. Current loans are up from under $9 million to $12,309,215.

ROYAL BANK OF CANADA.

Head Office: Montreal.

London Office: Bank Buildings, Princes St., E.C. 2.

Capital—	
Authorised	$25,000,000
Subscribed	19,987,300
Paid up	19,440,510

The Royal Bank of Canada was incorporated in 1869 as a co-partnership institution, and was established at Halifax under the name of the Merchants' Bank. It has grown to its present size largely by means of the absorption of other banks, and it is now one not only of local and national, but of international, importance. In 1900 it adopted its present title and subsequently purchased a banking business in Cuba. In 1907 Montreal was made the head office instead of Halifax, and in the same year the Quebec Bank was acquired. In 1910 the Union Bank of Halifax was purchased, in 1912 the Traders' Bank of Canada, and later the Bank of British Honduras. In 1918 the Royal acquired the business of the Northern Crown Bank. The year 1917 was distinguished by the acquisition of capital control of the Merchants' National Bank of New York, which latter institution was absorbed a few months ago by the Bank of Manhattan.

Besides its branches all over Canada, the Royal Bank now has offices in Newfoundland, the West Indies, British and French West Indies, Central and South America, Spain, the United States, and England, besides its auxiliary in France—the Royal Bank of Canada (France), with an office in Paris. At the end of November 1919 the total number of branches was 664. At Buenos Ayres and Rio de Janeiro branches have been recently opened. A working arrangement has been effected with the London County Westminster and Parr's Bank Limited, which has purchased 10,000 of the Bank's shares as a permanent investment.

The statement for the year ending November 29, 1919, marks the completion of fifty years of the Bank's existence, and it is interesting to compare some of the principal items to-day with those shown half a century ago. Paid-up capital was then $300,000 and reserves $20,000: to-day each amounts to $17 million. Deposits were $284,656: to-day they are over $419 million. Total assets were $729,163: they now amount to $533,647,084.

Comparing the balance sheet with that of a year earlier, large increases are shown in nearly every item. There is an increase of $3 million in the paid-up capital and of $2 million in the reserve. The note issue is at about the same figure, and the deposit with central gold reserve has been reduced by $1,500,000. The deposits are over $91 million up, bills payable have more than doubled, and acceptances under letters of credit have reached $16,467,979, as compared with

Liabilities and Assets of The Royal Bank of Canada.

LIABILITIES.

Nov. 30	Capital Paid up. $	Rest. $	Capital and Reserve. $	% *	Notes in Circulation. $	% *	Deposits, &c. $	% *	Bills Payable. $	% *	Acceptances. $	% *	Due to other Banks. $	% *	Undivided Profits. $	% *	Total Liabilities. $
1919	17,000,000	17,000,000	34,000,000	6·4	39,837,266	7·4	433,121,349	81·2	806,777	·1	16,467,979	3·1	7,464,823	1·4	1,944,841	·4	533,647,083
1918	14,000,000	15,000,000	29,000,000	6·8	39,580,976	9·2	341,591,718	79·9	316,058	·1	10,162,630	2·4	6,995,721	1·6	965,880	·2	427,512,983
1917	12,911,700	14,000,000	26,911,700	8·0	28,150,451	8·4	267,570,042	79·7	297,495	·1	5,510,311	1·7	6,166,597	1·8	958,691	·3	335,574,187
1916	12,000,000	12,560,090	24,560,000	9·7	18,178,223	7·1	200,227,596	79·1	478,342	·2	452,677	·2	8,147,576	3·2	1,216,957	·5	253,261,427
1915	11,560,000	12,560,000	24,120,000	12·1	14,224,866	7·2	154,976,328	78·1	323,074	·2	105,817	·1	3,518,442	1·8	1,030,146	·5	198,299,123
1914	11,560,000	12,560,000	24,120,000	13·1	14,505,255	7·6	136,055,128	75·9	744,390	·4	1,481,718	·8	2,336,701	1·4	960,862	·5	179,404,054
1913	11,560,000	12,560,000	24,120,000	13·4	13,176,635	7·3	138,181,089	76·9	990,900	·5	361,107	·2	2,055,136	·9	1,361,919	·8	180,246,786

ASSETS.

Nov. 30	Cash, Notes, &c. $	% *	Deposit with Central Gold Reserve. $	% *	Investments. $	% *	Call and Short Loans. $	% *	Sums Due by other Banks. $	% *	Customers' Liability for Acceptances $	% *	Loans, Discounts, &c. $	% *	Bank Premises. $	% *	Total Assets. $
1919	82,902,988†	15·5	24,500,000	4·6	98,139,032	18·4	50,218,346	9·4	18,114,477	3·4	16,467,979	3·1	236,351,799	44·3	7,016,444	1·3	533,647,085
1918	72,837,579	17·0	26,000,000	6·1	81,305,277	19·0	34,441,675	8·1	10,597,559	2·4	10,162,630	2·4	185,876,263	43·5	6,492,012	1·5	427,512,983
1917	54,955,844	16·4	16,000,000	4·8	56,683,247	16·9	26,614,824	7·9	10,934,207	3·2	5,510,311	1·7	158,501,455	47·2	6,371,329	1·9	335,574,187
1916	45,984,956	18·1	6,500,000	2·6	30,506,068	12·0	32,448,482	12·8	5,403,267	2·0	452,677	·2	127,148,029	50·2	5,138,398	2·1	253,261,427
1915	38,498,090	19·4	3,000,000	1·5	18,629,041	9·4	18,952,460	9·5	5,256,871	2·7	105,817	·1	103,799,008	54·9	5,077,836	2·5	198,299,123
1914	33,961,546	19·0	2,000,000	1·1	16,901,372	9·4	14,654,905	8·2	3,148,854	1·8	1,481,718	·8	101,394,479	56·5	5,861,180	3·2	179,404,054
1913	28,609,337	15·9	2,000,000	1·1	17,774,153	9·9	19,819,690	11·0	3,604,612	2·0	361,107	·2	103,294,658	57·3	4,783,229	2·8	180,246,786

* Per cent. of Total Liabilities or Assets. † Including $11,291,943 of United States and other foreign money.

$10,162,630. The item of cash, notes, and cheques on other banks shows an increase of over $10 million, investments are up from $81 million to $98 million, and all kinds of loans register very large advances, the total increase being about $66 million.

Liabilities to the public on November 29, 1919 were $459,765,440. Assets were held against these in the following approximate proportions: Cash items, eighteen per cent.; deposits in central gold reserve, five per cent.; investments, twenty-one per cent.; call and short loans, eleven per cent.; sums due by other banks, four per cent.; loans and discounts, fifty-one per cent.

The year's net profit amounted to $3,423,264, and was equal to 20·1 per cent. on the paid-up capital, or ten per cent. on the combined capital and reserve. The profit for the previous year was $2,809,846. Quarterly dividends are paid at the rate of twelve per cent. per annum, and in addition a bonus of two per cent. for the year; $400,000 is written off bank premises account, and the amount carried forward—$1,096,418—is double the previous figure.

The bonus just referred to was declared at the end of 1919, in commemoration of the Bank's jubilee. During the present month, however, a bonus of like amount has been made payable a fortnight after the usual three per cent. quarterly dividend.

Profits of the Royal Bank of Canada.

Year to Nov. 30	Net Profit.	Dividend.—Amount.	Rate.	Carried Forward.
	$	$	%	$
1919 ...	3,423,264	2,206,196*	14*	1,096,418
1918 ...	2,809,846	1,614,701	12	535,757
1917 ...	2,327,980	1,549,491	12	561,265
1916 ...	2,111,308	1,417,207	12	852,346
1915 ...	1,905,577	1,387,200	12	676,472
1914 ...	1,886,142	1,387,200	12	614,062
1913 ...	2,142,100	1,387,206	12	1,015,119

* Including $340,000 for 2% and Anniversary Bonus.

During this year the Royal Bank decided to issue a further $3,400,000 par value of new stock at a price of $150 per $100 share. Shareholders of record on May 31 had the option of taking up these shares in the proportion of one for every five old shares held. It is understood that the additional capital is called for by growth in domestic demands, and is not intended for any further foreign expansion.

STERLING BANK OF CANADA

Head Office: Toronto, Canada.

Capital—

Authorised	$5,000,000
Subscribed	1,266,600
Paid up	1,229,572

The Sterling Bank of Canada was formed as recently as 1906, and is therefore among the youngest of the Canadian Chartered Banks. Having its head office at Toronto, it has so far confined its operations mostly to Ontario, but it has some branches in Manitoba and Saskatchewan, and one at Montreal. It is adhering to its more recent policy of providing banking facilities for Canada's fundamental industry of agriculture, while continuing the special attention it has always given to the cities. During the year under review it has opened thirteen new offices, all located in farming sections, in addition to the nine previously established in rural districts.

The Bank has made continuous progress since it commenced business. The capital was $771,725 in 1907, the assets at that date being $3,428,956. To-day the latter amount is $26,375,867, and the deposits have grown from under $2 million in 1907 to over $17 million in 1920. The reserve fund now amounts to $450,000.

The last general statement covers the year to April 30, 1920, and in referring to it the President was able to state that it had never before been his pleasure to comment upon a report which presented so many gratifying features, the main points in comparison with last year being that earnings showed an increase of 17.6 per cent., assets one of 35.6 per cent., readily available assets an increase of 40.46 per cent., and current loans one of 30.69 per cent.

From the balance sheet it appears that notes in circulation are up to $1,290,337, total deposits have increased from $16,367,970 to over $23 million, and acceptances have nearly doubled. The investments have risen from $8,531,672 to $13,287,220. Call and short loans, and other loans and discounts, have shown substantial increments.

The large increase of profit has been obtained during a period when the Bank has been expanding, with consequent heavy expenses, all of which have been fully met. The net profit of $251,346 represents 20.49 per cent. on the average paid-up capital. A dividend of seven per cent. per annum has been paid quarterly and $70,000 set aside for the purpose of writing down assets. $20,000 is written off bank premises account and $50,000 transferred to the reserve fund. The balance carried forward in the profit and loss account, $42,942, exceeds the corresponding amount for last year.

Profits of the Sterling Bank of Canada.

Yr. to April 30	Net Profit.	Dividend.—Amount.	Rate.	Balance.	Special Allowances.	Carried Forward
	$	$	%	$	$	$
1920 ...	251,346	85,884	7	165,462	165,420	42,942
1919 ...	213,632	73,146	6	140,486	140,450	40,036
1918 ...	186,121	72,907	6	113,214	133,169	40,874
1917 ...	161,270	72,582	6	88,688	80,594	60,829
1916 ...	145,291	72,279	6	73,012	72,460	52,786
1915 ...	104,647	71,646	6	33,001	68,800	52,385
1914 ...	107,042	69,105	6	37,937	47,616	87,982

Liabilities and Assets of The Sterling Bank of Canada.

LIABILITIES.

April 30	Capital Paid up.	Rest.	Capital and Reserve.		Notes in Circulation.		Total Deposits.		Acceptances, &c.		Due to Other Banks.		Undivided Profits.		Total Liabilities.
	$	$	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$
1920 ...	1,229,570	450,000	1,679,570	6·4	1,290,337	4·9	23,076,022†	87·5	5,041	—	254,787	1·0	67,241	·2	26,372,998
1919 ...	1,223,341	400,000	1,623,341	8·4	1,216,300	6·3	16,367,970	84·2	2,750	—	189,069	8	61,194	3	19,459,884
1918 ...	1,216,932	350,000	1,566,932	9·7	1,267,230	7·8	13,978,515	80·6	3,970	—	242,197	1·5	59,193	·4	16,108,267
1917 ...	1,212,174	300,000	1,512,174	11·0	1,260,000	9·2	10,680,719	77·6	2,436	—	215,947	1·6	79,031	·6	13,759,887
1916 ...	1,206,300	300,000	1,506,300	14·0	1,150,800	10·8	7,796,520	72·6	915	—	200,772	1·9	70,829	·7	10,744,316
1915 ...	1,198,803	300,000	1,498,803	15·8	957,045	10·1	6,842,997	71·9	3,734	—	135,613	1·4	70,153	·8	9,508,344
1914 ...	1,184,353	300,000	1,484,353	15·8	980,055	10·4	6,660,876	70·9	—	—	181,952	2·0	87,982	·9	9,395,218

ASSETS.

April 30	Cash and Notes.		Investments.		Call and Short Loans.		Due by Other Banks.		Loans and Discounts, &c.		Liability for Acceptances.		Bank Premises.		Total Assets.
	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$
1920 ...	3,555,394	13·5	13,287,220	50·4	159,812	·6	286,527	1·1	8,882,961	32·9	5,041	—	181,850	1·5	26,372,998
1919 ...	3,183,844	16·4	8,531,672	43·9	92,650	·5	481,873	2·5	6,763,623	34·8	2,750	—	203,172	1·9	19,459,884
1918 ...	2,698,516	16·8	5,873,770	36·5	163,622	1·0	522,516	3·2	6,539,844	40·6	3,970	—	306,028	1·9	16,108,266
1917 ...	2,212,754	16·1	4,012,800	29·1	173,545	1·3	472,282	3·5	6,610,347	48·0	2,436	—	275,723	2·0	13,760,887
1916 ...	1,956,496	18·2	1,470,870	13·7	445,357	4·2	540,320	5·0	6,056,924	56·4	915	—	273,434	2·5	10,744,316
1915 ...	1,598,705	16·8	978,505	10·3	645,739	6·8	343,295	3·6	5,590,280	58·8	3,754	—	348,161	3·7	9,508,344
1914 ...	1,506,922	16·0	760,423	8·1	814,089	8·7	220,492	2·3	5,702,496	60·7	—	—	390,796	4·2	9,395,218

* Per cent. of Total Liabilities or Assets.

UNION BANK OF CANADA.

Head Office: Winnipeg, Canada.

London Offices: { 6 Princes Street, E.C. 2.
26 Haymarket, S.W. 1.

Capital—

Authorised	...	...	...	...	...	$15,000,000
Subscribed	...	...	...	...	...	8,000,000
Paid up	...	...	...	...	...	8,000,000

The Union Bank of Canada was established in 1865, its title then being the Union Bank of Lower Canada. In 1870 it had only three branches, with its head office at Quebec, and it was more than ten years later that the Bank commenced that wide expansion throughout the West that has culminated in its present position. In consequence of this large amount of Western business, the head office was removed in 1912 from Quebec to Winnipeg.

Early in 1919 the directors decided to offer to the shareholders the unissued $3 million of the then authorised capital of $8 million. The additional amount was subscribed—a considerable part of it in England, where there is now a representative group of shareholders. The shares are all fully paid at $100, but there is a reserved liability of $100 per share. The authorised capital is now $15,000,000.

The reserve fund amounts to $5,600,000, having been increased during the last financial year by $2 million, of which $1,781,170 was derived from the premium on the issue of shares above mentioned and $218,830 from current profits. Twenty-five years ago, in 1895, the amount of reserve was only $280,000. In this same period the net profits have increased from $79,486 to $932,256, the notes in circulation from $818,782 to $12,508,819, the total deposits from $4,904,128 to $135,496,514, and the total assets from $7,802,099 to $174,989,057.

The Bank has now nearly 400 branches, situated all over Canada, but mostly in Ontario, Manitoba, Saskatchewan and Alberta. It also has two London offices and a branch in New York. It will be remembered that recently, in co-operation with the National Park Bank of New York, it assisted in forming the Park-Union Foreign Banking Corporation, which during two years has established banking offices in China and Japan, in coast cities of the United States, and in Paris. These should bring business to the Union Bank, and be of great help to merchants and manufacturers in Canada.

The Bank opened eighty-nine new branches during the year ending November 30, 1919. The New York office is said to be proving a great success, the Canadian and British transactions passing through it being largely on the increase.

Comparing the balance sheet with that of the previous year, we find the note circulation has increased by $374,170. The deposit in central gold reserves has, however, been reduced by $2,300,000. This is made possible by the increased capital, as under the Canadian Bank Act it is necessary to pay five per cent. interest on any amount of circulation in excess of the paid-up capital, or in the alternative to keep on deposit with the central gold reserves an amount equal to such excess.

The deposits have increased over $8 million to $135,496,514, despite a large withdrawal for subscriptions to the Victory Loan, out of a total of $28,500,000 passing through this Bank.

Total liabilities to the public amount to nearly $148 million. The cash holding is equal to 9.11 per cent. of this, and the total of quick assets to 47.23 per cent. The securities have risen from $30,750,101 to $31,469,671, the call and short loans by about $1½ million to $11,396,266, and current loans and discounts from under $77 million to over $91 million. This large increase shows how the Bank is helping the Canadian business public.

The net profits show an increase over those of the previous year of $108,082. The total of $932,256 is equal to 9.7 per cent. on the combined capital and reserve, but the increased capital was available for a short period of the year. Quarterly dividends at the rate of ten per cent. per annum were paid, $10,000 was contributed to officers' pension fund, and $5,000 to the General Hospital, Winnipeg. The recent declaration of a two per cent. bonus to shareholders, in addition to the usual two and a-half per cent. quarterly dividend, is an indication of continued prosperity.

Profits of the Union Bank of Canada.

Year to Nov. 30		Net Profit. $	Dividend. Amt. $	Dividend. Rate. %	Carried Forward. $
1919	...	932,257	578,330	10	198,223
1918	...	824,174	450,000	9	126,299
1917	...	763,464	450,000	9	106,625
1916	...	651,184	450,000	9	93,161
1915	...	659,688	450,000	9	106,977
1914	...	712,440	450,000	9	103,019
1913	...	750,095	450,000	9	90,579

Liabilities and Assets of The Union Bank of Canada.

LIABILITIES. Nov. 30	Capital Paid up. $	Rest. $	Capital and Reserve. $	% *	Notes in Circulation. $	% *	Deposits, &c. $	% *	Bills Payable. $	% *	Acceptances. $	% *	Balances Due to Other Banks $	% *	Undivided Profits. $	% *	Total Liabilities. $
1919 ...	7,968,150	5,600,000	13,568,150	7·8	12,508,819	7·1	135,727,527	77·6	—	—	7,186,941	4·1	5,631,298	3·2	366,022	·2	174,989,057
1918 ...	5,000,000	3,600,000	8,600,000	5·6	12,134,649	7·9	127,325,757	83·1	—	—	2,706,467	1·8	2,175,779	1·4	238,799	·2	153,181,451
1917 ...	5,000,000	3,400,000	8,400,000	5·8	12,779,662	9·0	117,883,210	82·2	—	—	2,586,610	1·8	1,505,821	1·0	236,634	·2	143,411,927
1916 ...	5,000,000	3,400,000	8,400,000	7·7	8,815,117	8·1	89,272,499	81·9	—	—	512,281	·5	1,797,171	1·6	243,160	·2	109,040,227
1915 ...	5,000,000	3,400,000	8,400,000	9·3	7,673,659	8·5	72,693,619	80·2	105,196	·1	343,586	·3	1,190,035	1·3	256,978	·3	90,663,064
1914 ...	5,000,000	3,400,000	8,400,000	10·3	6,382,214	7·9	63,463,334	77·8	97,334	·1	1,988,591	2·4	977,457	1·2	253,020	·3	81,561,850
1913 ...	5,000,000	3,400,000	8,400,000	10·4	6,287,179	7·8	64,598,616	79·9	150,866	·2	634,391	·8	454,901	·5	240,579	·3	80,766,532

ASSETS. Nov. 30	Cash. Notes, &c. $	% *	Deposit in Central Gold Reserves. $	% *	Investments. $	% *	Call and Short Loans. $	% *	Sums Due by other Banks. $	% *	Current Loans, Discounts, &c. $	% *	Liabilities of Customers for Acceptances. $	% *	Bank Premises, &c. $	% *	Total Assets. $
1919...	15,764,408	13·5	5,500,000	3·2	31,469,671	18·0	11,396,266	6·5	3,672,088	2·1	91,129,182	52·1	7,186,941	4·1	870,501	·5	174,989,057
1918...	20,034,938	13·5	7,800,000	5·1	30,750,101	20·1	9,897,879	6·4	3,025,408	2·0	76,962,892	50·2	2,706,467	1·8	1,403,766	·9	153,181,451
1917...	25,151,316	17·5	8,200,000	5·7	28,539,413	19·9	9,572,990	6·6	5,276,671	3·7	62,926,709	43·9	2,586,610	1·8	1,158,218	·8	143,411,927
1916...	15,059,019	13·8	4,700,000	4·3	19,717,120	18·1	16,101,386	14·8	750,327	·7	51,081,224	46·8	512,281	·5	1,118,870	1·0	109,040,227
1915...	13,620,328	14·9	2,800,000	3·1	4,515,197	5·0	11,930,228	13·2	6,112,632	6·7	50,374,643	55·5	343,585	·4	1,066,451	1·2	90,663,064
1914...	10,196,556	12·5	1,700,000	2·1	4,445,715	5·5	7,030,415	8·6	3,076,854	3·8	52,188,965	64·0	1,988,591	2·4	934,753	1·1	81,561,850
1913...	11,785,269	14·6	1,300,000	1·6	3,323,441	4·0	11,359,650	14·7	787,420	·3	49,110,777	63·7	634,391	·9	2,065,584	2·8	80,766,532

* Per cent. of Total Liabilities or Assets.

The Bank of Taiwan,

(REGISTERED IN JAPAN, 1899.) LTD.

Capital Subscribed Y. 60,000,000.00
Capital Paid up - Y. 45,000,000.00
Reserve Funds - Y. 9,680,000.00

Head Office - - - TAIPEH, FORMOSA.

TOKYO OFFICE - Yeirakucho, Kohjimachi-Ku, Tokyo.
LONDON OFFICE - 58 Old Broad Street, London, E.C. 2.



BRANCHES:

Amoy	New York
Bangkok	London
Batavia	Osaka
Bombay	Semarang
Canton	Shanghai
Foochow	Singapore
Hankow	Soerabaya
Hongkong	Swatow
Keelung	Tainan
Kiukiang	Tokyo
Kobe	Yokohama
Moji	Etc. Etc.

CORRESPONDENTS:

Amsterdam	Manila
Antwerp	Marseilles
Bahia	Melbourne
Bale	Milan
Berlin	Montevideo
Berne	Montreal
Barcelona	Mukden
Boulogne	Nagasaki
Brisbane	Nagoya
Brussels	Paris
Buenos Ayres	Peking
Cairo	Rangoon
Calcutta	Rio de Janeiro
Cape Town	Rome
Chicago	Rosario
Christiania	Rotterdam
Cologne	Saigon
Darien	Santon
Geneva	San Francisco
Genoa	Sao Paulo
Hamburg	Seattle
Johannesburg	Stockholm
Lisbon	Sydney
Lyons	Winterthur
Madrid	Zurich, etc.

London Bankers:
BARCLAYS BANK LIMITED.
LLOYDS BANK LIMITED.
LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.

The Bank is incorporated by special charter of the Imperial Japanese Government and is authorised to issue its own notes in Formosa, being under the special supervision of the Government.

The Bank transacts General Exchange and Banking Business, undertakes Trust Business [illegible]

Special facilities are available for Exchange Business on Japan, China, Dutch East Indies, the Straits Settlements, India and France, where the Bank has [illegible]

INDIAN BANKS.

A CHANGE in the Indian situation occurred in August 1917. However, the price of silver exceeded 43*d*., and it became profitable to melt rupees. This necessitated the raising of the exchange value of the rupee by the Indian Government to protect the internal circulation of the country, and the Indian rate of exchange began to vary with the advancing price of silver. For a time the full effect of the increased demand for silver and the falling-off in its production was masked by Government control, but after the Armistice the price began to soar, and by February 1920 reached 89¼*d*. per ounce. This price was not maintained, and at the time of writing is below 45*d*.; but while it continued it offered exceptional opportunities for the banks to transfer their profits to Europe at a favourable rate.

Another feature of interest during the past year has been the issue of the report of the Indian Currency Committee, and the subsequent adoption, in theory, of its principal recommendations by the Indian Government. The Indian currency system is based upon a gold-exchange standard, but since the divorce between the price of the gold sovereign and the paper pound, the rates became subject to a double set of influences. Accordingly the Committee recommended that the earliest opportunity should be taken of opening the Bombay mint to the coinage of gold sovereigns, which should be legal tender in India at the rate of Rs.10 to the sovereign, instead of the pre-War rate of fifteen to the pound. On February 2 the Indian Government announced that gold tendered to them under the Gold Import Act would in future be paid for at the rate of Rs.10 for the gold content of the sovereign, but that for the present the import of gold would be controlled by licence, and, as a provisional measure, the sovereign would continue to be legal tender for internal purposes at the rate of Rs.15.

A further matter of general interest is the scheme for the amalgamation of the three Indian Presidency banks to form the Imperial Bank of India, with a programme of extended branches all over India. The scheme has already received the assent of the shareholders of the constituent banks, as will be seen from the reports of these banks which follow. The existence of an independent Treasury, the small discount market and the inelastic character of the Indian currency are the three chief defects which the new institution will be called upon to remedy. Advantage is to be taken of banking experience abroad, and the model to be generally followed is the American Federal Reserve organisation. Summary tables for the Presidency banks are given herewith, details for the other Indian being given separately:—

CONSOLIDATED LIABILITIES OF THE THREE INDIAN PRESIDENCY BANKS.

June 30	Capital Paid up.	Reserve Funds.	Capital and Reserves.		Deposits—Govt.	Deposits—Other	Deposits—Total.		Sundries.		Profit Balance.		Total Liabilities
	Rs.	Rs.	Rs.	%	Rs.	Rs.	Rs.	%	Rs.	%	Rs.	%	Rs.
1920 ...	3,75,00,000	3,65,00,000	7,40,00,000	7·2	16,35,48,824	77,21,17,571	93,56,66,395	91·5	1,14,66,533	1·1	17,39,397	·2	102,28,72,525
1919 ...	3,75,00,000	3,51,00,000	7,26,00,000	9·5	7,86,78,033	60,38,30,745	68,25,08,778	89·2	83,16,686	1·1	13,34,451	·2	76,48,09,815
1918 ...	3,75,00,000	3,72,00,000	7,47,00,000	9·6	14,28,42,556	55,03,77,466	69,30,20,022	89·5	56,94,654	·7	14,36,951	·2	77,48,51,627
1917 ...	3,75,00,000	3,57,50,000	7,32,50,000	9·6	22,65,36,767	45,60,29,503	68,25,66,270	89·3	69,04,173	·9	13,79,789	·2	76,44,00,232
1916 ...	3,75,00,000	3,63,00,000	7,38,00,000	12·3	7,14,54,734	44,71,09,794	51,85,64,528	86·4	65,61,846	1·1	14,67,250	·2	60,03,93,624
1915 ...	3,75,00,000	3,76,00,000	7,51,00,000	13·0	5,52,91,655	43,83,68,322	49,36,59,977	85·8	50,19,810	·9	16,78,573	·3	57,54,58,360
1914 ...	3,75,00,000	3,80,00,000	7,55,00,000	14·2	5,81,55,442	38,55,67,670	44,67,23,112	84·2	73,76,125	1·4	12,45,114	·2	53,08,44,349

CONSOLIDATED ASSETS OF THE THREE INDIAN PRESIDENCY BANKS.

June 30	Cash, Bullion and Currency Notes.		Govt. Securities.	Other Invest.	Total Investments.		Bills Discounted.		Loans Advances, &c.,		Sundries.		Dead Stock.		Total Assets.
	Rs.	%	Rs.	Rs.	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
1920 ...	35,53,91,833	34·7	13,10,14,875	1,55,55,011	14,65,69,886	14·3	8,17,60,194	8·0	42,98,04,645	42·0	27,81,395	·3	65,64,572	·7	102,28,72,525
1919 ...	29,53,51,473	38·7	9,81,70,519	1,62,13,557	11,43,84,076	14·9	6,48,11,264	8·4	28,14,83,093	36·8	26,11,603	·4	61,68,306	·8	76,48,09,815
1918 ...	23,24,81,939	30·0	16 73,56,669	1,66,90,550	18,40,47,219	23·7	5,09,23,210	6·6	29,07,07,723	37·5	1,13,03,286	1·5	53,88,250	·7	77,48,51,627
1917 ...	30,53,06,500	39·9	9,98,38,480	1,59,45,020	11,57,83,500	15·1	4,02,17,246	5·3	29,58,14,176	38·7	24,10,148	·3	48,68,662	·7	76,44,00,232
1916 ...	21,24,89,887	35·4	10,76,38,580	1,44,17,056	12,20,55,636	20·3	4,04,83,501	6·7	21,83,28,242	36·4	23,40,447	·4	46,95,911	·8	60,03,93,624
1915 ...	25,29,21,089	44·0	7,74,52,577	1,54,34,387	9,28,86,964	16·1	3,85,03,683	6·6	18,45,21,096	32·1	22,57,344	·4	43,68,284	·8	57,54,58,360
1914 ...	21,60,28,854	40·7	4,49,06,022	79,58,796	5,28,64,818	9·9	5,43,42,685	10·3	20,22,40,851	38·1	13,81,689	·3	34,85,452	·7	53,08,44,349

* Per cent. of Total Liabilities or Assets.

LIABILITIES OF FOUR ANGLO-INDIAN BANKS, 1919-20.

LIABILITIES.	Paid-up Capital.	Reserve.	Total Capital and Reserve		Notes		Acceptances		Deposits, &c.		Profit Balance		Total.
	£	£	£	%	£	%	£	%	£	%	£	%	£
Chartered* Bank of India, Australia and China ...	2,000,000	2,000,000	4,000,000	7·1	1,806,095	2·6	1,679,929	2·4	59,823,841	87·1	531,830	·8	68,741,695
Eastern Bank	765,242	179,407	944,649	5·7	—	—	288,769	1·7	15,343,040	92·0	99,951	·6	16,676,409
Mercantile Bank of India ...	750,000	750,000	1,500,000	6·7	137,501	·6	263,131	1·1	20,286,565	90·8	163,930	·8	22,450,927
National Bank of India ...	1,500,000	1,850,000	3,350,000	7·9	—	—	880,052	2·1	37,661,262	88·9	475,634	1·1	42,366,948
Total Liabilities—4 Banks	5,015,242	5,679,407	10,694,649	7·1	1,943,596	1·3	3,111,881	2·1	133,214,508	88·7	1,271,345	·8	150,235,979

ASSETS OF FOUR ANGLO-INDIAN BANKS, 1919.

ASSETS.	Cash.		Investments		Bills Discounted and Advances		Customers' liability for Acceptances		Bank Premises		Total.
	£	%	£	%	£	%	£	%	£	%	£
Chartered Bank of India, Australia and China	14,607,720	21·2	6,436,330	9·4	45,183,127	66·2	1,679,929	2·4	531,589	·8	68,741,695
Eastern Bank	5,330,337	32·0	1,525,407	7·9	9,726,714	58·4	288,769	1·7	7,182	—	16,676,409
Mercantile Bank of India ...	4,243,209	18·9	1,632,619	7·3	16,115,869	71·8	263,131	1·1	198,099	·9	22,450,927
National Bank of India ...	9,305,503	22·0	3,488,957	8·2	28,516,334	67·4	880,052	2·0	176,102	·4	42,366,948
Total Assets—4 Banks ...	33,486,769	22·3	12,881,313	8·6	99,840,044	66·4	3,111,881	2·1	915,972	·6	150,235,979

LIABILITIES OF OTHER INDIAN BANKS.

LIABILITIES.	Paid-up Capital	Reserve	Paid-up Capital and Reserve		Acceptances and Bills Payable		Deposit and Current Accounts		Other Liabilities		Profit Balance		Total
	Rs.	Rs.	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
Allahabad Bank	30,00,000	30,00,000	60,00,000	6·0	—	—	9,36,13,800	93·0	5,69,918	·5	4,75,132	·5	10,06,49,850
Alliance Bank of Simla ...	88,51,800	40,00,000	1,28,51,800	8·1	99,20,991	6·3	13,33,85,024	84·2	11,00,000	·7	11,25,038	·7	15,86,32,753
Bank of India	1,00,00,000	66,00,000	1,66,00,000	14·6	—	—	9,50,21,998	83·8	3,00,771	·3	12,87,869	1·3	11,32,16,638
Central Bank of India ...	49,99,413	19,00,000	68,99,413	5·6	27,55,905	2·2	11 58,12,225	91·9	—	—	3,74,467	·3	12,38,42,008
Tata Industrial Bank ...	1,51,14,217	5,00,000	1,56,14,217	12·4	1,28,85,557	10·3	9,31,27,031	74·2	2,806,537	2·2	10.67.056	·9	12,54,98,398
Total liabilities—5 Banks	4,19,65,430	1,60,00,000	5,79,65,430	9·3	2,56,36,451	4·1	52,91,33,978	85·1	47,74,226	·8	43,29,562	·7	62,18,39,647

* Per cent. of total liabilities.

ASSETS OF OTHER INDIAN BANKS.

ASSETS.	Cash		Investments		Loans, Advances, & Bills Discounted		Custrs'. Liab. on Acceptances, &c.		Bank Premises, &c.		Other Assets		Total
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
Allahabad Bank ...	2,14,42,537	21·3	61,85,717	6·1	7,10,70,772	70·7	—	—	19,50,824	1·9	—	—	10,06,49,850
Alliance Bank of Simla ...	3,33,91,938	21·2	2,84,34,707	17·9	8,33,84,437	52·5	—	—	59,18,430	3·8	73,70,241	4·6	15,86,32,753
Bank of India	2,19,26,968	19·4	1,12,11,675	9·9	7,99,93,269	70·6	—	—	53,726	·1	—	—	11,32,16,638
Central Bank of India ...	1,86,35,078	15·0	2,22,56,038	18·0	7,85,62,130	63·5	—	—	19,68,756	1·6	24,20,006	1·9	12,38,42,008
Tata Industrial Bank ...	2,51,04,100	18·4	2,01,55,719	16·1	6,80,74,630	54·2	61,62,492	4.9	13,27,707	1·1	66,73,450	5·3	12,54,98,398
Total assets—5 Banks	11,87,03,921	19·1	8,82,73,856	14·2	38,09,86,238	61·3	61,62,492	1.0	1,12,19,443	1·8	1,64,63,697	2·6	62,18,39,647

* Per cent. of total assets.

ALLAHABAD BANK, LIMITED.

Head Office: Allahabad.

Capital—

Authorised,	40,000 Shares of Rs. 100 each...	Rs. 40,00,000
Issued and Subscribed,	15,000 Ord. Shares of Rs. 100 each 15,000 6 per Cent. Pref. Shares of Rs. 100 each	30,00,000
Paid up,	Rs. 100 per Share	30,00,000

THIS Bank commenced business in 1865 with a paid-up capital of Rs.1,90,830. By 1870 this had increased to Rs.3,00,000; by 1890 to Rs.4 lacs; and by 1900 to Rs.5 lacs. Various additions have been made since, the last one in 1914 bringing the paid-up capital from Rs.25 lacs to Rs.30 lacs, its present figure. By 1895 the Bank had built up a reserve fund in excess of the paid-up capital, and the fund, which has never since fallen below that figure, amounted to Rs.39,60,000 on December 31, 1918. By an addition of Rs.1,50,000 from the year's profits, and a transfer of Rs.11,10,000 to the contingency fund, the reserve was reduced to an equal amount with the paid-up capital—Rs.30 lacs. The contingency fund, after being used to write down investments to market values, stands at Rs.4,82,082. This fund is set aside for equalisation of dividend, provision for doubtful debts, and other purposes. The Bank shows separately in its balance sheet the investments representing its reserve fund, which investments all consist of Government securities, written down to market rate or under. All the Bank's investments have been written down to this level.

The report for the year ending December 31, 1919, shows that the business of the Bank is expanding, and that the year has been a prosperous one. Deposits have risen from Rs.7,24,40,219 to Rs.9,36,13,800. The total of assets has increased over Rs.200 lacs, the cash in hand being considerably higher, and also the loans at call. Investments show a drop owing to the writing down, and advances have fallen from Rs.98 lacs to Rs.91 lacs. Against the liabilities to the public, assets are held in the following approximate proportions: Cash, twenty-two per cent.; investments, six per cent.; call loans, fifty-five per cent.; bills discounted, eleven per cent.; advances, nine per cent.

The year's net profit is Rs.6,11,300, equal to 20.3 per cent. on the paid-up capital, and to 9.4 per cent. on the total of capital and reserves. This result enables the directors to transfer Rs.1,30,000 to reserve, and carry forward Rs.1,65,000. The dividend, together with bonus, is paid half-yearly, and both have been maintained at the respective rates of twelve per cent. and six per cent. per annum on the Ordinary shares, while six per cent. is distributed on the Preference shares, the whole being free of income tax.

Profits of the Allahabad Bank.

Year to Dec. 31	Gross Profit.*	Interest paid.	Expenses.	Net Profit.	Dividends.— % Pref.	—Ord.— Rs.	%	Special Allocations Rs.
	Rs.	Rs.	Rs.	Rs.				
1919 ...	52,27,423	34,10,316	12,15,288	6,11,302	6	2,70,000	18	1,50,000
1918 ...	42,92,786	25,66,566	10,12,500	6,93,900	6	2,70,000	18	1,75,000
1917 ...	34,44,002	14,48,103	9,33,475	5,62,524	6	2,70,000	18	1,49,000
1916 ...	32,82,159	18,67,975	8,1 ,184	4,01,043	6	2,70,000	18	2,30,000
1915 ...	31,60,565	17,62,246	7,75,969	4,22,350	6	2,70,000	18	2,01,140
1914 ...	—	—	—	5,25,034	6	2,10,000	18	2,30,000
1913 ...	—	—	—	5,72,795	6	1,80,000	18	2,50,000

* [illegible]

In September last notice was given of the Board's decision to issue Rs.9 lacs of Ordinary shares of Rs.100 each, at a premium of Rs.100, which premium was to be added to the reserve fund.

ALLIANCE BANK OF SIMLA.

Head Office: Simla.

Capital—

Authorised	... ...	Rs. 1,00,00,000
Subscribed and Paid up	... ...	88,51,800

ON March 23, 1874, the Alliance Bank of Simla commenced a prosperous career at its present head office. Successive balance sheets have shown steady and often rapid growth in the Bank's business. In 1875 the deposits stood at Rs.3,77,446, by 1900 they had reached Rs.204 lacs; in 1914 they amounted to 539 lacs, in 1917 to 1,000 lacs, and the last balance sheet showed them to have reached 1,335 lacs. The total of the assets shows correspondingly large increases, having risen from Rs.5,88,527 in 1875 to 616 lacs in 1914 and to 1,586 lacs in 1920.

The Bank's growth has been largely consequent on the acquisition and liquidation of other businesses. It commenced operations by taking over the United Bank of India, Limited, which went into voluntary liquidation in 1874. The Bank was appointed liquidator of the Punjab Bank and of the Himalaya Bank, and also of Lloyds Bank, Darjeeling, in 1896. In 1916 the Alliance Bank absorbed the Punjab Banking Company, Limited, and the Delhi and London Bank, Limited, thereby materially adding to its importance and strength. In 1917 the business of the Bank of Rangoon, Limited, was taken over, and also certain offices of the Bank of Upper India, Limited. In this year the authorised capital was increased from 80 lacs to 100 lacs.

The net profit for the year ending June 30, 1920, is Rs.13,42,820. This is equal to 15.1 per cent. on the paid-up capital and to 5.5 per cent. on the total of capital and reserves (including profit balance). Two lacs is transferred to the reserve fund, making this 40 lacs, while a special reserve against depreciation of Government paper and other investments amounts to 11 lacs. A dividend of six per cent. per annum is paid on the Preference shares, while fourteen per cent. per annum is paid on the Ordinary shares, and in addition a bonus of three per cent. for the year, all free of income tax.

Liabilities and Assets of The Allahabad Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid-up.	Reserve Fund.	Total Capital and Reserve		—Deposits, &c.—		—Miscellaneous.		Profit Balance.		Total Liabilities.
	Rs.	Rs.	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
1919	30,00,000	30,00,000	[illegible]	6·0	[illegible]	93·0	[illegible]	·5	[illegible]	5	[illegible]
1918	30,00,000	[illegible]	[illegible]	8·7	7,24,40,219	90·4	2,14,521	3	[illegible]	6	[illegible]
1917	30,00,000	48,96,000	78,96,000	11·7	5,89,05,252	87·4	2,00,855	3	[illegible]	6	6,74,00,484
1916	30,00,000	[illegible]	75,00,000	11·9	5,46,77,527	86·7	[illegible]	6	[illegible]	·8	6,30,58,828
1915	30,00,000	45,00,000	75,00,000	12·5	5,17,48,105	86·1	3,05,271	·6	[illegible]	8	6,01,05,376
1914	30,00,000	43,[illegible]	73,[illegible]	12·1	5,21,65,789	86·4	[illegible]	6	[illegible]	9	6,03,43,976
1913	25,00,000	[illegible]	[illegible]	8·2	6,76,57,075	90·7	[illegible]	4	[illegible]	7	7,46,97,591

ASSETS. Dec. 31	Cash —in Hand.—		—Investments.—		Loans at Call, —&c.—		Bills Discounted.		Advances, &c.		Bank Premises, &c.		Total Assets.
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
1919 ...	2,14,42,007	21·3	61,85,717	6·1	5,16,16,416	51·3	1,[illegible]	10·2	[illegible]	9·2	[illegible]	1·9	[illegible]
1918 ...	1,88,35,532	23·5	69,48,182	8·7	3,25,45,274	40·4	1,00,44,748	12·5	[illegible],280	12·4	[illegible]	2·5	[illegible]
1917 ...	1,69,93,454	25·2	69,51,013	10·3	2,23,29,632	33·1	[illegible],07,097	12·4	1,06,54,251	15·8	[illegible]	3·2	[illegible]
1916 ...	1,52,82,480	24·2	61,13,140	9·7	1,87,36,718	29·8	79,39,488	12·6	1,29,20,173	20·5	[illegible]	3·2	[illegible]
1915 ...	1,29,61,673	21·6	60,12,373	10·0	1,65,72,606	27·6	87,[illegible],188	14·5	1,38,24,346	23·0	20,16,120	3·3	[illegible]
1914 ...	82,46,408	13·7	60,24,317	9·9	1,81,47,085	30·1	88,17,244	14·6	1,[illegible],222	23·6	18,71,700	3·1	[illegible]
1913 ...	1,24,64,836	16·7	60,71,951	8·1	2,46,91,648	33·1	1,55,77,121	18·2	1,70,51,175	22·9	17,50,600	2·3	7,46,97,591

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of the Alliance Bank of Simla.

LIABILITIES. Year ended June 30	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Deposit and Current Accounts.		Bills Payable.		Miscellaneous.		Profit Balance.		Total Liabilities.
	Rs.	Rs.	Rs.	%*	Rs.	%*	Rs.	%*	Rs.	%*	Rs.	%*	Rs.
1920 ...	68,51,800	40,00,000	1,28,51,800	8·1	13,37,58,924	84·2	99,96,991	6·3	11,00,000	·7	11,25,038	·7	15,88,32,753
1919 ...	88,08,800	39,00,000	1,27,08,800	8·8	12,72,20,944	86·9	37,66,308	2·6	16,59,278	1·1	8,97,618	·6	14,62,52,948
1918 ...	86,82,400	37,00,000	1,23,82,400	9·0	12,21,57,196	88·9	—	—	21,36,492	1·5	7,83,932	·6	13,82,60,020
1917 ...	66,61,200	40,00,000	1,06,61,200	9·5	10,00,27,222	88·9	11,229	—	9,55,662	·8	9,16,709	·8	11,25,72,022
1916 ...	34,52,700	40,00,000	74,52,700	8·3	8,06,12,452	89·6	—	—	12,96,962	1·4	6,60,347	·7	9,00,22,461
1915 ...	30,00,000	40,00,000	70,00,000	10·7	5,76,57,767	88·2	—	—	3,31,500	·5	3,91,702	·6	6,53,80,969
1914 ...	30,00,000	40,00,000	70,00,000	11·4	5,39,12,901	87·5	—	—	3,34,823	·5	3,95,306	·6	6,16,43,030

ASSETS. Year ended June 30	Cash.		Investments.		Bills Discounted, Loans, &c.		Bills Receivable.		Bank Premises.		Total Assets.
	Rs.	%*	Rs.	%*	Rs.	%*	Rs.	%*	Rs.	%*	Rs.
1920 ...	3,35,91,938	21·2	2,84,34,707	17·9	8,32,84,437	52·5	73,70,241	4·6	59,48,430	3·8	15,86,32,753
1919 ...	2,56,42,170	17·5	3,07,21,304	21·0	8,01,15,800	54·8	37,66,308	2·6	60,07,366	4·1	14,62,52,948
1918 ...	2,26,44,193	16·4	3,01,44,117	21·8	7,81,77,929	56·6	14,62,078	1·0	58,31,703	4·2	13,82,60,020
1917 ...	1,63,67,249	14·5	2,72,40,798	24·2	6,44,59,653	57·2	5,00,637	·5	40,03,685	3·6	11,25,72,022
1916 ...	1,73,56,160	19·2	2,45,51,104	27·3	4,61,46,374	51·2	53,908	·1	19,14,915	2·1	9,00,22,461
1915 ...	1,12,66,884	17·2	1,74,97,525	26·8	3,63,11,350	54·0	26,170	—	12,79,040	2·0	6,53,80,969
1914 ...	90,12,677	14·6	1,39,58,448	22·6	3,73,50,997	60·6	1,05,497	·2	12,15,411	2·0	6,16,43,030

* Per cent. of Total Liabilities or Assets.

Profits of the Alliance Bank of Simla.

Year to June 30	Gross Profit.	Expenses.	Net Profit.	Dividends.* 6% Pref.	Dividends.* Ord. Rs.	Ord. %	To Reserve.	Carried Forward
	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.
1920	42,55,393	29,12,572	13,42,821	3,21,648	5,95,000	17	3,00,000	3,13,931
1919	36,22,868†	25,99,103	10,23,765	3,18,490	5,95,000	17	2,00,000	1,87,758
1918	63,40,528	54,69,626	8,70,902	2,52,449	5,95,000	17	—	2,77,483
1917	56,15,115	47,21,322	8,93,793	2,07,960	5,10,000	17	2,00,000	2,64,030
1916	38,06,450	31,31,954	6,74,496	18,000	4,80,000	16	—	2,78,197
1915	30,14,770	25,21,521	4,93,249	—	4,20,000	14	50,000	1,01,701
1914	29,40,849	25,57,351	3,83,498	—	2,89,644	14	1,00,000	78,452

* Free of Indian income tax. † After deducting interest.

The Preference share capital has increased during the year to Rs.53,51,800, owing to the issue of 430 shares in respect of securities received for conversion under recent amalgamations. Deposits have also increased, and bills payable have risen from 37 to 99 lacs. The cash holding has increased by 79 lacs, investments show a decrease, while bills discounted and loans have risen from 801 to 832 lacs. Bills receivable have expanded about 36 lacs.

The Bank's London agents are Messrs. Boulton Brothers and Company, while Barclays Bank Limited and the London County Westminster and Parr's Bank Limited act as bankers and correspondents.

BANK OF BENGAL.

Head Office: Calcutta.

Capital—

Authorised ... ...Rs. 2,00,00,000
Issued, 40,000 Shares of Rs.500 each ... 2,00,00,000

The Bank of Bengal, which is one of the three Presidency Banks, was originally established in 1809 with a capital of Rs.50,00,000, one-fifth of this amount being contributed by the East India Company. The institution was for some time entirely under Government control, but in 1862 many of the restrictions relating to its conduct of business were withdrawn, and it lost the privilege of note issue. After 1876, under the Presidency Banks Act, all Government participation in management ceased. The Bank, however, must confine the investment of its funds to home and Indian Government securities, or certain other securities guaranteed by the Indian Government. Further, the Bank's borrowing powers are confined to India, and its advances to customers must be covered by bullion, securities similar to the above, or certain other specified securities.

The Bank, with its head office at Calcutta, has twenty-five branches throughout India.

The scheme for the formation of an Imperial Bank of India by the amalgamation of the three Presidency Banks was put before the shareholders at a special general meeting on February 12, 1920. The scheme was approved, and it is probable that the necessary Bill in connection with it will come at an early date before the Imperial Legislative Council.

The net profit for the year to June 30, 1920, amounts to Rs.49,70,006, as compared with Rs.45,95,783 for the previous year. The dividend paid is at the rate of seventeen per cent. per annum, free of income tax, and twelve lacs are transferred to the reserve fund. The latter now amounts to Rs.2,06,00,000, including a special reserve of twenty-five lacs for depreciation of investments. The directors state that money has been in good demand during the latter half of the year, and the Bank's resources have consequently been profitably employed. The profit is equal to 24.8 per cent. on the paid-up capital, and to 12.2 per cent. on the total of capital and reserves.

Profits of the Bank of Bengal.

Year to June 30	Gross Profit.	Expenses.	Net Profit.	Dividend. Amount.	Dividend. Rate.	Special Allotns.	Carried Forward.
	Rs.	Rs.	Rs.	Rs.	%	Rs.	Rs.
1920 ...	82,37,662	32,67,656	49,70,006	34,00,000	17	14,00,000	7,21,071
1919 ...	74,62,223	28,66,440	45,95,783	34,00,000	17	12,00,000	5,51,065
1918 ...	68,96,487	24,57,186	44,39,301	34,00,000	17	10,00,000	5,55,283
1917 ...	—	—	43,80,985	33,00,000	16½	11,00,000	5,15,982
1916 ...	—	—	39,48,678	32,00,000	16	9,00,000	5,34,997
1915 ...	—	—	34,27,629	32,00,000	16	1,00,000	6,86,318
1914 ...	58,32,796	21,83,756	36,39,040	30,00,000	15	6,00,000	5,58,689

Comparing the balance-sheet figures with those of the previous year, the total of deposits shows an increase of 1,135 lacs. The assets have risen from Rs.35,97,76,310 to Rs.47,41,37,986, cash bullion and currency notes showing an increase of about 200 lacs. The total of investments has also risen about 239 lacs to Rs.9,66,62,618. Both bills discounted and loans show substantial increases, the former of 180 lacs, the latter of 521 lacs.

Liabilities and Assets of The Bank of Bengal.

LIABILITIES. June 30	Capital Paid up.	Reserve Funds.	Capital and Reserves.		Deposits. Public	Deposits. Other	Deposits. Total.		Sundries.		Profit Balance.		Total Liabilities.
	Rs.	Rs.	Rs.	%*	Rs.	Rs.	Rs.	%*	Rs.	%*	Rs.	%*	Rs.
1920	2,00,00,000	2,06,00,000	4,06,00,000	8·6	8,01,04,886	34,99,19,135	43,00,24,021	90·7	27,92,894	·6	7,21,071	·1	47,41,37,986
1919	2,00,00,000	1,94,00,000	3,94,00,000	10·9	3,46,10,547	28,18,33,866	31,64,44,413	88·0	33,80,832	·9	5,51,065	·2	35,97,76,310
1918	2,00,00,000	2,26,00,000	4,26,00,000	11·0	6,61,07,390	27,55,88,283	34,19,95,673	88·3	24,26,477	·6	5,55,283	·1	38,75,77,433
1917	2,00,00,000	2,17,50,000	4,17,50,000	10·8	13,38,85,538	20,92,34,221	34,31,19,759	88·4	24,87,218	·7	5,15,982	·1	38,78,72,959
1916	2,00,00,000	2,08,00,000	4,08,00,000	12·9	3,36,11,681	23,79,85,876	27,15,97,557	86·1	24,74,371	·8	5,34,997	·2	31,54,06,925
1915	2,00,00,000	2,00,00,000	4,00,00,000	13·0	2,63,70,910	23,89,55,254	26,53,26,164	86·0	25,26,765	·8	6,86,318	·2	30,85,39,247
1914	2,00,00,000	2,00,00,000	4,00,00,000	14·5	2,90,63,861	20,23,76,453	23,14,40,314	84·4	23,25,435	·9	5,58,689	·2	27,43,24,438

ASSETS. June 30	Cash, Bullion and Currency Notes.		Govt. Securities.	Other Invest.	Total Investments.		Bills Discounted.		Loans, Advances, &c.		Sundries.		Dead Stock.		Total Assets.
	Rs.	%*	Rs.	Rs.	Rs.	%*	Rs.	%*	Rs.	%*	Rs.	%*	Rs.	%*	Rs.
1920	16,10,38,075	34·0	8,53,11,778	1,33,50,840	9,86,62,618	20·4	3,94,25,853	8·3	17,74,615	36·4	14,80,515	·3	28,77,320	·6	47,41,37,986
1919	14,09,59,141	39·2	5,88,76,137	1,38,50,944	7,27,37,081	20·2	2,14,59,403	6·0	12,05,59,592	33·5	12,15,699	·3	28,05,481	·8	35,97,76,310
1918	12,98,75,871	33·5	8,57,68,643	1,42,18,714	9,99,87,357	25·8	2,55,41,787	6·6	12,67,90,599	32·7	25,82,284	·7	27,99,535	·7	38,75,77,433
1917	16,17,74,218	41·7	6,50,73,892	1,24,36,800	7,75,10,692	20·0	1,79,32,930	4·6	12,64,09,363	32·6	13,28,852	·3	29,16,914	·8	38,78,72,959
1916	12,35,84,818	39·2	6,40,89,315	1,06,66,280	7,47,55,595	23·7	2,24,46,461	7·1	9,03,03,776	28·6	14,03,233	·4	29,13,042	1·0	31,54,06,925
1915	14,68,25,073	47·5	4,93,99,665	1,02,11,880	5,96,11,545	19·2	2,04,26,481	6·6	7,73,17,169	25·5	15,72,105	·4	27,86,874	·8	30,85,39,247
1914	13,51,16,181	49·3	2,00,64,445	76,38,803	2,77,03,248	10·1	2,44,64,818	8·9	8,38,30,233	30·6	7,10,912	·2	25,05,046	·9	27,43,24,438

* Per cent. of Total Liabilities or Assets.

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BANK OF BOMBAY.

Head Office: Bombay.

Capital—

Authorised	...Rs 1,00,00,000
Paid up, 20,000 Shares of Rs. 500 each ...	1,00,00,000

THIS Bank assumed its present title under the Presidency Banks Act of 1876, when, as in the cases of the other two Presidency Banks, Government control of the Bank's business came to an end, except that the Government may call for any information concerning the Bank's affairs that it may need. The Bank was originally formed under special charter in 1840, with a capital of 52½ lacs, subsequently increased to 209 lacs, but reduced to its present figure of 100 lacs under a reconstruction that took place in 1867.

In addition to its head office at Bombay, the Bank has seventeen branches throughout the Presidency. No branch or agency may be established outside the Presidency without the consent of the Governor-General in Council. Indians are admitted to the Bank's Board of Directors.

The Chairman, in presenting the accounts for the half-year ending June 30, 1920, stated that there had been a most satisfactory extension of business. He referred to the wide fluctuations in the sterling value of the rupee, and the grave economic difficulties experienced by many of India's pre-War customers, which must affect the prosperity of their own Presidency. Reference was also made to the impending amalgamation of the three Presidency Banks, subject to the necessary legislation. The consent of the shareholders of all three Banks had already been obtained. The control of this Imperial Bank of India would rest with the Central Board, consisting of representatives from the three Presidency cities.

The net profit for the half-year ending June 30, 1920, was Rs. 21,66,384, and for the year Rs.35,64,825. This is equal to 35.6 per cent. on the paid-up capital, and to 16.6 per cent on the total of capital and reserve. For the half-year to December 31 dividend was at the rate of fifteen per cent. per annum, in addition to a bonus of five per cent. per annum. The last half-year the dividend was fifteen per cent. per annum, bonus five per cent. per annum, and a special bonus of two per cent. per annum, making a total return for the year of twenty-one per cent. per annum, all free of income tax. Ten lacs was transferred out of the year's profits to the reserve fund, 1½ lacs to the pension fund, and 3 lacs set aside for depreciation of securities.

Profits of the Bank of Bombay.

Year to June 30	Gross Profit.	Expenses.	Net Profit.	Dividend. Amount.	Dividend. Rate.	Special Allowatns.	Carried Forward
	Rs.	Rs.	Rs.	Rs.	%	Rs.	Rs.
1920 ...	57,00,508	21,35,683	35,64,825	21,00,000	21	14,50,000	4,48,721
1919 ...	44,21,737	15,85,151	28,36,586	19,00,000	19	10,00,000	4,33,898
1918 ...	43,18,056	15,12,420	28,05,636	18,00,000	18	10,00,000	4,97,312
1917 ...	37,85,289	11,83,370	26,01,919	16,00,000	16	9,50,000	4,91,676
1916 ...	32,75,186	10,42,264	22,32,922	15,00,000	15	8,50,000	4,39,757
1915 ...	27,09,490	10,04,905	17,04,585	15,00,000	15	75,000	5,56,835
1914 ...	25,16,132	8,31,120	16,85,012	14,00,000	14	4,65,000	4,37,250

The total of deposits and bank post bills was Rs.33,79,43,724 on June 30, an increase of 1,015 lacs over the previous year's total. Against this, assets were held in the following approximate proportions:—Cash thirty-nine per cent., investments ten per cent., bills discounted nine per cent., advances forty-seven per cent.

In comparison with June 1919, the cash total has increased 214 lacs, and securities have risen from 235 lacs to 363 lacs. Bills discounted show a decrease, while loans and advances have run up to the high figure of 1,599 lacs, from 899 lacs. The assets total has increased by 1,033 lacs to Rs.36,36,92,207.

BANK OF INDIA.

Head Office: Oriental Buildings, Bombay.

Capital—

Authorised, 2 lacs Shares at Rs. 100 each..	Rs. 2,00,00,000
Subscribed. 2 lacs Shares at Rs. 100 each...	2,00,00,000
Paid up, Rs. 50 per Share	1,00,00,000

THE Bank of India was established on September 7, 1906, its promoters being Bombay business men, and others connected with the public life of the city. Its primary object was to finance local trade in Bombay, and its articles of association prohibited foreign exchange operations. Further articles which prevented the Bank from lending against shares of joint stock companies and mortgage of landed property were found to be too much of a handicap and were altered in 1912. The Bank's deposits are obtained mainly from native chiefs and the Indian public, and its operations are specially directed to financing the cotton industry. Outside the Bombay office the Bank has only one branch, at Ahmedabad, and the London County Westminster and Parrs Bank, Limited, act as its London agents.

The net profit for the half-year ending June 30, 1920, amounts to Rs.11,82,978, and exceeds that of any previous half-year by about 6¼ lacs. The record set up was due to the Bank's increased resources, combined with the good demand for money at remunerative rates. The profit for the whole year at Rs.23,44,449 is equal to 23.4 per cent. on the paid-up capital, and to 14.1 per cent. on the total of capital and reserve. During 1919 there was an issue of 10,000 shares of Rs.100 each, Rs.50 paid up, at a premium of Rs.50 per share. The issue was fully subscribed, the premium adding largely to the reserve fund, which now stands at sixty-six lacs, thus placing the Bank in a very strong position.

The dividend paid for 1919 was twelve per cent. per annum, exclusive of a bonus of two per cent. for the year, all free of income tax. The interim dividend for the first half of 1920 is at the rate of fourteen per cent. per annum, free of tax. One lac was placed to the reserve fund last December, and one lac set aside

Liabilities and Assets of The Bank of Bombay.

LIABILITIES. June 30	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Public Deposits.	Other Deposits.	Total Deposits & Bank Post Bills, &c.		Sundries.		Total Liabilities.
	Rs.	Rs.	Rs.	%*	Rs.	Rs.	Rs.	%*	Rs.	%*	Rs.
1920 ...	1,00,00,000	1,14,00,000	2,14,00,000	5·9	6,63,57,082	27,15,86,642	33,79,43,724	92·9	43,18,483	1·2	36,36,92,207
1919 ...	1,00,00,000	1,05,00,000	2,05,00,000	7·9	2,98,26,021	20,65,87,158	23,64,13,179	90·8	34,07,464	1·3	26,03,20,643
1918 ...	1,00,00,000	96,00,000	1,96,00,000	8·1	5,49,05,063	16,58,34,439	22,07,39,501	90·7	30,60,487	1·2	24,33,99,988
1917 ...	1,00,00,000	90,00,000	1,90,00,000	7·8	7,16,58,741	15,16,45,408	22,33,04,149	91·0	30,94,702	1·2	24,53,98,851
1916 ...	1,00,00,000	90,00,000	1,90,00,000	11·4	2,63,12,471	11,78,38,858	14,41,51,329	86·9	28,54,361	1·7	16,60,05,690
1915 ...	1,00,00,000	1,00,00,000	2,00,00,000	12·6	1,87,09,635	11,78,86,904	13,65,96,539	86·0	23,06,547	1·4	15,89,03,086
1914 ...	1,00,00,000	1,06,00,000	2,06,00,000	14·5	1,97,56,257	9,92,36,219	11,89,92,476	83·6	27,64,679	1·9	14,23,57,155

ASSETS. June 30	Cash and Currency Notes		Government Securities.	Other Invests.	Total Investments.		Bills Discounted.		Loans, Advances, &c.		Sundries.		Dead Stock.		Tota Assets.
	Rs.	%*	Rs.	Rs.	Rs.	%*	Rs.	%*	Rs.	%*	Rs.	%*	Rs.	%*	Rs.
1920 ...	13,32,01,319	36·6	3,47,47,479	16,11,520	3,63,58,999	10·0	3,11,00,486	8·6	15,90,53,490	44·0	12,83,631	·3	17,85,282	·5	36,36,92,207
1919 ...	11,17,50,485	42·9	2,16,51,154	18,71,940	2,35,23,094	9·0	3,23,92,977	12·4	8,99,29,081	34·6	12,30,399	·5	14,94,607	·6	26,03,20,643
1918 ...	6,58,16,488	27·0	7,13,97,336	20,09,140	7,34,06,476	30·2	1,19,22,005	4·9	8,90,90,313	36·6	22,93,705	·9	8,71,001	·4	24,33,99,988
1917 ...	10,01,88,558	40·8	2,68,51,587	30,25,906	2,98,77,493	12·2	1,44,23,934	5·9	9,89,29,077	40·3	10,10,727	·4	9,69,062	·4	24,53,98,851
1916 ...	5,96,75,704	36·0	2,92,53,059	33,09,026	3,25,67,085	19·6	98,26,535	5·9	6,20,84,332	37·4	8,50,265	·5	10,01,769	·6	16,60,05,690
1915 ...	7,61,46,801	47·9	1,47,88,486	43,81,758	1,91,70,244	12·1	98,16,508	6·2	5,21,99,152	32·8	5,83,349	·4	9,87,032	·6	15,89,03,086
1914 ...	5,58,79,990	39·3	1,42,00,974	2,07,189	1,44,08,163	10·1	1,59,17,925	11·2	5,50,45,499	38·6	5,88,053	·4	5,17,525	·4	14,23,57,155

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Bank of India, Limited.

LIABILITIES. Dec. 31	Capital Paid up. Rs.	Reserve Fund. Rs.	Total Capital and Reserve. Rs.	%	Deposits and Current Accounts. Rs.	%	Bonds and Miscellaneous. Rs.	%	Profit Balance. Rs.	%	Total Liabilities. Rs.
1920† ...	[illegible]	[illegible]	[illegible]	14·6	9,50,21,998	83·5	[illegible]	3	[illegible]	1·3	[illegible]
1919 ...	[illegible]	[illegible]	[illegible]	17·9	[illegible]	81·0	[illegible]	3	7,71,490	·8	2,12,43,824
1918 ...	5,00,00,000	12,00,000	62,00,000	11·2	4,87,[illegible]	87·1	[illegible]	·6	[illegible]	1·1	5,52,79,370
1917 ...	50,00,000	10,00,000	60,00,000	11·2	4,70,47,[illegible]	87·5	1,6[illegible]	·3	5,48,379	1·0	5,37,61,388
1916 ...	70,00,000	[illegible]	5,00,00,000	14·0	3,43,61,361	84·3	[illegible]	·3	5,76,639	1·4	4,07,80,000
1915 ...	50,00,000	5,50,000	55,50,000	20·5	[illegible]	77·8	[illegible]	·4	3,65,235	1·3	2,71,52,169
1914 ...	50,00,000	5,00,000	55,00,000	21·2	[illegible]	77·3	1,13,981	·4	2,71,523	1·1	2,59,71,623
1913 ...	50,00,000	5,00,000	55,00,000	19·5	[illegible]	79·1	[illegible]	·6	[illegible]	·8	2,81,90,543

ASSETS. Dec. 31	Cash. Rs.	%	Investments. Rs.	%	Discounted. Rs.	%	Advances. Rs.	%	Total Assets. Rs.
1920† ...	[illegible]	19·4	[illegible]	9·9	[illegible]	9·3	[illegible]	61·3	[illegible]
1919 ...	[illegible]	19·9	[illegible]	17·8	[illegible]	9·7	[illegible]	52·6	2,12,43,824
1918 ...	1,10,[illegible]	21·5	[illegible]	11·4	[illegible]	6·4	[illegible]	60·6	5,52,79,370
1917 ...	1,45,[illegible]	27·1	41,06,368	7·6	62,[illegible]	11·7	2,87,87,547	53·5	[illegible]
1916 ...	[illegible]	23·5	[illegible]	6·8	[illegible]	11·4	[illegible]	58·2	[illegible]
1915 ...	[illegible]	13·9	24,83,787	9·1	27,67,801	10·2	1,81,08,946	66·7	2,71,52,169
1914 ...	71,[illegible]	27·4	11,53,568	4·4	[illegible]	5·0	[illegible]	63·1	2,59,71,623
1913 ...	63,07,051	22·4	30,30,996	10·7	21,[illegible]	8·7	[illegible]	58·1	[illegible]

† Including [illegible] of total Liabilities or Assets.

[illegible] Bank of Madras was [illegible] 1843 with a capital of Rs. [illegible] and [illegible] until 1876 [illegible] Government [illegible] Presidency Banks Act [illegible] passed in that year the relations between the Govern- [illegible] the Government [illegible] the Bank that they deem desirable. In 1862 the Bank lost its privilege of note issue. Various alterations have taken place in the capital, and the authorised [illegible] Rs. 12 lacs of which Rs. 7·5 lacs are paid up.

[illegible] for the year to June 30, 1920, reveals a satisfactory growth in business. In comparison with the previous year, deposits have increased by [illegible] Rs. [illegible] lacs to Rs. 16,76,[illegible] lacs, while Rs.611 lacs is considerably higher (Rs.185 lacs), while the total of investments has dropped about Rs.45 lacs. Loans have risen from Rs.710 lacs to Rs. 971 lacs.

Money has been in good demand, and has been profitably employed, as is evidenced by the net profit of Rs.18,20,113, compared with Rs.12,15,132 for the year ending June 30, 1919. For the half-year to December 31, 1919, [illegible] per cent. per annum, and [illegible] per cent. per annum, were paid, and for last half-year dividend at the rate of twelve per cent. per annum, and bonus four per cent. per annum, making a total return of fourteen per cent. for the year, all free of income tax. Rs.4 lacs were transferred to the reserve fund, which now stands at Rs.45 lacs. The net profit is equal to 24·2 per cent. on the paid-up capital, and to 15·1 per cent. on the total of capital and reserve.

Profits of the Bank of Madras

Yr. to June 30	Gross Profit. Rs.	Expenses. Rs.	Net Profit. Rs.	Dividend. Amt. Rs.	Dividend. Rate. %	Special Allottm. Rs.	Carried Forward. Rs.
1920	[illegible]	[illegible]	[illegible]	[illegible]	14	[illegible]	[illegible]
1919 ...	31,33,806	19,18,674	12,15,132	9,00,000	12	3,00,000	3,99,488
1918 ...	30,65,803	17,03,577	13,62,226	9,00,000	12	4,50,000	[illegible]
1917 ...	30,67,792	14,87,657	18,79,635	9,00,000	12	8,00,000	3,72,150
1916 ...	27,56,720	13,49,644	14,07,076	9,00,000	12	4,50,000	4,92,495
1915 ...	23,44,316	12,25,320	11,18,996	9,00,000	12	—	[illegible]
1914 ...	25,31,260	11,96,740	13,34,520	9,00,000	12	4,25,000	2,59,175

[illegible] the Bank's liabilities on deposits, and the loans and advances fifty-eight per cent. of the same.

The deposits have shown a steady rise for some time, and amounted last December to 730 lacs, while in June they stood at 950 lacs. The cash has increased thirty-eight lacs during the half-year to 210 lacs, while investments show a rise of four lacs. Bills discounted more than doubled during 1919, and have again risen to 105 lacs in June. Loans and advances rose from 331 lacs to 479 lacs in 1919, and on June 30 totalled 694 lacs.

Against the Bank's liabilities to the public on June 30, the following was the proportionate division of the assets held:—Cash, twenty-three per cent.; investments, eleven per cent.; bills discounted, eleven per cent.; advances, several; two per cent.

BANK OF MADRAS.

Head Office: Madras.

Capital—

Authorised	Rs. 1,20,00,000
Issued, 15,000 Shares of Rs. 500 each, fully paid	75,00,000
Paid up	75,00,000

The Bank of Madras is one of the three Presidency Banks, and conducts the general banking business of the Government in the Madras Presidency. It comes under the scheme, mentioned in connection with the two other Presidency Banks, for the formation of an Imperial Bank of India, by the amalgamation of the three institutions. The scheme has received the assent of all the shareholders, and only awaits the passing of the necessary legislation.

Liabilities and Assets of The Bank of Madras.

LIABILITIES. June 30	Capital Paid up. Rs.	Reserve Fund. Rs.	Total Capital and Reserve. Rs.	%	Govt. Rs.	Other. Rs.	Deposits. Total. Rs.	%	Securities. Rs.	%	Profit Balance. Rs.	%	Total Liabilities.
1920 ...	[illegible]	[illegible]	[illegible]	6·5	[illegible]	[illegible]	[illegible]	90·6	[illegible]	2·6	[illegible]	·3	[illegible]
1919 ...	75,00,000	52,00,000	1,27,00,000	8·8	1,42,41,465	11,54,09,721	12,96,51,186	89·7	[illegible]	1·3	[illegible]	·2	[illegible]
1918 ...	75,00,000	50,00,000	1,25,00,000	8·7	2,13,30,104	10,39,54,744	11,02,84,848	90·6	[illegible]	·5	[illegible]	·2	[illegible]
1917 ...	75,00,000	50,00,000	1,25,00,000	9·5	2,03,92,[illegible]	[illegible]	11,[illegible]	88·1	18,13,920	1·6	3,72,131	·3	[illegible]
1916 ...	75,00,000	65,00,000	1,40,00,000	11·8	1,15,30,582	9,12,85,060	10,28,15,642	86·4	[illegible]	1·4	[illegible]	·4	[illegible]
1915 ...	75,00,000	76,00,000	1,51,00,000	14·0	1,02,11,110	8,15,26,164	9,17,37,274	84·9	[illegible]	·7	[illegible]	·4	10,80,16,027
1914 ...	75,00,000	74,00,000	1,49,00,000	13·1	93,35,324	8,69,54,998	9,62,90,322	84·3	[illegible]	2·4	[illegible]	·2	11,41,62,756

ASSETS. June 30	Cash, Bullion and Notes. Rs.	%	Investments. Govt. Rs.	Other.	Total. Rs.	%	Bills Discounted. Rs.	%	Loans, Advances, &c. Rs.	%	Sundries. Rs.	%	Bank Premises. Rs.	%	Total Assets. Rs.
1920 ...	6,11,52,159	33·1	[illegible]	[illegible]	[illegible]	7·3	1,1[illegible]	6·1	[illegible]	52·5	[illegible]	[illegible]	[illegible]	1·0	[illegible]
1919 ...	4,26,41,847	29·5	1,76,43,228	4,80,[illegible]	1,81,[illegible]	12·5	1,[illegible]	7·6	[illegible]	49·1	[illegible]	·1	[illegible]	1·2	14,47,12,862
1918 ...	4,67,82,580	25·9	1,01,90,690	4,63,[illegible]	1,06,[illegible]	7·4	1,34,[illegible]	9·3	7,48,[illegible]	52·0	64,27,397	4·5	17,17,714	1·2	14,[illegible]
1917 ...	4,33,43,724	33·1	79,13,001	4,82,314	[illegible]	9·4	78,60,392	6·0	1,04,[illegible]	53·7	[illegible]	·1	[illegible]	·7	13,[illegible]
1916 ...	3,92,39,365	24·0	1,43,91,206	4,41,750	1,47,32,956	12·4	[illegible]	6·9	[illegible]	55·4	[illegible]	·1	[illegible]	·8	[illegible]
1915 ...	2,99,49,215	27·7	1,52,64,426	5,49,749	1,41,03,175	13·0	82,60,594	7·7	[illegible]	50·9	1,01,[illegible]	·1	[illegible]	·8	[illegible]
1914 ...	2,50,38,683	21·9	1,66,40,603	1,12,804	1,07,55,407	9·4	1,41,[illegible]	12·7	[illegible]	55·5	[illegible]	·1	[illegible]	·4	[illegible]

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of the Central Bank of India, Ltd.

LIABILITIES.	Capital Paid up.	Reserve.	Total Capital and Reserve.		Deposit and Current Accounts, &c.		Bills Payable.		Loans Payable.		Bills for Collection.		Profit Balance.		Total Liabilities
June 30	Rs.	Rs.	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
1920 ...	49,99,413	19,00,000	68,99,413	5·6	11,38,12,225	91·3	3,35,897	·3	—	—	24,20,006	1·9	3,74,467	·3	12,38,42,008
1919 ...	32,94,288	11,25,000	44,19,288	5·3	7,73,84,854	93·6	2,05,773	·3	—	—	2,57,276	·3	3 88,722	·5	8,26,55,913
1918 ...	25,00,000	3,07,000	28,07,000	5·2	4,94,78,214	92·1	49,201	·1	—	—	10,61,309	2·0	3,35,295	·6	5,37,22,019
1917 ...	15,00,000	1,67,000	16,67,000	7·0	2,20,47,612	92·2	—	—	—	—	63,755	·2	1,42,502	·6	2,39,20,869
1916 ...	15,00,000	1,07,000	16,07,000	15·7	85,16,329	83·2	—	—	—	—	23,064	·2	87,914	·9	1,02,34,307
1915 ...	15,00,000	1,35,000	16,35,000	21·6	48,22,945	63·8	—	—	10,31,617	13·7	9,436	·1	56,062	·8	75,55,060
1914 ...	15,00,000	1,35,000	16,35,000	27·0	29,89,945	49·4	—	—	13,66,750	22·6	21,463	·4	34,486	·6	60,47,644

ASSETS.	Cash.		Money at Call.		Investments.		Bills Discounted.		Loans and Advances.		Bills Receivable.		Bank Premises, &c.		Total Assets
June 30	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
1920 ...	1,79,85,078	14·5	6,50,000	·5	2,22,56,038	18·0	1,25,61,610	10·2	6,60,00,520	53·3	24,20,006	1·9	19,68,756	1·6	12,38,42,008
1919 ...	1,05,20,241	12·7	19,50,000	2·3	2,78,33,594	33·7	39,27,941	4·8	3,80,00,653	46·0	2,57,276	·3	1,66,208	·2	8,26,55,913
1918 ...	94,72,647	18·0	9,79,527	1·8	1,56,12,386	2·1	30,27,367	5·6	2,28,05,918	42·4	10,61,309	2·0	5,63,765	1·1	5,37,22,019
1917 ...	47,90,872	20·0	17,80,000	7·5	38,29,669	16·0	15,03,443	6·3	1,18,60,847	49·6	83,023	·4	68,015	·2	2,39,20,869
1916 ...	16,31,949	15·9	6,00,000	5·9	14,30,549	14·0	5,11,449	5·0	59,93,633	58·6	23,064	·2	43,663	·4	1,02,34,307
1915 ...	9,44,647	12·5	4,00,000	5·3	18,12,196	24·0	2,30,850	3·1	41,16,430	54·4	9,436	·1	41,507	·6	75,55,060
1914 ...	7,75,580	12·8	—	—	19,26,098	17·0	1,05,304	1·7	40,71,804	67·3	21,463	·4	47,395	·8	60,47,644

° Per cent. of Total Assets or Liabilities.

CENTRAL BANK OF INDIA.

Head Office: Bombay

Capital—

Authorised, 200,000 Shares of Rs. 50 each		Rs. 1,00,00,000
Issued and subscribed		1,00,00,000
Paid up		49,99,412

The Central Bank of India was registered as recently as December 21, 1911, at Bombay, being promoted by certain citizens of that place, who realised the need for such an institution. It was unfortunate that a serious financial crisis occurred in India in 1913, but although experiencing a run and a heavy withdrawal of deposits the Bank was able to meet all the demands of its customers, and soon regained its former position and size. In addition to its Bombay offices the Bank has branches at Calcutta, Karachi, Lahore, Amritsar, Jharia, and Lyallpore.

The deposits, after a fall to 29 lacs in 1914, rose to 85 lacs in 1916, 220 lacs in 1917, 494 lacs in 1918, 773 lacs in 1919, and on June 30, 1920, stood at 1,138 lacs, evidencing the rapid growth of this Bank's business. The reserve fund has now reached 19 lacs, a substantial increase over the amount at the end of 1919. In that year the subscribed capital was increased by 50 lacs, in shares of 50 rupees each—Rs.25 paid up, and it now stands at 100 lacs.

Bills for collection, with the corresponding asset, bills receivable, have increased from 2 lacs to 24 lacs during the year ended June 30, 1920. Cash shows an increase of 74 lacs, while both money at call and investments are less by 13 lacs and 55 lacs respectively. Bills discounted, however, have risen by 86 lacs, and advances have increased from 380 lacs to 660 lacs. The net profit for the year at Rs.11,73,245 has more than doubled the previous year's result, and is equal to 23.4 per cent. on the paid-up capital and to 17.1 per cent. on the total of capital and reserve. The dividend for 1919 amounted to eleven per cent. per annum, free of income tax. The interim dividend on June 30, 1920, was at the rate of fourteen per cent. per annum, free of tax, and, after transferring 5 lacs to the reserve fund, Rs.24,466 was carried forward to the next account.

Profits of the Central Bank of India.

Year ended June 30	Gross Profit.	Expenses.	Net Profit	Dividend. Amount.	Dividend. Rate.	Special Allocations	Carried Forward.
	Rs.	Rs.	Rs.	Rs.	%	Rs.	Rs.
1920 ...	22,39,929	10,66,684	11,73,245	6,11,500	13	8,00,000	24,467
1919 ...	11,88,066	6,22,139	5,65,927	2,37,500	9½	1,00,000	2,63,721
1918 ...	8,13,178	3,47,885	4,65,293	1,50,000	8	3,40,000	35,296
1917 ...	4,12,689	1,39,045	2,73,644	1,05,000	7	71,556	90,002
1916 ...	2,19,478	1,02,126	1,17,352	82,500	5½	15,000	42,914
1915 ...	1,51,264	83,690	67,574	30,000	2°	48,998	23,062
1914 ...	1,48,060	96,048	52,012	—	Nil	62,549	34,486

° Free of Indian tax.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.

Head Office: 38 Bishopsgate, London, E.C. 2.

Capital—

Authorised, 600,000 Shares of £5 each	...	£3,000,000
Subscribed and Paid up (31 12 1919)	...	2,000,000

This Bank, incorporated in 1853, is one of the few remaining banks working under Royal Charter. The last renewal of the Charter was for thirty years from 1909. The Bank has power to conduct business in Australia, as indicated by the title, but it has not yet done so, though it has a large sphere of influence in the East, and, in addition to branches at the principal centres in India, it has offices in the Straits Settlements, Siam, Dutch East Indies, Japan, China, and New York. The Bank has recently been enjoying a period of very great prosperity, and in the current year it was found desirable to increase the capital, which consisted last year of 100,000 shares of £20 each fully paid. Accordingly, on October 6 last, resolutions were carried at an extraordinary general meeting:—(1) To subdivide the £20 shares into 400,000 shares of £5 each fully paid; (2) to issue 200,000 new shares of £5 each, such shares to be offered to existing shareholders in the proportion of one new share for every two already held, at a premium of £2 10s. per share, payable—£5 by November 15, £2 10s. by December 31.

Liabilities and Assets of The Chartered Bank of India, Australia and China.

LIABILITIES.	Capital Paid up.	Reserve Funds.	Total Capital and Reserve.		Notes in Circulation.		Acceptances &c.		Deposits, &c.		Bills, Loans Payable, &c.		Profit Balance.		Total Liabilities.
Dec. 31	£	£	£	%	£	%	£	%	£	%	£	%	£	%	£
1919 ...	2,000,000	2,900,000	4,900,000	7·1	1,806,695	2·6	1,672,529	2·4	50,694,805	73·8	9,129,038	13·3	531,830	·8	68,741,695
1918 ...	1,300,000	2,000,000	3,300,000	6·7	1,568,263	3·3	893,112	1·9	35,600,068	74·8	5,856,322	12·3	492,483	1·0	47,604,548
1917 ...	1,300,000	1,300,000	3,100,000	8·6	925,992	2·5	1,255,956	3·5	29,221,950	80·9	1,147,153	3·2	476,261	1·3	36,126,432
1916 ...	1,300,000	1,800,000	3,000,000	9·0	1,019,069	3·0	930,159	2·8	23,626,058	70·8	4,388,111	13·1	427,465	1·3	33,390,842
1915 ...	1,300,000	1,800,000	3,000,000	10·1	978,136	3·3	735,819	2·5	22,241,381	75·0	2,290,314	7·7	399,206	1·4	29,644,856
1914 —	1,200,000	1,800,000	3,000,000	11·2	911,556	3·4	1,513,448	4·9	19,146,663	71·5	2,007,515	7·5	396,334	1·5	26,775,516
1913 ...	1,200,000	1,700,000	2,900,000	10·7	822,591	3·0	1,607,716	5·9	17,586,489	64·5	3,951,316	14·5	375,254	1·4	27,243,396

ASSETS.	Cash and Bullion		Govt. and Other Securities.		Bills of Exchange.		Bills Discounted and Loans.		Custrs'. Liab. for Acceptances.		Bank Premises Account.		Total Assets.
Dec. 31	£	%	£	%	£	%	£	%	£	%	£	%	£
1919 ...	14,607,720	21·2	6,436,320	9·4	26,535,499	38·6	18,947,628	27·6	1,672,529	2·4	534,589	·8	68,741,695
1918 ...	6,748,302	14·2	4,261,265	8·9	22,244,695	46·7	12,905,164	27·1	893,112	1·9	555,770	1·2	47,604,548
1917 ...	8,739,374	24·2	4,339,977	12·0	10,784,397	29·9	10,489,748	29·0	1,255,956	3·5	516,960	1·4	36,126,432
1916 ...	5,919,707	17·7	4,048,207	12·1	12,069,092	36·1	9,875,525	29·6	930,159	2·8	550,264	1·7	33,390,842
1915 ...	5,874,967	19·8	4,322,960	14·6	9,498,469	32·1	8,658,367	29·2	735,819	2·5	556,274	1·8	29,644,856
1914 ...	5,903,942	22·0	4,242,806	15·8	6,125,867	22·9	8,636,671	32·3	1,513,448	4·9	552,782	2·1	26,775,516
1913 ...	5,968,117	14·5	2,694,864	9·9	6,721,637	24·7	11,696,222	43·0	1,607,716	5·9	554,801	2·0	27,243,396

° Per cent. of Total Liabilities or Assets.

Alliance Bank of Simla, Limited

With which are incorporated THE PUNJAB BANKING COMPANY, LIMITED, THE DELHI AND LONDON BANK, LIMITED, and THE BANK OF RANGOON, LIMITED.

CAPITAL.

Authorised	Rs. 1,00,00,000
Issued and fully paid	Rs. 88,51,800
Reserve Fund	Rs. 40,00,000
Reserve against depreciation of Government Paper and other Investments	Rs. 11,00,000

DIRECTORS.

R. G. H. BOULTON, Esq.

C. T. ALLEN, Esq., C.I.E. — Hon. G. J. G. BRUCE — W. MUIR MASSON, Esq.
W. W. BOULTON, Esq. — E. J. BUCK, Esq., C.B.E. — Sir JAMES WALKER, Kt., C.I.E.
M. MACFADYEN, Esq.

HEAD OFFICE: SIMLA.

BRANCHES:

Abbottabad, Agra, Ajmere, Allahabad, Amballa, Amritsar, Bareilly, Bhopal, Bombay, Calcutta, Cawnpore, Dalhousie, Darjeeling, Dehra Dun, Delhi City, Delhi Civil Lines, Ferozepore, Gwalior, Jullundur, Karachi, Kasauli, Lahore, Lahore Cantt., Lucknow, Lyallpur, Meerut, Multan, Murree, Mussoorie, Naini Tal, Nowshera, Peshawar City, Peshawar Cantt., Quetta, Rangoon, Rawal Pindi, Saharanpur, Sialkote, Simla (Town Office), Srinagar, Ujjain (Gwalior State).

SUB-OFFICES:

Aminabad Park (Lucknow), Barnagar (Ujjain), Bhilsa (Ujjain), Bind (Gwalior), Gulmarg (Srinagar), Meerut City (Meerut), Morena (Gwalior), Sadar Bazar (Delhi), Sehore (Bhopal), Shujalpur (Ujjain), Sipri (Gwalior).

BALANCE SHEET as at 30th June, 1920.

LIABILITIES.

	Amount. Rs. a. p.	Total Rs. a. p.
Capital—		
Authorised: 1,00,000 Ordinary shares of Rs. 100 each	1,00,00,000 0 0	
55,000 Preference shares of Rs. 100 each	55,00,000 0 0	
	1,55,00,000 0 0	
Issued: 35,000 Ordinary shares of Rs. 100 each, fully paid up	35,00,000 0 0	
53,518 Preference shares of Rs. 100 each, fully paid up	53,51,800 0 0	88,51,800 0 0
Reserve Fund		40,00,000 0 0
Reserve against depreciation of Government Paper and other investments		11,00,000 0 0
Fixed Deposits	7,33,59,8[illegible] 2 10	
Current Accounts	6,11,99,089 5 8	13,45,58,9[illegible] 8 6
Bills Payable		99,96,99[illegible] 1[illegible] 3
Profit and Loss Account—		
Balance as per last Balance Sheet	8,90,518 8 6	
Deduct—		
Dividend paid on Ordinary Shares at 14 per cent. per annum for half-year ended 30th June, 1919, and Bonus of 3 per cent. Rs. 2,70,000; Dividend paid on Preference Shares at 6 per cent. per annum for half-year ended 30th June, 1919, Rs. 1,59,860; Transfer to Reserve Fund, Rs. 1,00,000; Transfer to Pension Fund, Rs. 1,00,000	7,09,860 0 0	
	1,80,658 8 6	
Add— Profit for current year	13,44,820 15 7	
	15,25,479 8 1	
Deduct— Interim dividend paid on Ordinary Shares at 14 per cent. per annum to 31st December, 1919, Rs. 2,45,000; Interim dividend paid on Preference Shares at 6 per cent. per annum to 31st Dec., 1919, Rs. 1,60,541 6a.	4,05,541 6 0	11,25,038 2 1
	Rs.	Rs. 15,86,32,755 5 11

ASSETS.

	Amount. Rs. a. p.	Total Rs.
Loans	2,56,81,559 1 8	
Cash Credits, Bills Discounted, and Demand Advances	5,73,02,877 8 7	8,29,84,437 [illegible]
Particulars required by Act VII of 1913.		
(a) Debts considered good and in respect of which the Bank is fully secured	7,10,85,4[illegible] 0 4	
(b) Debts considered good for which the Bank holds no security other than the debtor's personal security	1,21,98,982 9 11	
(c) Debts considered bad or doubtful	Nil	
Of the above sums that is due by Directors or others of the Bank, either severally or jointly with other persons	Nil	
	8,32,84,436 10 3	
Bills Receivable		73,70,241 [illegible]
Bank premises under cost and value	53,86,163 12 5	
Safes, Furniture, Stationery and Stamps	5,[illegible] 12	9,48,[illegible] [illegible]
4 per cent. Government of India paper at par	80,30,000 0 0	
5½ per cent. War Bonds 1928, 5 per cent. Government paper, 5½ per cent. Government paper, Municipal Port Trust, and other Debentures and stocks at or under market value, subject to Special Reserve *per contra*	1,97,27,927 1 6	
Interest accrued on above investments	6,[illegible] 7 4	88,[illegible] 5 [illegible]
Cash in hand	1,15,86,[illegible] 7 8	
Cash with Bankers on Current Account	[illegible] 12 1	3,39,94,938 [illegible]
Note.—Of the above securities 59,09,400 are lodged with Government as security for Government accounts.		
		Rs. 15,86,[illegible] [illegible]

PROFIT AND LOSS ACCOUNT for the Year ended 30th June, 1920.

EXPENDITURE.	Total Rs. a. p.	INCOME.	Total Rs.
To expenses of management at Head Office and Branches	[illegible] 8	Profit for the year after making full provision for Bad and Doubtful Debts [illegible] and Interest accrued but not due on Current Bills	42,55,393 [illegible]
Balance, being net Profit for the year	13,42,820 15 7		
Total Rs.	42,55,393 2 [illegible]	Total Rs.	[illegible]

E. J. BUCK, C.B.E. C.T. ALLEN. W. W. BOULTON, Directors.
SIMLA, 27th July, 1920.

E. S. J. MORTON, Jr., Deputy General Manager. C. H. SHARP, [illegible]

AUDITORS' REPORT.

We have audited the Balance Sheet of the Alliance Bank of Simla, Ltd., dated the [illegible] 1920, and compared it with the books kept at the Head Office, and with the certified Returns from the several Branches [illegible] we have required. In our opinion such Balance Sheet is drawn up so as to exhibit a true and correct view of the Bank's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

[illegible] DONASSE & CO.

Agencies in all the principal Cities and Towns in India, Burma and Ceylon. The Bank undertakes Banking Business of every description.

LONDON AGENTS:

Messrs. BOULTON BROS. & COMPANY, Bankers, 39 Old Broad Street, E.C.

CORRESPONDENTS:

BARCLAYS BANK LTD., 168 Fenchurch Street, E.C.
LONDON COUNTY WESTMINSTER & PARR'S BANK, Ltd., Bartholomew Lane, E.C.

Comparing the figures of June 30 this year with those of December 31, 1918, the most noteworthy changes are that deposits have increased fifty-nine per cent., bills of exchange twenty-five per cent., and bills discounted and loans 109 per cent. The net profit for 1919 amounted to £551,491, as compared with £507,273 for the previous year. This profit is equal to 27.5 per cent. on the capital paid up on December 31 of that year, or to 11.2 per cent. on the total of capital and reserve. The latter fund stood in the last balance sheet at £2,900,000, and, with the addition of £100,000 from profits, it now amounts to £3 million. A dividend was declared of fourteen per cent. per annum, *plus* a bonus of 25*s.* per share, making twenty and a-quarter per cent. per annum for the whole year, free of income tax. £75,000 was written off premises account and £172,000 carried forward.

Profits of the Chartered Bank of India, Australia and China.

Yr. to Dec. 31	Gross Profit.	Expenses	Net Profit.	Dividend Subject to Tax. Earned.	Paid	Special Allot'ns.	Carried Forward.
	£	£	£	%	%	£	£
1919...1,258,819[a]	707,328	551,491	45·85	28·33	347,143	200,000	172,830
1918...1,022,070[a]	514,797	507,273	42·27	28·42	341,052	165,000	168,482
1917... 923,040[a]	444,244	478,796	39·90	25·33	304,000	165,000	167,261
1916... 828,675[a]	388,189	440,486	36·71	21·93	263,226	150,000	157,465
1915... 716,745	333,028	383,717	31·99	16·15	193,846	185,000	130,205
1914... 700,577	338,466	362,111	30·17	15·17	182,031	175,000	125,334
1913... 666,349	327,028	339,321	28·27	18·05	216,637	135,000	120,254

(a) After bonus to staff. * After excess profits duty.
† Dividends and bonuses paid, tax free, as follows: 1919–18, 20½%; 1917, 19%; 1916, 17%; 1914–15, 14%; 1913, 17%. ‡ On old capital.

The balance sheet shows notes in circulation to have increased by £237,000 to £1,806,095. Deposits show an increase of £15 million on the previous year, and bills and loans payable have run up from £5,850,000 to over £9 million. Cash and bullion has increased by nearly £8 million to £14,607,000; the total of securities amounts to over £6 million; bills of exchange at £26,535,499 have risen £4,300,000; and the total of bills discounted and loans is higher by £6,000,000. Against the Bank's liabilities to the public, assets were held in the following approximate proportions:—Cash, twenty-three per cent.; securities, eight per cent.; bills, forty-three per cent.; bills discounted and loans, thirty per cent.

EASTERN BANK.

Head Office: 4 Crosby Square, London, E.C. 3.

Capital—

Authorised, 200,000 Shares of £10 each ...	£2,000,000
Subscribed, 196,271 Shares (31/12/1919) ...	1,962,710
Paid up, £4 per Share (less calls in arrear, 31/12/1919)	765,242

The Eastern Bank was founded in 1909 under the auspices of Messrs. E. D. Sassoon and Company, and was established to carry on both exchange and local banking, and, in view of the large expansion of Eastern trade, to finance shipments to and from India. Advances are also made to both Indians and Europeans against merchandise and other securities. During its comparatively short life the Bank has had a steadily increasing and profitable business. The net profit, which amounted in 1911 to £23,997, had risen by 1916 to £53,885, and in 1919 it was returned at £102,645.

In September last year 50,000 new shares were offered to the shareholders, at a premium of 30*s.* per share. All the shares are of £10 each, £4 paid, a further £1 being callable, and £5 per share being in the nature of a reserved liability. The premium on the shares, together with £40,000 from the year's profits, brings the reserve fund up to £225,000.

The net profit for the year 1919—£102,645—is equal to 13.4 per cent. on the paid-up capital, and to 10.8 per cent. on the total of capital and reserve as shown by the balance sheet. The distribution for the year amounted to eight and three-quarters per cent.

Profits of the Eastern Bank.

Year ended Dec. 31	Gross Profit.	Expenses.	Net Profit.	Div. subj. to tax. Amount.	Rate.	To Reserve &c.	Carried Forward.
	£	£	£	£	%	£	£
1919...	—	—	102,645	52,500	8¾	40,000	29,951
1918...	158,101	89,213	68,888	45,000	7½	20,000	13,806
1917...	134,308	65,935	68,373	42,000	7	20,000	15,918
1916...	101,458	47,573	53,885	36,000	6	15,000	9,545
1915...	86,907	41,724	45,183	30,000	5	15,000	6,660
1914...	80,278	43,307	36,971	23,646	5	16,000	6,477
1913...	79,808	40,654	39,154	24,000	6	15,000	8,153

Turning to the balance sheet, on December 31, 1919, we find deposits, at £12,520,390, to be more than double the previous year's figure, while bills payable and loans, at £2,822,650, have increased nearly threefold. Total assets are, at £16,676,409, more than twice the previous figure. Cash items have risen from £1,860,919 to over £5 million. Investments, loans, and bills receivable all showed large increases during the year. The Bank's liabilities to the public amounted on December 31 to about £15,342,000. Against these, assets were held in the following approximate proportions:—Cash, thirty-four per cent.; investments, eight per cent.; loans and advances, thirty-seven per cent.; bills receivable, twenty-five per cent.

The Bank has branches in Mesopotamia, at Bagdad, Mosul, Hillah, Amara, and Basra, and an office was recently opened at Colombo.

MERCANTILE BANK OF INDIA.

Head Office: 15 Gracechurch Street, London, E.C. 3.

Capital—

Authorised	£3,000,000
Subscribed	1,800,000
Paid up	1,050,000

In 1892 this Bank was registered under the Companies Act to take over the business of the Chartered Mercantile Bank of India, London, and China, which was established by Royal Charter in 1858. Besides branches in the principal cities of India, it has offices in Colombo, Singapore, Penang, Hong-Kong, and Shanghai. In 1916 the Bank paid £234,536 for the goodwill and a great part of the assets of the Bank of Mauritius, thereby obtaining a footing at Port Louis in Mauritius.

The authorised capital was divided into 30,000 "A" shares and 30,000 "B" shares. The "A" shares are entitled to a cumulative preferential dividend of five per cent., and to participate equally with the "B" shares in any further dividend declared, after five per

Liabilities and Assets of The Eastern Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up	Reserve Fund.	Total Capital and Reserve.		—Deposits, &c.—		—Bills and Loans Payable, &c.—		—Acceptances.—		—Profit Balance.—		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919 ...	765,242	179,407	944,649	5·7	12,520,390	75·1	2,822,650	13·9	288,769	1·7	99,951	·6	16,676,409
1918 ...	600,000	90,000	690,000	9·1	5,784,900	76·4	948,726	12·5	91,041	1·2	62,306	·8	7,576,973
1917 ...	599,921	70,000	669,921	9·8	5,049,972	73·3	845,102	12·3	204,628	3·0	77,918	1·1	6,845,541
1916 ...	599,880	55,000	654,880	12·7	3,099,801	60·1	1,182,918	23·0	155,928	3·0	60,546	1·2	5,154,073
1915 ...	599,880	55,000	654,880	17·4	1,915,883	50·9	986,538	26·3	150,802	4·0	51,661	1·4	3,759,744
1914 ...	598,653	55,000	653,653	23·8	1,396,021	50·8	480,785	17·5	170,467	6·2	45,123	1·7	2,746,049
1913 ...	400,000	15,000	415,000	12·6	1,675,267	50·8	995,619	30·1	166,258	5·0	47,152	1·5	3,299,296

ASSETS. Dec. 31	—Cash.—		—Investments.—		—Loans, Advances, &c.—		—Bills Discounted.—		—Bills Receivable.—		—Custrs.' Liab. Acceptances.—		—Office Furniture, &c.—		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919 ...	5,330,337	31·9	1,323,407	7·9	5,813,757	34·9	—	—	3,912,957	23·5	288,769	1·7	7,182	—	16,676,409
1918 ...	1,860,919	24·3	495,531	6·5	3,134,746	41·4	—	—	1,992,035	26·3	91,041	1·2	2,701	—	7,576,973
1917 ...	2,196,107	32·1	236,089	3·4	2,052,369	30·0	—	—	2,154,068	31·5	204,628	3·0	2,280	—	6,845,541
1916 ...	1,427,319	27·7	209,023	4·1	1,444,739	28·0	—	—	1,914,732	37·1	155,928	3·0	2,332	·1	5,154,073
1915 ...	782,130	20·8	274,650	7·3	1,417,150	37·7	204,134	5·4	928,424	24·7	150,802	4·0	2,454	·1	3,759,744
1914 ...	565,649	20·6	225,990	8·2	928,494	33·8	54,423	2·0	799,161	29·1	170,467	6·2	1,865	·1	2,746,049
1913 ...	393,639	12·0	297,796	9·0	1,271,427	38·5	114,024	3·5	1,053,318	31·9	166,258	5·0	2,834	·1	3,299,296

* Per cent. of Total Liabilities or Assets.

cent. has been paid on the latter. They also carry priority as to capital, with a right to further participation after repayment of the "B" shares. All the "A" and "B" shares have been issued, £12 10s. paid-up in each case. Of the "A" shares, 15,000 were issued during 1919 as silver capital in India and the East, Parliamentary power having been obtained to do this. On April 20 this year resolutions were passed for the creation of 300,000 new shares of £5 each, to be called "C" shares. This doubles the authorised capital, making it £3 million. These shares are to rank for dividend, and in all other respects, *pari passu* with the "B" shares, and it was decided to issue 60,000 of them at once £5 each, fully paid, at a premium of £5 per share, and to offer them share for share to existing "A" and "B" shareholders.

The balance sheet for December 31, 1919, shows that the Bank has taken its full share of the large increase in the financial requirements of the East. The reserve fund is made equal to the paid-up capital. In comparison with the previous year's figures, the deposits have risen over £6 million to £18,706,213, and are nearly double the 1917 amount. Notes in circulation are practically unchanged, while bills payable have increased by over £400,000. On the assets side, the total is nearly £7 million higher than last year. Cash in hand and at call has risen from £2,508,915 to £4,243,209, investments have increased by £260,000, and bills receivable by £1,400,000 to £7,406,262. Loans and advances have expanded from £4,186,000 to £6,327,000. The item "sundry accounts and amounts due by agents" amounts to over £2 million, a large proportion of this arising from telegraphic remittances *in transitu*, due to delays in the transmission of telegrams.

The net profit for the year 1919 is £215,636, a rise of £34,000 over 1918, despite the largely increased salaries and other expenses. A final dividend of eight per cent. for 1918 made the total distribution fourteen per cent. for that year. A total dividend of fourteen per cent. was paid for 1919, and, in addition, a bonus of two per cent. £50,000 is transferred to reserve fund, and £20,000 written off bank premises account.

Profits of the Mercantile Bank of India.

Yr. to Dec. 31	Gross Profit	Salaries & other Exp.	Net Profit.	Dividend on "A" & "B" Shares —Subject to Tax— Earned.		—Paid.—		Special Allctns.	Carried Forward.
	£	£	£	%	%	£	%	£	£
1919 ...	489,125	273,789	215,636	38·34	16·00	120,000	85,000		96,430
1918 ...	391,363	210,251	181,112	32·20	14·00	78,750	75,000		85,794
1917 ...	352,159	176,154	176,005	31·29	14·00	78,750	71,000		58,432
1916 ...	278,414	145,039	133,375	23·71	12·00	67,500	65,000		32,177
1915 ...	217,616	114,672	102,944	18·30	10·46	58,866	60,000		31,302
1914 ...	218,164	112,786	105,378	18·73	8·85	48,758	44,000		47,224
1913 ...	222,992	109,124	113,868	20·24	8·42	47,368	62,000		34,605

The net profit is equal to 28.7 per cent. on the paid-up capital and to 14.4 per cent. on the total of capital and reserve. The Bank's liquid assets amount to about sixty-five per cent. of the total liabilities to the public.

NATIONAL BANK OF INDIA.

Head Office: 26 Bishopsgate, London, E.C. 2

Capital –

Authorised, 160,000 Shares, £25 each	...	£4,000,000
Subscribed, 120,000 " "	...	3,000,000
Paid up, £12 10s. per Share	...	1,500,000

ORIGINALLY established, with its head office in Calcutta, in 1863, this institution was on March 23, 1866, registered in London under the Companies Act, 1862, and under the Managership and subsequent Chairmanship of Mr. Robert Campbell has developed into one of the most important of our Anglo-Indian banks. It commenced business in London with an authorised capital of £2 million in shares of £25 each, of which £466,500 was paid up. The paid-up capital was subsequently increased to £1 million, entirely from bonus distributions to shareholders out of accumulated profits. In 1919 the authorised capital was raised from £2 million to £4 million by the creation of 80,000 new shares of £25 each, 40,000 of which were issued (£12 10s. paid up) at a premium of £7 10s. per share.

During 1920 a further issue has been made of the remaining 40,000 shares of £25 each. These were offered to shareholders in the proportion of one new share for every three shares held, £12 10s. to be paid up on each share, and the premium to be £7 10s., making the price £20. The premium of £300,000 is to be added to the reserve fund, which already amounts to £2 million. This increase of capital indicates that the Bank anticipates heavier demands upon its resources for the financing of trade.

Recent balance sheets show great expansion in the Bank's business. The deposits on June 30, 1919, stood at £29,789,900, and on December 31 at £35,164,000, whilst by June 30 of this year they had reached £46,538,000. Comparing figures on the latter date with those of a year previously, cash shows an increase of over £2 million to £8,576,000, investments are up from £2,855,500 to £4,079,300, while the discounts and loans have more than doubled, and now amount to £20,810,400. Bills and Treasury bills have increased by £2,700,000, and the total assets by £18 million.

Following an interim dividend distribution at the rate of twenty per cent. per annum, free of income tax, in respect of the first half of 1919, a like rate was declared on the increased capital for the second six months of the year; and, again free of tax, has been repeated for the half-year to June 30 last. During the eighteen months from December 31, 1918, the reserve fund has been raised from £1,350,000 to £2,000,000.

Liabilities and Assets of The Mercantile Bank of India, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Fund.	Capital and Reserve.		Notes in Circulation.		—Acceptances.		—Deposits, &c.—		Bills —Payable, &c.—		Profit —Balance.—		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919...	750,000	750,000	1,500,000	6·7	137,561	·6	263,131	1·1	18,706,213	83·3	1,680,152	7·5	164,900	·8	22,455,957
1918...	562,500	700,000	1,262,500	8·3	140,955	·9	140,955	·9	12,370,253	80·8	1,262,655	8·2	130,794	·9	15,302,126
1917...	562,500	650,000	1,212,500	9·5	127,429	1·0	411,190	3·2	9,812,921	76·6	1,110,860	8·9	103,440	·8	12,807,940
1916...	562,500	600,000	1,162,500	10·3	104,027	·9	340,007	3·1	8,558,583	78·0	1,020,007	9·1	71,551	·6	11,296,674
1915...	562,500	550,000	1,112,500	12·3	105,377	1·2	307,464	3·4	6,884,111	76·3	541,995	6·1	65,000	·7	9,016,227
1914...	562,500	500,000	1,062,500	13·4	132,428	1·7	409,945	5·2	5,558,704	70·3	668,252	8·5	69,734	·9	7,901,553
1913...	562,500	465,000	1,027,500	12·6	90,750	1·1	334,270	4·1	5,675,896	69·3	1,002,167	12·2	57,104	·7	8,187,497

ASSETS. Dec. 31	Cash in Hand —and at Call—		—Investments.—		Bills —Receivable.—		Bills —Discounted.—		Loans, —Advances, &c.—		Liab. for —Acceptances.—		Bank —Premises.—		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1919...	4,243,209	13·9	1,631,619	7·3	7,406,262	33·0	199,092	·9	8,508,511	37·9	263,131	1·1	153,900	·6	22,455,927
1918...	2,508,915	16·4	1,371,059	9·0	6,005,160	39·3	181,768	1·2	4,815,455	31·8	140,955	·9	148,864	1·0	15,302,126
1917...	2,437,972	19·0	1,094,290	8·6	4,326,080	33·8	151,806	1·2	4,232,676	33·0	411,190	3·2	93,926	1·8	12,807,940
1916...	2,149,883	19·2	810,699	7·3	3,462,378	30·7	216,957	1·9	4,031,330	35·8	340,007	3·1	285,357	2·0	11,265,674
1915...	1,684,282	18·6	1,008,828	12·2	2,812,488	31·2	71,182	·8	2,885,646	31·7	307,464	3·4	170,000	1·9	9,016,227
1914...	1,613,168	20·4	477,825	6·0	2,016,955	25·9	77,992	·9	3,095,511	39·2	409,945	5·2	180,857	2·4	7,901,553
1913...	1,528,713	18·7	342,655	4·2	2,053,881	25·1	140,303	1·7	3,621,343	44·2	334,270	4·1	166,423	2·0	8,187,497

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The National Bank of India, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Capital and Reserve.		Acceptances, &c.		Deposits, &c.		Bills, &c. Payable.		Profit Balance.		Total Liabilities.
Dec. 31	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920†	1,500,000	2,000,000	3,500,000	6·4	1,686,186	3·1	46,538,133	85·7	2,210,950	4·1	387,367	·7	54,322,636
1919...	1,500,000	1,850,000	3,350,000	7·9	880,052	2·1	35,161,356	83·0	2,496,906	5·9	475,634	1·1	42,366,948
1918...	1,000,000	1,350,000	2,350,000	7·2	542,264	1·6	27,517,994	84·2	1,853,946	5·7	443,464	1·3	32,707,668
1917...	1,000,000	1,250,000	2,250,000	7·8	852,606	2·8	24,685,344	83·1	1,548,843	5·2	370,828	1·3	29,716,621
1916...	1,000,000	1,200,000	2,200,000	9·2	639,851	2·6	19,551,978	81·3	1,346,014	5·6	320,614	1·3	24,058,457
1915...	1,000,000	1,175,000	2,175,000	10·6	750,526	3·7	16,447,780	80·3	737,781	3·9	304,414	1·5	20,475,501
1914...	1,000,000	1,100,000	2,100,000	10·9	1,005,836	5·4	14,832,899	77·3	943,947	4·9	287,996	1·5	19,170,678
1913...	1,000,000	1,040,000	2,040,000	10·3	981,205	4·9	14,876,240	75·1	1,681,733	8·5	238,625	1·2	19,817,802

ASSETS.	Cash in Hand, and at Call, &c.		Investments.		Bills of Exchange and Treasury Bills.		Discounts, Loans and Advances.		Customers' Liability for Acceptances.		Bank Premises Account.		Total Assets.
Dec. 31	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920†	9,576,690	17·6	4,079,274	7·5	18,881,717	34·7	20,810,400	38·3	1,686,186	3·1	288,339	·5	54,322,636
1919...	9,305,503	22·0	3,488,957	8·2	16,630,669	39·3	11,885,665	28·1	880,052	2·0	176,102	·4	42,366,948
1918...	5,882,791	18·0	2,715,389	8·3	13,126,888	40·1	10,259,738	31·4	542,264	1·6	180,598	·6	32,707,668
1917...	7,091,903	23·9	2,176,446	7·3	12,076,257	40·7	7,331,665	24·7	852,606	2·8	184,739	·6	29,716,621
1916...	4,414,802	18·3	1,937,783	8·1	9,592,894	39·9	7,281,822	30·3	639,851	2·6	191,305	·8	24,058,457
1915...	3,767,933	18·4	2,088,165	10·2	7,412,467	36·2	6,264,792	30·6	750,526	3·7	191,612	·9	20,475,501
1914...	4,254,985	22·2	1,029,971	5·4	5,979,465	31·2	6,745,252	35·2	1,005,836	5·4	155,169	·6	19,170,678
1913...	3,531,378	17·9	820,141	4·1	6,400,093	32·3	7,946,565	40·1	981,205	4·9	138,420	·7	19,817,802

* Per cent. of Total Liabilities or Assets. † June 30.

Profits of the National Bank of India.

Yr. to Dec. 31	Gross Profit.	Expenses.	Net Profit.	Div. subject to Tax. Earned.		Paid.		Special Allct'ns.	Carried Forward.
	£	£	£	%	%*	£		£	£
1920§	612,172	296,153	316,019	21·07‡	14·29	214,286		—	237,367
1919...	953,052	403,739	559,313	37·29†	28·57‡	357,143		190,000	135,634
1918...	761,358	277,020	484,338	48·43	28·07	280,702		220,000	123,465
1917...	686,654	266,849	419,805	41·98	26·66	266,666		120,000	139,828
1916...	569,692	225,768	343,924	34·39	20·64	206,451		133,924	106,689
1915...	534,340	218,307	316,033	31·60	18·46	184,615		121,274	103,140
1914...	511,146	228,412	282,734	28·27	17·33	173,363		95,000	92,996
1913...	523,858	219,330	304,528	30·45	16·99	169,911		120,000	78,625

* Dividends paid free of tax as follows:—1920 (half-year) at rate of 20%; 1919 and 1918, 20%; 1917, 16% and bonus of 4%; 1916 and 1915, 16%; 1914, 14% and 2%; 1913, 16%.
† Calculated on capital at end of year.
‡ 10% on £1,000,000 and 10% on £1,500,000, both tax free.
§ Half-year to June 30.

Liabilities to the public on June 30 last were £48,749,000. Against these, assets were held in the following approximate proportions:—Cash, seventeen per cent.; investments, eight per cent.; bills of exchange and Treasury bills, thirty-eight per cent.; discounts and loans, forty-two per cent.

TATA INDUSTRIAL BANK, LIMITED.

Head Office: Bombay.

London Office: 2 White Lion Court, Cornhill, E.C. 3.

Capital—

Authorised	... ...	Rs. 12,00,00,000
Subscribed	... ...	7,58,73,150
Paid up	... ...	1,51,19,321

This Bank was established as recently as April 4, 1918, with its head office at Bombay. There are branches at Calcutta, Cawnpore, Hyderabad (Deccan), Lucknow, Madras, and Rangoon, and a London office at 2 White Lion Court, Cornhill. The subscribed capital consists of 1,011,642 shares of Rs.75 each, and Rs.15 is paid up on each share, or Rs.1,51,19,321 in all, after making allowance for calls unpaid at the date of the balance sheet (March 31 last) and forfeited shares. About Rs.60,000 had been received in advance of calls, and there was a reserve fund of five lacs of rupees. On the date mentioned the deposits exceeded 931 lacs, evidencing the rapid development of the institution. The funds were employed as follows: Cash on hand and with bankers, 231 lacs; investments, 201 lacs; bills receivable, 63 lacs; bills discounted and advances, 680 lacs.

The net profit for the fifteen months from January 1, 1919, to March 31, 1920 (on an average paid-up capital of Rs.1,20,00,000), was Rs.16,43,912. Out of this the balance of preliminary expenses and brokerage account was written off, Rs.3,50,000 was allocated to reserve (making the latter five lacs), and a dividend of twelve annas per share, free of tax, was paid. Net profit for the half-year to September 30 last was Rs.8,48,229; a further Rs.3,50,000 was transferred to reserve, and an interim dividend of six annas per share paid.

On the 1st ultimo a second call of Rs.7, Annas 8, of which notice was given in July, became payable.

Position of the Tata Industrial Bank, Limited.

LIABILITIES.	1920 Mar. 31, Rs.
Capital paid up ...	1,51,14,217
Reserve fund	5,00,000
Bills payable, &c. ...	67,21,065
Acceptances, &c. ...	61,62,492
Deposit and current accounts	9,31,27,032
Due to agents and correspondents	27,41,756
In advance of calls, &c.	64,780
Profit balance ..	10,67,056
	12,54,98,398

ASSETS.	1920 Mar. 31, Rs.
Cash on hand and with bankers	2,31,04,409
Investments	2,01,55,719
Bills receivable ...	63,27,986
Loans, advances and bills discounted ...	6,80,74,636
Clients' liability for acceptances, &c. ...	61,62 492
Due by agents and correspondents	3,45,414
Bank premises, &c. ...	13,27,707
	12,54,95 398

THE
Tata Industrial Bank,
LIMITED.

Authorised Capital	Rs.	12,00,00,000
Subscribed Capital	Rs.	7,58,73,150
Paid-up Capital -	Rs.	1,51,19,321
Reserve Fund -	Rs.	8,50,000

Head Office : BOMBAY.

Branches : Calcutta, Madras, Rangoon, Bassein, Hyderabad (Deccan), Cawnpore, Lucknow, etc.

LONDON COMMITTEE :
A. J. DAVID, Esq. H. GUEDALLA, Esq.
R. TILDEN SMITH, Esq. H. TROBLE, Esq.

Every facility offered for General, Industrial and Exchange Banking :: with India. ::

Deposits received—Terms on application.

LONDON OFFICE
9 Bishopsgate, E.C. 2.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA,
38 BISHOPSGATE, LONDON, E.C. 2.
Incorporated by Royal Charter.

CAPITAL - - - £2,000,000
RESERVE FUND - £3,000,000

COURT OF DIRECTORS.

Sir MONTAGU CORNISH TURNER, Chairman.
Sir DUNCAN CARMICHAEL.
THOMAS CUTHBERTSON, Esq.
Sir ALFRED DENT, K.C.M.G.
Sir WILLIAM HENRY NEVILLE GOSCHEN, K.B.E.
The Right Hon. LORD GEORGE HAMILTON, G.C.S.I.
WILLIAM FOOT MITCHELL, Esq.
JAMES MAXWELL GRANT PROPHIT, Esq.
LEWIS ALEXANDER WALLACE, Esq.

W. E. PRESTON, *Chief Manager.*
J. S. BRUCE, G. MILLER, } *Managers.*

AGENCIES AND BRANCHES.

AMRITSAR	HONG KONG	PENANG
BANGKOK	ILOILO	PUKET
BATAVIA	IPOH	RANGOON
BOMBAY	KARACHI	SAIGON
CALCUTTA	KLANG	SEREMBAN
CANTON	KOBE	SHANGHAI
CAWNPORE	KUALA LUMPUR	SINGAPORE
CEBU	MADRAS	SOURABAYA
COLOMBO	MANILA	TAIPING (F.M.S.)
DELHI	MEDAN	TAVOY
HAIPHONG	NEW YORK	TIENTSIN
HANKOW	PEKING	YOKOHAMA

BANKERS.
THE BANK OF ENGLAND.
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
THE LONDON COUNTY WESTMINSTER AND PARR'S BANK LIMITED
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.
THE NATIONAL BANK OF SCOTLAND, LIMITED.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts payable at the above Agencies and Branches, and transact general Banking business connected with the East. Deposits of Money are received for fixed periods at terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances provided they do not fall below £200.

The Central Bank of India, Ltd.

ESTABLISHED 1911.

Head Office: BOMBAY.

Branches and Agencies :
LONDON, CALCUTTA, KARACHI, DELHI, AMRITSAR, LAHORE, LYALLPUR, AND JHARIA.

London Agents :
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

Subscribed Capital-	Rs.	1,00,00,000
Paid-up Capital -	Rs.	49,99,000
Reserve Fund - -	Rs.	19,00,000

S. N. POCHKHANAWALA, Managing Director.

The Mercantile Bank of India, Limited.

Head Office :
15 Gracechurch Street, London, E.C. 3.

Capital Authorised	... ...	£3,000,000
Capital Paid up	... ...	£1,050,000
Reserve Fund & Undivided Profits		£1,146,430

BRANCHES and AGENCIES in India, Ceylon, Burma, Straits Settlements, China, and Port Louis, Mauritius.

The Bank buys and sells Bills of Exchange, issues Letters of Credit, and conducts every description of Banking Business in connection with the East.

FIXED DEPOSIT RATES will be quoted upon application.

On CURRENT ACCOUNTS Interest is allowed at 2 per cent. per annum on DAILY BALANCES, provided interest for the half-year amounts to £1.

MISCELLANEOUS BRITISH BANKS

BRITISH AMERICAN CONTINENTAL BANK, LIMITED

(formerly Hannevig's Bank, Limited).

Head Office: 3 and 3A, London Wall Buildings, London, E.C. 2.

Capital—

Authorised (500,000 Shares of £5 each) ..	£2,500,000
Subscribed (16/9/20)	1,242,360
Paid up (247,672 Shares, 25*s.* paid, and 800 Shares fully paid) (16/9/20)	313,590

THIS Bank was established in London in 1917 as a private limited company under the name of Hannevig's Bank, Limited, to conduct general foreign banking business with all parts of the world, but more especially to facilitate business in the British Isles, the United States of America, and the Scandinavian countries.

In 1918 the Bank was converted into a public limited company, with an authorised capital of £2,500,000. 800 of its shares which were management shares have since been exchanged for fully-paid £5 Ordinary shares. On September 16 this year the name, with the consent of the Board of Trade, was changed to the British American Continental Bank, Limited. 248,472 shares of £5 each have been issued, paid up to the extent of 25*s.* per share, with the exception of the 800. It was decided to call up a further 15*s.* per share, payable as to 5*s.* on November 1 this year, 5*s.* on February 1, 1921, and 5*s.* on April 1, 1921. This will raise the paid-up capital to £499,344.

During the three years that the Bank has been in existence it has built up a considerable business, as evidenced by the statements given below. Deposits during 1919 have increased from £417,000 to £788,000, and the total of bills and acceptances has also risen. The total of assets was higher by £366,000 than in 1918, a large increase being shown in the advances, while cash was lower by about £66,000.

After providing £30,000 for bad and doubtful debts, the accounts showed a net profit for 1919 of £869.

LIABILITIES.	1919. Dec. 31 £	% of Total	1918. Dec. 31 £	% of Total
Capital paid up	313,590	27·2	313,590	39·9
Reserve	—	—	—	—
Total	313,590	27·2	313,590	39·9
Deposit, current and other liabilities	788,311	68·4	417,685	53·2
Bills payable	11,570	1·0	1,549	·2
Acceptances	37,625	3·3	33,891	4·3
Profit balance	869	·1	19,222	2·4
Total liabilities... ...	1,151,965	100·0	785,935	100·0

ASSETS.	1919. Dec. 31 £	% of Total	1918. Dec. 31 £	% of Total
Cash	74,751	6·5	140,774	17·9
Investments	110,075	9·6	109,975	14·0
Bills receivable	260,288	22·6	155,541	19·8
Advances, &c. ...	660,682	57·3	337,251	42·9
Custrs.' liability for acceptances	37,625	3·3	33,891	4·3
Miscellaneous	8,544	·7	8,497	1·1
Total assets	1,151,965	100·0	785,935	100·0

BRITISH BANK FOR FOREIGN TRADE.

Head Office: 48 Bishopsgate, London, E.C. 2.

Capital—

Authorised, 300,000 Shares of £3 10*s.* each...	£1,050,000
Subscribed and Paid up (240,000 Shares) ...	840,000

FORMED in 1911 as the Anglo-Russian Bank, Limited, the name of this institution was changed to its present one in 1914. The original object was to acquire an interest in the Russian Commercial and Industrial Bank of Petrograd, and the subscribed and paid-up capital was £1,200,000. To meet various losses on investments the nominal value of the shares was reduced in 1916 from £5 to £3 10*s.*, making the authorised capital £1,050,000 and the paid-up capital £840,000, its present amount. There is no further liability on the shares. The events of recent years have naturally caused a serious depreciation in the Bank's Russian holdings. Hopes that trade intercourse with Russia would be resumed have been disappointed, and the Bank now proposes to reduce its capital, in the hope that it will be possible to resume payment of dividends on the smaller amount. It is proposed to ask shareholders to surrender five-sevenths of their capital, equal to reducing each share of £3 10*s.* to one of £1. This is to be done by reducing the £3 10*s.* shares to seven of 10*s.*, five of which the shareholders are to be called upon to forfeit. This will leave 480,000 issued shares, which will be consolidated into 240,000 shares of £1 each. Thus the issued capital will be £240,000 and will allow of £600,000 being written off the Russian investments, reducing the latter to a book value of only £21,500. Shareholders will also be asked to subscribe for the present balance of £210,000 of unissued capital, of which it is proposed to call up 5*s.* per £1 share. The capital surrendered will be available for future use, and shareholders will be given the first offer of taking it up, thus securing the benefit from any future recovery in Russian holdings. The scheme was unanimously approved by the shareholders on the 30th ultimo.

The net profit for the year to April 30, 1920, was £25,760, compared with £55,120 for the previous year. This raises the undivided profits to £105,600, and £75,000 of this is transferred to contingent fund.

The balance sheet shows deposits on April 30 last at £763,000, an increase of £76,000 over the previous year's figure. The cash total is £44,000 lower at £266,000, and total assets amount to £1,708,000, as compared with £1,667,000 last year.

Yr. to April 30	Gross Profit. £	Expenses. £	Net Profit. £	Dividends. £	%	Special Allctns. £	Carried Forward £
1920 .	70,402	44,641	25,761	—	Nil	75,000	30,610
1919 ...	95,596	40,475	55,121	—	Nil	50,000	79,850
1918 ...	87,360	44,162	43,198	—	Nil	—	74,729
1917 ...	69,419	49,778	19,641	—	Nil	—	31,531
1916 ...	122,769	121,546	1,223	—	Nil	—	11,890
1915 ...	110,238	109,452	786	—	Nil	—	10,667
1914 ...	119,075	13,271	96,804	72,000	6	25,594	9,881

Liabilities and Assets of the British Bank for Foreign Trade, Limited.

LIABILITIES. April 30	Capital Paid up. £	Reserve. £	Total Capital and Reserve. £	%	Deposits, &c. £	%	Bills Payable. £	%	Acceptances, &c. £	%	Profit Balance. £	%	Total Liabilities. £
1920 ...	840,000	—	840,000	49·1	763,186	44·7	—	—	—	—	105,610	6·2	1,708,796
1919 ...	840,000	—	840,000	50·4	687,503	41·2	—	—	10,008	·6	129,849	7·8	1,667,160
1918 ...	840,000	—	840,000	50·0	700,155	41·7	—	—	64,835	3·9	74,729	4·4	1,679,719
1917 ...	840,000	—	840,000	51·6	686,477	42·2	—	—	68,576	4·2	31,531	2·0	1,626,584
1916 ...	1,200,000	25,000	1,225,000	38·1	1,828,036	56·9	79,816	2·5	68,698	2·1	11,890	·4	3,213,440
1915 ...	1,200,000	25,000	1,225,000	36·3	1,911,922	56·7	128,157	3·8	99,293	2·9	10,667	·3	3,375,039
1914 ...	1,200,000	25,000	1,225,000	28·1	2,318,079	53·2	220,985	5·0	490,203	11·2	107,475	2·5	4,361,742

ASSETS. April 30	Cash in Hand and at Call, &c. £	%	Investments. £	%	Loans, &c. £	%	Bills Discounted. £	%	Custrs.' Liab. for Acceptances. £	%	Sundries. £	%	Total Assets. £
1920 ...	266,236	15·6	801,327	46·9	641,236	37·5	—	—	—	—	—	—	1,708,796
1919 ...	310,360	18·6	841,314	50·5	505,378	30·3	—	—	10,008	·6	—	—	1,667,160
1918 ...	192,558	11·4	891,502	53·1	530,824	31·6	—	—	64,835	3·9	—	—	1,679,719
1917 ...	175,269	10·8	923,953	56·8	458,787	28·2	—	—	68,575	4·2	—	—	1,626,584
1916 ...	100,160	3·1	2,346,188	73·0	696,868	21·8	—	—	68,698	2·1	1,526	—	3,213,440
1915 ...	206,020	6·1	2,387,405	70·7	530,029	15·8	150,835	4·5	99,293	2·9	1,457	—	3,375,039
1914 ...	260,904	5·9	2,116,498	48·6	1,336,858	30·7	156,685	3·6	490,203	11·2	594	—	4,361,742

* Per cent. of Total Liabilities or Assets.

NATIONAL BANK OF INDIA,

LIMITED.

Registered in London under the Companies Act of 1862 on the 23rd of March, 1866.
Established in Calcutta 29th September, 1863.
Bankers to the Government in British East Africa and Uganda.

Subscribed Capital - - - - -	£3,000,000
Paid-up Capital - - - - -	£1,500,000
Reserve Fund - - - - -	£2,000,000
Number of Shareholders - - -	1,817

Head Office: 26 BISHOPSGATE, LONDON, E.C. 2.

BOARD OF DIRECTORS.

ROBERT CAMPBELL, Esq., *Chairman.* ROBERT WILLIAMSON, Esq., *Deputy-Chairman.*
SIR JOHN P. HEWETT, G.C.S.I., K.B.E., C.I.E. | SIR CHARLES C. McLEOD. | J. N. STUART, Esq.
ROBERT MILLER, Esq. | H. CHALMERS, Esq. | J. A. TOOMEY, Esq.

Branches—				
CALCUTTA	AMRITSAR	MANDALAY	MOMBASA	Kenya Colony, British East Africa.
BOMBAY	DELHI	ADEN & ADEN POINT	NAIROBI	
MADRAS	TUTICORIN	COLOMBO	NAKURU	
KARACHI	COCHIN (S. INDIA)	KANDY	KISUMU	
CAWNPORE	CHITTAGONG	NEWERA ELIYA	ENTEBBE	
LAHORE	RANGOON	ZANZIBAR	KAMPALA	Uganda
			JINJA	

TANGA, DAR-ES-SALAAM, Tanganyika Territory.

The Bank grants Drafts and Telegraphic Transfers on all places where it is represented; negotiates and collects Bills of Exchange; undertakes the Purchase or Sale of Indian Government and other Securities; collects Pay, Pensions, and generally transacts every description of Eastern Banking Business. The Bank receives Deposits for fixed periods, not exceeding one year, at rates to be obtained on application.

The Bank opens Current Accounts, and, provided they do not fall below £200, allows Two per cent. per annum interest on the minimun monthly balances.

C. NICOLL, *London Manager.* H. CHALMERS, *General Manager.*

THE BANK OF MADRAS

(ESTABLISHED 1843.)

(Constituted by the Indian Presidency Banks Act of 1876.)

CAPITAL (fully paid) - - Rs. 75,00,000
RESERVE FUND - - - Rs. 49,00,000

Head Office - MADRAS

BRANCHES.
Madras—Mount Road.

Alleppey	Cochin	Mangalore	Tellicherry
Bangalore	Coimbatore	Masulipatam	Trichinopoly
Bellary	Colombo	Negapatam	Trivandrum
Calicut	Guntur	Ootacamund	Tuticorin
Cocanada	Madura	Salem	Vizianagram

OUTSTATIONS.

Bezwada. Bimlipatam. Erode. Narsapur. Rajahmundry. Trichur. Kodaikanal.

London Agents:
BANK OF ENGLAND.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LTD.

BRITISH OVERSEAS BANK.

31 Lombard Street, E.C. 3.

Capital—

Authorised	£5,000,000
Issued	2,000,000

This institution was registered as a limited company in 1918, and is the outcome of long-standing negotiations between some of the leading joint stock banks in this country. The object is to provide special facilities for British import and export trade, and the banks immediately associated with its formation are Glyn Mills, Currie and Company, Williams Deacon's Bank, Limited, Chas. Hoare and Company, Northern Banking Company, Limited (Belfast), Union Bank of Scotland, Limited (Glasgow), Anglo-South American Bank, Limited, Dominion Bank (Toronto), and Imperial Ottoman Bank.

The authorised capital is £5 million, and of this £2 million has been issued in 200,000 "A" Ordinary shares of £5 each, fully paid, and 200,000 "B" Ordinary shares of £5 each, fully paid. The profits are to be applied, firstly, in paying a cumulative dividend of six per cent. on the "A" shares; secondly, in paying a non-cumulative dividend of not more than six per cent. on the "B" shares; thirdly, in paying further dividends in such a manner that the additional dividend on each "B" share shall be double that on each "A" share. The whole of the "B" capital has been subscribed at par by the banks mentioned above, so the "A" shareholders will feel that the powerful interests backing the institution should ensure its stability and progress.

The first accounts of the Bank are not available as we write, but at the general meeting to be held on December 17 a payment at the rate of six per cent per annum will be proposed on the "A" shares from subscription date for the period ended October 31.

BRITISH TRADE CORPORATION.

Head Office: 13 Austin Friars, London, E.C. 2.

Capital—

Authorised, 1,000,000 Shares of £10 each ...	£10,000,000
Subscribed and paid up, 200,000 Shares of £10 each	2,000,000

In 1917 the British Trade Corporation received its Royal Charter, which covers a period of sixty years. This Corporation was instituted to carry out the recommendations of a Board of Trade Departmental Committee, which was appointed to consider the best means of financing trade after the War and meeting the requirements of individual British firms. The Corporation is intended to devote its energies especially to the extension of the trade of the British Empire all over the world, studying new avenues of development and nursing new schemes until sufficiently advanced. It was proposed to establish representatives in the chief cities of the world, to set up information bureaux, and to open a credit department for the issue of credits at home and abroad.

The accounts for the year 1919 showed a net profit of £88,340, which, considering that no return had been included from £600,000 in subsidiaries and the National Bank of Turkey, and that the Corporation is still in an early stage of development, was not unsatisfactory. A dividend of four per cent. for the year was paid, and £22,592 carried forward. The paid-up capital consists of 200,000 shares of £10 each, fully paid. Deposits have increased during the year from £1,673,441 to £1,864,302, while the contingent liability on acceptances has risen by £935,000. Cash and money at call were not quite so high as in the previous year, while investments have increased about £500,000.

During the year branches were opened at Batoum, Belgrade and Danzig, and the National Bank of Turkey has opened a branch at Smyrna. The Corporation has joined with others in forming the South Russia Banking Agency, Limited, acquiring £10,000 of its capital.

Profits of the British Trade Corporation.

Year to Dec. 31	Net Profit	Dividend £	Dividend %	Carry-Forward
	£			£
1919...	88,340	80,000	4	22,592
1918...	54,581*	50,000	2½	14,252
1917...	9,671	—	—	9,671

* After £14,590 written off preliminary expenses and premises account, etc.

COLONIAL BANK.

Head Office: 29 Gracechurch Street, London, E.C. 3
City Branch: 30 Gracechurch Street, London, E.C. 3.

Capital—

Authorised	£5,000,000
Subscribed, 150,000 Shares £20 each ...	3,000,000
Paid up, £6 per Share	900,000

The Colonial Bank was incorporated by Royal Charter on June 1, 1836, and is one of the few remaining chartered institutions. It has an authorised note issue of £600,000 confined to the West Indian colonies, and for many years this was the territory on which it concentrated its attentions. In 1916, however, it received sanction to carry on banking business anywhere in the British Empire, and in 1917 this was extended to any part of the world where it is legal for a British subject to carry on such business. The Bank is now adopting a policy of wide expansion: it has branches in British Guiana, West Africa, and New York, in addition to its many branches in the West Indies. Besides its head office in London, it has offices at Hull, Liverpool, and Manchester.

The capital consists of 100,000 "A" shares and 50,000 "B" shares, all being of £20 each, £6 paid up. A further £4 is callable, the remaining £10 being reserved liability. The profits are to be devoted to paying (1) seven per cent. on the "A" shares; (2) seven per cent. on the "B" shares; (3) up to three per cent. on both kinds of shares; (4) further dividend on "B" shares. The "B" shares were issued in 1918 at a premium of £2 per share.

Successive balance sheets show the Bank's continued expansion. That for June 30, 1920, shows total assets at £16,882,000, as compared with £13,711,000 the previous December and £11,157,000 the previous June. Comparing the figures for the whole year we find deposits have risen from £7,411,000 to £11,131,000, while bills payable and acceptances both show considerable increases. The West Indies have enjoyed great prosperity during the period under review, and very high prices have been paid for land.

On the assets side we find that specie, cash and call money has risen in amount from £1,100,000 to £1,471,000. The large increase of £3,500,000 in bills discounted and advances indicates increased trade activity. Ordinary investments have dropped somewhat, but the Bank has an increased holding of British Treasury bills.

Liabilities and Assets of the British Trade Corporation.

LIABILITIES. Dec. 31	Capital Paid up £	Reserve £	Total Capital & Reserve £	Total Capital & Reserve % *	Deposits, &c. £	Deposits, &c. % *	Acceptances £	Acceptances % *	Undivided Profits £	Undivided Profits % *	Total Liabilities £
1919	2,000,000	—	2,000,000	39·1	1,864,302	36·5	1,147,385	22·4	102,594	2·0	5,114,281
1918	2,000,000	—	2,000,000	50·6	1,673,441	42·4	212,181	5·4	64,252	1·6	3,949,874
1917	2,000,000	—	2,000,000	75·7	632,636	23·9	—	—	9,671	·4	2,642,307

ASSETS. Dec. 31	Cash £	Money at Call £	Total £	Total % *	Investments £	Investments % *	Bills discd., Loans, &c. £	Bills discd., Loans, &c. % *	Miscellaneous £	Miscellaneous % *	Custrs.' Liab. for Acceptances. £	Custrs.' Liab. for Acceptances. % *	Bank Premises, &c. £	Bank Premises, &c. % *	Total Assets £
1919... ...	63,541	510,000	573,541	11·2	1,414,400†	28·2	1,901,057	37·2	20,000	4	1,147,385	22·4	27,898	·6	5,114,281
1918... ...	75,346	610,000	685,346	17·3	940,090	23·8	2,090,041	52·9	20,000	·5	212,181	5·4	2,216	·1	3,949,874
1917... ...	249,362	590,000	839,362	31·8	—	—	1,766,947	66·9	30,080	1·1	—	—	5,918	·2	2,642,307

* Per cent. of Total Liabilities and Assets. † Including shares in National Bank of Turkey, scheduled at £243,120.



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Buyers of Mining by-Products containing Precious Metals.

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HEAD OFFICE
HATTON GARDEN. LONDON. E.C.1.

Liabilities and Assets of The Colonial Bank.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	Capital and Reserve. % *	Notes in Circulation. £	Notes in Circulation. % *	Deposits, &c. £	Deposits, &c. % *	Bills Payable, &c. £	Bills Payable, &c. % *	Acceptances. £	Acceptances. % *	Profit Balance. £	Profit Balance. % *	Total Liabilities. £
1920† ..	900,000	375,000	1,275,000	7·6	1,009,743	6·0	11,131,716	65·9	980,858	5·8	2,358,547	14·0	126,579	·7	16,882,443
1919...	900,000	350,000	1,250,000	9·1	799,042	5·7	8,968,511	62·1	547,020	4·3	2,506,297	18 3	111,609	·8	13,711,562
1918...	807,069	325,000	1,132,069	13·6	542,556	6·5	5,466,965	65·0	385,163	4·6	770,964	9·3	78,143	1·0	8,315,860
1917...	610,000	200,000	809,000	10·7	482,238	6·5	4,695,936	62·9	472,222	6·3	942,599	12·6	69,372	1·0	7,462,366
1916...	600,000	150,000	750,000	12·8	454,975	7·8	3,714,434	63·6	463,972	7·9	384,675	6·6	76,935	1·3	5,844,991
1915...	600,000	150,000	750,000	18·4	425,126	10·5	2,199,693	54·0	642,006	15·8	—	—	52,960	1·3	4,069,785
1914...	600,000	150,000	750,000	21·7	383,724	11·1	1,949,983	56·3	313,860	9·1	—	—	65,135	1·8	3,462,702
1913...	600,000	150,000	750,000	21·0	373,093	10·4	2,051,092	57·3	345,766	9·7	—	—	58,927	1·6	3,578,878

ASSETS. Dec. 31	Specie and Call Money. £	Specie and Call Money. % *	Cash Investments. £	Cash Investments. % *	Bills Discounted and Advances. £	Bills Discounted and Advances. % *	Bills Receivable, &c. £	Bills Receivable, &c. % *	Contra' Liab. for Acceptances. £	Contra' Liab. for Acceptances. % *	Bank Premises Accounts. £	Bank Premises Accounts. % *	Total Assets. £
1920† ...	1,471,053	8·7	435,856	2·6	9,235,219	54·7	3,150,613	18·7	2,358,547	14·0	231,055	1·3	16,882,443
1919 ...	1,544,904	11·2	611,220	4·4	6,822,233	49·8	2,011,341	14·7	2,506,297	18·3	219,867	1·6	13,711,562
1918 ...	845,008	10·1	698,983	8·4	4,648,746	55·9	1,180,452	14·2	770,964	9·3	171,707	2·1	8,315,860
1917 ...	771,670	10·3	629,941	8·5	3,889,268	52·1	1,075,541	14·4	942,599	12·6	153,447	2·1	7,462,366
1916 ...	691,701	10·1	739,916	12·7	3,221,616	55·1	827,083	14·1	384,675	6·6	80,000	1·4	5,844,991
1915 ...	512,753	12·6	1,019,923	25·0	1,265,135	31·1	1,191,919	29·3	—	—	80,000	2·0	4,069,785
1914 ...	562,089	16·2	1,183,478	34·4	1,110,766	32·1	520,369	15·0	—	—	80,000	2·3	3,462,702
1913 ...	426,249	11·9	1,119,245	31·2	1,313,939	36·7	639,445	17·9	—	—	80,000	2·3	3 578,878

* Per cent. of Total Liabilities or Assets. † June 30.

The net profit for the half-year ending June 30, 1920, was £95,000. This is an increase over the corresponding period last year of about £27,600, and over the profits shown last December of £14,700. The whole year's profits thus amount to £175,300, and are equal to 19.4 per cent. on the paid-up capital and to 14.0 per cent. on the total of capital and reserve. £50,000 was transferred to the reserve fund during the year, bringing it up to £400,000. £10,000 was written off bank premises account. A dividend of five per cent. was paid for each half-year, making a return of ten per cent. for the year.

Profits of the Colonial Bank.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Dividend Amt. £	Dividend Rate %	Special Allot'ns. £	Carried Forwar £
1920†...	323,607	228,637	94,970	45,000	10(c)	45,000	36,579
1919 ...	448,471	300,768	147.703	86,774	10(b)	55,000	31,669
1918 ...	287,687	201,916	85,771	51,463	8(b)	35,000	25,679
1917 ...	215,151	141,214	73,937	33,750	7½(b)	25,000	26,372
1916 ...	153,961	95,336	58,625	32,550	7(b)	50,000	11,185
1915 ...	125,646	69,671	55,975	39,000	6½*	18,000	35,110
1914 ...	119,465	67,257	52,208	36,000	6(a)	11,000	36,135
1913 ...	120,500	65,853	54,647	36,000	6(a)	20,000	30,927

* First half tax free; second half subject to tax. (a) Tax free. (b) Less tax.
† Half-year to June 30. (c) At the rate of.

HANNEVIG'S BANK.

(*See* British American and Continental Bank, Ltd.)

LONDON AND GENERAL TRADE BANK, LIMITED.

(*See* London, Singapore and Java Bank.)

LONDON, SINGAPORE & JAVA BANK.

(*Now* London and General Trade Bank, Ltd.)

Head Office: 4 and 5 Suffolk Place, Pall Mall, S.W. 1.

Capital—

Authorised	£300,000
Issued, 97,220 "A" Shares of £1 each, fully paid 35,390 "B" Shares of £1 each, 10s. paid	132,610
Paid up	114,915

This Bank was incorporated in July 1912, with the object of providing banking facilities for rubber plantations, by establishing a planters' bank with direct representation in the neighbourhood of the estates. In May, this year, it was decided to change the name of the Company to the London and General Trade Bank, Ltd. The Java business of the Bank has been disposed of, such business in future being transacted through agents on the spot, instead of by the Bank itself. It was further decided to sub-divide the shares, which had all previously been £10 shares, into £1 shares, and to issue at par a further 100,000 "A" shares and 80,000 "B" shares. The "A" shares are all fully paid, while the "B" shares are 10s. paid, the remaining 10s. being reserve liability, capable of being called up only for the purposes of liquidation. Both kinds of shares rank equally for dividend, on the amount paid up on each, and in other respects holders have the same rights.

The profits for 1919—£8,560—were the largest since the Bank's incorporation, and are equal to 14.2 per cent. on the paid-up capital. £5,000 was added to reserve, bringing this up to £20,000. The dividend was increased from six per cent. to seven and a-half per cent. for the year 1919, and £2,627 was carried forward.

Cash in hand rose from £62,646 in 1918 to £74,803, representing 39.07 per cent. of the liabilities to the public, as compared with 24.8 per cent. on December 31, 1918. Investments also showed an increase, while loans and deposits were less, owing to the relinquishment of the Java business.

Profits of the London, Singapore, and Java Bank.

Year ended Dec. 31	Gross Profit. £	Interest. £	Expenses. £	Net Profit. £	Dividend. £	Dividend. %	To Reserve, &c. £	Carried Forward. £
1919 ...	15,197	653	7,284	8,560	3,150	7½	5,000	2,627
1918 ...	21,254	4,215	8,960	8,079	2,352	6	5,000	2,217
1917 ...	16,383	6,005	3,537	6,841	2,308	6	4,250	1,490
1916 ...	13,949	2,309	5,349	6,291	2,308	6	3,750	1,207
1915 ...	12,785	1,859	4,681	6,245	2,668	6	3,409	974
1914 ...	13,409	1,266	4,732	7,421	2,821	6	4,370	806
1913 ...	8,754	1,170	3,024	4,560	2,446	6*	1,550	576

* Tax free.

Liabilities and Assets of The London, Singapore and Java Bank, Limited.

LIABILITIES. Dec. 31	Paid up Capital. £	Reserve. £	Total Capital and Reserve. £	Total Capital and Reserve. % *	Deposits, &c. £	Deposits, &c. % *	Acceptances. £	Acceptances. % *	Profit Balance. £	Profit Balance. % *	Total Liabilities. £
1919	60,000	15,000	75,000	27·0	191,456	69·1	—	—	10,777	3·9	277,233
1918	60,000	12,500	72,500	17·4	252,300	60·4	82,912	19·9	9,569	2·3	417,281
1917	51,300	10,000	61,300	16·1	214,398	56·3	97,240	25·5	8,049	2·1	380,987
1916	51,300	7,500	58,800	17·6	159,067	47·5	109,608	32·7	7,265	2·2	334,740
1915	51,300	5,000	56,300	23·8	109,430	46·3	63,439	26·9	7,051	3·0	236,220
1914	51,300	2,500	53,800	31·3	82,298	47·8	28,013	16·2	7,997	4·7	172,108
1913	45,500	1,000	46,500	36·3	59,721	46·4	17,838	13·9	4,522	3·4	128,581

ASSETS. Dec. 31	Cash at Bankers, &c. £	Cash at Bankers, &c. % *	Investments. £	Investments. % *	Bills Discounted, Loans, &c. £	Bills Discounted, Loans, &c. % *	Contra' Liab. for Acceptances. £	Contra' Liab. for Acceptances. % *	Premises, &c. £	Premises, &c. % *	Total Assets. £
1919	74,803	27·0	139,988	50·5	62,442	22·5	—	—	—	—	277,233
1918	62,646	15·0	69,643	16·7	199,580	47·8	82,912	19·9	2,500	·6	417,281
1917	54,454	14·3	24,381	6·4	200,662	52·7	97,240	25·5	4,260	1·1	380,987
1916	42,805	12·8	14,376	4·3	162,451	48·5	109.608	32·7	5,500	1·7	334,740
1915	33,096	14·0	39,888	16·9	93,387	39·5	63,439	26·9	6 410	2·7	236,220
1914	10,739	6·3	57,301	33·3	69,086	40·1	28,013	16·2	6,969	4·1	172,108
1913	13,138	10·2	26,006	20·2	68,729	53·5	17,838	13·9	2,870	2·2	128,581

Per cent. of Total Liabilities or Assets

CREDITO ITALIANO

Capital Authorised, Lire 300,000,000.
Capital paid up, Lire 268,000,000. Reserve, Lire 65,000,000.
Deposits and Current Accounts at 30th June, 1920, Lire 3,680,931,418.

HEAD OFFICE OF THE BANK - - - MILAN.

BRANCHES.

ACIREALE, AREZZO, ASTI, BARI, BARLETTA, BENEVENTO, BERGAMO, BIELLA, BOLOGNA, BRINDISI, CAGLIARI, CARPI, CARRARA, CASALE MONFERRATO, CASTELLAMMARE DI STABIA, CATANIA, CATANZARO, CHIAVARI, CHIETI, CIVITAVECCHIA, COMO, FLORENCE, FOGGIA, FRATTAMAGGIORE, GENOA, IGLESIAS, LECCE, LECCO, LEGHORN, LONDON, LUCCA, MESSINA, MILAN, MODENA, MOLFETTA, MONZA, NAPLES, NERVI, NOVARA, ORISTANO, OZIERI, PALERMO, PARMA, PINEROLO, PISA, PORTO MAURIZIO, ROME, SAMPIERDARENA, S. GIOVANNI A TEDUCCIO, SASSARI, SAVONA, SPEZIA, TARANTO, TERNI, TORRE ANNUNZIATA, TORRE DEL GRECO, TRENTO, TRIESTE, TURIN, VADO LIGURE, VARESE, VENICE, VENTIMIGLIA, VERCELLI, VOGHERA, VOLTRI

LONDON BRANCH: 22 ABCHURCH LANE, E.C. 4.

MANAGERS—D. A. HORNER.
F. N. SCHILLER.

Correspondent of the Royal Italian Treasury and of the National Institution for Foreign Exchanges.

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(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up - -	**- f. 80,000,000**	**Neth. Currency**	**(£6,666,666)**
Statutory Reserve Fund	**- f. 17,353,284**	**„ „**	**(£1,446,107)**
Extraordinary Reserve	**- f. 22,660,000**	**„ „**	**(£1,888,333)**

Head Office: AMSTERDAM.

Branches: **ROTTERDAM, THE HAGUE.**

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LONDON CORRESPONDENTS: The National Provincial and Union Bank of England, Ltd., LONDON.

EUROPEAN BANKS.

THROUGHOUT the continent of Europe the dominant factor in the banking situation during the past year has been the continued inflation of deposits, fed by the rising tide of notes which the governments of the ex-belligerent countries have not stemmed. Banking finance is in every country inextricably entangled with government finance. The result has been that currency instability has reacted disastrously on international trading relations to such an extent that, while there may be a glut of certain commodities in one country and a famine of the same commodity in another, it has been found impossible to bring buyer and seller together. The would-be buyer has no assets for immediate payment, and the distrust of the future value of the currency of the buyer's State has in many cases practically destroyed the basis of international credit.

The Brussels International Conference has insisted that before international credit can revive, the national governments must make an honest attempt to reduce their ordinary expenditure within the bounds of their ordinary revenue, and must cease from diluting their currency by the aid of the printing press; but the progress in this direction is terribly slow, and in some instances altogether wanting.

Meanwhile, the position is enormously aggravated by political instability and by the state of veiled or open war which still exists over a large part of Central and Eastern Europe. In such circumstances a criticism of the figures shown in the various bank reports, reckoned in a currency which is subject to violent fluctuations and whose future is doubtful, must be hedged in by many reservations, and detailed comparisons are obviously out of place.

We give on this and the next page aggregate tables for the leading French, Italian, Belgian, German, and Austrian banks. The chief items in the balance sheets are summed up, and some of the results are decidedly interesting. Subject to the reservations above mentioned with regard to currency variations, the following general comparisons based on the table which we now publish and on those published by us last year are instructive:—Liabilities of four French banks, capital and reserve 1918, 2.8 per cent. of total liabilities, 1919, 2.2 per cent.; notes in circulation, 1918, 71.7 per cent., 1919, 67.3 per cent. of total; acceptances 1918, .1 per cent, 1919, .2 per cent; deposit and current accounts 1918, 24.8 per cent., 1919, 29.6 per cent.; bills payable 1918, .2 per cent., 1919, .4 per cent.; undivided profits 1918, .4 per cent., 1919, .3 per cent. On the assets side cash in hand and in other banks represented 21.4 per cent. in 1918, as compared with 14.9 per cent. in 1919; investments 1918, 50.3 per cent., 1919, 53.8 per cent.; bills 1918, 16.1 per cent., 1919, 18.7 per cent.; advances, current accounts, &c., 1918, 11.7 per cent., 1919, 12.1 per cent.; customers' liability for acceptances 1918, .1 per cent., 1919, .2 per cent., bank premises 1918, .4 per cent., 1919, .3 per cent.

The total assets of 42,198,995,932 francs in 1918 increased in 1919 to 55,387,270,908 francs.

The contraction in the capital and reserve ratio is a common experience in all countries. Even in the United Kingdom the proportion of these two items to deposit liabilities was less than six per cent. in 1919, as compared with nearly twelve per cent. nine years ago in 1910. Steps have been, and are being, taken in France as elsewhere to remedy the situation by increasing the paid-up capital, and of the advisability of the change there can be no question as it enhances the confidence of depositors by lessening the risks to which they are exposed.

The ratio of paid-up capital and reserves in the case of the four Belgian banks included in our table is 3.9 per cent., or 1.7 per cent. in excess of the similar ratio of the French banks. The Belgian note issue liability is 47.8 per cent., as against 67.3 in the case of the French banks. The remaining Belgian figures might be quoted:—Deposits and current accounts, 16.1 per cent.; bills, .9 per cent.; other liabilities, 1.1 per cent.; profit balance, .2 per cent. Amongst assets, cash in hand at 9.4 per cent. and investments at 9.1 per cent. are much less than the similar figures given in the French table. For the four Italian banks treated in our table, cash in hand in 1919 represented 7.8 per cent. and investments 2.4 per cent. of the assets; the bills at 27.8 per cent. were greater than the French or Belgian figures, but comparisons, as above stated, may be misleading if pushed too far, especially as the form in which the balance sheets are presented vary considerably.

In the case of the Austrian and German banks the over-issue of paper currency and its depreciation even in terms of other currencies which in themselves are not very sound, renders useless a critical examination of the figures. Moreover, the obligations contracted to the Allies under the Treaties of Versailles and St. Germain remain to a great extent unliquidated; and this liability introduces an element of uncertainty, the full effect of which cannot now be foreseen. The banks of our late enemies have suffered heavily through the loss not only of assets in the shape of property and commodities held abroad, but also in goodwill; and though the German banks, at any rate, are making some effort to win back a portion of the ground that has been lost, their task is necessarily an uphill one. With regard to Austria we pointed out long ago that the severe terms imposed on her by Treaty, aggravated by the economic boycott to which she was subjected by surrounding hostile States, threatened her existence as a separate entity in the European polity, and, therefore, made all calculations as to the financial future of the country impossible. We are glad to see that the seriousness of the Austrian position is now being realised, and if the urgent economic necessities of the country are met, it may be possible to restore her internal finances to some semblance of order.

LIABILITIES OF FOUR FRENCH BANKS, 1919.

LIABILITIES.	Paid-up Capital	Reserve	Total Cap. & Reserve		Notes in Circulation		Acceptances		Deposit & Current Accts., &c.		Bills Payable		Undivided Profits		Total Liabilities
	Fr.	Fr.	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.
Banque de France ...	182,500,000	42,972,383	225,472,383	·5	37,274,539,820	88·4	—	—	4,583,124,293	10·9	—	—	79,199,448	·2	42,162,635,944
Comptoir Nationale d'Escompte de Paris	200,000,000	49,275,448	249,275,448	6·8	—	—	83,579,571	2·3	3,321,340,210	90·4	—	—	18,115,755	·5	3,672,310,984
Crédit Lyonnais ...	250,000,000	200,000,000	450,000,000	9·1	—	—	21,456,939	·4	4,299,417,516	87·1	123,032,881	2·7	36,246,644	·7	4,940,153,980
Société Générale de Paris	250,000,000	50,704,856	300,704,856	6·5	—	—	—	—	4,222,433,472	91·6	66,779,783	1·4	22,251,889	·5	4,612,170,000
Total—4 Banks ...	882,500,000	342,952,687	1,225,452,687	2·2	37,274,539,820	67.3	105,036,510	·2	16,426,315,491	29·6	199,812,664	·4	156,113,736	·3	55,387,270,908

ASSETS OF FOUR FRENCH BANKS, 1919.

ASSETS.	Cash in Hand & in Other Banks		Investments		Bills		Advances, Current Accs., &c.		Custrs.' Liab. for Acceptances		Bank Premises		Total Assets
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr	%	Fr.	%	Fr.
Banque de France ...	7,143,173,307	16·9	29,667,913,039	70·4	1,912,799,663	4·5	3,391,488,672	8·1	—	—	47,261,263	·1	42,162,635,944
Comptoir Nationale d'Escompte de Paris	264,039,459	7·2	10,681,619	·3	2,573,853,939	70·0	725,222,375	19·8	83,513,599	2·3	15,000,000	·4	3,672,310,984
Crédit Lyonnais ...	511,818,104	10·4	5,959,433	·1	3,092,896,383	62·6	1,273,023,121	25·8	21,456,939	·4	35,000,000	·7	4,940,153,980
Société Générale de Paris	322,142,416	7·0	118,071,254	2·5	2,798,922,967	60·7	1,316,611,324	28·∞	—	—	56,422,039	1·2	4,612,170,000
Total—4 Banks...	8,241,173,286	14·9	29,802,625,345	53·8	10,378,472,945	18·7	6,706,345,492	12·1	104,970,538	·2	153,683,302	·3	55,387,270,908

Head Office: LISBON.

Capital (paid up):
ESC. 24,000,000=£5,328,000
At par of Exchange.



Reserve Funds:
ESC. 24,900,000=£5,527,800
At par of Exchange.

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(NATIONAL OVERSEAS BANK).

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8 Rue du Helder, IXe

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Skandinaviska Kreditaktiebolaget

Bank Established in 1864.

GOTHENBURG. STOCKHOLM.

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Branches in all parts of Sweden.

Paid-up Capital & Reserves - - Kr. 182,000,000

Telegraphic Address: "KREDITBOLAGET."

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED.

LIABILITIES OF FOUR ITALIAN BANKS, 1919.

LIABILITIES.	Capital Paid up	Reserve Funds	Paid-up Capital and Reserves		Notes in Circulation		Acceptances and Guarantees		Deposits, Current Accounts, &c.		Bills Payable and other Liabilities		Profit Balance		Total Liabilities
	Lire	Lire	Lire	%	Lire	%	Lire	%	Lire	%	Lire	%	Lire	%	Lire
Banca Commerciale Italiana ...	200,000,000	115,956,250	315,956,250	7·4	—	—	265,309,015	5·3	4,019,633,677	79·6	344,268,950	6·8	44,981,236	·9	5,050,149
Banca d'Italia	180,000,000	60,025,412	240,025,412	1·3	12,691,779,100	76·9	—	—	2,129,673,550	12·9	1,392,665,770	8·4	47,308,296	·3	16,501,452
Banca Italiana di Sconto	315,000,000	50,000,000	365,000,000	8·6	—	—	20,850,558	·5	3,446,106,284	80·9	391,186,040	9·2	35,806,659	·8	4,259,249
Credito Italiano ...	200,000,000	32,000,000	232,000,000	5·8	—	—	135,449,386	3·4	3,572,310,658	90·0	—	—	32,182,583	·8	3,971,942
Total—4 banks	955,000,000	257,981,662	1,212,981,662	4·1	12,691,779,400	42·6	421,608,939	1·4	13,168,024,169	44·2	2,128,118,760	7·2	160,278,754	·5	29,782,79

* Per cent. of total liabilities.

ASSETS OF FOUR ITALIAN BANKS, 1919.

ASSETS.	Cash.		Investments.		Bills.		Advances, Loans, Current Accounts, &c.		Acceptances and Guarantees†		Bank Premises, &c.		Total Assets
	Lire	%	Lire	%	Lire	%	Lire	%	Lire	%	Lire	%	Lire
Banca Commerciale Italiana ...	373,234,366	7·4	191,170,900	3·8	2,804,461,997	55·5	1,392,942,442	27·6	265,309,015‡	5·3	23,030,408	·4	5,050,14
Banca d'Italia	1,418,383,932	8·6	212,068,013	1·3	1,377,484,495	8·3	10,278,784,337	62·3	3,184,312,864‡	19·3	29,816,757	·2	16,501,45
Banca Italiana di Sconto ...	232,217,556	5·4	266,311,138	6·3	2,054,312,668	47·8	1,680,826,903	39·4	20,850,558‡	·5	24,750,708	·6	4,259,24
Credito Italiano	289,650,325	7·3	58,871,699	1·5	2,097,792,190	52·8	1,377,679,027	34·7	135,449,386‡	3·4	12,500,000	·3	3,971,94
Total—4 banks	2,313,486,179	7·8	729,021,780	2·4	8,314,051,340	27·8	14,730,232,709	49·4	3,605,921,803	12·1	90,077,873	·5	29,782,78

* Per cent. of total assets.

LIABILITIES OF FOUR BELGIAN BANKS, 1919.

LIABILITIES.	Paid-up Capital.	Reserve Funds.	Paid-up Capital and Reserves		Notes in Circulation.		Deposits, Current Accounts, &c.		Bills.		Other Liabilities		Profit Balance		Total Liabilities.
	Frs.	Frs.	Frs.	%	Frs.	%	Frs.	%	Frs.	%	Frs.	%	Frs.	%	Frs.
Banque Belge pour l'Etranger	37,999,250	9,797,263	47,796,513	10·1	1,211,805	·3	350,611,544	74·4	—	—	66,936,250	14·2	4,732,986	1·0	471,322,098
Banque Nationale de Belgique	50,000,000	48,122,615	98,122,615	1·3	4,785,915,724	64·5	2,490,470,207	33·6	—	—	11,087,112	·5	—	—	7,415,595,658
Caisse Générale de Reports et de Dépôts	20,000,000	20,800,000	40,800,000	7·7	—	—	485,923,782	91·7	—	—	—	—	3,311,889	·6	530,035,471
Société Générale de Belgique	62,000,000	140,883,317	202,883,317	12·7	—	—	1,291,032,995	80·8	96,104,500	6·0	—	—	8,000,340	·5	1,598,081,152
Total—4 banks ...	169,999,250	219,603,195	389,602,445	3·9	4,787,127,529	47·8	4,618,071,528	461	96,104,500	·9	108,023,362	1·1	16,105,015	·2	10,015,034,379

* Per cent. of total liabilities.

ASSETS OF FOUR BELGIAN BANKS, 1919.

ASSETS.	Cash.		Investments.		Bills.		Advances, Loans, and Current Accounts.		Custrs' Liab. for Acceptances		Bank Premises, &c.		Total Assets.
	Frs.	%	Frs.	%	Frs.	%	Frs.	%	Frs.	%	Frs.	%	Frs.
Banque Belge pour l'Etranger ...	106,186,012	22·5	38,257,057	8·1	103,819,706	22·0	62,854,788	34·6	60,012,030	12·7	192,925	·1	471,322,098
Banque Nationale de Belgique ...	350,400,377	4·7	126,301,669	1·7	402,977,042	5·4	6,509,431,970‡	87·8	—	—	26,484,600	·4	7,415,595,658
Caisse Générale de Reports et de Dépôts	113,161,825	21·3	23,139,040	4·4	228,081,891	43·0	159,425,595	30·1	—	—	6,221,160	1·2	530,035,471
Société Générale de Belgique ...	371,520,692	23·3	724,288,010	45·3	118,341,320	7·4	381,722,130	23·9	—	—	2,000,000	·1	1,598,081,152
Total—4 banks	941,283,906	9·4	911,985,736	9·1	853,422,959	8·5	7,213,434,063	72·0	60,012,030	·6	34,898,685	·4	10,015,034,379

Per cent. of total assets. ‡ Includes Frs.5,800,000,000 advanced to the Government.

LIABILITIES OF FIVE GERMAN BANKS, 1919.

LIABILITIES.	Paid-up Capital.	Reserve Fund.	Paid-up Capital & Reserve		Notes in Circulation.		Acceptances		Deposits & Current Accounts, &c.		Profit Balance		Total Liabilities.
	Marks	Marks	Marks	%*	Marks	%*	Marks	%*	Marks	%*	Marks	%*	Marks
Imperial Bk. of Germany (Reichsbank) ...	180,000,000	2,815,890,192	2,995,890,192	5·2	35,699,415,000	62·2	—	—	18,669,006,660	32·5	42,867,737	·1	57,407,179,589
Darmstädter Bank ...	160,000,000	32,000,000	192,000,000	4·4	—	—	115,933,690	2·7	4,050,928,105	92·4	20,576,205	·5	4,359,738,800
Deutsche Bank ...	275,000,000	230,000,000	505,000,000	3·2	—	—	138,066,840	·9	15,084,358,103	95·5	64,464,822	·4	15,791,869,765
Direction der Disconto-Gesellschaft ...	310,000,000	140,000,000	450,000,000	5·0	—	—	127,765,880	1·4	8,450,241,574	93·1	48,088,576	·5	9,076,093,030
Dresdner Bank ...	260,000,000	80,000,000	340,000,000	3·8	—	—	297,869,052	3·4	8,135,505,515	92·2	50,658,039	·6	8,824,032,606
Total—5 Banks ...	1,185,000,000	3,297,890,192	4,482,890,192	4·7	35,699,415,000	37·4	679,635,462	·7	54,370,020,757	57·0	226,952,379	·2	95,458,913,790

* Per cent. of total liabilities.

ASSETS OF FIVE GERMAN BANKS, 1919.

ASSETS.	Cash in Hand		Investments, &c.		Bills		Advances & Current Accts., &c.		Custrs' Liab. for Acceptances		Bank Premises		Total Assets
	Marks	%*	Marks	%*	Marks	%*	Marks	%*	Marks	%*	Marks	%*	Marks
Imperial Bk. of Germany (Reichsbank) ...	12,147,835,569	21·2	42,260,706,535	73·6	8,951,837	—	674,101,789	1·2	—	—	2,315,583,859	4·0	57,407,179,589
Darmstädter Bank ...	272,179,659	6·2	110,387,374	2·5	2,140,291,410	49·1	1,693,450,046	38·9	115,933,690	2·7	27,495,621	·6	4,359,738,800
Deutsche Bank ...	1,939,206,020	12·3	253,248,189	1·6	9,733,546,002	61·6	3,687,802,712	23·3	138,066,840	·9	40,000,002	·3	15,791,869,765
Direction der Disconto-Gesellschaft ...	1,593,421,011	17·6	339,364,757	3·7	4,236,009,181	46·7	2,738,130,820	30·1	127,765,880	1·4	41,081,081	·5	9,076,093,030
Dresdner Bank ...	1,338,918,406	15·2	229,067,209	2·6	4,390,865,845	49·8	2,518,317,568	28·5	297,869,052	3·4	48,994,526	·5	8,824,032,606
Total—5 Banks ...	17,291,560,665	18·1	43,192,774,064	45·2	20,509,667,575	21·5	11,312,122,935	11·9	679,635,462	·7	2,473,153,089	2·6	95,458,913,790

* Per cent. of total assets.

LIABILITIES OF FIVE AUSTRIAN BANKS, 1919.

LIABILITIES.	Paid-up Capital.	Reserve Funds.	Paid-up Capital and Reserves		Notes or Mortgage Bonds in circulation.		Acceptances and Bills payable, &c.		Deposit and Current Accounts		Profit Balance		Total Liabilities,
	Kronen.	Kronen.	Kronen.	%	Kronen.	%	Kronen.	%	Kronen.	%	Kronen.	%	Kronen.
Allgemeine Oester. Boden-Credit-Anstalt	75,000,000	206,660,851	281,660,851	6·9	455,619,541‡	11·1	19,330,693	·5	3,319,319,175	81·0	23,195,391	·5	4,097,116,951
Anglo-Oester. Bk.	150,000,000	83,386,322	233,386,322	5·5	—	—	30,036,450	·7	3,932,168,217	93·2	24,401,797	·6	4,219,992,786
Oester. Credit-Anstalt für Handel und Gewerbe ...	200,000,000	151,724,176	351,724,176	10·1	—	—	40,107,893	1·1	3,062,985,850	87·4	47,684,441	1·4	3,505,502,359
Oester. Länderbank	160,000,000	55,651,111	215,651,111	5·8	—	—	222,551,920	6·1	3,217,854,904	87·6	18,264,570	·5	3,672,242,166
Oester.-Ungarischen Bk. ...	210,000,000	232,732,842	442,732,843	·7	55,301,882,744‡	84·5‡	—	—	9,376,827,863	14·3	62,564,143	·1	65,428,783,793
					244,996,200‡	·4‡							
Total—5 Banks ...	795,000,000	731,155,583	1,526,155,583	1·9	55,301,882,744‡	68·3	312,026,556	·4	22,909,067,369	28·3	175,910,042	·2	80,923,638,038
					698,615,744‡	·9							

* Per cent. of total liabilities.

ASSETS OF FIVE AUSTRIAN BANKS, 1919.

ASSETS.	Cash.		Investments.		Bills.		Loans, Advances, & Sundry Debtors.		Bank Premises.		Other Assets.		Total Assets.
	Kronen.	%*	Kronen.	%*	Kronen.	%*	Kronen.	%*	Kronen.	%*	Kronen.	%*	Kronen.
Allgemeine Oester. Boden-Credit-Anstalt	178,815,110	4·4	115,750,441	2·8	241,129,065	5·9	3,455,581,928	84·3	10,018,979	·2	96,121,411	2·4	4,097,116,934
Anglo-Oester. Bk.	423,113,095	10·0	195,601,442	4·7	76,712,387	1·8	3,524,565,862	83·5	—	—	—	—	4,219,992,786
Oester. Credit-Anstalt für Handel ...	198,831,822	5·7	193,158,690	5·5	255,190,597	10·1	2,718,980,322	78·4	9,340,928	·3	—	—	3,505,502,359
Oester. Länderbank	610,964,211	17·4	175,182,945	4·8	102,902,068	2·8	2,749,732,785	74·9	3,460,157	·1	—	—	3,672,242,166
Oester.-Ungarischen Bk.	343,149,141	·5	52,318,264	·1	11,914,004,405	18·2	51,655,179,881	78·9	51,065,918	·1	1,412,976,183	2·2	65,428,783,793
Total—5 Banks	1,784,873,379	2·2	732,041,782	·9	12,689,998,520	15·7	64,133,740,778	79·3	73,885,982	·1	1,509,097,594	1·8	80,923,638,038

* Per cent. of total assets.

Swiss Bank Corporation.

ESTABLISHED 1872.

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BIENNE, CHIASSO, HERISAU, LE LOCLE, NYON, AIGLE, MORGES, RORSCHACH, VALLORBE.

LONDON OFFICE: 43 LOTHBURY, E.C.2.
West End Branch: 11c Regent Street (Waterloo Place), S.W.1.

General Manager - - - X. CASTELLI.

Capital Issued and Fully Paid up £4,800,000
Reserves - - - - £1,320,000
Deposits - - - - £38,000,000

The Corporation conducts every description of Banking and Exchange business, and is prepared to furnish the Mercantile and Industrial Community with all available information regarding Trade and Industry in Foreign Countries, and also with reports on Merchants and Manufacturers established abroad.

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Reserves - - - Fr. 15,000,000

AUSTRIAN BANKS.

ALLGEMEINE OESTERREICHISCHE BODEN CREDIT-ANSTALT.

Head Office: Vienna.

Capital—

Authorised, Issued and Paid up. in Shares of Kr.300 Kr.105,000,000

This Austrian banking concern has of recent years considerably increased its capital, following the precedent set by other large Austrian and Hungarian banks. These institutions have been intimately associated with the financing of war operations by the State, to which they have in effect lent a large part of their deposits. For these advances, as was pointed out by an Austrian journal, no real security was afforded.

Of late years balance sheets have not been regularly available, but we are now enabled to bring the accounts up to December 31, 1919. A table is given below of the liabilities and assets of the Bank for some of its early years, and for each from 1905 to 1919. We include also a statement of the annual profits from 1904 to 1919. The amount of net profit has shown a steady increase since 1914, when it was Kr. 11,081,808, to 1919, when it was Kr.20,017,658. A dividend of twenty per cent. was paid for last year. During the last fifteen years the rate of dividend has fluctuated between fourteen and two-thirds per cent. and twenty-two per cent.

The balance sheet figures evidence great expansion from 1914 onwards. One of the most noticeable increases took place during 1919, when the total assets rose from Kr.1,954 million to Kr.4,097 million.

The capital, which is divided into shares of Kr.300 each, fully subscribed and paid up, was increased in 1916 from Kr.54 million to Kr.63 million, and in 1918 to Kr.75 million. This year it was raised further to Kr.105 million. The reserve fund has been built up mainly from premiums on the issue of the shares, and on the date of the last balance sheet it reached the large sum of over Kr.206 million.

Profits of Allgemeine Oest. Boden Credit Anstalt.

Year to Dec. 31	Gross Profit. Kronen.	Expenses. Kronen.	Net Profit. Kronen.	Dividend Amount. Kronen.	Dividend Rate. %	Special Allocat'ns. Kronen.	Carried Forward. Kronen.
1919...	75,493,445	55,475,787	20,017,658	15,000,000	20	4,934,000	941,663
1918...	62,037,749	43,886,941	18,150,808	13,500,000	18	4,650,000	858,005
1917...	54,919,752	37,233,754	17,685,998	13,860,000	22	3,800,000	857,197
1916...	46,345,481	29,508,900	16,836,581	13,230,000	21	3,600,000	831,197
1915...	39,754,745	26,150,753	13,603,991	10,800,000	20	2,800,000	824,616
1914...	36,066,773	24,984,965	11,081,808	9,180,000	17	1,900,000	820,624
1913...	33,608,305	23,488,868	13,619,437	10,800,000	20	2,777,600	818,815
1912...	33,814,552	20,341,608	13,163,944	10,260,000	19	2,350,000	776,980
1911...	31,623,654	19,316,728	12,006,926	8,550,000	18	3,350,000	717,036
1910...	30,761,895	19,304,488	11,553,407	8,100,000	18	3,350,000	610,110
1909...	30,181,000	18,783,955	11,395,045	7,650,000	17	3,850,000	506,703
1908...	29,078,433	19,909,875	10,668,558	7,200,000	16	3,350,000	611,658
1907...	28,588,345	19,251,840	10,336,705	6,900,000	15½	3,350,000	493,100
1906...	28,663,608	18,918,011	9,751,537	6,600,000	14⅔	3,100,000	406,386
1905...	25,876,516	18,290,283	7,586,233	5,040,000	21	2,500,000	354,798
1904...	25,825,027	18,456,925	7,368,102	4,883,250	20½	2500,000	308,565

ANGLO-OESTERREICHISCHE BANK.

(Anglo-Austrian Bank.)

Head Office: Vienna.

Capital—

Paid up ... ... Kr. 150,000,000

This Austrian Bank, which had an office in London up to the outbreak of war, was established in 1863, and opened business in London at the same time that it started at its head office in Vienna. Owing to the War the London business has been liquidated.

Recent balance sheets are now available, the last one being for December 31, 1919. The general inflation is very marked in Austria, and the deposits of this Bank have increased to a very great extent. They are nearly four times the amount at which they stood in 1916, and now total Kr.3,932 million, as

Liabilities and Assets of The Allgemeine Oesterreichische Boden Credit-Anstalt.

LIABILITIES.

Dec. 31	Capital Paid up. Kronen.	Reserve Funds. Kronen.	Total Capital and Reserve. Kronen.	%	Mortgage Debentures. Kronen.	%	Current Accounts. Kronen.	%	Acceptances. Kronen.	%	Profit Balance. Kronen.	%	Total Liabilities. Kronen.
1919	75,000,000	206,660,831	281,660,831	6·9	153,619,541	11·3	3,319,210,475	81·0	19,330,693	·5	23,195,391	·6	4,097,116,934
1918	75,000,000	202,410,831	277,410,831	14·2	193,554,148	25·2	1,114,151,199	57·0	18,606,030	2·5	20,774,479	1·1	1,954,796,987
1917	63,000,000	158,044,831	221,044,831	11·9	177,780,636	25·7	1,099,760,886	59·2	39,534,982	2·1	20,261,218	1·1	1,858,382,553
1916	63,000,000	154,694,831	217,694,831	13·4	161,530,188	28·3	914,585,871	56·1	15,843,234	1·0	19,061,928	1·2	1,628,716,049
1915 ...	54,000,000	125,148,831	179,148,831	14·8	439,250,861	36·3	558,691,537	46·1	18,187,068	1·5	15,636,170	1·3	1,210,914,470
1914 ...	54,000,000	122,454,000	176,454,000	15·7	416,925,064	37·0	464,581,812	41·3	55,147,270	4·9	12,831,937	1·1	1,125,940,083
1913 ...	54,000,000	119,876,400	173,876,400	18·9	398,916,420	43·3	291,583,917	31·7	40,185,421	4·4	15,552,177	1·7	920,114,335
1912 ...	54,000,000	116,948,831	170,948,831	19·5	393,209,600	44·8	269,491,561	30·8	28,401,634	3·2	14,961,418	1·7	877,013,044
1911 ...	45,000,000	88,573,262	133,573,262	17·0	325,347,971	41·4	287,691,576	36·5	26,556,879	3·4	13,701,139	1·7	786,870,627
1910 ...	45,000,000	84,678,431	129,678,431	16·7	331,676,943	42·5	281,525,138	36·2	22,861,185	2·9	13,093,822	1·7	778,836,519
1909 ...	45,000,000	82,073,262	127,073,262	17·0	336,315,544	44·9	250,587,889	33·4	22,675,260	3·0	12,967,264	1·7	749,619,189
1908 ...	45,000,000	78,178,432	123,178,432	17·1	338,351,829	47·2	223,125,127	31·1	20,823,144	2·9	12,097,053	1·7	717,575,585
1907 ...	45,000,000	75,573,262	120,573,262	17·3	340,783,371	49·1	212,512,559	30·6	9,293,692	1·3	11,641,623	1·7	694,004,307
1906 ...	45,000,000	72,573,262	117,573,262	16·1	342,301,543	46·9	254,692,356	34·8	5,242,925	·7	10,939,906	1·5	730,749,972
1905 ...	24,000,000	61,600,000	85,600,000	13·7	344,594,629	55·2	189,044,185	28·8	5,868,738	·9	8,604,380	1·4	624,711,932
1900 ...	24,000,000	52,594,380	76,594,380	12·0	390,899,579	61·2	159,096,704	24·9	1,186,145	·7	7,755,247	1·2	638,532,055
1895 ...	19,200,000	39,923,064	59,123,064	10·8	347,176,920	63·5	133,854,320	24·5	290,738	—	6,827,792	1·2	547,272,834
1890 ...	19,200,000	23,166,516	42,366,516	8·6	320,470,720	65·3	122,309,730	24·9	15,084	—	5,666,064	1·2	490,828,114
1880 ...	19,200,000	1,294,364	20,494,364	5·2	278,690,360	70·7	90,751,492	23·0	623,348	·2	3,540,042	·9	394,099,606
1870 ...	19,200,000	6,921,866	26,121,866	7·9	200,389,952	59·4	101,955,732	30·9	2,684,102	·8	3,487,202	1·0	336,738,854
1866 ...	9,600,000	143,414	9,743,414	7·3	103,251,200	77·7	19,255,032	7·0	9,004,008	6·7	1,746,054	1·3	132,999,708

ASSETS. Cash in Hand and at Banks.

Dec 31	Cash in Hand and at Banks. Kronen.	%	Investments. Kronen.	%	Bills. Kronen.	%	Mortgages. Kronen.	%	Advances and Current Accounts. Kronen.	%	Acceptances. Kronen.	%	Miscellaneous. Kronen.	%	Bank Premises. Kronen.	%	Total Assets. Kronen.
1919...	178,815,140	4·4	115,000,441	2·8	241,129,065	5·9	431,529,385	10·6	3,029,452,447	73·7	19,330,693	·5	76,850,154	1·9	11,008,979	·2	4,097,116,934
1918...	228,709,931	11·7	96,016,877	4·9	85,575,450	4·5	486,917,752	24·9	959,151,452	48·1	18,606,030	2·5	55,758,895	2·9	9,556,850	·5	1,954,796,987
1917...	23,610,516	1·3	75,769,415	4·0	99,220,553	5·3	474,541,009	25·6	1,099,816,315	58·7	39,534,982	2·1	47,174,867	2·5	9,004,875	·5	1,858,382,552
1916...	23,170,146	1·4	115,228,002	7·1	102,015,255	6·2	454,028,548	27·9	870,459,472	52·0	15,843,224	1·0	63,499,392	3·9	8,480,010	·5	1,628,716,049
1915...	18,500,145	1·5	119,448,585	9·9	123,244,892	10·2	446,594,191	36·9	472,934,020	39·0	18,187,068	1·5	5,488,700	·4	7,119,809	·6	1,210,914,450
1914...	41,230,444	3·6	50,914,618	4·5	127,974,632	11·4	437,289,509	38·8	403,789,890	35·9	55,147,270	4·9	2,173,911	·2	7,119,809	·7	1,125,940,083
1913...	7,860,916	·8	33,339,701	3·6	108,234,375	11·8	409,715,400	44·5	312,732,843	34·0	40,185,421	4·4	625,311	·1	7,420,338	·8	920,114,335
1912...	7,342,792	·8	32,782,295	3·8	96,246,855	11·0	407,138,682	46·5	297,423,970	33·9	28,401,634	3·2	293,679	—	7,363,227	·8	877,013,044
1911...	4,259,555	·5	30,158,104	3·8	94,533,785	12·0	325,004,078	41·3	299,344,598	38·1	26,556,879	3·4	838,060	·1	5,975,588	·8	786,870,627
1910...	1,076,007	·5	26,650,759	3·4	111,573,989	14·3	294,770,879	37·9	312,195,431	40·2	22,861,185	2·9	360,891	—	6,346,378	·8	778,835,519
1909...	6,102,651	·8	11,998,147	5·6	74,920,599	10·0	337,171,310	45·0	260,851,373	34·8	22,675,260	3·0	284,381	—	5,566,168	·8	749,619,189
1908...	9,499,430	1·3	61,305,071	8·5	44,437,602	6·2	245,450,495	34·2	330,078,512	46·0	20,823,144	2·9	425,787	·1	5,555,544	·8	717,575,585
1907...	8,086,032	1·2	25,746,643	3·7	44,199,881	6·4	363,815,856	52·4	238,212,857	34·3	9,293,692	1·3	373,801	—	4,875,545	·7	694,604,307
1906...	5,857,329	·8	91,834,246	12·6	42,823,846	5·9	367,232,972	50·2	212,935,290	29·2	5,242,925	·7	363,713	—	4,459,711	·6	730,749,972
1905...	6,606,473	1·0	43,706,915	7·0	42,085,054	6·8	391,960,592	62·7	129,553,373	20·8	5,868,738	·9	471,076	·1	4,459,711	·7	624,711,932
1900...	9,383,253	1·5	21,699,461	3·4	56,992,499	8·9	382,669,179	59·9	158,330,273	24·8	4,186,145	·7	700,274	·1	4,570,971	·7	638,532,055
1895...	12,960,814	2·4	16,972,332	3·1	25,727,830	4·7	350,869,226	64·1	134,945,356	24·7	290,738	—	789,402	·1	4,717,156	·9	547,272,834
1890...	6,568,238	1·4	7,959,498	1·6	28,774,508	5·8	326,422,160	66·5	114,385,678	23·3	15,084	—	891,388	·2	5,811,560	1·2	490,828,114
1880...	13,400,208	3·4	4,527,568	1·1	5,325,426	1·3	281,588,342	71·4	80,308,176	20·4	623,348	·2	3,168,818	·8	5,157,330	1·4	394,099,606
1870...	4,059,036	1·2	3,589,228	1·1	9,070,176	2·7	201,257,714	59·7	110,378,850	32·8	2,684,102	·8	821,356	·2	4,878,392	1·5	336,738,854
1866...	647,884	·5	1,206,222	3·2	9,104,330	6·9	106,879,660	80·4	2,989,494	2·2	9,004,008	6·7	—	—	167,910	·1	132,999,708

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Anglo-Austrian Bank.

LIABILITIES.

Dec. 31	Capital Paid up. Kr.	Reserve Funds. Kr.	Total Capital and Reserve. Kr.	% *	Deposits and Deposit Notes in Circulation, &c. Kr.	% *	Bills Payable. Vienna. Kr.	% *	London. Kr.	% *	Total Bills Payable. Kr.	% *	Profit Balance. Kr.	% *	Total Liabilities. Kr.
1919...	150,000,000	83,386,322	233,386,322	5·5	3,952,108,217	93·2	30,035,150	·7	—	—	30,035,150	·7	24,161,797	·6	4,239,691,486
1918...	150,000,000	82,886,322	232,886,322	10·6	1,922,374,970	87·5	24,450,300	1·3	—	—	29,450,300	1·3	12,751,332	·6	2,197,398,940
1917...	130,000,000	54,114,458	184,114,458	9·1	1,836,365,961	89·2	12,791,979	·6	—	—	12,791,979	·6	25,906,534	1·1	2,059,278,932
1916...	130,000,000	56,114,458	186,114,458	14·2	1,005,281,146	83·5	12,041,300	·9	—	—	12,041,300	·9	18,600,592	1·4	1,311,337,564

ASSETS.

Dec. 31	Cash. Kr.	% *	Investments, &c. Kr.	% *	Loans against Securities and Money at Short Notice. Kr.	% *	Bills Receivable. Kr.	% *	Sundry Debtors. Kr.	% *	Syndicate and Participation Accounts. Kr.	% *	Total Assets. Kr.
1919 ...	423,113,005	10·0	130,057,810	3·1	61,38[illegible]	1·5	76,717,38[illegible]	1·8	3,480,[illegible]055	82·0	65,[illegible],632	1·6	4,239,[illegible],786
1918 ..	86,900,329	4·0	64,677,102	4·3	69,[illegible]18,495	3·1	36,[illegible],380	1·6	1,[illegible],[illegible]88	84·8	48,[illegible],351	2·2	2,197,398,940
1917 ...	49,610,598	2·4	138,[illegible],562	6·6	[illegible],681	2·5	50,031,[illegible]	1·7	1,[illegible],[illegible]86	84·9	39,[illegible],728	1·9	2,[illegible],[illegible]94
1916 ...	53,381,709	4·1	85,[illegible]938	6·5	31,8[illegible]22	2·4	100,913,176	7·7	1,[illegible],[illegible]102	77·3	30,[illegible],317	2·3	311,337,564

* Per cent. of Total Liabilities or Assets.

ared with Kr.1,922 million on December 31, 1918. The greater part of this money is lent by the Bank for State purposes, and it seemed necessary to safeguard the depositors by increasing the capital. Accordingly, in 1918, the paid-up capital was increased by Kr.20 million to Kr.150 million, at which figure it stood in the last balance sheet. It consists of 625,000 shares of Kr.240 each. The reserve funds now amount to over Kr.83 million, having been largely increased by premiums on the issue of shares.

The net profit for 1919 amounted to Kr.22,216,290 more than double the profit for 1918 though in 1917 a profit of over Kr.21 million was made. Government taxes were less in proportion to gross profit in 1919 than they were in 1918. The gross profit has risen each year from 1916, but expenses were very heavy in 1918 as compared with gross profit, and a dividend of only six and a-quarter per cent. was paid, while ten per cent. was paid last year.

The cash total for last year showed a very big increase as compared with 1918—from Kr.86,900,329 to over Kr.423 million. Investments have also risen, while loans and money at short notice registered a slight decrease. Sundry debtors, however, have nearly doubled from the previous year, and now amount to Kr.3,460 million.

Year ended Dec. 31	Gross Profit. Kr.	Expenses. Kr.	Govt. Duty and Taxes. Kr.	Net Profit. Kr.	Dividend. Amount. Kr.	Rate %	Special Allocations, &c. Kr.
1919	113,417,263	72,472,941	19,128,522	22,216,290	15,000,000	10	7,171,629
1918	56,014,902	30,857,062	11 530,543	10,558,297	8,75[illegible]	6	1,755,829
1917	46,905,335	18,082,830	7,421,000	21,401,502	14,083,342	10⅓	7,240,150
1916	34,981,760	12,442,607	5,033,535	16,605,527	11 500,008	10	4,985,552

OESTERREICHISCHE CREDIT-ANSTALT FÜR HANDEL UND GEWERBE.

Head Office: Vienna.

Capital—

Subscribed and Paid up ... ... Kr. 200,000,000

This banking institution was established by Royal Charter on October 31, 1855. It has, therefore, lived through the frequent wars in which Austria has willingly or unwillingly been involved—in 1864 against Denmark, in 1866 against her late ally, Prussia, and finally in 1914 in the Great War. The Bank was founded by some of the most distinguished men in Austria, including several princes and members of the House of Rothschild, and it has always enjoyed an excellent reputation. Its original object was to improve the economic condition of the country, and to endeavour to bring order out of chaos, for at the date of its inauguration Austrian finances were in a very unstable condition. It carried out these objects with considerable ability, and met with a large measure of success, judging from the position of the country at the outbreak of war.

This Bank, like others in Central Europe, has witnessed a large increase in deposits since 1914. On December 31, 1913, they stood at Kr.864 million, while six years later, in December last, they amounted to Kr.3,062 million. During 1919 the increase was Kr.289 million.

On the assets side, comparing the figures for December 31, 1919, with those of the previous year, we find cash in hand has risen from Kr.166 million to Kr.198 million. Investments and advances on securities both showed expansion, while the total of sundry debtors has risen Kr.538 million to Kr.2,663 million. Bills discounted have dropped to Kr.355 million from Kr.657 million.

Profits for 1919 displayed a marked improvement, and at over Kr.45 million were nearly three times the previous year's profits. In 1918 the expenses rose Kr.12 million, while the gross profit only increased Kr.500,000, thus reducing the net profit, and only allowing a dividend of six and a-quarter per cent., as compared with twelve and three-sixteenths per cent. for 1917. A dividend of eleven and seven-eighths per cent. was paid for 1919, and, in addition, specially large sums were allocated to reserves.

Year to Dec. 31	Gross Profit. Kronen.	Expenses* &c. Kronen.	Net Profit. Kronen.	Dividend. Amount. Kronen.	Rate. %	Special Allocations. Kronen.	Carried Forward Kronen.
1919	109,571,077	64,293,700	45,080,881	25,500,000	11⅞	14,000,000	1,777,555
1918...63,498,690		48,095,750	15,402,930	12,500,000	6¼	3,000,000	1,546,672
1917...82,934,006		36,074,578	26,859,428	20,718,750	12⅜	6,000,000	1,643,742
1916...51,861,783		28,512,268	23,349,515	19,125,000	11¼	4,000,000	1,803,064
1915...38,220,473		19,464,335	18,756,138	15,000,000	10	3,000,000	1,378,549
1914...30,914,058		17,440,570	13,473,486	10,312,500	6¾	5,000,000	532,411
1913...36,621,273		16,956,846	19,664,427	15,937,500	10½	3,700,000	2,361,426

* Includes taxes as follows:—1919, Kr. 17,961,775; 1918, Kr. 15,52[illegible],151, 1917, Kr. 13,704,306; 1916, Kr. 8,869,151; 1915, Kr. 4,940,031; 1914; Kr. 3,926,711; 1913, Kr. 4,632,017.

Liabilities and Assets of The Oesterreichische Credit-Anstalt für Handel und Gewerbe.

LIABILITIES.

Dec. 31	Capital Paid up. Kronen.	Reserve Funds. Kronen.	Total Capital and Reserve. Kronen.	% *	Acceptances, &c. Kronen.	% *	Deposits and Current Accounts. Kronen.	% *	Profit Balance. Kronen.	% *	Total Liabilities. Kronen.
1919	200,000,000	151,721,176	351,721,176	10·1	10,197,[illegible]95	1·1	[illegible]5	87·4	47,684,141	1·4	[illegible]
1918	200,000,000	153,721,176	353,[illegible]176	11·1	28,801,697	·9	2,77[illegible]085	87·1	19,[illegible]	·3	3,174,340,396
1917	175,000,000	123,195,810	298,195,810	10·0	27,877,[illegible]1	·9	2,561,861,077	88·1	30,176,771	1·0	2,913,011,162
1916	170,000,000	118,695,690	288,695,690	13·2	15,471,978	·7	1,885,[illegible]51	84·9	20,637,103	1·2	2,188,881,822
1915	150,000,000	101,116,044	251,116,044	15·4	16,650,030	1·0	1,337,801,399	82·3	20,565,175	1·3	1,626,132,648
1914	150,000,000	101,116,044	251,116,044	18·4	48,429,961	3·5	1,055,634,781	77·3	10,850,770	·8	[illegible]366
1913	150,000,000	93,616,044	243,616,044	20·6	50,413,850	4·3	864,111,637	73·2	23,031,773	1·9	1,181,173,304

ASSETS.

Dec. 31	Cash in Hand. Kronen.	% *	Bills Discounted. Kronen.	% *	Advances on Securities. Kronen.	% *	Sundry Debtors. Kronen.	% *	Bank Premises, &c. Kronen.	% *	Total Assets. Kronen.
1919 ...	198,831,822	5·7	188,158,[illegible]0	5·5	75,1[illegible]97	2·2	[illegible]5	70·0	[illegible]	·3	[illegible]
1918 ..	166,102,436	5·2	180,[illegible]10	5·6	657,853,497	20·7	2,663,673,375	70·0	[illegible]	·5	3,174,340,396
1917 ...	28,899,258	1·0	224,[illegible]016	7·7	194,320,289	6·7	53,945,132	1·8	2,396,896,047	82·3	14,584,400
1916 ...	51,176,327	2·3	109,[illegible]995	5·0	145,[illegible]288	6·6	71,[illegible]000	3·3	1,797,664,418	82·1	14,337,100
1915 ...	78,895,216	4·9	113,057,[illegible]98	6·9	159,607,053	9·8	116,[illegible]158	7·2	1,144,242,493	70·4	13,669,900
1914 ...	72,806,720	5·3	74,689,565	5·5	215,046,403	15·8	42,[illegible]500	3·1	946,635,110	69·3	14,111,200
1913 ...	39,817,482	2·8	46,[illegible]416	4·0	202,361,085	17·2	50,[illegible]825	5·3	830,[illegible]496	70·3	11,943,100

* Per cent. of Total Liabilities or Assets.

OESTERREICHISCHE LÄNDERBANK.

Head Office: Vienna.

Capital—

Authorised, 400,000 Shares of Kr. 400 ... Kr. 160,000,000
Issued and Paid up ... ... Kr. 160,000,000

THIS Austrian institution, which was established in 1880, was granted power not only to carry on ordinary banking business, but to participate in the founding, financing, and managing of other banking concerns, and of industrial, agricultural, commercial, and municipal undertakings of every kind. The capital, which was raised to Kr.100 million in 1905 and to Kr. 130 million in 1910, was, during 1918, further increased to its present figure by the issue of the remaining 75,000 shares of Kr.400 each, so that the authorised amount is now fully subscribed and paid up. It is the largest of the Austrian banks, and prior to the War it had branches in Paris and London. In accordance with its powers, it was instrumental in the formation of other concerns, including the Banque de Crédit Serbe, the Banque de Crédit Roumain, and the Banque Populaire de Galicie pour l'Agriculture et le Commerce.

The Bank has increased most of its balance-sheet figures during the War years, though the stoppage of the foreign trade of Austria has caused its bills payable to decline. Last year, however, this item more than recovered its pre-War figure, and rose during the year from Kr.50 million to Kr.222 million—double the amount in 1913. In fact, the Bank's figures showed a remarkable increase between December 1918 and December 1919, but the steady progress of inflation accounts largely for the expansion. The total of assets has risen from Kr.2,002 million to Kr.3,672 million. Cash, investments, and bills receivable all increased, but the largest absolute increase, Kr.1,433 million, took place in the total of advances. Current-account deposits have risen from Kr.1,296 million to Kr.2,803 million, while those at short notice have dropped by about Kr.18 million.

In 1918, while gross profits declined, expenses rose, and the net profit resulting was Kr.9,496,000, last year's net profit showing a recovery to Kr.16,753,000. The dividend has accordingly been increased from five per cent. to six per cent. In 1917 a dividend of eight per cent. was paid.

Year to Dec. 31	Gross Profit. Kronen.	Expenses.* Kronen.	Net Profit. Kronen.	Dividend. Amount. Kronen.	Dividend. Rate. %	Special Allocations. Kronen.	Carried Forward Kronen.
1919	75,822,547	59,069,279	16,753,268	9,600,000	6	2,072,006	1,712,112
1918	34,185,273	24,688,340	9,496,933	8,000,000	5	2,355,408	1,451,003
1917	40,439,702	23,911,811	16,527,891	10,400,000	8	5,183,007	2,509,478
1916	29,045,140	13,316,930	15,728,210	9,750,000	7½	4,755,405	1,564,594
1915	23,917,161	9,558,168	14,358,993	7,800,000	6	6,217,204	341,789
1914	20,891,356	12,868,442	8,022,914	5,200,000	4	4,435,151	-
1913	24,984,916	11,775,546	13,209,370	9,750,000	7½	3,051,087	1,612,236

* Includes taxes as follows, expressed in kronen:—1919, 20,015,257; 1918, 5,415,782; 1917, 8,013,219; 1916, 4,631,117; 1915, 1,998,338; 1914, 2,970,880; 1913, 2,933,170.

OESTERREICHISCH UNGARISCHEN BANK.

AUSTRO-HUNGARIAN BANK.)

Head Office: Vienna.

Capital—

Authorised and Subscribed, 150,000 Shares of Kr. 1,400 each, fully paid ... ... Kr. 210,000,000

THOUGH established in 1816, the Austro-Hungarian Bank did not commence business under its present form until 1886, when it superseded the old National Bank for the purpose of providing the whole of the allied territory with a single form of currency. The charter, originally for ten years, has, generally speaking, been renewed every ten years since. The capital, which is all provided by the public, consists of 150,000 fully-paid shares of Kr.1,400 each. The Government has control over the Bank, as it appoints the head officials. Under the conditions of the Peace Treaty there have been many alterations, and the Bank will not continue to operate in the whole of the territory that it has served in the past. At the end of last December its capital, at 210 million kronen, showed no change since 1900.

In many respects this Bank resembled our Bank of England in its functions and relation to the Government, as it was required to buy gold at specified rates and to deliver it to those requiring it. On the other hand, to make withdrawals when these were not desirable was to incur the displeasure of both the Bank and the Government: in fact, one of the purposes for which the Bank was created was to watch over and protect the foreign exchanges. It also performed the functions of a great central bank, holding the gold reserves and having the exclusive right of issuing notes. Before the War the Bank had to hold up to 200 million kronen in gold and gold bills, and paid no duty on notes issued up to that sum, but on any excess issue, without holding the corresponding metal, it had to pay to Government a duty of five per cent. At the end of 1913 the metallic reserve was Kr.1,562 million, equal to 62.6 per cent. of the note circulation. Just before the War, on July 23, 1914, the reserve was Kr.1,589 million, equal to 74.7 per cent. of the note circulation, which was then Kr.2,130 million. For three years after the commencement of the War no reports were issued by the Austro-Hungarian Bank. When in 1918 they again issued, the fact that stood out was the enormous expansion in the note circulation, which at the end of 1917 had reached Kr.18,440 million. The expansion since has been still more marked, for on December 31, 1918, the total was Kr.43,006 million and this had risen last December to Kr.55,301 million, evidence of the enormous inflation of Austrian currency. In normal times notes were issued against gold or discounted commercial bills. During the War bills almost disappeared, and notes were issued against loans on securities to private people, while the gold cover

Liabilities and Assets of The Oesterreichische Länderbank.

LIABILITIES.

Dec. 31	Capital Paid up. Kronen.	Reserve Funds. Kronen.	Total Capital and Reserve. Kronen.	%	Bills Payable. Kronen.	%	Deposits at Short Notice. Kronen.	%	Current Accounts and Other Liabilities. Kronen.	%	Pension Fund. Kronen.	%	Profit Balance. Kronen.	%	Total Liabilities. Kronen.
1919	160,000,000	53,651,411	213,651,411	5·8	222,581,520	6·1	396,000,520	10·8	2,803,407,036	76·3	18,728,389	·5	18,204,270	·5	3,672,242,166
1918	160,000,000	53,540,644	213,540,644	10·7	50,168,200	2·5	413,784,159	20·7	1,296,891,526	64·7	16,241,694	·8	12,006,411	·6	2,002,134,634
1917	130,000,000	39,581,654	169,581,654	10·6	22,787,823	1·4	336,702,328	21·0	1,037,697,089	64·9	15,883,359	1·0	17,169,558	1·1	1,599,821,811
1916	130,000,000	35,314,868	165,314,868	13·0	24,168,301	1·9	241,091,074	19·0	805,411,272	63·7	9,766,920	·8	20,398,100	1·6	1,269,090,535
1915	130,000,000	30,331,591	160,331,591	15·9	31,867,903	3·7	157,380,043	16·6	571,739,681	60·4	8,729,979	·9	14,358,993	1·5	947,408,190
1914	130,000,000	26,096,440	156,096,440	18·8	56,690,612	6·8	133,128,691	16·0	466,701,912	56·3	7,772,366	·9	9,835,151	1·2	830,025,172
1913	130,000,000	24,089,054	154,089,054	18·8	109,495,565	13·3	126,603,368	15·4	402,563,661	49·9	7,250,434	·9	14,413,323	1·7	821,415,405

ASSETS.

Dec. 31	Cash in Hand. Kronen.†	%	Investments. Kronen.	%	Syndicates. Kronen.	%	Bills Receivable. Kronen.	%	Advances. Kronen.	%	Current Accounts and Sundry Debtors. Kronen.	%	Bank Premises, &c. Kronen.	%	Total Assets. Kronen.
1919 ..	640,964,221	17·5	113,930,253	3·1	61,252,842	1·7	102,902,068	2·8	67,[illegible]	1·8	2,682,502,858	73·0	3,440,157	·1	3,672,242,166
1918 ..	467,589,858	23·3	108,804,296	5·4	50,379,754	2·5	55,590,349	2·8	11,516,704	·6	1,304,831,008	65·2	3,322,755	·2	2,002,134,634
1917 ..	38,905,846	2·4	150,234,686	9·4	38,036,017	2·4	53,158,248	3·3	15,651,609	1·0	1,300,737,905	81·3	3,100,000	·2	1,599,821,811
1916 ..	34,036,629	2·7	112,326,133	8·9	42,147,009	3·3	92,862,432	7·3	14,734,257	1·2	96[illegible]925,647	76·4	3,058,428	·2	1,269,090,535
1915 ..	38,068,088	4·0	118,020,067	12·5	47,726,737	5·0	98,396,171	10·4	22,552,665	2·4	619,270,291	65·4	3,174,171	·3	947,408,190
1914 ..	33,142,913	4·0	73,704,451	8·9	48,009,015	5·8	167,021,641	20·1	30,341,436	3·6	474,505,079	57·2	3,300,834	·4	830,025,172
1913 ..	20,575,740	2·5	54,664,812	6·8	43,814,269	5·3	173,323,073	21·1	74,710,774	9·1	450,934,793	54·8	3,391,944	·4	821,415,405

* Per cent. of Total Liabilities or Assets.

TRADE WITH THE NEAR EAST



WITH its offices in all the principal towns in Greece, in Egypt, Cyprus, Crete, Constantinople, and in Smyrna, the Bank extends Exceptional Facilities for Export and Import Trade between Great Britain and the Near East generally, and invites enquiries and correspondence relating thereto.

Paid-up Capital, £1,920,000 [£1=Drs. 25]



HEAD OFFICE: ATHENS.

BANK OF ATHENS

LONDON: 22, Fenchurch Street E.C. 3. MANCHESTER 57, Mosley Street

IONIAN BANK, LIMITED.

LONDON. GREECE. EGYPT.

The only British Bank or Financial House in Greece, originally established in London and the Ionian Islands in 1839, subsequently incorporated by Royal Charter in 1844 and registered under the Companies Acts in 1883. The Bank now has branches and correspondents throughout Old Greece, the Ionian Islands, Macedonia, and the Islands recently rejoined to Greece; and is therefore able to offer special facilities to all firms having business with that country.

In Egypt the Bank's principal office is at Alexandria, but it also has branches at Cairo and throughout the cotton growing districts, and specialises in all operations connected with the moving of the cotton crop.

For information as to terms of business, &c., apply to the

HEAD OFFICE: BASILDON HOUSE, MOORGATE STREET, LONDON, E.C. 2.

Authorised Capital, £600,000. Paid-up Capital, £485,580. Reserve, £125,000.

Disconto-Maatschappij

BANKERS,

ROTTERDAM.

Telegraphic Address "DISCO"

Paid-up Capital - Fl. 6,000,000

Reserves - - Fl. 1,700,000

General Banking Business.

Insurance Brokers.

MARX & Co.'s BANK

(Formerly Marx & Co., Established 1869).

Head Office: ROTTERDAM. Branch: THE HAGUE.

Capital Paid up - Fls.12,000,000.
Reserve Fund about Fls.3,300,000.

Board of Directors:

J. A. LOLLE, Ex-Minister of Justice, President.

J. RYPERT WIERDSMA, Managing Director Holland America Line.

A. C. MEES, Managing Director Internationale Crediet- & Handels vereeniging, "Rotterdam."

A. J. MOLEN, Registrar at the Court of Justice, Amsterdam.

Managing Directors:

P. J. VAN OMMEREN. JONKHEER D. F. BEELAERTS VAN BLOKLAND.

S. S. BOSMAN, Jr.

Managers of Branch at The Hague:

BARON O. BENTINCK. J. P. VAN DER MEERS.

Banking Business of Every Description.

LONDON BANKERS:

LONDON COUNTY WESTMINSTER & PARR'S BANK, LIMITED, LOMBARD STREET, E.C.

BANCA COMMERCIALE ITALIANA, OLD BROAD ST., E.C.

LLOYDS BANK LIMITED, 17 CORNHILL, E.C.

Liabilities and Assets of the Oesterreichisch-Ungarischen Bank (or Austro-Hungarian Bank).

LIABILITIES. Dec. 31	Capital Paid up. Kronen.	Reserve Funds. Kronen.	Total Capital and Reserve. Kronen.	%	Notes in Circulation. Kronen.	%	Mortgage Bonds in Circulation. Kronen	%	Current and Other Accounts. Kronen.	%	Profit, Balance. Kronen.	%	Total Liabilities. Kronen.
1919 ...	210,000,000	232,732,843(c)	442,732,843	.7	55,301,862,744(d)	84.5	244,996,200	.4	9,376,827,865	14.3	62,364,143	.1	65,428,783,795
1918 ...	210,000,000	248,465,747(c)	458,465,747	.8	48,006,937,398(a)	82.5	269,059,200	.5	8,368,004,708	16.1	14,285,050	.1	52,116,752,103
1917 ...	210,000,000	160,965,947(c)	370,965,947	1.7	18,439,694,767	84.4	276,241,000	1.2	2,754,587,156	12.6	15,900,000	.1	21,857,388,872
1916 ...	210,000,000	239,295,108(c)	449,295,108	3.5	10,888,619,049	85.4	286,876,000	2.3	1,117,643,244	8.7	15,000,000	.1	12,757,433,701
1915 ...	210,000,000	144,261,276(c)	354,261,276	4.2	7,162,355,402	84.8	285,808,200	3.4	629,189,946	7.4	14,250,000	.2	8,445,864,814
1914 ...	210,000,000	74,112,904(c)	284,112,904	3.9	5,136,693,718	71.1	288,723,000	4.0	1,503,307,076	20.8	12,000,000	.2	7,224,926,698
1913 ...	210,000,000	45,795,964	255,795,964	7.7	2,495,641,100	75·3	291,349,000	8.8	287,508,358	7.8	15,166,471	.4	3,313,460,896
1912 ...	210,000,000	41,660,117	251,660,117	6.7	2,815,797,400	75.4	292,964,000	7.9	359,938,300	19.6	13,808,150	.4	3,734,167,967
1911 ...	210,000,000	38,545,321	248,545,321	7.2	2,540,960,650	73.2	290,869,400	8.4	378,217,901	10.9	11,473,632	.3	3,470,066,904
1910 ...	210,000,000	36,120,188	246,120,188	7.6	2,375,938,120	73.7	293,054,000	9.1	300,705,782	9.3	9,346,211	.3	3,225,164,851
1909 ...	210,000,000	32,506,654	242,506,654	8.0	2,188,040,520	72.4	295,555,800	9.7	290,479,139	9.6	8,018,131	.3	3,022,638,247
1908 ...	210,000,000	28,654,876	238,654,876	8.2	2,112,907,050	73.0	293,988,000	10.2	238,344,640	8.3	9,490,510	.3	2,893,385,076
1907 ...	210,000,000	27,329,335	237,329,335	8.3	2,028,024,110	71.3	292,671,800	10.3	276,047,290	9.7	11,919,640	.4	2,845,992,174
1906 ...	210,000,000	26,033,757	235,033,757	8.2	1,982,037,740	69.2	293,644,400	10.2	345,653,449	12.1	9,365,482	.3	2,865,734,828
1905 ...	210,000,000	23,413,159	233,413,159	8.8	1,846,991,600	69.9	273,655,400	10.4	282,587,759	10.7	6,344,022	.2	2,642,991,940
1900 ...	210,000,000	21,854,147	231,854,147	9.9	1,584,934,140	67.4	294,654,800	12.5	233,341,363	9.9	6,107,893	.3	2,350,887,343
1890 ...	180,000,000	47,031,752	227,031,752	16.5	891,668,420	64.9	212,144,200	15.4	34,260,600	2.5	9,693,777	.7	1,374,798,749
1878 ...	180,000,000	41,971,857	221,971,857	21.5	577,598,000	55.8	210,528,940	20.3	17,611,967	1.7	6,900,000	.7	1,034,610,764

ASSETS. Dec. 31	Cash in Hand. Kronen.	%	Investments. Kronen.	%	Bills Discounted. Kronen.	%	Debt of the State. Kronen.	Mortgages. Kronen.	Other Advances. Kronen.	Total. Kronen.	%	Sundry Assets. Kronen.	%	Bank Premises, &c. Kronen.	%	Total Assets. Kronen.
1919	343,149,141	.5	52,348,264	.1	11,914,064,403	18.2	60,000,000	259,855,459	51,335,344,442(b)	51,655,199,901	78.9	1,412,976,183	2.2	51,065,918	.1	65,428,783,795
1918	318,835,065	.6	50,878,746	.1	10,771,917,881(a)	20.7	60,000,000	277,998,612	39,419,021,200(b)	39,757,019,812	76.3	1,167,345,025	2.2	50,755,574	.1	52,116,752,103
1917	321,621,638	1.5	55,088,231	.2	2,989,260,601	13.7	60,000,000	291,758,431	17,127,110,500(b)	17,478,868,931	80.0	961,436,550	4.4	51,112,921	.2	21,857,388,872
1916	348,517,046	2.8	55,207,986	.4	2,981,752,461	23.4	60,000,000	299,053,120	8,727,559,113(b)	9,086,612,233	71·2	234,621,665	1.8	50,592,230	.4	12,757,433,701
1915	750,959,932	8.9	51,425,952	.6	3,158,014,324	37.4	60,000,000	296,858,82	3,918,411,435(b)	4,275,270,264	50.6	160,223,619	1.9	49,970,823	.6	8,445,864,814
1914	1,180,704,288	16.3	38,098,761	.5	2,111,849,181	29.2	60,000,000	298,801,414	3,394,715,000	3,753,516,414	52·0	92,378,018	1.3	43,380,035	.7	7,224,926,698
1913	1,502,517,532	45.4	20,650,665	.6	985,998,293	29.8	60,000,000	299,885,310	310,618,800	670,504,110	20.2	84,811,587	2.6	40,428,469	1.4	3,313,460,896
1912	1,447,575,383	38.8	25,762,317	.7	1,401,107,022	37.5	60,000,000	299,454,868	355,014,100	714,468,968	19.1	102,115,764	2.8	43,138,523	1.1	3,734,167,967
1911	1,575,701,038	45.4	21,132,606	.6	1,201,833,457	34.7	60,000,000	297,805,769	186,716,200	544,165,969	15.7	80,595,462	2.6	36,238,432	1.0	3,470,066,904
1910	1,609,168,020	49.9	20,613,290	.6	949,087,778	29.4	60,000,000	298,346,768	148,908,100	607,254,868	18.7	105,023,379	3.3	34,017,516	1.1	3,225,164,851
1909	1,653,018,596	54.7	18,556,642	.6	747,784,395	24.7	60,000,000	299,983,795	89,863,200	449,846,995	14.9	114,651,430	4.0	31,780,189	1.1	3,022,638,247
1908	1,475,785,940	51.0	22,059,964	.8	745,532,718	25.8	60,000,000	298,898,724	99,165,000	458,063,724	15.8	159,308,112	5.5	32,634,618	1.1	2,893,385,076
1907	1,380,878,621	48.5	29,660,482	1.0	808,068,094	28.4	60,000,000	299,953,895	125,340,400	485,294,295	17.1	110,665,755	3.9	31,384,928	1.1	2,845,9?2,175
1906	1,394,322,429	48.7	35,058,637	1.2	830,943,620	29.9	60,000,000	299,955,434	96,855,700	456,811,134	16.0	116,292,415	4.1	30,173,793	1.0	2,865,734,828
1905	1,365,076,002	51.6	26,797,173	1.0	701,273,430	26.5	60,000,000	283,085,539	68,242,960	411,328,499	15.6	110,451,833	4.2	28,065,603	1.1	2,642,991,940
1900	1,454,333,960	61.9	18,893,736	.8	335,055,148	14.3	60,000,000	299,830,049	66,240,000	426,176,109	18.1	96,876,882	4.1	18,850,508	.8	2,350,887,343
1890	439,047,011	32.0	53,827,276	3.9	383,171,535	27.9	156,340,123	228,545,067	82,755,180	467,640,370	34.0	25,172,377	1.8	5,000,000	.4	1,374,798,749
1878	307,720,744	29.7	39,875,255	3.8	241,462,691	23.4	159,497,838	212,020,984	64,075,160	435,576,222	42.1	4,295,629	.4	5,750,823	.6	1,034,764,610

* Per cent. of Total Liabilities or Assets.
(a) Includes Kr. 7,418,332,000 Treasury Notes. (b) Includes advances to the dual Government. (c) Includes Special Reserves.
† Including bills on foreign places payable in gold.
‡ Including Kr. 37,219,000 Treasury Notes.

Profits of the Oesterreichisch-Ungarischen Bank (or Austro-Hungarian Bank).

Year to Dec. 31	Aver. Rate of Discount %	Gross Profit. Kr.	Expenses. Kr.	Tax to Government on Excess Note Issue. Kr.	Net Profit. Kr.	Proportion due to States. Kr.	Dividend. Amount. Kr.	Rate	Special Allocations. Kr.	Carried Forward Kr.
1919 ...	5·00	344,173,161	277,611,368(a)	-	66,559,093	-	10,500,000	5·000	-	-
1918 ...	5·00	214,480,935	159,833,453(a)	-	54,647,482	19,755,152	10,500,000	5·000	24,387,280	5,050
1917 ...	5·00	195,573,538	149,420,357(a)	—	46,153,181	24,557,290	20,100,000	9·571	1,510,127	—
1916 ...	5·00	175,459,576	127,900,486(a)	—	45,559,090	21,900,000	20,055,000	9·550	3,589,854	14,236
1915 ...	5·14	147,731,126	101,419,250(a)	4,161,87	42,150,000	19,650,000	19,095,000	9·093	3,406,000	—
1914 ...	5·04	108,803,412	52,908,781(a)	17,978,603	31,916,028	12,895,879	17,715,000	8·436	1,306,923	—
1913 ...	5·95	79,554,763	22,269,372	11,006,648	46,278,743	22,374,970	19,365,000	9·221	4,545,449	1,474
1912 ...	5·16	65,626,400	19,201,562	6,345,210	40,079,628	18,283,554	18,000,000	8·571	3,801,556	8,150
1911 ...	4·40	49,024,408	17,179,144	2,320,622	29,524,642	11,317,264	15,660,000	7·457	2,534,957	13,632
1910 ...	4·19	38,566,486	14,629,341	2,793,701	21,143,444	6,076,154	13,545,000	6·450	1,529,313	1,211
1909 ...	4·00	31,388,046	14,019,752	314,602	17,053,691	3,807,624	12,210,000	5·814	1,038,443	8,134
1908 ...	4·25	36,762,879	14,104,903	1,027,739	21,630,237	6,361,739	13,680,000	6·514	1,587,628	10,510
1907 ...	4·89	46,295,426	14,483,428	1,886,461	29,925,537	11,228,315	16,110,000	7·671	2,583,064	9,640
1906 ...	4·33	34,302,746	12,643,042	470,634	21,189,070	6,102,921	13,560,000	6·457	1,634,688	5,483
1905 ...	3·70	24,553,349	11,258,499	33,241	13,266,609	2,141,308	10,530,000	5·014	583,993	14,022
1901 ...	3·50	23,231,059	10,743,875		12,487,184	1,798,361	10,200,000	4·857	490,462	2,714
1905 ...	—	20,177,448	10,356,078		9,821,370	625,103	9,030,000	4·300	170,563	4 354

(a) Includes special allowances for reorganisation of the Pension funds.

steadily decreased. The Austrian note has become practically a State issue distinguished from War Loan scrip only by the absence of interest coupons.

The Bank agreed, during the War, to make large advances to the Government, on condition that recourse should only be had to the Bank when other methods of borrowing were impracticable. The amounts were borrowed against promissory notes, the definite allocation of which was to take place not later than six months after conclusion of peace.

Recent balance sheets show an enormous rise in the figures of most branches of the Bank's business. Deposits increased during 1919 from Kr.8,368 million to Kr.9,376 million. Cash in hand increased by Kr.24 million during 1919, but is still much lower than the pre-War figures.

Both gross and net profits of the Bank showed an increase during 1919, and the dividend was at the rate of five per cent., as in 1918, though earlier in the War dividends of eight per cent. and nine per cent. were paid, as shown below:—

	%		%
1913	9·221	1917	9·571
1914	8·436	1918	5·000
1915	9·093	1919	5·000
1916	9·550		

A comparison of the position as disclosed on December 31 last and that just prior to the War is appended:—

LIABILITIES.	Dec. 31, 1919. Kronen	Dec. 31, 1918 Kronen.	July 23, 1914. Kronen.
Capital	210,000,000	210,000,000	210,000,000
Reserve funds	232,733,000	248,466,000	32,160,000
Notes in circulation ...	55,301,863,000	43,006,937,000	2,129,759,000
Current accounts... ...	9,431,212,000	8,368,005,000	291,272,000
Mortgage deeds	244,956,000	269,059,000	291,268,000
Other liabilities	7,980,000	14,285,000	82,050,000
Total liabilities ...	65,428,784,000	52,116,752,000	3,036,507,000
ASSETS.			
Bullion—			
Gold coins and gold in bars	292,643,000	261,954,000	1,237,879,000
Bills and foreign notes	7,996,000	23,818,000	60,000,000
Silver and token coins ...	57,053,000	56,881,000	291,368,000
	287,639,000	342,653,000	1,589,247,000
Notes of the War Loan Banks, &c.	1,275,182,000	7,864,914,000	—
Discounted bills, warrants, &c.	10,149,764,000	2,883,184,000	767,830,000
Loans on security ...	9,045,830,000	8,349,021,000	186,526,000
Loans to Austrian Govt.	22,034,000,000	22,034,000,000	—
,, Hungarian Govt.	10,926,000,000	9,036,000,000	—
Old Austrian loans ...	60,000,000	60,000,000	60,000,000
Securities	52,348,000	50,879,000	17,618,000
Mortgages	259,835,000	277,999,000	299,994,000
Other assets	11,344,186,000	1,218,102,000	115,292,000
Total Assets	65,428,784,000	52,116,752,000	3,036,507,000

BELGIAN BANKS.

BANQUE BELGE POUR L'ETRANGER.

Société Anonyme.

Head Office: 66 Rue des Colonies, Brussels.
London Office: 2 Bishopsgate, E.C. 2.

Capital—

Authorised	Frs.50,000,000
Paid up	50,000,000

ORIGINALLY styled the Banque Sino-Belge, this Bank was established in Brussels in 1902 for the purpose of developing Belgian interests in China. It has since widened its field of operations, and now has branches at Alexandria, Cairo, and at Cologne, in addition to the offices at Shanghai, Tientsin and Peking. In 1909 an office was opened in London, where it acts as agent and representative for the Société Générale de Belgique, to which it is affiliated.

In 1913 the Anglo-Foreign Banking Company, Limited, was absorbed, the Bank's name was changed to its present one, and the capital was doubled to thirty million francs. To-day the capital is fifty million francs, fully paid, and the reserves amount to nearly ten million francs.

The activity of the Brussels head office was paralysed for four years, and no balance sheets were published during that period. Last year, however, accounts were brought out covering the period from 1913 to 1918, and these were fully dealt with in our last International Banking Number. The dividend for the period was equivalent to 2.8 per cent. per annum. The profit for the year ending June 30, 1919, amounted to £397,649 (taking twenty-five francs to the £). After adding £4,765 brought forward, and deducting expenses, an available balance of £189,319 was left. A seven per cent. dividend was paid and £89,000 allocated to reserves. The profit is high, partly owing to the favourable rate of exchange at which the profits earned by branches were remitted home.

The following statement shows the Bank's position in 1913, 1918 and 1919. As compared with 1918, cash last year showed a large increase—from fifty-four to 106 million francs, while total assets dropped from 524 to 471 million francs; both bills and advances having declined. The Bank has a note issue of over one million francs in China.

LIABILITIES.	June 30, 1919.	June 30, 1918.	June 30, 1913.
	Fr.	Fr.	Fr.
Capital paid up	37,999,250	30,000,000	30,000,000
Reserve funds	9,797,263	3,647,500	2,023,418
Bonds	5,700,00	6,000,000	7,500,000
Sundry creditors	350,641,544	398,560,720	77,216,157
Acceptances ...	61,236,250	79,993,000	20,688,551
Notes in circulation	1,211,895	1,146,250	1,139,024
Other liabilities	—	—	28,082,000
Profit and loss account	4,732,386	5,016,000	911,058
Total Liabilities ...	471,322,098	524,262,500	167,780,208
ASSETS.	Fr.	Fr.	Fr.
Cash in hand and at banks	106,186,012	54,006,000	44,558,091
Loans	24,088,181	16,320,250	25,086,183
Sundry debtors	138,256,257	171,842,250	17,078,886
Investments	58,257,057	25,206,750	10,271,265
Bills receivable ...	141,819,00	181,059,250	39,779,569
Customers' liabilities for acceptances ...	61,012,000	75,828,000	—
Bank premises, &c. ...	1,802,00	—	1,181,214
Total Assets	471,322,098	524,262,500	167,780,208

The report and accounts recently to hand for the financial year ending June 30, 1920, evidence considerable development, in consequence of which a further increase of capital is foreshadowed. The liability to sundry creditors, chiefly in respect of deposit and current accounts, has grown from Frs.351 million to Frs.608 million, while the corresponding item of sundry debtors, in its advance from Frs.138 million to Frs.279 million, similarly points to extending operations. Cash has risen from Frs.106 million to Frs.177 million, and bills receivable from Frs.104 million to Frs.151 million. Out of the resultant net profit of Frs.8,985,739, a dividend of nine per cent. has been declared, and the reserves have received an accession of nearly four million francs, raising them to close upon sixteen million francs.

BANQUE NATIONALE DE BELGIQUE.

(NATIONAL BANK OF BELGIUM.)

Head Office: Brussels.

Capital—

Subscribed and Paid up, 50,000 Shares of Frs. 1,000 each, fully paid (no further liability)	Frs.50,000,000

The Banque Nationale de Belgique was formed in 1850 for the special purpose of taking charge of Belgium's note issue. The circumstances which caused this arose out of the separation of Belgium from Holland in 1830. Then, as now, one of the principal Belgian banks was the Société Générale de Belgique which had the privilege of a note issue. From 1830 the Board was entirely composed of Belgians, and as time went on the Société Générale gave more and more of its attention to the industrial development of the country, more particularly to the coal and iron industries, until its character as a national bank of issue changed, and the privilege was in 1850 transferred to the new National Bank. The Société Générale was the largest subscriber for the National Bank's capital, and was for long its principal shareholder.

The Banque Nationale is not a State Bank possessing its capital belonging to private shareholders. At the same time, the Government is able to exercise considerable control. The Governor of the Bank is appointed by the King for five years, and may be continued in office longer, while the Government exercises supervision through a Special Commissioner. The Bank's original capital was 25 million francs, but this was subsequently doubled to its present amount. The Law passed in 1900 continuing the life of the institution until 1920 did not alter the capital.

There has always been a tendency to confine the activities of the Bank to commercial operations as distinct from industrial. It has been forbidden to lend upon mortgage or upon any securities relating to land, and must only discount actual bills of exchange. The institution had been well managed, and had built up a sound business, which enabled it to meet successfully a crisis in 1870 on the occasion of the Franco-German war. The ensuing run on the Bank was caused mainly by the Government's apparent distrust of the institution. The Bank is of great service to the State, and, as regards the Government's share in its profits, it has to pay a patent tax on the gross volume of business, a stamp tax on its notes, and a tax of half of one per cent. on the excess of the circulation above 275 million francs. After the shareholders have received a distribution of four per cent. the State is entitled to a quarter of the remaining profits, also to all profits obtained from a discount rate above three and a-half per cent.

As to the note circulation, the Bank is authorised to issue notes payable to bearer, on condition that the amount in circulation is represented by securities easily convertible into cash. Belgian law imposes no limit on the amount of notes that may be issued, but the proportion between the cash reserves and the notes in circulation is fixed by the statutes of the Bank, drawn up under the supervision of the Government. In the early part of the present century this proportion was fixed at one-third of the amount of notes and other obligations payable at sight, though at the same time it was provided that the cash reserve might go below this minimum if the Minister of Finance so authorised. First-class foreign bills have always formed a part of the cash reserve, and may not exceed [illegible] in amount. The Government, by agreement with the Bank, determines the form of the notes, the method of issue and the denominations. In 1873 the notes were made legal tender, so long as they continued to be [illegible]. The Bank has branches in the head office and also at the [illegible] and agencies throughout the [illegible] and [illegible]

necessary funds have been obtained from head office. In 1914, with the Great War, came the occupation of Brussels by the German army, causing the retirement of the Bank's officials to Havre with the Belgian Government, and the transference of the gold, with the plates for engraving bank notes, to Antwerp and subsequently to London. Later the German Government required that Belgium should be provided with bank notes, and under threats from Germany the Société Générale de Belgique undertook the issue on behalf of the National Bank, as a temporary arrangement until affairs were again normal. The Société Générale undertook to issue to an unlimited amount upon the joint guarantee of the two Banks and under certain restrictions with regard to the security; and the note issue was to be managed, in a separate department, on the lines of the note-issuing department of the National Bank. All notes issued were to be exchanged for notes of a similar value of the National Bank three months after the conclusion of peace, and the Société Générale was to retain no profit on the issue, but to transfer all such to the National Bank. The amount of the issue has grown very much with the general inflation. On December 31, 1914, it stood at Frs.1,614 million; five years later it amounted to Frs.4,785 million, as shown in the National Bank's balance sheet on December 31 last. In seven months a further increase of 601 millions has taken place, the circulation on July 29 this year being 5,387 million francs.

Banque Nationale de Belgique

LIABILITIES.	July 29, 1920 Fr.	Dec. 31, 1919 Fr.	Dec. 31, 1914 Fr.
Capital	50,000,000	50,000,000	50,000,000
Reserve fund	48,749,819	48,122,615	42,325,000
Total Capital & Reserve	98,749,819	98,122,615	92,325,000
Notes in circulation	5,387,402,808	4,785,915,724	1,614,208,000
Deposit and current accounts	1,812,747,588	2,490,170,297	100,312,000
Sundry accounts	14,089,733	30,091,341	
Dividends payable, &c.	—	10,995,771	31,600,000
Total Liabilities	7,313,089,943	7,415,595,658	1,838,445,000
ASSETS.			
Cash—			
Gold	266,187,796	266,406,935	264,162,000
Silver	26,711,363	27,107,955	4,837,000
Foreign bills	63,211,799	56,885,487	121,392,000
Other cash			24,481,000
Total Cash	356,510,958	350,400,377	414,872,000
Investments	112,578,236	126,301,669	106,922,000
Advances to the Govt.	5,500,000,000	5,800,000,000	204,097,000
Loans, advances, &c.	695,130,201	709,431,970	140,657,000
Bills	622,687,849	492,977,012	955,645,000
Bank premises, &c.	26,382,732	26,184,000	36,254,000
Total Assets	7,313,089,976	7,415,595,658	1,838,445,000

As per weekly official return.

The monetary circulation of Belgium was transformed during the German occupation by the obligation imposed on the country of accepting German paper. The result is that the country is flooded with this paper in addition to its own, and the Government has found it necessary to take measures for its redemption. Accordingly, the National Bank has agreed to place at the disposal of the State a maximum sum of 5,800 million francs to enable this operation the more easily to be carried out. The advance is secured by "Bons du Trésor," and the State has engaged to repay the loan at the earliest date possible. The Bank carries to the debit of a special account all such advances made to the State.

The National Bank's deposits showed a large increase on December 31, 1919, as compared with 1914—from 100 million francs to 2,490 millions. By July last the amount had fallen to 1,812 millions. On the assets side the total of cash in July was 356 millions, as compared with 414 millions in 1914. Ordinary loans and advances show a large increase, while the total of bills has dropped.

For comparative purposes we give the following figures showing the gold and silver holdings from December 1914 to December 1919:—

	Gold. Francs.	Silver Francs.
1914	264,162,492	4,856,686
1915	262,912,189	3,888,251
1916	262,928,028	6,216,104
1917	262,943,098	6,545,670
1918	264,869,948	24,849,852
1919	266,406,935	27,107,955

The table appended shows the fluctuation in the Bank's profit. The net amount of 18,707,000 francs for 1919 exceeded the pre-War profits and enabled a dividend of seventeen per cent. to be paid.

Year.	Gross Profit. Fr.	Expenses.* Fr.	Net Profit. Fr.	Dividend.— Amount. Fr.	Rate. %	Paid to State. Fr.	To Reserve Fund, &c. Fr.
1919	42,679,476	23,971,848	18,707,628	8,500,000	17·0	5,374,972	4,832,656
1918	61,646,936	14,665,573	46,981,363	5,250,000	10·5	11,776,042	29,955,321
1917	14,630,910	12,410,910	2,220,000	2,000,000	4·0	—	220,000
1916	16,148,456	11,928,456	4,220,000	2,000,000	4·0	—	2,220,000
1915	25,196,492	11,976,492	13,220,000	2,000,000	4·0	—	11,220,000
1914	25,739,616	11,353,985	14,385,632	5,250,000	10·5	1,359,377	7,776,255
1913	21,970,579	9,409,061	12,561,518	8,500,000	17·0	2,718,753	1,342,765

* Includes taxes.

CAISSE GÉNÉRALE DE REPORTS ET DE DÉPOTS.

Head Office: Brussels.

Capital—

Authorised and Paid up, 40,000 Shares, Frs. 500 each ... ... Fr. 20,000,000

Established at Brussels on October 24, 1874, this institution, in accordance with its name, concerns itself chiefly with receiving deposits, making advances, and discounting bills of exchange. The gross profit for 1919 amounted to 16,513,177 francs, reduced by heavy expenses to a net profit of 3,311,689 francs. This result permitted a dividend of 70 francs per 500 franc share to be paid, equal to fourteen per cent. on the capital, which latter stands at 20 million francs. A sum of 200,000 francs was allocated to reserve, increasing that fund from 20,800,000 francs to 21 millions. During what has been a prosperous year the business has developed very considerably, and a sound position has been maintained, the cash item having increased from 49 million francs to 113 millions.

The appended statement of assets and liabilities discloses various features of the year's growth.

LIABILITIES.	Dec. 31, 1919 Fr.	Dec. 31, 1918 Fr.
Capital	20,000,000	20,000,000
Reserve	20,800,000	20,652,242
Deposits and other accounts	175,213,377	323,626,297
Current accounts	8,796,100	10,001,060
Commencements	1,914,307	1,437,945
Undivided profits	3,311,689	2,993,413
	530,035,471	378,710,957
ASSETS	Dec. 31, 1919 Fr.	Dec. 31, 1918 Fr.
Cash	113,164,825	49,064,771
Investments	23,139,000	20,652,026
Current accounts	9,360,745	10,321,544
Bills	228,084,891	195,809,362
Advances against securities	106,334,422	71,688,996
Correspondents	18,830,428	24,947,399
Premises, &c.	6,221,160	6,226,860
	530,035,471	378,710,957

SOCIÉTÉ GÉNÉRALE DE BELGIQUE.

Head Office: Brussels.

Capital—

Authorised and Paid up ... ... Fcs. 62,000,000

This important Belgian Bank was established in Brussels as a *société anonyme* on August 28, 1822, its capital being in shares of a nominal value of 500 Dutch florins. When Belgium was separated from Holland and the franc became the monetary unit in Belgium, each share was converted into one of the nominal value of Fcs.1,058.20. In 1853 it was decided to divide the share into two parts, the first to represent what the shareholders contributed at the time the Bank was formed, the second to correspond to a part of the reserves accumulated since the foundation of the Bank. The first part of each original share carried a fixed dividend of five per cent., and the second a "part de réserve"—was to participate in the profits after statutory deductions. For some years the paid-up capital had stood at Fcs.32,804,233, when in 1919 it was decided to double it, first repaying Fcs.58.20 per share on the 31,000 capital shares, thus reducing their nominal value from Fcs.1,058.20 to Fcs.1,000. At the same time 31,000 new shares were issued, represented by 31,000 capital shares of Fcs.1,000 each and 31,000 "parts de réserve." These were offered, share for share of each category,

Commercial Bank of Spanish America, Limited

(Affiliated to The Anglo South American Bank, Limited).

Head Office - - 9 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES.

UNITED STATES -	New York (49 Broadway).	COLOMBIA - -	Barranquilla.
" "	San Francisco (465 California St.).	" - -	Bogota.
		" - -	Medellin.
NICARAGUA - -	Managua.	VENEZUELA - -	Caracas.
ECUADOR - -	Guayaquil.	" - -	Puerto Cabello.
" - -	Manta.	PERU, RIO AMAZONAS - -	Iquitos.
GUATEMALA - -	Guatemala City.	SALVADOR - -	San Salvador.

The Bank transacts General Banking Business in the above-mentioned countries; receives, sells, and makes Advances against consignments of produce of every description; issues Letters of Credit; collects Bills of Exchange; receives Deposits, and opens Accounts Current on terms which will be furnished on application. In conducting this class of business the Bank has had an experience of more than Thirty Years.

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Liabilities and Assets of The Société Générale de Belgique

LIABILITIES. Dec. 31	Capital Paid up. Frs.	Reserve Funds. Frs.	Total Capital and Reserve. Frs.	% *	Bills. Frs.	% *	Current, Deposit and Other Accounts. Frs.	% *	Profit Balance. Frs.	% *	Total Liabilities. Frs.
1919	62,000,000	140,883,317	202,883,317	12·7	96,104,500	6·0	1,291,032,995	80·6	8,060,340	·5	1,598,081,152
1918	32,804,233	70,161,179	102,965,412	10·4	105,041,500	10·4	784,393,520	78·9	3,739,724	·3	994,140,156
1917	32,804,233	69,600,220	102,404,453	10·4	94,127,500	9·6	780,096,377	79·6	3,739,724	·4	980,368,054
1916	32,804,233	72,039,262	104,843,495	12·4	72,769,500	8·6	663,945,441	78·5	3,739,724	·5	845,298,160
1915	32,804,233	72,975,568	105,779,801	13·1	59,434,000	7·4	635,362,941	79·0	3,757,959	·5	804,334,701
1914	32,804,233	74,475,568	107,279,801	16·8	58,626,500	9·2	473,240,867	74·0	—	—	639,147,168
1913	32,804,233	67,161,008	99,965,241	20·4	56,855,500	11·6	325,453,597	66·2	8,763,733	1·8	491,038,071

ASSETS. Dec. 31	Cash in Hand & at Bank. Frs.	% *	Government Securities. Frs.	Other Securities. Frs.	Total Investments. Frs.	% *	Bills. Frs.	% *	Current Accounts, &c. Frs.	% *	Bank Premises. Frs.	% *	Total Assets. Frs.
1919 ...	371,529,692	23·3	471,861,855	252,476,155	724,288,010	45·3	118,641,320	7·4	361,722,130	22·9	2,000,000	·1	1,598,081,152
1918 ...	151,888,300	15·3	63,580,000	297,387,424	360,967,424	36·3	87,185,670	8·8	392,098,762	39·4	2,000,000	·2	994,140,156
1917 ...	116,324,005	11·9	26,802,500	303,394,121	329,996,621	33·6	79,098,925	8·1	452,948,503	46·2	2,000,000	·2	980,368,054
1916 ...	126,446,821	15·0	54,876,845	282,747,140	337,623,985	39·9	50,986,246	6·0	328,241,108	38·9	2,000,000	·2	845,298,160
1915 ...	143,510,936	17·8	60,926,596	237,864,187	298,790,783	37·2	70,466,187	8·8	289,566,795	36·0	2,000,000	·2	804,334,701
1914 ...	16,258,991	2·6	56,272,211	238,365,101	294,637,312	46·1	57,665,618	9·0	268,585,247	42·0	2,000,000	·3	639,147,168
1913 ...	11,924,029	2·4	52,534,660	229,332,728	281,867,388	57·4	63,095,510	12·8	132,151,144	27·0	2,000,000	·4	491,038,071

* Per cent. of Total Liabilities or Assets.

to existing shareholders. The capital shares, carrying only the right to a fixed five per cent. and, in case of liquidation, to repayment of capital, were offered at par *plus* expenses. The "parts de réserve" were issued at the price at which they worked out according to the balance sheet on December 31, 1918, *plus* expenses, making Fcs.2,500 per share. Thus the paid-up share capital is now Fcs.62 million.

The Société Générale was, up to 1850, the State Bank, conducting the banking business of the Government and providing the currency of the country by means of a large note circulation. The creation of the National Bank of Belgium, however, deprived the Société Générale of its functions as Government banker, and the older Bank accordingly came to devote its energies to fostering the commerce and trade of Belgium, and providing the public with means of investment. Instead of opening branches of its own, it founded a great number of provincial banks, retaining the control by owning the greater part of their stock. Each bank had its own local directors and carried on its own business separately, but the president of each was also a director of the Société Générale. The system has the advantage that the local directors are fully in touch with local conditions. The total of the deposits really controlled by the Bank is for this reason much larger than the amount shown in the balance sheet. The capital of the local banks before the War was stated to be about Fcs.100 million. In addition to the provincial banks which it controls, the Société Générale is interested in many enterprises, such as railways, tramways, mines, textile factories, and other industrial concerns.

After 1850 the Société Générale, as indicated above, lost its note issue, but it has since developed to a greater extent its deposit and current accounts. Whereas in the twenty years ending with 1870 the total of these had dropped from Fcs.70 to Fcs.35 million, by 1900 it had reached Fcs. 138 million, and in the next decade had more than doubled to Frs. 284 million. Prior to the outbreak of war—in December 1913—the deposits stood at Fcs.325 million: six years later the figures—Fcs.1,291 million—are arresting in their magnitude.

The Bank's general expansion since 1850 is reflected in other items of the balance sheets. Cash in hand, securities, and advances alike show large increases. In 1880 the cash had dropped to Fcs.2,916,000, but by 1914 it stood at Fcs.16 million. In 1915 a large increase was registered, and by December 31 last the total had reached Fcs.143 million.

Serious though the consequences of the War were to Belgium, the Société Générale was able to register an expansion of business during the adverse period, though suffering a very considerable reduction in profits. The latter, however, have commenced to improve, and are approaching the pre-War standard, the net amount for 1919 having been Fcs.7,324,000, against Fcs.3,977,000 in 1918 and Fcs.10,239,000 in 1913. In 1913 the dividend was at the rate of 27.21 per cent. For the last three years of the War 9.44 per cent. was paid—a rate since raised to ten per cent. The reserve fund now amounts to Fcs.142,569,183, Fcs.1,124,907 having been added for 1919.

During the War the Société Générale undertook the duty of supplying the country with bank notes. The negotiations with the German authorities over this matter were fully dealt with in our last International Banking Number.

Year to Dec. 31	Gross Profit. Frs.	Expenses. Frs.	Net Profit. Frs.	Dividend. Amount. Frs.	Rate. %	To Reserv Fund, &c. Frs.
1919 ...	38,396,153	31,071,246*	7,324,907	6,200,000	10	1,124,907
1918 ...	21,099,465	17,122,006*	3,977,459	3,100,000	9·44	877,459
1917 ...	21,584,905	16,284,046	5,300,859	3,100,000	9·44	2,200,859
1916 ...	19,135,215	13,834,356	5,300,859	3,100,000	9·44	2,200,859
1915 ...	18,296,922	16,070,596	2,226,326	1,550,000	4·72	5,094,693
1914 ...	20,612,447	14,644,080	5,968,367	1,550,000	4·72	
1913 ...	23,031,772	12,792,312	10,239,460	8,924,900	27·21	1,314,560

* Includes (1918) Fr. 1,639,900 and (1919) Fr. 1,594,950 paid to shareholders.

DUTCH BANKS.

AMSTERDAMSCHE BANK.

Head Office: Amsterdam.

Capital—

Subscribed ... ... Fl. 45,000,000
Paid up 45,000,000

With a record of nearly half a century behind it, this Bank now has branches or agencies in all the principal centres of Holland, including three offices in Amsterdam, where its headquarters are situated. In common with that of other Dutch banks, its general business has increased by leaps and bounds during recent years, the figures of its balance sheets recording an expansion largely due, of course, to the world-wide inflation of currency and increase of credit. The total assets, which in 1914 only amounted to 91 million florins, stood at 472 million on December 31, 1919. In the same period deposits increased from 65 million florins to 322 millions.

During recent years the growing demand for credits caused several provincial private bankers to allow themselves to be absorbed by the Amsterdamsche Bank, which, in addition to acquiring such businesses, has also extended its influence by opening new branches in the provinces. From time to time the capital has been increased, large premiums obtained on the new issues helping to swell the reserve fund, which now amounts to 34,250,000 florins, as compared with 10,250,000 in 1915. The net profit for 1919 amounted to 10,354,442 florins, and a dividend of fourteen per cent. was paid for the year, following twelve per cent. in each of the two previous years. The total reserve

given above includes two millions allocated from the 1919 profits. Before these net profits were arrived at the sum of 3 million florins was transferred to an extraordinary reserve account, one million as a reserve for doubtful debts, over two millions for depreciation on premises and furniture, and 217,256 florins for staff pension fund. During 1919 the subscribed capital has been increased from 11,314,500 to 45 million florins, all fully paid up.

Amsterdamsche Bank.

LIABILITIES.	[illegible]	[illegible]	[illegible]	[illegible]
Capital	[illegible]	[illegible]	[illegible]	[illegible]
Reserves	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deposits, current accounts, &c.	[illegible]	[illegible]	[illegible]	[illegible]
Guarantees (*see contra*)	[illegible]	[illegible]	[illegible]	[illegible]
Foreign banks' balances for account of correspondents (*see contra*)	[illegible]	[illegible]	[illegible]	[illegible]
Profit balance	[illegible]	[illegible]	[illegible]	[illegible]
Total Liabilities	472,264,485	438,212,131	349,071,404	261,722,446
ASSETS				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balances with other banks	[illegible]	[illegible]	[illegible]	[illegible]
Investments	[illegible]	[illegible]	[illegible]	[illegible]
Bills discounted	[illegible]	[illegible]	[illegible]	15,113,737
Loans and Advances &c.	[illegible]	[illegible]	[illegible]	[illegible]
Custrs.' liabilities on guar.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Foreign banks' balances for account of correspondents	[illegible]	[illegible]	[illegible]	[illegible]
Bank premises	[illegible]	[illegible]	[illegible]	[illegible]
Total Assets	472,264,485	438,212,131	349,071,404	261,722,446

The dividends since 1910 have been as follows:—

1910	[illegible]	1914	[illegible]
1911	[illegible]	1915	[illegible]
1912	[illegible]	1917	12
1913	[illegible]	1918	[illegible]
1914	9	1919	[illegible]

MARX AND COMPANY'S BANK.

Head Office: Rotterdam.

Capital—

Paid up ... Florins 12,000,000

This Dutch banking concern was established in 1869 under the name of Marx and Company. In 1906 it adopted its present title. Though the Company is a comparatively small one, the accounts have shown considerable expansion of recent years, and there have been several increases of capital. The paid-up capital was three million florins in 1915, and had reached eight millions by December 31, 1917, while in September 1918 it was increased to ten millions, and a year later to twelve millions, the amount on December 31 last. The combined assets now amount to sixty-seven million florins, or more than three times the amount at which they stood in 1915.

In addition to its head office the Bank has only one branch at The Hague, but it has agents in London and New York, and is now catering for foreign business.

Including the balance of profit brought forward, the total amount for distribution in respect of the year 1919 was 3,062,284 florins, as compared with 2,491,687 for the previous year. The dividend paid was at the rate of ten per cent. per annum, against eleven per cent. for both 1918 and 1917, and under ten per cent. in each of the four previous years.

The statement of assets and liabilities shows the Bank's recent growth. Deposits have increased by five million florins, and money borrowed against security is up about nine millions, while on the other side loans and advances show a rise of about fifteen millions.

Marx & Co.'s Bank (Rotterdam).

LIABILITIES.	Dec. 31, 1919 Florins.	Dec. 31, 1918 Florins.	Dec. 31, 1917 Florins.	Dec. 31, 1916 Florins.
Capital paid up ...	12,000,000	10,000,000	8,000,000	3,000,000
Reserve funds ...	3,800,000	2,400,000	1,700,000	1,075,000
Due to bankers ...	4,830,408	8,251,001	9,410,586	3,906,480
Loans against security, &c. ...	13,802,810	2,701,300	1,970,000	807,000
Current accts. & deposits ...	33,453,581	23,104,889	19,037,074	22,070,186
Acceptances, &c. ...	2,584,453	2,665,427	2,651,034	2,428,595
Other accounts	187,480	152,545	107,490	91,579
Dividends payable ...	1,100,000	900,000	660,000	380,000
Total Liabilities ...	67,687,432	50,160,162	42,518,084	34,486,836

ASSETS.	[illegible]	[illegible]	Florins.	Florins.
Cash ...	1,551,693	1,539,054	758,253	817,659
Investments ...	1,705,564	1,103,959	1,437,820	960,200
Bills discounted &c. ...	17,705,464	15,148,018	12,237,711	5,587,893
Loans, current accts. ...	2,566,641	1,885,597	4,442,786	3,304,834
Loans	[illegible]	[illegible]	557,910	[illegible]
Loans against security, &c.	[illegible]	15,982,585	12,367,254	8,418,310
Current accounts	7,861,552	1,366,747	3,177,369	2,514,122
Loans against security, &c.	8,[illegible]	8,866,186	6,[illegible],569	[illegible]
Bank premises	485,001	485,001	450,001	[illegible]
Total Assets	67,687,432	50,160,162	42,518,084	34,486,836

NEDERLANDSCHE BANK.

Head Office: Amsterdam.

Capital—

Authorised and Issued ... Fl. 20,000,000

The Bank of the Netherlands is a joint-stock company, the whole of the capital being held by the public. It was created by Royal Decree in 1814, and, as the public did not subscribe all the capital offered, a part was provided by the Government, which, however, has since sold its shares. The Charter has been renewed several times, the last occasion being in March 1919, when the terms were somewhat altered, giving the Bank greater freedom in many respects. The principal changes were as follows:—(1) The distribution of the profits between the State and the Bank on a new basis, by which the State, which had received on an average about 3,200,000 florins annually during the last twelve years, will receive about 600,000 florins more per annum; (2) a revised definition of the scope of the Bank and new regulations relating to its management. The Bank may now advance money on foreign paper without being fully covered by a metal reserve over and above the twenty per cent. reserve of its demand liabilities. Bills of exchange, drafts, and notes may now be discounted if their currency is not longer than the custom of trade requires, without necessarily having two approved endorsements, and they need not, as under the former regulations, be of less than six months' currency. Further, the reserve may now be invested in any securities approved by the Bank's management. As regards internal organisation, a special committee of advice is formed, which is consulted on the Bank's general policy.

The Netherlands Bank may at any time be required to grant the State an advance up to fifteen million florins, without interest, which, however, is chargeable on any further sum. During the War, advances to the State were larger than previously, and assistance was given in the shape of loans against securities in connection with credits granted by Holland to other countries for the supply of foodstuffs.

The original capital was five million florins, which, after successive increases, has reached twenty millions. The total profit for the year ending March 31, 1920, is returned at 16,094,755 florins, and out of this the shareholders received a fixed three and a-half per cent., which took 700,000 florins. The statutory proportion allocated to reserve took a further 823,974 florins. Of the balance, three per cent. went to the management, and, after this, one quarter to the shareholders (to a maximum of three and a-half per cent. on the capital) and three-quarters to the State (to a maximum of 2,100,000 florins), a further 2,800,000 florins being thus absorbed. Of what remained, the shareholders received one-eighth and the State seven-eighths. In all, therefore, over two million florins was distributable amongst the shareholders, in addition to the fixed sum of 700,000 florins (three and a-half per cent.), enabling a dividend of ninety-four florins per share to be paid—a total distribution of 129 florins per share, and equal to a return of 12·9 per cent. on the capital.

Year ended Mar.31	Gross Profit. Florins.	Expenses. Florins.	Net Profit. Florins.	[illegible] Florins.	Dividend to State. Florins.	Dividend %	Carried forward Florins.
'20	9,[illegible]	4,[illegible]	3,[illegible]	[illegible]	[illegible]	12·9	[illegible]
'19	17,[illegible]	[illegible]	14,[illegible]	[illegible]	[illegible]	20·7	[illegible]
'18	10,[illegible]	2,87[illegible]	7,[illegible]	[illegible]	[illegible]	13·7	18,[illegible]
'17	9,[illegible]	2,[illegible]	6,[illegible]	[illegible]	[illegible]	11·2	12,[illegible]

† [illegible]

Liabilities and Assets of The Nederlandsche Bank.

LIABILITIES.

Mar. 31	Capital Paid up. Florins.	Reserve Funds. Florins.	Total Capital and Reserve. Florins.	% *	Notes in Circulation. Florins.	% *	Deposits, Current Accounts, &c. Florins.	% *	Miscellaneous. Florins.	% *	Profit Balance. Florins.	% *	Total Liabilities. Florins.
1920 ...	20,000,000	5,[illegible],000	25,[illegible],000	2·1	1,025,174,650	89·2	99,730,[illegible]	8·5	1,885,114	·1	2,8[illegible] 6,7[illegible]0	·2	1,1[illegible],8 3,8[illegible]8
1919 ...	20,000,000	5,000,000	25,000,000	2·1	1,025,174,650	89·2	95,215,025	8·3	791,765	·1	4,223,550	·3	1,148,407,928
1918 ...	20,000,000	5,079,403	25,079,403	2·6	849,532,595	90·8	62,476,615	6·3	121,354	·1	2,829,365	·2	980,039,241
1917 ...	20,000,300	5,241,344	25,241,344	2·9	746,464,190	85·9	84,594,877	9·3	502,222	·1	2,726,533	·6	755,060,450
1916 ...	20,000,000	5,155,091	25,155,091	3·3	618,301,570	81·9	103,448,551	14·3	425,705	·1	2,726,533	·6	584,985,225
1915 ...	20,000,000	5,000,000	25,000,000	4·3	472,424,385	80·8	84,518,264	14·4	383,251	·1	2,655,342	·6	584,985,225
1914 ...	20,000,000	5,003,039	25,003,039	7·1	312,856,620	88·9	10,853,024	3·1	320,022	·1	2,704,069	·8	351,736,774

ASSETS.

Mar. 31	Cash in Hand and Bullion. Florins.	% *	Investments. Florins.	% *	Bills Discounted. Florins.	% *	Advances. Florins.	% *	Current Accounts. Florins.	% *	Correspondents. Florins.	% *	Bank Premises, &c. Florins.	% *	Total Assets Florins.
1920 ...	646,5[illegible] 7,574	54·7	7,[illegible]96,[illegible]75	·6	233,772,[illegible]46	2·5	188,5[illegible],8[illegible]0	15·8	42,[illegible],013	3·6	38,[illegible],579	3·3	5,3[illegible]4,1[illegible]1	·5	1,1[illegible],8[illegible],8[illegible]
1919 ...	679,251,695	59·2	8,578,299	·8	139,261,728	12·1	169,340,490	14·7	48,219,139	4·2	98,817,781	8·6	4,038,796	·4	1,148,407,928
1918 ...	730,259,697	74·5	8,961,000	·9	26,522,186	2·7	74,445,495	7·6	55,322,899	5·7	82,757,964	8·4	1,770,000	·2	980,039,241
1917 ...	598,366,104	69·7	9,158,212	1·1	85,735,674	10·0	59,470,588	6·9	28,253,055	3·2	76,592,047	8·9	1,465,000	·2	859,020,680
1916 ...	521,610,752	69·1	8,[illegible],303	1·2	91,320,451	12·1	57,452,659	7·6	26,399,582	3·5	46,778,179	6·2	2,013,933	·3	755,060,450
1915 ...	291,583,232	49·9	8,292,394	1·4	71,626,435	12·2	153,846,140	26·3	48,897,447	8·4	7,718,321	1·3	3,021,256	·5	584,985,225
1914 ...	169,804,090	48·3	9,002,093	2·6	74,639,170	21·2	67,655,825	19·2	27,247,859	7·8	1,111,373	·3	2,276,364	·6	351,736,774

* Per cent. of Total Liabilities or Assets.

† Including 11,576,[illegible]80 Florins Land

The Bank's total of cash and bullion before the War was 169 million florins; by 1918 it had risen to 730 millions, and the last balance sheet showed it to be 646 millions. During the past financial year gold has been issued, strictly for Dutch interests, and chiefly to Switzerland and the Dutch colonies, to a total amount of 37,813,000 florins. At the same time, a few lots of gold have been purchased. The gold exports to Scandinavia and Spain ceased as the value of their currencies, according to rates of exchange, fell below that of the Dutch florin. Last March the actual stock of gold was thirty-four million florins less than a year previously, the stock of silver having increased by 900,000 florins. The Government had requested the Bank to retain the silver coming to it, and to issue none of its own stock, in view of the Act of November 27, 1919, which reduced the silver content of the coinage.

The following table shows the amount of gold and silver holdings for the years 1900, 1910, and 1913-9:—

End Dec.	Gold. Florins.	% of Total.	Silver. Florins.	% of Total.	Total. Florins.
1919 ...	637,32[illegible],000	99·1	6,0[illegible],000	·9	643,4[illegible] 6,000
1918 ...	689,441,[illegible]	98·8	8,54[illegible],000	1·2	697,986,000
1917 ...	698,233,000	99·0	7,028,000	1·0	705,261,000
1916 ...	587,602,000	98·8	6,985,000	1·2	594,587,000
1915 ...	429,182,000	98·6	6,195,000	1·4	435,377,000
1914 ...	216,648,000	98·8	2,678,000	1·2	219,326,000
1913 ...	151,488,000	94·4	9,012,000	5·6	160,500,000
1910 ...	124,776,000	83·2	25,260,000	16·8	150,036,000
1900 ...	58,536,000	46·4	67,488,000	53·6	126,024,000

During the year under review credit balances of accounts showed fluctuations, owing to the fact of their belonging chiefly to bankers and large corporations, who must keep such funds available for use. Bank premises account now stands at 3,594,000 florins, having been increased by 282,000 florins after writing off 107,965 florins. The average sums advanced to the State during the financial year were 11,574,259 florins, against 9,596,076 florins for the previous year. The accounts as a whole show expansion, and the total assets have increased by about thirty-two million florins since the date of the previous balance sheet.

A comparison of pre-War figures with those six years later is given below:—

Nederlandsche Bank.

LIABILITIES.	1920 Aug. 2 Florins.	1914 Aug. 1 Florins.	Inc. or Dec. Florins.
Capital	20,000,000	20,000,000	—
Reserve funds	5,000,000	5,003,000—	3,000
	25,000,000	25,003,000—	3,000
Notes in circulation	...1,049,498,000	427,918,000+	621,580,000
Deposits and current accounts ...	93,630,000	19,598,000+	74,032,000
Miscellaneous	7,519,000	3,054,000+	4,465,000
Total Liabilities	...1,175,647,000	475,573,000+	700,074,000
ASSETS.			
Cash in hand	651,[illegible]00,000	164,937,000+	486,[illegible]53,000
Investments	7,533,000	8,985,000—	1,452,000
Bills discounted...	134,247,000	161,065,000—	26,8 8,000
Current accounts	332,388,000	137,872,000+	194,516,000
Miscellaneous	46,195,000	914,000+	45,281,000
Bank premises	3,594,000	1,800,000+	1,794,000
Total Assets	...1,175,647,000	475,573,0[illegible]0+	700,074,000

NEDERLANDSCHE HANDEL-MAATSCHAPPIJ.

(NETHERLANDS TRADING SOCIETY.)

Head Office: Amsterdam.

Capital—

Authorised Fl.100,000,000 (£8,333,333)

Subscribed and Paid up, in Shares of Fl. 1,000, Fl. 500 and Fl. 250, fully paid Fl.80,000,000 (£6,666,666)

THIS Society was established in 1824 by King William the First of the Netherlands, and was intended to promote industry, commerce and navigation in the Netherlands and its eastern possessions. It was during the last quarter of the nineteenth century that the institution turned its attention to banking in the widest sense. It is connected with the Government in that its executive is appointed by the reigning sovereign.

The business has shown great expansion of late years, and there is now a wide range of branches, with the head office at Amsterdam. In addition to the branch at The Hague and the numerous offices in Netherlands India, the Society has branches at Singapore, Penang, Rangoon, Shanghai, Kobe, Hongkong, and Surinam. To cope with this widening field of activities the capital has been several times increased, and on December 31, 1918, reached 70 million florins. During 1919 there was an issue of a further 10,000 shares of 1,000 florins each, fully paid. These were offered to existing shareholders *pro rata* (at a price of 1,950 florins per share), which meant that one new share could be taken up for every seven already held. This raised the paid-up capital to its present amount of 80 million florins. The total of the reserves is now nearly 45 millions.

The net profit for 1919 was 17,813,000 florins, as compared with 12,651,000 florins for the previous year, and the rate of dividend was increased from fourteen per cent. to sixteen per cent. The Society owns several sugar estates, which prove assets of considerable value. The profit from estates in Netherlands India and Surinam amounted for 1919 to 5,482,000 florins, an increase of 4,166,000 florins over the corresponding amount for 1918.

The following dividends have been paid in respect of the years from 1913 onwards:—

1913	9	1917	12
1914	8	1918	14
1915	10	1919	16
1916	15		

The balance sheet in English gives the figures in sterling as well as florins, at the rate of twelve florins to £1. Deposits have increased during 1919 from £37 million to £46 million, and bills payable showed a rise of over £1 million to £1,259,000. On the assets side the cash total was slightly lower. The activity of trade is evidenced by the increase in bills discounted (£4,300,000) and loans and advances (£7,500,000). The valuable estates were shown at the moderate figure of £706,000. Total assets have continued to increase, and amounted to £58 million, as compared with £46 million the previous year.

CAISSE GENERALE

DE REPORTS ET DE DEPOTS

Rue des Colonies 11 Bruxelles.

FOUNDED IN 1874.

Capital - Fr. 20,000,000
Reserves Fr. 21,000,000

Current Accounts opened without charge.

Fortnightly Deposit Accounts.

Funds withdrawable Fortnightly, at the middle and end of each month, subject to four days' notice, bearing interest varying according to the yield of the transactions.

Long- and short-term Loans on Securities.

The Institution takes care of Customers' securities at a charge of 40 centimes per year per Fcs. 1,000.

Bond Drawings verified and Coupons collected without charge.

ITALO-BELGIAN BANK.

(Banque Italo-Belge, Societe Anonyme.)

Subscribed Capital - -	Frs. 50,000,000
Paid up - - - -	Frs. 26,606,250
Called (Payable up to 31st December, 1920) - -	Frs. 23,393,750
Reserve Fund - - -	Frs. 19,133,200

Head Office:
ANTWERP.

London Agency:
50 OLD BROAD STREET, E.C. 2.

Branches:
FRANCE Paris.
ARGENTINE -Buenos Aires.
BRAZIL—Sao Paulo, Rio de Janeiro, Santos, Campinas.
URUGUAY—Montevideo. CHILI—Valparaiso.

Correspondents in all the Principal Places in South America.

The Bank transacts every description of Banking Business. Bills and Documentary Bills negotiated, advanced upon, or collected. Drafts. Letters of Credit, and Cable Transfers issued on Branches and Correspondents. Sale and Purchase of Stocks and Shares undertaken. Coupons and Drawn Bonds collected and negotiated.

Telegrams: "Itabelban, Ave, London."
Telephone: London Wall 1157, 1158.

BANQUE BELGE POUR L'ETRANGER.

SOCIÉTÉ ANONYME. **(Filiale de la Société Générale de Belgique.)**

Capital ... Frs. 50,000,000. **Reserves ... Frs. 15,977,943.**

HEAD OFFICE: BRUSSELS, 66 Rue des Colonies.
LONDON OFFICE: 2 Bishopsgate, E.C. 2.
Agents: MANCHESTER (31 Mosley Street). NEW YORK. BUCAREST.

London Committee: Messrs. J. S. Hesketh, A. F. Buxton, G. Grenfell Milne, Sir Wm. Gilson, G.C.M.G., Emile Francqui, Chevalier de Walters.

And at PARIS, COLOGNE, CAIRO, ALEXANDRIA, TANTAH, SHANGHAI, TIENTSIN, PEKING.

Affiliated Banks: Banco de Cartagena, Spain and Morocco; Kouyoumdjiskv & Co

Having DIRECT AGENTS IN ALL BELGIAN TOWNS and CORRESPONDENTS IN ALL PARTS OF THE WORLD, the Bank is particularly qualified for the issue of LETTERS OF CREDIT, the COLLECTION OF CLEAN AND DOCUMENTARY DRAFTS, and for transactions in FOREIGN CURRENCIES, both for immediate and for forward delivery.

All kinds of Banking business undertaken; Current Accounts opened; special rates for long-term Deposits on application.

Agents in the United Kingdom for the Belgian Postal Cheque Service.

APPLY: The MANAGER, 2 BISHOPSGATE, E.C. 2.

NEDERLANDSCH INDISCHE ESCOMPTO MAATSCHAPPIJ

(Netherlands India Discount Bank).

Capital - - - - -	f. 50,000,000
Placed and fully Paid up -	„ 35,000,000
Reserves - - - -	„ 7,800,000

DUTCH EAST INDIA BANKERS.

Head Office: Batavia (Java). Amsterdam, The Hague and [illegible]

Liabilities and Assets of The Nederlandsche Handel-Maatschappij (Netherlands Trading Society).

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Funds. £	Total Capital and Reserves. £	% *	Bills Payable. £	% *	Deposits and Other Accounts. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	6,666,667	3,751,107	10,417,774	17·7	1,259,880	2·2	46,025,762	78·3	1,072,460	1·8	58,775,876
1918 ...	5,833,333	2,632,545	8,465,878	18·1	186,369	·4	37,263,857	79·7	836,434	1·8	46,752,538
1917 ...	5,000,000	2,146,690	7,146,690	19·1	394,330	1·0	29,305,158	78·2	615,218	1·7	37,461,396
1916 ...	5,000,000	2,007,955	7,007,955	24·1	292,286	1·0	21,043,852	72·3	757,166	2·6	29,101,959
1915 ...	4,166,667	1,293,787	5,460,454	24·5	512,465	2·3	15,925,128	71·3	422,687	1·9	22,320,734
1914 ...	4,166,667	1,194,763	5,361,430	26·0	193,012	1·0	14,665,632	71·3	339,409	1·7	20,564,483
1913 ...	3,750,000	949,012	4,699,012	23·1	456,432	2·2	14,743,658	72·5	422,632	2·2	20,321,734

ASSETS. Dec. 31	Cash in Hand and at Bank. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Estates & Shares in Estates. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919 ...	7,692,632	13·1	4,056,875	6·9	9,748,677	16·6	36,331,775	61·8	708,250	1·2	241,667	·4	58,775,876
1918 ...	7,782,041	16·6	3,831,515	8·2	5,423,809	11·6	28,759,006	61·5	738,500	1·6	217,667	·5	46,752,538
1917 ...	4,705,744	12·6	4,214,253	11·3	6,102,820	16·3	21,469,995	57·3	741,584	2·0	197,000	·5	37,461,396
1916 ...	4,086,289	14·1	3,573,702	12·3	5,005,971	17·2	15,460,830	53·1	769,167	2·6	200,000	·7	29,101,959
1915 ...	3,920,604	17·6	3,176,925	14·2	4,867,663	21·8	2,303,651	41·7	827,058	3·7	224,833	1·0	22,320,734
1914 ...	4,229,524	20·5	3,194,915	15·6	3,555,723	17·2	8,527,276	41·6	859,295	4·1	217,750	1·0	20,564,483
1913 ...	2,288,853	11·3	3,096,001	15·2	5,748,218	28·3	8,103,065	39·9	862,512	4·2	223,285	1·1	20,321,734

* Per cent. of Total Liabilities or Assets.

ROTTERDAMSCHE BANK-VEREENIGING.

Head Office: Rotterdam.

Capital—

Subscribed and Paid up ... ... Florins 75,000,000

One of the foremost in Holland, this banking institution has been in operation more than half a century, though it was only in 1911 that it assumed its present form, as an amalgamation of the Rotterdamsche Bank, founded in 1863, and the Deposits and Administratie Bank, established in 1900. It absorbed another bank in 1913, and has since launched several affiliated institutions. These comprise: The Nationale Bankvereeniging, which has itself absorbed other banks and is operating in seventy-two different towns; the Zuid-Nederlandsche Handelsbank, which serves North Brabant and Limburg; the Hollandsche Bank voor Zuid-Amerika, with offices in the Argentine and Brazil, and one shortly to be established in Chile; also the Hollandsche Bank voor de Middellandsche Zee, which operates along the Mediterranean, with offices at Genoa and Barcelona.

The Rotterdam Bank has been expanding for some years, and the figures for December 31, 1919, show a striking increase of business as compared with the previous year. Total assets have risen from 374 million florins to 608 millions, nearly every item having contributed to the growth. The cash total is nearly doubled, and the rise in loans accounts for over 120 millions. The flourishing state of the business is also reflected on the other side of the account, deposits having increased from 266 million florins to 428 millions. During 1919 the paid-up capital was increased from fifty millions to seventy-five millions, the premium on the new issue amounting to eight millions. This was added to reserve, and, with the allocation of five millions from the year's profits, brought that fund up to thirty million florins.

The net profit for 1919 was 18,100,418 florins, or double the result for 1918, and the dividend was increased from ten per cent to twelve per cent.

The large increase in foreign balances with the Bank is a sign of its tendency to become an international institution.

Position of Rotterdamsche Bankvereeniging.

LIABILITIES.	Dec. 31, 1919 Florins	Dec. 31, 1918 Florins	Dec. 31, 1917 Florins	Dec. 31, 1916 Florins
Capital paid up	75,000,000	50,000,000	50,000,000	40,000,000
Reserve funds	30,000,000	17,000,000	16,000,000	12,000,000
Bills payable	43,198,017	28,610,661	31,625,819	28,341,349
Advances on stocks and bonds for third account	19,345,200	5,822,200	10,736,258	6,724,976
Deposits and current accounts	428,476,583	266,474,006	239,833,925	170,870,427
Dividends payable and other accounts	11,807,784	6,027,850	4,973,501	1,011,136
Profit balance	538,729	285,119	328,677	386,554
Total Liabilities	608,366,313	374,227,836	353,493,180	262,364,642
ASSETS.				
Cash in hand and at bankers ...	172,523,194	95,129,140	64,645,423	43,433,782
Investments	12,267,461	9,722,654	6,523,814	6,823,202
Bills receivable ...	108,328,545	78,467,646	94,233,382	62,411,292
Advances on securities	88,397,281	70,999,388	85,651,569	68,382,867
Advances in current accounts	214,712,956	111,098,399	97,840,623	76,612,267
Participation in syndicates	8,722,496	4,704,955	1,321,403	1,148,544
Bank premises	2,560,000	3,310,000	2,980,501	2,770,414
Other accounts ..	854,340	795,654	296,465	582,274
Total Assets	608,366,313	374,227,836	353,493,180	262,364,642

FRENCH BANKS.

WHOLESALE PRICES OF COMMODITIES IN FRANCE SINCE 1914.

The subjoined table contains index-numbers for the wholesale prices of forty-five commodities in France since the beginning of 1914, as compiled by the Statistique Générale de la France. The average prices during the decade 1901-1910 has been taken as the basis for comparison in the case of each article, and the numbers below consequently represent simple percentages of the general level of prices during that period. Of the commodities selected twenty quotations are given to foodstuffs, seven to minerals, six to textiles, and twelve to miscellaneous materials; very few finished products are included, nearly all being either raw materials or partly manufactured articles.

Monthly Index-Numbers of Wholesale Prices of Commodities in France since January 1914.

(Average Prices 1901-1910 = 100.)

	1914	1915	1916	1917	1918	1919	1920
January	115	138	200	240	362	392	595
February	116	144	206	261	369	394	605
March	115	150	211	265	378	388	641
April	114	154	221	287	385	384	659
May	115	156	229	290	388	376	636
June	115	159	218	308	386	380	570
July	113	162	213	316	390	405	575
August	118	165	215	312	405	402	580
September	119	167	218	324	411	416	598
October	120	175	223	358	419	431	582
November	125	184	228	339	414	468	—
December	128	189	235	352	408	489	—
Annual Average	**118**	**162**	**218**	**302**	**392**	**412**	**604**

(Ten months.)

The rise in prices during and since the War was greater in the case of France than of any other of our Allies, with the exception of Italy. As may be seen from the table, there was a downward tendency in 1914, prior to August. Immediately on the outbreak of war prices began to rise, though at a less rapid rate than in the United Kingdom. At the end of 1914 the percentage increase over the July level was 12.8. Early in 1915 the upward movement attained an unprecedented velocity until by the end of the year the rise since July 1914 had attained 67.3 per cent. During April of that year all previous records were passed. The highest index-number prior to that date was 152, the average for the year 1857. In the summer and early autumn of 1915 the rate of increase showed an appreciable slackening, as the price of foodstuffs remained stationary though materials continued their advance. This feature became more pronounced in the ensuing summer, when materials as well as foodstuffs actually declined, and the general average fell by 3.4 per cent. between the end of April and the end of July. The fall was only momentary, however, and from the third quarter of 1916 until the second quarter of 1918, excepting a slight [illegible] in the summer of 1917, prices were advancing month by month at an average rate of about four per cent. each month. Between April and October 1918 the average rate of increase was much slower; in fact, during June of that year, foodstuffs fell by 3.1 per cent. and materials by 1.2 per cent., the general index-number declining by 2.1 per cent. Immediately after the Armistice the general level of prices began to fall, as in other countries, and the new movement continued into May 1919. By that time materials had fallen by 19.3 per cent. Foodstuffs, however, did not begin to fall until March 1919. In June 1919 the upward movement was resumed, and thence until the end of April of this year prices rose more rapidly than in previous periods. During those eleven months foodstuffs advanced by 58.8 per cent., and materials by 97.7 per cent. In April last the highest point was reached at a level 500 per cent. above that of July 1914.

The final and group index-numbers at various dates, taking the average for 1913 as a basis in each case, is set out in the annexed table:—

Final and Group Index-Numbers.
(1913 = 100.)

		[illegible]	[illegible]	[illegible]
December	1914 ...	116	114	114
,,	1915 ...	140	153	166
,,	1916 ...	171	250	206
,,	1917 ...	249	256	304
October	1918 ...	298	414	396
June	1919 ...	317	416	382
December	1919 ...	384	455	424
April	1920 ...	496	655	588
June	1920 ...	426	541	496
September	1920 ...	486	560	527
October	1920 ...	473	536	505

It will be observed that materials at all points show a much greater increase than foodstuffs. Generally speaking, this was due to the greater Government control exercised over the latter, and also to the fact that France produces considerable quantities of food, being much less dependant on outside sources of supply than, for instance, the United Kingdom.

A comparison of the rapidity of the yearly movements in each group is presented in the following table; the percentage rise during each year is shown separately for the group and final index-numbers.

Percentage Annual Increases in the Group and General Index-Numbers.

(Year ending July.)

	1915	1916	1917	1918	1919	1920
Foodstuffs ...	29·8	35·6	44·7	15·8	25·7	72·8
Materials ...	54·2	58·1	15·6	32·1	7·7	51·8
Totals	42·8	47·0	15·2	25·9	16·1	62·5

(Decrease.)

The most rapid increase took place at the end of 1919 and the beginning of this year immediately before the peak of high prices was reached. The reaction which began in May last did not resolve itself into a gradual decline as was experienced in the United States and in the United Kingdom; neither was the movement as lasting, for in July last a fresh rise began, and continued till the end of September. During the two months, May and June, the general average shows a fall of 16.1 per cent. The decline was sharper in materials than foodstuffs, the former falling by 17.3 per cent. and the latter by 14.3 per cent. Foodstuffs, however, did not begin to rise again until August. At the end of September prices were still 11.1 per cent. below the high level of April last. In October a decline of 4.3 per cent. occurred, and the index-number for that month is 14.4 per cent. below the highest level reached, 40.5 per cent. above the level of November 1918, and 403 per cent. above the average for 1913.

It has to be acknowledged, on considering the great destruction caused by the War in the invaded territories of France, that the appearance, at this comparatively early stage of the reconstruction period, of such an important movement towards [illegible] conditions as this reduction of the price-level constitutes is an unusually satisfactory [illegible]. Whether prices will go still lower in France in the near future is uncertain, but, at any rate, our Ally is making [illegible] progress in [illegible]. An examination of the foreign trade movements, for instance, shows that the country, by increasing the home production, is reducing its [illegible] of total [illegible]. The proportion of imports of raw materials to total imports is increasing; exports of manufactured articles [illegible] and finally, [illegible] of imports [illegible] reduced.

BANQUE DE FRANCE.

Head Office: Paris, France.

Capital—

Authorised, Subscribed and Paid up. 182,500 Shares of 1,000 Frs. each ... ... Frs. 182,500,000

The Charter of the Bank of France dates from 1803, and has since been renewed four times. The present Charter expires at the end of this year, and will be renewed for twenty-five years, dating from January 1, 1921. It fixes the extent to which the State participated in the Bank's profits during the War. For the period from August 1, 1914, to December 31, 1917, the amount of participation was fixed at 200 million francs. In accordance with the law extending the Charter (December 20, 1918) the Bank became liable for fresh contributions, and in the balance sheet for 1918 the amortisation account appeared for the first time with an initial amount of 437 million francs, which amount was increased to 702 million francs in the balance sheet for 1919. The Charter further stipulates that if the Bank distributes a net dividend in excess of 240 francs per share, it must pay to the State a sum corresponding to such excess.

Napoleon the First was responsible for the establishment of this national French Bank. He recognised the political and economic need for such an institution, and the Bank of France was finally formed by the amalgamation of two businesses carrying on banking. The nominal capital was 30 million francs, raised, when the second of these two banks consented to come into the scheme, to forty-five million francs. Napoleon appointed both the Governor and the Deputy-Governor of the Bank, and the French Government follows this precedent to-day. The Bank of France has always been a Government bank and a banker's bank. In addition, it has rendered the greatest possible service to the trade of France, financing those in need of monetary backing for legitimate enterprise. Wealth is more evenly divided in France than in some countries, and the deposits in the banks are largely made up of the small savings of a great number of thrifty people. Further, at the outset of railway construction the Bank helped on the French lines by advancing them capital.

The Bank's great service during the War consisted in the advances to the Government of a very large part of the money that was needed. In a period of two months, at the commencement of the War, the Bank advanced no less than £84 million. During 1919 an arrangement was arrived at between the Bank of France and the French Treasury, by which the Bank advanced to the State a further sum of 3,000 million francs, and in return obtained the right to increase the limit of its paper circulation from thirty-six milliards to forty milliards. The actual circulation at the time amounted to thirty-four milliards, and the margin thus created enabled the Bank to view with more equanimity the possibility of large withdrawals of private deposits, and the probable increase in the number of bills presented for discount.

The French system of bank notes is governed by the "maximum issue method." The Government fixes an amount beyond which the issue must not go, but its idea of a maximum is very elastic, and the amount is always increased whenever a strong public demand arises. The issue to-day is, of course, abnormally high, in accordance with the general inflation, and showed a total of over thirty-seven milliards at the end of last December, as compared with thirty milliards the previous year and 5,713 million francs previous to the War.

France is nominally a bi-metallic country, and would be justified, theoretically, if she held only silver in her reserves. She is, however, too far-sighted for this, and the Bank has always held a large reserve of metals, gold very largely predominating. At the end of 1919, gold constituted 95.4 per cent. of the total reserve, and silver only 4.6 per cent., as shown in the following table:—

Gold and Silver Holdings of the Bank of France.

Year.	Gold. Fr.	% of Total.	Silver. Fr.	% of Total.	Total. Fr.
Dec. 26, 1919 ..	5,578,525,000	95·4	268,025,000	4·6	5,846,550,000
„ 26, 1918 ...	5,477,568,000	94·5	318,348,000	5·5	5,795,916,000
„ 27, 1917 ...	5,351,525,000*	95·6	247,657,000	4·4	5,599,182,099
„ 28, 1916 ...	5,075,915,000*	94·5	294,869,000	5·5	5,370,784,000
„ 30, 1915 ...	5,015,287,000*	93·4	352,088,000	6·6	5,367,375,000
„ 24, 1914 ...	4,158,461,000	92·1	355,952,000	7·9	4,514,413,000
„ 26, 1913 ...	3,617,392,000	84·6	640,063,000	15·4	4,157,455,000
„ 22, 1910 ...	3,288,700,000	79·9	827,200,000	20·1	4,115,900,000

* Includes gold held abroad: 1919, 1,978,275,416 fr.; 1918, 2,057,108,485 fr.; 1917, 2,057,108,485 fr.; 1916, 1,592,680,318 fr.; 1915, 988,127,089 fr.

As compared with 1918, the deposits of the general public showed a rise at the end of December 1919 of 1,012 million francs, to 3,891 million francs. Government deposits then stood at seventy-six million francs. On the assets side of the account, cash in hand and at branches stood at 7,143 million francs, as compared with 8,132 million francs in the previous balance sheet. Investments totalled 29,667 million francs, an increase of over eight milliards compared with the previous year. Bills discounted showed a drop of 168 million francs, while advances have risen from 1,224 million to 1,472 million francs. Total assets showed an increase of 8,048 million francs.

The following table gives the profits since 1913:—

Year	Bank Rate of Discount. %	Gross Profit less Rebates. Fr.	Expenses.* Fr.	Net Profit. Fr.	Dividend.— Amount. Fr.	Rate. %	Special Appropriations. Fr.
1919	5	641,907,991	273,414,065	368,493,926	46,105,263	25·263	311,081,321
1918	5	475,636,524	119,347,358	356,288,966	46,105,263	25·263	312,414,952
1917	5	385,903,995	123,488,089	262,420,906	46,105,263	25·263	215,000,000
1916	5	272,109,285	102,252,099	169,857,186	45,625,000	25·000	63,000,000
1915	5	182,681,234	101,558,696	81,122,538	38,020,833	20·833	45,500,000
1914	4·22	124,662,882	59,173,405	65,489,477	36,119,792	19·792	31,604,552
1913	4	116,508,084	45,955,092	70,552,992	38,020,833	20·833	31,255,174

* Includes taxes as follows:—1919, Fr. 48,409,195; 1918, Fr. 29,784,354; 1917, Fr. 54,841,593; 1916, Fr. 36,788,432; 1915, Fr. 20,388,815; 1914, Fr. 59,173,405; 1913, Fr. 45,955,092. † Including Fr. 82,706,100 for acquisition of properties for decentralisation and branch extension.

The expenses for 1919 were considerably larger than for 1918—273 million francs, against 119 million francs. The former amount, however, included eighty-two million francs for acquisition of properties for the purpose of decentralisation and branch extension. The

Liabilities and Assets of The Bank of France.

LIABILITIES.

End Dec.	Paid-up Capital. Fr.	Reserve. Fr.	Total Capital and Reserve. Fr.	%	Notes in Circulation. Fr.	%	Government Deposits. Fr.	%	Other Deposits. Fr.	%	Profit Balance. Fr.	%	Sundry Accounts —see contra. Fr.	%	Total. Fr.
1919	182,500,000	42,963,392	225,463,392	·5	37,274,539,820	88·4	76,496,859	·2	3,891,005,810	9·2	79,199,418	·2	615,321,624	1·5	42,162,635,944
1918	182,500,000	42,963,892	225,463,892	·7	30,243,612,230	88·7	111,683,671	·3	2,879,015,430	8·4	85,428,901	·2	563,228,721	1·7	34,114,432,845
1917	182,500,000	42,963,892	225,463,892	·9	23,336,087,870	83·7	116,840,194	·5	2,921,118,124	11·3	164,122,250	·6	17,387,034	—	25,781,019,364
1916	182,500,000	42,963,892	225,463,892	1·2	16,580,470,110	85·7	6,187,961	—	2,242,980,570	11·8	63,851,745	·3	—	—	19,118,954,278
1915	182,500,000	42,963,892	225,463,892	1·4	13,216,429,640	83·1	295,858,346	1·8	2,120,330,359	13·3	44,641,744	·3	8,199,464	—	15,910,923,945
1914	182,500,000	42,963,892	225,463,892	1·7	10,042,899,720	74·9	45,466,780	·3	2,659,996,234	19·7	49,749,966	·4	—	—	13,419,176,592
1913	182,500,000	42,519,340	225,019,340	3·2	5,713,551,290	81·8	10,258,006	5·8	604,532,347	8·6	41,434,107	·6	—	—	6,987,955,990

ASSETS.

End Dec.	Cash in Hand and at Branches. Fr.	%	Investments. (b) Fr.	%	Bills Discounted. Fr.	%	Advances. Fr.	%	Bank Premises, &c. Fr.	%	Sundry Accounts —see contra. Fr.	%	Total. Fr.
1919	7,143,173,307	16·9	29,667,913,039	70·4	1,912,799,665	4·5	1,472,738,534	3·5	47,261,263	·1	1,918,750,138	4·6	42,162,635,944
1918	8,132,388,073	23·8	21,088,728,658	61·9	2,080,904,389	6·1	1,224,121,669	3·6	46,424,943	·1	1,541,865,113	4·5	34,114,432,845
1917	6,388,593,217	24·8	16,127,978,647	62·5	1,991,012,707	7·7	1,232,140,209	4·8	46,294,584	·2	—	—	25,781,019,364
1916	6,108,609,907c	31·9	9,542,651,422	49·9	1,948,663,036	10·2	1,328,569,158	7·0	46,085,337	·2	1,144,375,218	·8	19,118,954,278
1915	6,419,576,198c	40·3	6,043,378,439	38·0	2,233,276,246	14·0	1,164,440,099	7·3	50,252,963	·4	—	—	15,910,923,945
1914	4,514,412,872	33·8	4,316,227,659	32·2	3,735,988,786	27·6	745,378,221	5·5	44,945,015	·3	62,224,039	·6	13,419,176,592
1913	4,157,454,630	59·5	417,958,544	6·0	1,526,461,970	21·8	841,850,630	12·1	44,230,216	·6	—	—	6,987,955,990

(a) Dec. 31 figures partially estimated. (b) Includes Government's book debt to Bank. (c) Including gold held abroad: 1,978,278,416 fr., 1919 2,057,108,485 fr., 1917 and 1918; 1,592,680,318 fr., 1916; 988,127,089 fr., 1915. * Per cent. of Total Liabilities or Assets.

BANK OF ROUMANIA LIMITED.

Founded 1866.

Head Office: 27 Throgmorton Street, LONDON, E.C. 2.

Branch: 11 Calea Victoriei, BUCAREST.

Directors:
E. W. H. BARRY, Esq.
THE VISCOUNT GOSCHEN.
GENERAL THE HON. SIR H. A. LAWRENCE, K.C.B.
P. NAVILLE, Esq.

Bankers:
BANK OF ENGLAND.
MESSRS. GLYN, MILLS, CURRIE & CO.

A General Banking Business with Roumania is conducted, and correspondence from those having interests in that country is invited.

THE
RUSSO-ASIATIC BANK

Incorporated by Russian Government Decree.

CAPITAL (Authorised) - - Rbls. 65,000,000
CAPITAL (Subscribed) - - Rbls. 55,000,000
CAPITAL (Subscribed by the Chinese Government) Kouping Taels 3,500,000
RESERVE FUNDS - - - Rbls. 26,961,423
" " Kouping Taels 1,767,033

Head Office at Petrograd.

Branches at all the principal Towns in Russia, Manchuria, Siberia, Central Asia and China; also at Paris, Bombay, Hong Kong, Yokohama, and Kobe. The number and geographical position of the Bank's branches, &c., place it in a unique position for financing British trade with all parts of the World. Interest (paid quarterly) allowed on Fixed Deposit and on Current Accounts at Rates to be learnt on application. Banking and Foreign Exchange business transacted of every description.

London Office:
64 OLD BROAD STREET, E.C. 2.

THE RUSSIAN COMMERCIAL & INDUSTRIAL BANK

CAPITAL, Paid up - - - - £3,703,704
RESERVE FUND - - - £1,228,422

PETROGRAD MOSCOW PARIS
and over 100 Branches in Russia.

LONDON OFFICES :: 24/28 LOMBARD STREET, E.C. 3.
V. C. B. JONES, Manager.

Commercial Bank of Yugo-Slavia

FORMERLY
SOCIÉTÉ COMMERCIALE SERBE.
Société Anonyme.

CAPITAL - - Frcs. 10,000,000

Head Office: BELGRADE. Branches: Dubrovnik, Monastir, Salonica, Uskub

All Banking Business and General Commercial Transactions.
Import. Export. Representation. Consignments.
Despatch and Clearance of Merchandise.

gross profit was more than enough to meet all this additional outlay, and the net profit for 1919—358,493,026 francs—slightly exceeded that for the previous year. The rate of dividend was the same as for 1918—25.263 per cent. per annum. We append a comparative statement of the Bank's assets and liabilities, as they stood just before the War, and as they stood on July 29 this year.

LIABILITIES	July 29, 1920 Fr.	July 30, 1914 Fr.	Inc. or Dec. Fr.
Capital	182,500,000	182,500,000	—
Reserve fund	45,628,217	42,519,340	+ 3,108,877
Total capital and reserve ...	228,128,217	225,019,340	+ 3,108,877
Notes in circulation	37,695,875,750	6,683,184,785	+31,012,690,965
Government deposits	109,618,238	382,561,817	— 272,943,579
Other deposits	4,312,489,458	947,571,862	+3,364,917,596
Miscellaneous	745,810,284	548,775,078	+ 197,035,206
Total Liabilities	43,091,921,947	8,787,112,882	+34,304,809,065
ASSETS.			
Cash:			
Gold	5,589,174,980	4,141,341,664	+1,447,833,316
Silver	247,635,580	625,332,643	— 377,697,063
Total cash	5,836,810,560	4,766,674,307	+1,070,136,253
Foreign balances	774,375,086	—	+ 774,375,086
Investments	215,720,747	217,522,786	1,802,039
Advances to the Government...	29,630,000,000	200,000,000	+29,430,000,000
Bills discounted...	2,541,918,950	2,444,180,326	+ 97,738,624
Advances	1,933,018,995	758,772,955	+1,174,246,040
Miscellaneous	2,160,077,609	399,962,508	+1,760,115,101
Total Assets	43,091,921,947	8,787,112,882	+34,304,809,065

BANQUE DE L'UNION PARISIENNE.

Head Office: Paris.

Capital—
Subscribed and Paid up ... ... Fr. 100,000,000

This institution was formed in 1904, as a transformation of the old and prosperous Banque Parisienne. Capitalised by many wealthy Protestants and by all the big Paris banks, the Bank soon acquired a strong position in Parisian financial circles. In 1918 it was said to have become the second largest Banque d'Affaires in France. The original capital was 40 million francs, and this had been increased by 1914 to 80 million francs, the reserves then standing at 59,682,893 francs. On December 31, 1919, the capital stood at 100 million francs and the reserves at 68 million francs.

The Bank has very diversified interests, and has at various times participated in issues of different undertakings, among which may be mentioned the Nord-Sud Underground Railway of Paris, the Algerian and Tunisian Crédit Foncier, the Parisian General Omnibus Company, the Roumanian Commercial Bank, the Balkan Bank, the Franco-Serbian Bank, the St. Louis and San Francisco Railway Company (wound up in 1914), and the Bank of Athens. Despite this, the amount in the balance sheet under the head of "financial participations" was only 6,138,000 francs last December, which seems to indicate that the Bank is not overvaluing assets of this nature. Several fresh schemes have been participated in during 1919, including the formation of the Banque Générale du Nord, with a capital of 50 million francs, and the Compagnie Française pour l'Amérique du Nord, while various industrial enterprises have been floated.

The net profit for 1919 was 12,665,636 francs, as compared with 12,404,329 francs for 1918. In the latter year a dividend of 40 francs per share (or eight per cent.) was paid, but this was increased to ten per cent. for 1919.

The balance sheets continue to indicate expansion of business; deposits rose during 1919 by 207 million francs to 432 millions. Total assets on December 31, 1918, were 517 millions, and showed an increase a year later to 742 millions. Cash items were responsible for 15 millions of this rise and loans for 66 millions.

Position of the Banque de l'Union Parisienne. December 31, 1919.

LIABILITIES.	Frs.	ASSETS.	Frs.
Paid-up capital ..	100,000,000	Cash in hand and at bank	49,065,145
Reserves and other funds	68,383,294	Bills receivable ..	200,013,231
Bills payable ..	4,377,173	Investments and participations	97,161,728
Current accounts ..	132,964,657	Current accounts ...	215,193,352
Guarantees	67,556,295	Loans, advances and guarantees	141,267,488
Other liabilities ..	99,527,682	Other assets	32,820,512
Profit balance ..	20,186,568	Bank premises, &c.	9,274,210
Total liabilities	742,795,669	Total assets	742,795,669

BANQUE NATIONALE DE CREDIT.

Head Offices: 20 rue Le Peletiér, Paris, and 16 Boulevard des Italiens, Paris.

Capital—
Authorised ... ... Frs. 500,000,000
Subscribed 500,000,000

This undertaking was established as recently as June 25, 1913, and was formed to take over the business of an important French concern established in 1848—the Comptoir d'Escompte de Mulhouse. The Bank has made great progress during its short life, and has already accumulated reserves amounting to 59 million francs. This speaks well for the skilful way in which it has been handled during the period of the War. The continuous growth of the Bank's operations rendered necessary in 1919 two increases of capital, the amount subscribed being raised in April from 150 millions to 200 millions, and in December to 300 millions, whilst during the present year there has been a further advance to 500 millions, of which one-fourth has been called up.

The net profit for 1919, 14,357,168 francs, showed an increase of 4,343,092 francs over the previous year's amount. This profit was earned with a paid-up capital of 50 million francs, on which it is equivalent to 28.7 per cent. The actual dividend paid was fourteen per cent. for the year, against twelve per cent. for the previous year. The 150,000 founders' shares received 11 francs per share. The Bank has played its part in financing manufacturers and traders, as shown by the largely increased amount of loans and overdrafts. National Defence bills and bonds sold through the Bank during the year 1919 amounted to 2 milliard, 860 million francs. The balance sheet on December 31, 1919, demonstrated the growth that has taken place in every department of the Bank's business. We append herewith a comparative statement of assets and liabilities on December 31 in recent years. It will be noticed that during 1919 the totals showed the huge increase of 1,468 million francs, having considerably more than doubled.

LIABILITIES.	1919 Dec. 31, Fr.	1918 Dec. 31, Fr.	1917 Dec. 31, Fr.	1916 Dec. 31, Fr.	1915 Dec. 31, Fr.
Capital paid up...	75,000,000	37,500,000	37,500,000	25,000,000	25,000,000
Reserve funds ...	59,591,123	34,738,675	34,367,102	26,706,140	22,706,140
Current and deposit accounts	2,224,148,800	836,324,774	592,946,754	331,982,267	220,088,703
Acceptances ...	38,381,714	17,523,193	22,867,167	29,850,563	28,389,760
Sundry accounts	7,214,619	14,428,432	17,919,240	7,911,545	9,118,475
Profit balance ...	15,980,642	11,596,545	8,982,723	6,312,649	6,452,748
Total Liabilities	2,420,316,928	952,111,619	714,582,986	427,763,164	311,755,826
ASSETS.					
Cash	100,181,734	79,655,659	59,164,613	28,429,443	13,212,280
Investments ...	8,207,471	15,695,437	15,067,538	2,902,845	3,445,826
Treasury bills ...	839,142,695	329,158,984	243,544,625	91,911,600	52,050,200
Bills	498,138,276	195,293,005	168,699,884	117,760,859	78,556,420
Due from other banks ...	389,930,834	58,961,271	38,456,545	31,395,635	28,373,715
Current accounts	338,986,464	144,201,956	78,189,845	61,237,889	55,293,178
Loans	170,841,937	88,263,196	70,675,647	53,692,936	44,166,926
Liability for acceptances ...	38,381,714	17,523,193	22,867,166	29,850,563	28,389,760
Sundry accounts	19,075,821	12,400,405	10,224,625	4,465,154	2,453,048
Bank premises ...	17,429,979	10,978,515	7,692,198	6,206,240	5,814,475
Total Assets	2,420,316,928	952,111,619	714,582,986	427,763,164	311,755,826

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS.

Head Office: 14 Rue Bergère, Paris.

London Office: 8-13 King William Street, E.C. 4.

Other British Branches: Manchester and Liverpool.

Capital—

Subscribed and Paid up. 400,000 Shares of Frs. 500 each ... ... Frs. 200,000,000

THIS great French Bank is the oldest but one in France, and its establishment followed on the Revolution of February 1848. The circumstances which surrounded its inception were as follows: The floods and bad harvests of 1846, the revolution of 1848, and the speculation arising out of French railway construction, combined to cause a financial panic in France. The Bourse was closed, and, while it was urgent to prolong the due date of bills, all facilities for getting credit ceased in the general distrust. The cash in the Bank of France fell by 70 million francs, and at last the Government decided to establish the Comptoir National d'Escompte de la Ville de Paris, with a guaranteed capital of 20 million francs, one-third to be subscribed by the public, one-third guaranteed by the City of Paris, and one-third guaranteed by the French Government. On March 18, 1848, the Comptoir commenced business with a paid-up capital of 1,587,021 francs, plus 1 million francs received from the Treasury, and at once began to discount bills. In twelve days the Bank had discounted bills amounting to over 13 million francs. In 1853 the title was changed to its present one, the Bank being then strong enough to relinquish the State guarantee, and its life, fixed by Imperial decree, has been at various times extended, the last period being fixed at ninety years from 1909.

The Bank has developed into a large and very important concern, and has extended its operations into all parts of the world. In addition to its numerous branches all over France, it has established agencies at Sydney in Australia, at Bombay, three in Tunis, three in Egypt, and three in Madagascar. It also has offices in Belgium at Brussels, in Spain at San Sebastian, and in this country at Liverpool and Manchester, in addition to its London office.

During 1919 the Bank was largely concerned in the establishment of two institutions—"L'Union pour le Crédit à l'Industrie Nationale" and the French-American Banking Corporation, both of which should prove useful enterprises. The paid-up capital was raised to its present figure of 200 million francs in 1908. In 1890 the capital was 40 million, in 1895 100 million, and from 1900 to 1908, 150 million francs. The totals of deposit and current accounts, which dropped somewhat at the commencement of the War and during its early part, have since shown remarkable increases. The appended statement of assets and liabilities, from 1913 to the present day, shows the extent of such increase. The most striking year in this respect has been the last one—1919, in which year the deposits rose from 1,141 million to 1,681 million francs, and current account balances from 862 to 1,572 million francs. During the same year acceptances rose from 24 millions to 83 millions. On the assets side the total showed an increase during 1919 of no less than 1,318 million francs. Cash in hand was somewhat lower than in 1918, having dropped from 290 millions to 264 millions. Investments showed an increase, while short loans on stocks have dropped about 5,400,000 francs. Bills and advances both showed large increases, the former from 1,513 millions to 2,411 millions, bills for collection from 92 millions to 162 millions, and advances on securities from 152 millions to 208 millions, and on current accounts from 237 millions to 512 millions. The measures of prudence which have always been adopted, and which have ensured the stability of the institution during trying times, are observed to-day as much as formerly. It has now been found possible to increase the dividend to its pre-War figure, and accordingly eight per cent. was paid for 1919, as against seven per cent. for 1918 and six per cent. for 1917. The net profit reached 18,115,754 francs, as compared with 15,797,464 for the previous year. After making a statutory deduction of five per cent. of the net profit for reserve fund, and providing for a non-cumulative dividend of five per cent. on the paid-up capital, the remaining profit is divided as to seventy per cent. to the Ordinary shares and thirty per cent. to the Founders' shares, of which there are 60,000.

Year to Dec. 31	Net Profit. Frs.	Dividend. Amount. Frs.	Rate. %	Balance. Frs.	Special Allocations. Frs.	Carried to shareholders' account Frs.
1919 ...	18,115,754	16,000,000	8	2,115,754	1,677,254	438,500
1918 ...	15,797,464	14,000,000	7	1,797,464	1,325,685	471,779
1917 ...	13,727,566	12,000,000	6	1,727,566	1,011,785	715,781
1916 ...	13,057,135	12,000,000	6	1,057,135	910,114	147,021
1915 ...	10,690,041	10,000,000	5	690,041	551,145	138,896
1914 ...	10,976,034	10,000,000	5	976,034	806,964	169,070

CRÉDIT LYONNAIS.

Head Office: Lyons, France.

London Offices: 40 Lombard Street, E.C. 3, and 4 Cockspur Street, S.W. 1.

Capital—

Authorised and Issued, 500,000 fully-paid Shares of Frs. 500 ... ... Frs. 250,000,000

THE Crédit Lyonnais, which was formed at Lyons in 1863, was converted in 1872 into a Société anonyme under the Law of 1867. The present charter of the Bank runs until 1960, but its duration may be always extended by a vote of the shareholders. The original capital was twenty million francs, with eight million francs paid up. In 1872 the capital was raised to fifty million francs, and there have been several subsequent additions, the last one, in 1900, bringing the subscribed and paid-up capital to 250 million francs. On this occasion there was an issue of fifty million francs, in shares of 500 francs, the price of each share being 925 francs. In 1880 the reserve fund was thirty million francs, in 1890 fifty

Liabilities and Assets of The Comptoir National d'Escompte de Paris.

LIABILITIES.

Dec. 31	Capital Paid up. Frs.	%	Reserve Funds. Frs.	Total Capital and Reserve. Frs.	%	Fixed Deposits. Frs.	%	Deposit —Accounts.— Frs.	%	Current —Accounts.— Frs.	%	Accept-ances. Frs.	%	Sundries. Frs.	%	Profit Balances. Frs.	%	Total Liabilities. Frs.
1919 ...	200,000,000	4·9	49,275,448	249,275,448	6·8	17,476,450	·5	1,681,575,677	45·8	1,572,011,930	42·8	83,579,571	2·3	19,984,075	1·3	18,115,757	·5	3,672,310,984
1918 ...	200,000,000	4·9	47,739,007	247,739,007	10·5	18,101,945	·8	1,141,799,980	48·5	862,892,982	36·6	24,123,452	1·0	43,582,758	1·9	15,797,465	·7	2,354,355,589
1917 ...	200,000,000	4·9	46,333,179	246,333,179	11·1	21,080,930	1·1	931,948,576	41·9	852,965,896	38·6	47,383,093	2·1	35,798,784	1·6	13,727,566	·6	2,211,354,024
1916 ...	200,000,000	4·9	45,533,301	245,533,301	14·7	31,717,865	1·9	717,073,919	44·8	550,943,849	33·1	55,848,745	3·3	22,440,125	1·4	13,057,135	·8	1,666,604,589
1915	200,000,000	4·9	44,859,902	244,859,902	17·6	40,536,895	2·8	574,322,122	41·1	460,752,924	33·0	50,738,160	3·6	14,745,954	1·1	10,690,041	·7	1,396,655,998
1914 ...	200,000,000	4·9	44,154,552	244,154,552	18·1	32,973,515	3·9	481,749,392	35·8	506,160,339	37·6	32,448,231	2·4	18,670,457	1·4	10,725,638	·8	1,347,185,096
1913 ...	200,000,099	4·9	42,605,598	242,605,598	12·9	51,588,010	2·3	694,734,449	37·0	668,034,603	35·6	174,340,206	9·3	26,518,363	1·4	18,604,816	1·0	1,876,425,045

ASSETS.

Dec. 31	Cash in Hand.— Frs.	%	Invest-ments. Frs.	%	Short Loans on Stocks. Frs.	%	Bills Receivable. Frs.	%	Bills for Collection. Frs.	%	Advances on Securities. Frs.	%	Current Accounts, &c. Frs.	%	Liab. (Guarantees for Acceptances. Frs.	%	Bank Premises. Frs.	%	Total Assets. Frs.
1919...264,039,459		7·2	10,081,619	·3	1,441,284	·1	2,411,008,773	65·6	162,815,159	4·4	208,264,158	5·7	512,[illegible]	14·0	83,[illegible]	2·3	15,0[illegible]	·4	3,6[illegible]
1918...299,692,249		12·7	9,361,918	·4	6,859,458	·4	1,513,337,448	64·3	92,594,805	4·0	152,[illegible]	6·5	237,[illegible]	10·0	25,[illegible]	1·0	15,841,844	·7	2,354,[illegible]
1917...359,702,923		16·3	11,776,595	·5	16,146,030	·8	1,388,251,265	60·5	83,271,037	4·0	138,177,473	6·3	194,592,882	8·8	47,[illegible]	2·1	15,841,844	·7	2,211,[illegible]
1916...277,930,814		16·7	15,373,225	·9	18,[illegible]	1·1	916,[illegible]	55·0	99,[illegible]	5·5	121,[illegible]	7·3	156,[illegible]	9·4	54,[illegible]	3·2	15,841,844	·9	1,666,[illegible]
1915...288,955,804		20·7	17,202,737	1·2	20,268,095	1·4	636,[illegible]	45·6	80,[illegible]	5·8	132,[illegible]	9·6	155,[illegible]	11·1	49,[illegible]	3·5	15,841,844	1·1	1,396,[illegible]
1914...386,714,689		28·6	17,181,480	1·3	49,763,074	3·7	555,126,037	26·4	100,881,519	8·1	173,863,184	12·9	205,[illegible]	15·5	51,[illegible]	2·3	15,841,844	1·2	1,347,185,096
1913...123,084,871		6·6	14,600,973	·8	57,412,601	3·1	1,004,360,543	53·5	94,277,222	5·0	200,953,454	10·7	190,[illegible]	10·1	173,[illegible]	9·4	15,841,844	·8	1,876,[illegible]

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of the Crédit Lyonnais.

LIABILITIES.

Dec. 31	Capital Paid up. Frs.	Reserve Funds. Frs.	Total Capital & Reserve. Frs.	% *	Deposits. Frs.	% *	Current Account &c. Frs.	% *	Bills Payable. Frs.	% *	Acceptances. Frs.	% *	Net Profits of Year. Frs.	% *	Total Liabilities. Frs.
1919	250,000,000	200,000,000	450,000,000	9·1	1,601,797,124	32·5	2,630,660,392	54·6	133,000,881	2·7	21,456,939	·4	36,246,644	·7	4,949,153,980
1913	250,000,000	175,000,000	425,000,000	14·9	1,010,338,247	31·3	1,678,260,095	51·1	95,706,094	2·9	9,928,772	·3	27,950,972	·9	3,283,226,113
1917	250,000,000	175,000,000	425,000,000	14·2	911,619,688	30·6	1,524,104,488	51·0	82,192,934	2·8	21,460,744	·7	21,729,680	·7	2,986,098,534
1916	250,000,000	175,000,000	425,000,000	15·6	730,583,276	28·5	1,271,005,964	49·5	95,826,536	3·7	13,997,597	·8	22,340,096	·9	2,564,703,469
1915	250,000,000	175,000,000	425,000,000	18·8	608,135,026	27·0	1,089,022,376	48·2	98,578,889	4·4	18,661,023	·8	18,733,857	·8	2,258,130,871
1914	250,000,000	175,000,000	425,000,000	18·9	683,517,097	30·3	1,114,093,099	49·5	—	—	15,360,465	·7	14,421,604	·6	2,252,392,265
1913	250,000,000	165,000,000	415,000,000	14·7	912,973,258	32·2	1,322,008,061	46·6	—	—	142,435,780	5·0	41,659,248	1·5	2,834,076,347

ASSETS.

Dec. 31	Cash in Hand and at Banks. Frs.	% *	Investments. Frs.	% *	Bills Receivable. Frs.	% *	Advances. Frs.	% *	Current Accounts, &c. Frs.	% *	Liability of Customers for Acceptances. Frs.	% *	Bank Premises. Frs.	% *	Total Assets. Frs.
1919	511,818,104	10·4	5,559,433	·1	3,092,896,383	62·5	203,984,288	4·1	1,069,038,833	21·7	21,456,939	·4	35,000,000	·7	4,940,153,980
1918	442,559,505	13·5	5,580,275	·2	1,913,053,884	58·2	186,737,698	5·7	690,115,979	21·0	9,928,772	·3	35,000,000	1·1	3,283,226,113
1917	617,596,111	20·7	6,223,645	·3	1,671,228,660	55·7	198,166,264	6·7	436,373,110	14·7	21,460,744	·7	35,000,000	1·2	2,986,098,534
1916	689,386,155	26·9	6,244,923	·3	1,191,686,051	46·4	228,487,418	8·9	393,195,825	15·3	13,997,597	·8	35,000,000	1·4	2,564,703,469
1915	591,054,544	26·2	8,551,798	·4	995,012,387	44·1	242,830,362	10·8	367,020,757	16·2	18,661,023	·8	35,000,000	1·5	2,258,130,871
1914	721,361,384	32·0	8,608,325	·4	653,589,065	29·0	321,776,870	14·3	496,695,956	22·0	15,360,465	·7	35,000,000	1·6	2,252,392,265
1913	174,406,835	6·1	8,892,952	·3	1,517,975,057	53·6	353,865,516	12·5	601,499,667	21·3	142,435,780	5·0	35,000,000	1·2	2,834,076,347

* Per cent. of Total Liabilities or Assets.

million francs, and in 1900 it reached 100 million francs. This last amount has since been doubled, making 200 million francs. The whole has been accumulated partly out of profits, partly from premiums on shares.

The French banks as a whole perform extremely valuable services to their country, in that the wealth of France is mainly composed of the small savings of a large number of people, and the banks play the leading part in directing such savings into the right channels. The Crédit Lyonnais, the greatest joint-stock Bank of France, is no exception to this rule. Its deposits at the end of 1918 amounted to 2,724,640,000 francs, and the continued expansion of the Bank's business has brought them to 4,299,417,000 francs at the end of 1919. In 1910 deposits only amounted to 1,907 million francs. The Bank employs a great part of its funds in the discount of bills having an average maturity of about sixty days, and can readily command immediate control of cash by rediscounting them at the Bank of France. A large number of these bills were repaid in 1914, increasing the cash balance to 721 million francs. Since then, however, bills have again been taken in, and the cash balance has accordingly dropped back to more normal figures, though it is very much higher than it ever was previous to the War, and now amounts to 511 million francs, as compared with 442 million francs on December 31, 1918. The bills have reached the large total of 3,092,896,383 francs, an increase over the previous year's figure of 1,179 million francs. The Bank's profit has risen in keeping with its increasing business, the net profit for 1919 being 36,246,000 francs, as compared with 27,950,000 francs for 1918. The dividend has risen from eight per cent. in 1917 to ten per cent. in 1918 and twelve per cent. in 1919. The net profit is equal to 14·4 per cent. on the capital, and to 8·0 per cent. on the total of capital and reserve.

Year to Dec. 31	Net Profit. Frs.	Dividend. Amount. Frs.	Rate. %	Balance. Frs.	Special Allot'ns. Frs.	Carried Forward. Frs.
1919	36,246,644	30,000,000	12	6,246,644	—	10,910,405
1918	27,950,972	25,000,000	10	2,950,972	25,000,000	4,663,760
1917	21,720,680	20,000,000	8	1,720,680	—	26,712,788
1916	22,340,096	20,000,000	8	2,340,096	—	24,992,109
1915	18,733,857	15,000,000	6	3,733,857	—	22,652,012
1914	14,421,604	12,500,000	5	—	—	18,918,155

SOCIÉTÉ GÉNÉRALE.

Head Office: 29 Boulevard Haussmann, Paris.
London Offices: 53 Old Broad Street, E.C. 2, and 65-67 Regent Street, W. 1.

Capital—

Authorised and Issued, 1,000,000 Shares of Frs. 500 ... ... Frs 500,000,000
Paid up, Frs. 250 per Share... 250,000,000

ESTABLISHED in 1864, the Société Générale has built up a great banking business, and, by reason of its extensive growth of deposits, has placed a huge amount of money at the services of French trade. It was founded for the purpose of fostering trade and industry in France, and it has been the means of raising from investors a large amount of capital for the extension of such trade and industry. It has also raised money for loans to foreign countries, and has not omitted to strike into foreign fields on its own account, as in addition to some hundreds of branches in France and some in Algeria, Tunis and Morocco, it has branches at San Sebastian and Barcelona in Spain, and two offices in London. It is also interested in subsidiary banks operating in Switzerland, Belgium, Russia, Greece, Turkey and South America. The branch at Barcelona was opened in May 1919, and has already proved itself a success.

At the outbreak of war, the Bank, owing to an unfortunate combination of circumstances, was in some difficulties, but with the assistance of the Bank of France and some other financial support it pulled through successfully. To-day it is in a stronger position than ever, as a glance at the figures of recent years will show. The accounts for the year 1919 showed a large increase in nearly every item of the balance sheet, the total assets having increased from 2,447 million francs in 1918 to 4,612 millions. Public confidence in the institution is shown by the large increase in deposit and current account balances, the former having increased from 233 millions to 247 millions, the latter from 1,877 millions to 3,975 millions.

Important changes took place in 1917 with regard

Liabilities and Assets of the Société Générale (de Paris).

LIABILITIES.

Dec. 31	Capital Paid up. Frs.	Reserve Funds. Frs.	Total Capital and Reserve. Frs.	% *	Bills Payable. Frs.	% *	Fixed Deposits. Frs.	% *	Current Accounts, &c. Frs.	% *	Profit Balance. Frs.	% *	Total Liabilities. Frs.
1919	250,000,000	50,704,856	300,704,856	6·5	66,779,783	1·4	247,312,200	5·4	3,975,121,272	86·2	22,251,889	·5	4,612,170,000
1918	250,000,000	50,704,856	300,704,856	12·3	18,991,856	·8	233,117,300	9·5	1,877,673,375	76·7	16,810,608	·7	2,447,298,005
1917	250,000,000	50,704,856	300,704,856	14·1	22,203,632	1·0	232,935,700	11·0	1,556,540,709	73·2	13,569,550	·7	2,125,954,447
1916	250,000,000	50,704,856	300,704,856	20·8	13,641,859	·9	242,596,800	16·8	876,055,836	60·8	10,771,139	·7	1,443,570,490
1915	250,000,000	117,247,506	367,247,506	25·8	44,387,620	3·1	248,215,100	17·4	743,531,458	52·2	21,150,778	1·5	1,424,732,462
1914	250,000,000	127,247,506	377,247,506	24·0	102,887,123	6·5	238,480,500	15·2	843,059,711	53·6	10,750,386	·7	1,571,925,026
1913	250,000,000	124,516,430	374,516,430	15·9	175,734,616	7·4	207,193,000	8·8	1,585,523,974	67·1	18,747,265	·8	2,361,715,285

ASSETS.

Dec. 31	Cash in Hand and Coupons Payable. Frs.	% *	Investments. Frs.	% *	Short Loans on Stocks. Frs.	% *	Bills. Frs.	% *	Advances. Frs.	% *	Current Accounts, &c. Frs.	% *	Bank Premises. Frs.	% *	Total Assets. Frs.
1919	322,142,416	7·0	118,071,354	2·5	8,810,828	·2	2,798,922,967	60·7	321,161,086	7·0	986,639,410	21·4	56,422,039	1·2	4,612,170,000
1918	164,012,192	6·7	120,530,834	4·9	16,330,214	·7	1,200,036,606	49·0	227,782,677	9·3	663,971,459	27·2	54,634,023	2·2	2,447,298,005
1917	309,507,570	14·5	120,309,418	5·9	19,376,094	·9	795,722,250	37·4	259,761,884	12·2	566,768,208	26·6	54,509,023	2·5	2,125,954,447
1916	96,340,049	6·7	124,482,703	8·6	19,454,574	1·4	413,339,886	28·6	248,905,172	17·2	486,573,012	33·7	54,475,094	3·8	1,443,570,490
1915	139,476,739	9·8	137,425,258	9·6	30,653,881	2·2	283,539,465	19·9	257,317,705	18·1	521,872,145	36·6	54,447,269	3·8	1,424,732,462
1914	118,304,047	7·5	117,476,524	7·5	56,539,828	3·6	299,899,867	19·1	318,228,773	20·2	608,019,791	38·7	53,466,196	3·4	1,571,925,026
1913	214,874,600	9·1	116,593,899	4·9	119,436,189	5·1	971,249,641	41·1	328,250,523	14·0	560,741,503	23·7	50,568,930	2·1	2,361,715,285

* Per cent. of Total Liabilities or Assets.

SVENSKA HANDELSBANKEN A.B. 1871

"The Swedish Bank of Commerce."

Svenska Handelsbanken
surpasses
any other Swedish Bank in
Total of Resources
Number of Depositors
Total of Deposits
Number of Branches
Capital and Reserves:
Kr. 180,000,000

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Telegraphic Address: "Handelsbank."
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254 Branches embracing the whole of Sweden.

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ESTABLISHED 1857.

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Branches:
MADRID BARCELONA VALENCIA VITORIA
PARIS: 27 Rue Vivienne, Place de la Bourse
LONDON: 5 Bishopsgate Street, E.C. 2.

Authorised Capital	Pesetas	100,000,000
Paid-up Capital	,,	56,391,200
Reserve Fund	,,	59,391,200

The only Spanish Bank operating in England.
The London Branch has been established with a view to the development of Anglo-Spanish Commerce.
Current Accounts opened and interest at the rate of Five per Cent. per annum allowed on daily balance.
Accounts in Francs, Pesetas and other Currencies, bearing interest, also opened.
Foreign Exchange, Stock Exchange and Banking Business of every description carried out.

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STOCKHOLMS ENSKILDA BANK

N.B.—BANK WITH UNLIMITED LIABILITY.
Established 1856.

STOCKHOLM.

CAPITAL (entirely paid up) - Kr. 31,500,000
RESERVE FUNDS ,, 48,500,000

Banking and Exchange Business of every description.
Bills negotiated or forwarded for Collection.
Letters of Credit issued available in the principal Cities of the World.
Remittances made by Telegraphic Transfer.
Deposits received for fixed periods or at notice.

London Agents:
LONDON COUNTY WESTMINSTER & PARR'S BANK Ltd.
FREDK. HUTH & CO.
THE BRITISH BANK OF NORTHERN COMMERCE Ltd.
C. J. HAMBRO & SON.

to the administration of this Bank, a syndicate being formed of large metallurgic and steel interests in France, which acquired control of the Société Générale. This control has had the effect of causing the Bank to live fully up to its title in the matter of furthering the interests of French commerce and industry.

The Bank felt the effects of the outbreak of war, and in 1915 paid no dividend, owing largely to depreciation of assets, provision being made for this as far as possible. Since then, however, the dividend has increased by one per cent. each year, four per cent. being paid in 1916 and seven per cent. for 1919. The net profit last year amounted to 20,765,386 francs, of which 722,712 francs was due as remuneration to the Administrative Council. Over one million francs was transferred to reserve, *i.e.* a statutory five per cent. of the profits, and 2,990,907 francs was carried forward.

Year to Dec. 31	Gross Profit. Frs.	Expenses and Taxes. Frs.	Net Profit. Frs.	Dividend. Amount. Frs.	Dividend. Rate. %	To Reserve Fund, &c. Frs.	Carried Forward. Frs.
1919 ...	—	—	*20,042,675	17,500,000	7	1,038,269	2,990,906
1918 ...	—	—	*15,416,952	15,000,000	6	—	1,486,502
1917 ...	—	—	12,798,411	12,500,000	5	—	1,069,550
1916 ...	—	—	10,771,139	10,000,000	4	—	771,139
1915 ...	—	—	10,400,391	—	Nil	21,150,778	—
1914 ...	—	—	10,256,574	10,000,000	4	Nil	†10,750,386
1913 ...	37,394,386	13,711,909	23,682,477	20,833,333	8.3	2,731,076	493,814

* After deducting (1918) Frs. 324,106 and (1919) Frs. 722,712 remuneration to the Administrative Council.
† Includes 10,000,000 francs appropriated from reserve.

The Bank has entered into a close understanding with several American institutions and with banking concerns operating in South America, and it has also assisted in the formation of the Banque Française de Syrie.

GERMAN BANKS.

DARMSTÄDTER BANK.

(BANK FÜR HANDEL UND INDUSTRIE.)

Head Offices: Berlin and Darmstadt (Germany).

Capital—

Subscribed and Paid up, in 158,203 Shares of 1,000 marks and 4,193 of 250 florins each, all fully paid (no further liability)... M. 160,000,000

Established in Darmstadt in 1853, this Bank became, after the foundation of the German Empire, one of the large banks of Germany. Its sphere of influence was early extended beyond Darmstadt, an agent being appointed in Frankfort in 1854, followed by a branch in 1864, and to-day the Bank has branches and agencies in all the principal German towns. During the course of its career it has raised large sums of money from the public for the promotion of banking, industry, and commerce, and has been instrumental in forming at different times banks which operated in Holland, China, Brussels, and Roumania, its holding of shares in these banks having been considerable. The expansion of business has caused frequent increases of capital, and the latter reached its present figure of 160 million marks in 1910. The reserve fund has stood at 32 million marks since the same date.

The gross profit for 1919 of over 85 million marks was more than double that for 1918. Expenses, too, have enormously increased from 33 million marks in 1918 to 64 millions in 1919, leaving the net profit for last year 20,298,278 marks, as compared with 8,764,092 for 1918. This larger sum enabled the Bank to increase its dividend from six per cent. to eight per cent., and after allocating, among other amounts, three million marks to reserve, to carry forward a rather larger amount than last year. The reserve was thus brought up to 35 million marks. The six per cent. dividend paid in 1918 necessitated the using of part of the amount brought forward from the previous year.

The balance sheet for 1919 shows largely increased figures over those of 1918. Deposits have risen from 1,999 million marks to 3,980 millions, while the total of assets has increased from 2,266 to 4,359 million marks, bills and overdrafts also showing marked advances.

Year to Dec. 31	Gross Profit. Marks.	Expenses. Marks.	Net Profit. Marks.	Dividend. Amount. Marks.	Dividend. Rate. %	Special Allocations. Marks.	Carried Forward. Marks.
1919 ...	85,113,666	64,845,388	20,298,278	12,800,000	8	7,447,400	628,805
1918 ...	42,100,338	33,336,246	8,764,092	9,600,000	6	256,000	577,928
1917 ...	35,291,567	22,650,633	12,640,934	11,200,000	7	384,000	1,669,836
1916 ...	27,149,842	16,680,940	10,468,902	9,600,000	6	256,000	612,902
1915 ...	24,571,423	16,444,364	8,127,059	8,000,000	5	—	607,200
1914 ...	23,539,455	17,138,801	6,400,654	6,400,000	4	—	480,141
1913 ...	26,738,409	16,334,222	10,404,187	10,400,000	6½	—	479,487

DEUTSCHE BANK.

Head Office: Berlin.

Capital—

Authorised, Issued and Paid up ... ... M. 275,000,000

This large German institution was established in 1870, and soon developed into a concern of considerable importance, with a very wide field of operations. In 1871 a branch was opened in New York, and other offices were established overseas, including a London office in George Yard, Lombard Street. Subsidiary banks or allied institutions were operating in almost every country, including the United States of America, Central and South America and Asia. In 1886 was formed the Deutsche Ueberseeische Bank, later the Mexikanische Bank für Handel und Industrie, and in 1889 it assisted in financing the Anatolian Railway in Turkey, and helped to create the Deutsch-Asiatische Bank. The War, however, put an end to most of the Bank's activities abroad, and its banking is now

Liabilities and Assets of the Darmstädter Bank (Bank für Handel und Industrie).

LIABILITIES.

Dec. 31	Capital Paid up. Marks.	Reserve Funds. Marks.	Total Capital and Reserve. Marks.	% *	Deposits and Current Accounts. Marks.	% *	Acceptances. Marks.	% *	Miscellaneous. Marks.	% *	Profit Balance. Marks.	% *	Total Liabilities. Marks.
1919...	160,000,000	32,000,000	192,000,000	4·4	3,980,455,765	91·3	115,933,690	2·7	50,473,140	1·1	20,876,205	·5	4,359,738,800
1918...	160,000,000	32,000,000	192,000,000	8·5	1,999,995,299	88·3	47,894,045	2·1	15,935,815	·7	10,433,928	·4	2,266,259,087
1917...	160,000,000	32,000,000	192,000,000	11·3	1,435,933,445	84·4	51,755,431	3·0	7,731,374	·5	13,253,836	·8	1,700,674,086
1916...	160,000,000	32,000,000	192,000,000	15·6	969,801,184	78·6	60,702,070	4·9	1,556,975	·1	10,468,902	·8	1,234,529,131
1915...	160,000,000	32,000,000	192,000,000	18·4	750,548,687	72·1	89,352,747	8·6	772,029	—	8,719,200	·9	1,041,392,663
1914...	160,000,000	32,000,000	192,000,000	19·4	592,161,866	59·7	198,894,671	20·1	957,156	·1	6,880,141	·7	990,893,834
1913...	160,000,000	32,000,000	192,000,000	19·6	607,680,900	62·1	166,351,427	17·0	946,686	·1	11,159,487	1·2	978,138,500

ASSETS.

Dec. 31	Cash in Hand and Coupons. Marks.	% *	Investments. Marks.	% *	Bills. Marks.	% *	Advances. Marks.	% *	Current Accounts, &c. Marks.	% *	Liability of Customers for Acceptances. Marks.	% *	Bank Premises. Marks.	% *	Total Assets. Marks.
1919...	272,179,659	6·2	110,387,374	2·5	2,140,294,410	49·1	416,303,303	9·6	1,277,056,743	29·3	115,933,690	2·7	27,493,621	·6	4,359,738,800
1918...	209,109,286	9·2	126,119,016	5·5	847,933,312	37·4	393,322,396	17·4	617,575,532	27·2	47,894,045	2·1	24,275,470	1·1	2,266,259,087
1917...	124,741,937	7·3	98,339,433	5·8	379,751,773	22·3	402,381,484	23·8	622,191,768	36·5	51,755,431	3·0	21,616,260	1·3	1,700,674,086
1916...	103,519,678	8·4	96,335,277	7·8	210,599,581	17·1	281,523,801	22·8	460,693,277	37·3	60,702,070	4·9	20,655,447	1·7	1,234,529,131
1915...	92,178,476	8·9	107,207,725	10·3	191,944,438	18·4	127,764,694	12·2	412,028,949	39·6	89,352,747	8·6	20,915,634	2·0	1,041,392,663
1914...	63,491,146	6·4	109,751,973	11·1	174,382,088	17·6	115,409,135	11·6	310,321,254	31·3	198,894,671	20·1	18,643,567	1·9	990,893,834
1913...	48,385,481	5·0	107,024,706	10·9	185,022,878	18·9	127,663,771	13·1	325,368,126	33·3	166,351,427	17·0	18,322,111	1·8	978,138,500

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Deutsche Bank.

LIABILITIES. Dec. 31	Capital Paid up. Marks.	Reserve Funds. Marks.	Current Accounts, &c.—Capital & Reserves. Marks.	%	—Deposits, &c. Marks.	%	—Acceptances. Marks.	%	—Miscellaneous. Marks.	%	Profit Balances. Marks.	%	Total Liabilities. Marks.
1919 ...	275,000,000	230,000,000	505,000,000	3·2	15,[illegible]4,135,185	95·2	138,[illegible]6,449	·9	45,142,918	·3	[illegible]1,461,822	·4	15,791,869,765
1918 ...	275,000,000	250,000,000	525,000,000	6·5	7,[illegible]16,928	91·6	71,407,[illegible]	·9	[illegible]4,240	·4	19,576,134	·6	7,833,040,026
1917 ...	275,000,000	225,000,000	500,000,000	7·9	5,869,308,772	89·9	65,464,095	1·0	12,747,628	·2	62,275,989	1·0	6,309,796,994
1916 ...	250,000,000	180,000,000	430,000,000	10·6	3,[illegible]85,409	85·9	69,[illegible]85	1·7	23,855,007	·6	19,[illegible]80	1·2	4,076,738,481
1915 ...	250,000,000	178,500,000	428,500,000	13·5	2,[illegible]695,770	80·4	122,797,512	4·0	16,752,375	·5	49,643,586	1·6	3,159,299,483
1914 ...	250,000,000	178,500,000	428,500,000	16·0	2,[illegible]100,790	76·0	162,557,705	6·0	14,190,635	·5	41,074,482	1·5	2,688,423,610
1913 ...	200,000,000	112,500,000	312,500,000	13·9	1,[illegible]045,790	70·4	300,703,095	13·4	16,[illegible]915	·7	35,745,407	1·6	2,245,675,207

ASSETS. Dec. 31	Cash in Hand and —at Bankers.— Marks.	%	Investments, including Treasury —Bonds.— Marks.	%	Syndicate and Shares in Allied —Banks.— Marks.	%	Bills —Receivable.— Marks.	%	Stock Exchange —Loans.— Marks.	%	Increased —Advances.— Marks.	%	Bank —Premises.— Marks.	%	Total Assets. Marks.
1919 ...	1,939,206,020	12·3	175,81[illegible],716	1·1	77,122,[illegible]73	5	[illegible]738,946,[illegible]02	61·6	275,[illegible],599	1·7	3,[illegible]52,[illegible]85	22·5	1,[illegible]4,662	·3	15,791,869,765
1918 ...	751,139,090	9·6	242,402,454	3·1	65,[illegible]2,[illegible]	·8	4,[illegible]8,457,660	58·9	624,[illegible],[illegible]	8·0	1,[illegible]3,[illegible]06	19·1	40,000,002	·5	7,833,[illegible]26
1917 ...	1,006,229,712	15·9	52,680,771	·8	69,072,390	1·1	5,254,326,230	51·6	609,017,130	9·5	1,283,[illegible]70,[illegible]	20·3	41,[illegible]02	·7	6,309,796,994
1916 ...	498,180,908	12·2	165,191,632	4·1	102,688,650	2·5	1,661,159,611	40·7	522,809,096	12·8	1,086,708,583	26·7	40,[illegible]01	1·0	4,076,[illegible]81
1915 ...	408,155,569	12·9	167,973,624	5·3	113,360,768	3·6	1,918,639,942	32·2	329,745,745	10·4	1,076,[illegible]97	34·2	41,[illegible]02	1·4	3,159,299,483
1914 ...	357,079,200	13·3	172,910,242	6·4	113,345,432	4·2	674,610,444	25·1	254,399,310	9·5	1,073,018,[illegible]0	39·9	45,[illegible]12	1·6	2,688,423,610
1913 ...	189,183,536	8·4	161,201,623	7·2	135,951,[illegible]8	6·1	639,402,312	28·4	233,226,705	10·4	855,229,233	38·1	31,[illegible]00	1·4	2,245,675,207

* Per cent. of Total Liabilities or Assets. † Including liability of Customers for acceptances, for amount of which see contra.

confined, outside Berlin, to 108 offices in Central Europe.

In 1870 the capital was 15 million marks, increased in 1871 to 30 million marks. By 1896 the capital had reached 100 million marks, and in 1914, 250 millions. In 1917, two banks were absorbed, the Schlesischer Bankverein of Breslau, and the Norddeutsche Creditanstalt of Koenigsberg, and the capital was further raised to 275 million marks. At the present time it is only for the purposes of fusion that new issues of capital are allowed to the German banks: official control prevents them from increasing their capital to expand their own business. The Deutsche Bank is now proposing to take over the Hannoversche Bank, the Privatbank zu Gotha, the Braunschweiger Privatbank and the Wuerttembergische Vereinsbank, and to purchase a large holding in the Hildesheimer Bank, and for this purpose intends to raise its capital by 125 million marks to 400 millions. The War does not appear to have effected the Bank's profit-earning capacity. The net profits increased from 33 million marks for 1913 to 50 million marks for 1917. 1918 showed a falling off of about seven millions, but last year this was more than made good, and the net profit amounted to 62,527,129 marks. These high figures are, however, largely due to the enormous inflation of the monetary media in Germany. The expenses alone, without taxes, have risen during 1919 by over 50 million marks. In 1917 the rate of dividend was raised to fourteen per cent., but the rate since has been twelve per cent. per annum.

Year to Dec. 31	Gross Profit. Marks.	Expenses.* Marks.	Net Profit. Marks.	Dividend. Amount. Marks.	Rate. %	Special Apprns. Marks.	Carried Forward. Marks.
1919	213,521,164	150,[illegible]49,[illegible]01	62,[illegible]29	33,000,000	12	20,138,[illegible]10	11,[illegible]81
1918	130,573,579	87,420,015	43,153,564	33,000,000	12	14,638,441	1,937,693
1917	112,313,911	62,310,869	50,003,242	38,500,000	14	17,352,419	6,423,570
1916	86,900,249	49,173,023	37,787,226	31,350,000	12½	6,429,033	12,272,747
1915	78,611,428	33,083,723	37,527,703	31,350,000	12½	6,329,032	12,164,554
1914	74,434,609	37,637,039	36,807,570	25,000,000	10	3,958,602	12,115,880
1913	68,307,136	34,560,936	33,745,562	25,000,000	12½	7,498,400	4,266,912

* Includes taxes as follows: 1919, M.24,500,847; 1918, M.12,628,[illegible]92; 1917, M.7,[illegible]49; 1916, M.5,[illegible]62; 1915, M. 1,140,670; 1914, M. 416,005; 1913, M. 3,977,697.

The Bank's total turnover for 1919 was 428,878 million marks, as compared with 242,952 millions in 1918, and 129,201 millions for 1913. The liabilities entered into abroad for account of the German Empire and the Reichsbank were considerably higher in 1919 than in the preceding year, owing to the rise in the foreign exchanges, and this also accounts for the increase of "guarantee account." These liabilities have been to some extent reduced during the current year.

DIRECTION DER DISCONTO-GESELLSCHAFT.

Head Office: Berlin.

Capital—

Authorised, Issued and Paid up ... ... M. 310,000,000*

*In addition to the Ordinary shareholders there are seven acting partners, whose liability is unlimited.

This institution was founded in 1851 by a former Prussian Minister of Finance. Its original object was to provide cheap credit accommodation for its members, who were mostly small traders and business men, but in 1856 it was turned into a banking concern, and under expert management it rapidly developed its business and soon became a bank of considerable importance. During last century its business was largely centralised in Berlin, but, following the tendency of the times, it has since opened several branches outside that city. It had already, however, become interested in many concerns working far afield, *e.g.*, the La Plata Bank (since sold to the Deutsche Bank); the German Trade and Plantation Company in the South Sea Islands; the Brasilianische Bank für Deutschland; the Deutsch-Asiatische Bank; the Banco de Chile y Alemania; besides several others. In 1900 an office was opened in London, the business of which was of course liquidated after the outbreak of war.

The Bank's recent growth has been marked by a series of important amalgamations. In 1917 the Suddeutsche Disconto-Gesellschaft, the Rheinische-Westfälische Disconto-Gesellschaft and the Königsberger Vereinsbank were absorbed. A working arrangement was entered into with the Vereinsbank in Hamburg. In 1918 five provincial banks were absorbed, *i.e.*, M. Gladbacher Bankverein, with capital

Liabilities and Assets of the Direction der Disconto-Gesellschaft.

LIABILITIES. Dec. 31	Capital Paid up. Marks.	Reserve Funds. Marks.	Total Capital —and Reserve. Marks.	%	Deposits, Current Accounts, &c. Marks.	%	Acceptances and Cheques. Marks.	%	Staff Pension Fund, &c. Marks.	%	Profit —Balances.— Marks.	%	Total Liabilities. Marks.
1919 ...	310,000,000	140,000,000	450,000,000	5·0	8,[illegible]42,330,[illegible]70	93·3	127,765,880	1·4	7,994,842	·1	48,[illegible]85,[illegible]0	·5	9,076,095,030
1918 ...	310,000,000	134,000,000	444,000,000	10·2	3,[illegible]60,011,158	87·4	68,252,798	1·6	2,[illegible]23,[illegible]1	·1	35,043,486	·7	4,321,261,179
1917 ...	310,000,000	134,000,000	444,000,000	12·3	2,[illegible]70,244,[illegible]15	83·7	63,408,802	2·0	6,[illegible]12,237	·2	40,033,249	1·2	3,429,597,781
1916 ...	300,000,000	120,000,000	420,000,000	19·5	1,414,577,846	78·4	41,834,968	2·1	5,[illegible]46,[illegible]	·3	37,339,191	1·7	2,153,,[illegible]028
1915 ...	300,000,000	118,975,000	418,975,000	23·0	1,262,778,275	69·4	100,828,774	5·5	6,271,125	·4	31,481,498	1·7	1,820,334,672
1914 ...	300,000,000	118,975,000	418,975,000	23·8	985,681,[illegible]72	57·3	152,680,230	10·9	6,071,396	·4	23,121,515	1·6	1,406,530,113
1913 ...	200,000,000	81,300,000	281,300,000	22·8	674,022,980	54·4	250,911,010	20·3	6,431,750	·5	25,493,650	2·0	1,238,253,370

ASSETS. Dec. 31	Cash, &c., in Hand & —at Bankers.— Marks.	%	Securities, Syndicates, Participation in Other —Banks, &c.— Marks.	%	Loans —on— Marks.	%	Bills —Receivable.— Marks.	%	Current —Accounts.— Marks.	%	Bank Premises, &c Marks.	%	Total Assets. Marks.
1919 ...	1,595,421,011	17·5	3[illegible],[illegible]61,[illegible]	3·7	184,[illegible]2,[illegible]7	2·0	4,[illegible]26,[illegible]18	46·7	2,681,[illegible]03,983	29·5	8[illegible],[illegible]0	·5	9,076,095,030
1918 ...	611,397,[illegible]6	14·2	2[illegible],[illegible]61,[illegible]	8·5	3[illegible],[illegible]2	7·3	1,975,117,263	45·7	1,012,[illegible]2,[illegible]	23·4	37,918,595	·9	[illegible]
1917 ...	414,788,488	13·1	3[illegible],682,109	10·0	315,771,825	9·3	1,618,213,212	47·2	6[illegible],266,486	19·4	33,925,711	1·0	3,429,597,781
1916 ...	284,669,931	13·2	3[illegible],189,185	15·2	145,[illegible],210	6·8	831,39[illegible],[illegible]	38·6	[illegible],[illegible],[illegible]	24·8	30,831,843	1·4	2,153,[illegible]028
1915 ...	224,924,927	12·4	3[illegible],609,487	17·8	137,[illegible],582	7·6	625,[illegible],[illegible]	34·5	477,[illegible]0[illegible]	26·2	30,919,407	1·7	1,820,334,672
1914 ...	142,489,420	10·1	3[illegible],064,540	23·3	115,[illegible],632	8·4	361,[illegible],012	25·6	417,[illegible],839	30·6	28,[illegible]1	2·0	1,406,530,113
1913 ...	120,927,110	9·7	211,547,290	17·0	238,[illegible],290	19·3	257,539,350	20·8	391,295,160	31·7	18,[illegible]0	1·5	1,238,[illegible]370

* Per cent. of Total Liabilities or Assets.

of seventeen million marks; Westfälische-Lippische Vereinsbank, Bielefeld, with a capital of seven million marks; Westentsche Vereinsbank, Munster, capital 2,750,000 marks; Gronauer Bankverein, capital one million marks; and Rheiner Bankverein, capital one million marks.

To keep pace with its expansion, the Bank has several times increased its capital. In 1872 it was raised from thirty million marks to sixty millions, and in 1889 to seventy-five millions. In 1895 the Norddeutsche Bank in Hamburg was purchased, and the capital raised to 115 million marks. In 1898 there was a further increase to 130 million marks, in 1902 to 150 millions, in 1904 to 170 millions, and in 1911 to 200 millions, while in 1914 a rise of 100 million marks was effected, partly in connection with the acquisition of shares in the A. Schaaffhausen'scher Bankverein of Cologne. The Bank now owns the whole capital of this institution and of the Norddeutsche Bank in Hamburg. Both these subsidiaries publish their accounts separately, and, though their credit is bound up with that of the parent concern, their businesses are carried on separately. The total deposits of the three banks on December 31 last amounted to over 10 milliards of marks, and the total turnover to 398,422,362,953 marks. In 1917 the capital of the Disconto-Gesellschaft was increased to its present figure of 310 million marks.

The Disconto-Gesellschaft has been instrumental in making many new issues of loans and in forming new companies, and is connected with several large industrial enterprises. The special form of this type of business in Germany, somewhat outside the sphere of regular banking, was chiefly instituted by this Bank.

A glance at the figures of recent balance sheets will reveal the enormous inflation that has taken place—an indication of the general state of affairs in Germany. Deposits are more than twelve times their pre-War figure, and amounted on December 31 last to 8,442 million marks, having increased by 4,600 millions during the year 1919. The cash total appears high and has risen from 611 millions to 1,593 millions during the year, but it includes coupons as well as balances with other banks. The expansion has naturally had an effect on the net profit, which has risen from 31,723,000 marks for 1918 to 53,197,000 marks for 1919. The dividend was increased from nine per cent. to ten per cent., and over six million marks carried forward, as compared with 305,000 marks brought forward from the previous year.

Year ended Dec. 31	Gross Profit. Marks.	Expenses. Marks.	Net Profit. Marks.	Dividend.* Amount. Marks.	Rate. %	Special Apprns. Marks.	Carried Forward Marks
1919	128,739,871	75,142,286	53,197,585	37,887,781	10	9,215,020	6,094,784
1918	71,823,956	40,100,467	31,723,513	31,000,387	9	710,000	305,715
1917	65,109,514	26,045,388	39,154,388	38,440,541	11	1,657,464	292,419
1916	56,130,013	20,893,783	35,752,595	34,038,290	10	2,028,101	1,236,226
1915	18,402,218	13,456,944	28,945,274	28,271,052	8½	672,857	1,235,446
1914	38,662,769	17,797,863	20,864,906	20,250,000	8	597,857	1,234,080
1913	39,274,360	14,756,650	24,517,710	22,936,840	10	1,572,860	1,217,030

* Including partners' and directors' participation.

DRESDNER BANK.

Head Office: Dresden, Germany.

Capital—
Authorised and Issued ... ... M. 260,000,000

THE Dresdner Bank, which was founded in 1872 to take over the banking business of Michael Kaskel, has become the third largest joint-stock bank in Germany. The rapid development of banking in Berlin caused the Bank to open a branch there in 1881, and though the control of the business is still nominally in the hands of the Dresden office, the real direction emanates from Berlin. The process of absorption and amalgamation has been going on in Germany as well as in other countries, largely in view of the difficult times experienced and expected. In 1917 the Dresdner Bank effected an amalgamation with the Rheinisch-Westfalische Disconto-Gesellschaft of Aachen, and it also absorbed the Marckische Bank. By the first fusion the Dresdner Bank gained a big hold on the business of the Rhineland and Westphalia. In 1918 the Dresdner Bank of Saxony, with a share capital of 2,500,000 marks, was taken over.

The original capital of the Bank was 9,600,000 marks. The effect of the development of its business and of the absorptions of other concerns has been to swell this amount, and in 1899 it stood at 130 million marks, in 1910 at 200 millions. Then in 1917 it was further increased to its present figure of 260 million marks. The reserves, which have also been largely added to, amounted at the end of 1919 to 80 million marks, while in addition the undivided balance of profit on December 31 was over 50 million marks.

The net profit realised for 1919 was 35,626,000 marks, compared with M.21,874,000 for the previous year and M.28,598,000 for 1917. The rate of dividend was raised from seven per cent. to nine per cent., as compared with eight and a-half per cent. paid in 1916 and 1917. Although the gross profit was almost doubled for 1919, expenses also were very high, having risen to 99 millions from 51 millions in 1918.

The balance sheet totals showed a remarkable increase during 1919, from 4,596 million to 8,824 million marks. The expansion is chiefly accounted for by general inflation and high prices. Deposits and acceptances are responsible for the major portion of the increase on one side, while on the other side cash in hand, bills receivable, and loans have risen materially.

Year to Dec. 31	Gross Profit. Marks.	Expenses.* Marks.	Net Profit. Marks.	Dividend.—Amt. Marks.	Dividend.—Rate. %	Special Apprns. Marks.	Carried Forw'd. Marks.
1919	135,615,453	99,989,081	35,626,372	23,400,000	9	8,877,042	3,738,103
1918	73,678,010	51,803,589	21,874,421	18,200,000	7	3,751,239	388,778
1917	67,546,811	28,948,293	28,598,518	17,000,000	8½	9,049,814	465,596
1916	49,077,976	26,364,288	22,713,688	17,000,000	8½	5,710,179	486,546
1915	40,697,102	21,450,906	19,246,196	12,000,000	6	7,239,747	483,037
1914	41,446,603	22,836,188	18,610,415	12,000,000	6	6,340,520	476,588
1913	43,170,890	24,196,747	18,974,143	17,000,000	8½	2,044,050	206,693

* Includes taxes as follows: 1919, M.12,909,569; 1918, M.5,519,893; 1917, M.2,569,654; 1916, M.2,585,294; 1915, M.2,317,037; 1914, M.2,347,895; 1913, M.2,230,570.

Liabilities and Assets of The Dresdner Bank.

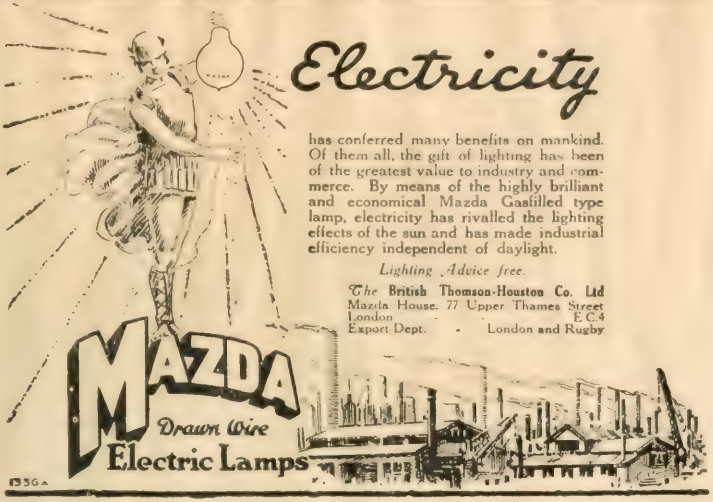
LIABILITIES.

Dec. 31	Capital Paid up. Marks.	Reserve Funds. Marks.	Total Capital and Reserve.— Marks.	%	Current Accounts and Deposits.— Marks.	%	Acceptances.— Marks.	%	Miscellaneous. Marks.	%	Profit Balance.— Marks.	%	Total Liabilities. Marks.
1919	260,000,000	80,000,000	340,000,000	3·8	8,126,196,723	92·1	297,869,052	3·4	9,388,092	·1	50,658,039	·6	8,824,032,606
1918	260,000,000	80,000,000	340,000,000	7·4	4,150,816,355	90·3	65,699,985	1·4	7,281,652	·2	34,202,879	·7	4,596,000,815
1917	260,000,000	80,000,000	340,000,000	10·0	2,947,690,260	86·5	75,524,263	2·2	7,467,184	·2	36,127,407	1·1	3,406,809,114
1916	200,000,000	61,000,000	261,000,000	12·3	1,759,826,781	82·8	68,925,248	3·2	6,249,697	·3	30,828,037	1·4	2,126,829,763
1915	200,000,000	61,000,000	261,000,000	16·6	1,192,801,473	75·6	92,313,793	5·8	5,762,019	·4	24,978,616	1·6	1,576,855,901
1914	200,000,000	61,000,000	261,000,000	19·0	948,517,983	68·4	146,628,688	10·5	5,882,002	·4	23,999,586	1·7	1,386,028,259
1913	200,000,000	61,000,000	261,000,000	17·0	958,395,690	62·3	287,315,530	18·7	5,136,280	·3	26,278,750	1·7	1,538,126,250

ASSETS.

Dec. 31	Cash in Hand, &c.— Marks.	%	Investments.— Marks.	%	Syndicates. Marks.	%	Bills Receivable.— Marks.	%	Loans.— Marks.	%	Current Accounts, &c.— Marks.	%	Bank Premises.— Marks.	%	Total Assets. Marks.
1919	1,338,918,406	15·2	175,774,852	2·1	53,347,357	·6	4,300,86[illegible],845	49·8	920,389,071	10·4	1,895,797,549	21·5	18,994,526	·5	8,824,032,606
1918	496,002,593	10·8	216,112,210	4·7	36,532,422	1·2	2,271,850,015	51·6	333,576,115	7·3	1,075,026,077	23·4	16,920,955	1·0	4,596,000,815
1917	532,182,316	15·7	144,969,854	4·2	54,973,959	1·7	1,200,123,743	35·2	227,992,304	6·7	1,201,241,557	35·2	45,325,381	1·3	3,406,809,114
1916	293,177,810	13·8	92,188,803	4·3	54,559,425	2·6	707,985,544	33·3	184,770,005	8·7	760,532,703	35·7	33,615,473	1·6	2,126,829,763
1915	205,770,035	13·0	103,546,619	6·5	59,616,026	3·8	353,086,269	22·3	157,457,236	10·0	664,509,951	42·0	32,869,765	2·4	1,576,855,901
1914	161,283,203	11·6	90,540,568	6·6	63,593,684	4·6	330,000,955	23·8	118,203,353	8·5	589,240,466	42·5	33,166,030	2·4	1,386,028,259
1913	130,026,610	8·5	79,428,270	5·2	55,275,960	3·6	375,895,050	24·4	235,700,390	15·3	631,208,720	41·0	30,591,250	2·0	1,538,126,250

* Per cent. of Total Liabilities or Assets.



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(O.Y. POHJOISMAIDEN YHDYSPANKKI)

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STRONG ROOMS WITH COMPARTMENTS TO LET.

IMPERIAL BANK OF GERMANY (REICHSBANK).

Head Office: Berlin, S.W.

Capital—

Subscribed and Paid up, in fully-paid shares of 3,000 Marks and 1,000 Marks (no liability) ... ... M. 180,000,000

SUBSEQUENT to the Franco-German war of 1870 the need was felt in the new German Empire for the establishment of one great central bank, a single currency having just been instituted by the adoption of the gold standard. It was left undecided for a time whether the bank was to be a private bank or a State bank—that is, one owned and controlled by the State. It was finally resolved that the Reichsbank should be a private concern, one argument that helped to cause the decision being that if Germany should ever be defeated in war and invaded her enemies would have more respect for the property of a private institution than for that of the Government. Accordingly, the Bank of Prussia was converted into the Bank of Germany, and its capital was increased by fifty per cent., such increase being provided by public subscription. The Government had a large share in the management of the Bank, the Chancellor of the German Empire having supreme control. Under him, the Bank is managed by a president and sub-presidents, appointed by the Government, and assisted by a committee. The shareholders have the right to elect another committee, which represents them and consists of some of the largest proprietors, who are, many of them, expert bankers; but this committee has only consultative powers. As regards the division of profits between the proprietors and the Government, at the present time the former are entitled to, first, a dividend at the rate of three and a-half per cent., on the payment of which ten per cent. of the surplus is added to reserve. The remainder is divided in the proportion of three-quarters to the Government and one-quarter to the shareholders. Under this arrangement the Government is at present getting much more than the shareholders, and last year it received 33,330,000 marks, the shareholders receiving less than half this amount, or, to be exact, 15,832,000 marks, which represented a dividend at the rate of 8·8 per cent., as compared with 8·68 per cent. for 1918 and 8·71 per cent. for 1917. The highest dividend return in recent years was for 1914, when the rate was 10·24 per cent.; and in this year the Government received over 42 million marks and the shareholders 18,442,000 marks. The net profit for 1918 was 52,982,000 marks, as compared with 53,915,000 marks for 1919. The paid-up capital has for some years been stationary at 180 million marks, but the reserves have increased rapidly. In 1916 they exceeded the capital for the first time, standing in December of that year at 232 millions, as compared with 147 millions in the previous year. On December 31 last they totalled 2,815 million marks.

Profit of the Imperial Bank of Germany.

Year.	Gross Profit. Marks.	Expenses.* Marks.	Net Profit. Marks.	Dividend.— Amt Marks.	Rate. %	Treasury Proportion. Marks.	Reserve Marks.
1919	126,320,470	4,209,288,478	53,915,982	15,832,196	8·80	33,331,187	4,761,968
1918	811,271,308	761,289,414	52,982,491	15,636,198	8·68	32,677,745	4,668,249
1917	364,537,590	311,329,414	53,207,886	15,681,577	8·71	32,835,520	4,610,789
1916	325,609,600	272,648,387	52,961,213	15,632,000	8·68	32,662,849	4,666,121
1915	273,144,930	217,635,521	55,509,409	16,142,000	8·97	34,446,586	4,920,941
1914	133,298,813	66,258,119	67,010,694	18,442,000	10·24	42,497,486	6,071,069
1913	83,462,880	32,837,000	50,615,080	15,174,000	8·43	31,020,850	4,431,510

* Includes special war taxes: 1919, M. 416,590,190; 1918, M. 357,856,236; 1917, M. 174,063,255; 1916, M. 157,628,333; 1915, M. 165,272,923. Includes note tax as follows: 1914, M. 1,040,936; 1913, M. 3,674,320.

We append a statement of the gold and silver holdings of the Bank, from which it will be seen that the gold has decreased during 1919 by 1,172 million marks to 1,089 millions, while the notes in circulation have during the same period very largely increased from 22,192 millions to 35,699 millions. The proportion of gold to notes was thus only 3·05 per cent. at the end of the year.

Gold and Silver Holdings of the Imperial Bank of Germany.

Dec. 31	—Gold.— Marks.	% of Total.	—Silver.— Marks.	% of Total.	Total. Marks.
1919 ...	1,089,499,000	98·2	19,945,000	1·8	1,109,444,000
1918 ...	2,262,242,000	99·1	19,985,200	·9	2,281,988,200
1917 ...	2,406,586,000	93·0	181,349,000	7·0	2,587,935,000
1916 ...	2,520,473,000	99·4	16,319,000	·6	2,536,792,000
1915 ...	2,445,180,000	98·7	32,080,000	1·3	2,477,260,000
1914 ...	2,092,811,000	98·2	36,865,000	1·8	2,129,676,000
1913 ...	1,169,971,000	80·9	276,832,000	19·1	1,446,803,000
1912 ...	776,648,440	74·9	260,386,100	25·1	1,037,034,540

Recent and Pre-War Position of Imperial Bank of Germany.

Liabilities—	July 23, 1920. Marks.	July 23, 1914. Marks.	Incr. or Decr. Marks.
Capital	180,000,000	180,000,000	—
Reserve fund	104,268,000	71,479,000 +	32,789,000
Notes in circulation ...	33,983,207,000	1,890,895,000 +	32,092,312,000
Deposits	12,298,429,000	943,964,000 +	11,354,465,000
Miscellaneous ...	655,362,000	39,964,000 +	3,615,398,000
Total Liabilities ...	70,221,266,000	3,129,302,000 +	67,091,964,000
Assets—			
Cash in hand:			
Gold	1,091,632,000	1,356,857,000 —	265,225,000
Silver	6,175,000	334,541,000 —	328,366,000
Total cash	1,097,807,000	1,691,398,000 —	593,591,000
Treasury notes	17,254,498,000	65,479,000 +	17,189,019,000
Notes of other banks ...	2,265,000	40,106,000 —	37,841,000
Investments	336,668,000	330,819,000 +	5,849,000
Other securities	12,069,153,000	200,408,000 +	11,868,745,000
Bills discounted	39,462,371,000	750,892,000 +	38,701,479,000
Advances	8,504,000	50,200,000 —	41,696,000
Total Assets	70,221,266,000	3,129,302,000 +	67,091,964,000

Liabilities and Assets of The Imperial Bank of Germany.

LIABILITIES.

Dec. 31	Capital Paid up. Marks.	Reserve Funds. Marks.	Total Capital and Reserve. Marks.	%	Notes in Circulation. Marks.	%	Current, Clearing Accounts and Deposits. Marks.	%	Miscellaneous. Marks.	%	Profit Balance. Marks.	%	Total Liabilities. Marks.
1919...	180,000,000	2,815,890,192	2,995,890,192	5·2	35,699,415,000	62·2	17,351,066,110	30·2	1,314,940,548	2·3	42,867,737	·1	57,407,179,589
1918...	180,000,000	666,864,869	846,864,869	2·3	22,192,411,640	53·9	13,343,564,128	35·1	1,285,050,252	3·3	42,015,099	·1	37,709,705,988
1917...	180,000,000	332,081,376	512,081,376	2·5	11,468,359,150	55·8	8,095,107,328	39·4	439,415,818	2·1	42,232,375	·2	20,557,196,047
1916...	180,000,000	232,420,196	412,420,196	3·1	8,055,130,000	59·6	4,667,093,167	34·5	339,989,416	2·5	42,002,126	·3	13,516,634,935
1915...	180,000,000	147,811,264	327,811,264	3·3	6,918,308,440	69·9	2,360,066,853	23·9	240,135,688	2·4	14,299,621	·5	9,890,921,866
1914...	180,000,000	122,110,324	302,110,324	4·2	5,046,146,450	70·0	1,759,342,448	24·4	42,744,345	·6	54,640,639	·8	7,204,984,206
1913...	180,000,000	80,928,350	260,928,350	7·0	2,593,616,050	70·0	793,372,570	21·5	15,115,900	·4	33,895,570	1·1	3,703,427,630

ASSETS.

Dec. 31	Cash in Hand.† Marks.	%	Investments. Marks.	%	Bills. Marks.	%	Advances. Marks.	%	Current Accounts. Marks.	%	Bank Premises, &c. Marks.	%	Total Assets. Marks.
1919...	12,147,835,569	21·2	42,260,706,535	73·6	8,941,837	—	3,940,100	—	664,161,669	1·2	2,315,583,859	4·0	57,407,179,589
1918...	7,551,892,346	20·1	27,583,113,661	73·1	10,902,241	—	5,618,500	—	537,170,219	1·4	2,031,007,021	5·4	37,709,705,988
1917...	3,906,076,216	19·0	14,622,776,461	71·2	11,783,284	—	5,111,050	—	446,154,911	2·2	1,566,294,125	7·5	20,557,196,047
1916...	2,960,274,574	21·9	9,686,668,732	71·7	12,330,287	·1	9,757,650	·1	155,656,012	1·1	691,947,680	5·1	13,516,634,935
1915...	3,768,253,486	38·1	5,856,396,717	59·2	12,523,225	·1	12,938,950	·1	103,475,901	1·1	137,333,587	1·4	9,890,921,866
1914...	3,099,987,992	41·8	3,974,614,980	55·2	10,760,527	·1	22,870,225	·3	69,568,330	1·0	117,182,152	1·6	7,204,984,206
1913...	1,505,770,220	40·7	403,553,990	10·9	1,507,381,260	40·7	94,472,800	2·6	68,123,700	1·8	123,925,660	3·3	3,703,427,630

* Per cent. of Total Liabilities or Assets.

† Includes Treasury Notes and Notes of other Banks.

Includes special war taxes: 1919 M. 416,590,190; 1918, M. 357,856,236; 1917, M.174,068,255; 1916, M.157,628,333; 1915, M.165,272,923.

GREEK BANKS.

BANK OF ATHENS.

Head Office: Athens.
London Office: 22 Lincoln's Inn Fields, W.C. 2.

Capital—

Subscribed and Paid up after reduction by consolidation of 120,000 Shares, in 480,000 shares of 100 drs. each ... Drs. 48,000,000

Only dating back to 1893, the Bank of Athens has rapidly become the most important establishment in the Levant. Its Board, Trust, interests, Recent results prove extremely gratifying, the net profit for the first half of 1920 Drs. 13,805,000 exceeding that for the whole of last year, in its turn about double the 1918 result.

In addition to the Bank's branches in Greece, it has offices in Smyrna, Constantinople, Cyprus, Alexandria, Cairo and Port Said. In this country it has a branch at Manchester, as well as its London office.

The balance sheet for December 31, 1919, disclosed immediately available assets of 215 million drachmæ, representing forty-nine and a-half per cent. of the total amount due to the public, the most favourable proportion previously shown having been only eleven and [illegible] per cent. The [illegible] June 30 was 47.2 per cent. The fully paid-up capital at the end of last year stood at forty-eight million drachmæ, in 480,000 shares of 100 drachmæ each, a reduction from the previous sixty millions having been effected by the cancellation of 120,000 shares.

It has been decided to pay an interim dividend of five drachmæ on the Ordinary shares in respect of the last half-year, and to carry forward the balance of profit. The balance sheet as at June 30 showed a considerably increased total, the latter having risen from 486 million drachmæ on December 31 to 570 millions. Liquid assets amounted to 238 million drachmæ, and deposit and current accounts to 505 millions.

Position of Bank of Athens.

	June 30, 1920	Dec. 31, 1919	June 30, 1919	Dec. 31, 1918
LIABILITIES.	Drs.	Drs.	Drs.	Drs.
Capital ...	48,000,000	48,000,000	[illegible]	[illegible]
Reserve fund	6,000,000	6,000,000	[illegible]	[illegible]
[illegible]	—	—	[illegible]	[illegible]
Drafts, deposit accounts	505,529,509	436,415,967	[illegible]	[illegible]
Profit balances, &c.	16,113,915	1,745,991	[illegible]	[illegible]
Total Liabilities ...	570,234,312	486,359,964	370,152,657	250,770,843
ASSETS.				
Cash in hand & at banks, and Treasury bills ...	238,916,929	191,952,656	142,800,510	88,415,166
Investments ...	17,762,407	20,479,581	16,588,677	17,580,154
Bills ...	} 295,109,790	250,882,044	187,768,981	114,772,415
Advances ...			119,201,660	70,917,059
Current accounts ...			56,899,218	14,885,511
Bank premises, &c.	15,516,085	19,045,360	20,703,098	21,574,112
Other assets ...	—	—	74,504	1,188,525
Net loss for year ...	—	—	18,672,405	17,999,448
Total Assets ...	570,234,312	486,359,964	370,152,657	250,770,843

BANQUE GÉNÉRALE DE GRÈCE.

Capital—

Paid up ... ... Drs. 3,000,000

This Bank has its headquarters at Athens. It was formed in 1918 with a capital of 3,000,000 drachmæ fully paid. In addition to carrying on ordinary banking operations, it specialises in the formation of new companies for furthering the trade and industries of Greece. In this connection it has been instrumental in starting the Société Anonyme d'Industrie Agricole, the Société de Constructions Mécaniques et d'Industrie du Bois, the Société des Hotels Helléniques, and the Syndicat Hellénique.

The Bank's reserve fund now amounts to 715,827 drachmæ, and its profits, which have recently increased considerably, came to 1,01[illegible],000 drachmæ for the first half of 1920, the corresponding period of last year having produced 189,016 drachmæ, and the second half of 1919 336,130 drachmæ. A dividend of three per cent.

[illegible] June 30.

	June 30, 1920	June 30, 1919
LIABILITIES.	Drs.	Drs.
Capital ...	[illegible]	[illegible]
Reserve ...	715,827	[illegible]
[illegible]	[illegible]	3,020,721
Current accounts, &c.	[illegible]	[illegible]
Undivided profit ...	[illegible]	139,704
Total ...	30,206,026	9,879,834
ASSETS.	Drs.	Drs.
Cash, &c. ...	4,[illegible]	4,[illegible]
Investments ...	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Advances ...	[illegible]	[illegible]
Current accounts, &c.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible] ...	[illegible]	[illegible]
...	30,206,026	9,879,834

IONIAN BANK.

Head Office: Basildon House, Moorgate Street, E.C. 2.

Capital—

Authorised £600,000
Issued, 97,116 Shares of £5 each, fully paid 485,580

This Bank, incorporated in 1839, is an Anglo-Greek-Egyptian concern, and was intended to remedy the grievances suffered by small landowners in the Ionian Islands at the hands of moneylenders. When the islands were united with Greece in 1864, the Bank was guaranteed by the Great Powers and Greece, and obtained the right of a note issue. In 1883 it was registered under the English Companies Acts. The Bank's privilege as a bank of issue in Greece terminates this year, but the directors do not anticipate that its cessation will have any adverse effect upon the profits, and steps are being taken to obtain the release of the £76,900 Greek Government Loan lodged with the Bank of England as security for the note issue, thus placing fresh capital at the Bank's disposal.

Up to 1900 the Bank's progress was slow, the total assets not greatly exceeding £1,000,000. Since then, however, the accounts have shown a satisfactory increase of business, the assets reaching £6 million in 1917—a figure more than doubled by December 31 last. The favourable effects of this growth have been qualified by other factors, for the profits of the year have been adversely affected by depreciation of securities and by losses incurred on account of the exceptional fluctuations in the Greek exchange. Thus it comes about that the net profit for 1919, after allowing for excess profits duty, amounted to £39,289, as compared with £79,865 for the previous financial period (from January 13 to December 31, 1918), expenses having increased by £46,000. The above-mentioned profit represents a percentage of [illegible] on the paid-up capital, or 6.1 on the combined capital and reserve.

The distribution to shareholders equalled that for 1918 being seven per cent. for the year—six per cent. dividend and one per cent. bonus, free of tax. £5,000 was transferred to the reserve fund, bringing it up to £125,000, against £85,000 two years earlier. £11,307 [illegible] carried forward to the next account.

Progress of the Ionian Bank.

Year to Jan. 15	Gross Profit.	Expenses.	Interest.	Net Profit.	Dividend.	Amt. Inc.	Rate.	Carried Fwd.
	£	£	£	£	£	£	%	£
[illegible]	4,1[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7	11,[illegible]
1918	287,437	145,918	11,[illegible]	79,[illegible]	[illegible]	[illegible]	7	12,[illegible]
1918 ...	228,611	103,[illegible]	20,[illegible]	79,[illegible]	8,[illegible]	7	[illegible]	9,124
1917 ...	1[illegible],825	68,494	17,[illegible]	45,[illegible]	[illegible]	6	[illegible]	7,148
1916 ...	[illegible],1[illegible]	61,[illegible]	11,[illegible]	[illegible]	[illegible]	5	[illegible]	[illegible]
1915 ...	[illegible],[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5	[illegible]	[illegible]
1914 ...	116,837	[illegible]	[illegible]	[illegible]	[illegible]	5	—	[illegible]

(a) After exceptional [illegible]

Comparing the figures of the last two balance sheets there is a satisfactory growth in deposits, but the large increase under the heading of "other liabilities and credit accounts" will tend to disappear with the return of normal [illegible]

Liabilities and Assets of The Ionian Bank, Limited.

LIABILITIES. Jan.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Bills Payable. £	% *	Acceptances. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919† ...	485,580	125 000	610,580	5·0	262,950	2·1	10,949,937	89·3	123.034	1·0	283,974	2·3	30.730	·3	12,261,205
1918† ...	485,580	120,000	605,580	6·2	220,170	2·4	8,775,591	90·3	57,403	·6	22,982	·2	30,432	·3	9,719,161
1918 ...	485,580	85,000	570,580	5·9	233,615	2·4	8,687,721	89·5	51,389	·5	133,775	1·4	28,557	·3	9,705,637
1917 ...	485,580	75,000	560,580	9·3	252,736	4·2	5,101,238	84·6	89,812	1·5	—	—	24.143	·4	6,028,508
1916 ...	485,580	65,000	550,580	14·0	255,247	6·5	3,060,753	77·8	58,411	1·5	—	—	17,693	·4	3,942,684
1915 ...	485,580	65,000	550,580	19·2	260,833	9·1	1,998,900	69·6	44,405	1·5	—	—	16,377	·6	2,871,095
1914 ...	485,580	65,000	550,580	18·0	290,878	9·5	2,170,316	70·9	35,112	1·1	—	—	15,956	·5	3,062,842

ASSETS. Jan.	Cash. £	Cash and Notes. £	% *	Investments. £	% *	Money at Call and at Notice. £	% *	Bills Discounted. £	% *	Advances, &c. £	% *	Bills Receivable. £	% *	Liab. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1919†...	327,272	628,227	5·1	974,757	8·0	836,216	6·8	615,594	5·0	8,567,100	69·9	259,399	2·1	283,974	2·3	95,938	·8	12,261,205
1918†...	395,257	881,498	9·1	1,501,867	15·5	659,357	6·8	333,092	3·4	5,540,925	57·0	682,395	7·0	22,982	·2	91,045	1·0	9,719,161
1918 ...	185,561	627,551	6·4	2,230,441	23·0	359,160	3·7	296,735	3·0	5,387,397	55·5	577,353	6·0	133,775	1·4	93,225	1·0	9,705,637
1917 ...	237,206	571,146	9·4	1,363,518	22·6	138,792	2·3	304,628	5·1	2,034,099	33·8	1,525,574	25·3	—	—	92,721	1·5	6,028 508
1916 ...	171,631	527,833	13·4	515,111	13·0	175,158	4·4	306,031	7·7	1,563,859	39·7	763,128	19·4	—	—	91,564	2·4	3,942,684
1915 ...	139,480	405,493	14·1	324,390	11·3	73,456	2·6	324,249	11·3	1,634,988	57·0	27,564	·9	—	—	80,955	2·8	2,871,095
1914 ...	149,850	204,642	6·8	257,778	8·4	330,546	10·8	382,654	12·5	1,751,239	57·2	81,541	2·7	—	—	54,442	1·6	3,062,842

* Per cent. of Total Liabilities or Assets. † Dec. 31.

as it comprises various suspense items. Bills payable have doubled in amount, and the large increase of contingent liability on acceptances from £22,000 to £283,000—is due to the requirements of the Egyptian business.

On the assets side, cash and investments are somewhat lower than before, while money at call has risen. Advances and loans have increased in amount, but the growth in "other assets" must be read in connection with the corresponding inclusive item of liabilities.

ITALIAN BANKS.

THE COURSE OF WHOLESALE PRICES IN ITALY DURING AND SINCE THE WAR.

By Professor Riccardo Bachi.

THE annexed table of index-numbers shows the monthly variations in wholesale prices in Italy of forty commodities from July 1914 to August 1920. The basis of the comparison used by me is the quinquennial period 1901-1905, the average prices of the same commodities in these years being taken as equivalent to 100. In accordance with the usual statistical practice, the group and general index-numbers represent unweighted averages of the single numbers.

Monthly Index-numbers of Wholesale Prices in Italy.
(Average prices 1901-1905 = 100.)

Month	1914	1915	1916	1917	1918	1919	1920
January ...	...	132·7	232·3	288·1	457·6	410·1	634·7
February ...	—	140·7	240·5	303·0	478·8	403·9	701·0
March ...	...	146·5	247·8	328·1	496·8	410·1	780·0
April ...	...	152·3	252·7	337·5	505·6	417·9	855·7
May ...	...	159·0	254·5	350·1	515·4	426·3	830·3
June ...	...	161·3	242·8	362·9	523·5	451·0	774·7
July ...	.. 115·6	164·1	242·8	383·1	540·6	456·6	772·4
August ...	.. 122·0	170·0	248·1	391·9	544·1	465·5	795·9
September ...	119·1	177·8	256·7	416·8	545·8	468·3	-
October ...	123·3	186·4	260·2	441·6	557·5	492·0	-
November ...	127·2	200·4	265·5	458·8	551·7	552·9	-
December ...	127·1	214·8	294·6	459·3	468·9	596·2	-

In order to present to our readers in a more striking manner the extent of the rise in price levels, I show in the following table the index-numbers for July 1914 and for December of the subsequent years up to, and including August 1920.

Date	Cereals and Meat	Other Food-stuffs	Tex-tiles	Minerals and Metals	Miscellaneous	Total
July, 1914 ...	114·0	127·2	116·9	111·6	108·1	115·6
December, 1915 ...	178·2	166·2	170·3	371·1	206·2	214·8
December, 1916 ...	205·7	198·7	278·8	594·2	242·7	294·6
December, 1917 ...	322·9	256·5	515·5	871·9	381·0	459·3
December, 1918 ...	366·0	418·4	581·3	520·9	509·5	468·9
December, 1919 ...	420·4	544·9	795·5	706·4	477·1	557·2
August, 1920 ...	574·6	715·8	955·3	1157·9	637·0	795·9

To exemplify still further the price variations, I have calculated in the following table, on the basis of the prices ruling in July 1914, the percentage increase recorded in December 1915, and for each subsequent year the percentage rise on the previous year.

Percentage rise from	Cereals and Meat	Other Food-stuffs	Tex-tiles	Minerals and Metals	Mis-cellaneous	Total
July 1914 to Dec. 1915	56·3	30·7	45·7	230·7	90·7	85·6
Dec. 1915 to Dec. 1916	15·4	19·6	63·8	60·6	18·1	37·2
Dec. 1916 to Dec. 1917	57·0	29·2	84·9	46·7	57·6	55·9
Dec. 1917 to Dec. 1918	13·0	51·3	13·2	*40·2	33·7	2·1
Dec. 1918 to Dec. 1919	14·9	30·2	35·8	35·6	*6.36	22·9
July 1914 to Aug. 1920	369·1	466·1	718·9	937·5	489·2	588·5

* Decrease.

The index-numbers which are here tabulated are naturally given with the usual reservations. It is scarcely necessary to repeat that the statistical methods employed do not allow of minor adjustments or of detailed representation of the movement of prices. Moreover, during the epoch of abnormal trade covered by the above tables, prices were sometimes merely nominal; sometimes they referred to qualities other than those on the market before the War; and frequently they were not the outcome of a free process of economic bargaining, but were definitely fixed, or otherwise controlled by the public authorities.

The percentage differences for total and for group indexes show that the rise of prices in Italy has taken place more or less during successive years, and for various commodities. The total index-number shows a very rapid growth, chiefly towards the end of 1917 and in the early months of 1918, in consequence, first, of the enormous losses of commodities suffered by the country owing to the defeat at Caporetto and the enemy invasion, and secondly, of the very great issues of bank and State notes which took place in such distressing circumstances. The curve of war prices attained its highest point at the end of October 1918, just prior to the Armistice.

On the course of prices after the War many illusory hopes were widely cherished. The belief in a rapid fall of prices to the level prevailing before the War was general. The hopes of the public were partially instrumental in causing a price decline, which, however, proved only temporary. Immediately after the War many people abstained from buying, and accordingly stocks of money grew and the velocity of circulation of money diminished. Besides, speculative holdings of commodities, and stocks of metal and other articles kept by the State were forced on the market. For these various reasons, for some months at the end of 1918 and the beginning of 1919, prices fell. The rise recommenced on account of reduced production, and was accelerated by the difficulties surrounding trade, and the abnormality of transport conditions, together with the continued process of monetary inflation. Though the rise in prices continued rapidly until the spring of 1920, the downward movement which has attracted so much attention elsewhere has also affected Italy. In recent months foreign exchanges and prices of some articles, chiefly raw materials of foreign origin, have fallen. We are of opinion, however, that the change is, for Italy, merely temporary, as a number of conditions essential to a permanent reaction in prices are lacking.

Coming to a detailed consideration of the quotations for the various groups of commodities, we may note

that for the two groups of foodstuffs the rise has been much less than the general average. This phenomenon is due to the policy adopted in the matter in regard to the prices and the retailing of foodstuffs. Strict control was introduced over the trade in many foodstuffs, supplemented by the compulsory acquisition thereof at very low prices and subsequent sale to consumers also at low prices. For almost all victuals the prices were not free market prices, but artificial prices fixed by the authorities, though frequently not observed by the traders and consumers. This policy has been more strictly applied to cereals, a number of other grains, and to meat. The trade in wheat is monopolised by the State, both for internal production and foreign imports. The sale of wheat and flour to the population takes place at very great loss to the Treasury. Meat prices have risen substantially during the War, chiefly on account of the enormous military consumption. Through the Austro-German occupation our stocks of cattle have also been severely depleted. In the closing stages of the War, and for some time after the Armistice, severe limitations were introduced on civil consumption, and great quantities of frozen meat were imported. A chance has thereby been given to improve and preserve the stock of cattle, and in recent months the prices of meat have slightly lessened. Official control of prices obtains also to a great extent in the second group of commodities, and the price advances frequently take place by leaps and bounds, not gradually, as in a free market. Among the commodities whose variations were officially controlled during the War we may mention milk, butter, cheese, sugar, and coffee. The demand for these articles has greatly increased, and both production and importation have been surrounded by difficulties.

The change in the prices of textile fibres, owing to the great military demand, has been enormous. During the War cotton quotations increased fifteen-fold. Wool, flax, hemp, and jute have also been very dear. High prices continued after the Armistice, the civil demand being very great and the production inadequate. In recent months the fall in the international market for wool and cotton has had some effect on the Italian market. The prices of silk suffered a great reduction in the opening months of the War with the sudden interruption of international trade, owing to the general crisis. During 1914 and 1915 this great Italian industry experienced severe losses, but subsequently the demand, both at home and abroad, has steadily grown and prices have generally risen. The demand attained great dimensions after the War through the great needs for business, and prices in the spring of 1920 reached more than the level prevailing in the spring of 1914. A sudden fall ensued on the general war [illegible] the Japanese crisis, but after a short period of complete recovery set in.

Owing to the large consumption during the war the metals group has been considerable. After the Armistice the prices of [illegible] fell rapidly with the cessation of the demand for war purposes, and the release of large stocks on the market; but in the second half of 1919 and in the first months of 1920 they have witnessed a fresh rise, and the metals have surpassed the maximum level attained during the War, as the result of increased demand for the renewal of industrial plants, for building purposes, and for railway and [illegible] construction. In some cases the prices have exceeded by [illegible] the 1913 figures. Lately, however, a slight fall took place.

Prices for coal rose simultaneously with the rise in metals. During the last months of the War the price of coal reached the height of about 300 lire per the metric ton, a figure that would at one time have seemed altogether [illegible] of the figure of 30 to 35 lire prevailing immediately before the War. During the spring of the present year, however, the price rose to the disastrous level of 800 or 900 lire per ton.

[illegible] of the articles in the miscellaneous group. We signalise among the greater rises those of timber and other building materials, sulphate of copper, hides, artificial manures, &c. The dearth of timber became suddenly marked with the beginning of hostilities, owing to the interruption of the trade with Austria, our former chief supplier. The fall consequent on the termination of hostilities has been temporary, as the civil demand has grown imperative for building purposes in recent months. Some fall has been remarked in chemicals for agriculture. During the War the prices of, and trade in, hides were subjected to rigorous State control, and on its cessation prices advanced rapidly to four or five times the pre-War level. Some diminution has lately taken place in Italy, as in foreign markets, since the rapid recovery in the number of live-stock has enlarged the offerings of hides.

The chief factor of rising prices—monetary inflation—has been to a marked degree in operation here, both during and after the War. The following data marks the growth of the circulation of notes of the banks of issue and of the State.

[illegible]	[illegible]
[illegible]	3,595
June 30, 1915 ...	[illegible]
[illegible]	[illegible]
June 30, 1916 ...	5,451
[illegible]	[illegible]
June 30, 1917	[illegible]
[illegible]	[illegible]
June 30, 1918 ...	[illegible]
[illegible]	[illegible]
June 30, 1919 ...	[illegible]
[illegible]	[illegible]
June 30, 1920 ...	20,347

The circulation of June 1920 marks a percentage rise of 654 per cent. on the amount of June 1914, a ratio which is very near to that of 588.51 recorded by the total index-number of August 1920 on the last pre-War index-number of wholesale prices. The monetary inflation finds its counterpart in credit inflation and in the largely increased circulation of cheques.

BANCA COMMERCIALE ITALIANA.

Head Office: Milan.

London Office: 1 Old Broad Street, E.C. 2.

Capital

Authorised	Lire 400,000,000
Issued	312,000,000

The Banca Commerciale Italiana, formed in October 1894, has, during its comparatively short life, shown remarkable development and built up a great business. It has taken a leading part in the progress of Italy herself during the last quarter of a century, its operations having largely contributed to the success of manufacturing and commercial projects. The original paid-up capital of twenty million lire has been increased on several occasions, until a 25-per-cent. addition in 1919 had the effect of raising the amount to 260 million lire. In March of [illegible] further increase to 400 million lire was decided upon, the first 104,000 shares out of the total issue of 280,000 of 500 lire each to be offered at the price of 800 lire per share.

The Bank has recently formed affiliated institutions abroad, including the Banca Commerciale Italiana (France), with offices at Marseilles, Nice, Mentone, and [illegible] the Banca Commerciale Italiana & Belgian [illegible] the Banca Della Svizzera Italiana; and the Banque Française et [illegible] the Banca Orientale Italiana, with a head office at [illegible] and the Banca Commerciale Italiana de [illegible]

The year 1919 witnessed [illegible] progress in every department of the Bank's activities. The general turnover was nearly four times that of five years ago, at 274 milliard lire—more than 100 milliard lire over the previous year's figure.

Liabilities and Assets of The Banca Commerciale Italiana.

LIABILITIES. Dec. 31	Capital Paid up. Lire.	Reserve Funds. Lire.	Total Capital and Reserve. Lire.	% *	Bills Payable. Lire.	% *	Deposits, &c. Lire.	% *	Acceptances. Lire.	% *	Guarantees. Lire.	% *	Profit Balance. Lire.	% *	Total Liabilities Lire.
1919...	260,000,000	115,000,250	375,000,250	7·4	344,268,950	6·8	4,010,633,677	79·6	139,435,661	2·8	125,873,384	2·5	44,981,236	·9	5,050,149,158
1918...	208,000,000	80,700,000	288,700,000	8·6	108,210,837	3·2	2,765,331,518	82·2	56,977,750	1·7	107,166,849	3·2	36,181,313	1·1	3,362,570,267
1917...	156,000,000	59,700,000	215,700,000	8·5	75,968,481	3·0	2,014,490,392	79·6	62,569,123	2·5	140,583,340	5·6	21,060,760	·8	2,530,372,096
1916...	156,000,000	58,200,000	214,200,000	13·2	50,295,868	3·1	1,215,289,032	74·7	58,615,100	3·6	74,310,380	4·6	13,592,143	·8	1,626,302,523
1915...	156,000,000	59,170,000	215,170,000	19·5	34,600,430	3·1	743,732,236	67·3	42,136,739	3·8	60,267,401	5·4	10,105,286	·9	1,106,312,492
1914...	156,000,000	59,470,000	215,470,000	19·8	19,665,642	1·8	758,878,164	69·7	23,335,497	2·1	63,446,383	5·8	8,393,397	·8	1,089,189,083
1913...	130,000,000	47,700,000	177,700,000	15·7	26,979,179	2·4	812,263,935	71·7	63,459,428	5·6	38,952,190	3·4	13,126,874	1·2	1,132,486,906

ASSETS. Dec. 31	Cash. Lire.	% *	Investments. Lire.	% *	Bills Receivable. Lire.	% *	Loans, Current Accounts, &c. Lire.	% *	Acceptances. Lire.	% *	Guarantees. Lire.	% *	Bank Premises, &c. Lire.	% *	Total Assets. Lire.
1919 ...	373,234,165	7·4	191,179,000	3·8	2,804,161,997	55·5	1,322,912,442	26·2	139,435,661	2·8	125,873,384	2·5	23,030,408	·4	5,050,149,158
1918 ...	143,177,995	4·3	141,099,885	4·3	1,830,942,514	54·7	1,052,032,394	31·3	56,979,750	1·7	107,166,849	3·2	18,960,880	·5	3,362,570,267
1917 ...	119,924,472	4·7	72,457,517	2·9	1,298,426,396	51·3	817,703,917	32·3	62,569,123	2·5	140,583,340	5·6	18,707,307	·7	2,530,372,096
1916 ...	104,932,078	6·4	73,688,978	4·5	841,438,186	51·7	455,887,742	28·0	58,615,100	3·6	74,310,380	4·6	19,430,059	1·2	1,626,302,523
1915 ...	98,361,854	8·7	72,951,240	6·6	411,486,632	37·2	405,738,296	33·7	42,136,739	3·8	60,267,401	5·4	17,610,280	1·6	1,106,312,492
1914 ...	80,833,500	7·4	56,329,000	5·2	455,746,308	41·9	391,797,608	35·0	23,335,497	2·1	63,446,383	5·8	17,310,697	1·6	1,089,189,083
1913 ...	55,890,293	4·9	50,630,014	4·5	480,483,691	43·2	421,032,416	37·2	63,459,428	5·6	38,952,190	3·4	13,518,959	1·2	1,132,486,906

* Per cent. of Total Liabilities or Assets.

The cash total increased during 1919 from 143 million lire to 373 millions, and foreign, Italian, and Treasury bills from 947 to 2,712 million lire. As a consequence of the expansion at home and abroad, the investments rose by fifty-four millions. The higher cost of raw material necessitated larger support to customers, with a consequent increase in advances of 354 million lire.

On the liabilities side deposits leaped from 2,730 million lire to 3,975 millions, marking a development which constitutes the chief reason for increasing the Bank's capital. After the year's allocations and the contribution from premiums on shares, the total reserves will amount to about 130 million lire.

The gross profit for 1919 was forty-two and a-half million lire higher than that of 1918, but the large increase in expenses left the net figure at 44,287,774 lire, showing an increment of only 8,855,000 lire. A dividend of fifty-three lire per share was paid, equal to ten and three-fifths per cent. Sums of six million and fourteen million lire were allocated to the staff provident fund and extraordinary reserve respectively.

Year ended Dec. 31	Gross Profit. Lire.	Expenses. Lire.	Interest Account. Lire.	Net Profit. Lire.	Dividend. Amt. Lire	Rate. %	Special Apprns. Lire.	Carried Forwd Lire
'19	140,625,160	78,946,533	17,391,852	44,287,774	33,000,000	10·6	6,000,000	749,741
'18	98,244,750	52,088,275	12,411,175	33,744,300	20,800,000	10	13,000,000	693,450
'17	63,152,412	36,574,478	7,086,457	19,491,471	14,040,000	9	5,500,000	749,144
'16	41,482,923	24,700,726	4,067,093	12,715,104	10,920,000	7	1,500,000	797,674
'15	35,160,923	22,662,579	3,032,975	9,461,671	9,360,000	6	—	502569
'14	37,794,160	22,695,485	7,105,835	7,992,840	7,800,000	6	195,499	397898
'13	33,985,854	15,693,309	6,071,235	12,221,310	11,700,000	9	538,353	400557

BANCA D'ITALIA.

Head Office: Rome.

Capital—

Authorised and Subscribed, 300,000 Shares of Lire 800 ... ... Lire 240,000,000
Paid up, 600 Lire per Share 180,000,000

The present Bank of Italy was formed in 1894, when an amalgamation took place with the Bank of Sicily and the Bank of Naples. Each Bank was to accept the notes of the other banks in the cities in which they had legal currency, and the metallic reserve was to be increased within a year to forty per cent. of the notes in circulation. The original capital was 300 million lire, of which 210 millions was paid up, but this was reduced in 1897 to its present amount—*i.e.*, 240 million lire subscribed, in shares of 800 lire each, the paid-up amount being 180 millions (600 lire per share). The reserve fund now exceeds sixty million lire.

The Bank has performed certain functions for the Government, and statutory loans have been made by the Bank to the Treasury. The Adowa disaster, coupled with Government over-expenditure, rendered the position of the Bank of Naples precarious, and the situation was dealt with by the Law of March 1898, which provided that the three banks should accumulate certain reserves to ensure a guarantee for the redemption of notes. Various regulations have since been made regarding the issue of notes, and the fixed maximum circulation may be exceeded in times of emergency, on payment of a tax. In accordance with laws passed since the outbreak of War, the circulation has very largely increased, and amounted on December 31, 1919, to 12,691 million lire, compared with 9,223 millions in 1918 and 6,539 millions a year previously. At the end of 1913 the circulation was only 1,764 millions.

The gold and silver holdings of the Banca d'Italia to 1919, and as on July 31, 1920, were:

Year	Gold. Lire.	% of Total.	Silver. Lire.	% of Total	Total. Lire.
1920* ...	805,737,000	91·5	74,944,000	8·5	880,681,000
1919 ...	804,824,000	91·5	75,096,000	8·5	879,920,000
1918 ...	817,758,560	91·4	77,148,134	8·6	894,906,694
1917 ...	835,852,000	90·5	87,410,000	9·5	923,262,000
1916 ...	899,686,000	92·5	72,654,000	7·5	972,340,000
1915 ...	1,077,364,000	91·1	104,800,000	8·9	1,182,164,000
1914 ...	1,118,188,000	91·2	107,890,000	8·8	1,226,078,000
1913 ...	1,107,633,000	92·1	94,607,000	7·9	1,202,240,000

* July 31.

The issue of notes forms the principal part of the Bank's business, the rest of its accounts showing comparatively small figures. Deposits stood at 204 million lire just previous to the War, and had reached 1,596 millions last December. The total of assets has shown a steady increase for some years, and reached 16,501 million lire in 1919. Cash in hand increased 143 millions during the year to 1,418 millions, and investments, bills, and advances all showed a rise.

The maximum dividend of eight per cent. allowed to the shareholders has been paid for some years until last year, when it was allowed to be increased to nine

Liabilities and Assets of The Banca d'Italia.

LIABILITIES. Dec. 31	Capital Paid up. Lire.	Reserve Fund Lire	Capital & Reserve. Lire.	% *	Note Circulation. Lire.	% *	Treasury Accounts. Lire.	% *	Current Accounts and Deposits, &c. Lire.	% *	Sundry Liabilities. Lire.	% *	Profit Balance. Lire.	% *	Total Liabilities. Lire.
1919...	180,000,000	60,025,413	240,025,412	1·5	12,691,779,400	76·3	441,870,245	2·5	2,084,580,345	12·5	1,392,865,770	8·4	47,380,228	·3	16,501,450,428
1918...	180,000,000	60,025,412	240,025,412	2·0	9,223,358,225	73·8	265,954,123	2·1	1,596,656,376	12·9	1,101,746,190	8·9	57,072,293	·3	12,484,812,619
1917...	180,000,000	60,025,412	240,025,412	2·1	6,533,194,750	56·7	290,327,062	2·5	1,449,076,730	12·6	2,948,204,808	25·6	52,585,581	·5	11,519,414,343
1916...	180,000,000	60,025,412	240,025,412	4·6	3,876,741,700	73·9	86,258,389	1·6	865,933,399	16·5	136,886,565	2·6	41,642,325	·8	5,247,287,788
1915...	180,000,000	70,025,413†	250,025,413	5·6	3,010,175,850	67·4	112,225,985	2·5	745,887,602	16·5	331,077,036	7·3	31,041,940	·7	4,510,433,826
1914...	180,000,000	70,025,413†	250,025,413	7·6	2,162,448,450	65·9	208,912,072	6·4	549,932,984	16·7	92,832,016	2·8	19,228,418	·6	3,283,369,383
1913...	180,000,000	60,025,413	240,025,413	9·7	1,764,433,300	71·0	158,836,962	6·4	198,363,348	8·0	101,870,463	4·1	19,728,909	·8	2,483,259,395

† Including Special Reserve: 1915 and 1914, Lire 10,000,000.

ASSETS. Dec. 31	Cash in Hand. Lire.	% *	Investments. Lire.	% *	Bills. Lire.	% *	Advances, &c. Lire.	% *	Sundry Assets. Lire.	% *	Bank Premises, &c. Lire.	% *	Total Assets. Lire.
1919...	1,418,383,932	8·5	212,668,043	1·3	1,377,484,495	8·3	10,278,784,337	62·3	3,184,312,861	19·3	29,817,757	·2	16,501,450,428
1918...	1,275,857,745	10·2	201,884,537	1·7	1,202,225,375	9·6	7,164,709,640	57·4	2,607,896,790	20·9	29,238,712	·2	12,484,812,619
1917...	1,134,476,517	9·9	223,121,169	2·0	779,261,505	6·7	5,243,886,297†	45·5	4,110,366,569	35·7	28,302,286	·2	11,519,414,343
1916...	1,140,601,954	21·7	219,759,584	4·2	560,637,745	10·7	2,535,332,037†	48·3	761,693,540	14·5	29,258,878	·6	5,247,287,788
1915...	1,300,482,828	28·8	201,915,836	4·5	491,629,339	11·0	1,960,549,127	43·5	521,358,489	11·6	28,498,157	·6	4,510,433,826
1914...	1,300,883,523	39·6	201,590,725	6·2	792,906,553	24·1	752,492,856†	23·0	204,701,016	6·2	27,794,710	·9	3,283,369,383
1913...	1,213,409,380	49·0	218,650,648	8·8	578,703,936	23·3	208,094,503	8·3	237,637,154	9·6	26,756,774	1·0	2,483,252,395

* Per cent. of Total Liabilities or Assets. † Including advances to the Treasury: 1914, Lire 518,812,387; 1916, Lire 1,830,749,008. 1917, Lire 4,807,506,800

and one-sixth per cent. The net profit for 1919 was 48,986,916 lire, as compared with 59,611,265 lire for 1918.

Yr. to Dec 31	Gross Profit. Lire.	Expenses and Taxes.* Lire.	Net Profit. Lire.	Proportion Paid to State. Lire.	Dividend. Amount. Lire.	Rate. %	Special Allocations Lire
1919	217,175,495	168,186,579	48,986,916	18,093,785	14,400,000	8	14,393,131
1918	170,039,227	110,427,962	59,611,265	23,140,351	14,400,000	8	22,070,914
1917	112,003,164	40,228,410	71,774,754	21,016,241	14,400,000	8	36,358,513
1916	79,114,634	22,287,687	56,826,947	15,691,316	14,400,000	8	26,735,631
1915	71,390,565	20,519,803	50,870,762	10,729,956	14,400,000	8	25,740,806
1914	58,136,262	19,879,490	38,256,772	4,500,000	14,400,000	8	19,028,351
1913	52,659,472	15,879,259	36,780,213	4,800,000	14,400,000	8	17,641,870

* Includes taxes as follows: 1919 [illegible]; 1918, L.21,586,414; 1916, L.[illegible]; 1915, L.5,537,417; 1914, L.6,568,[illegible]; 1913, L.4,626,251.

BANCA ITALIANA DI SCONTO.

Head Office: Rome.

Capital—

Subscribed and Paid up ... ... Lire 315,000,000

In 1915 the Società Bancaria Italiana and the Società Italiana di Credito Provinciale were amalgamated to form the Banca Italiana di Sconto. The combined institution has thus had quite a short life, yet during that time it has developed to a remarkable extent, and has amassed deposits amounting to over 816 million lire, the increase in 1919 alone being about 226 millions, or thirty-eight per cent. over the previous figure. Simultaneously, the assets have risen by 60 per cent. In the year of the amalgamation the subscribed capital was seventy million lire, an amount subsequently increased to 180 millions. During 1919 there was a further issue of 270,000 shares of 500 lire each, which were all promptly taken up, thereby raising the paid-up capital to 315 million lire. This increase was effected in order to bring the capital more into proportion with the numerous requirements of the Bank's expanding business.

The Banca Italiana di Sconto has helped to transform the Banca Vonwiller into a joint stock company, and participated in the formation of several trading and industrial enterprises—*e.g.*, the Intercontinentale Transport and Forwarding Agency, the Unione Cinematografica Italiana and the Società Cementi Isonzo. With many additional branches opened in various parts of Italy, those in Constantinople, Marseilles, Paris, Santos, Sao Paulo, and Rio de Janeiro, and an autonomous branch in New York, the Bank has become a big international undertaking.

Agreements made in 1917 with the London and South Western Bank, now part of Barclays Bank, Limited, have proved to be of great advantage to both the banks concerned and their respective countries. The constantly increasing importance of Barclays Bank, which now controls the British Linen Bank and the Union Bank of Manchester, thus extending its operations into the chief manufacturing districts of Great Britain, should bring further good results. The profit for 1919 was by far the highest during the Bank's existence, the net amount shown in the profit and loss account (inclusive of Lire 12,200,000 premium on new share issue, but after transfer of Lire 20,000,000 to reserve) being Lire 31,878,137 against Lire [illegible] for 1918. A dividend of 7.1 per cent. was paid, and [illegible] the shareholders' [illegible] reserve was raised to Lire 63,000,000.

We append a statement of assets and liabilities for the last four years, and a glance at the figures will disclose the great growth during 1919. The assets have increased from 2,506 million lire to 4,259 millions. Cash in hand and bills [illegible] show a substantial increase. On the other side, deposits have risen from 594 to 816 millions, and bills payable, at over 315 millions, are more than six times their previous amount.

Banca Italiana di Sconto, Rome.

LIABILITIES.	[illegible] Lire	[illegible] Lire	[illegible] Lire	[illegible] Lire
[illegible]	[illegible]	167,[illegible]	[illegible]	70,000,000
[illegible]	[illegible]	[illegible]	4,000,000	1,500,000
[illegible]				
[illegible]	[illegible]	[illegible]	[illegible]	182,054,675
Correspondents	2,630,322,761	1,577,600,057	870,144,768	566,251,587
Acceptances ...	[illegible]	[illegible]	22,740,750	9,630,123
Bills payable ...	[illegible]	[illegible]	42,451,127	22,385,697
Sundry [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	4,259,249,521	2,506,996,050	1,399,871,549	812,548,175
ASSETS.				
Cash	292,[illegible]	121,164,029	107,574,000	52,484,581
Investments	133,559,121	91,889,714	50,[illegible]	38,003,684
Participations, &c.	132,772,017	72,036,190	10,247,014	4,736,190
Bills ...	[illegible]	[illegible]	669,520,533	373,090,669
Loans	[illegible]	[illegible]	51,094,029	60,583,017
Due from correspondents	1,378,102,[illegible]	[illegible]	470,958,196	260,274,488
Acceptances Current Acc.	[illegible]	4,360,265	22,740,750	9,630,123
Sundry debtors, &c. ...	29,8[illegible]	12,[illegible]	5,547,946	4,063,020
Bank premises, &c.	21,730,708	17,346,148	[illegible]	[illegible]
[illegible] Assets	4,259,249,521	2,506,996,050	1,399,871,549	812,548,175

BRITISH ITALIAN CORPORATION.

Head Office: 12 Nicholas Lane, E.C. 4.

Capital—

Authorised, Issued and Paid up, 50,000 Shares of £20 each £1,000,000

In 1916 the London County and Westminster Bank and Lloyds Bank, with the co-operation of the Credito Italiano, formed the British Italian Corporation, Limited, in England and the Compagnia Italo Britannica in Italy, the two companies to work together in every possible way for the advancement of mutual interests. The objects of the formation were the conduct of financial operations not strictly comprised within the function of banking as understood in this country, the development of our economic relations with Italy and the promotion of commercial and industrial undertakings in the latter country. British manufacturers can thus obtain the funds necessary to extend their business with Italy, for when a new contract is secured, the companies will finance this during the development stage, and subsequently obtain repayment by placing issues of bonds or stocks with British investors.

The contracting banks formed the Corporation under an agreement (dated June 8, 1916) by which the capital was not to be less than £600,000 by November 30, 1916. At the same time the Board of Directors undertook to pay the Corporation on November 30, 1916, and on the like date in each of the succeeding nine years a subsidy of £50,000, or five per cent. on the paid-up capital, should the latter be less than the sum of £1,000,000. The loan is free

Liabilities and Assets of the British Italian Corporation, Limited

LIABILITIES. Dec. 31	Capital Paid up. £	[illegible]	Reserve & Reserve. £	[illegible]	Sundry Creditors £	[illegible]	Acceptances £	[illegible]	[illegible] £	[illegible]	[illegible] £
1919	1,000,[illegible]	[illegible]	[illegible]	26·2	1,[illegible]	26·1	[illegible]	58·5	72,871	1·2	[illegible]
1918 ...	1,000,[illegible]	[illegible]	133,418	67·3	[illegible]	4·7	[illegible]	25·6	[illegible]	2·4	1,684,756
1917	[illegible]	[illegible]	83,418	74·6	[illegible]	5·9	[illegible]	15·7	4,[illegible]	3·8	1,231,617
1916	[illegible]	[illegible]	41,709	99·4	[illegible]	·1			1,291	·5	[illegible]

ASSETS. Dec. 31	Cash [illegible] £	[illegible]	Investments £	[illegible]	Sundry Debtors & Loans £	[illegible]	[illegible] £	[illegible]	[illegible] £	[illegible]	Total Assets £
1919	[illegible]	13·4	[illegible]	5·4	731,891	12·5	[illegible]	8·8	[illegible]	58·5	7,[illegible]	·4	[illegible]
1918 ...	128,013	7·7	462,[illegible]	27·4	[illegible]	4·9	[illegible]	3·5	[illegible]	25·6	14,500	·9	[illegible]
1917	68,001	5·3	312,[illegible]	25·4	[illegible]	·7	[illegible]	52·5	[illegible]	15·7	1,440	·1	1,231,617
1916	[illegible]	32·8	[illegible]	66·9	118						[illegible]	·3	[illegible]

* [illegible] of Total Liabilities & Assets.

of interest, and in the event of winding-up the Government is only to receive back the amount lent after shareholders have been repaid their capital with five per cent. from the beginning.

By December 31, 1918, the paid-up capital had reached the £1,000,000, the unissued balance at the end of the previous year having been allotted to a number of British banks and bankers, including four of the "Big Five."

The accounts of the Corporation for the year ending December 31, 1919, show considerable expansion of business, the assets having grown from £1,684,000 to £5,873,000. Cash has increased by £659,000 to £787,000, while investments have declined by about £87,000. Advances have multiplied nearly nine-fold, and stand at £731,891. The Bank has made advances to Italian shipowners for the purchase of tonnage, and arranged important credits in connection with supplies to Italy of raw material used for the manufacture of certain exports, these methods of finance proving especially useful, although the credits extend over a longer period than is customary. The extended facilities are justified in that the commodities are intended for export rather than internal consumption, the credits preventing unnecessary speculation on the exchange.

The item in the balance sheet, "guarantees £2,783,000," is in respect of guarantees given to the Ministry of Shipping on account of instalments of the price of tonnage sold to Italian shipowners. Such guarantees do not involve advances of money.

The reserve fund now amounts to nearly £200,000, while the item of "sundry creditors" has risen from £79,000 to £1,181,000 during the year to December 31 last. The net profit for this period was £68,483, or about double that of the previous year. A dividend of four per cent., free of tax, was again paid, and a profit balance of £29,546 is carried forward, against £4,487 brought into account.

Profits of the British Italian Corporation.

Year to Dec. 31	Net Profit £	Dividend	Sundry Allocations. £	Carried forward £
1919	68,483	10,000 4	3,421	29,546
1918	34,420‡	35,516 4	—	4,487
1917	43,071	41,709 5†	—	5,585

* Free of tax. † Less tax.
‡ After deducting £1,238 preliminary expenses.

CREDITO ITALIANO.

Head Office: Milan, Italy.

London Branch: 22 Abchurch Lane, E.C. 4.

Capital—

Authorised	Lire 300,000,000
Paid up	„ 268,000,000

ORIGINALLY established in 1870, the Credito Italiano adopted its present form and name in 1895. The head office is at Milan and the registered office at Genoa, and a London office was opened in 1911. The Bank has numerous branches all over Italy and has materially assisted in the economic development of the country, while it has also been instrumental in the formation of other banking businesses with foreign fields of operation, *e.g.*, the Banque Italo-Belge, for the promotion of Italian trade with South America; the British Italian Corporation in London, and the Compagnie Italo-Britannica.

The Bank's expansion during the last quarter of a century has been very marked. In 1895, with a paid-up capital of fourteen million lire, the deposits reached 32,224,153 lire, while on December 31, 1919, with a paid-up capital of 200 million lire, deposits had increased to over 3,266 millions. During the War period in particular the growth was impressive, and the turnover has more than quadrupled during the last five years. Throughout 1919 the Bank continued to interest itself in the raising of capital for new issues of debentures, in the formation of new companies, and in financing public and private enterprises, with the result that loans and advances increased during the year from 896 million lire to 1,377 millions, and bills rose from 1,408 millions to 2,097 millions. The Bank participated in an increase of capital of the Belgian Bank of the Crédit Générale Liégeois and assisted in the formation of the Banca Unione di Credito in Switzerland, the Banque Générale des Pays Roumains and the Italo-Chinese Bank.

Deposits increased last year by more than one milliard lire. Cash and bills (including Treasury bills) rose from 1,623 million lire to 2,387 millions, and investments by over 29 millions to 43,954,000 lire. The net profit for the twelve months amounted to 31,630,990 lire; the substantial sum of 13 million lire was transferred to the reserves, making the total of the latter 45 million lire, and a dividend of eight per cent. per annum was paid.

Dec. 31	Gross Profit. Lire.	Int., Exp., & Taxes. Lire.	Net Profit. Lire.	Dividend. Amount. Lire.	Dividend. Rate. %	Special Allctns. Lire.	Carried Forward. Lire.
1919	106,611,116	76,816,120	29,828,026	16,000,000	8	13,000,000	1,379,616
1918...	63,488,446	46,332,178	17,156,268	8,750,000	7	8,000,000	551,590
1917...	44,784,582	31,793,232	12,991,349	7,000,000	7	6,000,000	145,323
1916...	26,756,709	19,764,749	6,991,960	4,500,000	6	2,500,000	153,974
1915...	24,628,823	17,103,508	5,525,315	4,500,000	6	1,000,000	162,014
1914...	21,729,322	16,725,364	5,003,958	4,500,000	6	500,000	136,691
1913...	21,095,051	16,079,611	5,015,440	4,500,000	6	500,000	132,749

To maintain the capital in a suitable proportion to deposits and the enlarged business generally, it was this year decided, following the increase of the paid-up amount last year from 150 to 200 million lire, to make a further issue of 200,000 new shares of 500 lire each, at a price of 600 lire per share. Of these shares 80,000 were offered to existing shareholders, in the proportion of one share for every five already held, and it was decided to place to reserve the premium of 100 lire per share.

Liabilities and Assets of the Credito Italiano.

LIABILITIES.

Dec. 31	Paid-up Capital. Lire.	Reserve Fund. Lire.	Capital and Reserve. Lire.	Capital and Reserve. %	Cheques in Circulation, &c. Lire.	Cheques in Circulation, &c. %	Deposits, &c. Lire.	Deposits, &c. %	Acceptances. Lire.	Acceptances. %	Guarantees. Lire.	Guarantees. %	Profit Balance. Lire.	Profit Balance. %	Total Liabilities. Lire.
1919	...200,000,000	32,000,00	232,000,000	5·8	225,037,761	5·7	3,347, 72 897	84·3	53,935,969	1·4	81,513,367	2·0	32,182,583	·8	3,971,942,577
1918	...150,000,000	24,000,000	174,000,000	6·6	74,288,488	2·8	2,284,271,643	85·8	20,418,144	·7	90,459,725	3·4	18,338,608	·7	2,661,776,608
1917	...100,000,000	15,000,0 0	115,000,000	6·1	50,223,582	2·7	1,589,483,455	84·4	54,436,133	2·9	59,658,045	3·2	13,930,590	·7	1,882,731,805
1916	... 75,000,000	12,500,000	87,500,000	6·9	33,529,384	2·7	1,041,882,310	82·3	44,611,564	3·5	51,143,986	4·0	7,576,606	·6	1,266,243,850
1915	... 75,000,000	11,500,0 0	86,500,000	11·2	20,603,855	2·7	570,149,511	74·1	44,825,168	5·8	41,177,695	5·4	5,950,884	·8	769,506,893
1914	... 75,000,000	11,000,000	86,000,000	14·1	12,928,291	2·1	449,816,616	73·8	24,176,527	4·0	31,192,700	5·1	5,424,185	·9	609,538,319
1913	... 75,000,000	10,500,000	85,500,000	13·7	14,554,945	2·3	450,165,835	72·0	47,331,931	7·6	22,439,304	3·6	5,112,284	·8	625,104,299

ASSETS.

Dec. 31	Cash in Hand. Lire.	Cash in Hand. %	Investments, &c. Lire.	Investments, &c. %	Loans, bills Receivable. Lire.	Loans, bills Receivable. %	Loans, Current Accounts, &c. Lire.	Loans, Current Accounts, &c. %	Acceptances. Lire.	Acceptances. %	Customers' Liability for Guarantees. Lire.	Customers' Liability for Guarantees. %	Bank Premises. Lire.	Bank Premises. %	Total Assets. Lire.
1919	289,850,325	7·3	58,871,689	1·5	2,097,792,190	52·8	1,377,659, 27	34·7	53,935,969	1·4	81,513,367	2·0	12,500,000	·3	3,971,942,577
1918	214,365,828	8·1	18,715,522	·7	1,408,861,507	52·9	896,455,882	33·7	20,418,144	·7	90,459,725	3·4	12,500,000	·5	2,661,776,608
1917	165,098,729	8·7	21,161,016	1·2	1,071,102,013	55·9	498,775,809	23·5	54,436,133	2·9	59,658,045	3·2	12,500,000	·6	1,882,731,805
1916	115,756,635	9·1	17,872,645	1·4	792,188,018	62·6	232,171,002	18·4	44,611,564	3·5	51,143,986	4·0	12,500,000	1·0	1,266,243,850
1915	104,484,793	13·6	32,316,948	4·2	332,633,979	43·2	201,568,310	23·2	44,825,168	5·8	41,177,695	5·4	12,500,000	1·6	769,506,893
1914	43,447,298	7·5	23,294,826	3·8	252,711,145	41·5	220,197,623	38·1	24,176,527	4·0	31,192,700	5·1	12,518,200	2·0	609,538,319
1913	35,853,641	5·7	20,123,210	3·2	274,028,097	43·8	214,715,116	34·4	47,331,931	7·6	22,439,304	3·6	10,783,000	1·7	625,104,299

* Per cent. of Total Liabilities or Assets.

AMSTERDAMSCHE BANK.

Head Office - - AMSTERDAM

BRANCHES at Rotterdam, Almelo, Amersfoort, Arnhem, Bergen-op-Zoom, Deventer, Dordrecht, Eindhoven, Enschede, Groningen, The Hague, Haarlem, Leeuwarden, Leiden, Maastricht, Schiedam, Tilburg, Utrecht, Zutfen.

Correspondents in all Towns.

CAPITAL - Fl.55,000,000 (£4,583,333)
(Issued and fully paid up)
RESERVE - Fl.38,900,000 (£3,241,666)

MANAGING DIRECTORS:
F. S. VAN NIEROP. P. HOFSTEDE DE GROOT.
H. A. VAN NIEROP. A. J. VAN HENGEL.
F. I. DE GREVE.

DEPUTY MANAGING DIRECTOR:
D. ANDRESON

LEU & Co.'s BANK
LIMITED,
ZURICH (Switzerland).
Founded 1755.

Paid-up Capital / Reserve Funds Frs.52,600,000

Affiliated Banks.
Banque Commerciale de Berne.
Banque Commerciale de Soleure.
Bank of St. Gall.

Every description of Domestic and Foreign Banking business transacted. Booking and Travel Department.

Our Bank and affiliated Banks are prepared to furnish the Mercantile and Industrial Community with all available information regarding Trade and Industry in Switzerland, and also with reports on Merchants and Manufacturers established in our Country.

Kansallis-Osake-Pankki
(National Joint Stock Bank)
FINLAND.

Established in 1889.

Head Office: Helsingfors (Helsinki)
Branches at 120 places in Finland.

Capital and Reserves
Fmk. 238,000,000

Deposits and Current Accounts (July 31, 1920)
Fmk. 931,000,000

EVERY KIND OF BANKING AND EXCHANGE BUSINESS TRANSACTED.

Telegraphic Address: Kansallispankki.

BANQUE INDUSTRIELLE DE CHINE.

Capital Authorised Frs. 250,000,000
Capital Subscribed „ 150,000,000
Capital Paid up - „ 75,000,000

HEAD OFFICE:
Paris: 74 rue Saint-Lazare.
Cable Addresses: {Head Office: Dirgebicd. {Branches: Chibankand.

BRANCHES:
Canton, Hanoi, Saigon, Tientsin,
Foochow, Hongkong, Shanghai, Vladivostock,
Haiphong, Mukden, Singapore, Yokohama,
Hankow, Peking, Swatow, Yunnanfu,
LYONS. MARSEILLES.
LONDON. ANTWERP. NEW YORK.

LONDON OFFICE
28 Throgmorton Street, E.C. 2.
Telephone No: London Wall 20[illegible] three lines.

OPERATIONS OF THE BANK.
General Banking Business transacted and especially business with the Far East—Negotiation and Collection of Bills of Exchange on the Far East and [illegible]
Documentary Credits opened—Freights collected at all ports in the Far East—Letters of Credit—Deposit and Current Accounts in £, Frs., $, etc.—Telegraphic and Mail Transfers effected to all parts of the World—Financial and Commercial Information, etc., etc.

NORWEGIAN BANKS.

BERGENS PRIVATBANK.

Head Office: Bergen, Norway.

Capital

Subscribed and fully paid Kr.30,000,000

THIS Bank was established in 1855. During 1919 it absorbed the Revisionsbanken, Kristiania, established in 1913. The accounts of the two institutions were published separately as for December 31, 1919, and in combined form as for January 1, 1920. The amalgamation gives the Bank offices in Christiania, and in addition there are nine branches. The total paid-up capital now amounts to thirty million kroner, and the reserves total thirty-eight million kroner, the latter having been largely derived from premiums on new shares.

The joint capital and reserves of the two Banks now amount to over seventy-one million kroner, while as recently as 1916 the total for the Bergens Bank only was fifty-two millions. Apart from the increased figures due to the amalgamation, however, the accounts show considerable expansion. Deposits in 1916 stood at 162 million kroner, while for 1917, 1918, and 1919 the amounts have been 229 millions, 275 millions, and 331 millions (both banks) respectively. The appended statement shows the figures of the Bergens Bank on December 31 last, and the increased amount on the following January 1, due to the inclusion of the Revisionsbanken figures.

The net profit of the Bergens Bank for 1919 was Kr. 10,002,678 and that of the Revisionsbanken Kr. 1,153,782. The combined profit allowed a dividend of fifteen per cent. per annum to be paid, and over three million kroner was transferred to reserves.

Bergens Privatbank.

LIABILITIES.	Jan. 1, 1920 Kr.*	Dec. 31, 1919. Kr.	Dec. 31, 1918. Kr.
Capital paid up	30,000,000	25,000,000	25,000,000
Reserve funds	38,000,000	30,000,000	30,000,000
Deposits and current accts.	331,952,789	300,5[illegible],660	276,067,056
Due to bankers	25,217,213	18,114,926	15,049,559
Guarantees	39,531,686	39,531,686	28,302,486
Acceptances	2,09[illegible],688	2,992,688	8,0[illegible],000
Sundry liabilities	5,961,728	5,074,268	5,952,444
Profit balance ...	5,756,461	10,0[illegible],679	1,203,622
Total Liabilities...	478,515,575	430,350,806	388,576,067
ASSETS.			
Cash in hand and at banks...	62,762,894	62,905,193	32,376,213
Due from foreign banks ...	58,299,982	56,294,696	68,041,574
Securities	15,974,138	13,975,171	23,401,020
Bills discounted	48,339,549	41,99[illegible],374	32,[illegible],552
Foreign bills and coin ...	2,922,966	2,618,861	—
Current accounts, &c. ...	240,934,062	212,253,179	203,458,242
Clients' liab. for guarantees....	39,534,686	39,534,686	28,302,187
Bank premises	987,298	776,646	76[illegible],089
Total Assets	478,515,575	430,350,806	388,576,067

* Combined figures of Bergens Privatbank and Revisionsbanken, of Christiania.

NORGES BANK.

(BANK OF NORWAY.)

Head Office: Christiania.

Capital

Authorised and Paid up, in Shares of Kr. 10,000, Kr. 1,000, Kr. 500, Kr. 100, and Kr. 50, all fully paid ... ... Kr. 35,000,000

IN 1814 the new Government of Norway decided to establish an independent Norwegian Rigsbank, in place of the branch of the Danish Rigsbank which had been acting for Norway. A few years later it was found advisable to wind up this bank, and the present Bank of Norway was established, the funds for its capital being provided by a property tax. The excessive note issue was redeemed, but a part of it at only three-sixteenths of its face-value. The new Bank was granted a monopoly of note issue, and in 1892 the present regulations governing the issue were brought into force. The fiduciary limit is Kr.24 million. The excess over this amount must be covered by gold, but one-third of this (since 1916 one-half) may consist of foreign credits payable on demand in gold. In addition, a sum not exceeding Kr.3 million (now Kr.6 million) may be held in those countries with which Norway has entered into currency conventions, so that such amount to the Bank's credit with the Swedish Rigsbank and the Danish National Bank may be reckoned as cash in hand.

As regards profits, six per cent. is paid to the shareholders as dividend, and one-tenth of the balance must be added to the reserve as long as the latter is less than Kr.5 million. The remainder is divided equally between the State and the shareholders, until the latter have received ten per cent. Of any further remainder, the shareholders take one-quarter and the State three-quarters. The control of the Bank is entirely in the hands of the Government, the President being appointed by the Crown and the Committee by Parliament, which also appoints the managers of the branches.

In 1850 the paid-up capital of the Bank exceeded Kr.10 million. Several changes took place, and by 1910 the amount stood at Kr. 19 million. In 1913 this was further increased to Kr. 25 million, and the present amount of Kr. 35 million was reached in 1917.

Net profits have increased largely during recent years, a record amount of Kr.23,918,156 being shown for 1918, as compared with Kr.12,693,510 for 1917. The net profits for 1919 did not reach the high figure of the previous year, though they exceeded those of 1917 by over Kr.1,600,000, and amounted to Kr.14,304,571. The dividend was maintained at the

Liabilities and Assets of The Norges Bank (Bank of Norway).

LIABILITIES.

Dec. 31	Capital Paid up. Kroner.	Reserve Fund. Kroner.	Total Capital and Reserve. Kroner.	% *	Notes in Circulation. Kroner.	% *	Deposits. Kroner.	% *	Miscellaneous. Kroner.	% *	Profit Balance. Kroner	% *	Total Liabilities. Kroner.
1919 ...	35,000,000	15,373,428	50,373,628	7·5	454,234,[illegible]33	69·2	105,651,546	16·1	37,059,966	5·7	9,653,656	1·5	657,019,829
1918 ...	35,000,000	17,047,645	52,047,645	8·0	436,212,190	66·8	127,055,382	19·4	29,054,932	4·4	9,584,524	1·4	653,954,673
1917 ...	35,000,000	17,365,533	52,365,532	8·3	326,318,557	51·9	225,300,901	35·8	18,174,778	2·9	6,784,808	1·1	628,944,636
1916 ...	25,000,000	11,454,231	36,454,231	9·4	251,452,881	65·2	81,045,333	21·0	12,621,841	3·3	4,171,944	1·1	385,745,230
1915 ...	25,000,000	11,944,212	36,944,212	15·5	162,210,584	68·0	26,540,273	11·1	8,672,746	3·7	4,095,691	1·7	238,463,506
1914 ...	25,000,000	13,361,873	38,361,873	17·7	134,134,896	62·0	21,140,216	9·8	18,873,289	8·8	4,[illegible],788	1·9	216,371,040
1913 ...	25,000,000	13,609,132	38,609,132	23·1	107,612,073	64·3	12,582,004	7·5	5,078,499	3·0	3,520,445	2·1	167,402,153

ASSETS.

Dec. 31	Cash in Hand. Kroner.	% *	Investments. Kroner.	% *	Advances on Securities. Kroner.	% *	Bills and Advances on Bills. Kroner.	% *	Miscellaneous. Kroner	% *	Total Assets. Kroner.
1919	223,[illegible],72[illegible]	34·1	10,562,475	1·6	55,[illegible]18,251	8·5	349,839,227	53·2	16,781,954	2·6	657,019,829
1918	194,995,479	29·8	13,221,339	2·0	175,734,484	26·9	253,547,368	38·8	16,456,003	2·5	653,954,673
1917	196,679,033	31·8	13,091,125	2·0	230,245,535	36·8	174,864,475	27·9	14,064,468	2·2	628,944,636
1916	205,531,264	53·3	13,439,907	3·5	32,899,175	8·5	121,249,187	31·4	12,[illegible],697	3·3	385,745,230
1915	130,508,400	54·7	13,394,353	5.6	7,573,930	3·2	75,330,850	31·6	11,[illegible],973	4·9	238,463,506
1914	69,404,734	32·2	8,962,725	4·1	8,349,268	3·9	113,616,453	52·5	15,837,860	7·3	216,371,040
1913	74,202,363	44·4	8,823,034	5·3	7,685,878	4·6	68,778,839	41·0	7,914,039	4·7	167,402,153

* Per cent. of Total Liabilities or Assets.

rate of twelve per cent., to which it was increased in 1917, as compared with ten per cent. for 1916 and several previous years.

Year to Dec. 31	Gross Profit. Kroner.	Expenses. Kroner.	Net Profit. Kroner.	Due to the State. Kroner.	—Div.— Amt. Kroner.	Rate. %	Special Allotts. Kroner.
1919...	16,760,[illegible]	2,[illegible]	14,3[illegible],571	5,453,656	[illegible],000	12	1,[illegible]
1918...	26,211,565	2,293,[illegible]	23,918,156	5,384,524	4,200,000	12	14,333,632
1917...	14,523,900	1,830,390	12,693,510	3,784,808	3,000,000	12	5,908,702
1916...	7,017,132	1,327,527	5,689,605	1,671,944	2,500,000	10	1,517,661
1915...	6,498,447	2,370,859	4,127,588	1,595,691	2,500,000	10	31,897
1914...	6,166,395	2,148,014	4,018,381	1,513,786	2,500,000	10	4,595
1913...	5,302,067	1,621,[illegible]	3,[illegible]	1,620,445	1,900,000	10	[illegible]

We append the usual statements of assets and liabilities, and, in addition, the main items of the volume sheet as on July 31 this year, compared with the pre-War figures six years earlier. The large [illegible] deposits and [illegible] expenses, though [illegible] bered that, unlike the circulation in many other countries, the excess over the fixed limit is all covered by gold or its equivalent. The increase under these heads during the six years is Kr.434 million.

Norges Bank (Bank of Norway).

	1920 July 31 Kroner	1914 July 31 Kroner	Inc. or Dec. Kroner
Gold	146,160,000	53,280,000	+ [illegible],000
Balances abroad and foreign bills ...	50,616,000	[illegible],204,000	+ [illegible],000
Government securities	10,404,000	[illegible],674,000	+ [illegible],000
Discounts and loans...	411,738,000	[illegible],624,000	+354,114,000
Notes in circulation	[illegible],541,000	[illegible],536,000	+334,982,000
Deposits at notes	[illegible],[illegible],000	[illegible],274,000	[illegible],000

RUSSIAN BANKS.

BANQUE INTERNATIONALE DE COMMERCE DE PETROGRAD.

Head Office: Petrograd

FOUNDED in 1869, the International and Commercial Bank of Petrograd commenced business with an authorised capital of Rbls.5 million. The business developed rapidly, and as a consequence the capital was raised several times, being increased in 1914 from Rbls.48 million to Rbls.60 million, in shares of Rbls.250 each. It is understood that during 1917 the capital was raised to Rbls.75 million, but no accounts of the Bank's transactions have been received since those covering the year to December 31, 1916. It is also believed that the reserve funds, which in 1910 amounted to Rbls.18 million, and by 1916 had reached over Rbls.36 million, were raised at the same time to a total of about Rbls.47 million, ordinary reserve standing at Rbls.39 million, and "other" reserves at about Rbls.8 million.

From 1870 to 1916 the growth in the Bank's business was very considerable, deposits having increased in that period from Rbls.15 million to [illegible] million, the most marked increase being during 1916, when the total was almost doubled. At one time the institution was transacting business of an international character, and had branches in Paris, Brussels, and Geneva, in addition to its numerous home offices.

We append statements of profits, and liabilities and assets, showing the last set of figures available:—

Year to Dec. 31	Gross Profit. Rs.	Expenses. Rs.	Taxes. Rs.	Net Profit. Rs.	Dividend. Amt. Rs.	Rate. %	Re-serve, &c. Rs.	Carried Forward. Rs.
1916	31,500,258	18,[illegible],[illegible]	1,170,851	12,326,275	9,[illegible],000	16·0	—	2,850,758
1915	19,121,255	12,681,732	805,925	5,634,600	4,800,000	8·0	540,260	124,493
1914	15,[illegible],[illegible]	[illegible],563,569	1,401,[illegible]	[illegible],[illegible],[illegible]	1,600,000	6·0	[illegible],642,000	[illegible],847
1913	17,892,993	9,791,260	1,111,858	6,953,995	6,720,000	14·0	233,995	—

COMMERCIAL BANK OF SIBERIA.

This institution, the Banque de Commerce de Sibérie, was established in Petrograd in 1872, and succeeded in building up a large business. The Bank developed [illegible] it had no office in London, it had connections in many parts of the world, and, according to the [illegible] in Russia, Siberia, and Central Asia. Owing to the chaotic condition of Russia, it has not been possible to obtain any definite particulars since those dealing with the year 1916. During that year the paid-up capital was increased from twenty million roubles to thirty million roubles, in fully-paid shares of 250 roubles each. At the time the Bank had accumulated a reserve fund of 23,800,000 roubles, partly from profits and partly from premiums on the issue of shares. In 1913 a dividend of sixteen per cent. was paid, which dropped to ten per cent. for 1914, though it recovered to thirteen per cent. for 1915, and fifteen per cent. for 1916. The figures for 1916, given below, show the manner in which the Bank's funds were [illegible] employed:—

LIABILITIES.	Rb.	ASSETS.	Rb.
Capital	[illegible],[illegible],000	Cash in hand and at bankers ...	3[illegible],213
Reserves ...	23,800,000	Securities abroad ...	6,103,766
Total capital & reserves	[illegible],800,000	Government securities ...	27,662,168
Deposits	459,150,929	Bills ...	78,817,608
Correspondents ...	[illegible],[illegible],[illegible]	Branches accounts ...	146,933,484
Branches accounts ...	143,009,887	Advances ...	219,901,833
Acceptances	[illegible],[illegible]	Correspondents	303,500,598
Miscellaneous ...	16,870,996	Miscellaneous ...	6,451,490
Profit balance ...	9,738,507	Bank premises ...	6,837,833
	[illegible],721,894		828,791,894

RUSSIAN AND ENGLISH BANK.

Head Office: Petrograd.
London Office: 31-33 Bishopsgate, E.C. 2.

Capital—
Subscribed and Paid up, 60,000 Shares of Rbls. 250 each ... ...Rbls. 15,000,000

THIS Bank was incorporated under Russian law in April 1910, with its head office at Petrograd, an office in London, and [illegible] of five million roubles, in fully-paid shares of 250 roubles each. In 1913 and in 1916 the authorised capital was increased, and in December 1916 the paid-up capital had reached fifteen million roubles. The authorities in London state that, owing to the chaos in Petrograd, no accounts have been received from Russia since the report and balance sheet for 1916. [illegible] with expansion and the [illegible] it was [illegible]

Liabilities and Assets of the [illegible] Interests of Commerce in Petrograd

LIABILITIES. Dec. 31	Capital Paid up. Rs.	Reserve Funds. Rs.	Total Capital and Reserves. Rs.	%	Deposits, Current Accounts, &c. Rs.	%	Acceptances, Guarantees, &c. Rs.	%	Correspondents, &c. Rs.	%	Sundry Accounts. Rs.	%	Profit —Balance Rs.	%	Total Liabilities Rs.
1916	[illegible],000,000	[illegible],[illegible],[illegible]	[illegible],[illegible],[illegible]	7·3	[illegible],[illegible],[illegible]	11·9	[illegible],[illegible],[illegible]	21·5	[illegible],[illegible],[illegible]	21·4	[illegible],[illegible],[illegible]	1·3	[illegible],[illegible]	1·0	[illegible]
1915	[illegible],000,000	[illegible],[illegible],[illegible]	[illegible],[illegible],[illegible]	12·7	[illegible],[illegible],[illegible]	39·5	[illegible],[illegible],[illegible]	14·0	[illegible],[illegible],[illegible]	31·4	[illegible],[illegible],[illegible]	1·7	[illegible],[illegible]	·7	767,198,643
1914	60,000,000	[illegible],[illegible],[illegible]	[illegible],[illegible],[illegible]	16·2	[illegible],[illegible],[illegible]	38·3	[illegible],[illegible],[illegible]	8·7	[illegible],[illegible],[illegible]	32·3	[illegible],[illegible],[illegible]	3·9	3,769,847	·6	[illegible],[illegible]
1913	45,000,000	28,181,508	73,181,508	12·5	241,811,009	43·3	68,[illegible],[illegible]	11·2	[illegible],[illegible],[illegible]	27·3	[illegible],[illegible],[illegible]	4·6	6,953,995	1·1	[illegible],[illegible]

ASSETS. Dec.	Cash in Hand and at Bankers. Rs.	%	Investments. Rs.	%	Bills, Loans, &c. Rs.	%	Branches Accounts. Rs.	%	Correspondents, &c. Rs.	%	Sundry Accounts. Rs.	%	Profit —Balance Rs.	%	Total Assets. Rs.
1916	26,886,076	2·8	55,[illegible],261	4·4	[illegible],[illegible],[illegible]	34·9	[illegible],[illegible],[illegible]	24·3	[illegible],[illegible],[illegible]	32·1	[illegible],[illegible]	·8	[illegible],[illegible]	·7	1,317,290,718
1915	18,952,930	2·1	[illegible],727,457	8·0	[illegible],[illegible],[illegible]	33·8	[illegible],[illegible],[illegible]	13·4	[illegible],[illegible],[illegible]	41·0	[illegible],[illegible]	·2	[illegible],[illegible]	1·5	[illegible],[illegible]
1914	18,130,515	3·0	[illegible],[illegible],[illegible]	9·9	[illegible],[illegible],[illegible]	37·8	[illegible],[illegible],[illegible]	7·5	[illegible],[illegible],[illegible]	39·7	[illegible],[illegible]	1·1	7,983,994	1·3	[illegible],[illegible]
1913	12,818,723	2·1	51,361,483	8·4	262,243,839	42·8	71,670,145	11·7	201,741,151	33·0	[illegible],[illegible]	·7	[illegible],[illegible]	1·3	602,169,531

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Russian and English Bank.

LIABILITIES.

Dec. 31	Capital. Rs.	Reserve. Rs.	Total Capital & Reserve. Rs.	% *	Acceptances, &c. Rs.	% *	Deposits, &c. Rs.	% *	Profit Balance. Rs.	% *	Total Liabilities. Rs.
1916 ...	15,000,000	3,618,712	18,618,712	19·0	5,776,978	5·8	70,921,901	72·0	3,109,643	3·2	98,421,234
1915 ...	10,000,000	1,728,538	11,728,538	17·1	1,583,619	2·3	53,584,428	78·0	1,740,266	2·6	68,636,851
1914 ...	10,000,000	1,477,440	11,477,440	27·7	575,110	1·4	28,497,352	68·7	921,148	2·2	41,471,050
1913 ...	10,000,000	823,250	10,823,250	37·8	250,754	·9	16,590,518	57·9	985,961	3·4	28,650,483

ASSETS.

Dec. 31	Cash. Rs.	% *	Investments. Rs.	% *	Bills Discounted &c. Rs.	% *	Liability of Customers for Acceptances. Rs.	% *	Miscellaneous Rs.	% *	Total Assets. Rs.
1916 ...	9,791,094	10·0	26,365,753	26·8	56,281,005	57·2	5,770,978	5·8	209,404	·2	98,421,234
1915 ...	6,679,218	9·6	7,924,238	11·6	52,397,339	76·4	1,583,619	2·3	52,437	·1	68,636,851
1914 ...	3,726,947	9·0	4,336,840	10·4	32,801,546	79·1	575,110	1·4	30,618	·1	41,471,051
1913 ...	4,267,875	14·9	2,766,841	9·7	21,339,194	74·4	250,754	·9	25,819	·1	28,650,483

* Per cent. of Total Liabilities or Assets.

per cent. in 1914, and eight per cent. in 1915, to twelve per cent in 1916. The net profit for 1916 was 2,596,000 roubles, and 1,400,000 roubles was added to reserve, bringing the fund to over five million roubles.

Of the original capital, the amount of 2,264,000 roubles was subscribed in Russia, and the remainder in Great Britain by the Imperial and Foreign Corporation, Limited, established partly for this purpose. The latter concern stated last year that they did not regard the situation as involving the Corporation in any large permanent loss, and that as the Bank, being a solid institution, was making great progress up to the time of the revolution, they were justified in hoping for better times. Subsequent events have compelled a more pessimistic view. The Bank has been closed down, the assets appropriated by a decree of nationalisation, and, after having made considerable reductions from its annual profits in order to write down its Russian interests, the Imperial and Foreign Corporation has been faced with the necessity (as its Chairman informed the shareholders in September last) of regarding any value in the claim for damages and compensation which it will maintain against the Russian Government as remotely contingent.

Year ended Dec. 31	Gross Profit. Rs.	Expenses. Rs.	Net Profit. Rs.	Dividend. Rs.	%	To Reserve. Rs.	Carried Forward Rs.
1916...	4,701,106	2,104,220	2,596,886	1,200,000	12	1,400,000	10,000
1915...	2,261,259	764,883	1,496,376	800,000	8	700,000	13,114
1914...	1,836,096	840,006	996,090	600,000	6	400,000	16,738
1913...	1,319,462	457,531	861,931	452,000	7	412,750	20,648

RUSSIAN BANK FOR FOREIGN TRADE.

Head Office: Petrograd.

London Office: 61 and 62 Gracechurch Street, E.C. 3.

Capital—

Authorised and Issued, 240,000 shares of Roubles Rbls. 250 each, fully paid (no further liability) 60,000,000

This Bank was established by Imperial ukase in 1871 for the purpose of developing Russia's foreign commerce. It was founded in co-operation with a number of English bankers, among whom were Messrs. Glyn Mills and Company and Messrs. Matheson and Company, Limited. The paid-up capital in 1872 amounted to three million roubles, and several increases took place. On December 31, 1916, the capital stood at sixty million roubles. The issues of shares were made at substantial premiums, the last recorded issue being of ten million roubles in 1914, and these transactions have enabled the Bank to build up a reserve fund, which at the end of 1916 stood at 22,388,000 roubles. The balance of undivided profits on the same date was 11,831,000 roubles. A dividend was paid for 1916 at the rate of fourteen per cent. per annum, as compared with nine per cent. for 1915. No particulars as to the Bank's operations have been received since those for 1916. In that year the Bank had sixty-one branches in Russia and Siberia, and offices in London, Paris, and Genoa.

We publish the statements of accounts as far as they are available: —

Year to Dec. 31	Gross Profit. Roubles.	Expenses. Roubles.	Net Profit. Roubles.	Dividend. Amount. Roubles.	Rate %	Special Appropriation Roubles.	Carried Forw'd Roubles.
1916 ...	31,916,208	23,218,673	8,491,535	8,100,000	14	295,193	431,242
1915 ...	21,867,514	15,908,809	5,648,318	5,400,000	9	123,800	434,905
1914 ...	16,341,302	12,107,266	4,234,036	3,300,000	6	1,102,711	293,357
1913 ...	16,442,594	9,681,530	6,761,064	5,700,000	11·4	1,018,362	462,032

RUSSIAN COMMERCIAL AND INDUSTRIAL BANK.

Head Office: Petrograd.

London Office: 24 and 28 Lombard Street, E.C. 3.

Capital—

Authorised and Issued, 140,000 Shares of Rbls. 250, fully paid Rbls.35,000,000

The Russian Commercial and Industrial Bank was founded in 1890 by authorisation of the Minister of Finance. The head office is at Petrograd, and the last report showed the Bank to have about a hundred branches in Russia and Siberia, and also offices in Paris and London. The original capital was Rbls.5 million, which has since been several times increased, until on December 31, 1916, the paid-up amount stood at Rbls.35 million, with a reserve fund of over Rbls.10 million. The accounts for 1916 are the last to have been received from this Bank. The dividend paid for that year was twelve per cent. per annum, as compared with eight per cent. for 1915.

The business up to 1916 had increased enormously. Deposits in 1895 were only Rbls.7 million, while in 1914 they had reached Rbls.207 million. During 1916 they increased from Rbls.265 million to Rbls.530 million.

Year to Dec. 31.	Gross Profit. Rbls.	Expenses & Taxes, &c. Rbls.	Net Profit. Rbls.	Dividend. Amount. Rbls.	Rate. %	Special Allctns. Rbls.	Carried Forward Rbls.
1916...21,365,446	11,476,691	6,488,752	4,200,000	12	2,097,304	602,760
1915...12,296,996	9,148,803	3,148,193	2,800,000	8	347,337	31,312
1914...10,980,160	8,299,663	2,680,497	1,260,000	3·6	1,528,050	30,456
1913...11,737,168	7,898,601	3,838,567	3,360,000	9·6	410,763	138,009

(a) Includes allowance for bad and doubtful debts.

Liabilities and Assets of The Russian Bank for Foreign Trade.

LIABILITIES.

Dec. 31	Capital Paid up. Rbls	% *	Reserve Funds. Rbls.	% *	Total Capital and Reserve. Rbls.	% *	Deposits, &c. Rbls.	% *	Current and Branch Accounts, &c. Rbls.	% *	Correspondents. Rbls.	% *	Acceptances and Cheques Outstanding. Rbls.	% *	Profit Balance. Rbls.	% *	Total Liabilities. Rbls.
1916 ...	60,000,000		22,388,597		82,388,597	5·9	668,959,560	47·6	352,189,760	25·1	282,577,810	20·1	7,595,915	·5	11,831,241	·8	1,405,542,882
1915 ...	60,000,000		22,093,398		82,093,398	9·1	408,979,572	45·2	189,270,477	20·9	213,252,301	23·6	5,629,161	·6	5,834,906	·6	905,059,818
1914 ...	60,000,000		21,969,599		81,969,599	13·0	270,334,016	42·7	126,422,926	20·0	119,941,757	19·0	29,297,087	4·6	3,779,855	·6	631,745,270
1913 ...	50,000,000		16,801,888		66,801,888	10·7	227,292,140	36·5	179,567,627	28·8	108,141,042	17·3	35,530 095	5·7	6,257,420	1·0	623,590,212

ASSETS.

Dec. 31	Cash in Hand and at Banks. Rbls	% *	Investments. Rbls.	% *	Advances. Rbls.	% *	Bills Receivable. Rbls.	% *	Current and Branch Accounts, &c. Rbls.	% *	Correspondents. Rbls.	% *	Bank Premises. Rbls.	% *	Total Assets. Rbls.
1916 ...	42,398,105	3·0	60,814,085	4·3	239,022,140	17·0	377,396,774	26·9	344,760,432	24·5	329,257,307	23·4	11,894,040	·9	1,405,542,882
1915 ...	50,940,675	5·6	54,677,206	6·0	158,128,720	17·5	220,244,335	24·3	165,571,673	18·3	247,508,155	27·4	7,989,054	·9	905,059,818
1914 ...	37,183,060	5·9	42,566,648	6·7	118,489,995	18·8	146,030,058	23·1	94,168,924	14·9	185,214,730	29·4	8,091,855	1·2	631,745,270
1913 ...	16,445,766	2·6	27,664,082	4·4	115,276,461	18·5	126,603,072	20·3	146,793,804	23·5	181,997,038	29·3	8,804,989	1·4	623,590,212

* Per cent. of Total Liabilities or Assets.

DEN NORSKE HANDELSBANK

(Continuation of TRONDHJEMS HANDELSBANK)

ESTABLISHED 1885.

Capital Paid up and Reserves
Kr. 82,500,000.00.

TRONDHJEM, KRISTIANIA, BERGEN and KRISTIANSUND, N., NORWAY.

Foreign Exchange. Always good sellers of Kroners Kristiania, Copenhagen, Stockholm, against sterling. Collections in Scandinavian countries at Lowest Rates covered without Loss of Exchange. Documentary Credits, Payments under Letters of Credit and Circular Notes. Any form of Banking Business.

Telegrams: HANDELBANK.

CORRESPONDENCE INVITED.

BERGENS PRIVATBANK

BERGEN and KRISTIANIA.

Established 1855.

Capital, fully paid Kr. 30,000,000
Reserve Funds - „ 39,000,000

LONDON AGENTS:
LONDON JOINT CITY AND MIDLAND BANK, LTD.
C. J. HAMBRO & SON.
BRITISH BANK OF NORTHERN COMMERCE, LTD
BARCLAYS BANK LTD.

CURRENT ACCOUNTS opened for Banks, Merchants, Manufacturers and Individuals.
DEPOSITS RECEIVED and Interest allowed thereon at favourable rates.
BILLS COLLECTED throughout Scandinavia, and returns promptly made.
FOREIGN EXCHANGE bought and sold.
MAIL AND CABLE TRANSFERS effected.
LETTERS OF CREDIT, available all over the world, issued.
SHIPPING CREDITS opened; Freights collected and remitted.
STOCKS bought and sold; Dividends collected; Coupons and Drawn Bonds collected or negotiated.

BANQUE DE L'UNION PARISIENNE.

7 rue Chauchat, PARIS.

CAPITAL:
Authorised - Fr. 200,000,000
Issued - Fr. 150,000,000
RESERVES - Fr. 86,000,000

The Bank conducts Banking Business of every description in France and Foreign Countries.

London Correspondents: London County Westminster and Parr's Bank, Limited (Lothbury); London Joint City and Midland Bank, Limited; Swiss Bank Corporation; Credito Italiano; Banque Belge pour l'Etranger.

CRÉDIT LYONNAIS

CAPITAL (Fully Paid) - £10,000,000
RESERVE FUND - - £8,000,000

Central Office - - - PARIS
Head Office - - - LYONS

390 Branches in FRANCE, ALGERIA and TUNIS, and also at ALEXANDRIA, BARCELONA, [illegible] CAIRO, CONSTANTINOPLE, GENEVA, JERUSALEM, MADRID, MOSCOW, ODESSA, PETROGRAD, [illegible] SAID, SAN SEBASTIAN, SEVILLE, SMYRNA, VALENCIA.

Correspondents in Lisbon and Oporto: Crédit Franco-Portugais.

London Office - - 40 LOMBARD STREET, E.C. 3.
West-End Branch - 4 COCKSPUR STREET, S.W. 1.

The LONDON OFFICE is especially organised for the Collection of Drafts and Documents payable abroad. Negotiation of Approved Foreign Bills. Issue of Credits to and from Abroad by Cheque and Circular Letter. Issue of Letters of Credit. Collection of Securities, Coupons and Dividends. Remittances to Abroad by Cable, Letter or Draft. Purchase and Sale of Stocks and Shares.

It also executes Stock Orders on the London and Continental Exchanges. Undertakes Safe Custody, opens Deposit and Current Accounts, and generally conducts every kind of Banking Business.

Rates quoted on application to the Chief London Office: 40 LOMBARD ST., E.C. 3; or to the West-End Branch, 4 COCKSPUR ST., S.W. 1.

Liabilities and Assets of The Russian Commercial and Industrial Bank.

LIABILITIES.

Dec. 31	Capital Paid up. Rbls.	Reserve Funds. Rbls.	Total Capital and Reserve. Rbls.	%	Bills. Rbls.	%	Deposits and Current Accounts, &c. Rbls.	%	Correspondents. Rbls.	%	Branches. Rbls.	%	Miscellaneous. Rbls.	%	Profit Balance. Rbls.	%	Total Liabilities. Rbls.
1916	35,000,000	10,268,589	45,268,589	4·6	16,987,177	1·1	756,285,162	53·4	178,942,415	18·0	211,550,389	21·3	6,174,632	·6	9,473,137	1·0	992,631,331
1915	35,000,000	9,893,770	44,893,770	7·6	8,546,770	1·5	265,961,948	44·9	195,745,012	33·0	69,158,144	11·7	4,466,100	·7	3,603,990	·6	592,376,064
1914	35,000,000	9,765,720	44,765,720	10·2	20,645,167	4·7	247,272,362	47·2	124,521,513	23·4	36,987,342	8·2	3,750,185	·9	1,705,239	·4	438,747,528
1913	35,000,000	9,354,958	44,354,958	8·8	26,607,014	5·3	235,340,189	47·0	142,636,309	28·4	45,011,794	9·0	3,009,260	·6	4,724,600	·9	501,734,214

ASSETS.

Dec. 31	Cash in Hand and at Bankers. Rbls.	%	Investments. Rbls.	%	Bills. Rbls.	%	Loans, &c. Rbls.	%	Correspondents. Rbls.	%	Branches. Rbls.	%	Miscellaneous. Rbls.	%	Bank Premises. Rbls.	%	Total Assets. Rbls.
1916	34,603,689	3·4	26,019,005	2·6	180,291,972	18·2	162,396,141	16·3	366,075,765	36·9	211,411,709	21·3	2,710,804	·3	9,722,446	1·0	992,631,531
1915	27,057,734	4·6	30,517,873	5·2	110,744,305	18·7	118,795,243	20·0	228,868,195	38·3	69,511,285	11·7	3,039,521	·5	5,813,908	1·0	592,376,064
1914	15,298,112	3·5	27,527,799	6·3	98,326,633	22·4	107,880,216	24·6	147,580,183	33·6	36,572,094	8·3	474,810	·1	5,291,251	1·2	438,747,528
1913	19,977,115	4·0	20,150,891	4·1	129,762,540	25·9	133,752,873	26·7	149,709,238	29·8	44,301,257	8·8	361,505	—	3,418,995	·7	501,734,214

* Per cent. of Total Liabilities or Assets.

RUSSO-ASIATIC BANK.

Head Office: Petrograd.

London Office: 64 Old Broad Street, E.C. 2.

This institution, which was formed as recently as 1910, is an amalgamation of the Russo-Chinese Bank and the Northern Bank of Petrograd. It early commenced to play an important part in the industrial and agricultural development of Russia, and was the largest joint-stock bank operating there until the Revolution suspended the economic life of the country. No reports have been received since 1916, but in that year it appeared that the Bank had made great progress, as its total assets increased from Rbls.643 million in 1910 to Rbls.1,679 million on December 31, 1916. The relatively small cash balance on the same date and also in other years was due to the fact that, in common with most other banks on the Continent other than State banks, no cash reserve was kept beyond the amount for everyday use, as the institution could rely on the Bank of Russia for all the currency it might need at a moment's notice.

The Bank's field of operations was a wide one previous to the upheaval in Russia. In addition to its head office at Petrograd, it had branches in both European and Asiatic Russia, and also in China, Japan, France, and India. As late as 1917 it established an agency in New York.

Yr. to Dec.31	Gross Profit. Rbls.	Expenses. Rbls.	Net Profit. Rbls.	Dividend. Amt. Rbls.	Rate. %	Special Allocations. Rbls.	Carried Forward Rbls.
1916	39,446,152	24,900,377	14,545,775	9,573,952	16	4,971,823	—
1915	22,652,319	16,875,073	5,777,246	4,917,933	10	2,983,038	—
1914	19,112,169	17,930,007	1,182,162	—	Nil	289,269	2,123,725
1913	18,361,859	12,918,590	5,443,269	4,987,172	10	122,299	1,230,832

STATE BANK OF RUSSIA.

(BANQUE DE L'ETAT.)

Head Office: Moscow.

Capital—

Subscribed and Paid up (all of which is owned by the Russian Government) ... ... Rbls. 55,000,000

This institution received its charter in 1860, and was then known as the Imperial Bank of Russia. In September 1917 its title was changed to that of the State Bank of Russia. As in the case of the other Russian banks, no recent returns are available, the last one received from this Bank showing the position on October 29, 1917. The terrible débâcle in Russia had well commenced by that date, and since then the position, under the Bolshevist régime, has gone from bad to worse; so that to-day it is impossible to say what may be the position of the Bank. It appears that in 1918 it took over in four sections the current account business of all the former private banks. The actual banks comprised in these sections were given in our last International Banking Section, and need not be repeated here.

The gold held by the Bank in October 1917 was Rbls.1,295 million, compared with Rbls.1,601 million just previous to the War, in July 1914. It is not known if any of this gold or any portion of the securities has been placed in safe custody, but it is believed that some of the gold has been paid over to Germany in connection with the indemnities which Russia was called on to pay under her treaty with that country. A total payment of £300 million was decided on, over £34 million of which was to be in fine gold.

This Bank was in every sense of the word a State bank prior to the revolution. It was both owned and controlled by the State, for the Government had provided the whole of its capital of Rbls.55 million, and also appointed the governor, deputy-governors, and the council, all of whom it could remove at will. The Bank was practically a department of the Treasury and held the Treasury balance. The accounts of the Bank showed a progressive development from the date of its formation, the most marked increases in figures, however, being during the last three years for which statements are available. Total assets in 1861 were Rbls.798 million, and by 1914 had increased to Rbls.2,817 million. Successive increases in 1915, 1916, and 1917 raised the amount on July 1 in each year to Rbls.5,263 million, Rbls.8,981 million, and Rbls.17,158 million respectively. By October 29, 1917, there was a further increase to Rbls.23,829 million

State Bank of Russia.

LIABILITIES.	1917 Oct. 29. Rbls.	1914 July 21. Rbls.	Inc. or Dec. Rbls.
Notes in circulation	18,362,167,000	1,634,111,000	+16,728,056,000
Capital	55,000,000	55,000,000	—
Deposits	29,904,000	25,402,000	+ 3,662,000
Treasury account current ...	204,904,000	502,619,000	— 297,715,000
Special accounts and "consignations"	701,963,000	334,851,000	+ 367,112,000
Current accounts	2,520,611,000	236,234,000	+ 2,284,377,000
"Mandats non acquittés" ...	104,535,000	8,260,000	+ 96,595,000
Interest accrued	896,810,000	39,139,000	+ 857,671,000
Miscellaneous	954,308,000	25,069,000	+ 929,239,000
Total liabilities	23,829,622,000	2,860,685,000	+20,968,937,000
ASSETS.			
Gold	1,295,226,000	1,601,137,000	— 315,911,000
Gold abroad	2,308,648,000	143,955,000	+ 2,164,693,000
Silver and copper	178,169,000	73,825,000	+ 104,344,000
Bills discounted and other short-term securities ...	454,129,000	393,873,000	+ 60,256,000
Treasury bonds	15,221,533,000	Nil	+15,221,533,000
Advances to Treasury ...	1,297,620,000	Nil	+ 1,297,620,000
Loans on securities	1,505,571,000	121,349,000	+ 1,384,222,000
Loans on merchandise ...	79,081,000	54,262,000	+ 24,819,000
Loans to "institutions de crédit populaire"	86,300,000	136,457,000	— 50,157,000
Loans to farmers	13,277,000	13,597,000	— 320,000
Loans to industry	10,549,000	14,478,000	— 3,929,000
Loans to Monts de Piété de l'Etat	21,113,000	18,538,000	— 2,575,000
Protested bills	417,000	2,753,000	— 2,336,000
Investments	181,276,000	101,792,000	— 79,484,000
Miscellaneous	197,655,000	156,163,000	+ 41,192,000
Balance of [illegible] branches	97,768,000	22,706,000	+ 950,352,000
Total assets	23,829,622,000	2,860,685,000	+20,968,937,000

Liabilities and Assets of The Russo-Asiatic Bank.

LIABILITIES.

Dec. 31	Capital Paid up. Rbls.	Reserve Funds. Rbls.	Total Capital and Reserve. Rbls.	%	Notes in Circulation. Rbls.	%	Bills. Rbls.	%	Deposits, &c. Rbls.	%	Correspondents. Rbls.	%	Miscellaneous. Rbls.	%	Profit Balance. Rbls.	%	Total Liabilities. Rbls.
1916 ...	61,385,442	27,980,612	89,366,054	5·3	4,616,938	·3	12,346,061	·8	1,216,412,391	72·4	319,777,932	19·0	19,628,383	1·2	17,347,616	1·0	1,679,466,275
1915 ...	49,837,196	23,726,030	73,563,226	7·9	2,509,774	·3	9,164,840	1·0	577,786,256	62·0	244,305,346	26·2	14,803,137	1·6	8,967,671	1·0	929,650,230
1914 ...	49,179,332	23,373,058	72,552,390	9·5	1,706,226	·2	27,290,786	3·6	451,335,609	59·1	192,930,776	25·3	15,599,570	2·0	2,492,994	·3	763,908,341
1913 ...	49,737,460	23,527,793	73,265,253	8·8	2,172,371	·3	38,169,616	4·6	507,910,644	61·3	187,254,095	22·6	12,551,806	1·5	7,417,491	·9	828,741,276

ASSETS.

Dec. 31	Cash & Bullion. Rbls.	%	Investments. Rbls.	%	Bills. Rbls.	%	Loans, Current Accounts, &c. Rbls.	%	Correspondents. Rbls.	%	Bank Premises, &c. Rbls.	%	Total Assets Rbls.
1916 ...	78,650,495	4·7	44,106,506	2·6	220,430,703	13·1	729,184,409	43·5	594,766,256	35·4	12,327,906	·8	1,679,466,275
1915 ...	74,313,344	8·0	35,507,990	3·8	112,002,748	12·1	348,970,926	37·5	346,762,974	37·3	12,112,238	1·3	929,670,220
1914 ...	33,808,497	4·4	38,899,078	5·1	123,435,045	16·2	249,229,127	32·6	308,610,861	40·4	9,825,733	1·3	763,908,341
1913 ...	36,114,734	4·4	44,856,604	5·4	139,674,358	16·8	339,631,856	41·0	259,099,217	31·3	9,364,507	1·1	828,741,276

* Per cent. of Total Liabilities or Assets. ‡ Includes Branch accounts.

Liabilities and Assets of the Banque de L'Etat (State Bank of Russia).

LIABILITIES.

	—Capital.—		—Notes in Circulation.—		—Treasury Accounts.—		—Deposits, Current Accounts, &c.—		—Branches Account.—		—Miscellaneous.—		Total Liabilities
July 1	Rbls.	%	Rbls.	%	Rbls.	%	Rbls.	%	Rbls.	%	Rbls.	%	Rbls.
1917	55,000,000	·3	1,340,[illegible],700,500	76·1	219,444,[illegible]	1·3	2,[illegible],253,[illegible]	16·6	—	—	974,[illegible]	5·7	17,[illegible]
1916	55,000,000	·6	6,628,[illegible],615	73·8	206,[illegible]	2·3	1,[illegible]	19·9	—	—	[illegible]	3·6	[illegible]
1915	55,000,000	1·0	3,[illegible],[illegible]	71·4	226,[illegible]	4·3	1,116,[illegible]	21·2	—	—	[illegible]	2·1	[illegible]
1914	55,000,000	1·9	1,630,374,179	57·9	491,[illegible]	17·4	771,[illegible]	20·3	2,[illegible]	·1	[illegible]	2·4	[illegible]

ASSETS.

	Cash, Bullion, Foreign Money, &c.		—Investments.—		Loans at Call and at Short Notice.		Loans, Advances, &c.		Branches, &c.		Other Assets.		Total Assets.
July 1	Rbls.	%	Rbls.	%	Rbls.	%	Rbls.	%	Rbls.	%	Rbls.	%	Rbls.
1917	3,[illegible]	21·7	525,[illegible]	1·9	407,[illegible]	2·4	11,944,[illegible]	69·6	[illegible]	3·4	[illegible]	1·0	17,[illegible]
1916	3,[illegible]	33·8	[illegible]	2·0	[illegible]	4·1	[illegible]	50·4	[illegible]	5·4	[illegible]	1·3	8,981,811,737
1915	1,[illegible]	33·0	[illegible]	2·5	[illegible]	7·8	[illegible]	44·8	[illegible]	9·9	[illegible]	2·0	5,263,836,761
1914	1,[illegible]	64·5	[illegible]	3·7	[illegible]	14·4	[illegible]	13·1	—	—	[illegible]	4·3	2,817,719,767

* Per cent. of Total Liabilities or Assets.

VOLGA-KAMA COMMERCIAL BANK.

Head Office: Petrograd.

THIS institution was established in 1870 to conduct a general banking business in Russia on the lines of that pursued in continental countries. As in the case of the other Russian banks, so with the Banque de Commerce de Volga-Kama, no accounts have been received since those for the year 1916. The Bank commenced business with a paid-up capital of Rbls. 6 million, and has since increased at various times until it stood at Rbls. 22 million on December 31, 1916. The reserve funds that had been built up exceeded the capital on this date, and amounted to over Rbls. 20 million, while total assets were [illegible] million, as compared with Rbls. [illegible] million in 1915, and Rbls. 36 million in 1914. It is thus apparent that the Bank had met with considerable success and had established itself in Russia's commercial life as one of the most important factors in the trade, commerce, and finance of the country.

The dividends paid were highly satisfactory, being at the rate of 24 per cent. for the year 1916, as compared with twenty per cent. in 1915, and a-half per cent. in 1914, nineteen per cent. in 1913, and twenty-two per cent. in 1912. We append the usual analysis of the accounts and profits:—

Year to Dec. 31	Gross Profit.	Interest & Expenses.	Net Profit.	Dividend Amount.	Dividend Rate.	Special Appropriations.	Amount carried forward.
	Rs.	Rs.	Rs.	Rs.	%	Rs.	Rs.
1916	43,583,785	38,653,778	4,930,007	4,410,000	24	932,632	[illegible]
1915	33,018,919	28,935,363	4,083,556	3,990,000	20½	—	408,632
1914	24,896,507	21,461,741	3,434,766	3,420,000	19	—	14,76[illegible]
1913	22,405,124	18,033,439	4,371,685	3,960,000	22	411,[illegible]	—

Liabilities and Assets of The Volga-Kama Commercial Bank

LIABILITIES.

	Capital Paid up.	Reserve Funds.	Total Capital and Reserves.		Current Accounts, &c.		Correspondents.		—Branches.—		Sundry Liabilities.		Profit —Balance.—		Total Liabilities.
Dec. 31	Rs.	Rs.	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
1916	21,000,000	26,[illegible]	[illegible]	4·2	[illegible]	65·0	[illegible]	7·3	213,565,122	19·5	37,023,[illegible]	3·3	[illegible]	·7	[illegible]
1915	18,000,000	21,[illegible]	39,[illegible]	5·3	507,757,527	68·3	[illegible]	5·7	128,[illegible]	17·2	22,973,491	3·1	[illegible]	·7	[illegible]
1914	18,000,000	21,036,452	39,036,452	7·2	372,034,361	69·0	36,[illegible]	6·1	72,026,022	13·4	19,839,380	3·5	[illegible]	·8	[illegible]
1913	18,000,000	20,126,608	38,126,608	9·2	256,375,025	62·2	[illegible]	7·8	66,154,379	16·0	14,191,151	3·5	[illegible]	1·3	[illegible]

ASSETS.

	Cash in Hand and at —Banks.—		—Investments.		Bills Discounted.		—Advances.—		Correspondents.		—Branches.—		Bank Premises, &c.		Total Assets.
Dec. 31	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
1916	73,757,992	6·5	32,679,587	2·9	[illegible]	3·0	[illegible]	19·6	[illegible]	14·1	219,565,122	19·5	[illegible]	1·4	[illegible]
1915	59,719,305	8·0	[illegible]	4·5	[illegible]	35·0	[illegible]	21·0	[illegible]	12·3	[illegible]	17·2	[illegible]	2·0	[illegible]
1914	56,197,884	10·4	23,385,104	4·4	[illegible]	35·7	[illegible]	27·0	[illegible]	6·6	72,026,022	13·4	[illegible]	2·5	[illegible]
1913	15,653,075	3·8	19,122,264	4·6	[illegible]	32·0	142,702,507	34·6	25,820,315	6·3	66,154,379	16·0	11,013,339	2·7	413,551,180

* Per cent. of Total Liabilities or Assets. † Including 5 % Treasury Bills as follows:—1915 Rs. 111,517,561: 1916, Rs. 240,375,000.

SPANISH AND PORTUGUESE BANKS.

BANCO DE BARCELONA.

Head Office: Barcelona.

Capital—

Subscribed	Pesetas 50,000,000
Paid up	" 25,000,000

A BANK with a title similar to the above was founded as far back as 1844, but the present Bank really dates from 1844. During 1918 the subscribed capital was increased from twenty-five million pesetas to fifty million pesetas, twenty-five millions of the same being paid up. The reserve fund, which in 1917 amounted to only five million pesetas, is now equal to this paid-up capital. A sum of 500,000 pesetas was transferred to this fund from the profits of 1919, and, out of the balance of 6,277,428 pesetas available after other appropriations, [illegible] of fifty pesetas per share, [illegible] the previous year and thirty-five for 1917.

The business of the Bank has considerably expanded of recent years. Deposits have again risen during 1919, and on December 31 last stood at over 549 million pesetas. The increase during 1918 amounted to as much as 275 million pesetas. The cash figure has fallen by twenty-seven million pesetas to forty-three million pesetas, but bills, investments, and advances showed increases over the figures of the previous year.

Banco de Barcelona.

LIABILITIES.	1919 Dec. 31. Pesetas.	1918 Dec. 31. Pesetas.	1917 Dec. 31. Pesetas.	1916 Dec. 31. Pesetas.
[illegible]	50,000,000	[illegible]	14,[illegible]	[illegible]
[illegible]	25,000,000	25,000,000	[illegible]	[illegible]
Deposits & Current Accounts, &c.	549,758,256	547,660,684	272,356,019	[illegible]
Correspondents	69,012,718	222,622,370	[illegible]	[illegible]
Acceptances	374,565	1,793,862	[illegible]	[illegible]
Sundry Creditors	[illegible]	[illegible]	[illegible]	[illegible]
Profit Balance	[illegible]	[illegible]	[illegible]	[illegible]
Total	670,370,297	832,082,223	320,169,940	147,683,179
ASSETS.				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash & Accounts	[illegible]	[illegible]	[illegible]	[illegible]
Deposits & other Accounts	474,457,440	450,369,224	[illegible]	[illegible]
Correspondents	[illegible]	[illegible]	41,414,939	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	670,370,297	832,082,223	320,169,940	147,683,179

BANCO DE BILBAO.

Head Office: Bilbao.

London Office: 5 Bishopsgate, E.C. 2.

Capital

[illegible]	[illegible]
Paid up	[illegible]

THE Bank of Bilbao, which was established in 1857, confined its operations for some time to that mineral centre. It developed, however, into one of the most progressive of the provincial banks of Spain, and in

considerably widened. In 1901, after the fusion with the Banco del Comercio, permission was obtained to open branches in any part of the world. Since 1913 offices have been opened in Paris and London, the latter following on the opening of various British banks in Spain. Besides its head office, the Bank has branches at Madrid and Vitoria.

Since the commencement of the War the Bank's figures show great expansion. Total assets in 1914 amounted to 113 million pesetas, and last June they stood at 490 million pesetas. It has been found necessary to increase the capital, and during the first half of this year the authorised limit has been raised from 60,000 shares to 200,000 shares, all of 500 pesetas each. Of this amount, 51,207,200 pesetas were paid up on June 30 last.

For the half-year to December 31, 1919, there was a net profit of 4,985,253 pesetas. A dividend of ten per cent. on the capital for the half-year was paid, and this, with the ten per cent. paid for the first half, makes twenty per cent. for the year. The net profit for the first half of the year was 4,892,055 pesetas, making the total profit for 1919 9,877,308 pesetas, which is equal to 32.9 per cent. on the paid-up capital. One million pesetas was transferred to reserve fund each half-year. This fund is now equal to the paid-up capital—51,207,200 pesetas—while in 1914 it only amounted to ten and a-half million pesetas, the paid-up capital being then fifteen million pesetas.

We append a comparative statement of assets and liabilities. It will be seen that during the last half-year there has been a considerable growth in current-account deposits, and in current-account overdrafts, while bills receivable and sundry debtors show a falling-off. Since 1861 the Bank has conducted a savings-bank department, in which the deposits now reach 49,838,486 pesetas.

LIABILITIES.	1920 June 30 Pesetas	1919 Dec. 31 Pesetas	1918 Dec. 31 Pesetas	1917 Dec. 31 Pesetas	1916 Dec. 31 Pesetas
Capital ...	51,207,200	30,000,000	30,000,000	15,000,000	15,000,000
Reserve ...	51,207,200	30,000,000	30,000,000	15,000,000	11,748,642
Bills payable ...	6,431,969	4,578,192	4,087,454	776,130	837,081
Current a/cs, &c.	113,478,579	106,639,711	114,597,353	70,050,916	55,371,824
Correspondents	125,697,581	163,113,587	19,940,974	43,295,994	16,772,876
Savings Bank deposits...	49,838,486	51,676,251	50,348,884	50,360,761	52,214,833
Sundry creditors	77,010,478	86,338,112	52,506,193	37,663,807	11,796,399
Other liabilities	6,623,975	5,958,691	5,069,411	3,775,226	3,484,021
Profit balance...	8,883,613	3,325,255	1,397,885	212,137	169,350
Total Liabilities	490,379,081	482,029,780	340,539,157	236,133,970	167,395,026
ASSETS.					
Cash ...	22,870,445	21,258,070	19,050,190	15,574,719	14,687,493
Bills ...	238,890,282	245,792,174	156,219,034	125,071,716	90,362,054
Loans on securities ...	9,046,169	8,428,948	4,361,209	3,383,727	2,495,871
Current accounts	78,396,525	68,779,881	62,520,924	48,651,388	35,061,011
Correspondents	81,198,245	78,773,645	75,155,454	24,958,992	16,512,167
Sundry debtors, &c.	55,523,290	59,543,237	19,732,346	17,593,528	7,376,430
Bank premises	4,454,125	4,454,125	3,500,000	900,000	900,000
Total Assets	490,379,081	482,029,780	340,539,157	236,133,970	167,395,026

BANCO DE ESPAÑA.

Head Office: Madrid.

London Office: 37 New Broad Street, E.C. 2.

Capital—

Subscribed and Paid up ... ... Pesetas 150,000,000

THE Banco de España was originally founded in 1829 as the Banco de San Fernando, the present name being adopted in 1856. By the legislation of that year only one bank of issue was allowed in each commercial city, and the note circulation was limited to three times the capital of each bank, and, in addition, it was necessary to keep a coin reserve of at least one-third of the circulation. The Bank was originally a Government Bank, though the Government had at the same time the right to incorporate other banks. On a renewal of the Bank's Charter in 1874 for thirty years, the exclusive privilege of issuing notes was granted, and the capital was increased from £1,320,000 to £4 million. The circulation of all other banks in the country was transferred to the Bank of Spain. Nevertheless, the Bank was not constituted a State institution, and the State does not share in its profits, though it may demand advances under certain conditions. The notes are legal tender, and the amount of issue is limited to five times the capital. Soon after 1874 the capital was increased to its present amount of 150 million pesetas, the equivalent of £6 million, all paid-up, and the limit of note circulation accordingly advanced to £30 million. Further limits have since been reached. In 1891 an issue of £60 million was authorised against a cash reserve of one-third, one-half of the latter amount to be in gold. In 1898, as a result of the war with the United States, the circulation reached over £58 million, the value of the notes falling as much as fifty per cent., reckoned in terms of gold. This heavy depreciation nearly ruined the Bank, and upset the economic life of the country, and the Spanish Treasury had to work hard to restore the damaged finances to their former condition. In 1902 the authorised limit of circulation was again raised, this time to 2,000 million pesetas, or £80 million. The cash reserve of one-third applied to the first 48 millions sterling, one-half of which reserve was required to be in gold. Against the next £12 million of issue, forty per cent. must be in gold, and the remainder up to a total metallic reserve of sixty per cent. may be in silver. Against the remaining £20 million, fifty per cent. must be in gold and the remainder up to seventy per cent. may be in silver.

In 1914 the Cortes authorised an increase in the note circulation to 2,500 million pesetas, and in 1917 a further expansion to 3,000 million pesetas was authorised by Decree, any excess over 2,500 millions to be secured by a reserve of gold equal to such excess. In 1918 another Decree raised the limit to 3,500 millions, it being stipulated that the further excess must be covered by gold. The Bank agreed to increase its advances to the Treasury up to 150 million to meet the deficit between revenue and expenditure. By two Royal Decrees passed in 1919, the Bank was further authorised to issue notes up to 4,000 million and then to 4,500 million pesetas. On December 31, 1919, the circulation stood at 3,866,919,750 pesetas.

This continual necessity for an increased circulation is due to several factors, mainly the rapid economic development of the country, which necessitated an abundance of ready money. The Bank, however, holds a large reserve of actual gold and silver, and a table is appended showing the increases in these holdings from 1913 to 1919.

Gold and Silver Holdings of the Banco de España at Dec. 31.

Year.	Gold. Pesetas.	% of Total.	Silver. Pesetas.	% of Total.	Total. Pesetas.
1919 ...	2,506,312,819	79·9	629,887,809	20·1	3,136,200,628
1918 ...	2,315,021,975	78·3	641,394,613	21·7	2,956,416,587
1917 ...	2,055,901,970	74·4	709,206,293	25·6	2,765,108,263
1916 ...	1,341,065,911	64·4	741,041,508	35·6	2,082,107,419
1915 ...	970,421,062	56·3	752,905,047	43·7	1,723,326,109
1914 ...	720,331,495	50·4	708,856,910	49·6	1,429,188,405
1913 ...	674,127,821	48·5	716,291,082	51·5	1,390,418,903

In common with other Spanish banks, the Bank of Spain has enjoyed a period of increased prosperity during the War years. In 1917 the net profit touched its highest point—over 58 million pesetas, but dropped in 1918 to 31 millions. It recovered in 1919 to 37 millions, and a dividend at the high rate of twenty-five per cent. was paid. From 1914 to 1917 the dividend was at the rate of twenty per cent.; in 1918 twenty-one per cent. was paid and, in addition, a sum of 30 million pesetas was distributed in the form of bonds.

Yr. to Dec. 31	Gross Profit. Pesetas.	Expenses.† Pesetas.	Taxes. Pesetas.	Net Profit. Pesetas.	Dividend. Rate. Pesetas.	%	Carried Forward Pesetas.
1919 ...	79,785,103	28,718,702	13,250,191	37,816,210	37,500,000	25	3,157,370
1918 ...	83,517,106	21,954,020	10,784,748	31,478,338	31,500,000	21*	2,841,159
1917 ...	88,947,918	14,388,115	16,193,062	58,066,741	30,000,000	20	32,862,822
1916 ...	54,313,389	14,557,291	9,299,512	30,456,586	30,000,000	20	4,796,080
1915 ...	60,582,661	21,574,928	9,188,223	2,789,510	30,000,000	20	4,339,494
1914 ...	62,690,969	23,759,382	8,637,650	30,294,057	30,000,000	20	4,549,984
1913 ...	56,745,874	20,939,725	7,912,388	27,893,761	28,500,000	19	4,255,926

* In addition a sum of 30,000,000 pesetas was distributed in the form of bonds. † Including transfers to reserve.

The reserve funds now amount to 62 million pesetas, or more than three times the amount at which they stood at 1913. The paid-up capital remains at

Liabilities and Assets of The Banco de España.

LIABILITIES. Dec. 31	Capital Paid up. Pesetas.	Reserve Funds. Pesetas.	Total Capital and Reserve. Pesetas.	% *	Notes in Circulation. Pesetas.	% *	Other Deposits, Government Deposits. Pesetas.	% *	Current Accounts, &c. Pesetas.	Total Deposits, &c. Pesetas.	% *	Miscellaneous Accounts. Pesetas.	% *	Profit Balance. Pesetas.	% *	Total Liabilities. Pesetas.
1919...	150,000,000	62,000,000	212,000,000	3·2	3,866,919,750	58·8	122,[illegible]95	1·637	2[illegible]	1,[illegible]884,131	28·8	7[illegible]	10·7	[illegible]	·5	6,570,086,398
1918...	150,000,000	60,000,000	210,000,000	3·7	3,351,288,425	58·2	50,220,[illegible]95	1,668,[illegible]	1,71[illegible]	[illegible]	30·0	[illegible]	7·7	[illegible]	·4	5,731,203,721
1917...	150,000,000	26,000,000	176,000,000	3·8	2,794,641,709	57·1	50,183,220	1,386,351,890	1,436,[illegible]	[illegible]	29·2	[illegible]	9·1	[illegible]	1·0	4,909,077,919
1916...	150,000,000	26,000,000	176,000,000	4·3	2,360,083,500	57·3	54,[illegible]486	1,096,244,338	1,151,[illegible]	[illegible]	28·0	[illegible]	9·8	[illegible]	·6	4,116,514,572
1915...	150,000,000	24,000,000	174,000,000	4·5	2,100,173,980	54·9	67,[illegible]160	1,950,864,194	1,[illegible]118,170,354		29·3	[illegible]	10·7	[illegible]	·6	3,822,597,614
1914...	150,000,000	22,000,000	172,000,000	6·7	1,973,639,925	53·6	115,340,070	989,074,313	1,105,314,383		33·0	[illegible]	11·1	[illegible]	·6	3,683,695,558
1913...	150,000,000	20,000,000	170,000,000	4·8	1,931,283,500	54·7	149,944,244	772,678,993	922,623,237		28·1	[illegible]	13·8	[illegible]	·6	3,531,325,029

ASSETS. Dec. 31	Cash in Hand. Pesetas.	% *	Government and Other Investment. Pesetas.	% *	Bills. Pesetas.	% *	Advances to Treasury. Pesetas.	% *	Loans, Advances, Current Accounts, &c. Pesetas.	% *	Bank Premises, &c. Pesetas.	% *	Total Assets. Pesetas.
1919...	3,142,611,720	47·8	355,[illegible]928	5·4	1,100,441,255	16·8	151,[illegible]187	2·3	1,806,250,585	27·5	10,537,[illegible]	·2	6,570,086,398
1918...	2,962,994,174	51·7	449,145,028	7·8	864,829,074	15·1	228,[illegible]102	4·0	1,214,032,191	21·2	12,[illegible]52	·2	5,731,203,721
1917...	2,770,089,021	56·4	356,[illegible]934	7·3	442,404,280	9·0	185,219,823	3·7	1,144,[illegible]165	23·3	14,[illegible]96	·3	4,[illegible]77,919
1916...	2,085,220,989	50·7	42[illegible]591	10·7	451,830,317	10·9	162,691,854	3·9	968,049,317	23·5	14,249,501	·3	4,115,514,572
1915...	1,728,[illegible]616	45·4	356,[illegible]111	9·3	496,[illegible]918	13·0	267,[illegible]282	7·0	960,[illegible]502	25·0	13,[illegible]162	·3	[illegible]97,614
1914...	1,432,295,570	38·9	356,086,144	9·7	562,863,895	15·3	253,313,773	6·8	1,065,051,812	28·9	14,084,364	·4	3,[illegible]99,558
1913...	1,[illegible]01,280	33·5	356,086,111	10·1	184,960,959	13·7	192,[illegible]019	5·5	1,[illegible]369	30·8	13,[illegible]149	·4	3,531,325,029

* Per cent. of Total Liabilities or Assets.

The figure at [illegible] it has been for some years—150 million pesetas. The balance-sheet figures, as at December 31, 1919, display great expansion when compared [illegible] other years. The large increase in note circulation has been already referred to. Total deposits rose during the year from 1,718 millions to 1,750 millions, and balance-sheet totals showed an increase of 838 millions.

On the assets side, cash in hand showed a considerable rise, from 2,962 to 3,142 millions. The total of investments was dropped from 449 millions to 356 millions, and advances to the Treasury also declined. Bills receivable have risen from 864 millions to 1,100 millions, and the total of loans and advances at 1,806 millions, as compared with 1,214 millions in the previous year, indicates to what a large extent the Bank is helping the industry of Spain.

BANCO NACIONAL ULTRAMARINO.

(National Overseas Bank.)

Head Office: Lisbon.

London Office: 27B Throgmorton Street, E.C.

Capital—

Paid up ... ...Esc.24,000,000 £5,328,000.

(Sterling figures are calculated at the par of exchange.)

This institution, the State Bank of the Portuguese Colonies, was established as far back as 1864. In 1919 the paid-up capital was raised from 12,000,000 escudos to 24,000,000 escudos. The Bank has a world-wide connection, and in addition to twenty-six offices in Portugal, it possesses branches in the Azores, West Africa, East Africa, India, China, Timor, Madeira, Belgian Congo, and Brazil. Offices were recently opened in London and Paris, and it was announced in May that a branch in New York would shortly commence business. The Governor has already affirmed that the results achieved through the opening of the London office have exceeded the most sanguine expectations. During 1919 the Bank handled forty-eight per cent. of the exports from Great Britain to Portugal, amounting to £9,602,000. The Bank has a working agreement with the London County Westminster and Parr's Bank Limited, and also with the Bank of Scotland and the Colonial Bank. The Bank's shares are quoted on the Portuguese Exchanges and on the Exchanges in Rio de Janeiro, Paris, London, and Manchester.

The reserve fund, which was equal to the paid-up capital, £5,328,000, was this year further increased by the addition of £199,800. The net profit for 1919 was £1,159,989, and the dividend was maintained at twenty per cent. per annum free of income tax, evidencing the great prosperity enjoyed by this Bank. It is interesting to note that the Bank has instituted a scheme whereby the staff is to participate in the profits, "working shares" being issued to members under certain conditions.

Deposits amount to the sum of £115 million, as seen from the [illegible] liabilities.

LIABILITIES.	Dec. 31, 1919 (Escudos)	Dec. 31, 1919 (£)
[illegible] paid up	24:[illegible]	[illegible]
Reserve Funds	24 : 000,000	5,328,000
Notes in circulation	19 : 590,040	1,348,989
[illegible]	320 : [illegible]	[illegible]
Securities deposited	249 : [illegible]	[illegible]
Other liabilities	251 : 987,[illegible]	51,473,353
Profit balance	5 : 418,991	1,202,861
Total Liabilities	1,074 : 657,011	[illegible]

ASSETS.	Dec. 31, 1919. (Escudos)	Dec. 31, 1919 (£)
Cash	60 : [illegible]	13,599,856
[illegible]	9[illegible]	[illegible]
[illegible]	7 : [illegible]	1,689,374
[illegible]	113 : [illegible]	25,223,157
Loans, advances &c. ...	344 : [illegible]	[illegible]
Securities* (*as per contra*) ...	249 : [illegible]	55,391,070
Bank premises, &c. ...	1 : 713,982	[illegible]
[illegible] ...	255 : 857,030	[illegible]
Total Assets ...	1,074 : 657,011	[illegible]

* Partly [illegible]

† Sterling [illegible]

GORDON GRANT & CO., Ltd.

Established 1872. **Port of Spain, Trinidad, B.W.I.** Incorporated 1911.

Capital (Fully Paid up) - **£500,000** | **Reserve - - - £115,000**

Bankers, Merchants, Estates, Ship & Insurance Agents.

Correspondents in London, New York and Principal Business Centres in Europe, America, Canada and India.

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SWEDISH BANKS.

PRICES OF COMMODITIES IN SWEDEN DURING AND SINCE THE WAR.

THAT a sudden increase beyond normal requirements in the supply of gold currency may provoke a rise in prices as well as in the case of paper money was amply demonstrated by the experience of Sweden during the War. The outbreak of the War caused an immediate curtailment in the import trade of the country, while at the same time exports continued at, or near, their normal volume. This was true in the case of most neutrals, but its influence was particularly felt by Sweden, whose population, being chiefly engaged in the supply of foodstuffs and certain raw materials, [illegible] to a great extent dependent on other nations for their supply of manufactured articles. Moreover, the bulk of Sweden's pre-War trade was with Russia and Germany, and as the importance of these countries, both as purchasers of its products and as suppliers of those commodities which could not be raised economically at home, became considerably diminished, the normal channels of its trade were closed, and the country had to seek new markets and new sources of supply.

It quickly found that the belligerent nations, while ready enough to take its own produce, were unable to send in return the many necessaries which it lacked. Under these circumstances Sweden at first began to accept gold in liquidation of its favourable trade balance, as was the custom between all gold-using countries before the War. The trade indebtedness of the other nations grew so rapidly, however, that soon unprecedented quantities of the precious metal began to accumulate in the country. This would have been a benefit if the gold could be used for the purchase of other commodities abroad, but Sweden soon learned that, as the utility of gold lies for by far the greatest part in its use as a medium of exchange, its value depended on the readiness of other nations to acquire it for monetary purposes and on their ability to pay for [illegible] commodities.

In the outcome, the supply of the metal reached such embarrassing proportions that its import had to be prohibited. This measure, however, was only taken when the mischief had been wrought. The currency in circulation had multiplied rapidly; there arose a great scarcity of many essential commodities; the purchasing power of the non-agricultural section of the community was greatly diminished, and the inevitable consequence was a rise in prices. How acute the situation was may be judged by the fact that in the early stages of the War until towards the end of 1915 the rise in the price-level became more pronounced in Sweden than in any of the belligerents themselves for which records are available. Right up to the Armistice the course of prices kept almost parallel with the movements in France, and on the termination of hostilities the increase in prices since the beginning of the War was actually greater than in the case of France.

The actual index-numbers for wholesale prices of commodities, as compiled by the *Svensk Handelstidning*, are tabulated below. This system of index-numbers is based on the market quotations for forty-seven commodities, the average prices during the twelve months ending June 30, 1914, being taken as the basis of comparison for each commodity and made equal to 100. The general index-numbers shown herewith consequently represent simple percentages of the general level during that period. The commodities selected are all either raw materials or articles in the earlier processes of manufacture. The general average of the forty-seven commodities is "weighted" according to an approximate estimate of the respective values of their consumption during the basic period. This detracts somewhat from their value for purposes of comparison with the index-numbers for other countries, as, naturally, the importance of different commodities varies greatly in different countries. In Sweden, for instance, the price of wood-pulp has a preponderating influence on the general level of prices, while in other countries it is frequently omitted altogether in a computation of changes in the price-level.

Index-numbers for Wholesale Prices of Commodities in Sweden, July 1914 *to September* 1920, *as compiled by the "Svensk Handelstidning."*

(Average for year ending June 30, 1914 = 100.)

				1918	1919	1920
1914	3rd quarter,	111	...	Jan.	289	349
	4th "	125	...	Feb.	306	358
1915	1st "	135	...			
	2nd "	143	...	Mar.	334	364
	3rd "	147		Apr.	336	384
	4th "	157		May	346	361
1916	1st "	161				
	2nd "	175		June	351	324
	3rd "	190		July	350	316
	4th "	209		Aug.	357	301
1917	1st "	225		Sept.	364	292
	2nd "	239	...	Oct.	371	—
	3rd "	249	...	Nov.	367	—
	4th "	272	...	Dec.	347	—

Owing to the reaction of the War on the particular nature of Sweden's economic life, as described above, the rise in prices was very unequally shared in by the different commodities comprising these index-numbers, and consequently the deviations of individual articles from the general average are very wide. For example, on September last, coal was 985 per cent. about the pre-War level, while the increase in the group index-number for hides and leather was only eighty per cent. On the same month the percentage increases in other group index-numbers with reference to the basic period were as follows: Vegetable food, 173; animal food, 212; raw materials for agriculture, 208; oils, 240; metals, 173; building materials, 288; paper pulp, 653; and textiles, 210.

After the Armistice prices began to decline, as in other countries. The character of the subsequent movements, however, differs widely in the case of Sweden from that experienced elsewhere. In November 1918, a fall of .8 per cent. occurred, but [illegible] 1.4 per cent. in the following month. Thenceforward until November 1919 a steady downward movement was in progress, the decline of the general index-number during that period being 17.5 per cent. In November 1919, a fresh rise began, but, whereas in nearly all other countries the highest level of prices was not reached till after the Armistice, in Sweden the level at the end of the War has not since been surpassed, and the index-number for December 1918, representing an [illegible] 272 [illegible] the pre-War level, marks the peak of high prices. The date of the highest point attained by the group index-numbers, however, varies considerably. A detailed list of these would serve no useful purpose, as by means of Government subsidies and fixing of maximum prices for many commodities the prices of these over long periods do not represent their real values in relation to other commodities not controlled. In this connection it is interesting to note that the cost of living, as measured by the retail prices of those commodities in most common consumption, rose by much less than the general level of wholesale prices. The subjoined index-numbers compiled by the Swedish Government Department of Labour will make this clear. The first statement shows the rise in the retail prices of food, fuel and lighting as well as the "weighting" of these prices with regard to the relative importance of the various articles in the pre-War consumption of a standard working-class family. The details of the calculation have been very carefully made, about 1,350 accounts during the years 1913-14 having been examined. In the second statement is shown

the increase in the cost of maintaining the pre-War standard of living for a working-class family with a yearly budget of about 2,000 kroner before the War.

STATEMENT I.

Index-Numbers of the Department of Labour showing the Percentage Increases in Retail Prices of Food, Fuel and Lighting since July 1914 (49 towns).

	Un-Weighted Averages	Weighted Averages		Un-weighted Averages	Weighted Averages		Un-weighted Averages
1914			**1917**			**1919**	
3rd qrtr.	3	3	August	81	107	March	231
4th ,,	7	8	September	87	110	April	237
1915			October	92	125	May	228
1st qrtr.	13	14	November	100	134	June	219
2nd ,,	21	21	December	112	140	July	210
3rd ,,	24	29	**1918**			August	213
4th ,,	28	38	January	121	162	September	209
1916			February	127	166	October	207
1st ,,	30	43	March	135	178	November	230
2nd ,,	34	48	April	147	192	December	207
3rd ,,	42	62	May	148	210		
4th ,,	52	75	June	161	222	**1920**	
1917			July	168	240	January	198
January	60	85	August	180	251	February	190
February	66	94	September	184	241	March	191
March	70	95	October	210	266	April	196
April	75	98	November	227	275	May	194
May	75	96	December	230	274	June	193
June	75	98	**1919**			July	197
July	77	100	January	229	276	August	198
			February	231	284	September	205

STATEMENT II.

Index-Numbers of the Department of Labour showing the Percentage Increase in the Budget of a Standard Working-Class Family since 1914.

Date	Food	Rent	Fuel and Lighting	Clothing	Fuel	Sundry Items	Other Items	Tot.
Dec. 1916	50	8	68	60	9	25	39	
May 1917	71	8	90	90	9	30	52	
Sept. ,,	80	12	140	110	9	50	66	
Jan. 1918	114	12	175	150	9	75	92	
Apr. ,,	129	12	180	170	14	85	103	
July ,,	158	12	186	185	14	95	119	
Oct. ,,	181	12	205	250	28	120	142	
Jan. 1919	223	20	281	250	28	125	167	
Apr. ,,	227	20	267	220	60	115	165	
July ,,	218	20	226	210	60	110	157	
Oct. ,,	211	20	194	200	60	115	157	
Jan. 1920	207	20	207	245	60	120	159	
Apr. ,,	187	20	205	270	190	130	165	
July ,,	187	20	202	290	190	135	170	
Oct. ,,	198	15	200	290	190	14	181	

GÖTEBORGS BANK.

Head Office: Gothenburg, Sweden.

Capital—

Paid up Kr.38,000,000

In 1847 a number of important business men of the City of Gothenburg launched a scheme under which three million kroner was subscribed towards the establishment of Göteborgs Privat Bank. The institution has continued to adhere to its original principles, and has now become one of the important Swedish joint stock banks. In the course of its development it became known successively as the Göteborgs Enskilda Bank and, since 1903, the Aktiebolaget Göteborgs Handelsbank. It now has branches at all the principal places in Sweden, with agencies in London and New York.

At the beginning of 1917 the Bank absorbed the Stockholm Discontobank, with deposits of about forty million kroner, and on that occasion the paid-up capital was raised from twenty-three million kroner to thirty-eight millions, the figure at which it now stands. The reserve fund was also increased from sixteen to thirty millions. Further additions from profits had brought the reserve to 33,400,000 kroner on December 31, 1919, and the balance of undivided profit on that date, after providing for the dividend, exceeded four million kroner.

The net profit for 1919 was 7,151,241 kroner, as compared with 9,450,678 kroner for 1918. The dividend for each year was the same—thirty-five kroner per share, or fourteen per cent. For 1917 the net profit was 6,692,000 kroner, and a dividend of thirteen per cent. was paid. Distributions have gradually increased to their present rate since 1908, when nine per cent. was paid.

The appended statements show the recent growth in the Bank's figures, and the manner in which the funds are employed:—

Position of Gothenburg Bank.

	Dec. 31, 1919 Kroner	Dec. 31, '18 Kroner	Dec. 31, '17 Kroner	Dec. 31, '16 Kroner
LIABILITIES.				
Capital	38,000,000	38,000,000	38,000,000	23,000,000
Reserve	33,400,000	31,200,000	30,000,000	16,000,000
Total ...	71,400,000	69,200,000	68,000,000	39,000,000
Deposits	233,[illegible],015	211,234,210	160,484,816	149,232,391
Current accounts ...	137,[illegible],746	128,397,025	76,495,791	
Due to other banks ...	13,267,845	20,692,745	27,793,909	12,172,733
Bank post bills ...	9,359,913	7,726,717	7,295,797	5,[illegible],915
Sundry accounts ...	9,480,172	11,048,929	7,[illegible],219	12,084,180
Total Liabilities	474,521,724	448,199,626	348,008,562	218,093,932
ASSETS.				
Cash	22,779,827	53,213,873	19,333,520	12,774,506
Investments	20,414,672	24,888,374	35,[illegible],162	12,051,370
Loans on securities .	154,228,030	140,557,970	114,885,743	70,112,907
Bills discounted... ...	74,289,333	70,052,[illegible]	55,685,864	30,616,217
Current accounts secured	107,471,865	99,[illegible],815	61,203,025	40,926,594
Due from other banks	44,201,620	43,265,382	40,676,113	31,784,066
Sundry accounts ...	16,670,805	30,654,[illegible]	16,956,232	7,785,[illegible]
Bank buildings	4,462,613	5,695,527	4,264,903	2,988,[illegible]
Total Assets ...	474,521,724	448,199,626	348,008,562	218,099,932

SKANDINAVISKA KREDITAKTIE-BOLAGET.

Head Office: Gothenburg.

Capital—

Authorised, Issued and Paid up ... Kr.87,188,000

This Bank commenced business in 1864 with a subscribed capital of 5,147,500 kroner, 1,029,500 kroner being paid up. It has absorbed many smaller institutions, and the capital has been increased to keep pace with the expansion of business. In 1917 the Sveriges Privata Centralbank, which had itself absorbed the Nordiska Kreditbanken, was taken over, and in 1918 the Orebro Enskilda Bank was absorbed, the capital on that occasion being raised to 73,840,000 kroner. The Skanska Handelsbanken was taken over on October 20, 1919, and the share capital raised to its present amount of 87,188,000 kroner by the issue of 94,000 new shares,

Liabilities and Assets of The Skandinaviska Kreditaktiebolaget.

LIABILITIES.

Dec. 31	Capital Paid up. Kr.	%	Reserve Funds. Kr.	%	Total Capital and Reserve. Kr.	%	Current Accounts, &c. Kr.	%	Deposits. Kr.	%	Guarantees. Kr.	%	Drafts, &c., Due to Other Banks. Kr.	%	Pension and Banking Funds. Kr.	%	Profit Balance Kr.	%	Total Liabilities. Kr.
1919	87,188,000	9·4	117,000,000	12·6	204,188,000	12·4	183,128,066	32·9	569,713,271	38·8	38,[illegible],311	2·6	185,[illegible],080	10·8	2,[illegible],000	·2	[illegible],251	2·3	1,[illegible],599
1918	73,840,000	8·1	63,[illegible],000	15·5	150,000,000	14·1	300,138,435	27·3	386,874,080	35·1	23,070,872	2·1	242,[illegible],020	19·3	2,700,000	·2	2[illegible],168	1·9	1,101,[illegible],875
1917	70,132,000	9·7	51,000,000	15·5	121,132,000	14·1	298,354,840	30·9	272,092,093	23·2	26,134,318	2·7	129,[illegible],781	29·6	2,[illegible],033	·2	18,664,[illegible]	1·9	867,[illegible],815
1916	45,430,060	17·0	32,500,000	12·1	77,930,060	14·5	134,[illegible],553	23·9	218,[illegible],818	39·9	23,675,000	4·3	67,884,[illegible]	12·4	2,067,[illegible]	·4	11,[illegible],887	2·1	547,[illegible],344
1915	45,430,060	18·4	32,500,000	13·2	77,930,060	15·7	91,929,173	18·1	220,[illegible],837	43·6	25,[illegible],000	5·0	64,[illegible],210	12·8	1,962,[illegible]	·4	9,[illegible],402	1·7	504,711,202
1914	45,430,060	22·2	32,500,000	15·9	77,930,060	18·9	65,[illegible],827	15·7	200,867,003	48·0	7,584,600	1·8	41,[illegible],416	9·9	2,[illegible],000	·6	7,[illegible],181	1·8	418,[illegible],611
1913	45,430,080	24·9	32,500,000	17·8	77,930,060	21·3	51,520,720	13·8	190,[illegible],074	51·0	6,[illegible],200	1·8	21,[illegible],474	5·8	2,157,[illegible]	·6	7,[illegible],172	2·1	372,[illegible],3[illegible]

ASSETS.

Dec. 31	Cash —In Hand.— Kr.	%	Investments. Kr.	%	Current Accounts, &c. Kr.	%	Bills Discounted. Kr.	%	Advances on Securities. Kr.	%	Guarantees. Kr.	%	Due by other Banks. Kr.	%	Demand Bills and Funds in Transit. Kr.	%	Premises, &c. Kr.	%	Total Assets. Kr.
1919	19,191,592	1·3	39,772,028	2·7	428,995,[illegible]	29·1	262,734,56[illegible]	17·9	441,804,979	30·1	38,562,311	2·6	185,[illegible]	12·6	14,[illegible]	2·8	3,[illegible]	·2	1,[illegible]
1918	18,392,538	1·4	42,361,715	3·8	338,626,580	30·8	231,750,665	21·0	258,760,[illegible]	23·5	23,070,872	2·1	141,[illegible]	13·8	29,[illegible]	2·7	1,[illegible]	·1	1,[illegible]
1917	15,561,913	1·6	55,613,760	5·7	295,931,127	29·6	182,902,820	19·6	240,637,[illegible]	25·0	26,[illegible]	2·7	124,870,[illegible]	12·8	19,[illegible]	2·0	1,[illegible]	·1	967,[illegible]
1916	8,659,227	1·6	37,658,728	6·9	196,745,650	19·5	126,985,690	23·2	167,165,[illegible]	30·5	23,675,000	4·3	59,[illegible]	10·9	7,[illegible]	1·4	9,[illegible]	1·7	547,[illegible]
1915	11,157,842	2·2	10,485,[illegible]	8·0	126,081,[illegible]	25·0	109,182,441	19·9	149,057,[illegible]	29·5	25,[illegible]	5·0	[illegible],[illegible]	7·0	6,[illegible]	1·2	11,[illegible]	2·2	504,[illegible]
1914	7,939,683	1·9	32,829,169	7·9	105,749,395	25·2	71,650,257	17·1	150,144,[illegible]	35·9	7,584,600	1·8	27,[illegible]	6·5	4,487,[illegible]	1·1	12,[illegible]	2·6	418,[illegible]
1913	9,679,117	2·6	26,255,035	7·0	95,795,107	25·7	68,928,767	18·5	144,926,[illegible]	38·9	6,[illegible]	1·8	[illegible]	4·1	4,[illegible]	1·0	10,[illegible]	2·9	372,[illegible]

* Per cent. of Total Liabilities or Assets.

which, together with a cash payment of 7,500,000 kroner, constituted the payment for the undertaking of the Aktiebolaget Skanska Handelsbanken. The sum of 13,152,000 kroner was transferred to the reserve fund, thereby increased from 81,660,000 kroner to 94,812,000, its present figure. The Bank now has about 100 branches in Sweden.

By a Government resolution of July 4, 1919, alterations in the Bank's Articles of Association were sanctioned whereby the maximum share capital of the Company was fixed at 100 million kroner.

The net profit for 1919 amounted to Kr. 30,151,815, and a dividend was paid of thirty kroner per share (equal to 21.1 per cent., against 17.6 per cent. for 1918), ten million kroner being set aside for taxes. The directors point out that this satisfactory result is partly due to the fact that foreign exchange, which had been entered at low rates in balancing the books, has since risen very considerably. The year's results cannot altogether be regarded as indicative of future dividend possibilities

Year ended Dec. 31	Gross Profit. Kr.	Expenses. Kr.	Net Profit. Kr.	Dividend. Amount. Kr.	Dividend. Rate. %	Special Allocations. Kr.	Carried Forward Kr
1919	49,591,584	19,439,768*	30,151,815	18,420,000	21·1	10,725,000	3,619,284
1918	34,089,366	13,595,676*	20,494,190	13,000,000	17·6	5,100,000	2,612,468
1917	28,012,075	11,941,191	16,070,884	12,400,000	17·6	6,046,612	218,278
1916	16,598,907	5,849,038	10,749,869	7,358,390	16·2	1,300,000	2,593,996
1915	12,047,066	4,162,050	7,885,016	6,718,530	14·8	1,144,275	502,517
1914	11,158,642	3,945,393	7,213,249	6,718,530	14·8	630,355	480,306
1913	11,437,960	4,191,054	7,246,906	6,718,530	14·8	330,000	615,942

* Including expenses of new share issue (1919) Kr.278,088 and (1918) Kr. 462,406.

The balance sheet figures for December 31, 1919, record considerable growth, the totals having risen from 1,101 million kroner in 1918 to 1,468 millions. Both current accounts and deposits showed large increases, and on the other side there was a corresponding rise in advances of all kinds and bills discounted, which can be seen from the accompanying statement of liabilities and assets.

The statement of condition on June 30, 1920, shows a slightly reduced total compared with the figures six months earlier, 1,411 million kroner following 1,468 millions.

STOCKHOLMS ENSKILDA BANK.

Head Office: Stockholm.

Capital—

Subscribed and Paid up, 31,500 Shares of Kr. 1,000, fully paid ... ... Kr. 31,500,000

This Bank was formed as a private institution in 1856, and most of its dozen branches are located in the capital and suburbs. Sweden's private banks are divided into two classes—the limited companies and the "Enskilda" banks, which latter formerly had the right to issue notes. This Stockholm Bank belongs to the second category, and its partners are jointly and severally responsible for its liabilities. During its career it has actively assisted railway undertakings, and financed several important Swedish industrial enterprises. By 1914 the capital had reached 25,500,000 kroner, and the reserves exceeded this sum. Two years later the capital was increased to its present amount of 31,500,000 kroner by the distribution amongst the shareholders of new shares to the amount of six million kroner. The profits for that year had been exceptionally large, and the sum of eighteen million kroner was added to the reserve fund. On December 31 last the fund stood at 44,500,000 kroner.

Most banking institutions in neutral European countries were able to extend their business during the War years, and the Stockholms Enskilda Bank was no exception. From 119 million kroner in 1914 the deposits rose to 293 millions by 1918, while a further increase of forty-six millions was registered during 1919. Amounts due to other banks were less in December last than a year previously. On the assets side, cash in hand showed an increase during the year of over eight million kroner—to 22,911,000 kroner. Loans rose by nearly six million kroner, and the total of bills from eighty-eight millions to 128 millions.

The net profit for 1919 was 11,180,760 kroner, as compared with 8,842,803 for 1918. The dividend was increased from fourteen per cent. to fifteen per cent., and over nine million kroner was carried forward to the next account.

LIABILITIES.	31 Dec. 1919 Kroner.	31 Dec. 1918 Kroner.	31 Dec. 1917 Kroner.	31 Dec. 1916 Kroner.
Capital	31,500,000	31,500,000	31,500,000	31,500,000
Reserve funds	44,500,000	44,500,000	44,500,000	40,500,000
Deposits and current accounts	333,662,054	293,189,294	231,919,964	193,083,324
Bills in circulation ...	6,343,911	6,184,912	5,726,529	4,710,441
Due to other Swedish banks	8,657,600	51,929,096	35,622,319	31,882,975
Due to other banks abroad	28,205,377	21,803,140	21,073,630	14,032,799
Sundry accounts ...	21,214,544	17,815,525	17,265,928	11,046,149
Profit balance	18,323,005	13,234,005	16,108,806	7,758,694
Total Liabilities ...	498,4.7,091	480,155,972	403,717,176	334,514,382
ASSETS.				
Cash in hand	22,911.297	14,403,058	22,348,725	13,823,104
Government and other bonds	28,195,739	31,723,456	47,748,158	34,936,152
Loans	83,901,591	78,040,764	67,190,605	72,589,512
Bills discounted... ...	128,011,522	67,173,374	63,262,517	44,925,338
Foreign bills		21,507,551	17,288.271	19,649,937
Cash credits and accounts current	143,514.765	133,766,290	80,883,030	76,088,072
Due from other Swedish banks	13,534,574	2,239,786	2,962,301	1,521,300
Due from banks abroad	61,714,208	104,928,836	79,880,097	56,690,717
Sundry accounts ...	15,813,395	22,362,857	21,153,472	13,177,071
Bank premises	1,0 0.000	1,010,000	1,000,000	1,113,279
Total Assets ...	498.407,091	480,155,972	403,717,176	334,514,382

SVENSKA HANDELSBANKEN.

(*Formerly* the Stockholms Handelsbank.)

Head Office: Stockholm.

Capital—

Issued and Paid up ... Kr. 80,708,600

This Bank was founded in 1871 with a share capital of one million kroner, and commenced business during a period of great commercial prosperity in Sweden, so that its business soon assumed large proportions. It was known as the Stockholms Handelsbank, and, although up to 1914 it was practically a local bank, it established important connections in foreign countries, and dealt largely in foreign bills. Of late years its expansion has been due to a great extent to the importance of the banks it has absorbed, no less than five being taken over in 1917. Then, on November 15, 1919, the Government sanction being obtained, an amalgamation was effected with the Bankaktiebolaget Södra Sverige. The combined institution now covers the whole of Sweden, and the name Svenska Handelsbanken (the Swedish Bank of Commerce) was adopted. The Bankaktiebolaget Södra Sverige was formed in 1902 with a paid-up capital of ten million kroner, and soon ranked among the important provincial banks of Sweden. It really succeeded a much older bank, the Christian Stads Enskilda Bank, which commenced business in 1864. On July 31, 1919, its fully paid-up capital was thirty million kroner, and the reserves amounted to 15,500,000 kroner. The paid-up capital of the Stockholm Bank on that date was 60,708,600 kroner, while its reserves, at eighty million kroner, were even greater. On amalgamation the capital was fixed at 80,708,600 kroner, the holders of the 120,000 shares of 250 kroner each in the Bankaktiebolaget Södra Sverige receiving 200,000 shares of 100 kroner each in the Stockholm Bank. The combined reserves on December 31, 1919, amounted to 100,268,609 kroner. The total assets of the two institutions on July 31, 1919, came to 1,429 million kroner, while last December the assets of the Svenska stood at 1,465 millions. In addition to the head office and nineteen branch offices in Stockholm, the Bank now has 235 branches throughout Sweden.

The results of the year 1919, when the net profit amounted to 31,574,253 kroner, were satisfactory. The net profit of the Stockholm Bank for 1918 was 20,204,231 kroner, and a dividend of nineteen per cent. was paid; while that of the Bankaktiebolaget

Södra Sverige was 7,368,662 kroner, and the dividend was eleven per cent. For 1919 the amalgamated concern paid a dividend at the rate of twenty-one per cent. A sum of seven million kroner was set aside [illegible] taxation reserve and the sum of eight million kroner was placed to a *del credere* account, in view, as stated by the directors, of the undoubted element of uncertainty in the general economic situation.

Yr. to Dec. 31	Net Profit	Dividend Rate	Dividend Amount	Balance	Special Allowances	Carried Forward
	Kr.	%	Kr.	Kr.	Kr.	Kr.
1919 ...	30,571,253	21	16,945,596	13,625,657	15,000,000	3,356,740
1918 ...	20,204,231	19	11,534,624	8,669,607	7,[illegible],000	3,701,[illegible]
1917 ...	17,317,614	19	11,534,624	5,782,990	4,[illegible],098	2,151,[illegible]
1916 ...	8,929,221	18	5,427,600	2,602,221	2,527,930	1,095,788
1915 ...	6,258,528	17	5,125,540	1,133,028	950,000	1,021,497
1914 ...	6,129,719	17	5,125,500	1,004,219	724,478	908,169
1913 ...	4,127,447	17	3,570,000	557,447	907,500	658,728

The Bank's business appears to be rapidly increasing, apart from the amalgamation. The combined deposits of the two banks on July 31, 1919, amounted to 970 million kroner, while on December 31 the Svenska Handelsbanken showed a total under this head of 1,001 millions. We give below statements of the Stockholm Bank for four years, 1915-18, and of the Svenska Handelsbanken for 1919, and also the combined figures of the two banks as at the end of July, 1919:—

Dec. 31—	Svenska Handelsbanken 1919	Stockholm Bank 1918	Stockholm Bank 1917	Stockholm Bank 1916	Stockholm Bank 1915
LIABILITIES.	Kroner	Kroner	Kroner	Kroner	Kroner
Capital	80,708,600	60,708,600	60,708,600	30,150,000	30,150,000
Reserve funds ...	100,[illegible],699	79,[illegible],430	78,[illegible],000	35,[illegible],000	35,[illegible],000
Deposits & current accounts	1,001,829,000	638,612,451	466,975,868	236,176,320	180,321,185
Due to Swedish banks ...	64,994,501	72,140,761	36,675,187	27,005,390	16,829,223
Due to banks abroad... ...	44,338,950	31,876,642	73,638,564	27,874,492	19,348,558
Circulating bank drafts	26,542,334	21,245,632	14,460,221	15,613,918	10,845,728
Sundry liabilities	111,421,886	55,810,830	36,526,000	34,487,047	22,842,361
Divs. payable and credit to profit and loss ...	35,275,550	22,355,931	18,443,402	9,050,717	7,196,997
Total liabilities	1,465,379,430	982,615,277	786,719,242	416,315,384	323,491,552
ASSETS.					
Cash in hand ...	54,385,069	35,529,627	35,[illegible],234	21,[illegible],575	11,547,673
Investments ...	58,6[illegible],341	48,065,873	45,[illegible],992	32,[illegible],526	25,363,102
Due from Swedish banks	2,857,120	3,376,347	5,247,659	2,766,394	3,242,118
Due from banks abroad... ...	67,612,673	61,863,573	49,783,448	62,708,437	32,539,646
Bills discounted...	394,226,977	247,347,679	204,159,022	88,895,786	79,899,394
Loans	388,557,530	232,533,871	198,719,140	90,946,162	78,624,132
Advances ...	351,720,570	280,782,971	172,023,481	84,660,413	67,441,531
Bank buildings ...	10,[illegible],296	6,977,416	6,923,612	4,032,893	4,644,893
Sundry accounts	141,[illegible],845	66,[illegible],918	69,085,741	28,372,199	20,189,123
Total assets	1,465,379,430	982,615,277	786,719,242	416,315,384	323,491,552

Balance Sheets, Separate and Combined, July 31, 1919.

	Stockholms Handelsbank July 31, 1919	Enskilda Banken July 31, 1919	Total July 31, 1919
LIABILITIES.	Kroner	Kroner	Kroner
Capital fully paid up	60,708,600	30,000,000	90,708,600
Reserves	80,835,430	15,500,000	96,335,430
Deposit accounts	372,477,986	174,708,098	547,186,084
Savings accounts	125,278,982	69,214,665	194,493,647
Cheque and current accounts ...	190,836,159	37,912,082	228,748,241
Due to Swedish banks	100,500,108	6,911,307	107,411,415
Due to foreign banks and bankers	27,198,331	5,282,403	32,480,734
Cheques issued, still in circulation	8,207,692	6,699,133	14,906,826
Sundry accounts	78,113,845	38,995,531	117,109,376
Total Liabilities	1,044,157,134	385,223,119	1,429,380,253
ASSETS.			
Cash in hand and at Sveriges riksbank	19,089,457	4,880,533	23,969,990
Bonds, Swedish and foreign ...	34,470,475	15,783,163	50,253,638
Bills discounted payable in Sweden	292,165,478	113,497,121	405,662,599
Bills discounted payable abroad	3,649,737	3,528,389	7,178,126
Due from Swedish banks	2,769,235	20,582,400	23,351,635
Due from foreign banks and bankers	66,893,235	18,636,830	85,531,065
Loans	236,434,832	101,833,033	338,267,865
Cash credits and current accounts	298,071,381	63,066,861	361,138,242
Bank premises	6,977,416	6,135,525	13,112,941
Furniture and fixtures ...	195	94,812	95,007
Sundry accounts	83,634,695	37,184,502	120,819,197
Total Assets	1,044,157,134	385,223,119	1,429,380,253

SVERIGES RIKSBANK.

Head Office: Stockholm, Sweden.

Capital—

All owned by the State... ... ... Kr. 50,000,000

THE origin of this institution can be traced as far back as 1656, when the Bank received a charter authorising it to deal in exchange and to grant loans. In 1668 the Bank was declared to be the Bank of the estates of the realm, and Parliament became responsible for its continuance. In view of such developments, it can be gathered that banking began in Sweden an unusually early date. Many changes have occurred from time to time in the constitution of the Bank, which in 1800 was authorised to establish a [illegible] with a capital of [illegible] dalers. Businesses of a similar character were established in various towns, where, however, private [illegible] In 1817 [illegible] of the country, together with mismanagement, caused the failure of several of these private concerns, and the Riksbank sustained a loss of 1,343,000 dalers. The Bank's notes became very much depreciated, and in 1830 a new rate of redemption was decreed for the notes. In 1834 specie payments were resumed, and a metallic capital was provided for the Bank. In 1829 the paid-up capital stood at 6,600,000 kroner, and by 1850 this had been increased to 15 million kroner. Further increases followed, and in 1897 the amount was fixed by law at 50 million kroner, at which it still stands, the whole of this capital being owned by the State. At the time of the last accounts there was, in addition, a reserve fund of 12,500,000 kroner.

The notes of the Riksbank are legal tender, but must be redeemed in gold on demand at the Bank's head office. The metallic reserve must at no time be less than 25 million kroner, and may consist of all the domestic and foreign gold coin and gold bullion within the country, the property of the Bank. In 1829 the note circulation amounted to 36 million kroner, in 1900 it stood at 71 million kroner, and previous to the War, on December 31, 1913, it was 234 millions. In accordance with the general inflation, the circulation had risen to 813 millions by the end of 1918, but 1919 has seen a drop to 747 millions, the amount outstanding on December 31 last. The cash held on this latter date was 282 millions, equal to 37.7 per cent. of the circulation, as compared with 39.8 per cent. on the average for 1918, and 45.5 per cent. on the average for 1917.

The gross profit for 1919 was 31,589,000 kroner, as compared with 28,171,000 kroner for 1918. During the first three years of the War the Bank's profits dropped somewhat, but they have now recovered to more than their pre-War level. Whereas, however, gross profits for 1919 were more than double those for 1913, the expenses have increased to such an extent that the net profit for 1919—8,969,000 kroner—is only slightly higher than the figure for 1913—8,801,000 kroner.

Year to Dec. 31	Aver. Rate of Discount.	Gross Profit.	Expenses.	Net Profit.	Proprs. to State	
	%	Kr.	Kr.	Kr.	Kr.	% on Capital.
1919 ...	6·38	31,589,016	22,619,904	8,969,112	8,970,000	17·94
1918 ...	6·03	28,171,397	19,984,963	8,186,434	8,186,000	16·37
1917 ...	5·68	15,477,083	5,796,721	9,680,362	9,680,000	19·36
1916 ...	5·24	11,332,455	4,844,618	6,487,837	6,488,000	12·98
1915 ...	5·51	12,436,736	4,317,747	8,118,989	8,119,000	16·24
1914 ...	5·24	12,997,969	4,236,077	8,761,892	8,762,000	17·52
1913 ...	5·50	13,123,779	4,322,695	8,801,084	8,801,000	17·60

The general business has shown considerable expansion since the commencement of the war. Total assets in 1913 were 430 million kroner, and in 1919 amounted to 1,075 millions. We give below a statement comparing the principal items as they stood just prior to the War and as they were on July 31 this year.

LIABILITIES.	1913 January Kr.	1914 Aug. 1 Kr.	Inc. or Dec. Kr.
Notes in circulation	234,[illegible],000	241,[illegible],000	+ 4[illegible],000
Deposits	2[illegible],[illegible],000	70,254,[illegible]	+ 3[illegible],[illegible],000
ASSETS.			
Gold	261,288,000	102,906,000	+158,382,000
Balance abroad and foreign bills	95,058,000	110,700,000	— 15,642,000
Swedish and foreign Government securities	45,[illegible],000	27,990,000	+ 17,[illegible],000
Discounts and [illegible]	64[illegible],000	134,210,000	+ [illegible],000

Liabilities and Assets of The Sveriges Riksbank.

LIABILITIES. Dec. 31		Capital Paid up. Kr.	Reserve Funds. Kr.	Total Capital and Reserve. Kr.	% *	Notes in Circulation. Kr.	% *	Deposits, &c. Kr.	% *	Profit Balance. Kr.	% *	Total Liabilities. Kr.
1919	...	50,000,000	12,500,000	62,500,000	5·3	747,502,194	69·5	237,369,410	22·1	27,827,119	2·6	1,075,198,723
1918	...	50,000,000	12,500,000	62,500,000	6·0	813,936,908	77·3	155,680,576	14·6	21,857,307	2·1	1,051,581,788
1917	...	50,000,000	12,500,000	62,500,000	7·3	572,722,994	66·5	208,614,527	24·2	16,170,873	2·0	860,008,394
1916	...	50,000,000	12,500,000	62,500,000	9·2	417,517,404	61·7	181,895,254	26·9	14,610,511	2·2	676,523,169
1915	...	50,000,000	12,500,000	62,500,000	11·4	327,885,943	59·7	141,935,676	25·8	16,882,673	3·1	549,204,292
1914	...	50,000,000	12,500,000	62,500,000	12·4	304,057,553	60·4	119,468,818	23·7	17,563,683	3·5	503,590,054
1913	...	50,000,000	12,500,000	62,500,000	14·6	234,471,580	54·5	117,465,309	27·2	15,859,792	3·7	430,296,681

ASSETS. Dec. 31		Cash in Hand. Kr.	% *	Investments. Kr.	% *	Bills. Kr.	% *	Current Accounts. Kr.	% *	Advances, &c. Kr.	% *	Total Assets. Kr.
1919	...	282,173,104	26·2	53,401,763	5·0	520,345,191	48·4	86,005,066	8·1	132,726,349	12·3	1,075,258,723
1918	...	285,931,024	27·2	59,663,789	5·7	350,799,837	33·3	81,130,564	7·7	274,057,074	26·1	1,051,581,788
1917	...	246,057,726	28·6	65,394,214	7·7	296,473,539	34·5	44,359,323	5·1	207,723,592	24·1	860,008,394
1916	...	185,858,594	27·4	68,601,684	10·1	244,035,962	36·2	56,240,959	8·3	121,785,970	18·0	676,523,169
1915	...	126,705,908	23·1	57,490,833	10·4	204,761,348	37·3	69,114,088	12·6	91,132,115	16·6	549,204,292
1914	...	110,425,285	21·9	27,575,386	5·5	218,338,363	43·4	30,078,936	5·9	117,171,884	23·3	503,590,054
1913	...	107,335,559	24·9	30,900,881	7·2	227,071,575	52·8	41,500,630	9·6	23,488,036	5·5	430,296,681

* Per cent. of Total Liabilities or Assets.

SWISS BANKS.

BANQUE NATIONALE SUISSE.

(SWISS NATIONAL BANK.)

Head Offices: Zurich and Berne.

Capital—

Subscribed, 50,000 Shares of 1,000 frs. each...Frs. 50,000,000
Paid up, 500 frs. per Share 25,000,000

THE Swiss National Bank was created under an Act passed in 1904 by the Federal Assembly of the Swiss Confederation. This Act gave the institution the exclusive right of issuing bank notes, and it was declared that the chief function of the National Bank was to control the monetary circulation of the country and facilitate operations of payment. There are two principal offices—at Berne and Zurich. The legal and administrative seat is at Berne, and the general meetings of the shareholders and the meetings of the Bank Council must be held there. The seat of the Direktorium is at Zurich, but the meetings of the Bank Committee are usually held at Berne. The Direktorium is composed of three members, appointed by the Bundesrat for a period of six years; it is responsible for the immediate management of the Bank, and from its members the Bundesrat chooses the President and Vice-President. The Bank Council consists of forty members—fifteen elected by the shareholders and twenty-five by the Bundesrat. It is responsible for the formation of the Bank Committee of seven members. The issue of notes, the management of cash holdings, and the business on behalf of the Federal Administration and the Federal railways are conducted at Berne, while the seat of control, including the departments of discount and deposit, is at Zurich.

As stated, the Bank has the sole right of issuing notes in Switzerland. The equivalent of the entire amount issued must be in the possession of the Bank in lawful money, gold bars, or foreign gold coin, in Swiss discount bills or foreign drafts. The metallic reserve must be at least forty per cent. of the total circulation. This latter regulation, however, was recently modified by the Federal Assembly, following the lines proposed by the authorities of the Bank, and the position now is that: "Metallic cover must be forty per cent. at least of the notes in circulation. In extraordinary circumstances, and with the authorisation of the Federal Council, the proportion of the cover may be reduced to thirty-three and a-third per cent."

Gold and Silver Holdings of the Banque Nationale Suisse.

Dec. 31		Gold. Frs.	%	Silver. Frs.	%	Total. Frs.
1919	...	453,113,733	86·0	73,648,645	14·0	526,762,378
1918	...	414,718,742	87·7	58,412,075	12·3	473,130,817
1917	...	357,644,161	87·3	51,830,320	12·7	409,474,481
1916	...	344,997,787	86·8	52,453,850	13·2	397,451,637
1915	...	250,132,404	83·0	51,237,635	17·0	301,370,039
1914	...	237,935,862	90·5	24,913,230	9·5	262,849,092
1913	...	169,955,452	89·8	20,836,045	10·2	190,791,497

These measures were necessary in view of the great and rapid rise in the note circulation, and the impossibility of obtaining at the time the necessary cover. It is now very difficult for Switzerland to attract gold from abroad, and that which enters from foreign countries is for the purpose of regulating the exchanges of the latter, and is limited to the needs of those countries. The note circulation stood at 297 million francs in 1910, and at 267 millions just previous to the War Since then there has been a continued rise, and 1918 accounted for an increase of no less than 273 million francs to 975 millions, while at the end of last December the circulation had further increased to 1,036 millions. The paid-up capital of the Bank is 25 million francs.

Though not directly involved in the struggle, Switzerland found herself in a critical position at the outbreak of War, surrounded as she was by belligerents. A moratorium was proclaimed for a time, and more normal conditions soon prevailed Great loss has been suffered by a large section of the population, owing to the stoppage during the War of the large influx of foreign visitors, and the Bank's time deposits shrank in 1914 to 18 million francs, as compared with 47 millions in 1910. They did not fully recover their pre-War figure until 1917; in 1918 they more than doubled to 114 millions. During the War, however, current credit accounts increased, indicating a transference of money from deposit to "on demand." The same was apparent last year, when time deposits dropped from 114 million francs to 66 millions, and current accounts rose from 79 to 120 millions.

LIABILITIES.	1920. July 31. Frs.	1914. July 23. Frs.	Inc. or Dec. Frs.
Capital	25,000,000	25,000,000	—
Reserve fund	4,441,000	1,496,000	+ 2,945,000
	29,441,000	26,496,000	+ 2,945,000
Notes in circulation	951,073,000	267,920,000	+683,153,000
Deposits, &c.	120,941,000	50,656,000	+ 70,285,000
Miscellaneous	28,270,000	3,358,000	+ 24,912,000
Total Liabilities ...	.. 1,129,725,000	348,430,000	+781,295,000
ASSETS.			
Cash in hand—gold	542,911,000	180,066,000	+362,845,000
,, ,, silver ...	88,784,000	18,945,000	+ 69,839,000
Loan Society bonds	18,292,000	—	+ 18,292,000
Investments	6,347,000	12,671,000	— 6,284,000
Bills	393,753,000	93,778,000	+229,975,000
Advances	31,824,000	13,986,000	+ 17,834,000
Correspondents, &c.	67,987,000	19,282,000	+ 48,705,000
Miscellaneous	51,791,000	9,702,000	+ 42,089,000
Total Assets... ...	...1,129,725,000	348,430,000	+781,295,000

The first year of the War affected the net profit, but this has since steadily increased, and amounted last year to 12,763,000 francs, as compared with 10,493,000 francs for 1918. The fixed dividend of four per cent. was paid, and the proposal to increase this by a variable super-dividend up to one and a-half per cent. was not, apparently, acted upon last year.

Liabilities and Assets of The Banque Nationale Suisse.

LIABILITIES.

Dec. 31	Capital Paid up. Frs.	Reserve Funds. Frs.	Total Capital and Reserves. Frs.	%	Notes in Circulation. Frs.	%	Bills. Frs.	%	Deposits. Frs.	%	Current Accounts, &c. Frs.	%	Pension Funds. Frs.	%	Profit Balance. Frs.	%	Total Liabilities. Frs.
1919	25,000,000	12,9[illegible]0,858	37,940,858	3·0	1,036,122,990	81·4	4,820,922	·3	66,112,914	5·2	120,723,619	9·5	. .	—	7,443,544	·6	1,273,170,847
1918	25,000,000	7,440,859	32,440,859	2·7	975,706,000	80·4	6,834,177	·5	114,310,151	9·4	79,117,292	6·5	—	—	5,487,106	·5	1,213,895,585
1917	25,000,000	2,940,858	27,940,858	3·2	702,302,710	79·4	4,426,408	·5	50,295,948	5·8	88,961,615	10·1	1,140,000	1	7,958,137	·8	883,665,676
1916	25,000,000	2,440,858	27,440,858	3·9	536,517,955	75·6	3,749,390	·5	44,455,588	6·3	86,772,883	12·6	700,000	·1	7,421,800	1·0	710,009,45
1915	25,000,000	1,995,620	26,995,620	6·6	165,993,000	79·7	2,138,627	·4	23,099,040	4·0	61,037,050	10·4	350,000	·1	4,452,580	·8	583,681,31
1914	25,000,000	1,495,620	26,495,620	4·7	455,883,005	83·8	2,851,585	·5	18,822,629	3·4	54,649,567	9·7	270,000	—	5,272,005	·9	564,250,3[illegible]
1913	25,000,000	1,146,912	26,146,912	6·5	313,821,300	77·5	1,310,102	·4	33,123,912	8·0	27,429,833	6·8	210,000	—	3,487,080	·8	404,858,239

ASSETS.

Dec. 31	Cash in Hand. Frs.	%	Loan Society Bonds. Frs.	%	Investments. Frs.	%	Bills. Frs.	%	Advances, &c. Frs.	%	Correspondents. Frs.	%	Miscellaneous. Frs.	%	Bank Premises &c. Frs.	%	Total Assets. Frs.
1919	591,955,803	4·5	12,0[illegible],625	1·0	6,634,181	·5	512,116,784	40·3	102,953,385	8·1	36,149,631	2·8	5,591,993	·4	5,424,730	·4	1,273,170,843
1918	478,757,498	39·0	9,765,475	·8	8,552,942	·7	589,961,622	48·6	99,967,995	7·5	28,072,875	2·3	6,677,383	·6	6,660,061	·5	1,213,955,79[illegible]
1917	410,071,967	43·5	12,677,950	1·4	7,294,056	·8	360,386,742	40·8	45,209,896	5·1	32,920,806	3·7	8,978,911	1·0	6,097,852	·7	883,636,67[illegible]
1916	308,405,939	56·1	2,483,575	·3	6,801,469	1·0	225,943,794	31·8	22,140,213	3·1	42,944,208	6·1	4,646,263	·7	6,644,486	·9	710,009,45[illegible]
1915	302,549,517	51·8	17,103,150	3·0	8,098,854	1·4	194,354,345	32·6	20,954,300	3·6	30,995,625	5·3	7,172,526	1·2	6,475,000	1·1	583,681,31[illegible]
1914	263,785,544	46·7	29,516,025	5·2	9,329,110	1·6	196,629,381	34·9	19,552,182	3·5	33,825,484	6·0	5,173,638	·9	6,699,000	1·2	564,250,364
1913	191,662,202	47·3	—	—	6,377,430	1·6	146,966,937	36·3	28,384,993	7·0	21,240,002	5·2	3,455,655	·9	6,872,000	1·7	404,858,239

* Per cent. of Total Liabilities or Assets. In India gold balances at end, Frs. 65,[illegible]78,422.

Profits of the Banque Nationale Suisse.

Year to Dec. 31	Gross Profit. Frs.	Expenses. Frs.	Net Profit. Frs.	Dividend. Amount. Frs.	Rate. %	To Reserve, &c.* Frs.	Balance to Swiss Govt. Frs.
1919	22,[illegible]2,483	9,6[illegible],807	12,7[illegible],676	1,000,000	4	5,820,432	5,945,644
1918	16,794,681	6,300,876	10,493,805	1,000,00	4	5,506,699†	3,987,106
1917	12,832 826	4,874,489	7,958,137	1,000,000	4	500,000	6,458,137
1916	11,499,534	4,069,734	7,429,800	1,000,000	4	500,000	5,929,800
1915	7,659,317	3,206,937	4,452,380	1,000,000	4	445,238	3,007,143
1914	6,770,748	3,498,683	5,272,065	1,000,000	4	500,000	3,772,065
1913	6,701,889	3,214,309	3,487,080	1,000,000	4	348,708	2,138,372

* Yearly appropriation to reserve, 10% of net; maximum Frs.500,000.
Balance represents special provisions.
† Includes First 5,000,000 special provision.

BANQUE POPULAIRE SUISSE.

Head Office: Berne.

Capital—
Paid up ... ... Frs. 74,183,525

The Banque Populaire Suisse (being established in 1869) celebrated its fiftieth anniversary last year. In this period it has become an institution of considerable magnitude, with branches and agencies all over Switzerland. During 1919 offices at Hottingen and Seefeld, near Zurich, Petit-Bâle and d'Amriswil, St. Moritz, and also at Locarno in the Tessin were opened.

By 1910 the Bank's paid-up capital had reached 52 million francs. This has been increased year by year until on December 31, 1919, it stood at 74,183,525 francs. The ordinary reserve fund reached 15,100,000 francs on this date, and the special reserve fund 3,300,000 francs.

The net profit for 1913 exceeded 5 million francs. Then the effect of the War was felt, and for three years there was a falling off, but in 1917 the pre War figure was slightly exceeded. In 1918 a net profit of 6,441,000 francs was registered, while for 1919 the figures stood at 7,801,799 francs. For some years prior to 1914 five and a-half per cent. dividend was paid, but this was reduced in 1914 and 1915 to five per cent. For 1916-17 five and a-half per cent. per annum was again paid, increased to six per cent. per annum for the last two years. Last year 25,000 francs was distributed to various charities, and the sum of 2,700,000 francs was transferred to the pension fund as a Jubilee gift.

The figures of the Bank's balance sheets show continued growth of business. Total assets at the end of 1919 amounted to 801 million francs, as compared with 778 millions for 1918 and 624 millions in 1917. Deposits on December 31, 1919, at 608 million showed an increase of 46 million francs over the previous year's figures.

Position of the Banque Populaire Suisse, Dec. 31, 1919.

LIABILITIES.		ASSETS.	
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Soleure, and the Bank of St. Gall, owning the greater part of the share capital in each case.

Leu and Company's Bank (Zurich).

LIABILITIES.	Dec. 31, 1919 Francs	Dec. 31, 1918 Francs	Dec. 31, 1917 Francs	Dec. 31, 1916 Francs
Capital	40,000,000	40,000,000	36,000,000	36,000,000
Reserve fund	12,600,000	11,600,000	10,800,000	10,000,000
Deposits on time ...	147,514,40	143,495,200	131,242,500	124,684,700
Current account ...	47,842,356	71,093,794	56,734,254	55,662,784
Other deposits	37,413,996	45,324,853	60,742,006	55,288,606
Due to branches and other banks	10,964,489	10,321,249	19,833,577	10,127,612
Acceptances and bills payable	30,905,141	12,691,424	17,130,120	9,157,682
Sundry accounts ...	3,125,581	3,003,618	2,940,006	2,737,912
Profit balances	2,753,637	2,950,050	2,518,961	2,417,468
Total liabilities ...	328,220,581	340,985,188	337,941,424	306,076,764
ASSETS.				
Cash	8,627,237	7,075,379	8,606,299	4,776,505
Investments, &c. ...	20,957,761	21,949,012	20,184,013	23,318,630
Bills of Exchange ...	50,122,767	48,894,094	48,312,588	41,552,640
Mortgages	89,217,769	100,403,579	109,122,297	121,400,934
Current accounts ...	124,602,985	113,604,679	105,472,749	82,946,087
Due from branches and other banks ...	33,552,078	47,321,003	44,287,744	28,967,088
Sundry accounts... ...	1,075,973	1,737,442	1,955,734	2,115,880
Bank premises, etc. ...	—	—	—	1,000,000
Total assets	323,220,581	340,985,188	337,941,424	306,076,764

SWISS BANK CORPORATION.

Head Office: Basle.

London Offices: 43 Lothbury, E.C. 2.
11c Regent Street, S.W. 1.

Capital

Authorised ... ... Frs. 125,000,000
Subscribed and Paid up 120,000,000

BETTER known as the Swiss Bankverein, this Bank really dates from 1872, when the Basler Bankverein was formed. In 1895 that institution amalgamated with the Zürcher Bankverein of Zurich, and in 1896-97 with the Schweiz Unionbank of St. Gall and the Basler Depositenbank, when it changed its name to the equivalent of its present English one. Several other banks were absorbed, and the business of the Bank expanded with the increasing wealth and activity of the Swiss people, a great influx of money taking place in consequence of the large number of visitors to Switzerland, together with the development of Swiss industries and railways.

In the year of the Bank's formation the paid-up capital was six million francs, and by 1914 various increases had brought the figure to eighty-two million francs. Further additions followed, until by the end of 1919 the paid-up amount stood at 100 million francs out of an authorised 125 millions. During the current year the issue of a further twenty-five million francs has been sanctioned. The reserve funds on December 31 last amounted to thirty-one million francs, an increase for 1919 of Frs.3,250,000.

In addition to fifteen branches in Switzerland, the Bank has two London offices, which enable it to obtain an important share in attractive new issues for the Swiss people; it is also an issuing bank on its own account, and is responsible for large amounts of securities placed with Swiss investors.

Switzerland suffered heavily in many respects during the War. The advent of peace has not brought all that was expected, owing to strikes and other labour troubles and a weakening of the sense of thrift. The depreciation of most of the exchanges has been keenly felt, Swiss industries largely depending on foreign markets. Nevertheless, 1919 proved to be a year of progressive development for the Corporation, and the number of its customers was increased. The balance sheet totals for December 31 showed a rise of 169 million francs on the year, deposits increasing by 111 million francs to 980 millions, against 319 millions in 1913.

On the assets side, current loans were higher than a year ago by 111 million francs, mainly owing to credits granted to Swiss trade and industry. Bills receivable increased from 212 million francs to 359 millions, principally on account of the London office having employed in Treasury bills and acceptances funds previously on deposit at the Bank of England.

The net profit for last year was 13,075,875 francs, as compared with 11,670,800 francs for 1918. In 1914 and 1915 the dividend had been at the rate of six per cent., the reduction from eight per cent. being a result of the War. In 1916 eight per cent. was again paid, and last year the rate was increased to nine per cent., while a balance of Frs.2,919,000 was carried forward in the profit and loss account.

Year to Dec. 31	Gross Profit. Fr.	Expenses. Fr.	Net Profit. Fr.	Dividend. Amount. Fr.	Dividend. Rate. %	Special Allctns. Fr.	Carried Forw'd. Fr.
1919	32,357,375	19,281,500	13,075,875	9,000,000	9	2,607,575	2,919,775
1918	23,654,650	11,983,850	11,670,800	6,56,0,000	8	4,565 100	1,451,475
1917	17,818,378	9,357,311	8,461,067	6,560,000	8	1,375,000	905,777
1916	16,748,364	9,135,858	7,61[illegible]06	6,560,000	8	1,025,000	379,710
1915	16,618,029	8,528,181	8,089,848	4,920,000	6	3,135,019	352,204
1914	14,590,113	6,462,869	8,127,244	4,920,000	6	3,302,122	317,375
1913	14,517,740	7,092,499	7,425,241	6,560,000	8	1,000,000	412,253

Proposals have recently been made for the absorption by the Swiss Bank Corporation of the Banque de Schaffhouse, the capital of which is 4½ million francs.

SWISS BANKING ASSOCIATION.

(*Union de Banques Suisses*).

Head Office: Winterthur.

Capital—

" ... ... Frs. 70,000,000

THIS institution was established in 1912 as an amalgamation of the Banken Winterthur and the Toggenburgen Bank, formed in 1862 and 1863 respectively. The Banque Ch. Masson et Cie. was absorbed in 1916, and two or three years later the Crédit Argovien and the Banque William Cuénod et Cie. S.A. were taken over. Being thus a combination of several Swiss firms, the Bank is known as the Union de Banques Suisses. The head office is at Winterthur, and in addition there are about twenty-four branches, gained mostly by means of its absorptions. These include offices at St. Gall, Zurich, Aarau, Lausanne, Geneva, Montreux, Vevey, Basle, Baden, and Rapperswil, serving areas of great industrial activity.

Liabilities and Assets of the Swiss Bank Corporation.

LIABILITIES.

Dec. 31	Capital Paid up. Fr.	Reserve Funds. Fr.	Total Capital and Reserve. Fr.	% *	Fixed Deposits. Fr.	% *	Current Accounts, &c. Fr.	% *	Bills Payable and Acceptances. Fr.	% *	Pension Fund. Fr.	% *	Profit Balance. Fr.	% *	Total Liabilities. Fr.
1919	100,000,000	31,000,000	131,000,000	10·8	112,589,525	9·2	867,898,219	71·3	88,119,550	7·2	3,314,575	·3	14,527,350	1·2	1,217,449,219
1918	82,000,000	27,750,000	109,750,000	10·5	112,594,925	10·7	757,190,550	72·3	52,622,300	5·0	2,971,775	·3	12,576,575	1·2	1,047,706,125
1917	82,000,000	27,750,000	109,750,000	12·8	102,754,250	11·9	557,973,262	65·0	77,534,317	9·0	2,723 553	·3	8,745,772	1·0	859,481,254
1916	82,000,000	27,750,000	109,750,000	16·3	74,283,950	11·0	401,510,096	59·7	76,594,237	11·4	2,467,564	·4	8,130,092	1·2	672,735,939
1915	82,000,000	27,750,000	109,750,000	18·2	60,379,300	10·0	338,911,713	56·3	85,100,539	14·2	2,412,656	·4	5,272,204	·9	601,826,412
1914	82,000,000	27,750,000	109,750,000	21·1	65,006,350	12·5	275,407,165	53·1	61,679,925	11·9	2,168,787	·4	5,237,375	1·0	519,249,602
1913	82,000,000	27,750,000	109,750,000	18·7	66,090,650	11·2	253,674,530	43·1	149.636,594	25·4	2,121,594	·4	6,973,253	1·2	588,245,531

ASSETS.

Dec. 31	Cash in Hand, and at Banks, &c. Fr.	% *	Investments. Fr.	% *	Loans at Short Notice. Fr.	% *	Bills Receivable. Fr.	% *	Current Accounts, &c. Fr.	% *	Syndicates. Fr.	% *	Bank Premises and Other Property. Fr.	% *	Total Assets. Fr.
1919	210,360,100	17·3	32,240.775	2·6	28,582,125	2·3	359,064,200	29·5	575,543.919	47·3	3,835,525	·3	7,822,575	·7	1,217,449,219
1918	279,426,275	26·7	54,473,975	5·2	24,096,700	2·3	212,936,175	20·3	463,962,675	44·3	5,085,500	·5	7,724,825	·7	1,047,706,125
1917	155,631,454	18·3	41,489,251	4·8	30,236,039	3·5	223,633,713	26·0	395,896,886	46·0	5,682,000	·8	6,851,931	·8	859,481,254
1916	116,809,185	17·2	33,813,764	5·0	35,394,194	5·3	152,963,286	22·8	320,663,583	47·6	7,271,926	1·1	6,820,001	1·0	672,735,939
1915	112,297,418	18·7	37,812,447	6·3	51,576,057	8·6	94,080,196	15·6	286,795,402	47·6	12,290,891	2·0	6,974,001	1·2	601,826,412
1914	58,433,379	11·3	38,492,280	7·4	64,209,764	12·4	72,129,789	13·9	261,672,289	50·4	17,338,100	3·3	6,974,001	1·3	519,249,602
1913	38,779,930	6·6	37,808,255	6·4	82,871,738	14·1	107,307,302	18·2	297,006,804	50·5	18,147,501	3·1	6,424,001	1·1	588,245,531

* Per cent. of Total Liabilities or Assets.

The profits are satisfactory, and dividends have a tendency to increase, the rates paid having been as follows:—

1912-13	1914-15	1915-16	1916-17	1917-18
7%	6%	7%	7%	8%

The turnover of the Bank, which in 1915 amounted to 5,172 million francs, is evidence of its increasing business. This had grown to 10,445 millions for 1917, while for 1919 the total was 20,025 millions.

The appended statements show the Bank's recent growth. It will be noticed that the total assets registered an increase during 1919 of over 113 million francs. During 1920 the paid-up capital has been raised from 60,000,000 francs to 70,000,000 francs, and a further absorption—that of the Banca Svizzera Americana—effected.

Swiss Banking Association.

LIABILITIES.	Dec. 31, 1919. Frs.	Dec. 31, 1918. Frs.	Dec. 31, 1917. Frs.	Dec. 31, 1916. Frs.
Capital [illegible] ...	60,000,000	60,000,000	40,000,000	30,000,000
Reserve funds	15,000,000	12,400,000	11,300,000	10,500,000
Personal [illegible] ...	4,826,205	2,715,798	1,690,000	1,000,000
Current [illegible] and current credits ...	355,379,169	295,180,187	222,695,880	174,968,645
Due to other banks ...	24,561,097	27,169,328	20,658,080	11,192,312
Bills payable	5,411,561	27,179,651	31,939,389	40,303,977
Profit [illegible] ...	6,869,736	3,132,933	3,411,369	2,368,712
Total Liabilities	501,048,701	387,685,897	330,934,718	276,333,646
ASSETS.				
Cash in hand	18,680,867	12,886,784	12,280,787	7,671,772
Bills	80,[illegible]44	66,120,097	60,784,933	53,257,115
Investments	12,[illegible]557	[illegible]4,179,[illegible]	[illegible]4,179,[illegible]	24,291,225
Sundry accounts ...	288,[illegible]446	216,518,923	178,779,717	164,481,233
Due from other banks...	78,434,771	62,931,707	39,209,545	23,579,199
Loans secured [illegible] ...	12,841,387	9,917,557	5,691,468	3,253,191
Total Assets ...	501,048,701	387,685,897	330,934,718	276,333,646

TURKISH BANKS.

NATIONAL BANK OF TURKEY.

Head Office: Galata, Constantinople.
London Office: 50 Cornhill, E.C. 3.

Capital—

Authorised and Subscribed, in 100,000 Shares of £10 each	£1,000,000
Paid up, £2 10s. per Share ... ... (3,750 Turkish £ = £1 sterling)	250,000

The National Bank of Turkey was formed by Sir Ernest Cassel as recently as 1909, as a purely institution under Turkish Law, its object being to further British trade interests in Turkey. Until this year no report had been issued since before the War, and it is interesting to note the growth of the figures for 1919, as compared with 1913. The paid-up capital has increased from £T.275,000 to £T.950,000, and the reserves now amount to over £T.466,000, £T.302,000 having been transferred out of the profits of the past year. Deposits have risen from £T.826,665 to nearly £T.8 million.

The balance sheet as at December 31 last sets forth assets amounting to over £T.12 million, as compared with £T.1,155,375 in 1913. Cash in hand and with bankers shows a large increase—from £T.146,762 to £T.4,297,994—and advances have risen from £T.599,000 to £T.4,716,000. The net profit for 1919 was £T.354,710, a dividend of five per cent. was paid, also supplementary dividends voted in 1912 and 1914—to Ordinary shares £T.7,435, to Founders' shares £T.2,676.

IMPERIAL OTTOMAN BANK.

Central Office: Constantinople.
London Office: 26 Throgmorton Street, E.C. 2.

Capital—

Authorised and Issued, 500,000 Shares of £20 each	£10,000,000
Paid up, £10 per Share	5,000,000

This Bank was established in 1863 under firman from the Turkish Government, and its business is carried on as that of a national institution. It was given the exclusive privilege of issuing notes, on condition that it held specie for one-third of such issue, the notes being legal tender throughout the Ottoman Empire. The Bank also receives the Turkish Government revenues, and manages the national debt. It is really, however, a Franco-British concern, despite the fact of its head office being in Constantinople, and during the War its business in England was carried on under a licence from the Home Office.

Owing to the War, the first annual report published since June 1914 was that for the year 1918, submitted to the shareholders in December last. The accounts were made up to December 31, 1918, and a balance sheet was submitted in which francs and Turkish pounds were converted into sterling at the rates ruling on that date—namely, 26 francs and 400 Turkish piastres, respectively, to the £ sterling. Recently a balance sheet was issued showing the position as on December 31, 1919, the conversion into sterling being again effected at the exchange rates of the day—in this case 41 francs and 670 piastres respectively to the £.

In addressing the shareholders at the recent general meeting, the Chairman referred to the adverse political and economic conditions under which the business of the Bank had still to be carried on, notwithstanding which the past year had witnessed a considerable increase in the volume of its commercial operations and closed with a profit balance of £206,000. Subsequent depreciation in the two foreign currencies had been so heavy as to absorb the whole of this sum and even to encroach on the statutory reserve. It was hoped, however, that the low value of the franc would be only temporary, and in the meantime the Bank was vigorously developing its energies in the assistance of trade development in the areas which it served. The Bank has numerous offices in Turkey, and in addition carries on business in France, Egypt, Cyprus, Palestine, Syria, Salonika, Arabia, and Mesopotamia.

The paid-up capital is still £5 million, with a like amount called on the shares. The authorised

Liabilities and Assets of The National Bank of Turkey.

LIABILITIES.	Capital Paid up.	Reserve Funds.	Total Capital and Reserve.		Bills Payable.		Bills Discounted, Acceptances, &c.		Deposits, Current Accounts, &c.		Profit Balance.		Total Liabilities.
Dec. 31	£T.	£T.	£T.	%	£T.	%	£T.	%	£T.	%	£T.	%	£T.
1919	950,000	166,867	1,113,867	9·2	29,824	·2	2,962,154	21·7	7,957,746	65·9	354	3·0	12,101,245
1913	275,000	26,053	301,053	26·1	3,866	·3	—	—	826,665	71·6	23,791	2·0	1,155,375
1912	275,000	13,110	288,110	18·9	2,323	·1	—	—	1,206,012	79·3	26,694	1·7	1,523,139
1911	275,000	—	275,000	10·8	5,408	·2	—	—	2,229,042	87·8	31,094	1·2	2,540,844
1910	275,000	—	275,000	25·9	6,098	·6	—	—	765,849	72·2	13,574	1·3	1,060,521

ASSETS.	Cash in Hand, &c.		Investments.		Bills Receivable.		Advances.		Acceptances, &c.		Bank Premises, &c.		Total Assets.
Dec. 31	£T.	%	£T.	%	£T.	%	£T.	%	£T.	%	£T.	%	£T.
1919	4,297,994	35·5	289,602	2·4	162,[illegible]	1·3	4,716,[illegible]	39·0	2,962,154	24·7	7,341	·1	12,101,245
1913	146,762	12·7	152,923	13·2	253,570	22·0	599,285	51·9	—	—	2,835	·2	1,155,375
1912	39,845	2·6	93,022	6·9	686,404	45·2	698,926	45·9	—	—	5,342	·3	1,523,139
1911	130,460	5·1	176,760	6·9	1,005,290	39·7	1,220,351	48·0	—	—	7,692	·3	2,540,844
1910	52,796	4·9	—	—	331,903	31·3	676,822	63·8	—	—	—	—	1,060,521

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Imperial Ottoman Bank.

LIABILITIES.

Dec. 31	Capital Paid up.	Statutory Reserve.	Total Capital and Reserve.		Notes in Circulation.		Deposits for Fixed Terms (Turkey & Egypt).		Current Accounts of Sundries.		Bills Payable.		Profit Balance.		Total Liabilities.
	£	£	£	%	£	%	£	%	£	%	£	%	£	%	£
1919§...	5,000,000	1,250,000	6,250,000	20·3	2,443,055	7·9	264,739	·8	19,511,009	63·2	2,175,282	7·1	206,405	·7	30,850,489
1918†...	5,000,000	1,250,000	6,250,000	24·3	2,485,179	9·6	204,173	·8	16,326,159	63·4	498,285	1·9	—	—	25,761,801
1913 ...	5,000,000	1,250,000	6,250,000	26·0	1,069,241	4·4	1,222,097	5·0	13,452,122	55·7	1,765,757	7·3	384,467	1·6	24,143,684
1912 ...	5,000,000	1,250,000	6,250,000	29·0	1,116,755	5·1	1,152,887	5·4	10,935,643	50·8	1,703,248	7·9	383,522	1·8	21,542,055

ASSETS.

Dec. 31	Cash in Hand at Constantinople and at Branches.		Investments.		Loans at Call and at Short Notice.		Bills Receivable.		Advances.		Bank Premises, &c.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£	%	£
1919§ ...	11,141,037	36·1	3,692,897	11·9	1,195,885	3·9	6,192,2375	20·1	8,224,413‡	26·8	404,270	1·3	30,850,489
1918† ...	8,671,951	33·7	6,746.503a	26·2	789,121	3·0	496,829	1·9	8,727,665‡	33·9	329,732	1·3	25,761,801
1913 ...	4,327,606	17·9	2,881,979	12·0	2,006,906	8·3	4,223,213	17·5	10,392,239	43·0	311,741	1·3	24,143,684
1912 ...	5,256,959	24·4	3,316,570	15·4	1,346,883	6·3	2,690,292	12·5	8,633,934	40·0	297,417	1·4	21,542,055

* Per cent. of Total Liabilities or Assets. † From first report issued since outbreak of war. Conversion into sterling effected at rates ruling on December 31, 1918—viz., 26 francs and 400 piastres Turkish, respectively, to the pound. Resulting difference (for which provision exists) included in "Current accounts of sundries." ‡ Including (1918) £7,237,501 and (1920) £4,600,750 current accounts of sundries. § Conversion into sterling effected at rates ruling on December 31, 1919—viz., 41 francs and 370 Turkish piastres respectively to the pound. (a) Includes £3,509,492 British and French Treasury bills. (b) Includes £4,356,001 British Treasury bills and Bons de la Défense Nationale.

statement shows the relative changes in the items since pre-War years, and it will be noticed that the proportion of cash in hand has doubled. No profit and loss account has been submitted for 1918 or 1919, and the last dividend announced was seven per cent. for 1913.

Year ended Dec. 31	Net Profit.	Dividend. Amount.	Dividend. Rate.	Bonus to Founders and Administrators.	Carried Forward.
	£	£	%	£	£
1913 ...	362,067	350,000	7	11,207	23,260
1912 ...	361,223	350,000	7	11,122	22,400
1911 ...	472,220	450,000	9	22,222	22,299
1910 ...	475,211	450,000	9	22,521	22,301

MISCELLANEOUS EUROPEAN BANKS.

BANK OF DENMARK.

(NATIONALBANKEN I KJOBENHAVN.)

Head Office: Copenhagen.

Capital—

Subscribed and Paid up, in Shares of
Kr. 2,000, Kr. 1,000 and Kr. 200 Kroner 27,000,000

DENMARK'S National Banks have had a long and varied history in the different forms in which they have succeeded each other. Originally the Government granted a charter to a Bank in 1736, authorising it to issue notes. The freedom of issue was so much abused that in 1745 and 1757 it became necessary to relieve the Bank from the obligation of redeeming the notes in coin on demand, and for eighty-eight years, from 1757 to 1845, the notes were irredeemable. In 1773 the Bank was taken over by the State, and excessive issues of notes followed, depreciating the paper to the extent of fifteen per cent. In 1773 the issue was 6 million rigsdalers, and this had increased by 1812 to 142 million rigsdalers, largely as a result of the French Wars, the Government meeting its expenses with depreciated notes. In consequence, the Bank was declared bankrupt, and in 1813 a new State Bank, called the Rigsbank, was formed. A rent charge of six and a-half per cent. per annum on the value of property was exacted, and applied to the reduction of the circulation, and by 1845 it was possible to resume the redemption of notes, the circulation having been reduced by this date to 16½ million dalers. Meanwhile, in 1818, a private bank, called the National Bank, had been created to take the place of the State Bank, those who were subject to the rent charge becoming shareholders in the new Bank.

The new Bank commenced to pay dividends in 1845. In 1878 the capital was fixed at 27 million kroner (the latter coin having been adopted as the new unit of value), and at this figure it has remained ever since. Gold was adopted as the standard of value in 1873, and certain lines were then laid down as to the issue of notes. These regulations, however, were modified in 1907, on the renewal of the Bank's charter for thirty years. It was then decreed that half the circulation must be covered by cash, consisting of legal current coin, foreign gold coin or bullion, and foreign silver to a limited extent. The balances held on behalf of the National Bank by the Bank of Norway and the Swedish Riksbank were also allowed to be reckoned as cash. The remainder of the notes must be covered by good and sound assets, which may consist of home and foreign bills, stock exchange securities, and, to a limited extent, mortgages on real estate. In exceptional circumstances an Order in Council may authorise the fiduciary limit to be exceeded, on payment of a tax of five per cent. on such excess. Under a law of March 31, 1915, the Bank may have a holding to cover notes of at least thirty-three and one-third per cent. in gold, gold coin, and small change. The Bank is required to present a monthly account to the Minister of Commerce, showing that its legal obligations are being fulfilled; but, in the event of this not being the case, the Bank is entitled to a month's grace within which to comply.

As already stated, in 1878 the paid-up capital was fixed at its present amount of 27 million kroner.

Liabilities and Assets of The Nationalbanken i Kjøbenhavn (Bank of Denmark).

LIABILITIES.

July 31	Capital Paid up.	Reserve Funds.	Total Capital and Reserve.		Notes in Circulation.		Deposits.		Current Accounts.		Miscellaneous.		Profit Balance.		Total Liabilities
	Kroner.	Kroner.	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.
1920...	27,000,000	10,257,150	37,257,150	5·2	541,191,842	75·0	2,061,371	·4	43,140,669	6·3	84,151,366	11·7	10,433,739	1·4	721,536,737
1919...	27,000,000	9,282,625	36,282,625	5·9	428,551,524	70·3	3,175,830	·5	114,926,705	19·0	14,107,231	2·3	12,177,879	2·0	609,221,814
1918...	27,000,000	8,864,652	35,864,652	7·1	365,334,803	71·0	3,247,177	·6	84,724,418	16·5	15,943,738	3·1	9,130,463	1·8	514,265,401
1917...	27,000,000	8,442,602	35,442,602	7·7	297,721,919	65·0	3,509,943	·7	101,937,248	22·3	10,365,730	2·3	9,221,999	2·0	458,449,491
1916...	27,000,000	8,320,144	35,320,144	8·7	245,013,124	60·5	3,553,000	·9	115,501,426	28·5	2,321,692	·8	3,305,162	·8	405,014,548
1915...	27,000,000	8,197,950	35,197,950	12·5	204,325,210	74·3	3,559,145	1·3	26,823,035	9·8	2,278,383	·9	3,271,885	1·2	275,455,668
1914...	27,000,000	8,205,750	35,205,750	14·9	160,579,935	68·1	3,660,625	1·6	32,622,364	13·8	602,576	·2	3,222,931	1·4	235,894,181

ASSETS.

July 31	Cash in Hand and at Bankers.		Investments.		Bills.		Loans and Advances.		Correspondents and Branches.		Miscellaneous.		Bank Premises.		Total Assets.
	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.	%	Kroner.
1920 ...	229,419,864	31·9	51,513,771	7·1	198,716,983	27·6	49,601,174	6·9	36,609,788	5·1	151,442,214	26·1	3,000,000	·4	721,536,737
1919 ...	190,203,693	31·2	48,237,218	8·0	81,240,433	13·3	30,521,039	5·0	47,664,382	7·2	212,355,044	34·8	3,000,000	·5	609,221,814
1918 ...	192,194,921	37·4	29,748,052	5·7	50,241,194	9·8	19,184,683	3·8	63,488,283	12·5	156,157,361	30·3	2,750,000	·5	514,265,401
1917 ...	196,633,118	43·0	39,605,000	8·6	25,220,373	5·5	18,991,676	4·1	79,871,234	17·4	95,681,677	20·9	2,446,413	·5	458,449,491
1916 ...	165,365,879	40·8	36,360,003	9·0	44,085,111	10·9	25,081,836	6·2	50,914,873	14·8	71,859,113	17·7	2,347,673	·8	405,014,548
1915 ...	112,442,218	40·8	28,675,635	10·4	19,931,520	7·2	15,375,514	5·6	66,137,103	24·0	31,323,139	11·4	1,870,597	·8	275,455,668
1914 ...	86,487,866	36·7	11,588,620	4·9	46,829,463	19·9	35,876,909	15·2	50,514,931	21·4	3,194,881	1·3	1,411,511	·6	235,894,181

* Per cent. of Total Liabilities or Assets.

Reserve funds have been built up, and totalled 10,257,000 kroner on July 31 of this year, while the balance of undivided profit on the same date was 10,433,000 kroner. The gross profit for the year to July 31 last was 21,842,435 kroner, as compared with 17,200,764 kroner for the previous twelve months. Expenses, however, rose to such an extent (from 5 million kroner to over 11 millions) that the net profit, at 10,433,739 kroner, was less for the latter period than for the former. Notwithstanding this, the dividend was increased from eight per cent., the rate paid since 1915, to ten per cent.

Year to July 31	Gross Profit Kr.	Expenses. Kr.	Net Profit. Kr.	Proportion Due to the State. Kr.	Dividend. Amount. Kr	Rate. %	Reserve Fund, &c. Kr.
1920 ...	21,842,435	11,408,696	10,433,739	2,644,885	2,160,000	10	5,628,854
1919 ...	17,200,764	5,022,885	12,177,879	3,059,121	2,160,000	8	6,958,758
1918 ...	14,636,295	5,765,882	9,139,463	2,754,383	2,160,000	8	4,216,080
1917 ...	13,694,499	4,472,500	9,221,999	2,780,700	2,160,000	8	4,281,300
1916 ...	8,784,028	3,478,866	3,305,162	951,851	2,160,000	8	127,758
1915 ...	6,073,867	2,801,982	3,271,885	943,947	2,160,000	8	41,843
1914 ...	5,462,364	2,329,432	3,222,932	963,233	1,890,000	7	369,099

The balance-sheet figures show great expansion. Denmark was enabled to do a good business during the War, on account of the high prices obtainable for her commodities, both from England and Germany. The Bank increased its cash during the last financial year by 40 million kroner to 230 millions. Bills advanced from 81 millions to 198 millions—an indication of growing trade activity. The note circulation largely increased, the total being now 541 millions, or more than 112 millions over the preceding year's figures.

LIABILITIES.	1920, July 31. Kroner.	1914, July 31. Kroner.	Inc. or Dec Kroner.
Capital	27,000,000	27,000,000	
Reserve funds	10,257,000	8,206,000	+ 2,051,000
Notes in circulation	541,142,000	156,473,000	+384,671,000
Deposits	3,062,000	3,660,000	— 598,000
Current accounts	45,140,000	20,385,000	+ 25,055,000
Miscellaneous	84,155,000	512,000	+ 83,643,000
Profit balance	10,454,000	3,223,000	+ 7,231,000
Total Liabilities	721,537,000	219,459,000	+502,078,000
ASSETS.			
Cash in hand	230,420,000	79,943,000	+150,477,000
Investments	51,544,000	11,723,000	+ 39,821,000
Bills	198,717,000	66,910,000	+131,807,000
Loans and advances	49,604,000	41,154,000	+ 8,450,000
Correspondents	36,810,000	14,139,000	+ 22,671,000
Miscellaneous	151,442,000	3,818,000	+147,624,000
Bank premises	3,000,000	1,772,000	+ 1,228,000
Total Assets	721,537,000	219,459,000	+502,078,000

BANK OF ROUMANIA.

Head Office: 27 Throgmorton St., London, E.C. 2.

Capital—

Paid up, 50,000 Shares of £6 each £300,000

Established in 1866 under Roumanian laws, this Bank was reconstituted in 1869 under a concession granted by the Government for a term of thirty-five years. On the expiration of that period, in 1903, the Bank was registered as an English company under the Companies Acts 1862-1900, and then became known as the Bank of Roumania, Limited.

No balance sheets were available for 1916-17, owing to Bucharest being in enemy hands. The accounts for the year ending December 31, 1919, show considerable growth in the figures, in comparison with those of the previous year. For the purpose of the balance sheet the accounts in Lei from Bucharest are calculated as usual at twenty-five Lei to the £, and, as regards funds employed in Roumania, the difference between this rate and that ruling on December 31 was more than covered by reserves.

Deposits show a large increase during the year—from £2,421,000 to £9,206,000. The cash in hand and at call grew from £1,718,000 to nearly £7 million, due largely to the heavy deposits in Roumanian currency, which have been made in Bucharest on account of exporters to Roumania, either to pay for goods awaiting a more favourable rate of exchange before being sent abroad, or as deposits by importers as security for payments in foreign currencies, to be effected at some future date. Investments and advances both show increases.

There was a net profit for 1919 of £2,673, no dividend being paid. A statement of the Bank's profit results is annexed:

Bank of Roumania.

Year ended Dec. 31	Net Profit. £	Div. Tax Free. Amt. £	Rate.* %	To Reserve, Depn &c. £
1919	2,673	—	—	2,673
1918				
1917	53,339†	—	Nil	53,339
1916				
1915	27,525	20,000	6½	7,525
1914	17,171	15,000	5	2,171
1913	28,070	25,000	8⅓	3,070

* Free of income tax. † Three years.

BRITISH BANK OF NORTHERN COMMERCE.

Head Office: 11, 43, 45, and 47 Bishopsgate, London, E.C. 2.

Capital—

Authorised and Subscribed, 200,000 Shares of £10 each £2,000,000

Paid up, £2 10s. per Share 500,000

The British Bank of Northern Commerce was formed as recently as February 1912, and is thus one of the youngest of banking concerns. Its main object was to facilitate commercial intercourse between Britain and the northern countries of Europe, but its operations have been much hindered by the restrictions on neutral trade caused by the War, and the collapse of Russia affected its general banking business.

During 1919 the capital was increased by the issue of the remaining 50,000 unallotted shares of the Company, of £10 denomination, £2 10s. paid up, the paid-up portion being thereby raised from £375,000 to £500,000. The full dividend of fifteen per cent. was paid on these shares, though the capital had only been available for the Bank's business during the latter half of the financial year. The shares were all taken up at a premium of £6 per share, which was added to the reserve fund, increasing it from £750,000 to £1,050,000. This fund is now more than double the paid-up capital, and has been built up entirely from premiums on share issues.

The balance sheet for March 31, 1920, shows deposits to have dropped from £27,810,000 on March 31, 1919, to £16,209,000. This was fully anticipated, the two previous years' figures having been abnormally high. Apart from this item, the directors are able to state that every department of the Bank's business shows satisfactory growth. Acceptances and guarantees both register increases.

On the assets side cash items remain at about their former figure. Money at call shows a drop from £15 million to £1,150,000, reflecting the reduction in foreign deposits referred to above. Investments figure at £1,800,000 less, owing to depreciation and realisations. An increase in loans and advances—from £2,456,000 to £6,657,000—indicates that the

Liabilities and Assets of The Bank of Roumania, Limited.

	LIABILITIES.								ASSETS.							
	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Current Accounts, Deposits, &c.		Undivided Profits.		Cash in Hand		Investments.		Current Accounts, Advances, &c.		Other Liabilities & Assets	
Dec. 31	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	
1919	300,000	200,360	500,360	5·2	9,206,552	94·8	—	—	6,921,619	71·3	434,457	4·5	2,351,476	24·2	9,707,319	
1918	300,000	200,360	500,360	16·8	2,413,884	81·4	53,339	1·8	1,718,450	57·7	125,841	4·2	1,130,000	38·1	2,407,131	
1915	300,000	200,360	500,360	20·8	1,906,772	79·2	—	—	1,096,695	41·8	6,935	·3	1,394,129	57·9	2,407,131	
1914	300,000	177,834	477,834	19·8	1,937,150	80·2	—	—	797,428	33·0	15,000	·6	1,602,230	66·4	2,414,984	
1913	300,000	175,662	475,662	28·3	1,207,165	71·7	—	—	197,213	11·7	21,157	1·3	1,464,457	87·0	1,682,827	

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The British Bank of Northern Commerce, Limited.

LIABILITIES. March 31	Capital Paid up. £	Reserve. £	Total Capital and Reserve. £	% *	Deposits, &c. £	% *	Acceptances. Guarantees, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920 ...	500,000	1,000,000	1,500,000	7·1	16,209,045	74·1	3,956,755	18·1	149,720	·7	21,865,518
1919 ...	375,000	750,000	1,125,000	3·6	27,810,667	89·1	2,180,766	7·0	92,302	·3	31,208,735
1918 ...	375,000	750,000	1,125,000	4·5	22,754,518	91·2	988,957	4·0	73,898	·3	24,942,373
1917 ...	375,000	750,000	1,125,000	9·5	9,408,026	79·4	1,242,138	10·5	66,934	·6	11,842,098
1916 ...	375,000	375,000	750,000	11·4	4,365,164	66·5	1,419,787	21·6	30,264	·5	6,565,215
1915 ...	375,000	375,000	750,000	23·7	1,048,790	33·2	1,332,097	42·2	27,979	·9	3,158,866
1914 ...	375,000	375,000	750,000	15·8	1,243,996	26·2	2,716,386	57·3	32,523	·7	4,742,905

ASSETS. Mar. 31	Cash in Hand, &c. £	% *	Money at Call. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Custrs.' Liab. for Acceptances. £	% *	Bank Premises £	% *	Total Assets. £
1920...	1,142,510	5·2	1,150,000	5·3	6,557,125	30·0	2,176,520	10·0	6,657,608	30·4	3,956,755	18·1	225,000	1·0	21,865,518
1919...	1,183,750	3·8	15,010,000	48·1	8,361,625	26·8	1,791,463	5·7	2,456,131	7·9	2,180,766	7·0	225,000	·7	31,208,735
1918...	1,303,528	5·2	7,735,000	31·0	1,316,506	5·3	12,203,324	48·9	1,395,057	5·6	988,957	4·0	—	—	24,942,373
1917...	1,405,149	11·9	825,000	7·0	482,278	4·1	6,830,165	57·7	1,057,368	8·9	1,242,138	10·4	—	—	11,842,098
1916...	714,519	10·9	775,000	11·8	264,148	4·1	2,761,782	42·0	624,979	9·6	1,419,787	21·6	—	—	6,565,215
1915...	272,274	8·6	50,000	1·6	387,190	12·2	375,384	11·9	741,921	23·5	1,332,097	42·2	—	—	3,158,866
1914...	251,424	5·3	419,775	8·8	121,898	2·6	518,038	10·9	715,384	15·1	2,716,386	57·3	—	—	4,742,905

* Per cent. of Total Liabilities or Assets.

Bank's resources are being profitably employed in financing trade.

The net profit for the year (as brought out after substantial provision had been made for depreciation of investments) was £124,918, equal to 24.9 per cent. on the increased paid-up capital, and to 8.0 per cent. on the total of capital and reserve. The total dividend paid amounted to twenty-one per cent. for the year, free of income tax.

Profits of the British Bank of Northern Commerce.

Year ended Mar. 31.	Gross Profit. £	Interest Paid. £	Salaries & Expenses. £	Net Profit. £	Dividend— Amt. £	Rate %	Carried Forward £
1920 ...	—	—	—	124,918	97,500†	21	71,720
1919 ...	—	—	—	235,904	67,500	18	47,302
1918 ...	—	—	—	74,463	67,500	18	28,897
1917 ...	—	—	—	74,171	67,500	18	21,934
1916 ...	120,645	53,683	34,678	32,284	30,000	8	15,263
1915 ...	94,032	31,141	29,934	32,957	30,000	8	12,979
1914 ...	93,220	25,317	26,521	41,382	37,500	10	10,022

* Free of tax. † 6% on £375,000 and 15% on £50,000.

An interesting announcement was made this autumn to the effect that Messrs. C. J. Hambro and Son had entered into an agreement to amalgamate with the British Bank of Northern Commerce, under the title of Hambro's Bank of Northern Commerce, Limited. The fusion was to be effected by the issue to Hambro and Son of 200,000 £10 shares (£2 10*s.* paid) of the British Bank, making the total share capital of the combination 400,000 shares of £10 each, £2 10*s.* paid. The proposals were approved by the shareholders and have since taken effect, the arrangement bringing to the joint undertaking the advantages of Messrs. C. J. Hambro and Son's special connection with the Scandinavian countries.

HAMBRO'S BANK OF NORTHERN COMMERCE.

(*See* **British Bank of Northern Commerce.**)]

KANSALLIS OSAKE-PANKKI.

Head Office: Helsingfors, Finland.

Capital—

Subscribed and Paid up ... ... F.Mk.125,166,300.

The share capital of 125,000,000 Finnish marks with which this Bank was established in 1889 has been repeatedly increased, owing to rapid expansion of business, until at the end of 1919 the paid-up amount stood at ninety million marks. A further issue has been made this year, resulting in an additional 35,166,300 marks being paid up by July 31. In 1890 the Bank had six branches: last December there were 118.. A strong reserve fund has been built up, and on July 31 last stood at 56,600,000 marks.

From the appended statement of assets and liabilities the considerable growth that has taken place during 1919 will be apparent, the figures for July 31, 1920, carrying on the tale of progress. During the twelve-month period the total assets jumped from 857 to 1,304 millions of Finnish marks, the subsequent seven months adding another thirty-five millions. Concurrently, deposits grew—first by 205 million to 947 millions, and then to 989 millions. The total turnover rose to 53 milliard marks in 1919, against 31 milliard marks in 1918 and 19¾ milliards in 1917. The Bank has a mortgage department, which showed loans of 31,820,000 Finnish marks on July 31, 1920.

The net profit for 1919 amounted to 14,595,277 Finnish marks; a dividend of thirteen per cent. was paid, and two million marks placed to reserve. The dividend in 1918 was sixteen and a-half per cent., following fifteen per cent. in 1917.

LIABILITIES.	July 31, 1920 F. Mk.	Dec. 31, 1919 F. Mk.	Dec. 31, 1918 F. Mk.
Capital	125,166,300	90,000,000	31,183,200
Reserve	56,600,184	54,212,065	51,853,970
Total	181,766,484	144,212,065	83,037,170
Deposits, current accounts, &c.	989,396,879	947,567,514	741,956,001
Foreign correspondents ...	150,854,685	132,154,287	17,279,854
Other liabilities	16,165,044	64,422,064	7,331,439
Profit balance	1,616,028	16,116,028	7,430,750
Total Liabilities... ...	1,339,699,120	1,304,471,958	857,035,214

ASSETS.	July 31, 1920 F. Mk.	Dec. 31, 1919 F. Mk.	Dec. 31, 1918 F. Mk.
Cash	32,613,751	44,465,524	34,928,595
Investments	78,590,252	62,681,617	87,642,496
Foreign correspondents ...	6,089,445	46,194,661	20,435,113
Loans, bills, &c, ...	1,170,484,970	1,109,750,433	693,816,314
Foreign bills	11,642,806	64,247	482,574
Sundry assets	26,532,872	28,488,836	10,143,136
Bank premises, &c. ...	13,745,024	12,826,640	9,586,986
Total Assets	1,339,699,120	1,304,471,958	857,035,214

FAR EASTERN BANKS.

Scarcity and dearness of silver have been characteristic features in all modern wars, and the Great War proved no exception, though, owing to Government control, the full effect of the decreased supply and the increased demand were not felt until the period of decontrol commenced some time after the conclusion of hostilities. The average price of silver in the pre-War year was 27⅞*d*., and the quotation actually declined in 1915 to 23⅞*d*., which was the lowest recorded in any single year. The 1915 production [illegible] 184.2 million ounces, 15.8 million ounces in excess of the production for 1914. The average price recovered to 31¾*d*. in 1916, and rose to 43*d*. in August 1917, at which level the bullion value of the rupee and its exchange value at 1*s*. 4*d*. are identical, taking the ratio of Rs.15=£1.

Pooling arrangements between the Allied Governments enabled them to some extent to control silver quotations, but the malaise in the silver market aggravated the already great difficulty of carrying on banking in the Far East, where currency problems are always vexatious and where exchanges even in normal times, are subject to wide fluctuations. It is true that Japan, India, and the other silver-using countries, have adopted either the gold standard or the gold exchange standard. Even before the War the changes in quotations were on an altogether larger scale than those which characterised the exchange between gold-using countries. In a gold-standard country silver coins naturally bear only their bullion value, and the rate of exchange depends, therefore, for the most part, on the price of silver in the gold-using country. As the price of the metal rises the rate of exchange in the silver-standard on the gold-standard countries naturally tends to go down. The Shanghai tael, the Hongkong dollar, and other silver coins, appreciate in value and can command a greater amount of the gold standard currency than before. Similarly, when the silver market is declining, a silver currency commands a lesser amount than before of the gold currency, and the rate of exchange on the gold-using countries inevitably rises. To understand the working of the process it is necessary simply to bear in mind that in a silver country the rates of exchange on gold countries are always quoted in the currency of the gold country. Thus sterling drafts in Shanghai on London are always quoted at so many shillings and pence to the tael. It follows that what appears to be a rise in the exchange in a place like Shanghai is in reality a decline.

A rise in the value of silver has the effect of increasing the purchasing power of silver-using countries, and consequently their ability to import foreign merchandise. Conversely, a fall in silver restricts their imports from abroad. Serious depression has more than once been caused in Lancashire and elsewhere by the rise in the silver countries of the gold exchanges and the resulting diminution in imports. Fluctuations in silver exchanges being so marked the price of merchandise imported is generally fixed in terms of the standard of the exporter, usually a gold standard. On this account, that the importer bears any loss or reaps any benefit that may be derived from exchange variations. The export of Far Eastern trade during the War [illegible] United States, and since the Armistice with the United Kingdom and Europe, has been due to the enhanced value of silver in terms of dollars, sterling, and other currency. In this connection, however, an interesting point arises. The London market disposes of most of the silver raised from the mines in different parts of the world, and, accordingly, the price fixed hereabouts by the silver brokers, in accordance with the visible and probable future supplies and the volume of buying and selling orders for the day, determines the world quotation for the metal. The growing divergence between sterling and gold in recent years has of itself caused an undervaluation in the sterling price of silver, and the gold price of silver, and the increase in the London quotation, as compared with pre-War days, is in reality a measure of the depreciation of sterling, and, [illegible] the rise in commodity prices in the United Kingdom.

The year 1919 was a prosperous one for both China and Japan. The high price of silver, with its effect upon the exchange, and the premium on the year helped to increase imports, while the export trade was also brisk, and the naturally larger banking profits made in a period of trade activity were enhanced by the additional profits realised on the transmission of funds to Europe. As will be seen from the Exchange Chart published on a previous page in this Supplement, the percentage discount of sterling in Shanghai varied from sixty in October 1919 to fifty in November 1920. In June 1919 it was also fifty, and it rose practically without interruption from that date to the end of December last, when it exceeded seventy per cent., a point to which, after a temporary rally, it fell again in February 1920. The British pound in terms of Shanghai taels is, in fact, at a greater discount than in any other currency. The sterling premium on rupees was next highest until August last, when it was exceeded by the premium on Japanese yen, which is now much greater than that on the American dollar. The decline in the price of silver since February last naturally reduces the profits to be made by British and French banks on the transmission of funds home, and earnings in the current year will also be to some extent adversely affected by the decline in trading activity in the Far East, the famine outbreak over a large part of China, and the serious commercial crisis in Japan, which does not yet seem to have been safely weathered.

We might conclude with a detailed statement as to the position in the Silver market during 1919. The price opened at 48⅞*d*. with a [illegible] tendency. With a fixed dollar exchange and under the influence of Government restrictions, little animation was displayed by the market until March 25. On that date the "peg" was removed from the American exchange, and thenceforward the maximum price was fixed at the equivalent of 95 cents per standard ounce—the official maximum price in America—calculated at current rates of exchange. On May 5 the control was removed in the United States, and four days later, on May 9, silver was decontrolled in the United Kingdom. The price rose instantly from 48⅞*d*. on May 9 to 58*d*. on the following day, but with large supplies from America coming on the market it declined again to around 52*d*.

Just as India dominated the market in 1918, so China began to be the supreme influence towards the end of the first half of 1919. Several factors, chief among which were the low silver stocks in Shanghai, due to previous large exports of the metal to India, the lack of confidence with which the notes issued by the Chinese banks were received, the extensive hoarding of the metal up country, and the large favourable trade balance of the country, began to operate in bringing large buying orders on Chinese account in June. From the middle of July her demand began to push up prices, and by August 27 had carried the [illegible] to 61¾*d*. A temporary reaction ensued, but, as the Chinese demand grew in intensity, on September 24 the price reached 63*d*.—higher than any previous known record. Thereafter, until the end of the year, China continued buying on a rising market. On October 21 the quotation rose to 69¼*d*., thereby passing for the first time the price at which the bullion content of our silver coins was equal to their face value. The highest price was reached on December 16 at a quotation of 74½*d*.

COMMODITY PRICES IN JAPAN DURING AND SINCE THE WAR.

Owing to wide differences in the prices of some commodities in different parts of the country, it is extremely difficult to obtain a reliable price-index which may be taken as applying to the whole of Japan. The following index-numbers, however, compiled by the Bank of Japan for Tokyo, may be taken as typical of the interesting price movements which occurred in Japan during the War:—

Index-numbers for the Wholesale Prices of Commodities since January 1914, as compiled by the Bank of Japan for Tokyo.

(Prices in October, 1910 = 100.)

	1914	1915	1916	1917	1918	1919	1920
January ...	130	120	145	168	244	277	398
February	128	123	153	166	232	275	414
March ...	128	125	154	167	238	287	425
April ...	127	127	153	173	243	297	397
May ...	125	128	150	182	242	278	328
June ...	125	127	147	190	245	295	337
July ...	125	125	147	206	252	319	317
August ...	127	126	151	221	267	324	311
September	129	126	153	244	274	332	305
October ...	125	127	157	244	280	302	298
November	121	124	168	242	278	320	—
December	119	141	172	246	277	281	—
Annual Average	126	127	154	194	256	311	284

Average for ten months.

The economic history of Japan during and since the War is similar to that of the other neutral countries who may be said to have passed into the manufacturing stage of development. We say "neutral"; for the actual participation in the War of our Eastern ally was very limited, and involved a cost insignificant in comparison with that borne by European belligerents. The part played by Japan during the conflict, however, was much more important than might appear from a record of its military activities; for its chief function was to provide western nations with those commodities, the production of which had to be greatly curtailed owing to the exigencies of war. The country was admirably fitted for helping to remedy the world-wide deficit in the production of consumable goods, for it was heavily indebted to other nations at the outbreak of war, and this debt it was anxious to pay. How it took advantage of its great opportunities may best be imagined when it is mentioned that in a very short time about 174.4 million yen owed abroad was paid off; although in pre-War days it had constantly to support an adverse trade balance, during the four years to the Armistice it exported Yen 1,408,047,000 in excess of imports, and the value of its shipping services to other countries grew enormously.

Unfortunately for them, however, the Japanese did not take advantage of their exceptional position to lay the foundations of a lasting structure of future greatness. Instead, they showed a tendency to make the most of the universal premium on production, without seeking to consolidate their position in relation to the commerce of the world. Thus speculation permeated all the economic activities of the community, finance took on a reckless character, all sorts of unsound and imprudent schemes were embarked upon and the wave of prosperity which swept the country brought in its train a general outburst of extravagance.

These details will serve to render somewhat intelligible the puzzling price-movements shown in the table of index-numbers above, the chief feature of which seems to be a great rapidity of oscillation. For instance, in 1915 the trend of the movements from month to month changed no fewer than four times, and from the beginning of the War up to the Armistice the changes of direction number fifteen. This feature contrasts strongly with the almost uninterrupted continuity with which prices rose in most other countries.

In the midst of the fluctuations a gradual rise in the price-level may be discerned, slow in the early stages of the War, but assuming a great rapidity from 1915 onwards, and reaching its culminating point in the beginning of the current year. In 1915 the upward movement first began, but it was temporarily checked during the summer months, and it was not until in November that, for the first time since the commencement of the War, the level of 1913 was surpassed. In the following year the rise began to develop greater momentum, but there was again a decline during the summer. By the end of the year the increase as compared with 1913 had reached 30.3 per cent. During the last two months of 1916 a rise of nearly ten per cent. occurred. In 1917, unlike previous years, prices were falling in the beginning and at the end, but rose sharply between March and September. In January of the following year a rise of thirteen per cent. was experienced—the greatest for any single month; after a reaction in February the upward movement recommenced, and suffered practically no interruption until the Armistice. By October 1918 prices had more than doubled, the index-number for that month being 124 per cent. above that for July 1914 and 111.1 per cent. above the average for 1913. The following tabular statement will enable a general survey of the changes to be made:—

Annual Index-numbers expressed as percentages of the average for 1913, with the actual percentage changes during each separate year.

	1914	1915	1916	1917	1918	1919	1920
Index-numbers ...	95·5	96·2	116·7	147·0	193·9	235·6	222·7
Change %, (year ending July) ...	—	None	+17·6	+40·1	+22·5	+26·6	—0·1

When the Armistice was declared, and the productive energies of the belligerents were diverted once more to their peace-time activities, Japan began to feel the effects of the imprudent policy it had pursued during the War. The demand for the products it had to offer showed a considerable falling-off, partly because other countries were now in a position to supply themselves, but in greater part because these products were inferior in quality to those which could be produced elsewhere. Prices, however, did not fall violently, for it soon became evident that the productive resources of the country, in view of the world-wide scarcity of commodities, would continue to command a premium. Early in 1919 a new era of speculation began; many new companies were formed, until very soon the productive capacities of the nation had reached unprecedented proportions and, as it proved, were much in excess of the willingness or ability of other countries to purchase their output. This development involved very large creations of credit, as well as increased issues of currency, and the banks apparently made no difficulties until the great extent of the speculative movement became evident. In the beginning of 1919 a severe restriction of banking accommodation was enforced. Between April 1919 and March 1920 prices rose by 59.2 per cent., but in the latter month a severe crisis occurred, being attended by many of the undesirable features so common in crises in the past. During April, prices fell by 6.6 per cent., and during May by 17.4 per cent. A rise followed in June, but in the following month the fall was resumed. The October index-number is the lowest since June 1919, and represents a decline of nearly thirty per cent. on the high level of March. The latter is 240 per cent. above that of July 1914, and the October level shows an increase of 138.8 per cent. as compared with the same month, or an increase of 126.2 per cent. as compared with the average for 1913.

THE YOKOHAMA SPECIE BANK, LIMITED.

(REGISTERED IN JAPAN.) ESTABLISHED 1880.

Subscribed Capital - - - - -	Yen	100,000,000
Capital Paid up - - - - - -	„	99,737,450
Reserve Fund - - - - - -	„	50,000,000

Head Office: YOKOHAMA.

BRANCHES AT :—

BATAVIA.
BOMBAY.
BUENOS AYRES.
CALCUTTA.
CHANGCHUN.
DAIREN (Dalny).
FENGTIEN (Mukden).
HAMBURG.
HANKOW.
HARBIN.
HONG KONG.
HONOLULU.
KAI YUAN.
KOBE.
LONDON.
LOS ANGELES.
LYONS.
MANILA.
NAGASAKI.
NEWCHWANG.
NEW YORK.
OSAKA.
PEKIN.
RANGOON.
RIO DE JANEIRO.
SAIGON.
SAN FRANCISCO.
SEATTLE.
SHANGHAI.
SHIMONOSEKI.
SINGAPORE.
SOURABAYA.
SYDNEY.
TIENTSIN.
TOKYO.
TSINANFU.
TSINGTAU.
VLADIVOSTOK.

The Bank buys and receives for Collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.

Deposits received for fixed periods at rates to be obtained on application.

LONDON OFFICE:
7 BISHOPSGATE, E.C. 2.

T. OKUBO, Manager.

THE MITSUI BANK, LIMITED.

(The oldest Banking Institution in Japan.)

Head Office: TOKIO, JAPAN.

Capital Subscribed - - - - - -	Yen	100,000,000
Capital Paid up - - - - - -	Yen	60,000,000
Reserve Fund - - - - - - -	Yen	19,800,000
Special Reserve Fund - - - -	Yen	4,400,000

BRANCHES: FUKAGAWA (TOKIO), KYOTO, OSAKA, SHIMONOSEKI, FUKUOKA, MOJI, OSAKA NISHI (OSAKA), WAKAMATSU, HIROSHIMA, NAGASAKI, OTARU, YOKOHAMA, KOBE, NAGOYA, SHANGHAI.

FOREIGN AGENTS:

LONDON BANKERS:
Barclays Bank Limited.
London Joint City and Midland Bank, Limited.
PARIS BANKERS:
Comptoir National d'Escompte de Paris.
Banque de l'Union Parisienne.
NEW YORK BANKERS:
National City Bank of New York.
Bankers' Trust Company.
The Chase National Bank.
BOMBAY BANKERS:
National Bank of India, Limited.

Every Description of General Banking and Exchange Business Transacted.

JAPANESE BANKS.

BANK OF CHOSEN.

Head Office: Seoul, Chosen.

Capital—

Subscribed, 800,000 shares of Yen 100 each	Yen 80,000,000
Paid up	51,000,000

The Bank of Chosen was established as the Central Bank of Korea in October 1909, by a special Act of the Japanese Government, its original capital being ten million yen. The present institution is the result of the close alliance that took place between Japan and Korea, by which Japanese officials entered the Korean Government service, as a result of the treaty concluded in 1907. There has been of recent years rapid economic development in Korea, and those concerned at once recognised the importance to the finances of the country of a great central banking institution, and accordingly in 1909 negotiations took place between the Japanese Government and the Dai Ichi Ginko, which latter concern had been performing at Seoul the services of a national bank. The Japanese and Korean Governments co-operated in forming the Bank, and the Bank of Korea Act was passed by the Government of Korea, all business relating to the formation of the Bank being entrusted to the Government of Japan. A committee of thirty-three members was appointed, including the Governor of the Bank of Japan and the Vice-Minister for Finance of Korea. The result of the issue of shares was phenomenal. The lists were closed half-way through the day of opening, and it was found that the shares had been subscribed for 292 times over.

Subsequent to the annexation of Korea by Japan in 1910, a new Act was published by the Japanese Government in 1911, under the title of the Bank of Chosen Act, the Bank being re-named the Bank of Chosen. By this Act the Bank of Chosen was deemed to have been established on the same day on which the Bank of Korea was originally established. On the establishment of the former Bank it took over, of course, all the branches of the Dai Ichi Ginko, thus obtaining a field of operations in Korea and Manchuria. During the first few years it did not expand very much, but after 1913 the Bank developed considerably, finding plenty of room for expansion in Manchuria as well as in Korea. It has now about twenty-five branches in Chosen and Manchuria, and, in addition, four in Japan and four in China proper. In November 1919 an office was opened at 120 Broadway, New York, and in December one at Vladivostok, in Siberia.

On December 31, 1919, the capital consisted of 200,000 old shares of 100 yen each, fully paid, of which 30,000 were held by the Government, and 200,000 new shares of 100 yen each, on which 19,945,000 yen was then paid up. November 1919 marked the completion of ten years of the Bank's existence under its present form, and the progress made during that period has been very satisfactory. The development of new enterprises in Chosen and Manchuria is naturally causing a greater demand for banking facilities, and promises a big future for banking, so long as money is expended in the right directions.

The Bank has a note issue, which is now the sole legal tender in Kwantung Province and the South Manchuria Railway zone in Manchuria. The issue is governed by the following regulations: (1) A reserve of gold, silver, and Bank of Japan notes must be kept, against which notes may be issued, silver not exceeding one quarter of the whole. (2) Besides the above, fifty million yen may be issued on the security of National Loan and other bonds. (3) In addition to the foregoing, further issue may be made against bonds with the sanction of the Governor-General of Chosen, and on payment of a tax of at least five per cent. on such excess issue.

Demand for money remained active during 1919, and as a consequence the note issue largely increased, reaching 163 million yen on December 31, as compared with 115 million yen a year previously. This figure of 163 millions was the highest amount reached during 1919. The whole balance sheet for December 31 showed marked expansion in the Bank's business, though the total of deposit and other accounts dropped slightly during the year to 226 million yen, as compared with 233 millions. Money borrowed by the Bank on loan and call increased from three millions to over seventy-one millions.

On the assets side we find the cash total at about the same amount as in the previous year, representing a large increase over 1916 and 1917. Money at call was lower than in 1917, but showed an increase over the amount on December 31, 1918. Bills discounted form a very large proportion—nearly half—of the Bank's total assets, and indicate the way in which the Bank uses the bulk of its funds. This item has increased very largely during the last few years, and stands at 258 million yen, as compared with 118 millions in 1918. In 1916 the amount was only 28 million yen. Loans and advances increased by about 4 million yen to 139 million. The remaining items showed comparatively small changes.

The net profit for the first half of 1919 amounted to 1,988,525 yen, and for the second half to 2,463,824 yen. A dividend at the rate of nine per cent. per annum was paid in each half-year, 1,362,000 yen being transferred to reserves. The payment to Government for the year amounted to 112,290 yen.

Position of Bank of Chosen.

	Dec. 31, 1919 Yen	Dec. 31, 1918 Yen	Dec. 31, 1917 Yen	Dec. 31, 1916 Yen
LIABILITIES.				
Capital paid up ...	39,945,000	25,000,000	15,000,000	10,000,000
Reserve	4,820,000	3,680,810	1,683,000	518,000
Capital and reserve	44,765,000	28,680,810	16,683,000	10,518,000
Notes	163,600,056	115,523,671	67,364,950	46,627,080
Deposit and other accts	226,073,855	233,196,726	90,948,134	33,664,196
Government accounts ...	1,200,000	1,200,000	1,200,000	1,200,000
Loans	71,405,584	3,000,000	3,000,000	3,000,000
Currency bills	1,993,994	1,084,789	833,420	106,270
Bills payable	17,169,514	1,355,805	691,700	914,16
Acceptances	53,176,057	—	—	—
Due to other banks ...	7,990,622	11,965,024	4,283,382	2,225,005
Profit balance	2,932,783	2,054,311	1,157,131	700,971
Total liabilities ...	590,012,365	398,061,136	186,161,717	98,955,683
ASSETS.				
Cash in hand, bullion, &c.	86,045,866	86,905,194	34,447,088	18,869,885
Money at call	6,136,555	4,840,000	9,449,277	3,430,526
Bills discounted, &c. ...	258,733,707	118,753,397	65,104,536	28,381,444
Loans and advances ...	139,853,074	135,537,120	48,235,803	31,118,504
Bills receivable	14,723,206	23,232,544	3,442,439	2,142,115
Customers' liability for acceptances	53,176,057	—	—	—
Bonds and debentures ...	21,911,109	16,720,199	15,537,153	10,078,514
Due from other banks ...	7,476,936	7,899,643	6,667,354	1,985,615
Bank premises	4,954,855	4,173,039	3,278,067	2,949,080
Total assets ...	*590,012,365	398,061,136	186,161,717	98,955,683

* Individual items from published balance sheet total to 590,011,365 yen.

In the first half of the present year the subscribed capital of the Bank was doubled, by the issue of 400,000 new shares of 100 yen each, and as a result the half-yearly balance sheet shows a paid-up amount on June 30 last of 50,000,000 yen. On 20,000 of the shares offered for public subscription a premium of 1,060,080 yen was obtained and went to swell the net profit of over three million yen derived from the operations of the six months. A dividend of nine per cent. was again paid in respect of the half-year and substantial additions were made to the reserves.

THE DAI-ICHI GINKO LIMITED.

(FORMERLY THE FIRST NATIONAL BANK.)

Established 1873.

SUBSCRIBED CAPITAL	-	Yen 50,000,000
PAID-UP CAPITAL	-	Yen 29,525,000
RESERVE FUND	-	Yen 18,500,000

PRESIDENT:
YUNOSUKE SASAKI, Esq.

DIRECTORS:

Y. SASAKI, Esq., Chairman.
K. ISHII, Esq.
Y. NOGUCHI, Esq.
S. SUGIYA, Esq.
T. KUMAGAI, Esq.
Y. KUSAKA, Esq.
S. SASAKI, Esq.
Prince Y. TOKUGAWA.
K. SAIONJI, Esq.

ADVISER:
BARON E. SHIBUSAWA.

Head Office:

No. 1 KABUTOCHO, NIHONBASHIKU, TOKYO.

Branches:

Isecho (Tokyo), Shin-Osakacho (Tokyo), Fukagawa (Tokyo), Marunouchi (Tokyo), Yokohama, Nagoya, Yokkaichi, Kyoto, Nishijin (Kyoto), Gojo (Kyoto), Fushimi, Osaka, Nishiku (Osaka), Minamiku (Osaka), Honmachi (Osaka), Kobe, Hyogo, Hiroshima, Shimonoseki, Chotu, Moji, Fukuoka, Kurume, Kumamoto, Hakodate, Otaru, Sapporo, Seoul, Fusan.

London and New York Bankers:

LONDON.	NEW YORK.
London County Westminster & Parr's Bank, Ltd.	The National City Bank of New York.
The London Joint City & Midland Bank, Ltd.	The National Bank of Commerce in New York.
The Yokohama Specie Bank, Ltd.	The Yokohama Specie Bank, Ltd.

Correspondence:

The Bank, in addition to its own Branches, has numerous Agencies or Correspondents in the principal Cities and Towns at Home and Abroad.

Current Accounts opened on the usual terms. Deposits for Fixed Periods received at rates which may be ascertained on application. Drafts issued and Telegraphic Transfers made. Foreign Exchange bought and sold. Commercial and Circular Letters of Credit issued. Bills, Cheques and other documents collected. Every description of General Banking Business transacted.

THE

Sumitomo Bank, Limited,

OSAKA, JAPAN.

(Successors to the Sumitomo Bank.)

Capital	- - Yen	70,000,000.00
Paid-up Capital	- Yen	40,000,000.00
Reserve Fund	- Yen	14,000,000.00
Deposits (31 June, 1920)	Yen	360,000,000.00

BARON K. SUMITOMO, President.
K. YUKAWA, Esq., Managing Director.
T. KANOH, Esq., ,, ,,
S. YOSHIDA, Esq., ,, ,,
N. YATSUSHIRO, Esq., ,, ,,

Home Branches.—Tokyo, Yokohama, Nagoya, Kyoto, Kobe, Hyogo, Onomichi, Niihama, Kure, Hiroshima, Yanai, Shimonoseki, Moji, Wakamatsu, Hakata, Kurume and Kokura.

Foreign Branches.—Shanghai, Hankow, Bombay, London, New York, San Francisco, Seattle, and Honolulu.

London Bankers.—Lloyds Bank Limited.

Correspondents in all important places at Home and Abroad.

The Bank buys, sells and receives for collection Drafts and Telegraphic Transfers; issues **Commercial and Travellers' Letters of Credit** available in all important parts of the world, besides doing general Banking Business

LONDON OFFICE:

87 GRACECHURCH STREET, E.C.3.

Telephone: Avenue 3188 K. OHDAIRA, Manager

Cable Address: "Oksumibar, London."

TRADE MARK

MITSUI BUSSAN KAISHA, LD.

MITSUI & CO., Ltd. (In Europe and America)

General Merchants and Shipowners.

Capital Paid up - - Y.100,000,000

Reserve Fund - - - 48,638,707

HEAD OFFICE: 1 Suruga-cho, Tokyo.

LONDON OFFICE: 31-33 Lime Street, London, E.C.3.

OTHER BRANCHES AND AGENTS

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The Eastern Bank

Limited.

Head Office:

4 Crosby Square, London, E.C. 3.

Authorised Capital - - - (200,000 Shares of £10 each.)	£2,000,000
Called up - - - - -	£1,000,000
Reserve Liability of Shareholders	£1,000,000
Reserve Fund - - - -	£225,000

Board of Directors:

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. (*Chairman*), Sir EDWARD SASSOON, Bt., Sir JAMES LEIGH-WOOD, K.B.E., C.B., C.M.G., JAMES H. BATTY, Esq., G. BROMLEY MARTIN, Esq., EMILE FRANCQUI, Esq., J. S. HASKELL, Esq.

Branches:

AMARA, BAGDAD, BAHREIN, BASRA, BASRA CITY, BOMBAY, CALCUTTA, COLOMBO, HILLAH, MOSUL.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, receives and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for one year at 5 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum, on the minimum monthly balance.

F. H. SUTTON, *Manager.*

BANK OF JAPAN

(NIPPON GINKO).

Head Office: Tokio, Japan.

Capital—

			Yen
Subscribed,	300,000 Shares of 200 yen ...	...	60,000,000
Paid up	150,000 Shares, fully paid ...	...	30,000,000
	150,000 Shares, 50 yen paid	...	7,500,000

THE Bank of Japan was originally established in 1882, by Imperial Ordinance, with a thirty years' charter, which was renewed for a like period on its expiration in 1912. It was modelled after several European banks, more especially on the lines of the Bank of Belgium. The issue of notes, though controlled, is elastic, as emergency notes may be issued in excess of the legal limit, but such emergency notes are subject to a special tax. The system is peculiarly well adapted to meet the varying demands of trade in a country like Japan, for specie cannot be called in at a moment's notice, owing to the geographical position of its territory.

The Bank's original capital was ten million yen. Expansion of business called for increased capital, which in 1909 stood at 37,500,000 yen, 7,500,000 yen being further paid up by means of a special scrip dividend of twenty-five per cent. The amount subscribed is sixty million yen. A reserve fund of 35,390,000 yen, equal to ninety-four per cent. of the paid-up capital, has been built up, two million yen having been appropriated thereto in 1919. At the same time the amount of 20,000 yen was carried to the reserve for depreciation of bank premises, thereby raising this fund to 425,000 yen.

The Bank has developed very greatly during its existence. The total of business transactions in 1883 was 157 million yen, and this had grown to 10,576 millions for 1901. For 1919 this total amounted to 143,540 million yen, as compared with 105,941 millions for 1918, thus registering an increase of 37,599 millions for the year. Deposits in 1883 stood at nine million yen. During the period when Japan's finances were affected by the war with Russia, they reached 471 million yen, but this was exceptional, and just previous to the Great War they stood at 123 millions. They have, however, increased to a very great extent the last few years, and on December 31, 1919, had reached 1,337 millions, as compared with 1,082 millions at the end of 1918, and 593 millions the previous year.

The notes in circulation reached 1,555 million yen at the end of 1919, as compared with 1,144 millions for the previous year. There has been a steady increase in this item since 1914. The excess issue of notes, as provided for by the Convertible Bank Note Regulations, was made on five occasions, and extended over a period of 287 days, the maximum of 491 millions having occurred on December 30.

Recent and Pre-War Position.

LIABILITIES.	1920. July 31. Yen.	1914. Aug. 1. Yen.	Inc. or Dec. Yen.
Capital	37,500,000	37,500,000	—
Reserve funds and profit balance	51,526,000	34,606,000	+16,920,000
Total	89,026,000	72,106,000	+16,920,000
Notes in circulation	1,201,433,000	327,226,000	+875,207,000
Deposits and current accounts...	1,163,530,000	153,393,000	+1,010,137,000
Total liabilities	2,454,989,000	552,725,000	+1,902,264,000
ASSETS.			
Gold	1,015,045,000	218,677,000	+796,368,000
Government bonds	84,015,000	43,601,000	+ 34,414,000
Bills discounted...	226,243,000	18,292,000	+207,953,000
Advances	315,009,000	78,719,000	+236,290,000
Accounts with other banks ...	812,379,000	184,834,000	+627,545,000
Bank premises	2,296,000	2,602,000	— 306,000
Total assets	2,454,989,000	552,725,000	+1,902,264,000

On the assets side, considerable expansion was shown in most of the items for 1919. The cash in hand increased by thirty-four million yen to 238 millions, and gold bullion by 202 millions to 714 millions. The total of bills discounted showed a big increase—from 129 million yen to 355 millions. In May 1919 the re-discounting of bankers' acceptances arising out of transactions in foreign trade was commenced. This was in order to facilitate further the financing of foreign trade, as well as to assist the development of the discount market. Also a means was temporarily provided for re-discounting certain bills drawn by business concerns and accepted by banks to facilitate the supply of additional money for home industries. During 1918 advances increased very much, but have dropped since from 604 millions to 579 millions.

From 1912 to 1915 the Bank experienced a small falling-off in net profits. Since then, however, the amount has steadily increased, and for 1919 was 7,067,427 yen, as compared with 6,119,193 yen for 1918. The dividend has been maintained for some years at twelve per cent. per annum.

Year to Dec. 31	Gross Profit. Yen.	Expenses, &c. Yen.	Net Profit. Yen.	Dividend. Amount. Yen.	Dividend. Rate. %	Special Allocations. Yen.	Carried Forward. Yen.
1919...	59,347,534	52,280,107	7,067,427	4,500,000	12	2,125,000	2,486,621
1918...	42,336,931	36,217,738	6,119,193	4,500,000	12	1,020,000	2,044,194
1917..	27,832,627	21,851,640	5,980,987	4,500,000	12	1,370,000	1,830,001
1916...	17,867,972	12,727,708	5,140,264	4,500,000	12	1,020,000	1,741,014
1915 ..	12,316,972	7,393,708	4,923,264	4,500,000	12	1,020,000	1,728,002
1914...	12,817,436	7,422,345	5,395,091	4,500,000	12	1,020,000	2,067,738
1913...	13,838,445	13,356,411	5,52-,034	4,500,000	12	725,000	2,192,846

The Bank has not recently opened any new branches. The number is fourteen, and there are also twenty-three agencies for the management of Government bonds, forty-one for the management of railway deposits, and twenty for dealing with spoiled bank notes.

Liabilities and Assets of The Bank of Japan.

LIABILITIES.

Dec. 31	Capital Paid up. Yen.	Reserve Funds. Yen.	Total Capital and Reserves. Yen.	% *	Notes in Circulation. Yen.	% *	Deposits and Current Accts., &c. Yen.	% *	Suspense Account. Yen.	% *	Profit Balance. Yen.	% *	Total Liabilities. Yen.
1919	37,500,000	34,805,000	72,30 ,000	2·4	1 555,1 0,22	52·3	1,337,592 127	45·0	4,179,220	·1	5,6 3,621	·2	2,974,491,9
1918	37,500,000	33,285,000	70,785,000	3·0	1,144,739,075	49·4	1,082,841,519	46·7	14,236,892	·7	4,999,194	·2	2,317 600,680
1917	37,500,000	32,265,000	69,765,000	4·6	831,371,857	55·3	593,801,928	39·7	1,899,786	·1	4,780,0 0	·3	1,501,617,671
1916	37,500,000	31,245,000	68,745,000	6·5	601,224,410	56·9	380,218,262	35·0	1,449,889	·2	4,683,014	·4	1,056,367,575
1915	37,500,000	30,225,000	67,725,000	9·0	439,138,010	57·4	245,005,064	32·7	2,328,427	·3	4,649,002	·6	749,845,503
1914	37,500,000	29,205,000	66,705,000	11·4	385,589,096	65·8	117,869,814	20·1	10,680,840	1·8	4,994,738	·9	585,849,488
1913	37,500,000	28 280,000	65,780,000	10·1	426,388,707	65·5	123.281,694	18·9	30,839,577	4·7	5,037,646	·8	651,327,624

ASSETS.

Dec. 31	Cash on hand Yen.	% *	Gold & Silver Bullion. Yen.	% *	Government Bonds. Yen.	% *	Bills Discounted. Yen.	% *	Advances, Deposits, &c. Yen.	% *	Accounts with Other Banks. Yen.	% *	Suspense Account. Yen.	% *	Bank Premises, &c. Yen.	% *	Total Assets. Yen.
1919 ..	238,951,399	8·0	714,342,869	24·0	76,997,512	·6	355,543,761	11·9	579,749,676	19·5	1,000,116,683	33·8	1,555,922	·1	2,234,662	·1	2,974,491,0
1918...	204,836,063	8·8	511,876,756	22·1	32,002,126	1·4	129,946,949	5·6	604,446,138	26·1	830,409,560	35·8	1,889,412	·1	2,193 676	·1	2,317,600,680
1917...	144 114,167	9·5	512,745,175	34·2	34,764,266	2·2	67,193,327	4·5	268,328,879	17·9	471,297,132	31 4	1,974,800	·1	2,432,425	·1	1,501,617,671
1916...	98,885,587	9·4	313,324,412	29·7	36,724,412	3·5	63,552,386	6·0	201,738,096	19·1	338,462,703	32·0	674,563	·1	2,488,346	·2	1,056,367,575
1915...	83,283,378	11·8	161,896,077	21·6	44,951,132	5·9	34,913,700	4·7	88,044,272	11·7	328,479,088	43·8	1,708,941	·2	2,568,015	·3	749,845,503
1914...	97,847,081	16·7	121,717,232	20·8	53,876,634	9·4	37,071,866	6·4	105,443,653	18·0	163,722,664	28·0	1,594,287	·3	2,575,951	·4	585,849,488
1913...	102,888,450	15·8	122,680,066	18·8	55,529,540	8·5	72,699,114	11·2	105,879,049	16·3	188,436,567	28·9	692,907	·1	2,621,031	·4	651,327,624

* Per cent. of Total Liabilities or Assets.

THE BANK OF CHOSEN.

SUBSCRIBED CAPITAL - - - Yen 80,000,000.
PAID-UP CAPITAL - - - Yen 50,000,000.

Head Office - - - SEOUL, CHOSEN.

PRINCIPAL BRANCHES:
CHOSEN—Chemulpo, Pyengyang, Wonsan, Fusan. MANCHURIA Antung, Mukden, Dairen, Yingkou (Newchwang), Changchun, Harbin. CHINA—Shanghai, Tsingtao, Tientsin, Tsinan. JAPAN—Tokyo, Osaka, Kobe, Shimonoseki. SIBERIA—Vladivostock (also Matsuda Bank in affiliation).

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BANK OF TAIWAN.

Head Office: Taipeh, Formosa (Taiwan).
London Office: 58 Old Broad Street, E.C. 2.

Capital—

Subscribed	Yen 60,000,000
Paid up	37,464,950

This Bank is incorporated by a special charter of the Imperial Japanese Government, and was formed in 1897 for the purpose of developing the natural resources of Taiwan by financing industrial, commercial, and public enterprises. It was also intended to further the trade between Japan and China and the adjacent countries. The Bank's head office is at Taipeh, in Taiwan, and it has opened a considerable number of branches. In addition to twenty-six in Japan, Taiwan, and China, it has offices at Bangkok, Batavia, Bombay, Hong Kong, Semarang, Singapore, Soerabaia, New York, and London. Cox and Co. (France), Limited, act as its French agents.

The Bank is authorised to issue its own notes in Formosa, being under the special supervision of the Government. Besides the notes fully covered by gold and silver coin and bullion, it may issue 10 million yen in notes on the security of Government bonds, Bank of Japan notes, or other reliable security. Any further issue must be under the sanction of the Minister of Finance, and interest at not less than five per cent. must be paid to the Japanese Government on such excess issue. On December 31 last the circulation amounted to 49,653,000 yen. One of the Bank's main objects now is to regulate the monetary circulation in Formosa. In addition, the Bank manages the funds of the National Treasury, and purchases various commercial, agricultural, and industrial Debentures, thereby assisting every kind of industry in its territory, including sugar, rice, camphor, tea and gold.

The Bank has recently established the Southern Godown Company, Limited, to provide means for good warehousing in connection with the expanding South Sea trade. This should greatly contribute to the further development of such trade. In 1919 the Kwanan Ginko (China and Southern Bank) was formed, mainly as a result of the Bank of Taiwan's efforts to further the trade of Southern China with the South Sea Islands.

Net profit for the year 1919 amounted to 2,718,237 yen, as compared with 2,305,735 yen for the previous year. Gross profits showed an increase of nearly 12 million yen, but expenses were very heavy in comparison, and increased by 11,500,000 yen over the year 1918. The dividend was maintained at ten per cent. per annum, while the reserve fund took 700,000 yen, and the bonus 100,000 yen. The particulars given below show the expansion that has taken place in the Bank's business in recent years:—

Position of Bank of Taiwan, Ltd.

LIABILITIES.	Dec. 31, 1919 Yen	June 30, 1919 Yen	June 30, 1918 Yen	June 30 1917 Yen
Capital paid up ...	37,464,950	27,500,000	22,498,875	17,480,450
Reserve funds ...	7,030,000	6,530,000	5,680,000	5,080,000
Note circulation ...	49,653,941	40,827,434	30,283,025	26,841,120
Deposits, current accounts, &c. ...	379,891,395	474,217,655	334,305,460	145,008,835
Bills payable, acceptances, &c. ...	349,311,378	163,293,405	149,438,325	107,911,040
Profit balance ...	3,646,396	2,881,070	1,890,366	1,454,293
Total liabilities ...	827,047,680	715,249,564	544,096,051	303,775,738
ASSETS.				
Cash in hand and at bankers	Yen 38,974,257	Yen 57,802,649	Yen 31,785,127	Yen 12,907,654
Bullion and foreign money	15,508,127	13,630,161	11,422,572	13,518,711
Investments	79,529,933	89,280,061	45,369,906	16,312,404
Loans to Government	2,378,956	2,378,956	2,955,700	5,696,507
Bills, loans, advances	635,642,689	547,393,760	449,718,053	252,915,697
Bank premises, &c....	5,013,918	4,763,977	2,844,693	2,424,765
Total assets ...	827,047,880	715,249,564	544,096,051	303,775,738

INDUSTRIAL BANK OF JAPAN.

Head Office: Tokyo.

Capital—

Subscribed, 1,000,000 Shares of 50 yen each	Yen 50,000,000
Paid up	35,000,000

In addition to its paid-up capital the Bank has made numerous issues of Debentures bearing interest of from 4 per cent. to 6 per cent., amounting in the aggregate to Yen 232,613,300. The Bank is empowered to issue Debentures to the extent of 10 times its paid-up capital.

This Bank was established by the Japanese Government in 1902, under the provisions of a special enactment passed by the Imperial Diet. Its period of incorporation was fixed at fifty years, but may be extended with the sanction of the Government. In addition to ordinary banking, the Nippon Kogyo Ginko, to give it its Japanese name, subscribes for or takes over by transfer national loan bonds, prefectural and municipal loans or industrial debentures, undertakes trust business, and buys and sells exchange. The Bank now has permission to extend its business to Korea, Manchuria, etc., and an office has been opened in Peking, China. The only other branches outside Tokyo are at Osaka and Kobe.

The original paid-up capital was 2,500,000 yen. Increases have been made to enable the Bank to keep pace with its increasing business, and by 1911 the paid-up amount had reached 17,500,000 yen. This was further increased, and on December 31 last it stood at 35 million yen, the total amount subscribed being 50 million yen. The Bank is allowed to issue debentures to the extent of ten times its paid-up capital. The amount issued last June was 213,240,000 yen; but, in view of the steady growth of business throughout the Empire, it was deemed desirable to increase the Bank's capital and its accompanying power to issue debentures, which therefore last December stood at 232,613,300 yen. Applications for funds for new enterprises or for expansion of established industries have increased very much of

Liabilities and Assets of The Industrial Bank of Japan, Limited.

LIABILITIES.

June 30	Capital Paid up. Yen.	Reserve Funds. Yen.	Total Capital and Reserve. Yen.	% *	Debentures Issued. Yen.	%	Deposits, &c. Yen.	% *	Funds in Trust and Other Sums Due by the Bank. Yen.	% *	Profit Balance. Yen.	% *	Total Liabilities. Yen.
1919§...	35,000,000	3,407,127	38,407,127	9·8	232,613,300	59·3	76,282,811	19·4	40,768,119	10·4	4,436,603	1·1	392,507,960
1919 ...	29,999,500	3,282,127	33,281,627	8·9	213,240,000	57·1	88,726,656	23·8	36,714,445	9·8	1,525,372	·4	373,488,100
1918 ...	23,748,050	2,258,800	26,006,850	11·2	86,113,200	37·2	91,096,851	39·4	26,468,242	11·4	1,839,364	·8	231,524,507
1917 ...	17,500,000	2,116,800	19,616,800	12·9	76,853,400	50·5	33,098,679	25·0	16,981,666	11·1	746,628	·5	152,297,173
1916 ...	17,500,000	1,987,200	19,487,200	16·7	63,791,800	54·3	20,184,095	17·2	13,234,756	11·2	688,087	·6	117,385,938
1915 ...	17,500,000	1,850,800	19,350,800	16·5	62,443,300	53·2	20,341,939	17·3	14,445,263	12·3	777,805	·7	117,359,107
1914 ...	17,500,000	1,709,600	19,209,600	19·6	52,385,200	53·4	17,470,841	17·7	8,295,803	8·5	741,550	·8	98,102,994

ASSETS.

June 30	Cash in Hand & at Bankers. Yen.	% *	Japan Govt. Bonds, &c. Yen.	Local Loan Bonds. Yen	Shares and Debentures. Yen.	Total Securities. Yen.	%	Loans at Call and at Short Notice. Yen.	% *	Bills Discounted. Yen.	% *	Loans, Advances, &c. Yen.	% *	Differences on Subscription of Debentures. Yen.	% *	Bank Premises, &c. Yen.	% *	Total Assets. Yen.
1919§...	3,389,529	·9	35,735,039	6,212,013	14,022,600	55,969,652	14·3	1,190,235	·3	87,546,942	22·3	236,969,818	60·4	6,867,504	1·7	574,280	·1	392,507,960
1919 ...	2,821,939	·8	33,356,204	7,707,897	7,449,685	53,513,786	14·3	1,315,288	·3	73,984,834	19·8	234,182,251	62·8	7,090,482	1·9	579,520	·1	373,488,100
1918 ...	992,657	·4	28,746,486	8,466,568	7,269,233	44,382,477	19·2	59,316,072	25·6	50,125,702	21·7	74,585,193	32·2	1,567,742	·7	555,664	·2	231,524,507
1917 ...	1,485,189	1·0	23,629,804	16,057,069‡	4,078,525	43,765,398	28·7	21,663,370	14·2	32,123,061	21·1	51,035,445	33·5	1,753,147	1·1	471,564	·4	152,297,173
1916 ...	404,266	·3	11,228,065	16,886,437‡	5,891,529	33,916,031	28·8	7,504,708	6·4	29,640,893	25·3	43,406,986	37·0	1,932,801	1·7	580,263	·5	117,385,938
1915 ...	2,743,711	2·3	12,778,272	9,754,300‡	5,818,319	28,350,791	24·1	8,855,733	7·6	32,019,964	27·3	43,047,010	36·7	2,019,941	1·7	321,952	3	117,359,107
1914 ...	300,827	·2	11,487,962	5,809,228	5,247,141	22,544,331	23·0	6,931,204	7·1	30,863,677	31·5	35,515,348	36·2	1,841,430	1·9	106,177	·1	98,102,994

* Per cent. of Total Liabilities or Assets. ‡ Includes Treasury Bills. § 31 December.

late, and the Bank is keenly feeling the need for enlarged working resources. An extraordinary general meeting is being held this month to effect certain alterations in its by-laws, enabling the Bank to receive its own debentures as security against mortgages, reducing the minimum denomination of debentures to 20 yen, and for other purposes.

The expansion of the Industrial Bank's business since pre-War days is very noticeable. On June 30, 1914, total assets amounted to 98 million yen, while by June 30. 1919, they had reached 373 millions. A further increase took place during the second half of the year, and on December 31 the total registered 392 millions. In 1914 deposits stood at 17 million yen, and in 1918 at 91 millions. Since then they have dropped somewhat, and at the end of 1919 stood at 76 millions.

Following a slight drop in 1915 and 1916 the net profit has steadily increased, and for the year to June 30, 1919, reached 2,100,000 yen, as compared with 1,385,000 yen for the previous year. The profit for the second half of 1919 showed a remarkable rise, the net amount being 3,976,000 yen, and thus exceeded the whole profit made during the two previous years. The dividend was maintained at the rate of seven per cent. per annum and 2,838,000 yen was carried to reserve against loss account.

Year to June 30	Gross Profit. Yen.	Expenses. Yen.	Net Profit. Yen.	Dividend. Amt. Yen.	Rate. %	Sundry Adjustments. Yen.	Carried Forward Yen.
1919 ...	18,161,730	14,182,961	3,976,769	1,108,955	7	2,856,470	85,428
1919 ...	21,426,695	19,326,399	2,100,294	1,863,821	7	234,000	83,472
1918 ...	10,512,499	9,127,102	1,385,397	1,206,336	6	161,000	80,199
1917 ...	7,928,498	6,739,201	1,189,297	1,050,000	6	135,400	62,138
1916 ...	5,923,753	4,855,310	1,068,443	962,500	5½	124,400	58,244
1915 ...	5,830,840	4,541,126	1,289,714	1,137,500	6½	148,700	76,701
1914 ...	5,490,048	4,187,764	1,302,294	1,093,750	6½	135,356	73,188

Half-year to December 31. Annual rate of.

MITSUBISHI BANK.

Head Office: Tokyo.

London Office: 149 Leadenhall Street, E.C. 3.

Capital—

Subscribed	...	...	...	...	...	Yen 50,000,000
Paid up	...	...	...	...	...	30,000,000

The Mitsubishi Goshi Kwaisha was founded as an essentially family concern by the late Mr. Yataro Iwasaki, and on his death in 1885 passed in succession to his brother, the late Baron Yanosuke Iwasaki, who had occupied the Presidency until 1883. The undertaking became one of the largest private institutions, and its banking department one of the largest private banking houses, in Japan. In addition to banking, the Company is interested in various important spheres of activity, such as metallurgy, mining, shipbuilding, docking, engineering, warehousing, &c., owning, indeed, several mines, shipyards, and workshops.

As a private firm the enterprise had a partnership capital of 30 million yen, one million yen of which was allotted to the Banking Department. In the latter half of 1919, however, the Bank was formed into a limited liability company—called the Mitsubishi Bank, Limited—with a subscribed capital of fifty million yen, thirty millions of which was paid up. During the three months ending December 31 last, a net profit of 1,621,548 yen was shown, and a dividend at the rate of six per cent. per annum was paid, one million yen being transferred to the reserve fund.

It is probable that the Bank in its present form will exercise a still greater influence on the money markets of Japan. We give below statements showing its position on December 31, 1919, as compared with that six months earlier.

LIABILITIES.	31 Dec., 1919 Yen.	Total	30 June, 1919 Yen.	Total
Capital paid up ...	[illegible]	.4	[illegible]	11.0
Deposits, &c.	[illegible]	92.8	[illegible]	87.1
Bills re-discounted	521,715	.2	1,551,853	.6
Profits not paid	85,015	.4	691,701	.3
Due to other Banks	400,000	.4	1,000,000	.4
Undivided Profits ...	14,641,405	5.8	1,621,549	.6
Total liabilities ...	250,654,533	100.0	271,857,096	100.0

ASSETS.	31 Dec., 1919 Yen.	Total	30 June, 1919 Yen.	Total
Cash on hand and at bankers ...	12,613,772	5.1	14,185,597	5.2
Cash at branches ...	6,800,000	2.7	2,400,000	.9
Investments ...	21,740,325	8.7	27,641,061	10.2
Current accounts with banks &c. ...	7,597,522	3.0	7,[illegible]	2.6
Bills	35,581,422	14.2	38,379,343	14.1
Overdrafts	10,557,733	4.2	14,030,756	5.2
Loans	155,227,059	61.9	167,151,416	61.4
Bank premises ...	536,700	.2	[illegible]	0.3
Total assets ...	250,654,533	100.0	271,857,096	100.0

MITSUI BANK.

Head Office: Tokyo, Japan

Capital—

Subscribed	...	...	...	...	...	Yen 100,000,000
Paid up	...	...	...	...	...	60,000,000

The Mitsui Bank is the oldest banking institution in Japan, dating back as far as 1680. It was only in 1908 that it was formed into a joint-stock company under Japanese laws. Until that date it had been in the hands of the Mitsuis, a well-known Japanese mercantile firm, who carried on the Bank as a concern separate from the rest of their business. The Company commenced with a capital of 20 million yen, which was the figure at which it remained for ten years. Then in 1919 it was decided to increase the capital to 100 million yen by the creation of 800,000 shares of 100 yen each, 500,000 of these shares being allotted to shareholders at par in the proportion of 2½ shares for every one already held. The remaining 300,000 were offered to the public at a premium. The total amount paid up is now 60 million yen.

Large reserves have been built up, amounting on June 30 last to 20,900,000 yen, and, with the appropriation from the half-year's profits of 3,300,000 yen, reserves now amount to over 24 million yen. The net profit for the half-year to June 30 was 7,589,481 yen, and a dividend of 3,000,000 yen was paid out of this, equal to five per cent. on the paid-up capital for the half-year.

The Bank's resources have largely increased during recent years. Total assets on June 30, 1917, amounted to 218 million yen, a year later to 301 millions, and in 1919 to 408 millions. During the last financial year a still larger increase was registered, and the total on June 30, 1920, was 550 million yen.

LIABILITIES.	[illegible] 1920. Yen.	June 30, 1919. Yen.	June 30, 1918. Yen.	[illegible] 1917. Yen.
Capital ...	60,000,000	20,000,000	[illegible]	[illegible]
Reserve ...	[illegible]	[illegible]	[illegible]	[illegible]
Deposits ...	427,509,648	364,167,451	262,825,927	185,063,419
Bills ...	2,075,019	[illegible]	[illegible]	810,517
Acceptances ...	51,[illegible]	61,996	3,220,267	787,792
Other liabilities ...	7,681,314	[illegible]	1,355,751	[illegible]
Total ...	550,079,145	408,880,415	301,982,650	218,728,153
ASSETS.				
Cash	[illegible]	[illegible]	[illegible]	[illegible]
Money at call ...	[illegible]	[illegible]	[illegible]	[illegible]
Investments ...	[illegible]	[illegible]	[illegible]	[illegible]
Current account with [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loans	[illegible]	[illegible]	[illegible]	[illegible]
Bills	[illegible]	[illegible]	[illegible]	[illegible]
Other assets ...	[illegible]	[illegible]	[illegible]	[illegible]
Total	550,079,145	408,880,415	301,982,650	218,728,153

SUMITOMO BANK.

Head Office: Kitahama, Osaka.

London Office: 87 Gracechurch Street, E.C. 3.

Capital—

Subscribed	...	...	...	...	...	Yen [illegible]
Paid up	...	...	...	...	...	[illegible]

The Sumitomo Bank was originally established in 1895 as the private Bank of Baron K. Sumitomo, but in 1912 a joint stock company with limited liability was formed, the Japanese name being Kubushiki Kaisha Sumitomo Ginko. The Bank has become one of the most influen- [illegible] in Japan and its growth [illegible]

Liabilities and Assets of the Sumitomo Bank, Limited.

LIABILITIES.	Capital Paid up. Yen.	Reserve Fund. Yen.	Total Capital and Reserve. Yen.	% *	Foreign Credits, Acceptances and Guarantees. Yen.	% *	Sums due to other Banks, Exchange Sold, Bills — Deposits, &c. Yen.	% *	Payable, &c. Yen.	% *	Profit Balance. Yen.	% *	Total Liabilities. Yen.
1919, Dec. 31 ...	26,250,000	5,300,000	31,550,000	5·7	116,145,362	[21·0	352,925,348	63·7	49,972,713	9·0	3,492,896	·6	554,086,319
1918, Dec. 31 ...	22,500,000	4,100,000	26,600,000	7·6	30,986,559	8·9	272,677,090	77·9	17,599,502	5·0	2,251,390	·6	350,114,541
1917, Dec. 31 ...	18,750,000	3,600,000	22,350,000	8·5	35,413,420	13·5	189,473,247	72·4	13,199,528	5·1	1,339,777	·5	261,780,972
1916, Dec. 31 ...	15,000,000	1,600,000	16,600,000	10·1	16,803,607	10·3	124,332,630	76·0	5,353,895	3·3	586,542	·3	163,666,674
1915, Dec. 31 ...	7,500,000	1,150,000	8,650,000	8·7	957,318	1·0	87,041,320	88·0	1,804,064	1·8	459,793	·5	98,912,495
1914, Dec. 31 ...	7,500,000	1,050,000	8,550,000	10·2	638,345	·8	72,435,812	86·8	1,392,388	1·6	534,875	·6	83,461,420

ASSETS.†	Cash in Hand & at Bankers. Yen.	% *	Money at Call and at Short Notice. Yen.	% *	Japan Govt. Bonds, &c. Yen.	Municipal and other Securities. Yen.	Total Securities. Yen.	% *	Loans, Bills Discounted, and Exchange Purch. Yen.	% *	Customers' Liab. Accept., &c. Yen.	% *	Due from Other Banks. Yen.	% *	Bank Premises, &c. Yen.	% *
1919, Dec. 31 ...	28,672,780	5·2	7,292,116	1·3	31,632,006	6,149,922	37,781,928	6·8	353,8 2,780	63·9	116,145,362	20·9	6,439,973	1·2	3,861,380	·7
1918, Dec. 31 ...	21,254,820	6·1	9,688,895	2·8	33,008,414	4,297,599	37,306,013	10·6	244,811,895	69·9	30,986,559	8·8	2,6 2,579	·8	3,373,779	1·0
1917, Dec. 31 ...	27,890,694	10·7	500,000	·2	21,771,322	1,968,834	23,739,156	9·1	167,349,3 4	63·9	35,413,420	13·5	5,003,476	1·9	1,884,092	·7
1916, Dec. 31 ...	14,052,167	8·6	1,300,000	·8	16,389,967	3,072,640	19,442,607	11·9	109,383,360	66·8	16,803,607	10·3	900,322	·5	1,784,111	1·1
1915, Dec. 31 ...	6,571,737	6·6	300,000	·3	11,180,280	3,986,745	14,267,025	14·4	74,714,632	75·6	957,318	1·0	626,335	·6	1,475,448	1·5
1914, Dec. 31 ...	7,323,355	8·8	6,430,000	7·7	11,491,590	432,670	11,924,260	14·3	55,084,303	66·0	638,345	·8	709,607	·9	1,292,550	1·5

* Per cent. of Total Liabilities or Assets. † For Total Assets see Total Liabilities above.

years has been very great. It has a wide field of activities outside Japan, and in 1918 an office was opened in London, and, in addition, there are branches at Shanghai, Hankow, Bombay, New York, and San Francisco. It is affiliated to the Sumitomo Bank of Hawaii Limited, Honolulu, and to the Sumitomo Bank of Seattle, Seattle.

The Bank commenced business as a company with a paid-up capital of 7,500,000 yen, the subscribed amount being fifteen million yen. The balance was called up in 1916. This capital has been doubled to 30 million yen, of which 26,250,000 yen was paid up on December 31 last. The large growth in deposits is further evidence of the increase of business of this institution. In 1912 they stood at 50 million yen, and each year since has seen an increase, until on June 30 this year they amounted to 359 million yen, as compared with 348 millions on December 31.

The net profit for the half-year to December 31, 1919, was 2,755,000 yen, as compared with 3,168,000 yen for the whole of 1918. 1,200,000 yen was transferred to the reserve fund. The net profit for the first half of the present year showed a sharp increase to 7,911,000 yen, of which 5,500,000 yen was transferred to reserve.

YOKOHAMA SPECIE BANK.

Head Office: Yokohama.

London Office: 7 Bishopsgate, E.C. 2.

Capital—

Subscribed	Yen 100,000,000
Paid up	61,000,000

THIS Bank, established in 1880 with a capital of three million yen, has always been recognised by the Japanese Government as an important institution, being employed by the State to conduct financial affairs of considerable magnitude. It was originally formed with the object of affording increased facilities to the foreign trade of Japan, but it conducts a general banking business. In 1900 the paid-up capital (which has been frequently increased to keep pace with the growth of business) stood at 18 million yen, and in 1919 at 61 million yen, the subscribed capital being then increased from 48 million yen to 100 millions, and the premium on the new issue being allocated to the profits of the half-year to December 31. The Bank has been able to employ its funds profitably, and has for some time maintained the dividend at the rate of twelve per cent. per annum. Net profits for the year to June 30, 1919, were 9,412,090 yen, and 3,700,000 yen was added to reserve. The net profit for the second half of 1919 amounted to 19,305,000 yen, but this included, as mentioned above, premiums on shares; 16 million yen was transferred to reserve fund, bringing the latter to 44 million yen.

The head office of the Bank is at Yokohama, and branches have been established all over the world; in addition to those in Japan, the most important are at Bombay, Calcutta, Hong Kong, Los Angeles, Lyons, New York, Rio de Janeiro, San Francisco, Seattle, Shanghai, Singapore, Sydney, &c.

Recent balance sheets show remarkable expansion to have taken place. On the liabilities side, bills and acceptances have increased from 403 million yen in June 1918 to 767 millions at the end of last December. Deposits reached their highest figure of 659 millions in June 1918, but have since fallen off to 529 millions. The chief increases on the assets side are in investments and bills receivable. The cash total shows a decrease during the last eighteen months. Total assets have increased since 1915, when they stood at 324 millions, to 1,426 millions at the end of 1919.

Year to June 30	Gross Profit. Yen.	Expenses. Yen.	Net Profit. Yen.	Dividend. Amt. Yen.	Rate. %	Reserve. Yen	Carried Forward. Yen.
1919	176,250,039	166 846 207	9,412,832	5,040,000	12	3,700,000	3,776,835
1918	112,402,013	104,764,767	7,637,246	4,560,000	12	2,200,000	3,104,004
1917 ...	67,852,672	62,043 371	,809 301	3 720,000	12	1,300,000	2,226,757
19 6 ...	42,933,769	38,434,937	4,498,832	3,600,000	12	800,000	1,437,456
1915 ...	40,034,057	35,660,839	4,373,218	3,600,000	12	750,000	1,338,624
914 ...	43,981,867	39,596,229	4,385,638	3,600,000	12	700,000	1,315,406

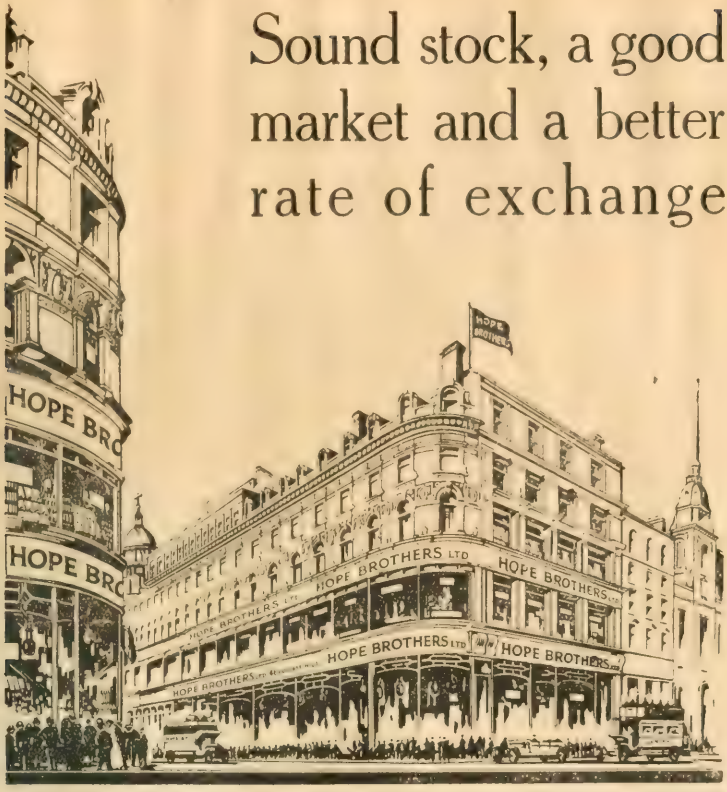
Liabilities and Assets of The Yokohama Specie Bank, Limited.

LIABILITIES. June 30	Capital Paid up. Yen.	Reserve Fund. Yen.	Total Capital and Reserve. Yen.	% *	Notes in Circulation. Yen.	% *	Deposits, &c. Yen.	% *	Bills Payable and Rediscounted, Acceptances, &c. Yen	% *	Profit Balance. Yen.	% *	Total Liabilities. Yen.
1919† ...	61.000.000	30.506.200	91.506.200	6·4	15.153.915	1·1	529,401,074	37·1	767.4 9.114	53·8	23.091 637	1·6	1,426,581,940
1919 ...	42,007.875	27,948,810	69.956.685	5·6	15.974.499	1·3	535,370,376	42·9	618,564,532	49·5	9,307.194	·7	1,249,173,586
1918 ...	42,000,000	25,816,929	67,816,929	5·8	21,266.791	1·8	659,985,233	57·0	403,097,271	34·8	6,704,003	·6	1,158,867,327
1917 ...	36,000,000	24.0 6.951	60.096.951	9·3	23,187,973	3·6	336,550,413	52·4	218,103.0 6	33·9	4,946,758	·8	642.891,141
1916 ...	30.000.000	22,106,616	52,106,616	12·2	10,114,391	2·4	249,959,530	58·8	109 342,702	25·7	3.637.456	·9	425.160,695
1915 ...	30,000,000	20,775,281	50.775,281	15·7	5,563,902	1·7	163,466,162	50·4	101,034,821	31·1	3,538,624	1·1	324,378,790
1914 ...	30,000,000	20,322,446	50,322,446	12·7	7,587,469	1·9	187,241,218	47·5	145,931,297	37·0	3,465,406	·9	394,547,836

ASSETS. June 30	Bullion and Foreign Money, Cash in Hand, &c. Yen	% *	Investments. Yen.	% *	Bills Receivable, &c. Yen.	% *	Bills Discounted, Advances, &c. Yen.	% *	Bank Premises, &c. Yen.	% *	Total Assets. Yen.
1919† ...	 150,427,195	10·5	150,136,366	10·6	784,050,107	55·0	336,987,263	23·6	4,181,401	·3	1,426,581,940
1919 ...	 184,385,392	14·8	146,466,847	11·7	508,745,615	40·7	405,561,854	32·5	3,813,878	·3	1,249.173,586
1918 ...	 267,550,795	23·1	22,672,864	2·0	526,627,162	45·4	338,829,655	29·3	3,186,851	·2	1,158,867,327
1917 ...	... ... 121,367 912	18·9	33,735,465	5·2	337.979,454	52·6	146 45 ,495	22·8	3,158,415	·5	642,891,141
1916 ...	 80,053,782	18·8	20,242,733	4·8	210,374,208	49·5	110,563,425	26·0	3,926.542	·9	425,160,695
1915 ...	... ... 40 010,289	12·3	20,688,804	6·4	155,437,683	47·9	103,882,792	32·0	4,359,222	1·4	324,378,790
1914 ...	 45,403,783	11·5	21,647,224	5·5	195,445,370	49·5	128,097,716	32·5	3,948,743	1·0	394,547,836

* Per cent. of Total Liabilities or Assets. † December 31.

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MISCELLANEOUS FAR EASTERN BANKS.

ASIA BANKING CORPORATION.

Head Office: 35 Broadway, New York.

Capital— $4,000,000

THIS Company was formed with the object of financing and expanding American commerce with China and other parts of the Far East. Its capital has recently been increased from $2 million to $4 million, and it further has a surplus amount of $1,489,362. Its head office in the Far East was opened at Shanghai, on February 7, 1919, and it now has seven other branches in that part of the world. The Guaranty Trust Company of New York was largely responsible for the Bank's formation, and the president of the former is head of the Corporation. Other shareholders are the First National Bank of Portland, National Bank of Commerce of Seattle, Mercantile Bank of the Americas, and Bankers Trust Company of New York.

The Bank conducts general foreign banking business, dealing in letters of credit, home and foreign bills of exchange, and the payment or transfer of funds between the United States and the Orient, or in any part of the world. Its deposits on December 31, 1919, stood at $12,133,359, while its cash total amounted to $5,718,782. Loans and bills receivable each exceeded $7 million. We append a statement of assets and liabilities on the date above mentioned.

LIABILITIES.	1919 Dec. 31 $	ASSETS.	1919 Dec. 31 $
Capital paid up	4,000,000	Cash in hand and in local depositories ...	5,704,712
Surplus and undivided profits	1,189,363	Foreign money in hand ...	14,070
Total	5,189,363	Investments	625,816
Deposits	12,133,359	Loans and advances ...	7,395,862
Due to bankers and correspondents ...	5,188,890	Bills receivable	7,487,652
Bills and accounts payable	9,376,376	Due from banks and correspondents ...	15,060,772
Acceptances	4,566,109	Customers' liability on acceptances ...	4,566,109
Sundry creditors, &c.	1,572,945	Sundry debtors, &c. ...	1,141,149
	42,496,042		42,496,042

BANQUE INDUSTRIELLE DE CHINE.

(Société Anonyme.)

Head Office: Paris.

London Office: 28 Throgmorton Street, E.C. 2.

Capital

Subscribed	Frs. 150,000,000
Paid up (Dec. 31, 1919)	39,438,000

THIS Bank was established in March 1913, its object being to introduce foreign capital into China, and it contracted at once to lend six millions sterling for the purpose of financing enterprise in that country. Unfortunately, before the Bank had had time to develop its programme came the War, but its business has nevertheless shown rapid expansion. Now that the War is over, and China appears to be removed from German influence, financial as well as political, there is immense scope for this Bank's activities. The Chinese Government subscribed one-third of the initial capital of 45 million francs, and has undertaken to hold this capital during the first twenty-five years of the Bank's existence. The subscribed capital was raised to 75 million francs, and a further increase has taken place this year to 150 million francs. At the end of last year nearly 40 million francs was paid up. The Bank has power to increase to 250 millions without calling a meeting. The reserve funds now exceed 12 million francs, more than 6 millions having been allocated to these funds out of last year's profit.

The net profit for 1919 was 14,918,000 francs, as compared with 5,426,000 francs for 1918, and a dividend at the rate of fourteen per cent. per annum was paid on the ordinary shares. There are a number of founders' shares which receive a proportion of the profits.

The Bank's recent expansion is very marked. Total assets rose during 1919 from 380 million francs to 1,089 millions, cash, bills, and advances having all largely increased. On the liabilities side, deposits have increased by 502 million francs to 675 millions.

The Bank's activities are evidenced by its wide range of branches. There are now twenty-two, comprising ten in China, three in Indo-China, one in Japan at Yokohama, and offices at Singapore, Paris, Lyons, Marseilles, Vladivostock, Antwerp, New York, and London. It is proposed to open several more offices shortly.

Position of the Banque Industrielle de Chine, December 31, 1919.

LIABILITIES.	Frs.	ASSETS.	Frs.
Paid-up capital	39,438,000	Cash	77,936,982
Reserves (including profit and loss account)	6,005,603	Correspondents ...	165,476,782
Deposit and current accounts	675,609,729	Bills	235,924,205
Correspondents ...	68,859,290	Investments and participations	27,429,252
Bills payable	6,067,818	Current accounts ...	122,533,373
Acceptances ...	12,714,512	Advances	282,027,046
Other liabilities ...	227,151,057	Contra liability for acceptances	13,501,562
Profit balance ...	10,240,661	Bank premises, &c. ...	41,842,457
		Other assets	136,582,142
Total liabilities ...	1,051,175,759	Total assets ...	1,054,153,759

HONGKONG AND SHANGHAI BANK.

Head Office: Hongkong.

London Office: 9 Gracechurch Street, E.C. 3.

Capital—

Authorised	$15,000,000
Subscribed, 120,000 shares of $125 each ...	15,000,000
Paid up	15,000,000

(There is a reserve liability of $125 per share.)

THE Hongkong and Shanghai Bank was incorporated in July 1867 by special Ordinance of the Legislative Council of Hongkong. Its original capital was $5 million, half of which was paid up. The present authorised capital of $15 million is now fully issued, subscribed and paid up in 120,000 shares of $125 each, 66,000 of which are on the London register. There is a reserved liability of $125 on each share.

The Bank commenced business with a head office at Hongkong and a branch at Shanghai, and various agencies were established. Subsequently the Bank very much widened the field of its activities, and in addition to its numerous offices in China and India and its branch in London, it now has offices in the United States (at New York and San Francisco), in Japan, and in France (Lyons). In October 1918 a branch was opened at Vladivostok, the total number of branches and agencies being now thirty-four.

The balance sheet for the year ending December 31, 1919, is issued in a slightly altered form, its sterling equivalents appear against the different items. These equivalents are calculated at 4*s*. 10½*d*., the rate ruling on the last day of the year.

The net profit for the year 1919 was $7,386,862, as compared with $6,567,183 for the previous year. These figures were arrived at after making full provision for bad and doubtful debts. $2 million was transferred to the silver reserve fund, bringing this up to $23 million. $1,000,000 was written off bank premises account, leaving the balance of this account at $5,948,288. This is not a large figure for such a Bank, but it was announced that heavy expenditure under this head was expected in the near future, in view of a large new building to be erected in Shanghai, and extensions at Manila, Colombo, Canton, Harbin, and Dairen. The total return to the shareholders amounted to £8 per share, *i.e.* £4 10*s*. dividend and £3 10*s*. bonus. Of this £8 the interim dividend of £2 5*s*. per share, converted at the rate of 3*s*. 6*d*. to the dollar, had absorbed $1,542,857. The final dividend and bonus, converted at the rate of 4*s*. 10½*d*.

Liabilities and Assets of The Hongkong and Shanghai Banking Corporation.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Funds.	Total Capital and Reserve.	Notes in Circulation	Deposits, &c.	Acceptances.	Bills Payable.	Profit and Balance.	Total Liabilities.
	$	$ %	$ %	$ %	$ %	$ %	$ %	$ %	$
1919...	15,000,000	25,15[illegible] 9·9	42,1[illegible] 9·9	[illegible] 7·2	[illegible] 79·3	[illegible] 5	4,1[illegible] 1·0	9,693,616 2·1	475,770,061
1918...	15,000,000	21,500,000 11·5	36,500,000 11·5	34[illegible] 7·9	1,321,501 ·4	5,700,816 1·3	8,212,811 1·9	431,964,067
1917...	15,000,000	18,500,000 11·6	33,500,000 11·6	31[illegible] 7·5	6,986,925 1·5	17,[illegible] 4·1	7,773,[illegible] 1·9	414,340,415
1916...	15,000,000	13,000,000 11·9	28,000,000 11·9	3[illegible] 7·3	[illegible] 75·3	5,614,[illegible] ·7	11,92[illegible] 2·9	7,701,1[illegible] 1·9	402,[illegible]
1915...	15,000,000	13,000,000 11·0	28,000,000 11·0	2[illegible] 5·9	[illegible] 75·6	5,172,675 1·2	20,[illegible] 4·8	6,562,[illegible] 1·5	436,161,136
1914...	15,000,000	33,000,000 11·0	48,000,000 11·0	27,247,[illegible] 6·3	[illegible] 75·7	7,129,[illegible] 1·6	17,369,[illegible] 4·0	5,[illegible] 1·4	435,175,441
1913...	15,000,000	32,[illegible] 11·6	47,[illegible] 11·6	24,[illegible] 6·1	298,119,681 73·0	12,596,681 3·1	19,941,452 4·9	5,376,[illegible] 1·3	408,554,[illegible]

ASSETS. Dec. 31	Cash & Bullion in Hand & in Transit.		Investments.		Bills Receivable.		Bills, Loans and Advances.		Liab. for Acceptances.		Bank Premises, &c.		Total Assets.
	$	%	$	%	$	%	$	%	$	%	$	%	$
1919	[illegible]	19·3	[illegible]	6·0	154,[illegible]	38·3	154,08[illegible]	38·3	[illegible]	5	6,948,2[illegible]	1·6	425,[illegible]
1918	79,986,[illegible]	18·5	36,[illegible]	8·6	151,[illegible]	35·9	151,796,211	35·1	1,821,504	·4	6,623,[illegible]	1·5	431,964,067
1917	91,722,[illegible]	21·9	36,[illegible]	8·6	146,129,[illegible]	34·9	131,697,[illegible]	31·4	6,[illegible]	1·5	7,115,9[illegible]	1·7	418,[illegible]
1916	69,[illegible]	17·1	35,[illegible]	8·7	143,[illegible]	35·7	145,453,872	36·1	2,615,558	·7	6,721,[illegible]	1·7	402,[illegible]
1915	99,[illegible]	22·9	39,[illegible]	9·2	150,[illegible]	34·5	133,[illegible]	30·6	5,172,675	1·2	6,987,663	1·6	436,161,136
1914	97,411,702	22·4	31,[illegible]	7·2	150,[illegible]	34·7	141,[illegible]	32·5	7,129,[illegible]	1·6	6,980,122	1·6	435,175,441
1913	69,935,271	17·1	29,638,755	7·2	147,992,[illegible]	36·2	141,684,523	34·7	12,596,681	3·1	6,799,398	1·7	408,554,[illegible]

* Per cent. of Total Liabilities or Assets.

took $2,830,769, leaving $3,262,847 to be carried forward.

Profits of the Hongkong and Shanghai Banking Corporation.

Yr. to Dec. 31	Net Profit	Exchange for Divd.	Dividend Paid in Hongkong Currency Per Share	Dividend Paid in £ Sterling Per Share	Dividend Paid in £ Sterling Per Cent.	Amount	Special Appropriations	Carried Forward
	£	s. d.	%	£	%	$	$	$
1919	7,386,852	4 6·859	29·16	8	64·0	4,3[illegible]5,626	3,000,000	[illegible]2,847
1918	6,567,185	3 3·750	28·40	5	47·2	4,260,810	2,250,000	3,279,611
1917	6,623,601	2 9·692	30·44	5½	42·4	4,566,942	2,000,000	3,223,238
1916	7,[illegible]8,445	2 3·127	24·13	4½	38·4	5,119,088	1,850,000	3,166,579
1915	6,830,500	1 10·203	39·41	4½	36·5	5,910,555	500,000	3,027,220
1914	7,298,711	1 9·834	40·06	4½	36·5	6,[illegible]4,747	750,000	2,[illegible]7,275
1913	6,288,603	1 11·391	34·88	4½	34·0	5,232,704	1,000,000	2,067,312

* Tax free.

The sterling dividend at £8 per share compares with £5 18*s.* for 1918 and £5 6*s.* for 1917. This latter dividend took a sterling amount of £636,000, as compared with £708,000 in 1918, but the dollar equivalent for 1918 was less than for 1917, owing to the higher level of exchange, and the dollar equivalent for 1919, although representing £8 per share sterling, is also less than for 1917.

For more than thirty years the Bank has had a note issue in the East, limited by the amount of its paid-up capital, against coin or securities equal to 55½ per cent. of the capital, any notes issued in excess of this proportion to be fully covered by coin deposited with the Hongkong Government. Since 1910 the circulation has almost doubled, reflecting the general inflation of currency. In that year it amounted to $15,994,000, and just after the commencement of war it stood at $27,247,000. It was lower than this amount in 1917 and 1918, but increased during 1919 by over $5 million to $30,516,000. This is much in excess of the paid-up capital, and accordingly we find included, in the item "cash," $15,500,000 coin lodged with the Hongkong Government against note circulation.

The sterling reserve fund, so long calculated at a nominal rate of 2*s.*, is now and will in future be shown at an equivalent calculated at current rate. In the latest balance sheet it amounts to £1,500,000 or $6,153,846. The chairman announced that it was the intention to transfer during the year, from the silver to the sterling reserve, a sum sufficient to bring the latter up to £2,500,000, the additional amount to be kept liquid in sterling for the purpose of financing trade.

In 1919, with reference to the numerous bank amalgamations that were taking place, the Chairman remarked that, although there had been some cases of the transfer to the large English joint-stock banks of the control of British banks trading abroad, there was no sort of intention that this should happen to the Hongkong Bank. The directors believed that the Bank should maintain perfect freedom and liberty of action, and they meant to adhere to this policy.

We append the usual table of assets and liabilities.

IMPERIAL BANK OF PERSIA.

London Office: 25 Abchurch Lane, E.C. 4.
Chief Office in Persia: Teheran.

Capital—

Authorised	£4,000,000
Subscribed and Paid up. 99,800 Ordinary Shares of £6 10*s.*, 200 Founders' Shares of £6 10*s.*	650,000

(Reserve liability of proprietors, £10 per share beyond the amount paid.)

In 1889 an exclusive concession was granted by the Government of Persia to Baron Julius de Reuter for sixty years, for the establishment of a State Bank in Persia. In September of the same year the Imperial Bank of Persia was incorporated by Royal Charter granted by the British Government to conduct banking operations under the concession. The charter is for thirty years, with provisions for renewal. The Bank has the exclusive right of issuing notes in Persia, the authorised amount being £675,000. Such notes are legal tender for all transactions. Under the concession the Government is entitled to six per cent. of the net profits, with a minimum of £4,000 per annum.

The original capital consisted of £10 shares (99,800 Ordinary and 200 Founders'), but a supplemental charter in 1894 reduced the amount of each share to £6 10*s.*—representing both nominal and paid-

Liabilities and Assets of The Imperial Bank of Persia.

LIABILITIES. Sept. 20	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.	Notes in Circulation	Deposits. London.	Deposits. Persia (in Silver).	Total Deposits.	Bills Payable, and Miscellaneous.	Profit and Balance.	Total Liabilities.
	£	£ %	£ %	£ %	£ %	£ %	£ %	£ %	£ %	£
1919 ...	650,000	250,000 [illegible]	[illegible]	[illegible] 11·3	649,[illegible] 6·1	[illegible] 21·7	2,8[illegible] 23·1	5,[illegible] 51·5	52,[illegible] ·5	1,0[illegible]
1918 ...	650,000	220,000 8·7	870,000 11·3	667,153 8·6	756,411 4·9	1,[illegible] 18·3	1,789,[illegible] 23·2	1,[illegible] 56·2	52,388 ·7	7,716,747
1917 ...	650,000	180,000 8·0	830,000 12·9	[illegible] 12·9	295,[illegible] 5·4	952,617 21·9	1,187,774 27·3	1,[illegible] 33·4	[illegible] 1·1	4,350,337
1916 ...	650,000	160,000 8·1	810,000 33·6	1,0[illegible] 6·7	167,[illegible] 5·3	[illegible] 21·1	721,8[illegible] 27·5	[illegible] 33·5	11,27[illegible] 1·7	[illegible]
1915 ...	650,000	140,000 8·0	790,000 12·1	[illegible] 9·3	[illegible] 3·4	[illegible] 21·8	[illegible] 28·2	[illegible] 29·7	34,108 1·3	2,[illegible]
1914 ...	650,000	210,000 [illegible]	[illegible] 27·7	[illegible] 23·8	[illegible] 2·2	[illegible] 23·2	[illegible] 22·4	[illegible] 21·7	[illegible] 1·4	3,102,541
1913 ...	650,000	210,000 [illegible]	[illegible] 23·0	[illegible] 23·1	65,867 1·9	810,128 23·5	875,[illegible] 27·4	[illegible] 15·6	62,114 1·9	3,305,029

ASSETS. Sept. 20	Cash.		Loans at Call and at Notice.		Investments.		Bills.		Bank Premises, &c.		Total Assets.
	£	%	£	%	£	%	£	%	£	%	£
1919 ...	1,91[illegible]	19·1	[illegible]	1·8	[illegible]	27·1	[illegible]	9·8	[illegible]	·1	10,076,809
1918 ...	1,242,186	16·1	150,203	2·0	1,[illegible]	15·1	[illegible]	10·2	[illegible]	·3	7,716,747
1917 ...	1,175,[illegible]	27·0	[illegible]	·7	[illegible]	13·1	[illegible]	7·7	[illegible]	·7	[illegible]
1916 ...	[illegible]	19·8	17[illegible]	6·7	[illegible]	16·2	[illegible]	10·4	[illegible]	1·3	2,650,871
1915 ...	587,140	23·6	[illegible]	1·0	[illegible]	22·0	[illegible]	6·1	[illegible]	2·0	2,486,124
1914 ...	1,062,141	34·2	[illegible]	·8	681,813	20·6	[illegible]	6·5	[illegible]	·1	3,102,541
1913 ...	1,156,687	35·0	64,016	2·0	663,085	20·1	[illegible]	7·2	[illegible]	1·7	[illegible]

* Per cent. of Total Liabilities or Assets.

up amount. The reserve liability, however, remains as it was before. The paid-up capital has not since changed, and is thus £650,000. Both Ordinary and Founders' shares rank *pari passu* for a cumulative dividend of ten per cent. (on £10 per share), any further profits being halved between the two classes of shares.

The figures covering the year to September 20, 1919, showed a satisfactory extension of business and increased strength, notwithstanding that during the first half of the financial year conditions had been very disturbed in Persia. An agency has been opened in Bombay, which should prove of great value in financing Indian trade, and the Bank is a member of the Persian Railway Syndicate, which contemplates important extensions of railway lines.

The balance sheet for September 1919 showed a total of over £10 million, as compared with £7,700,000 for the previous year. Notes in circulation increased by £440,000, and deposits had risen from £1,789,000 to £2,830,000. Bills payable expanded by £800,000. On the assets side, cash in hand, at bankers, and at call increased from £1,392,000 to £2,103,000, and the Bank has £1 million in Treasury bills. The increase of £1,240,000 in bills discounted and advances indicates the extension of the Bank's business in Persia. Both investments and bills receivable moved upwards.

The net profit for the year amounted to £80,235, of which £4,814 was due to the Persian Government, and compares with £83,137 for the previous year. The dividend paid was at the rate of 6$\frac{7}{12}$ per cent. per annum, the same as in the previous year. £5,000 was written off bank premises account and £30,000 transferred to reserve fund, which now amounts to £250,000.

Profits of the Imperial Bank of Persia.

Year to Sept. 20	Net Profit £	Due to Persian Govt. £	Profit for Dividend £	Div. Tax Free Amt. £	Div. Tax Free Rate %	Special Allctns. £	Carried Forward £
1919 ...	80,235	4,814	75,421	40,000	6$\frac{7}{12}$	35,000	27,800
1918 ...	83,137	4,988	78,149	40,000	6$\frac{7}{12}$	35,000	27,388
1917 ...	85,066	5,104	79,962	40,000	6$\frac{7}{12}$	40,000	24,239
1916 ...	54,170	4,000	50,170	35,000	5$\frac{5}{12}$	10,000	24,277
1915 ...	29,749	4,000	25,749	30,000	4$\frac{5}{12}$	Nil	19,107
1914 ...	35,244	4,000	31,244	40,000	6$\frac{7}{12}$	Nil	23,358
1913 ...	55,149	4,000	51,149	50,000	7$\frac{7}{12}$	Nil	32,114

The profit is equal to 12.3 per cent. on the capital and to 8.9 per cent. on the total of capital and reserve. Liabilities to the public on September 20, 1919, were £9,124,000. Against these, assets were held in the following approximate proportions: Cash, 23 per cent.; investments, 40 per cent.; loans and discounts, 35 per cent.; bills receivable, 10 per cent.

SOUTH AMERICAN BANKS.

During the period of the War European exports to South America practically ceased, whilst there was a keen demand for the agricultural products of the South American States, particularly of the grain countries of the south. These were largely paid for by credits opened by the Governments of Great Britain and France, payment being financed thereunder by the South American banks. Consequently, we find the same tale of inflation as in the belligerent countries, and the banks have shown good profits.

Since the Armistice the outstanding feature in South America has been the preparations made by the United States for pushing American trade interests there. This has forced a policy of amalgamation upon the British banks operating in South America. Consequently, we find that the Anglo-South American Bank has acquired control of the British Bank of South America by the purchase of its shares, as well as of the Commercial Bank of Spanish America and the Chilian Bank of Edwards and Company. In addition, in conjunction with the London and Brazilian Bank, arrangements for mutual facilities have been entered into with a group of English and Irish banks. Another British South American bank, the London and River Plate Bank, is controlled by Lloyds Bank Limited, so that British banking interests are strongly organised to meet coming trade competition.

The Americans, for their part, have not stood still, and, under the provisions of the amendment to the Federal Reserve Act permitting National banks to own stock in banks engaged solely in foreign banking, new banks have been established to carry on business in South America, among which may be mentioned the American Foreign Banking Corporation and the Mercantile Bank of the Americas, with various affiliations in the southern half of the continent. A number of the United States banks, especially of those situated in the interior, conduct their foreign business through larger institutions, and in a few cases have they direct correspondents of their own abroad. Others devote themselves almost exclusively to foreign banking, having their headquarters in the United States and offering exceptional facilities to American industrial and trading interests, especially to those operating on a large scale. A third method of transacting overseas business has found favour in the United States. A group of banks, each possessing, in the ordinary way, a foreign department, form a subsidiary bank, in which they jointly hold stock, with branches abroad, and to this institution they entrust the care of all their overseas transactions. The fourth and probably the most efficient method of organising foreign business, is that adopted by the largest American banks. They establish their own branches abroad, and, owing to the large volume of business transacted, can provide specially advantageous service not only as regards banking, but as regards foreign commercial intelligence to American exporters and importers. United States banks of the various classes mentioned are to be found in practically all South American cities, and they have had an excellent opportunity for expanding owing to the withdrawal of European capital in recent years. Through their assistance many European concessions which have lapsed have been bought in by American interests. The capital needs of South America are at present almost illimitable, especially for transportation, and they are being partially supplied by the United States. The possibilities of the continent are, however, so vast that there is sufficient room for all nationalities without the complete extrusion of any, and there is no reason why all interests should not work in friendly harmony together. The earnest co-operation of the Governments of various states is, however, needed, especially as the national finances are in not a few instances in a somewhat unstable condition. The position is complicated by the large emissions of paper, swelling an already depreciated currency. The consolidation of the extensive floating debts is also a matter of urgency. The credit of 200,000,000 gold pesos arranged during the War by the British and French Governments with the Argentine Government is a proof of the extent to which South America as a whole has benefited by the events of the last six years, and shows that financial equilibrium, if desired, is within the grasp of the various Republics.

THE

ANGLO-SOUTH AMERICAN BANK

LIMITED.

Capital and Reserves exceed £13,000,000.

Head Office:

62 Old Broad Street, London, E.C. 2.



THE INSURANCE OF FOREIGN CURRENCY TRANSACTIONS by means of FORWARD CONTRACTS made a speciality.

BRADFORD OFFICE: 69 Market Street.

The organisation of this Bank is also at your disposal through the medium of your own banker if you will specify accordingly in your instructions.

Affiliations:
THE BRITISH BANK OF SOUTH AMERICA, LIMITED,
and
THE COMMERCIAL BANK OF SPANISH AMERICA, LIMITED.

ANGLO-SOUTH AMERICAN BANK.

Head Office: 62½ Old Broad Street, London, E.C. 2.

Capital—

Authorised	£10,000,000
Subscribed	8,729,040
Paid up	4,364,520

THE Anglo-South American Bank commenced business rather more than thirty years ago as the Bank of Tarapaca and London. It was then quite a small concern, confining its operations to Chile, but has since transformed itself into an institution of international importance. This remarkable development has been largely accomplished by the absorption of other concerns, the first instance being that of the Anglo-Argentine Bank in 1900, the amalgamated concern adopting the title of the Bank of Tarapaca and Argentina. In 1907 the present title was adopted, and in 1912 the Bank acquired the London Bank of Mexico and South America, thus gaining a footing in Central America. About three years ago control was acquired of the Commercial Bank of Spanish America, through purchase of its "A" shares. The business of the latter bank has so increased that it has been deemed desirable to raise its issued capital from £261,417 to £500,000, and the Anglo-South American Bank has subscribed for the additional 238,583 shares at par.

In 1918, in conjunction with the London and Brazilian Bank, arrangements were entered into, first with Williams Deacon's Bank, to have a special agency at the latter's Manchester office, next with the Northern Banking Company, Limited, of Belfast, to afford banking facilities in South America to Irish merchants. The Anglo-South American Bank is specially represented in Yorkshire by the West Yorkshire Bank.

In February of this year announcement was made of a conditional agreement providing for the acquisition of the shares of the British Bank of South America, Limited. The terms of purchase were as follows: either (1) £30 in cash for each £20 share in the British Bank—£10 paid up; or (2) £27 10*s.* nominal value of capital—£13 15*s.* paid up—*i.e.*, 2¾ shares of the Anglo-South American Bank of £10 each, £5 paid up, for each share of £20, £10 paid, in the British Bank, fractions to be paid for in cash—£3 5*s.* for each ¼ share in the Anglo-South American Bank. By October 9 the latter had acquired 99,238 shares in the British Bank out of the 100,000 shares issued. This operation raised the Bank's paid-up share capital from £3 million to £4,364,520, and, treating the transaction on the basis of an issue of Anglo-South American shares at the price of £10 for each £5 paid, £1,364,000 is added to the reserve fund. The British Bank shares are treated as an asset of £2,728,000, which is thought to be an extremely moderate valuation.

Since June 30 this year the Chilean Banco de A. Edwards y Cia has been taken over at the price of $190 for each share, on which $100 is paid up. This Bank had deposits of £2,600,000, a capital of £500,000, and a reserve fund of £137,500. By the acquisition, involving one of the foremost of the Chilean banks, the Anglo-South American Bank will obtain an increased hold on the business of Valparaiso and Santiago, and will be enabled to facilitate the development of the national industries of Chile.

In addition to its branches in South America the Bank has offices in Spain, and at Paris, and an agency in New York.

The balance sheet for June 30, 1920, shows total assets of over £98 million, as compared with £61 million the previous year. The total assets of the affiliated banks amounts to £129,561,810. Bills payable of the Anglo-South American Bank have increased by nearly £10 million during the year, and deposits have risen from £45 million to £66 million. Cash in hand and at call has reached the large total of £27,673,933, and represents forty-seven per cent. of the liability on deposits. Investments have increased by over £4 million, and both bills receivable and advances show very large increases, the former £8 million, the latter £12 million.

The net profit for the year is returned at £1,024,200, as compared with £520,100 for the year ending June 30, 1919. The dividend paid is at the rate of fifteen per cent., plus a special interim dividend of 10*s.* per share on the old shares and 1*s.* 3*d.* on the new, paid on April 30. £136,000 was added to the reserve fund, which now amounts, with the premiums on new issues, to £3,850,000. A sum of £50,000 was set aside for depreciation of securities.

Year to June 30	Gross Profit.	Expenses.	Income Tax.	Net Profit.	Dividend Amt.	Dividend Rate.	Special Allocations.	Carried Forward.
	£	£	£	£	£	%	£	£
1920 ..	2,257,227	1,203,212	104,839	949,156	528,059	25†	269,600	393,116
1919 ...	1,278,213	723,971	92,262	461,980	236,248	15	173,000	241,619
1918 ...	1,077,579	597,779	74,113	405,640	206,719	12½	165,000	188,887
1917 ...	711,756	347,414	71,412	292,930	168,750	10	110,000	154,966
1916 ...	564,229	262,657	53,674	285,898	166,500	9	84,500	140,786
1915 ...	526,028	228,451	28,291	269,286	161,063	8	84,500	133,887
1914 ...	546,314	251,382	15,907	279,055	208,392	10	9,500	110,164

† On old shares, 10% being special interim dividend. On new shares 16½%, 12½% being special interim dividend.

BANCO COMMERCIAL DO ESTADO DE SAO PAULO.

Head Office: Sao Paulo.

Capital—

Subscribed	Reis 20,000,000$000
Paid up	12,000,000$000

THIS Bank was established on July 1, 1912. It has its head office at Sao Paulo, and branches at Santos, Campinas, Piracicaba, Bebedouro, Bragança, Rio-Preto, S. Manoel and Botucatú. By June 30, 1919, it had accumulated a reserve fund of Reis 4,500,000$000, which by December 31 of the same year and June 30 last had risen to Reis 5,000,000$000 and Reis 6,000,000$000 respectively, the latter sum being equal to half the paid-up capital. The early part of 1919 saw an increase in both capital and deposits, and, although subsequent figures do not indicate any marked growth of banking business, the gross profits have been markedly progressive. Dividend distributions in 1918 and 1919 were equivalent to nine and eleven per cent. respectively, and these have been followed by one for the six months to June last at

Liabilities and Assets of The Anglo-South American Bank, Limited.

LIABILITIES.

June 30	Capital Paid up.	Reserve Funds.	Total Capital and Reserve.		Bills Payable.		Deposits, &c.		Acceptances.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 ...	4,364,520	4,031,827	8,396,347	8·5	17,249,769	17·6	66,376,548	67·6	5,434,913	5·5	817,275	·8	98,276,852
1919 ...	2,250,000	1,933,827	4,183,827	6·9	7,330,070	12·0	45,367,610	74·0	3,933,114	6·4	464,472	·7	61,279,123
1918 ...	2,250,000	1,783,827	4,033,827	9·4	9,056,797	21·3	27,340,465	64·2	1,749,281	4·1	422,282	1·0	42,602,651
1917 ...	2,250,000	1,583,827	3,833,827	14·9	5,981,166	23·3	14,155,695	55·2	1,295,830	5·1	393,317	1·5	25,659,835
1916 ...	2,250,000	1,583,827	3,833,827	20·6	4,577,024	24·6	9,104,517	49·0	836,178	4·5	240,286	1·3	18,591,832
1915 ...	2,250,000	1,583,827	3,833,827	22·5	3,501,842	20·6	7,975,527	47·0	1,461,756	8·6	222,888	1·3	16,993,840
1914 ...	2,250,000	1,583,827	3,833,827	19·3	5,169,486	26·1	7,830,631	39·5	2,791,670	14·1	204,227	1·0	19,829,841

ASSETS.

June 30	Cash in Hand, at Call, &c.		Investments.		Bills Receivable.		Advances, &c.		Custrs'. Liab. for Acceptances.		Bank Premises, &c.		Total Assets
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 ...	27,673,933	28·1	9,657,902	9·8	20,890,295	21·3	34,078,179	34·7	5,434,913	5·5	541,630	·6	98,276,852
1919 ...	16,673,141	27·2	5,393,484	8·8	12,907,960	21·0	22,038,284	36·0	3,933,114	6·4	333,140	·6	61,279,123
1918 ...	9,612,747	22·6	3,111,622	7·3	14,923,937	35·0	12,856,040	30·2	1,749,281	4·1	349,064	·8	42,602,651
1917 ...	3,037,453	11·8	2,200,333	8·5	9,309,800	36·3	9,506,802	37·1	1,295,830	5·1	309,817	1·2	25,659,835
1916 ...	2,184,625	11·8	1,840,383	9·9	5,892,497	31·7	7,531,602	40·5	836,178	4·5	306,547	1·6	18,591,832
1915 ...	2,291,943	13·5	1,843,972	10·9	3,956,009	23·3	7,131,276	41·9	1,461,756	8·6	308,884	1·8	16,993,840
1914 ...	1,736,001	8·8	1,636,671	8·2	5,551,758	28·0	7,803,366	39·3	2,791,670	14·1	310,375	1·6	19,929,841

* Per cent. of Total Liabilities or Assets.

the rate of twelve per cent. per annum, a rate identical with that declared for the second half of 1919.

The following statement shows the position on June 30, 1920, compared with that on two previous dates:—

	1920 June 30	1919 Dec. 31	1919 June 30
LIABILITIES.	Pesos	Pesos	Pesos
Capital paid up ...	12,[illegible],000	12,[illegible],000	12,[illegible],000
Reserve ...	6,[illegible],000	5,[illegible],000	1,[illegible],000
Deposits ...	65,[illegible],849	71,[illegible],458	73,[illegible],858
Bills for collection ...	25,[illegible],820	21,[illegible],605	22,[illegible],219
Correspondence ...	20,[illegible],455	2[illegible],077	20,[illegible],402
Sundry accounts ...	3,[illegible],785	7,[illegible],995	12,[illegible],196
Undivided profit ...	1,[illegible],545	1,[illegible],204	[illegible],744
Total Liabilities ...	133,876,860	137,309,831	145,939,787
ASSETS.			
Cash	15,510,867	16,380,429	20,[illegible],588
Discounts and advances	61,[illegible],710	61,[illegible],803	62,[illegible],188
Bills receivable ...	25,739,802	24,[illegible],760	22,[illegible],619
Sundry accounts ...	481,701	828,539	[illegible],178
Correspondents	24,783,381	31,767,784	28,[illegible],856
Bank premises ...	1,730,858	1,712,125	1,684,671
Investments ...	1,119,507	219,507	[illegible],082
Total Assets ...	133,876,860	137,309,831	145,939,787

BANCO DE CHILE.

Head Offices: Santiago and Valparaiso.
London Office: 94 Gracechurch Street, E.C. 3.

Capital—

Subscribed	$200,000,000
Paid up	100,000,000

THE first Bank of Chile was founded in 1859, the Banco Nacional de Chile being formed from it in 1865. Twenty-eight years afterwards the latter Bank amalgamated with the Bank of Valparaiso and the Banco Agricola (which dated back respectively to 1856 and 1869) to form the present Bank of Chile. A large connection has been built up, partly by absorption of other banks, and fed by numerous offices in the Republic.

The initial paid-up capital was $20 million—an equipment doubled by increases which took place in 1906 and 1910. In 1917 the authorised capital was increased to $120 million, with power to proceed to $200 million, and the paid-up capital became $60 million. Advantage was taken last year of the higher limit, an issue of [illegible],000 shares of $200 each, $100 paid up, being offered to shareholders at the rate of two shares for each three held on December 15. The price was $160 per share, and most of this new capital is now paid up. A large reserve has been accumulated from the premia on the various share issues, the amount standing at $[illegible] million in the last balance sheet.

The net profit for the half-year ending June 30 last is $8,583,690, that for the whole year being $14,061,988. The dividend paid each half-year amounted to sixteen per cent. per annum on the increased capital.

Yr. to June 30	Gross Profit.	Expenses.	Municipal Taxes.	Net Profit.	Dividends Amt.	Dividends Rate.	Carried Forward.
	$	$	$	$	$	%	$
1920 ...	21,[illegible],945	[illegible]	[illegible]	1,[illegible],988	[illegible],868	16	[illegible]
1919 ...	17,321,612	[illegible]	[illegible]	[illegible]	[illegible]	17	[illegible]
1918 ...	15,115,902	5,410,172	687,801	9,017,929	8,617,696	16	2,[illegible],411
1917 ...	11,[illegible],839	4,901,821	565,[illegible]09	6,[illegible],709	6,400,000	16	2,199,111
1916 ...	12,013,055	4,655,596	561,708	6,795,751	6,400,000	16	2,[illegible],494
1915 ...	11,241,970	4,736,387	505,991	5,999,592	5,600,000	14	1,610,651

[illegible] capital.
[illegible] $1[illegible],[illegible],[illegible] [illegible] [illegible] [

Uruguay, Victoria, La Paz (E.R.) and Resistencia (Chaco), and is represented by agencies in Puerto Ing. White (Bahia Blanca), Ensenada (La Plata) and Trenel (Pampa). The capital is $10,000,000 (gold) and the reserve $1,050,762 (gold).

The variation in the relative values of the gold and paper peso outside the Argentine renders it necessary to keep separate accounts for the two currencies, and the balance sheet is consequently drawn up in double column form. Both capital and reserve figure as gold liabilities and the net profits to be allocated are also comprised solely of the precious metal. "Government bonds," "foreign correspondents," "premises," and "conversión" are the only assets represented wholly as gold. During the year ended December 31, 1919, the bank's activities were marked by a satisfactory expansion, and profits registered a corresponding increase at $1,070,813, against $902,035 for the previous twelve months. Of this, $650,000 is absorbed by a dividend of six and a-half per cent. per annum (as compared with five and a-half per cent. per annum for 1918), and the remainder is allocated to the several reserve and benevolent funds. The balance sheet as on December 31, 1919, shows little alteration from the previous year as far as the gold columns are concerned, but it records a notable increase in transactions carried out on a paper money basis. Deposits, in paper pesos, are greater by $28,163,000 at $158,663,000. Prudent management, however, has counselled a more than proportionate strengthening of cash holdings, which are swollen by $10,428,000 at $40,789,647 (paper), the gold being practically unchanged at $1,268,663. Bills discounted at $143,268,522 (paper), against $127,849,423 previously, afford another indication of the enlarged sphere of action of the Bank.

Position of Banco de Italo y Rio de la Plata

	December 31, 1919.—		December 31, 1918.—	
LIABILITIES.	$	$	$	$
Capital		[illegible]		[illegible]
Reserve		1,050,762		1,050,762
Deposits	156,933,738	760,813	128,301,415	962,809
Sundry creditors	[illegible]	511,004	[illegible]	570,125
Bank balances	1,[illegible]	251	949,[illegible]	251
Conversion	[illegible]	[illegible]	[illegible]	[illegible]
Sundries for [illegible]	69,306,166	17,964,204	68,551,410	18,614,517
Profit balance	—	1,[illegible]14	—	902,035
Total liabilities ...	297,596,351	31,197,208	255,963,602	31,870,645
ASSETS.				
Cash	40,789,648	1,268,664	30,361,464	1,299,327
Government bonds ...	—	—	—	—
Investments	1,061,483	184,395	1,256,994	581,128
Current accounts	[illegible]	[illegible]	[illegible]	[illegible]
Correspondents	[illegible]	[illegible]	[illegible]	[illegible]
Sundry debtors ...	36,909,691	613,943	21,561,645	655,779
Conversion	[illegible]	[illegible]	[illegible]	[illegible]
Sundries for [illegible]	[illegible]	17,[illegible]	[illegible]	[illegible]
Premises, &c. ...	6,260,840	1,602,214	6,382,665	1,642,367
Total	297,596,351	31,197,208	255,963,602	31,870,645

BANCO DE LA NACION ARGENTINA.

Head Office: Buenos Ayres.

Capital—	Paper
Paid up	$138,550,600

The original National Bank of Argentina, the Banco Nacional, was, in common with many other Argentine Banks, very badly hit by the crisis of 1890. Accordingly the new Government, under Signor Pellegrini, decided to establish a new institution, called the Banco de la Nacion Argentina, rather than endeavour to prop up the credit of the old bank. In 1904 the Charter was revised, and the nation took full liability for the operations of the Bank, which thus virtually became a State bank, the debt under which the Bank had been working being cancelled and the capital being fully paid up at $50 million. The Bank pays no dividends, half its profits being credited to capital account, and half—converted into gold—to reserve.

The Bank has built up a position of great importance in Argentina, and its growth has been rapid, amply justifying the foresight of those who were responsible for its formation. The capital has been increased, until on December 31 last it stood at $138,550,600, while the reserve was $gold 19,207,671, as compared with $gold 16,517,805 in the previous year. There is also a conversion fund of $gold

Liabilities and Assets of The Banco de la Nacion Argentina.

LIABILITIES.

Dec. 31	Capital, Paper.	Reserve, Gold.	Funds, Conversion, Gold.	Contingency Paper.	Total Capital and Reserves. Equivalent.	Total.	Deposits Paper.	Deposits Equivalent.	Total.	Conversion Account Gold.	Conversion Account Equiv.	Total.	Sundry Creditors and Other Liabilities Paper.	Sundry Creditors and Other Liabilities Equivalent.	Total.	Total Liabilities Paper.	Total Liabilities Gold.	Total Liabilities Equiv.
	$	$	$	$	£	%	$	£	%	$	£	%	$	£	%	$	$	£
1919	138,550,600	19,207,671	30,000,000	—	21,380,111	13·1	1,234,538,008	109,103,400	65·7	464,[illegible]46,146	40,900,893	25·4	14,961,454	1,321,978	2·4	1,[illegible]44,[illegible]6,[illegible]08	[illegible]6,[illegible]00,671	166,[illegible]8,458
1918	138,550,600	16,517,805	30,000,000	—	20,295,707	12·7	1,147,782,863	3,195,121	63·7	46,454,645	107,180,194	22·7	17,357,446	1,516,048	9	1,[illegible]8,[illegible]22	214,[illegible]2,215	165,[illegible]1,471
1917	138,550,600	15,941,661	30,000,000	—	20,296,935	19·8	860,201,711	4,776,646	72·5	46,454,645	18,964,657	7·2	8,593,117	770	·7	1,043,941,768	68,772,018	104,767,011
1916	138,550,600	14,605,497	30,000,000	—	20,010,948	21·7	744,868,895	4,715,574	71·5	45,454,545	6,614,111	5·7	11,113,193	1,371	1·1	929,436,633	66,826,466	92,217,923
1915	138,550,600	14,605,497	30,000,000	—	20,010,948	23·0	685,[illegible]05,130	3,[illegible]50,018	69·3	60,[illegible]44,592	—	6·6	10,757,359	1,705	1·1	885,[illegible]0,322	38,[illegible]0,322	85,[illegible]6,017
1914	138,550,600	14,605,497	30,000,000	—	20,010,948	25·4	583,313,188	9,[illegible]3,293	62·8	45,454,545	5,407,963	6·4	11,499,576	15,838	1·3	788,267,269	59,[illegible]2,101	78,918,661
1913	138,550,600	14,605,497	30,000,000	3,500,000	20,322,501	28·4	617,543,782	10,489,373	68·2	31,244,933	—	3·8	12,884,062	24,908	1·6	693,172,787	55,079,688	71,443,595

ASSETS.

Dec. 31	Cash, Paper.	Cash, Gold.	Cash, Equivalent.	Cash, Total.	Government Securities, Paper.	Government Securities, Gold.	Government Securities, Equiv.	Government Securities, Total.	Conversion Paper.	Conversion Gold.	Conversion Equiv.	Conversion Total.	Advances, &c. Paper.	Advances, &c. Gold.	Advances, &c. Equiv.	Advances, &c. Total.	Bills Discounted Paper.	Bills Discounted Gold.	Bills Discounted Equiv.	Bills Discounted Total.	Bank Premises and Other Assets Paper.	Bank Premises and Other Assets Gold.	Bank Premises and Other Assets Equiv.	Bank Premises and Other Assets Total.	Total Assets Paper.	Total Assets Gold.	Total Assets Equiv.
	$	$	£	%	$	$	£	%	$	$	£	%	$	$	£	%	$	$	£	%	$	$	£	%	$	$	£
1919	267,[illegible]3,208	38,[illegible]8,629	31,[illegible],587	18·7	22,[illegible],491	9,[illegible],304	3,[illegible],915	2·3	342,[illegible]0,000	20,000,000	33,[illegible],671	22·4	113,113,671	11,101,856	[illegible],171	23·0	361,088,310	127,383,192	[illegible],708,024	34·2	26,273,770	2,293,742	1·4	1,433,814,308	206,066,071	166,[illegible],438
1918	314,[illegible]5,695	36,[illegible]0,918	34,[illegible],921	21·2	25,[illegible],[illegible]95	43,[illegible],720	20,000,000	7,729,110	7·4	980,[illegible]7,784	380,384	81,503,687	30·1	29,[illegible]6,732	80,000	26,656,188	24·5	26,624,243	2,315,[illegible]6	2·1	1,[illegible],641,768	68,772,913	104,767,011	
1917	295,777,401	36,[illegible],779	33,[illegible],177	21·7	24,[illegible],887	11,[illegible],749	4,371,[illegible]43	2·4	14,[illegible],799	20,000,000	5,[illegible],736	5·7	309,[illegible],104	18,[illegible],935	22,[illegible],482	23·9	289,[illegible],469	217,443	25,[illegible],785	27·8	24,[illegible],[illegible]36	2,[illegible],457	2·3	929,[illegible],603	6[illegible],[illegible]96,466	92,217,973
1916	366,[illegible],092	14,[illegible],093	24,[illegible],356	37·9	21,[illegible],374	1,[illegible],395	2,[illegible],187	2·4	14,[illegible],799	20,000,000	5,[illegible],[illegible]95	6·8	174,[illegible],092	6,[illegible],067	16,[illegible],[illegible]98	19·0	289,[illegible],[illegible]81	361,[illegible]68	28,[illegible],673	32·9	22,[illegible],[illegible]96	1,[illegible],[illegible]84	2·2	885,[illegible],[illegible]32	4[illegible],[illegible]33,[illegible]26	87,[illegible],[illegible]7
1915	361,[illegible],[illegible]91	10,[illegible],866	33,[illegible],[illegible]72	38·8	1,[illegible],[illegible]00	1,[illegible],[illegible]00	[illegible],[illegible]20	·5	—	20,[illegible],[illegible]10	5,[illegible],[illegible]95	6·5	96,[illegible],[illegible]10	8,466,[illegible]60	9,[illegible],[illegible]29	12·8	443,[illegible],757	667,465	38,[illegible],[illegible]96	48·3	21,[illegible],[illegible]60	1,[illegible],[illegible]53	2·4	768,[illegible],[illegible]69	69,[illegible],[illegible]01	78,[illegible],[illegible]61
1914	194,[illegible],[illegible]52	28,[illegible],[illegible]36	22,[illegible],[illegible]99	28·7	1,[illegible],[illegible]92	1,[illegible],[illegible]50	496,[illegible]31	·6	12,[illegible],[illegible]95	20,[illegible],[illegible]00	6,[illegible],[illegible]43	6·4	96,[illegible],[illegible]10	8,466,[illegible]60	9,[illegible],[illegible]29	12·8	443,[illegible],757	667,465	38,[illegible],[illegible]96	48·3	21,[illegible],[illegible]60	1,[illegible],[illegible]53	2·4	768,[illegible],[illegible]69	69,[illegible],[illegible]01	78,[illegible],[illegible]61
1913	180,[illegible],[illegible]48	32,[illegible],[illegible]03	22,[illegible],[illegible]93	30·9	1,[illegible],[illegible]92	1,[illegible],[illegible]50	496,[illegible]31	·7	—	13,[illegible],[illegible]71	2,[illegible],[illegible]32	3·8	76,[illegible],[illegible]64	6,[illegible],[illegible]86	7,[illegible],[illegible]71	10·0	416,[illegible],[illegible]39	1,[illegible],[illegible]00	1,[illegible],[illegible]78	61·3	18,[illegible],[illegible]55	1,[illegible],[illegible]43	2·3	693,[illegible],[illegible]72	55,[illegible],[illegible]88	71,[illegible],[illegible]95

* Per cent. of Total Liabilities or Assets.

† Agreement with France and Great Britain.

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BANCO DE CHILE

94 GRACECHURCH STREET, E.C.

PAID-UP CAPITAL - - - - -	$100,000,000	Chilian Dollars
RESERVE FUND - - - - -	58,000,000	
RESERVE LIABILITY OF SHAREHOLDERS - - - - -	100,000,000	
RESERVE FUND IN GOLD OF 18d. -	10,000,000	

Head Offices—SANTIAGO & VALPARAISO.

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The London Agency transacts every class of Banking business with Chile. Current Accounts also opened and Deposits received.

DAVID BURNS, Manager.

30 million. In 1905 the Bank's deposits amounted to $176 million, and in 1914 to $605 million. Since the latter date the amount has more than doubled, standing in 1919 at $1,249 million (in this amount is included $175 million belonging to the Clearing House of the Banks), while the total of discounts and overdrafts has also risen from $164 million in 1905 to $676 million in 1919.

Years	Discounts and Overdrafts in A/C. $ Currency	Deposits $ Currency	—Cash in hand— $ Gold	$ Currency
1910	361,133,194	390,837,407	36,591,916	99,182,590
1911	406,605,472	413,435,401	34,012,850	99,666,527
1912	419,622,019	478,326,771	37,802,050	130,860,991
1913	477,695,736	541,383,243	32,272,702	180,056,047
1914	496,660,964	605,411,541	28,641,226	194,147,851
1915	444,581,644	692,364,535	10,329,865	362,235,051
1916	441,683,946	755,654,289	14,907,093	366,621,052
1917	533,452,416	871,057,494	36,929,778	295,777,401
1918	532,069,740	1,195,044,502	36,109,047	315,498,595
1919	675,993,141	1,249,730,567	38,958,629	267,963,298

It is of vital importance to Argentina to be able to dispose of a great deal of its produce to other countries. Its largest pre-War customers, however, are not themselves producing as much as formerly, and have not therefore so much with which to pay. Extended facilities of payment are therefore given by the Bank, credits are opened, and all the national bonds offered by foreign holders are purchased, thereby stabilising Argentine sales and acquiring securities which afford an excellent investment for surplus funds.

The Bank's business during 1919 continued to develop, a natural consequence of the great value of the country's production, coupled with the improved economic situation. The amount of cheques passed through the Clearing House in 1919 was $34,000 million, as compared with $27,000 million for 1918. The demand for discounts in the market was very active, but the Bank kept to its ordinary rate of seven per cent. The demand for money at times was so great that other banks had recourse to the National Bank to re-discount bills, the total of such re-discounts rising at one time to nearly $40 million.

It has been the policy of this Bank to grant credits in any part of the country where the need is felt, to small farmers and graziers as well as to large industrial concerns, the use of small loans becoming daily more extended. The Bank takes a special interest in the financing of agriculture, and has authorised its branches to grant loans on cereals, and special loans for garnering the crops. Loans for cattle-breeding have also been widely made use of, and the Bank has not neglected to assist the dairy industry. Accommodation given to agriculturists and cattle-breeders amounted last year to $223 million.

The Bank's increase of business in 1919 is reflected in the net profit, which amounted to $12,226,664, as compared with $6,709,746 for 1918, and $2,164,791 for 1917. During 1914, 1915 and 1916, no net profit emerged.

Year ended Dec. 31	Total Profit. Paper. $	Expenses. Paper. $	Net Profit. Paper. $	To Capital Account. Paper. $	Reserve Fund. Paper. $
1919 ...	43,457,427	21,230,763	12,226,664	6,113,332	6,113,332
1918 ...	33,255,628	26,545,882	6,709,746	3,354,873	3,354,873
1917 ...	23,286,032	21,121,241	2,164,791	1,082,395	1,082,396
1916 ...	24,621,732	24,621,732	—	—	—
1915 ...	30,751,650	30,751,650	—	—	—
1914 ...	35,910,757	35,910,757	—	—	—
1913 ...	32,883,095	26,883,095	6,000,000	3,000,000	3,000,000

BANCO DO BRASIL.

Head Office: Rio de Janeiro.

Capital—

Authorised ... ...Reis 70,000,000

Subscribed and Paid up, in Shares of 200 milreis, fully paid 45,000,000

THE present Banco do Brasil is the result of a reorganisation which took place in 1905. The original Bank, soon after its formation, amalgamated in 1853 with the Banco Commercial, and commenced business under the title of the Banco do Brasil. Other banks were absorbed, and by 1856 the Bank had consolidated its position. The Paraguayan war, however, coupled with the crisis of 1864, brought it into difficulties, and a new bank of issue was subsequently established called the Banco dos Estados Unidos do Brasil. This latter Bank issued notes in excessive amounts, and public confidence was shaken. In 1893 it was amalgamated with its predecessor, the Banco do Brasil, and the new institution was known as the Banco da Republica. The Government, however, had to take over the management, as this Bank was unable to make good its position, and the business was liquidated.

On the reorganisation, in 1905, the authorised capital was fixed at seventy million milreis; forty-five million milreis, in shares of 200 milreis each, was subscribed and fully paid up, and at this figure the capital still stands. The Government owns half the paid-up capital. Substantial reserves of 17,291,000 milreis had accumulated on December 31, 1919, which compared very favourably with those of 12,152,000 milreis the year previously. The balance of undivided profit on the later date was over eleven million milreis. The Bank's net profits dropped during the first three years of the War about two million milreis below the pre-War amount, but have since more than recovered, and for 1919 amounted to 14,106,100 milreis, as compared with 11,407,000 milreis for 1918 and 6,145,000 milreis for 1917. The dividend for 1919 was ten per cent., eight per cent. per annum having been paid for the four previous years.

Year ended Dec.31.	Gross Profit. Milreis.	Expenses. Milreis.	Net Profit. Milreis.	—Dividend— Amount. Milreis.	Rate %	Reserve, &c. Milreis.	Carried Forward Milreis.
1919 ..	16,289,097	2,182,997	14,106,100	4,500,000	10	7,978,830	7,981,470
1918 ..	13,398,738	1,991,134	11,407,604	3,600,000	8	6,047,156	6,354,200
1917...	8,167,334	2,022,322	6,145,012	3,600,000	8	1,429,400	4,593,752
1916	6,410,704	1,973,604	4,437,100	3,600,000	8	907,100	3,478,140
1915...	6,38 ,052	1,569,776	4,811,276	3,600,000	8	895,128	3,548,139
1914 ..	6,285,254	2,0 4,650	4,270,604	4,[50,000	9	479,685	3,231,991
1913...	9,261,725	2,504,957	6,756,768	4,500,000	10	765,807	3,491,072

* By reason of the Govt.'s holding of one-half of the Bank's capital. 50% of the Dividend goes to the Brazilian Treasury.

Liabilities and Assets of The Banco do Brasil.

LIABILITIES.

Dec. 31	Capital Paid up. Milreis.	Reserve Funds. Milreis.	Paid up Capital and Reserve. Milreis.	%	Federal Treasury Exchange Account. Milreis.	%	Federal Treasury Current Account. Milreis.	%	Deposits and Current Accounts. Milreis.	%	Due to Agents and Other Accounts. Milreis.	%	Bills. Milreis.	%	Profit Balance. Milreis.	%	Total Liabilities. Milreis
1919...	45,000,000	17,291,470	62,291,470	7·5	8,888,888	1·1	—	—	163,[illegible],594	19·9	562,243,620	68·0	18,115,343	2·2	1,[illegible]05	1·3	826,530,967
1918...	45,000,000	12,152,456	57,152,456	6·7	8,888,888	1·0	—	—	188,606,[illegible]	22·0	581,927,167	67·8	13,192,873	1·5	8,[illegible]858	1·0	858,670,762
1917...	45,000,000	6,138,813	51,138,813	13·3	8,888,888	2·8	—	—	84,07[illegible]830	26·7	155,626,614	49·6	7,562,942	2·4	7,079,956	2·2	314,377,052
1916...	45,000,000	5,509,411	50,509,411	18·8	8,888,888	3·3	—	—	93,[illegible]67,[illegible]	34·9	101,651,353	37·7	8,276,610	3·0	5,929,524	2·2	269,223,832
1915...	45,000,000	4,902,341	49,902,341	26·4	8,888,888	4·7	—	—	60,099,942	31·7	60,044,088	31·7	4,607,297	2·4	3,952,550	3·1	189,495,067
1914...	45,000,000	4,407,174	49,407,174	24·9	8,888,888	4·5	5,175,225	2·6	103,606,644	52·3	19,644,672	9·9	5,724,285	2·9	5,619,365	2·9	198,066,253
1913...	45,000,000	3,927,188	48,927,188	21·6	8,888,888	3·9	8,667,596	3·8	131,827,152	58·0	11,736,997	5·2	10,606,571	4·7	6,276,678	2·8	226,931,670

ASSETS.

Dec. 31	Cash in Hand. Milreis.	%	Investments. Milreis.	%	Bills Discounted. Milreis.	%	Bills Receivable. Milreis.	%	Current Accounts, &c. Milreis.	%	Due from Agents and Other Accounts. Milreis.	%	Bank Premises, &c. Milreis.	%	Total Assets. Milreis.
1919 ...	53,152,365	7·1	26,9[illegible]2,751	3·2	113,[illegible]79,153	13·8	96,[illegible]41,965	11·7	20[illegible]84,327	25·4	307,9[illegible]2,085	37·3	2,307,311	·3	826,[illegible]30, 67
1918 ...	76,481,920	8·9	26,385,752	3·1	169,519,662	19·7	83,158,707	9·7	199,872,505	23·3	301,589,423	35·1	1,662,793	·2	858,670,762
1917 ...	31,408,621	10·0	31,538,740	10·2	46,165,423	14·6	21,074,389	6·7	51,945,838	16·5	130,808,905	41·6	1,435,136	·4	314,377,052
1916 ...	43,[illegible]0,261	15·1	31,[illegible]8,411	11·8	39,[illegible]0,[illegible]24	14·5	17,[illegible]8,100	6·7	41,972,[illegible]95	15·6	96,144,[illegible]5	35·7	1,[illegible]5,136	6	269,223,[illegible]32
1915 ...	29,780,429	15·7	31,449,751	16·6	16,330,334	8·6	5,503,953	2·9	33,702,513	17·8	71,298,087	37·6	1,430,000	·8	189,495,067
1914 ...	28,022,593	14·1	21,929,380	11·1	35,588,616	18·0	4,141,472	2·1	36,919,855	18·6	70,034,337	35·4	1,430,000	·7	198,066,253
1913 ...	40,668,238	17·9	21,783,060	9·6	50,875,105	22·4	4,597,315	2·0	30,647,830	13·5	76,925,122	33·9	1,430,000	·7	226,931,670

* Per cent. of Total Liabilities or Assets.

† The tabulated assets as printed in the official return only total to 816,[illegible]30,967 milreis.

The increase in profit is accounted for by the development of the Bank's business, particularly since 1915. Deposits rose from seven millions in that year to 163 millions in 1919, though in 1918 the enormous sum of 188 millions was registered. On the asset side the item of bills receivable was quadrupled during 1918 to eighty-three millions. During 1919 the total registered a further increase to ninety-six millions. Total assets in December 1919, however, showed a decrease of thirty-two millions as compared with those of 1918, though still far exceeding the totals of previous years.

BANCO ESPAÑOL DEL RIO DE LA PLATA.

Head Office: Buenos Ayres.
London Office: 7 Fenchurch Street, E.C.3.

Capital—

Authorised and Subscribed	$100,000,000	£18,730,158
Paid up	$98,875,380	£18,631,976

This institution, the Spanish Bank of the River Plate, commenced business at Buenos Ayres in January 1887, and, some foreign capital having been introduced, the Bank has become of an international character. In addition to its headquarters at Buenos Ayres and numerous branches in the Argentine, it has an office in Uruguay, one in Brazil, and European branches in London, Paris, Madrid, Genoa, Hamburg, Barcelona, Bilbao, Coruña, San Sebastian, Seville, Valencia, and Vigo.

The Bank has shown a steady growth throughout the greater part of its career. In 1887 the total assets amounted to £810,396; in 1910 they had reached £26 million, and in 1919 nearly £50 million. The prosperity of the country is favourable to banking activity, the volume of trade being considerable.

For the year ending June 30, 1920, the net profit was £881,500, compared with £731,600 for the previous year and £537,500 for the twelve months to June 1918. The dividends for these three years have been:—1918, five and a-half per cent.; 1919, six per cent.; 1920, seven per cent. Out of last year's available balance £174,603 has been set aside as an allowance for bad and doubtful debts, and £15,170 transferred to the reserve fund, which now amounts to about £4,300,000. The foregoing satisfactory results do allow an increase in expenditure from £495,000 in 1917-18 to £860,000 in 1919-20.

Deposits in June last were higher by £9 million than a year before, exceeding £43 million. After a drop from the figure of 1917-18, the cash item, at £10,765,000, had more than recovered by June last. Discounts and advances showed successive increases from £24,138,400 in the middle of 1918 to £25,997,900 in 1919 and £36,313,000 in 1920.

Year ended June 30,	Gross Profit.	Salaries and Other Expenses.	Net Profit.	Dividend Amount.	Rate.	Special Appropriations.
	£	£	£	£	%	£
1920 ...	1,[illegible]41	86[illegible]5	6[illegible]86	6[illegible]087	7	46,467
1919 ...	1,[illegible]62	54[illegible]47	78[illegible]7	516,[illegible]5	6	39,978
1918 ...	1,[illegible]80	195,[illegible]68	5[illegible]8,332	472,981	5½	39,622
1917 ...	[illegible]4,342	472,351	169,991	428,855	5	35,738
1916 ...	983,603	520,[illegible]83	462,920	428,386	5	35,698
1915 ...	1,051,461	6[illegible]6,764	[illegible]89,697	342,125	4	28,511
1914 ...	1,766,815	6[illegible]8,[illegible]8	1,0[illegible]737	[illegible]19,[illegible]0	11	113,520

BANCO ITALIANO DEL URUGUAY.

Head Office: Montevideo.

Capital—

Authorised	$5,000,000
Paid up	3,000,000

This Bank was established in 1887 for the purpose of furthering Italian interests in Uruguay, and also to act as a savings bank for Italian immigrants. The authorised capital is $5 million, $3 million of which is subscribed and paid up in shares of $100 each. On December 31 last the reserves, with the year's appropriations, amounted to $1,700,000, as compared with $1,350,000 in the previous balance sheet. Profits

Liabilities and Assets of The Banco Español del Rio de La Plata.

LIABILITIES.	Capital Paid up.	Reserve Fund.	To al Capital & Reserve.		Deposits, Current Accounts, &c.			Bills Discounted.			Current Accounts, &c.			Conversion Account.			Profit Balance.			Total Liabilities.		
June 30	Paper.	Paper.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.	% of Total.	Paper.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.
	$	$	£		$	$	£		$	$	£		$	$	£		$	£		$	$	£
1919 ...	389,[illegible]39	49,[illegible]257	12,916,414	21·8	621,[illegible]5,575	13,[illegible]6,731	45,759,014	77·2									7,132,[illegible]83	1,[illegible]3,[illegible]11	9	1,[illegible]1,[illegible]16	1,[illegible]6,[illegible]88	59,[illegible]2,8[illegible]0
1918 ...	389,[illegible]39	48,[illegible]296	12,[illegible]1,[illegible]05	25·7	4,[illegible]82,[illegible]40[illegible]	6[illegible]9,[illegible]6·0	36,[illegible]6[illegible]6·3	73·4									[illegible]0 0[illegible]·[illegible]6	4[illegible]1,[illegible]27	0·9	5,[illegible]0[illegible]6,[illegible]16	1,[illegible]6[illegible]6,[illegible]8[illegible]9	6[illegible],[illegible]2 8,[illegible]0[illegible]
1917 ...	389,[illegible]39	48,[illegible]742	12,[illegible]21,[illegible]47	23·5	3,[illegible]3[illegible],[illegible]19	[illegible]1,[illegible]59,[illegible]39	31,[illegible]59,239	70·0	1,[illegible]49,[illegible]68		361,[illegible]03	·8	3,[illegible]4[illegible],[illegible]70				29[illegible],[illegible]5		·7	6[illegible],[illegible]0[illegible],[illegible]61		49,[illegible]0[illegible],[illegible]54
1916 ...	[illegible]89,[illegible]11	[illegible]8,[illegible]11	12,[illegible]6,[illegible]32	31·1	3[illegible],[illegible]4[illegible],[illegible]87	2,[illegible]84[illegible],[illegible]10	27,[illegible]4[illegible],[illegible]33	57·8	1,[illegible]74[illegible],[illegible]23		3[illegible],[illegible]0[illegible],[illegible]01	9·0	2,[illegible]5[illegible],[illegible]02				[illegible],[illegible]1[illegible],[illegible]0[illegible]		·6	[illegible]1,[illegible]1[illegible],[illegible]13		[illegible],[illegible]1[illegible],[illegible]07
1915 ...	[illegible]89,[illegible]11	4[illegible],[illegible]86,[illegible]94	12,[illegible]0[illegible],[illegible]67	33·5	16,[illegible]1[illegible],[illegible]80	22,[illegible]3[illegible],[illegible]20	18,[illegible]4[illegible],[illegible]03	53·0	17,[illegible]0[illegible],[illegible]46		[illegible]5,[illegible]8[illegible],[illegible]43	9·4	2,[illegible]7[illegible],[illegible]60				2[illegible],[illegible]1[illegible],[illegible]0[illegible]		·7	3[illegible],[illegible]0[illegible],[illegible]0[illegible]		3[illegible],[illegible]8[illegible],[illegible]0[illegible]
1914 ...	[illegible]89,[illegible]11	47,[illegible]0[illegible],[illegible]42	12,[illegible]0[illegible],[illegible]68	33·5	13[illegible],[illegible]2[illegible],[illegible]72	18,[illegible]7[illegible],[illegible]78	15,[illegible]0[illegible],[illegible]8[illegible]	49·7	16,[illegible]7[illegible],[illegible]23		[illegible],[illegible]8[illegible],[illegible]33	10·4	2,[illegible]3[illegible],[illegible]06				1[illegible],[illegible]5[illegible],[illegible]39		·5	2[illegible],[illegible]4[illegible],[illegible]19		3[illegible],[illegible]4[illegible],[illegible]8[illegible]
1913 ...	97,[illegible]3[illegible],[illegible]19	17,[illegible]0[illegible],[illegible]93	4,[illegible]9[illegible],[illegible]18	33·0	12[illegible],[illegible]4[illegible],[illegible]21	24,[illegible]1[illegible],[illegible]26	21,[illegible]1[illegible],[illegible]53	58·2	18,[illegible]2[illegible],[illegible]06		3,[illegible]2[illegible],[illegible]10	9·6	5,[illegible]4[illegible],[illegible]11				4[illegible],[illegible]9[illegible]		1·3	3[illegible],[illegible]2[illegible],[illegible]8[illegible]		3[illegible],[illegible]0[illegible],[illegible]17

ASSETS.	Cash at Head Office and Branches.				Bills Discounted.				Current Accounts, &c.				Conversion Account.				Bank Premises, &c.				Total Assets.			
June 30	Paper.	Gold.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.	% of Total.	Paper.	Gold.	Equivalent.	% of Total.
	$	$	£		$	$	£		$	$	£		$	$	£		$	$	£		$	$	£	
1919 ...	130,[illegible]6[illegible]6	1,[illegible]4[illegible],[illegible]45	10,[illegible]6[illegible],[illegible]293	16·2	Included with Current Accounts, &c.				54,[illegible]8[illegible],[illegible]411		12,[illegible]86,[illegible]4[illegible]		4[illegible],[illegible]39[illegible],[illegible]91			78·9	[illegible]5,[illegible]0[illegible],[illegible]3[illegible]6		1,[illegible]4[illegible],[illegible]6[illegible]	2·3	67[illegible],[illegible]4[illegible],[illegible]4[illegible]6		15[illegible],[illegible]3[illegible],[illegible]6[illegible]	
1918 ...	1[illegible],[illegible]8[illegible],[illegible]17	[illegible],[illegible]8[illegible],[illegible]14	[illegible],[illegible]0[illegible],[illegible]17	1·4					4[illegible],[illegible]7[illegible],[illegible]11[illegible]		[illegible]1,[illegible]3[illegible],[illegible]6[illegible]		[illegible],[illegible]3[illegible],[illegible]6[illegible]				[illegible],[illegible]0[illegible],[illegible]6[illegible]		[illegible],[illegible]1[illegible],[illegible]6[illegible]		[illegible],[illegible]1[illegible],[illegible]6[illegible]		[illegible],[illegible]1[illegible],[illegible]6[illegible]	
1917 ...	1[illegible],[illegible]8[illegible],[illegible]3[illegible]6	1,[illegible]6[illegible],[illegible]3[illegible]6	9,[illegible]3[illegible],[illegible]4[illegible]2	20·9					3[illegible],[illegible]6[illegible],[illegible]6[illegible]6		34,[illegible]0[illegible],[illegible]6[illegible]7	75·7	4,[illegible]1[illegible],[illegible]1[illegible]0		3[illegible],[illegible]1[illegible],[illegible]91	·8	[illegible],[illegible]4[illegible],[illegible]6[illegible]4		[illegible],[illegible]1[illegible],[illegible]6[illegible]0	1·0	[illegible],[illegible]1[illegible],[illegible]6[illegible]0		[illegible],[illegible]1[illegible],[illegible]6[illegible]0	
1916 ...	1[illegible],[illegible]8[illegible],[illegible]3[illegible]6	1,[illegible]6[illegible],[illegible]3[illegible]6	9,[illegible]3[illegible],[illegible]4[illegible]2	20·9					3[illegible],[illegible]6[illegible],[illegible]6[illegible]6		34,[illegible]0[illegible],[illegible]6[illegible]7	75·7	4,[illegible]1[illegible],[illegible]1[illegible]0		3[illegible],[illegible]1[illegible],[illegible]91	·8	[illegible],[illegible]4[illegible],[illegible]6[illegible]4		[illegible],[illegible]1[illegible],[illegible]6[illegible]0	1·0	[illegible],[illegible]1[illegible],[illegible]6[illegible]0		[illegible],[illegible]1[illegible],[illegible]6[illegible]0	
1915 ...	[illegible],[illegible]8[illegible],[illegible]3[illegible]6	[illegible],[illegible]4[illegible],[illegible]81	[illegible],[illegible]4[illegible],[illegible]81	1·1					2[illegible],[illegible]4[illegible],[illegible]0[illegible]9		2[illegible],[illegible]0[illegible],[illegible]7[illegible]6	6·6	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	·1	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	·1	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	
1914 ...	41,[illegible]0[illegible],[illegible]8[illegible]7	20,[illegible]3[illegible],[illegible]3[illegible]2	4,[illegible]7[illegible],[illegible]2[illegible]6	22·2					21[illegible],[illegible]2[illegible],[illegible]8[illegible]1		17,[illegible]0[illegible],[illegible]1[illegible]2	52·3[illegible]4[illegible]	2[illegible],[illegible]3[illegible],[illegible]0[illegible]9		1,[illegible]9[illegible],[illegible]3[illegible]6	6·6	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	·1	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	
1913 ...	3[illegible],[illegible]7[illegible],[illegible]0[illegible]7	29,[illegible]1[illegible],[illegible]1[illegible]3	7,[illegible]4[illegible],[illegible]2[illegible]6	22·4	10[illegible],[illegible]1[illegible],[illegible]8[illegible]4	10,[illegible]1[illegible],[illegible]8[illegible]4	8,[illegible]3[illegible],[illegible]2[illegible]2	31·2	2[illegible],[illegible]4[illegible],[illegible]7[illegible]7		11,[illegible]4[illegible],[illegible]2[illegible]1	31·7	3[illegible],[illegible]6[illegible],[illegible]0[illegible]6		2[illegible],[illegible]8[illegible],[illegible]1[illegible]6	10·3	[illegible],[illegible]1[illegible],[illegible]0[illegible]4		[illegible],[illegible]0[illegible],[illegible]8[illegible]3	3·5	[illegible],[illegible]1[illegible],[illegible]0[illegible]4		[illegible],[illegible]0[illegible],[illegible]8[illegible]3	
1912 ...	2[illegible],[illegible]4[illegible],[illegible]1[illegible]6	24,[illegible]4[illegible],[illegible]8[illegible]6	5,[illegible]3[illegible],[illegible]7[illegible]0	19·1					2[illegible],[illegible]3[illegible],[illegible]0[illegible]3		9,[illegible]6[illegible],[illegible]2[illegible]6	25·6	[illegible],[illegible]3[illegible],[illegible]0[illegible]6		[illegible],[illegible]3[illegible],[illegible]0[illegible]6	·8	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	·1	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	
1911 ...	2[illegible],[illegible]1[illegible],[illegible]0[illegible]6	21,[illegible]1[illegible],[illegible]0[illegible]6	4,[illegible]6[illegible],[illegible]0[illegible]6	20·4					2[illegible],[illegible]1[illegible],[illegible]0[illegible]3		8,[illegible]6[illegible],[illegible]2[illegible]6	25·6	[illegible],[illegible]3[illegible],[illegible]0[illegible]6		[illegible],[illegible]3[illegible],[illegible]0[illegible]6	·8	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	·1	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	
1910 ...	1[illegible],[illegible]8[illegible],[illegible]3[illegible]6	18,[illegible]4[illegible],[illegible]3[illegible]6	3,[illegible]7[illegible],[illegible]2[illegible]6	18·4					1[illegible],[illegible]8[illegible],[illegible]0[illegible]3		7,[illegible]6[illegible],[illegible]2[illegible]6	25·6	[illegible],[illegible]3[illegible],[illegible]0[illegible]6		[illegible],[illegible]3[illegible],[illegible]0[illegible]6	·8	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	·1	[illegible],[illegible]0[illegible],[illegible]6[illegible]6		[illegible],[illegible]0[illegible],[illegible]3[illegible]6	

had been good, and the dividends for 1918 and 1919 were raised to a twelve per cent. basis—a return to the rate paid before the War, that during the intervening years having been somewhat less. The balance sheet for December 31 last shows considerable expansion to have taken place in the Bank's business during the twelve months, the total assets increasing by $8 million, cash accounting for $1,160,000 of the increment.

The Bank suspended payment in the last week of July 1920, and in the first week of August it requested a moratorium from the Government. The request was granted and the moratorium is to cover a period of six months—that is, until February 1921. The Bank's difficulties were due to its being involved in some commercial failures, news of which created a feeling of uncertainty amongst the depositors, who consequently sought to withdraw their accounts. With the aid of the moratorium it is expected that the Bank will tide over the present difficulties. It required only two million dollars to see it through, and a proposal to raise this sum by increasing the capital has been adopted. Of this additional amount no less than $1,500,000 are stated to have been already subscribed. Agreements have been come to with the various creditors of the Bank.

Banco Italiano del Uruguay.

LIABILITIES.	Dec. 31, 1920. $	June 30, 1918. $	Dec. 31, 1917. $
Capital	3,000,000	3,000,000	3,000,000
Reserves	1,700,000	1,350,000	1,143,750
Deposits	17,92[illegible],041	11,[illegible],272	12,[illegible],913
Savings banks	673,[illegible],046	4,[illegible],865	4,475,167
Notes	9,350	10,210	11,550
Profit balance and miscellaneous	351,200	325,291	285,869
Total Liabilities	29,324,860	21,336,488	21,281,685
ASSETS.			
Cash	8,38[illegible],564	6,919,166	5,721,669
Discounts	2,941,724	1,812,377	2,391,550
Current accounts and correspondents	17,242,506	11,492,230	12,128,642
Mortgages	168,000	185,571	206,292
Property	614,115	821,735	709,760
Miscellaneous	4,251	105,109	123,772
Total Assets	29,324,860	21,336,488	21,281,685

BANCO ITALIANO (LIMA).

Head Office: Lima (Peru).

Capital—

Subscribed	£P.400,000
Paid up	£P.280,000

The object of this Bank is to further Italian trade and interests generally in Peru. It was established thirty-one years ago, with a head office at Lima, and it now has branches at Arequipa, Callao, Chiclayo, Alta, and Mollendo.

As the result of an arrangement with the Banca Commerciale Italiana, the subscribed capital was increased from £P.200,000 to £P.400,000 between December 31, 1918, and June 30, 1919, and the amount paid up by £P.80,000 to £P.280,000. The nominal value of the Peruvian libra is £1 sterling.

By February 29 last the Bank's reserve fund had reached £P.253,589, as compared with £P.244,130 on June 30, 1919. The note circulation rose from £P.1,094,337 to £P.1,583,297 during the same period, and deposits by more than £P.600,000 to £P.3,325,000. The cash total was rather lower at the end of February last than on June 30, 1919, but the combined assets had increased by £P.1,300,000, advances and the gold deposit against notes both showing large additions.

Banco Italiano, Lima (Peru).

LIABILITIES.	Feb. 29, 1920 £P.	June 30, 1919 £P.	June 30, 1918 £P.	June 30, 1917 £P.
Capital paid up	280,000	280,000	280,000	200,000
Reserve funds	253,589	244,130	117,317	113,979
Bank note circulation	1,583,297	1,094,337	396,297	226,910
Current and fixed deposits	3,325,035	2,702,745	2,056,182	1,781,855
Other accounts	531,864	345,711	244,237	151,065
Total Liabilities	5,973,850	4,666,923	2,924,334	2,480,939
ASSETS.				
Cash	1,105,761	1,033,876	721,884	917,957
Gold deposit against notes	1,583,910	1,094,950	526,910	226,910
Bills discounted	728, 06	554,117	574,073	427,497
Advances and current account	1,280,350	913,977	714,325	415,261
Investments and other accounts	815,121	170,003	587,142	493,634
Total Assets	5,973 850	4,666,923	2,924,334	2,480,939

A later balance sheet recently to hand shows a drop of nearly £P.600,000 in the cash item during the four months to June 30 last, apart from a rise of nearly £P.200,000 in the gold deposit covering a similar increase in the note circulation. Bills discounted were higher by £P.500,000, and advances and overdrafts by £P.400,000. At £P.6,706,000 the total assets register an addition of £P.612,000.

BANCO MERCANTIL AMERICANO DEL PERU.

(*See also* Mercantile Bank of the Americas, Inc.)

Head Office: Lima, Peru.

Capital

Authorised	P£1,000,000 0 0
Issued	110,000 0 0

This undertaking is an affiliation of the Mercantile Bank of the Americas, in which latter institution Messrs. Brown Bros. and Co., Messrs. J. and W. Seligman, and the Guaranty Trust Co. of New York are interested. Besides its head office at Lima, the Bank has branches at Callao, Arequipa, and Chiclayo.

Recent accounts show the Bank to have considerably enlarged its business, and, though no actual profit and loss statement is available, it is understood that the operations have proved satisfactory and profitable. Undivided profits on June 30 last amounted to £P5,111, and the reserve now stands at about £P17,000. The authorised capital is £P1,000,000, of which £P110,000 is now paid up.

Comparing the balance sheet as at June 30 this year with that eighteen months earlier, we find the total assets to have increased from £P2,486,000 to £P5,358,000, nearly half the latter amount being represented by cash resources. The deposits now exceed £P5 million.

LIABILITIES.	June 30, 1920 £P.	Dec. 31, 1918 £P.
Capital	110,000 0 0	100,000 0 0
Reserve funds	16,838 1 55	10,000 0 0
Deposit, current accounts, &c.	5,221,080 3 32	2,358,501 2 21
Bills payable	5,395 5 17	1,300 8 20
Profit balance, &c.	5,111 9 88	16,346 7 7
Total Liabilities	5,358,424 9 92	2,486,208 8 89
ASSETS.		
Cash and due from other banks	2,305,734 8 95	1,092,184 2 01
Loans and advances, &c.	1,928,954 8 60	799,157 5 61
Current accounts, &c.	1,993,603 4 15	583,033 7 90
Sundry assets	711 7 92	20,833 3 3
Total Assets	5,358,424 9 92	2,486,208 8 89

BRITISH BANK OF SOUTH AMERICA.

(*See* Anglo-South American Bank.)

Head Office: 4 Moorgate Street, London, E.C. 2.

Capital—

Authorised	£2,000,000
Subscribed, 100,000 Shares of £20 each ...	2,000,000
Paid up, £10 per Share	1,000,000

This Bank was founded in 1863 under the title of the Brazilian and Portuguese Bank, Limited, with a paid-up capital of £250,000. The Bank now has branches at Bahia, Rio de Janeiro, San Paulo, Monte Video, Rosario de Santa Fé, Porto Alegre and Buenos Ayres, while somewhat recently a branch was opened in Manchester to meet the demands of the large export business from that centre to South America. The Bank has a close working connection with the London Provincial and South Western Bank, now absorbed by Barclays Bank Limited. In view of the size and scope of the latter bank, one of the "Big Five," the connection should prove of great value. The British Bank is also interested in the business of Cox and Company (France) Limited, which keeps a special department for South American business at its head office in Paris.

The outstanding feature this year is the acquisition by the Anglo-South American Bank of a controlling interest in the British Bank. Full details of the scheme are given under the heading of the Anglo-South American Bank, and it is only necessary to state here that, of the 100,000 shares of the British Bank, 99,238 are held by the Anglo-South American Bank.

BANCO DE CHILE Y ARGENTINA

FORMERLY

BANCO DE PUNTA ARENAS

Date of Incorporation not Given

Head Office:

Punta Arenas (Chile)

Subscribed Capital	-	$10,000,000
Called-up Capital	-	$7,500,000
Reserve Fund	- -	$2,600,000

Branches

IN CHILE

VALPARAISO CASTRO

IN ARGENTINA

SANTA CRUZ RIO GALLEGOS SAN JULIAN

London Agents

BARCLAYS BANK LTD.

BANCO DE CHILE Y LONDRES Y AMERICA

E. HENRY SCHROEDER AND CO.

Bills negotiated and collected Banking and Exchange business of every description transacted

CABLE ADDRESS: BANCO

E. PETTERSEN, Managing Director

BANCO ESPAÑOL DEL RIO DE LA PLATA.

Established 1887

London Branch: 7 FENCHURCH STREET, E.C. 3.

London Manager: A. [illegible]

Sub-Manager: W. [illegible]

Capital Subscribed	$100,000,000m	£8,730,158
Capital Paid up ...	98,875,380	8,631,976
Reserve Fund... ...	49,076,297	4,284,438
New Reserve Fund	674,772	58,909

Head Office: **BUENOS AIRES.**

General Manager: J. [illegible]

BRANCHES:

Argentine Republic – 34 Branches in the principal Cities

Brazil—Rio de Janeiro.

Uruguay—Montevideo.

Europe—London, Paris, Madrid, Vigo, Barcelona, Valencia, Coruna, Bilbao, San Sebastian, Seville, Genoa, and Hamburg

Correspondents in all parts of the World

FOREIGN AND OVERSEAS BANKING IN ALL ITS BRANCHES.

Banco Italiano

LIMA (PERU).

BRANCHES:

Arequipa, Callao, Chincha Alta, Mollendo.

STATEMENT OF ACCOUNTS, December 31, 1919

LIABILITIES

Capital Paid up	£P [illegible]	
Reserve Funds	244,[illegible]	
Bank Notes Circulation ..	1,[illegible]	
Current and Fixed Deposits ..	3,[illegible]	
Securities Deposited	2,[illegible]	
Other Accounts	1,031,244.1.37	
	£P [illegible]	

ASSETS

Cash in hand and at Bankers	£P [illegible]	
Treasury Certificates [illegible]	[illegible]	
Bank Notes Circulation ..	[illegible]	60
Bills Discounted	678,845.4.13	
Advances in Current Account ..	[illegible]	
Creditors' Securities Deposited ..	[illegible]	
Investments and Other Accounts	[illegible]	
	£P [illegible]	

Every kind of Banking Business transacted. Bills negotiated and collected, Cheques issued, Letters of Credit, Mail and Cables, Transfers, Advances upon country produce, Openings of Documentary Credit, Current and Cheques accounts opened, Deposits received.

Agents in London, Banca Commerciale Italiana.

1 OLD BROAD STREET, E.C. 2.

BANCO CENTRAL

Capital entierement souscrit 200,000,000 de Pésétas.

Calle Alcala 31, Apartado No. 339. MADRID (Espagne).

PRESIDENT—Son Exc. Monsieur le Marquis d'Aldama.
DIRECTEUR—N. Vouroucla.

SUCCURSALES: Arevalo. Avila. Toledo.

BANQUES ET CORRESPONDANTS.

CREDITO DE LA UNION MINERA, Bilbao.
BANCO GUIPUZCOANO, San Sebastian.
BANCO CASTELLANO, Valladolid.
BANCO DE SANTANDER, Santander.
CREDITO NAVARRO, Pamplona.
BANCO DE CREDITO DE ZARAGOZA, Zaragoza.
HIJOS DE M. CALVO LOZANO Y CIA., Granada.

Correspondants a Londres:
London Joint City & Midland Bank, Limited.
Barclays Bank Limited.

Correspondants a New York:
National City Bank of New York.
The Equitable Trust of New York.

Sont en outre en relations avec toutes les principales Banques

Liabilities and Assets of The British Bank of South America, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Deposits, &c. £	% *	Bills Payable, £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	1,000,000	1,000,000	2,000,000	8·1	18,839,691	76·4	3,189,696	14·2	119,046	·5	202,849	·8	24,651,285
1918 ...	1,000,000	1,030,000	2,000,000	11·8	12,560,318	74·2	2,079,803	12·3	102,987	·6	191,087	1·1	16,934,195
1917 ...	1,000,000	1,000,000	2,000,000	12·8	11,189,444	71·7	2,160,762	13·8	36,613	·6	167,606	1·1	15,614,422
1916 ...	1,000,000	1,000,000	2,000,000	13·5	9,660,476	65·3	2,865,181	19·4	95,174	·7	160,239	1·1	14,781,070
1915 ...	1,000,000	1,000,000	2,000,000	15·0	8,335,370	63·8	2,579,545	19·3	93,383	·7	160,785	1·2	13,369,083
1914 ...	1,000,000	1,000,000	2,000,000	14·0	8,368,677	58·5	3,696,482	25·8	91,827	·6	154,697	1·1	14,311,683
1913 ...	1,000,000	1,100,000	2,100,000	10·9	10,751,158	55·3	6,312,516	32·4	91,504	·4	194,501	1·0	19,449,679

ASSETS. Dec. 31	Cash in Hand, at Bankers and at Call. £	% *	Bills Receivable. £	% *	Advances, Investments, &c. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919	5,739,280	23·3	6,831,084	27·7	11,833,193	48·2	19,719	·8	24,651,285
1918	4,444,011	26·3	5,042,265	29·8	7,252,984	42·8	194,935	1·1	16,934,195
1917	3,467,337	21·8	4,486,164	28·7	7,055,796	45·2	205,225	1·3	15,614,422
1916	2,954,927	20·0	4,953,215	33·5	6,667,424	45·1	205,504	1·4	14,781,070
1915	3,441,908	25·8	3,947,728	29·5	5,773,676	43·2	205,771	1·5	13,369,083
1914	3,349,080	23·4	4,964,849	34·7	5,791,725	40·5	206,029	1·4	14,311,683
1913	3,738,073	19·2	7,449,964	38·3	8,066,044	41·5	195,598	1·0	19,449,679

* Per cent. of Total Liabilities or Assets.

and these figure in the latter's balance sheet as part of its assets.

The net profits of the British Bank for the year 1919 amounted to £166,762, as compared with £158,481 for the previous year. This profit equals 16.6 per cent. on the paid-up capital and 8.3 per cent. on the capital and reserve, the latter being the same amount as the capital—£1,000,000. The total distribution for the year, including a bonus of three per cent., was fifteen per cent.

Profits of the British Bank of South America.

Year to Dec. 31	Gross Profit. £	Expenses & Taxes. £	Net Profit. £	Dividend. Amount. £	Dividend. Rate. %	Special Allctns. £	Carried Forward £
1919 ...	498,419	331,657	166,762	170,000	15	15,000	102,849
1918 ...	406,067	247,586	158,481	140,000	14	15,000	101,087
1917 ...	352,375	225,008	127,367	120,000	12	—	97,605
1916 ...	324,630	205,176	119,454	120,000	12	—	90,238
1915 ...	330,009	203,922	126,087	120,000	12	—	90,784
1914 ...	343,724	223,527	120,197	120,000	12	—	84,697
1913 ...	412,799	227,584	185,215	170,000	17*	14,500	84,500

* Tax free.

Compared with 1918, the deposits have expanded from £10,916,000 to £15,290,000, and bills payable from £2 million to £3,489,000. Cash in hand and at call has risen by £1,300,000 to £5,739,000, while bills receivable and others show an increase of £1,800,000. The total of advances and investments, at £11,833,000, is more than £4 million higher.

Liabilities to the public amounted to £22,329,390. Assets were held against these in the following approximate proportions: Cash, twenty-five per cent.; bills, thirty per cent.; advances, investments, &c., fifty-three per cent.

COMMERCIAL BANK OF SPANISH AMERICA.

(*See* **Anglo-South American Bank.**)

Head Office: 9 Bishopsgate, London, E.C. 2.

Capital—

Authorised, 500,000 shares of £1 each ...	£500,000
Issued, 498,562 "A" shares of £1 each; 1,438 "B" shares of £1 each ...	500,000
Paid up	500,000

This Bank was formed in 1904 as an amalgamation of two small banks. The main purpose of the organisation was to finance the movement of produce in the various States where it was raised, and it also aimed at being in a position to handle such produce as it might receive by way of collateral or cover, find the best markets for it, and act as intermediary between local customers and European manufacturers.

The capital is divided into "A" shares and "B" shares, and consists almost entirely of the former, which are entitled to a non-cumulative preferential dividend of six per cent and participate further with the "B" shares in profits after three per cent. has been paid on the latter. The "A" shares are also entitled to priority for capital, with further participation after payment of "B" shares.

From 1915 to 1918 no dividend was paid, even on the "A" shares, which had fallen in price to below 10s. The offer, therefore, in 1917, of the Anglo-South American Bank to purchase the "A" shares at a price of 17*s.* 6*d.* each, was an attractive one, and placed the Bank in a better position to meet the growing competition among influential banks in South America. Since its acceptance business has increased so much that it has been thought expedient to raise the issued capital to £500,000 by the issue of 238,583 "A" shares of £1 each, fully paid. The whole of these were subscribed for at par by the Anglo-South American Bank, which thus holds nearly all the capital of the Commercial. The Banks, though to all intents and purposes the same bank, are, however, separately administered.

The net profit for the year ending June 30, 1920, was £67,682, an increase of £32,000 over the previous year's figures. It is equal to 25.8 per cent. on the then paid-up capital, and to 20.1 per cent. on the total of capital and reserve. A dividend of seven per cent. was paid on the "A" shares, and £25,000 transferred to reserve fund, bringing this up to £75,000.

Profits of the Commercial Bank of Spanish America.

Yr. to June 30	Gross Profit. £	Expenses. £	Net Profit. £	Dividends—Amount. £	Dividends—"A" %	Dividends—"B" %	Special Allctns. £	Carried Forward. £
1920	181,526	121,344	60,182	18,199	7	Nil	29,000	19,159
1919 ...	111,681	76,775	34,906	15,599	6	Nil	14,686	6,176
1918 ...	80,718	54,117	26,601	—	Nil	Nil	27,689	1,554
1917 ...	35,785	14,455	21,330	—	Nil	Nil	21,634	2,642
1916 ...	25,682	11,902	13,780	—	Nil	Nil	14,727	2,946
1915 ...	22,387	11,823	10,564	—	Nil	Nil	15,923	3,893
1914 ...	29,575	16,335	13,240	5,430	3	Nil	4,228	9,252

Liabilities and Assets of The Commercial Bank of Spanish America Limited

LIABILITIES. June 30	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Current Accounts &c. £	% *	Bills Payable. £	% *	Profit Balance. £	% *	Total Liabilities. £
1920	261,417	75,000	336,417	9·9	2,384,131	70·3	623,173	18·4	48,858	1·4	3,392,539
1919	261,417	50,000	311,417	17·0	1,168,270	67·5	228,712	13·2	21,888	1·3	1,730,287
1918	261,417	35,314	296,731	22·7	816,320	62·5	191,879	14·7	1,668	·1	1,306,598
1917	261,417	31,000	295,417	49·9	176,295	29·8	117,186	19·9	2,758	·4	591,886
1916	261,417	33,000	294,417	59·0	110,025	22·1	91,394	18·3	3,005	·6	498,831
1915	261,417	46,000	307,417	60·2	125,740	24·6	73,359	14·4	4,106	·8	510,622
1914	261,417	31,000	292,417	50·8	123,181	21·4	146,122	25·3	14,682	2·5	576,402

ASSETS. June 30	Cash in Hand. £	% *	Investments. £	% *	Bills Receivable. £	% *	Loans, Advances, &c. £	% *	Miscellaneous. £	% *	Total Assets. £
1920	378,306	11·2	309,477	9	865,943	25·5	2,054,257	61·7	23,776	·7	3,392,539
1919	213,178	12·3	34,145	2·0	77,516	4·5	1,387,769	80·2	1,679	1·0	1,730,287
1918	164,412	12·6	38,114	2·9	80,065	6·1	1,010,745	77·4	13,262	1·0	1,306,598
1917	51,813	8·8	38,221	6·4	47,838	8·1	423,996	71·6	30,118	5·1	591,886
1916	36,819	7·4	41,106	8·4	33,753	6·8	348,727	69·9	37,556	7·5	498,831
1915	33,352	6·5	42,641	8·4	47,289	9·2	349,783	68·5	37,557	7·4	510,622
1914	34,475	6·0	53,664	9·3	14,491	2·5	437,715	76·0	36,057	6·2	576,402

* Per cent. of Total Liabilities or Assets.

The total [illegible] during the year under review from £1,168,277 to £2,884,[illegible] On capital and reserves [illegible] £1,500,000 to £3,878,305, while the total of [illegible] has expanded from £7,787,701 to £22,[illegible]. The cash in hand and at call [illegible] from £1,730,000 to £3,[illegible]. Investments [illegible] strength.

The Overseas Bank [illegible] while [illegible] the War [illegible] with [illegible] Bank like [illegible] Anglo-South American, [illegible] the result [illegible] has [illegible] a prosperous and thriving institution.

LONDON AND BRAZILIAN BANK, LTD.

Head Office: 7 Tokenhouse Yard, London, E.C.2.

Capital—

Authorised, 150,000 shares of £20 each ...	£3,000,000
Issued	3,000,000
Paid up, £10 per share	1,500,000

This Bank was established in 1862 and its [illegible] at Rio de Janeiro, soon afterwards opened, was the first foreign bank to be established in Brazil. The Anglo-Portuguese Bank was shortly afterwards taken over, and two branches were opened in Portugal, at Lisbon and Oporto. The Bank now has thirteen branches in Brazil, and, in addition, offices at Buenos Ayres, Rosario, Montevideo, Paris, and an agency in New York, the Head Office being in London.

During 1919 £500,000 of additional capital was issued, viz., 25,000 shares of £20 each, £10 paid up, at a premium of £10 per share. This increased the paid-up capital from £1,250,000 to £1,500,000. Of the premium of £250,000, £100,000 was added to the reserve fund, making it equal to the paid-up capital, and the remaining £150,000 was added to the balance of profit and loss account carried forward.

In 1918 the Bank, in conjunction with the Anglo-South American Bank, entered into an arrangement with Williams Deacon's Bank at Manchester for the latter to open a South-American department in that city, and act as agents to the two Anglo-American banks, each to have its own representative with Williams Deacon's Bank. Later in the same year, again in conjunction with the Anglo-South American Bank, an arrangement was made with the Northern Banking Company of Belfast, for representation in the North of Ireland. In 1919 a close working arrangement was effected with the National Provincial and Union Bank of England, Limited, but no surrender of control was involved.

Turning to the figures [illegible] 1920, we find the total is £3,823,000 above the previous year's figure, an increase of about seventeen per cent. The deposits show an increase of £727,000 to over £13 million, while bills payable and bills for collection [illegible] to over £1 million, [illegible] of employed funds [illegible].

On the assets side the cash total at £7,529,000 is £[illegible],000 more, and bills receivable and investments have both considerably increased.

The gross profit of £[illegible],772 [illegible] previous year. The heavy expenses reduced this to a net [illegible], which is equal to 24·2 per cent. on the paid-up capital, as in 1918, and the [illegible] of profit and loss account. A distribution of eighteen per cent. for the year, [illegible] interim dividend [illegible] per cent. [illegible] balance from last year. The large [illegible] account, in view of the heavy expenditure to be met in connection with the extension of premises at Rio and San Paulo.

Results of the London and Brazilian Bank.

Yr. to Jan. 31	Gross Profit.	Expenses.	Taxes.	Net Profit.	Dividend. Amount.	Rate.	Allowances.	Profit carried forward.
	£	£	£	£	£	%	£	£
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	18	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	43,000	[illegible]	[illegible]	18	[illegible]	332,559
1918 ...	671,450	301,515	43,750	326,338	270,000	18	25,000	360,386
1917 ...	702,095	258,132	40,000	403,963	270,000	18	—	368,853
1916 ...	660,824	280,417	50,000	330,407	270,000	18	—	297,572
1915 ...	526,056	276,772	55,198	194,086	157,500	15	—	260,441
1914 ...	672,750	290,955	47,213	341,582	255,000	20	75,000	280,155

* Carried to [illegible] £150,000 [illegible]

LONDON AND RIVER PLATE BANK.

Amalgamated with Lloyds.

Capital—

Authorised	£4,000,000
Subscribed, 120,000 shares of £25 each ...	3,000,000
Paid up, £17 per share	2,040,000

Though the capital of this Bank is nearly all held by Lloyds Bank Limited, it continues to publish separate statements of account. In December of last year it was stated that the holders of 117,941 shares, out of the total of 120,000, had accepted the offer made by Lloyds, the terms of which were that each holder of a River Plate Bank share with £15 paid was to receive two shares in Lloyds Bank aggregating £16 paid, and having, at the time, a total [illegible] value of £51, while the market value of the River Plate [illegible] was £45. It [illegible] announced in August 1918 that, as nearly [illegible] per cent. of the River Plate Bank shareholders had accepted the offer, the agreement with Lloyds Bank had become effective.

The Bank has built up a reserve fund exceeding its paid-up capital, and on September 30, 1919, it amounted to £2,100,000. The net profit for the year ending [illegible] was £[illegible],574, as compared with £400,394 for the previous year, and the dividend was maintained at fifteen per cent. per annum. It was proposed to capitalise £240,000 of the profit, equal to £2 on each share, making £17 per share paid-up—a proposal to which effect has been given.

The recent expansion of the Bank is very marked. Deposits rose between September 1918 and September 1919 from £40,515,000 to £[illegible],[illegible], and bills [illegible] on the same [illegible] than £9 million to £53,783,000. Of the latter amount £16½ million was represented by cash—an increase of

Liabilities and Assets of The London and Brazilian Bank, Limited.

LIABILITIES. Jan. 31	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Deposits, &c.		Bills Payable.		Bills for Collection.		Miscellaneous.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1920 ...	1,500,000	[illegible]	3,000,000	11·2	[illegible]	12·3	14,170,417	53·2	[illegible]	20·5	—	—	749,819	2·8	[illegible]
1919 ...	1,250,000	1,400,000	[illegible]	11·6	[illegible]	9·9	[illegible]	57·9	[illegible]	18·3	—	—	[illegible]	2·3	[illegible]
1918 ...	1,250,000	[illegible]	[illegible]	13·8	2,837,874	13·5	11,221,732	53·2	3,588,597	17·1	—	—	419,588	2·3	[illegible]
1917 ...	1,250,000	1,400,000	2,650,000	13·8	[illegible]	18·4	[illegible]	49·3	3,150,916	13·4	—	—	411,586	2·1	[illegible]
1916 ...	1,250,000	1,400,000	2,650,000	14·1	[illegible]	21·0	[illegible]	43·8	[illegible]	14·0	—	—	410,071	2·1	[illegible]
1915 ...	1,250,000	[illegible]	2,650,000	13·6	[illegible]	19·8	9,121,689	46·7	3,474,793	17·8	—	—	[illegible]	2·1	19,507,871
1914 ...	1,250,000	1,400,000	2,650,000	11·9	4,783,517	21·4	9,443,052	42·3	4,769,861	21·4	120,000	·6	540,155	2·4	[illegible]

ASSETS. Jan. 31	Cash & Bankers' Balances, &c.		Bills Discounted, Loans, &c.		Bills Receivable.		Subscription Accounts, &c.		Bank Premises, &c.		Other Assets.	
	£	%*	£	%*	£	%*	£	%*	£	%*	£	
1920 ...	[illegible]	28·3	[illegible]	38·2	3,179,492	11·9	[illegible]	20·5	[illegible]	1·1	[illegible]	
1919 ...	6,927,113	33·4	[illegible]	42·4	1,719,[illegible]	7·6	4,181,388	18·3	298,612	1·3	[illegible]	
1918 ...	5,533,590	28·8	8,121,[illegible]	42·2	1,955,[illegible]	10·2	3,288,507	17·1	[illegible]	1·7	[illegible]	
1917 ...	6,359,940	33·1	6,[illegible],540	33·6	2,980,301	15·5	3,150,916	13·4	[illegible]	1·4	[illegible]	
1916 ...	6,502,013	34·5	7,[illegible],[illegible]	37·4	2,375,463	12·6	2,638,237	14·0	[illegible]	1·5	[illegible]	
1915 ...	6,130,586	31·4	7,[illegible],913	37·5	2,[illegible],[illegible]	11·8	3,474,793	17·8	[illegible]	1·5	[illegible]	
1914 ...	4,630,525	20·8	9,000,750	40·7	3,513,906	15·7	4,769,861	21·4	[illegible]	1·4	[illegible]	

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The London and River Plate Bank, Limited.

LIABILITIES. Sept. 30	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	% *	Deposits, &c. £	% *	Bills for Collection. —per Contra.— £	% *	Acceptances. £	% *	Profit —Balance.— £	% *	Total Liabilities. £
1919 ...	1,800,000	2,100,000	3,900,000	7·3	39,080,379	72·7	5,972,716	11·1	4,109,137	7·6	721,325	1·3	53,783,857
1918 ...	1,800,000	2,000,000	3,800,000	8·6	32,567,677	74·0	4,713,792	10·7	2,467,445	5·6	491,251	1·1	44,040,165
1917 ...	1,800,000	2,000,000	3,800,000	10·1	26,202,827	69·9	3,782,746	10·1	3,273,377	8·7	455,357	1·2	37,514,307
1916 ...	1,800,000	2,000,000	3,800,000	11·4	22,033,271	66·3	3,324,085	10·0	2,722,288	11·2	352,959	1·1	33,232,603
1915 ...	1,800,000	2,000,000	3,800,000	11·1	22,000,208	64·4	3,503,321	10·2	4,181,372	13·1	398,676	1·2	34,183,577
1914 ...	1,800,000	2,000,000	3,800,000	11·7	19,913,072	61·5	4,148,844	12·8	4,129,310	12·8	407,159	1·2	32,392,385
1913 ...	1,800,000	2,000,000	3,800,000	9·5	22,452,461	59·9	5,956,582	14·9	6,088,587	15·3	552,189	1·4	39,829,819

ASSETS. Sept. 30	—Cash in Hand.— £	% *	Advances, Bills, Securities, &c. £	% *	Bills for —Collection.— £	% *	Custrs.' Liab. for —Acceptances.— £	% *	Bank —Premises, &c.— £	% *	Total Assets. £
1919	16,528,989	30·7	26,748,217	49·8	5,972,716	11·1	4,109,137	7·6	424,498	·8	53,783,857
1918	12,762,067	29·0	23,762,521	54·0	4,713,792	10·7	2,467,445	5·6	334,340	·7	44,040,165
1917	9,491,504	25·3	20,637,108	55·0	3,782,746	10·1	3,273,377	8·7	329,572	·9	37,514,307
1916	8,267,246	24·5	17,586,054	52·9	3,324,085	10·0	2,722,288	11·2	332,930	1·0	33,232,603
1915	9,519,149	27·9	16,345,551	47·2	3,503,321	10·2	4,181,372	13·1	334,201	1·0	34,183,577
1914	10,799,963	33·3	12,994,414	40·1	4,148,844	12·8	4,129,310	12·8	319,854	1·0	32,392,385
1913	7,837,122	19·7	19,693,071	49·4	5,956,582	15·0	6,088,587	15·3	254,457	·6	39,829,819

* Per cent. of Total Liabilities or Assets.

nearly £4 million. Bills and advances totalled £30,817,000, a rise of over £4 million.

The Bank's head office is at 7 Princes Street, London, E.C., and there is an agency at Manchester. There are numerous branches in Argentina, Uruguay and Brazil, two in Chile, offices in Paris and Antwerp, and an agency in New York. Branches have been recently opened at Lisbon, Porto Alegre (Brazil), and Asuncion (Paraguay).

Profits of the London and River Plate Bank, Limited.

Year to Sept. 30.	Gross Profit. £	Net Profit. £	Earned. %	Dividend Subject to Tax. —Paid.— %	£	Special Allocations. £	Carried Forward. £
1919 ...	1,091,906	505,574	28·1	15	270,000	Nil	559,325
1918 ...	881,579	400,394	22·2	15	270,000	100,000	325,751
1917 ...	781,070	334,599	18·6	15	270,000	Nil	295,357
1916 ...	633,531	263,445	14·6	15	270,000	28,663	229,758
1915 ...	678,234	285,469	15·8	15	270,000	29,655	260,976
1914 ...	660,691	221,565	12·3	15·96	287,495	Nil	275,179

(or 15 per cent. net).

UNITED STATES BANKS.

It has frequently been stated that the War afforded a severe test of the merits of the new banking system which was inaugurated in the United States just before the outbreak of hostilities by the Federal Reserve Law. The truth of this view is open to doubt. That the Federal Reserve System would permit of an enormous expansion of credit few critics doubted. But the test of a banking system comes, not in a period of expansion, more especially when, as in the United States, that expansion was accompanied by and based upon a flood of gold from all parts of the world, but in the subsequent period of contraction. Many people are apt to forget that the test of elasticity does not lie in the power of extension, but in the much rarer quality of being able to resume original dimensions. It is therefore probable that the United States banking system is even now entering upon its period of trial. Judged by our standard, it is behaving well under stress, for it seems clear that there is a far greater power of control, a far greater opportunity for centralised preparation against future trouble in the Federal Reserve System than could possibly have existed in the days before 1913.

The past twelve months' working of the banks in the United States show an expansion of banking credit which, though not on such a scale as has been witnessed in Europe, is still considerable. This is largely due to the fact that soon after the beginning of the year 1919 the United States Government withdrew from the work of financing the belligerent States, and the task of assisting American exporters to meet the urgent necessities of Europe fell largely upon the American banks. The demand for credit has been heavy and insistent, but the Federal Reserve Board reports that "the general conclusion to be drawn is unmistakably to the effect that the operation of credit control through higher discount rates has had a marked success," though there has been a good deal of open and organised opposition to the policy of the Board, especially from the agricultural interests.

The avowed objects of Congress in establishing a system of Federal Reserve Banks were to furnish the country with an elastic currency, to afford the means of discounting commercial paper, and to create a more effective supervision over banking in the United States. It can scarcely be denied that the system has successfully attained these objects, though it is only recently that its power was tested as a check upon undue expansion and as a means of bringing about a healthy liquidation in order to remedy some of the more disquieting features in the commercial and industrial situation.

The transition to a normal credit basis has probably proceeded further in the United States than in any other country, but it must not on this account be imagined that the volume of credit or of currency has contracted. It is greater than ever, though less in proportion to the demand, and a curbing effect has been exercised on trade and commerce in general. The situation is, in effect, somewhat akin to that with which we have recently been confronted in the United Kingdom. Speculation in stocks and commodities has been checked, and bank loans have been restricted to industries that might be classed as essential to the national welfare. The period of monetary stringency in the United States may be said to have commenced in January last, and the extent of the change since then may be gathered from the following table:—

(In thousands of Dollars.)

	—Beginning of— Jan. 1920.	Nov. 1920.	Increase (+) or decr. (—)
Federal Reserve Banks:			
Bills discounted	2,805,820	3,099,680	+293,860
Fed. Note circulation	2,998,990	3,351,360	+352,310
Ratio of reserves to liabs.	43·7	43·1	— 0·6
N.Y. City Banks & Trust Co's:			
Loans, discounts and investments	5,272,890	5,371,580	+ 98,690
Reserve requirements ...	551,8	551,050	— 770
Excess reserves	34,9	8,770	— 26,240

These figures relate only to Federal Reserve Banks and the New York City Banks and Trust Companies, but they may be taken as representative of conditions throughout the United States so far as banking is concerned. The increase in discounts and loans and in the Federal Reserve note circulation will be observed, as well as the slight contraction of the Federal Reserve ratio and the large decline in the excess reserves of the New York City Banks and Trust Companies. The position of the twelve Federal Reserve Banks as the pivot of the system is shown in the table given on the next page. As will be seen from the figures at the foot of the table, the ratio of total reserves to net deposits and Federal Reserve note liabilities combined, which was 47.1 per cent. on November 14, 1919, had fallen to 43.0 per cent. on November 5 and 43.6 per

The British Bank of South America, Ltd.

Head Office:
4 MOORGATE ST., LONDON, E.C. 2.

Subscribed Capital	£2,000,000
Paid-up Capital	£1,000,000
Reserve Fund	£1,000,000

Branches:
Manchester
Buenos Aires — Rosario de Santa Fé
Rio de Janeiro — Bahia
Montevideo — Porto Alegre
São Paulo — Pernambuco
Rio Grande do Sul

Also Correspondents in all other Principal Cities of Brazil and the River Plate.

MONTHLY TRADE REPORT.
Free on Application.

LONDON & BRAZILIAN BANK, LIMITED.
ESTABLISHED 1862.

Capital	£3,000,000
In 150,000 Shares of £20 each.	
Paid-up Capital	£1,500,000
Reserve Fund	£1,500,000

Head Office:
7 TOKENHOUSE YARD, LONDON, E.C. 2.

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agents:
NORTHERN BANKING CO., Ltd.
(and Branches).

Liverpool Agents:
BANK OF LIVERPOOL & MARTINS, Ltd.
(and Branches).

BRANCHES:
Brazil.—Rio de Janeiro, Manáos, Pará, Maranhao, Ceará, Pernambuco, Bahia, Santos, São Paulo, Curityba, Rio Grande do Sul, Porto Alegre, Pelotas.
River Plate.—Montevideo, Buenos Ayres, Rosario.
United States.—New York (Agency).
France.—Paris (5 Rue Scribe).
Portugal.—Lisbon, Oporto.

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STATE BANKS.

(In Thousands of Dollars.)

ASSETS.	1914	1916	1917	1918	1919
	$	$	$	$	$
Loans	2,883,098	3,379,823	4,080,611	1,755,931	6,629,093
Overdrafts	24,920	27,158	31,014	39,588	75,979
Due from other banks	557,620	817,578	1,078,588	1,032,949	1,574,100
Real estate, &c.	168,885	193,248	213,764	223,907	274,281
Cheques and other cash items	71,137	132,263	138,138	146,314	319,143
Bonds	420,175	693,287	890,717	1,258,288	2,280,583
Cash on hand	242,754	271,754	319,373	278,628	355,567
Other sources	27,706	57,865	47,564	102,134	195,860
Total	4,399,602	5,552,977	6,799,669	7,815,739	11,701,606

LIABILITIES.	1914	1916	1917	1918	1919
	$	$	$	$	$
Capital stock	502,985	563,497	600,064	610,097	785,727
Surplus fund	221,081	268,822	288,638	322,747	410,848
Other undivided profits	972,210	91,152	108,493	104,304	164,126
Dividends unpaid	696	3,081	526	4,271	7,542
Individual deposits	3,277,772	4,296,253	5,390,824	6,114,199	8,999,131
Postal savings deposits	5,429	4,457	5,974	6,055	9,477
Due to other banks	174,961	217,212	274,946	278,934	444,769
Other liabilities	116,460	108,502	130,203	315,222	549,991
Total	4,399,602	5,552,977	6,799,669	7,815,739	11,701,606

NATIONAL BANKS.

(In Thousands of Dollars.)

ASSETS.	New York	New York Chicago and St. Louis	Other Reserve City Banks	Country Banks	Aggregate
	$	$	$	$	$
Loans and discounts	2,275,350	2,991,147	3,174,623	1,611,360	11,985,102
Overdrafts	399	57	2,160	12,098	15,131
Customers' liability under letters of credit	2,779	2,129	858	262	4,592
U.S. Government securities, owned	599,186	727,609	966,506	1,602,478	3,296,593
Other Bonds, securities, etc.	263,675	313,161	411,046	1,082,388	1,806,595
Stocks, other than Federal Reserve bank stock	10,982	14,107	20,778	17,263	52,148
Stock of Federal Reserve banks	9,551	12,763	17,472	30,238	60,473
Bank Premises	27,247	39,460	94,805	155,643	289,908
Furniture and fixtures	697	695	5,930	30,894	37,519
Other real estate owned	1,349	5,285	13,704	28,824	47,813
Lawful reserve with Federal Reserve bank	362,745	465,125	366,920	586,296	1,227,341
Items with Federal Reserve banks in process of collection	64,122	111,819	234,568	31,474	377,861
Cash in vault	67,495	97,231	116,355	225,625	439,211
Net amounts due from National Banks	12,159	110,538	439,641	718,448	1,268,627
Net amount due from other banks, bankers and trust companies	62,598	119,769	227,945	91,335	439,049
Exchanges for clearing house	401,845	447,385	145,045	17,901	610,331
Cheques on other banks in the same place	16,581	17,630	13,704	21,318	52,652
Outside checks and other cash items	12,961	14,545	27,786	22,556	59,594
Redemption fund and due from U.S. Treasurer	4,250	5,565	10,920	24,079	40,364
Interest earned but not collected	8,264	8,854	10,678	28,141	47,673
Other assets	33,772	35,228	11,010	2,192	48,430
Total	4,345,412	5,695,847	6,752,042	9,167,527	21,615,416

LIABILITIES.	New York	New York Chicago and St. Louis	Other Reserve City Banks	Country Banks	Aggregate
	$	$	$	$	$
Capital stock paid in	131,600	200,550	324,328	613,117	1,137,995
Surplus fund	176,800	221,475	258,168	406,437	886,080
Undivided profits, less expenses and taxes paid	91,561	112,211	102,460	290,035	414,706
Interest and discount collected but not earned	12,525	18,086	19,577	29,351	53,014	
Amount reserved for taxes accrued	21,919	27,096	12,193	5,597	44,886
Amount reserved for all interest accrued	2,609	2,765	4,274	9,553	16,592
National bank notes outstanding	37,678	48,751	172,791	460,047	681,589
Due to Federal Reserve banks	—	—	7,495	5,613	13,508
Net amount due to National Bank	353,977	548,288	566,914	93,224	1,208,426
Net amounts due to other banks, bankers and trust companies	558,139	749,595	709,334	279,115	1,844,041
Certified cheques outstanding	167,887	173,954	24,486	18,685	217,125
Cashiers' cheques on own bank outstanding	99,916	108,358	59,454	38,200	206,012
Demand deposits	1,912,849	2,523,509	2,992,816	4,255,208	9,751,533
Time deposit	135,761	172,993	502,934	2,245,117	2,921,034
U.S. deposits	115,034	172,063	210,479	136,536	518,903
U.S. Government securities borrowed	49,476	58,604	97,369	34,190	190,163
Other bonds borrowed	1,140	1,140	2,036	1,886	5,062
Securities (other than U.S. or other bonds) borrowed	—	—	—	510	510
Bills payable, other than with Federal Reserve bank	41	241	9,091	41,208	50,640
Bills payable with Federal Reserve banks	301,358	347,942	400,889	265,135	1,013,966
State bank circulation outstanding	11	11	—	47	58
Letters of credit and travellers' cheques outstanding	6,740	8,236	1,186	465	9,911
Acceptances	128,541	160,884	150,046	12,346	323,226
Time drafts outstanding	5,026	9,564	3,771	87	13,379
Liabilities other than those above stated	3,895	9,103	32,564	45,090	87,057
Total	4,345,412	5,695,847	6,752,042	9,167,527	21,615,416
Liabilities for rediscounts, including those with Federal Reserve banks	130,239	149,104	160,606	131,200	440,918

* Includes Liberty loan bonds, Victory notes, United States certificates of indebtedness, and all other issues of U.S. Government securities.

RESOURCES AND LIABILITIES OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

RESOURCES.	Nov. 12, 1920	Nov. 5, 1920	Nov. 14, 1919
	$	$	$
Gold and gold certificates	169,814,000	174,702,000	218,601,000
Gold settlement fund—F.R. Board	409,075,000	417,984,000	146,278,000
Gold with foreign agencies	77,244,000	77,514,000	146,176,000
Total gold held by banks	656,133,000	670,200,000	834,855,000
Gold with Federal Reserve Agents	1,177,689,000	[1,152,346,000	1,194,319,000
Gold redemption fund	174,856,000	179,187,000	104,086,000
Total gold reserves	2,008,678,000	2,001,673,000	2,133,260,000
Legal tender notes, silver, &c.	171,335,000	168,056,000	66,846,000
Total reserves	2,180,011,000	2,169,729,000	2,200,106,000
Bills discounted (secured by Government war obligations)	1,180,977,000	1,215,101,000	1,700,618,000
Bills discounted (All other)	1,003,773,000	1,611,724,000	439,000,000
Bills bought in open market	287,861,000	299,769,000	465,653,000
Total bills on hand	3,072,604,000	3,126,594,000	2,605,271,000
U.S. Government bonds	26,862,000	26,856,000	26,856,000
U.S. Victory notes	69,000	69,000	79,000
U.S. Certificates of indebtedness	269,310,000	268,047,000	278,538,000
Total earning assets	3,368,846,000	3,421,575,000	2,990,734,000
Bank premises	16,577,000	16,081,000	12,260,000
Uncollected items and other deductions from gross reserve	772,277,000	787,960,000	1,022,574,000
5% Redemption fund against F.R. bank notes	12,090,000	12,059,000	13,009,000
All other resources	6,780,000	6,032,000	10,071,000
Total Resources	6,356,591,000	6,413,436,000	6,159,760,000
LIABILITIES.			
Capital paid in	98,847,000	97,824,000	86,769,000
Surplus	164,745,000	164,745,000	81,087,000
Government deposits	17,845,000	147,378,000	77,912,000
Due to members—reserve account	1,801,864,000	1,777,256,000	1,863,379,000
Deferred availability items	601,624,000	631,326,000	842,047,000
Other deposits, including foreign government credit	25,708,000	26,923,000	98,494,000
Total gross deposits	2,447,041,000	2,482,883,000	2,881,832,000
F.R. notes in actual circulation	3,328,985,000	3,354,180,000	2,808,456,000
F.R. bank notes in circulation—net liability	215,080,000	214,533,000	257,281,000
All other liabilities	101,893,000	99,271,000	44,335,000
Total Liabilities	6,356,591,000	6,413,436,000	6,159,760,000
Ratio of total reserves to net deposit and F.R. note liabilities combined	42.6%	43.0%	47.1%
Ratio of total reserves to F.R. notes in circulation after setting aside 35% against net deposit liabilities	47.9%	47.0%	55.9%

A Bank Statement that any Man or Woman can Understand

THE CORN EXCHANGE BANK
NEW YORK

Statement of October 1st, 1920

The Bank owes to Depositors		$194,787,051.44
A conservative banker will always have [illegible] to meet, and to arrange [illegible] to be able to meet [illegible] for payment.		
For this purpose we have:		
I. **Cash**		32,903,018.74
Gold, Bank Notes and Specie and all [illegible] payable on demand.		
II. **Checks on other Banks**		21,450,289.61
Payable on sight.		
III. **U.S. Government Securities**		45,260,937.79
IV. **Loans to Individuals and Corporations** ...		34,230,682.20
Payable when we ask for it, secured by collateral of greater value than the Loans.		
V. **Bonds**		16,631,656.42
Of railroads and other corporations, of first quality and easily saleable.		
VI. **Loans**		55,058,948.94
Payable in less than three months on the average, largely secured by collateral.		
VII. **Bonds and Mortgages and Real Estate** ...		980,998.16
VIII. **Twenty-two Banking Houses**		3,582,622.70
All located in New York City.		
Total to meet Indebtedness		$210,099,154.56
IX. **This Leaves a Surplus of**		$15,312,103.12
Which [illegible] the property of the Stockholders over and above [illegible] to the depositors. It [illegible] and is a great surplus fund upon which we could [illegible] new deposits and retain those which have been lodged with us for many years.		

The Corn Exchange Bank Supplies Banking Facilities to Greater New York Through its Forty-three Branches

Main Office:

William and Beaver Streets
NEW YORK CITY, NEW YORK, U.S.A.

THE NATIONAL SHAWMUT BANK OF BOSTON, MASSACHUSETTS
U.S.A.



Established 1836 *Cable Address: QUOSHAWMUT*

Capital, Surplus and Undivided Profits over $22,000,000

Transacts general Foreign Banking Business, and meets all modern financial needs of importers, exporters and bankers at home and abroad. Correspondence invited.

London Correspondents:
LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
BARCLAYS BANK LTD. LLOYDS BANK LTD.

cent. on November 12, 1920. Similarly, the ratio of gold reserves to Federal Reserve notes in circulation, after setting aside thirty-five per cent. against net deposit liabilities, declined from 55.2 per cent. on November 14, 1919, to 47.9 per cent. on November 12, 1920.

In previous articles we have had occasion to comment on the duality of the American banking system, as evidenced by the characteristic division into State Banks and National Banks. On December 31 last the former numbered 17,225, as compared with 14,598 in 1915, a tendency to increasing numbers, which is the reverse of what has happened in the United Kingdom. The National Banks total 7,900, and their paid-up stock was recently $1,137,995,000, against $785,727,000 for the State Banks. The total resources of the State banks between 1915 and 1919 increased by 170 per cent., from $4,399,602,000 to $11,701,606,000. The capital stock, surplus funds, and undivided profits did not display similar expansion. Deposits rose from $3,227,772,000 to $8,999,131,000, but the increase, though remarkable, was no greater than the similar movement that took place in the United Kingdom during the same period. The liquidity of the general position has undergone a slight change for the worse, as the item of cash in hand has expanded by only forty-six per cent., from $242,754,000 to $355,567,000, whereas total liabilities have risen by 170 per cent. The growth of bond holdings amongst the resources, from $420,475,000 to $2,279,583,000, is very marked, and indicates the increasing extent to which American Government and other bonds have been taken up by the banks in recent years. The sums due from other banks have risen appreciably from $557,620,000 to $1,574,100,000, and this is an item which is presumably of a liquid character, though against it must be set, as a form of prior charge, the debts due to other banks, mentioned in the statement of liabilities, and amounting to $444,769,000.

The National banks, which operate generally as part of Federal Reserve system, date from the period of the Civil War. The first Act of Congress concerned with their establishment was passed in 1863. That they are of greater importance than the State banks is shown by the figures given in our table, where their aggregate resources are set down at $21,615,416,000, as compared with $11,701,606,000 for the State banks. With regard to the various items, it is not possible to present them from the balance sheets in such compact form as those given for the State banks; but details for the Reserve banks in New York, Chicago, St. Louis, and other Reserve city banks and country banks are given in the next page, together with totals for the whole United States. It will be seen that the cash in vault, $439,211,000, was but a small proportion of the total liabilities, which exceeded 21,615 million dollars. Other items which can be classified as more or less liquid include reserve with Federal Reserve Banks, $1,227,341,000; various sums with Federal Reserve Banks in process of collection, $377,861,000; and sums due from different banks and trust companies of $1,707,000,000, making a grand total, including cash in vault, of $3,751,413,000, or seventeen per cent. of the aggregate liabilities.

In the following table we show the alterations that recent years have brought in certain items amongst the assets and liabilities of the National Banks:—

PERCENTAGE OF LOANS, U.S. BONDS, ETC., TO THE AGGREGATE RESOURCES OF NATIONAL BANKS 1915-19.

	1915	1916	1917	1918	1919
	%	%	%	%	%
Loans and discounts	55·0	54·5	55·2	55·1	52·3
U.S. bonds	6·1	5·9	6·1	13·2	14·9
Total	61·1	59·6	62·1	67·1	67·2
Capital	8·7	7·1	6·5	5·9	5·2
Surplus and profits	8·3	7·5	6·9	6·7	6·1
Individual deposits	55·1	58·6	60·9	56·3	57·5
Total	72·1	73·2	74·3	68·9	68·1

The variation that calls particularly for comment is the decline in the ratio of capital to total liabilities, from 8.7 per cent. in 1915 to 5.2 per cent. in 1919. A similar change has been experienced in the United Kingdom, and the cause in both cases has largely been the great expansion in deposits, with which increases in capital have not kept pace. The loans and discounts have contracted from fifty-five per cent. of the total assets to 52.3 per cent. The increase in the holdings of United States bonds from 6.4 per cent. to 14.9 per cent. has resulted from subscriptions to various Government emissions during and after the War. Liberty Loan bonds, Victory notes, Treasury certificates of indebtedness and other Government securities are included in the item, and, though a valuable asset, they are perhaps not readily realisable, except at a loss. Government securities in the United States are, however, largely of a short-dated character, and as the financial position of the Government is strong, they have not depreciated to the extent witnessed in the United Kingdom and elsewhere. Provision for depreciation does not on this account eat so heavily into bankers' profits as on this side of the Atlantic.

COMMODITY PRICES IN THE UNITED STATES DURING AND SINCE THE WAR.

That on the actual participation of the United States in the War was of short duration and did not involve so great an economic effort as was put forth by the other powers, yet the part played by the country in the earlier stages was of such a nature as to produce effects in its internal economy in a manner similar to those experienced by the other belligerents. This part consisted in providing foodstuffs, munitions, and other materials for the Allies, who were unable to produce these in sufficient quantities for themselves. Moreover, the preoccupation of the other nations prevented them from sending to America those commodities which they were accustomed to supply in pre-War days, and this involved an additional burden for the productive resources of the country. How the derangement of its normal economic life thus occasioned was reflected in the price-level may be seen from the following table showing Bradstreet's monthly and annual index-numbers since the beginning of 1914. These figures refer to the first of each month:—

Wholesale prices of commodities in U.S.A. since January 1914.

(Average prices in 1913 = 100.)

	1914	1915	1916	1917	1918	1919	1920
January	96	99	119	149	195	201	221
February	96	105	121	151	196	192	227
March	96	104	121	155	196	187	226
April	95	106	128	158	200	188	225
May	94	106	128	165	205	187	225
June	94	106	127	168	206	197	216
July	94	107	125	174	208	205	210
August	95	107	124	178	207	217	201
September	100	106	128	181	207	212	195
October	100	108	131	184	206	212	181
November	96	113	139	185	205	216	170
December	98	116	148	191	206	219	–
Annual Average	97	107	128	170	203	202	209

Average for 11 months.

It will be noticed that a sharp rise in prices followed immediately on the outbreak of war, which continued only for a short period and was followed by an equally sharp reaction. This movement is intelligible when it is recollected that in the early months of the War people in the United Kingdom were forced to realise a large part of their enormous holdings of American

securities. The abnormal demand for remittances to the United Kingdom caused by this unexpected movement put a great strain on United States banking interests, and a great volume of fresh credit had to be created. It will be recalled that in the early days of the War the exchange rate on New York rose to $7 to the £ sterling. This will show how much the financial system of the United States was upset by the sudden withdrawal of British capital.

The process of realising American securities by British holders continued intermittently all during the War; it meant that the United States had to pay the large debt which, before the War, she had contracted here. In addition to this the Government was also called upon to make huge loans to the belligerent countries, while the country had also to send commodities and provide services far in excess of what it received. The result was that from being a debtor nation before the War the United States has now come to occupy the position of the great creditor nation of the world. The outstanding indebtedness of Europe to the United States at the end of September may be estimated as follows:

Excess of exports over imports of merchandise since June, 1914	$14,156,451,000
Government loans	9,711,737,000
Total	$23,868,188,000

It was not to be expected that the effort involved for the nation, as represented by this enormous debt of European countries, could have been made without a violent irruption of its normal economic life, and, indeed, it produced effects, essentially the same, though less in degree, as those evidenced in European countries. A great part of the energies of the community were diverted to the production of commodities which had to be sent abroad on credit, and the normal requirements for domestic consumption could not be met in full. Side by side with this falling-off in the quantities of goods available for consumption at home there went on a rapid expansion in the volume of credit and currency occasioned by the necessity for extending huge credits to other countries. The result was a rapid increase in the cost of living, in wages, and in production costs, measured in terms of money.

At the end of 1914 the general level of wholesale prices was below the average for 1913. In December an upward movement began, slow at first, but becoming very rapid towards the end of 1915, and thence until the Armistice the rate of increase was about the same as in the United Kingdom. Early in 1918 the velocity of the rise diminished considerably, and in July of that year a decline began, which continued until October. The increase as compared with 1913 was then 105 per cent. During November a rise of 0.6 per cent. occurred, but was followed immediately by a fall which lasted until the end of March 1919, the total decline during those three months being 9.4 per cent., as compared with 6.4 per cent. between October 1918 and April 1919 in the United Kingdom. As in other countries, this post-Armistice depression was succeeded by a fresh rise, but the new movement was neither as lasting nor as extensive as it was abroad; it continued with some minor recessions from April 1919 until February 1920, the increase during that period being 21.2 per cent., or less than half the extent of the corresponding movement in this country.

In order to understand the nature of the movements since last January, it is necessary to give an account of the policy adopted by the Federal Reserve Board early in the year. In June 1919 the embargo on the export of gold from the United States was removed, and at once those countries which had a favourable trade balance with the United States—the South American Republics, India, China, and Spain—began to drain away rapidly the stock of gold in the country. The result was that by the beginning of 1919 bank reserves were unusually low. The financial position was rendered more acute by the fact that the huge sums disbursed in interest and dividend payments before the turn of the year did not return to the great Reserve centres in January, as they used to do in previous years. This was largely due to a great freight congestion at all centres retarding the movements of commodities, for the huge stocks awaiting transport had to be carried on borrowed money. Instead of improving, the position grew worse as time progressed, until it became evident that the banks would have to take drastic measures if they were to place themselves in a position to meet the fall demands for financing the crop movements. Such measures were soon adopted by the Federal Reserve Banks, and they resolved themselves in a severe restriction of the amount of accommodation allowed to member banks. The object of this step was to bring about a reduction in prices by forcing speculators in commodities to unload. A glance at the course of prices since the beginning of the year will show how successful was the effort of the banks in this direction.

The movement was helped by another important factor, which was a potent influence in reducing prices in other countries also during the current year. This was a considerable falling-off in demand. Up to 1920 the consumer seemed to be spending recklessly, and was apparently ready to pay any price asked by the dealers. Since the beginning of the year, however, the attitude of the consumer changed completely, and he showed not only a great abstention in the nature and amount of his purchases, but also a great reluctance to pay the high prices asked, even for necessaries. The result was that retail dealers refrained from laying in new stocks, and wholesale houses were forced to make large reductions in their quotations. The price-cutting movement still continues, but it has not yet affected retail prices to the same extent as it did wholesale prices. From the beginning of February last up to the beginning of November the total decline was 25.1 per cent. In the last two months the movement attained its greatest rapidity, the fall being 5.6 per cent. during September and 7.6 per cent. during October. The level on November 1 is the lowest for any month since June 1917, and is the same as the general average for that year; it is 70.2 per cent. above the average for 1913, 80.9 per cent. above the level of July 1914, but 17.1 per cent. below that ruling at the time of the Armistice.

AMERICAN FOREIGN BANKING CORPORATION.

Head Office: New York City.

Capital

Paid up ... $4,864,200

This institution was organised pursuant to an amendment of the Federal Reserve Act, which authorised national banks to own stock in a bank engaged solely in international and foreign banking. It was established in New York in 1917 by a representative group of banks, its object being to assist in the expansion of the foreign trade of the United States, more especially by financing imports and exports. There was no public issue of shares, the whole stock being subscribed by thirty-six financial institutions, no one of which, however, had a controlling interest.

The original capital was $2 million, which has since been increased on two occasions, the paid-up amount standing at $4,864,200 on July 31 1920, while surplus and undivided profits on that date amounted to $2,341,110, as against $700,000 at the end of 1917.

Since its commencement the Bank has widened its field of operations, and now has branches at Buenos Aires at Calle Colombia, Harbin in Manchuria, Havana in Cuba, Rio de Janeiro in Brazil, besides seven in the Dominican Republic, one in Haiti, and one in the Philippine Islands. It is also established at Panama and is there [illegible] depository of the United States Treasury, the Panama Canal, and the Panama National Treasury, and also

Liabilities and Assets of The Bankers Trust Company.

LIABILITIES. June 30	Paid-up Capital. $	Surplus. $	Undivided Profits. $	Total Capital, Surplus & Undivided Profits. $	% *	Outstanding Cheques. $	% *	Deposits, &c. $	% *	Acceptances. $	% *	Reserve for Taxes and Expenses. $	% *	Total Liabilities. $
1920...	20,000,000	11,250,000	6,157,751	37,407,751	9·6	18,197,156	4·7	317,210,020	81·5	14,677,836	3·8	1,641,412	·4	389,134,154
1919...	15,000,000	11,250,000	6,516,626	32,766,626	8·0	11,690,684	2·9	344,820,429	84·4	17,787,264	4·4	1,106,693	·3	407,171,696
1918...	11,250,000	11,250,000	5,450,651	27,950,651	8·5	2,268,739	·7	279,298,492	85·2	17,491,886	5·4	634,704	·2	327,643,772
1917†	11,250,000	11,250,000	4,133,858	26,633,858	8·1	1,267,316	·4	284,637,783	87·0	14,266,994	4·4	192,662	·1	326,998,613
1916...	10,000,000	10,000,000	5,498,791	25,498,791	8·7	6,283,912	2·2	250,224,432	85·7	9,771,398	3·3	296,994	·1	292,078,527
1915...	10,000,000	10,000,000	2,943,255	22,943,255	10·0	10,038,493	4·4	189,432,961	82·6	7,073,114	3·1	257,150	·1	229,744,973
1914...	10,000,000	10,000,000	3,565,504	23,565,504	12·8	5,427,253	3·0	154,836,235	84·1	—	—	270,037	·1	184,099,029

ASSETS. June 30	Cash on Hand and in Banks. $	% *	Exchanges for Clearing-House. $	% *	Securities. $	% *	Loans and Bills Purchased. $	% *	Accrued Interest and Accounts Receivable. $	% *	Customers' Liability for Acceptances. $	% *	Real Estate. $	% *	Total Assets. $
1920...	48,103,219	12·4	14,695,098	3·8	51,450,587	13·2	248,856,824	63·9	4,552,009	1·2	14,484,609	3·7	6,991,808	1·8	389,134,154
1919...	43,151,716	10·6	23,083,250	5·7	59,399,948	14·6	254,577,841	62·5	3,395,778	·8	17,369,827	4·3	6,188,326	1·5	407,171,696
1918...	43,008,164	13·1	8,660,652	2·9	56,372,696	17·2	182,659,062	55·8	2,403,694	·8	30,489,834‡	9·3	4,049,674	·9	327,643,772
1917†	53,858,790	16·5	4,337,578	1·3	67,620,292	20·7	174,226,602	53·3	2,664,187	·8	20,191,428	6·2	4,099,736	1·2	326,998,613
1916...	38,990,752	13·4	18,676,481	6·4	54,172,844	18·6	164,070,916	56·2	2,224,294	·7	9,774,398	3·3	4,168,842	1·4	292,078,527
1915...	37,150,740	16·1	12,885,718	5·6	44,793,751	19·5	120,676,757	52·6	2,780,259	1·2	7,073,114	3·1	4,386,634	1·9	229,744,973
1914...	38,047,343	20·7	5,547,259	3·0	37,052,404	20·1	98,072,176	53·3	1,015,914	·5	—	—	4,383,942	2·4	184,099,029

* Percent. of Total Liabilities or Assets. † September 8. ‡ Includes $10,000,000 Customers' Liabilities Account, re-discounts.

as disbursing agent for the United States army and navy.

The appended statement of assets and liabilities shows the growth in the Bank's figures. Deposits, including amounts due to banks, stood at nearly $29 million on July 31, 1920, as compared with $8 million on December 31, 1918. In the same period the cash total rose from $3 million to $17 million, while loans and discounts showed an increase of over $10 million to $19,640,000. The total of assets was nearly three times as great as in 1918.

LIABILITIES.	1920	Dec. 31, 1919	[illegible]
Capital	1,864,200	3,364,200	3,364,200
Surplus, net undivided Profits	2,341,110	1,642,831	1,427,720
Due to banks and individuals	28,979,781	19,515,612	8,064,928
Acceptances	27,674,603	31,442,671	11,280,567
Other liabilities	589,713	1,639,831	325,150
Total Liabilities	64,449,407	57,605,145	24,326,665
ASSETS.			
Cash	17,643,366	2,555,078	1,089,553
Due from banks		10,927,185	2,064,180
Bonds, securities, &c.	2,591,711	816,574	357,071
Loans and discounts	19,640,276	12,592,692	9,221,407
Credit granted on acceptances	23,829,730	30,215,241	11,280,567
Other assets	744,235	138,375	286,587
Total Assets	64,449,407	57,605,145	24,326,665

BANKERS TRUST COMPANY.

Office: 16 Wall Street, New York, U.S.A.

Capital—

Authorised, 200,000 Shares of $100 each	$20,000,000
Subscribed and Paid up	20,000,000

The Bankers Trust Company did not originally intend to conduct commercial banking business, but in 1917 it became a member of the New York Federal Reserve Bank, and has since been a large dealer in acceptances. It only commenced business in 1903, but in the matter of its deposits has attained the distinction of being the second largest Trust Company in the United States.

The Bank's original capital was one million dollars, which was raised to three millions in 1909. In 1911 there was an increase of two million dollars, while the surplus at that date amounted to $10 million. Further capital increases took place—in 1918 to $15 million, and in December 1919 to $20 million. In view of its growing business the Company has acquired additional property for a new office in 57th-Street, New York, and it has also established an office at 3 & 5 Place Vendôme, Paris.

Since 1913 dividends have been regularly paid at the rate of twenty per cent. per annum.

During its career the Bank has absorbed the Mercantile Trust Company of New York, the Manhattan Trust Company, and the Astor Trust Company.

The appended statement of assets and liabilities shows the growth of the Bank in recent years. The total assets were not quite so high on June 30, 1920, as a year earlier, the decrease being $18 million. Deposits now amount to over $315 million.

CENTRAL UNION TRUST COMPANY OF NEW YORK.

Head Office: 80 Broadway, New York.

Capital—

Paid up	$12,500,000

The Central Union Trust Company was established in 1875, under Laws of the State of New York. It has built up an extensive business, and expansion has been most marked from 1910 onwards. Since that year its deposits have increased more than threefold.

The original capital of $1 million proved totally inadequate to finance the growing business, and was increased in 1909 to $3 million by payment of a scrip dividend of 200 per cent., and in 1916 to $5 million. The total of surplus and undivided profits has for many years stood at a high figure. In 1910 it was nearly $16 million, against a capital of $3 million, and it touched high-water mark in 1916 at $18,258,794. As from June 18, 1918, the Bank absorbed the Union Trust Company of New York, established in 1864, and the two banks now operate

Liabilities and Assets of The Central Union Trust Company of New York.

LIABILITIES. June 30	Capital. $	% *	Surplus and Undivided Profits. $	% *	Deposits. $	% *	Acceptances. $	% *	Reserve for Taxes and Expenses. $	% *	Total Liabilities. $
1920...	12,500,000	4·9	17,521,966	6·9	213,751,197	84·2	8,879,860	3·5	1,316,563	·5	253,969,886
1919...	12,500,000	4·9	18,041,752	7·0	217,019,161	84·3	8,187,361	3·2	1,452,206	·6	257,200,460
1918...	12,500,000	4·8	16,603,310	6·4	227,081,639	87·1	3,959,570	1·5	462,495	·2	260,607,014
1917...	5,000,000	2·1	17,514,683	7·5	210,034,410	89·7	1,125,000	·5	205,837	·1	233,879,930
1916...	3,000,000	1·7	18,258,794	10·4	153,010,580	87·2	1,000,000	·6	215,146	·1	175,484,520
1915...	3,000,000	2·0	16,046,573	10·6	130,265,050	86·2	1,500,000	1·0	226,917	·2	151,038,540
1914...	3,000,000	2·6	17,481,124	15·0	95,503,911	82·0	—	—	431,154	·4	116,416,189

ASSETS. June 30	Cash on Hand and in Banks. $	% *	Total Securities. $	% *	Loans and Bills Purchased. $	% *	Accrued Interest and Accounts Receivable. $	% *	Customers' Liability for Acceptances. $	% *	Real Estate. $	% *	Total Assets. $
1920 ...	45,118,928	17·1	49,617,702	19·5	146,117,314	57·7	1,110,559	·5	8,879,860	3·6	4,189,725	1·6	255,969,886
1919 ...	51,205,410	19·9	53,585,475	20·8	138,248,061	53·8	1,527,738	·6	8,187,361	3·2	4,446,415	1·7	257,200,460
1918 ...	43,890,668	16·8	63,692,747	24·4	142,560,425	54·7	1,450,114	·6	3,959,570	1·5	5,053,490	2·0	260,607,014
1917 ...	78,673,271	33·6	46,558,377	19·9	104,935,260	44·9	1,184,747	·5	1,125,000	·5	1,403,275	·6	233,879,930
1916 ...	46,728,860	26·6	44,081,133	25·1	81,139,245	46·3	1,066,889	·6	1,000,000	·6	1,468,393	·8	175,484,520
1915 ...	42,615,606	28·2	45,772,517	30·3	58,732,984	38·9	1,075,497	·7	1,500,000	1·0	1,341,936	·9	151,038,540
1914 ...	25,495,774	21·9	37,396,380	32·1	51,426,589	44·2	945,589	·8	—	—	1,151,857	1·0	116,416,189

* Per cent. of Total Liabilities or Assets.

ESTABLISHED 1810.

THE MECHANICS & METALS NATIONAL BANK

OF THE CITY OF NEW YORK

Capital, Surplus and Profits - - $25,000,000

Through years of banking service the Foreign Department of this Bank has established intimate relations with all the principal cities of the world. A full range of foreign trade transactions is covered by a specialised service; and customers are assured of prompt attention and painstaking endeavour in the performance of any service entrusted to this Bank.

LONDON CORRESPONDENTS:
London Joint City and Midland Bank, Ltd.
London County Westminster and Parr's Bank, Ltd.
Barclays Bank, Ltd.

THE FIRST NATIONAL BANK OF BOSTON,

United States of America.

FIRST CHARTER, 1784.

Capital - - - -	**$15,000,000**
Surplus and Profits - -	**$24,000,000**
Resources - - - -	**$250,000,000**

Our Foreign Department
issues Commercial Letters of Credit in Foreign and United States currency; effects Mail and Cable Transfers, and buys and sells Exchange on all parts of the World.

Our Time Money Department
allows special rates of interest on deposits made for a fixed period.

Our Collection Department
receives from Banking and Business houses items in all currencies on any place in the United States, Canada, Cuba, West Indies, and Central and South America.

BRANCH AT BUENOS AIRES, ARGENTINA.

under the above name, with a capital of $12,500,000 and a surplus on June 30, 1920, of $17,521,936.

The Company is a member of the New York Bankers' Clearing House, and has joined the Federal Reserve System. It has four branches in New York, and acts as trustee for several railroad mortgages and large estates.

No profit statements are issued, but we understand that undivided profits on June 30, 1920, were $2,521,936, as compared with $3,041,732 on June 30, 1919. This was after dividends at the rate of twenty-two per cent. had been paid during the year ending June 30, 1920, a similar rate to that distributed in the previous year.

The balance sheet totals on June 30, 1920, show no startling changes in comparison with the previous year. Deposits have decreased by about $3 million, and, while the total of cash and securities is down about $11 million, loans and bills have risen about $8 million, and now stand at $146 million.

CHASE NATIONAL BANK.

Office: Adams Building, 57 Broadway, New York City.

Capital—

Subscribed and Paid up $15,000,000

The Chase National Bank is one of the largest of the National Banks associated in the New York Clearing House, and is also among the leading financial institutions in the United States. The Bank was formed in 1877 with a capital of $300,000, and assets of about $1 million. It has enjoyed prosperity throughout the whole of its career, and its expansion has been very considerable, especially of recent years. This has necessitated several increases of capital, the first being in 1886 to $500,000. In 1897 $500,000 of the reserve was capitalised, raising the capital to $1 million. In 1906 there was an increase to $5 million, and in 1916 to $10 million, while in the first half of the present year a further increase to $15 million has taken place.

The shareholders have benefited largely from the concern, having received several handsome bonuses, and on the increase of capital in 1906 a cash dividend of 400 per cent. was declared. Notwithstanding this, the amount of surplus and undivided profits more than kept pace with the capital, and at the end of 1918 reached $15 million. A year later it exceeded $20 million, and on June 30 this year stood at $22,667,000. The dividends for the last four years have been at sixteen per cent., as compared with twenty per cent. in 1915. The net profit for 1919, at $7,805,840, exceeded by nearly $2 million that for 1918, and over $5 million was carried forward in the account.

The Bank has long been noted for the number of its correspondents in all parts of the country, and lately has developed its foreign interests through the American Foreign Banking Corporation, whose chairman is also chairman of the Chase Bank. During 1917 the Chase Securities Corporation was organised, the capital of which was provided by a special dividend of twenty-five per cent. of the Chase Bank. With each transfer of shares of the Bank a similar transfer is made of shares in the Securities Corporation.

Deposits with the Bank amounted on June 30 last to $387 million, as compared with $430 million on December 31, 1919, and $381 million the previous June. The note circulation remained at about $1 million. The total of assets steadily increased and reached $565 million last June, as compared with $559 million in December and $470 million a year earlier.

Year to Dec. 31	Gross Profit. $	Expenses. $	Net Profit. $	Dividend. Amount. $	Dividend. Rate. %	Special Appropriations. $	Balance. $
1919	20,015,869	12,210,029	7,805,840	1,600,000	16	767,499	5,438,341
1918	17,954,731	11,974,184	5,980,547	1,600,000	16	500,000	3,880,547
1917	12,844,662	8,927,883	3,916,779	1,600,000	16	—	1,316,779
1916	8,250,000	5,472,000	2,778,000	1,150,000	16	—	1,628,000
1915	6,517,000	4,319,000	2,198,000	1,000,000	20	571,000	627,000
1914	5,064,000	3,072,000	1,992,000	1,000,000	20	1,488,000	-

CHEMICAL NATIONAL BANK.

Head Office: New York.

Capital—

Authorised, Subscribed and Paid up $4,500,000

This old-established institution was formed in New York as far back as 1824, and it joined the National banking system in 1865. For nearly a century the Bank adhered to the custom of paying no interest on deposits, and it was only in May 1917 that an official announcement was made that the Bank had decided to reverse this policy and would in future allow interest on bank balances, time deposits, and special and reserve accounts. This departure brings it into line with the majority of the National Banks, which have long been paying such interest, and the change was in part effected because of the advisability of placing Government deposits on an interest basis, and so assisting in the floating of War Loans. Although the Bank's progress had not been spectacular, even up to 1917, it had gained a place in the forefront of American financial institutions on account of the soundness of its methods, which bordered sometimes on conservatism. The last two years have witnessed a considerable growth in the figures. During the first half of the present year the paid-up capital was raised from $3 million to $4,500,000, and the surplus and undivided profits, which on June 29, 1918, stood at $9,222,000, amounted on June 30 last to $14,491,000. Deposits at that date also showed a rise to $134 million from $80 million in the previous year, while total assets have increased during the two years from $90 million to $217 million. The Bank has recently enlarged and developed its foreign department, and does a large business with European countries. A trust department has been organised, National Banks now being allowed to act in a fiduciary capacity. Loans and discounts on June 30, 1920, were $146 million.

Liabilities and Assets of The Chase National Bank of New York.

LIABILITIES.

Dec. 31	Capital Paid up. $	Surplus and Undivided Profits. $	Capital, Surplus and Undivided Profits. $	% *	Notes in Circulation. $	% *	Deposits, &c. $	% *	Letters of Credit and Acceptances. $	% *	United States Bonds Account. $	% *	Miscellaneous. $	%	Total Liabilities. $
1920†	15,000,000	22,667,526	37,667,526	6·7	1,073,100	·2	470,512,941	83·2	4,517,507	7·2	12,757,000	2·2	2,772,371	·5	565,300,445
1919	10,000,000	20,439,242	30,439,242	5·4	1,100,000	·2	483,221,630	86·3	33,441,879	6·0	9,000,000	1·5	2,517,463	·5	559,720,214
1918	10,000,000	15,030,900	25,000,900	5·4	1,100,000	·2	372,518,294	79·1	28,009,637	5·9	16,789,050	3·6	27,300,000	5·8	470,717,881
1917	10,000,000	11,120,353	21,120,353	5·0	1,300,000	·3	348,332,938	82·5	33,159,527	7·8	17,901,000	4·2	646,363	·2	422,460,081
1916	10,000,000	11,641,000	21,641,000	7·3	450,000	·2	267,143,000	90·3	6,484,000	2·2	—	—	80,000	·-	295,798,000
1915	5,000,000	9,775,000	14,775,000	5·1	450,000	·2	273,409,000	94·7	—	—	—	—	46,000	-	288,680,000
1914	5,000,000	9,147,000	14,147,000	9·5	450,000	·3	135,060,000	90·1	-	—	123,000	·1	26,000	-	149,806,000
1913	5,000,000	9,637,000	14,637,000	10·8	447,000	·3	120,321,000	88·9	—	—	—	—	20,000		135,425,000

ASSETS.

Dec. 31	Cash in Hand, Specie, Legal Tender and Bank Notes. $	% *	Exchanges and Due from Other Banks, &c. $	% *	United States Bonds. $	% *	Other Investments. $	% *	Loans. $	Total Loans and Discounts. $	% *	Letters of Credit and Acceptances. Customers' Liability. $	% *	Total Assets. $
1920†	5,462,068	1·0	132,326,164	23·4	28,279,083	5·0	42,866,453	7·5	180,359,882	316,620,118	56·0	39,456,339	7·1	565,300,445
1919	6,886,565	1·2	129,177,215	23·1	25,328,670	4·5	56,335,002	10·1	227,144,847	309,320,051	55·3	32,678,041	5·8	559,720,214
1918	7,371,782	1·5	104,338,775	22·2	32,223,262	6·8	44,418,673	9·4	191,560,017	262,118,312	55·8	20,244,277	4·3	470,717,881
1917	42,782,575	13·3	43,538,036	11·7	42,856,636	10·0	55,434,228	13·1	140,485,595	207,549,339	49·1	24,699,267	5·8	422,460,081
1916	42,531,000	14·4	39,155,000	13·3	550,000	·2	41,596,000	14·0	129,062,000	165,482,000	55·9	6,484,000	2·2	295,798,000
1915	44,125,000	15·3	45,606,000	15·8	800,000	·3	38,648,000	13·4	134,120,000	159,311,000	55·2	—	—	288,680,000
1914	23,880,000	15·9	18,713,000	12·5	1,500,000	1·0	20,603,000	13·8	65,369,000	85,110,000	56·8	—	—	149,806,000
1913	23,171,000	17·1	21,395,000	15·8	1,650,000	1·2	22,987,000	17·0	52,393,000	66 222,000	48·9	—	—	135,425,000

* Per cent. of Total Liabilities or Assets. † June 30.

as compared with $74 million a year previously. The manner in which the rest of the Bank's funds were employed can be seen from the accompanying statement.

For the year to June 30, 1918, the dividend rate was increased from fifteen per cent. to twenty per cent., and was payable bi-monthly.

LIABILITIES.	June 30, 1920	December 31, 1919	[illegible] 1919
	$	$	$
Capital	1,500,000	3,000,000	2,000,000
Surplus and undivided profits	14,406,152	9,992,751	9,850,285
Total	15,906,152	12,992,751	11,850,285
Notes in circulation	1,337,718	11,120	1,120
Deposits	134,641,262	82,981,111	84,978,159
Bills payable	41,000,829	27,000,000	14,000,000
Letters of credit and acceptances	21,400,950	14,000,252	7,111,884
Miscellaneous	1,500,000	3,000,000	2,007,281
Total Liabilities	217,906,499	143,992,751	118,456,364
ASSETS.			
Cash in hand, &c.	17,331,719	10,864,035	9,870,824
Exchanges or due from other banks	18,253,970	11,595,811	16,115,823
U.S. Bonds and other obligations	8,861,163	9,014,100	10,339,400
Other investments	4,150,271	4,064,201	1,925,170
Loans and discounts	140,601,188	92,650,537	74,154,646
Liability for customers' acceptances	21,402,950	14,000,252	7,111,884
Bank premises	1,000,000	1,000,000	1,000,000
Total Assets	217,906,499	143,992,751	118,456,364

COMMERCIAL TRUST COMPANY, PHILADELPHIA.

Head Office: Philadelphia.

Capital—
Paid up $2,000,000

This Trust Company received its charter in 1891, and in 1900 commenced business in Philadelphia. Until 1919 the capital remained at its original figure of $1 million, but on November 1 of that year it was increased to $2 million by the issue of 10,000 new shares of $100 each at the price of $200 per share, existing shareholders being allowed to subscribe for one new share for each old share held. For a long time the surplus has exceeded the paid-up capital, and the addition of the $1 million premium has now raised it to $2,750,000.

The trust business shows substantial progress, the account under this head on December 31 being: individual trusts, $21,724,685; corporate trusts, $404,827,340—a total of over $423 million, as compared with $361 million in the previous year.

The Company obtained over $7 million in subscriptions to the Victory Liberty Loan, and during the twelve months to January 31, 1920, subscribed to over $32 million of United States Treasury Certificates of Indebtedness.

The net profit for the year to December 31, 1919, was $430,000, and dividends were paid quarterly at the rate of sixteen per cent. per annum, this rate being maintained on the increased capital. $150,000 was written off during the year on account of depreciation on investments.

The Company entered the Federal Reserve system in 1917. On December 31, 1919, the Bank's deposits stood at $20,557,112, and by August 1 of this year they had increased to over $24 million. During these seven months the loans and discounts also increased from $14,973,000 to over $20 million. Cash in hand and with other banks remained at about the same figure.

LIABILITIES	Dec. 31, 1919.	Dec. 31, 1918.	Dec. 31, 1917.	Dec. 31, 1916.	Dec. 31, 1915.
	$	$	$	$	$
Capital stock	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Surplus	2,750,000	1,750,000	1,000,000	1,000,000	1,000,000
Undivided profits	[illegible]	364,656	111,664	[illegible]	[illegible]
Deposits	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Banks, &c.	20,557,112	15,877,711	12,189,586	[illegible]	[illegible]
Acceptances	[illegible]	—	—	—	—
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Liabilities	29,439,099	24,630,122	25,868,756	24,876,957	22,678,790
ASSETS					
Cash on hand	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Due from banks, &c.	4,500,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loans, discounts, &c.	14,73,987	10,191,280	12,620,499	13,149,443	8,158,084
Stocks, bonds, &c.	8,75[illegible],021	6,624,873	8,482,476	6,767,561	9,522,571
Real estate, &c.	102,562	103,170	100,857	100,[illegible]	[illegible]
Interest due on [illegible]	[illegible]	—	—	—	—
Bank premises	300,000	—	—	—	—
Other assets	146,952	1,711,611	370,115	[illegible]	[illegible]
Total Assets	29,439,099	24,630,12[illegible]	25,868,756	24,876,957	22,678,790
Trust [illegible]	21,[illegible]	18,[illegible]	17,[illegible]	15,[illegible]	14,[illegible]
Do. [illegible]	4[illegible],7,34	[illegible],224,[illegible]			

CONTINENTAL AND COMMERCIAL NATIONAL BANK OF CHICAGO.

Office: Chicago, Ill., U.S.A.

Capital—
Subscribed and Paid up $25,000,000

In 1910 an amalgamation took place between the Commercial National Bank, formed in 1864, and the Continental National Bank, established in 1883, the new institution taking the name of the Continental and Commercial National Bank of Chicago. Each of the two banks had previously absorbed other concerns, and a year after the fusion the business of the Hibernian Banking Association of Chicago was purchased. This latter Bank, however, has maintained its individual existence.

In order to enable the Bank to compete with savings banks for long term deposits, and with trust companies in respect of trust business, the Continental and Commercial Trust and Savings Bank was formed, its capital all being owned by the shareholders of the parent institution. The scope of the affiliated institution is thus very wide, and enables the concern as a whole to deal with all classes of banking. The deposits of the Trust Bank amounted to over $63 million on June 30, 1920, and its total assets to over $75 million. Its surplus has been increased this year from $4 million to $5 million, making it equal to the paid-up capital, and leaving $1 million as undivided profits.

The National Bank's capital was fixed in 1910 at $20 million, from which it was increased in 1912 to $21,500,000. This year an additional $3,500,000 capital stock has been issued, and is all fully subscribed and paid up, raising the total to $25 million. $2,500,000 has been transferred from undivided profits to surplus, making the latter $15 million, and leaving $3,600,000 in the profits account. The [illegible]

Liabilities and Assets of The Continental and Commercial National Bank of Chicago

LIABILITIES.	Capital Paid up.	Surplus and Undivided Profits.	Capital, Surplus and Undivided Profits.		Notes in Circulation.		Deposits, &c.		Letters of Credit & Acceptances		Bills Payable Rediscounts		Total Liabilities
June 30	$	$	$	%	$	%	$	%	$	%	$	%	$
1920 ...	21,500,000	17,962,427	39,462,427	8·7	5,000	—	367,777,758	68·1	[illegible]	5·2	81,910,054	15·0	[illegible]
1919 ...	21,500,000	16,490,642	37,990,642	10·2	50,000	—	302,166,114	81·3	16,09[illegible]	4·2	16,000,000	4·3	[illegible]
1918 ...	21,500,000	15,846,585	37,346,585	11·0	150,000	·1	287,159,603	85·1	9,844,331	2·9	3,000,000	·9	337,791,540
1917 ...	21,500,000	13,338,139	34,838,139	11·8	150,000	·1	255,259,934	86·8	3,672,886	1·3	—	—	293,920,959
1916 ...	21,500,000	12,046,131	33,546,131	12·4	677,400	·2	233,[illegible],067	86·4	2,574,758	1·0	—	—	269,636,256
1915 ...	21,500,000	11,873,103	33,373,103	14·1	8,639,997	3·6	192,328,274	81·3	2,265,047	1·0	—	—	236,606,421
1914 ...	21,500,000	11,349,678	32,849,678	15·0	8,578,297	4·0	175,069,698	80·1	2,076,595	·9	—	—	[illegible]

ASSETS.	Cash in Hand, Specie, Legal Tender, and Bank-Notes.		Exchanges & Due from Other Banks, &c.		U.S. Bonds.		Other Investments		Loans and Discounts.		Letters of Credit & Acceptances		Total Assets.
June 30	$	%	$	%	$	%	$	%	$	%	$	%	$
1920 ...	103,745,061	23·0	[illegible]	—	10,514,3[illegible]	2·3	17,953,718	4·0	2[illegible],[illegible],[illegible]	65·5	[illegible]	5·2	[illegible]
1919 ...	45,343,986	12·2	63,500,114	17·1	16,[illegible],178	4·5	19,567,185	5·3	21[illegible],[illegible]	58·7	15,515,677	4·2	371,905,993
1918 ...	38,850,765	11·5	45,781,640	13·5	13,415,200	4·0	20,[illegible]	5·9	21[illegible]	62·2	[illegible]	2·9	337,791,540
1917 ...	36,281,323	12·3	46,811,001	16·1	10,970,800	3·7	16,318,230	5·5	17[illegible],[illegible]	61·2	3,566,100	1·2	293,920,95[illegible]
1916 ...	34,180,841	13·3	41,[illegible]	15·3	2,[illegible]	·9	14,[illegible]	5·5	15[illegible]	64·4	2,480,431	·9	[illegible]
1915 ...	36,399,100	15·3	44,021,813	18·6	8,329,000	3·8	14,155,[illegible]	6·0	130,984,349	55·3	2,182,263	1·0	236,606,421
1914 ...	34,735,770	15·9	30,111,427	13·9	8,320,000	4·1	14,588,591	6·7	127,861,828	58·5	2,020,649	·9	[illegible]

* Percent. of Total Liabilities or Assets.

Liabilities and Assets of The Continental and Commercial Trust and Savings Bank.

LIABILITIES.	Capital Paid up.	Surplus and Undivided Profits.	Capital, Surplus & Undivided Profits.		Deposits, &c.		Reserved for Taxes & Int. Miscellaneous.		Total Liabilities.
June 30	$	$	$	% *	$	% *	$	% *	$
1920	5,000,000	5,660,739	10,660,739	14·2	63,188,590	84·2	1,146,573	1·5	75,015,902
1919	5,000,000	5,079,435	10,079,435	10·5	85,194,407†	88·8	687,752	·7	96,261,594
1918	3,000,000	3,031,048	6,031,048	11·6	45,668,859	87·6	434,340	·8	52,134,248
1917	3,000,000	2,577,379	5,577,379	10·9	45,254,730†	88·6	285,695	·5	51,117,804
1916	3,000,000	2,114,295	5,114,295	10·1	45,483,026†	89·4	248,474	·5	50,845,795
1915	3,000,000	1,861,548	4,861,548	13·2	31,768,286	86·1	250,363	·7	36,880,197
1914	3,000,000	1,939,824	4,939,824	15·1	27,444,044	84·2	221,173	·7	32,603,041

ASSETS.	Cash in Hand, Specie, Legal Tender and Bank-Notes.		Exchanges and Due from Other Banks, &c.		U.S. Bonds.	Other Investments.	Total Investments.		Loans and Discounts.		Due from U.S. Treasury.		Real Estate.		Total Assets.
June 30	$	% *	$	% *	$	$	$	% *	$	% *	$	% *	$	% *	$
1920 ...	9,369,813‡	12·5	‡		—	—	11,912,489	15·9	53,737,600	71·3	—	—	—	—	75,015,902
1919 ...	2,101,633	2·2	19,100,513	19·8	6,300,690	14,349,489	20,650,179	21·5	54,012,456	56·1	—	—	397,813	·4	96,261,594
1918 ...	1,066,580	2·0	12,665,884	24·3	2,173,400	11,325,470	13,498,870	25·9	24,565,181	47·1	—	—	337,142	·7	52,134,248
1917 ...	3,182,610	6·2	7,905,708	15·5	9,523,145	11,667,717	21,190,862	41·4	18,798,398	36·8	—	—	39,717	·1	51,117 804
1916 ...	3,061,931	6·0	13,541,980	26·6	—	13,257,447	13,257,447	26·1	20,942,088	41·2	—	—	42,349	·1	50,845,795
1915 ...	2,187,454	5·9	10,342,694	28·1	—	10,948,617	10,948,617	29·7	13,364,584	36·2	—	—	36,847	·1	36,880,197
1914 ...	2,513,019	7·7	3,418,334	10·5	—	12,496,867	12,496,867	38·3	14,138,265	43·4	—	—	36,256	·1	32,603,041

* Per cent. of Total Liabilities or Assets. † Including temporary special deposit 1918, $25,845,030; 1916, $7,388,904; 1915, $9,142,270.
‡ Sums due from banks included with cash.

tinental and Commercial institutions now have a combined capital, surplus, and undivided profits of $54,600,000.

Deposits at the time of the original amalgamation were $98 million. On June 30 this year the combined deposits of the National Bank and the Savings Bank amounted to $370 million. Both institutions paid a dividend of fourteen per cent. for the year 1919.

Continental and Commercial National Bank.

Year.	Net Profits.	Dividends. Amount.	Rate.	Balance.
	$	$	%	$
1918	5,013,354	2,413,600	11·22	599,754
1917	4,249,811	2,413,600	11.22	1,836,211
1916	2,672,012	1,983,240	9.20	688,772
1915	2,746,608	1,983,480	9.20	763,128
1914	3,580,392	1,983,600	9.23*	1,596,792
1913	3,694,522	1,982,700	9.22	1,711,822

* Together with dividends of C. & C. Trust & Savings Bank and Hibernian Banking Association makes even 12%.

Continental and Commercial Trust and Savings Bank.

Year to Dec. 31	Net Profit.	Dividend. Amount.	Rate.	Balance.
		$	%	$
1918	442,726	394,000	12	48,726
1917	630,789	360,000	12	270,789
1916	900,199	360,000	12	540,199
1915	535,226	360,000	12	175,226
1914	603,647	360,000	12	243,647
1913	620,697	360,000	12	260,697

CONTINENTAL GUARANTY CORPORATION.

Head Office: Continental Guaranty Building, 248 Madison Avenue, New York.

Capital—
Paid up $3,000,000

London Office: King's House, King Street, E.C. 2.

THE Continental Guaranty Corporation is organised under the Banking Law of the State of New York, and is in the ordinary way subject to the supervision of the State Bank Examiner. It was founded five years ago for the purpose of furnishing to the engineering, motor, and allied trades a specialised and highly-developed service. The business of the Bank, which is purely commercial in character, is restricted largely to the above-mentioned trades. The resources of the Bank are not obtained by receiving deposits from the public, but by borrowing, under agreement, from other banking institutions. The collateral trust notes mentioned amongst the assets are, in effect, deposits, since they represent sums paid by other banks against collateral.

From the time of its inception the Bank has paid eight per cent. per annum, and the distribution was increased to nine per cent. last year.

The London branch was opened in May 1919 under the charge of Mr. J. Gibson Jarvie, a British-born subject, who is a Vice-President of the Bank.

STATEMENT OF CONDITION.

June 30, 1920.

LIABILITIES.		
		$
Capital stock		3,000,000·00
Surplus		150,000·00
Undivided Profits		220,084·52
Reserves		352,290·23
Deposits and Collateral Trust Notes		11,661,579·26
Notes and acceptances rediscounted		629,681·45
Foreign Bills of Exchange rediscounted		655,731·01
Bank Certificates of Deposit rediscounted ...		3,222·00
Accounts payable		281,769·88
Bills payable, including collateral loans		7,517,095·29
Interest received in advance		293,790·75
Bankers' acceptances		1,732,737·73
		$26,508,995·21

RESOURCES.		
	$	$
Cash Reserves.		
Cash on hand and in banks	3,000,545·54	
Cash in Trust	2,184,808·40	
		5,185,354·94
Notes and Acceptances		17,179,660·26
Foreign Bills of Exchange		719,819·89
Accounts receivable		107,660·89
Investments—		
Investment Securities	231,065·65	
New York State and City Bonds and United States Liberty Loan Bonds	755,500·00	
Dominion of Canada Victory Bonds	1,000·00	
Bank Certificates of Deposit	145,220·00	
		1,132,785·65
Customers' liability on Bankers' Acceptances ...		1,219,979·76
Office Equipment less depreciation		74,187·35
Interest earned		29,335·52
Prepaid discount		253,012·49
Deferred charges		6,511·85
		$26,508,995·21

EQUITABLE TRUST COMPANY OF N.Y.

Head Office: 37 Wall Street, New York City.

London Office: 3 King William Street, E.C. 4.

Capital—
Authorised and Issued, 120,000 Shares of $100 each, fully paid $12,000,000

THE United States Trust Company was formed in 1871, and is thus among the older institutions of its kind. Its original title was the American Deposit and Loan Company, the present name being adopted in 1902, when the paid-up capital was $1,000,000. The growth achieved has been more rapid during the latter part of its career than in the earlier, and in 1917 the then paid-up capital of $3,000,000 was doubled by the issue of 30,000 shares of $100 each at $150 per share, a price far below the market value of the shares at the time. On January 1, 1920, the capital was again doubled, and the paid-up amount now stands at $12 million.

Deposits have increased enormously of recent years, and on June 30 last reached $271 million, compared with only $69 million in 1913 and $256 million a year ago.

Turning to the assets, we find the total at the end of last June at $325 million, $29 million beyond the corresponding figure at the middle of 1919. Cash in hand and in banks has risen from $46 million to $86 million, and loans and bills from $123 million to $136 million. Public securities held have dropped by about $2 million, while other securities account for $31 million, instead of $26 million.

Apart from its growing magnitude, the Company's business continues very prosperous. The net profits for the calendar year 1919 amounted to $2,874,408, which enabled a dividend of twenty-five per cent. for the year to be distributed on the capital of $6 million. In 1916 thirty per cent. was paid, and the rate exceeded twenty per cent. for some years.

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Our London Correspondents

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The National Provincial and Union Bank of England, Ltd.

and

Lloyds Bank, Ltd.

GARFIELD
NATIONAL BANK

FIFTH AVENUE
WHERE 23RD STREET
CROSSES BROADWAY
NEW YORK.

MELLON
National Bank
PITTSBURGH, PENNA.
U.S.A.

Statement, September 8, 1920.

Loans and Discounts	$ 18,578,[illegible]
[illegible]	15,[illegible]
Other Bonds and Investments	25,[illegible]
Overdrafts	[illegible]
Cash and Due from Banks	20,[illegible]
	$ [illegible]

LIABILITIES.

Capital	$ [illegible]
Surplus and Undivided Profits	5,[illegible]
Reserves	3,[illegible]
Borrowed from Federal Reserve Bank	10,003,403.33
Circulating Notes	5,[illegible]
Deposits: Banks $ 36,305,102.37	
Individuals 97,044,312.29	
	[illegible]
	$ [illegible]

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Liabilities and Assets of The Equitable Trust Company.

LIABILITIES.

Date.	Capital Paid up.	Surplus and Profits.	Total Capital, Surplus, and Profits.		Deposits, &c.		Acceptances.		Accrued Interest Payable, &c.		Total Liabilities.
	$	$	$	%*	$	%*	$	%*	$	%*	$
1920 June 30	12,000,000	16,919,695	28,919,695	8·9	271,503,481	83·5	18,556,655	5·6	6,481,385	2·0	325,241,217
1919 ,, 30	6,000,000	13,939,195	19,939,195	6·7	256,655,922	86·7	18,052,809	6·1	1,647,033	·5	296,194,959
1918 ,, 20	6,000,000	13,483,973	19,483,973	7·1	243,276,688	88·1	17,901,826	6·3	1,633,466	·5	282,295,953
1917 Nov. 14	6,000,000	13,070,678	19,070,678	6·2	271,027,881	87·9	17,001,029	5·5	1,385,092	·4	308,484,680
1916 Dec. 31	3,000,000	10,052,115	13,052,115	6·8	161,841,512	83·6	17,101,299	8·9	868,196	·4	192,863,122
1915 ,, 31	3,000,000	9,408,498	12,408,498	7·9	136,564,688	87·5	4,616,281	3·0	2,568,250	1·6	156,157,717
1914 ,, 24	3,000,000	9,170,979	12,170,979	13·0	75,477,703	80·6	2,400,726	2·6	3,785,778	4·0	93,835,186
1913 ,, 31	3,000,000	10,153,461	13,153,461	15·4	69,040,632	81·1	—	—	2,985,093	3·5	85,179,186

ASSETS.

Date.	Cash on Hand and in Banks.		Public Securities.		Other Securities, Bonds and Mortgages.		Loans and Bills Purchased.		Accrued Interest Receivable, &c.		Customers' Liability for Acceptances.		Real Estate.		Total Assets.
	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$
1920 June 30	86,015,732	26·4	16,889,303	5·2	31,182,758	9·6	136,329,901	41·9	34,815,937	10·7	16,577,589	5·1	3,420,011	1·1	325,241,217
1919 ,, 30	46,530,191	15·7	18,883,525	6·4	26,218,582	8·9	123,740,578	41·8	57,322,362	19·4	20,026,930	6·8	3,472,791	1·0	296,194,959
1918 ,, 20	52,651,363	18·7	29,051,766	10·3	24,022,495	8·5	100,773,055	35·7	54,813,903	19·4	17,308,247	6·1	3,675,124	1·3	282,295,953
1917 Nov. 14	45,890,416	14·9	67,781,897	21·9	26,955,418	8·9	101,884,397	33·0	44,806,981	14·5	17,485,700	5·6	3,679,872	1·2	308,484,680
1916 Dec. 31	40,067,518	20·8	10,602,351	5·5	24,748,749	12·8	72,139,778	37·4	24,554,692	12·7	17,101,299	8·9	3,648,735	1·9	192,863,122
1915 ,, 31	45,317,935	29·0	6,334,128	4·1	25,639,043	16·4	61,514,477	39·4	9,034,341	5·8	4,616,281	3·0	3,671,012	2·3	156,157,717
1914 ,, 24	22,234,288	23·7	4,032,747	4·3	22,897,675	24·4	35,121,751	37·4	3,449,273	3·7	2,400,726	2·6	3,684,726	3·9	93,835,186
1913 ,, 31	16,882,176	19·8	5,054,928	5·9	24,252,272	28·5	32,459,755	38·1	2,884,663	3·4	—	—	3,645,392	4·3	85,179,186

* Per cent. of Total Liabilities or Assets.

FARMERS' LOAN AND TRUST CO.

Head Office: 16-22 William Street, New York City.
London Offices: 15 Cockspur Street, S.W. 1.
26 Old Broad Street, E.C. 2.

Capital—

Authorised and Issued, 50,000 Shares of $100 each, fully paid $5,000,000

This Trust Company was the first of its kind to be incorporated, and in 1822 it received its charter under the name of the Farmers' Fire Insurance and Loan Company of New York. In 1836 it adopted its present title, and in 1919 it became a member of the New York Clearing Association and of the Federal Reserve System.

Besides its New York offices, the Bank has two offices in London and two in Paris. Before the War it had a branch in Berlin. It is one of the three big New York Trust Companies appointed by the United States Treasury Department as a depository of public moneys in London and Paris in connection with the payments to troops, &c., and this arrangement largely superseded the customary travellers' letters of credit and express cheques.

For fifty years the capital stood at $1 million, but was increased in 1917 to $5 million, its present figure. The Company owes the whole of its progress to the increase of its own business, as it has not so far absorbed other companies.

The current rate of dividend is eighteen per cent. per annum on the increased capital. In earlier years forty per cent. and fifty per cent. were paid; and the issue of the new capital gave the stockholders a large bonus.

A statement of assets and liabilities is appended, from which can be seen the growth of the Company during recent years. The figures on June 30, 1920, are not as high as those of the previous year, a fall in deposits having been experienced, but they are higher now than they were two years ago.

The Farmers' Loan and Trust Company, Limited, established in March 1911, own and control the London Offices, but all its capital, £100,000 in shares of £10, fully paid, is held by the New York Company.

FIRST NATIONAL BANK OF BOSTON.

Offices: Federal, Franklin and Congress Streets, Boston, Mass.

Capital—

Authorised and Issued, in 150,000 Shares of $100 each $15,000,000

This Bank commenced business in 1859, but until 1903, when it acquired the business of the Massachusetts National Bank, its progress was very moderate. By 1905 its deposits had reached $40 million, compared with only $5 million in 1900 and less than $1 million in 1860. Subsequent growth has been marked, the total being $58 million in 1910 and $90 million in 1915. The average amount for 1918 was $160,300,000, and on June 30, 1920, deposits stood at $186,917,887. The increase since 1904 is entirely attributable to expansion of business, no further amalgamations having taken place.

The original capital, which was $1 million, was increased by 1905 to $2 million, and by 1912 to $5 million, while a further increase of $2,500,000 took place in 1916-17. On April 15 this year the capital was raised from $7,500,000 to $15 million by the issue of 75,000 new shares of $100 each. Existing shareholders were allowed to subscribe for this new stock at par, to the extent of their former holding. The amount of surplus and undivided profits reached the high total of over $22 million on June 30 last.

Liabilities and Assets of The Farmers' Loan and Trust Company (New York).

LIABILITIES.

Date.	Capital.	Surplus and Undivided Profits	Total Capital, Surplus and Undivided Profits.		Deposits.		Acceptances.		Accrued Interest, &c.		Total Liabilities.
	$	$	$	%*	$	%*	$	%*	$	%*	$
1920 June 30 ...	5,000,000	10,713,349	15,713,349	8·4	162,926,911	87·2	6,005,762	3·5	1,665,784	·9	186,911,856
1919 ,, 30 ...	5,000,000	12,246,155	17,246,155	8·2	186,490,848	88·2	5,929,050	2·8	1,715,862	·8	211,381,915
1918 ,, 29 ...	5,000,000	11,112,679	16,112,679	8·7	161,383,487	86·6	7,003,208	3·8	1,875,205	1·0	186,374,579
1917 Dec. 31 ...	5,000,000	10,525,231	15,525,231	8·1	166,071,202	86·3	9,279,170	4·8	1,644,638	·8	192,520,241
1916 ,, 30 ...	1,000,000	8,661,859	9,661,859	5·1	168,865,237	89·3	8,170,795	4·4	1,328,997	·7	188,026,888
1915 ,, 31 ...	1,000,000	7,382,950	8,382,950	5·0	158,597,134	93·4	1,774,210	1·0	994,374	·6	169,748,668
1914 ,, 31 ...	1,000,000	6,368,618	7,368,618	5·8	117,330,356	92·5	1,167,375	·9	1,003,196	·8	126,919,545
1913 ,, 8 ...	1,000,000	6,032,409	7,032,409	5·8	111,733,941	92·7	—	—	1,751,099	1·5	120,517,359

ASSETS.

Date.	Cash in Hand and in Bank.		Total Securities.		Loans and Bills Purchased.		Acceptances.		Miscellaneous.		Real Estate.		Total Assets.	
	$	%*	$	%*	$	%*	$	%*	$	%*	$	%*	$	
1920 June 30	56,472,506	30·2	51,205,725	27·4	68,882,722	36·7	6,602,862	3·6	767,956	·4	3,180,000	1·7	186,911,856	
1919 ,, 30	78,559,826	37·2	55,732,930	26·4	66,827,083	31·6	5,929,050	2·8	903,026	·4	3,430,000	1·6	211,381,915	
1918 ,, 29	44,819,816	24·0	56,701,273	30·4	73,232,194	39·3	7,003,208	3·8	795,836	·4	3,822,251	2·1	186,374,579	
1917 Dec. 31	47,184,930	24·8	50,979,665	26·4	80,420,184	41·7	9,279,170	4·8	941,652	·5	3,714,640	1·9	192,520,241	
1916 ,, 30	42,649,504	22·7	49,405,996	26·3	83,324,519	44·3	8,170,795	4·4	861,074	·4	3,615,000	1·9	188,026,888	
1915 ,, 31	53,851,307	34·7	48,911,885	28·3	55,728,758	32·9	1,774,210	1·0	843,508	·5	3,639,000	2·1	169,748,668	
1914 ,, 31	30,748,236	24·2	35,606,704	28·1	54,989,903	43·3	1,167,375	·9	775,327	·6	3,032,000	2·9	126,919,545	
1913 ,, 9	25,787,515	21·4	40,353,803	33·5	49,797,707	41·3	—	—	930,503	·8	3,647,831	3·0	120,517,359	

* Per cent. of Total Liabilities or Assets. † [illegible] June, 1920, $39,891,197 [illegible] Liberty Bonds.

Liabilities and Assets of The First National Bank, Boston.

LIABILITIES. June 30	Capital Paid up. $	Surplus and Undivided Profits. $	Total Capital Surplus and Undivided Profits. $	% *	Notes in Circulation. $	% *	Deposits, &c. $	% *	U.S. Bonds Account. $	% *	Acceptances. $	% *	Total Liabilities. $
1920 ...	15,000,000	22,831,435	37,831,435	14·2	492,600	·2	[illegible]	74·0	[illegible]	·4	[illegible]	11·2	267,[illegible]
1919 ...	7,500,000	20,[illegible]	[illegible]	11·4	[illegible]	·2	196,021,[illegible]	79·7	500,000	·2	20,951,166	8·5	246,[illegible]
1918 ...	7,500,000	19,321,087	26,821,087	11·8	500,000	·2	179,217,199	78·0	500,000	·2	[illegible]	6·8	226,710,372
1917 ...	7,500,000	18,101,191	25,601,191	13·9	500,000	·3	136,187,812	74·1	500,000	·3	20,820,219	11·4	183,609,222
1916 ...	5,000,000	12,206,149	17,206,149	11·2	1,000,000	·6	109,[illegible]	70·9	500,000	·3	26,219,329	17·0	154,645,[illegible]
1915 ...	5,000,000	11,833,706	16,833,706	14·2	1,500,000	1·3	90,[illegible]	76·6	500,000	·4	8,941,791	7·5	118,463,711
1914 ...	5,000,000	11,557,917	16,557,917	15·7	1,[illegible]	1·9	[illegible]	79·0	500,000	·5	3,068,608	2·9	105,114,[illegible]

ASSETS. June 30	Cash in Hand. $	% *	Due from Banks, &c. $	% *	U.S. Bonds. $	% *	Other Investments. $	% *	Bills Discounted $	Loans. $	Total Loans & Discounts. $	% *	Acceptances. $	% *	Bank Premises, &c. $	% *	Total Assets. $
1920	5,250,987	1·2	4,[illegible]	1·6	10,8	2·5	[illegible]	—	116,[illegible]	25,[illegible]	17,[illegible]	64·9	[illegible]	11·8	[illegible]	1·3	[illegible]
1919	5,000,[illegible]	1·2	50,[illegible]	20·5	15,[illegible]	6·4	[illegible]	3·5	[illegible]	[illegible]	[illegible]	59·6	[illegible]	8·2	[illegible]	·6	[illegible]
1918	3,3[illegible]8,160	1·5	52,163,878	23·0	7,624,760	3·1	9,148,852	4·0	[illegible]	[illegible]	31,227,135	135,580,131	59·9	17,974,551	7·9	[illegible]	[illegible]
1917	5,186,017	2·8	37,067,258	20·2	550,000	·3	10,239,460	5·6	76,455,313	26,416,936	102,872,249	56·0	[illegible]	14·3	[illegible]	·8	183,[illegible]
1916	5,8[illegible]3,496	3·7	31,094,192	20·1	1,200,000	·8	[illegible]	4·1	66,102,[illegible]	16,[illegible]	[illegible]	53·8	[illegible]	10·5	1,500,000	1·0	154,645,038
1915	7,732,871	6·5	29,020,470	24·5	1,950,000	1·6	7,[illegible]	6·5	[illegible]	[illegible]	[illegible]	52·1	[illegible]	7·5	1,500,000	1·3	118,463,711
1914	9,864,932	9·4	23,[illegible]	22·3	2,[illegible]	2·4	[illegible]	5·6	[illegible]	[illegible]	[illegible]	56·0	[illegible]	2·9	[illegible]	1·4	[illegible]

* Per cent. of Total Liabilities or Assets. † [illegible]

compared with $111 million on June 30, 1914. $3 million was added to the surplus in September 1919.

The net profit for 1918 showed a very big rise as compared with previous years, and amounted to $2,951,000. The 1919 profit did not quite reach this figure, and came to $2,762,000. The net earnings in 1917 was $1,698,000, with a dividend at the rate of nineteen per cent., increased to twenty per cent. for 1918. This rate was maintained last year, the amount carried forward to the new account being $2,686,000, as compared with $1,423,000 brought forward a year previously.

The statements printed above show that the Bank's total assets have risen from $246 million on June 30, 1919, to $265 million on June 30 this year. While bills discounted have increased by over $34 million, loans have dropped $9 million. Cash in hand has increased, and bank premises account shows a larger balance.

The Bank is now paying special attention to gathering commercial information, which it tabulates and places at the disposal of its customers.

Profits of the First National Bank, Boston.

Year ended Dec. 31	Net Profit $	Dividend.—Amount. $	Rate, %	Balance, $	Carried Forward $
1919 ...	2,762,496	1,500,000	20	1,262,496	2,686,[illegible]†
1918 ...	2,951,505	1,500,000	20	1,451,505	4,423,904
1917 ...	1,698,301	1,325,000	19	373,304	2,972,488
1916 ...	1,634,949	800,000	16	834,949	2,599,184†
1915 ...	929,905	750,000	16	179,005	6,764,234
1914 ...	992,285	600,000	12	392,285	6,585,229
1913 ...	965,252	600,000	12	365,252	6,192,944

* $5,000,000 [illegible] and $[illegible] [illegible] transferred from undivided profits to surplus.

FIRST NATIONAL BANK OF CHICAGO.

Office: Chicago, Illinois, U.S.A.

Capital—

Authorised and Issued. 125,000 Shares of $100 each ... $12,500,000

This Bank was established in 1863 by several leading citizens of Chicago, and was one of the first institutions to be created under the National Currency Act. It has always had well known and able men at the head of its affairs, and its existence has largely contributed to the great growth and development of the City of Chicago.

The first National Bank has always been a conservative institution. There were certain legal obstacles in receiving savings deposits and performing the work of a Trust Company, and to overcome these the Bank in 1903 created a subsidiary, known as the First Trust and Savings Bank of Chicago. To assist in this step stockholders of a special dividend of twelve and a half per cent. [illegible] the Trust Company with its [illegible] capital of $1 million. A number of accounts were transferred to it, and though the passing of the Federal Reserve Act in 1913 did away with the actual necessity for carrying on the two branches of business separately, they still retain their individual character. In September 1919 the First National Investment Company was organised, its stock being held in trust for the benefit of the stock-holders of the First National Bank.

For some years the paid-up capital stood at $10 million, and that of the Trust Company at $5 million. Then on July 1, 1920, the First National Bank raised its capital to $12,500,000, a corresponding increase of $1,250,000 being made in the capital of the Trust Company, which brought the capital of the latter to $6,250,000.

Unlike many American institutions, these Companies publish statements of profit and loss, together with reports on the year's working. The accounts for 1919 showed a net profit, subject to certain special appropriations, of $2,978,018, as compared with $2,807,271 for 1918. Expenses in the two years bore about the same ratio to gross profits, and the dividend was maintained at sixteen per cent. Though the net profits of the Trust Bank increased considerably, from $846,000 to $1,476,000, the dividend was continued at twelve per cent. per annum, a larger [illegible] being carried forward. The net earnings for the year amounted to eleven and one-eighth per cent. on the average aggregate capital employed, as compared with nine and seven-eighths per cent. for the previous year.

We append full statements of both companies for recent years, and in each case it will be observed, the growth is very marked. Since 1914 the total assets of the combined institutions have increased from $202 million to $386 million. During 1919 the deposits of the First National Bank showed seasonal fluctuations, largely due to Government operations in Certificates of Indebtedness and to the payment of Federal taxes. At the end of the year deposits stood at over $223 million, as compared with $208 million at the end of the previous year. Savings deposits have also increased [illegible] nearly $10 million.

First National Bank of Chicago.

Year ended Dec. 31	Gross Profit. $	Expenses. $	Net Profit. $	Dividend Amount. $	Rate. %	Special Appropriations. $	Carried Forward $
1920 ...	[illegible]	[illegible]	[illegible]	[illegible]	16	[illegible]	[illegible]
1919 ...	[illegible]	[illegible]	[illegible]	[illegible]	16	500,000	[illegible]
1918 ...	5,615,548	4,501,[illegible]	2,[illegible]	1,[illegible]	14[illegible]	[illegible]	[illegible]
1916 ...	5,648,130	4,346,209	1,401,921	1,200,000	12	100,000	101,921
1915 ...	5,656,706	3,819,838	1,836,868	1,500,000	15†	300,000	[illegible]
1914 ...	5,707,625	3,407,000	2,300,625	1,700,000	17*	[illegible]	300,625
1913 ...	5,659,901	3,278,647	2,381,254	1,700,000	17*	300,000	[illegible]

* Includes special Dividend of [illegible] † [illegible]

Liabilities and Assets of First National Bank of Chicago.

LIABILITIES.

Jan. 2	Capital Paid up.	Surplus and Undivided Profits	Total Capital, Surplus and Undivided Profits.		Notes in Circulation.		Bills Payable and U. S. Bank Rediscounts.		Deposits, &c.		U.S. Bonds Account.		Acceptances and Letters of Credit.		Total Liabilities.
	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$
1920 ...	10,000,000	14,891,493	24,891,493	8·5	—	—	28,298,189	9·7	228,847,971	77·5	—	—	12,151,992	4·2	291,189,645
1919 ...	10,000,000	14,081,003	24,081,003	9·6	—	—	117,562	—	214,100,976	85·3	—	—	12,768,580	5·1	251,068,121
1918 ...	10,000,000	13,173,732	23,173,732	10·0	—	—	8,345,000	3·6	194,317,346	83·8	—	—	6,038,488	2·6	231,894,566
1917 ...	10,000,000	12,452,133	22,452 33	10·9	—	—	—	—	176,939,135	85·3	—	—	5,591,831	2·8	204,983,099
1916 ...	10,000,000	12,350,212	22,350,212	11·9	924,000	·5	—	—	155,822,388	83·1	3,340,000	1·8	5,010,291	2·7	187,446,891
1915 ...	10,000,000	12,313,344	22,313,344	14·3	3,668,397	2·4	—	—	122,633,953	78·6	3,190,000	2·0	4,155,384	2·7	156,021,078
1914 ...	10,000,000	12,012,718	22,012,718	16·0	3,224,100	2·4	—	—	109,099,911	79·6	2,750,000	2·0	—	—	137,086,729

ASSETS.

Jan. 2	Cash in Hand, Specie, Legal Tender and Bank Notes.		Exchanges and Due from Other Banks, &c.		U.S. Bonds.		Other Investments.		Total Loans and Discounts.		Custom. Liab. on Acceptances, &c.		Bank Premises, &c.		Total Assets.
	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$
1920 ...	8,914,111	3·1	82,126,814	28·5	20,928,086	7·2	10,201,817	3·5	155,016,382	53·5	11,009,235	3·4	1,291,000	·4	291,189,645
1919 ...	10,323,289	4·1	74,118,100	29·7	24,855,104	9·3	8,234,116	3·3	120,115,785	47·8	11,841,200	4·7	1,250,000	·5	251,068,121
1918 ...	8,320,294	3·6	65,505,992	28·2	434,000	·2	9,236,917	3·9	141,985,825	61·2	5,161,538	2·3	1,250,000	·6	231,894,566
1917 ...	12,976,300	6·3	56,001,749	27·3	50,000	·2	7,198,295	3·5	122,181,026	59·5	5,323,129	2·6	1,250,000	·6	204,983,099
1916† ...	17,265,850	9·2	46,512,323	24·8	3,999,000	2·1	7,111,467	3·8	106,508,705	56·9	4,799,546	2·6	1,250 000	·6	187,446,891
1915 ...	14,493,268	9·3	33,655,800	21·6	3,674,000	2·3	5,489,721	3·5	93,454,583	59·9	4,005,697	2·6	1,250,000	·8	156,021,078
1914 ...	19,737,848	14·4	24,626,919	17·9	3,409,000	2·5	4,650,342	3·4	83,412,620	60·8	—	—	1,250,000	1·0	137,086,729

* Per cent. of Total Liabilities or Assets. † January 3.

Liabilities and Assets of First Trust and Savings Bank of Chicago.

LIABILITIES.

Jan. 2	Capital Paid up.	Surplus and Profits.	Total Capital, Surplus and Profits.		Deposits, &c.		Acceptances		Miscellaneous.		Total Liabilities.
	$	$	$	%	$	%	$	%	$	%	$
1920	5,000,000	6,771,721	11,771,721	12·3	81,145,343	84·8	2 000,000	2·1	743,298	·8	95,660,362
1919	5,000,000	5,895,107	10,895,107	13·0	72,294,826	85·8	606,728	·7	410,521	·5	84,147,182
1918	5,000,000	5,648,797	10,648,797	12·9	71,913,306	86·7	—	—	362,131	·4	82,924,235
1917	5,000,000	5,442,686	10,442,686	11·8	77,813,780	87·9	—	—	276,432	·3	88,533,878
1916†	5,000,000	5,363,164	10,363,164	13·7	65,154,926	86·0	-	-	247,942	·3	75,765,436
1915	5,000,000	5,019,935	10,019,985	14·5	58,720,617	85·2	-	—	217,975	·3	68,958,577
1914	5,000,000	3,713,245	8,713,245	13·2	56,662,989	86·4	-	-	210,165	·4	65,586,399

ASSETS.

Jan. 2	Cash in Hand, Specie, Legal Tender and Bank Notes.		Exchanges and Due from other Banks, &c.		U.S. Bonds.		Other Investments.		Bills Discounted.		Loans.	Total Loans and Discounts.		Custom. Liab. on Acceptances.		Total Assets.
	$	%	$	%	$	%	$	%	$	%	$	$	%	$	%	$
1920...	1,900,661	2·0	11,981,905	12·5	2,737,000	2·9	24,997,041	25·2	52,943,662	‡		52,943,662	55·3	2,000,000	2·1	95,660,362
1919...	1,815,433	2·2	12,722,836	15·1	9,375,322	11·1	17,496,374	20·8	28,316,741	13,813,747	42,130,489	50·1	606,728	·7	84,147,182
1918...	1,627,757	2·0	11,150,896	13·4	1,750,252	2·2	24,754,252	29·8	26,155,349	17,485,718	43,641,067	52·6	—	—	82,924,235
1917...	7,895,858	8·9	8,024,435	9·4	85,950	·1	31,675,774	35·5	23,990,640	16,860,222	40,850,862	46·1	—	—	88,532,878
1916†	6,312,251	8·3	9,757,192	13·0	175,130	·2	31,266,715	41·2	15,791,469	12,462,679	28,254,148	37·3	—	—	75,765,436
1915...	6,095,056	8·8	8,553,915	12·4	161,540	·2	23,187,556	33·7	16,746,025	14,214,485	30,960,510	44·9	—	—	68,958,577
1914...	6,123,701	9·3	7,113,402	10·9	5,120	—	18,571,853	28·3	18.721,960	15,044,363	33,766,323	51·5	—	—	65,586,399

* Per cent. of Total Liabilities or Assets. † January 3. ‡ Include 5,000,000 discounted.

First Trust and Savings Bank of Chicago.

Year ended Dec. 31	Gross Profit. Amount.	Expenses. Amount.	Net Profit. Amount.	Dividend — Amount.	Dividend — Rate.	Carried Forward.
	$	$	$	$	%	$
1919 ...	4,052,420	3,455,807	1,4 6,613	600,000	12	771,721
1918 ...	4,286,224	3,439,914	846,310	600,000	12	395,107
1917 ...	3,868,801	2,862,691	1,006,110	800,000	16*	148,797
1916 ...	3,667,533	2,588,314	1,079,218	1,000,000	20*	442,686
1915 ...	3,315,720	2,272,237	1,043,483	700,000	14	363,468
1914 ...	3,596,757	2,290,017	1,306,740	—	Nil	19[illegible]
1913 ...	3,288,969	2,086,516	1,202,453	—	Nil	213,245

* Includes special dividend of 2% 1915, 8% 1916, and 4% 1917.
After transfers to surplus.

FIRST NATIONAL BANK
(OF NEW YORK).

Office: New York City.

Capital—

Authorised and Issued, 100,000 Shares of $100 each, fully paid $10,000,000

This Bank was the first in New York to receive a National Charter. The event took place in 1863, coinciding with the introduction of the national system, and the Bank soon became an important institution, many out-of-town national banks depositing their funds with it. On December 31, 1863, the paid-up capital stood at $300,000, and in 1901 the amount was increased from $5,000,000 to its present figure of $10 million. The banking methods adopted have in certain respects differed greatly from those of some of the other great American banks. For many years the stock was held almost entirely by five men, and the Bank declined to advertise itself in any prominent way. Its deposits were thus not so large as perhaps they might have been, though the accounts that were received were regarded as of the first quality. The total of the deposits has grown rapidly of recent years. In 1900 it amounted to $45 million, and previous to the War, in 1914, to $124 million. There have been considerable fluctuations from year to year, and the aggregate amount of $302 million on June 30, 1919, has been succeeded in June of this year by $259 million.

The Bank's operations have been very profitable. At the time of the large capital increase, an equal amount (*i.e.*, $9,500,000) was carried to surplus account, and a dividend of 1,900 per cent. was declared—a rate which is believed to be the highest ever

Liabilities and Assets of First National Bank, New York.

LIABILITIES.

June 30	Capital Paid up.	Surplus and Profits.	Total Capital, Surplus and Profits.		Notes in Circulation.		Deposits, &c.		U.S. Bonds Account.		Acceptances.		Miscellaneous.		Total Liabilities.
	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$
1920...10,000,000		36,185,175	46,185,175	11·5	7,658,997	1·8	259,330,521	64·7	210,000	·1	4,36[illegible],000	1·1	83,511,774	20·8	401,325,467
1919...10,000,000		33,348,503	43,348,503	10·6	8,415,297	2·1	302,713,064	74·1	31,500,000	7·7	1,013,461	·2	21,737,941	5·3	408,728,266
1918...10,000,000		30,492,476	40,492,476	11·5	8,497,700	2·4	242,740,403	69·2	17,704,000	5·1	1,187,111	·3	40,238,131	11·5	350,859,821
1917...10,000,000		26,711,649	36 711,649	13·4	4,101,000	1·6	208,336,685	78·0	5,275,000	2·0	—	—	13,460,974	5·0	267,885,308
1916...10,000,000		23,312,803	33,312,803	16·5	4,979,200	2·5	163,414,371	80·7	275,000	·1	—	—	347,185	·2	202,328,559
1915...10,000,000		21,307,967	31,307,967	14·8	5,077,000	2·4	172,068,983	81·4	325,000	·2	—	—	2,580,950	1·2	211,359,900
1914...10,000,000		23,177,729	33,177,729	20·3	4,974,100	3·0	124,893,839	76·3	325,000	·2	—	—	529,500	·2	163,700,168

ASSETS.

June 30	Cash in Hand, Specie, Legal Tenders, and Bank Notes.		Exchanges and Due from Other Banks, &c.		U.S. Bonds.		Other Investments.		Loans and Discounts.		Bank Premises, &c.		Total Assets.
	$	%	$	%	$	%	$	%	$	%	$	%	$
1920 ...	25,816,837	6·4	38,740,614	9·7	129,310,441	32·2	73,201,799	18·4	132,064,776	32·9	1,750,000	·4	401,325,467
1919 ...	32,665,510	8·0	30,614,028	7·5	176,106,592	43·1	62,181,116	15·2	105,411,020	25·8	1,750,000	·4	408,728,266
1918 ...	41,144,155	11·7	9,043,146	2·6	139,442,199	39·8	64,692,528	18·4	94,787,793	27·0	1,750,000	·5	350,859,821
1917 ...	18,956,517	7·1	29,560,224	11·2	14,250,334	5·3	109,558,805	40·9	93,809,428	35·0	1,750,000	·6	267,885,308
1916 ...	29,414,091	14·5	21,308,240	10·6	5,017,672	2·5	51,422,776	30·4	83,215,779	41·1	1,750,000	·9	202,328,559
1915 ...	23,682,603	11·2	41,089,351	19·4	5,088,124	2·6	70,279,930	33·3	69,469,893	32·9	1,750,000	·8	211,359,900
1914 ...	23,809,671	14·5	17,466,186	10·7	5,209,424	3·2	45,231,278	27·6	70,233,609	42·3	1,750,000	1·1	163,700,168

* Per cent. of Total Liabilities or Assets.

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THE
CHASE NATIONAL BANK
OF THE CITY OF NEW YORK,
57 BROADWAY.

CAPITAL - - -	**$15,000,000**
SURPLUS AND PROFITS	**$22,667,000**
DEPOSITS (June 30, 1920)	**$387,752,000**

OFFICERS.

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ALBERT H. WIGGIN, *Chairman of the Board of Directors.*

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ACCOUNTS RECEIVED FROM

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paid by a banking concern. In 1900 the surplus and undivided profits just exceeded $9,000,000, in 1914 $23 million, and on June 30 this year $36,185,000. Of late years the dividends have fluctuated between twenty per cent. and thirty-eight per cent., and the rate paid for the year to June 30, 1919, was twenty-five per cent. The net profit for that year was $5,103,000, after charging off $1,782,000 reserved for taxes.

The accompanying table of assets and liabilities shows the changes in the Bank's figures during recent years.

Profits of First National Bank, New York.

Year to June 30	Gross Profit.	Expenses.	Net Profit.	—Dividend— Amount.	Rate.	Balance.
	$	$	$	$	%	$
1919...	8,464,122	1,577,317	5,103,920 (a)	2,500,000	25	2,603,920
1918...	8,696,460	1,998,414	5,698,049*	2,000,000	20	3,698,049
1917...	7,153,732	1,354,886	5,798,846	2,400,000	24	3,398,846
1916...	6,917,152	1,112,816	5,804,836 (b)	3,800,000	38	2,004,836
1915...	5,251,167	1,080,486	2,034,085 (c)	3,800,000	38	Dr.1,765,915
1914...	5,465,361	1,069,224	4,396,137	3,300,000	33	1,096,137

* After charging off $1,000,000 depreciation in securities.

(a) After charging off $1,782,885 reserved for taxes.
(b) The gross profits included recovery of $1,000,000 from special reserve for depreciation in securities which was charged off in 1915.
(c) This profit was reached after charging to a special reserve for depreciation in securities $1,500,000, and after charging off for depreciation in value on specific security items, $636,596.

FOREIGN TRADE BANKING CORPORATION.

Head Office: 35 Wall St., New York.

Capital $2,000,000

This institution commenced business on April 15, 1918, and deals in bankers' and trade acceptances. It is the first discount Company in the United States with functions similar to our own discount houses, and it was formed under an amendment to the New York State Banking Laws. This amendment allows a discount bank or company, under certain restrictions, to accept bills of exchange or drafts, drawn upon it; to issue letters of credit authorising the holders to draw upon it; and to discount bills, drafts, &c. It is not intended to accept deposits or carry on general banking business. The Corporation has a paid-up capital of $2 million, which is the legal minimum for such undertakings. There is, in addition, a reserve fund of $200,000.

Undivided profits on December 31, 1919, amounted to $456,423, as compared with $305,054 on June 30, 1919, and $121,058 the previous December. This shows a profit for the whole year of $335,365, which is equal to 16.7 per cent. on the capital. No dividend, however, is at present contemplated, the policy being to build up a strong and conservative institution.

The appended statements of accounts indicate the growth of business since incorporation. The total liability arising from discounts and acceptances was $1,200,000 in June 1918, and last December had increased to over $12 million. Total assets have risen in the same period from $5,952,000 to $15,968,000. Of this last total customers' liability on acceptances accounts for $7,721,000.

Statement of Accounts.

	Dec. 31, 1919.	Dec. 31, 1918.	June 30, 1918
LIABILITIES.	$	$	$
Capital	2,000,000	2,000,000	2,000,000
Surplus	200,000	200,000	200,000
Undivided profits	456,423	121,058	2,261
Reserve for taxes	95,387	48,670	16,195
Balances arising from discounts, &c.	4,279,627	2,671,900	451,565
Due to banks	783,048	1,339,216	2,495,000
Acceptances	8,026,342	2,972,186	786,890
Miscellaneous	127,490	—	141
Total Liabilities	15,968,357	9,348,030	5,952,052
ASSETS.			
Cash	920,614	1,270,520	709,944
Foreign exchange	4,139,724	1,723,698	643,913
Bank and trade acceptances ...	1,603,052	2,229,858	2,698,734
Acceptances (Customers' liab. on)	7,721,411	2,972,186	786,890
Bills, advances, &c.	1,584,556	1,160,758	1,112,541
Total Assets	15,968,357	9,348,030	5,952,052

GIRARD TRUST COMPANY.

Head Office: Philadelphia, Pa.

Capital... ... ... $2,500,000

CHARTERED in 1836, this Trust Company entered on a period of rapid expansion only towards the end of last century. Since then the concern has been very prosperous, and its shares have been dealt in at as much as nine times their nominal value of $100. The original capital was $300,044, since increased to its present figure of $2,500,000, while the surplus has been added to from time to time until it now stands at three times the amount of the capital—*i.e.*, $7,500,000

The profits for the year to November 30, 1919 amounted to $1,618,000, which, with the amount brought forward, made the total of undivided profits $2,985,000. The usual contribution of $10,000 was made to the pension fund, and $789,000 was applied in writing down investments, this amount covering two years' depreciation, and bringing the securities to market value. The Company has paid high dividends for some years. From 1898 to 1901 the rate was sixteen per cent., in 1902 twenty per cent., in 1906 twenty-four per cent., and in 1911 it was raised to thirty-six per cent., which rate has been paid ever since.

The Trust department has continued to grow, the total number of accounts in November last being 2,916, totalling approximately to $230 million.

Subscriptions secured by this Company to the Victory Loan of May 1919 exceeded $10 million, and total subscriptions to the four Liberty Loans and the Victory Loan exceeded $64 million.

The appended statements show the position of the Company on recent dates.

	June 30, '20	Dec. 31, '19	Dec. 31, '18	Dec. 30, '17
LIABILITIES.	$	$	$	$
Capital stock ...	2,500,000	2,500,000	2,500,000	2,500,000
Surplus fund ...	7,500,000	7,500,000	7,500,000	7,500,000
Undivided profits ...	1,510,410	1,191,859	1,365,412	1,009,516
Reinvestments ...	6,221,920	7,482,510	11,379,220	7,503,520
Deposits	42,755,912	46,630,016	39,765,727	45,289,596
Dividend payable ...	225,000	225,000	225,054	225,013
Acceptances	560,000	400,000	162,500	750,000
Other liabilities ...	276,999	—	—	—
Total Liabilities ...	61,650,241	65,929,385	62,898,213	56,887,639
ASSETS.				
Cash on hand and in banks	8,511,654	9,148,754	8,376,530	10,526,070
Loans	32,157,635	33,330,552	30,245,393	21,658,926
Securities	16,730,541	19,403,119	20,790,036	20,590,487
Real estate	3,390,414	3,526,969	3,363,754	3,363,063
Customers' liability for acceptances	560,000	400,000	162,500	750,000
Total Assets	61,650,241	65,929,385	62,898,213	56,887,639
Trust funds, exclusive of corporate trusts ...	244,490,103	231,978,595	221,544,949	203,766,997

* As at December 11, 1917.

GUARANTY TRUST COMPANY OF NEW YORK.

Head Office: 140 Broadway, New York City.

London Offices: 32 Lombard Street, E.C. 3
50 51 Pall Mall, S.W. 1.

Capital -
Authorised and Issued, 250,000 Shares of $100 each, fully paid... ... ... $25,000,000

THE Guaranty Trust Company of New York was formed in 1863 as the New York Guarantee and Indemnity Company, with a capital of $1 million, and is now the largest and best known Trust Company in the United States. It was the first institution of its kind to open a foreign branch, having started an office in London twenty-two years ago. The large amount of business which it transacts in foreign exchange makes the Company of special interest to European bankers.

The Company has expanded rapidly of recent years, and deposits, which in 1913 amounted to only $157 million, reached $734 million in June 30, 1920. In 1910 total assets were $183 million. These had grown by 1915 to $385 million and stood at $907 million on June 30, 1920. The concern has now a world-wide connection, with branches in Paris, Brussels, Havre,

Liabilities and Assets of The Guaranty Trust Company of New York.

LIABILITIES.

June 30	Capital.	Surplus.	Total Capital and Surplus.	Outstanding Treasurer's Cheques.	Deposits, &c.	Foreign Accounts.	Accept-ances.	Reserve for Taxes and Exp. &c.	Profit Balance.	Total Liabilities.
	$	$	$	$	$	$	$	$	$	$
			%	%	%	%	%	%	%	%
1920	25,000,000	25,000,000	50,000,000	5·5	30,377,002	3·3	734,3 2 9·2	8·0	12,[illegible] 1·4	6[illegible] 0 4·5	6·7	1,[illegible] 1·2	8,2[illegible]	·9	9 7,165,45[illegible]
[illegible]	25,000,000	25,000,000	50,000,000	6·1	22,148,310	2·7	675,185,726	82·2	1,[illegible] 1·3	52,[illegible]	6·4	6,[illegible]	1,178,577	·8	[illegible]
1918	25,000,000	25,000,000	50,000,000	7·1	7,667,822	1·1	576,25[illegible]	82·8	8,649,029	1·2	50,6[illegible]	7·3	1,018,995	·1	2,825,681	·6	697,010,548
1917†	20,000,000	20,000,000	40,000,000	6·7	6,419,170	1·0	501,[illegible]	83·4	5,892,030	·9	1,[illegible]	6·7	44[illegible]	1·2	7,[illegible]	1·2	601,[illegible]
1916	20,000,000	20,000,000	40,000,000	7·7	4,824,290	·9	438,316,524	84·2	2,400,393	·4	28,783,268	5·5	340,324	·1	6,[illegible]	1·2	520,744,575
1915	10,000,000	20,000,000	30,000,000	7·8	14,029,205	3·6	306,029,754	79·3	—	—	32,731,625	8·5	308,273	·1	2,727,839	·7	385,816,696
1914	10,000,000	20,000,000	30,000,000	10·0	6,314,671	2·2	234,077,884	79·2	11,155,169	3·8	12,782,236	4·3	289,586	·1	1,222,069	·4	295,840,415

ASSETS.

June 30	Cash on Hand and in Banks.	Exchanges for Clearing House.	Foreign Exchange.	Securities, Bonds, and Mortgages.	Loans and Bills Purchased.	Liability of Customers for Acceptances.	Accrued Interest and Accounts Receivable.	Real Estate.	Total Assets.
	$	$	$	$	$	$	$	$	$
	%	%	%	%	%	%	%	%	
1920	88,[illegible] 9·7	[illegible] 7·1	19,[illegible] 2·0	19,[illegible] 2·1	107,[illegible] 11·9	526,[illegible] 58·1	61,[illegible] 6·7	11,[illegible] 1·6	8 2,[illegible] ·9	907,16[illegible]
1919	117,651,027	14·3	79,331,008	9·7	16,[illegible] 2·0	154,176,155	18·4	495,867,575	49·4	52,239,103	6·4	2,[illegible] 1·1	[illegible]	·7	821,[illegible]
1918†	117,525,956	18·9	14,117,911	1·6	17,035,103	2·6	154,[illegible]	22·2	385,296,917	43·5	50,921,147	7·3	3,[illegible]	·5	5,[illegible]	·8	697,010,585
1917†	58,568,150	9·8	22,024,783	3·7	42,11[illegible]	13·7	71,[illegible]	11·7	321,0[illegible]	51·4	40,42[illegible]	6·7	2,[illegible]	·5	2,770,802	·5	[illegible]
1916	86,533,191	10·8	25,379,343	4·0	28,653,881	5·5	76,022,661	14·6	300,331,491	57·7	28,783,268	5·5	2,507,837	·5	2,500,000	·5	52[illegible]
1915	57,498,705	15·1	27,589,255	7·1	49,[illegible]	12·7	64,011,899	16·8	150,022,941	39·0	32,731,625	8·5	1,463,216	·3	2,762,508	·7	385,816,696
1914	44,199,203	15·0	22,925,956	7·8	27,848,132	9·4	66,111 048	22·3	118,019,731	39·8	12,782,236	4·3	1,350,449	·5	2,603,657	·9	295,840,415

* Per cent. of Total Liabilities or Assets. † June 20.

and Constantinople. In addition to its old-established London office, it has recently opened another in Pall Mall. There is also a branch at Liverpool, and one will shortly be opened in Antwerp. The Guaranty Trust is extending its interests in many directions, and has been instrumental in the formation of other concerns, those to which it is closely affiliated including: Mercantile Bank of the Americas; Asia Banking Corporation; Banco Mercantil Americano de Cuba; Italian Discount and Trust Company, New York; Foreign Finance Company, New York; Textile Banking Company, New York; Independent Warehouses, Incorporated, New York; United Financial Corporation, Montreal; Foreign Credit Corporation, New York; and Discount Corporation of New York.

A recent feature is the organisation of the Guaranty Company of New York with branches throughout the United States, for the purpose of handling the local business of the Guaranty Trust Company. The latter owns all the capital of the new concern, amounting to $5 million.

The results for 1919 showed an increase in the undivided profits account of $2,947,568, after paying in dividends $5 million, equal to twenty per cent. per annum on the paid-up capital. As will be seen from the accompanying statement, the business expanded during the year to June 30, 1920. Deposits showed an increase of $59 million, loans and bills over $120 million, while total assets rose from $821 million to $907 million. The cash total showed a falling-off of $29 million.

HANOVER NATIONAL BANK.

Office: Nassau and Pine Streets, New York City.

Capital—

Authorised and Issued, 30,000 Shares of $100 each, fully paid $3,000,000

This institution joined the National system in 1865. Her fourteen years' existence as the Hanover Bank. Since 1881 its progress has been fairly rapid, the increases in deposits and total assets being specially marked since 1910. In the latter year the assets had reached $119 million, and by June 30, 1920, they amounted to $205,119,699.

The amount of surplus and undivided profits has grown steadily year by year, and now stands at nearly $20 million, against a paid-up capital of $3 million. The rate of dividend, however, is high, thirty-two per cent. being paid for the twelve months to June 30 last, as also for the two years immediately preceding. This rate of distribution has called only for $960,000 annually out of the net profits, which have risen from $1,545,000 for the year ending June 1918 to $2,380,000, and thence to $2,837,000.

In addition to acting as trustee, executor, and in other fiduciary capacities, the Hanover Bank, through its Trust Department, serves its clients as custodian of securities, collecting the income therefrom as it falls due.

Year ended June 30	Net Profit.	Dividend. Amount.	Dividend. Rate.	Added to Surplus.	Undivided Balance.
	$	$	%	$	$
1920 ...	2,837,2[illegible]	960,000	32	-	[illegible],701
1919	2,380,085	960,000	32	--	4,118,448
1918	1,545,716	960,000	32	—	2,698,365
1917	1,384,796	780,000	26	—	2,112,649
1916	915,561	660,000	22	—	1,508,252
1915	948,266	600,000	20	-	1,252,691
1914	1,008,313	510,000	17	-	904,425

ILLINOIS TRUST AND SAVINGS BANK.

Offices: Chicago, Ill., U.S.A.

Capital—

Authorised and Issued, 50,000 Shares of $100 each, fully paid.. . . . $5,000,000

During the early years of its existence the progress of this institution, which was established in 1873, was comparatively slow, but from 1880 onwards its development has been rapid, and it is now the greatest Trust Company in Chicago, and ranks among the most important of these undertakings in the States. The original capital was only $100,000, but this was increased to $1 million in 1890 and $3 million in 1904, and in 1908 it was raised to its present amount of $5 million. The reserve fund is evidence of the sound

Liabilities and Assets of The Hanover National Bank.

LIABILITIES.

Date.	Capital Paid up.	Surplus and Profits.	Total Capital, Surplus and Profits.	Notes in Circulation.	Deposits, &c.	Bonds Borrowed.	Total Liabilities.
	$	$	$	$	$	$	$
			%	%	%	%	
1920, June 30 ...	3,000,000	19,[illegible]	22,[illegible] 11·2	100,000 ·1	182,[illegible] 88·7		[illegible]
[illegible], June 30 ...	3,000,000	18,118,448	21,118,448 9·6	150,000 ·1	197,[illegible] 90·3	-- --	219,154,453
1918, June 29 ...	3,000,000	16,940,524	19,940,524 10·8	470,000 ·3	166,386,963 88·8	600,000 ·3	187,397,487
1917, June 20 ...	3,000,000	16,601,300	19,601,300 9·1	140,000 ·1	196,[illegible] 90·8	— —	216,369,551
1916, June 30 ...	3,000,000	15,508,429	18,508,429 9·7	130,000 ·1	171,459,569 90·2	-- --	190,097,998
1915, June 23 ...	3,000,000	15,389,392	18,389,392 12·4	305,000 ·2	129,576,134 87·6	-- --	148,270,526
1914, June 30 ...	3,000,000	15,054,767	18,054,767 13·1	50,000 —	119,803,501 86·8	110,000 ·1	138,018,268

ASSETS.

Date.	Cash in Hand, Specie, Legal Tender and Bank Notes.	Exchanges and Due from Other Banks, &c.	U.S. Bonds.	Other Investments.	Total Loans and Discounts.	Bank Premises, &c.	Total Assets.
	$	$	$	$	$	$	$
	%	%	%	%	%	%	
1920, June 30 ...	25,01[illegible] 12·2	50,[illegible] 24·5	10,261,100 5·3	7,045,065 3·4	[illegible] 47·9	4,675,000 2·3	[illegible]
[illegible], June 30 ...	23,193,389 10·5	[illegible] 20·5	[illegible] 7·3	[illegible] 5·6	[illegible] 46·8	[illegible] 2·2	219,154,453
1918, June 29 ...	24,[illegible] 15·4	23,019,922 12·2	12,411,629 6·7	13,347,204 7·2	[illegible] 55·9	[illegible] 2·6	187,397,487
1917, June 20 ...	32,791,515 15·2	37,885,705 17·5	13,[illegible] 6·1	11,830,957 5·4	[illegible] 53·5	5,100,000 2·3	216,362,531
1916, June 30 ...	35,[illegible] 18·3	35,[illegible] 13·0	2,[illegible] ·1	9,912,202 5·2	[illegible] 54·1	[illegible] 2·7	[illegible]
1915, June 23 ...	25,971,636 16·9	31,803,301 21·5	525,000 ·3	3,776,882 2·5	[illegible] 55·2	5,300,000 3·6	148,270,526
1914, June 30 ...	26,147,567 19·0	21,749,992 15·7	200,000 ·1	[illegible] 2·6	[illegible] 58·7	5,343,000 3·9	[illegible]

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of Illinois Trust and Savings Bank.

LIABILITIES. June 30	Capital. $	Surplus. $	Contingent Account. $	Undivided Profits. $	Total Capital & Reserves. $	% *	Deposits, &c. $	% *	Reserve for Taxes & Exp. $	% *	Profit Balance. $	% *	Total Liabilities. $
1920 ...	5,000,000		†	†	16,001,585	9·9	141,946,416	89·8	528,046	·3	†	—	161,476,047
1919 ...	5,000,000	10,000,000	200,187	445,575	15,645,762	10·4	133,500,108	89·2	571,000	·4	†	—	149,716,870
1918 ...	5,000,000	11,000,000	200,000	400,000	16,600,000	14·2	98,942,749	85·0	240,000	·2	655,173	·6	116,445,222
1917 ...	5,000,000	11,000,000	500,000	400,000	16,900,000	13·6	106,803,417	86·0	180,000	·2	273,834	·2	124,156,251
1916 ...	5,000,000	10,000,000	500,000	700,000	16,200,000	12·6	112,014,202	86·9	150,000	·1	492,324	·4	128,856,526
1915 ...	5,000,000	10,000,000	—	700,000	15,700,000	13·8	97,040,369	85·6	135,000	·1	542,027	·5	113,417,896
1914 ...	5,000,000	10,000,000	—	500,000	15,500,000	14·1	93,583,770	85·4	135,000	·1	410,721	·4	109,634,491

ASSETS. June 30	Cash on Hand and in Banks. $	% *	Exchanges for Clearing House. $	% *	Foreign Exchange. $	% *	Securities. $	% *	Loans, &c. $	% *	Real Estate. $	% *	Total Assets. $
1920 ...	29,798,188‡	18·5	‡	—	‡	—	17,493,241	10·8	114,187,618	70·7	—	—	161,479,047
1919 ...	17,499,419	11·7	†	—	†	—	29,880,624	19·9	102,412,467	68·4	14,160	—	149,716,670
1918 ...	20,477,626	17·6	1,969,342	1·6	671,700	·5	26,431,588	22·7	66,900,966	57·5	—	—	116,445,222
1917 ...	23,040,703	18·6	1,534,480	1·2	916,548	·8	22,705,472	18·3	75,919,848	61·1	—	—	124,156,251
1916 ...	23,150,895	18·0	1,716,382	1·3	391,164	·3	24,263,407	18·8	79,324,678	61·6	—	—	128,856,526
1915 ...	23,099,356	20·3	1,257,353	1·1	445,965	·4	26,108,524	23·0	62,396,998	55·2	—	—	113,417,896
1914 ...	23,113,629	21·1	1,832,660	1·6	635,827	·6	26,415,701	24·1	57,636,683	52·6	—	—	109,634,491

* Per cent. of Total Liabilities or Assets. † Not shown separately. ‡ Items combined with cash.

Way in which the business has been conducted. In 1900 it stood at $2 million, and by 1905 had reached $5 million and exceeded the paid-up capital, which it has done ever since. The total of surplus, contingent fund and undivided profits was $10,645,000 on June 30, 1919, and a year later exceeded $11 million.

The deposits have increased largely of recent years, though fluctuating considerably. In 1916 they touched $112 million—then declined for two years, rising again in 1919 to $133 million, and on June 30 this year to $144 million. Total assets on the latter date were $161 million, as compared with $149 million a year previously.

During 1919 important amalgamations took place. The Merchants Loan and Trust Company was merged with the Illinois Trust, and it was decided to adopt the temporary name of the North American Trust Company. Later, the Corn Exchange National Bank came into the merger. Both the concerns mentioned increased their capital from $3 million to $5 million on this occasion, so that all three institutions entered the consolidation on a parity. The figures referred to above are those of the Illinois Trust only, which continues to issue separate statements of accounts.

Year to June 30	Gross Profit. $	Salaries & Expenses. $	Net Profit. $	Dividend. Amount. $	Rate. %	Special Appropriations. $	Carried Forw'd. $
1918 ...	2,166,058	1,083,419	1,082,639	1,000,000	20	—	655,473
1917 ...	2,434,524	954,014	1,480,510	1,000,000	20	—	272,834
1916 ...	2,291,585	841,888	1,449,697	1,000,000	20	500,000	492,324
1915 ...	2,142,882	815,976	1,326,906	1,000,000	20	200,000	542,258
1914 ...	2,186,265	811,636	1,374,629	1,000,000	20	500,000	415,722

INTERNATIONAL BANKING CORPORATION.

(*See* National City Bank of New York.)

Head Office: 60 Wall Street, New York.
London Office: 36 Bishopsgate, E.C. 2.

Capital—

Issued, 50,000 Shares of $100 each, fully paid... $5,000,000

THE International Banking Corporation is the pioneer American Bank to organise and operate a system of foreign branches. The first foreign agent was appointed in Shanghai in 1902 [illegible] Government in the collection of the Chinese Boxer indemnity. Since then various branches have been opened, the total being now 31. These are situated all over the world, and comprise, besides the London office, eight in China, three in India, two in Japan, two in Java, two in the Philippines, six in the Dominican Republic, two in Panama, and one each in Lyons, San Francisco, and Singapore, Straits Settlements.

The Bank is now owned by the National City Bank of New York; consequently those dealing with it have the added convenience arising from the wide network of branches established by the latter, whose field of operations is chiefly South America and Europe.

From 1905 to 1919 the capital stood at $3,250,000, but in November of the latter year it was increased to its present figure of $5 million by capitalising $1,750,000 of undivided profits. The reserve, which has for long equalled the capital, was similarly increased by a transfer from the same source, so that it remains at the same figure as the paid-up capital.

The net profit for the year ending June 30, 1920, amounted to $4,103,477, compared with $1,131,184 for the previous year. Against this, two half-yearly distributions at rates of six and twelve per cent. respectively gave a total return to shareholders of nine per cent. The distribution in the previous year was six per cent. $3,208,241 was carried forward, against $3,054,764 brought forward from June 1919.

The balance-sheet figures show considerable expansion, total assets having increased during the year to June 30 last by $46 million to $155 million. The Bank has notes in circulation in China to the extent of over $3½ million. Deposits rose during the year from $59 million to $82 million, and acceptances also show material expansion. Cash has nearly doubled to over $21 million, while the total of demand loans and advances has risen from $32 million to nearly $44 million.

Year ended June 30.	Net Profit. $	Dividend. Amount. $	Rate. %	Balance $	Carried Forward. $
1920 ...	4,103,477	480,000	3	3,653,477	3,508,241†
1919 ...	1,131,184	195,000	6	936,184	3,054,764
1918 ...	965,000	195,000	6	770,002	2,118,580
1917 ...	861,803	195,000	6	666,803	1,348,578
1916 ...	916,225	195,000	6	721,225*	681,775
1915 ...	339,277	195,000	6	144,277	960,550
1914 ...	309,312	195,000	6	114,312	816,273

* $1,000,000 thereof set aside to write down Bank premises. † After transfer of $3,500,000 to surplus fund, per annum, December 31, 1919. And 12½ per annum, June 30, 1920.

Liabilities and Assets of The International Banking Corporation.

LIABILITIES. June 30	Capital Paid up. $	Reserve Funds. $	Total Capital and Reserves. $	% *	Notes in Circulation in China. $	% *	Time and Demand Deposits. $	% *	Commercial Credit Acceptances. $	% *	Acceptances, Bills and Accounts Payable &c. $	% *	Profit Balance. $	% *	Total Liabilities. $
1920 ...	5,000,000	7,500,000	12,500,000	8·0	3,517,596	2·3	82,337,963	53·1	36,687,992	23·6	19,150,657	12·3	3,508,242	2·3	155,196,660
1919 ...	3,250,000	3,250,000	6,500,000	6·0	2,148,107	2·0	58,270,082	54·3	19,808,829	18·4	17,808,829	16·4	3,152,264	2·9	109,084,840
1918 ...	3,250,000	3,250,000	6,500,000	6·4	1,423,845	1·4	54,764,694	53·5	21,030,651	20·6	16,486,738	16·0	2,210,080	2·1	102,322,007
1917 ...	3,250,000	3,250,000	6,500,000	9·5	960,114	1·4	27,695,741	40·6	6,076,616	8·9	25,559,492	37·5	1,446,077	2·1	68,237,980
1916 ...	3,250,000	3,250,000	6,500,000	11·9	675,265	1·2	26,877,115	49·2	2,570,615	4·7	17,234,365	31·6	779,275	1·4	54,636,635
1915 ...	3,250,000	3,250,000	6,500,000	17·3	465,915	1·2	22,119,875	58·8	2,084,960	5·6	5,361,245	14·3	1,058,050	2·8	37,590,045
1914 ...	3,250,000	3,250,000	6,500,000	15·7	575,985	1·4	20,559,290	49·7	6,448,580	15·6	6,361,792	15·4	913,773	2·2	41,359,420

ASSETS. June 30	Cash in Hand and at Local Depositories. $	% *	Securities, Investments. $	% *	Time Loans and Bills Discounted. $	% *	Demand Loans and Advances. $	% *	Customers' Liability for Acceptances. $	% *	Bills and Remittances and Sundry Accounts. $	% *	Total Assets. $
1920 ...	21,177,222	13·7	4,228,418	2·7	15,043,792	9·7	43,937,019	28·3	34,459,178	22·2	36,351,042	23·4	155,196,660
1919 ...	11,471,960	10·5	4,266,997	3·9	14,465,519	13·3	32,000,745	29·9	17,942,856	16·4	28,304,713	26·0	109,084,840
1918 ...	12,769,855	12·5	8,237,967	8·0	6,652,444	6·5	27,076,873	26·5	19,862,209	19·4	27,722,660	27·1	102,322,007
1917 ...	9,168,790	13·4	3,444,239	5·1	8,512,870	12·5	11,896,389	17·4	6,076,616	8·9	29,139,056	42·7	68,237,980
1916 ...	9,339,175	17·1	4,276,510	7·8	7,735,130	14·2	12,872,095	23·6	2,570,615	4·7	17,843,110	32·6	54,636,635
1915 ...	9,725,250	25·9	4,629,500	12·3	5,576,190	14·8	6,063,790	16·1	2,084,960	5·6	9,520,355	25·3	37,590,045
1914 ...	7,665,425	18·5	4,692,300	11·3	5,488,346	13·3	6,647,191	16·1	6,448,580	15·6	10,417,578	25·2	41,359,420

* Per cent. of Total Liabilities or Assets.

THE EQUITABLE TRUST COMPANY
OF NEW YORK.
ALVIN W. KRECH, President

Capital, Surplus and Undivided Profits (Sept. 30, 1920) $29,620,156 (£8,462,901)

Member New York Clearing House Association.

Current Accounts opened and Deposits received. Dollar Bills purchased.

Drafts and Cable Transfers on New York and other important cities in the United States and Canada issued at closest rate.

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COLOMBIA	Banco Mercantil Americano de Colombia—Barranquilla, Cartagena, Medellin, Cali, Girardot, Manizales, Honda, Armenia, Bucaramanga, Cucuta
COSTA RICA	Banco Mercantil de Costa Rica—San Jose
CUBA	Banco Mercantil de Americano de Cuba—Havana, Ciego de Avila
HONDURAS	Banco Atlantida—La Ceiba, Tegucigalpa, San Pedro Sula, Puerto Cortez, Tela
NICARAGUA	National Bank of Nicaragua—Managua, Bluefields, Leon, Granada
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Liabilities and Assets of The Irving National Bank.

LIABILITIES. June 30	Capital. $	Surplus and Undivided Profits. $	Total Capital, Surplus and Undivided Profits. $	% *	Notes in Circulation. $	% *	Deposits, &c. $	% *	Acceptances. $	% *	Total Liabilities. $
1920	9,000,000	10,526,802	19,526,802	6·6	2,243,200	·8	258,994,463	87·1	16,441,687	5·5	297,226,152
1919	4,500 000	6,712,274	11,212,274	6·7	1,449,000	·9	146,246,518	87·7	7,966,784	4·7	166,874,576
1918	4,500,000	5,609,679	10,109,679	7·6	640,000	·5	115,946,384	87·9	5,316,119	4·0	132,012,182
1917	4,000,000	4,414,106	8,414,106	6·9	640,000	·5	107,208,230	87·9	5,801,671	4·7	122,064,007
1916	4,000,000	3,855,043	7,855,043	7·7	640,000	·6	89,692,417	88·4	3,347,894	3·3	101,535,354
1915	4,000,000	3,757,355	7,757,355	10·8	740,000	1·0	62,123,782	86·5	1,235,667	1·7	71,856,804
1914	4,000,000	3,468,648	7,468,648	11·4	1,562,400	2·4	56,482,312	86·2	—	—	65,513,362

ASSETS. June 30	Cash in Hand, Specie, Legal Tender and Bank-Notes. $	% *	Banks and Exchanges. $	% *	U.S. and other Bonds, Stocks, &c. $	% *	Bills Discounted. $	% *	Loans. $	% *	Liability of Customers for Acceptances. $	% *	Total Assets. $
1920 ...	31,457,776	10·6	48,052,746	16·1	25,331,948	8·6	177,559,361†	59·7	†		14,824,321	5·0	297,226,152
1919 ...	15,661,779	9·4	24,453,761	14·7	15,735,825	9·2	62,570,892	37·4	44,115,057	26·5	6,476,319	3·8	166,874,576
1918 ...	17,535,216	13·3	13,643,052	10·3	6,646,036	5·0	60,901,341	46·2	28,539,680	21·6	4,723,857	3·6	132,012,182
1917 ...	20,362,307	16·7	14,923,473	12·2	7,262,797	6·0	48,715,712	40·0	26,460,871	20·8	5,338,247	4·3	122,064,007
1916 ...	15,160,699	15·0	10,787,594	10·6	9,255,486	9·1	40,449,279	39·9	22,819,455	22·4	3,062,841	3·0	101,535,354
1915 ...	13,732,226	19·1	7,085,539	9·9	1,819,623	2·5	39,533,464	55·0	8,622,252	12·0	1,063,700	1·5	71,856,804
1914 ...	12,242,616	18·7	7,539,696	11·5	5,263,903	8·0	30,475,046	46·5	11,992,071	18·3	—	—	65,513,362

* Percent. of Total Liabilities or Assets. † Items included with bills discounted.

IRVING NATIONAL BANK.

Head Office: Woolworth Building, New York City, U.S.A.

Office of London Representative: Pinner's Hall, Austin Friars, E.C. 2.

Capital—

Authorised and Issued, in Shares of $100 each, fully paid (no further liability) $12,500,000

This Bank was formed in 1852, and the present institution is the result of an amalgamation of four old-established concerns—the New York Exchange Bank, established in 1851; the Irving, established in 1852; the Mercantile, which was formed in 1850, and the Nassau, which came into existence in 1853. The original Irving Bank had made slow progress up to the time of the amalgamation, its total resources in 1898 being only $3 million. Under its present form the Bank has become of recent years one of the foremost financial institutions in the United States, and its total assets, which in 1900 only amounted to a little over $4 million, stood in September last at over $318. This result has been largely obtained by the absorption of a large number of smaller banks. The New York Exchange Bank was taken over in 1907, and the Mercantile in 1912. The National Bank, as well as the Nassau Bank, was absorbed in May 1914. In 1917 an arrangement was effected with the Broadway Trust Company whereby all the stockholders should hold stock in both concerns according to their relative capitalisation, in the proportion of three Irving shares to one Broadway share. The name of the Trust was changed to the Irving Trust Company, but each institution operates independently. On this occasion the capital of the Bank was raised from $4 million to $4,500,000, to make a simple ratio with the capital of the Trust ($1,500,000).

In 1918 the Irving Trust purchased a controlling interest in the Market and Fulton National Bank, which had a capital of $1 million and a surplus of over $2 million. This year the Irving National Bank has acquired the business of the Lincoln National Bank, the offices of the latter opposite the Grand Central Terminal in New York becoming the Lincoln office of the Irving Bank. The acquisition is an important one, as the Lincoln National Bank is an old and well-established institution and possesses deposits of $22 million.

Between June and December 1919 the capital of the Irving National Bank was increased from $4,500,000 to $6 million. A further increase to $9 million had taken place by June 1920, and on July 22 this amount was raised to $12,500,000. At the same time the surplus account was increased to $9,500,000, so that the total of capital, surplus, and undivided profits has now reached a high figure—$23,151,339 on September 8 last.

The net profit for the year 1919 was $2,641,748; a dividend of twelve per cent. per annum was paid. This compares with $1,283,688 and a dividend of like amount for 1918. The net profits have largely increased since 1915, when they totalled only $506,667, a dividend of eight per cent. being then paid. Over $2 million has been carried forward from last year's account.

The general figures of the Bank show very great expansion. The management pursues numerous investigations into economic and banking questions of current interest, and publishes informative statements of the results. Its foreign business is on the increase, and the progressive spirit of the Bank is evidenced in a reciprocal working arrangement entered into with one of the largest British Banks, Barclays Bank, Limited, and with Cox and Company (France), Limited, of Paris. Under the arrangement English and French departments are maintained in the Irving and an American department in the British and French institutions.

Deposits have risen from $138 million on June 30, 1919, to $233 million on June 30, 1920, and $247

Liabilities and Assets of The Mechanics and Metals National Bank.

LIABILITIES. June 30	Capital Paid up. $	Surplus Fund. $	Undivided Profits. $	Total Capital, Surplus, &c. $	% *	Notes in Circulation. $	% *	Deposits. $	% *	Acceptances $	% *	Miscellaneous. $	% *	Total Liabilities. $
1920 ...	10,000,000	10,000,000	4,929,516	24,929,516	8·1	1,000,000	·3	237,769,401	77·6	7,084,997	2·3	35,702,372	11·7	306,486,286
1919 ...	6,000,000	6,000,000	6,392,493	18,392,493	6·7	3,799,992	1·4	235,910,751	85·5	2,084,878	·8	15,583,639	5·6	275,771,753
1918 ...	6,000,000	6,000,000	4,526,148	16,526,148	7·6	3,800,000	1·7	191,090,389	87·9	4,948,689	2·3	1,128,946	·5	217,494,172
1917† ...	6,000,000	6,000,000	3,979,480	15,979,480	7·1	3,739,800	1·7	186,095,447	83·1	6,804,360	3·0	11,369,730	5·1	223,988,817
1916 ...	6,000,000	6,000,000	3,768,401	15,768,401	7·4	4,959,300	2·4	180,336,748	85·1	10,335,578	5·1	—	—	211,900,027
1915 ...	6,000,000	6,000,000	3,350,737	15,350,737	8·8	4,937,805	2·8	153,543,995	87·5	1,629,709	·9	—	—	175,462,246
1914 ...	6,000,000	6,000,000	2,874,627	14,874,627	10·5	4,420,900	3·1	122,662,819	86·2	—	—	277,837	·2	142,236,183

ASSETS. June 30	Cash in Hand, Specie, Legal Tenders and Bank-Notes. $	% *	Exchanges and Due from Other Banks, &c. $	% *	United States Bonds. $	% *	Other Investments. $	% *	Loans and Discounts. $	% *	Customers' Liability for Acceptances. $	% *	Bank Premises and Miscellaneous. $	% *	Total Assets. $
1920 ...	31,658,552	13·3	77,848,167	25·4	19,102,812	6·3	7,949,234	2·6	153,180,887	51·9	6,661,352	2·2	1,685,282	1·3	306,486,286
1919 ...	29,326,678	10·6	79,378,321	28·8	17,304,072	6·3	9,099,356	3·3	132,242,359	47·9	1,695,295	·6	6,812,674	2·5	275,771,753
1918 ...	31,144,258	14·3	19,918,879	9·2	16,887,850	7·3	12,468,469	5·7	128,016,478	58·9	4,790,483	2·2	5,263,955	2·4	217,494,172
1917† ...	20,859,373	9·3	48,168,312	21·5	8,342,000	3·7	13,482,637	6·0	120,541,464	53·9	6,546,224	2·9	6,050,807	2·7	223,988,817
1916 ...	28,958,044	13·7	52,682,090	24·9	6,043,372	2·8	12,503,224	5·9	95,926,624	45·4	10,797,362	5·1	4,989,311	2·2	211,900,027
1915 ...	35,428,737	20·2	43,333,033	24·7	6,445,714	3·7	11,286,518	6·4	72,687,093	41·4	1,629,709	·9	4,751,442	2·7	175,462,246
1914 ...	26,999,756	19·0	21,492,611	15·1	5,049,500	3·6	9,675,011	6·8	74,534,140	52·4	—	—	4,485,165	3·1	142,236,183

* Per cent. of Total Liabilities or Assets. † June 30. : Not shown separately.

million on September 8 last. Total assets on the latter date came to $318 million, as compared with $297 million on June 30 and $166 million a year previously. The accompanying tables show further particulars of recent growth.

Profits of the Irving National Bank.

Year to Dec. 31	Gross Profit.	Expenses.	Net Profit.	Dividend Amt.	Dividend Rate	Special Appropriations.	Balance Carried Forward.
	$	$	$	$	%	$	$
1917 ...	—	—	2,601,748	600,000	12	1,250	1,148
1918 ...	—	—	1,285,688	540,000	12	13,000	676,688
1917 ...	4,833,866	3,745,096	1,088,770	475,000	11¼	1,250,000	812,465
1916 ...	3,217,973	2,462,981	755,692	540,000	8½	—	1,218,694
1915 ...	2,427,660	1,920,983	506,667	420,000	8	—	805,002
1914 ...	2,310,891	1,771,926	538,965	320,000	8	—	646,355
1913 ...	2,019,036	1,443,498	575,538	320,000	8	—	427,570

MECHANICS AND METALS NATIONAL BANK.

Head Office: 20 Nassau Street, New York.

Capital—

Issued, in Shares of $100 each, fully paid ... $10,000,000

THE Mechanics and Metals National Bank was organised in 1810, but it was not until the present century that it showed marked growth. During the past six years in particular its progress has been very evident. This progress has been gained partly by the absorption of other concerns, but to a greater extent by the expansion of its own business. Deposits, which in 1900 stood at only $13 million, increased to $75 million in 1913, and to $237 million in 1920.

In 1904 the Bank purchased the Leather Manufacturers' National Bank and took over in 1910 the National Copper Bank, while in 1914 it absorbed the Fourth National Bank of New York. For several years the paid-up capital stood at $6 million and in the first part of 1920 the amount was raised to $9 million. In the middle of June a consolidation with the New York Produce Exchange Bank was effected, the capital of which stood at $1 million, thus raising the paid-up capital of the Mechanics Bank to its present figure of $10 million. The consolidation gave the Bank nine branches in the Borough of Manhattan, in addition to the main office, making the Bank one of only four national banks in New York with branch offices.

The surplus fund, which has been maintained at the same figure as the paid-up capital, was raised this year to $10 million. The development of the business has proved very profitable, the dividend having been increased in 1904 from eight to ten per cent., in 1907 to twelve per cent., and in 1916 to sixteen per cent. The rate is now twenty per cent., payable quarterly.

Taking the balance sheet for June 30, 1920, and comparing it with June 30, 1919, we find deposits have increased by about $2 million. On the assets side the cash item has risen from $29 million to $31 million, and loans and discounts from $132 million to $159 million. Investments are at about the same figure. Total assets show an increase of over $30 million to $306,486,286.

MELLON NATIONAL BANK.

Office: Pittsburgh, Pennsylvania, U.S.A.

Capital—

Subscribed, 60,000 Shares of $100 each, fully paid $6,000,000

In 1869 Messrs. T. Mellon and Sons established a private bank, which was for many years the largest of its kind in the United States outside New York. It became a very prominent banking institution, conducting financial operations of such importance and magnitude as to place it in the forefront of concerns of its kind working in the States.

Then in 1902 the Bank became a national institution under the name of Mellon National Bank. Its ownership is identical with that of the Union Trust Company and the Union Savings Bank of Pittsburgh, through each of these Companies carries on its particular branch of business separately. The operations of the three concerns as a whole [illegible] very wide range, and together they comprise one of the strongest banking groups in America.

The paid-up capital was originally $2 million. By 1910 it was increased to $4 million, and it has stood for some time past at $6 million. This last increase of $2 million was made by way of a stock dividend of 50 per cent.

The dividend has been maintained since 1906 at the rate of six per cent. per annum. On June 1, 1920, the surplus was increased by $1 million, bringing it up to $5 million.

The cautious credit and unrestricted business connections of the Bank's directorate give the institution a very high standing in commercial and financial circles.

We append the usual statement of monthly assets, showing the recent development of the Bank:—

LIABILITIES.	[illegible] 30, '20	June 30, '19	Aug. 31, '18	Aug. 31, '17
	$	$	$	$
Capital	6,000,000	6,000,000	6,000,000	6,000,000
Surplus and undivided profits	5,014,566	4,629,113	4,398,817	4,087,116
Reserve for depreciation, &c.	1,100,860	2,970,713	2,101,634	987,149
Total	15,115,986	13,599,826	12,500,451	11,074,264
Borrowed from Fed. Reserve Bank	106,146,047	17,500,000	1,000,000	
Circulating notes	4,361,800	5,001,398	1,757,700	1,241,200
Deposits	98,539,665	92,557,045	88,187,941	110,888,956
Total liabilities ...	128,642,626	128,351,839	116,066,485	132 894.720

ASSETS.	[illegible] 30, '20	June 30, '19	Aug. 31, '18	Aug. 31, '17
	$	$	$	$
Cash on hand	2,110,454	1,568,104	3,220,809	4,654,575
Due from banks	15,042,970	11,898,797	15,146,068	12,884,155
Loans, bonds, & invest. secur.	111,488,502	111,927,878	97,143,568	[illegible]
5% parts of subscriptions ...	—	—	—	[illegible]
Total assets ...	128,642,626	128,351,839	116,066,485	132 894.720

MERCANTILE BANK OF THE AMERICAS.

Head Office: 44 Pine Street, New York.

Capital—

Paid up $6,800,000

THE Mercantile Bank of the Americas was established in 1916 by Brown Brothers and Company and J. and H. Seligman and Company for the purpose of conducting American banking business in other countries. It is operated under the supervision of the Federal Reserve Board, and shares are owned by several leading banks, including the Guaranty Trust Company of New York and the National Shawmut Bank. During its short life it has shown considerable expansion, and its operations have covered a very wide field. In addition to its head office in New York, it has branches in New Orleans, Paris, Madrid, and Barcelona, and is very largely represented in South and Central America by affiliated institutions. These latter are nine in number, and are situated in the Argentine, Brazil, Colombia, Costa Rica, Cuba, Honduras, Nicaragua, Peru, and Venezuela. The Bank secures detailed information concerning business conditions in the localities in which these concerns operate, which information can be obtained from the New York office, and American importers are assisted in finding supplies of raw materials, while the wide range of offices helps in bringing together buyers and sellers. The organisation of the Banco Mercantil y Agrícola de Buenos Aires was a noteworthy event, as it is one of the most important Argentine [illegible] and was established for the formation of a branch in the Argentine Republic.

The Mercantile Bank commenced business with a paid-up capital of $500,000 and a reserve surplus of $100,000. By December 31, 1917, the former had reached $2,500,000 and subsequent increases [illegible] brought it to $6,800,000, the amount on July 31 last. The surplus and undivided profits on the latter date amounted to over $4 million.

The accounts show very great expansion, total assets last July being $95 million, against $17 million in 1917, and $41 million in July 1919. Deposits increased during the year from $8 million to $19 million, while acceptances, together with the contingent liability under credits issued by other banks, accounted for over $56 million, as compared with $20 million in the previous year.

	July 31, 20	[illegible] 19	July 15, '19
LIABILITIES.	$	$	$
Capital	6,800,000	4,500,000	5,000,000
Surplus and undivided profits	4,002,867	2,955,138	2,256,306
Current accounts	19,249,231	15,436,676	8,615,201
Acceptances	22,307,600	26,828,396	15,504,516
Liability for acceptances issued by other banks	34,000,000	16,170,000	1,650,000
Letters of credit	7,184,594	5,365,520	2,983,241
Sundry accounts	2,424,058	2,751,022	2,564,087
Total Liabilities	95,967,550	71,001,062	41,683,551
ASSETS.			
Cash on hand and deposits Federal Reserve and [illegible]ther banks	2,251,797	3,359,657	1,498,729
Bankers' acceptances	2,639,845	4,539,875	2,216,993
Bills	527,797	1,437,788	385,510
United States Bonds	1,640,257	3,345,903	3,335,150
Loans and advances	41,624,272	47,543,553	26,948,451
Liability of customers and others for acceptances	41,184,594	5,365,520	2,983,242
Stocks of affiliated institutions	5,813,997	5,117,585	4,557,900
Other accounts	484,991	291,181	157,576
Total Assets	95,967,550	71,001,062	41,683,551

NATIONAL BANK OF COMMERCE.

Office: New York City, U.S.A.

Capital—

Authorised and Issued, 250,000 Shares of $100 each, fully paid $25,000,000

The National Bank of Commerce, one of the oldest banks in the United States, is also one of the largest. It commenced business in 1839 with an authorised capital of $5 million, $1,003,000 of which was paid up, and it has grown steadily through the years of America's financial and commercial development, until to-day its paid-up capital and surplus exceed $55 million, and its assets $550 million. In 1856 the authorised capital was increased to $10 million, which was all paid up by October 31, 1863. This Bank is strictly a commercial one, and throughout its history has employed its resources in the development of both foreign and domestic commerce, the foreign business having much expanded during recent years. The Bank is now prepared to render international banking services in all parts of the world, and to that end has relations with leading banks in various countries.

In 1865 the Bank entered the national banking system. In 1900 it merged with the National Union Bank, and in 1903 absorbed the Western National Bank of New York, when the capital was increased to its present figure of $25 million. The Bank's greatest growth has been during the last decade. In 1911 the surplus was $10 million, and total resources about $207 million. On June 30, 1920, the total of surplus and undivided profits amounted to over $31 million, thus exceeding by $6 million the paid-up capital.

As a part of its policy of expansion of foreign business, the Bank in April 1919 joined with the First National Bank of Boston and the Comptoir National d'Escompte de Paris in forming the French-American Banking Corporation for the promotion of French-American trade relations. The National Bank conducts the preparation of a number of publications dealing with financial, commercial, and industrial problems.

Net profit for the year ending June 30, 1920, amounted to $7,817,779, as compared with $7,151,287 for the previous year. The rate of dividend has been increased from ten per cent. per annum to twelve per cent. per annum.

We append the usual statements of assets and liabilities, showing the progress of the Bank during recent years.

The Bank's London business is carried on through a representative at 17 Sherborne Lane, King William Street, E.C. 4.

Profits of the National Bank of Commerce.

Year ended June 30	Net Profit.	Dividend. Amount.	Rate	Surplus for Year.
	$	$	%	$
1920	7,817,779	3,125,000	12½*	4,692,779
1919	7,151,287	2,500,000	10	4,651,287
1918	5,041,794	2,875,000	11½	2,166,794
1917	4,873,417	2,500,000	10	2,373,417
1916	2,782,679	2,000,000	8	782,679
1915	4,410,081	2,000,000	8	2,410,081
1914	4,056,568	2,000,000	8	2,056,568

* Present rate, 12 %.

NATIONAL CITY BANK OF NEW YORK.

(*See also* **International Banking Corporation.**)

Head Office: Wall Street, New York City, U.S.A.
London Office: 36 Bishopsgate, E.C. 2.

Capital—

Authorised and Issued, in Shares of $100, fully paid $40,000,000

Further liability of $100 per share.

This Bank was incorporated as far back as 1812, and was then known as the City Bank of New York. It commenced business with a paid-up capital of $800,000. The interests of the Bank have always been bound up with those of the country, and, as the latter advanced in wealth and prosperity, so did the Bank's business develop, until to-day it ranks among the premier financial institutions of the world. It has at various times rendered very valuable assistance to the United States Government, and has participated in many issues of Government bonds. It was registered as a National Bank in 1865.

The Bank's greatest progress has been since 1890. At that date the paid-up capital stood at $1 million, and the deposits were under $12 million. By 1900 the latter had reached $130 million, and prior to the outbreak of War in 1914 totalled $266 million. The general inflation is reflected in the subsequent figures, this partly accounting for the large increases. On June 30, 1919, deposits stood at $779 million, and a year later this total had been further increased to $799 million. The notes in circulation, on the other hand, are being steadily reduced, and, while in 1914 the amount was $83,171,000, on September 8 last it had fallen to $1,394,000. The Bank's paid-up capital was raised in 1900 to $10 million, and in 1902 to $25

Liabilities and Assets of National Bank of Commerce in New York.

LIABILITIES. June 30	Capital Paid up. $	Surplus and Profits. $	Total Capital, Surplus and Profits. $	% *	Notes in Circulation. $	% *	Deposits. $	% *	Letters of Credit & Acceptances. $	% *	Miscellaneous. $	% *	Total Liabilities. $
1920 ...	25,000,000	31,532,152	56,533,152	10·2			370,418,229	67·0	81,867,635	14·8	43,818,116	8·0	552,743,132
1919 ...	25,000,000	26,839,138	51,839,138	9·0			416,553,978	72·2	36,558,103	6·3	71,882,455	12·5	576,833,974
1918 ...	25,000,000	22,137,851	47,137,851	9·6	—	—	375,723,732	75·6	33,504,229	6·8	34,362,843	7·0	490,728,655
1917 ...	25,000,000	20,021,057	45,021,057	10·2	—	—	352,785,798	80·4	31,227,783	7·1	10,213,161	2·3	439,248,099
1916 ...	25,000,000	17,647,640	42,647,640	12·7	165,000	—	271,122,699	81·7	4,288,365	1·3	14,110,006	4·3	335,633,710
1915 ...	25,000,000	16,864,960	41,864,960	15·6	3,945,000	1·5	214,591,828	79·8	3,645,130	1·3	4,696,758	1·8	268,743,676
1914 ...	25,000,000	16,690,592	41,690,592	19·9	7,707,300	3·7	155,020,776	73·8	4,465,505	2·1	1,120,487	·5	210,004,660

ASSETS. June 30	Cash in Hand, Specie, Legal Tenders, and Bank Notes. $	% *	Exchanges and Due from Other Banks, &c. $	% *	U.S. Bonds or Other Government Obligations. $	% *	Other Investments. $	% *	Total Loans and Discounts. $	% *	Custrs' Liab. for Acceptances and Letters of Credit. $	% *	Bank Premises. $	% *	Total Assets. $
1920 ...	17,910,726	3·7	86,319,958	15·6	7,734,939	1·4	18,389,506	3·3	310,802,658	56·2	77,785,345	14·1	4,000,000	·7	552,743,132
1919 ...	18,911,245	3·5	89,311,166	15·5	42,427,259	7·3	15,331,144	2·7	340,388,456	59·0	36,458,104	6·3	4,000,000	·7	576,833,974
1918 ...	39,160,199	8·0	34,974,198	7·1	37,758,830	7·7	34,402,541	7·0	309,625,136	63·1	32,807,432	6·7	2,000,000	·4	490,728,655
1917 ...	56,288,141	12·8	42,172,100	9·7	14,954,000	3·4	38,580,678	8·8	253,730,669	57·7	31,225,211	7·1	2,000,000	·5	439,248,099
1916 ...	37,525,731	11·2	14,428,068	13·3	165,000	—	32,672,600	9·7	214,564,128	63·9	4,278,783	1·3	2,000,000	·6	335,633,710
1915 ...	30,193,673	11·2	32,624,473	12·1	3,945,000	1·5	27,931,589	10·4	163,701,464	61·6	6,347,477	2·4	2,000,000	·8	268,743,676
1914 ...	25,896,118	12·3	31,946,583	15·2	8,575,000	4·1	17,552,654	8·4	119,114,870	56·7	4,419,435	2·1	2,500,000	1·2	210,004,660

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The National City Bank of New York.

LIABILITIES.

Date.	Capital Paid up.	Surplus and Undivided Profits (Net).	Capital and Surplus (Net).	Notes in Circulation.	Deposits, &c.	Acceptances.	U.S. Bond Account.	Total Liabilities.
	$	$	%	$	%	$	%	$	%	$
1920, June 30	25,000,000	58,954,921	7·8	1,362,930	·1	714,776,147	85·8	61,341,047	6·0	23,500,000	·3	877,341,045
1919, June 30	25,000,000	51,491,368	9·0	1,495,000	·1	499,492,150	87·6	17,925,414	3·0	25,000,000	·3	569,903,564
1918, June 24	21,000,000	43,578,897	9·4	1,535,200	·2	655,650,910	83·6	22,907,715	3·4	25,188,700	·4	791,840,531
1917, June 20	21,000,000†	39,955,554	9·7	1,782,910	·2	682,915,999	88·3	23,263,490	3·2	4,544,700	·6	733,160,984
1916, June 30	38,000,000†	57,899,767	10·7	1,796,850	·3	523,484,081	85·1	19,536,750	3·2	4,669,150	·7	615,286,598
1915, June 25	25,000,000	36,933,465	14·0	3,362,700	·8	361,708,927	82·0	8,498,115	1·9	5,992,150	1·3	441,095,407
1914, June 30	25,000,000	32,916,892	16·4	3,471,200	·9	255,732,555	78·3	9,677,211	2·8	5,646,750	1·6	352,444,638

ASSETS.

Date.	Specie and Legal Tenders.		Banks and Exchanges.		U.S. and other Bonds, Stocks, &c.		Loans and Discounts.		Liability of Customer for Acceptances.		Bank Premises, &c.		Total Assets.
	$	%	$	%	$	%	$	%	$	%	$	%	$
1920, June 30	305,705,185	28·3			59,189,633	5·5	646,005,781	60·0	61,341,047	5·7	5,100,000	·5	877,341,045
1919, June 30	146,561,260	18·2	100,500,000	12·5	80,000,000	10·0	525,870,931	58·5	17,925,414	2·7	5,100,000	·6	903,955,746
1918, June 29	169,572,141	21·6	34,140,127	4·3	124,636,449	15·8	432,223,401	54·8	26,028,173	3·3	5,150,250	·6	791,840,531
1917, June 20	133,024,722	18·2	86,062,391	11·7	85,980,462	11·7	409,101,890	55·5	23,091,104	3·2	5,000,000	·7	733,160,984
1916, June 30	132,828,260	21·6	78,724,988	12·8	49,418,931	8·0	329,777,669	53·6	19,536,750	3·2	5,000,000	·8	615,286,598
1915, June 23	143,781,223	32·6	40,616,066	9·2	46,919,471	10·7	196,359,781	44·5	8,498,115	1·9	5,000,000	1·1	441,095,407
1914, June 30	67,445,419	19·1	51,000,238	14·7	39,891,116	11·3	178,976,176	50·8	9,677,211	2·7	5,000,000	1·4	352,444,638

* Per cent. of Total Liabilities or Assets. † Including capital certificates for Foreign Branches: 1917 and 1918, $6,000,000; 1916, $2,000,000.

million, at which latter figure it remained until the present year, when on August 26 an increase was authorised from $25 million to $40 million, by the issue of 150,000 additional shares to be offered for subscription to the shareholders, *pro rata*, at $125 per share. Payment for the shares was to be made in full on or before October 1, and by October 5 the increase to $40 million had been duly effected.

In June 1911 the Bank formed the National City Company, to undertake business which it was not itself allowed, under National Bank law, to transact. The ownership of stock in this trust company was certified by an endorsement on the share certificates of the National Bank, no separate certificates being issued. The National City Company owns a controlling interest in the International Banking Corporation, also in the National Bank of Haiti. In 1915 the National Bank joined with others in forming The American International Corporation, for the purpose of furthering United States trade relations with other countries, and $25 million of the common stock of this concern was offered to National Bank shareholders at par. These affiliated institutions have materially aided the foreign expansion of the National City Bank. This expansion has been very marked during recent years, and the Bank is now an international concern, having branches, together with those of the International Banking Corporation, in the following places, in addition to the numerous offices in the United States: Argentina, Chile, Uruguay, Cuba, Brazil, Dominican Republic, Philippine Islands, Republic of Panama, Venezuela, Colombia, Porto Rico, Java; in Japan, China, India, and Straits Settlements; in Europe, at Antwerp, Brussels, Genoa, Moscow, Petrograd, Barcelona, Madrid, Lyons; at Cape Town, South Africa, and in Trinidad. There is also a branch of the City Bank in the West End of London.

The net profit for the year ending May 1, 1920, was $7,927,771, compared with $5,787,383 for the previous year. The annual accounts will in future be made up to December 31, and the usual ten per cent. dividend has been maintained, the adjustment for the eight months to the end of last year being six and two-thirds per cent. The dividend on the National City Company's stock was, as usual, at the rate of seven per cent. per annum.

We publish the usual statement of assets and liabilities, showing the continued expansion in the Bank's figures. The total of the statement of condition as on September 8 last shows a small shrinkage from $1,077 million to $982 million.

Year ended May 1	Net Profits.	National City Bank—Dividend. Amount.	Rate.	Undivided Profits.	Rate of Dividend on Stock.
	$	$	%	$	%
1920 ...	7,927,771	1,666,667	6	6,261,104	6
1919 ...	5,787,383	2,500,000	10	3,287,383	6
1918 ...	7,351,971	2,500,000	10	4,851,971	6
1917 ...	5,460,371	2,500,000	10	2,960,371	6
1916 ...	5,427,865	2,500,000	10	2,927,865	6
1915 ...	5,388,096	2,500,000	10	2,888,096	6
1914 ...	4,897,766	2,500,000	10	2,397,766	6

* Represents earnings on basis of seven months ended October 31st and year to 31st December.

NATIONAL SHAWMUT BANK.

Office: Boston, Mass., U.S.A.

Capital—

Authorised and Issued, 100,000 Shares of $100, fully paid $10,000,000

This Bank received its Charter as a State Bank in 1836, under the title "Warren Bank," with a capital of $500,000. In 1837 the name was changed to Shawmut Bank, and in 1894 it became a National Bank under the title of the Shawmut National. Its subsequent development is largely the result of consolidation and amalgamation, rendered advisable by the growing need for larger local institutions, if financial control was to be kept at home. When eight Boston banks were liquidated in 1898 the Shawmut Bank was reorganised to take over the businesses of the entire group, and, having absorbed since then several other Boston financial concerns, it has now become the principal bank in New England.

In 1900 the paid-up capital stood at $3 million. There was an increase of $500,000 in 1902, and to 1913 the amount was raised to its present figure of $10 million. The amount of surplus and undivided profits has been steadily built up, from $1,819,000 in 1900 to a total of $11,369,000 on June 30, 1920. On the same date for the previous year the reserve fund exceeded the paid-up capital by $316,000. Until somewhat recently the Bank had confined its operations to New England, though always actively interested in the promotion of foreign trade. For several years now it has had a well-equipped foreign department, and important connections have been made with foreign banks. In 1914 the Bank was appointed Boston agent for the Banco de la Nacion Argentina, Buenos Aires. Rather than establish its own branches abroad the Bank has preferred to become directly interested in local banks. It is at the present time a large shareholder in the Mercantile Bank of the Americas and in the Asia Banking Corporation.

The War caused many changes in world trade and in the foreign exchange situation, and certain methods of dealing with them were devised [illegible] to commercial National Banks in America. Accordingly other Corporations were formed, among the first being the Shawmut Corporation of Boston in May 1919, with an authorised capital of $5 million, and offices in Boston and New York. This concern handles every form of international transaction affecting trade and finance. It finances imports and exports, deals in bills of exchange, and facilitates importation of foreign bonds and stocks. A special department has been organised for the [illegible] to important securities on foreign Stock Exchanges. Deposits with the National Bank in 1914 amounted to $88 million, while last June they stood at $134 million, having increased $9 million during the previous year. The Bank's own investments in sterling securities, and stock [illegible]

Liabilities and Assets of The National Shawmut Bank, Boston, Mass.

LIABILITIES. June 30	Capital Paid up. $	Surplus & Undivided Profits. $	Capital, Surplus & Undivided Profits. $	% *	Notes in Circulation. $	% *	Deposits, &c. $	% *	U.S.Bond Account. $	% *	Bills Payable, &c. $	% *	Acceptances and Letters of Credit. $	% *	Miscellaneous Accounts: Reserve for Taxes, &c. $	% *	Total Liabilities. $
1920	10,000,000	11,369,916	21,369,916	9·7	500,000	·2	134,724,100	61·0	500,000	·2	28,585,279	13·0	34,322,034	15·5	842,959	·4	220,844,294
1919	10,000,000	10,316,237	20,316,237	9·0	879,400	·4	123,745,536	56·0	500,000	·2	26,094,392	11·6	50,862,188	22·7	351,170	·1	224,746,923
1918	10,000,000	9,019,929	19,019,929	11·0	887,000	·5	130,154,928	75·0	500,000	·3	—	—	22,507,082	13·0	312,720	·2	173,381,659
1917	10,000,000	8,170,710	18,170,710	11·5	1,550,600	1·0	129,646,886	82·1	1,200,000	·8	—	—	6,992,805	4·4	343,819	·2	157,814,850
1916	10,000,000	7,477,484	17,477,484	11·8	1,587,000	1·1	123,128,036	83·0	1,200,000	·8	—	—	4,569,636	3·1	347,261	·2	148,309,417
1915	10,000,000	7,317,143	17,317,143	14·2	3,538,000	2·9	99,205,722	81·6	1,200,000	1·0	—	—	—	—	311,440	·3	121,572,305
1914	10,000,000	7,346,958	17,346,958	14·4	3,565,000	3·0	98,225,788	81·4	1,227,000	1·0	—	—	—	—	269,200	·3	120,633,916

ASSETS. June 30	Cash in Hand, Specie, Legal Tenders & Bank Notes. $	% *	Exchanges & Due from Other Banks. $	% *	U.S. Bonds. $	% *	Other Investments. $	% *	Total Loans & Discount. $	% *	Acceptances and Letters of Credit. Custrs.' Liab.). $	% *	Bank Premises, &c. $	% *	Total Assets. $
1920	‡	—	51,284,628†	23·2	6,204,000	2·8	—	—	134,448,822	60·9	26,056,844	11·8	2,850,000	1·3	220,844,294
1919	†	—	48,223,517‡	21·4	1,667,000	·5	†	—	141,698,634	63·1	30,807,772	13·7	2,850,000	1·3	224,746,923
1918	1,958,995	1·1	43,053,742	24·9	1,608,420	·9	12,690,150	7·3	90,175,289	52·0	21,045,064	12·1	2,850,000	1·7	173,381,659
1917	3,892,743	2·5	42,162,465	26·7	1,867,000	1·2	16,557,902	10·5	83,840,590	53·1	6,644,260	4·2	2,850,000	1·8	157,814,850
1916	6,551,616	4·4	29,778,747	20·0	1,867,000	1·4	15,560,903	10·5	87,211,763	58·8	4,489,383	3·0	2,850,000	1·9	148,309,417
1915	10,050,198	8·3	30,264,958	24·9	3,818,000	3·1	14,887,080	12·2	59,702,069	49·1	—	—	2,860,000	2·4	121,572,305
1914	13,140,147	10·9	28,473,946	23·6	3,845,000	3·2	10,716,925	8·9	61,607,898	51·0	—	—	2,850,000	2·4	120,633,916

* Per cent. of total Liabilities or assets. ‡ Not shown separately. † Includes items classified as "Cash Resources."

The net profit for the year to June 30, 1919, was $2,386,496, as compared with $1,849,218 for the previous year, and the dividend was increased from ten per cent. to eleven and a-half per cent.

Year to June 30	Net Profit. $	Dividend. Amount. $	Rate. %	Balance. $	Carried Forward. $
1919	2,386,496	1,150,000	11½	1,236,496	2,256,424
1918	1,849,218	1,000,000	10	849,218	2,019,928
1917	1,403,226	800,000	8	603,226	3,170,710
1916	959,378	800,000	8	159,378	2,477,484
1915	770,185	800,000	8	Dr. 29,815	2,318,105
1914	984,762	800,000	8	184,762	2,346,595

* $2,000,000 to surplus.

OLD COLONY TRUST COMPANY.

Office: Boston, Mass., U.S.A.

Capital—

Authorised and Subscribed 70,000 Shares of $100 each, fully paid... ... ... $7,000,000

In June 1890 this Company commenced business in Boston with a total staff of four members. The business grew with remarkable rapidity, new and extensive premises were taken, and total assets, which in 1890 stood at $5 million, amounted on June 30 last to $178 million. The Company opened a department for acting as trustee in various capacities, and this section of the business has enjoyed remarkable growth. The Company is a member of the Federal Reserve System, and also of the Boston Clearing House Association. In 1909 an amalgamation with the City Trust Company took place.

The capital, which was originally $1 million, had reached $5 million by 1911, and a further increase to $6 million took place in the following year. It has since been raised to $7 million, at which it now stands. A large surplus has been built up, partly from premiums on shares, and for some time it has exceeded the paid-up capital. On September 8, 1920, it amounted, together with the undivided profits, to $10,586,824.

Net profits for the year ending October 31, 1919, were $1,799,150, as compared with $1,621,398 for the previous year. The dividend was maintained at twelve per cent. per annum, $1 million being transferred to surplus. In 1917 the dividend was eleven per cent., and in 1916 ten per cent.

The balance sheet for June 30, 1920, shows increased figures over those of the previous year, total amounts having risen from $169 million to $178 million. Cash is rather lower, while loans and bills have increased by $4 million and investments by $3 million. On the liabilities side deposits have dropped about $1,700,000, while the total of acceptances and loans on Government securities has risen from $14,792,000 to $25,112,000.

Year to Oct. 31	Net Profits. $	Dividend. Amount. $	Rate. %	Transferred to Surplus Fund. $	Undivided Balance $
1919	1,799,150	720,000	12	1,000,000	1,079,150
1918	1,621,398	720,000	12	—	901,398
1917	1,156,346	660,000	11	1,000,000	496,346
1916	1,265,574	600,000	10	—	665,574
1915	889,406	600,000	10	—	289,406
1914	622,352	600,000	10	—	22,352

PHILADELPHIA NATIONAL BANK.

Office: Philadelphia, Pa., U.S.A.

Capital—

Authorised and Issued, 50,000 Shares of $100 each, fully paid (no further liability) ... $5,000,000

This Bank was organised in 1803, and is thus among the earliest of those formed in Philadelphia. The paid-up capital stood for many years at $1,500,000, but the recent development of the business made an increase desirable, to enable the Bank to extend adequate banking facilities to its customers. Accordingly, on August 1, 1918, 15,000 new shares of $100 each were issued at $200 per share, and on February 2 this year a further issue was made of 20,000 shares at a similar price, bringing the paid-up capital to $5 million.

This issue of shares at a premium has benefited the surplus fund to the extent of $1,500,000 in 1918 and $2 million this year. In 1918 $500,000 was also transferred from undivided profits to reserve. On June 30, 1920, the total under the latter head amounted to $10,779,066.

Liabilities and Assets of The Old Colony Trust Company, Boston.

LIABILITIES. June 30	Capital. $	Surplus. $	Total Capital and Surplus. $	% *	Outstanding Treasurer's Cheques. $	% *	Deposits, &c. $	% *	Reserve for Taxes and Interest. $	% *	Letters of Credit and Acceptances. $	% *	Profit Balance. $	% *	Total Liabilities. $
1920	7,000,000	10,586,824	17,586,824	10·0	—	—	134,350,996	75·5	673,000	·4	25,112,000	14·1	‡	—	178,036,702
1919	7,000,000	8,000,000	15,000,000	8·9	—	—	136,060,101	80·4	1,157,953	·7	14,792,243	8·7	2,068,572	1·3	169,078,869
1918	6,500,000	8,000,000	14,500,000	8·5	—	—	134,657,884	81·5	784,164	·5	15,193,453	9·2	544,164	·3	165,179,665
1917a	6,000,000	7,000,000	13,000,000	8·2	1,009,198	·6	130,785,017	81·9	311,646	·2	14,016,140	8·8	514,442	·3	159,636,423
1916a	6,000,000	6,000,000	12,000,000	8·4	1,011,216	·7	129,594,641	90·0	243,182	·2	—	—	1,071,048	·7	143,953,087
1915a	6,000,000	6,000,000†	12,000,000	9·5	616,406	·5	113,903,836	89·7	142,304	·1	—	—	312,278†	·2	126,974,914
1914a	6,000,000	8,000,000	14,000,000	13·4	521,809	·5	89,024,820	84·8	105,376	·1	—	—	1,286,373	1·2	104,938,378
1913a	6,000,000	8,000,000	14,000,000	15·3	464,783	·5	75,549,770	82·7	73,179	·1	—	—	1,286,226	1·4	91,373,958

ASSETS. June 30	Cash on Hand and in Banks. $	% *	Investments. $	% *	Loans and Bills Purchased. $	% *	Customers' Liab. on Acceptances. $	% *	Real Estate and Banking Offices. $	% *	Total Assets. $
1920	33,792,989	18·9	13,100,710	7·5	111,337,455	62·5	16,825,571	9·5	2,981,779	1·6	178,036,702
1919	33,935,611	20·1	10,694,700	6·3	107,197,999	63·4	14,392,603	8·5	2,832,562	1·7	169,078,869
1918	41,440,953	25·1	6,977,667	4·2	99,225,041	60·1	14,941,004	9·0	2,635,000	1·6	165,179,665
1917a	37,867,697	23·7	8,340,407	5·1	97,386,746	61·0	13,545,073	8·5	2,635,000	1·7	159,636,423
1916a	32,119,892	22·3	6,725,439	4·7	102,419,765	71·1	—	—	2,635,000	1·9	143,953,087
1915a	35,602,077	28·0	10,017,556	7·9	78,720,281	62·0	—	—	2,635,000	2·1	126,974,914
1914a	25,319,458	24·1	11,946,942	11·4	65,036,978	62·0	—	—	2,635,000	2·5	104,938,378
1913a	20,620,950	22·6	12,746,115	13·9	55,806,893	61·0	—	—	2,200,000	2·5	91,373,958

* Per cent. of Total Liabilities or Assets. † Reduction in Surplus and Profit and Loss occasioned by distribution of certain assets to stockholders following requirements of Massachusetts Law of 1914. ‡ Profit balance included with surplus.
(a) October 31. (b) Including loans on Government securities.

Liabilities and Assets of The Philadelphia National Bank.

LIABILITIES.	Capital Paid in.	Surplus and Undivided Profits (Net).	Total Capital and Surplus.	Bills Payable and Rediscounts.		Notes in Circulation.		Deposits.		Letters of Credit and Acceptances.		Due to Banks.		Reserved for Taxes, &c.		Total Liabilities
June.	$	$	$	$	%	$	%	$	%	$	%	$	%	$	%	$
1920	5,000,000	10,770,000	15,770,000	9·3	20·0	20	11·8	106,125,0	62·7	[illegible] 77	15·0	[illegible] 4	[illegible]	[illegible] 71	·8	[illegible]
1919	3,000,000	8,002,200	[illegible]	5·4	[illegible]	[illegible]	13·4	122,113,000	59·4	12,000,000	5·8	[illegible]	15·5	[illegible]	·5	[illegible]
1918	1,500,000	6,518,500	8,018,500	6·3	6,156,000	4·9	—	98,142,000	76·2	15,[illegible],000	12·6	[illegible]		[illegible]		[illegible]
1917	1,500,000	5,478,000	6,978,000	6·2	—	—	—	[illegible],002,000	83·8	11,[illegible],000	10·0	[illegible]		[illegible]		[illegible]
1916	1,500,000	5,035,000	6,535,000	6·1	—	—	103,000	·1	91,[illegible],000	85·7	8,[illegible],000	8·1	[illegible]		[illegible]	
1915	1,500,000	5,043,000	6,543,000	7·9	—	—	619,000	·8	72,[illegible],000	87·0	2,[illegible],000	4·3	[illegible]		[illegible]	
1914	1,500,000	4,796,000	6,296,000	9·8	—	—	613,000	1·0	56,391,000	89·2	—	—	[illegible]		[illegible]	

ASSETS.	Cash on Hand, Bank Notes, Legal Tender, Specie.		Banks and Exchanges.		U.S. and Other Bonds, Stocks, &c.		Bills Discounted.		Loans.		Liability of Customers for Acceptances.		Bank Premises.		Other Assets.
June.	$	%	$	%	$	%	$	%	$	%	$	%	$	%	$
1920	[illegible],850	1·4	44,[illegible],000	26·0	15,[illegible],000	9·2	[illegible],000	45·6	[illegible],000	5·6	[illegible],000	1·7	[illegible],000	·5	[illegible]
1919	[illegible],000	1·3	[illegible],000	23·2	58,192,100	28·3	[illegible],000	34·1	21,093,100	10·2	[illegible],000	5·5	[illegible],000	·4	295,988,600
1918	3,681,000	3·0	[illegible],000	33·3	[illegible],000	5·7	51,[illegible],000	40·4	[illegible],000	10·4	8,500,000	6·7	[illegible],000	·5	126,[illegible],000
1917	5,070,000	4·5	37,[illegible],000	33·4	8,[illegible],000	7·8	32,205,000	29·5	16,[illegible],000	15·0	[illegible],000	9·3	[illegible],000	·5	[illegible]
1916	5,001,000	4·7	34,[illegible],000	32·3	5,500,000	5·1	32,070,000	30·9	19,[illegible],000	18·8	[illegible],000	7·8	[illegible],000	·6	[illegible]
1915	4,458,000	5·3	3,[illegible],000	37·3	4,878,000	5·9	29,733,000	35·9	8,758,000	10·6	3,[illegible],000	4·3	[illegible],000	·7	[illegible]
1914	5,001,000	8·8	20,[illegible],000	31·8	2,[illegible],000	4·6	24,030,000	37·7	10,[illegible],000	16·2	—	—	[illegible],000	·9	[illegible]

* Per cent. of Total Liabilities or Assets.

Gross profits for the year to June 30 last amounted to $6,177,000. Expenses of $4,556,540 reduced this to $1,621,020, and a dividend at the rate of sixteen per cent. per annum was paid. The previous set of accounts covered fourteen months to July 1, 1919, and the net profit for this period was $1,301,600, the dividend being nineteen per cent. for the fourteen months.

Deposits on June 30, 1920, were $106 million, as compared with $122 million a year previously. On the assets side, the total of United States and other bonds and stocks had fallen by $12 million to $15 million, while bills discounted showed an increase of about $7 million. Loans had also decreased, and the total of the assets was not so high as on June 30, 1919.

Year to May 1	Gross Profit.	Expenses.	Net Profit.	Dividend Amt.	Dividend Rate.	Special Appns.	Undivided Surplus.
	$	$	$	$	%	$	$
1920*	6,177,180	4,556,714	1,620,468	615,400	16	[illegible],100	[illegible],968
1919*†	4,789,300	3,487,718	1,301,600	510,000	19	70[illegible],300	8,002,195
1918	4,194,100	2,250,600	1,443,800	262,500	17½	237,309	6,331,100
1917	3,081,435	2,129,963	951,472	240,000	16	392,000	5,387,117
1916	2,437,617	1,529,665	907,981	240,000	16	132,000	5,067,644
1915	2,106,875	1,428,300	678,575	240,000	16	300,000	4,931,020
1914	1,944,150	1,227,880	716,270	240,000	16	150,000	4,781,940

* July 1 (14 months). † Year ended June 30 1920.

SEATTLE NATIONAL BANK.

Head Office: Seattle, Washington.

Capital—

Paid up $1,000,000

SEATTLE is the nearest United States port to the Orient, and the increasing trade with the East has of recent years made the city one of considerable importance. The National Bank was established in 1889, when Seattle was relatively unimportant, and it has expanded in unison with the growing prosperity of the town. The building of new docks and warehouses has continued, and a larger number of ocean-going ships can now be accommodated, so that the business requirements of the city bid fair to increase still further. In 1901 the total deposits of all the Seattle banks amounted to $19 million, while on September 8 this year the total was $167 million. Of this amount, held by thirty-one banks, the National Bank could claim over $23 million, the latter exceeding by $5 million the amount held by any other bank.

The Bank's paid-up capital is $1 million, and its surplus and undivided profits amounted to $873,000 on September 8 last, as compared with $737,000 in June, and $600,000 the previous June.

The Bank has been paying dividends at the rate of twelve per cent. per annum. The appended statements show the manner in which the funds are employed, as compared with previous dates:—

	Total deposits of all Seattle banks	Deposits of [illegible] National Bank.
[illegible] 30, 1920	173,621,741	26,056,825
[illegible] 30, 1919 ...	[illegible]	25,871,[illegible]
May 1, 1918 ...	134,781,000	26,[illegible]
Mar. 5, 1917	104,605,000	18,[illegible]
Nov. 17, 1916	107,000,000	18,681,000
Sept. 1, 1911	76,409,000	14,522,000
Nov. 12, 1906	60,043,000	5,263,000

Position of the Seattle National Bank.

LIABILITIES.	1920 $	1919 $	[illegible] $
[illegible] stock	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible] bank	890,000	1,570,000	
[illegible]	2,191,917	1,180,879	
[illegible]	[illegible]	[illegible]	[illegible]
Total Liabilities	31,860,264	33,852,559	31,474,991
ASSETS.			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	2,669,563	3,889,548	[illegible]
[illegible]	5,288,754	5,903,337	[illegible]
Stock of Federal Reserve Bank	[illegible]	18,000	[illegible]
[illegible]	15,[illegible],780	13,970,118	[illegible]
Customers' liability under acceptances and interest bank	2,191,917	1,180,879	—
Bank premises, &c.	171,[illegible]	[illegible]	[illegible]
Total Assets	31,860,264	33,852,559	31,474,991

BANQUE FRANCO-SERBE.

Head Office: 16 Rue le Peletier, Paris.

London Office: 30 Coleman Street, E.C. 2.

Capital:

Subscribed ... ... Fcs. 20,000,000

Paid up 14,000,000

THE Banque Franco-Serbe, established in 1910, has branches in Belgrade, Uskub, Monastir and Salonika. The stress of war rendered it impossible to draw up the usual balance sheet for the years 1915 to 1918. This gap adds increased interest to the figures now to hand for assets and liabilities on January 1, 1920. Paid-up capital is greater by two millions at Fcs.14,000,000, and the legal reserve by Fcs.115,164 at Fcs.302,273, and the special reserve is trebled, as compared with the corresponding items as on January 1, 1915. Bills payable show a remarkable expansion from Fcs.51,520 to Fcs.5,816,518, while current accounts, at Fcs.61,566,978, are more than doubled. Among the assets, cash, at Fcs.14,363,708, compares with Fcs.3,799,654 previously, and bills receivable, at Fcs.15,833,465, with Fcs.1,733,932. Investments and financial participations exhibit little alteration nominally, while sundry items against securities show an increase of over 900 per cent. at Fcs.10,475,345. Premises, which prior to the War had been written down to zero, now stand at Fcs.1,994,598. Some adjustment on the present figures, which disclose a satisfactory position, may be necessary if certain records of accounts in Serbia outstanding since 1914 are recovered.

	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Bills Payable	[illegible]
Liability on Bills rediscounted ...	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]

An American Banking Connection

TO those interested in the development of trade with the United States and the establishment of permanent markets there, a banking connection will be valuable to the extent that its American service is efficient and comprehensive.

The Guaranty Trust Company of New York offers its facilities for complete international banking to firms of standing engaged in the American trade. Its financial service is based upon the unusual comprehensiveness of its organization in the United States and the knowledge of the needs of British industry and commerce which it has gained in the twenty-three years it has been established in Great Britain.

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Guaranty Trust Company of New York

32 LOMBARD STREET, E.C. 3

PALL MALL OFFICE
50 Pall Mall, London, S.W. 1

LIVERPOOL OFFICE
27 Cotton Exchange Bldgs.

NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid-up Capital and Surplus - - - - - $50,000,000
Total Assets more than - - - - - - $800,000,000

MEETINGS
OF PUBLIC COMPANIES.

The Horden Collieries, Limited.

INCREASING PROSPERITY: EXCELLENT WORKING RESULTS ATTAINED.

THE twentieth ordinary annual meeting of the shareholders of the Horden Collieries, Limited, was held at the registered offices of the Company, Queen Street, Newcastle, on November 24, 1920. Sir Hugh Bell, Bart. (Chairman of the Directors), presiding over a much larger attendance of shareholders than has been usual in the past.

Mr. T. W. Marley, Secretary, read the notice calling the meeting, and also the report of the Auditors.

The Chairman then said: Gentlemen,—In accordance with our practice I move that the directors' report and balance sheet be taken as read and adopted. On two previous occasions I have had to call the attention of the shareholders to changes in the constitution of the board caused by death. I am glad that this time I have no such change to mention, but I am sure you will all desire to join with the directors in offering to Sir Arthur Pease our very hearty congratulations on the extremely well-deserved honour which His Majesty has conferred upon him.

In the bygone days, which had already begun to vanish before the War had brought the greatly altered conditions under which we now live, the Chairman of such a meeting as to-day's would probably have rested with a record of praise and rejoicing over the results he had to submit. He would have said very little more except: "I commend you one of the best balance sheets ever laid before a company," and would have ended with a series of resolutions which would have been carried and the meeting would have ended. Things have changed, and the Chairman of to-day feels called upon almost to apologise when he presents a good balance sheet and to explain to the Company how it has come to make a large profit. He has to explain and excuse the very success of the Company.

I hope before I have done to show you that such an apology is entirely unnecessary, and that those who invested their capital in the Company and still more that much more numerous body of persons who have still larger interests in this concern, are directly benefited by the prosperity of the concern.

The Balance Sheet.

I am going to ask you to excuse me from examining at any great length the balance sheet which, as I have often pointed out, expresses the position of the Company in the clearest way and enables the shareholders to see from year to year the progress that has been made. I shall thus debar the Chairman from dwelling at any great length upon the details.

The share capital was fully paid up stands at £1,000,000 and the Debentures stand at £300,000 with £7,750 of interest accrued. We have still in the balance sheet £121,750 of borrowed money. This has been reduced during the year by about £10,000, but the total amount we originally borrowed in this way was £262,000. We have therefore paid back our funded capital to the sum of £141,000 overall. So that the actual capital invested stands at £1,424,916, whether it be in shares, Debentures or borrowed money.

There are debts due by the Company, £577,309, against £502,920 in the previous year. It may be thought that an increase of £185,000 is a serious matter, and so it is a serious matter, not because the debts have increased, but because of the character of the amount by which they have increased. There has been a certain increase in values and therefore our bills for the same quantities are larger than they would have otherwise been. But there is an additional and more important reason for the increase. A Company like this is obliged to put into its balance sheet a very large indeterminate amount in respect of what may be found due to the Government for taxes under our present most unsatisfactory basis of dealing with public finance. That is a grave inconvenience on many grounds. In the first place speaking generally it is very bad that we should put this large amount against our creditors with all possible dispatch, and in the second place it is even worse to have an indeterminate debt. If any of you are familiar with these questions you will see the reasons for which were instructed as regards as possible to the amount due to the Government, you would be surprised to find not only at the Commissioners, but also at their complication. It is excessively difficult to ascertain, even approximately, what amount is due to the Government for taxes applicable to the period I am referring to. I must congratulate our accountants, and I must specially name Mr. Curry, for the admirable way in which this extremely difficult and complicated question has been handled. I can only say that, having gone through the figures with Mr. Curry, I admire more and more the skill which he has shown in dealing with this difficult problem.

An Important Transaction.

I now turn to the opposite side of the balance sheet. That is interesting because it contains a statement of a very important transaction by which we have acquired the freehold of the coal under Mr. Rowland Burdon's estate and certain freehold land on the surface. This acquisition does not appear in any single item in the balance sheet because it is necessary to divide it amongst various heads in order to give them their proper value in the accounts. It is enough to say that we believe this purchase is one of very great advantage to us, and, I venture to say, also of very great advantage to the vendor who is absolved from a most difficult responsibility and is able to deal with his capital in any way that pleases him, since that is no longer subject to the chances and changes to which the ownership of minerals may be exposed in the future. Perhaps I may venture in passing to say how sorry we are that Mr. Burdon is suffering in health and how earnestly we hope he may have a speedy recovery.

The other items in the balance sheet do not call for much comment. As you will observe, we have spent at Horden a considerable sum, mainly in the acquisition of freehold land under our purchase from Mr. Burdon, but also in machinery. At Shotton we have supplemented our expenditure on the coke ovens by putting down suitable machinery for handling the coke and replacing the old wooden heapstead by a steel heapstead which, I think I am safe in saying, will see the youngest member present in this room safely laid to his rest. At Blackhall there is no expenditure of any moment, and at Castle Eden money has been spent upon work of a preparatory character which in due course of time will give a satisfactory return to the undertaking.

Finally, under the head of capital expenditure there is the item relating to land and houses. I am glad to say we have been able to increase considerably the number of houses. It will be recollected that last year I spoke of the necessity for this. We are making as much progress as is possible under present circumstances. You will observe that our housing account stands in the balance sheet at £301,554, and that the sum has gone up by £31,000 in the year. I am in a congratulatory mood to-day, and I congratulate Mr. Prest and those acting with him in succeeding in building houses for the modest sum of £650 apiece, which is about four times what they used to cost!

There is the relatively small sum of £15,080 under royalty rents recoverable. We are sure there will be no difficulty in recovering this. The debts due to the Company amount to £341,817, against £188,259 last year. That again is mainly due to the effect of largely increasing values of commodities and other circumstances on which I need not dwell. We have in cash and securities an available surplus of £451,649. This is not a large amount for the purposes of our business. Indeed, I think it not improbable we shall find it necessary to realise some of the investments in order to provide the necessary working capital.

The Profit and Loss Account.

That, gentlemen, concludes the examination of the balance sheet, and now I return to the profit and loss account. In what I am about to say I shall deal with the subject-matter to be submitted to the extraordinary general meeting which will follow this meeting. I shall thus be absolved from inflicting on you a second speech in commending for your acceptance the resolution then to be moved. We brought into the account last year £50,811. The profit this year is £346,558. We leave, therefore, a sum of £397,369 to deal with. Of that we have distributed in Debenture interest £15,000, and in interim dividend £40,000, and we now invite you to distribute a sum of £100,000, making a total of £155,000. I would like you to remember this is considerably less than half the retainable profit earned during the year, and we invite you to transfer to the reserve fund £210,000 and to carry out of the account £32,369, against £50,811 brought in.

This transfer to reserve is the point in the balance sheet which deeply interests the shareholders, and perhaps it is to that item being there that we have the pleasure of seeing such a large number of you here to-day.

It requires some little explanation to show why we pro-

such a large sum as £210,000 to the reserve, and I am going to ask you to let me review very briefly the history of the Company. Twenty years ago it was formed to develop something like 30 square miles of coal. If we had set to work to do that all at once we should have required a capital of something like £2,000,000, which we have expended up to the present. Instead of that we raised only £1,000,000 gradually as the work progressed. As each piece of work was completed and became profit-earning a portion of the profit was set aside in order to meet the yearly outlay on capital. That has averaged something like £100,000 a year and has been spent in the manner described. It now represents fixed assets, such as minerals acquired and shaft sunk, by-product coke-oven built, land purchased, and workmen's houses constructed.

We differ from an old colliery company which has ceased to expand and which must invest all its resources outside the business in order to have money to repay the capital when its existence comes to an end from natural exhaustion. Taking into account the long life of the minerals, the substantial buildings and lay-out of the collieries, this Company may be regarded as still in its infancy, or at best only entering on adolescence even after twenty years of existence. Our cash resources are required to meet our immediate expenditure. This is why we come to ask you to set aside from the profits the large sum of £210,000. I do not think there can be any doubt; the course we have pursued up to now has been a careful and prudent one, and I maintain that I shall be able to show that it is one which has been to the advantage, not only of the shareholders, but even more to the still larger number of persons to whom the Horden Collieries afford employment.

History and Growth of the Company.

Let me look back at the early history of that development. We started by forming the Hulam Syndicate. By the very great skill of our Managing Director, the important area of royalties which are we now working was got together. We spent something like £50,000 in investigating the property which we had acquired and were developing. We then invited the public to subscribe to the undertaking, which, as you may remember, we were careful to describe as "one which must be looked upon as an extremely speculative investment." We had set our hands to a very big and a very difficult enterprise. I refer again to Mr. Prest, in order to compliment him, and those co-operating with him, on the way they carried it through. I see in the course of the room one who had a great deal to do with the collieries in those early days. It was due to the skill of Mr. Johnson as sinker that we are able to congratulate ourselves on the success which attended our endeavours.

We went to the public. The public did not respond very warmly to our invitation. Mr. Temple said: "They did not." We had to put our hands very deeply in our pockets. I look back at our transactions and observe that we finished the Horden Company in April, 1909, and I see we had carried upon the twenty-first year of its existence. Our first meeting was in September, 1901. I then pointed out to the shareholders what a big undertaking they had before them and what very great difficulties they had to encounter. For six years we did little or nothing except spend money. I am glad to think that very few of our original shareholders parted with their shares. It is quite extraordinary to see the pertinacity with which they held on. When the shares were £5 paid and were quoted at a discount of twenty per cent.; when £7 and £8 paid and the discount was £1; when £9 was paid the discount was from 30s. to 35s.; when at last in 1906 they were fully paid and stood at a discount of £2 the shareholders still held on, set their faces hard and stuck by them. Then in 1906 they began to recover. Our first dividend was paid. Since then the shares have been below par, and they now stand at £24, in which price, however, must be included the value of what we ask you to set aside to-day. What is the position of the original shareholder? I take it you are, most of you, either original shareholders or their representatives—there are not many newcomers. The cost of your original share, including interest while no dividend was being paid, amounted to £12. During this time the original shares have been held an average of about seven per cent. has been paid. Mr. Temple says I ought to add "less tax." In these early days we disregarded the tax, for it was not of very great importance in reckoning the yield, but now we can no longer do this.

The Reward of Abstinence.

From time to time we have offered certain advantages to our shareholders. We have always held that it was our duty to the shareholders who had stood by us during these difficult times to take care that they should participate in any advantages which have been secured by the pertinacity and abstinence they have shown. A man who took 100 shares of £10 each in our first issue, and who has taken his quota of each subsequent issue, will, after the subdivision of the shares, hold 1,880 shares of £1 each for which he has paid the par value and no more. By the distribution we now ask you to sanction he will receive 940 additional shares of £1 each, representing the accumulations of income which he has foregone, and which have been invested in the undertaking in the way which has been described. We therefore should not have dared to distribute it as dividend, but we do not hesitate to ask you to accept it as capital since, as we are convinced, we have invested it so that it in the future will earn profits for the whole enterprise. We have always set ourselves against the charge of any premium to the shareholders, and I think under the circumstances of this Company we were justified.

It is interesting to remark in passing, as I have done on former occasions, how very widely distributed the shares are. We have 1,300 shareholders who hold seventy-six shares, or £760 on the average. We have 482 Debenture holders who on the average hold £622. That is a very unusual situation. Usually the Debenture holders hold larger blocks than the shareholder. That is not the case with us. It may, therefore, roughly be said that every person in this Company holds on the average something like £700, taking shares and Debentures together, and in round figures affords employment to between three and four men.

During the whole period the average amount you have divided has been slightly less than sixty per cent. of your gross profits. I maintain that no flourishing company dare divide more than between one-half and two-thirds of this amount except under very exceptional circumstances. This year the profits are much larger than they usually are. I remember some years ago the late Lord Airedale visited the colliery with me, and expressed astonishment that we should be spending such large amounts to win such paltry bits of coal, and the criticism looked well founded, for, on the sections I showed him, the coal seams did, I must confess, look very thin. I said, "I will tell you what the Horden Company will do. On an average it will pay a steady five per cent. to its shareholders, and now and again twenty-five per cent." We do not ask you to distribute twenty-five per cent. because, as I have said, during the past twenty years, year by year, we spent your money by putting it back into the concern, and now we are giving you the results of our thrift and of your forbearance and abstinence.

Comparisons of Output.

I have been briefly sketching the growth of the Company generally, and it is interesting to see how that growth is reflected in the output of your pits. In the years 1902 to 1904 Horden was producing nothing, but we had worked at Shotton Colliery 360,000 tons in these three years. In the next three years—1905 to 1907—Shotton produced 1,100,000 tons, and Horden, which had got under way, produced 480,000 tons. Since 1908 Shotton has been producing, roughly, 450,000 tons a year. It has varied with varying conditions, but in general terms 450,000 tons represents Shotton output. Horden output rose in the five years for 1908 to 1912 from 450,000 to 704,000 tons.

In 1913 Blackhall came into existence, and there was a total of 6,413 tons from it. In 1914 the output at Shotton remained at 450,000 tons, the output at Horden was 782,598 tons, and the output at Blackhall was 131,713 tons. In 1911 the total output was 1,124,289 tons, and it has steadily increased year by year, with the one exception of 1915, and it stands to-day at 1,545,091 tons.

Analysis of Expenditure.

I said I was going to demonstrate to you that this abstinence which you have shown was not only an advantage to you, but an advantage to the men in your employment. In order to do that I have made a somewhat elaborate analysis of the cost of getting coal in your collieries. I have excluded the coke ovens, because there are other considerations of a very complicated character to be taken into account in dealing with the capital of such undertakings as by-product ovens, which make it impossible to put it in a clear light without a very long disquisition. It has to this reason that I have taken the collieries alone.

I am not going into detail, but will give you the percentages of wages and salaries for a sum considerably exceeding £2,000,000 of money which is turned over in the sales of coal. Wages and salaries represent 61.2 per cent of the whole. We paid 15.1 per cent. for stores; royalties came to 1.3 per cent.; rates, 0.8 per cent.; and sundries, 1.2 per cent.; and the profit remaining to those who organised the undertaking was 20.4 per cent. Out of this provision must be made for all contingencies, including repayment of capital on the exhaustion of the minerals. Now, I ask any man who will approach the question with a reasonable mind to say which of the classes interested derives the greatest benefit from that large income, and the answer is obviously the great bulk of the working men who are engaged and who receive directly sixty-one per cent. of it. If we were to take reasonable allowance for the wages included in the other items (and specially in the stores), wages and salaries can be put at seventy to seventy-five per cent. of the total. The effect of the shareholders of this Company having been ready to abstain from enjoying the full result of their labours was to enable them to earn the money which had gone to the payment of labour. This is not far from apologising for the excellent results submitted to you this year. I say to you and to every man in whatever capacity he may be connected with the Horden Collieries, we have done you nothing but a good service, and if you were wise you would desire that we should do so again and again. We are adding to the wealth of the Company and of the country, and are so providing employ-

ment for the people. That is why we need not hesitate to congratulate ourselves on the result of our year's working.

The Burden of Taxation.

Let me put another point to you. The country is going through very great trouble and is still feeling the effects of the War, and must feel them for many years. There is imposed on us a burden of taxation which cannot become much lighter for a long time. We are likely to be asked to find something like £1,000,000 00 for the coming year. Let us congratulate ourselves that the Horden Company, after meeting all its obligations, paying all the wages of which the amount has been regulated by persons having had little knowledge of the conditions—and earning a real income profit for its shareholders, can find the large contribution to the public income which will, in fact, be demanded from it by the taxing authorities. Had larger amounts been distributed in wages by Horden and other similar enterprises, the addition to the men would not have been very great, but the large revenue would still have had to be found from other sources, and presumably from the very men to whom the extra payments had been made. Horden and such like enterprises must do their part if Great Britain is to remain solvent. So on this ground again I do not apologise for what I am laying before you.

Movements in the Political World.

A meeting of a company to distribute dividends is not the place to introduce politics, and I am not going to touch on political questions at all. But the present situation makes it almost incumbent to refer to certain movements in the political world. What I mean will be appreciated if I close my remarks by a quotation from an unprejudiced source. Mrs. Snowden, who has recently returned from Russia, has written a very interesting book on what she saw. It might perhaps have been expected by some that she would have found more to praise than to blame in the developments in that country, but you will see from the following sentences that her views do not differ greatly from those you have heard me express. She says: "I am strongly hostile to the artificial dictatorship of any class in those matters which are the serious concern of all. I believe in the dictatorship of the idea that is, in the power of the idea to conquer without force, and the right of the majority to decide all those matters of high policy which cannot be settled amicably without a vote; but I consider that the sources of information should be available for all, the right of propaganda be universal and unrestricted, and the liberties and rights of minorities safeguarded in all those things where the well-being of the community is not manifestly to all threatened by too great concessions." And then she goes on to comment upon other matters, and says that politicians in the past "sought our good, not our freedom." But it is freedom from bureaucratic control we want preserved. She adds: "And for ourselves we shall be wise to move as quickly as may be along the sure and peaceful paths of political and industrial democracy, seeking by education and by constant endeavour and sacrifice to convince the minds of men and women that the world has something better to give them of culture as well as comfort than the best of them have ever dreamed." If these questions are approached by both capital and labour in the spirit which dictates these wise words, we need not be afraid of the future well-being of the inhabitants of this country.

I now call upon the Vice-Chairman to second the resolution.

The Managing Director's Remarks.

Mr. E. R. Whitwell, Managing Director: I beg to second the resolution. I consider our Chairman has surpassed himself almost in the speech he has made, and he has left me very little to say. There are, however, one or two points I will supplement.

In regard to this £500,000 extra capital we are creating, we consider it does not require any apology, but the opposite, as all this money has been earned and is now put aside for the good of the Company in the future and for the development of which we have still much to do. It is not only an advantage to the shareholders to receive one share in every two, which is, I think, a great benefit to them personally, but it is more so to the Company, because that money cannot be touched when once it is locked up as capital.

The Chairman has mentioned what I consider one of the most valuable transactions since the formation of the Company—namely, the purchase of the whole of the Horden Colliery land and coal. This allows us to work practically the whole of the coal capable of being worked by the Horden shafts without further payment of any sort, beyond, of course, the royalty on the coal.

The advantage of having both the land and sea coal in the same ownership is so apparent that I need not greatly enlarge upon it. It gives us the absolute ownership of the whole expenditure at Horden, which means that the three-quarters of a million spent there now actually belongs to us, instead of being liable to have the conditions changed at the end of 40 years. No doubt the owner of the land would have been willing to renew on terms, but it is a great relief to me to feel that this matter is settled for all time.

We have had a valuation of the collieries made by the [illegible] engineers, Messrs. Henry Davis & Son, [illegible] Street, [illegible] and [illegible] that [illegible] reserves [illegible] [illegible] quantity of three hundred [illegible] One [illegible] this [illegible] quantity is our own [illegible] with the [illegible] gible exception is free from royalty rent or wayleave. The whole of our collieries are now sunk on our own land and coal with direct access to the North-Eastern Railway. That [illegible] give you some idea of the [illegible]

We have just reached what so far is the maximum output. [illegible] last week it was over 7,000 tons [illegible] day and on three other days of the same week the total output averaged 6,800 tons, a prodigious quantity in such a short time.

You will have heard that one of the contentions of the workmen is that the owners wilfully concentrate on the worst and dearest seams in order that they may keep the cheapest worked coal until Government control is a thing of the past. [illegible] does not apply to us, as the [illegible] particulars will prove.

[illegible] We have increased the output [illegible] tons in one day from five seams, and now, with shorter hours, we are working 2,400 tons from two seams. To have increased the output at present speaks well for the management, however favourable the local conditions. Shotton is an old pit, and I should like to allude to the [illegible] way in which Mr. Price has managed to turn what was a very old pit, never working more than 1,000 tons a day, into a modern pit with an output of certainly as much as any modern pit with shafts of their size would be able to draw. At Horden, in the same way, we have reduced the number of seams and thereby added to the output. There may be [illegible] to the increase in output, but that is the main one, and, at a time when we may not keep for ourselves any more profit on coal, however large our output.

The seams that are closed will be opened again as soon as we get more houses, which will, of course, materially increase the output.

That is all I have to say, except to repeat what I said last year about the value of your undertaking, and to add that, although in the future we may have difficulties in legislation, that is the only thing to fear. I have no fear of the collieries or of the coal trade, and I am consoled with this thought, that if any colliery can make money we ought to be the one to make it.

The final dividend of ten per cent., making fourteen per cent. for the year, was agreed.

Mr. H. G. Stobart and Sir Arthur Pease were re-elected Directors.

Sir Arthur Pease thanked the shareholders for his re election, and remarked that the results of these collieries were very different from some he knew. Old collieries had not a chance against new collieries when it came to [illegible] competition. He [illegible] thank the Chairman for his kind remarks of congratulation at the beginning of the meeting.

In regard to the appointment of auditors, the Chairman said he wished to say how very much indeed the Company were indebted to them. The auditing of the books of a Company like this was not a simple matter, and they called upon them not only to audit the accounts, but to advise and help them in every way. The service they got was beyond commendation.

Mr. Whitwell: I should like cordially to associate myself with the Chairman's remarks about the auditors.

Messrs. W. B. Peat and Company were [illegible] auditors of this Company [illegible] the previous year.

An extraordinary general meeting was held subsequently for the purpose of dealing with the division of the shares.

Mr. T. W. Marley, the Secretary, read the notice calling the meeting and the resolutions dealing with the matter as printed.

The Chairman: I have pleasure in [illegible] resolutions. We have already explained the circumstances under which we ask you to pass them. A proper contract will be prepared and filed on behalf of the allottees.

Mr. Whitwell: I beg to second the resolutions.

The resolutions were put and carried, and the proceedings terminated.

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PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY.

Lord Inchcape on Reconstructive Finance.

THE eightieth ordinary general meeting of this Company was held on December 8 at the offices, 122 Leadenhall Street, E.C.

Lord Inchcape, who presided and moved the adoption of the report and accounts, expressed regret that, in view of the none too rosy future of shipping, they were unable to propose a more generous dividend on the Company's Deferred stock.

Increase Costs and Higher Fares.

Although they had had, much to their regret, to raise passenger rates in all directions, they were, owing to the high level of operating expenses, carrying passengers at less than cost. The cost of compliance with demands by the stewards' and other unions for increased living space had necessarily to be passed on to the public. While it would appear to be impossible profitably to run, as separate units, the large passenger vessels now building, the value at which their fleet stood as a whole would bring the average value of these costly vessels considerably under pre-War prices. The satisfactory operation of the underwriting account had enabled them to increase the insurance fund by half a million to £2,500,000. He could only add to the report that, while they—and not they alone—had difficulties to face, they would, with the economic recovery which must arrive, be able to overcome them.

Sale of ex-Enemy Steamers.

Alluding to his purchase and resale of the Government standard ships, he had, he said, been asked by the Government to dispose also of the ex-German steamers, and had considered it his duty to do so in order to relieve the Government of the possible necessity of running them themselves. He had sold 93 of the ex-enemy vessels, and hoped soon to dispose of the balance. While many of the more recently built cargo vessels were excellent in every way, the German passenger ships were far below the British standard. His experience had led him to the conclusion that the shipbuilders of this country had nothing to learn from Germany in ship construction.

Fallacy of "Key" Industries.

He could not understand why shipping, so far from being regarded as a "key" industry, was especially penalised under the excess profits duty, nor why the manufacture of magnetos should be regarded as a "key" industry, and agriculture, the only indispensable industry, should not. The War had revealed us as dependent on Germany for synthetic dyes, magnetos, drugs, chemicals, and many other articles and materials; it also showed that Germany was even more dependent upon us. Our war-time improvisations were probably inferior, but they served the emergency. To make them now the foundation of our fiscal policy was a counsel of suicide. If it was necessary to foster any industry they had better have subsidies than licences, prohibition, and their attendant establishments. The truth of the matter lay in the paradox that it was just as accurate to say there were no "key" industries as to say that every industry was a "key" industry. From the many processes and materials and forms of human skill that went to the making of the products of modern manufacturing, it was absurd to select one and declare it to be more essential than the rest, where all were equally essential. The logical outcome of the agitation over "key" industries was, he said, that Great Britain should only manufacture goods all the raw materials and ingredients of which were to be found within the British Isles, or at any rate within the British Empire, for to that fantastic conclusion the "key" industry argument inevitably led. The only real service which the Government could render would be to leave the weather-beaten strength of British trade to fight its own battles in its own way.

The Need of Industrial Peace.

There was a good deal of nonsense spoken about employers and employed. We were, he continued, all employers of each other. The dustman employed the bootmaker, the bus driver the tailor, and so on, and these in turn employed others. They employed him (the speaker) to look after the P. and O., and he employed others to help him. The nation employed His Majesty the King to reign over us—which he did uncommonly well—and he in turn employed Ministers to assist—or perhaps to hinder—him. In fact, we were, he said, already communists in the best sense of the term. Unique among the nations of the world, we had freedom, social happiness, and equality of opportunity, and losing these precious legacies we should lose everything. We had just weathered a strike in the coal industry which, had it continued, would have paralysed the life of the country. National prosperity was impossible when exposed to such recurrent menaces to basic industries. If this country was not to become a second Holland we must have industrial peace. The British workman was more advantageously placed than any other body of workmen on earth; but his benefits would be worth nothing if he did not "pull his weight" and restrain the wild men who were striving to wreck him. With the unions restricting output to the level of the least efficient worker, and controlled by advocates of continuous war between employer and employed, the industrial outlook was as grave as it could be. It was in such conditions impossible for a British manufacturer to quote terms and a delivery date. As a consequence orders were going abroad and unemployment was increasing. Industrial peace was becoming for us a question of national ruin or national salvation. Without harder work and a durable concordat between labour and capital they would never be able to break the hopeless chase of wages after prices, which made it impossible for our would-be customers to buy our goods. A year of stabilised wages would recover in trade all that we yielded up during the War. Without that truce the days of our commercial and financial supremacy were numbered.

Anti-dumping Legislation Condemned.

He was, he continued, an unrepentant Free Trader; and he was convinced that the country's need was, more than ever, commercial liberty, without the obstruction of tariffs or bureaucratic meddling. Even so stalwart a Protectionist as Professor Hewins had declared that the whole conception of "key" industries was academic and impracticable. He had listened the other night to a moving speech by the Prime Minister which was absolutely sound, economically, until he came to dumping, as to which he said the Government were pledged to take action. There had been no such dumpers as British manufacturers; and to embark on an anti-dumping campaign would be setting an example to which we could take no exception in others. Carried to its logical conclusion, this would mean a total cessation of international trade, and we should be reduced to taking in one another's washing. Economic laws must assert themselves. Foreign nations might be able to supply us more cheaply than we could supply ourselves. France might, and Germany, with the low-mark value, would certainly be a competitor. Protection as a remedy would be worse than the disease. We had to get back to sound economics and to our gold standard if these islands were to maintain their position in the world. The Government could greatly help the nation to get once more on the straight and narrow path of sound economics by refusing to have anything to do with Protection, by freeing industry from control, by abolishing the excess profits tax—which was exhausting all reserves and preventing fresh developments—and by balancing its expenditure and income. The "new world" of which we heard so much would, if based on bankruptcy, not be much of a success.

Excess Profits Duty.

The excess profits duty had proved unfair and pernicious. People with a favourable datum line were sure of their untaxed pre-War profits; others with a datum line which was unfavourable were mulcted in from forty to sixty per cent. of anything extra they made. The duty, through private and business extravagance, through inflated wages and consequent inflation of prices and of paper currency, was leading the country to financial chaos. Relied upon during the current year for a large portion of the revenue, the excess profits duty showed a serious decrease, with enormous reclamations against the Treasury. Nobody more condemned it than the Chancellor who was its author, now that he had some years of practical business experience. It was not the Government alone which was to blame, but the members who, representing the people in Parliament, seemed unconscious of the threat of bankruptcy latent in all sorts of schemes for which money was voted and for which we could not afford to pay. The Prime Minister had intimated that drastic economies were to be instituted. It was to be hoped he would in this respect show the same courage which he displayed during the War. Economy did not consist in dismissing a few Whitehall messengers and typists. As an example, there were crowds of functionaries on the Tigris, fattening on Government pay, doing work which the commercial community there could do better at less cost, who ought to be wiped out.

European Trade: Need of Revival.

Before the War forty per cent. of our exports went to Europe, and neither we nor any of the Allies, nor any of the States that our joint victory had brought into precarious existence, would be prosperous and stable until the economic recovery was general and included both the vanquished and the victors. One and all would revive from the War in proportion as Germany and Austria and Russia and Hungary revived. One reason for the depression of British industry was the absence of Continental demand. It was something to the good that we were at last making a beginning towards the resumption of trade with Russia, but much more would have to be done if Europe was to find its feet. For five years Europe produced merely to destroy. As a consequence, Europe and the world were poorer. The wealth so destroyed was now represented by paper obligations from the various Governments, which meant from the people themselves. Interest on this debt could only be paid by taxation, and taxation could only be paid by production, failing which there must ensue bankruptcy or, partly or wholly, repudiation.

The Unemployment Im,asse.

We had, he continued, got into this position. Higher wages and shorter hours were everywhere demanded; yet the employment was increasing, and the Government were [illegible] relief works at the expense of the taxpayer. Men who were not allowed by the unions to [illegible] employment at a normal economic wage the Government proposed to support out of the Consolidated Fund. The whole system was [illegible] and was bound to end in disaster. He hoped they would [illegible] him for expressing his views at length. Nothing [illegible] who had charge of great undertakings could do would achieve success if cardinal principles were disregarded, and their financial, industrial and labour difficulties would be surmounted only if they steered a safe and prudent course.

The Company's Financial Position.

As for the P. and O. Company, if it were broken up to-morrow—which it would not be—and its assets sold [illegible] market value, its Preference stock paid in full, its Debentures redeemed at par, its employees pensioned off, and the directors compensated for loss of office, sufficient would remain to give the Deferred stockholders to-day's market price for their holdings—and possibly more. [illegible]

In conclusion he referred with regret to the loss they had sustained by the death of their former colleagues, Mr. Williams and Lord Cunliffe, and expressed his gratitude to commanders, officers, engineers and their subordinates, and to the Company's employees all over the world for their loyal and fraternal co-operation in carrying on the work of the Company.

Lord Balfour of Burleigh seconded the motion, which was carried unanimously.

The dividends recommended were declared, and the retiring directors and the auditors having been re-elected, resolutions were passed increasing the capital of the Company by the creation of £205,000 new Deferred stock and authorising its distribution to the Deferred stockholders.

A vote of thanks to the Chairman, directors, and staff concluded the proceedings.

BRITISH GLASS INDUSTRIES, LIMITED.

Large Production Figures; Confidence of the Board.

At the first annual meeting of British Glass Industries, Limited, the Chairman, Mr. C. Williamson Milne, said that the rate of earnings of the combined companies for the past nine months of this year before payment of Imperial taxes considerably exceeded the estimate given in June of £600,000 for the year. In the very short period which had elapsed since the two new factories at Canning Town and Charlton commenced operations they had produced no fewer than fifteen million bottles.

Meeting Foreign Competition.

As to foreign competition, the glass trade, or at any rate the bottle section of it, which constituted the largest proportion of their output, was in a more favourable position than the majority of other industries. They had plenty of orders on their books, and they were regularly coming forward in satisfactory quantities, and at fair, remunerative prices for the coming year, despite very strenuous competition from the Continent and elsewhere. As they reduced their costs of production they reduced their prices. There was not the slightest doubt that the standard bottles they were now producing compared most favourably with anything offered by any of their competitors. In a very few weeks they would possess at Canning Town and Charlton two of the best equipped automatic glass factories in the world, which, owing to their good geographical situation, were in a better position than those of any of their competitors for dealing with the export demands of the world.

The chemical, optical and [illegible] Wolsey group, was not in such a fortunate position as regards foreign competition because although they had made great strides during the War, and it is generally conceded that their quality could not be surpassed, yet it was imperative that their efforts should be fostered by the Government in the shape of inclusion in the Key Industries Bill. The directors confidently believed that the Government would afford the support needed.

The costs of the erection of the two modern factories at Canning Town and Charlton had very much exceeded the original estimates, owing to the frequent advances in wages and the accompanying increase in the cost of material. The board deemed it advisable that capital and revenue should be kept distinctly apart from one another, and that the capital charges should be provided for out of capital. The total amount required for the whole of the work was £325,000, and when the time was opportune it would be desirable and necessary to make an issue of Debentures or Preference shares.

The confidence the directors themselves had in the future of the Company was shown in the fact that they and their personal friends had always held, and still held, a preponderating interest in the shares of the Company. He had heard it rumoured that there had been inside selling of the shares, and he wanted to give an emphatic denial to that statement so far as the board or their friends were concerned.

Big Increase in Sales.

Mr. G. E. Alexander, O.B.E. (Managing Director), said that as regards the future of the Company he was brimful of optimism. In the nine months ended September 30 the sales of the United Glass Bottle Manufacturers amounted to £1,409,658, compared with £779,000 in the previous year of 1919, which was also a good year. The actual contracts on the books of the United Glass Bottle Manufacturers were for practically one million gross (144,000,000) bottles. That meant very nearly the whole of the output for next year.

The resolution for the adoption of the report and accounts having been passed unanimously, the Chairman, replying to some questions raised in the course of complimentary remarks made by the shareholders, said that the next meeting, dealing with the accounts to March 1920, would be held, he hoped, before the summer holiday. As to the fall in the price of the shares, some of the shareholders had been frightened out of them by ridiculous rumours, and it was conceivable that others in times of stringency like the present had found it necessary to place shares upon the market. Arrangements could be made for shareholders to visit the works in parties. As to any further interim dividend he asked the shareholders to exercise patience. At present the money market was stringent, and as had been indicated it might be necessary to make an issue at a later date, probably not exceeding £750,000, and he did not want the shareholders to think the directors were anxious to dissipate that sum at once in payment of dividends. His advice to them was to stick to their shares, and when they get an opportunity at the present low price, to average.

The resolutions re-electing the retiring directors and auditors, and proposing hearty votes of thanks to the staff and to the chairman and directors, were all passed unanimously.

EAGLE OIL TRANSPORT COMPANY, LIMITED.

Meetings of this Company were held on December 6 at Winchester House, London, E.C., for the purpose of considering an agreement modifying the rights of the holders of the Preference and Ordinary shares and passing resolutions increasing the capital to £5,000,000 by the creation of 400,000 new Ordinary shares of £5 each.

Mr. John Purdy (Vice-Chairman), who presided, said that up to the end of 1919 the dividend participations of the Preference shareholders were limited, so that out of the divisible profits they first received six per cent. on their shares, after which the Ordinary shareholders received six per cent. on their holding. Of any profits then remaining for division the Preference participated equally with the Ordinary shareholders up to eight per cent., the remainder

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of the profit, if declared as dividends, going to the Ordinary shareholders. So far the Ordinary shareholders had not received more than eight per cent. Under the new agreement, until the Preference shareholders received their full participation of eight per cent. the Ordinary shareholders could only get two per cent. on their shares. In consequence of the enormous growth of the oil industry throughout the world tankers were scarce, and the Company's charterers had asked them to put in hand a very big building programme. It was estimated that the total requirements of new tonnage to meet the needs of their charterers, over and above their original fleet, would entail an expenditure of some £10,000,000, of which £7,500,000 had still to be found. In order to provide this sum the directors were suggesting that the Ordinary capital should be increased by £2,000,000, which amount the charterers had agreed to subscribe. In addition, they had agreed to take up at par a maximum of £5,000,000 of short-term notes bearing interest at the rate of seven per cent. per annum, although they would probably not be called upon for more than £4,000,000.

These measures would give the Company a total of £6,000,000, and the difference between this figure and the £7,500,000 referred to would be provided by the depreciation set aside out of the earnings of the vessels. This depreciation would allow them, after the vessels were paid for in full, to repay the short-term notes, and the result would be that the Company would in a few years' time be in possession of a very large fleet of modern vessels costing about £12,000,000, while the total share capital of the Company would only be £5,000,000, represented by £3,000,000 Ordinary shares and £2,000,000 Preference shares. All the vessels were chartered on a long-term charter, ending in the case of the new vessels in 1936, and at remunerative rates based upon their first cost.

The various resolutions were carried unanimously.

BISICHI TIN COMPANY (NIGERIA), LIMITED.

An extraordinary general meeting of this Company was held on December 6 at Winchester House, Old Broad Street, E.C., for the purpose of considering and, if thought fit, approving resolutions authorising the directors of the Company to enter into three agreements for the acquisition of the assets and undertakings of the Ninghi (Nigeria) Tin Company, Limited, the Forum River (Nigeria) Tin Company, Limited, and the Northern Nigeria Trust, Limited, and increasing the capital of the Company to £500,000 by the creation of 600,000 new Ordinary shares of 10s. each; also extraordinary resolutions providing for the division of each of the 200,000 original Ordinary shares of £1 in the capital of the Company into two shares of 10s. each, and altering the articles of association with a view to increasing the remuneration of the board. Mr. James Gardiner (the Chairman of the Company) presided.

The Chairman, in moving the first resolution, said: After the most careful consideration it has been decided that this can best be brought about by an amalgamation of the interests of the various companies comprised in the group of which your own is a unit.

Mr. William Graham seconded the resolution, which, after some discussion, was put to the meeting and carried by the necessary majority.

The resolutions approving the increase of the capital of the Company, and the sub-division of the original shares into shares of 10s. each, and increasing the remuneration of the directors were similarly approved.

A vote of thanks to the Chairman and directors terminated the proceedings.

The ordinary general meetings of the Northern Nigeria Trust, Limited, Ninghi (Nigeria) Tin Company, Limited, and Forum River (Nigeria) Tin Company, Limited, were also held on December 6 at Winchester House, E.C., when the report and accounts of each company were unanimously agreed to.

Extraordinary general meetings of the respective companies were subsequently held for the purpose of considering the amalgamation scheme, and resolutions for that purpose were in all cases adopted.

SPIES PETROLEUM COMPANY, LIMITED.

The twenty-first ordinary general meeting of this Company was held on December 6 at River Plate House, E.C., Mr. G. Grinnell-Milne presiding.

The Chairman said: We are unable to put before you any accounts on the present occasion. Early in January we received a warning from the British Mission in Russia, and an offer actually to cart away our representatives there in a coach which they provided. That warning and that offer were both accepted, and our English representatives left the country on January 18 last. Since then we have had only one communication from Grozny, dated March 3, and we are consequently not only without details of figures, but without any information to give you as to conditions there. On the other hand, you may, I think, with us, feel no anxiety as to the condition of our plant. Now, the great question in your minds no doubt is not only what is the condition of our property, but when and how are we going to get it back? We anticipate, however, that when these long-drawn-out negotiations for emptying those granaries and supposed lodging bins are completed, and commerce goes on between Russia and this country, the next step will be to put all these plants into operation—to put them on a running basis.

We can only assume that our property will then come back to us. In the meantime we have retained our valuable English staff in this country. They are still in our pay and we are ready to do any work which it is possible for them to do. In these circumstances we have turned our eyes to certain opportunities which have been offered to us in the West. The whole range of the West is before us and other people to look into and to examine. Both North and South America show very interesting fields, but to us the most interesting from the first has been Trinidad, because it is a British territory, because we have excellent options on it, and because it has not, so far as we can see, been overdone, and those people who have gone there have achieved a considerable success in a very short period as a result of the efforts they have put forward. There we may say that the land is not hypothetical; it is proven.

The next point which arises in your minds doubtless is: Where is the money to come from? We do not anticipate any difficulty, when it comes to financing this business, in getting the requisite funds. We may be mistaken, but we see no cloud there at all, in spite of the situation in the City to-day and of all that has happened and may happen before things quieten down. If, therefore, these properties turn out to be anything like what we expect, we shall be ready to "face the music" and to raise the money. We shall only be doing what other people have done, with very great success, in turning to the West.

Mr. Philip C. Tennant seconded the motion. The motion was carried unanimously.

MALAYAN TIN DREDGING, LIMITED.

The ninth annual general meeting of Malayan Tin Dredging, Limited, was held on December 7 at Winchester House, E.C., Sir Ernest W. Birch, K.C.M.G. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profit for the year was less than that for the previous accounting period by £9,218, due to an increase in costs of about £11,000 and a loss on the realisation of investments of £4,000. The sum of £1,529 had been expended on the purchase of new land. They had bought 114 acres, thereby increasing the total area to 1,698 acres, of which 245 had been worked out. The area worked out during the year under review was 35 acres.

The sale of tin ore had realised £110,681, or £724 more than last year. Though the output had been less than that of the previous year by 108 tons, because the working time of the dredges had been nearly 5,000 hours less, the enhanced price of tin, which had been almost £30 per ton more than in the previous year, had caused that very satisfactory result. It would be seen how largely the prosperity of the Company was bound up in the price of tin. He ventured to remark that they were entitled to look forward to the maintenance of satisfactory prices of the metal. In February the price had touched the high-water mark of over £400, and at the present moment they had a price of between £210 and £220 per ton.

Past experience had shown that it took a year for the falling production of the metal to be reflected in its price, and as during the last twelve months there had been a steady decrease in production it was reasonable to expect a recovery in the price. A fair price in the two pre-War years was about £200 per ton, and when it was remembered how wages and materials had doubled he thought they might say that a considerable rise in price was much overdue.

Four dividends of 1s. each had been distributed during the year. The directors recommended that the balance of £35,469 be carried forward to next year. It was necessary for the time being to conserve their cash resources to meet payments on account of the new dredges. He was going to the F.M.S. on the following day, and looked forward with great pleasure to visiting their property.

The report was adopted.

SONOSEKAR PLANTING COMPANY, LIMITED.

The seventh annual general meeting of this Company was held on December 7 at Winchester House, E.C., Mr. W. B. Clayton presiding.

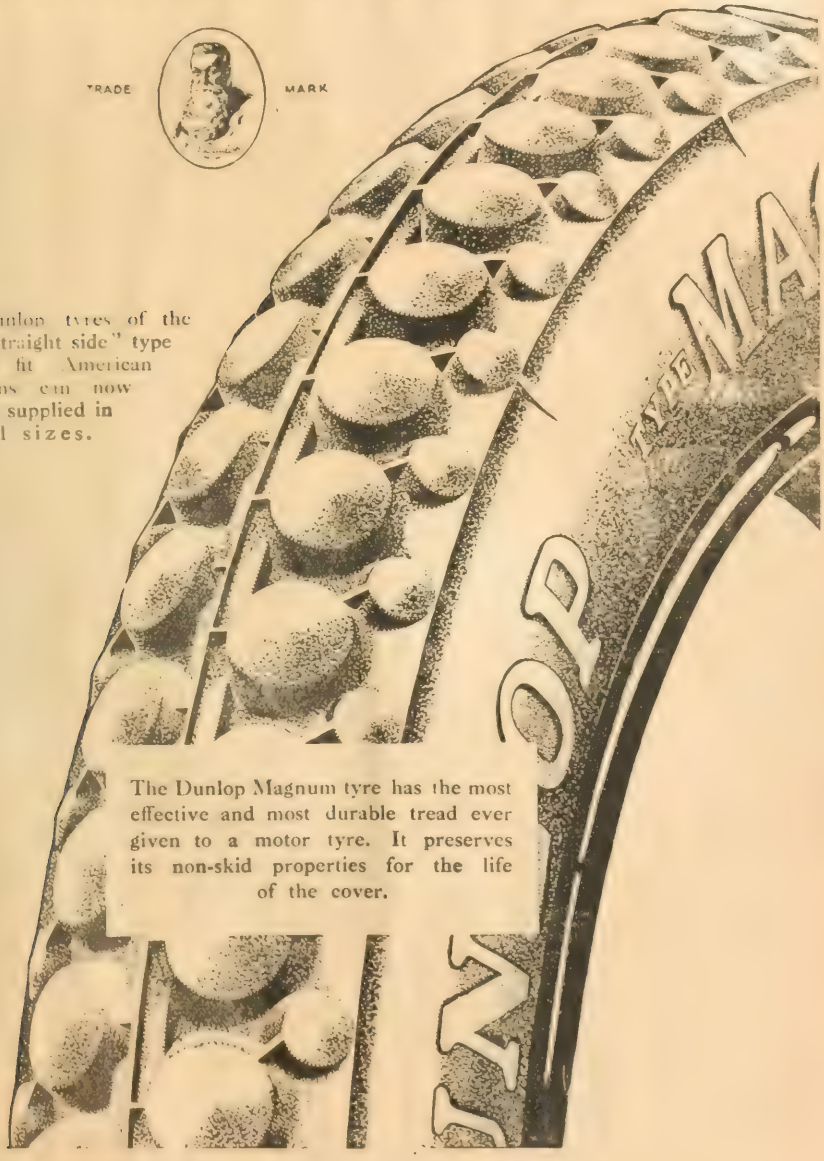
The Chairman, in moving the adoption of the report, said that the balance of the profit and loss account of the Dutch Company, after charging Debenture interest, amounted to £19,416. From this sum there had been deducted items in respect of Dutch income tax, amounts due to Debenture-holders, and various items written off, which left a net profit of the Dutch Company's accounts of £8,665, which sum had been transferred to the profit and loss account of the English Company. Adding sundry receipts by way of interest, and transfer fees in London, and deducting London expenses, and writing off London expenses amounting to £1,552, there remained a balance available for distribution of £7,398. There had already been paid an interim dividend of five per cent., which absorbed £1,750, and the directors proposed paying a final dividend of five

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The Dunlop Magnum tyre has the most effective and most durable tread ever given to a motor tyre. It preserves its non-skid properties for the life of the cover.

per cent., making ten per cent. for the period, leaving to be carried forward £5,000. The amount appearing in the balance sheet under the heading Debenture-holders account of £5,669, had, since the close of the accounts, been paid. Since these accounts were prepared the Debentures had been converted, and £5,000 fully paid shares in the Sonoseka Planting Company were allotted to the Debenture-holders in cancelation of the Debentures and all rights attaching to them. With the conversion of those Debentures all profits were now available for the benefit of the shareholders. In November 1919, in order to provide fresh funds, the issued capital was increased from £24,755 to £30,000, and, with the conversion of the Debentures, the total issued capital was now £35,000, for which the Company had 1,164¾ acres planted. Of the stocks of produce on hand at June 30, 1920, the whole of the coffee had been sold, which showed an approximate surplus over the valuation of £347. Of the rubber 49,350 lb. remained unsold, and this had been taken in the accounts at a valuation of 1s. per pound. The gross price realised for the coffee was set out at 86s. 9d. per cwt., and the cost of production at 24s. 11d. per cwt. f.o.b. As regarded rubber, tapping was only commenced on a small scale in February 1919, and the total crop amounted to only 77,717 lb. for the eighteen months. Owing to the valuation at which more than one-half of the crop was taken in at—viz., 1s. per pound—the average price realised works out at a low figure of 1s. 2.9d. per pound. The directors were assured that the cost of production would eventually reach the level of the older producing Java companies. The estimates of crops for the coming year ending June 30, 1921, were given by the Manager as follows: Rubber, 146,500 lb.; coffee, 3,500 piculs (4,250 cwt.).

Mr. F. A. Callaway seconded the motion, which was carried unanimously.

BRITISH CELLULOSE AND CHEMICAL MANUFACTURING COMPANY, LIMITED.

Overcoming Initial Difficulties: Artificial Silk: "Foundation of a Splendid Business."

THE second ordinary general meeting of this Company was held on December 3 at the Cannon Street Hotel, E.C., Sir Harry McGowan, K.B.E. (Chairman of the Company), presiding.

The Chairman said: Ladies and gentlemen,—I must say I am astonished that critics, the Stock Exchange, and apparently some of the shareholders of the Company, should have been surprised that our operations to June 30 last resulted in a heavy loss. It seems to me that this shows a misapprehension arising from an inadequate appreciation of the nature and conditions of our great enterprise.

It will be remembered that our large issue of capital was made under the terms of a prospectus bearing date March 1, and the capital was not paid up in full until April 28, 1920. We derived no advantage from the new capital in the period under review, except a small sum for interest during the last few weeks of our financial year. The prospectus explicitly stated that a part of the money was to be used to discharge the liabilities of the old operating company, and, if you will turn to the profit and loss account on the liabilities side of the balance sheet, you will see that the largest item of loss is £[illegible], which is [illegible] and liabilities paid off out of the proceeds of the new capital issue. And the other debits against revenue account are almost entirely due to the cost inherent in holding a large factory idle, or nearly idle, for the greater part of the year.

Cellulose Acetate.

I should like every shareholder to understand quite clearly that at the date of the share issue our enterprise consisted of a very large factory housed in a range of many buildings completely equipped for the manufacture of that wonderful substance—cellulose acetate.

The foundation on which this Company stands is the Dreyfus methods for manufacturing cellulose acetate. With the production of cellulose acetate of good quality at a low price a vast new field of industrial enterprise is laid open. The first use to which this process was put was to make a dope for aeroplanes and airships. The application was entirely satisfactory, saved many valuable lives, and played a vital part in saving the war situation. Had the production of aeroplanes continued at the same rate, or anything like it, the Company was "made." It took time—much longer than was expected—to get the manufacture of acetate commercially started, and its first application to a money-producing commodity, the production of dope, a commercial achievement.

But before the end of the War we knew that no business could "live" out of aeroplanes or airships, at any rate for years to come, and that we must proceed with the next application of our basic product, in the manufacture of peace products with a world-wide demand.

However, we turned our attention to the next use with two great advantages that did not exist when the works were first started. We had proved that our foundation was sound, that the material from which everything must flow could be, and was being, made in large quantities at reasonable costs and of good quality. We had also proved our ability to apply this product to a saleable article—dope.

Artificial Silk.

We came to the conclusion that the next application that promised the largest amount of business and certainly of profit was artificial silk. We started experiments, and eventually designed a small plant that produced silk which was satisfactory not only to our own experts, but to those who have since become our customers. With the knowledge gained from this plant and the increasing knowledge by then acquired of how to manipulate our material, we were satisfied that we could design and work a large plant to give us the output of nine tons referred to in the prospectus by the end of this year.

Being then, as I say, satisfied as to this, we invited the public to find money to enable us to carry out our proposals. Incidentally, this money was oversubscribed, and your directors were glad to see that the public, on the facts presented to them, took the same view of the prospects as they did.

Now, carry your minds back to the position last spring. We had a large works which had been turning out immense quantities of material and employing a large staff—managerial and chemical—a large maintenance pay roll and a large production pay roll, and it is obvious that whatever course we took such a large concern would certainly lose money during the pause between dope and silk.

Our views were that the pause would not be so great or the loss so large as not to be soon wiped out by the profits accruing from the manufacture of silk. We, therefore, decided to keep on a large nucleus staff, thus, certainly, with our eyes open, increasing the loss, but as we hoped reaching the profit-earning stage sooner.

Whether we should show a satisfactory report or not depended on our silk being turned out according to our time-table, and any delay, as you see, would have a double effect, for not only does the loss continue, but no profit is made to wipe it off.

Delays and Difficulties.

Delays have occurred—serious delays—and it is the cause of these delays that will determine whether you are to-day [illegible], or discouraged.

In the first place, the strikes and their effect on production, which have so interfered with the country's progress, have accounted probably for four to five months' delay in delivery of plant, despite our greatest efforts to obtain better results.

This, I submit, is a cause beyond our control. Much better progress is being made now, and our equipment looks like being complete by the end of March.

Now for the dimculties within our own control. We found when we came to work our new, and, if I may use the term, full-sized plant, that what was apparently satisfactory on the experimental unit was not perfect in the full-sized plant, and that improvements incorporated therein were later capable of further improvement. Surely, you will say, as experienced men of business, you made some allowance in your estimates for these teething troubles that one knows always occur. Of course we did, but like many better men before us, we did not, as events have turned out, make enough, and here was our mistake. We had underestimated the difficulties of starting this new application of our cellulose acetate.

It is not that the difficulties have been new and unexpected so much as that they have taken longer to overcome than anticipated.

New Factory and Basic Material.

You must remember that we are dealing with a new factory and a new basic material, involving new processes and plant for its manipulation, and, what is more, from the size that the War left our undertaking, we were forced to do it on a gigantic scale.

It is no child's play when working against a time limit to convert eight or nine tons per day of cellulose acetate into marketable products worth, as they will be, many millions of pounds per annum.

The dimculties, partly chemical and partly mechanical, being the expected ones, are not alarming, and they are slowly but surely being overcome, but the time taken to do this is disappointing, and imposes a heavy strain and anxiety on your staff.

Finally, of course, our difficulties, as we expected, are all exaggerated by the fact that our workpeople are all new to the trade, whether the spinning—that is, squirting of our cellulose acetate solution into the fine threads that ulimately make the thread of silk—or the textile, which is the twisting or manipulating of the thread so obtained, and this in itself produces waste and does not give the plant a fair chance, and it is difficult at first to judge how much is due to the plant and how much to the operative. This, however, is only a passing trouble, and not more serious than we anticipated.

You will readily understand that, with a works and establishment of our size, it is impossible to expect that the expenditure necessary to keep the place in being can possibly be balanced by revenue until an appreciable amount of our products is being regularly produced and sold. For some time past we have been hoping that when we met you we

could announce that such production was an actual fact. The position is that any moment may show the last of our difficulties cleared up, and then it is only a question of overcoming the vastly easier problem of training workpeople and getting a large works into smooth running order. From that moment we should increase our output steadily and automatically. We feel we are very close to that achievement.

Increasing Output.

In speaking thus, I have in mind a first output of commercially saleable silk to the amount of half to one ton per day. From that day forward our success is assured, and we shall steadily increase our output in accordance with our programme. You will grasp the fact that until one ton a day is reached we shall be losing money, and that the present financial year, therefore, will include a certain number of months during which we shall have made a loss—not a striking loss; a loss rather caused not by making silk unprofitably, but by not making silk enough.

We think, in short, that when we meet you next year we shall be able to report that your business is firmly established and a proved success.

So far I have dealt with the troublesome side of our undertaking. There is a much brighter side. In our artificial silk alone we have the foundation of a splendid business, but our cellulose acetate is a much more wonderful substance than one limited to silk. From it, and from its components, can be established a number of businesses in themselves, the future of which it is almost impossible to estimate.

We have the largest calcium carbide plant in this country, and, subject to Central European competition, see no difficulty in disposing at any given time of any surplus there may be after providing for our own requirements for the making of cellulose acetate.

Our aspirin plant is sufficiently large to render the country independent of foreign supplies, and of a quality that has not, we believe, been excelled by any country.

Additional Marketable Products.

Cellulose acetate can be turned into the following additional marketable products, namely :—

1. Non-inflammable celluloid.
2. Non-inflammable Films.
3. Spondite—a substitute for glass.

In reference to each of these, let me remark :

Non-Inflammable Celluloid.—It has always been recognised that if a celluloid could be produced without the dangerous characteristics of nitro-celluloid, there would be opened up a great demand. The reports of the various Select Committees show many of the fields open to a safety celluloid that cannot be entered by nitro-celluloid because of its inflammability.

Cellulose acetate possesses the essential qualities for the production of a safe substitute for celluloid. The uses of celluloid substances are universal to-day, and I need only mention a few to remind you of the many, namely : Motor-car screens and fittings, chemists' sundries, photographic apparatus, buttons, brushes, combs, knife handles, domestic utensils, &c. This field of enterprise is, therefore, a vast one.

Non-Inflammable Films.—You will realise that this also opens up a great field of enterprise when we are in a position to give ample supplies, especially in view of the great advisability in the general interests of curtailing the use of inflammable substances in such public buildings as kinemas.

Spondite.—This represents another field of activity at home and abroad. Spondite is an application of our cellulose acetate dope to wire netting, producing thereby a substitute for glass of flexible character. It is capable of great development when its utility becomes better known.

We have carried our experiments and spent money as far as was necessary to satisfy ourselves that all these uses were within our power to develop and offered great inducement to develop.

We shall not, however, dissipate our energies or our resources in further developing these on any great scale till our artificial silk is established and is able to provide us with the money that such development entails. As regards non-inflammable celluloid, this is more advanced than some of the others, and we have now a plant installed capable of turning out a ton and a quarter per day. Reports of first sample deliveries are good, and we look to being able to keep this factory fully employed at satisfactory prices.

Silk the Main Product.

Silk, however, I repeat, is our main product, and to silk we shall confine our efforts till it is successfully established. The others compared with silk are sidelines, but sidelines, let me say, with great possibilities of advantage to this Company.

I hope I have made clear to you that our expectations never contemplated a balance sheet as at June 30 different from what it is, nor could any thinking investor have anticipated otherwise.

When next I have the pleasure of addressing you, I hope to be able to place before you such a record of progress as will command your approval, and which will justify the confidence your board have in the future of the Company.

I would repeat that we are as convinced as ever of our ultimate programme being fulfilled—it is only a question of time—and from the new quotas that we have discovered on our property to possess we believe that programme will result in an even greater asset than we ventured to count on.

Before I sit down, I should like to refer to an item in our balance sheet—namely, goodwill and patents, £1,884,000. This figure does not in the least affect our position to-day so far as producing silk and making a profit is concerned. Its value, as you will realise, depends entirely on whether our confidence in the profit-earning capacity of the Company is justified, but its presence plays no part in making the Company a success or failure.

I now beg to move the adoption of the following resolution, namely :—

"That the report of the directors and the accounts to June 30, 1920, be adopted, and that the balance of £5,07 4s. 8d. be carried forward to next account."

Sir Philip G. Henriques, K.B.E., seconded the motion.

The retiring directors (Sir Wm. Alexander, Sir John Field Beale, Sir Henry Birchenough, Bart., Mr. Arthur Chamberlain, and Sir Philip G. Henriques) were unanimously re-elected, and Messrs. Thomson, McLintock and Co. and Messrs. Mann, Judd, Gordon and Co. were appointed auditors.

THE LAGUNAS SYNDICATE, LIMITED.

The annual general meeting of this Syndicate was held at Winchester House, E.C., on December 9.

Sir Robert Harvey, who presided, said that, in view of the fact that both their oficinas were closed from July 1, 1919, to June 30, 1920, he thought the trading profit shown—viz., £38,061—was not unsatisfactory, more particularly as the whole of the year's stoppage expenses, all the disbursements and reopening charges had been debited before arriving at the above figure. The available assets on June 30 last amounted to £234,883, as compared with liabilities at that date of £74,257, leaving a credit balance of £160,626, so the financial position might be regarded as a sound one. The production of nitrate was resumed in North Lagunas at the end of June and in South Lagunas on September 1, and all the nitrate required to implement their quotas would be manufactured and be ready for shipment. Owing to strikes in Iquique, the railway had not been able to carry their nitrate to port with the desired regularity, but the service had now somewhat improved. The working operations had proceeded satisfactorily at both the oficinas, although they had suffered, in common with other producers, from shortage of labour and scarcity and dearness of fuel and other commodities. Although the prices obtained so far by the Association were remunerative to most producers, the costs of production were unduly high, and strenuous efforts must be made to reduce them. Personally, he thought the high-water level had been passed. Most of the articles used by the Syndicate would certainly become less expensive in the near future. Sacks were cheaper, whilst the lower exchange and the greatly reduced rates of shipping freights were also favourable factors. So far, the Americans and the Germans had remained outside the Association. The offering of their outputs at prices below those fixed by the Association had undoubtedly had a weakening and disturbing effect on the markets. He was pleased to say that cablegrams had been received from the Association, reporting that an agreement had been arrived at between the directorate and the German producers, subject to the approval of the members at an extraordinary meeting which was to be called at once. Many pessimistic rumours as to the present and future prospects of the industry had been rife during the last few days, without, so far as the directors could judge, any solid foundations. It was true that the consumption might fall somewhat short of general expectations, but, fortunately, the nitrate was in strong hands, and the price should be maintained. Consolation, moreover, might be found in the fact that the smaller demand was not due to any falling off in the popularity or belief in the efficacy of nitrate, but to a general shortage of money, the universal slump in all commodities, and the adverse Continental exchanges. If the modified estimates of the consumption during the coming season were verified, it was obvious that the output for 1921-22 must be materially curtailed. This was fully recognised by the governing powers, and it was hoped steps would soon be taken to achieve this end on the most economical lines.

The report and accounts were unanimously adopted.

FRANCE, our Ally, is now offering us at a MODERATE price

GOLDEN  GUINEA

THE FINEST SPARKLING MUSCATEL

SHOWELL'S BREWERY COMPANY.

The annual meeting of shareholders of this Company was held at the Grand Hotel, Birmingham, on Thursday, December 9. Mr. James Davenport (Chairman) presided.

The Chairman, in moving the adoption of the report and accounts, which proposed a dividend of twenty-five per cent. on the Ordinary shares and the addition of £10,000 to the reserve fund, said the balance-sheet figures showed some important changes. Taking the liabilities side, the Ordinary share capital had been increased from £5,000 to £80,000, bringing up the total share capital to £425,000. The Debenture capital remained unchanged. Sundry creditors and reserves were some £10,000 higher at £236,884. The question of E.P.D. had not yet been settled, and full provision for any possible claim was included in the item. On the assets side they would observe very considerable additions to the values of their various properties. The freehold, copyhold, and leasehold properties at £590,808 compared with £453,151 a year ago, an increase of £137,000, while the equities of redemption, mortgages, and rights of pre-emption at £105,417 compared with £146,235 a year ago. They still held £130,000 of Government Stocks, and as £95,000 of this was in National War Bonds maturing in 1925 the price they would have to pay for their patriotism would not be excessively heavy, though it would certainly cost them something. Sundry debtors were £1,600 lower than a year ago, while the cash at bank amounted to the comfortable figure of over £54,000. The profit of the year, after payment of Debenture interest and providing for taxation and other contingencies, was £41,613, as against £45,878, a diminution of £4,200. Well, the previous year's results were a record in the history of the Company. They looked at the results, taking everything into consideration, as perfectly satisfactory, and could say they had only been obtained by the capable and assiduous work of their General Manager, Mr. Holland, and the staff, who had worked in full co-operation with the board and had done everything they could to maintain the Company's position. They had been faced all round with increased costs and increased wages. In one item alone, repairs of properties, they spent £12,000 over the amount they spent in the previous year, and that year they spent more than four times the amount which was expended in 1913. He hoped they would agree with the directors in thinking that the results were gratifying. Personally he could only say he should be well pleased if they could maintain them.

Mr. J. J. Calder seconded the report, which was adopted.

Mr. Calder was re-elected a director, and Messrs. Gibson and Ashford reappointed auditors.

THE BRITISH OVERSEAS BANK.

This institution, brought into being last year under the joint auspices of the Anglo-South American Bank, the Dominion Bank, Glyn, Mills, Currie and Company, the Imperial Ottoman Bank, the Northern Banking Company, the Union Bank of Scotland, Charles Hoare and Company, and William Deacon's Bank, has just presented its first report. In comparison with the relatively slow initial progress made by undertakings of this type, the results achieved by the British Overseas Bank during the fifteen months ended October 31, 1920, make a very favourable showing. Agencies have been established in every important centre throughout the world, and in addition, a close reciprocal working agreement with the Banque de Bruxelles, of Belgium, has been entered into, and a Polish subsidiary, the Anglo-Polish Bank, Warsaw, has been formed. The issued capital is at present £2,000,000, while deposits amount to £1,401,899. Against these may be set cash in hand and at short call, £2,721,208; balances with bankers abroad, £318,215; National War Bonds, £99,719; other investments, £32,442; bills discounted £117,321; and advances to customers, £212,166. Net profits for the period, after making all due provisions, including the establishment of a superannuation fund, amount to £199,744. A disbursement of six per cent. on the 200,000 £5 "A" shares, the complete writing off of preliminary expenses (£39,016), and the establishment of an investment reserve fund of £10,000 absorbs £118,257, and the balance, £81,486, is carried forward. The "B" Ordinary shares, which are held by the associated banks, have received no dividend, in itself a good augury as to the conservative policy of the directorate. The head office of the Bank will be in Gracechurch Street, E.C., where a freehold site has lately been acquired.

THE

STOLL FILM COMPANY

LIMITED

Chairman: Sir Oswald Stoll

Copies of the Prospectus may now be obtained offering

£200,000 in £1 — **TEN PER CENT.** — Cumulative Preference Shares

The shares have Cumulative Preference rights, and form an investment with **permanent** high yield, as contrasted with **redeemable** and short-term debentures and notes. The current profits are estimated at £65,801, covering the Preference Dividend three times. The Company holds an eminent position in the rapidly expanding cinema industry of the United Kingdom, the customers on the books (i.e. Cinema Theatres) numbering 2,590, and is actively engaged in developing export business in British films on a large scale in America, on the Continent of Europe, and in other oversea markets. The Stoll organisation is adaptable to the developments of the Film trade in any part of the world, and will be specially devoted to carrying to every corner of the globe in which business is reasonably remunerative pictures illustrative of British ideals, manners, and customs.

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SIX PER CENT. FIRST MORTGAGE DEBENTURE STOCK.

NOTICE IS HEREBY GIVEN that the Transfer Books of the above Stock will be closed from the 16th December to the 31st December, both days inclusive.

By Order of the Board,
JOHN DONSFORD,
Secretary.

Registered Offices:
2 & 3 Queen Street Place,
London, E.C.4.
15th December, 1920.

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(Established 1776)
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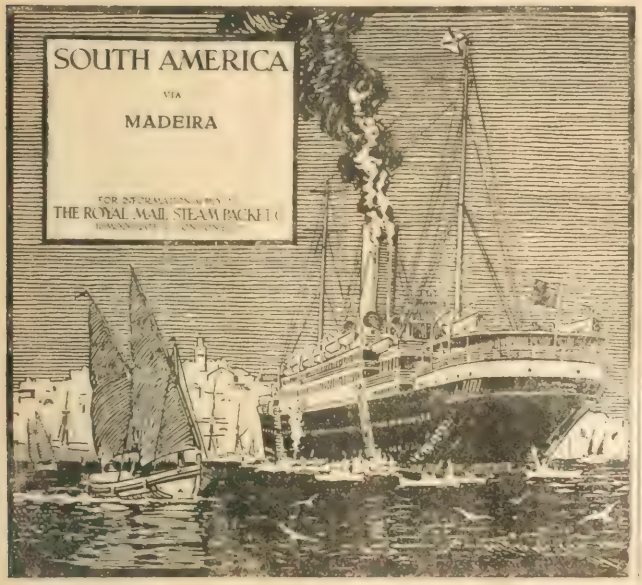
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Capital Subscribed, £5,000,000.
Paid up, £1,100,000. Uncalled, £3,900,000.
RESERVE FUND, £1,000,000.

Head Office—EDINBURGH.
WILLIAM CARNEGIE, General Manager. GEORGE A. HUNTER, Secretary

London Office—37 NICHOLAS LANE, LOMBARD STREET, E.C. 4
T. C. RIDDELL, Manager. DUGALD SMITH, Assistant Manager.

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There is a specially equipped Foreign Department at the principal Glasgow Office.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers

NEW ZEALAND.

A Wealthy Country, Splendid Climate, Fertile Soil, Plenty of Water.

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NEW ZEALAND is rich in COAL, IRON, TIMBER, GUM, GOLD & SILVER.

Total yield of Minerals, over One Hundred and Thirty Million Pounds.

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To those desirous of making a home in the new country New Zealand offers solid advantages.

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Bankers to the New Zealand Government.

CAPITAL.

Authorised, £5,500,000 **Subscribed £2,779,988**

PAID UP.

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"A" Preference Shares issued to N.Z. Government	**500,000**
"B" " " " " "	**250,000**
Ordinary Shares, £6 13s. 4d each, fully paid	**1,500,000**
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Reserve Fund and Undivided Profits	**£2,646,520**

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ALEXANDER KAY, Manager.

National Bank of Commerce in New York

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CHRISTMAS HOLIDAYS.

"THE STATIST" will be published at the usual hour on Friday, Dec. 24, instead of on Saturday. The Offices will be closed on Saturday and Monday.

The Statist.

LONDON: SATURDAY, DECEMBER 18, 1920.

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of the greater profit obtaining, attracted more funds proportionally than did Treasury Bills, despite the increased risk attached. Now the position is changed, though, of course, the change came not suddenly but gradually. In recent weeks, as those who have examined the public income and expenditure returns are aware, instead of Treasury Bills being allowed to run off, there has been an excess in sales of these over maturities. In the first week of December this feature may have been due to a desire to smooth over the difficulties of the Government arising from the heavy disbursements they had to make, but last week the same cause was not in evidence, while, as stated below, the Exchequer received over £11 million new money in respect of Treasury Bills. The banks, in fact, are now doing practically no business in ordinary commercial paper, and, as the discount houses are inclined to be cautious, there is no lack of floating credits. These features were evidenced this week by a firmness in discounts side by side with a comparative ease in the short-loan market. Day-to-day money was to be had freely at rates ranging from 5 down to 4 per cent., and on a few occasions surplus balances were on offer at as low as 3½ per cent. Weekly loans commanded 5½ per cent., and for advances over the turn of the year 6½ per cent, was the usual quotation.

Foreign Exchanges.

The movements in the Foreign Exchange market were, on the whole, favourable to the £ sterling, and in many important centres its value shows a good appreciation on the week. The most noteworthy of these was New York, the dollar value of the £ rising persistently during the week. To-day the improvement was most marked; the middle quotation rose from 3.50 to 3.54¼, as against 3.45½ a week ago. South American rates also recovered from the weakness of last week; Buenos Ayres telegraphic transfers became cheaper at 53½*d.*, and Montevideo transfers at 52½*d.* The Rio three months rate, too, shows an improvement on the week at 10⅞*d.* A striking appreciation in the value of our currency in Canada was also a feature, the Montreal cable rate rising from just under $4 to the £ to around $4.09½. In sympathy with the movement of the United States dollar, the Japanese yen became cheaper on the week at 2*s.* 9¾*d.* This is the lowest rate on Japan since the beginning of last August, and it is 2¼*d.*, or more than six per cent. below the highest point reached on November 14 last. The Eastern silver exchanges showed a better tendency on the temporary recovery of the silver market, but renewed weakness developed towards the close, and to-day's quotations of 3*s.* 1*d.* for the Hong-Kong dollar and 4*s.* 1*d.* for the Shanghai tael, show only a very slight change on the week. The rupee also recovered up to Wednesday, when the quotation was 1*s.* 5⅞, but subsequently shared the fate of other Eastern currencies; to-day's rate, 1*s.* 4⅞*d.*, gives point to the remarks we made on this subject last week.

Income and Expenditure.

A moderate reduction in the amount of Ways and Means Advances outstanding is the feature of the public income and expenditure return for the week ending on the 11th inst. This, it is well to note, is not due to a surplus revenue, as would undoubtedly be the most desirable, but was entirely the result of an excess in sales of Treasury bills over maturities. Revenue, in fact, was over £2 million below that of the previous week, and, at £14,790,761, was £515,873 less than ordinary expenditure. Treasury bill maturities were at the comparatively small figure of £50,960,000, and as sales totalled £62,072,000, there was a surplus of £11,112,000, as compared with a surplus of £30,212,000 on the previous week. Ways and Means Advances outstanding were reduced by £8,150,000; as, however, advances by Public Departments were increased by £6,600,000, it is satisfactory to note that the reduction in the liability to the Bank of England was greater than this figure at £14,750,000. Advances by the Bank stood at £50,000,000 on Saturday last, as against £41,000,000 on December 13, 1919. The net change in the floating debt was an increase of £2,725,000. This brings the total to £1,397,868,000, as compared with £1,341,805,600 a year ago, an increase of £56,062,400.

Currency Notes.

Yet another increase in the currency note circulation is reported for the week ending on the 15th inst. The amount of new notes which went into circulation, £10,072,813, was the largest for any week since the commencement of the present half-year. Cancellations were higher on the week at £6,020,604. Certificates were issued to the extent of £1,000,000, as against £140,000 cancelled. The combined total of notes and certificates rose by £4,912,210 to £356,375,981, the largest since August 11 last. The fiduciary issue rose to £309,125,981, or £11,474,019 below the legal maximum. The highest point reached by the fiduciary issue during the present year was £315,522,230 on July 7, but this figure may easily be surpassed before the turn of the year if the present expansion in the note issue continues during the remaining weeks of December. This point is worthy of note as the highest amount of the fiduciary issue during the current year becomes the maximum for 1921. In reality the question has little significance as the maximum fiduciary issue for the present year would have been exceeded as early as June last were it not for the practice of placing Bank of England notes in the Currency note Redemption Account. The amount of Bank notes so added since the commencement of the year is £14,750,000, and this, of course, has been largely instrumental in reducing the reserve position of the Bank to its present weakness. Doubtless in consideration of the present low reserve of the bank no further such allocation was made during the week under review and accordingly the ratio of gold and Bank notes to the total of currency notes and certificates outstanding fell to 13.3 per cent.

Bank of England.

A further improvement in the reserve ratio of the Bank is recorded for the week to Wednesday last. This was due to another large addition to the gold holdings, helped by a slight decline in liabilities. The amount of gold received during the week was £934,000, as compared with £886,000 during the previous week. The total gain in the gold holdings during the past six weeks is £3,665,000, and the present amount, £126,811,000, is the highest ever

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recorded. During the week ended December 15 the total circulation was £395,000 more than on the corresponding date of last year, the combined total of bank notes and currency notes amounting to £131,230,000. The combined holdings of bank notes and currency notes amounted to £84,712,000, as compared with £84,317,000 a year ago. The reserve of gold amounted to £18,930,340. The proportion of the gold reserve to the liabilities of the Issue Department was 14.42 per cent. as against 14.025 per cent. a year ago. Deposits amounted to £123,000,000, as against £120,670,000 a year ago. The proportion of the reserve to liabilities was 10.4 per cent. as against 10.4 per cent. a year ago. The rate of discount was 7 per cent. on December 15 of last year. Little change is shown in the amount of the market's securities held, but Government securities, comprising Government Securities, War Bonds and Money advanced to the Government, £47,775,000 as against £47,775,000.

Moderate arrivals of gold were all

Bullion.

required for the Continental demand, and prices have not touched since. The movements, however, were very influence, and the undertone of the market is still weak. considerable scale; the United States also sent some supplies, and China and India were selling and buying alternately. A good recovery took place on Saturday to 42⅞*d.* per oz. standard, and after another rise on Monday and a recession of ⅛*d.* on the following day, the price was carried to 42⅝*d.* on Wednesday. Yesterday's quotation was lost, and to-day there was another relapse to 41*d.* This price is yet 2½*d.* higher than that of a week ago. Forward silver was at a premium of ⅛*d.* during the week until yesterday, when the quotation was the same as that for cash. To-day the premium was re-established.

NEW YORK.

That the ease in the money market is a genuine one is again shown by the average weekly statement of the New York City Banks and Trust Companies. During the week to Saturday last loans, discounts and investments were reduced further by $25½ million, and the present amount, $5,183,420,000, is the lowest for thirteen weeks. Net demand deposits again declined by $34,820,000 to $3,969,670,000, this being the lowest since the end of March 1919 with the sole exception of that for the week ending on September 11 last. An outcome of this position is that the legal reserve requirements on Saturday last were, with two exceptions, the lowest for the year. The aggregate reserve rose during the week by less than half a million to $543,490,000. This figure compares unfavourably with the average for previous months, and on that account the excess reserve is still at the comparatively low level of $17,480,000. Last week, however, as a result of the fall in deposit liabilities, it rose by $5,440,000, and the latest amount returned is $9,520,000 above the low record for the year touched on the week ending July 24.

The statement of the twelve Federal Reserve Banks shows again a good improvement during the week ending on the 10th inst.; the latest recorded ratio of total reserves to net deposit and Federal Reserve note liabilities combined is the highest since the week ending July 26 last, and is not far below the level ruling at the end of last year. The gold holdings received an addition of $12,590,000 during the week, and now stand at $2,035,270,000. At $2,212,410,000 total reserves show an increase of $14,610,000, and are the highest since the week ending October 22, 1919. Deposit liabilities expanded, but not enough to prevent an improvement in the reserve position, as indicated above. The latest recorded reserve ratio is 44.5 per cent., as compared with 44.1 per cent. on the previous week and 46 per cent. a year ago. Rediscounts to member banks are $59,960,000 lower on the week at $2,716,840,000, this figure being $109,990,000 [illegible] December 12, 1919. At $3,311,840,000 the Federal Reserve [illegible] on the week, doubtless on account of the previous week's expansion in rediscounts.

[illegible] the New York Federal Reserve Bank: the total reserves increased by $12.2 million, while net deposits fell by $8.3 million and the note circulation by $9.8 million, so that the reserve ratio rose from 37.8 per cent. to 39.5 per cent.

The strengthening of the [illegible] banks, being effected by a persistent calling-in of outstanding loans during recent weeks, may be regarded [illegible] Wednesday's income-tax collections, and it is probable that the returns of the next few weeks will be of a less favourable nature.

Considering the great dependence of the Wall Street stock markets on the state of the Money market, it is not surprising that the event above referred to, namely, the quarterly tax collections, should have been the cause of a sharp fall in quotations at the opening of the week. This influence, in fact, is specially powerful this time, it being recognised that, as is the case in this country, many corporations will have to borrow from the banks in order to meet the demands of the tax-collector. It is to be doubted, too, whether the banks can or will meet such demands, except possibly in the case of large customers of good standing. Moreover, as many of the tax payments now falling due are in respect of last year's trading, and as the fall in commodity prices has involved heavy losses for a great number of firms, and a shrinkage in profits for all, a great many corporations declare quite frankly their inability to pay these heavy tax demands. As this will mean some financial embarassment for the Government itself, its seriousness need hardly be insisted upon. Contributory causes to the depression in the Stock markets were further passing of dividends on the part of some industrial and mining companies, as well as reports of difficulties experienced by certain small country banks in the interior. Monday's "bear" drive, however, was overdone, and on the following days there was a partial recovery, due to covering operations. The markets continue extremely irregular on account of their great sensitiveness to current financial and industrial developments, and in very few quarters is a change in the tone in the near future spoken of.

Money rates did not reflect the events of the week: call loans ranged at the comparatively low figures of six to seven per cent. Time funds, however, were more difficult to obtain.

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Stock Exchange.

THAT bottom is nearly reached, as far as the Home Industrial market is concerned, is a view held in many authoritative quarters. Several influential opinions have been vouched of late that the "consumers' strike," which is the direct cause of the locking-up of stocks and the drying-up of liquid resources, has overshot itself, and that the resumption of demand will be so keen as to give another abnormal fillip to commodity prices. The validity of this theory is, however, open to serious doubt. The burden of taxation, increasing unemployment and consequent poverty at home, and the failure of the Brussels Conference and the League of Nations to provide any effective remedy for the financial ills of the Continent are strong influences working in the opposite direction, while the inability of the ordinary middle-class to carry on under a reduced consumption of conventional necessities is not by any means apparent. The annihilation of real capital during the War and the impossibility of making a normal replacement under *post-bellum* economic conditions are incontrovertible facts. Concurrently with the wastage of the nation's plant and goods, the nominal capital values of industry were artificially increased and, apart from all deflation problems, will have to undergo a consequently rigorous contraction—to be accentuated in the event of a future decision to return to a gold standard. Under these circumstances it seems rather premature to speak as if we had already touched bottom. The public vaguely recognises this fact and insists on remaining a spectator as far as the Stock Markets are concerned. As first-class investments are being depressed by influences quite unconnected with their own intrinsic merits, numerous unexceptionable bargains exist at present and the discerning investor with liquid funds is in a position to draw a rich return.

The Gilt-edged section displayed a consistently easy tendency throughout the past week, but declines were in the greater part due to lack of public support. Liquidation in this department has assumed much smaller proportions than in the more speculative markets—a fact which affords some index to the type of undertakings which are feeling the present financial squeeze most. County and Corporation and Colonial stocks exhibited no quotable alterations.

The Industrial market was naturally the centre of the depressed area, and firm features were conspicuously absent. Iron and Steel, Shipping, Textile, Banking and Insurance shares drooped generally. The pessimism among Motors was further accentuated by the disappointing report made by Napiers and the announcement that Straker-Squires have been compelled to request the sanction of noteholders for the creation of £250,000 Mortgage Debentures, ranking ahead of the notes.

The continued flood of liquidation brought an active and excited week to the Oil share market. Heavy American and Continental unloading of Royal Dutch and Mexican Eagles caused these groups to monopolise interest to a large extent. On Tuesday the violence of the fluctuations in Royal Dutch was most marked, and the conduct of operations was a matter of unusual difficulty. Dealings were closed at as low as 44 and as high as 49½. Influential support eventually restored a measure of stability, but prices again eased away toward the close. Under the circumstances, the proposed bonus on Mexican Eagles was hardly a factor in settling quotations. Meetings of the Company have been called in Mexico to sanction the increase of the capital to $160,000,000, and the issue at par to existing shareholders of one new $10 Ordinary share for every two held. It is expected that the forthcoming dividend will be sufficient to meet the cost of the new shares, and in that event application may be made by the presentation of the coupon, no new money being required.

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Mining Topics.

NOVEMBER OUTPUTS.

IN establishing any comparison between the returns of the gold producers for November and for October it is not merely sufficient to contrast the profits recorded for the respective months. Such a comparison is not valid unless allowance is made for several conflicting factors. As usual, the supply of native labour was at its ebb. Thus, the Transvaal Chamber of Mines states that at the end of the month the number of natives working in the gold mines had fallen to 158,773. Although this only represents a decline of 653 as compared with October, it is nearly 18,000 below the total for November 1919. This still further reduction of a supply already inadequate must be reflected in lower outputs from the particular mines affected. Delays such as that caused by the six days' strike at City Deep or the breakdown of the hoist at Witwatersrand Deep tend to accentuate the effect of a reduced labour staff. Again, difficulties are created by the different manner in which the value of the output is computed. The Johnnies Group base their profits on the same price as in October—117*s.* 6*d.* per ounce. No reference is made to the benefits derived from the exchange, but it is the well-known practice of this group to deduct such profits from their working costs. This fact will explain one or two points in the return which otherwise appears rather perplexing. Thus, Van Ryn Deep records a working cost of 23*s.* 5*d.*, as against 25*s.* 3*d.* in October, though the tonnage crushed remained unchanged at 46,600 tons, and the estimated yield per ton dropped from 61*s.* 4*d.* to 61*s.* 1*d.* Again, Government areas, which only treated 130,500 tons, as compared with 135,000 tons in October, reports the very low working cost of 19*s.* 10*d.* per ton, as against 20*s.* 2*d.* per ton. The returns of other mines adopt the same price for gold—117*s.* 6*d.*—but some state that this amount is increased by an undisclosed figure for premium on remittance, less 6*d.* per ounce realisation charges; whilst for the Rand Mines coterie it is asserted that this premium on remittance amounts to 2*s.* 6*d.* per ounce. Hence it would appear that the gold was valued at a price ranging from 117*s.* 6*d.* per ounce to 119*s.* per ounce. The latter figure is more in keeping with the average price prevailing during the month, for, although the quotation for gold ranged from 115*s.* 10*d.* to 122*s.*, it was more inclined to move towards the higher than towards the lower level.

The cumulative result of the reduction in the labour supply and the delay occasioned by strikes and accidents is reflected in the low output of 633,737 ounces of gold for the Transvaal. This is 28,735 ounces less than the amount secured in October, and is the lowest record for the current year if we except the proverbial bad return for February of 625,330 ounces. However, the value of the output at 117*s.* 6*d.* per ounce is £3,723,205, as against £3,439,315 for February at 110*s.* per ounce.

The extent to which this undisclosed premium on exchange has increased the November profits of the

mines as well illustrated in the case of the Johannes group. The total tonnage crushed by all members fell from 430,600 to 418,100 tons. The gross value of the output was nearly £7,000 down at £854,593. Yet the total profit rose from £351,901 to £360,236. For reasons already enumerated, the profit of Government Areas advanced from £180,474 to £181,315, and that of Van Ryn Deep from £85,058 to £90,024. The dividends announced by this group have exceeded expectations and, we may add, justified the forecast we presented as regards the two leading members.

Shortage of labour is freely in evidence in the Rand Mines coterie. With the exception of Geldenhuis Deep, which increased the quantity of ore treated from 45,300 tons to 46,200 tons, Durban Roodepoort Deep, which crushed 600 tons more with a total of 23,600 tons, and Robinson Gold Mining, which treated the same quantity, there has been a decline in the tonnage crushed. This was most marked in the case of City Deep, owing to the additional loss involved in the six days' strike. Consequently, the ore treated fell from 75,000 tons to 58,500 tons, and the profit, despite the higher value of gold, from £60,613 to £40,423. New Modder crushed 93,000 tons, as against 94,000 tons, its profit being £165,230 in contrast with £169,750. With Crown Mines the profit dropped from £93,102 to £91,393, corresponding to a decrease of 5,000 tons at 174,000 tons. Of the exceptions, the outstanding is Modder East. Although the tonnage crushed amounted to 26,100 as against 26,600 tons, the profit rose from £27,362 to £30,968, owing nearly as much to the higher grade of the ore as to the higher price of gold. Modder "B" constitutes the second exception with a profit of £97,232, in comparison with £97,144, despite the reduction in the tonnage crushed from 55,000 to 53,500 tons.

No general tendency could be detected in the returns of the General Mining (Albu) Group. The figures for Meyer and Charlton were particularly interesting. The profit fell from £30,529 to £28,779, although the tonnage crushed advanced from 12,600 to 13,300 tons. Seeing that the value of the output amounted only to £46,426, as against £48,733, it is apparent that lower-grade ore was being treated. However, the working costs dropped from 29*s.* 1*d.* per ton to 26*s.* 10*d.* per ton. This fall is too marked to be attributed to the increase of 700 tons of ore, and must be partially due, as in the case of Government Areas, to the deduction of sundry revenue, such as the premium on exchange. On the other hand, Van Ryn is milling higher-grade ore, for the value of the output rose from £51,203 to £55,009, although the quantity of ore treated fell from 32,100 tons to 31,160 tons. The profit of £15,232 compares with £14,100 for October.

The holiday season during the current month is bound to result in a reduced output. In 1919 the December return of 650,700 ounces for the Transvaal compared with 677,970 for November, despite an increase in the native labour supply from 164,671 to 166,155. There is every reason to believe that the customary influx of natives to the mines will take place, if it has not already done so. The more rapid the number increases, the less pronounced will the decline in output be. In the absence of unforeseen circumstances, we do not believe that it will fall below the February return of 625,330 ounces.

CANADA'S
Grand Trunk Railway System
Connections with the Canadian Northern Railway now operates Daily Coast to Coast Service Halifax, Quebec, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Vancouver, Victoria, Prince Rupert.
CONSULT us re TRAVEL, EXPORTS, and EXPRESS SERVICE.
Canadian Express Co.'s Money Orders issued in Dollars and Cents.
EUROPEAN TRAFFIC OFFICES.
London, S.W.—17-19 Cockspur Street. Liverpool.—20 Water Street
London, E.C.—41-46 Leadenhall Street. Glasgow.—75 Union Street.
H. H. NORMAN, Secretary, Dashwood House, E.C.
FRED. C. SALTER, European Traffic Manager.

DE BEERS CONSOLIDATED.

The accounts of [illegible] Mining Company for the year ended June 30, 1920, [illegible] in its financial history. [illegible] prosperity was achieved during the year [illegible] seen from the following table, in which the financial results for the past five years [illegible]

	Years ended June 30				
	1916	1917	1918	1919	1920
	£	£	£	£	£
Revenue:					
Current profits	6,[illegible],500	5,[illegible],[illegible]	4,[illegible],[illegible]	4,[illegible],[illegible]	[illegible]
Dividends on stock held	[illegible]	[illegible]	—	—	[illegible]
S.W. Africa dividends	—	—	—	—	—
Interest & [illegible]	[illegible],[illegible]	[illegible],[illegible]	[illegible],[illegible]	[illegible],[illegible]	[illegible]
Transferred from reserve	—	—	—	—	—
Sundry revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total revenue	[illegible]	6,[illegible],[illegible]	[illegible],[illegible]	[illegible]	[illegible]
Expenses:					
Dividends on [illegible] stock	—	—	31,077	—	—
Mining & washing	[illegible],[illegible]	[illegible],[illegible]	[illegible],[illegible]	1,156,947	395,850
Duties, stores, & sundry	[illegible]	[illegible]	[illegible]	48,172	41,445
Office, &c., charges	441,307	[illegible]	[illegible]	174,355	[illegible]
Interest on [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest, [illegible]	[illegible]	69,917	69,917	73,[illegible]	[illegible]
Debenture [illegible]	[illegible]	[illegible]	75,436	75,[illegible]	[illegible]
South African [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Income [illegible]					9,176
Mount of Olives A/c		89,[illegible]	[illegible]	125,[illegible]	249,339
Special expenses	[illegible]	64,[illegible]	135,266	141,[illegible]	73,331
Total expenditure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Allocations:					
To reserve fund	382,[illegible]	[illegible],720	411,240	—	—
Preference dividend	740,000†	740,000†	740,000†	1,170,000	1,200,000
Deferred dividend	[illegible]	[illegible]	[illegible]	[illegible]	—
	[illegible]	[illegible]	[illegible]	[illegible]	
Total allocations	[illegible]	[illegible]	2,131,249	[illegible]	[illegible]
Surplus or deficit	[illegible]	[illegible]	44,673	[illegible]	[illegible]
Balance brought forward	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance carried forward	237,830	466,267	41,[illegible]	[illegible]	[illegible]
Issued: Pref. (£2 10s.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Capital: Deb. £2 15s.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sundry [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Depreciation [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Excluding stores but including investments.
† After deducting [illegible] South African [illegible] tax (£60,000).
‡ Transferred to "Reserve for [illegible] of investments."

For the year under review the output of precious stones realised the gigantic total of £6,761,840, as [illegible] £5,[illegible]. The decline in the sales of diamonds in stock is more marked than it appears; for instead of being entered at cost as in previous years, the stock of diamonds in hand on June 30, 1920, were only entered at a nominal figure in keeping with the wise decision of the directors that only the proceeds from stones actually sold could be regarded as income. Receipts from interest and dividends have dropped from £332,563 to £208,109, owing to the increased allowance for depreciation due to the marked fall in gilt-edged securities. The decline in sundry revenue is explained by the reduction in profits from realisation of investments which fell from £54,093 to £11,394. Still the total revenue worked out at £7,066,417, as against £6,581,650 in the previous year.

The total expenditure rose from £2,718,262 to £3,172,784. Actual working costs in mining and washing absorbed £1,991,259, or nearly £900,000 more than in 1918-19. This advance was not due to the additional amount of work done, for the return of 8,495,558 loads on hand at the close of the year only represents an increase of 41,382 loads. Here, as in gold-mining, the admittedly higher level of prices largely accounted for the expansion of working costs. Stores and materials involved considerably heavier outlays and [illegible] Accordingly, [illegible] per ton on the past [illegible] of mining and washing. [illegible] expenditure on [illegible] rose [illegible] from £77,821 to £28,102 and [illegible] from £18,811 to £4,201 owing to the [illegible] Mount of Olives [illegible] and the [illegible] of the year's [illegible] profits as a result of the [illegible] epidemic. However, the rise in general charges from £180,061 to £442,305, nearly counterbalanced the [illegible] decline. [illegible] of investments. [illegible]

£23,047 to £75,671 is due to the inclusion of £22,288 in respect of arrears between 1914 and 1916, and £25,000 for extra remuneration out of the record profits of the year under review. Donations to public institutions figure for £146,330, as against £53,058, and administrative expenses absorb £51,358, instead of £36,568. The inclusion of £67,510 on account of loss on exchange furnishes a measure of the extent to which the exchange turned unfavourable during the year.

The net profit of £3,893,633 represents another record, comparing with £3,863,388 in 1918-19. An addition of £382,070 is made to the reserve for stabilising the diamond trade which now stands at £2,357,395. The Preference dividend as usual calls for £740,000 net. The prosperity of the year is reflected strongly in the growth of the deferred dividend to 120 per cent., absorbing an extra £1,000,000 with a total of £3,000,000. The payment of this substantial dividend necessitated a reduction in the amount carried forward to £237,830.

The purchase and sale of diamonds is essentially a luxury trade, and as such the industry is apt to suffer first, and ofttimes most severely in any period of depression. We are now passing through such a period, and consequently the outlook of diamond mining for the immediate future does not appear to be very bright. The trade itself, however, has always been the first to recognise the extent to which its fortunes vary with the general conditions of industry. Accordingly steps have been taken in advance to meet the "lean" period that is now at hand. During the year under review a conference of the four big diamond-mining concerns was convened by the Government, and they arranged to regulate from time to time the quantity of stones which each producer was to put on the market. Moreover, it was further agreed to market all diamonds through the London Diamond Syndicate. Consequently, despite the marked lull in the trade, the price of diamonds has been so far well maintained. Backed as they are by substantial reserves, De Beers are well able to face the current depression. The balance sheet dated June 30, 1920, shows a strong surplus of liquid assets over current liabilities—the excess of £5,430,922 not including the stocks of diamonds and blue ground. The limitation of production in the current year has already been reflected in a reduction of expenses to the amount of £50,000 a month. On the other hand, the industrial activities of the Company which have all been financed out of profits were very promising. A fertiliser factory was being erected in connection with the Cape Explosive Works. The ranch at Shangani, Rhodesia, was now more than covering its expenses; whilst profits on a satisfactory scale were being earned by the South African Collieries, Limited, at Glencoe. A stage had now been reached at which it was considered advisable to form a separate Company to operate these industrial concerns, and a scheme to this effect will possibly be announced in the near future. Reverting, however, to the position of the diamond-mining section, the opinion is now widely held that a reduction of the interim dividends is necessary in view of the present depression. Verification is now forthcoming in the declaration of an interim dividend of 10s. per share, or twenty per cent. both to Preference and Deferred shareholders. As far as the latter are concerned, this compares with 30s. per share, or sixty per cent., for the previous interim dividend. Herein lies the explanation of the remarkably low price at which the Deferred shares are quoted just now. The range of prices since 1904 can best be perceived from the following table:—

	5 Years, 1904-08	5 Years, 1909-13	5 Years, 1914-18	1919	Jan. Dec. 1920	Current Price
Highest ...	5 1/8	5 3/8	19½	33	33½	
Lowest ...	8/8	11	9½	16½	13	13

Shareholders and investors would, however, do well to bear in mind the prospects of a bonus opened up by the proposed capitalisation of the industrial concerns.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, December 15, 1920.

Issue Department.

Notes Issued	£143,472,575	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	125,022,575
	£143,472,575		£143,472,575

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£77,122,702
Rest	3,333,341	Other Securities	72,708,889
Public Deposits	19,400,584	Notes	12,128,185
Other Deposits	126,069,995	Gold and Silver Coin	1,788,957
Seven-day and other Bills	8,823		
	£163,354,733		£163,354,733

Comparison with Previous Four Weeks (£0,000's omitted.)

Date	Circulation	Coin and Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve to Liabilities	Ratio Reserve to Life Liabilities	Bank Rate	Three Months' Bills
1920.	£	£	£	£	£	£	£	%	%	%
Dec. 16	131.2	126.9	19.4	129.1	77.1	72.2	14.0	9.3	7	6½
Dec. 8	130.4	126.8	22.1	128.4	80.7	74.1	13.9	9.3	7	8½
Dec. 1	130.4	124.9	21.6	142.5	93.8	75.3	14.9	7.9	7	8½
Nov. 24	127.9	124.1	17.9	105.3	52.4	74.1	14.5	11.9	7	8½
Nov. 17	127.5	123.7	19.5	116.2	63.7	75.1	14.5	11.8	7	8½
July 22, '14	29.3	40.2	13.7	42.2	11.0	33.8	29.3	52.10	3	2½

* July 30, 1914 to 4%: July 31, 8%. Aug. 1, 10%. Aug. 8, 8%. Aug. 8, 5%; July 13, 1916, 6%: Jan. 18, 1917, 5½%. Apr. 5, 5%: Nov. 8, 1918, 6%: Apr. 15, 1920, 7%.

Comparison of Bank Returns Exchanges Prices, &c.

	Dec. 15,	Dec. 17,	Dec. 16,	Dec. 19,	Dec 14,
Bank of England (in £'s sterling 00,000's omitted):	1920	1919	1913	1917	1419
Circulation	£131.2	£90.3	£69.0	£45.0	£23.0
Public Deposits	19.4	21.5	28.9	38.9	9.8
Other Deposits	126.1	125.3	143.9	129.1	41.3
Government Securities	77.1	69.2	69.3	57.8	15.9
Other Securities	72.2	76.9	98.2	95.1	27.4
Reserve	14.0	19.3	39.1	31.9	25.5
Ratio to Liabilities	9 6%	13 4%	16 28%	18 66%	57%
Coin and Bullion	126.8	91.5	78.6	57.6	33.1
Money:					
Bank of England Rate	7%	6%	5%	5%	4½%
Bank of France Rate	8%	5%	5%	5%	3%
Rate 3 months' Bills London	6⅝%	5⅛%	3⅛%	4⅛-⅜%	3⅛-⅝%
Exchanges:					
Paris Cheque	58·10	42·25	25·97	27·23½	25·27
New York 60 days	3 46	3 78½	4·73½	4·72	4 82·40
Bombay Telegraphic Transfers	1/5⅝	2/3⅛	1/5⅝	1/4⅜	1/4⅛
Prices:					
Consols 2½% Cash	44⅛	50⅛	59⅛	53⅛	79⅝
French Rentes 3% Money	58.70	60 15	81 95	58·50	97 27
Silver, London spot per oz.	41d.	78½d.	48¾d.	43½d.	51d.
Wheat, *Gazette* average qr.	88/5	72 6	72/3	71/2	30 9
Cotton, Mid Upland lb.	19·25d.	28·93d	20·03d.	22·31d.	8·13d.
Iron, Scotch pig ton	231/0	168/0	101/0	101 0	55/10½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Dec 15, '20	11,072,813	6,180,804	358,375,931	28,500,000	18,750,000	13·3
Dec 8, '20	9,880,636	6,448,838	351,483,771	28,500,000	18,750,000	13 4
Dec. 17, '19	10,273,374	5,192,838	348,373,041	28,500,000	—	8·2
Dec. 18, '18	12,561,094	3,001,508	314,344,993	28,500,000	—	9·1
Dec. 19, '17	10,535,585	3,017,868	206,952,223	28,500,000	—	13·8
Dec. 20, '16	9,432,394	3,083,495	147,519,796	28,500,000	—	19·3

Balance Sheet, December 15, 1920.

	£		£
Notes outstanding—		Advances—	
One Pound	279,582,012	Other Bankers ...	—
Ten Shilling	41,536,969	Trustee Savings Banks	—
Certificates outstanding ...	34,280 000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	356,375,981	Bank of England Notes ...	18,750,000
Notes called in but not yet cancelled	2,799,656	Government Securities ...	328,153,918
Investments Reserve A/c ...	16,370,576	Balance at Bank of England	142,995
Total	375,546,213	Total	375,546,213

PUBLIC INCOME AND EXPENDITURE (000's omitted.)

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Dec. 11	£14,791	£15,307	£516	£71,956	£71,250	£2,555
Dec. 4	16,806	65,336	48,530	151,761	104 219	2 365
Nov. 27	16,705	16,327	622	93,754	93,578	3,350
255dys. '20-21	830,3 8	778,898	52,240‡	3,842,010	3,913,820	— 8,814
257days '19-20	649,456	1,054,098	404,640	4,390,970	3,999,129	— 8,972
Yr. '20-21*	1,418,300	1,184,102	234,198†	—	—	—
Yr '19-20	1,338,571	1,665,773	329,202	6,092,709	5,763,507	9,369
Yr. '18-19	899,021	2,579,301	1,680,280	7,033,402	5,351,353	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,804	5,816,023	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc Expend.	Supply Services
Dec. 11	£5,239	£1,102	£4,197	£4,253	£7,335	£823	£7,349
Dec. 4	4,223	2,772	4,658	5,153	44,156	820	20,364
Nov. 27	5,679	895	3,053	6,278	1,813	351	14,340
255days '20-21	727,406	145,665	148,057	305,880	273,187	15,067	488,884
257days '19-20	188,413	130,592	191,238	139,212	267,012	9,481	777,803
Yr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	283,023	359,098	290,045	407,404	332,034	18,171	1,317,568
Yr. '18-19	162,220	291,186	285,028	150,587	269,984	11,330	2,287,858
Yr. '17-18	110,033	239,508	220,214	137,478	189,851	11,101	2,494,968

FLOATING DEBT. (000's omitted.)	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Dec. 11, 1920 ...	£1,137,804	£260,264	£1,397,868	£6,670
Dec. 4, 1920 ...	1,120,749	268,414	1,389,163	15 755
Nov. 27, 1920 ...	1,096,384	234,114	1,330,498	13,705
Nov. 20, 1920 ...	1,090,379	236,364	1,326,743	13,100
June 30, 1919 ...	798,100	774,937	1,573,037†	—

*Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.‡ [In £'s Sterling—000's omitted.

	Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.						
Aug. 8, '14 ...	£10,977	£833	£11,810	£41,925	£51,930	£5,734
Dec. 2, '20 ...	10,680	1,115	11,875	24,977	237,765	50,813
Dec. 9, '20 ...	10,680	1,115	11,875	25,457	238,314	41,33

	Claim on Austro-Hung. Bank	Contingent Fiduc. on Bank Notes	Discounts	Advances	Circulation (Less Notes)	Deposits
CZECHO-SLOVAKIA.*						
Nov. 15, '20...	£398,225	£26,205	£75,215	£31,317	£455,557	£55,721
Nov. 23, '20...	396,735	84,810	74,255	91,333	444,313	57,731
Nov. 30, '20 ..	396,774	84,277	74,181	94,134	446,111	41,932

	Gold	Silver	Total	Discounts Advanced	Circulation (Less Notes)	Deposits
DENMARK.						
July 31, '14 ...	£4,100	£341	£4,441	£8,197	£7,893	£47
Oct. 30, '20 ...	12,844	139	12,783	15,333	1,033	32,111
Nov. 30, '20 ..	12,844	145	12,783	14,323	757	30,411
Nov. 29, '18 ..	11,727	199	11,977	10,196	1,547	28,231
Nov. 30, '18 ...	10,424	144	10,568	3,896	4,333	24,153

	Gold	Silver	Total Cash	Bills	Circulation	Deposits Public	Deposits Private
FRANCE.	In Bank	Abroad	Incl. Silver	Discounted			
July 30, '14 ...	£185,654		£190,887	£97,768	£287,327	£15,332	£37,093
Dec. 9, '20 ...	147,999	77,945	225,943	13,500	1,5 8,411	6,5 5	151,731
Dec. 16, '20 ...	142,697	77,945	220,641	13,5 7	1,5 8,383	4,191	151,548
Dec. 18, '18 ...	143,986	79,131	223,117	17,777	1,475,837	3,847	127,11
Dec. 18, '18 ...	137,154	81,481	218,635	18,377	1,2 5,11	1,5 5	93,037

	Gold	Silver	Total Cash	Treasury Notes & Other	Loans & Discounts	Circulation	Deposits
GERMANY.							
July 23, '14...	£87,843	£16,727	£104,570	£5,420	£14,695	£141,915	£47,144
Nov. 30, '20...	64,578	318	64,896	1,418,513	2,778,420	3,214,220	866,477
Dec. 7, '20...	54,078	345	54,423	1,066,273	3,500,427	3,11,432	5,5 ,051
Dec. 7, '18...	54,515	1,115	55,630	486,448	1,638,907	1,5 3,118	444,448
Dec. 7, '18 ...	116,394	1,011	116,405	2,9 5,	1,1 8,389	9,5 ,775	510,511

	Gold	Silver	Total	Discounts	Advances	Circulation	Deposits
HOLLAND.							
Aug. 1, '14 ...	£13,498	£249	£13,745	£13,422	£10,332	£35,690	£1,437
Dec. 6, '20 ...	63,012	1,894	64,708	18,842	24,495	90,811	8,211
Dec. 13, '20 ...	63,012	1,713	64,725	19,471	24,933	89,728	8,443
Dec. 13, '18 ...	53,110	606	53,716	17,173	23,065	94,970	9,946
Dec. 14, '18 ...	52,560	893	58,253	18,912	11,191	83,010	6,375

	Gold	Silver	Total	Other Cash	Loans & Discounts	Circulation	Deposits
ITALY.							
July 31, '14 ...	—	—	—	£48,456	£20,317	£83,234	£3,337
Oct. 20, '20 ...	£32,191	£2,939	35,130	11,811	245,313	605,576	79,151
Oct. 30, '20 ...	32,758	2,933	35,787	11,375	233,472	611,153	72,437
Oct. 31, '19 ...	32,500	3,076	35,576	28,117	89,474	474,2 7	74,473
Oct. 31, '18 ...	32,897	3,078	35,775	5,293	62,335	353,445	55,377

	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.						
Aug. 1, '14 ...	£21,887	£1,829	£7,863	£32,792	£14,818	£1,921
Oct. 30, '20 ...	110,439	11,363	17,673	119,08	110,577	4,119
Nov. 6, '20 ...	110,808	8,290	15,952	107,422	103,108	8,32
Nov. 8, '19 ...	80,879	8,881	32,170	108,342	110,374	4,520
Nov. 9, '18 ...	88,151	1,958	40,064	82,751	94,531	3,645

	Cash Own Vaults	Aggregate Reserve	Loans, Discts., Invest., &c.	Net Deposits Demand	Net Deposits Time	Total Reserve	Excess Reserve
NEW YORK BANKS & TRUSTS.							
Aug. 1, '14 ...	—	£89,888	£411,238	—	—	£387,165	£1,720
Dec. 4, '20 ...	£19,758†	108,606	5041,776	1893,815	£54,112	8,3 ,3	2,113
Dec. 11, '20 ...	19,770†	108,693	5,016,614	791,913	50,416	835,523	3,495
Dec. 13, '18 ...	21,3441	113,344	1,013,358	8 3,34	55,01	831,538	4,340
Dec. 14, '18 ...	21,572†	114,101	936,992	783,639	28,233	835,938	12,332

	Gold	Silver	Total	Balance Abroad	Notes & For. Govt. Secs.	Disc'nts & Loans	Circulation	Deposits
NORWAY.								
July 31, '14 ...	£2,960	£1,678		£493	£4,658	£8,752	£791	
Nov. 30, '20 ...	8,115	2,894		578	24,437	24,133	5,117	
Dec. 7, '20 ...	8,115	3,159		578	23,573	24,131	4,751	
Dec. 8, '19 ...	8,146	4,096		674	13,335	23,771	3,471	

	Gold	Silver	Total	Discounts & Note Circulation Advances	Circulation	Deposits
PORTUGAL.						
June 9, '20 ...	£1,918	£3,921	£5,827	£20,448	£24,343	£10,835
June 9, '20 ...	1,918	3,921	5,827	24,597	94,893	8,319
June 11, '19 ...	1,905	3,935	5,840	8,193	65,033	3,473
June 12, '18 ...	1,905	3,475	5,380	8,822	48,378	2,146

	Cash	Discounts	Advances	Total	Circulation
ROUMANIA.					
Aug. 21, '20 ...	£74,903	£0,648	£4,3 5	£25,021	£217,115
Aug. 28, '20 ...	88,093	20,501	3,647	24,147	239,137
Sept. 4, '20 ...	84,003	20,274	3,730	24,004	275,157
Sept. 8, '19 ...	45,472	9,634	2,314	11,948	136,232

	Gold In Bank	Gold Abroad	Total Cash Incl. Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
RUSSIA.							
July 31, '14...	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,311
Oct. 29, '17...	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,990

	Gold	Silver	Total	Loans, &c.	Spanish Circulation	Deposits &c.
SPAIN.						
Aug. 1, '14 ...	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,455
Dec. 4, '20 ...	88,701	23,439	121,693	91,04	13,773	189,374	45,277
Dec. 11, '20 ...	98,269	24,324	121,593	96,812	14,774	193,443	41,264
Dec. 13, '18 ...	86,865	25,149	112,014	83,727	13,775	151,974	41,131
Dec. 14, '18 ...	89,135	25,300	114,434	85,56	13,777	157,79	46,138

	Gold	Balance Abroad	Notes & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
SWEDEN.						
Aug. 4, '14 ...	£5,717	£6,150	£1,555	£7,435	£13,432	£4,403
Nov. 27, '20 ...	15,682	8,304	1,901	20,571	30,735	13,573
Dec. 4, '20 ...	15,682	6,431	1,902	20,567	31,516	11,619
Dec. 6, '18 ...	16,155	6,727	4,633	23,319	39,279	12,15
Dec. 7, '18 ...	15,780	7,35	6,172	25,344	43,219	14,435

	Gold	Silver	Total	Discounts & Advances	Circulation	Deposits
SWITZERLAND.						
July 23, '14 ...	£7,202	£758	£7,960	£4,417	£10,716	£2,03
Nov. 30, '20 ...	21,638	4,435	26,073	14,194	35,441	3,317
Dec. 7, '20 ...	21,862	4,800	26,662	15,213	37,732	1,0 0
Dec. 6, '18 ...	20,225	2,429	22,654	17,651	37,383	4,656
Dec. 7, '18 ...	16,112	2,262	17,374	3,033	33,333	3,316

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.	Gold — Held by Banks	Gold — With Agents	Total	Bills Discounted	Amount covered	Bills Secured	Bills Other	Circulation
... 8/20 ...	5711,173 —	—	$473,511	$375,182	$43,512	$11,133	$333,552	$483,193
Dec. 13/20 ...	447,151 —	—	44,432	344,133	43,933	5,872	231,400	482,2 8
Dec. 15/19 ...	1,27 ,1	231,831	432,082	127,221	1,3 ,319	17,997	107,224	321,133
Dec. 14/18 ...	185,102	213,223	411,151	214,113	23,113	11,111	121,443	320,106

II.—CURRENT BANK RATES OF DISCOUNT.

		Date Fixed.			Date Fixed.
Amsterdam ...	3	July 1, '15	Lisbon ...	5½	Jan. 15, '14
Berlin ...	5	Dec. 23, '14	Madrid ...	6	Nov. 4, '20
Rome ...	5	Apr. 21, '19	—	6	Apr. 8, '20
Bombay ...	5	July 29, '20	—	7	July 29, '14
Brussels ...	5½	Nov. 23, '20	—	8	Dec. 19, '20
Calcutta ...	5	Dec. 9, '19	—	9	Dec. 16, '20
— ...	7	Dec. 23, '20	—	10	Dec. 17, '20
Copenhagen ...	7	Nov. 18, '20	—	8	Nov. 13, '20

III.—FOREIGN EXCHANGES.

LONDON ON—	Dec. 17, '20	Dec. 10, '20	Dec. 3, '20	Nov. 26, '20
Berlin ...	244	244	244	244
Belgium ...	55	55	55	55
Denmark ...	19	19	19	19
Holland ...	11	11	11	11
Italy ...	99	99	99	99
Leipzig ...	244	244	244	244
New York ...	4	4	4	4
— ...	4	4	4	4
Norway ...	19	19	19	19
Paris ...	59	59	59	59
— ...	59	59	59	59
Spain (Barcelona) ...	44	44	44	44
— ...	26	26	26	26
Sweden ...	19	19	19	19
Switzerland ...	22	22	22	22
— ...	22	22	22	22

ON LONDON—	Dec. 17, '20	Dec. 10, '20	Dec. 3, '20	Nov. 26, '20
Amsterdam ...	97	97	97	97
Amsterdam ...	11	11	11	12
Athens ...	2	2	2	2
Berlin ...	1	1	1	1
Brussels ...	55	55	55	55
Christiania ...	19	19	19	19
Copenhagen ...	19	19	19	19
Genoa ...	99	99	99	99
Italy ...	99	99	99	99
Lisbon ...	24	24	24	24
Madrid ...	44	44	44	44
Milan ...	99	99	99	99
Montreal ...	4	4	4	4
Paris ...	59	59	59	59
Rio de Janeiro ...	10	10	10	10
Stockholm ...	19	19	19	19
Switzerland ...	22	22	22	22
Vienna ...	2	2	2	2
Yokohama ...	4	4	4	4

* Fixed at Rs. 10 to the £ on and after Dec. 2, 1920.

NEW YORK ON—	Dec. 17, '20	Dec. 10, '20	Dec. 3, '20	Nov. 26, '20
Amsterdam, cheques ...	39	39	39	39
Bombay, cheques ...	25	24	48	33
Buenos Ayres, cheques ...	131	125		
Christiania, cheques ...	14	14	26	26
Copenhagen, cheques ...	15	15	25	25
Genoa, cheques ...	4	4	4	4
Hamburg, cheques ...	1	1	1	1
Hankow, cheques ...	54	51	74	48
Italy, sight ...	3	3	5	5
Linat, cheques ...	4	4	4	
Manila, cheques ...	46	46	50	
Montreal ...	1	1	1	Par
Paris, sight ...	6	6	5	5
Rio de Janeiro, cheques ...	6	6	11	11
Shanghai, cheques ...	73	72	1	83
Singapore, cheques ...	1	1	57	57
Spain, cheques ...	13	12	14	
Stockholm, cheques ...	19	19	26	1
Switzerland, cheques ...	6	6	5	5
Valparaiso, cheques ...	15	16	1	
Yokohama, cheques ...	44	43	44	49

* Nominal. † Price for cable transfers.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name	Week	Amount	Increase	Decrease	Total from Jan. 1	Increase	Decrease
BIRMINGHAM ...	Dec. 11	£5,183	—	£913	£184,433	—	£40,423 — 18
[illegible] ...	11	1,581	—	[illegible]	13,811	—	1,171
DUBLIN ...	11	9,1	—	[illegible]	85,313	—	16,1
LEICESTER ...	11	1,03	—	[illegible]	18,916	+	287
[illegible] ...	11	[illegible]	—	[illegible]	[illegible]	—	[illegible]
LIVERPOOL ...	11	11,5	4,1	7,7	[illegible]	—	[illegible]
MANCHESTER ...	11	19,11	8,0	1,1	[illegible]	—	[illegible]
NEWCASTLE ...	11	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
NORWICH ...	11	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
SHEFFIELD ...	11	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
[illegible] ...	[illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

	DEC. 17, 1920	DEC. 19, 1919	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ....ton	231/0	168/0	57/0
— Middlesbro' warrants ....ton	235/0	160/0	51/0
— Hematite warrants ....ton	260/0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£25—£26	£8 10
— Common bars ....ton	£30—£30 10	£23	£8 16
Steel Rails ....ton	£23—£25	£16	£6 2/6
Galvanised Sheets ....ton	£32—£34	£39—£40	£18 17/6
Copper—Standard ....ton	£74 5	£104	£66
Tin—English Ingots ....ton	£208—£208	£320	£140 15
— Straits ....ton	£216	£320 15	£139 10
Tinplates, I.C. Coke, S. Wales...box	37/0—38/0	47/0—48/0	11/10½—12/0
Lead—Soft Foreign ....ton	£22 5—£24	£41 10	£19
Spelter—Ord. Foreign ....ton	£25 15—£27 5	£55—£54	£21 7/6
Quicksilver—(75lb.) ....bottle	£15 10	£25	£7
Aluminium ....ton	nom.	£215	£92
Antimony—Regulus Foreign ....ton	£37—£39	£47	£27 10
— English ....ton	£45—£49	£50	—
Coal—(best) Yorkshire ....ton	37/0—38/0	19/6—20/6	17/6
— Steam (best) Newcastle....ton	50/0—55/0	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
Al. of Soda—f.o.b. Chile, permanent ton	12/0	11/0	7/4
Soda—Crystals ex wharf....ton	140/0—...	129/0—130/0	42/6—45/0
Cocoa—Malas and States ....ton	£42 10	£89 10	£23 15—£24 10/0
Gambier—Good marks ....cwt.	37/6—40/0	48/0	16/10½
Indigo—Bengal good to fine ....lb.	13/0—16/6	10/0—12/0	3/2—3/8
Linseed Oil—Raw ....ton	£42	£105 10	£25 5
Linseed—Calcutta, spot ....ton	£21 10	£59	£13 16/9
— Cakes, U.K. made, ex mill....ton	—	£25	£7 17/6—£8
Olive Oil—Spanish ....ton	—	nom.	£49 10
Palm Oil—Lagos ....ton	£37	£90	£31 10
Petroleum—American ....gallon	0/73	1/0	7½
Rape Oil—Refined English ....ton	£82 10—£87 10	£71	£32
Soya Oil—Refined ....ton	£78	£108	£24 10
Tallow—Imported ....cwt.	68/8—76/0	95/0	29/3—33/3
Turpentine—American ....cwt.	106/0	137/0	33/7½
Rape Seed—Toria ....ton	£94	£45	£13 5
Rubber—Para, spot ....lb.	1/1½	2/8½	2/9½
— Fine plantation (stnd. crepe) lb.	1/1½	2/7	2/2
— World's Production† Oct. tons	28,890	28,790	8,487
Shellac—T.N. Orange, fair ....cwt.	400/0	700/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ....lb.	13·95d.	28·59d.	7·53d.
— Egyptian, good fair....lb.	18·50d.	47·00d.	8·75d.
— Pernambuco fair ....lb.	12·95d.	32·09d.	7·73d.
— Middling Upl. New York ..lb.	16·50c.	39·95c.	13·25c.
— Stock, Liverpool (Dec. 10) bales	904,200	779,580	934,800
Flax—Petrograd, Yarapol ....ton	—	—	626
Hemp—New Zealand ....ton	£54	£57	£25 10
— Manila, Fair ....ton	£58	£54	£28 10
Jute—First Marks ....ton	£39	£65	£28 15
Red SOC ....ton	£24	£56	£24 15
Silk—Common, New Style ....lb.	28/0	40/0	12/0—12/8
Wool—Pt. Philip unwashed av. lb.	2/10	5/7	11d.—1/0
— Lincoln Half Hogs ....lb.	1/3½	2/3½	7½d.
Hides—Eng. Ox, best, 70 lb. up lb.	8½d.	12½d.—13½d.	7½d.
Leather—Dressing Hides ....lb.	2/6—3/0	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ....bus.	98,085,000	136,481,000	34,640,000
— Red, price, N.Y. 60lb. ....bushel	1/96	2/36	67½c.
—English Gazette, aver. 480lb. qr.	88/5	72/6	34/3
Flour—G.R. ....280lb.	82/0	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	75/3	105/0	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	43/7	56/9	20/0
Maize—N.Y. (new bushel)....56lb.	98·0c.	178·0c.	76·0c.
— Amer. mixed, Liverpool....480lb.	52/0 nom.	nom.	32/4
— La Plata ....480lb. qr.	50/0	65/0	25/9
Potatoes—Good English ....ton	200/0	234/0	70/0—75/0
Rice—Bassein ....cwt.	25/0	26/0	7/0—7/3
Tapioca—Pearl, medium ....cwt.	34/0—36/0	35/0	14/0—17/8
Hay—best ....2,016lb. load	—	—	82/6
Hops—English ....cwt.	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs....8lb.	8/8	9/0	3/6—3/10
— Scotch sides ....8lb.	11/0	10/0	4/6—5/0
— English ....8lb.	11/0	10/0	4/2—4/5
Mutton—Scotch wethers....8lb.	13/0	10/6	5/8—6/0
— English wethers ....8lb.	13/0	10/6	4/6—5/4
— New Zealand frozen ....8lb.	4/0—6/0	10/6	2/4—3/2
Pig — English and Irish ....8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ....cwt.	1245/0—250/0	200/0	80/0—74/0
— Danish ....cwt.	1230/0	1187/0	68/0—68/0
— Canadian, ex Port ....cwt.	1226/0	1187/0	—
— American ex Port ....cwt.	1185/6—192/0	1187/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	1220/0	1190/0	75/0—79/0
— short cut, ex Port ....cwt.	1220/0	1190/0	71/0—74/0
Lard—Amer. boxes, ex Port ....cwt.	1158/6	1126/6	51/6—52/6
Butter—Danish ....cwt.	1336/0	1252/0	117/0—120/0
— French ....cwt.	1338/0	1252/0	96/0—108/0
— Australian ....cwt.	1338/0	1252/0	99/0—110/0
— New Zealand ....cwt.	1336/0	1252/0	108/0—114/0
Cheese—Canadian ....cwt.	148/0—154/0	1145/0	66/0—68/0
— United States ....cwt.	—	1145/0	—
— Dutch ....cwt.	168/0—230/0	1145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Nov. 30 ....cwt.	24,882,068	28,869,711	19,777,254
— Home consump'n. to Nov. 30 cwt.	20,806,343	27,643,426	17,272,000
— In Bond Nov. 30 ....cwt.	6,382,000	6,663,000	6,308,000
— Price, Java, 96° Pol. ....cwt.	37/0	53/0	10/3
— — Yellow crystals ....cwt.	86/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1....cwt.	100/0	72/0	18/0
Coffee—Imports to Nov. 30 ....cwt.	716,809	1,016,800	720,360
— Home consumpt'n to Nov. 30 cwt.	283,252	293,909	141,410
— Exports to Nov. 30 ....cwt.	462,780	697,165	340,250
— In Bond Nov. 30 ....cwt.	684,000	735,000	484,000
— Price, Costa Rica gd. to fine cwt.	120/0—150/0	168/0—1a4/0	80/0—93/0
— Brazil (Santos) Good ....cwt.	70/0 75/0	130/0—132/0	41/6
Tea—Imports to Nov. 30 ....lb.	405,371,572	437,286,881	123,230,277
— Home consump'n. to Nov. 30 lb.	362,612,654	350,241,990	155,447,972
— Exports to Nov. 30 ....lb.	38,561,150	27,266,719	26,561,765
— In Bond Nov. 30 ....lb.	227,903,000	169,861,000	78,292,000
— Price, Indian, Pek. Soug. gd. lb.	5d.	1/5½	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	4½d.	1/6	8½d.
— — Common Congou ....lb.	nom.	1/3	5½d.
Cocoa—In Bond Nov. 30 ....cwt.	1,123,000	979,000	309,000
— Grenada, good to fine ....cwt.	58/0—60/0	85/0	52/6—56/0

• Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ....Oct.		$24,861,000	+$3,554,000	$7,701,000	+$2,353,000
Grand Trunk ....,, t.	10 mos. to Oct.	£1,722,338,000	+£297,1000	£26,538,000	+1,145,000
	10 mos. to Oct.	£1,796,600	+£330,200	£213,000	−£53,000
		£13,499,400	+£1,897,400	£49,100	−£13,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under earnest, renewable weekly, issued in pursuance of Regulation 27 of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts	+ or — on Year Ago	No Wks	Aggregate Receipts	+ or — on Year Ago
Assam Bengal	Nov. 6	1,041	Rs. 45,1[illegible]	— 4,883	5	11,70,502	— 1,06,631
Barsi Light ...	Nov. 13	118	14,800	— 17,800	32	8,70,600	— 70,200
Bengal & N.W.	Nov. 6	2,067	4,43,670	— 1,51,350	5	22,75,833	+ 2,17,590
Beng. Dooars	Oct. 30	158	34,018	— 4,382	4	1,40,159	+ 1,24,182
Bengal Nagpur	Nov. 6	3,695	12,00,000	— 34,000	26	3,75,62,791	+ 11,31,726
Bomb. Baroda	Dec. 4	2,871	21,33,000	+ 1,30,000	9	1,75,00,000	+ 18,00,000
Burma	Nov. 6	1,342	5,28,264	— 88,470	5	28,12,247	+ 3,07,276
Del. Um. Kalk.	Dec. 4	239	1,00,000	— 2,643	9	10,10,487	+ 89,533
East Indian ..	Dec. 4	2,772	26,11,000	+ 51,000	9	2,58,87,000	+ 14,55,000
Gt. Indian Pen	Dec. 4	3,121½	27,87,200	+ 1,23,200	9	2,40,84,900	+ 18,39,941
Madras & S.M.	Nov. 13	3,152	10,50,000	+ 33,654	6	3,91,99,791	+ 2,80,881
Nizam's Guar.	Nov. 23	800	2,61,000	+ 28,991	3	7,31,399	+ 84,921
Rob. & Kurna.	Nov. 8	576	88,247	+ 1,748	5	4,84,838	+ 50,986
South Indian	Nov. 13	1,852½	7,07,016	+ 32,522	32	2,83,28,381	+ 14,62,476
South Punjab	Aug.	716	9,03,903	+ 204,049	5m	43,78,299	+ 8,75,626
COLONIAL							
Can. Northern	Dec. 7	9,704	$1,583,500	+ 352,200	47	60,627,327	+ 11,403,824
Can. Pacific ...	Dec. 7	13,388	5,215,000	+ 1,418,000	47	200,977,000	+ 37,277,000
Grand Trunk	Dec. 7	3,816	£389,513	+ 114,419	47	15,454,809	+ 2,364,998
Mashonaland	Sept.	810	76,370	— 10,122	12m	—	—
Mid. W. Aust.	Oct.	277	12,825	+ 1,991	4m	41,430	+ 5,424
NewCapeCent.	Nov. 20	205	2,110	— 425	37	135,351	+ 17,507
Rhodesia Rlys.	Sept.	1,397	134,117	+ 18,211	12m	1,387,433	+ 288,996
Temiscouata..	Oct.	—	$18,120	+ 18,488	10m	357,039	+ 50,885
W. Pass. & Yuk	Dec.	122	1,368,628	+ 124,548	12m	1,368,628	+ 124,548
FOREIGN.							
Argentine.							
Arg. N. East...	Dec. 4	752	£ 9,800	+ 100	23	274,200	+ 1,800
Arg. Transand.	Dec. 11	111	£ 3,373	— 1,817	24	54,490	+ 10,844
B. A. & Pacific	Dec. 11	3,538	£ 112,000	+ 48,000	24	2,818,000	+ 572,000
B.A.Gt. South	Dec. 11	3,782	£ 180,000	+ 37,000	24	3,405,000	+ 659,000
Do.	Net	£	71,000	+ 24,000	24	357,000	+ 93,000
B. A. Western	Dec. 11	1,882	£ 78,000	+ 22,000	24	1,710,000	+ 617,000
Do.	Net		6,000	— 34,000	24	146,000	+ 677,000
B. A. Central	Dec.	190	£ 49,719	+ 4,987	4m	213,037	+ 29,892
Cent. Argent.	Dec. 11	3,305	£ 188,000	+ 12,000	24	4,689,000	+ 647,000
Cord. Central	Dec. 11	1,205	£ 56,800	+ 4,900	24	1,329,800	+ 107,500
Entre Rios ...	Dec. 4	811	£ 18,500	+ 5,900	23	483,600	+ 12,700
Brazilian.							
BrazilGt.South	Oct.	110	M 40,000	— 14,750	10m	453,700	+ 45,871
Brazil Railway	Dec.	3,530	M 4,859,000	+ 141,271	12m	57,772,000	+ 7,819,443
Central W. Brasil	Dec. 11	1,010	£ 21,400	+ 7,400	49	1,050,100	+ 100,200
Leopoldina ...	Dec. 11	1,831	£ 38,189	+ 21,046	49	2,514,891	+ 394,842
Mogyana	Dec.	1,180	M 1,561,010	+ 956,493	12m	22,267,000	+ 2,474,651
Paulista	Dec.	738	M 2,850,000	+ 806,033	12m	32,479,000	+ 1,225,832
San Paulo ...	Dec. 12	153½	£ 38,988	+ 8,433	49	2,315,593	+ 533,638
Sorocabana ...	Dec.	1,003	M 1,749,000	+ 246,165	12m	21,953,000	+ 976,532
S.of Bahias, W.	Nov.	62	M 153,000	+ 14,000	11m	1,213,000	+ 125,000
Chilean and Peruvian							
Antofagasta ...	Dec. 12	838	£ 45,810	+ 41,675	49	2,282,985	+ 1,034,900
Arauco	June	84½	£ 12,000	+ 500	6m	78,000	+ 10,700
Nitrate (2wks.)	Nov. 30	390	£ 46,389	+ 21,270	44	913,280	+ 481,676
Peruvian Corp.	Nov.	1,140	S 935,050	— 349,950	5m	5,613,650	— 38,239
Taltal	Nov.	180	£ 11,750	+ 887	5m	141,834	+ 73,502
Cuban.							
Cuban Central	Dec. 11	382	£ 21,303	+ 3,601	24	510,179	+ 103,322
Cuba Railroad	Sept.	—	$ 1,184,589	+ 93,618	3m	3,438,374	+ 364,541
Havana Cent.	Dec. 4	70	£ 14,174	+ 2,845	23	298,691	+ 67,067
U. of Havana	Dec. 11	881	£ 57,263	+ 1,276	24	1,435,403	+ 168,956
W. of Havana	Dec. 11	155	£ 9,315	+ 810	24	252,812	+ 46,133
Uruguayan.							
Cent. Uruguay	Dec. 4	273	£ 22,632	— 3,783	23	438,081	— 58,147
" (E. Ext.)	Dec. 4	313	£ 6,090	— 283	23	113,373	— 8,481
" (N. Ext.)	Dec. 4	185	£ 3,808	+ 201	23	65,622	+ 19,784
" (W. Ext.)	Dec. 4	211	£ 3,444	+ 10	23	56,536	— 3,681
Mid. Uruguay	Nov.	319	£ 17,869	+ 3,935	5m	86,008	+ 12,332
N.W. Uruguay	Nov.	113	$ 5,957	— 1,705	5m	23,480	— 4,486
Urug. Northn.	Nov.	73	£ 1,979	— 873	5m	10,167	— 1,138
Miscellaneous							
Alcoy & Gandia	Dec. 11	33	Pe. 15,000	+ 5,500	49	672,000	+ 159,490
Bilbao	Nov.	15	£ 2,24	— 718	11m	35,870	+ 7,792
Bolivar	Nov.	136	£ 7,930	— 659	11m	108,650	+ 12,771
Colomb. Natal.	Oct.	86	£ 18,580	+ 4,120	10m	189,060	+ 50,940
Costa Rica ...	Oct.	189	£ 19,881	+ 6,969	4m	93,986	+ 8,598
Dorada Ext....	Nov.	70	£ 16,250	+ 2,500	11m	184,178	+ 58,528
Egyptian Delta	Nov. 30	559½	£ 14,766	— 2,673	34	346,186	+ 111,717
Gt. S. of Spain	Dec. 4	104	Pe. 84,293	+ 38,313	46	4,270,244	+ 700,315
La Guaira & Ca.	Nov.	22½	£ 1,330	+ 1,710	11m	160,740	+ 54,580
Ottoman Ry...	Nov. 20	379	£ 11,348	—	11m	—	—
Paraguay Cent.	Dec. 4	274	£ 4,550	— 1,270	23	114,169	+ 11,580
Puerto Cabello	Nov.	34	£ 4,250	—	11m	56,750	+ 7,375
Salvador	Dec. 11	100	£ 3,243	+ 54	24	77,033	+ 5,311
Santa Fe Prov.							
French Rys.	Oct.	1,181	£ 182,830	+ 7,944	10m	1,631,136	+ 81,771
St'n'ns & S't'gs	Oct.	80	£ 7,810	+ 1,083	10m	138,473	+ 14,961
Zafra & Huelva	Oct.	112	£ 14,670	+ 80	10m	127,033	+ 23,934
TRAMS.							
Anglo-Argent.	Dec. 9	400	£ 84,948	+ 16,028	49	3,751,877	+ 845,727
Auckland Elec.	June 30	27	—	—	52	292,502	+ 2,063
Bombay Elec.	Sept.	39	R. 8,49,038	+ 1,15,373	9m	73,27,000	+ 10,06,317
Brazilian Trac.	Oct.	378½	M13,442,000	+ 3,402,000	10m	110,107,000	+ 16,566,000
Brisbane Elec.	Oct.	40½	£ 46,310	+ 2,770	10m	438,331	+ 69,429
Brit. Columbia	Oct.	33½	£ 78,706	+ 11,331	9m	3,03,389	+ 339,788
B. A. Lacroze	Nov.	51	£ 50,746	+ 6,111	5m	273,433	+ 35,726
Calcutta Elec.	Dec. 11	35½	R. 94,428	+ 270	49	48,00,000	+ 2,72,741
Cape Elec. ...	Oct.	42½	£ 32,638	+ 5,955	4m	120,814	+ 35,982
Carth. & Herr.	Nov.	9	£ 2,714	+ 165	11m	44,737	+ 15,278
Chatham & Dist	Dec. 2	15	£ 1,815	+ 294	48	83,470	+ 10,830
Havana Elect.	Sept.	86	$ 961,934	+ 189,617	9m	8,314,365	+ 1,587,478
Isle of Thanet	Dec. 6	20½	£ 417	+ 40	10	6,015	+ 836
Kalgoorlie ...	Sept.	20½	£ 3,364	+ 350	9m	27,830	+ 2,967
Rangoon Elec.	Dec. 2	28½	£ 2,429	+ 450	48	203,400	+ 25,183
Lima Light ...	Sept.	85	£ 56,013	+ 7,301	9m	518,414	+ 85,186
London C.C. ...	Dec. 15	141½	£ 93,970	+ 15,037	36	3,356,332	+ 333,341
Madras (2wks.)	Nov. 30	15½	Rs. 2,115	+ 186	4	10,83,236	+ 1,51,784
Manila Electric	Oct.	55	$ 347,652	+ 85,211	10m	2,823,016	+ 743,176
Pernambuco...	Dec. 12	59	£ 5,406	+ 2,093	49	324,734	+ 50,627
Provincial ...	Dec. 4	21½	£ 2,372	+ 37	10	9,332	+ 48
Rangoon Elec.	Sept.	25	£ 7,697	+ 830	9m	64,507	+ 12,263
Shanghai Elec.	Nov.	283½	$ 1,61[illegible]	+ 31,300	44	1,866,444	+ 239,811
SingaporeElec.	Oct. 30	26½	$ 13,887	— 1,364	43	953,644	+ 285,698
U. of Montevid.	Nov.	80½	£ 43,466	+ 3,568	1	—	—

IMPORTANT NOTICE.

CHRISTMAS HOLIDAYS.

"THE STATIST" will be published at the usual hour on Friday, Dec. 24, instead of on Saturday. The Offices will be closed on Saturday and Monday.

The Statist.

LONDON, SATURDAY, DECEMBER 18, 1920

THE WORK OF THE SESSION.

As the House adjourns for the Christmas recess it is but natural to review its activity during the session in view of the grave social problems with which we have for some time past been faced. It is disappointing on scanning the list of legislation passed and of bills brought up for discussion to find that no comprehensive effort has been made to attack these problems. Dr. Macnamara recently stated that the number of unemployed workers at the commencement of the present month on the register of the various employment exchanges was over 544,000. Since then spinners of American cotton in Lancashire have decided to stop their mills on Monday, Tuesday, and Saturday of each week, and this decision affects more than 90,000 operatives. From other industries also come reports of increased unemployment and enforcement of short time. The engineering industry, in particular, has been depressed of late, and nearly 70,000 workers in this branch were claiming out-of-work donation or unemployment benefit more than three weeks ago. Their number has since risen. In addition, over a quarter of a million ex-Service men are seeking employment. One would have thought that such figures would compel any Government to realise the gravity of the situation, and the elements which it contains of a social upheaval. Special measures to cope with it were called for, but beyond an extension of the dole system and a half-hearted effort to find productive work for the unemployed on arterial roads and similar works, nothing has been done. The time of the House has been frittered away on contentious measures dealing with non-essential subjects or considering the details of unopposed bills of minor importance. The Roads Act, the Expiring Laws Continuance Act, the House and Town Planning Act, and the City of London Police Act, are some of the products of the Session. Social reconstruction has occupied but little time in its deliberations. The single measure, with a large vision, which the session called forth, namely, the Ministry of Health Bill, was first mutilated beyond recognition by the Upper Chamber, and finally rejected as a protest against the growing bureaucratic tendencies of the Government.

Another *protégé* of the Government, the Home Rule Bill, is now threatened with a fate similar to that of the Health Bill. It was sent down from the Lords substantially amended, but the Commons, during its sittings in the latter part of the present week, deleted several of the most important amendments. By way of reply to the liberties taken with the measure on which they have laboured so long, the Government have restored their original proposal for the constitution of the Council of Ireland, that it should consist of forty members nominated by the two Irish Houses of Commons. This inevitably follows from the partition proposals embodied in the Bill. The House of Lords also decided against the Government scheme of converting the South and West of Ireland into a Crown Colony if the Southern Parliament were not properly constituted. Negotiations to effect a compromise have been taking place between representatives of the Cabinet and leading members of the House of Lords, but so far agreement has not been arrived at. It is probable at the moment that the Lords will adhere to their amendments, especially as they occupy a strong tactical position. On the ratification of the Turkish Treaty the Home Rule Bill of 1914 automatically comes into operation, and this is a contingency which the Government apparently wish to avoid at all costs, even though the good faith of British Ministers and British Parliamentary promises are bound up with the 1914 measure.

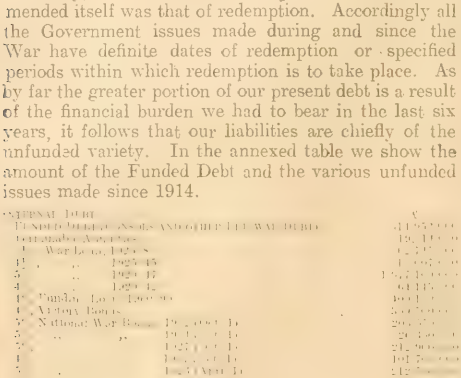
In the meantime, the situation in Ireland drifts from bad to worse, and the policy of violence countenanced by the Government only serves to provoke still greater activity on the part of their opponents. A large section of the country is at present suffering from a military tyranny for which we can find no parallel, except in the German occupation of Belgium. Leading British statesmen have already drawn this comparison, and a single instance will show the accuracy underlying it. In the columns of the *Cork Examiner* of the 10th inst. there appears a notice in heavy type as follows: "We, the undersigned, do now give the male sex of Cork City notice," which must be adhered to forthwith "(*sic*) that any person of the said sex who is seen or found loitering at street-corners or on the pathways without reasonable excuse why he should be there, or any man or boy found to be standing or walking with one or both hands in his pockets will, if he does not adhere to this Order, suffer the consequences which will no doubt ensue. (Signed Secretary of Death or Victory League." Things have come to a pretty pass when men or boys are not allowed to stand in the streets of their native city or even to go about hands in pockets.

While the Government are thus not meeting with any particular success in their handling of the Irish situation or in their legislation for the future Government of that country, their efforts in other domestic spheres have not been much more happy. The Cabinet Committee set up in August last to consider remedies for unemployment has been pitifully inadequate in its solution. We have already spent sixty millions this year on out-of-work donations, and there is nothing to show in return for this huge outlay. Indeed, the position has grown worse, instead of improving. The alternative suggestion of relief works only helps to increase public expenditure, and this in itself automatically creates unemployment, as it adds to the burdens of trade and industry by the increase in rates and taxes. The Government insurance scheme might have proved effective, if initiated earlier, but, as it is, there is no accumulation of funds adequate to deal with unemployment on its existing scale. While Labour naturally desires to stabilise wages at an even higher level than they are at present, the folly of such a course is apparent, as it means less work all round. The only permanent remedy for the problem is to resume trade with Russia and other countries on the European mainland whose inhabitants are clamouring for the goods which fill our warehouses to repletion in the United Kingdom.

The efforts of local authorities must be ineffective in face of any collapse, even partial, in our export trade; and unemployment is likely to become more acute. When the fabric of society is threatened, it is vain to affect a nicety as to those with whom we shall or shall not trade, provided they can meet obligations currently contracted. Germany is in default in respect even of her pre-War obligations, yet we trade with her, and surely the logic of the situation demands the extension of the same treatment elsewhere.

BRITISH PUBLIC DEBT.

BEFORE the War money for investment was very plentiful, and the credit of our Government was so good that irredeemable stock issued with the State's guarantee behind it was readily taken up. After the outbreak of hostilities it was found necessary to change the mode of procedure. On account of the depreciation of Government securities, in common with those of other leading stock markets, investors came to regard provision against a fall in capital values as necessary, and the main safeguard which recommended itself was that of redemption. Accordingly all the Government issues made during and since the War have definite dates of redemption or specified periods within which redemption is to take place. As by far the greater portion of our present debt is a result of the financial burden we had to bear in the last six years, it follows that our liabilities are chiefly of the unfunded variety. In the annexed table we show the amount of the Funded Debt and the various unfunded issues made since 1914.



It will be noticed that terminable annuities account for the relatively small sum of £19,314,000. The sum outstanding in respect of various War Loans, National War Bonds, Exchequer Bonds and War Savings Certificates are separately shown, the figures being revised to March 31, 1920, the latest date to which National accounts have been made up. With the exception of the Five per Cent. War Loan, which reached £1,977,109,000, the largest item amongst the internal debt is Treasury bills, £1,058,696,000. Ways and Means Advances are set down at £204,887,000. These two items are usually embraced in the term floating debt, and the enormous expansion in this figure since 1914 can be gathered from the table which we publish at the foot of the page. The cry for the funding of the floating debt has been raised mainly because of its effect in producing inflation. Thus Ways and Means Advances, which represent money placed at the disposal of the Government by other Departments and by the Bank of England, find their way eventually when they have been distributed in the form of cheques, to Government contractors and to those who have done the State some service, into the joint-stock banks. The latter, finding themselves in possession of increased balances at the Bank of England, extend additional credit facilities to their clients, and this operation leads to swollen bank deposits, a familiar phenomenon in the War and post-War period. Thereby are set in train all the evils that seem to have become a portion of our financial inheritance. Latterly the official returns of revenue and expenditure have come to distinguish between Ways and Means Advances by the Bank of England and by Public Departments, and on December 11, the date of the latest weekly return, the advances by Public Departments amounted to £210,264,000, and by the Bank of England to £50,000,000. The Treasury bills outstanding amounted on the same date to £1,137,604,000, including £356,000 the proceeds of which were not carried to the Exchequer within the period of the accounts. The total of the floating debt was thus £1,397,868,000, as compared with £1,312,205,000 on March 31 last and £1,341,805,600 on December 13, 1919. The net increase since the commencement of the present financial year has therefore been £85,663,000. The undesirability of the increase is beyond question, but until Government policy is changed a recourse to some form or other of short-term borrowing is inevitable.

In our first table the amount of the external debt, estimated at par and excluding bills held as collateral for loans payable abroad and included in external debt, amounted to £1,278,714,000. For the fiscal year ended 1919-20, £86,000,000 of foreign debt was repaid, and according to the Chancellor's speech last week, obligations to the extent of over £90,000,000 will be repaid before March 31 next. While it is desirable to rise as quickly as possible from the position of a debtor nation to which we have sunk, as regards certain countries, it is, at the same time, unduly burdensome to repay foreign obligations if due to the United States, Canada, Argentina, or other countries where the £ sterling stands at a discount. Thus we gather from official sources that the repayment of the principal of the American loan under the Loan Act of 1915, amounting to £50,000,000, cost us in all £59,229,221. In the circumstances it might seem wiser to concentrate rather on the payment of the internal debt, a task in which we would not be handicapped by the unfavourable course of exchange.

If we add to the amount of the internal and external debts the capital raised by Government for special purposes, we arrive at a grand total for the National Debt on March 31 last of £7,881,893,000. This represents an increase since March 31, 1919, of over £400,000,000, as can be seen from the particulars given at the foot of the page. Against this the State had to show, by way of assets, obligations of allies, £1,731,100,000, obligations of Dominions,

Total Gross Capital Liabilities of the State, Estimated Assets and Exchequer Balances, 1912-19.
(000's omitted.)

	Nominal Amount of Funded Debt	Terminable Annuities	Unfunded Debt	Total of Columns 1-3	Various Acts	by the Total	Estimated Market Value	Other Assets	of England and Ireland
March 31	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	£	£	£	£	£	£	£	£	£
1912	602,200	13,044	59,500	674,744	50,061	724,806	44,046	5,704	11,468
1913	568,455	31,519	56,000	661,473	54,814	716,288	39,015	5,707	6,329
1914	586,717	29,553	35,000	651,270	56,584	707,854	34,929	5,750	10,434
1915	583,200	28,020	147,000	1,108,817	56,984	1,165,801	29,995	5,242	83,450
1916	318,460	26,458	1,794,129	2,140,748	56,690	2,197,439	24,858	3,418	25,575
1917	317,787	24,045	3,669,613	4,011,445	52,199	4,063,644	27,464	5,216	26,435
1918	317,787	21,970	5,532,217	5,871,850	49,245	5,921,095	29,628	3,272	21,030
1919	317,628	20,045	7,096,675	7,434,348	46,101	7,481,050	28,518	28,500	12,709
1920	317,628	19,314	7,500,764	7,837,730	46,163	7,881,893	25,192	2,925,751	9,569

£119,500,000, and obligations of India in respect of Five per Cent. War Loan, £21,000,000, making the total of loans to Allies at December 31st, £1,871,000,000. Of this sum, £568,000,000, advances to Russia, and arrears on account of interest, are of doubtful value. Of more doubtful value is the sum of £700,000,000 in respect of sales of surplus war materials, buildings, ships, and shipyards. Arrears of excess profits duty on March 31st last, amounting to £310,000,000 (see p. 1176), are also included. Of shareholdings belonging to the Government, the most valuable are those in Canadian Pacific Railway Company, mentioned above, with an estimated market value of £23,192,000; Anglo-Persian Oil Company shares and Debenture stock, £1,250,000; British Dyestuffs Corporation shares, £1,700,000; and Cunard Steamship Company's Debenture stock, at the nominal value of £1,040,000. These, together with a number of miscellaneous assets, reach a value of £65,313,000. Against the obligation of Allies and Dominions, the sum arising from the disposal of war and other material, and arrears of excess profits duty, the aggregate total of assets is £2,976,943,000. Deducting this from the total of £7,881,893,000, as per the above statement, we get the deficit of £4,904,950,000.

OUR OVERSEAS COMMERCE IN 1919.

The recently published Annual Statement of the Trade and Navigation of the United Kingdom contains some interesting summary tables relating to our external trade in 1919, and presents in statistical form a very complete view of our overseas activities in the first complete year of peace. The figures call for some comment regarding the import and export trade for that year take, for purposes of comparison, some previous years also into account.

Value of Imports for Merchanting or Consigned from Foreign Countries and British Possessions (the Colonies and Protectorates) in 1918 *and* 1919.

	1918	1919	1920
	£	£	£
Imports	766,471,779	[illegible]	[illegible]
Deduct re-exports	100,975,567	[illegible]	[illegible]
Net imports	665,496,212	[illegible]	[illegible]
Exports	525,345,289	[illegible]	[illegible]
Excess of imports	140,150,923	[illegible]	[illegible]

A comparison between the various figures naturally presents great difficulties on account of the fluctuating character of money as a measure of value. Between January 1918 and December 1919, for instance, the index-numbers published in this Journal, which are based on twenty-two commodities, recorded a jump of forty-nine points, or twenty-six per cent.; and between June 1914 and December 1919 the increase was 190 per cent. It is possible, however, to supplement the comparison by details for 1919 of the weight of the exports and imports represented by the figures in the foregoing table. In this manner the equivalent by weight of the imports in that year, the money value of which is given as £1,626,156,212, is 98,348,000 tons, and this makes but a poor showing with a weight of imports in 1913 of 53,690,000 tons. Similarly, so far as exports are concerned, the value, £798,635,376, covers a weight of 16,164,000 tons, which is still far below the 1913 weight of 21,172,000 tons, but above that of 1918, which stands out at 39,212,000 tons.

The apparent adverse balance of trade in 1919 is, on paper, a formidable one, but, as is well known, the United Kingdom renders various services abroad, cognisance of which is not taken in the trade returns. Payment for these services must be made by the foreign debtor sooner or later in goods or in gold. A valuation of these so-called "invisible exports" for 1920 was recently made by the Board of Trade, the results of

[illegible]

[illegible]

	July–De-
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Visible [illegible]	[illegible]
[illegible]	[illegible]

[illegible] balance of this amount is largely dependent on the correctness of the Board's estimate of "excess imports," and [illegible] that to the end of October the amount in respect of that [illegible] calculating the net income from investments abroad the pre-War gold [illegible] immediately after the War. In addition, a deduction was made on account of outgoings in connection with Government borrowings, on only part of which interest has been paid, and also on account of foreign investments in British loans. The earnings accruing from the commercial services of mercantile houses, insurance companies, banks and commission houses, have been put at £40 million, and the [illegible] £15 million, embracing such items as sales of old ships to foreigners, expenditure of tourists in the United Kingdom, and family remittances from abroad have been omitted from the reckoning and treated as an insurance against over-estimates under other heads. As regards "net shipping earnings," the aggregate figure of £440 million was arrived at on the assumption that the total charges levied by British shipowners on goods would be about £230 million for the first six months of 1920. More tonnage, it was assumed, would be afloat in the second half of the year, and consequently the earnings would be proportionately greater. It was decided, however, to set off the increased earnings on this score also against over-estimating in other respects, and, adopting a reduced rate of [illegible] and lower cost of bunkers, to assess the earnings in the second half of 1920 at approximately £210 million.

An estimate made on lines similar to the above, and extended to cover the whole period since the start of the War, and to include all items in our account with foreign countries, will show some interesting results. Since August 1914 our visible imports from all countries were £6,629,503,000, and our exports £3,623,324,000, making a visible adverse balance of £3,006,179,000. To this must be added the outstanding total of Governmental borrowings abroad, which amount to £1,269,932,000. From the total thus arrived at, £4,276,111,000, various deductions must be made. We have lent to our Allies and Dominions £1,850,500,000; we have realised about £1,000,000,000 of the foreign securities we held before the War. Other invisible exports since August 1914 are exceedingly difficult to estimate, but we would suggest £2,800,000,000 as, if anything, erring on the side of modesty. Thus it will be seen that, even ignoring the prospects of an indemnity from Germany, we are on balance [illegible] credit [illegible]

As a trading nation the United Kingdom possesses distinctive characteristics which are shared by no other country in the world. Within a relatively small area manufacturing industries have been developed on an unprecedented scale. These industries require for their successful development an ample supply of workers and a free and steady flow of raw materials in the shape of food and other commodities. In 1919 our imports of food, drink, and tobacco were valued at £[illegible], and [illegible] were [illegible] [illegible] £[illegible].

and manufactured articles were put at £631,954,438. The chief contributions to this aggregate total are shown below:—

Exports of Produce and Manufactures of U. K.

	1918		1919			
		Weight Tons (000's omitted)		Weight Tons (000's omitted)	Value	Increase 1919 on 1918 Weight	Value
	£		£				
[illegible]	242,158,947	224	364,257,779	639	49	21	
[illegible]	46,881,978	1,607	67,184,265	2,235	72	39	
[illegible]	29,506,418	1,099	29,502,610	1,526	39	38	
All other manufactures and produce	198,731,064	75,982	341,294,722	41,704	71	45	
Total	517,278,407	79,912	798,239,376	46,104	59	17	

As will be seen from the above table the exports of 1919 indicate in value an increase of fifty-nine per cent. and in weight an increase of seventeen per cent. With reference to the latter, they are still far below the 1913 figure of 91,172 tons. "Articles wholly or mainly manufactured" constitute the most valuable portion of our export trade; in 1919, out of a total of £798,635,376, they accounted for £631,954,438, though in terms of weight they represented only 6,019,000 tons out of 46,104,000 tons. It is scarcely necessary, therefore, to labour the necessity of keeping this instrument of purchasing power in a high state of efficiency. In bidding for goods on sale in the international markets we are, of course, aided by the performance of the shipping and other services we render to the remainder of the world and by the commissions earned by our merchants in the entrepôt trade they handle. Nevertheless, the cardinal effort of our policy should be the removal of any impediments to the free growth of industrial enterprise, and heavy State expenditure and burdensome taxation are not calculated to secure the attainment of this objective. Not only do they check the development of manufacturing activity, but they promote—and this may be more evident in an international money market with normal channels of intercommunication—the flight of capital to places where the incidence of taxation is not felt so acutely. From another view-point the tax-gatherer empties his own purse by practically compelling companies to evade part of their burdens by the expedient of registration in another country. Recent examples can be recalled in this connection. For a number of years before the War a progressive rise in the price per unit of our imported foodstuffs and a progressive decline in the price per unit of our exported manufactures was a well-marked phenomenon. A duplication of these conditions may be brought about in future, when the manufacturing equipment of our rivals is in a position to return to its pre-War output. Furthermore, the forthcoming era of competition will in all probability gain in intensity owing to the growth of manufacturing enterprise in certain countries during the War. The contingency of such a prospect should impel our present rulers to make a strong attempt to rid industry of the shackles imposed on it by excessive taxation. Fundamentally the only avenue open for the attainment of such a remedial measure is the paring down of the present elaborate scale of expenditure.

RAILWAYS IN UNITED KINGDOM.

FINANCIAL RESULTS APRIL TO OCTOBER.

THE miners' strike naturally led the market to anticipate a somewhat poor showing on the part of British railways during the month of October, but the returns just issued by the Ministry of Transport are more disappointing than had been expected. After a working surplus of £228,485 in September we are confronted by a net liability in respect of Government guarantee of £4,936,906 in October. The liability, which had been £15,640,551 for the six months to the end of September, has therefore risen to £20,577,457. It is expected that the effects of the miners' strike will also be visible in the working results for November, though not to the same extent as in the previous month. It might be pointed out that for the seven months since the commencement of the financial year the October deficit is the largest. The following are the monthly figures of the deficit: April, £3,633,195; May, £3,346,795; June, £4,078,893; July, £2,654,569; August, £2,155,584; September, £228,485 (surplus); October, £4,936,906. Early in the New Year, however, the full effect of the recommendations of the Railway Rates Advisory Committee will commence to be felt and the financial results should accordingly improve. Declining trade will, of course, affect traffics, and there is the possibility of further trouble with railway labour, leading, in the event of the movement being successful, to increased working expenses and thereby reducing the extent of operating surpluses. On the other hand, the output of coal, ironstone, and iron ore since the conclusion of the coal strike has been maintained at a high level, and the increased haulage should benefit the railway companies.

Details of the working results for the last seven months may be summarised as follows:—

	Six Months to Sept. 30	October.	Seven Months ended October 1920
RAILWAY WORKING—RECEIPTS	£	£	£
Passenger traffic	63,995,113	8,795,175	72,790,288
Goods traffic	70,732,489	12,951,673	83,684,162
(War Government traffic is included under the respective headings above.)	—	—	—
Total	134,727,602	21,746,848	156,474,450
Less expense of collection and delivery	6,345,484	1,053,653	7,399,137
Total traffic receipts	128,382,118	20,693,195	149,075,313
Merchants', demurrage and wagon hire	(deduct) 358	(deduct) 98	(deduct) 784
Miscellaneous	1,190,101	243,854	1,433,855
Total gross receipts	129,571,746	20,936,641	150,508,387
EXPENDITURE:			
Maintenance and renewal of way and works	17,840,397	3,284,955	21,125,352
Maintenance and renewal of locomotive stock	23,118,805	4,480,272	27,599,077
Locomotive running expenses	29,765,339	4,879,948	34,645,287
Traffic expenses	38,074,921	6,984,859	45,059,780
Compensation	2,735,701	459,410	3,195,011
Law charges and Parliamentary expenses	161,455	25,270	186,725
Compensation for lights and fares	1,328,749	224,541	1,553,290
Rates, taxes, etc.	4,712,846	869,631	5,582,477
Payments under National Insurance Act, 1911	208,308	65,098	273,406
Rentals, powers	(deduct) 1,060	(deduct) 110	(deduct) 1,170
Mileage, demurrage and wagon hire	240,007	41,361	281,368
Miscellaneous	527,105	72,968	600,161
Allowances to dependents of men serving with H.M. Forces	6,178	972	7,150
Total expenditure	118,819,039	23,389,175	140,208,214
BALANCE:			
Receipts over expenditure	10,752,707	—	10,300,173
Expenditure over receipts	—	452,534	—
OTHER BUSINESSES:			
Canals	(deduct) 9,306	1,141	(deduct) 8,165
Steamboats	72,818	(deduct) 10,116	deduct 37,298
Docks	(deduct) 257,551	(deduct) 29,602	(deduct) 287,153
Docks, harbours and wharves	(deduct) 683,661	(deduct) 18,499	(deduct) 702,160
Hotels	371,116	41,524	412,640
Other separate businesses	1,306	(deduct) 820	486
TOTAL BALANCE—Receipts over Expenditure	10,247,149	—	9,678,514
Expenditure over receipts	—	568,906	—
GOVERNMENT GUARANTEE:			
Standard year—Proportion of net receipts	25,568,000	4,263,000	29,672,000
Interest on capital works brought into use	579,000	105,000	684,000
TOTAL	25,888,000	4,368,000	30,256,000
NET GOVERNMENT LIABILITY	15,640,551	4,936,906	20,577,457
SURPLUS	—	—	—

NOTES.—(1) The figures are subject to audit.
(2) No sum has been allowed for any liabilities which may attach to the Government in respect of
(a) Replacement of stocks of stores and materials
(b) Abnormal wear and tear.
(c) Arrears of maintenance.

The deficit works out at the rate of £2,939,636 per month and £26,275,632 per annum. On the basis of the old charges the deficit estimated by the Ministry of Transport in the year to March 31 next amounted to £40½ million. With the higher passenger and goods rates now in force, the gross earnings of the lines, in the absence of untoward developments such as those mentioned above, should show a fairly large increase, but net operating revenue would probably not benefit to the same extent. The effect of adopting the grouping system as advocated by Sir Eric Geddes is somewhat problematical. Considerable opposition has

manifested itself in the continuance to swell expenses from this source, foretold by the Transport Ministry, can scarcely be looked for. On examination of the total it will be seen that during the period April to October the gross receipts from [illegible] exceeded the corresponding period of 1919 by £72,190,288. The total traffic receipts, less expenses of collection and delivery, amounted to £119,075,[illegible]. Allowing for miscellaneous revenue, gross receipts were slightly in excess of £[illegible] million, while the total expenditure reached £140,208,214. A credit balance of £10,300,173 was accordingly left, and this was reduced to £9,678,543 by the working of the Irish railway services. The Government guarantee, which refers to the earnings of the standard year, amounted in the seven months to £29,572,000. Adding to this interest on capital [illegible] the gross amount of the guarantee [illegible] £30,256,000. If we subtract the balance of receipts over expenditure of £9,678,543, the net Government liability amounts to £20,577,457 in respect of the seven months.

IRISH AGRICULTURAL EXPORTS.

The exchange of [illegible] goods for the [illegible] of food and raw materials constitutes the most important branch of Great Britain's trade. The place of manufactured goods, [illegible] is taken by agricultural produce. Great Britain's purchasing power in foreign markets is not, however, indicated solely by manufacturing output; the many shipping and financial services she renders to the rest of the world constitute a very important auxiliary; but this distinguishing characteristic of her economic structure finds no counterpart in the case of Ireland. The latter's ability to import needful supplies of foodstuffs and other commodities is measured chiefly by the extent of her exports of the produce of arable and pastoral land. The maintenance of Ireland's well-being is, therefore, conditional on the degree of efficiency maintained by her farmers and graziers in this respect. The disturbed conditions consequent on the political upheaval are, *prima facie*, [illegible] tenance of a very high standard, and the following table, which details the figures up to a recent date for crop and livestock products, together with corresponding data for previous years, may consequently prove of interest:

Exports of various Commodities from Ireland during the year ended October 1920, with corresponding figures for previous periods.

(In tons unless otherwise stated.)

	[illegible]	1919	1920	Increase +or Decrease — 1920 on [illegible]
Eggs	[illegible]	[illegible]	129,293	[illegible]
Potatoes	[illegible]	[illegible]	[illegible]	[illegible]
Hay	[illegible]	38,852	[illegible]	[illegible]
Grass seed	[illegible]	[illegible]	18,121	[illegible]
Fruit	1,484	14,651	[illegible]	— 12,287
Home-made Spirits (exclusive of industrial spirit) ...	[illegible]	[illegible]	[illegible]	[illegible]
Stout, beer and porter	[illegible]	[illegible]	[illegible]	[illegible]
Biscuits	16,166	16,125	12,795	[illegible]
Cheese	[illegible]	12,199	[illegible]	[illegible]
Butter	16,149	17,422	25,064	[illegible]
Margarine ...	[illegible]	6,024	1,912	— [illegible]
Condensed milk	[illegible]	[illegible]	[illegible]	[illegible]
Bacon and hams ...	[illegible]	28,038	34,372	[illegible]
Lard	[illegible]	[illegible]	[illegible]	[illegible]
Wool	6,519	[illegible]	[illegible]	— 1,422
Poultry	15,406	14,881	[illegible]	[illegible]
Eggs (great hundreds)	[illegible]	[illegible]	8,736,013	[illegible]
Cattle, number	[illegible]	[illegible]	[illegible]	[illegible]
Milch cows, number	[illegible]	28,113	[illegible]	[illegible]
Sheep, number	[illegible]	617,132	[illegible]	[illegible]
Pigs ...	[illegible]	[illegible]	[illegible]	[illegible]

It will be perceived from the above that between 1919 and 1920 there has been a substantial increase in such important exports as cattle, sheep, bacon and hams, butter and suet, beer and porter, and spirits. On the other hand, the minus sign prefixes, amongst others, the exports of oats, potatoes, cheese, condensed milk, wool, eggs, and fat pigs. Taking the products measured by the unit of weight—from oats downwards [illegible] poultry [illegible] 1919 [illegible] 1920 [illegible] contributors being oats, potatoes, cheese, and hay, and in 1920 it advanced still further to 1,024,990 tons, or fifty-six per cent. over 1909-13. The item of stout, beer, and porter, however, adds a heavy increment to the last-mentioned total, and if we eliminate it from consideration in 1919 and 1920 the totals for these years are 722,172 tons and 668,817 tons respectively, an actual decrease of seven per cent. in what might more properly be termed agricultural produce, although it includes such items as biscuits and spirits. If a comparison is made between 1909-13 and 1920, an expansion in the exports of certain varieties of crop produce, resulting from tillage regulations and war exigencies, will undoubtedly be noted, but on the above showing the returns for the twelve months ending October 1920 reveal a reduction of seven per cent. on the corresponding period of 1919.

Turning to the livestock group, cattle exports in 1920 are, in numbers, well in advance of the figures recorded in the previous periods; sheep make a better showing than in 1919, but are still below the 1909-13 total, and pigs have shown a consistent decline. An encouraging feature of this particular group is the increase in cattle exports, and, on balance and without regard to other economic aspects, it probably more than compensates for the decline in other directions. To assist the reading of the foregoing table, which deals exclusively with the volume of the trade, we append some particulars of its value in 1918, no later particulars being available:—

[illegible] £

[illegible] 15,602,751

[illegible] ... 1,092,012

Home-made Spirits ... 7,802,570

[illegible] 2,749,824 Grass Seeds ...

[illegible] ...80,116,890

The fall in the weight of exports of agricultural produce, more strictly termed, in the yearly period ending October 1920 has already been remarked. To determine the share of the responsibility for this fall borne by political, as apart from economic influences, is a difficult matter. Regarding the group comprising butter, cheese, and condensed milk, the production of which has been affected by the destruction of creameries and factories, there has been an increase in the exports of the first-named commodity but a decrease in the others. The full effect of this destruction cannot, however, be calculated from the lengthy [illegible]

ESTABLISHED 1810

THE MECHANICS & METALS NATIONAL BANK

OF THE CITY OF NEW YORK

Capital fully paid). Surplus and undivided Profits

$25,000,000

[illegible]

LONDON CORRESPONDENTS:

London Joint City and Midland Bank, Ltd.

London County Westminster and Parr's Bank, Ltd.

Barclays Bank Ltd.

this statement is furnished by the returns dealing specifically with the month of October, which reveals serious declines in all three commodities as compared with the same month in 1919. Thus butter exports have dropped from 1,631 tons to 1,310 tons; cheese from 2,205 tons to 372 tons; and condensed milk from 1,426 tons to 415 tons. It is possible, however, that butter has been affected by official restrictions on licences to export.

Another element of disquietude, as affecting the entire export trade, is introduced by the grave position of the railways. On a long stretch of line in the south-west, between Mallow and Tralee, the conveyance of passengers has ceased, and unless an arrangement is reached in the near future the carriage of goods must be similarly affected. This locality contains a large number of creameries and is an important tillage district. The railway problem is, however, likely, from present indications, to be satisfactorily adjusted.

Disinclination to embark capital on the rebuilding of the destroyed creameries, on the maintenance of farm equipment, or on the purchase of agricultural implements is growing steadily. The underlying fear of their destruction is a very natural one, and recourse to insurance is not encouraged by the heavy premiums charged. Future trade returns will measure more accurately a state of affairs which is particularly unfortunate considering the opportunity Ireland now possesses for consolidating her position in the British markets before her rivals are in a position to offer effective competition.

ARGENTINA.—II.

CAUSES OF UNREST.

After explaining briefly the series of revolutions through which the Argentine Republic passed in its early stages of existence—until, in fact, its economic development was taken up by Western Europe—we indicated last week one of the principal causes of the general unrest which is a striking feature, and has for years been a striking feature, in the political and economic situation of the Republic. In a sense, it may truly be said that one of the principal causes which has led to perennial, as distinct from temporary, unrest in Argentina, is that nothing in the country has grown up naturally. Everything is artificial. Even the exceptional prosperity which a large proportion of its citizens enjoy is based upon conditions which are themselves artificial. The country has an abnormal number of foreign-born citizens, and a large percentage of these are employed more or less in the transportation business. Many of these foreigners, particularly those who come from northern Italy and the Basque provinces of Spain, are excellent simple people anxious to do their best for the wages paid them. But in too many instances they fall into the hands of the type of people who have created so much trouble in the district of Barcelona. There are, as may readily be expected, an abnormal number of desperate characters in a country which has grown rich so rapidly as Argentina. Humorists in the United States a generation ago were fond of saying that a large proportion of their citizens had left the countries of their birth for the good of those countries. There is, unfortunately, a proportion of this element in every new country, and Argentina is certainly no exception.

It may be said with perfect reason that unrest and unsettlement are more or less common throughout the world at the present time. This is, of course, perfectly true. But it has to be remembered that a very large part of the world in which unrest is so common, and is such a striking feature at the moment, has recently been devastated by one of the most terrible wars that has occurred for at least a century. That there should be discontent, that there should be unrest, that there should, in fact, be general alarm, throughout every country in Europe, is only what is reasonably to be expected. Half Europe has practically reverted to barbarism, and the other half, in the endeavour to realise what is called the self-determination of nations, has been virtually Balkanised, with the result that almost every little nationality is threatened by its neighbour. The Press and the Chancelleries of the Embassies are coming to feel that far from the recent struggle having brought about an end of war, there seems every reason to believe that a prolonged period of trouble and of excitement is before Europe before we can hope for any definite settlement likely to be in the least permanent. Contrast such an alarming position of affairs with the fortunate state in which Argentina has found herself throughout the prolonged struggle which has threatened the existence of civilisation in Europe. From the very outset the Republic has enjoyed a remarkable measure of prosperity. With the exception of two seasons, she has been blessed with exceptionally fine harvests, as she is again fortunately this season about to enjoy an abundant harvest in all principal industries in which the Argentine agriculturist is engaged. For these abundant crops she has obtained exceptionally high prices. In a concluding article of this series, which we hope to write next week, we shall endeavour to show that, great as has been the economic advantages derived by Argentina from her rich harvests and the extravagantly high prices at which she has been able to dispose of them, it has not been an unmixed advantage. On the contrary, if she could have sold her produce on a more reasonable basis of economic values and succeeded in getting better equivalents than she has obtained in return for her crops it would have been all to the economic advantage of the Republic. Nevertheless, compared with Europe, and compared with the state of things which has existed over a large part of Asia, Argentina has been singularly favoured, and yet almost all through the War period she has witnessed a series of strikes, and so grave a measure of discontent has been disclosed in what for convenience we may call the industrial section of the population as to seriously alarm those interested in the Republic in the permanence of her well-being.

The real causes of the present state of unrest throughout such large sections of her population is, as we have said above, the artificial nature of her economic development. The total area of the Republic is some ten times that of the area of the United Kingdom. Her population is under nine millions, and about one-third of it are foreigners. A large part of the population are illiterate, and many of them were induced to emigrate to Argentina in the expectation that they would find conditions existing there totally different from anything they have actually realised; and, indeed, if they were acquainted with conditions which exist in various parts of the world, totally different from that which anyone could reasonably have expected. Argentina possesses, particularly in the highly settled parts, a rich and fruitful soil and a beautiful climate. But on the debit side of the account, as may be readily understood in a country being rapidly developed upon wholly artificial lines, the conditions of life leave almost everything to be desired. We have explained from time to time the conditions under which the poor Italian immigrant has to live in the outlying quarters even of a great city like Buenos Ayres. The conditions of life are far from ideal, and we will endeavour very briefly to show why this is the case. In a normal community growing up, say, as England grew up in the remote past, the principal interests of the people are the supplying of the home, or local, needs of the population. In other words, the home trade is always more important than the foreign. In England, and in a few of the more highly developed countries of Western Europe, this has tended to be less so than was the case for-

merly. Nevertheless, the fact remains that the bulk of the people in nearly all countries are engaged in the home as distinct from the foreign trade. Now in Argentina the conditions are totally different. Argentina a generation ago had a very small population; the lands were but sparsely settled, and anything in the nature of economic progress appeared to be relegated to the distant future. Central countries of Western Europe and England, in particular, were developing manufactures and trade upon a scale which at that time had not been witnessed in the history of [illegible]. The United States, which had formerly been the principal source of supply of foodstuffs and raw materials for this country, had shown unmistakably that it was no longer capable of supplying us with those essentials of our trade and industry upon the economic basis to which we had become accustomed. It has to be remembered that this country lives partly on exports and partly by rendering various services in different parts of the world. In order to accomplish these objects with success it is essential that we should obtain adequate supplies of food and raw materials upon a low economic basis or, as we say colloquially, cheaply. If we fail to do this it is not possible for us to compete either in rendering services or in the sale of our manufactures with other countries of the world, provided those countries are able to manufacture goods upon a lower economic basis than we are. A most striking illustration is afforded at the present time in the coal-export trade. Whereas before the War we were by far the most important coal exporters existing in the world—those who are accustomed to visit the various great ports in different parts of the globe were struck by the fact that British [illegible] was obtainable at ports situated at enormous distances from the scene where the coal was raised—as a result of the increased cost of production our coal-export industry has almost completely come to an end. Unless we can find some substitute which will enable us to obtain the advantages which we formerly did from our coal exports, it is evident that certain branches of our industry will either suffer severely or ultimately disappear. When we realised that we were no longer able to obtain adequate supplies of food and raw materials from North America, we turned to South America as a possible source of supply. Those who are acquainted with the lower reaches of the Rio de la Plata know that what we call the Argentine Republic [illegible] and for the growth of various kinds of foodstuffs and [illegible]. Large sums of money were invested, primarily by this country, for the purpose of obtaining supplies of food [illegible]. In the result there has been a greater production of food and raw materials than it is possible for the Argentine population itself to consume. These products are exported in order to [illegible] ing up the country. And the supplies were primarily [illegible] quantities of capital which had been invested in the Republic. It has to be remembered that the railway system of Argentina is very similar in extent to that of Great Britain, although, of course, it has been nothing like so costly, and it is, in addition, by far the most extensive railway system existing in the South American continent. As a result, the proportion of the population engaged in primary industries, that is the production of food and raw materials, is small compared with the vast number who are engaged in the various branches of the manufacturing industries, that is to say, dealing with products from the scene of production until it is loaded into ships at the scene of embarkation at the various ports of the Republic. The people engaged in those branches of industry—that is, handling the goods after they have been raised in any particular area—are mostly in large centres. By the nature of the case, in such a very new country very few comforts are provided for their accommodation. The primary object of the industrial system is to exists in Argentina is to raise as large a proportion of raw products as possible for despatch to overseas markets, and consequently there is neither the capital, nor the labour, nor the plant for supplying the needs of those engaged in the various subsidiary industries necessary for dealing with the various products of the Republic from the scene of production until they are finally despatched to Europe or to their port of destination.

PASSENGER MOVEMENT BETWEEN UNITED KINGDOM AND ABROAD.

The [illegible] interrupted by a serious [illegible] still operates, in no small degree, to check intercourse between the United Kingdom and outside countries, notwithstanding the conveniences, comforts and rapidity of transit guaranteed to its passengers by the modern ocean-going steamer. Travel on sea, particularly on long voyages, necessitates some feeling of discomfort, and there are still many inhabitants of these islands who will feel tempted to stray beyond their own borders only on the construction of a Channel tunnel. People engaged in business or in quest of health or pleasure cannot, however, await the completion of this long-delayed project, and must perforce be content to make use of the methods of the moment. Those engaged in particular in the first-named pursuit will be called upon to undertake sea journey for an infinite diversity of reasons for the position of the United Kingdom in the sphere of commerce exacts constant and vigilant superintendence of the intricate economic network that binds it to every country in the world.

Steamship companies are very naturally keenly interested in the number of the arrivals at and departures from our shores, as their earnings are largely influenced thereby. Statistics relating to passenger movement are therefore very important from their special point of view. The outward flow of passengers from the United Kingdom in 1913 was in all estimated at 1,886,103, and the inward flow at 1,682,492; the corresponding figures for 1919 were 771,496 and 618,784. Between the two years there was consequently a reduction in the outward flow of fifty-nine per cent., and in the inward flow of sixty-three per cent. The cause for this decline may be enumerated. The aftermath of the War witnessed a general disorganisation of the shipping trade and difficulty was experienced in adjusting it to the altered conditions required by a return to the peace basis. Ships had been withdrawn from their regular routes, [illegible] for troopships, patrol vessels, and a variety of other uses. Many vessels had been requisitioned for the purpose of repatriating soldiers and conveying foodstuffs to this and Allied nations, and liner companies operated under strict regulation. The delay and difficulty of obtaining passports deterred many nationals from travelling, the [illegible] still prevails.

NATIONAL BANK OF TURKEY
[illegible]
ESTABLISHED 1909 BY IMPERIAL FIRMAN
Capital - - £1,000,000 Sterling
Head Office: CONSTANTINOPLE
Telegrams: [illegible]
Branches: [illegible]
London Office: 50 CORNHILL, E.C.
[illegible]
The Bank [illegible]
[illegible]
Letters [illegible]
Drafts [illegible]
Customers [illegible]
Trades, Commerce and Industry having business interests in Turkey are invited to apply for terms.

being specially designed to put obstructions in the way. Up to the present, as a matter of fact, some Governments, fearing the export of coin and securities, which is also regulated in other ways, as to amount, and desirous from an economic standpoint, of conserving their human resources, view with disfavour movements of nationals beyond their own frontiers. Other factors, besides shortage of shipping space were therefore at work. Further, sea travel, especially on account of floating mines, was still insecure; most people found plenty of occupation in looking after their business, and the inhabitants of Central and Eastern Europe lacked the means of travelling. The influence of these factors in regard to non-British travellers is reflected in the fact that while aliens in 1913 constituted thirty-eight per cent. of the visitors to the United Kingdom from non-European countries the percentage had fallen to twenty per cent. in 1919. Similarly the percentage of aliens in the departures from the United Kingdom, reckoned at thirty-three per cent. in 1913, was down to ten per cent. in 1919. The proportion of aliens in the passenger traffic between the United Kingdom and the Continent of Europe is not separately stated, but the reduced volume of this movement in 1919 can be gathered from the annexed statement.

	No. of Passengers from U.K. to Continent	No. of Passengers from Continent to U.K.
1913	1,484,112	1,309,574
1919	569,922	455,183
1920*	508,848	295,926

* First six months.

Sufficient ground is shown above for the belief that the complete figures for 1920 will exceed those of 1919, as particulars for the second period of the current year will embrace the greater part of the holiday season range. The commencement of winter will also invest certain portions of the Continent with attractions, and the spell of trade depression may prompt business men to journey further afield for their orders. It may be of some interest to compare the traffic between the United Kingdom and first, the European Continent, and, second, places outside Europe (disregarding places in the Mediterranean Sea which are included with the European Continent). The statistics in respect of the latter given below enable a comparison to be drawn with the preceding table. One distinction between the two traffics proceeds from the shortness of the average sea journey between this country and the Continent owing to the formidable competition of the railways.

Passenger Traffic between the United Kingdom and Places outside Europe.

	Outward No. of Passengers	Inward No. of Passengers
1913	64,917	74,753
1919	101,504	118,064
1920*	136,587	137,950

* First six months.

More so than in the other table there is reason to expect for the current year a very marked increase over 1919 if the some rate of movement is maintained. In the concluding six months of 1919 there was a heavy expansion of traffic over the related period—the outward flow increased from 64,917 to 136,587, and the inward flow from 74,753 to 118,848. Differing circumstances may, it is true, modify the application to 1920 of a calculation raised on an accelerated "late yearly" movement, but, in all probability, there will be a substantial advance under this head.

The immense agricultural and mineral resources of the Colonies have hitherto been largely neglected on account of the paucity of human labour. British capital has generously assisted in their development, but its employment is necessarily controlled by the human factor. Keeping the interests of the Empire as a whole in view it would seem fitting that the Colonies should be peopled as far as possible by emigrants from the United Kingdom; always provided that the pursuit of this ideal would impose no undue strain on the economic structure of the Mother Country. British subjects who were recorded as leaving permanent residence in the United Kingdom to take up permanent residence in non-European countries numbered 131,656 in the first half of 1920, as compared with 146,935 in the complete year of 1919, and 389,394 in 1913. Of the total, 131,656, for the half-yearly period of 1920, 97,916, or seventy-four per cent., departed for other parts of the Empire: the corresponding figures for 1919 and 1913 were 115,369 and 285,046 respectively. The outward movement is thus still behind the 1913 standard but well in advance of that of 1919. It remains to give the number of immigrants from non-European countries recorded as arriving in the United Kingdom to take up permanent residence there, and, under this head, the return gives 40,620 for the first half of 1920, as against 93,023 in 1919, and 85,709 in 1913.

THE WOOL TRADE DEPRESSION.

Conditions in both the raw material and finished end of the wool trade continue to show little animation. To deal with the accumulation of wool stocks certain proposals were formulated by the Australian Wool Growers at Melbourne on December 7, and these, it is understood, are now under consideration by the Ministry of Munitions. The Prime Minister of Australia has intimated that the immediate acceptance of these proposals is a matter of urgent and vital moment to the sheep industry of Australia and to the prosperity of the Dominion as a whole.

During the course of the present year many communications have been exchanged between the Home and Commonwealth Governments regarding the position of the Imperial Wool Purchase Account, and the arrangements to be made during the period when Government wool and privately owned new clip wool have to be marketed simultaneously. The subject in all its aspects has been continually under discussion between the Central Wool Committee in Melbourne and the Director-General of Raw Materials. At the request of the Australian Government a series of conferences were also held in London in August and September last between Sir Arthur Goldfinch and a Committee representing the Australian Wool Growers. At these conferences a scheme somewhat similar to that now proposed was discussed and left over for further consideration on the return of the wool growers' representatives to Australia.

The operations under the Imperial Wool Purchase Account up to March 31, 1919, together with the main figures relating to the financial year ending March last are of importance. The profit of about £13,000,000 realised to March 31, 1919, was recently distributed, one half being paid to the Australian Wool Growers through the Central Wool Committee, and the other half being surrendered to the Treasury. The profits on Australian wool sold after March 31, 1919, have been very large, and the present position is that all Treasury advances, for the purchase of about 7,000,000 bales of Australian wool in all, have been repaid with full interest, and substantial surplus assets now stand in the books free of cost, consisting of about 1,800,000 bales of wool and a large sum in cash over and above all liabilities. The accounts up to March 31, 1920, are subject to audit, but for the purposes of the present statement the result is known with sufficient accuracy. Taking the wool at the purchase price, plus transport charges when incurred, the surplus assets of the Australian section of the wool purchase account are estimated to amount to about £56,000,000 sterling.

There being no probability in the present state of the Wool market of an early disposal of the large carry-over of wool, the request is now made on behalf of the wool growers that their half share of the assets shall be handed over to them on December 31. It is proposed that these assets, whose book value, as above

stated, is about £28,000,000, shall be capitalised at £25,000,000 sterling, and that a company shall be formed, to be registered in Melbourne under the style of the British-Australian Wool Realisation Association. It is proposed that the said capital of £25,000,000 shall be divided into Ordinary transferable shares and Debentures, and that scrip for the same shall be distributed amongst the wool growers as their final dividend under the Imperial Wool Contracts. It is suggested that the Board of Directors shall include nine members, of whom some will reside in Australia and some in London, their names to be submitted to the British Government for approval. The main object of the Association is to be the realisation of the carry-over wool to the best advantage, but general trading powers will be taken in the Articles of Association.

It is requested as a vital part of the scheme that the British Government shall hand over to the Association for sale on agency terms the British half of the carry-over wool, it being understood, of course, that the British half of the surplus cash shall be surrendered to the Treasury. There being very great difficulty in making a physical division of the wool, it is intended that from December 31 onwards the property of one-half of every bale of wool shall be vested in the Association, and the property of the other half shall remain vested in the British Government, so that all sales of old clip wool shall be on joint account, the Association accounting to the Treasury for half of the proceeds of every sale.

As above stated, these important proposals are being very carefully studied at the Ministry of Munitions. The Minister states that he does not intend to recommend the Government to adopt any course likely to lead to the formation of a trust or combine, which would adversely affect the interests of the consumer or those of British trade. The suggestions made have received the support of the Wool Importers' Association on this side. It is recognised that in proportion to the effective, though not to the potential demand, the present supply of wool is excessive, and that steps of unusual character must be taken to tide over the present period of dullness in the market, while leaving wool growers absolutely free to dispose of their new clip wool otherwise than through the Association.

The financial results of the Imperial contracts up to the present are highly satisfactory. It is probable that the interests of the British taxpayer in respect of the 900,000 bales of wool owned by the British Government to be consigned to the new Australian Association will be in good hands. Apart from the fact that all the nine directors must be nominated to the satisfaction of the British Government, it is clear that the interests of the Association are identical with those of the British Government in respect of the disposal of the carry-over wool to the best advantage.

There remains for consideration the question whether traders, manufacturers, or consumers will suffer by the proposed change of administration. The view held by the originators of the scheme, and accepted in British official circles, is that there is no prospect of any such injury taking place. To restrict its consumption in any way by asking too high prices would be suicidal. Whatever may have been their mood nine months ago, the position of all the commodity markets and of the wool market in particular has now been brought home to the wool growers in the most searching fashion, and they will be under no temptation to attempt to raise prices unduly. It is also fairly evident that the proposed Association would not have the power to raise prices unduly, even if it had the desire. Its cash resources will be limited in the first instance to a sum of about £7,000,000 sterling handed over by the British Government as part of the surplus assets to be divided on December 31. As the carry-over wool comes to be sold one-half of the net proceeds will be at the disposal of the Association. These resources are small in comparison with the weight of the new clip wool. The appraisement value of the 1918-1919 clip was over £300,000,000 sterling. So far, therefore, from there being any reason to suppose that the new Association will be in a position to hold up all the Australian wool, it would be a more reasonable criticism that it will not be powerful enough to carry out the stabilising process, which is no doubt the chief reason in Australia's eyes for bringing it into existence.

The body of Australian wool growers would undoubtedly have preferred to return to free trading in wool without any kind of restriction or co-operative arrangements. They would have liked the bonus due to them from the Imperial purchase contracts to be distributed individually in cash as quickly as possible. Nevertheless, the project for forming a British Australian Association, which is now before the Government for consideration, was accepted by acclamation by a very large and representative conference of wool growers. The reason of this change of mind is solely to be found in their experience at the auctions in Australia from October until now. The wool offered has been principally of the most saleable qualities. Nevertheless, only about one-third of the quantity offered has been sold, and the prices have come down in some cases fifty per cent. between the first October auctions and the early December auctions, and in few cases is the price obtainable now more than half of the equivalent of the prices ruling in London between September 1919 and April 1920. Worst of all, from their point of view, is the fact that coarse crossbred wools and wools containing any large quantity of vegetable impurities are virtually unsaleable at any price, the prices ruling in the consuming markets being little, if at all, above the cost of transport and handling. Under these circumstances Australian wool growers find themselves threatened with something approaching ruin, more especially in view of the fact that the downward movement has not been arrested and has no visible limit. Even at current prices, if no further fall occurred, it will not be advantageous, in respect of a large part of the clip, to remove it from the shearing sheds at all, as on the present market the cost of transport could not be recovered.

The Australian Government could not possibly remain indifferent to such a situation, more especially as through war conditions the wool business has been under control in Australia for nearly four years. The request which it has now made to the British Government is, to a large extent, merely a request that surplus assets belonging in effect to the Australian wool growers shall be handed over to them, and for them to deal with in such manner as may best help them throughout the present crisis. Up to this point it would be very difficult for the British Government to refuse so moderate a request, to which the Australians attach so great an importance. The further request that the British share of the carry-over wool shall be consigned to the Australian Association is, of course, on a different footing, but a suitable arrangement for all parties could be acceded to with such safeguards as may be considered necessary from the Treasury and other points of view.

THE CHINESE FAMINE.—We [illegible] months ago on the dangers facing the northern Provinces of China consequent on the failure of the crops. An area of nearly 35,000 square miles, containing a population of 15½ millions, is affected. In the circumstances, every measure of public support should be provided in the appeal on behalf of the China Famine Fund made at the Mansion House on Thursday last. Ninety per cent. of the population of the country is engaged in agriculture, and the extent of their sufferings may be gathered from the report of the American Red Cross Society at Peking to the effect that famine sufferers are committing suicide on a great scale by poisoning their last morsel with arsenic. The region in which the famine is raging was one of the most important wheat-producing areas in China.

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Financial Notes.

German Underselling.

A profound misconception appears to exist in some quarters as to the precise nature of German underselling in the international markets. The application to it of the term "dumping" is sufficient evidence towards this end. In peace-time days "dumping" consisted in selling commodities abroad at prices lower than those obtaining in the domestic markets; it had for its object the gradual acquisition of the foreign market, and it was frequently merely the result of a desire to increase output in order to reap the economies attendant on large-scale production. At present the prices charged by German exporters of those commodities in which "dumping" is alleged to have taken place are in nearly all cases below the cost of production of these articles in the recipient countries. In thus selling abroad at low prices the German producer is led by reasons entirely different to those which give rise to "dumping" as ordinarily understood; his ability to do so lies in the great depreciation of German currency abroad, or rather to its depreciation to a point lower than is warranted by its internal commodity value. Comparing, for instance, the internal purchasing power of the mark with that of the £ sterling, it will be found that the mark is much undervalued in the exchange. Prices have risen in the United Kingdom by 160 per cent. since 1913; it is difficult to obtain an exact figure for the rise in the price-level in Germany as compared with 1913, but from the available data 1,500 per cent. may be put forward as being, if anything, too great. These figures would place the exchange value of the mark at about 115 marks to the £ sterling. The actual exchange value of the mark is much lower than this, the rate being over 250 marks. The difference is due to the poor estimation of German credit held abroad on account of the unsettled nature of political conditions in the country and the prevalence of unsound financial methods. The result is that there is a very strong inducement for the German manufacturer to send his products abroad; the undue discount of the mark abroad constitutes, in fact, a premium on export of commodities from Germany. Beyond this no further explanation of German underselling is required, and it will be perceived that it has little in common with the process known as "dumping."

The Dyestuffs Bill.

Though, as shown above, the present influx of low-priced German goods, whether from Germany direct or through other countries, such as Belgium and the Netherlands, is the outcome of conditions essentially different to those which give rise to "dumping," the effects are the same in both cases. Not only here, but in other countries as well, chiefly those who have recovered most rapidly from the effects of the War. German competition is reacting severely on many industries. In the United Kingdom the problem has become a vital one for the magneto, glass, toy, and dye-making industries, to mention but a few. In the latter case legislative action is proposed as a protective measure. The Dyestuffs (Import Regulation) Bill at present before Parliament is designed to prohibit the import of "all synthetic organic dyestuffs, colours, and colouring matters, and all organic intermediate products used in the manufacture of any such dyestuffs, colours, or colouring matters." On the advice of a Committee consisting of five representatives of the trades in which the prohibited commodities are used, three persons concerned in the manufacture of such goods, and three members appointed by the Government, the Board of Trade will have power to permit the importation of any of the goods under license. These restrictions are to remain in force for a period of ten years. Similar enactments against the importation of German goods, in the shape of prohibitions, tariffs, or subsidies are being made by other countries, particularly France and the United States. The measure here cited is being attacked by anti-Protectionists who see in it a violation of Free Trade principles. The authors of the Bill plead in defence that it is necessary to the existence of the dye-making industry, which must be regarded as a "key" industry. It is highly questionable whether the object in view could not be obtained by more desirable means, but, at any rate, the plea that dye-making, by promoting chemical knowledge, is essential to the security of the nation is undoubtedly a weak one. It must also be pointed out in fairness that the protection afforded in the Bill to consumers of dyestuffs appears to be inadequate. Again, it needs little farsightedness to see that an artificial maintenance of high prices of dyestuffs may have very injurious effects on the British textile industry, especially if Germany is permitted to continue the sale of dyes at low prices in other countries. Moreover, the Bill involves a principle that is highly undesirable on economic grounds, and any extension of it would be inimical to the interests of the consumer, while by removing the healthy stimulus of international competition it would ultimately retard instead of promoting the development of British industry. On the other hand, the establishment of the dye-making industry in England is eminently to be desired, and, seeing that so much pains were taken to further the project during the War, it would, indeed, be foolish to let it fall through now for want of a little sacrifice. This argument, however, is valid only if it can be shown that the industry can be naturalised here, and that when the present abnormal conditions have passed it will be able to hold its own unaided. Otherwise a consideration of the objections to the Bill, some of which are here enumerated, must lead to the conclusion that the cost is greater than the benefits accruing. Finally, it should be distinctly understood that the Bill under discussion does not strike at the root of the matter; at best it is a palliative and not a remedy. The remedy lies in the international control of economic conditions in those countries which show an unwillingness to undergo the painful process of deflation of credit and currency. Until this is effected no permanent immunity from unequal competition by countries whose currencies are unduly depreciated can be secured.

Foreign Trade of Finland.

The figures for Finland's foreign trade, compiled by the Statistical Department of the Finnish Board of Customs, shows a striking balance in the country's trade position to have taken place during October. The following table gives the movements for August, September and October, with aggregate figures for the first ten months of the year:—

Foreign trade of Finland—Jan. to Oct., 1920.
(Values in millions of Finnish marks).

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
First 10 months	2 892	2 312	530	

Thus, instead of an excess of imports of F.M.27 million as during the previous month, there was an actual balance in the country's favour amounting to F.M.11 million during October. Too much importance must not be attached to the movement, however, as the exports of wood and paper pulp are unusually heavy during the present season of the year, and it is possible that the position will not be maintained during the coming months. A contributory cause was the recent decline in the exchange value of the Finnish mark, tending to discourage imports. At the beginning of August last, for instance, the quotation was F.M.101 to the £ sterling; by the beginning of September it had risen to 108, by the beginning of October to 122, and by the beginning of November to 155. Another factor which cannot be overlooked is that the world-wide trade depression has also been felt severely in Finland, and this seems to have affected imports rather than exports. Even allowing for temporary influences, however, a marked improvement in the country's trade position is to be noted in recent months. From the table furnished it may be seen that, while imports during the three months, August to October, were substantially above the monthly average since January last, exports show a much greater expansion, so that the excess of imports during August and September were in each case only thirty-five per cent. of the average monthly adverse balance for the seven months ending in July. Under the combined influence of the banks and the Government the present difficulties which face the country are being surmounted, and though some of the measures taken, such as, for instance, the exchange regulations, may be open to severe criticism, the country at any rate appears to be making determined efforts towards restoring more settled conditions. As the future of Finland, however, is inevitably bound up with that of Russia, no lasting improvement will be in view while that country remains in its present state.

A League of Nations Development.

The League of Nations is to be congratulated on the admission of Austria and Bulgaria to the League, as it is those countries which have been devastated by the War that require most attention from an international body such as the present assembly at Geneva, these States forming at present the greatest danger to the peace of the world and the greatest barrier in the path of reconstruction. So far little has been done to carry out the recommendations of the Brussels Financial Conference of last September, notwithstanding the great urgency of the problems discussed by that body. In fact, too much time seems to be wasted in fruitless discussions of such questions as that contained in Article 16 of the Treaty of Peace providing for an international, financial, and commercial blockade of any State breaking a covenant of the League by a resort to war. We should like to see much more attention given to such problems as the restoration of the normal economic life of the impoverished areas. In regard to Article 16 of the Treaty, here mentioned, the remarks of President Motta of Switzerland will be interesting. At the assembly of the League he took particular care to explain the [illegible] attitude on the blockade question, as he had already done in the Commission. In his speech he emphasised that, unfortunately, the proposals of the Commission had to be limited to laying down general principles that were not of a definite character, and it was free for every State to judge circumstances in special cases in which the blockade was used until the principles worked out by the Blockade Commission should have been accepted by the assembly at a later meeting. Naturally, even during the provisional period every State must be guided by the principles of justice as they are laid down in Article 16 of the Treaty. A second very important point for Switzerland arises out of Article 16, the wording of which contains certain things that are not clear, and even impossible. The Article says that from the moment the economic weapon is used relations with the State which has broken the Treaty must be broken off by the other States. This breaking off of relations affects all citizens of the respective countries. To carry this into effect in a country which has such a large percentage of foreigners as Switzerland or, for example, Roumania, seems impossible, and would mean carrying the war into one's own country. This must in no case be allowed to happen, and therefore the Swiss delegates are glad to be able to establish that the meaning of the expression "citizen" (*Stattsangeherigen, nationaux*) as used to-day is synonymous with "inhabitant" (*bewonner, habitant*). The proposed provisional blockade measures are, therefore, only applicable as regards the relations between country and country, and not inside the territory of any one State.

ITALO-BELGIAN BANK.—The large expansion during the last year in Belgian exports to South America, due in no small measure to the facilities offered to traders by the Banque Italo-Belge, is reflected in the satisfactory increase in turnover and profits, which is revealed in the Bank's report. Net profits for the year ended June 30, 1920, are 6,182,194 francs, comparing with 3,797,788 francs for the previous twelve months. Last year's dividend of twelve per cent. is repeated, but the consequent disbursement is much greater on account of a final call of fifty per cent. being made in the interval on the partly paid-up shares. 2,800,666 francs are allocated to the reserve funds, bringing the latter to 21,933,867 francs. The balance carried forward is greater by 246,385 francs at 415,254 francs. With the exception of properties, all the asset items in the balance sheet show a remarkable growth. Cash in hand and at bankers has increased from 95,907,990 francs to 240,534,292 francs, bills receivable from 92,603,724 francs to 155,202,082 francs, and current accounts from 141,747,125 francs to 432,520,029 francs. Among the liabilities capital has grown from 13,843,750 francs to 31,266,750 francs, deposits from 304,772,740 francs to 655,864,210 francs, and bills payable from 3,489,416 to 8,487,452 francs. As an instance of the prudent policy of the directorate it is of interest to note that the figures of those branches in South America which keep their accounts in foreign currencies are converted at the pre-War rate of exchange, the particular rate in each case being that originally applied to the transfer of capital.

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NEED FOR LOWER VALUES.

Time must elapse before it will be possible to adjust economic conditions from the state in which they existed during the recent War to those which they must assume in peace when we are only really able to purchase within the limits of our actual earning capacity. Prices during the War period, and for a time after the conclusion of the Armistice, were inflated from causes with which the reader is acquainted, and into which we have not space now to enter. Until the various Governments recently engaged in war can see their way definitely to abandon completely their control of various commodities neither the trader nor the manufacturer at home, nor the producer of raw materials abroad, have a really free hand. Pressure in the Press and by public opinion is being exercised to induce the Government to abandon control of various commodities as rapidly as possible. The Government itself is coming to see that it is only adding to its own embarrassments and irritating public opinion to retain control longer than is necessary. We have been promised this week that at least three of the great Control Boards are to disappear at an early date. And it is to be hoped that within the course of the next few months the trader will at last be free to exercise whatever skill and knowledge he has acquired in the pursuit of the calling by which he lives. When that time comes it will be necessary for the producer abroad to consider what steps it is advisable for him to take to regain, and if possible to improve, the position he held in the European markets previous to the outbreak of the recent War.

South America, taking the ten Republics altogether, profited very materially as a result of the great European War. Speaking generally, the several countries built up a handsome trade balance in their favour and against Europe. To a very considerable extent, particularly during the later stages of the War, goods were consigned either to the United States or to this country, largely on account of this country. To a very appreciable extent the heavy debt which we have built up is due to the fact that we were responsible for obtaining various supplies not merely for ourselves, but for our different Allies engaged in the War. Producers in South America, however, are realising, as producers are realising elsewhere, that a considerable proportion of the profits made during the War were more apparent than real. Stocks in very many cases are still in first hands, and were produced or acquired upon a basis of values which it is no longer possible to obtain in the international markets. It has become evident, therefore, that in order to liquidate these stocks, it will be necessary for producers to sell at prices which will dissipate a considerable portion of the profits formerly made. This, in reality, is no new experience either for the producer or for the trader. It has this special significance, however: that it is upon a greater scale than the trade is accustomed to in times of peace. The economic effect of the War was to produce what in peace time we call a "boom" upon an extravagant scale. After a boom it is a common experience to find that stocks have been produced or acquired upon a basis of values which are far in excess of the prices which it is possible to obtain when the boom is over. The prudent trader, however, has foreseen that a boom cannot, in its nature, last indefinitely, and he has put to reserve a sufficient margin to enable him to dispose of his stocks, if necessary at a loss, during the period of transition between the boom and what, upon the Stock Exchange, is called a "slump." Upon a greater scale, this is precisely what the great world markets are called upon to do at the present time. It is evident that they cannot hope to dispose of their enormous stocks upon the basis of recent values, and consequently they have got to cut a loss. In the sequel, they will find that it is possible to produce upon a very much lower basis of values, and they will again be able to recoup themselves by obtaining a reasonable profit for the services rendered in supplying the sound economic demands of the various markets. To attempt to hold stocks indefinitely in the hope of realising a profit upon the recent basis of values is merely to delay the period of recuperation and to prolong the present economic crisis from which the world is suffering. It has to be realised that the recent belligerent countries are no longer in a position to purchase upon inflated values. We can only buy, as said above, within the limit of our actual earning capacity.

South America is capable of rendering invaluable services during the period of reconstruction, but she can only hope to do so if she is willing to supply raw produce at prices which the consuming markets of the great industrial centres are able to afford. There is a very keen demand, but that demand is conditional upon the prices which we can ourselves obtain for the manufactures which we hope to turn out from the raw produce acquired from elsewhere. The South American continent, taken as a whole, has a remarkable opportunity of developing itself, as well as assisting in the reconstruction of impoverished Europe, provided it realises the necessity of supplying produce upon a basis which peace trade will admit of. The whole continent is nearly twice as big as Europe, but it has a population, roughly, of only about fifty millions. Consequently, the two great needs of South America at the present time are immigration and increased transportation facilities. It is perfectly evident that, out of its own resources, it could not within any reasonable time hope to afford itself the transportation facilities needed for its development. If that continent is successful in supplying Europe with adequate quantities of foodstuffs and raw materials, Europe will, in its turn, be in a position to supply both immigrants and the means of increasing the transportation facilities of the ten Republics.

For convenience we may divide the South American continent into two parts. The eastern, and by far the most extensive part, is pre-eminently fitted for the supply of foodstuffs and the raw materials of manufacture, as, for example, cotton and fibres of various kinds. The western, or lesser, half of the continent is capable of being one of the world's great sources of supply for minerals of nearly every variety known to man. The Andes, from Colombia to Southern Chile, may be described as one vast mine; the plains of the east, from the Guianas to Southern Patagonia, are capable of becoming a source of supply of various kinds of raw produce, from sugar and cocoa to wool and frozen mutton.

A little more than a generation ago our fellow-subjects at the Antipodes were accustomed to send us, as they do still, enormous quantities of wool for the purpose of making clothing. Those regions of the Southern Seas were, as they still are, the principal source of the world's supply of wool. The sheep itself had very little economic value. It came to be realised that it was possible to construct a ship in such a way that it could carry mutton in a frozen state from Australasia to England. It came to be realised also that only a small proportion of the vast industrial populations of England were really meat consumers. Those consumers belonged, for the most part, to the more opulent classes of the community. It was not unreasonable to infer that, provided meat could be supplied at a lower price than was possible for the home-grown product, there was a great potential market capable of consuming large supplies from overseas. The wool-growers of Australasia already had the sheep. All that was necessary was to devise the means of transportation whereby mutton in a state suitable for human consumption could be delivered at the docks in London. Various shipping interests here found the means of providing ships capable of bringing the meat in a condition in which it could be consumed. The result was the building up of an

enormous trade, and what has since come to be known as chilled and frozen meat. This mutton was sold in London for a few pence per pound, and whole classes of the community which hitherto only consumed meat either once a week or on still rarer occasions, became regular consumers of animal food. Prices have risen to such an extravagant extent recently that, according to the latest returns furnished, the consumption of meat has recently been lower in this country than was the case previous to the War. Now the opportunity which offered itself to the flockmasters of Australasia more than a generation ago is open to-day, or at any rate will be open whenever the Control Board sees its way to free the markets, to the cattle ranchers and other producers of the great continent of South America.

BRITISH TRAMWAY FINANCE.

THE White Paper relating to Tramways, Light Railways, and Trackless Trolley Undertakings, formerly issued by the Board of Trade, but suspended owing to the War since the year 1913-14, has now been compiled by the Ministry of Transport, in respect of the year ended December 31, 1918 for Companies, and March 31, 1919, for Local Authorities has now been published.

The delay in the re-issue of this Government publication is due to difficulties arising out of the War, many undertakings not being able to complete their accounts within the usual period, following the close of their financial year. Returns for the years ended December 31, 1919, and March 31, 1920, are now in hand, and it is anticipated that the White Paper covering this period will be issued early next year.

The White Paper now issued embraces some new features which have not hitherto been published. In addition to the net receipts from the operation of tramways, particulars are now given of the income derived from other sources, and the total net income which is available for distribution. The income and expenditure, on revenue account, of tramways which are not worked by the owning Companies or Authorities are also included for the first time.

The statistical tables have been separated from the accounts and considerably amplified to include for each undertaking the average number of cars in use, traffic revenue per car-mile, car-miles run per car per day, working expenses per car-mile, fare per passenger, distance passengers conveyed for each fare, fare per mile, and number of units of electrical energy used per car-mile, &c.

The total capital expenditure on tramways in the United Kingdom to the end of the financial year 1918-19 was £82,812,722, an increase of £1,861,884 or 2.3 per cent., compared with the year 1913-14. The total gross receipts during the year 1918-19 were £24,635,266, and the total working expenditure £17,751,277, leaving net receipts amounting to £6,883,989. It must be borne in mind that the maintenance and renewal work undertaken during the year 1918-19 was, owing to War conditions, inadequate, but in spite of this the ratio of working expenses to receipts was 72.06 per cent., as compared with 61.35 per cent. in 1913-14.

The number of car-miles run during 1918-19 was 9.59 per cent. less than in 1913-14, but the number of passengers carried increased by no less than thirty-three per cent., as shown in the following tables:—

Car Miles Run.

	1918-19 Miles	1913-14 Miles	Decrease Miles	Decrease Per cent.
Local Authorities ...	244,162,588	262,675,103	18,512,515	7.05
Companies	76,215,788	91,704,569	15,488,781	16.89
Total	320,378,376	354,379,672	34,001,296	9.59

Passengers Carried.

	1918-19 Number	1913-14 Number	Increase Number	Increase Per cent.
Local Authorities ...	3,672,525,882	2,686,759,064	985,766,818	31.0
Companies	925,114,196	729,514,128	195,600,068	26.78
Total	4,597,640,078	3,426,473,192	1,181,166,886	34.4

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DEPRESSED MARKETS.

As is true also with the London Stock Exchange, so indeed with nearly all the Bourses, there is depression upon the New York Stock Exchange. There has been very widespread selling of various specified securities in Wall Street since we wrote a week ago. Prices have naturally tended downwards; but this fact has failed to bring in fresh buyers because those having resources at command are not at all disposed to lock up fresh capital in Stock Exchange securities. Under normal conditions it is a common experience that when there is a great and widespread depression in general trade in any great market the moneyed interest finds employment for its resources upon the local Stock Exchange or upon the International Bourses of the world. Probably this experience will be repeated when the present depression has gone further; but so far there is no sign of money which can no longer be profitably employed in trade seeking employment upon the Bourses. The reason, of course, is evident. The home as well as the foreign trade of the various countries lately engaged in war is passing through a period in which it has to adapt itself to changed economic conditions. During the War, there was an abnormal demand for different commodities needed by the various belligerent Governments. This demand was so insistent that little or no regard was paid to price. The Governments concerned either borrowed the money, or simply created credits on the security of the general assets of the different countries concerned. We are not here concerned with the effect upon the credit of the various countries of such a policy. In too many cases it has been disastrous, and in all cases regrettable. So far as trade was concerned, however, it was stimulating, just as all spendthrift expenditure is. Even when the War was concluded with the Armistice of November 1918 expenditure at inflated values still went on. Neither traders nor the public appear to have realised that a great war had impoverished, as distinct from enriching, the several nations. Traders argued that all the world required to be restocked with food, with raw materials, as well as with plant for the reconstruction of the industries of the different States. Apparently even

traders fail to realise that there is a very real distinction between need and what economists describe as effective demands. A pauper may need a coat, but it does not necessarily follow that he can go to a tailor and order one to be made. If he has not the means of rendering what is technically known as an equivalent value, his need does not constitute an effective demand. For some time it was thought that the difficulty could be got over by means of affording international credits. Bankers at once pointed out that even if this was done the credits would have to be financed in the meantime. To finance such credits is not banking. The only possible means, therefore, would be for those countries which still have sufficient credits to raise any money at all, either to increase the taxation of their own nationals, or to raise a great loan. Inasmuch, however, as even the richest countries recently engaged in war had unduly strained their resources in the conduct of that war, it soon became evident that they were not in a position to afford such credit to the bankrupt countries without endangering such solvency as they still themselves retained. When this fact at last began to be realised it became evident that a fall in prices, if not an absolute slump in trade, was inexitable. For a time bankers, both in this country and in the United States, were willing to assist traders up to a point until they could gradually liquidate stocks accumulated upon the level of war prices. Bankers, however, could not be expected to continue such a process indefinitely. If they did the whole of their resources would in time come to be locked up in produce unsaleable except at a loss. If the process were carried far enough the bankers themselves would become in fact, if not in name, partners with the traders; and they would ultimately involve themselves in serious embarrassments in the inevitable liquidation. Meanwhile, such institutions would cease to be banks in any proper sense of the term. Bankers, clearly foreseeing this, called upon the traders to liquidate their enormous stocks of accumulated produce within a reasonable time. The traders protested, but the banks insisted. The result has been the heavy fall in wholesale prices that has already taken place in the international markets. Governments were no longer in a position to purchase on borrowed money. They found it quite difficult enough to get in the taxes which were proving, and are still proving, a serious drain upon the resources of the various countries. In the result, it was found utterly impracticable to supply the impoverished countries of the world with commodities for which they were incapable of offering any sort of equivalent. In the sequel, therefore, there remained, and there remains still, only the actual consumers in the more opulent countries recently engaged in war. These consumers themselves are only in a position to purchase upon such an economic basis of values as their actual earning capacity will admit of. Manufacturers and traders in the United States, as in Europe, find it exceedingly difficult to dispose of the enormous stocks of various commodities which have been produced or acquired at the equivalent of war prices. As the banks cannot be expected to finance them indefinitely they must endeavour to finance themselves. This they are doing, partly, by the sale of produce at such prices as that produce will fetch in the world's international markets; and partly they are financing themselves by the sale of securities which they were able to acquire out of the large profits which they made during the War. In other words, these large profits, or profiteering as it came to be called, were largely illusory. They bore very little real relation to real values. In a few rare cases it may be possible to retain them. In the vast majority of cases, however, the large profits undoubtedly secured on paper during the War will disappear during the process of readjustment to trade demands on the more steady demands of peace which alone can be based upon a sound economic basis.

We give below a list of representative prices of various American securities. From this table will be seen the effect of the adverse exchange against this country upon the American market. There is every inducement for holders on this side to dispose of their holdings. There is a handsome profit on sales due mainly to the adverse exchange, while the returns on purchases is correspondingly reduced due to the same cause.

	Normal Value	Dec. 5, 1919 Price	Sterling Equiv.	Dec. 15, 1920 Price	Sterling Equiv.
	£	$	£ s. d.	$	£ s. d.
1 New York Central	100	89	25 9 6	59½	28 5 0
2 Southern Pacific	100	136	38 5 0	82	41 2 6
3 Atchison, Topeka and Santa Fe	100	119	29 0 5	118	34 3 0
4 Baltimore and Ohio	100	42	11 1 6	47½	13 14 9
5 Union Pacific	100	162	45 0 0	164½	47 12 6
6 Chicago, Milwaukee and St. Paul	100	47½	12 12 0	42½	12 4 6
7 Chicago and North Western	100	107½	28 6 0	121	35 0 6
8 Illinois Central	100	116½	30 14 0	122½	35 10 0
9 Chicago, Rock Island and Pacific	100	—	—	—	—
10 Louisville and N. Estate	100	140	36 18 9	143	41 7 10
11 New York, N. H. and Hartford		56½	14 19 1	85	24 11 9
12 Great Northern	100	103	27 3 6	114½	33 1 5
13 Missouri Pacific		58½	15 12 6	50½	20 9 5
14 Erie	100	18½	4 15 6	19½	5 12 9
15 St. Louis and San Francisco		51	13 9 0	75	21 14 0
16 Pittsburgh and Brothers		106½	28 2 0	104½	31 2 3
17 Pennsylvania and Ohio	100	77	19 5 9	88	25 9 5
18 Reading and Maine		—	—	—	—
19 Wabash	100	113	30 0 6	11½	3 8 0
20 Minneapolis, St. Paul and S. S. M.	100	90	23 16 0	110	31 16 8
21 Delaware and Hudson	100	120½	31 16 5	140	40 1 0
22 New York, Ontario and West. Loan		95½	25 1 10	—	—
23 Alabama, Great Southern	50	55½	12 0 0	68½	19 5 0
24 Union Pacific and Pennsylvania	100				

Converted at 3·79 = £1. Converted at 3·45½ = £1.

PRODUCTION OF PIG IRON AND STEEL IN NOVEMBER.

The production of pig iron, which owing to the coal strike fell in October to 533,200 tons, further fell in November to 403,800 tons. Included in this total are 133,500 tons of hematite, 130,000 tons of basic, 74,900 tons of foundry, and 37,100 tons of forge iron. The production of steel ingots and castings in November amounted to 503,900 tons.

	Pig Iron		Steel Ingots and Castings	
	1919 Tons	1920 Tons	1919 Tons	1920 Tons
[illegible]	3,561,000	1,115,000	1,264,000	4,857,000
[illegible]	641,000	750,000	683,000	789,200
A[illegible]	921,000	752,100	471,000	709,200
[illegible]	581,000	741,000	734,000	884,500
[illegible]	447,000	532,200	455,000	544,500
Norwegian	624,000	607,800	605,000	503,900
[illegible]	7,775,000	7,500,000	7,502,000	8,369,000
[illegible]	692,000	—	692,000	—

At a meeting of the Board of Joseph Travers and Sons, Limited, 119 Cannon Street, E.C. 4, Mr. Walter Francis Travers was elected Deputy-Chairman in place of Mr. Ashwell Henry Stableforth, who has retired through ill-health after fifty-four years in the business.

Indian Banking Fusion.—An interesting development in the Indian financial circles is foreshadowed in the offer of the P. & O. Banking Corporation to purchase the shares of the Allahabad Bank. The latter was established over half a century ago, and has a number of branches in the leading centres in India. It has a capital of Rs.4,900,000, of which Rs.900,000 were issued last October. At the end of 1919 deposits amounted to Rs.93,613,800 (about £9,000,000), and total assets at Rs.100,649,850 (about £100,000,000). The P. & O. Banking Corporation was formed in May of this year under the auspices of the P. & O. Steam Navigation Company, three banks of the Big Five being interested as shareholders. The authorised capital is £5,000,000, half of which has been issued. The proposed purchase will take effect as from December 31, the price offered for the shares (Rs.100) being Rs.436 (£30 17*s.* 7*d.* at the present rate of exchange) for the fully paid-up Ordinary, and Rs.218 (£15 8*s.* 9*d.*) on the recently-issued shares. The offer is conditional on acceptance by the holders of not less than seventy-five per cent. of the Ordinary shares, sellers to have the option of receiving £10 shares in the P. & O. Banking Corporation at £10 2*s.* 6*d.* each (the price of the original issue).

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HARDEN BROS. & LINDSAY

Ltd.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

COLLECTIONS INVITED.

Rubber Topics.

This has been a week of dismal monotony in the Rubber market. Now and again there were slight rallies, but the depression was so marked that a reaction of twenty-five was sufficient to induce a considerable reaction in the price. As usual, the leaders indicated the stagnant condition of the market. Anglo-Malay dropped steadily from 1½ on Monday to 1⅛ on Thursday. Highlands and Lowlands experienced a reaction from 1⅞ to 1¾. Anglo-Dutch was weak at 23s. 9d. Rubber Trusts were the target of the depression, reacting steadily from par to 18s. In other directions marked weakness was displayed by United Sua Betong, which fell from 2⅞ to 2¼, while Parisian liquidation left Malacca ⅜ down on Monday at 2⅛. Further evidence of the condition of the Share market is reflected in the inability of a company like Anglo-Johore to place a new issue successfully. To secure funds, therefore, it is proposed that the Company should go into voluntary liquidation and to form a new company, in which existing shareholders are to receive four shares of 2s. each for every three shares held; but the new shares will only be credited with 1s. 3d. paid up, leaving shareholders with a liability of 9d. per share, or, altogether, 3s. in respect of every three shares held in the parent concern. Shareholders would be well advised to fall in with this plan.

The Commodity market was also weaker. The price of crêpe fell gradually from 1s. 0½d. at the opening to 11⅜d. on Thursday, and that of smoked sheet from 11½d. to 10¾d. Mincing Lane is now negotiating the fifteenth December "[illegible]". So far it is satisfactory to record that the settlement is being effected without any default. With this out of the way the speculative position will have been cleared up, leaving the market on a more stable basis for the New Year.

SUMATRA CONSOLIDATED.

Issued Capital: £125,000 in £1 Shares.

Results for Years to April 30

	Average Area	Average [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Acres						
1916-17	3,456	1,500	[illegible]	288	[illegible]	4,032	20[illegible]
1917-18	3,470	1,500	[illegible]	121	[illegible]	2,016	[illegible]
1918-19	3,470	[illegible]	554,400	[illegible]	[illegible]	[illegible]	[illegible]
1919-20	3,470	[illegible]	672,230	[illegible]	[illegible]	[illegible]	[illegible]

Price of Shares, 23 9. Market Capitalisation, per planted acre, £67.

On the whole the report presented by Sumatra Consolidated for the year ended April 30, 1920, is satisfactory enough. While falling short of the estimate by nearly 28,000 lb., the crop of 672,230 lb. was 118,000 lb. in excess of the restricted crop of 1918. The "all-in" cost of 1s. 4¾d. per lb. undoubtedly constitutes the most unsatisfactory feature of the report. As a rule such a substantial [illegible] to the [illegible] and a corresponding reduction in the cost per unit. Here there has been instead a slight increase, due in part to the high cost of stores and materials, but mainly, it is asserted, to the abnormal cost of rice supplied to the [illegible]. [illegible] by the excess profits duty, to meet which liability a [illegible] has been made. [illegible] 19¾ per cent. on the original issued capital of £100,000, as against 17½ per cent. in 1918. However, before the close of the year under review the issued capital was increased to £125,000 by the bonus distribution of one share for every four shares already held. Consequently, shareholders received by this bonus a dividend of at least twenty-five per cent., in addition to the cash distribution. The interim dividend of £10,000 was paid on the old capital, but the final dividend of £9,375 was paid on the increased capital of £125,000, and represented, therefore, a rate of seven and a-half per cent. The balance carried forward to the next accounts is reduced to £813.

With a restriction of output in force after November the outlook for the current year is rather vague. In the first instance, it was not found possible to supply an estimate of the crop. Returns for the first four months give a total of 247,000 lb., as against 205,700 lb. for the corresponding period of 1919. Allowing for a reduction of twenty-five per cent. for the second half of the year, the crop would be in the neighbourhood of 600,000 lb. Whilst such a reduction would make for an increased cost, a relief is expected in the reduced price of the rice crop now controlled by the Dutch Government. But with an "all-in" cost of 1s. 4d. obviously little profit could be earned with [illegible] The Company is therefore fortunate to have disposed of 185,920 lb. of the current crop by forward contracts at a price [illegible] equivalent. The restriction of output will tend to counteract the effect of the sixty per cent. excess profits duty, in addition to the corporation tax. On the other hand, it is unfortunate that when conditions are so adverse the Company should be called upon to expend some £10,000 on the erection of new machinery, though it is to be congratulated on having successfully written off the value of the old plant. However, if the prospects for the current year are none too bright, there is no doubt of the ability of the Company to pay good dividends under normal conditions of production and taxation. Financially, the position as disclosed in the balance sheet dated April 30, 1920, is very strong. Current liabilities, including the final dividend of £9,375 and £11,500 in respect of excess profits duty, do not exceed £56,420, whereas liquid assets are available to a total of over £79,643. The reserve fund, which had been reduced to £4,000 after utilising £25,000 to finance the capitalisation scheme, has been restored to £29,744 by the [illegible] profits liability of £13,953, representing the proceeds [illegible] Rubber Plantations and of £291 representing refund of excess profits duty. Moreover, during the year [illegible] which, in consequence, will contribute a good profit [illegible] Sumatra Consolidated are quoted at 23s. 9d., which [illegible]

KUALA LUMPUR.

THAT shareholders in this well-known rubber company have every reason to congratulate themselves upon the report presented for the year ended June 30, 1920, will readily be admitted by anyone who studies the results of the operations of the year as embodied in the following table:—

Years ended June 30—	1920	1919	1918	1917	1916
	Acres	Acres	Acres	Acres	Acres
Area suitable for rubber‡ ...	6,218	6,218	6,218	6,218	6,218
Planted area	5,197	5,163	5,096	5,106	5,062
Average acreage tapped ...	—	—	—	4,514	4,206
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	1,709,537	1,579,662	1,627,748	1,633,669	1,115,500
Yield per acre tapped ...	—	—	—	377	340
Gross price realised per lb....	2·124	1·953	1·9½	2·757	2·98
"All-in" cost per lb. ...	1·836	1·350	1·1½	1·2.34	1·06
Profit per lb.	·288	·6·03	·/8	1·523	1·9·2
	£	£	£	£	£
Value of rubber	163,977	123,497	137,088	201,770	129,531
Total revenue expenditure	90,601	84,687	83,252	80,617	74,578
Net rubber profit	73,376	38,810	54,43‡	121,153	124,953
Sundry receipts	5,749	6,572	6,175	5,498	3,815
Brought forward	12,880	24,498	25,387	32,736	12,968
Total available	92,005	69,880	85,998	159,887	141,736
Allocations—					
Income tax	25,000	15,000	30,000	30,000	15,000
Transferred to reserve ...	2,993§	—	—	10,000	10,000
Dividends paid	31,500	42,000	31,500	94,500	84,000
	(15%)	(20%)	(15%)	(45%)	(40%).
Carry-forward	32,512	12,880	24,498	25,387	32,736
	92,005	69,880	85,998	159,887	141,736
Issued capital (£1 shares) ...	210,000	210,000	210,000	210,000	210,000
Surplus liquid assets ...	57,290(a)	11,314*	55,(23†	51,853†	44,947
Net capital expenditure(a)	865	4,354(b)	4,258(c)	5,678(b)	1,179

* Excluding £79,786 of income tax reserved.
† Including substantial sums in Antwerp. ‡ Including planted area.
§ Loss on exchange.
(a) After writing off depreciation. (b) Excess of depreciation allowance
(c) Income tax reserve of £75,000 included.

Price of Share, 38 9xd Market Capitalisation per acre, £78.

The output of rubber amounted to 1,709,537 lb., as against 1,579,662 lb. in the previous year. It fell short of the estimate, however, by 180,463 lb., owing mainly to the insufficient supply and the lack of experience of the tappers. The yield per acre is stated to be 330 lb., as compared with 306 lb. last year. A little calculation suffices to show that this figure appertains not to the acreage in bearing, but to the planted acreage. We venture to suggest that the more useful figure is that which gives the return per acre tapped. The increase in the crop is reflected in a corresponding decline in the cost of production. As far as the "all-in" cost is concerned, the fall appears to be rather nominal, being only 0.14*d.* per lb. Similarly the f.o.b. cost of 1s. 0.28*d.* per lb. is only 0.09*d.* below that of 1918-19. If allowance is made for the circumstances of the period, the decline appears in its true perspective. Stores and materials commanded higher prices; wages had to be increased to secure an adequate labour supply; shortage of foodstuffs involved a loss of £5,000 on supplying rice below cost price to the coolies; and an adverse exchange situation involved a loss of £2,993. All these factors were operating in favour of a higher cost of production—expenses in Europe, including the loss on exchange, averaged 0.86*d.* per lb. as against 0.36*d.* per lb.—and it called for an efficient administration to record actually a decline instead of an increase in the "all-in" cost, despite the increase in the quantity of rubber secured. However, this reduction in the cost per unit coincided with a satisfactory increase in the average gross price realised by the sale of the crop, which amounted to 2*s.* 1.24*d.* per lb., as compared with 1*s.* 9.53*d.* per lb. in 1918-19. Accordingly the profit per lb. was raised by over fifty per cent. to 9.88*d.* gained on a larger crop, this profit reached a total of £73,376, instead of £38,810 in the previous year. Including sundry receipts and the balance brought forward, this left available a sum of £92,005. Out of this a sum of £25,000 was transferred to the income-tax reserve account, and the loss of £2,993 on exchange was written off. Despite the substantial surplus, the dividends paid to shareholders were reduced from twenty per cent. free of tax to fifteen per cent. free of tax, the latter being equivalent to twenty-one and three-sevenths per cent. subject to tax. The balance carried forward to the next accounts was increased accordingly from £12,880 to £32,152.

The reason for this conservatism in dividends is amply explained by the uncertain outlook for the current year. Alive to the crisis in the rubber market, where the raw commodity is now oscillating sluggishly around 1*s.* per lb., the directors, with their customary prudence, have decided to conserve their resources. With rubber commanding a price considerably below its average cost of production, an adequate supply of liquid capital is a *sine qua non* to enable companies to meet their expenses during a period in which it is impossible to realise their output except at a loss. The position as disclosed in the balance sheet dated June 30, 1920, shows that Kuala Lumpur is well able to face the present depression. Including the large reserve of £73,506 for income tax as a liability, current liabilities do not exceed £125,939, whereas liquid assets are available to a total of £151,238. Cash balances in London and abroad exceed £57,000. There is in addition a general reserve of £100,000. In keeping with the scheme of the Rubber Growers' Association, the Company has reduced its original estimate of the crop for the current year from 1,830,000 lb. to 1,460,000 lb., of which 542,520 lb. have been secured in the four months of unrestricted tapping. It is stated, too, that even the latter estimate may have to be further reduced if more drastic measures become necessary. A reduction of the labour staff has already been possible owing to the general adoption of alternate daily tapping. But if the immediate outlook is gloomy, there is no doubt about the more distant prospects. The estates have been developed on sound conservative lines, and are now in a first-class condition. The market has already heavily discounted the effects of the depression with its quotation of 38*s.* 9*d.* for the £1 shares. At this price the market capitalisation per acre is as low as £78. The balance sheet shows a total of £15,919 in respect of dividends unclaimed. This item illustrates the extent to which Continental investors are interested in this Company. At the meeting the Chairman stated that the bulk of this amount was owed to Belgian and French shareholders. This fact will also help to explain recent falls in the price of these shares. Whenever Paris turns seller on an adverse exchange, Kuala Lumpur is one of the rubber descriptions it throws on the London market. It is well that investors should realise that these periodical bursts of continental liquidation are mainly the outcome of the exchange situation, and have no connection with the intrinsic merits of the shares themselves.

SELANGOR UNITED.

Issued Capital: £80 000 in 2/0 Shares.

Results for Years to March 31—								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend— Amt. £	%
1916–17	1,349	—	171,951	—	2/7	1/3·2	12,016	9,998	12½
1917–18	1,349	1,070‡	231,008	220‡	2/3·3	1/5·7	9,592	4,000	5
1918–19	1,448	—	240,859	—	1/9·4	1 3·2	6,812	6,000	7½
1919–20	1,448	—	312,907	—	2/2·3	1/0·8	17,866	16,000	20

Price of Shares, 2 7½. Market Capitalisation per planted acre, £73.

A GENUINELY satisfactory report is presented by Selangor United Rubber Estates for the year ended March 31, 1920. With unrestricted tapping the crop harvested, amounting to 312,907 lb., was not only considerably greater than that of the previous year, but also exceeded the estimate by over 14,000 lb. This marked increase in the quantity of rubber handled brought in its train the customary decline in the cost of production. Estate expenditure dropped from 10.54*d.* per lb. to 9.53*d.* per lb.; the f.o.b. cost of

10.13*d.* per lb. compared with 11.45*d.* per lb. in the previous year; whilst the "all-in" cost per lb. worked out at 1*s.* 0.8*d.*, as against 1*s.* 3.19*d.* Furthermore, this reduction in expenditure coincided with a no less marked improvement in the price secured by the crop, which averaged 2*s.* 2.34*d.* per lb., against 2*s.* 2.53*d.* per lb. as in 1918-19. Thus the profit per lb. of 1*s.* 1.54*d.* was more than double that of the previous year, which only amounted to 6.24*d.* Hence the total net profit was recorded at £17,866, as compared with £6,812, and as no liability was incurred in respect of excess profits duty, no provision had to be made for this iniquitous tax. On the contrary, the amount was increased to £19,605 by the addition of £1,739, representing the income tax recovered under the celebrated Stevens *v.* Boustead decision. Advantage was taken of this substantial profit to transfer £2,250 to the reserve, which is increased in consequence to a total of £10,000. Shareholders who had to content themselves with the mediocre return of seven and a-half per cent. in 1918-19, are recompensed with the satisfactory dividend of twenty per cent., absorbing £16,000.

Reports from both the St. Andrew and Browncomet Estates speak highly of their condition. Crop estimates provided for a harvest of 374,000 lb., of which seven months of unrestricted tapping had produced 200,506 lb. Assuming the participation of this Company in the restriction of twenty-five per cent. for the remaining five months, the total crop is not likely to be much greater than that of the year under review. No information is supplied as to the existence of forward contracts. It is of interest to note that since alternate daily tapping was in force on both estates already, the restriction of twenty-five per cent., if adopted, will probably be accomplished by the resting of some areas. This will set free labour, which can be utilised in the planting of the eighty-eight acres on Browncomet, should the directors consider such a policy advisable. In view of the restricted output and the present abnormally low prices which rubber is commanding, the dividend outlook for the current year is decidedly uncertain. Financially the position of the Company as revealed in the balance sheet dated March 31, 1920, is sound. Including the final dividend of £12,000, current liabilities do not exceed £20,260, whereas liquid assets are available to a total of £22,930. Moreover, the reserve of £10,000 will enable the Company to tide over the present period of distress, if not unduly prolonged. The 2*s.* shares of the Company are quoted in the market at 2*s.* 7½*d.*, which is equivalent to the rather low market capitali-

SIALANG RUBBER.

Issued Capital: £300,000 in Shares of £1 each.

Results for Years to January 31

	Area Planted	Area Tapped	Crop	Average Yield per Acre	Average Net Price per lb.	Profit	Dividend
	Acres	Acres	lb.	lb.	*d.*	£	per cent.
1917..	5,007	3,241	1,221,712	378	2.6	58,424	20
1918	6,292	4,264	1,[illegible]	328	[illegible]	[illegible]	16
1919	6,611	5,355	1,[illegible]	216	[illegible]	[illegible]	12½
1920.	[illegible]	5,[illegible]	1,[illegible]	322	[illegible]	[illegible]	20

* Average [illegible]

Price of Shares, 33 1½. Market Capitalisation per planted acre, £73.

A DISTINCTLY satisfactory report is presented by Sialang Rubber Estates for the year ended January 31, 1920. Restrictions on output, which had been responsible for the small crop of 1,095,166 lb. in the previous year, had been removed. Thus with a return to normal tapping it was possible to estimate for a crop of 1,540,000 lb. The crop actually harvested exceeded this apparently [illegible] by over 250,000 lb. Allowing for the increase in the area in bearing to 5,355 acres, the average per acre worked out at 322 lb., or 106 lb. more per acre than in 1918-19. The natural consequence of this great addition to the crop was reflected in a gratifying decline in the cost of production, despite the upward tendency of wages and price levels. The f.o.b. cost dropped from 1*s.* 2.19*d.* per lb. to 11.38*d.* per lb.; whilst the "all-in" cost of 1*s.* 1.71*d.* per lb. represented a marked improvement on the previous return of 1*s.* 6.21*d.* per lb. Moreover, the average net price secured by the sale of the crop advanced by over 1*d.* [illegible] per lb. [illegible] per lb. [illegible] per lb. [illegible] 1918-19 and £84,087 in the last year of normal production. Furthermore, this total was increased owing to the refund of £3,840 of excess profits duty in respect of the mediocre profits of the previous year, less the sum of £1,300 for the Netherlands-Indies war profits tax. Hence, after placing £2,366 to the development reserve account, there was paid to shareholders a dividend of 25%, as against twelve and a-half per cent. in 1918-19 and sixteen per cent. in 1917-18. The balance carried forward to the next accounts stands at £39,016, as compared with £9,545 brought forward from 1918-19. However, this sum is subject to an estimated deduction of £22,000 in respect of the excess profits duty.

The benefits accruing to shareholders were not confined to this generous cash dividend of twenty-five per cent. It was also decided to redress the balance between the issued capital of £200,000 and the estate account of £296,788. With this end in view the authorised capital was increased from £250,000 to £350,000, and the issued capital from £200,000 to £300,000. Shareholders thus received a bonus of one fully-paid share for every two shares already held. The scheme was financed out of the premium account of £62,634 and the development reserve account, which had been raised by the allocation out of the profits of the year under review to £37,366.

For the current year the outlook is rendered less promising by the present stagnation in the Rubber market. The services of an efficient and adequate labour staff were utilised to maintain the estates in a first-class condition. Consequently it was [illegible] to anticipate a crop of 2,000,000 lb. for the current year. During the nine months ended October 31, in which tapping was unrestricted, there were harvested 1,635,580 lb. Allowing for the reduction of twenty-five per cent. for the last three months, there will probably be secured a final crop of 1,900,000 lb. This should serve at least to keep the "all-in" cost at the level of the year under review. In July it was stated that sales, including forward contracts, covered at that date 665,151 lb., which were disposed of at an average of 1*s.* 10.97*d.* per lb. This would ensure a profit of £24,900. Consequently, unless a large part of the remainder of the crop was sold at prices above those ruling in the last two months, this Company, in common with others, will probably refrain from declaring any dividend for the current year. It is almost certain that no interim dividend will be forthcoming; whilst the possibility of a final dividend will primarily depend upon the course of the Rubber market during the early half of 1921. Financially, the position of the Company, as seen in the balance sheet dated January 31, 1920, is very strong. Including the final dividend of £30,000, current liabilities did not exceed £64,658; whereas liquid assets were available to a total of £109,320. The market quotation of 33*s.* 1½*d.* for [illegible] £73 per acre.

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Insurance Notes.

GENERAL LIFE ASSURANCE COMPANY.

An increase in new assurances is reported by this Company as the result of the operations in 1919. Special attention seems to have been given to the cultivation of business abroad. The returns as compared with those of 1918 differentiated between new business within the United Kingdom, new colonial business, and new foreign business, after deduction of reassurances, are as follows:—

Net New Life Assurance.

	1918	1919	Increase
	£	£	£
Within the United Kingdom ...	230,878	252,050	21,172
Colonial	64,177	116,651	52,474
Foreign	58,140	87,800	29,660
	353,195	456,501	103,306

It will be seen that a larger new business was transacted in 1919 in all three sections than in 1918, but, while the increase in the home new business was about ten per cent., that in the colonial new business was about eighty per cent., and that in the foreign new business was about sixty per cent.

In the life revenue account attached to the annual report for 1919 figures in separate columns, discriminating between business (*a*) within and (*b*) out of the United Kingdom, are given for premiums and consideration for new annuities on the one hand, and for claims, surrenders, annuities, bonuses paid or applied in reduction of premiums, and commissions paid on the other hand. But discrimination is not made between home and overseas business as far as the following items are concerned: (*a*) Receipts from interest and investments, and (*b*) expenses of management and a few minor charges. The total net premium income in 1919 was £197,661, as compared with £173,128. The increase in 1919 thus amounted to £24,533. As the whole amount of the premiums in the new business in 1919, whether by annual or single payments, was £25,821, and a considerable amount of old premium income must have gone off the books through death, maturity, and surrenders, it looks as if the 1919 premium income must have included some payments on account of foreign business which had not been collected in 1918, owing to war circumstances. For example, the premium income on business out of the United Kingdom appearing in the 1918 account amounted to £42,810, and the corresponding figure in the 1919 account is £61,921, showing an increase of £19,111, while the premium income on new business out of the United Kingdom only amounted to £9,688 in 1919. On the other hand, although the new premiums on business within the United Kingdom amounted to £16,133, the increase in the total premium income in that section was only £5,422. The proportion of the whole premium income relating to business out of the United Kingdom was about twenty-four per cent. in 1918, and this had risen to about thirty-one per cent. in 1919. For the reasons above given, however, this increase may be partially of a temporary character.

The expense ratio, comparing costs of all kinds with total premium income, seems to have been about 23.3 per cent. in 1919, as compared with about 23.6 per cent. in 1918. Under the circumstances, of an increased new business and the necessarily enhanced cost of clerical labour, the reduction shown is creditable, but making all allowances the ratio is still considerably higher than is usual in British life offices. More satisfactory features in 1919 are a favourable incidence in mortality and an adequate interest yield. The death claims for the year amounting to £118,010 are reported as having been less by £31,183 than the amount anticipated by the Tables of Mortality on which the premiums are based. The interest yield, after deduction of income tax, appears to have been about three and three-quarters per cent., which exceeds the valuation rate by 5*s.* per cent. A dividend to shareholders (paid-up capital £50,000) is again announced at the rate of ten per cent. The total assets, as shown by the balance sheet on December 31, 1919, amounted to £2,366,252; life assurance and annuity fund, £1,933,555; investment reserve fund, £264,000.

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY.

It is clear from the records of our best mutual offices, which necessarily restrict their operations to life assurance, that they are holding their own well, despite the formidable competition of joint-stock companies transacting all kinds of insurance business. The Scottish Equitable is a conspicuous example. It has largely participated in the expansion of life assurance, which has been so notable a feature since the conclusion of hostilities. For the financial year ended March 1, 1920, its directors are able to report a new life business of £1,688,779 in sums assured, of which £237,556 was reassured, the net retention at the sole risk of the Society thus being £1,451,223, as compared with £984,859 for 1918-19, which up till then had constituted a record in a history of nearly sixty years' duration. Never before 1919-20 had the net sums assured by new policies issued in a single year exceeded a million sterling, and it will be seen that they have gone up in one bound to nearly a million and a-half. The total net premium income was increased in the course of the last financial year by £43,341 to £532,248, apart from a sum of £6,175 received as consideration for new annuities.

A quinquennial valuation was made in this Society on March 1, 1918, the basis employed being the OM Table of Mortality in combination with net premiums and three per cent. interest, additional reserves being provided for various purposes. Owing mainly to the effect of the heavy depreciation of values of securities which all life offices experienced, it was not found advisable to make a general distribution of bonus as the result of the investigation referred to, but the ascertained valuation surplus of £64,189 was carried forward to the now current quinquennium, provision being made for the payment of interim bonuses on ordinary participating policies becoming claims in that period at the rate of 20*s.* per cent. per annum until otherwise determined.

That the reasons for the withholding of an immediate general bonus have been thoroughly understood by the public, in a sense favourable to the Society, is shown by the greatly increased demand for its

policies, since the close of the last quinquennium. Under normal conditions there is no reason to doubt that in due course it will be able to give every reasonable satisfaction to its policyholders in the way of profits. The Society's experience in 1919-20 is very reassuring in this respect. The main sources of profit in a life office are (1) [illegible] more favourable incidence of mortality than is actuarially anticipated, and (3) interest earnings in excess of those assumed. In all these directions the Society's record for the last financial year is excellent.

The expense ratio amounted in 1919-20 to 14.3 per cent. of the premium income. This is higher by only about one per cent. than the expense ratio of the last valuation period, and a greater increase might naturally have been anticipated from the larger proportion of the new premium income, as compared with the total amount, apart from the conditions making for enhanced expense applying to all businesses, including that of life assurance. The expense ratio referred to is less than three-fourths of the margin of premiums reserved at the last valuation for costs and contingencies. The claims by death, which amounted to £298,191, are reported as having been "largely within the expectation." They were stated at the general meeting to have been only about three-fourths of what might have been looked for having regard to the amount of assurance at risk. Through the year's operations the life income fund was increased by £239,222 to £6,256,228, the total assets as set forth in the balance sheet on March 1, 1920, amounting to £6,418,528. The average net rate of interest realised during the last financial year, after deduction of income tax, was £4 1*s.* 1*d.* per cent., as compared with the valuation assumption of three per cent.

"The only cloud on our horizon," said the Chairman at the annual meeting, "is one which hangs over every similar financial institution at the present time—the continued depression of investment values. We, however" (he continued), "take a hopeful view in regard to this."

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1913	Date
		% p.a.			
Tea, Rubber and Plantations:					
[illegible]	[illegible]	10	5		
[illegible]	20/-	15	12½	15	15
[illegible]	25/-	5	5		
Commercial and Industrial:					
[illegible]	[illegible]	15	15	15	15
[illegible]	2/6	2½	12	15	15
[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	10	10	10
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

world waits for some tangible news about the alleged enormous discoveries of platinum in the Cala district, it may be recalled that platinum occurrences are not unknown in the Union. Thus, for several hundreds of miles along the margin of the Bushveld granite area in the Transvaal, pseudostratified segregations of chromite associated with platinum have been noted. These are several feet in thickness, and of quite workable size and extent. They have so far not been opened or exploited, but from time to time samples have been assayed. These usually contain from thirty-five per cent. to forty-five per cent. chromic oxide. Samples from the north of the Lydenburg district, however, yield up to 54 per cent. Unfortunately, this portion of the country lies over fifty miles from a railway, and is very inaccessible, but a reconnaissance has been made by the Railway Department, and in time the district will be opened and the deposits brought within reach of a market. It is probable that richer ore may also exist in the other portions of the occurrences, for so far only obvious outcrops have been tested and obvious outcrops of all minerals tend to be the most siliceous, these resisting denudation, where the richer deposits weather away. The richer outcrops, therefore, become sub-surface, and must be sought for by regular prospecting. These chrome ores are said by the Mines Department of the Union to contain an appreciable quantity of platinum, and certainly deserve attention. Then again, the occurrence of platinum and the allied group of metals in the black sands derived from the conglomerates of the Klerksdorp area has been noted. The quantity appears to make the occurrence worthy of attention, but so far nothing has been done.

If the reports as to these discoveries are substantiated, and the commercial exploitation of the metal is possible, an additional source of supply to that which already exists in Canada will be opened up for the Empire. In the nickel-copper ores mined in Ontario platinum metals to the extent of one-sixth to one-half ounces per ton occur. Part of the matte obtained from these ores has in the past been refined in Swansea, but the annual output of platinum is very small. British Columbia has been a small source of supply in recent years, but for the whole of Canada the platinum production in 1917 and 1918 amounted to only 57 fine ounces and 39 fine ounces respectively.

The platinum deposits of the United States of Colombia were the first to be worked on an extensive scale before the Russian deposits, and, with the failure of supplies from the latter source, the Colombian output increased. Exports to the United Kingdom took place on a fairly large scale, but in the years 1916 to 1919 inclusive, our platinum imports from Colombia were *nil*, and in the same period imports from British Possessions rose from 28 ounces to 1,210 ounces. Altogether, however, our imports show a considerable falling-off, as they amounted in 1919 to 2,705 ounces, compared with 42,640 ounces (troy) in 1913. The price variations have naturally been considerable, from 290*s.* per ounce in January and February 1918 to 400*s.* per ounce in March of that year, remaining at the controlled price until December. The price rose in 1919, and in January 1920 the metal was quoted at 770*s.* per ounce. The quotation this month has been 480*s.* per ounce, sellers, but the market buying-price at the moment is probably little more than 320*s.* per ounce. The weakness in platinum is common to all sections of the Metal market, and holding interests are apprehensive of a further extension of the source of supply.

The Imperial Institute has confirmed the existence of platinum, along with a number of other metals, manganese, tin, and copper in British Guiana, and if transportation facilities could be provided there is no doubt that the deposits would permit of commercial exploitation. The absence of any company or association of interests to undertake working will, however, considerably delay operations. A correspondent suggests the formation of a Chartered Company on the lines of the Hudson's Bay and British South Africa Companies for the full development, with influx of population, of all the unalienated and undeveloped Crown lands of the Colony. The suggestion has its merits, and if carried out may have a profound effect on the course of prices of platinum, hitherto one of the rarest of the precious metals.

Industrial Companies.

BRITISH CELLULOSE AND CHEMICAL MANUFACTURING COMPANY, LIMITED.

Issued Capital: £6,550,000, in 4,250,000 7½ Cumulative Participating Preference Shares of £1 each and 2,300,000 Ordinary Shares of £1 each.

Year to June 30	Trading Loss	General expenses	Interest	Depreciation	Sundries Receipts	Net Loss	Dividends—Preference	Ordinary
	£	£	£	£	£	£	£	£
1920	85,393	57,522	9,821	1,590	3,587	237,739	-	-

THE report of this Company covering the financial year to June 30 last contains some very unpalatable facts. Efforts to develop the production of artificial silk from cellulose acetate has not met with the anticipated measure of success, as the numerous technical difficulties were considerably underestimated, and serious delays occurred in the delivery of plant. Meanwhile, the heavy burden of over-head charges continued, rendering unprofitable the output of celluloid carbide and other subsidiary products. The result has been a trading loss of £85,393. To this must be added expenses of £57,522, interest charges of £96,821, and depreciation £1,590, giving a total loss of £241,326. Sundry profits apparently on transactions not directly connected with business amounted to £3,587, the deduction of which gives a net loss of £237,739. The credit balance of £322,746 in the books of the operating Company on the occasion of its absorption has been brought into the accounts, and the deductions of the loss now shown leaves a balance of £85,007 to be carried forward.

A summary of the balance sheet is contained in the following table.

LIABILITIES	£	ASSETS	£
Capital	6,545,270	Fixed Assets	3,299,040
Creditors	162,348	Production expenses ...	120,862
Profit and loss account: balance	85,007	Preliminary expenses	304,815
		Goodwill and patents	1,884,678
		Debtors	69,389
		Stocks, etc.	236,094
		Investments	1,500
		Cash	814,247
	£6,790,625		£6,790,625

The capital has been increased to the present figure by the issue in March last of 4,250,000 Seven and a-half per Cent. Cumulative Preference shares of £1 each, of which the Government took 1,450,000 in payment of advances to the Company. In the prospectus then issued it was stated that the land, buildings and plant were valued at over £3,100,000 (estimated at cost). The fixed assets as shown above figured at £3,299,040 on June 30 last. Between March and June, therefore, the additions apparently amounted to about £199,000. In this connection it may be remarked that the charge of £1,590 for depreciation appears to be entirely inadequate. The exact nature of the item "inaugural production expenses" is not clear. Goodwill, patents, and patent rights, are valued at £1,884,678, an estimate which appears to be unduly high in the light of achievements since the incorporation of the new Company. Cash holdings including Treasury bills amount to £814,247. Receipts from the capital issue have been applied largely in reducing the item sundry creditors. It is rather strange that no mention is made of the expenses incidental to the increase in the capital. Possibly the charges involved may be included among preliminary expenses which figure at the large total of £304,815. The liquid assets of the Company as on the date of

the balance sheet [illegible] with the current liabilities, but the shareholders certainly cannot [illegible] as shown in the accounts.

It is impossible to form an accurate estimate of the prospects for the current financial year. Profitable results will depend entirely upon a substantial increase in the output of artificial manures [illegible] effected economically by improved chemical and mechanical methods. From references made by the chairman at the general meeting it may be inferred that during the past six months the Company has continued its operations at a loss. This unsatisfactory position may [illegible] It should be remembered, however, that the problems which confront the directorate are those which inevitably arise in the development of new industries. A return upon the Ordinary capital cannot be anticipated at present, especially as the Preference dividend is already in arrear. The Cumulative Preference shares represent an annual charge of £318,750, and the shares are entitled, in addition, to one-fourth of the balance of profits which the Company determines to distribute in each year. The Preference and Ordinary shares are both quoted at present at 9s. 4½d.

THE WESTERN TELEGRAPH CO., LTD.

Issued Capital: £3,030,690, in £10 Shares.
4% Debenture Stock, £818,675.

Year to June 30	Net Profits	Dividend on Preference	Dividend on Ordinary	Reserve	Reserve for Maintenance of Ships	Marine Insurance Fund	Depreciation Fund
	£	£	£	£	£	£	£
1914	342,894	15,187	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1915	611,536	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1916	659,997	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1917	675,100	14,625	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	937,101	28,125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	1,198,200	28,125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920	1,722,277	28,125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The trading results of this Company for the twelve months to June 30 last constitute a new record in its history. The gross profits amounted to £2,683,076, representing an increase of £719,296 as compared with the previous year. Station expenses have risen, however, by over £211,100 and the expenses attending the maintenance of cables by over £97,000, so that the increase in net profits does not exceed £261,887. It will be seen from the above table that the net profits showed an increase of £261,904 in 1917-18, and of £361,001 in 1918-19, and this year's record is accordingly all the more remarkable. Debenture interest absorbs the usual sum of £32,747, but income tax, excess profits duty, and corporation tax require an appropriation of £687,993, as compared with £536,626 last year. In the distribution of profits the directors pursue their usual conservative policy. The reserve allocations are further increased from £530,000 to £695,000, the general reserve receiving £450,000, the investment reserve (to which no allocation was made last year) £145,000, the reserve for maintenance of ships £50,000, and the depreciation fund £50,000, as against £50,000. No [illegible] is made this year for the writing down of the fixed assets. A final dividend of three and a-half per cent. is declared, making ten per cent. free of tax for the year, as compared with eight per cent. tax free during the four preceding years, the increased dividend involving an additional distribution of £41,586. The balance carried forward amounts to £[illegible], as against £37,803 brought in. It will be seen that a further dividend of ten per cent. free of tax could have been paid (making due allowance for the additional taxation of £63,832 involved in such distribution) without reducing the reserve allocations, as [illegible] last year's figures. Apparently, however, the directors consider a more liberal policy imprudent in view of the general financial stringency prevailing at present, the heavy outlay involved in cable extensions, and the serious depreciation of the Company's investments [illegible] balance sheet. An offer at par of 103,965 shares of £10 each was made to the shareholders during the year, [illegible] were taken up, but not fully paid. The staffs of the Company and of its associated concern—the Eastern Telegraph Company, Limited—have now been allotted the balance. Deductions from the general reserve during the year amounted to £317,217, as compared with £610,385 in 1918-19, the reduction being due to decreased outlay on cable construction and renewals. The fund is debited, however, with a sum of £86,750 for loss on sale of investments, as against only £9,393 last year. It is stated that the realisation of investments was necessary to cover the cost of the new cable manufactured prior to the capital issue referred to above. The allocation now made from revenue leaves £2,247,697 to the credit of the general reserve, or £132,783 more than last year. With this year's appropriations the depreciation fund and reserve for maintenance of ships amount to £385,000 and £259,160 respectively, the marine insurance fund remaining unaltered at £75,000. The total reserves, excluding provision for investment fluctuations, amount to £2,968,466, as compared with £2,735,583 last year. The fixed assets, including cable stations, ships, and investments in other companies, figure at £3,245,577, the additions during the year amounting to £345,230, as against £26,448 in 1918-19. Investments at cost in respect of the reserve funds amount to £3,052,218 and are almost entirely represented by Government, corporation and railway securities, the depreciation of which is covered by a reserve amounting to £620,000. Traffic and other debit balances have grown by £214,973, and bills receivable by £86,375. Cash balances are £391,652, the larger at £609,156, the increase being mainly in deposit account. The liquid assets of the Company, excluding the large figure of investments in respect of reserve funds, amount to £1,831,875, showing a surplus over current liabilities of £718,336, as compared with a deficiency last year of £140,407. The position is still further strengthened by the balance of £659,370 payable since the date of the accounts, upon the additional share capital.

At the general meeting of the Company on December 15, the Chairman supplied some interesting details regarding the extension in cable construction. A new line has been laid from North Brazil to Barbados, but some difficulty has arisen between the associated concern—the Western Union Cable Company, Limited, and the American Government with regard to continuing the cable from Barbados to Florida. The Company is committed to lay additional cables on the Brazilian coast, and this, together with the projected renewal of the section between Lisbon and Madeira, is estimated to involve a further expenditure of nearly £1,000,000. The outlook for the current financial year appears to be satisfactory, and although a much larger capital will rank for dividend next year, the ability of the Company to maintain last year's dividend is scarcely open to question. The shares of the Company are now quoted at 14¾, yielding a return of 6.8 per cent. on the basis of a dividend of ten per cent. tax free. The Four per Cent. Debenture stock quoted at 61½ yields 6.5 per cent.

JOSHUA HOYLE & SONS, LIMITED.

Subscribed Capital, £1,793,978, in 993,978 7% Preference Shares and 800,000 Ordinary Shares of £1 each.

Year to [illegible]	Net Profits	Dividend on Preference	Dividend on Ordinary	Reserve	Depreciation Fund	Carried Forward
	£	£	£	£	£	£
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

Further progress is indicated in the report of this firm of cotton spinners and manufacturers for the [illegible] ended September 30 last. The net

profit of £289,507 compares with £186,721 last year and £106,519 in 1918. It should be noted, however, that part of the profits of subsidiary companies are included in this year's result. Provision has been made for excess profits duty and interest charges before showing the net earnings, but, as in the previous years, the amount of these deductions is not stated. From the net profit an allocation of £30,033 is made to the reserve and renewals fund, to which the balance of the premium account, amounting to £189,967, is also transferred. The income-tax reserve is allotted £60,000, as compared with £50,000 last year, leaving an available surplus of £238,723, including the balance brought forward. The Seven per Cent. Preference dividend absorbs £37,747, as against £6,125, representing a half-year's dividend in 1919, the increase being mainly attributable to the issues during the year of 743,978 additional Preference shares. There was also an increase in the Ordinary capital from £400,000 to £800,000 by the issue of 400,000 shares at a premium of 10s. per share. The dividend on the old Ordinary shares is increased from twenty per cent. to twenty-five per cent., and a distribution of 7½*d.* per share, or three and one-eighth per cent., is made on the new shares, both dividends being free of tax. The undivided balance, amounting to £88,476, which is carried forward, compares with £39,249 brought in from 1919.

Several important changes are to be noted in the balance sheet, a summary of which is embodied in the following table:—

LIABILITIES.	1919	1920	ASSETS	1919	1920
	£	£		£	£
Capital	650,000	1,750,178	Fixed assets	293,949	340,178
Reserves	140,000	360,000	Stocks	780,789	1,362,207
Loans	115,861	397,385	Debtors, &c.		
Current liabilities	605,691	1,166,770	Cash	411,742	749,110
Undivided balance	39,249	88,476	Investments	148,357	1,411,817
	£	£		£	£
	1,550,801	3,761,342		1,550,801	3,761,342

Reference has been made already to the expansion in capital, upon which at the date of the present accounts there were calls in arrear amounting to £2,265. The reserve and renewals fund with the allocations now made amounts to £360,000. The liability on loan account has been increased by £281,519. Other outstandings figure at £1,166,770, representing an increase of £561,076. The reserves for income tax and excess profits duty are included in this figure, and apparently form a very large part of the total. On the credit side, the fixed assets show an increase of £130,269 at £340,178. It is estimated that the real value of the properties represented by this item is "a matter of millions," and the secret reserves of the Company are, therefore, presumably much larger than the actual reserves which appear in the accounts. The increase of £522,148 in stocks and shares is exceptionally large, but it is to be noted that the stocks held in Mellor St. Mill and Tong Mill are included in this figure. In view of the recent fall in cotton prices the danger of carrying heavy stocks has become much greater, and it is therefore satisfactory to learn that the large stocks held by the Company have been valued on a very conservative basis. Debtors and cash, which are shown together in the balance sheet presented, figure at £749,410, or £337,668 more than last year, debtors being apparently responsible in large part for the increase. The outstanding alteration during the year has been the growth in the item of investments from £148,357 to £1,411,817. In addition to ordinary investments, this figure includes the whole of the Ordinary share capital in six separate concerns, of which four were absorbed during the past financial year. The actual terms of purchase were not disclosed in any instance, but in nearly all cases part of the purchase price was discharged by the issue of Preference shares to the vendors, the balance being paid in cash. These acquisitions have naturally involved a considerable strain upon the liquid resources of the Company, despite the large receipts from the additional Ordinary capital issued. It will be seen that the expenses, amounting to £10,033, in connection with these issues do not appear in the balance sheet, having been written off by a transfer from the premium account. As holdings in subsidiary companies are included among other investments, it is impossible to make any effective comparison between liquid assets and current liabilities. Taking debtors and cash alone, there is a deficiency of over £814,700, which is largely explained by the abnormal growth in stocks. In view of the stringency in liquid resources it has been decided recently to increase the capital of the Company by the creation of 3,000,000 Eight per Cent. "B" Preference shares, of which 1,000,000 may be issued shortly.

The general position of the Company as far as can be judged is satisfactory. The new acquisitions have greatly enlarged the scope of the Company's business, and it seems likely that the ambitious programme of the management will be fully justified by results. Further important developments, presumably on similar lines, were foreshadowed at the annual meeting of the Company on November 27 last. It is stated that important extensions and improvements have been made in the mills and that nearly the whole of the machinery is working at full capacity. Regarding the outlook at present, the Chairman of the Company expressed considerable confidence in the ability of the concern to maintain results, despite the recent depression in the cotton trade. It is probable that all of the net profits covered by the Company's subsidiaries will be embodied in the next accounts, and as much of the capital expenditure incurred has now become fully productive the total profit next year may show a still greater increase. It should be remembered, however, that the Preference dividend next year will require £69,578, as compared with £37,747, apart from any liability on Preference shares which may be issued in the meantime. The Ordinary dividend of twenty-five per cent. will likewise require £200,000, as compared with £112,500. Taking all the circumstances into account it is not likely that a higher dividend than twenty-five per cent. (free of tax) will be paid next year. On this basis the Ordinary shares, quoted at 40*s.* 6*d.*, yield a return of 12.3 per cent. (free of tax), whilst the Seven per Cent. Preference yield over 7.5 per cent. at their present quotation of 18*s.* 7½*d.*

ANGLO-PERSIAN OIL COMPANY, LIMITED.

Issued Capital: £11,075,000, in 5,000 000 Preference Shares of £1 each fully-paid, and 7,500,000 Ordinary Shares of £1 each (6,000,000 being fully-paid).

5% Debenture Stock, £5,000,000.

Year to March 31	Income	Income Tax	Royalty	Written off Oil	Debenture and Loan Int.	Pref. Div.	Ord. Div.	Amt. carried forward
	£	£	£	£	£	£	£	£
1916	165,[illegible]	–	–	19,269	–	9,[illegible]	–	–
1917	291,[illegible]	–	20,[illegible]	–	150,000	110,000	125,219	[illegible]
1918	1,481,[illegible]	–	264,[illegible]	12,889	250,000	236,[illegible]	250,000	87,[illegible]
1919	2,[illegible]	1,[illegible]	65,[illegible]	–	253,000	230,[illegible]	500,000	167,[illegible]
1920	3,[illegible]	1,[illegible]	222,479	233,302	505,000	462,500	937,[illegible]	289,[illegible]

After [illegible] depreciation.
Including £175,[illegible] placed to Reserve Co.
Free of Tax.
Including £1,[illegible] provision for Excess Profits Duty.

At the general meeting of this Company in December 1919 the Chairman confidently forecasted a net profit of not less than £2,500,000 for the twelve months ended March 31 last. The report now to hand fully verifies this estimate. The revenue, after charging administrative expenses and depreciation, shows an increase of over £1,239,000, which is offset to a large extent, however, by an increase of £305,208 in income tax charges, £267,061 in royalty, and £65,945 in Debenture interest. Still, the net profit after providing for these items works out at £2,611,616, as compared with £2,010,806 in 1918-19. In the division of profit no appropriation is made for excess profits duty, whereas last year a reserve of £1,200,000 was created to cover liability for all accounting periods up to March 31, 1919. An allocation of £233,302 is made for the purpose of writing

of all expenses incurred in the issue of 3,000,000 Participating Preference shares, 4,500,000 Ordinary shares and £2,000,000 Five per Cent. Debenture stock in December 1919. The Ordinary reserve allocations are increased from £530,000 to £805,000, the reserve for Debenture redemption being allotted £80,000, the Preference share reserve £50,000, the amortisation reserve £100,000, and the general reserve £575,000, [illegible]. The dividend on the Participating Preference shares is maintained at eight per cent., but the additional capital of £3,000,000, ranking for dividend as from October 1, 1919, increases the total distribution by £150,000 to £310,000. The Ordinary dividend is at the rate of twenty per cent. (subject to tax), as compared with ten per cent., tax free (or 14.3 per cent., subject to tax), last year. The amount distributed, however, is £627,863, as against £300,000 the increase being largely due to the additional capital ranking for dividend. The large balance of £910,978 is carried forward, subject, however, to both excess profits duty and corporation tax, whereas last year's balance of £275,528 was free of liability under these headings.

Some idea of the remarkable growth of the undertaking in recent years may be obtained from the following table:—

Anglo-American Balance Sheets at March 31.

Liabilities						
1917	[illegible]					
1918	[illegible]					
1919	[illegible]					
1920	[illegible]					

Assets						
1917	3,758,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1918	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1919	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1920	11,167,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Of the issue of 4,500,000 Ordinary shares in December last, 3,000,000 have been fully paid and 1,500,000 to the extent of 1s. per share at the date of the balance sheet. With this year's allocations the Preference share reserve amounts to £200,000, the general reserve to £1,075,000, the amortisation reserve to £300,000, and the reserve for Debenture redemption to £240,000, making a total of £1,815,000, as against £1,010,000 last year. There is, besides, an employees' pension and insurance fund, which has been increased from £45,266 to £142,314. The reserve created last year for excess profits duty does not appear, however. The increase of £60,000 in the share premium account represents the balance added after deducting £390,000 discount on the additional Debenture issue from the premiums of £450,000 received on the new Preference issue. Among the assets, the item concession and shares in sundry companies has increased during the past year by £654,291 to £7,777,740, and the figure for buildings and equipment by £1,094,657 to £2,815,000. It is of interest to note also that advances amounting to £2,977,731 have been made during the year to associated concerns. Sundry debtors, including dividends due from subsidiary companies, figure at £3,252,925, as compared with £1,763,[illegible] one year ago. Investments in Government securities, [illegible] Treasury bills have been increased by £700,184 to the large total of £2,386,491. In addition there are holdings of £1,944,986 in Treasury bills which did not figure in the previous accounts. The cash balance shows an increase of nearly £[illegible] and the [illegible] has practically been [illegible] by the weight of £1,[illegible] in excess of the Ordinary shares which were only partly paid at the date of the balance sheet. The liquid assets, excluding stocks but including advances to associated companies, amount to £11,344,494, yielding a surplus over current liabilities (including dividends due) of £7,778,978, as compared with a deficiency last year of £1,044,712. The liability for excess profits duty and Corporation tax is not included this year, however, whereas a sum of £1,200,000 under this heading is included among the current liabilities shown in the previous balance sheet.

Some interesting information is supplied in the report regarding the expansion of the Company's activities and the general condition of its properties. Large extensions have been made to its oil wells and refineries, and the output has been considerably increased. Its subsidiary undertakings have shown satisfactory trading results, and arrangements are being made for largely extending their activities. Reference is also made to the acquisition of an interest in the Scottish American Oil and Transport Company, Limited, and in the new undertakings known as the British Oil Bunkering Company, Limited, and the Commonwealth Oil Refineries, Limited. Arrangements have been completed also for the formation of a company which will operate in France and the French Colonies. Side by side with these developments a subsidiary concern, known as the Tanker Insurance Company, Limited, has been formed to deal with the large insurance business of the combined undertakings.

The foregoing facts taken in conjunction with the world-wide demand for oil in increasing quantities point to a further growth in prosperity during the current financial year. As the Debenture stock and the greater part of the new share capital of the Company will rank fully for dividend however, no increase in the Ordinary dividend is likely. As the Ordinary shares are held privately, mainly by the Government, they are not quoted on the market. The following table shows the prices and yields on the Six per Cent. Participating Preference shares and Debenture stock, the yield on the Preference shares being calculated on the maximum dividend of eight per cent.:—

[illegible]	...	...	[illegible]
[illegible]	...	...	[illegible]

BANK OF MONTREAL.—The president of the Bank of Montreal, at the recent annual meeting, though stressing the gravity of the trade outlook, struck an optimistic note throughout his speech. He insisted that the inherent vitality of commercial organisation of the Dominion should enable her to meet with equanimity the shock of falling prices, restricted credit, and deflated currency. Passing to the accounts of the Bank of Montreal for the year ended October 30, 1920, he showed that an appreciable increase had taken place in business as compared with the previous twelve months. Net profits are $4,033,996, against $3,314,227 for 1919. The total dividend of twelve per cent. (paid in equal quarterly instalments) remains unchanged, but an additional bonus of two per cent. is granted, absorbing in all $2,960,000. The capital stock was recently increased by $2,000,000 to $22,000,000, and a premium of $1,000,000 obtained on the issue. A corresponding increase in the Rest brings the latter to $22,000,000, or, together with the profit balance carried forward, $23,251,850. Notes in circulation show a decrease of 1.5 millions at $42,367,310; deposits are lower by 8.3 millions at $434,317,828; and bills payable by 1.8 millions at $2,500,807. Side by side with this shrinkage in liabilities there is a satisfactory strengthening in cash resources. Gold and silver coin, Dominion notes, and deposits in the central gold institutions have increased 3.2 millions to $94,586,422, but call and short loans and balances due by other banks show an increase of 17.4 millions at $112,164,632. Investments have been reduced by 51 millions to $262,906,511, a change which is even less striking, considering credit restrictions, [illegible] by $20,000,000 in loans.

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

Particulars of these bonds, which are still on offer, appeared in THE STATIST of November 6, 1920.

LONDON HOUSING BONDS.

Full particulars were given in our issue of September 25 and earlier issues.

JUTE INDUSTRIES, LIMITED.

In compliance with the London Stock Exchange regulations, the above Company has advertised a statement amplifying the information given in the prospectus for the recent issue of capital. The purchase consideration for the various jute spinning and weaving businesses acquired was £4,473,810, a figure which seems remarkably low considering that the certified value of the net assets taken over was £8,158,217. It is not stated how much of the £4,473,810 was paid in cash, but considering that the total issued capital, exclusive of the £2,500,000 recently placed, is £2,000,000, at least £2,473,810 of the purchase price must have been cash. The borrowing powers of the directors are limited to twice the nominal amount of the Company's capital, but no money has as yet been borrowed. No Debentures or charges other than bankers' loans may be created without the consent of the Preference holders. It is satisfactory to note that the Company does not find it necessary, following the widely established precedent, to borrow funds in order to tide over the present period of falling commodity prices. This is all the more surprising in view of the undoubted slackness of the jute industry, and of the fact that the proceeds of the Preference issue of last month (£2,500,000), if the early obligation was not deferred, left no margin over purchase liability. Further particulars are available in our advertising columns.

WALTON-ON-THAMES AND WEYBRIDGE GAS CO.

Offer at ninety-five per cent. of £10,000 Seven and a-Half per Cent. Debenture stock, redeemable at par on January 1, 1931. Flat yield, £7 17*s.* 11*d.* per cent. per annum; yield with redemption, £8 6*s.* 3*d.* per cent. per annum.

The Company was incorporated in 1869 to supply gas to Walton-on-Thames and Weybridge. The authorised share capital is £77,000 (issued £38,500), and the loan capital £38,500, of which £12,200 is placed. The money to be raised by the present issue is required to pay for extensions of works and plant rendered necessary by the increasing demand for gas. Net revenue for 1914 amounted to £4,048, but despite an increase for 1919-20 of ten per cent. over the 1914 figures in the volume of gas sold, revenue fell to £2,260. A resumption of the pre-War standard of profits is to be anticipated after January 1, 1921, when the Gas Regulation Act comes into operation. Even at present figures, however, the annual interest charge of £1,238 on the existing mortgage and Debenture stock and that now offered, is amply covered. Investors will note that no mention is made in the prospectus of a pending quotation on the Stock Exchange. The lists close on Monday, December 20.

THE SUTTON DISTRICT WATER COMPANY.

Offer at par of £25,000 Seven per Cent. Debenture stock, redeemable at par on January 1, 1931. Interest is payable half-yearly.

The stock is a full Trustee investment, but will not possess a ready market. The lists close on Friday, December 31.

THE ISLE OF MAN STEAM PACKET COMPANY, LIMITED.

Offer at £300,000 Six per Cent. Tax free Registered First Mortgage Debentures, redeemable at par on or before January 1, 1931. Flat yield, £8 11*s.* 5*d.* per cent. per annum.

The Company, formed ninety years ago, is engaged in the conveyance of passengers and goods to and from the Isle of Man. The issued capital is £600,000, and an additional £300,000 is now required to meet the heavy expenditure entailed in the replacement of four vessels sunk during the War, and the reconditioning of four others recently returned from Government service, and to provide for the redemption of £150,000 Debentures maturing on January 1, 1921. The present issue will be secured by trust-deed as a first specific charge on the freehold land and buildings in the Isle of Man and on steamers (unspecified) belonging to the Company. The Debentures will in the first instance bear interest at six per cent. per annum, the maximum allowed under the local statutes. The directors expect, however, to be able to get the restrictive provision repealed before the first interest date, in which case the payment will be made tax-free. If their efforts do not meet with success, they may at least have the consolation of having obtained capital in a stringent market at six per cent. per annum. Such an outlook is not calculated to attract investors. The prospectus contains no certified statement of asset values or of past profits, and is on the whole a most unsatisfactory document. There is no mention of a pending Stock Exchange quotation. The lists close on Saturday, December 18.

AKIM ALLUVIALS, LIMITED.

Offer at par of 300,000 5*s.* shares. The Company has been founded, with a nominal capital of £150,000 (divided into 600,000 shares of 5*s.* each), to "turn to account rights and interests in parts of the gold properties belonging to the Goldfields of Eastern Akkim, Limited, and the diamond properties belonging to Akim Diamond Fields, Limited." The "rights and interests" consist of an option for the period of one year on the properties concerned, the consideration for such option being the right to subscribe for the remaining 300,000 shares at a price of 6*s.* each. It is not quite clear what meaning the promoters wish to convey in the phrases "an option on 1,280 acres" and "an option to acquire 640 acres." If it is an option to purchase, the price is not disclosed; if it is merely a one-year lease, it is a most unusual arrangement. If the vendors (or lessors) are willing to cede their properties for a right to subscribe at a premium of twenty per cent. for shares which are at present obtainable on the market at par, one is not impressed by their business acumen. It is interesting to note that the King of Eastern Akkim is a director of Akim Diamond Fields, and that his chiefs and people are largely interested as shareholders. The Goldfields of Eastern Akkim, Limited, was formed in April 1919, to acquire, *inter alia*, the properties of the Asiakwa Alluvial Syndicate and Eastern Akkim, Limited. The shares of both the parent companies are quoted at present at a substantial premium, but the prospectus for the present issue is not a convincing document in view of the lack of precise information as to the nature of the option. There will apparently be no Stock Exchange quotation. The lists close on Monday, December 20.

THE WALLER HOUSING CORPORATION, LIMITED.

Issue at par of £60,000 Ten per Cent. Four-Year Credit Notes, redeemable at 110 per cent on or before December 31, 1924, and 70,000 Ten per Cent. £1 Cumulative Participating Preference shares. The Preference shares are entitled to half the surplus profits left after payment of a dividend of five per cent. on the Ordinary shares. Yield, with redemption on the notes, £12 3*s.* 1*d.* per cent. per annum.

The Company was formed in December, 1919, to develop the Waller system of building construction. Very little explanation of the system is given in the prospectus beyond that the principle is one of mass production, and "all the component parts of the Waller house are made of reinforced concrete." No estimate of construction costs is given, nor is it disclosed to what extent, if any, the Company goes towards the provision of stairs, floors, windows, doors, interior wall surfaces, shelving, rain-pipes, railings, and heating, lighting, and sanitary arrangements. Contracts for the erection of 1,850 houses have been secured from five leading municipalities, who will pay the total cost of construction and a certain additional sum as remuneration to the Company. Existing contracts will bring a gross profit of £65,000, of which £60,000 will not be received till the end of 1922 at the earliest. The whole of this sum will be specifically earmarked for the redemption of the notes now offered. The interest payments will therefore have to be provided from future contracts. Total gross profits for the coming two years are estimated at £140,000. Estimates of returns on contracts yet to be obtained cannot pretend to any measure of accuracy. In the present case, it would seem that Poole will pay a surplus over cost of £70 per house, Liverpool £40, and Cardiff

£20. Such a variation, combined with the increasing difficulty of municipalities to obtain housing loans, raises a doubt as to whether the directors will realise their anticipated gains. In any case, it is not evident how the interest charges for the notes and Preference shares at present on offer will be met in the first year. The Company seems well organised on the technical side, but its financial stability remains to be demonstrated. The unusually high yield on, and the necessarily restricted market for, both shares and notes will deprive them of interest for prudent investors who do not possess an intimate knowledge of the undertaking. The lists close on Tuesday, December 21.

BRIDLINGTON AMUSEMENTS, LIMITED.

Offer at par of 48,000 Ten per Cent. £1 Preference shares and 24,000 5s. Ordinary shares.

The Company has been formed to acquire a cinema theatre (with restaurant and roof garden) in Bridlington, Yorkshire. The restaurant will be available as a ballroom, from which a substantial revenue, in addition to that of the theatre, is expected. The properties are valued at £65,000, and the purchase price is a similar amount payable £40,000 in cash and £25,000 in shares. The preliminary expenses, at £5,500, *plus* an underwriting commission of seven and a half per cent. on the Preference shares, are a liability of the Company. Annual profits are estimated at £18,218, which would give a return of over ten per cent. No mention is made, however, of previous results. The offer will not appeal to cautious investors. The list closed on Friday, December 17.

GLOUCESTER CINEMAS (1920), LIMITED.

Offer of 18,250 £1 Ten per Cent. Cumulative Preference and 19,250 £1 Ordinary shares.

The Company has been formed to acquire from Gloucester Cinemas Limited, a cinema in Stroud and a hotel in Cheltenham. It is intended to modernise the hotel and erect a cinema on a vacant site behind it. The hotel and fittings are valued at £44,850, and the proposed theatre will cost about £25,000. No valuation of the Stroud undertaking is given. The purchase price is £47,500, payable £23,500 in cash, £12,000 as a second mortgage on the property, and the balance in shares. The information disclosed in the prospectus is not very convincing, and the issue possesses little attraction even as an entertainment speculation.

C. H. NUTTALL AND COMPANY (1920), LIMITED.

Offer at par of 250,000 £1 shares.

The Company has been formed to acquire spinning and doubling businesses in Stalybridge and Radcliffe. Surplus assets were valued in the last balance at £250,000, and an equal amount, wholly in cash, is payable as purchase consideration. As the receipts from the present issue will go *in toto* to the vendors, it is not apparent how preliminary expenses are to be met or working capital obtained. The prospectus does not reveal any anterior history or what previous profits have been made. The issue offers no inducement to any except, perhaps, those with an intimate knowledge of the undertaking.

TROCADERO CINEMA (LEEDS), LIMITED.

Offer at par of 27,000 £1 shares.

The Company has been formed to acquire a site in Leeds for the erection of a cinema theatre. The estimated cost of building and equipping the theatre is £30,000, and £5,000 is payable for the freehold site. Estimating on a basis of 1,000 seats out of 1,200 being occupied at nine performances per week, the directors anticipate an annual profit of £8,750. It is not stated when the theatre may be expected to open to the public. The offer will not make any appeal outside local circles.

Anglo-Javanese Rubber.—The recent offer of 200,000 2s. shares at par (after a preliminary offer of 2s. 6d.) having failed, a financial crisis has arisen for the Company, and, in consequence, a meeting of the shareholders will be held on Thursday, December 23, to consider a scheme of reconstruction. It is proposed that a new Company be formed, with a nominal capital of £175,000 in 2s. shares, to take over the assets and liabilities of the present undertaking and those of the Anglo-Mersing Rubber Estates Limited, in which latter Anglo-Javanese Rubber holds 500,000 2s. shares. The consideration on the sale will be the allocation of 1,000,000 2s. shares (credited 1s. 3d. paid up) in the new Company to the liquidator of the Anglo-Javanese Company, or his nominees, and the 200,000 shares (similarly credited) to the liquidator of the Anglo-Mersing Company or his nominees, and the payment of costs of winding up both companies. The scheme, if carried through, will give the new undertaking a cash capital of £47,500 when the shares of 9d. per share is paid up. The directors consider that under the circumstances it is the best arrangement that can be formulated, and strongly request the shareholders' support.

ISSUES TO SHAREHOLDERS.

Mexican Eagle Oil.—2,757,450 £10 Ordinary shares at par in the proportion of one new share for every two Ordinary already held. Last Mexican quarterly 2s. 6d. is at present about 2s. 1½d.

Malaya General Co.—5,000 £1 shares at par in the proportion of one new share for every two held on November 11.

Standard Oil Company of Mexico.—70,000 2s. "A" shares *pro rata* to bondholders.

Tarmac.—60,725 £1 Ordinary shares at 24s. 6d. each to holders registered on December 11. The right of renunciation is given. Application must be made before December 20.

Batu Rata (Sumatra) Rubber Plantations.—20,000 £1 shares at par in the proportion of one for every six held.

Senoi Sekoh (F.M.S.) Rubber Company.—250,000 2s. shares in the proportion of five new shares for every twelve held.

PENDING ISSUES.

Speaker Spitzer.—£250,000 First Mortgage Debentures (subject to noteholders' sanction).

H. W. Trickett.—75,000 new £1 shares at £1 6s. 3d.

Naparima Oilfields of Trinidad.—50,000 new £1 shares at 30s. to holders.

Books Received.

Industrial Problems and Disputes. By Lord Askwith. Price 21s. net. (London: John Murray.) A book that will be largely read in view of the vast experience in the matter of trade disputes and the mass of information which must have been collected in the course of Lord Askwith's conciliation proceedings. He urges that there must be simple and plain modes of bringing forward grievances; greater efforts to improve the comfort of the workshop, to reduce the fear of unemployment, and reduce the monotony of work; while there must be an attempt at better personal understanding, and chances given to the young to make use of their education, and by means of their brains and energy to have opportunity of service to others and to themselves.

Official Year-Book of the Union of South Africa and of Basutoland, Bechuanaland Protectorate, and Swaziland. Containing statistics mainly for the period 1910-18. Published under the authority of the Minister of the Interior, Pretoria. Arrangements have been made to issue at quarterly intervals Abstracts of Statistics embodying more recent information, which should be regarded as supplementary to the Year-Book, and will undoubtedly serve a useful purpose in utilised conjointly with it.

The British in China and Far Eastern Trade. By C. A. Middleton Smith, M.Sc. Price 18s. net. (London: Constable and Company, Limited.) An interesting account of British operations in China, with a short historical survey, and an inquiry into the outlook and prospects for trade, shipping, and other enterprise held out by the immense resources of the great Eastern Republic.

The Companion Scottish Diary and Reference Book for 1921. Edited by Sir William A. Waterlow, K.B.E. Eleventh year of publication. Prices, 5s. and 7s., according to diary and binding. (London: Waterlow and Sons, Limited.)

Report of the Departmental Committee Appointed by the Board of Trade to Inquire into Certain Matters Relating to Industrial Research. (Cmd. 1027.) (London: H.M. Stationery Office.) Price 2s. 6d.

Canada's Possibilities. Prepared by the Foreign Trade Department of the Royal Bank of Canada. In view of the increasing attention which manufacturers and business men in the country are giving to Canada both as a market and as a possible location for branch establishments, the Royal Bank of Canada have published a survey of the country's resources, including certain statistics and information on preferential tariffs and bounties.

MEETINGS
OF PUBLIC COMPANIES.

The Amalgamated Cotton Mills Trust, Limited.

SATISFACTORY YEAR'S TRADING: THE BURDEN OF TAXATION.

THE second annual general meeting of this Company was held on December 14 at Essex Hall, Essex Street, Strand, London, W.C., the Rt. Hon. Lord Fairfax (the Chairman) presiding.

The Secretary (Mr. Stanley Hutchinson, F.C.A.) having read the notice convening the meeting and the auditor's report on the balance sheet,

The Chairman, who was enthusiastically received, said: Ladies and Gentlemen,—Those of you who were present at the extraordinary general meeting of the Company, held on March 30 last, will recollect I announced that the directors had acquired the shares of the well-known business of "Haslams," including the control of the subsidiary companies, which I will give in detail. This purchase was duly completed, and I am glad to announce that we were successful in acquiring the balance of the Ordinary shares of all the subsidiary companies at a satisfactory price, thus giving us either by virtue of holding the whole of the Ordinary shares in John Haslam and Company, or by the purchases just mentioned, the complete ownership of these companies. These companies have proved a most satisfactory and profitable investment in spite of the abnormal condition now ruling, not only in the Lancashire trade, but in trade the world over. During the past six months we have been busy welding these fine businesses into our amalgamation, and beyond the completion of the purchase of the businesses just referred to, your directors have thought it inadvisable to extend their activities, with one exception, viz., The Wardle Cotton Company, Limited, of Rochdale, which they obtained on extremely advantageous terms just before the close of our financial year. This last acquisition consummates the policy which your directors have been endeavouring to develop for a considerable time, namely, to use all their waste products, but of course no time has elapsed in which to receive any income from this last addition to our investments.

Functions of the Trust.

Perhaps I had better now explain the functions of The Amalgamated Cotton Mills Trust, Limited. The Trust was formed for the purpose of acquiring share holdings in old and well-established cotton manufacturing and merchant businesses in Lancashire. The number of businesses in which these holdings have been acquired is set out in the directors' report, and include some sixty-two mills, and will be dealt with in more detail by Colonel N. Seddon Brown, who is the Managing Director of Horrockses, Crewdson and Company, and the General Supervisor of all the mills. No company formed in recent years has ever assembled such a combination of businesses, whose ramifications reach all corners of the world and whose trade marks and reputations have an unrivalled standing. I cannot emphasise too strongly the fact that we must not be looked upon as an ordinary cotton-spinning concern—the companies whose shares we hold represent far more. Such respected names as Horrockses, Eckersleys, Haslams, and Hyde Buckley, which have taken more than a hundred years to build up, are as well known on the Continent and other parts of the world as they are in England.

The Advisory Committee.

Every request from our Companies for additional capital is carefully considered by the Advisory Committee, who report the merits of the case to the directors, and it is the policy of this Company to only advance money where they are assured of a fair economic return, and in all cases up to date this has proved highly satisfactory.

It has been our invariable practice, when acquiring control of a property by the purchase of shares, to stipulate for the continuance of the existing management, and in all cases we have been able to do this. This preserves the goodwill of the Companies, and I take this opportunity of tendering the thanks of the directors to the management and staffs of the various Companies for their loyal and efficient services.

Since I last addressed you I have many times been to Lancashire and personally visited the mills of Horrockses, Eckersleys, Acme, Hyde Buckley's, Ashworths, Mill Hill, Thomas Moss, and Chorley, and it is my intention to visit the remainder of our mills at an early date. Everywhere I was impressed by the enthusiasm and loyalty of our Executive, and in my conversations with the operatives I formed the opinion that everything that could be done for their welfare was receiving attention, and I came away quite satisfied that everyone throughout the organisation was conscientiously doing their utmost.

I cannot but remark upon the good feeling existing between the management and the operatives. It pleased me greatly to get in touch with many of our employees and learn the sterling qualities they possess.

Employees Participation in Results.

You may also remember that at our meeting in March last it was stated that we were anxious to bring about some scheme whereby the employees might participate in the prosperity of the Company. These schemes are, I believe, generally arranged by the issue of shares, carrying very special rates as to dividends, which may be subscribed for to a limited extent by the employees. We went very fully into this matter, and concluded that the most satisfactory arrangement would be for the various Companies to receive loan money from the employees at a rate of interest equivalent to the rate of the dividend paid on the Ordinary shares of the Amalgamated Cotton Mills Trust, Limited, with a minimum of five per cent. per annum, free of income tax.

These loans are limited to £250 for each employee, and we are taking all precautions to prevent an employee borrowing money in order to obtain the increased rate of interest on money borrowed rather than on savings. The special rate of interest is not payable to the employee until the loan has been with the Company for one year, but in any event five per cent. per annum, free of income tax, is paid, and the loans are repayable by the Companies on demand. I am glad to be able to report that this offer by the boards of the various Companies has been received with considerable enthusiasm by the employees, and I feel certain that the shareholders will agree that concessions such as these serve to unite the employees into a happy family, thus benefiting themselves and the Company they serve.

The scheme has been in operation only a little over a month, and, in spite of the fact that the mills are working on short time, the operatives have already made deposits amounting to over £35,000.

Trade of the Past Year.

Regarding trade during the twelve months under review, all our plants were kept running at their full capacity for the first eight months, and the demand for our goods was enormous. During the past four months, however, trade slackened off considerably, and, in common with other concerns, we are, unfortunately, running on short time. All the evidence we can obtain leads us still to believe that stocks of finished cotton goods in many markets are practically exhausted, but the difficulty of finance, coupled with the sensational drop in raw cotton, has caused buyers to hold off. There are various causes that are operating against the confidence of buyers the world over. One of the most important factors being the state of the foreign exchanges, which is undoubtedly a most serious feature resulting from the effects of the War. The resumption of trade, however, can only be deferred for a period when buyers will find it necessary to satisfy the demand for goods in their respective countries. This latest demand has also been intensified by the great shortage of goods resulting from four years' reduction of output during the War, and decreased production through reduced hours of labour.

Cost of Raw Material.

The question of the present cost of raw materials is one which is receiving serious attention from the trade To-day the price of cotton in Liverpool is well below the actual cost of growing and transporting it there. The law of supply and demand must eventually operate, and adjust prices to such a level as will be remunerative to cotton growers, and those who handle the raw material, and this should, in time, bring about an improvement. It is difficult to forecast trade prospects for the ensuing twelve months, as, although we know for a fact that cotton goods are badly needed the world over, we also realise that money must become easier for the home trade, and foreign exchanges more stable before foreign buyers can resume purchasing in large quantities, or even for their absolute needs

The lack of buyers during the last four months has necessarily increased our stocks, and caused us a certain amount of anxiety, but it will be satisfactory to the shareholders to know that during this period of unexampled

depression in the cotton trade, and in spite of our stocks accumulating month by month, the whole of our concerns have been able to work on a profitable basis.

This is particularly satisfactory, inasmuch as I am assured by Colonel Seddon Brown that the whole of the cotton in our warehouses is paid for, and that our stocks at cost, or at the low market price of to-day, represent a value of more than seven times our total indebtedness to the bankers of all our Companies after the payment of the final dividends.

A Liquid Stock.

In fact, such amount, after we have paid out the dividend to-day proposed, will be equal to very little more than one full week's turnover of all our concerns. I am further assured by our selling organisations that when the moment arrives for buyers to resume purchases, our stock is of such a liquid nature that we shall be able very quickly to pay off our overdraft, and to be in credit.

I may also definitely inform the shareholders that it is not the intention of your directors to purchase further business of any description, as we are of the opinion that we have now a complete organisation.

The directors' report and accounts covering the financial year of the Company ended October 31 last having been in your hands for more than the prescribed period, I therefore propose, with your permission, to take them as read.

The Balance Sheet.

I have to deal with the important points in the balance sheet and accounts, which I will do in the order they appear.

Since the date of the last annual general meeting, the following issues of capital have been made:

(*a*) In December 1919, 1,300,000 Ordinary shares of £1 each were issued at £3 per share, or a premium of £2 per share.

(*b*) In April 1920, 2,50,000 Ordinary shares of £1 each were issued as fully paid to the existing Ordinary shareholders in the proportion of three bonus shares for each two Ordinary shares held. This issue of bonus shares represented a distribution in respect of part of the premiums received on the issue of Ordinary shares for cash, to which I have just referred.

(*c*) In May 1920, 1,800,000 7½ per cent. "B" Preference shares of £1 each were issued at par, and 900,000 Ordinary shares of £1 each at £1 5s. per share. No offer of this issue was made to the public, but an opportunity was given to the shareholders to subscribe to the same *pro rata*.

With these issues the capital of the Company now amounts to £7,250,000, made up of 800,000 Preference shares of £1 each, 1,800,000 "B" Preference shares of £1 each, 4,650,000 Ordinary shares of £1 each.

PREMIUMS ON SHARES, £458,085.—This amount, which is really in the nature of a reserve, represents the balance of premiums received on shares issued for cash after deducting the issue of bonus shares to which I have just referred and after writing off the balance of preliminary and new issue expenses amounting to £116,914.

MORTGAGE AND ACCRUED INTEREST, £373,732.—This liability is the balance of a mortgage which was raised at the inception of the Company. Provision was made for the repayment of this mount, but owing to the conditions of trade it has been necessary to temporarily lend this money to our companies to assist in financing their stocks.

We are advised that the companies will be able to repay our loans to them when trade becomes more normal, and we anticipate that the mortgage will be cleared off at an early date.

LOANS AND ACCRUED INTEREST, £218,394.—These are departmental loans from our subsidiary companies, and in considering the balance sheet of this Company should be deducted from the loans shown on the other side of the account to which I will refer in a moment.

This liability is really a book entry, arising from the fact that the mills to which we have lent money differ from those who have lent money to this Company, and the liability will automatically disappear when part of the loans made by us are repaid.

SUNDRY CREDITORS, £2,373.—This item does not call for special comment, but represents the ordinary miscellaneous liabilities of the Company, accrued but not paid at the date of the balance sheet.

BANK OVERDRAFT, £197,735.—During the year the shares of two companies were purchased without the raising of additional capital, as we relied on the repayment of loans we had made to other companies. This was not found practicable owing to the circumstances I have already mentioned, and the bank overdraft at October 31 is explained in this way. The overdraft has, however, since been practically liquidated.

REVENUE ACCOUNT.—I will refer to this later.

Turning to the asset side of the balance sheet, the first and by far the most important item is investments. At the date of the last balance sheet the Company held, and still holds:

All the share capital in Robert Hyde Barkley and Sons, Limited, which has since acquired the Victoria Mills, Chorley.

John Ashworth (1922), Limited.

The Mid Hall Spinning Company, Limited.

All the Ordinary share capital in Eckersleys Cotton Trust, Limited, which Company holds the shares of Eckersleys, Limited, and the Acme Spinning Company, Limited.

Since the date of the last balance sheet the following additions have been required:

All the share capital in Horrockses, Crewdson and Company, Limited, Thomas Moss and Sons, Limited, Redmayne and Isherwood, Limited.

All the Ordinary share capital in John Haslam and Company, Limited, which (with additional acquisitions by this Company) holds all the share capital in the following companies, with the exception of a proportion of Preference shares:—

Haslams, Limited.
The Haslam Spinning Company, Limited.
The Cellular Clothing Company, Limited.
John Kershaw and Company (Bolton), Limited.
Haslam Weaving Company, Limited.
The Riversdale Mill Company, Limited.
The Bolton Heald Company, Limited.

Your Company also holds all the shares of the Wardle Cotton Company, Limited.

I would draw your attention to the following items:—

Investments in cotton mills companies ...	£6,987,397
Investment in companies other than cotton mills	153,000
Loans and accrued interest	1,264,845
Making a total of	£8,405,341

When we purchased the shares in the cotton mills companies that I have already detailed to you, all the companies were going concerns, and possessed ample working capital for their trade in ordinary times. Owing, however, to large extensions the companies have carried out (which have resulted in considerable expansion of business) and the carrying of stocks much above the normal value, it has been found necessary for us to make advances to the companies by way of loan.

In the meantime, a fair rate of interest on these loans is paid by the Companies, in addition to the dividends received from them, and this interest is deducted before the divisible profits of the Companies are arrived at.

DIVIDENDS ACCRUED, £566,301.—This amount represents dividends declared by our subsidiary Companies, which had not been received in cash at the date of the balance sheet, but are now in hand.

Allocation of Profits.

In the accounts you will observe:

REVENUE.

	£ s. d.
Dividends on shares, interest, &c., received or accrued during the year, covered by the accounts amounted to ... (Upon which income tax has already been paid.)	859,276 0 0
Deducting interest, directors' fees, and general management expenses, &c.	80,688 11 8
There remains a balance of	778,589 8 10
Dividends have been paid—At the rate of seven and a half per cent. per annum on the Preference and "B" Preference shares to October 31, 1920	£88,084 18 8
On March 30, 1920, an interim dividend of 3s. per share, free of income tax, on the 1,500,000 Ordinary shares existing at that date	£225,000 0 0
Together amounting to	313,084 18 8
Leaving	465,504 10 2
To which must be added the balance brought forward from the last balance sheet ...	769 7 3
Resulting in an available balance of	466,273 17 5
Out of which the directors propose to pay a final dividend of 1s. 6d. per share, free of income tax, on the 4,650,000 Ordinary shares now issued, absorbing ...	348,750 0 0
and to carry forward the balance of	117,523 17 5

This, I think, deals fully with the details of the accounts, but if there is any point I have not made quite clear I shall be pleased later to reply to the best of my ability to any questions of the shareholders.

Dividend Policy.

You will observe that the directors propose to carry forward a balance of £117,523, which is equal to rather more than another 2½ per cent. free of income tax on the Ordinary share capital of the Company. The question of dividend received the very careful consideration of your directors, and after full discussion it was decided advisable not to distribute the profits to the full extent to carry forward a balance which will be available for distribution when conditions become more settled.

The directors feel sure that in these abnormal days this conservative policy will meet with the entire approval of the shareholders. I should, however, emphasise that, in addition to this balance of £117,525 which the Amalgamated Cotton Mills Trust, Limited, is carrying forward, the total net profits of the Companies for the year, after making very liberal reserves for excess profits duty, Corporation profits tax, income tax, depreciation, and the creation of all necessary reserves, amount to considerably more than the sum declared by them in dividends, and this additional retainable profit will, therefore, remain invested in their businesses as further working capital, and our assets are thereby correspondingly increased in value.

At our first annual general meeting I informed you that only approximately fifty per cent. of the divisible profits of the companies whose shares we then owned had been distributed in dividends, resulting in an equivalent amount being retained by the companies as extra working capital.

This year, although more than fifty per cent. of the divisible profits have been distributed, the amounts retained by the companies aggregate some hundreds of thousands of pounds.

It is not this Company's intention to extract anything like the profits earned, but to receive only a sum sufficient to pay a fair economic return on the capital invested, and to rely on the continued appreciation of the value of our investments, which will all be to the benefit of the shareholders.

It will be seen, therefore, that it is unnecessary for this Company to build up a specific reserve in view of the amount of undistributed profits remaining in the hands of the subsidiary companies, who, in addition, had written ample depreciation off their assets and made all necessary reserves.

As your Company is a holding Company, the income received by it from the operating subsidiary companies is simply that portion of the profits which it has been considered wise to distribute.

The directors recommend the shareholders to sanction the payment of a final dividend of 1*s.* 6*d.* per share, free of income tax, in respect of the year ended October 31 last on the existing 4,650,000 Ordinary shares. An interim dividend of 3*s.* per share, free of income tax, was paid on March 30 on the Ordinary capital then issued.

Burden of Taxation.

The report states that the trading stocks, taken at cost or market price, whichever was lower, exceed £7,000,000, and that the net liquid assets exceed £5,000,000, after providing for all liabilities and after reserving over £1,800,000 for taxation, all of which we hope we shall not have to pay. In this respect I cannot help pointing out to you that this taxation represents about 8*s.* per share on the entire 4,650,000 Ordinary shares outstanding. This demonstrates very forcibly the great burden of taxation we have to bear, but notwithstanding this I can inform you that the net liquid assets of the companies at to-day's low prices are more than sufficient to pay off the debentures of Horrockses, Crewdson and Company, and the Preference capital of this Company. There would then be left, as security for the Ordinary shareholders, the whole of our mills, which are mostly freehold, and the valuable merchant and other businesses we possess, to say nothing of the enormous goodwill of the great firms we own or control.

Exports of Yarn.

It also may not be out of place to remark that for the eleven months of this year the exports of yarn and cotton manufactured goods from this country amounted to £375,000,000, out of the total exports from the United Kingdom of £1,040,000,000, or, roughly, thirty-six per cent. of the total. You will therefore observe that such a vast trade is one of the foundations on which the commercial supremacy of this country rests; but it is up to our politicians, bankers, trade union officials, working and all other classes, to see that none of the foundations are permitted to be destroyed. The commercial community is going through a very critical time, and it is hoped that the Government will approach this difficult problem in a statesmanlike manner, and endeavour to restore confidence in the business world. A great step in this direction would be the abolition of the unfair excess profits duty, which has done so much to ruin the business of this country.

Tribute to Cotton Operatives.

I would like to observe that the output of production in return for wages paid in the cotton trade is one which reflects great credit upon cotton operatives, and if only workpeople in other trades would follow their fine example and give a greater production, it would be one of the first steps towards national financial rehabilitation and their own well-being.

Your directors have seen fit to continue pensions to the old workpeople in all cases where such pensions were being paid at the time the respective mills were taken over, whilst the subscriptions to hospitals and charities have been, and will be, kept up.

In conclusion, I have endeavoured to place before you, to the best of my belief and ability, a fair and true aspect of the present position of the Company, and as regards the future prospects of the Company, never did the names of Horrockses, Haslams, Eckersleys, Hyde Buckley, and other companies stand higher, and therefore we can look to the future with confidence. (Applause.)

I now have pleasure in formally proposing that the directors' report and accounts, covering the year ended October 31 last, be and they are hereby received, approved, and adopted.

I will ask Mr. Ormrod to second this resolution, but before putting it to the meeting I shall be glad to answer any questions any shareholder may have to ask. Before, however, questions are put I am sure you would like to have a few remarks from Colonel Seddon Brown, our Supervisor, which I am sure will be of great interest. (Applause.)

Statement by Mr. Ormrod.

Mr. A. L. Ormrod: I have very much pleasure in seconding the resolution so ably proposed by Lord Fairfax, and in doing so I will just say one or two words. First of all, it may be of interest to you to know that the directors round this table individually own, or indirectly represent in their immediate connections, probably over one-third of the Ordinary share capital of this Company, not to speak of Preference capital. That is evidence not only of their great interest in the Company, but of their great satisfaction with the lines on which the constituent companies are assembled, and with the great opportunities they have of making good in the cotton trade. Secondly, I am glad to have the opportunity of seconding the resolution, because the statement which Lord Fairfax has made to you has been particularly clear, and I know that it will be amplified by what Colonel Brown will say. There have been so many rumours current lately—whether circulated by malice or whether carelessly circulated—as to the position of this Company with regard to the raw material, some of which have reached our ears, that it must be particularly interesting to you to know, as you have heard from Lord Fairfax, and as you will hear from Colonel Brown, that our position with regard to raw material on its present basis of price is particularly favourable. (Hear, hear.)

The Chairman: I will now call upon Colonel N. Seddon Brown.

Haslams, Limited.

Lt.-Col. N. Seddon Brown: My Lord Fairfax, Ladies and Gentlemen,—I have been requested to give you a picture of our properties and activities, and at the risk of repeating some information which I had the pleasure of giving you at the extraordinary general meeting of the shareholders held in March last, I shall be pleased to do what I can in this direction. When I last had the pleasure of addressing you, our directors had recently contracted to purchase the shares of the well-known undertaking of John Haslam and Company, Limited. This contract was duly completed, and we now have added to our numerous companies this large group.

John Haslam and Company, Limited, includes, firstly, the great merchant house of Haslams, Limited, which is one of the best-known merchants houses for cotton goods not only in Lancashire, but all over the world, and which has a large number of departments selling a very great variety of cotton cloths. It also includes the Cellular Clothing Company. This Company is a huge organisation having several making-up factories equipped on most modern lines, its own bleaching plant, and laundries, and its warehouses, &c., for the distribution of its goods. The Cellular Clothing Company is particularly famous for its Aertex Cellular Clothing, which it manufactures and sells to the public as a finished article. The firm of John Kershaw and Company (Bolton), Limited, which is entirely a weaving firm making many varieties of fancy cottons and brocades, &c. The Riversdale Mill Company, Limited, another weaving firm, and the Haslam Weaving Company, Limited, which again is a well-known and well-equipped weaving mill. The Haslam Spinning Company, Limited, which owns three large mills, spins very high-class yarns, chiefly from Egyptian cotton. The Bolton Heald Company, Limited, are makers of healds and reeds. These healds and reeds are important articles used in every weaving mill in the world, and the Bolton Heald Company is able to supply all requirements in this direction for our various weaving concerns, and also has a valuable outside business, not only at home but abroad.

Scope of Operations Extended.

The above-mentioned businesses, which comprise John Haslam and Company, Limited, brought into our organisation a great addition to the many qualities of cloths and yarns which we had for sale. They have necessarily very much extended the scope of our operations, and now that we have welded them into our organisation, enable us to increase our activities in many directions. For a description of our other properties I might also refer you to my speech of March last, but for the benefit of those shareholders who were not on our register at that date, may I just run very quickly through our various concerns. Horrockses, Crewdson and Company, Limited, is the largest and, I think, the oldest of our branches. It is a marvellous organisation, which has taken 130 years to build up. It has a wonderful group of absolutely modern spinning and weaving mills, with their own dyeworks and their own huge warehouses in Manchester. Its merchant business alone is world-famed. It weaves nearly

every kind of cotton cloth for almost every market in the world. [illegible] products are world-famed, and the word "[illegible]" is the synonym of a cloth in a market in every corner of the globe as evidenced by [illegible] and [illegible] with a description of the various [illegible] branch, I only need to remind you that everyone knows and speaks of [illegible]

[illegible] has taken well over 100 years to build up. It now consists of large and modern mills, and it produces yarns and cloths chiefly for the Eastern and foreign markets, and [illegible] markets, particularly the "Cut Head" [illegible] and exported to all parts of the world.

Other Interests.

[illegible] Bros. Ltd., and [illegible] are each of them [illegible] businesses, and possess very high class [illegible] and [illegible] yarns. They are also large users of the best quality [illegible] voiles and similar cloths. The demand for their cloths was so great that it was found necessary to [illegible] purchase the Victoria Mill, Oldham, in order to enable them to increase their output.

The Acme Spinning Company, Limited, owns two modern mills, the chief point [illegible] being that [illegible] on the premises. These mills spin medium counts American varieties, and have been laid out as examples of well designed and efficient cotton mills.

John Ashworth (1902), Limited, also own two mills, and are specialists in [illegible] yarns with a high reputation for their products.

Mill Hill Spinning Company, Limited, who have two mills in Bolton, are spinners of fine Egyptian yarns with a very old established business.

Thomas Moss and Sons, Limited, are engaged in [illegible] only. This firm also owns 1,000 looms, and makes high quality cambrics, embroidery cloths, &c.

Redmayne and Isherwood, Limited. This is a very well known waste-manufacturing and waste-dealing business. It owns excellent mills and warehouses, and deals with the waste products from our various spinning and weaving mills.

Now, ladies and gentlemen, I have tried to give you a description of our properties. Having acquired these properties and organised them, so that they each hold their respective place in our huge amalgamation, the directors felt that we had practically completed our organisation.

Dealing with Waste Products.

It was, however, realised that although we had made a step in the direction of dealing with our waste products, through our firm of Redmayne and Isherwood, we had not yet succeeded in dealing with all the waste that we made. With this object in view we carefully considered as to whether we should extend the works of Redmayne and Isherwood, but owing to the great difficulty in obtaining machinery, and the enormous cost of building, we looked around to see if we could get over this difficulty in some other way, and I am glad to say that we were successful in finding a complete waste-spinning plant, and in acquiring the whole of its shares in October last. This property is owned by the Wardle Cotton Company, and is a most excellent waste-spinning plant containing some 14,000 spindles. It also has a very large and entirely modern waste bleaching plant, and it owns a most excellent water supply and valuable freehold property.

The Wardle Cotton Company, coupled with Redmayne and Isherwood, will eventually deal with every bit of waste we make at every one of our branches, and that brings me to this point:

We [illegible] an organisation which starts with the raw cotton. We purchase almost every kind of cotton, whether Egyptian or American. We [illegible] that one branch another into almost every conceivable kind of yarn, from the very coarsest to the very finest, from the softest to the hardest, and we [illegible] such a variety of cloths that there are few [illegible] made [illegible] that we not purchase in either one branch or another.

The Dyeworks.

Further than this, we have our own dyeworks. We do a certain amount of bleaching, we have [illegible] up garments, and we even go so far as to [illegible] to dye under our own [illegible] and [illegible]

You will see from this description that I have just told you how wide our [illegible]

When I last addressed you we employed about 11,000 operatives; we now employ 17,000, and I would not be giving you a full description of our activities if I neglected to remind you that at many of our branches we have been carrying out extensions and alterations which ultimately, when they are completed, will still increase our output, and which will tend to greater efficiency. During the past year I can assure you that we have kept the whole of our plant up to concert pitch. We are continually [illegible] becomes necessary. We have allowed [illegible] depreciation, and the stocks at every branch at our last stock-taking at the end of September last, as at the end of our commercial year, were taken on the most [illegible] basis.

Activities Abroad.

In addition to our activities at home we have in some cases our own [illegible] abroad, [illegible] in various parts of Australia and America [illegible] have [illegible] We have never hesitated to explore every possible channel [illegible] inform you that at the present moment we have two of our [illegible] visit to South Africa, and another to Sweden, and members of our staff have recently returned from business trips to Switzerland, Germany, Austria, France, Spain, and the Balkan States. Quite apart from our spinning and weaving [illegible] cottages, land, shops, dye-works, bleaching works, merchant warehouses, waste spinning plant, heald and reed making plants, and our total spindleage now has reached the huge figure of two and a-quarter million mule-equivalent spindles. The major portion of our property is freehold, and, where leasehold, is held on long lease. Before finally disposing of my description of your properties, may I remind you that all our purchases of plant have been made with a view to acquiring only such businesses as had specialities to offer, and who had built up an established trade, thus keeping our spindles and looms off what you might term common or [illegible]

Management and Control.

You will, [illegible] organisation is managed and controlled. You already know that we have a board of directors in London, with its Advisory Committee advising upon all financial matters, but the general management of all our branches is left in the hands of local boards of directors and managing directors on the spot [illegible] ing the various businesses in retaining the services of nearly every important [illegible] have to-day the same managing directors that the branches had before they were taken over by this Company. The managing director of each branch sits on the local board, and we have now by this system considerably improved our management, owing to the fact that our various managing directors are able to compare notes with each other at the local board meetings, and are able to get much broader business views, and the benefit of each other's advice and experience. I have the honour to act as Chairman at the various local board meetings, and in my position of supervisor I supervise and direct the business of our various branches, thus all information from every branch comes to my office, which acts as a centre from which instructions are issued, and which is continually welding together our organisation [illegible]

The management of our various branches is entirely in the hands of men brought up in the trade. These gentlemen are responsible for purchasing the cotton, manufacturing the goods, and for the sale and distribution of our merchandise. They are in daily touch with the cotton markets, fix the prices of our goods, and only refer to our London board of directors [illegible]

We have recently established an engineering branch, with a Chief Engineer, who is responsible for the efficient working of all our power plants, and we are at the moment engaged on inquiries as to the advisability of opening a central department for the purchasing of our stores.

You will no doubt be interested to learn that we are making progress with our welfare work. We have completed our recreation grounds at Wigan, comprising a hockey field, four tennis courts, and two bowling greens. We are well advanced with our work on the recreation grounds at Pendlebury and Mosley, and we have purchased land for the same purpose for our Preston mills.

Causes of Depression.

Under present conditions you can scarcely expect me to make a forecast of prospects of our trade. It would be impossible for me to [illegible] when the demand for cotton goods will again become really active, but those of us who have been brought up in the trade have never experienced a worse time than we have gone through during the past [illegible]

The Lancashire cotton spinner has learned by experience to accept periods of depression, which seem to come around in natural cycles. The depression this time, however, has not come for its usual cause, that is, over-production.

We know in Lancashire that our goods are wanted all over the world, and the depression from which we are suffering is caused by factors quite outside our own trade—viz. financial difficulties, excessive taxation, and the unsettled [illegible]

I am not, [illegible] any Lancashire spinner or manufacturer to be unduly pessimistic. We all [illegible] great want being created for cotton goods, and that sooner or later they will be required, and we are looking forward [illegible] cotton goods, which must [illegible]

Unfortunately for the public, but perhaps fortunately for ourselves, textiles cannot be made that will not wear out, and it is just [illegible] be able to purchase cotton goods as it is that they should be [illegible]

However, I am glad to inform you that [illegible] the bad trade which we have gone through [illegible]

have managed to pull along very well, and the efforts of every one of our staff are concentrated on an attempt to maintain this position until buying is resumed, which we hope will be at no very distant date.

Small Stocks of Raw Cotton.

Our Company is fortunate to the extent that we have only small stocks of raw cotton. Our requirements for this season are not yet purchased; we have, of course, bought some cotton, but a very small percentage of what we shall require.

One hears amusing rumours of the amount of cotton we buy and sell from time to time. Everybody seems to know more about our business than ourselves. However, I am glad to inform you that I, personally, consider our cotton position on the whole very satisfactory. With a drop such as we have experienced in raw cotton, we might very well have been landed with a large amount of dear cotton, which I am glad to state is not the case.

Tribute to the Staff.

In conclusion, may I pay my tribute to the very magnificent staff of officials working with me, and to the sagacity and advice which I receive from our Chairman, and also from our Managing Director, Mr. James White, the members of the Advisory Committee, and from our local directors.

We are fortunate in having gentlemen of such world-wide experience as Sir Frank Hollins, who is the Chairman of Horrockses, Crewdson and Company's board, to appeal to on questions of policy and control, and I think I may say that we are further fortunate in having retained the services in every case of the auditors who audited for each Company before we took them over. This fact, ladies and gentlemen, gives us the advice and experience of such firms as Price, Waterhouse and Company, Harper, Pilling and Company, P. and J. Kevan, Cooper and Cooper, Waterford, Rudd and Hare, Edwin Collier and Company, and several other well-known auditors. In times like these, when taxation forms such an important factor, you will be pleased to know that we have such eminent and experienced firms watching such points as these.

And may I say, ladies and gentlemen, that I am personally proud of the honour of having been appointed the Managing Director of Horrockses, Crewdson and Company, and the Supervisor of the whole of the firms embodied in the Amalgamated Cotton Mills Trust. It is truly a position of which I am proud, but I must pay a compliment to the past generations who have founded the magnificent businesses which it is now my duty to control, and for establishing the important businesses which have not been built up in a day, but which are the outcome of many men's brilliant conceptions and labours, and embrace names which are reverenced and respected in the cotton trade throughout the whole of the world.

I can only say that I am proud of our plant, I am proud of our organisation, and I am imbued with enthusiasm and with a desire that the policy of the Amalgamated Cotton Mills should be progressive and successful.

I am further satisfied that in normal conditions our amalgamation can do more than hold its own, and with the support which I get from my directors, our staff, and from our wonderful body of operatives, I feel confident that when the country recovers, we shall be in a position to make handsome returns on the capital which you have subscribed. (Applause.)

The resolution, after a brief discussion, was carried unanimously, and the dividend recommended was declared.

The retiring directors (Mr. Wilfrid Dawson, Mr. Alfred Robert Stephenson, Mr. William Ewert Berry, and the Right Hon. Sir Henry Dalziel, Bart.) were re-elected, on the motion of the Chairman, seconded by Mr. Harvey du Cros, and the auditor (Mr. William McLintock, C.A.) was reappointed.

Vote of Thanks to the Directors.

Mr. J. B. Braithwaite: I do not think it would be right for us to separate without passing a vote of thanks to Lord Fairfax and his colleagues on the board for their conduct of this business. (Hear, hear.) In view of the depressed condition of trade generally, the account that we have had brought before us to-day is a remarkably good one. Considering what the trade has had to pass through during the last few months, I think we have to congratulate our Chairman and his co-directors on the able way in which they have steered our ship amid the various shoals which have beset it. As far as I can make out, the trust is in the soundest position of any industrial concern I know connected with this class of trade, and I look forward with complete confidence to our shares, the present price of which is clearly due to the abnormal circumstances of the time, reaching their proper intrinsic value in the market. I certainly think that to have come before us, under existing circumstances, with such a full and frank statement of the position and such a very satisfactory dividend entitles the board of directors to our most hearty thanks for the way they are managing our property. I have very great pleasure in proposing a vote of thanks to them for their services, as well as to Colonel Seddon Brown and all the managers and employees who are working for us in the various companies in which we hold shares and stock. (Applause.)

Excess Profits Duty.

Mr. H. J. Procter: I should like to second that, because there is one point I want to dwell upon, and that is excess profits duty. If only the whole of the banking and commercial men of this country could bring home strongly enough to Mr. Chamberlain and Mr. Lloyd George that the excess profits duty is ruining the country, I feel sure that in the course of the next few months that duty will be scrapped. (Hear, hear.)

Mr. Morrison: I should like to associate myself with the remarks made by the proposer of this resolution. I think we have every cause to congratulate the directors, not only on the report, but also on the statement which the Chairman has made to us to-day. No one who has even the slightest acquaintance with the condition of trade in this country at present has any doubts about the immense difficulties and the great anxieties of a board of directors conducting the operations of a concern of this magnitude. It would be absurd to imagine that this Company, controlling the great manufacturing interests which it does, could hope to be entirely unaffected by prevailing conditions. It is perfectly obvious that they are affected; but when we have seen—as we have seen during recent months—how manufacturing companies of the highest standing have been compelled to raise fresh capital on the most onerous terms, and we see that our Company has been able to continue its vast trade without raising any fresh capital, I think that is a point on which our board deserve our best thanks. (Hear, hear.) Further, I was very glad to hear from Colonel Seddon Brown that the financial side and the manufacturing side of the trust are two distinct organisations. On the financial side we have seen that the business has been conducted with the greatest conservatism, that the position is thoroughly sound, and that the overdraft, such as it is, is trifling compared with assets of an exceedingly liquid nature. On the manufacturing side I am quite sure we can congratulate ourselves upon its being controlled by a gentleman like Colonel Seddon Brown, who, I am certain, throws the whole of a very virile personality, and the whole of his enthusiasm, into welding together old-established businesses, naturally with a certain amount of jealousies and their own pride. To amalgamate those into one whole is no small task, and I am quite certain that if there is one man who can succeed, and is succeeding, in doing that it is Colonel Seddon Brown. (Applause.)

The vote was carried with acclamation.

The Chairman, in reply, said that the shareholders could rest assured that the directors would do everything in their power to merit the confidence which had been reposed in them.

The proceedings then terminated.

DORMAN, LONG AND COMPANY, LIMITED.

Annual Meeting.

The twentieth ordinary general meeting of Messrs. Dorman, Long and Company, Limited, adjourned from December 16, 1919, and the thirty-first ordinary general meeting were held on Tuesday, December 14, at the Company's Office, Zetland Road, Middlesbrough, Sir Arthur J. Dorman, K.B.E., in the chair.

The Chairman said: This year we have been able to present to you the accounts for the two years ending September 30, 1919, and September 30, 1920. You will remember that last year it was necessary to adjourn our meeting owing to the impossibility of completing the accounts for that year; consequently, I propose to-day, first to take the 1919 adjourned meeting, and to ask you to pass the accounts for that year. We will then proceed with the 1920 meeting. I propose this course, as I think it more convenient to deal with the two years together, but the fact that you have passed the 1919 accounts will not preclude discussion upon them.

I call upon the Secretary to read the notice convening the 1919 adjourned meeting, and will then ask Mr. Nancarrow, of Messrs. W. B. Peat and Company, to read the auditors' report on the accounts for that year.

I beg to propose "That the directors' report, balance sheet, and accounts of the Company for the year ending September 30, 1919, submitted to this meeting, be, and the same are, hereby approved and adopted."

Sir Hugh Bell, Bart., seconded, and the resolution was carried unanimously.

The Chairman, continuing, said: "That completes the 1919 meeting. We will now hold the ordinary general meeting for the year 1920." The Secretary read the notice calling the meeting, and Mr. Nancarrow read the auditors' report on the accounts for the year 1920.

A Comparison.

The Chairman: I will now deal with the accounts for the two years and will compare them with those for the year ending September 1918, during which year you will remember our profit was £416,266 7s. 9d., which, together with £234,235 1s. 9d. brought forward, amounted to £650,501 9s. 6d.

The profit for the year 1919 amounted to £511,899 15*s.* 2*d.*, which, with the sum of £206,466 12*s.* 10*d.* brought forward from the previous year made a total of £718,366 8*s.* which has been dealt with as follows:

£84,557 was applied to the payment of interest on the debentures; £264,000 for a dividend at eight per cent. and a bonus of 4 per cent., free of tax, on the Ordinary shares; £97,500 for the dividend on the eight per cent. Preferred Ordinary shares; £22,405 13*s.* 3*d.* for interest on calls on shares paid in advance; £4,000 for directors' fees; £25,459 for 20% expenses on the issue of the Ordinary and Preferred shares; £10,477 for the redemption of five per cent. Debentures; £130,000 to the general reserve; leaving a balance of £220,651 19*s.* 7*d.* to be carried forward to the following year.

The profit for the year 1920 is £743,077 4*s.* 4*d.*, which, together with the balance brought forward from 1919 of £205,851 19*s.* 7*d.*, amounts to a total of £948,929 3*s.* 11*d.*, which your directors propose to deal with in the following manner:—

£37,371 5*s.* interest on Debentures; £295,000 dividend at the rate of eight per cent. and a bonus of four per cent. free of tax on the Ordinary shares; £97,500 to be applied on the eight per cent. Preferred Ordinary shares; £10,939 1*s.* 11*d.* interest on calls on the new Ordinary shares paid in advance; £4,000 directors' fees; £12,121 5*s.* 7*d.* stamp duties and other expenses on the issue of the 3,000,000 Ordinary shares; £20,954 for redemption of five per cent. Debentures; £200,000 to the general reserve; and a balance of £270,540 5*s.* 5*d.* to be carried forward to next year.

Conservative Policy.

It will be seen that the profit for the year 1920 is sufficient to maintain the dividend at twelve per cent. paid in 1919 and still to allow a large amount to be placed to reserve, but in view of the difficult times through which we are now passing your directors feel sure that the conservative policy proposed by them will be approved by the shareholders.

I will now ask you to refer to the balance sheets. During the year 1919 the share capital was increased by the issue of £1,500,000 Ordinary shares, bringing the total authorised capital up to £4,500,000, of which, including £536,209 15*s.* on calls paid in advance, £3,959,639 4*s.* only is included in the balance sheet, the remainder of the amount of £4,500,000 being represented by the balance of calls on the issue of Ordinary shares which did not fall due until after September 30, 1919.

During the year 1920 the share capital of the Company was further increased by the issue of 3,000,000 Ordinary shares of £1 each. The amount paid on application and allotment shares was £599,783 16*s.*, and £599,286 8*s.* was paid in advance on calls, which sums, together with the calls in respect of the 1919 issue which were not paid until the year 1920, make the total amount paid up of share capital, account as stated in the 1920 balance sheet £5,699,070 4*s.*

The Company's holdings in their four per cent. first mortgage perpetual debenture stock, which in 1918 consisted of £18,000, were increased in 1919 to £27,000 and in 1920 to the value of £34,750.

The four per cent. sinking fund mortgage debentures were reduced during both the year 1919 and 1920 by the amounts required to be paid off and cancelled under the terms of the trust deed, the total debentures cancelled up to September 30, 1920, being £74,100.

Loans from Government.

The amount of the secured loans due by the Company to the Government, which stood at £627,782 in 1918, was increased to £794,943 in 1919, and further increased in 1920 to £1,138,475. This loan was made to the Company by way of advance. [illegible] time as [illegible] at the Mint's request, and [illegible] under Rules promulgated. When I addressed you on March 30 last on the resolution authorising the issue of the 3,000,000 Ordinary shares I referred to this loan and to the fact that one of the objects for which the additional capital was required was the repayment of this loan. It is not anticipated that the amount of the loan will be further increased, and as a matter of fact [illegible] the directors propose to repay £76,000 of the amount.

The debts due by the Company amounted to £1,271,381 0*s.* 11*d.* in 1918, in 1919 to £1,351,474 7*s.* 3*d.*, and in 1920 to £2,603,157 18*s.* 5*d.* The large increase in 1920 is mainly due to the increased provision for taxation.

The reserve accounts, which in 1918 amounted to £262,951, were increased in 1919 to £383,911, and in 1920 have been increased to £534,542, and it is proposed to add £200,000 to general reserve and £20,954 to reserve for redemption of Five per Cent Debentures out of the balance at credit of profit and loss account on September 30, 1920, bringing the total reserve accounts of the Company to the substantial sum of £745,342.

I have already dealt with the disposal of the balance at credit of profit and loss account for each of the two years.

The Assets.

We will now turn to the assets as shown in the balance sheet. The capital expenditure on land, buildings, plant and machinery at Britannia Works, Rotary Iron Works, Rake works, wire works, Kilton Mines, London Girder Yard, and Melbourne Yard, which stood at £992,942 6*s.* 1*d.* in 1918, was increased in 1919 to £1,000,198 7*s.* 11*d.*, and in 1920 to £1,027,955 18*s.* 1*d.* As this account has, since 1905, been written down by the sum of £634,000 and now stands at a very low figure, your directors do not consider it expedient to write it down further at present. It will be observed, however, that they have decided to add £130,000 for 1919 and £200,000 for 1920 to the general reserve of the Company.

The suspense account, as the balance sheet shows, comprises the balance of special expenditure on plant, under [illegible] and Iron Works and houses and other buildings at Dormanstown. This account stood in 1918 at £858,657 5*s.* 9*d.*, was increased in 1919 to £1,534,145 9*s.* 3*d.*, and further increased in 1920 to £2,[illegible] 5*s.* As regards the Dormanstown expenditure concerned, this amount has not been transferred to capital account.

Investments.

As regards the investments of the Company, in 1918 the shares in Sir B. Samuelson and Company, Limited, Messrs. Bell Brothers, Limited, and the North Eastern Steel Company, Limited, stood at £2,080,009 10*s.*

In 1919 that amount was increased by £200,000, owing to the purchase of the £200,000 unissued Ordinary share capital of Messrs. Bell Brothers, Limited. The amount was also further increased in 1920 to £3,285,407 12*s.* 10*d.* by the amount paid for the whole of the Preference shares and the Ordinary shares, with the exception of twenty-seven of the Carlton Iron Company, Limited.

In 1919 the Company purchased National War Bonds, Funding Loan, and Victory Bonds at a cost of £488,530. The Company's holdings in these securities were reduced in 1920, particularly by the realisation at the price of issue in payment to the Carlton Iron Company, Limited, for the shares of that Company, and partly at par in payment of excess profits duty. Since the date of the 1920 balance sheet the remainder of the National War Bonds have been realised at par in payment of excess profits duty, leaving the Victory Bonds, which stood at the date of the balance sheet at below market price.

The shares in the Channel Steel Company, Limited, and other investments stood at £345,421 0*s.* 9*d.* in 1918, and were increased to £353,308 17*s.* 5*d.* in 1919 and to £380,074 0*s.* 5*d.* in 1920, included in which figures are the Company's holdings in the Burcombe Steel Company, Limited, Messrs. Webb and Bertram, Limited, South Africa, and Messrs. Dennan, Long and Company's four per cent. Debentures.

The stocks and shares held in 1918 were valued at £964,537 15*s.* 7*d.* This amount was increased in 1919 to £1,315,852 6*s.* 2*d.*, and further increased in 1920 to £2,113,615 18*s.* 1*d.* This increase is due to some extent to increase in value, but mainly to increase in the volume of our business through the expansion at our Redcar Works and to transport difficulties. I am glad to say, however, that during the present year the Railway Company was able to supply us with more trucks, and we have been able to reduce very considerably our stocks of finished material.

The debts due to the Company, which in 1918 stood at £307,869 3*s.* 10*d.* were slightly reduced in 1919, owing to the temporary effect of the railway strike in September, 1919, to £783,648 18*s.* 1*d.*, but have increased to £1,699,894 18*s.* in 1920, the increase arising mainly from ordinary trade debts. Had it not been for the effects of the railway strike the difference between the figures for 1919 and 1920 would have been less apparent than they are.

The cash at bankers and in hand in 1918 amounted to £141,039 11*s.* 9*d.* and in 1919 to £139,318 2*s.* This item in 1920 stands at £226,268 7*s.*

Allied Companies.

On [illegible] I have always [illegible] the fact that we [illegible] the shares held by us in our Allied Companies, who in those days consisted of Messrs. Bell Brothers, Limited, and the North Eastern Steel Company, Limited. Since then we have acquired the share capital of Sir B. Samuelson and Company, Limited, and the Carlton Iron Company, Limited. These [illegible] Allied Companies. I think it is not [illegible] that these companies are [illegible] in addition to Messrs. Dorman, Long and Company's reserves.

The two most important matters of interest which have taken place during the [illegible] the issue by Messrs. [illegible] Ordinary Shares for the existing Shareholders of the Company, and the purchase of the shares of the Carlton Iron Company, Limited.

With regard to the [illegible] the whole of the new capital was taken up by the existing shareholders of the Company at the par and premium at which the Company [illegible] that the shareholders [illegible]

the Company at the present time number 14,249, and of these 860 are men [illegible] the staff and [illegible] the Company. [illegible] amount [illegible] excluding [illegible] held by directors, 293,000 shares. [illegible] the Company [illegible] and the whole cost of the [illegible] £12,124 to 7th, of which £7,500 was paid for stamp duties.

A Note of Confidence.

It is a matter of regret to [illegible] stand at such a low figure in the market, but we are satisfied that this is due to outside causes which have affected every security and not to anything within the Company. In March last I told you I was confident that [illegible] conditions we could earn profits sufficient to pay a fair dividend on the increased capital, and I had no hesitation in recommending our shareholders to take up all the shares to which they were entitled. Nothing has occurred to make me alter that opinion and, with our new properties and plant coming into operation, I am confident that we shall pay a fair dividend on our increased capital.

With regard to the Carlton purchase, your Directors are entirely satisfied with this property and their policy in purchasing it. The shares of the Company were acquired as from January 1 last, and the nine months' working has resulted in the Company being able to pay a dividend to Messrs. Dorman, Long, and Company, Limited, amounting to £65,813 5s., after, of course, making provisions for taxation and allowances for depreciation. The nine months' working, therefore, not only gives a satisfactory return on our capital invested in the shares of the Carlton Iron Company, Limited, but, what is of much more importance, has assured to Dorman, Long and Company, Limited, a regular supply of ferro-manganese and coal.

I would go so far as to say that, had it not been for the coal which their colliery was able to provide us with, it would not have been possible for us to have kept our works running to the extent they have done throughout the year. By the developments which they are now carrying out at the Mainsforth Colliery we expect to get a largely increased output in the future.

Both Messrs. Bell Brothers, Limited, and Sir B. Samuelson and Company, Limited, are proceeding with the development of their mineral properties and the erection of coke ovens to which I referred last March. The issue by Messrs. Bell Brothers, Limited, to us of the remaining 200,000 of their Ordinary shares was necessitated by these developments, which are proceeding satisfactorily. Both these companies show good returns on their operations. They have supplied us with all our requirements of pig iron, and have kept their works fully employed throughout the year.

It had been considered desirable that the financial year of Sir B. Samuelson and Company, Limited, should be made to coincide with the financial year of Dorman, Long and Company, Limited. This alteration has resulted in Dorman, Long and Company, Limited, receiving from Sir B. Samuelson and Company, Limited, dividends for eighteen months instead of twelve months.

North-Eastern Steel Works.

The North-Eastern Steelworks were shut down in April 1919 for extensive alterations and repairs, which, I am happy to say, are rapidly nearing completion. The mills were restarted in November 1919, and the battery of sixty Simon Carves coke ovens with by-product plant for 120 ovens in August last, and are giving most excellent results. We propose to blow in two of the blast-furnaces next month and at the same time to start the first of the new open-hearth tilting steel furnaces, which, you will remember, I told you we were building to take the place of the basic Bessemer plant.

The remainder of the steel furnaces will follow on as soon as they are ready; meanwhile we shall keep the mills supplied with ingots from our other works. The North-Eastern Steel Works have been practically rebuilt, and, I am confident, will give a good return on the capital expended.

The demand for corrugated sheets is at the present time very slack. With that exception, the whole of our mills at Britannia, Clarence, North-Eastern Steel Works, and Redcar are in full operation, and have orders which will last them for some months; the same applies to the Wire Works and Constructional Yards, both in Middlesbrough and London. The depression in the corrugated-sheet trade gives us a good opportunity—of which we are taking advantage—of pushing on with the rebuilding of the Ayrton Rolling Mills, to which I referred last March.

Good Results at Redcar.

Our new plate mill at Redcar is working most satisfactorily [illegible] up to an output of 5,500 tons per week of finished plates. Mr. Ennis is confident that the maximum output has not yet been reached: he believes that next year it will be nearer 4,000 than 3,000 tons, and Mr. Ennis is a man who is not given to prophecy unless he has good [illegible] to go upon. There has been considerable delay in the completion of our second mill, but we have had it running round and expect to be rolling plates in the early part of next year. We have every reason to believe that this mill will be as successful as the one now in operation.

With regard to Kent, we exercised our option to take up the lease of a large coal area in the neighbourhood of Betteshanger, as the option period would otherwise have expired during the year, and we are taking the necessary steps to prepare for the development of this area. Apart from this, we have not felt justified in proceeding with the active development of our other holdings in the Kent area in view of the excessive cost of labour and materials at the present time, coupled with the uncertainties engendered by the existing form of Government control of the mining industry.

I am pleased to say that our [illegible] have been almost entirely free from disputes and differences during the past year—a state of affairs which is particularly gratifying when there is so much trouble and unrest in other directions. This applies generally to the Iron and Steel Trade, and, I think, is largely due to the very wise policy which has been faithfully followed by the Blastfurnacemen's Association, the Iron and Steel Trades Confederation, and the Employers' Association, of adjusting their differences by local negotiation, or, if this fails, by arbitration. By this means a fair hearing is assured, and all differences can be impartially and equitably dealt with without the crippling effect caused by recourse to strikes or lockouts.

Payment by Results.

We [illegible] by the tonnage or output system of payment by results, which, together with the sliding scale, based on the selling price of the finished material, has been in operation in the producing departments for many years.

I am glad to say that during the year we have been able to extend this principle to a large proportion of the [illegible] engaged in our engineering departments on the [illegible] of our plant, so that the number of our men who have now a direct interest in output is considerably increased. I believe that the additional benefit to the men will result in greater output and efficiency.

The system of payment by results is equitable both to [illegible] On the one hand, it enables the worker to get higher earnings for his labour, while, on the other hand, it reduces the cost of production by ensuring that costly plants are worked to their full capacity. I [illegible] extended to other trades [illegible] the matter is [illegible]

The Outlook.

During the past year there has been a considerable change in industrial conditions, and there is no doubt that we are entering upon a period of depression, which promises to be severe so long as it lasts, and to cause a certain amount of hardship and unemployment. It is difficult to say how long it will last. My opinion is that it will not be of long duration, for the fall in wholesale prices which has set in will soon reach the retailer. That in its turn will lower the cost of living, and cheapen the cost of manufacture. When that comes about, the world, which has [illegible] to pay [illegible] necessities [illegible] the high level of prices ruling since the Armistice, will come in again. It must be remembered that development has been at a standstill since the beginning of the War, and that the [illegible] large and unsatisfied.

As for ourselves, we are to-day well equipped with [illegible] with greatly increased output [illegible] city, and with the help of our able and efficient staff I am confident that we can face the situation before us and meet any competition. But if we are to keep our order-books full, and ensure steady employment for our men, we need the whole-hearted co-operation of every man in our works. From the spirit I see around me to-day I feel sure we can count upon this.

[illegible] proposed: "That the Directors' report [illegible] and accounts of the Company submitted to this meeting be, and the same hereby, approved and adopted."

Seconded by Sir Hugh Bell, Bart.

The Chairman invited any questions, after which the resolution was put to the meeting and carried unanimously.

A dividend at the rate of eight per cent. per annum, less tax, on the Preferred Ordinary shares, a final dividend of four per cent., and bonus of two per cent., on Ordinary shares Nos. 1 to 3,000,000, and a dividend at the [illegible] per cent. per annum, and bonus of two per cent., on Ordinary shares Nos. 3,000,001 to 6,000,000 was declared.

Sir Hugh Bell, Bart., Mr. C. Arthur Head, Mr. Charles Dorman, and Lieut.-Colonel Maurice L. Bell, C.M.G., were re-elected directors of the Company, and Messrs. W. B Peat and Company were re-elected auditors.

A vote of thanks to the Chairman concluded the meeting.

THE CHINESE ENGINEERING AND MINING CO., LTD.

Large Increase in Sales : Higher Prices.

The eighth annual ordinary general meeting of the Chinese Engineering and Mining Company, Limited, was held at Winchester House, Old Broad Street, E.C., on December 16, Mr. W. F. Turner the Chairman presiding.

The Secretary, Mr. Alfred W. Berry, having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, The report and accounts for the year ended June 30 last show that the anticipations which were formed a year ago in regard to the trade current year's business have been fully justified, and were it not for the enormous demands which are made upon us for excess profits duty, corporation profits tax, and income tax, there would be nothing left to be desired. Stated in the simplest terms, the result is that we have made a profit of £1,100,000, of which the Government takes fifty-seven and a-half per cent., and we keep the remainder.

The net profit of the Kailan Mining Administration, after providing for interest on our Six per Cent. Kailan Bonds, redemption of bonds for the year, reserve for depreciation, and the profit to which the Chihli Government is entitled, amounts to $8,917,456. This is a remarkable advance on the net profit of the preceding year, which was a trifle under six million dollars, and is due to a very large increase in the sales and to higher prices.

Rate of Exchange : A Marked Rise

Our share of this profit amounts to $4,581,804, compared with $3,162,910 last year, which is an increase, in round figures, of about forty-five per cent. We have had the further advantage of a marked rise in the rate of exchange. The average rate of our remittances for the year ended June 30 last was, in round figures, 4*s.* 10½*d.*, whilst the average rate for the preceding year was 3*s.* 9*3d.*, an increase of over 1*s.* per dollar. Consequently, our proportion of the working profit in China works out at about £240,000 more than it would have done had the average rate of exchange been maintained at the same figure as in the previous year, but in that case our liability for revenue taxes would have been reduced accordingly. The rate reached its highest point in the month of February last, and by the end of June last it had declined to about 3*s.* 8*d.* per dollar. Important as this is, it is secondary to the fact which I have already stated of the great increase in the trading profit in China.

The amount brought to the credit of our profit and loss account, inclusive of interest in China, is £1,169,824; interest in Europe amounts to £41,895. There are other items, which amount to £4,643, the total credit being £1,216,363.

The expenses on the other side of the account do not require any comment, except that we must look for a substantial increase in the London expenses during the present year, as the increase in the work necessitates much larger offices and staff. There is one item, however, which arrests attention, and that is the loss on the sale of Four per Cent. Funding Loan, amounting to £86,315. The Four per Cent. Funding Loan was issued at eighty per cent. in the month of June 1919, about eight months after the Armistice. The object was to convert the War Loan, Exchequer Bonds, and National War Bonds then outstanding and to raise fresh money, and you will recollect that every possible pressure was put upon the public by the Government to induce conversions and subscriptions. At that time we held £665,100 of the various series of War Bonds. We converted £514,000 into the Funding Loan, £150,000 was retained and applied in payment of excess profits duty, and we subscribed for £100,000 of the Funding Loan at eighty per cent. All I need say is that we did this in response to the strong appeal of the then Chancellor of the Exchequer, Mr. Bonar Law, because we considered it was the right and patriotic thing to do, and if we found ourselves in such a situation again, which Heaven forbid, where the same considerations arose, we should take the same course. (Hear, hear.) There is a kind of consolation in the thought that this loss is due to national and not individual or sectional causes, and that had we not sold when we did our loss would have been still heavier.

Heavy Burden of Taxation.

The balance carried down as net profit for the year is £1,112,412, which compares with £652,873 for the previous year. The balance brought forward from the preceding account was £285,100, which makes a total credit of £1,397,512. Out of this sum £636,654 goes in taxation. First and foremost comes excess profits duty, estimated at £542,000, but we had a credit balance on this account of over £17,000, which reduces the debit in the account to £524,000. I am not going to say anything on the merits of this particular tax, for it is now unnecessarily condemned, and it remains for each one of us to use whatever influence we possess towards ensuring that it shall not come on in the Budget of the next financial year. Assessed Corporation profits tax amounts to £21,000, the tax being operative only in the second half of our financial year. Income tax was £90 952. The final balance was £760,857, as against £493,846 in the previous year.

I need not detain you by going through the balance sheet in detail. It will be sufficient to point out that the creditors amounted to £105,000, as against £234,000 in the previous balance sheet, the explanation being that the arrears of coupons have been greatly reduced, and the position is gradually becoming normal in this respect. The reserve for excess profits duty and corporation profits tax amounted together to £563,000. On the other side, the cash, Treasury bills, and War Loan amounted to £1,219,000, so that from a financial point of view the position is quite satisfactory.

An interim dividend of ten per cent., free of income tax, was paid on May 15 last, which amounted to £100,000. We propose that a further dividend be declared of twenty per cent., free of income tax, which will make a total of thirty per cent., free of income tax, for the year (the equivalent of about forty-three per cent. subject to income tax), and that the dividend be payable to-morrow, the 17th instant. The further remuneration to which the directors are entitled under Article 83 of the Articles of Association is £18,962, and the balance to be carried forward is £441,894. This balance represents an accumulation of profit which has been going on month by month and year by year during the eight years of this Company's existence. It is, in fact, employed in the business, and it will continue to be so employed; therefore we have come to the conclusion that the bulk of it should be converted into share capital. We propose to capitalise £400,000 of it and to issue to the shareholders *pro rata* 400,000 fully-paid shares of £1 each. You have learned from the terms of the notice of the meeting the steps that have to be taken to effect this. There will remain a balance of £41,894 to be carried forward. Out of this sum we propose to provide for the duty on the increase of capital and the stamp duty on the share warrants to bearer, in which form the greater part of the £400,000 of capital will have to be issued. I may mention here that there will be an enormous number of these bearer certificates. The printing, preparation, and signing will take a considerable time, so that we do not expect to be in a position to begin to deliver them for about three months.

The next paragraph refers to the high rates of exchange during the past year, with which I dealt in my opening remarks.

Coal Sales.

The sales of coal for the year amounted to 4,010,980 tons, being an increase of 882,303 tons over the preceding year, which is about twenty-eight per cent. The paragraph states that the demand for our coal continues unabated, but I will refer to the prospects of the present year later on.



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Both are sold everywhere at the same price.

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MEDIUM	6d	1/-	2 5	4 8
HAND MADE	8d	1 4	3 4	6/8

I wish to say here a word about the unfortunate explosion which occurred at one of the mines in the month of October last, which was reported in the newspapers. We have not yet received the technical report, but everything points to the accident being due to the miners tampering with the Davy lamp, which is in use throughout our mines and, indeed, throughout the world. The quantity of fire damp at present in our mines is comparatively slight, and we have been remarkably free from explosions. It is a significant fact that cigarettes were found concealed on the bodies of some of the unfortunate victims. There is no possible question as to the care and efficiency with which these mines are run. The promptest measures were taken to deal with the situation and minimise the loss of life, and the utmost consideration was shown in every way to the families of the deceased.

You may also have seen a reference in the Press to a contract having been made for the sale of our coal to Europe. That was an isolated transaction which took place on the Continent. It is not likely to be repeated, for the satisfactory reason that we have in China and the Far East a market for all the coal we can produce.

I might mention here that the investigation of the Tatung Coalfield, to which reference was made at the last General Meeting, has been restricted owing to the pressure of other work, but will be resumed when circumstances permit.

Proposed Ironworks in North China.

The next paragraph deals with an entirely new subject. Some considerable time ago it came to the knowledge of the Kailan Mining Administration that there existed a large deposit of iron ore on the Yangtsze River, which was owned by a Chinese company, and it was suggested that in view of the Administration's exceptional position in regard to the supply of coal, the deposit might be worth investigating with a view to the establishment of iron works in North China. An examination was made and a preliminary option was obtained for a sufficient period to allow of an expert being sent out from Europe to examine and report upon the deposit. For that purpose we engaged the services of Mr. Frank Merricks, the President of the Institute of Mining and Metallurgy, who visited and reported upon the property. He found that the deposit contained about four million tons of workable ore, and that it was of high grade; that the situation was favourable, being only about eleven miles from the Yangtsze River; that the deposit could be worked by open cast; that there was abundant labour, and that conditions generally were satisfactory. A contract was therefore made by the Kailan Mining Administration securing this supply of ore on suitable terms. Investigations and negotiations are proceeding with regard to supplies from other sources. The intention is that the works shall be located at Chinwangtao, which is the port controlled by the Kailan Mining Administration and the seat of its export trade. Borings have been made for the purpose of locating a suitable site, and the results which have recently come to hand are being studied. Mr. F. W. Harbord, of Messrs. Edward Riley and Harbord, President-elect of the Institute of Mining and Metallurgy, is acting as our technical adviser. He is preparing plans for the general lay-out and detailed designs of the blast-furnace plant and preliminary estimates of the expenditure which will be entailed by the scheme. There are many matters still under investigation, and it is much too early for us to give figures as regards profits or capital expenditure. Major Nathan, whom we are glad to see here to-day, has made a protracted visit to London in connection with this scheme and other matters. He is returning to China at an early date, and will in due course submit the entire project in the form which it has now assumed to the board of the Lanchow Mining Company, who are our partners in the Kailan Mining Administration, and will discuss the subject with them from the technical, commercial, and also the financial point of view. All we can say to-day is that the question of the establishment of an iron industry in North China is one of the greatest importance, and that the Kailan Mining Administration, in the immense resources of the Kaiping coalfield, the facilities it possesses in the Port of Chingangtao, and in its technical and commercial organisation, and in the cheapness of the labour available, has every possible advantage for creating a profitable enterprise.

Increase of Capital.

The next paragraph states that we propose to increase the authorised capital of the Company by the creation of one million shares of £1 each. 400,000 of these shares, as I have already stated, will be required for capitalising £400,000 of accumulated profit, and there will remain 600,000 shares available for issue as and when required. You will notice that this increase of capital is proposed not only with regard to the ironworks scheme, but also in view of the capital expenditure which will be required for the development of the existing business of the Kailan Mining Administration. At the general meeting last year I told you that, in view of the ever-increasing demand for our coal, it was proposed to develop the output capacity of the existing mines—the mines now in operation—to enable them to produce up to four and a-half million tons per annum, and then to proceed to open a new mine on a scale which, when in full working, would produce a daily output of about 5,000 tons, or, say, 1,500,000 tons per annum. This would make a total of 6,000,000 tons per annum, the period required to accomplish it being about five years.

The shipping facilities at Chinwangtao are already inadequate, and it is necessary that they should be largely and rapidly increased to enable the increasing business to be handled efficiently. After much study, the conclusion is that the best means of attaining the object is to build an entirely new breakwater outside the existing one, and to provide in the first instance five additional berths, making twelve in all. This work will be spread over a period of about three years, and it will be undertaken by the staff of the Kailan Mining Administration.

There is considerable capital expenditure which will have to be undertaken for other purposes, incidental to the large increase of the business, which I need not go into on this occasion.

You have seen from the balance sheet that we are in a strong financial position; therefore we do not anticipate having to make any further capital issue in the near future, but the existence of the 600,000 reserve shares will place us in a position to act whenever circumstances require.

Current Year's Outlook.

Now as regards the prospects for the current year. It is stated in the report that the demand for our coal continues unabated. The actual sales for the first five months of the year, however, show some slight falling off. That, however, is due not to any slackening of demand, but to difficulties in regard to delivery, owing to the interruption of railway traffic and the inadequate supply of trucks caused by the recent hostilities in North China. I cannot do better than read you some remarks on this subject by Major Nathan in a report which he has prepared for the information of the directors. He says that "since the close of the financial year under review our sales have been limited only to the amount of coal it has been possible to carry by rail. The party struggles in China have led to the railways being utilised for the carriage of hordes of undisciplined soldiery. It is well known, and has been experienced in the war in South Africa and in the late Great War, that control of railways under military organisation is extremely difficult. In China such control is far more difficult to exercise than with a disciplined European Army. The railway staff, material, and traffic became rapidly disorganised, a disorganisation which takes a considerable period to recover from. As a result of the struggle for power in North China, our position has become exceedingly difficult: on the one hand, pressing demands for coal from all sides; on the other, inability to meet them, not because of restricted output, or through any fault of our own, but due to inability to obtain the necessary means of conveying the coal by rail. As a result, while at the present moment we have many hundreds of thousands of tons of coal to deliver against contracts, we are obliged to stock coal at the mines at the rate of several thousand tons a day. Matters have improved lately, but we are still not able to transport the full output, and arrears of supply are increasing rather than diminishing."

"Generally the position with regard to sales of coal is still as satisfactory as I anticipated in my last report," extracts from which I read at the last meeting. "There are three difficulties in the way," he continues, "of the absolute free development of our trade—namely, shortness of output, restricted railway facilities, and insufficient port accommodation. The opening of the two new mines now in process of development will remedy the first; the second will be remedied by the doubling of the railway between the mines and Chinwangtao, a work that, in view of the pressure likely to be brought on the Chinese Government, cannot long be delayed. The last difficulty will be overcome by the scheme for the extension of the harbour at Chinwangtao, to be commenced next spring. When these three causes of check to our development have been removed, the expansion of our business should be rapid and continuous."

I need only add to that quotation that the sales for the last five weeks reported by cable show a steady increase, from which we infer that the difficulty in regard to transport is being overcome, and that we shall shortly reach our former maximum.

The China Famine Fund.

There is one other matter to mention. You will have seen in the newspapers reports of the famine in North China affecting five provinces and 15,000,000 people, whose condition is beyond description. The board has felt it their duty to vote a sum of £5,000 to the Relief Fund which is being opened at a meeting at the Mansion House this afternoon. A cheque for that amount has been sent to the Hon. Treasurer of the Fund, together with a cheque for £1,000 as a personal contribution from the board of directors. (Applause.) I now move: "That the directors' report and accounts to June 30, 1920, be and they are hereby received and adopted, and that a final dividend be declared of twenty per cent., free of income tax, making thirty per cent. for the year, free of income tax, payable on December 17, 1920

Mr. Félicien Cattier formally seconded the resolution, which was then put to the meeting and carried unanimously.

The Chairman next moved: "That the retiring directors (the Chevalier E. de Wouters, Mr. Emile Francqui, and the Rt. Hon. Lord Southborough, G.C.B.) be and they are hereby re-elected."

Colonel H. A. Micklem, C.B., C.M.G., D.S.O., seconded the motion, which was unanimously agreed to.

The auditors (Messrs. Arthur Decker and Company) were reappointed on the motion of Mr. Sledge, seconded by Mr. Arnold.

Capitalisation of Profits.

The Chairman: I now move the resolution which you have heard read in the notice convening the meeting, for the necessary addition to the articles of association in order to provide for the capitalisation of profits, as has been explained to you, namely:—

"That the articles of association of this Company be altered by inserting the following new article after Article 121, namely:

"121a. A sum [illegible] the shares of any class of the [illegible] Company, or any accumulations of profits carried to reserve, or any sum [illegible] valuation of the assets or goodwill of the Company, or any part thereof, or any [illegible] issue of any shares, Debentures or Debenture stock of the Company, or the conversion [illegible] Ordinary shares of the Company [illegible] tures or Debenture stock of the Company [illegible] give effect to such resolution and shall apply such portion of the profits or reserve [illegible] for the purpose of making payment in full at par for the shares, Debentures, or Debenture stock of the Company so distributed, provided that no such distribution shall be made unless recommended by the board. Where any difficulty arises with regard to the distribution the board may settle the same as they think expedient, and may determine that cash payments may be made to any members in order to adjust the rights of all parties, and may vest any such arrangements for the allotment, acceptance, and sale of such shares, Debentures, or Debenture stock, and otherwise as they may think fit. Where required, a proper contract shall be filed in accordance with the provisions of the Companies (Consolidation) Act, 1908, and the board may appoint any person to sign such contract on behalf of the holders of the Ordinary shares participating in such distribution, and such appointment shall be effective, and the contract may provide for the acceptance by such holders of the shares to be allotted to them respectively in satisfaction of their claims in respect of the sum so capitalised."

Mr. Edmund Davis seconded the resolution, which was passed unanimously.

The Chairman: That, gentlemen, concludes the business of the meeting, and I have only to thank you for your attendance.

Mr. Micklem: Gentlemen, before we separate I think we ought to pass a vote of thanks to the Chairman and directors for their successful management of the Company during the past year. (Applause.) I have much pleasure in moving that.

Mr. Edmund Davis: I do not rise to second that resolution—it would not come very well from me—but I do wish to congratulate the shareholders on Mr. Turner having been elected Chairman of this Company. Mr. Turner devotes practically the whole of his time to our affairs, and there is no better or more suitable person in the City to assume this most important office. (Applause.)

The vote was recorded by acclamation.

Tribute to Major Nathan.

The Chairman: Gentlemen, these observations are quite unexpected. I am very glad that you [illegible] to them, and it would be ungracious on my part on this occasion anyhow if I were not to mention, as I did last year, the services of Major Nathan in China. (Applause.) It is years now since he was able to attend one of these annual meetings. On the outbreak of the War he exerted himself to the utmost to get over to this side to take part in it in some capacity or other, but it could not be done. He had to remain in China in order to attend to this Company's business, but he contrived to do valuable work in Tient-sin from a military point of view, and I am pleased to say that that work has been recognised by the authorities here, and that he has received a suitable reward. We hope we shall have the pleasure of seeing him here again on another occasion before long. (Applause.)

The proceedings then terminated.

BENGAL DOOARS RAILWAY COMPANY, LIMITED

An extraordinary general meeting of this Company was held at Gresham House, Old Broad Street, E.C., on December 16 Mr. Robert Miller (the Chairman) presiding.

The Chairman said that the date of closing the financial year had been changed from September 30 to March 31 in order to secure uniformity in the preparation of Indian Railway statistics. This had necessitated the calling of the present meeting to deal with the half-year's [illegible] March 31, 1920. The gross earnings showed a satisfactory increase of Rs.1,46,657, but against this there was an increase in expenditure of Rs.49,895. The balance of net earnings was Rs.6,09,866, as compared with Rs.5,13,104. Last March he referred to the congested condition of commodities stored in the warehouses in Calcutta, and to the shortage of shipping [illegible] the year ended September 30, 1919. This falling-off, which amounted to some Rs.77,000, was more than recovered during the following six months, the increase during that period being Rs.1,46,600 odd. Coaching traffic showed a decrease of Rs.14,039. The Company carried some 23,000 more passengers than during the corresponding half of 1919, but [illegible] increase of Rs.1,60,153, which was chiefly accounted for by the release of tea held up in Calcutta. The actual net earnings in sterling at an exchange of 1s. 4d. amounted to £38,116, which, plus profit on exchange, £22,755, and interest earned, £638, showed the handsome total of £61,510 for the half-year. The directors' recommended the payment of a bonus of one per cent. on the Ordinary stock, making, with the interim dividend, a distribution of four and a-half per cent. for the half-year, leaving a carry-forward of £41,473, subject to any claim for excess profits duty. Stockholders would perhaps think that with so large a carry-forward an increased distribution might have been possible, but it must be borne in mind that the net revenue had been abnormally swollen by the large profit made by favourable rates of exchange on remittances, and, further, that financial conditions generally, the increase in cost of material and labour, and the uncertainty of the future, which made any forecast of the prospects for the coming year quite impossible, were factors which could not be ignored, and the directors were of opinion that the only sound policy to adopt was one of conservation of resources and preparation for any adverse contingencies which might arise.

The report and accounts were unanimously adopted, and the [illegible] was approved.

MANAOS HARBOUR, LIMITED.

The eighteenth annual general meeting of Manáos Harbour, Limited, was held on December 13 at 11 Adelphi Terrace, Strand, Mr. George M. Booth (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: In the year under review (to June 30 last) our earnings in milreis were slightly in excess of our earnings a year ago. Owing to the improvement in the Brazilian exchange our sterling account has benefited to the extent of nearly £10,000, with the result that, in the actual twelve months under review, our net sterling gains, after the payment of Debenture interest, were approximately £23,000. Had there been any indication that these results might continue your directors would have been in favour of making a payment against our arrears of Preference dividend. Unfortunately our business in the Amazon has once more been heavily hit by the further collapse in the value of rubber, and on top of this the milreis has again fallen to a figure considerably below the average for the last four or five years. The results to date for the year 1920-21 are, therefore, not encouraging, and we feel that it is essential to husband our resources in every way. Your directors have decided to regard the special profit which has come to us through exchange as accruing to the service of our liability in connection with Debenture issues. We have appropriated £13,000 for this purpose, and we feel confident that you will not regard this as in any way excessive. Working expenses during the year amounted to 1,070 contos, as compared with 1,155 contos for the previous year, a policy of rigid economy being followed. Maintenance charges for the year under review totalled just on 211½ contos, as compared with 198½ contos, and the sterling charge has naturally been greater with a higher exchange—namely, £13,941, as against £11,120 for the previous year.

Relations between the Company and the various authorities in Brazil—Federal, State, and municipal—remain harmonious. Our negotiations with the Federal Government in Rio continue to be carried out with [illegible] Dr. Alvaro de Carvalho, ably assisted by Dr. Ricardo Xavier da Silveira. We also recognise and appreciate the faithful services rendered by our staffs at London and Manáos. The Company's management at Manáos during the year under review has been in the capable hands of Mr. Alexander Macfarlane. I regret having to report the serious illness of this gentleman, which developed in June last, and rendered imperative his return to this country for further medical treatment. This has been completely successful, and Mr. Macfarlane looks forward to going back to Manáos early in the New Year. In the meantime Mr. Sutton has returned to Brazil to take over the management.

Mr. E. H. Tootal seconded the motion, which was [illegible] unanimously agreed to.

THE EASTERN TELEGRAPH COMPANY, LIMITED.

Increased Facilities.

THE eighty-ninth ordinary general meeting of the Eastern Telegraph Company, Limited, was held on Wednesday, December 15, 1920, at Electra House, Finsbury Pavement, London, Sir J. Denison-Pender, G.B.E., K.C.M.G., Chairman of the Company, presiding.

The Secretary (Mr. A. R. Hardie) having read the notice convening the meeting and the auditors' report,

The Chairman said: Gentlemen,—When I had the pleasure of meeting the stockholders last year I remarked that our gross revenue had reached a figure considerably in excess of any previous year in the history of the Company, and was no less than £1,438,000 more than the pre-War year 1913; but the gross revenue shown in the accounts now before you exceeds that of last year by £694,000, the total of the year under review having amounted to £4,059,000.

Gentlemen, these are remarkable figures, but we must not overlook the fact that this large income has not been earned without a very considerable increase in the working expenses, which were approximately £653,000 more than for the year 1918. Full details are given in the accounts now before you, and as abnormal conditions still prevail, and our expenses have not yet become so stabilised as they were before the War, I will not attempt to analyse them in detail. I may mention, however, that the bulk of the increase is due to extra payments made to the staff, partly in the form of permanent augmentations of the scales of pay, and partly in the shape of temporary payments to meet to some extent the present abnormal conditions of life, and we look forward with hope to the time when we can draw up and fix as a permanency such scales of pay as will have a proper relation to the work incidental to our business and in keeping with the conditions then existing. It is fortunate that in the meantime our earnings have enabled us to deal generously with our staff during the trying time they, in common with so many others, have experienced and are still experiencing.

Net Revenue.

Notwithstanding these exceptionally heavy expenses, our net revenue amounted to £1,851,883, or £40,426 in excess of last year. Therefore, after providing for income tax and excess profits duty payable in England, which I am glad to say is £430,977 less than the preceding year, and interest and dividends on Debenture and Preference stocks, there is, with the amount brought forward, and available balance of just over £1,316,000. So that, after deducting the amount required to pay a dividend of ten per cent., free of income tax, on the Ordinary stock for the year ending December 31, 1919, which, I may incidentally remark, is two per cent. more than the dividend and bonus paid during previous years, there is a surplus of £916,000, out of which we have carried to the general reserve fund £500,000, the same amount as last year. No doubt we could have carried a larger sum to this fund and reduced the amount carried forward to the next accounts accordingly; but, as explained in the report, we have decided to carry forward the exceptionally large sum of £416,000, in view of the additional heavy taxation, &c., which we shall have to meet in 1920.

I do not intend to discuss the merits or demerits of the excess profits duty, as this is a very contentious subject; but I must say that I would welcome a more stable form of taxation instead of the extreme fluctuations to which we have lately become accustomed. You will no doubt remember that I stated at the last meeting that the amount paid and due to the Government by the associated companies for income tax and excess profits duty for the five years totalled to no less a sum than six million pounds. These figures would be greatly exceeded if I were to add our liabilities under this head for the years 1919 and 1920; but perhaps you prefer not to be reminded of such details. Therefore I will let the past bury its own record. The general reserve fund has been debited with £573,264 in respect of a new cable between Portheurnow and Gibraltar, and the partial renewal of some of our main line cables, &c.

Cable Laying and Renewals.

As foreshadowed at our last meeting, we have in contemplation a heavy programme of cable lying and renewals, and this was further referred to at the special meeting called to authorise the increase in the ordinary capital of the Company by one million pounds. During the current year we have expended about £1,200,000 on additional cables from Malta to Alexandria and from Aden to Bombay, part of which will be charged to capital expenditure, as the new capital was specially provided for this purpose; but when the whole of our present programme is carried out a considerable sum will be charged against the general reserve fund according to our usual policy. I regret to say that the securities in which our reserve funds are invested show a further heavy depreciation, in common with other concerns holding gilt-edged securities, and we have considered it advisable to allocate a further sum of £200,000 from the general reserve fund to the special fund set aside as a provision for this depreciation, which now amounts to £840,000. The value at which the investments appear in the balance sheet may be taken as the approximate actual value as at December 31, 1919.

Last year I addressed you at considerable length, having then considered it necessary to review our position in consequence of the War, and I commented upon the innumerable difficulties which had to be overcome in order to provide the best service possible under the circumstances for all concerned. I then stated that the combined interests of this country and our Allies had claimed our first consideration, and that our regular customers had been subjected to many restrictions in consequence of which their commercial service had been hampered, and that their telegrams had been, and were still, suffering serious delay. Fully realising that, as public servants, it was our duty to remedy this unsatisfactory state of affairs at the earliest possible moment, every effort has been made on our part to re-establish such a service for commercial correspondence as was generally acknowledged to be second to none in speed, secrecy, and freedom from errors in transmission. I am now glad to be able to report that a great improvement has already taken place, and when the whole of the additional cables ordered by this Company and the Eastern Extension Company are laid and working we fully anticipate that our public service will be even better than it was before the War.

Gentlemen, these results have not been achieved without the expenditure of a very large sum of money and the exercise of much forethought. I have on many occasions emphasised the importance of maintaining a substantial reserve fund, and I may be pardoned for referring to the matter again, because I think you will agree that no better proof could be found of the wisdom of continuing this policy than from the example now given, whereby we have been able to provide for the large expenditure for new cable, &c., to which I have referred, without increasing our capital to any serious extent.

Tribute to the Staff.

Gentlemen, it is due to our staff that I should again refer to the commendable part taken by them in assisting us to meet the difficulties under which we laboured, and for so manfully bearing the hardships many of them had frequently to undergo, and for willingly performing the extra work, especially in trying climates, on account of the great increase in the volume of traffic at a time when circumstances over which we had no control made it impossible to supply additional men to assist them.

Every effort is being made to overcome the shortage of staff, so as to relieve our present employees and reduce the amount of overtime which they are now called upon to perform. Our school originally in this building has been transferred to Hampstead, where we have been able to more than double the accommodation for the training of young men in the particular requirements of our service. Two hundred probationers can be accommodated and trained at a time, and as they qualify and pass out to our stations others are engaged to keep the figure constantly up to that number. As I have already stated, we have been in a more fortunate position than some other undertakings, in so far as that we have earned additional revenue to enable us to treat the staff generously, and I feel sure that the stockholders will gladly endorse our action on their behalf.

The problem of dealing fairly with the claims of capital and labour is a somewhat troublesome one, as it depends to a great extent on the earning powers of their combination in specific cases. It is true that our revenue at the present time gives us a satisfactory margin to meet the just claims of the stockholders, who provide the capital, and the staff, who supply the labour, but we have, in the interest of all concerned, to consider the future and make quite sure that there will be a satisfactory margin after meeting our permanently increased expenditure, maintain our reserve fund, and provide a proper return to the stockholder on his investment before any drastic permanent augmentation of the standard scales of pay can be definitely decided upon. In the meantime we are making temporary payments in the form of bonuses and allowances to meet the adverse conditions existing, and these abnormal conditions will be considered by the board from time to time as they arise.

You are aware that a pension fund for the staff was established some years ago, to which the Company and the staff contributed annually an equal percentage on the salaries. In order to assist the staff the Company has relieved them of this burden, and now contribute the whole amount—the annual cost appearing under the heading "Staff Pension Fund" on page 4 of the revenue account being £35,552, or over £12,000 more than last year.

Widows' Pension Fund.

By the desire of a large number of the staff, an Associated Companies' "Widows' Pension Fund" is also in process of formation. It will be supported by annual contributions by the staff themselves. It was found, however, on actuarial examination, that the annual premiums required to secure a pension of £100 to the widow or certain dependants of a deceased member of the British staff, especially in the case of the older members, would have been more than they could have conveniently spared. The boards of the Associated Companies have, therefore, decided to assist those members of the staff who elect to join the scheme by making an initial payment of £38,000 to the fund, this Company's proportion being £20,000, and the Companies will, further, also assume certain responsibilities in future, so as to

endeavour to assure the solvency of the fund. Again, with a view to further the welfare of their staff, the principal Associated Companies decided to install a club-house and recreation ground not only for the use of the staff at home, but also for the enjoyment of those serving abroad when they return to the home country during their furlough. A freehold property called "Meadowbank," with beautiful grounds of about ten acres attached, on the bank of the Thames at Twickenham, was secured some time ago and converted into a suitable club-house. We have also purchased over sixteen acres of freehold land at Osterley Park, close by, and laid it out as a sports ground. The capital sum to inaugurate the club-house and recreation ground is about £52,000, and has been contributed by the three principal Companies, this Company having agreed to find one-half the cost. The club and grounds were officially opened on June 5 last, and formally handed over to the Trustees of the Companies to be managed by committees appointed by the staff on condition that the club shall in future be self-supporting. It has been enthusiastically supported by the staff, and already has a membership of about 2,300, including over 200 members of the female staff. It should prove a great boon to the men and their families when home on leave from foreign stations, and to the home staff, and I feel sure that the club will become a great success and tend to promote the goodwill and friendship between the staffs of the Associated Companies.

New Capital Issue.

As you will have seen from paragraph 6 of the report, in accordance with the authority given to the directors at the extraordinary general meeting held on March 3 last, the issue of 1,000,000 new Ordinary shares of £1 each was offered to the Ordinary stockholders at par, and was taken up by them to the extent of 933,121 shares. The staff of the Company was given the option of applying for the remaining balance of 66,879 shares, and applications were received from them for over three times the number of shares available. The same action was adopted by the Eastern Extension and Western Companies, but as their staffs are not so numerous as ours they did not absorb the whole of the unissued balance. These Companies generously handed over all over after making the allotments to their staff at the disposal of this Company, which will be able to meet meeting the applications of our own staff, although these additional shares will not meet the total applications received. Gentlemen, with those remarks I beg to propose :—

"That the printed reports and accounts of the directors for the year ended December 31, 1919, submitted to this meeting, be and the same are hereby received and adopted. That the dividend of three and a-half per cent, less income tax, paid in respect of the Preference stock of the Company, and the dividend of ten per cent., free of income tax, paid in respect of the Ordinary stock of the Company for the year ended December 31, 1919, be approved."

Before I put the resolution I shall be happy to answer any questions.

Mr. Francis Alexander Johnston seconded the motion, and, no questions being asked, it was put to the meeting and carried unanimously.

On the motion of the Chairman, seconded by Lord Pirrie, K.P., the retiring directors, Mr. J. C. Denison-Pender, M.P., and the Right Hon. F. Huth Jackson, were re-elected.

The auditors, Messrs. Deloitte, Plender, Griffiths and Company, were re-elected.

Mr. Ernest Clarke then proposed, and Captain George Pattison seconded, a hearty vote of thanks to the Chairman, directors, and staff for their services in the past year, and the vote was unanimously accorded.

The Chairman briefly acknowledged the compliment, and the proceedings then terminated.

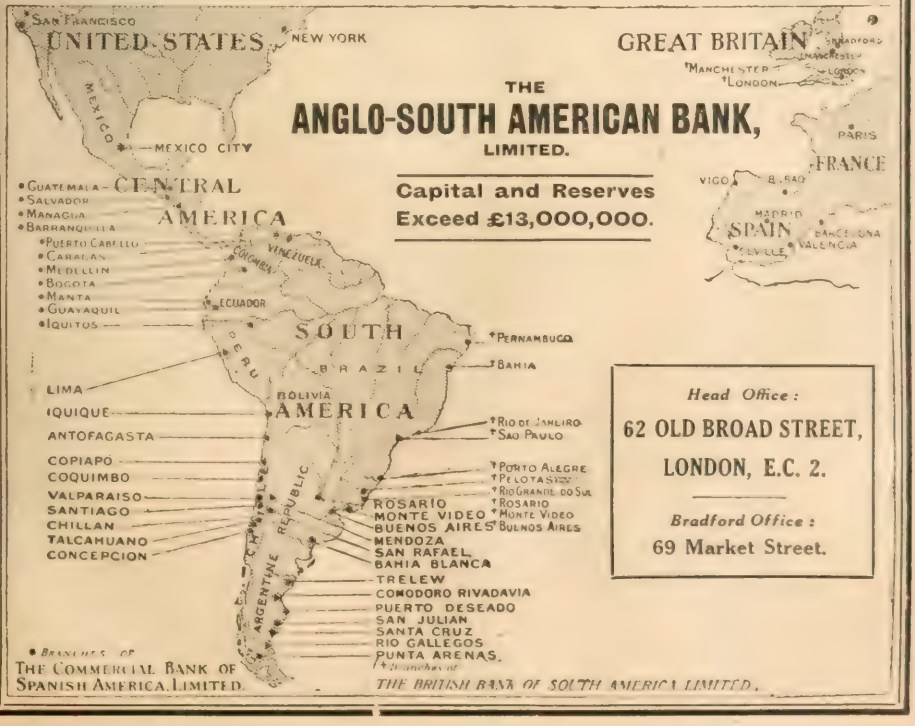
THE WESTERN TELEGRAPH COMPANY, LIMITED.

THE eighty-seventh ordinary general meeting of the stockholders of this Company was held at Electra House, Finsbury Pavement, on December 15, 1920, Sir John Denison-Pender, G.B.E., K.C.M.G., the Chairman of the Company, presiding.

The Chairman said : Gentlemen,—The revenue from all sources has increased by a little over £719,000, and this represents a greater volume of traffic with all the States of South America which are served by the Company's system of telegraphic cables. The net increase in working expenses

THE SOUTH AMERICAN BANKS.

This Map indicates the points at which
THE ANGLO-SOUTH AMERICAN BANK, LTD.,
and its affiliated Institutions,
THE BRITISH BANK OF SOUTH AMERICA, LTD.,
and THE COMMERCIAL BANK OF SPANISH AMERICA, LTD.,
are established.



THE
ANGLO-SOUTH AMERICAN BANK,
LIMITED.

Capital and Reserves Exceed £13,000,000.

Head Office :
62 OLD BROAD STREET, LONDON, E.C. 2.

Bradford Office :
69 Market Street.

* BRANCHES OF THE COMMERCIAL BANK OF SPANISH AMERICA, LIMITED.

† Branches of THE BRITISH BANK OF SOUTH AMERICA, LIMITED.

amounted to £276,000, and income tax, excess profits duty, and corporation profits tax were more by £151,000. The result is that after paying quarterly dividends amounting to ten per cent., free of income tax, for the year, there has been transferred to the general reserve fund £450,000; to provision on account of investment fluctuations, £145,000; to maintenance ships' reserve fund, £50,000; and to land and buildings depreciation fund, £50,000. Although £450,000 has been credited to the general reserve fund, I must remind you that £317,000 has been debited, that fund being part of the cost of new cables and renewals and loss on sale of investments. The net increase in the general reserve fund is consequently only about £133,000. Our new cable from North Brazil to the Island of Barbados, to which I referred at our last general meeting, was laid in September last. A short time before an expedition started to lay the connecting cable, owned by our American friends the Western Union Cable Company, from Barbados to Florida, there to join up with the vast landline system of the latter Company in the United States. At almost the last moment, however, we were all surprised to learn that the American Government refused to permit the Western Union Company to land its cable on American soil, the objection being that the Western Union intended working in conjunction with us, a British company holding exclusive rights from the Government of Brazil for submarine cable communication. In the near future we are committed to lay additional cables on the Brazilian coast between Pernambuco and Maranhão, Pernambuco and Maceio, Victoria and Rio de Janeiro, and Rio de Janeiro and Santos. We intend also to afford additional facilities to Santa Catharina and Rio Grande do Sul.

The Right Hon. the Earl of Midleton, K.C., seconded the motion, which was carried unanimously.

THE EASTERN EXTENSION AUSTRALASIA AND CHINA TELEGRAPH COMPANY, LIMITED.

A Satisfactory Year.

THE eighty-sixth ordinary general meeting of this Company was held on December 14, at Electra House, Finsbury Pavement, London, under the presidency of Sir J. Denison-Pender, G.B.E., K.C.M.G., the Chairman of the Company.

The Chairman said: Gentlemen,—It is hoped that we shall be able to hold our next meeting at a much earlier date. The enforced delay in holding the meeting did not, however, prevent the payment to the shareholders at the usual time of the final dividend for the year 1919, making a total distribution of ten per cent., free of income tax, against eight per cent. for 1918.

Analysis of Accounts.

Turning now to the printed acounts, which I think you will agree are highly satisfactory, it will be seen that the gross receipts for 1919 amounted in round numbers to £2,446,000, against £2,070,000 for 1918, showing an increase of £376,000, notwithstanding the fact that the revenue for the latter year was £562,000 higher than in 1917. Comparing the revenue of the past year with that of the pre-War year of 1913, there is an increase of over 300 per cent. For the current year the traffic is being well maintained. The handling of this greatly increased traffic has naturally involved a considerable addition to the working and other expenses for the past year, which, in round numbers, amounted to £961,000, against £620,000 in 1918, or an increase of £341,000. This absorbed most of the increased revenue, but fortunately the reduction from eighty per cent. paid in 1918 to forty per cent. paid in 1919 for excess profits duty reduced the expenditure on this account by £455,000. The balance we now have to deal with is £1,041,000, plus the balance of £41,000 brought forward from 1918, making together £1,032,000. Out of this we have distributed £300,000 in payment of the ten per cent. dividend, and now propose to transfer to the general reserve fund £350,000; also to make a further provision of £200,000 on account of investment fluctuations, which will make up the depreciation shown in the Company's securities at the end of 1919 within a few thousand pounds, and carry forward £232,000. Your directors consider it advisable to retain this large sum owing to the uncertainty prevailing regarding taxation liability, and to the large expenditure required in the near future for developing and improving the Company's service in the Far East. The additional cable which we have arranged to lay between Madras and Singapore, of large carrying capacity, is now in course of manufacture, and is expected to be laid and opened for traffic early next year. The existing two cables between Madras and Penang are, at times, taxed to their utmost capacity. You will remember that the Great Northern Telegraph Company's through route to the Far East materially assisted in carrying the China and Japan traffic up to 1914, when it became interrupted and is not yet restored. Consequently, our cables are still carrying this traffic in addition to the large increases in other directions, and, as I have just mentioned, additional carrying capacity is now much needed. When the Great Northern route is again working we shall be relieved of some of the traffic, but in any case the new cable will benefit the telegraphing public, and therefore we have no hesitation in incurring the expenditure for the additional cable between Madras and Singapore. All the new shares have been allotted, with the exception of the 2,165 representing the fractional shares. I now beg to move:—

"That the report and acounts of the directors for the year 1919, submitted to this meeting, be, and the same are hereby received and adopted."

"That the dividend of ten per cent., free of income tax, paid in respect of the share capital of the Company for the year ended December 31, 1919, be approved."

Col. the Hon. Arthur G. Brodrick, T.D., A.D.C., seconded the motion, which was carried unanimously; and resolutions were afterwards passed re-electing the retiring directors, Mr. J. C. Denison-Pender, M.P., and Sir A. J. Leppoc Cappel, K.C.I.E., and reappointed the auditors, Messrs. Deloitte, Plender, Griffiths & Co.

A cordial vote of thanks to the Chairman, directors, general manager, and staff terminated the proceedings.

CITY OF LONDON RE-INSURANCE COMPANY, LTD.

Reorganisation successfully carried through: Strong Financial Posit.on.

PRESIDING at the general meeting of the City of London Re-Insurance Company, Limited, held on Wednesday, December 15, Lord Morris, P.C., &c. (Chairman), in moving the adoption of the report and accounts said that the net premium income since the Company became affiliated with the Tariff Committee amounted to £31,133; the claims thereon amounted to £9,208, and they had reserved forty per cent. of the net premium for unexpired liability. This, considering the circumstances of the times and the extreme care with which the business had been selected, was very satisfactory.

They were, perhaps, aware that during the past few months some of the largest companies had made arrangements with other offices to underwrite marine business on their behalf; the directors had had similar proposals before them to which they had given very careful consideration, but, in their opinion, it would prove more satisfactory to undertake such business through an underwriter of their own.

It was not an easy matter to-day to obtain the right man for such a position, but he had great pleasure in informing them that they had been successful in securing the services of Mr. Leonard H. Brading as marine underwriter, who would enter upon his duties as from January 1 next.

Mr. Brading had for the past six years been marine underwriter to that most successful office, the Motor Union Insurance Company, and, in addition to this for a slightly shorter period, to the United British Insurance Company and the British Commonwealth. Prior to his appointment to the Motor Union he was deputy underwriter for ten years to Sir Edward Mountain, of the British Dominions.

The marine departments of these offices had been, without exception, exceedingly well managed, and there was no question but that their marine results had been an important factor in the success of these companies.

He considered they had now made such arrangements, in this and other directions, as would enable them to be in a position to command a fair proportion of the highest class of business, especially as they had the greater part of their working capital intact, and had, in addition, a large reserve of uncalled capital.

The report and accounts were unanimously adopted, and the retiring directors having been re-elected, the proceedings closed with a vote of thanks to the Chairman, directors, and the staff.

HARRODS (BUENOS AIRES), LIMITED.

Advantages of Recent Fusion.

THE seventh annual general meeting of the shareholders of this Company was held on December 14 in the Assembly Room, at Harrods, Limited, Brompton Road, S.W. Sir Alfred J. Newton, Bart. (the Chairman), presided.

The Chairman, in the course of his speech, said he thought he might fairly congratulate the shareholders that the Company had now achieved the position which in 1913 they set out to attain: Having regard to the assured position of the Company, the directors had in view the distribution in future of interim dividends on the Preference and Ordinary shares, instead of holding up the whole of the dividend until the end of the year. The outstanding and important feature of the year had been the acquisition of the control of the business of the South American Stores (Gath and Chaves), Limited.

Gath and Chaves was a departmental stores business, which had honourably served the Argentine public for a number of years. The business was established in 1883, and in 1912 was registered as the South American Stores (Gath and Chaves), Limited, with its central stores in Buenos Aires, nine branches in principal cities in the Republic, and a subsidiary company, the Chilian Stores (Gath and Chaves), Limited, in the thriving city of Santiago, in Chile. At the last annual meeting of Harrods (Buenos Aires) reference was made to the necessity of this Company's opening branches in other important centres in South America, and this policy of expansion would have been pursued forthwith but for the fusion of interests which had been happily and successfully achieved. The shares given in exchange for

the South American State shares were issued at prices ranging to over a quarter of a million sterling. The two companies were not dealing in precisely the same class of merchandise, but trading was booming in that direction, and in various ways it was considered that the position would have been more sharply accentuated as years went on. The fact was clearly brought out at the negotiations, and had an important influence upon the result.

Duplication of Stocks Avoided.

Necessarily [illegible] Harrods had exclusively dealt in high-class commodities; Gath and Chaves, on the other hand, had chiefly cultivated the good-medium quality trade, and they were now happily avoiding the duplication of stocks in the two houses with the limitations of assortment and values which would necessarily have been the outcome of continuance on the old lines. [illegible] trading most fitting to each house, the best results would be obtained, and they would each, by specialisation, be able to give better value and better service to the public. The South American Store remained an entirely separate entity. The changes consisted in there being one predominating shareholder in the place of a very large number of smaller shareholders, and the attendant change in the directorate. The original offer of Harrods (Buenos Aires) made early this year was conditional upon the acceptance by the holders of not less than eighty per cent. of each class of shares. It was ratified forthwith by substantially more than eighty per cent., and further acceptances had been made, so that Harrods (Buenos Aires) now held over ninety-four per cent. of the total number of shares. Since the report and balance sheet had been circulated further transfers had been received from shareholders, who, through various causes, had not been able to avail themselves earlier of the offer.

Trading Results.

The net profit of the Company for the year, together with the amount brought forward, amounted to £591,816, out of which the directors had allocated £35,000 to writing off the balance of formation and inauguration expenses. They then applied £39,000 to the payment of six and a-half per cent. upon the Cumulative Preference shares, carried £51,781 to reserve, according to the articles of association, and paid ten per cent. dividend on the Ordinary shares and 5s. per share upon the Deferred shares, and carried forward to the credit of the Deferred shares the balance of £13,486. For the year ended August 31, 1918, they made a net profit of £145,245, and paid on account of arrears a two years' dividend upon the Preference shares. For the year ended August 31, 1919, they made a net profit of £194,000, and paid four years' dividends upon the Preference shares, thereby clearing off all arrears of dividends. For the year just ended, in addition to writing off the final balance of £35,000 inauguration expenses, they were paying full dividends for the year upon both the Preference and the Ordinary shares, and after placing over £51,000 to reserve they were paying £60,000 to the Deferred shareholders, as well as carrying forward £13,486 to their credit. Finally, he said that in the Argentine there was a vigorous and rapidly-growing nation, possessing plenty of space for expansion, with rich tracts of territory for cultivation. There were many evident signs of strength and vigour, and those in close touch with South America and competent to form an opinion spoke most highly of the Argentine and of its trade and prospects. He moved the adoption of the report and accounts. (Applause.)

After some discussion the resolution was carried with one dissentient.

IND, COOPE, AND CO. (1912), LIMITED.

The [illegible] this Company was held on December 13 at the Abercorn Rooms, Great Eastern Hotel, Liverpool Street, E.C.

Mr. [illegible] Directors presided.

The Chairman said: [illegible] had been considering, [illegible] the limitation on gravity, and in April came the Budget, [illegible] Whilst the Government [illegible] become very keen, and it behoves us to turn out the best article with a view to maintaining the existing trade and [illegible] new markets.

Review of the Balance Sheet.

With regard to the balance sheet, [illegible] the increase of the authorised capital [illegible] to £1,750,000, [illegible] which [illegible] the issue of 250,000 [illegible] Turning to the credit side, it will be noticed that the first item—purchase of business, freehold and leasehold properties, [illegible] £57,500 [illegible]

The shareholders will be glad to know that the whole of the brewery premises, both at Burton and Romford, are now freehold, whereas at the time the Company was formed considerable [illegible] under leases. The board realised, therefore, that in the [illegible] freeholds thereof, on which part of the breweries and maltholding of Government securities. This is accounted for by the fact that owing to the expansion of the business, [illegible] and other factors, moneys previously invested in short-dated securities have now to be used in the working of the Company's business. Trade Investments.—There is an increase on last year amounting to £209,150. This is owing to the [illegible]

The Trading Profit.

[illegible] is higher, and is due to the increased purchases at the prevailing high prices of casks, bottling plant, fixed plant, lorries, &c. Compensation fund charge, income tax, &c.—The increase is brought about by the income tax, which, as the shareholders are aware, is computed on the average of three years. Directors' fees.—The increase in the directors' fees is as sanctioned at the last general meeting. On the credit side the trading profit is down £75,067. Although the output of the breweries was better, the increased cost of production referred to already accounted for the smaller profits. With regard to the three items of reserve in the balance sheet, your directors have added £50,000 to the special reserve, which they are of opinion is sufficient to [illegible] excess profits duty. The Debenture redemption fund has been increased by £10,000, and £25,000 has been added to general reserve, which now stands at £125,000.

I should like to say a few words with regard to the purchase of the controlling interest in Robinson's Brewery, Limited. For the year ended September 30, 1920, we only had about five months' experience, and it is too early to say much about the potential advantages to be derived from [illegible] but I can say this—that there appears to be every probability of the acquisition of this interest proving beneficial to the shareholders of this Company. During the year the Company has sold a certain number of licensed properties, which, owing in some cases to their geographical situation, and in others to unsuitability to our trade, it was considered desirable to dispose of.

A cordial vote of thanks having been given to the Chairman and directors, on the proposition of Mr. A. King, the proceedings terminated.

JOHN I. THORNYCROFT AND CO., LIMITED.

The nineteenth annual general meeting of this Company was held on December 13 at Winchester House, Sir John E. Thornycroft, K.B.E., M.Inst.N.A., Managing Director, presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profits for the year, after deducting estimated liabilities for excess profits duty, income tax, and corporation profits tax, amounted to £122,247, and with £51,948 brought forward there was a disposable balance of £174,195. After payment of the dividends recommended, the transfer of £35,000 to reserve account, and the contribution of £5,000 to the benevolent fund, £53,169 would remain to be carried forward. The Company had been very full up with work in all departments, and, although the profit was a very satisfactory one indeed, it was only right to mention that on the turnover it represented a comparatively [illegible] of the total increase of £400,000 after deduction of the con-

notes or capital bearing cumulative interest at high rates. This class of commitment had been very common of late in the industrial world, but the directors had every hope of being able to avoid the necessity for raising capital on such terms. In addition to the new capital they had raised, their reserve accounts now stood at £245,000, in addition to which they were carrying forward some £53,000.

Reduction of Outstanding Liabilities.

They had been able to reduce outstanding liabilities of the Company during the past year by about £60,000. Their investments, other than War Loan, consisted in the main of their holdings in Thornycroft (India), Limited, Thornycroft (Scandinavia), Limited, and Basingstoke Buildings, Limited. The Indian Company made a profit in its first year's trading of Rs.60,496 after writing down a proportion of the preliminary expenses. One of the directors, Sir Edwin Grant Burls, was on his way to India on business matters, and would be able to take the opportunity of conferring with the Indian Company's directors in Calcutta. The Scandinavian Company was registered in Copenhagen, which seemed to be the most central position for business in Scandinavia generally. As to the shipbuilding side of their business, it was perhaps needless to mention that they had not been favoured with any new orders from the British Admiralty for war vessels. The change over from the construction of war to commercial vessels had been successfully made, but they were still retaining their experienced technical and works staff, which was at the service of the Admiralty should there be any decision to undertake a limited amount of new work of an experimental nature to keep this country in its proper position as regarded naval development. Their ship-repairing shops in the Southampton Docks had been finished during the year, and this department, which had been very busy, had been worked with satisfactory results.

Utilisation of Technical Staff.

In pursuance of their policy of utilising the services of the Company's first-class technical staff in conjunction with firms overseas, the directors had entered into arrangements with the Costeira Company in Rio de Janeiro and the Astilleros del Mediterraneo in Barcelona. In Shanghai they had established their own office, so that arrangements were now completed as regarded India, the Scandinavian countries, Spain, Brazil, and China. On the motor side of their business the sales of the Company had been the largest in their history. Their productions had given universal satisfaction, and, what was most important as regarded the future, their relations with their agents and users could fairly be described as excellent. In conclusion, the Chairman observed that if the shareholders considered, coupled with the policy the board had been pursuing in broadening the basis of the Company's operations, the helpful effect in the future of the business which had been done, and remembered that the Company had its fixed assets valued on a pre-war basis and four strings to their bow—shipbuilding and marine engineering, ship-repairing, motor vehicles, and marine motors and motor boats—they must, he thought, come to the conclusion that the directors had prudently tried to insure the future of the undertaking.

Mr. Alexander Clegg, J.P., seconded the resolution, which was unanimously adopted.

HAMPTON PROPERTIES, LIMITED.

A Promising Outlook.

THE annual general meeting of the Hampton Properties, Limited, was held at Edinburgh, on December 14, Mr. W. Work Slater (Chairman of the Company) presiding.

The Chairman said that the financial position of the Company was sound, the available funds amounting to over £51,000, and, in addition, they held fully-paid shares in "Hampton Celebration," the value of which at to-day's price was about £5,000, and cash to be received amounted to about £2,000. The property account had been reduced by the sum of £5,843 18*s.* 10*d.* from the sale of town sites and the amounts received for options.

The sum spent on prospecting and general expenditure in West Australia, together with the expense of management on this side, was moderate. After deducting sundry receipts in Western Australia and Edinburgh—viz., lease rents, interest, &c.—the amount was £1,938 13*s.* 8*d.* The only other reference he thought it necessary to make in connection with the balance sheet was that the £15,000 contingent liability had been paid off. The Company had no Debentures or loans of any kind.

With regard to the prospects, there was no golden avenue to success, and nothing but development work under the best possible expert advice would prove availing. This had been the experience of the Golden Mile, which experts considered they had a continuation of in Block 50. They believed that they had something worth working for.

Rich Ore Discoveries.

From the Hampton Celebration, which is right in the centre of Block 50, to their southern boundary—a distance of three miles—an ore channel had been proved, and although the lease immediately to the south of the Celebration had proved so far disappointing, rich ore had been encountered on at least two other leases on this ore channel. On their Lease 81 they had opened up a chute of ore at the 100-foot level giving values up to 2 oz. of gold to the ton. A winze was being sunk on this ore body, and the prospects were distinctly encouraging, the Manager in Australia being hopeful that the Company's reserve lease No. 81 would turn into a mine.

With regard to Block 45, reef had been met with averaging 12 dwt. per ton over a width of 60 inches, and the latest cablegram, received just prior to the meeting, was in the following terms :—

"Freehold Block No. 45 Company's alternate Lease Hampton Properties, Limited, shaft No. 4, 50 feet level driven crosscut 12 feet west from 2 feet to 12 feet, average value 15½ dwt. Not yet through the reef."

Confidence in the Future.

To show the confidence in the future of the new goldfield entertained by those on the spot, the Chairman stated that some £5,000 had been spent on building and furnishing an hotel in "Celebration City," and everything was being done to meet the wants of the new population and to assist in opening up the property. A water supply had been arranged for, and a pipe line was being laid through Block 50; roads had been constructed and progress made in all directions, and they now had a railway going from end to end of Block 50.

Gold was never more wanted than it is to-day, and the Company were hopeful that before long they would be able to assist in augmenting the supply of this precious metal.

Mr. Herbert J. Daly, a mining engineer of the highest standing, after having made a thorough examination of the property, had agreed to act as joint managing director in Western Australia, looking after the mining part of the business; while Mr. Francis, the other managing director, would attend to the commercial part. Mr. Clark, one of the Company's directors, was at present in Australia, and had spent some time on the property, entirely at his own expense, going over matters very thoroughly, so that his advice would be of greater value than ever to the board.

They were well served by the entire staff. They had Mr. Godden, a mining engineer, as mining superintendent. Mr. Godden had come to them with the highest credentials, and they were well satisfied with his work.

Reasons for Optimism.

While they had not yet reached the goal they expected to reach, they had, he though, many reasons for congratulating themselves. Some of these were :—

Nearly all over the property gold-bearing ore had been discovered.

They had ample cash resources to carry them through for a long time to come. In the past, when their resources were comparatively trifling, their policy had been to keep a watchful eye on their working capital, and this policy they intended to continue.

He thought from what he had said that they would agree that their prospects were good, and that with time that would become more evident.

The report was adopted.

LONDON-AMERICAN MARITIME TRADING CO., LTD.

THE annual general meeting of the shareholders of this Company was held on December 13 at the Great Eastern Hotel, Liverpool Street, E.C., the Earl of Wemyss (Chairman of the Company) presiding.

The Secretary (Mr. M. Huntley) having read the notice convening the meeting and the report of the auditors,

The Chairman said : During the past year your directors have continued their policy of taking advantage of the high prices to be obtained for old ships, and have reduced their fleet by selling them. In these circumstances we have, of course, traded with a smaller fleet than we did before. It must be a source of satisfaction to the shareholders, therefore, that, in spite of this, our trading profit shows an increase of £23,000 over that shown last year.

Increased Running Charges.

It was my duty to call attention last year to the greatly increased cost of working, and I am sorry to say that for the period covered by the accounts there has been a further considerable increase in every detail. Taking it altogether from the beginning, the running charges for insurance, wages, stores, and provisions have increased by 300 per cent., port charges by 200 per cent., repairs by 375-400 per cent., and bunker coals by practically 500 per cent. In addition to prices having increased in this remarkable way, you will not perhaps be surprised, from what you know of our affairs, to learn that both the value of the goods received and the standard of services rendered have been lamentably short of what we were accustomed to in pre-war days. The Leander Steamship Company (which used to figure in our books) having lost all their tonnage with the exception of the *Venus*, this vessel was sold and the company went into liquidation. The items of steamship cost account and Thompson Steam Shipping Company, Limited, represent the book value of the s.s. *Benwood* and about ninety-two per cent. of the Thompson Company. The latter company purchased the s.s. *Venus*

and, having disposed of all its old tonnage at high prices, is now replacing the same at lower and less modern standards.

The auditors, in their certificate, remark that no provision has been made for depreciation of taxes. Your directors considered that, as reference to the balance sheet will show—as the Company had £229,382 5s. 7d. standing to the credit of special reserve account, and as this represents practically forty per cent. of the Company's investments, there was no necessity to make any further provision. However, as the proposed dividend will only absorb £43,000, there will remain a balance of £22,881 3s. 7d., and I suggest that £6,700 be written off as depreciation, and that the balance be carried forward. Now, as to provision for taxes, there is a balance of £36,107 14s. 8d. standing to the credit of reserve for contingencies, and a further £15,000 to the credit of taxes account (included in sundry creditor balances), and this your directors considered ample.

I do not think there are any other items that call for comment, but I might draw your attention to the fact that, whereas last year the Company paid away £20,654 5s. 8d. as interest, this year we have received £4,676 2s. 3d. under this head.

Result of Six Years' Working.

Now, to sum up matters, I would only just draw your attention to the history of this Company during the last six years. We were formed, as you know, six years ago—just before the War. During that period we have paid in dividends to the Ordinary shareholders 109 per cent., so that all the original shareholders have had their investment paid off, *plus* nine per cent. In addition to this, we have paid off all our Debentures and all our loans; we have paid the Preference shareholders, I think, in every year more than their fixed percentage; and I can only tell you that our assets—as you can see for yourselves—are immeasurably higher in value than they were when we first started. I have great pleasure, as Chairman of this Company, and as representing the board, in mentioning these facts to you, and I hope you will receive them with equal satisfaction. (Applause.) It now only remains for me to move: "That the directors' report and accounts, as presented to this meeting, be and are hereby accepted, and that a dividend of twenty per cent., less tax, be paid on the Ordinary shares, and also that a supplementary dividend of three per cent., less tax, be paid on the Cumulative Participating Preference shares, that £6,700 be written off as depreciation, and that the balance, £22,881 3s. 7d. be carried forward."

Mr. S. M. Brett seconded the resolution, which was carried unanimously.

THE SUDAN PLANTATIONS SYNDICATE, LIMITED.

A Satisfactory Year. Strong Financial Position.

The thirteenth ordinary general meeting of this Syndicate was held on December 15, at Winchester House, Old Broad Street, London, E.C., Mr. F. Eckstein (the Chairman of the Company) presiding.

The Acting Secretary having read the notice convening the meeting and the report of the Auditors,

The Chairman said: Gentlemen, Once more I have the privilege of meeting you and of rendering you an account of our stewardship for the past year.

The results of our undertaking have been, as you will have already seen from the published reports, very good indeed, due first and foremost to the amazingly high cotton prices, and secondly to exceptionally good crops at our two Gezira stations. These results have been unusually good, so that I feel convinced in my own mind that it will be impossible for us to put before you a balance sheet of equal excellence next year. Prices of cotton have receded very considerably, but against this our production of cotton ought to increase, not during this year, but in the year after. I make a point of mentioning this to prevent disappointment and possible reproaches at our next annual meeting.

The profit for the year reaches the sum of £228,759 1s. 1d., against £59,000 in the previous year, and we propose to pay you the usual dividend of twenty-five per cent., as well as a bonus of ten per cent. on the capital account. These thirty-five per cent. will absorb £105,000.

The Balance Sheet.

I will now run shortly through the balance sheet, in which you will find various items.

Our capital on June 30 was £300,000, but it stands to-day at £300,000. Out of the 150,000 shares offered to shareholders at the beginning of the year, 147,890 were taken up by the old shareholders. Of the remaining 2,110 shares, we allowed our staff to take up 1,300, whilst we disposed of the remaining 810 shares in the open market through a well-known broker's firm at prices ranging between 90s. to 95s. From this you will see that the entire issue is disposed of. The Barakat reserve account (we formerly called it the Gezira reserve account) has been increased from £70,000 to £32,409 16s. 5d., which completes the amortisation to be made under this heading. The share premium account, which figured in last year's balance sheet at £110,000, has naturally been largely increased through our new issue.

Creditors in the Sudan, about £271,000, largely represent our indebtedness to our tenants. Our indebtedness to the



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Sudan Government of £86,000 has since been paid. A further new item on the debit side of the balance sheet is a loan account from the Sudan Government of £400,000, of which I gave you full details at our last annual meeting. On the credit side the only part which requires explanation is a new account under general development, viz., Gezira Areas, about £82,000. All this expenditure has been incurred in connection with the new Hag Abdulla station, to which I will refer later on. The cotton account of £408,000 has been entirely liquidated since we closed our books, and we have received the corresponding sum in cash. Our financial position, as you can see, is very strong, but we shall have, in time to come, to spend large amounts and to make further issues. Turning to the profit and loss account, our gross profits from all sources amount to £326,000, against £139,000 in the previous year.

Profit and Loss Account.

You will notice that we again ask you to agree to the payment of a well-earned bonus to our staff, and we also propose, subject to your approval, to set apart a sum of £5,000 for a staff provident fund, which I most strongly recommend to your acceptance. I need not tell you again that our staff has to work in a tropical climate, and it is really high time that we should start to make suitable provision for them. I earnestly beg of you, therefore, to allow us to add something every year to this fund. Our staff is necessarily getting larger in view of our greater activities, the growing importance of our work, and our increasing responsibilities. We carry forward, as already mentioned, £228,000. From this you have to deduct £105,000 for dividend, leaving £123,000, which seems a big sum, but unfortunately we have to set aside a very large amount for excess profits duty and corporation tax, so that when that is paid, as well as the directors' percentage, which comes to a modest figure, the real balance carried forward to the new year will be comparatively small. So much concerning last year's figures.

Cotton Crops.

As already mentioned, our cotton crops in the Gezira were extremely satisfactory. At Tayiba we produced 9,578 kantars, against 7,179 kantars, and at Barakat 10,294 kantars, against 8,079 kantars in the previous year. The Zeidab yield, however, was disappointing, viz., 7,700 kantars, against 8,495 kantars in the year before.

On the other hand, the quality of this crop was very fine indeed, and so made up for the lower yield to some extent.

For the coming year we have under cotton :—

At Zeidab	...	3,170 feddans
Barakat	...	2,075 feddans
Tayiba	...	1,700 feddans
in all	...	6,945 feddans

against 7,000 feddans in the past year.

Picking at Zeidab commenced earlier this year than usual, and we have already 3,550 kantars in hand, and the total crop should show slightly better results than last year. Concerning Barakat and Tayiba, our Managing Director informs us that the cotton looks well and healthy, though much later than usual. Under these circumstances we may look forward to a satisfactory return, provided the weather and other climatic conditions continue to be favourable.

Gezira Development.

Now a few words regarding our big scheme. We have started levelling on the Southern end of the 300,000 feddans area, where we are now erecting the new Hag Abdulla pumping station. Therefore the water supply from this station will be at once available, and, later on, the first free flow of gravitation water will likewise be available as soon as the Sennar Dam is completed.

Notwithstanding a quite unprecedented rise in the Blue Nile in April and May of this year, our Managing Director, Mr. Alexander MacIntyre, was able to build and complete the foundations for this new pumping station, and to erect the walls of this installation to high flood level—a great work done under great difficulties in record time, as we had to battle for the supply of cement and other materials in the short time available. Two 750-h.p. Diesel engines to drive the plant are delivered and on the ground. The pumps and auxiliary engines, &c., are not yet delivered, but are, I understand, well forward. So if nothing unforeseen happens we hope to have a first crop there in 1921-22.

In connection with the Sudan Government's progress at the works of the Sennar Dam and Main Canal, I regret to say there has been some unavoidable delay. However, the work is once more in full swing, and we have every hope to see the first gravitation water flowing in 1924, in time for the 1924-25 crop. We certainly will do all we can to be ready by that time with an area of, say, 50,000 feddans, and in the following year with about 80,000 feddans.

To sum up, the Syndicate's policy is to synchronise—I cannot find a better word—the general development and expenditure of our Syndicate with the progress made by the Government on the Sennar Dam, main canals, and general works.

Your board, some time ago, received with deep regret the news of the death of Sir William Mather, and I feel it is my duty to refer to this event at this meeting. Sir William took a sincere and entirely disinterested part in the building up of our Syndicate, and his help and advice in the early stages of our work was of the greatest possible assistance, so that we all owe him a debt of gratitude. (Hear, hear.)

At the beginning of this year we invited Brigadier-General Arthur Asquith to join our board. Mr. Asquith was, in former years, a resident of the Sudan, having been for a number of years a member of the Civil Service there. He knows the country well, and his experience therefore will be of great use to us. Unfortunately he is unable to be with us to-day, as he is at the moment inspecting our plantations in the Sudan.

Our Managing Director, Mr. MacIntyre, has been over here for a few weeks to consult with us on some important matters. He has gone back again, and is at his post in the Gezira.

I hope to pay a lengthy visit to the Sudan next month, as I have certain views regarding further extensions of our Syndicate's operations, which I am anxious to discuss with the authorities on the spot.

This is all, I think, I can say to-day, and I should like to close my remarks with an expression of appreciation and of gratitude to our staff for their loyal and efficient services.

I now beg to move : "That the report of the directors and statement of accounts to June 30, 1920, now laid before the meeting be and that the same hereby are received and adopted."

Lord Lovat, K.T., seconded the resolution, which was carried unanimously.

The Chairman next moved the declaration of the dividend and bonus recommended.

Mr. J. A. Hutton, in seconding the motion, said he would like to emphasise the warning of the Chairman that shareholders must not expect such good results next year, because the Company was not going to realise the same cotton prices.

The resolution was unanimously adopted.

The retiring directors (Brig.-General Arthur M. Asquith, D.S.O., Lord Lovat, K.T., and Sir Lionel Phillips, Bt.), were re-elected, and Messrs. Cooper Brothers and Company having been reappointed auditors, a cordial vote of thanks to the Chairman and directors concluded the proceedings.

ASHANTI GOLDFIELDS CORPORATION, LIMITED.

THE twenty-third ordinary general meeting of the shareholders of this Corporation was held on December 14 at the Holborn Restaurant, W.C., Mr. Jeremiah Colman, J.P. (Chairman of the Corporation), presiding.

The Chairman said that the share capital had been increased last January by the issue of the balance of the authorised capital which was offered *pro rata* to the shareholders—namely, 132,308 shares at 8*s*. each and the balance of 14,635 shares at 21*s*. As a consequence of this operation the reserve was increased to £155,000, the share premium of the issue having been carried to that account, while the Company's cash was strengthened by a sum of £67,010.

Mine Developments.

The ore reserves position was extraordinarily strong, notwithstanding the fact that they had suspended shaft sinking for about three years. Lateral developments on the Ashanti Mine showed that reserves had been decreased by only 24,000 tons, of a gross value of £288,000, although in the meantime they had extracted 234,000 tons, of a gross value of £1,203,000, and had paid dividends amounting to £310,000. The developments on the 18th level were very satisfactory. On last year's estimate the block between 16 and 17 levels showed 86,100 tons of 23/-dwt. ore. For this year the estimate, owing to the useful extensions opened up towards the south-west, showed 99,300 tons of 25.2-dwt. ore, and it was believed they had not yet reached the ore limits in this direction. Dealing with the problem of treating their ores, the Chairman stated that up to 1907 they were dependent for their output on wet crushing in a stamp mill and on the amalgamation and raw cyanidation of the tailings. It was found then by actual trial that dry crushing followed by roasting and cyanidation was somewhat more costly than wet crushing, but gave considerably better economic results by reason of improved extractions. For that purpose the central treatment plant on dry-crushing lines was erected, and for the past ten years had given excellent results. As wood was plentiful and cheap, and the special spares required for dry-crushing machinery were obtainable at reasonable rates, the economic advantages of dry crushing remained unchallenged. The immediate outlook of the Company was very clearly stated in the concluding paragraph from their Consulting Engineer's report, in which he said : "The absurd disproportion which exists for the moment between the large amount of ore easily accessible underground and the slow rate at which it can be extracted is certainly exasperating. But from every other aspect the great available ore reserve is a highly satisfactory feature. After three years' suspension of shaft sinking, during which time the profit value has only been reduced by £987,000, considerably less than the dividends paid for two of these years, the ore reserve in Ashanti still stands at 395,100 tons, of a gross value of £2,242,000 and a profit value of £835,000 (this is based on gold at par). This reserve, which is more likely to be increased than diminished when next year's report comes to be written, constitutes a bright

feature in the situation, which cannot long be eclipsed by temporary set-backs and checks."

Importance of Increasing Gold Output.

Sir George Lawson Johnston (the Vice-Chairman) said: It is, I think, desirable that it should be more generally known that gold winning is not a matter of picking up nuggets, as is sometimes popularly supposed, but the running of a very highly technical business, full of difficulties, that can only be overcome by painstaking effort and research. A gold-mining company not only has to bear very large additional costs, including labour, materials, and renewal of plant, &c., like other industries, but, in addition, is up against the very serious disadvantage that it is unable to proportionately raise the price of its product. If the value of gold were fixed on the basis of its indispensability to the financial and commercial communities as the foundation of credit facilities I believe that it would be quoted at a higher premium than it is to-day, and probably that it would be not only a fair price, but one which would induce a more rapid output of gold all over the world, to the great advantage of all concerned. The price, however, is not fixed on any such basis, and, in fact, speculators in exchange in New York seem to have most to do with it. The producers of gold within the Empire throughout the War patriotically handed over their gold to British authorities at about the par value. To-day the British producer has not quite got a free market, as he has to continue to send his gold here. He received, however, the premium, which is about equivalent to forty per cent. above pre-War price. This set-off against high costs is important, but the producer has no certainty of continuing to receive the present premium, seeing that the price fluctuates more or less according to the condition of exchange between the United States and this country, though only thirty-two per cent. of the new gold has been sold to that country since August 1919.

As one more interested in commerce than in mining, it seems to me that it is up to the financial and industrial communities to see that adequate encouragement is given, so that the gold-mining industry be assured of a fair price for the metal for a sufficient time ahead to justify mining directors taking long views.

The report and accounts were unanimously adopted

VAN RYN GOLD MINES, LIMITED.

THE annual general meeting of the Van Ryn Gold Mines, Limited, was held on December 15 at Winchester House, Old Broad Street, E.C., Mr. L. B. Burns (the Chairman) presiding.

The Chairman said: The position of the Company as at June 30 last compares very favourably with the figures for the preceding period. On a scale of operations which shows an increase of about 8,000 tons milled the revenue from gold at £503,248 shows an increase of just under £100,000. Working costs, on the other hand, continue to show a steady increase, the average being 19s. 6d. per ton, as against 17s. for the previous period, leaving a profit on mining operations of £104,823. We cannot give the mine the credit for this improvement, as it has been brought about entirely by the high price at which we have been able to dispose of our product. The premium on gold accounts for the improved condition of our affairs as revealed in the profit and loss account.

It is the general belief, however, that a considerable number of years must elapse before [illegible] upon which this question largely hinges, approach anything like what was regarded as the normal basis before the War. At any rate, so far as the present is concerned, I should like to point out to you that, but for the profit which we have derived from this source, the results of mining operations would have been of a very unsatisfactory character due, of course, to the ever-increasing costs of producing the gold. Apart from this, the mine has been doing better on its merits during the past few months, as will be seen from recent returns, after taking into account the fluctuations in the gold premium. Modifications in the methods of precipitation of the gold in the extractor boxes have also had beneficial results in respect of the quantity of gold recovered. As regards dividends, we made in June last a final distribution of seven and a-half per cent., amounting to fifteen per cent. for the financial year, as compared with ten per cent. for 1918-19, and I have the pleasure to announce the declaration of an interim dividend for the first half of the current year of seven and a-half per cent., or 1s. 6d. per share, free of income tax. Shareholders may possibly ask whether the improved results obtained do not allow of a somewhat larger distribution. Perhaps they do; but as the premium on gold, which has been largely responsible for the improvement, is such an uncertain factor, and as the labour position is still obscure, uncertain and not without anxiety, the board deem it prudent to await the results of the full year's working before committing themselves to a rate of declaration which [illegible] be adversely readjusted.

Mr. J. Freudenthal seconded the motion, which was carried unanimously.

CAPE COPPER COMPANY, LIMITED.

THE thirty-third ordinary general meeting of the Company was held on December 15 at 9 Queen Street Place, E.C., Mr. T. Blair Reynolds presiding.

The Chairman said that during the last twelve months the general conditions had not been such as would tend towards recovery. Concerns depending for revenue on a return from new works had doubly suffered owing to the almost interminable delay in getting machinery and plant. Such had been the position of this Company in relation to the Rakha mines, to which alone, during the suspension of operations in Namaqualand, they had to look for revenue. It was owing to delay in the receipt of plant and to the generally adverse conditions which had prevailed that the accounts showed the large deficit of £163,627. Hopes that advances obtained from the Company's bankers would tide over the period until the increased revenue from the completed plant should begin to retrieve the position had not been fulfilled, and the board made arrangements for the issue of £120,000 of Eight per Cent. Convertible Debentures, to which the shareholders recently agreed to subscribe. At the same time an issue to the Bank of £300,000 Debentures, without conversion rights, as collateral security was arranged.

In the meantime it became possible to ship a part of the stocks of copper metal to New York for sale, and the rest of the Company's smelting works in India for realisation there, and as a result the loan, which stood in the balance sheet at £410,137, had been reduced to £353,572. With regard to the future, the directors were informed by cable a week ago of the starting of the plant at Rakha to full capacity, and one could not doubt that from now onward the increased production, and consequently reduced costs, would have a considerable influence on the accounts. There appeared to be no doubt that there were other ore bodies on the area of their lease besides those they were working, the indications on which went to show the probability of a material increase in the life and scope of the undertaking. With regard to the Cape property, so far as the old mines were concerned, they must simply wait until conditions warranted resuming work. In the meantime the diamond drilling operations now in progress were of the utmost importance as affecting the future of the Company.

The report and accounts were unanimously adopted

GAN KEE RUBBER ESTATE, LIMITED.

THE [illegible] general meeting of the Gan Kee Rubber Estate, Limited, was held on December 16 at the registered offices, 7 Martin's Lane, Cannon Street, E.C., Mr. W. Arthur Addinsell (the Chairman) presiding.

The Chairman said: Gentlemen,—The actual profit earned during the year was equivalent to nearly twelve per cent. on the capital of the Company, and, with the balance brought forward from last year and the amount recovered in respect of excess-profits duty, we have a disposable balance of just over £10,000. It is naturally a great disappointment to the Directors, as well as to all other shareholders, that it is impossible to recommend the payment of a dividend out of the profits earned during the year under review, but the industry is at present passing through a particularly difficult period, and it would obviously be opposed to the true interests of shareholders to distribute by way of dividend any of the Company's cash resources. The whole of the funds we have at our disposal may conceivably be required to finance the property until such time as the product is once more marketable at a remunerative price. The fixed dividend of seven per cent. on the Preference shares has been paid to date, and it is the directors' intention to continue the payment of this dividend, which, as you are aware, is cumulative. It is impossible to say how soon an improvement in the outlook may take place, but if the position should take a decided change for the better in the near future it will give the board very great pleasure to declare an interim dividend at the earliest moment that they consider it safe to take such a step. We have now under rubber a total of 2,0[illegible] which gives a contraction of about £48 per acre, which you will, I am sure, agree is a very reasonable figure. We propose transferring the sum of £3,000 to reserve account, to which will be added the premiums on shares, which at present stand in the balance sheet at £3,104. The [illegible] referred corresponds approximately with the amount expended on capital account during the year, and is in accordance with the policy of the board as outlined at the last annual meeting. The effect of this policy is to leave intact the balance actually standing to the credit of profit and loss account for the payment of dividends when circumstances [illegible] been brighter at the present time your directors would [illegible] to which I need draw your attention, and it therefore only remains [illegible] again at the next annual meeting the industry will be in a [illegible]

Mr. [illegible] R. F. [illegible] the motion, which was carried unanimously.

GREATER BRITAIN INSURANCE CORPORATION, LIMITED.

THE second annual general meeting of this Corporation was held on December 17 at the Cannon Street Hotel, London.

Mr. H. Newton Knights, M.P., who presided, said it was proposed to adjourn the meeting until the earliest possible date in the New Year, as it had been decided to make up the accounts to December 31, so as to bring the Corporation into line with the other great insurance companies. Although not able to submit actually audited figures to the end of the present year, he was able to give approximate figures. The marine premiums, after deduction of all reinsurances, amounted to the excellent total of £573,000. It was now practically a year since they commenced the non-marine side of the business, and the premiums received in that department were £62,000, of which roughly £30,000 had been reinsured, so that the total net non-marine figures were about £32,000, making a total net income up to December 31 of over £600,000. He thought the shareholders would be very gratified with such an excellent result, especially when he mentioned that in the marine department the claims notified, including everything to date, were £253,000, giving a margin of £320,000 and a loss ratio of 44.15 per cent. In the non-marine department the claims notified were £7,000, giving the excellent loss ratio of under twenty-two per cent. As it was the policy of the board to build up the Corporation to the very best of their ability, they proposed to carry forward the whole of the underwriting accounts, and he thought the insuring public and the insurance world generally would appreciate that in doing so they were taking not only a conservative course, but the correct course for a Corporation which, young as it was, was undoubtedly doing well. He had the greatest pleasure, however, in stating that the directors had decided to pay on January 14 an interim dividend of five per cent., and he could give them every assurance that when they met again in the New Year, with the audited figures before them, the board would be in a position to declare a final dividend of two and a-half per cent., making seven and a-half per cent. for the period to December 31. The dividends would be payable out of the interest received from their investments. The business placed on the Corporation's books had been very carefully selected. The subscribed capital was £1,500,000, of which £375,000, or 5*s.* per share, was paid up, and that they had never yet touched their capital was shown by the fact that to-day their assets exceeded £600,000, including over £400,000 in Government securities. (Applause.) That, he thought it would be agreed, was a very strong position to have built up in the short period that the Corporation had been working, and he believed the shareholders, while grateful for the dividends to which he had referred, would appreciate still more the board's decision to consolidate the resources of the Corporation by carrying forward everything standing to the credit of the underwriting accounts rather than distributing any part of the money at the present time. They wanted to show the insuring world that they were out for a continuous and prosperous existence for the Corporation, and that it was not, as several companies were, just a War-time proposition.

A resolution was passed adjourning the meeting to a date to be fixed by the directors.

BUKIT KAJANG RUBBER ESTATES, LIMITED.

THE eleventh annual general meeting of this Company was held on December 17 at 7 Martin's Lane, E.C., Mr. W. Arthur Addinsell presiding.

Mr. J. Lewis, on behalf of the Secretaries, Messrs. Bright and Galbraith, Limited, having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of his speech, said: We meet to-day in circumstances which are not encouraging from the point of view of producers of plantation rubber. I mention this because the accounts which are before you cover a comparatively prosperous period, resulting in a net profit for the year ended June 30 last of £40,042, as compared with £21,490 for the preceding year. If it were expedient to deal with the former figure without regard to the conditions prevailing to-day in the rubber market, I could well understand the disappointment to shareholders in the recommendation that there should be no further distribution of the profits beyond the interim dividend of ten per cent. which was declared and paid on July 5 last. In arriving at this decision your directors very carefully considered the financial position of the Company in relation to the present outlook, and they fully appreciated the fact that the majority of our shareholders are investors who look for regular dividends as part of their income. In the rubber market we are faced with large unconsumed stocks which must continue to increase unless demand is stimulated. As most of you are aware, the members of the Rubber Growers' Association and kindred bodies have agreed to a scheme for voluntary restriction of output, and this must have some bearing on the situation in due time. If world conditions do not improve shortly more drastic measures will be necessary, and the position is being closely examined from every point of view by the Council and Sub-Committees of the Rubber Growers' Association. I trust, therefore, you will agree that the directors are adopting a wise procedure in reserving the cash resources of the Company. From the available balance of £35,412, the Company will be called upon to pay, approximately £7,700 for excess profits duty and Corporation profits tax. The actual balance, therefore, that will be brought into this year's accounts is roughly £29,000, and in the event of conditions improving during the early part of next year, the directors will consider the payment of an interim dividend for the financial period ending June 30 next. With regard to the 310 acres which were acquired during the year, your directors considered it essential to take over this land as it formed a wedge between two of the existing divisions owned by the Company, and it was, therefore, desirable that it should not pass into other hands. No one, of course, can predict what the future has actually in store for us, but—with the general improvement in trade and commerce which is increasingly felt to be assured—rubber, which is universally acknowledged to be an essential commodity, must come into its own again, and I am not without hope that when we meet again the horizon will have cleared.

The report and accounts were unanimously adopted.

SUNGEI KARI (SUMATRA) RUBBER ESTATE, LTD

THE eleventh annual general meeting of this Company was held on December 17 at 7 Martin's Lane, E.C., Mr. W. Arthur Addinsell presiding.

The Chairman, in the course of his address, said: The accounts before you to-day cover a period of comparative prosperity, when viewed in the light of the present position and immediate future prospects of plantation rubber. It is therefore not unreasonable to suppose that shareholders were disappointed to observe the recommendation that there should be no further distribution beyond the interim dividend of five per cent. declared and paid on July 12 last. The position to-day is that the market price of rubber is well below the cost of production, and the outlook for the future is not bright. The unconsumed stocks of the raw material are large, and will continue to grow, unless demand is stimulated, but the action of the members of the Rubber Growers' Association and kindred bodies in voluntarily restricting output must be effective in due time, and it is possible that more drastic measures will require to be taken if the interests of producers are to be thoroughly safeguarded.

In addition, companies operating in Sumatra have additional burdens to bear. You will notice an item of £4,277 for differences in exchange, which represents a loss of that sum on remittances and drafts which are necessary for financing the estate outgoings. This Company also, in common with other Sumatra companies, has suffered severely by reason of loss on rice issue to the native labour staff, the effect of which has been to increase the f.o.b. cost of production by pence per lb. Therefore, although the output for the financial year ended June 30 last was some 67,000 lb. in excess of that for the previous year, and the average net price secured was also slightly higher, the net profits fell from £11,404 to £9,869. The Company recovered £2,056 for excess profits duty for the 1918-19 period, which, together with other additions and deductions, left a net available balance of £15,137. After making allowance for the interim dividend, there is a balance remaining of £11,237, which it is recommended should be carried forward. There will be a further sum of approximately £1,700 to recover from the Exchequer on account of excess profits duty, and an amount of about £250 will be due to be paid for Corporation profits tax.

The destruction of the smoke-house and drying-shed by fire in September 1919 was another unfortunate circumstance. Although we received compensation from the insurance underwriters on the basis of the market price on the day the fire occurred for the 40,000 lb. of rubber which were destroyed, and which, of course, showed a satisfactory profit on the cost of production, this rubber would in the ordinary course of events have been shipped to London to arrive and secure the higher prices which prevailed in December and January last. This in a great measure explains the somewhat low average price of 1*s.* 9.62*d.* per lb. secured for the year's crop. I am hopeful that before 1921 is far advanced there will have been an improvement in trade and industry throughout the world generally, which must necessarily reflect on the rubber market.

The report and accounts were unanimously adopted.

ARNOLD, PERRETT AND CO., LIMITED.

THE thirty-fifth annual ordinary general meeting of this Company was held on Wednesday, December 15, at the Brewery, Wickwar, under the presidency of Mr. F. C. im Thurn, who was supported by Mr. S. H. Smith, Mr. A. S. Cavell (Directors), Mr. Arnold Halsey (Managing Director), and Mr. W. A. Lambert (Secretary).

The Chairman said: I think that on the whole the shareholders are to be congratulated upon the year's trading. The balance of profit and loss is £45,812 8*s.* 9*d.*, as against £48,371 18*s.* 2*d.* Bearing in mind the adverse conditions, the high cost of materials used in brewing, as well as of

repairs and all other expenses, in conjunction with the disturbance caused by the imposition of still higher beer and spirit duties, I think this result may be regarded as satisfactory. Provision has been made for excess profits duty, corporation tax, and income tax. Turning to the net revenue account, the balance to balance sheet suffers by comparison with last year to the extent of £7,930 5s. 7d. The proposed appropriation of the available balance is one which, I have no doubt, will commend itself to the shareholders: The dividend and bonus upon the Ordinary shares now to be paid, added to the interim dividend already paid, are equal to twenty per cent. upon the Ordinary share capital. During the past two years, when profits were abnormally high in the trade, the shareholders have benefited accordingly; but, in view of urgent capital requirements, a very burning matter in these days, we have deemed it wise to make a further substantial addition to the general reserve by increasing it to £45,000, and to increase the reserve for licences to £8,000. I am quite sure that this policy will be approved, and the balance to be carried forward will be £9,883 19s. 11d. Turning to the credit side of the balance sheet, the item freehold and leasehold properties, machinery, plant, &c., is increased by £56,271, which is largely accounted for by the acquisition of an important business in one of the most populous places in the Company's trading area. The next item is stocks on hand, and here, again, is a very large increase, amounting to £30,967, due chiefly to the enormously high duties upon beer and spirits, while the cost of all brewing materials is three or four times the pre-war average. Sundry debtors are up £3,025, which is entirely due to the increase in prices. Investments are down by £47,762, owing to the sale of part of the War Stock which became necessary in order to provide capital. This realisation involved a loss of nearly £8,500, the whole of which has been written off, partly by the appropriation of the contingencies reserve of £5,000 appearing in the previous balance sheet, and the remainder out of revenue. Cash in hand is also down to the extent of £15,974, and it will be seen that we were indebted to our bankers to the extent of £36,597 18s. 4d. Turning to the debit side, the sundry creditors are down by £15,942. The licence insurance fund is increased by £1,000, and the general reserve fund by £10,000.

The Chairman proposed that the payment of a dividend of six per cent. on the Preference shares, already made, be confirmed. Also that a dividend of ten per cent. on the Ordinary shares, together with a bonus of 2s. per share, be paid (less income tax and less the interim dividend of five per cent. already paid) on the 30th inst. Mr. Cavell, in proposing the re-election of the Chairman, said he needed no commendation. They had known him for many years, and hoped he would long continue to occupy the chair.

Mr. Henry Marten proposed that a sum of £5,000 be voted as a bonus to the directors and staff in recognition of their continued successful conduct of the Company's business.

The resolution was unanimously agreed to.

S. T. D. MOTORS, LIMITED.

The fifteenth annual ordinary general meeting of S. T. D. Motors, Limited (formerly A. Darracq and Company (1905), Limited), was held at Winchester House, Old Broad Street, E.C., on December 17, Mr. James Todd, J.P., F.C.A. (Chairman of the Company), presiding.

The Secretary (Mr. A. A. Yeatman, F.C.A.) read the notice calling the meeting.

The Chairman, in moving the adoption of the report and accounts, said that, speaking as a member of a profession whose business it was to be continually examining and criticising balance sheets, he was confident that he was only voicing the opinion of all the shareholders when he claimed that their balance sheet was one which the more closely it was examined the more strongly did it show the sound financial position which the Company occupied. The assets on September 30 amounted to £3,624,258, less creditors £54,047, and less final dividends £258,877, against a subscribed share capital of £2,700,000. Approximately fifteen per cent. of the subscribed capital was in actual cash at their bankers at the end of the financial year. The accounts did not include any dividend from the Société Anonyme Darracq, hitherto their principal dividend-earning unit, as that company's financial year did not end till December 31. However, it was satisfactory for him to be able to state that the production of motor-cars at the French works had reached during the year a level in excess of anything ever before achieved, and, further, that the French workmen were working extremely well.

An Important Amalgamation.

In regard to the Sunbeam Motor Car Company, of Wolverhampton, the facts relating to the recent amalgamation were well within the knowledge of the shareholders, but they would be gratified to know that the sanguine expectations held at the time of the amalgamation in respect to the value of that company had been more than justified. The profits had been fully upheld, and that company had carried over a sum of £90,000. Clement-Talbot, Limited, the entire share capital of which they purchased a year ago, had shown results extremely satisfactory and considerably better than estimated for. The results of Jonas Woodhead and Sons, Limited, the well-known spring makers, of Leeds, were also extremely satisfactory, and this was proving an exceedingly profitable investment. The Darracq Motor Engineering Company had also fully upheld its average profits, and was in the position of having a large carry-forward. The same remark applied to Messrs. H. W. Heenan and Froude, Limited, of Worcester and Manchester, as in each place the profits had been maintained with a satisfactory carry-forward.

Satisfactory Results of the Amalgamation

The year's results had been achieved despite the conditions created by the moulders' strike and the coachbuilders' strike. The first-mentioned had the most disastrous results on the production of motor-cars, but this Company had only suffered to a limited extent from the coachbuilders' strike. There were other satisfactory features which had resulted from the amalgamation, and the benefits of it were becoming more evident every month. By centralisation of management and of the buying and selling departments, and a general pooling of resources, they had taken a large step forward towards the only means of successfully reducing the cost of production. While realising the extremely difficult period ahead of them, the board by no means shared the pessimism to be met with in so many quarters in regard to the motor industry. They were of opinion that by conservative finance they were at least in as good, if not a better, position than any other combination of interests in the industry, either in this country or any other. A good deal of the present financial trouble from which the industry was suffering was to a considerable extent the result of unscientific finance.

The Board's Financial Policy.

The board's policy of providing a sufficient amount of capital had rendered the Company to a large extent free from the financial difficulties into which so many of their competitors had fallen. He hoped that the New Year would see a diminution of the present undoubted slump. Whatever the future might have in store, the board felt that they had taken every step which foresight and experience taught them was necessary to best anticipate the difficulties of the coming year. Referring to the present market value of the shares, he said that when the last issue of capital was made the directors took the precaution to have it underwritten. A considerable proportion was left on the underwriters' hands, with the result that a very large number of shares had been continually put on the market. He had strong hopes that in the course of time the shares underwritten and still outstanding, if any, would be absorbed, and then an automatic

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reaction in the market value of the shares ought to take place, as whatever the assets or the profit-earning capacity of the various companies was at the time of the last issue, it was undoubtedly of equal value to-day.

The report and accounts were unanimously adopted.

SCOTTISH AUSTRALIAN INVESTMENT COMPANY, LTD.

The annual general meeting of this Company was held on December 17 at Winchester House, Old Broad Street, London, E.C.

Mr. F. W. Turner, who presided, said that they had had a troubled season in Australia during the twelve months ended June 30 last. At the beginning of the year the country was suffering from drought, and this became still more severe as the year passed on, and hampered seriously all pastoral operations. Happily, towards the end of the year the drought in Queensland passed away, and in that State by degrees a favourable season set in which, he was happy to say, continued at the present time. In New South Wales, however, the drought lasted much longer, and its ravages there had been more serious than in Queensland. In these conditions it would be readily understood that the Company had not escaped loss on its pastoral and agricultural operations. While, however, the bad season had caused their pastoral stations to be somewhat less remunerative than in the previous year, the Company's other sources of revenue had almost entirely replaced the deficient returns from the stations, and the net available balance was only £1,742 less than in the previous year. The present season, both in New South Wales and Queensland, was very good, and they were looking forward to a prosperous year for 1920-21.

The Queensland Government and the Pastoral Interests.

He had had occasion at recent meetings to comment on the difficulties to which the pastoral interests had been subjected by the efforts of the Queensland Government to break down a condition of the leases in regard to the limitation of increase of rentals of pastoral properties. He had explained that the rentals were subject to revision at specified periods, but that they should not at any such revision be raised more than fifty per cent. above the amount fixed at the preceding revision. The Queensland Government, during the last three or four years, had been endeavouring to break down this condition of the leases. This policy pastoralists had strongly opposed, and the Legislative Council (the Upper House of the Parliament), holding the view that such legislation would be an act of spoliation, had invariably rejected the amending Bills which were several times introduced for the purpose of carrying this matter through. Ultimately, however, the present Prime Minister (Mr. Theodore) took the step of adding to the Legislative Council as many members of his own way of thinking as would be sufficient to give him a majority in that House. This, with the assistance of the Acting Governor, a member of the same party as himself, was accomplished. The Upper House, thus forcibly added to, passed the Bill, and it was now an Act, and had become operative and already acted upon in the matter of raising the rents. When Mr. Theodore was in London in the summer of the present year, the directors, together with those of other companies, made a point of interviewing him and endeavouring to get him to reconsider the action taken, pointing out to him the serious effect that the knowledge of it was producing in the minds of investors in this country, and that to such an extent as to make it very unlikely that people here would be willing to give the financial assistance to his State that it required. After several conferences, in the course of which it seemed at one time likely that Mr. Theodore saw the gravity of the situation and was inclined to adopt their suggestion to repeal his repudiatory Act, it turned out that he was willing to do so, but only on such conditions as no business man of intelligence would be willing to submit to, and accordingly the effort to get the Act repealed fell through.

Negotiations for a Loan Unsuccessful.

The immediate consequence of this was that Mr. Theodore was unable to raise the loan in London, which he had come specially to this country to do, and he returned to Queensland with a very natural feeling of disappointment. This had shown itself in various public utterances in Australia condemnatory of those who, he (Mr. Theodore) thought, were taking up an antagonistic position to his effort to raise money for his State. In this Mr. Theodore was entirely mistaken, for, although he did not get the loan which he desired, it was not because of the unwillingness of British capitalists to give it to him, but because of the fear which was engendered in their minds that the treatment which he had accorded to the pastoralists in forcibly breaking the conditions of the leases might be applied in other directions, and this prevented the negotiations for a loan from being successful. Queensland was a very fine country. Its resources were great, and the opportunities for the use of British capital there were many. But unless those controlling its destinies adhered strictly both in the spirit and in the letter to the agreements into which they entered with those who had provided large amounts of money for investment in Queensland, and had largely promoted its interests in the development of its resources and in the employment of its people, it was obvious that prudent investors must look elsewhere for fields for the utilisation of capital. This was what had happened, and he (the Chairman) trusted that it might have a salutary influence in bringing about a disposition on the part of the Queensland Government to deal with their financial obligations in a way that should carry with it the complete confidence of those who are willing to lend their money for State or industrial purposes. Those on this side entertained the most cordial feelings towards Queensland and its people, and would hail with pleasure the time when money could again flow freely and safely into that State.

The report was unanimously adopted.

POWER-GAS CORPORATION, LIMITED.

The twentieth ordinary general meeting of the Power-Gas Corporation, Limited, was held at 39 Victoria Street, S.W., on Friday, Mr. E. Lloyd Pease (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the balance sheet the shareholders had before them to-day exhibited the best year's work the Company had so far achieved. They were carrying on business in very uncertain times, in which they were learning to be surprised at nothing, and in which they were bearing very heavy burdens. The profits of the Company for the year were £43,477 11*s.* 3*d.*, as compared with £33,561 10*s.* 2*d.* last year, thus showing a net increase of approximately £10,000, and easily constituting a record in the history of the Company. The dividend proposed to be paid this year was £23,969 12*s.*, as compared with £17,349 5*s.* 1*d.* last year. The success of the twelve months had been more directly due to profitable general engineering work than to the supply of plants for the manufacture of gas and production of by-products. As shareholders were informed during the year, one of their chemists, Mr. Langwell, had invented a process of fermenting waste straws, whereby it was expected that the production of alcohol, acetic acid, &c., would be cheapened. The process was of a chemico-biological nature and somewhat complicated. It was different from the ordinary work of the Corporation, and needed special and distinct staff and plant for carrying it on, the ultimate aim of the process being to produce solvents and motor spirit. The directors decided that, apart from its speculative nature, it was impossible to carry on this development work alongside the ordinary operations of the Company. They therefore decided to sell the patents to a new company which would find the money to investigate the process. This company had now been formed, and was called Power Spirits, Limited. It had a nominal capital of £30,000, and the directors were, with two exceptions, directors of the Corporation. The exceptions were Mr. Langwell, the inventor, and Dr. D. C. Clayton of the United Alkali Company. The Corporation

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would receive as purchase price for the new company's 3,0[illegible] shares of £5 each, of which one-quarter went to Mr Langwell. The other 3,000 shares had been offered to the shareholders of the Corporation, and the subscription list was now closed, and the directors were about to proceed to allotment. The investigations of the process on a larger scale had been commenced. They had confirmed the laboratory work upon which the project was based, and he (the Chairman) was informed that the work accomplished so far was very encouraging. The general engineering work which they had been carrying out comprised the supplying of blast-furnace plants on an extensive scale, and included some of the largest blast-furnaces which had so far been erected in Europe fitted with the most modern appliances for charging them. They were glad to say that these contracts had been successfully carried out, and the work done had improved the status of the Company for future business. The moulders' strike, which extended from September 21 to January 26, seriously interfered with the output of their foundry to the extent of twenty-five per cent. Since work was resumed the output of the foundry had been satisfactory, and he was happy to say that the firm's relationship, both with workmen and staff, continued to be of a gratifying character. They had practically completed an extension of the foundry which should enable them to nearly double their output of castings. With regard to future prospects, he could only say that the lines of work which they carried on were so varied and extensive, relating as they did to nearly all the important industries, and covering almost every part of the world, that they felt confident there would be the wildest scope for their future business; in fact, they had important contracts in view both at home and abroad which, if secured, would occupy their shops for some time to come.

The report and accounts were adopted, and the retiring directors and auditors having been re-elected, the proceedings terminated.

THE STABILISATION OF IMPERIAL EXCHANGES.—There are few questions which are of more topical interest at the present day than the international rates of exchange, and Mr. J. F. Darling's address to the Institute of Bankers on Tuesday next, December 21st, should arouse more than usual interest. Without the production of commodities on a sufficiently large scale to permit an export trade on both sides, a healthy rate of exchange between two countries cannot be maintained, and for this reason an artificial stimulus of exchange rates between this country and many of the countries of Europe would be useless. In the case of the constituent States of the British Empire this reasoning does not, however, apply, and Mr. Darling thinks that the position of this country can be enormously strengthened and the Empire brought closer together through a currency partnership within the Empire. In this connection he will have further suggestions to make to those given in his address before the Chamber of Commerce at Toronto. Colonel Amery, M.P., Parliamentary Under-Secretary for the Colonies, is expected to be present and to speak.

THE SOUTH AMERICAN EXCHANGES.

The [illegible] Bank of South America, Limited, in commenting on the general economic situation in Rio de Janeiro, states that business continues very dull as a consequence of the heavy fall in prices of coffee and other native produce. Exports have fallen off and imports continue large. At the end of last year and the beginning of the current year exchange was unusually high; exports were larger than ever before and much in excess of imports, and a general feeling of prosperity and optimism for the future prevailed. The result was that heavy orders were placed in foreign markets, and in many cases little or no provision was made by the purchasers for a possible drop in exchange. Now that the cost of sterling and dollar currency is so high many importers are unable to take up their orders, and with trade in general so depressed they find difficulty in liquidating the stocks they already have. During the latter part of the War and after the Armistice the demand for Brazilian produce was very considerable, and the business of the country prospered accordingly, but now the world-wide shortage of credit is being felt in this country. The policy generally followed in commercial circles is to confine operations as much as possible to the needs of the moment in the hope that the period of depression may soon pass.

The Commercial Bank of Spanish America announces that, according to mail advices received at the London offices, the exchange situation has not improved to any great extent during the month under review, and, as far as dollars are concerned, it has even grown a trifle worse. This currency is still very scarce, and sales have been effected in the open market of amounts of certain consideration at 2.89. This is the highest rate that has been paid since the exchange difficulties began towards the end of June last, for an amount over, say, $1,000, as cable transfers have been effected for very small amounts at a rate as high as 3.05. Banks continue to receive deposits against dollar collections at 2.50, although some American banks have instructed their correspondents not to accept such deposits, but to force [illegible] to pay in New York, [illegible] Collections from England and the Continent continue to be paid in sucres, and sold at the rates fixed by the banks, although the sale of pounds sterling has been suspended. In Argentina exchange of late has been largely governed by the value of the Argentine dollar in New York. The fluctuations in this market have been violent. At one time it touched 123, fell back to 120, closing at 121.

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RESERVE FUND £2,000,000

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The Statist.

LONDON, SATURDAY, DECEMBER 25, 1920.

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The Money Market.

Thursday, December 23, 1920.

		Changes since	Previous Rate	
	%		%	
Bank of England Rate ...	7	(Apr. 15, '20)	6	(Nov. 6, '19)

Deposit Rates:
Bankers Deposit Rate (Call) 5 (Apr. 15, '20) 4½ (Nov. 6, '19)
Discount Houses (Current) 5½ (Apr. 15, '20) 4½ (Nov. 6, '19)
The open market rate of discount for bank bills and for trade bills has been unchanged.
Foreign and Colonial Banks give special interest upon deposits for a year.

Discount Rates:—

	60 Days	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Treasury Bills ...	—	6½	—	—
Bank Bills	6¾	6½-¾	6¾	6¾-7
Trade Bills	—	7-7¼	7¼-½	7½

THE MONEY OUTLOOK.

THE more or less stringent conditions which usually prevail in the Money market at the present season have not so far made their appearance this year, and borrowers have been able to get accommodation on unusually favourable terms considering the circumstances. The reasons for the abundance of credits are not far to seek; the primary cause was perhaps the large Government distributions at the beginning of the month for interest on War Loan and principal of Exchequer Bonds. Besides this the banks had in previous months laid in a good supply of December maturities, a supply which was probably in excess of the actual demand for accommodation during recent weeks. Looking at the matter more broadly, it will appear that the depression in trade, following the fall in commodity prices, and entailing a slowing-down of production in a great many industries, had a twofold effect upon the market: it led to a decrease in demand for banking accommodation for legitimate trade purposes, and it enabled the same amount of credit to do a greater amount of work than previously. Many firms, of course, have found themselves faced with a shortage of ready money, but it is probable that demands on the part of these to their bankers for the purpose of holding stocks till an improvement in the Commodity markets occurred have been generally discountenanced.

Recent events show that as the turn of the year approaches more stringent conditions will appear. Last week nearly £6,000,000 in Treasury bills was allowed to run off, though in previous weeks these were bought more or less freely. This was probably in connection with the preparation of balance sheets, and is reflected in an increase in balances at the Bank of England. Though we do not anticipate any very severe stringency in the closing week of the year, still it is probable that borrowers will be driven to the Bank for accommodation over the end of the year.

Very interesting were the movements in the note circulation during the week, detailed below; the total outstanding of currency notes and Bank notes combined is now £500,087,000, as compared with £467,562,000 a year ago, representing an expansion since then of £32,525,000. It is important to note that the uncovered portion of the currency note issue is only about £3 million below the legal fiduciary maximum. If this is not exceeded in the coming week it will automatically become the maximum for 1921. Should fresh demands for currency arise between this and the end of the year the authorities will probably have to place more Bank notes in the Currency Note Reserve. This, as was the case in the current week, will tend to weaken still further the position of the Bank. Since the necessity to pay in specie is at present a purely nominal one this is in reality of little consequence, but at the same time some significance still seems to be attached abroad to changes in the Bank's Reserve position, and in view of this any further weakening would be undesirable.

As regards the less immediate future, there is little reason why the customary ease in monetary conditions

in January should not reappear in the New Year, but on account of the present large taxation demands a very pronounced easing of the situation is hardly to be looked for.

Foreign Exchanges.

Movements were very irregular in the foreign exchange market, but, on the whole, it may be said that the result of the week's operations is an improvement in the position of sterling. The New York exchange moved erratically; at first there was a sharp depression, but this was followed quickly by a recovery, and to-day's quotation, 3.55½, showed a substantial improvement on the week. The influences operating on this rate at present are chiefly connected with the New York money market. On account of the great demand for banking accomomdation in connection with end-of-the-year disbursements in the United States, banks in New York and elsewhere have been recalling balances abroad. This influence probably began to operate after the bulk of our seasonal imports from U.S. last autumn had been paid for, and it had the effect of delaying a recovery in the value of sterling, as well as imparting irregularity to the movements in exchange rates. Now, however, the reserves of both the Federal Reserve Banks and New York associated banks are particularly strong, so that their influence on the course of sterling values will probably diminish. Canadian dollars again became considerably cheaper at 4.21 on Tuesday, but later there was a reaction. South American rates also improved. A striking movement was a decline in the Rio rate to 10d. In connection with recent reports on the financial situation in Brazil, the London and Brazilian Bank, Limited, are informed by the Brazilian Ambassador that in answer to a telegram sent by him, he has to-day received a reply from the Brazilian Government that recent rumours of a general moratorium in Brazil were absolutely without foundation. The Brazilian Government has made no further issues of paper money, and the fall in exchange is attributed entirely to the abnormal conditions of international trade, and Brazil's export trade, like that of other countries has fallen off owing to the stagnation in the consuming markets, whereas on the other hand her imports have greatly increased owing to the rush of goods into the country during the past few months, the result of accumulated orders which could not be executed sooner on account of the war conditions hitherto prevailing.

Income and Expenditure.

The public income and expenditure statement for the week to the 18th inst. shows movements of a contrary nature to those obtaining in previous weeks. Revenue reached £24,296,941, as against £14,790,761 during the previous week, an increase of £9,506,180, the expansion being due to an increase of over £11 million to £13,327,000 in receipts in respect of excise. Ordinary expenditure was also on a larger scale, but, at £17,861,407 was £6,435,534 below revenue. Maturities of Treasury Bills were at the comparatively low figure of £58,960,000. As stated above, receipts for Treasury Bills were below this figure, the actual amount being £52,999,000, a deficit of £5,961,000.

On Ways and Means £2,650,000 net had to be borrowed; of this only £250,000 was advanced by the Bank, the remainder being taken from public departments. The amounts due to the Bank and to public departments on Saturday last were respectively £50,250,000 and £212,664,000. On December 20, 1919, the respective amounts were £30,500,000 and £193,587,600. Treasury Bills outstanding were £1,121,579,000, as against £1,121,620,000 a year previously. The total of the floating debt was £1,394,493,000 on the 18th inst. last, showing a decrease of £3,375,000, as compared with the 11th inst., an increase of £52,160,400 over December 20, 1919, and an increase of £82,288,000 since the commencement of the financial year.

Currency Notes.

On account of the proximity of the end of the year, it will occasion no surprise that a further increase in the currency note issue took place during the week to the 23rd inst. The increase, however, was rather large, though not as great as occurred at this time last year, being over £9 million. The amount of fresh issues, at £14,383,082, was the largest for the year and exceeded cancellations by £9,259,266, the volume of the latter being the lowest since the week ended August 4. The combined issue of notes and certificates rose by £9,129,266 to £365,505,247, this being the largest since December 31, 1919, and £40½ million below the lowest for the current year. It compares with £375,413,183 on December 24 of last year, a decline of nearly £10 million. Were no change made in the currency note redemption account, the fiduciary issue would have risen to within £2.3 million of the legal maximum; the amount of Bank of England notes in the reserve, however, was increased by £700,000 to £19,450,000, so that the fiduciary issue expanded by only £8,429,266. Still, the present amount is the highest for the year, at £317,555,247, and leaves a margin for expansion of only £3,044,753. That the authorities think an expansion probable in the remaining week of the year is evidenced by this further allocation of Bank of England notes to the currency note reserve, despite the bad effect of such a movement on the Bank's position, as described below. Experience has shown, however, that the week before Christmas generally sees larger demands for currency than the succeeding week, and so it is improbable that the next return will show as large an increase in the circulation as the current one. The ratio of gold and Bank notes to the outstanding currency notes and certificates fell from 13.3 per cent. to 13.1 per cent., the lowest since July 14.

Bank of England.

The Bank return for the week ending on Wednesday shows the weakest reserve position ever reported, following a fresh expansion in the note circulation. The amount of the reserve is now only £11,628,000, the lowest since the record of £9,967,000 on August 5, 1914, while the proportion of the reserve to liabilities is the lowest ever recorded at 7.8 per cent., the previous lowest being 7.9 per cent., returned on the first day of the present month. As compared with a week ago, the reserve shows a decline of £2,397,000, and as compared with a year ago a decline of £6,065,000. Fresh high records were again established by the movements in the note issue and in the gold coin and bullion holdings. The former rose by £3,346,000 to £134,582,000, as compared with £92,149,000 on December 24, 1919, and the expansion in the latter amounted to £950,000, bringing the total up to £127,761,000. Government deposits are £5,630,000 lower at £13,770,000, and other deposits show an expansion of £9,960,000 to £136,030,000. Government securities remain practically unchanged, but other securities rose by £6,707,000 to £78,914,000.

Bullion.

The small amounts available in the Gold market were, as usually, bought by the United States. The price was 115*s.* 8*d.* per ounce fine to-day, as compared with 117*s.* 6*d.* a week ago.

Exceedingly quiet conditions prevailed in the Silver market during the week, and the speculative element was again much in evidence. On Saturday last there was a marked scarcity of buying orders, while Continental sales continued to pour in, and the quotation for spot silver fell 1*d.* to 40*d.* per ounce standard. This was also the price on Monday, when, though there was a slight increase in supplies, a moderate amount of buying on Indian and Chinese account proved a steadying influence. On the following day the buying continued, but offerings from the Continent were on a larger scale, and the quotation for cash gained ½*d.* to 40½*d.* To-day there was a further rise to 40¾*d.*, and forward silver rose to a premium of ¾*d.*

NEW YORK.

The quarterly income tax collections are reflected in the latest returns of the New York banks. The weekly average weekly statement of the Clearing House Banks and Trust Companies for the week ending on the 18th inst. shows an expansion of $61,620,000 to $5,235,040,000 in loans, discounts and investments. Time deposits and net demand deposits (chiefly subject to check) showed increases of $5,186,130,000 and $49,510,000 respectively, the total decline from the date to last Saturday being $312,660,000. The most serious setback was shown in the statement, however, as a drop of $22,040,000 to $565,500,000 in the aggregate reserves, the latest figure being the lowest on record, and only $27,925,000 below the highest for the year, recorded on June 19. The increase in net demand deposits together with the excess reserve as demand deposit liabilities, following the expansion in loans, rose by $91,580,000 to $4,064,250,000. Still the excess over legal requirements, at $27,300,000, is $9,940,000 higher on the week; it compares with $7,960,000 on July 24, the lowest for the current year, and with $30,544,000 on December 20, 1919. Government deposits rose during the week from $8,290,000 to $89,880,000. That the improvement in the reserve position is not likely to be maintained this week is indicated by the figure shown for the actual excess reserve at the close of business on Saturday last, which at $8,220,000 is $19,170,000 below the average for the week. Also it is probable that loans will continue to expand during the remainder of the year, and this will affect the reserve through the medium of deposits.

A disimprovement in the position is recorded by the New York Federal Reserve Bank. Gold reserves fell by $25,570,000, and total reserves are $15,520,000 lower at $582,520,000. Net deposits declined by $47,170,000, but the Federal Reserve note circulation expanded by $7,960,000 to $871,520,000. The net result was a weakening of the ratio of total reserves to the combined deposit and note liabilities from 39.5 per cent. to 39.1 per cent.

The combined statement for the twelve Federal Reserve banks is of a different tenor in some respects to the above returns, but it shows the satisfactory movement of an improvement during the week in the reserve ratio from 44.5 per cent. to 45.6 per cent. This was brought about both by an increase in reserves and a considerable fall in deposit liabilities, the effect of these movements being nullified somewhat by an expansion in the note issue. Gold reserves were increased by $19,100,000 to $2,054,370,000, the highest since the commencement of the year, and the total reserves rose by $22,050,000 to $2,234,470,000, the largest since the week ending June 18 of last year. Government deposits rose by $24,780,000 to $53,170,000, but other deposits declined by $732,490,000 to $1,501,420,000. The movement in the Federal Reserve note circulation was an expansion of $32,490,000 to $3,341,330,000, or only $11,890,000 below the highest ever recorded. Rediscounts to member banks were again reduced to $2,596,750,000, the lowest for thirteen weeks, and $230,080,000 under the peak attained on November 5.

Meanwhile reviews report an increased volume of buying on the part of the public, but there is no indication that this is other than seasonal and temporary. Generally there is a growing feeling of optimism regarding the Money, Stock, and Commodity markets, but judging by present conditions, it seems unlikely that any material change will develop during the next few months.

Meanwhile the credit situation is still acute, while quotations continue to mark fresh low records in the Stock Exchange. At the opening of the present week severe declines in many Industrials were experienced on reports of further passing of dividends, and selling of bonds was caused by the necessity for meeting tax demands. Subsequently, there was [illegible] but this proved to be only temporary, and still there is a marked absence of public support, while professional selling on a considerable scale is still in evidence. Credits are still held up in large volume by the persistence of the farmers in withholding stocks from the market. Touching this question the new Congress have been discussing the advisability of relaxing the credit policy for the benefit of farmers, and one message states that the House of Representatives Ways and Means Committee has tentatively agreed to place high import duties on cotton, wool, beans, potatoes, live-stock, and meat. They have definitely rejected, however, the proposal that the Federal Reserve Banks should extend liberal credit to farmers. On Saturday was passed the Senate resolution to revive the War Finance Corporation to assist foreign trade, which was dissolved early last spring.

Call money in the Stock Exchange was at one time as low as six per cent., but the ruling rate was seven per cent. on most days.

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Stock Exchange.

The restriction of credits by the banks has, since its inception, attracted an ever-widening flood of criticism from industrial interests; but the collapse of Farrow's Bank, though officially stated as being quite unconnected with the present trade depression, has served as a healthy reminder to the public that the conservative policy of British banking is a national asset the value of which may easily be under-estimated. The pressure of taxation claims alone is, however, making a heavy drain on the resources of all companies, and the liquidation of securities in which reserves are invested continues apace. As reserves are mostly locked up in sound securities, the latter type have of necessity to bear the brunt of the selling campaign, the ill-effects of which are intensified by the competition of an apprehensive public. The shrinkage in the market value of the better-class stocks is obviously of a more temporary nature; but a lasting decline in general share values is inevitable, since industry as a whole is capitalised on an inflated basis, and the eventual recovery of abnormally depressed quotations will take place only at the expense of stocks of less intrinsic merit.

The Gilt-edged section had to [illegible] heavy selling pressure during the past few days, and [illegible] up to the close. Consols, Victory Bonds, and some of the shorter-dated War Loans eventually developed a hardening tendency, but, except for Consols, did not regain opening levels. County and Corporation stocks attracted no attention, and Colonial Government securities were equally neglected.

The Foreign Bonds market continued depressed.

mainly under the influence of large Continental offerings. The grave rumours as to the financial conditions obtaining in Chili and Brazil encouraged Paris to continue unloading her holdings of South American securities. Buyers were practically non-existent, and the authoritative denial of the "moratorium" rumours by the Brazilian ambassador failed to check the downward movement. Chinese bonds also sagged throughout. Japanese varieties made a mixed showing. Cuban, Egyptian, and Spanish descriptions concluded at lower figures. Liberian issues derived no benefit from the announcement that the National Provincial and Union Bank of England had received advice from New York that funds are in hand for payment of the coupon due on January 1, 1920.

Home Rails reflected the general pessimism, but firm features were not lacking. London and South Western Deferred benefited fractionally from an early demand, and Great Northern Deferred, Great Western and Midland Deferred registered a slight appreciation on Wednesday.

Quiet conditions and a rather dull tone ruled over the market in Foreign Rails, and in the small volume of business done movements were generally against holders. Argentine descriptions remained comparatively steady, and Brazilian stocks were not seriously affected by the unconfirmed rumours of a trading deadlock in that country. Paraguay "D" Debentures registered a net gain on the week. The Salvador Railway report, issued on Wednesday, shows an increase in net earnings of nearly £30,000 at £93,300. Nothing was received during the past year from the Salvador Government on account of overdue subsidy, the balance of which stands at £44,000.

A steady flow of selling orders sufficed to maintain an atmosphere of almost unrelieved gloom in the Industrial market. Shipping securities continued on offer, the unfavourable freight outlook being still a depressing factor. Cunard shares weakened on the announcement of the pending issue of £4,000,000 Seven per Cent. Twenty-year Debentures at 90. Movements in Iron and Steel securities were few, and confined to narrow limits. The long-awaited Vickers report did not prove of a satisfactory nature to shareholders, and the absence of any reference to a dividend caused a further marking-down of quotations. The British-American Tobacco report revealed a very satisfactory condition of affairs. Profits are £4,879,577, against £3,776,507, and the total dividend for the year is thirty per cent., the same as previously, but paid on a much higher capital. The market price of the shares improved in consequence, and a general demand for Tobacco issues was in evidence. Imperials showed better, but Allbert Bakers relapsed on the abandonment of the amalgamation scheme. Textiles and Motors were dull spots, with few movements of note. Realisations of Bank and Insurance descriptions continued, and values shrunk still further. Despite the satisfactory statements at the Imperial Continental Gas meeting, a long line of stock came on offer, with the inevitable effect on quotations.

The Oil section displayed an all-round sagging tendency on Monday, but the eventual lifting of Continental liquidation restored a measure of stability, though public interest was not much in evidence. Mexican Eagles eased away at the opening, but professional buying caused a partial rally eventually and the close was firm. Royal Dutch drooped in sympathy with the Wall Street quotation, but made a substantial recovery later. Shells displayed a similar trend, closing lower on balance. The optimistic statements made at the Anglo-Persian meeting did not reflect themselves on the Share market. The Company expect to be marketing all its own oil by the end of 1922, which, if it were doing so now, would fully double its profits. The tanker fleet when completed will have a deadweight capacity of over 1,000,000 tons, and the output of Persian petrol will shortly be increased to over 700,000 tons per annum.

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Mining Topics.

Despite the continued appearance of bumper Kaffir dividends during the week, the Mining market has been unable to shake off the lethargy which has settled down on it so long. Amongst the producers, Meyer and Charlton repeats its 1919 record of seventy per cent., whilst Crown Mines proceeds to declare the excellent dividend of fifty per cent., as against a final dividend of thirty-five per cent. in 1919. The Rand Mines dividend has responded to anticipations, amounting to eighty-five per cent., as compared with seventy-five per cent. in December 1919. The reappearance of New Kleinfontein with a dividend of five per cent., and Knight Central with a dividend of seven and a-half per cent., provided the market with a pleasant surprise. Although no marked recovery has yet taken place, these dividends imparted a firm tone to the Kaffir Circus. The close approach of the holiday season operates, however, against any pronounced upward movement before the New Year.

SONS OF GWALIA.

Results for Years to December 31.

	Ore Milled. Tons.	Gold Revenue.	Working Costs. Per ton.	Working Profit.— Amount.		Net Profit.	Dividends.— Amount.	
		Per ton.		£	Per ton.	£	£	%
1917 ...	150,397	29/2	23/8	43,993	5/6	37,433	32,500	10
1918 ...	148,394	25/7	23/9	14,926	1/10	71	—	—
1919 ...	147,652	28/0*	25/3	20,474†	2/9*	24,005‡	16,250	5

* Exclusive premium on gold amounting to £32,693, and equivalent to 4s. 5d. per ton. † Including gold premium.

For this West Australian gold mine, the year ended December 31, 1919, has proved to be much more satisfactory than 1918, but mainly owing to the benefits derived by the existence of the gold premium after July. Again the supply of labour was inadequate,

partially because of the competition of other less strenuous avocations, and partly owing to the opening up of the new gold discoveries at Hampton Plains. These, with the exception of short intervals during the year, sufficient men were not forthcoming to enable the plant to be fully worked, and even those that were available were not so efficient as in former years. Allowing for this shortage of labour, the reduction in the quantity of ore crushed being 148,391 to 117,652 tons is by no means serious. In part this loss in quantity was counterbalanced by the higher grade of the ore treated, the reduced tonnage yielding 48,625 ounces of gold, as compared with 44,721 ounces from the larger quantity worked in 1918. Calculating the value of the output on the basis of the par value of gold, this increase in the grade of the ore is reflected in the rise of the revenue per ton from 25*s.* 7*d.* to 28*s.* Unfortunately, these gains partially offset in turn by the sharp advance in the working costs (including development) to 25*s.* 3*d.* per ton, as against 23*s.* 9*d.* per ton in 1918. Higher wages and increased costs of stores and materials were primarily responsible for this advance, as a result of which the cost of ore extraction rose from 13*s.* to 13*s.* 11*d.* per ton, and of ore treatment from 6*s.* 5½*d.* to 7*s.* 1½*d.* per ton. Nevertheless, with a working profit of 2*s.* 9*d.* per ton., as compared with 1*s.* 10*d.* per ton, there was left a working profit of £20,171, or £6,148 more than that of 1918. Still, in the absence of the premium on gold, the increase was not sufficient to warrant a dividend to shareholders. For the period elapsing between July 25 and the close of the year, this premium brought in an additional revenue of £32,693, thereby raising the revenue per ton to 32*s.* 5*d.*, the working profit per ton to 7*s.* 2*d.*, and the total working profit to £53,167. Deducting from this sundry administrative charges, taxation, and depreciation, and including sundry receipts of £2,856, there was left a net profit of £24,005, as against £71 in 1918. Out of this, shareholders, for whom 1918 had turned out to be a barren year, received a dividend of five per cent., absorbing £16,250. Furthermore, a sum of £7,000 was set aside to provide for development expenditure during the current year. The balance carried forward to the next accounts was increased from £4,324 to £4,754.

Development work during 1919 was also handicapped by the shortage of labour. Still, the total of 3,186 feet exceeded the 1918 total of 2,584 feet. In many cases, however, the results were disappointing, no values being met. On averaging 30*s.* for a width of six feet was encountered for the first sixty-six feet in a winze at 1,390 feet south, whilst ore of equal value, but over a width of eight feet, was opened up from 1,533 feet to 1,526 feet south in a north drive off the west cross-cut at 1,560 feet south. A winze at 1,400 feet south exposed ore averaging 34*s.* for a width of six feet from sixteen to thirty-seven feet. Between 1,415 and 1,443 feet ore of 36*s.* for a width of eight feet was opened up in the main south drive on the footwall branch. Ore averaging 40*s.* over a width of six feet was exposed in several cases by rises and winzes at the 14th, 21st, 23rd, 24th, and 25th levels. It was in the 24th level that the most encouraging results were secured by a winze at 1,100 feet south. For the first forty-two feet the ore averaged 31*s.* over six feet; between forty-two and 110 feet the value rose to 40*s.*, the width remaining unchanged; from 110 to 189 feet the value averaged 35*s.*, over 2 again to 40 from 189 to 220 feet. In all, some 300 feet were sunk, the value between 289 and 300 feet being still as high as 35*s.* The final result was good, despite the shortage of labour, the position of the ore reserves was unchanged on December 31, 1919, at three years and two months' supply for the mill. During the current year development work at No. 2 level is said to have opened up ore of good values, which was likely to extend for a considerable depth. However, the outlook for the current year is [illegible] dependent on the [illegible] labour, [illegible] a loss on working which, however, does not appear to [illegible] claims the record of being the deepest mine in West [illegible] a depth, however, implies heavier working costs, as have been verified by current monthly returns. The situation is further aggravated by the rise in wages [illegible] of any relief from a fall in the prices of stores and materials. Likewise, it is admitted that the larger number of fixed holidays granted by the Federal Arbitration Court, in conjunction with the forty-four hours working week, have reacted adversely on the quantity of ore mined. Against these factors stands the gold premium, which is earned on the total output of the year as compared with only half the output of 1919. On the average, the premium during 1920 has been at least as advantageous as in 1919, and it is generally believed to have been better. In 1919 the gold premium brought in £32,693; during the current year it should account at least for £65,000, which would ultimately give a working profit not less than that of the year under review. Already the outlook has justified the declaration of an interim dividend of five per cent. The financial position as disclosed in the balance sheet dated December 31, 1919, is very strong. Current liabilities, including the 1919 dividend, absorbing £16,250, did not exceed £38,432, and were covered alone by the cash balances of £39,619. Liquid assets, consisting of cash, sundry debtors, and investments, were available to a total of £110,777. Quoted in the market at 5*s.* 7½*d.* the £1 shares afford for the current year on the assumption of a final dividend of five per cent. a return of nearly eighteen per cent.

RENONG TIN DREDGING.

Year ended June 30	Ground Treated Cub. Yards	Tin Concentrates Tons	Profit on Working £	Profit on Tin Sales £	Working Profit £	Net Profit £	Dividends £
1917	2,150,177	970½	12[illegible]	8[illegible]	58,983	39,812	26,[illegible]
1918	2,057,357	841½	174[illegible]	14[illegible]	40,716	42,[illegible]	26,[illegible]
1919	1,577,574	759½	160[illegible]	10[illegible]	39,077	43,[illegible]	24,817
1920	1,508,983	578½	216[illegible]	17[illegible]	21,710	22,[illegible]	17,[illegible]

The difficulties of the transition period are reflected in the report of this Malayan tin-dredging Company for the year ended June 30, 1920. There is a further decline in the quantity of ground treated, which fell by nearly 70,00 cubic yards to 1,508,983 cubic yards. This fall is by no means so great when allowance is made for the fact that No. 2 dredge was only operating for seven and a-half months of the year, having been dismantled after this period and removed to the newly-acquired property at Rasa. Despite this, it is the only dredge which has produced results better than those of the previous year. As against a little over 130½ tons, it yielded over 145 tons of black tin. The area worked by No. 3 dredge was practically unchanged, but the ore produced fell from 255 tons to 185 tons. In this case the ground treated was found to contain very large boulders, which not only required much time to handle, but also involved heavy repairs to the bucket chain, ladder and screen. Over fifty per cent. of the operating time was lost in this manner. The total result is an output of 578¾ tons, as against 759½ in the previous year. A reduced output generally means a higher cost per unit; but in this case this increase was accentuated by the cost of the repairs, especially as No. 2 dredge [illegible] stores and materials commenced. [illegible] a loss of £750. Added to this came the raising of the value of the tical from 1*s.* 6*d.* to 2*s.* 2*d.* Charges, already high in the local currency, appear much higher

by contrast when converted into sterling at the higher rate. Thus, on the basis of 1*s.* 6*d.* per tical, actual operating charges worked out at 11.96*d.* per cubic yard, as against 11.11*d.* in 1918-19. Converted on the existing basis of 2*s.* 2*d.*, the charge amounts to 17.29*d.* per cubic yard. The cumulative effect of all these factors is embodied in the cost per ton of over £179, as compared with £109 10*s.* only in the previous year. Fortunately there was a marked improvement in the average price secured by the output to £216 13*s.* 4*d.* per ton as against £160 2*s.* 6*d.* only in 1918-19. This counterbalanced to a considerable degree the large increase in working costs, so that the profit per ton only dropped from £50 10*s.* to £37 10*s.* At the same time, owing to the decline in the quantity of the output, the amount of the working profit was nearly reduced by half, to £21,710. A sum of £10,000 was transferred to the reserve, thereby increasing it to £26,000. After paying the dividend on the fifteen per cent. Preference shares to the amount of £3,750, a dividend of fifteen per cent. was paid to the Ordinary shares, as against twenty-five per cent. in 1918-19. But as the 32,000 Ordinary shares allotted in payment for the Rasa property ranked for the final dividend of seven and a-half per cent. (an interim dividend of seven and a-half per cent. having been paid earlier), the amount absorbed by the dividend was £17,890, as against £21,817 by the dividend of twenty-five per cent. in the previous year. The amount carried forward has been reduced in consequence from £24,455 to £15,550.

The steady relapse in the price of tin from £410 in February to less than £220 in December obscures the outlook for the current year. Operating, however, in the F. M. S., the Company has now the consolation of being assured of a minimum price of £227 per ton of tin, as a result of the wise action of the Government in fixing this minimum. Operating charges are not likely to be reduced to any great extent, except in the case of repairs. Thus it is stated that No. 3 dredge is now working on better ground and is not likely to encounter any more of these heavy boulders which played such havoc in the year under review. No. 1 dredge has been working very successfully to date, and despite a few stoppages, good results are being secured by No. 3. Thus in July the combined output of ore was nearly 43½ tons, whilst that for October exceeded 61¼ tons. But the future of the Company lies rather in Rasa than in Renong, although the two dredges, Nos. 1 and 3, will find work in the latter region for over two years. The ground acquired during the year at Rasa in exchange for 32,000 Ordinary shares embraces 65 acres, and contains sufficient material to keep two dredges fully employed for fifteen years. The area is all tin-bearing from grass roots to bedrock, and can therefore be easily treated. Transport is facilitated by the trunk line of the F. M. S. railway, which passes through the estate. It is expected that dredge No. 2 will be at work in this area before the close of 1920. The acquisition of this property has necessitated an increase in the capital account, the authorised capital being raised from £125,000 to £200,000 and the issued capital from £112,267 to £144,267. The issue price of these 32,000 Ordinary shares paid to the vendor was fixed at £2 10*s.*, so that there now exists a share premium account of £48,000. Financially the Company is in a strong position. In the balance sheet dated June 30, 1920, the dredges only stand at £12,000, whereas to replace even one of them to-day would involve an outlay of over £45,000. Including the final dividend of £8,945, current liabilities did not exceed £37,808, and were more than amply covered by liquid assets available to a total of £86,776. The prices and yields of the different shares are embodied in the following table, the yield on the Ordinary shares being calculated on a dividend of fifteen per cent.

	15% Preference	Ordinary
Price	24/3	33/9
Yield	12·3%	9

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, December 22, 1920.

Issue Department.

Notes Issued	£144,424,080	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	125,974,080
	£144,424,080		£144,424,080

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£77,177,702
Rest	3,389,436	Other Securities	78,914,458
Public Deposits	13,764,834	Notes.....	29,311,810
Other Deposits	136,030,543	Gold and Silver Coin	1,788,953
Seven-day and other Bills...	8,140		
	£167,720,953		£167,720,953

Comparison with Previous Four Weeks [00,000's omitted.]

Date 1920.	Circulation	Coin and Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
Dec. 22	134.6	127.7	13.7	136.0	77.1	78.3	11.5	7.8	7	81
Dec. 15	131.2	126.8	19.4	126.1	77.1	72.2	14.0	9.6	7	81
Dec. 8	130.4	125.8	22.4	126.4	80.7	72.1	13.9	9.3	7	8¼
Dec. 1	130.4	124.3	21.6	142.6	93.8	75.3	12.9	7.9	7	8½
Nov. 24	127.9	124.1	17.9	105.3	52.4	74.1	14.5	11.8	7	8½
July22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8% Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; Apr. 5, 5%; Nov. 6, 1918, 6%; Apr. 15, 1920, 7%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Dec. 23, 1920	Dec. 23, 1919	Dec. 25, 1918	Dec. 26, 1917	Dec. 21, 1910
Circulation	£134.6	£90.3	£70.3	£45.9	£28.6
Public Deposits	13.7	21.5	23.6	42.0	10.8
Other Deposits	136.0	125.3	149.0	124.2	38.2
Government Securities	77.1	68.2	71.1	58.3	15.9
Other Securities	78.9	76.0	97.1	91.3	28.1
Reserve	11.5	19.6	27.3	31.8	22.7
Ratio to Liabilities	7·8%	13·4%	15·78%	18·96%	46·35%
Coin and Bullion	127.7	91.5	79.1	53 3	32 9
Money:					
Bank of England Rate	7%	6%	5%	5%	4½%
Bank of France Rate	6%	5%	5 %	5%	3%
Rate 3 months' Bills London	6⅞%	5⅝%	3½%	4⅜-4⅛%	3½%
Exchanges:					
Paris Cheque	59·60	41·45	25·97	27·21	25·27
New York 60 days	3·50½	3 78½	4·73	4·72	4 82·40
Bombay Telegraphic Transfers	1/5½	2/3⅛	1/5¾	1/4½	1/4½
Prices:					
Consols 2½% Cash	44½	50⅝	59	54	79½
French Rentes 3% Money	57 00	60	61·55	58·50	97 15
Silver, London spot ..... oz.	80⅝d.	77¾d.	48⅝d.	43½d.	26¾d.
Wheat, *Gazette* average .....qr.	85/11	72/6	72 4	71/1	30 7
Cotton, Mid Upland .....lb.	12·01d.	28 71d.	20·99d.	22 49d.	8·17d.
Iron, Scotch pig .....ton	231/0	166/0	101/0	101.0	55/10½

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	Bank of England Notes	% of Bank Notes & Gold to Notes
	£	£	£	£	£	%
Dec. 22, '20	14,535,082	5,403,816	365,505,247	28,500,000	19,450,000	13·1
Dec. 15, '20	11,072,813	6,160,604	356,375,981	28,500,000	18,750,000	13 3
Dec. 24, '18	17,433,344	7,575,717	358,730,657	29,500,000	—	8·3
Dec. 24, '18	11,622,411	2,678,004	325,644,100	28,500,000	—	8 8
Dec. 26, '17	7,740,964	1,910,892	212,786,295	28,500,000	—	13·4
Dec. 27, '16	4,231,330	2,206,949	150,144,477	28,500,000	—	19 0

Balance Sheet, December 22, 1920.

	£		£
Notes outstanding—		Advances	
One Pound	287,518,300	Other Bankers ...	—
Ten Shilling	43,839,947	Trustee Savings Banks ...	—
Certificates outstanding ...	34,150,000	Currency Note Redemption A/c—	
		Gold Coin and Bullion ...	28,500,000
Total	365,505,247	Bank of England Notes...	19,450,000
Notes called in but not yet cancelled	2,725,595	Government Securities ...	337,253,650
Investments Reserve A/c ...	17,091,571	Balance at Bank of England	118,781
Total	385,322,121	Total	385,322,421

PUBLIC INCOME AND EXPENDITURE [000's omitted.]

1920. Week to	Revenue	Expenditure	Excess of Expenditure	Other Receipts	Other Issues	Cash Balance
Dec. 18	£24,787	£17,861	£6,[illegible]	£75,436	£79,813	£4,813
Dec. 11	14,791	15,307	516	71,956	71,259	2,555
Dec. 4	16,806	65,336	48,530	151,764	104,219	2,365
262days '20-21	855,165	796,489	[illegible]	3,957,446	4,025,491	— 4,756
264days '18-20	670,282	1,088,593	418,311	4,803,892	4,420,291	— 9,028
Fr. '20-21*	1,418,300	1,184,102	244,198†	—	—	—
Yr '19-20	1,339,671	1,865,773	326,202	6,092,709	5,768,507	9,389
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	21,030

Principal Items of Revenue and Expenditure.

1920. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Dec. 18	£14,625	£1,535	£3,360	£4,777	£1,926	£101	£15 835
Dec. 11	5,239	1,102	4,197	4,253	7,335	623	7,349
Dec. 4	4,223	2,772	4,658	5,153	44,116	820	20,364
262days '20-21	742,681	151,200	151,417	310,167	275,983	15,857	505,729
264days '19-20	195,923	131,996	196,320	146,043	269,437	9,535	809,621
Fr. '20-21*	348,650	385,800	220,000	463,850	345,000	31,198	807,904
Yr. '19-20	263,023	359,088	290,046	407,404	332,034	16,171	1,317,588
Yr. '18-19	162,220	291,186	285,028	150,587	289,364	11,330	2,297,368
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,388

FLOATING DEBT.	[000's omitted.]	Treasury Bills	Ways & Means Advances	Total	Treasury Bond Receipts
Dec.	18, 1920 ...	£1,131,579	£262,914	£1,394,493	£17,240
Dec.	11, 1920 ...	1,137,994	260,694	1,398,688	16 570
Dec.	4, 1920 ...	1,165,729	265,414	1,395,143	13,755
Nov	27, 1920 ...	1,096,994	231,114	1,328,108	13,705
June	30, 1919 ...	796,150	774,237	1,570,387†	—

*Budget estimates. † Highest. ‡ Excess of revenue.

FOREIGN BANKS.

[In £'s Sterling—000's omitted.

		Gold.	Silver	Total	Discounts	Circulation	Deposits
BELGIUM.							
Aug. 6, '14	...	£10,977	£633	£11,610	£41,925	£61,800	£8,383
Dec. 9, '20	...	10,660	1,115	11,675	25,257	248,911	13,713
Dec. 16, '20	...	10,660	1,114	11,674	24,879	246, 21	12,997

		Claim on Austro-Hung. Bank	Conversion Liability on Bank Notes	Discounts	Advances	Circulation (Bank Notes)	Deposits
CZECHO-SLOVAKIA. *							
Nov. 23, '20...		£308,725	£61,010	£71,555	£33,938	£411,200	£67,341
Nov. 30, '20...		308,741	84,477	74,161	40,304	456,111	42,033
Dec. 7, '20...		308,748	94,137	75,732	42,184	457,917	44,903

		Cash			Dis-	Balances	Circula-	Deposits
		Gold	Silver	Total	counts	Abroad	tion	
DENMARK.								
July 31, '14	...	£4,100	£341	£4,441	£6,197	£726	£9,613	747
Oct. 30, '20	...	12,641	130	12,771	15,783	1,434	24,211	2,005
Nov. 30, '20	...	12,641	145	12,786	14,328	747	23,445	3,350
Nov. 29, '18	...	11,787	190	11,977	10,426	1,547	28,093	4,733
Nov. 30, '18	...	10,821	114	10,935	8,846	4,329	24,353	745

		Gold	Cash Silver	Total	Total Cash Other Notes	Treasury & Loans & Discounts	Circula-tion	Deposits Public	Deposits Private
FRANCE.		In Bank	Abroad	In the Silver	Bills				
July 30, '14	...	£165,654—		£190,667	£87,768	£267,427	£15,302	£37,903	
Dec. 9, '20	...	147,068	22,935	240,536	120,000	1,519,213	8,1 5	144,149	
Dec. 16, '20	...	142,097	22,935	236,511	1 0. 37	1,510,203	8,1 3	141,348	
Dec. 18, '19	...	142,988	78,131	234,003	47,772	1,495,137	3,287	127,290	
Dec. 19, '18	...	137,454	81,484	231,678	38,877	1,170,843	1,655	93,037	

		Gold	Cash Silver	Total	Treasury & Loans & Other Notes	Discounts	Circula-tion	Deposits
GERMANY.								
July 23, '14...		£67,843	£16,777	£84,620	£5,279	£40,055	£91,545	£47,199
Nov. 30, '20...		54,578	318	54,896	1,018,913	2,779,420	3,214,220	866,377
Dec. 7, '20...		54,578	345	54,923	1,026,273	3,000,127	3,334,232	578,161
Dec. 7, '19...		54,515	1,115	55,630	406,443	1,633,967	1,693,018	434,436
Dec. 7, '18...		115,394	1,011	116,405	309,915	1,108,399	956,723	510,611

		Cash			Dis-	Ad-	Circula-	De-
		Gold	Silver	Total	counts	vances	tion	posits
HOLLAND.								
Aug. 1, '14	...	£13,498	£249	£13,745	£13,432	£10,332	£35,660	£1,437
Dec. 6, '20	...	53,012	1,804	54,706	18,842	24,476	90,150	8,201
Dec. 13, '20	...	53,012	1,713	54,725	19,471	22,830	88,723	5,413
Dec. 13, '19	...	53,110	606	53,716	17,173	21,685	91,870	9,926
Dec. 14, '18	...	57,580	693	58,263	18,912	11,199	84,000	6,675

		Gold	Cash Silver	Total	Other Cash	Loans & Discounts	Circula-tion	Deposits
ITALY.								
July 31, '14	...	—	—	—	£48,456—	£25,017	£93,294	£3,947
Oct. 20, '20	...	£32,191	£2,999	35,191	11,874	24,313	966,76	74,151
Oct. 30, '20	...	32,788	2,999	35,787	14,375	23,472	611,158	72,237
Oct. 31, '19	...	32,500	3,506	35,216	26,117	84,476	478,217	74,173
Oct. 31, '18	...	32,687	3,078	35,775	5,283	61,385	358,115	56,877

		Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
JAPAN.							
Aug. 1, '14	...	£21,867	£1,909	£7,863	£32,732	£13,818	£1,521
Nov. 6, '20	...	110,968	8,290	1 .61	107,122	164,118	6,142
Nov. 13, '20	...	104,618	7,412	15,930	104, 43	118,941	1,5,5
Nov. 15, '19	...	81,189	6 638	32,176	109,011	109,190	3,143
Nov. 16, '18	...	68,110	1,520	40,745	83,648	99,781	4,309

		Cash Own Vaults	Aggregate Reserve	Loans, Discts., Invest., &c.	Demand	Not Deposits Time	Total	Excess Reserve
NEW YORK BANKS & TRUSTS.								
Aug. 1, '14	...	—	£89,988	£411,239	—	—	£387,185	£1,741
Dec. 11, '20	...	£19,770†	128,898	1,046,881	£701,941	£50,966	813,231	3,193
Dec. 18, '20	...	19,388†	113,110	1,047,008	812,357	10,159	873,631	5,473
Dec. 20, '19	...	21,604†	118,434	1,034,302	833,908	50,188	925,932	7,638
Dec. 21, '18	...	21,584†	116,954	932,110	782,146	27,942	846,650	13,544

		Gold	Balance Abroad	Notes & Bills Govt. Secs.	For. Dis'nts & Loans	Circula-tion	Deposits
NORWAY.							
July 31, '14	...	£2,960	£1,678	£493	£4,868	£6,752	£747
Dec. 7, '20	...	8,115	3,160	578	23,573	24,915	4,751
Dec. 15, '20	...	8,115	3,087	578	24,195	25,182	1,123
Dec. 15, '18	...	3,143	4,183	674	19,016	24,526	2,983

		Gold	Silver	Total	Discounts & Note Circu-lation	Deposits
PORTUGAL.					Advances	
Sept. 22, '20	...	£1,908	£3,921	£5,827	£28,804	£115,617	£4,114
Sept. 29, '20	...	1,908	3,921	5,827	30,783	118,461	5,053
Sept. 3, '19	...	1,905	3,934	5,840	7,816	68,556	6,771
Sept. 4, '18	...	1,905	3,742	5,647	10,736	54,450	2,457

		Cash	Discounts	Advances	Total	Circulation
ROUMANIA.						
Aug. 28, '20	...	£68,08	£ 1,500	£3,647	£24,147	£ 1,017
Sept. 4, '20	...	94,009	20,274	3,730	24,004	2 ,7 7
Sept. 11, '20	...	9 ,009	20,847	3,693	24,5 1	3 ,256
Sept. 13, '19	...	45,512	8,540	2,234	10,774	1 ,425

		Gold— In Bank	Abroad	Total Cash Bills Discounts	Loans & Advances	Circula-tion	Notes to Reserve	Total Deposits
RUSSIA.								
July 21, '14...		£180,114	£14,395	£181,892	£76,081	£163,411	£6,539	£109,911
Oct. 28, '17...		129,523	230,865	376,705	1,864,559	1,836,217	15,783	345,500

		Gold	Cash Silver	Total	Loans, &c.	Spanish 4%	Circula-tion	Deposits &c.
SPAIN.								
Aug. 1, '14 ...		£21,904	£29,187	£50,991	£40,572	£13,778	£77,557	£18,855
Dec. 11, '20 ...		88,209	24,3 3	121,533	95,827	13,778	1 7,4 3	4,7 4
Dec. 18, '20 ...		88,32	23,358	121,670	9 ,197	13,779	1 9 0 4	1,5 3
Dec. 20, '19 ...		97,439	25,4 1	122,7 1	85,673	13,778	1 4 11	40,26
Dec. 21, '18 ...		95,153	25,864	114,197	66,324	13 777	151,2 0	46,2 1

		Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Advances	Circula-tion	Deposits
SWEDEN.							
Aug. 1, '14 ...		£5,717	£6,150	£1,555	£7,485	£13,432	£3,903
Dec. 4, '20 ...		15,682	6,491	1,852	32,887	41,916	11,639
Dec. 11, '20 ...		15,677	5,864	1,503	33,351	39,883	15,335
Dec. 13, '19 ...		15,647	6,709	2,857	27,968	38,858	11,146
Dec. 14, '18 ...		15,850	7,457	5,861	26,689	43,634	12,501

		Gold	Cash Silver	Total	Discounts & Advances	Circula-tion	Deposits
SWITZERLAND.							
July 23, '14 ...		£7,202	£758	£7,960	£4,817	£10,716	£2,026
Dec. 7, '20 ...		21,652	4,680	26,332	15,213	37,752	1,695
Dec. 15, '20 ...		21,675	4,813	26,488	13,619	36,905	5,113
Dec. 15, '18 ...		20,737	2,661	23,398	16,828	37,188	6,301
Dec. 14, '18 ...		15,118	2,265	17,411	24,841	35,650	5,483

* Converted at 24 crowns to £1.
† Not reserve. ‡ Currencies converted at par rate of exchange approximately.

U. STATES FED. RES. BANKS.

Dec. 17, '20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec. 20, '20 ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

II.—CURRENT BANK RATES OF DISCOUNT.

Amsterdam	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Berlin	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Christiania	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copenhagen	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lisbon	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Madrid	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Petrograd	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prague	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Roumania	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switzerland	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	DEC. 23, 1920	DEC. 23, 1919.	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	93/0	166/0	57/0
— Middlesbro' warrants ...ton	95/0	160/6	51/0
— Hematite warrants ...ton	96/0	200/0	61/0
— Staffordshire bars, London ton	£33 10	£25 – £26	£8 10
— Common bars ...ton	£30– £30 10	£23	£8 18
Steel Rails ...ton	£23– £26	£16	£6 2/6
Galvanised Sheets ...ton	£39– £34	£39– £40	£16 17/6
Spelter—Standard ...ton	£104	£104 2/6	£68
Tin—English Ingots ...ton	£195—£198	£324 10	£142 15
— Straits ...ton	£205—£208	£329 15	£139 10
Tinplates, I.C. Coke, S. Wales...box	37/0—38/0	49/0—50/0	11/101—12/0
Lead—Soft Foreign ...ton	£21 10—£22 15	£43 15	£19
Spelter—Ord. Foreign ...ton	£22 10–£24 10/6	£53 15	£21 7/9
Quicksilver—(75lb.) ...bottle	£14 10—£15 10	£24	£8
Aluminium ...ton	nom	£150	£82
Antimony—Regulus Foreign ...ton	£37—£38	£87 10	£27 10
— English ...ton	£45—£49	£50	—
Coal—(best) Yorkshire ...ton	37/0—38/0	19/6—20/6	17/6
— Steam (best) Newcastle...ton	50/2—55/2	46/0—51/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	12/0	11/0	7/4
Soda—Crystals ex wharf...ton	140/0	128/0 –130/0	42/6—45/0
Copra—Malay and States ...ton	£37 10	£84 £23 15–£24	7/6
Gambier—Good marks ...cwt.	37/6—40/0	48/0	16/10/1
Indigo—Bengal good to fine ...lb.	13/0—16/6	10/0—12/0	3/2—3/8
Linseed Oil—Raw ...ton	£43	£107	£25 5
Linseed—Calcutta, spot ...ton	£22	£59	£13 18/9
— Cakes, U.K. made, ex mill ...ton	—	£24 17/6–£25	£7 17/6–£8
Olive Oil—Spanish ...ton	—	nom	£49 10
Palm Oil—Lagos ...ton	—	£91	£31 10
Petroleum—American ...gallon	2/2½	1/0	7½d
Rape Oil—Refined English ...ton	nom	£111	£32
Soya Oil—Refined ...ton	£76	£108	£24 10
Tallow—Imported ...cwt.	58/0—76/0	98/0 108 0	29/3—33/3
Turpentine—American ...cwt.	nom.	140/0	33/7½
Rape Seed— Toria ...ton	£23 10	£45	£13 5
Rubber—Para, spot ...lb.	1/0	2/3	2/3½
— Fine plantation (stnd. crepe) lb.	1/0½	2/7½	2/9
— World's Production to Oct. tons	226,600	28,790	8,467
Shellac—T.N. Orange, fair ...cwt.	380/0	715/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb.	19 01d	26.71d	7.53d
— Egyptian, good fair...lb.	17.00d	47.50d	8.75d
— Pernambuco fair ...lb.	15.01d	32.21d	7.73d
— Middling Drl. New York ...lb.	14.50c	39.0c	13.05c
— Stock, Liverpool (Dec. 17) bales	936,640	828,660	934,000
Flax—Retpressed, Narapol ...ton	—	—	£28
Hemp—New Zealand ...ton	£64	£51 10	£25 10
— Manilla, Fair ...ton	£57	£54 10	£28 10
Jute—First Marks ...ton	£39	£63 10	£26 15
Red SCC ...ton	£32	£56	£24 15
Silk—Common, New Style ...lb.	9/0	40/0	12/0—12/6
Wool—Fr. Philip unwashed av. lb.	2/10	6/7	11½d.—1/0
— Lincoln Half Bred ...lb.	1/3½	2/3	7½d
Hides—Eng. Ox, best, 70 lb. up lb.	1/6½	1/6½	7½d
Leather—Dressing Hides ...lb.	2/6—3/0	3/3—3/9	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	99,695,000	136 481,000	34,640,000
— Red, price, N.Y. 60lb... bushel	199	238c	67½c.
—English Gazette, aver. 480lb. qr.	85/11	72/6	34/3
Flour—G.R. ...280lb.	80/0	44/3	28/6
Barley—Eng. Gaz., aver. 400lb. qr.	74/4	105/0	25/4
Oats—Eng. Gaz., aver. 312 lb. qr.	56/9	56/9	20/0
Maize—N.Y. (new bushel)...56lb.	98c	174c.	76½c.
— Amer. mixed, Liverpool...480lb.	60/0	nom.	32/4
— La Plata ...480lb. qr.	59/3	85/0	25/9
Potatoes—Good English ...ton	200 0	234/0	70/0—75/0
Rice—Bassein ...cwt.	25/6	26/0	7/0—7/3
Tapioca—Pearl, medium ...cwt.	34/0—36/0	35/0	14/0—17/6
Hay—best ...2.018lb...load	—	—	3/6
Hops—English ...cwt.	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen., chilled hndqrs...8lb.	6/8	9/0	3/8—3/10
— Scotch sides ...8lb.	11/4	10/0	4/6—5/0
— English ...8lb.	11/4	10/0	4/2—4/5
Mutton—Scotch wethers...8lb.	12/4	10/6	5/8—6/0
— English wethers ...8lb.	12/4	10/6	4/6—5/4
— New Zealand frozen ...8lb.	7/0	7/0	2/4—3/0
Po — English, best ...8lb.	14/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	1245/0—250/0	200/6	60/0—74/0
— Danish ...cwt.	1230/0	1187/0	58/0—68/0
— Canadian, ex Port ...cwt.	1225/0	1187/0	—
— American ex Port ...cwt.	1185/6—192/0	1187/0	72/0—74/0
Hams—American, cut, ex Port cwt.	1220/0	1190/0	75/0—79/0
— short cut, ex Port ...cwt.	1200/0	1190/0	71/0—74/0
Lard—American, boxes, ex Port ...cwt.	1158/6	1198/6	51/9—52/0
Butter—Danish ...cwt.	1336/0	1252/0	112/0—120/0
— French ...cwt.	1336/0	1252/0	96/0—108/0
— Australian ...cwt.	1336/0	1252/0	96/0—110/0
— New Zealand ...cwt.	1336/0	1252/0	108/0—114/0
Cheese—Canadian ...cwt.	148/0—154/0	1145/0	66/0—68/0
— United States ...cwt.	—	1145/0	—
— Dutch ...cwt.	† 168/0—230/0	1145/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Nov. 30 ...cwt.	24.889,068	29.869,711	19.777.254
— Home consump'n to Nov. 30 cwt.	20.806,343	27.843.426	17.272.000
— In Bond Nov. 30 ...cwt.	6.382.000	6.663.000	6.308.000
— Price, Java, 96° Pol. ...cwt.	37/0	53/0	10/3
— — Yellow crystals ...cwt.	26/0	63/6	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	41 0/6	72/0	18/0
Coffee—Imports to Nov. 30 ...cwt.	716,800	1,016,805	720,360
— Home consumpt'n to Nov 30 cwt.	283,222	293,909	141,410
— Exports to Nov. 30 ...cwt.	462,780	597,185	340,250
— In Bond Nov. 30 ...cwt.	684,000	735,000	484,000
— Price, Costa Rica gd. to fine cwt.	120/0—160/0	158/0—1o4/0	80/0—93/0
— Brasil (Santos) Good ...cwt.	70/6—75/0	130/0—132/0	41/6
Tea—Imports to Nov. 30 ...lb.	465,371,572	457,286,88	123,230,277
— Home consump'n to Nov. 30 lb.	362,612,654	360,742,900	155,447,972
— Exports to Nov. 30...lb.	38,561,180	27,206,719	26,561,782
— In Bond Nov. 30 ...lb.	227,803,000	169,861,000	78,292,000
— Price, Indian, Fek. Soug. gd. lb.	—	1/5½	8½d
— — Ceylon, Fek. Soug. Ord. lb.	—	1/8	8½d.
— — Common Congou ...lb.	—	1/3	5½d.
Cocoa—In Bond Nov. 30 ...cwt.	1,123,000	979,000	309,000
— Grenada, good to fine ...cwt.	58/0—60/0	85/0	52/6—56/0

• Estimated. † Controlled. ‡ Decontrolled: Price Ex. Factory

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Oct.	$24,861,000	+ 6,564,000	$7,701,000	+ $2,353 000
	10 mos. to	Oct. 172,238,000	+29701000	26,858,000	+ 1,343,000
Grand Trunk	Oct.	£1,796,600	+ £330,200	£218,600	+ £83,000
	10 mos.to	Oct. 13,498,400	+ 1,897,400	849,100	+ 613,800

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

•,• *No traffic statements are now published by the Home Railways. On August 5 1914, the Government assumed control of the railways of Great Britain under general, renewable weekly, leases, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open	Gross Receipts	+ or — on Year Ago	No Wks	Aggregate Receipts	+ or — on Year Ago
Assam Bengal	Nov.	1.044	£2,45,127	— 4,883	5	11 70,500	— 1.08.831
Barsi Light ...	Nov. 13	118	14.800	— 17.800	32	8 71.800	— 70 200
Bengal & N.W.	Nov. 13	3,067	4.27.520	— 1.64.778	6	27.03.350	+ 53.815
Benga. Nagpur	Oct. 30	158	34.038	— 4.480	4	1.40.159	+ 1.24.182
Beng. Nagpur	Nov. 20	2.895	11.68.000	+ 27,000	28	3.98.58.791	+ 11.15.374
Bomb. Baroda	Dec. 11	2.871	19.33.000	— 1.77.000	10	1.94 42.00	+ 18.21.000
Burma	Nov. 20	1,342	5.85.338	+ 42.847	7	1.75 98.141	— 4.18 930
Del Um. Kalk.	Dec. 11	239	1.03.000	— 15.809	10	11.13.487	+ 73.724
East Indian ...	Dec. 11	2.772	26.78.000	+ 89.000	10	2.85.65.000	+ 15.44.000
Gt.Indian Pen	Dec. 11	3.121½	28.62.000	+ 2.99.000	10	2.89 47.800	+ 21.10 341
Madras & S.M.	Nov. 27	3,152	10.70.000	— 34.581	8	4.12 81.088	+ 39.555
Nizam's Guar.	Nov. 23	900	2.04.049	+ 28.902	3	7 31.336	+ 34.421
Rob. & Kumn.	Nov. 20	576	87.414	— 6.119	7	6.41.564	+ 31.768
South Indian	Nov. 13	1.8524	7.07.016	+ 32.522	32	2.63.28.381	+ 14.82.476
South Punjab	Aug.	716	9.03.903	+ 202.049	5m	43.78,299	+ 8.75.829

COLONIAL							
Can. Northern	Dec.	14	9,704	$1.488.100	+ 422.900	48	62.115.422 + 11.806.524
Can. Pacific ...	Dec.	14	13,388	5.179.000	+ 1,244.000	48	208.158.000 + 38.521.000
Grand Trunk	Dec.	14	3,616	£377.044	+ 101.355	48	15 661,833 + 2.466.283
Mashonaland	Sept.		810	76.301	10.132	12m	— —
Mid. W. Aust.	Oct.		277	12.82	+ 1.931	4m	41.430 + 5.424
NewCapeCent.	Nov.	27	205	2.496	— 62	48	137.747 + 17.445
Rhodesia Rlys.	Sept.		1,397	134.117	+ 16.21	12m	1.387.433 + 288.990
Temiscounta...	Oct.		—	348.120	+ 19.466	10m	357.059 + 53.889
W. Pass.&Yuk	Dec		122	1.568.626	+ 124.546	12m	1.568.626 + 124.546

FOREIGN.								
Argentine								
Arg. N. East...	Dec.	11	752	£ 9.100	— 3.900	24	233.300	— 2.100
Arg. Transand.	Dec.	11	111	£ 3.372	— 1.817	24	54.440	+ 10.544
B. A. & Pacific	Dec.	18	3,538	£ 115.000	— 43.000	25	2.963.000	— 615.000
B.A.Gt. South	Dec.	18	3,792	£ 161.000	— 31.000	25	3.598.000	— 893.000
Do.	Dec.	18	Net	£ 16.000	— 64.000	25	373.000	+ 1.032.000
B. A. Western	Dec.	18	1,882	£ 74.000	— 26.000	25	1.784.000	— 641.000
Do.	Dec.	18	Net	2.000	— 38.000	25	148.300	— 715.000
B. A. Central	Dec		190	£ 49.718	+ 4.96	4m	213.037	+ 29.632
Cent. Argent.	Dec.	18	3,305	£ 187.000	— 12.00	25	4.978.000	+ 635.000
Cord. Central	Dec.	18	1,205	£ 57.100	— 3.300	25	1.36.9.900	— 110.000
Entre Rios ...	Dec.	11	811	£ 18.300	— 5.800	24	593.900	— 18.500
Brazilian.								
Brazil-S.South	Nov.		110	M 41,300	— 3,700	11m	495.000	— 43.671
Brazil Railway	Dec.		3,530	M 4.859.000	— 141.271	12m	67.772.000	+ 7.819.243
Gt. W. Brazil	Dec.	11	1,010	£ 21.900	— 7.400	49	1.050.150	+ 100.210
Leopoldina ...	Dec.	11	1,831	£ 36 188	— 21.026	49	2.514 91	+ 331.842
Mogyana	Dec.		1,180	M 1.561.000	— 856.490	12m	22.287.000	— 2.474.651
Paulista	Dec.		768	M 2.850.000	— 806.033	12m	32.473.000	+ 1.225.332
San Paulo ...	Dec.	13	1631	£ 49.710	— 3.715	50	2.356.334	+ 515.933
Sorocabana ...	Dec.		1,003	M 1,749.000	— 246.163	12m	21.953.000	+ 978.632
S.of BahiaS.F.	Nov.		52	M 153.000	+ 11.000	11m	1.213.000	+ 125.000
Chilean and Peruvian.								
Antofagasta ...	Dec.	12	838	£ 45.610	+ 41.675	49	2.282.985	+ 1.034.900
Arauco	June		84½	£ 12.000	+ 500	6m	76.000	+ 10.700
Nitrate(2wks.)	Dec.	15	390	£ 41.560	+ 33.450	48	994.940	+ 515.141
Peruvian Corp.	Nov.		1,140	S 935.050	— 349.930	5m	5.613.853	— 38.239
Talcal	Nov.		180	£ 11,750	+ 687	5m	144.834	+ 73.632
Cuban.								
Cuban Central	Dec.	18	362	£ 23.322	+ 3.086	25	533.591	+ 106 438
Cuba Railroad	Sept.		—	$ 1,194,589	+ 99.818	3m	3.436.374	+ 364.541
Havana Cent.	Dec.	11	70	£ 14.427	+ 3 379	24	313 028	+ 70 946
U. of Havana	Dec.	18	881	£ 66.872	+ 4 110	25	1.581 930	+ 164.846
W. of Havana	Dec.	18	165	£ 10.925	+ 2,344	25	263.037	+ 48.382
Uruguayan.								
Cent. Uruguay	Dec.	11	273	£ 23.890	— 845	24	461.771	— 58.992
" (N. Ext.)	Dec.	11	311	£ 5.796	+ 2.57	24	119.739	+ 8 864
" (N. Ext.)	Dec.	11	185	£ 3.243	+ 179	24	66.8	+ 19 570
" (W.Rtx.)	Dec.	11	211	£ 3.995	+ 239	24	59.101	+ 3.924
Mid. Uruguay	Nov.		319	£ 17.860	— 3.935	5m	83.006	+ 12.331
N.W. Uruguay	Nov.		113	$ 5.957	— 1.706	5m	29.260	+ 4.488
Urug. Northn.	Nov.		73	£ 1.979	— 873	5m	10.187	+ 1.136
Miscellaneous								
Alcoy & Gandia	Dec.	18	33	Ps. 14.500	+ 7.000	50	686.500	+ 186.400
Bilbao	Nov.		15	£ 2.24	— 718	11m	33.870	+ 7.792
Bolivar	Nov.		138	£ 7.93	— 639	11m	108.625	+ 12.771
Colomb. Natnl.	Nov.		86	£ 20.180	+ 5.200	11m	203.360	+ 58.880
Costa Rica ...	Dec.		189	£ 19.881	— 6.969	4m	93.956	+ 8.39E
Dorada Ext....	Nov.		70	£ 16.250	+ 2.500	11m	184.178	+ 58.528
Egyptian Delta	Nov.	30	559½	£ 14 756	— 2 875	34	345.168	+ 111.717
Gt. S. of Spain	Dec.	11	104	Pts. 100.488	+ 44.262	47	4.370.742	+ 658.053
La Guaira&Ca.	Nov.		22½	£ 11.380	+ 1.710	11m	150.745	+ 04.310
Ottoman Ry...	Nov.	20	379	£ 11.348	— —	—	—	—
Paraguay Cent.	Dec.	11	274	£ 4.520	— 640	24	118.680	— 12.220
Puerto Cabello	Nov.		34	£ 4.250	— —	11m	60.750	+ 7.375
Salvador	Dec.	11	100	£ 3.443	— 54	24	77.003	+ 5.311
Santa Fe Prov. French Rys.	Oct.		1,181	£ 162.800	+ 7,944	10m	1,631,138	+ 21.777
S'n'mak'S'ti'go	Nov.		80	£ 5.7.0	— 1.912	11m	141.043	+ 13.019
Zafra & Huelva	Nov.		112	£ 14.893	+ 3.135	11m	142.736	+ 27.070

TRAMS.								
Anglo-Argent.	Dec.	16	400	£ 83.801	+ 12.260	50	—	—
Auckland Elec.	June	30	27	—	—	52	292.502	— 2.033
Bombay Elec.	Sept.		39	R. 8.49.038	+ 1.15.373	9m	73.47.000	+ 10.66.847
Brazilian Trac.	Nov.		378½	M13.442.000	+ 3.402.000	11m	110.107.000	+ 10.965.000
Brisbane Elec.	Nov.		40½	£ 48.115	+ 3.150	11m	650.903	+ 72 575
Brit. Columbia	Oct.		33¼	$ 781.706	+ 71.331	4m	3.055.339	+ 350.738
B. A. Leoroze	Nov.		51	£ 66.740	+ 6.111	9m	87.4.461	+ 20.753
Calcutta	Dec.	11	35½	R 84.428	+ 274	49	48.00.003	+ 2.74.741
Cape Electric	Oct.		42½	£ 32.888	+ 5.893	4m	124.044	+ 30.852
Carth. & Herr.	Nov.		9	£ 2.714	+ 164	11m	33.757	+ 10.279
Chatham&Dist.	Dec.	9	15	£ 1.049	+ 177	49	30.0.8	+ 10.376
Havana Elect.	Sept.		86	$ 861.934	— 169.817	9m	8.31.4.500	+ 1.55.1.478
Isle of Tnanet	Dec.	16	20½	£ 338	— 62	11	9.337	+ 364
Kalgoorlie ...	Sept.		20½	£ 3.564	+ 350	9m	37.043	+ 6.702
Lancashire ...	Dec.	9	28½	£ 4.003	+ 364	49	207.332	+ 29 304
Lima Light ...	Sept.		85	£ 66.115	+ 7.300	9m	5.6.424	+ 8.4.6
London C.O. ...	Dec.	15	141½	£ 9.3.870	+ 15.337	36	3.10.3.36	+ 3.3.331
Madras (2wks.)	Dec.	15	15½	£ 0.1.13	+ 2.033	16	11.3.420	+ 1.0.3.33
Manila Electric	Oct.		55	$ 347.03.	+ 85.041	10m	4.03.0.3	+ 73.0.3
Fernambuco...	Dec.	12	59	£ 5.4.0	— 0.2.4	49	24.4.3	+ 0.0.57
Provincial ...	Dec.	11	21½	£ 2.0.1	— 0.1.11	11	1.0.13	+ 1.4.3
Rangoon Elec.	Dec.		35	£ 7.4.0	— 2.3.3	49	70.3.2	+ 12.4.3
Shanghai Elec.	Nov.		281M.	£ $18.1.0.0	+ 1.4.0.0	11m	1.0.0.3.4	+ 2.3.0.1
SingaporeElec.	Oct.	30	28½	$ 13.8.1	— 1.9.4	43	3.3.3.4	+ 4.0.3.3
U.of Montevid.	Nov.		90½	$ 3.3.4.0	+ 3.3.3.0	11m	—	—

Investment of Idle Funds

DURING December interest payments are due on many first class securities. The problem of the proper investment of this additional income is therefore the concern of many holders.

The Bond Department of the Guaranty Trust Company of New York is prepared to make recommendations of high class sterling or dollar investments. They will further, if required, accept fixed deposits at favourable interest rates, pending a decision as to the employment of the funds.

A booklet entitled "British Government Securities and the Investor" has recently been published by this Company, containing a concise statement of the investment features of several outstanding Government Securities, and will be sent on request.

Guaranty Trust Company of New York

32 LOMBARD STREET, LONDON, E.C.3.

PALL MALL OFFICE 50 Pall Mall, London, S.W.1 — LIVERPOOL OFFICE 27 Cotton Exchange Buildings

NEW YORK PARIS BRUSSELS HAVRE CONSTANTINOPLE

Paid up Capital and Surplus - - $50,000,000
Total Assets more than - - - $800,000,000

The Statist.

LONDON, SATURDAY, DECEMBER 25, 1920.

THE UNEMPLOYMENT DIFFICULTY.

The Government scheme announced during the week for remedying unemployment proceeds on the lines with which we are already familiar. It entails an enormous additional expenditure of public money on unproductive doles. The State has so far in the current financial year disbursed £60,000,000 in this way, and there is nothing to show for it but an aggravation of the evil which it was designed to cure. The effect of relief works such as are now proposed is well known to those who have followed the history of similar efforts made in the past. The undertakings generally purposeless or useless, usually left uncompleted. Grass-covered roads that lead nowhere are not uncommon features of the countryside throughout the United Kingdom, and it will do little good to multiply such landmarks. The fundamental objection to all these schemes is, however, not only the waste of public time caused by turning a worker from his particular *metier* to a career in which he is altogether new, and which he can at best perform with only mediocre success. A skilled mechanic may, or may not, make a good road-mender, but, whether good or bad, his services from the purely national point of view are of infinitely less value in the latter capacity. The [illegible] of employment [illegible] of skilled industry, and they are not using [illegible] which their skill will bring [illegible].

The problem of unemployment may now be said to have reached a very acute stage. In the House of Commons [illegible] it was generally admitted that the [illegible] short of one million. The Government cannot maintain that this condition of things came upon them as a surprise. The Prime Minister [illegible] the debate on Tuesday that the Minister of Labour had been worrying the Cabinet on this problem as far back [illegible] Committee sat during the August recess to study it. This Committee consisted of the President of the Board of Trade, the Minister of Labour, the Financial Secretary of the Treasury, the Minister of Transport, and the Minister of Health [illegible] Minister without portfolio. But, as Mr. Clynes pointed out, this body apparently took no steps to keep in touch with the representatives either of employers or employed. If the [illegible] to this Committee, it is not difficult to understand why no permanent remedy has been devised, and why the House of Commons [illegible] of proposals which [illegible] temporary palliatives.

The scheme as described to the House of Commons embraces four main divisions. In the first instance, a letter has been addressed to the building trades asking them to admit a minimum of 50,000 ex-Service men. In return the Government suggest certain proposals to cover losses incurred by the workers through enforced idleness in periods of bad weather. They go further still and offer a bonus of £5 per head [illegible] for each man admitted. We agree with the general opinion expressed in the House, that it is difficult to perceive any logical reason for confining this proposal, with which the Labour Members themselves were by no mean enamoured, to the building trades. The second part of the scheme consists in urging the various local authorities to expedite the work of repairing and [illegible] Unemployment (Relief Works) Act. Thirdly, a Committee, presided over by Lord St. Davids, is to be set up and a sum of £3,000,000 placed at its disposal, with which it is to come to the aid of local authorities in areas where serious unemployment as certified by the Ministry of Labour exists. Grants up to a maximum of thirty per cent. of the wages bill of the extra number of unemployed men taken on for the job are to be made out of this fund for approved works of public utility [illegible] of roads and bridges. The last part of the scheme is really intended to remedy a defect in the recent Unemployment Insurance Act by setting aside until March 31, 1921, Section 44, which required a four weeks' qualifying period for benefit. This section is now to be replaced by one under which any person insurable under the Act who has been in any employment now insured for not less than ten weeks since December 31, 1919, [illegible] July 4, 1920, is eligible for benefits under the Act.

The Government [illegible] a lack of [illegible] the evil. The real source of the present trouble is the falling-off of trade, particularly in the export section. Exports are being [illegible] customers, and prohibition of trading in certain areas, being among the chief. In discussing high prices it is [illegible] doubtedly scarcity of capital and the heavy burden of [illegible] because we have seen fit to back Yudenitch, Denikin, Koltchak, Korniloff, Wrangel, Petlura, and Zeligowski many of them adventurers, while others were more or [illegible] Russian wastes and lack of funds to carry on enterprise [illegible] because we have seen fit to back Yudenitch, Denikin, Koltchak, Korniloff, Wrangel, Petlura, and Zeligowski many of them adventurers, while others were more or [illegible] Russian States. The money [illegible] Russian Treasuries [illegible] Russian Wastes

Soviet would have settled the housing problem, or alternatively to maintain the unemployed on some public [illegible] ... would have been a ... dimensions of [illegible] ... credit available for private enterprise at home. Moreover, the productive capacity of Russia and of Central ... present stunted dimensions. The wheat and other food exports that might have come from Russia, had ... cost of living and, indirectly, wages, thus bringing about lower production costs and consequently tending to increase exports. The teachings of international-... essential unity of all economically-advanced countries. Free markets are indispensable to international trade, and yet we deliberately exclude ourselves from some and, by our foreign policy, create a multitude of States ... only to lose its ... importations.

The connection between Government expenditure and cost of living may be more clearly illustrated from the case of Ireland. The burning of creameries and ... has had a ... effect in lessening food exports to Great Britain. The scarcity of Irish cheese, butter, eggs, and bacon has helped to raise prices in the home markets for these commodities; and if our present Irish policy is persisted in, our imports of these essential foodstuffs must still further decline. Again, the reduced timber trade with Finland and Russia is a direct cause of the prohibitive cost of house-building here. Lessons such as these must be taken to heart by the citizens before they can arrive at a critical appraisement of Government policy, so far as there ... Economic distress in the United Kingdom is not an isolated phenomenon, but is a result towards which we have been steadily, though not deliberately, working in the past two years. The antidote for the complaint is obviously a reversion of policy, and the sooner the ... the more quickly will the present exhibition of depression pass.

THE AGRICULTURE BILL.

At a time when food prices are still high and not likely to fall materially in the interval between now and the next harvest, urban interests naturally look askance at the proposals embodied in the Agriculture Bill for the protection of farmers. The measures in contemplation will, if adopted, probably throw an additional burden on the taxpayers. We must not, however, neglect the farmers' interests, as they constitute so vital a factor in our national economy. This point of view was well set forth at a recent meeting of the Council of the National Farmers' Union, when a resolution of the Cereals, Live Stock, and Wool Committee was unanimously adopted and ordered to be sent to the Minister of Agriculture and the Minister of Food, stating that farmers are not obtaining the prices for wheat which they were led to expect, and urging the following proposals:—That millers should be required for a period of one month to use an admixture of twenty per cent. of English wheat; that the percentage of extraction should be again lowered so as to encourage the use of native wheats; that the free export of wheat to the Continent be permitted; that millers making flour from native wheat should be permitted to sell the flour at a price lower than the flat rate prescribed by the Food Controller; and that the Cereals (Restriction) Order, 1919, be withdrawn so that farmers unable, in spite of the above concessions, to market their produce may feed to stock as in pre-War days.

It is pointed out in the resolution that on March 11 the Prime Minister announced in the House of Commons that the controlled price of home-grown wheat of sound milling quality should be the monthly average ... of 95*s.* per quarter of 504 lb. Up to this date the average monthly price of imported wheat, according to the purchases of the Wheat Commission, has ex... last Monday week prominent millers were quoting 80*s.* for the choicest samples of native wheats.

The discrepancy between the price of home-produced and imported wheats is a legitimate cause of complaint in view of the undertaking given by the Prime Minister, but latterly the margin between them has been narrowing. On the 17th inst. the *Gazette* quotation for English wheat per quarter of 480 lb. was 88*s.* 5*d.*, compared with 34*s.* 3*d.* on June 30, 1914. The market for home-grown wheat is the only one where control is now exercised, and this control refers only to the harvest of 1920. A guarantee has already been given by the Government to the effect that there will be a free market for next year's harvest. The refusal of the Government to decontrol the last wheat crop was due to the necessity for keeping down the price of bread in order to allay industrial unrest. Free conditions, however, naturally breed enterprise, and wheat decontrol when it does come will probably mean a stimulus to production.

The new Agriculture Bill endeavours to do justice to the landlord, the tenant and the labourer. Many landlords have been compelled to sell out owing to increased taxation, and the Government are trying to protect the reasonable interests of the tenants, and to see that they have that sense of security, without which there will be no incentive to production. It is claimed by Lord Lee of Fareham, the Minister of Agriculture and Fisheries, that the Bill offers a fairer settlement to landowners than any they are likely to obtain from any future Parliament, and that, moreover, it represents the only alternative to either fixity of tenure or land nationalisation. Lord Lee speaks of fixity of tenure as if it were something to be avoided; but its beneficial effect is obvious when we consider the immense advantage which such fixity has conferred on, say, Irish farming. The alternative to fixity of tenure which the Minister of Agriculture forgot to mention is ample compensation for disturbance, including provision in respect of improvements from which the outgoing tenant has not derived the full benefit. The Bill contains some provisions designed to safeguard the tenants' interests, but in its passage through the House of Lords these provisions were amended almost to the point of nullification. Representing as they do the hereditary landlord caste, it is easy to understand the natural bias displayed by the Upper House towards any measure designed to restrict their power of disposal of their own land, but in every country such restriction has been found advisable. In respect of the law relating to agriculture England is one of the most backward countries, and in the circumstances it is deplorable to see the House of Lords endeavouring to stay progress where progress is most needed.

A section of the Agriculture Bill which gives rise to much controversy is that vesting the Minister of Agriculture with compulsory powers in regard to the supersession of farmers who are persistently guilty of making uneconomic use of their land. Though the principle of outside control was thus admitted, its exercise was hedged round with a number of safeguards, not the least of which was afforded by the new Agricultural Committees set up in the different counties. From these Committees will be constituted the ... Wales. These in turn will elect an Agricultural Parliament, which will in turn elect an Advisory Committee intended to keep in close touch with the Ministry of Agriculture. Apparently the House of Lords considered that the control afforded by these representative bodies over any arbitrary action of the Minister of Agriculture would not incline sufficiently towards conservatism, and they completely deleted the con...

ing landlords, while deriving no benefit in the shape

tolerated, and the original proposals, if not restored in their entirety, should certainly be insisted on in

SOUTH AFRICAN CURRENCY AND BANKING REFORMS.

What is, perhaps, the most outstanding event in the financial history of the Union of South Africa is the coming into operation on the 17th inst. of the South African Currency and Exchanges Act, 1920. Early in September last, when the Act was passed into law, we gave an outline of its provisions, but in view of the great importance of the measure, not only for South Africa but also for the British Empire, it will not be amiss to recapitulate its main features here.

The measure, the necessity for which arose out of the situation created by the War, provides for two separate enactments, one relating to currency and the other to banking.

The first, to be enforced only until June 1923, empowers the Treasury to receive deposits of gold coin or bullion at the statutory Mint price in exchange for gold certificates; these certificates to be legal tender and redeemable in gold on demand. When the market price of gold in the Union is above the Mint price the Treasury may suspend specie payments, and at the same time require the banks to surrender their holdings of the precious metal. This latter clause, we understand, has not been carried without considerable opposition, as may well be imagined, but though it may prove an unpleasant one for particular sections, it is obviously designed in the best interests of the community as a whole.

The second and more important part of the Act provides for the establishment of a Central Reserve Bank for the Union of South Africa, having for its objects the unified control of the note issue, of credit creations and of metallic reserves. The Directorate, comprising eleven members, is to be composed of men of proved experience in banking, commerce, industry, and agriculture, who are to have no interest in any other financial concern and to be independent of political parties. The original capital is to be one million pounds, of which fifty per cent. is to be taken up by already existing banks in the Union in proportion to their respective paid-up capitals and reserve funds. The remaining fifty per cent. is to be offered for subscription to the general public. The Reserve Bank may establish branches in any part of the Union and, with the consent of the Treasury, outside the Union; it may act as bankers and financial agents of the Government, and it will have power to fix discount rates. For a period of twenty-five years it will have the sole right of issuing notes within the Union; the other banks being allowed to continue issuing notes, backed by a minimum gold reserve of forty per cent., until the new institution takes control. Its other powers are the same as those enjoyed by ordinary joint-stock banks, with a few exceptions. Briefly, these exceptions are as follows:—It is debarred from receiving time deposits; it may not draw or accept bills payable otherwise than on demand; the usance on bills of exchange and promissory notes in which it deals is limited to ninety days, except in the case of bills or notes arising out of agricultural operations, when the limit is six months. Dealings in the latter class of paper are limited to twenty per cent. of the

The regulations as to reserves are very stringent. The Central Bank must keep a reserve in gold to a

remainder being secured by commercial bills, and, in

cent. All other banks transacting business in the Union are required to keep a reserve balance at the Central Institution equal to at least ten per cent. of their demand deposits (to be raised to thirteen per cent. three years from the coming into operation of the Act), and thirty per cent. of their time deposits. Monthly

Two features of these reserve regulations will at once command attention. In the first place, the note issue of the Central Bank and, consequently, of the Union as a whole, will be capable of expanding to a wide extent, according to the requirements of trade. Thus, for every increment of £100 of notes issued at

by commercial paper. No absolute limit is set to the amount of currency in circulation, and, if trade requires it, the volume of legal tender can be increased provided gold can be obtained. This regulation is closely analogous to that governing the note issue of the German Reichsbank before the War. The operation of a similar though not an identical system may also be seen in the working of the United States Federal Reserve Act, to which, indeed, the measure under discussion bears a very close resemblance. The second feature, referred to above, is the regulation whereby the reserves of the other banks are to consist of balances at the Reserve Bank. The effect of this, which finds a parallel in the constitution of the London Money market, will be to make the central institution the sole custodian of the general banking reserves of the community, and such a system is also calculated to enlarge the use of paper credits.

These reserve regulations are, perhaps, open to objection on the grounds of their severity. Indeed, it is doubtful whether they can be enforced in the present

out the world. They will serve for a basis to start from, however, though they may require to be modified considerably in the course of time, as was the case with the United States Federal Reserve Act. Experience has shown that the minimum reserve percentage consistent with safety varies considerably in accordance with changes in the methods in vogue for financing trade, and varies also in accordance with the density of population and trade customs of each locality.

The framers of the Act seem to have copied largely from financial systems already existing in other countries, and it must be admitted that the result of their efforts comprises all the best features of those systems. At the same time it is open to grave doubt whether the particulars embodied in the Act, admirable though they may be when applied to such countries as the United States or the United Kingdom, are those best suited to the economic organisation of the Union of South Africa. What is wanted in South Africa is

development of commerce and industry. London and, since the War, New York differ essentially from the capitals of all other countries in that they are the great clearing-houses of world finance, and, consequently, the organisations obtaining in these centres

the countries they represent. Recent experience, indeed, has shown that even the central [illegible] of the financial systems here and in the United States

as those which is being put into operation in the Union of South Africa, a country that can hardly hope to

or New York. A banking system, such as that of

and, as stated above, it is possible that many modifications will have to be introduced in the light of subsequent experience.

The development of finance, forced by the growth of large-scale production in the industrial sphere, is ever towards the centralisation of resources, and in this respect the South African Currency and Banking Act represents but a hastening by legislative action of what could otherwise have come about only through the slow and imperfect process of evolution. Whatever may be said against it, at any rate it constitutes a great stride in the progress of the Union of South Africa. It will ensure greater stability in the economic life of our Dominion; up to a certain point it will subordinate banking interests to the demands of trade, allowing the volume of legal tender to expand with the growth of commerce; and, finally, it will secure for the Union a system of centralised reserves which already obtains in all the leading countries of the world, and which experience has shown, being strengthened by the admirable manner in which the Federal Reserve System enabled the United States to tide over war-time difficulties, to be best suited to times of crisis.

EMPLOYMENT AND WAGES IN NOVEMBER.

During the early part of November, according to *The Labour Gazette*, employment was seriously affected by the shortage of fuel resulting from the general stoppage of work at the coal mines. The settlement of the strike was followed by a partial recovery, but at the end of November employment generally was still considerably worse than in the first part of October, before the beginning of the coal strike; and in many of the principal industries, especially the textile and clothing trades, the furniture trades, boot and shoe manufacture, and the leather trades, it was slack, with much unemployment and short time.

The proportion unemployed among members of trade unions (mainly of skilled workmen) from which returns were received was 3.7 per cent. at the end of November, as compared with 2.2 per cent. at the end of September. At the end of October, when the coal strike was in progress, the percentage (exclusive of coal miners) was 5.3. The proportion unemployed at November 26 among workpeople covered by the new Unemployment Insurance Act, which came into operation in November, was also 3.7 per cent. The number of workpeople on the live registers of the employment exchanges at the same date was 520,353, of whom approximately 374,000 were men, 103,000 women, and the remainder youths and girls. In addition, large numbers of workpeople were on short time.

The total number of trade disputes, involving stoppages of work, reported to the Department as beginning in November, was sixty. In addition, seventy-six disputes which began before November were still in progress at the beginning of that month. The majority of these disputes arose on questions of wages. By far the most important dispute was that involving about 1,100,000 workpeople in the coal-mining industry, which began in October and continued until November 3.

The total number of workpeople involved in all the disputes in progress during November (including those thrown out of work at the establishments where the disputes occurred, though not themselves parties to the disputes) was about 1,138,000, as compared with 1,200,000 in the previous month and 98,000 in November, 1919. The estimated aggregate duration of all disputes during the month was about 3,631,000 working days, as compared with 13,474,000 in October, 1920, and 1,907,000 in November 1919. Both in October and November, 1920, the heavy loss of working time indicated by these figures was due mainly to the coal strike.

In the industries for which statistics are available changes in rates of wages reported to the Department as having been arranged to come into operation in November resulted in a total increase of nearly £690,000 in the weekly wages of nearly 1,900,000 workpeople.

The principal industry affected was coal mining, in which over 1,200,000 workpeople obtained advances under the terms of settlement of the general strike of coal miners, persons of eighteen years and over receiving 2*s.* a day or shift, and others 1*s.* or 9*d.* a day or shift, according to age. Similar increases were given to workpeople engaged in iron and shale mines, and to coke-oven workers. Other large bodies of workpeople who received increases during November included woollen and worsted operatives, workpeople in the textile, bleaching, dyeing, printing, &c., trades, and workpeople in the printing and bookbinding trades.

During the month Orders were issued by the Minister of Labour, under the Trade Boards Acts of 1909 and 1918, fixing minimum rates of wages, or raising minimum rates previously fixed, for workpeople in the pin, hook and eye, and snap-fastener trade (Great Britain), the dressmaking and women's light clothing trade (England and Wales), the hat, cap, and millinery trade (England and Wales), the linen and cotton handkerchief and household goods and linen piece goods trade (Great Britain), the corset trade (Great Britain), the fur trade (Great Britain), the laundry trade (Great Britain), the paper-box and the paper-bag trades (Great Britain), the hair, bass and fibre trade (Great Britain), and the milk-distributing trade (England and Wales).

At December 1 the average level of retail prices of all the commodities taken into account in the statistics prepared by the Ministry of Labour (including food, rent, clothing, fuel and light, and miscellaneous items) was 169 per cent. above that of July, 1914, as compared with 176 per cent. at November 1. The decrease during the month was mainly due to the reduction of 4*d.* per lb. in the price of sugar. There were also reductions in the prices of clothing, the effect of which was almost exactly counterbalanced, however, by increases in the prices of milk, eggs and fish. For food alone, the increase at December 1 over the level of July, 1914, was 182 per cent., as compared with 191 per cent. at November 1.

The statistics are designed to indicate the average increase in the cost of maintaining unchanged the average pre-war standard of living of the working classes. Accordingly, in making the calculations, the changes in the prices of the various items included are combined in proportions corresponding with the relative importance of those items in pre-war working-class expenditure, no allowance being made for any changes in the standard of living.

ARGENTINA.—III.

INTRINSICALLY SOUND.

In the last two issues of The Statist we discussed the state of seething unrest which has disturbed political and economic conditions in the Argentine Republic during the last three or four years. We have endeavoured to show the causes of this somewhat remarkable state of things. We have shown that, in a sense, Argentina has enjoyed an exceptional measure of prosperity, while the greater part of the rest of the world has suffered very severely. She was not in any way engaged in the War; and although it would not be true to say that she did nothing but profit from the War, because she lost severely in certain branches of her industry, on the whole she suffered less, not merely than any of the belligerents, but than most neutrals. She was in the fortunate position that she had those commodities to offer which were urgently needed by the Allied belligerents; and, consequently, there was a demand for those products at a time when only urgent necessity would induce those Governments to give the necessary financial

assistance and to afford adequate transport facilities for the rapid development of trade.

We endeavoured to show, particularly in connection with the question of land settlement, that the very natural desire of the Government to encourage immigration, as it has been in all parts of the Argentine Republic, tended to cause a concentration of settlers. We pointed out that if such concentration, artificial, in the sense that it is produced by action upon the well-being of great communities, should result from itself, and over whose destinies neither its Government nor its people have any control. That prosperity has been brought into existence through the agency of immigrants is distinct from being the result of its own natural development. The Government of the day have turned those directing economic affairs in the Republic to recruit labour how and where they can. And the result, as the reader may naturally suppose, has not always been satisfactory. In some instances can be discerned even in the present state of unrest is allayed and a clear and well-directed goal aimed at in the future development of the resources of the Republic, it cannot be doubted that that development will receive a second, if not a permanent, check. To-day we propose to show the sound basis on which economic conditions are based in the Republic. It has to be remembered that in all human affairs sentiment plays a very great part. In ancient and modern times we have seen great changes occur based purely upon sentiment which have in the sequel been disastrous either to the then existing civilisation or to the particular country concerned.

Probably the reader, if he knows Argentina at all, knows very little of it outside the City of Buenos Ayres, possibly a visit as far as Mar del Plata, the fashionable seaside resort, which is now becoming an important centre for the grain and wool trades. In order to appreciate the natural economic strength of the Republic, it will be necessary to recall to the mind of the reader exactly what the country is like. The City of Buenos Ayres itself is founded on the southern bank of the river La Plata. It is founded upon a rich alluvial plain, and this plain extends west and south over an area considerably greater than that of the whole United Kingdom. This rich alluvial plain is known as the Province of Buenos Ayres. West of that plain is a more or less arid country, with, however, a naturally rich soil amenable to irrigation. This country to the north-west of the Province of Buenos Ayres is the sugar and wine country of the Republic, and in it by means of irrigation—and we will explain shortly how the means for irrigating those lands are readily obtainable—experience has shown that the Republic possesses another vast area practically as fruitful as the Metropolitan Province. This is the region of Mendoza, standing some 2,000 feet above the sea. This western region, like the south, to which we shall refer shortly, has a quite inadequate rainfall. But, as we have said already, with irrigation it is capable of being made for practical purposes as fruitful as the Province of Buenos Ayres itself. The Provinces of Tucuman and Jujuy constitute the rich semi-tropical area of the Republic. So far the sugar grown barely meets the needs of the Republic. Nevertheless, the quality of the sugar shows the potentialities of the rich land on which the cane is grown. The same is true of the wine industry. In a sense the wine industry of the Mendoza district, where, unfortunately, an earthquake has been recorded this week—is highly developed. In a sense it supplies very little more than local needs. An amount of wine is exported—indeed, a considerable amount during recent years, when wine has been so scarce and dear, and even difficult to obtain at any price. Speaking generally, however, it may be said that whereas local wine was but little esteemed in Argentina a few years ago, and was produced merely for consumption in the immediate neighbourhood, practically the vines of Mendoza are to-day supplying the bulk of the wine drinkers of the Republic. Moreover, what are called locally "bodegas" and are not merely wine shops, but [illegible] for

[illegible] the [illegible] groups [illegible] world, and are capable of dealing with a quantity of [illegible] houses known in any of the wine-growing countries of Europe. As yet, owing to a variety of causes, and, [illegible] producing the wine is exceedingly high, if we compare it with the cost of production, say, in France or Italy in the pre-War period. Of course, at present everything is so extravagantly dear in Europe that even Argentine prices would not be regarded as unreasonable. [illegible] pected to adjust themselves, and the probability is that [illegible] evident that there is no market for Argentine wine except amongst her immediate neighbours on the basis of the present cost of production.

Now, we said [illegible] why it is so easy to irrigate the arid sandy [illegible] Republic. Anyone who has made a careful study of the natural features of the South American continent will have been struck by three characteristic features which distinguish that continent. There is the great mountain range on the west which we call the Andes; a more or less continuous range on the East, which bears various names; and a great central plain, which merges into a kind of trough stretching from the Valley of the Amazon right down to Southern Patagonia. Now in that part of the continent which we call the Argentine Republic, in the extreme west of the territory, that trough is filled with water, and forms a series of lakes stretching almost from the Chaco right down to the Strait of Magellan. These lakes are very deep and extend over the greater part of the extreme western area of the Republic, being fed by streams and the melting of the snows from the Andean chain of mountains. Consequently there is an abundant supply of water at all seasons of the year available for purposes of irrigation.

Southern Argentina, or Patagonia, is a somewhat different, although in a sense similar proposition. Ultimately, assuming that Argentina continues to progress as she has done during the past two generations, there can be no reasonable doubt that the Patagonian region will be irrigated just as the north-west region is being now. There is, however, this difference: the soil of the north-west is generally considered richer, and has been proved to lack really nothing but water. It is situated, as the reader is aware, in the sub-tropical area of the Republic. Consequently, it is capable of growing sub-tropical products, which are, of course, very valuable. It is a totally different proposition to grow vines and sugar-cane and fruits on irrigated land to growing the crops which would be likely to flourish

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in the area of Patagonia. Patagonia is an exceedingly cold, wind-swept area with what appears to be a poor soil and a rainfall which in many years does not exceed five inches; that is to say, considerably less than half the minimum under which it is said cereals of any kind can be expected to grow. To irrigate such a country would, of course, be expensive, because, in the nature of the case, it would not be practicable to grow crops throughout the year; but we do not see why it should not be practicable to grow crops like the vine and the olive to advantage. Whether wheat could be grown at a profit on irrigated lands remains to be seen. The Argentine of the future in that region will have an opportunity of making the experiment. Meanwhile, it is essentially a sheep country. Argentina now has come to be one of the great sheep producers of the world. She will shortly be in a position to export wool, not merely as she has been accustomed to export it, but upon a magnitude to compete with any of the great wool-exporting countries of the world. For some time the wool market has been controlled by the Allied Governments. Having got themselves into trouble they are proposing to extend their control still further. Exactly what will be the outcome of the proposition remains to be seen. But after a certain measure of trouble for the unfortunate consumer who is already suffering sufficiently severely, it is to be hoped, and, indeed, we may expect with confidence, that these various controls will ultimately be dropped. When that time comes the Argentine wool exporter should be in a position to acquire a large measure of the world's trade in the supply of wool. It is true that so far Argentine wool has not succeeded in commanding the same level of prices as that obtained for wool from other centres. This, however, is, of course, a matter of improving the breed in so far as it is desirable to confine the market to merely one kind of wool. There was an exceedingly good demand for the kind of crossbred wool produced in South America in the pre-War period. And it made then, and would now make, exceedingly serviceable cloth of a short stapled variety. Recently, so extravagant have been prices that the consumer thought he might as well have the very best to be obtained on the market as he could only get a very modest reduction in price whatever he paid and owing to the system of control adopted. This, however, will in time right itself. In conclusion, we may add that the crops this year throughout the Republic have been phenomenally good, and if the period of unrest which has done so much harm to the Republic during the past few years passes away there seems every reason to hope that Argentina will once more enjoy a prolonged period of prosperity.

HUNGARIAN NATIONAL PETROLEUM. On the signing of peace with Hungary, the territory in which the oil properties of the Hungarian National Petroleum Company are situated was ceded to Rumania. As soon as the new international boundaries were fixed, drilling operations were recommenced, but the abnormally high costs of repairs and renewals have by now drained the financial resources of the Company, making the provision of further working capital imperative. A meeting of the shareholders will be held on the 31st inst. to sanction an agreement with the Anglo-Persian Oil Company for the provision of the required funds. The latter undertaking will subscribe for the £50,000 of unissued capital of the Hungarian Company at par, provided it is issued in the form of Eight per Cent. Cumulative Preference shares, with twenty-five per cent. participation of the profits after the Ordinary shares have received Eight per cent. The Preference shares will carry such voting powers as will give them the control of the Company. The offer is subject to the condition that the recognition by the Rumanian Government of the concessions previously held under the Hapsburg *régime* will be obtained.

IRISH LIVE-STOCK EXPORT AND PRICES.

THE more important branches of the Irish live-stock export trade deal with cattle, sheep, and pigs. As regards the first-mentioned category, a distinction is drawn between fat and store stock; the unfinished animals claim a large proportion of the trade, and their fattening is undertaken by British feeders whose pastures are peculiarly fitted for this task. The entire value of the live-stock trade in 1918—£26,421,475—was divided between the various classes of animals in the following manner; cattle, £22,029,956; sheep, £2,286,791; and pigs, £2,104,728. Especially in regard to cattle the supply of "fresh" meat in Great Britain is vitally bound up with the maintenance of exports from Ireland, and some interest will therefore attach to the appended table, which compares the exports January-October 1920, not only of cattle, but of sheep and pigs, with those of the corresponding period last year. To enable a closer analysis of the figures the exports are given in monthly terms, as in this form the effect of seasonal and other influences will be more readily grasped.

Exports of Live-Stock from Ireland during Ten Months, January-October 1919 *and* 1920.

	Cattle. No.		Sheep. No.		Pigs. No.	
	1919	1920	1919	1920	1919	1920
January	1,191	74,703	16,608	29,659	25,589	19,824
February	40,977	72,990	9,897	12,854	17,156	17,200
March	50,662	77,366	17,451	5,150	19,300	15,655
April	60,967	61,471	19,929	1,018	18,258	19,933
May	55,200	49,142	29,188	7,265	11,728	18,690
June	41,042	59,095	65,863	38,036	12,592	9,231
July	72,888	65,775	109,367	158,323	9,847	4,261
August	58,170	86,004	74,298	147,425	6,248	2,550
September	77,972	192,554	61,017	96,176	10,092	1,45
October	70,000	92,502	47,180	41,511	14,888	6,438
	611,555	731,369	446,888	567,260	146,041	117,981

Cattle and sheep, it will be observed, reveal increases of nineteen per cent. and twenty-one per cent. respectively on 1919, but pigs have fallen by twenty-four per cent. Of the total cattle exports of 611,555 in 1919 and 731,369 in 1920, the numbers credited to stores are 166,256 and 316,554. This more than proportionate increase in store cattle exports more rightly reveals the true character of the cattle trade. Reading the returns published in recent years one is tempted to suspect that the cattle trade has been a very large increase in fat cattle and a decline in store cattle exports. This apparent change is, however, largely due to a new method of classification; all animals exported for immediate slaughter are now described as "fat," with the consequence that immature animals are included under this heading, which before the War would have been described as "stores." Making allowance for this factor it is possible, however, that the practice of finishing cattle in Ireland is steadily growing. According to the Irish Department of Agriculture the fattening pastures of that country can produce prime beef as economically as any part of Great Britain, and with the growing use of basic slag and artificial feeding stuffs the area to be devoted to this purpose is likely to extend. There are limits, it is true, to the extension of the practice. Half the holdings in Ireland are under fifteen acres and suitable only for breeding. The average rateable value of holdings in Ulster is £16, of those in Munster £21, of those in Leinster £27, and of those in Connaught £11. These figures give an idea of the small size of Irish farms and of the difficulty of growing sufficient feed on them to fatten cattle. From the preceding table the seasonal decline in cattle exports during the earlier part of the year will be noted; this is due to the shortage of keep as supplies of hay and roots are then commencing to run out and pastures are becoming deficient of covering. The abnormally large export of cattle during September 1920 was motived by an anticipation of transport diffi-

culties. With the commencement of the landing season in March, sheep exports, swollen by the new additions, curve upwards rapidly, and reaching their maximum about July and August, afterwards begin to decline. Of the total sheep exports of 443,884 in 1919 and 537,230 in 1920, lambs were responsible for 230,230 and 345,981 respectively.

The market prices of live-stock in Ireland are mainly governed by the prices ruling here, and, broadly speaking, these are in turn influenced by the number of animals coming forward in Great Britain and the extent of the importation of frozen and chilled beef, mutton, &c. That prices have, on the whole, remained steadily in advance of those prevailing immediately after the Armistice is evident from the following statement:—

Average Prices of Live-stock sold at Fairs and Markets in Ireland.

	Nov. 1918 to Oct. 1919			Aug. 1920 to Oct. 1920		
	£	s.	d.	£	s.	d.
Cattle, Store, 1st class, under two years old	0	65	0	0	82	0
1st class	0	65	0	0	82	0
Two to three years old:						
1st class	0	65	0	0	82	0
Cattle, Fat, per cwt., live weight, Heifers and Bullocks:						
1st class	0	70	0	0	87	0
2nd class	0	67	0	0	84	0
Cows and Bulls	0	61	0	0	78	0
Cattle, Fat, at Dublin Market: Heifers and Bullocks, "weighing" per cwt., live weight	0	70	9	0	91	6
Heifers and Bullocks, "weighing" per cwt., live weight	0	68	6	0	92	3
Springers: Cows and Heifers, first class, per head	11	6	3	15	0	17
Store Sheep	5	14	9	4	15	0
Fat Sheep	5	2	9	5	16	9
Fat Sheep at Dublin Market: per cwt., live weight	5	16	3	5	19	9
Young Pigs: 8 to 10 weeks old	1	0	3	0	15	9

In every case the prices of October, 1920, are well above those tabulated for November 1918 and October 1919. This position is, however, in great measure reversed on examining the prices recorded for the months of August and October 1920. With the exception of springers and store and fat sheep there has been a decrease in every case. The October price-level also compares somewhat unfavourably with other months in 1920. Nevertheless, when the increased exports of cattle and sheep are taken into account, there is ample ground for believing that the statistics of value for the entire live-stock export trade will show a very substantial increase over 1919. A break in prices would be very severely felt in Leinster, all the more so as much land has been taken upon the sixteen months' system at heavy rents by individuals who have very little experience of the cattle trade but are strongly endowed with the speculative instinct.

Provided the price-level is not subject to any violent alteration, there is no reason to expect a diminution in the profits margin of farmers and graziers. Reporting conditions as at December 1, the Department of Agriculture states that pastures, benefiting as they did from the openness of the weather, maintained their summer greenness and carried a good covering of grass. As a consequence, store-cattle require but little fodder or other supplemental food. The supply of winter feeding, though not so abundant as that of last year, was very fair, and, unless the next three months are unusually severe, should enable stock to be carried over satisfactorily until spring. The supply of hay, if moderate in quality, is well above the average in bulk, but, unfortunately, mangolds and turnips are below average in bulk, and this drawback is seriously felt in some counties. A larger proportion than usual of wheat, oats and barley has been reserved by farmers for stock-feeding owing to the damaged condition of the sample and disappointing market prices.

Returns are given below of the numbers of cattle, sheep and pigs in Ireland as on June 1, 1920. Pigs reveal a slight increase, but the prospects for pig-keeping are unfavourable on account of the comparative failure of the potato crop—the estimated produce for 1920 is only 1,985,910 tons, as against 2,746,588 tons in 1919. Bacon-curers and shippers are therefore likely to find pigs in scant supply as, deprived of an adequate provision of this foodstuff, many farmers will be unable to undertake the rearing of bonhams.

Cattle			
Sheep			+7,443
Pigs			2,115

BRITISH RAILWAY RETURNS.

PASSENGER AND FREIGHT TRAFFIC.

During the month of September last the number of passengers (exclusive of season-ticket holders) conveyed by the railways in Great Britain was 127,180,216, or 7.2 per cent. more than in the corresponding period of 1919. The number of workmen carried was 35,726,852, or 28.09 per cent. of the total. The journeys made by passengers at excursion fares were 631,110, compared with 181,075 in August. The average receipt per passenger journey of all descriptions was 15.48 pence, or one penny less than in the previous month, due, no doubt, to the normal falling-off in long-distance holiday traffic.

The freight traffic carried during the four weeks ended October 10 amounted to 27,006,843 tons, an increase of 266,931 tons, or one per cent., as compared with the preceding four weeks.

The variations in the principal descriptions of traffic were as follows:—

Coal, coke and patent fuel	+ 212,300
Flour and grain	+ 74,600
Cattle, live and dead	+ 24,300
Ironstone and iron ore	+ 16,300
Ores other than iron ore	+ 11,500
Stone for building	+ 11,000
Iron and steel	+ 2,600
Road-stone	— 12,800
Timber	— 16,800
Bricks	— 27,300
Manure	[illegible]
Miscellaneous	— 11,500

The average wagon-load shows a slight improvement, but the average train-load and speed of the trains were slightly less than during the four weeks ended September 12.

Some changes of material import occurred in the last twelve months in regard to rolling-stock. The number of new locomotives put into traffic during the present year to October 10 was 321, against which must be set 229 locomotives condemned. The number of new wagons completed during the same period was 21,177, and the number withdrawn from traffic 12,608. In addition, 15,872 wagons had been returned from France, so that the net increase in stock on October 10, as compared with January 1, was 24,441.

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The Bank is incorporated by Special Charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa; conducts general Banking, Exchange Business; undertakes Trust business, and acts as Business Agents for other Banks. Special facilities are available for exchange business on Japan, China, India, Straits Settlement, Dutch East Indies and France, where the Bank has special working arrangements with Cox & Co's. (France) Ltd. Deposits are received for fixed periods on terms which may be ascertained on application.

Financial Notes.

International Credits and the Exchanges.

We note with satisfaction Mr. Strakosch's assurance that the problem of providing working capital for the nations impoverished by the War, as discussed by the Brussels Conference, is absorbing the attention of the Financial Advisory Committee of the League of Nations. We are not slow to recognise the difficulties involved in the problem, but we are of opinion that these are not insurmountable, and at all events the Ter Meulen scheme for international credits provides a good workable basis. At first the relief of the devastated areas was advocated purely on humanitarian grounds; but after a while it came to be recognised that the reconstruction of these countries was vital to the welfare of those States which had not suffered so severely in the War. Recently the problem has come to possess a new aspect, namely, the reaction of the depreciated currencies of the countries concerned on our domestic as well as foreign trade. Last week we pointed out in these columns the manner in which our trade is affected by the level of the exchange rate on Germany and similar countries; but, indeed, the problem is now so well known that further explanation here would be amiss. What is not so generally recognised, however, is that many of the evils under which we are suffering at present, as represented by the depression in trade, by the slowing down of production, and by an increase of poverty and unemployment, may largely be attributed both to the inability of many countries which have been hard hit by the War to purchase the commodities we have to offer, and also by the fact that those who have goods to sell in those countries are specially favoured for competition in the international markets by the unduly low level of the value of their currencies abroad. Artificial correctives, such as prohibition of imports, tariffs, subsidies, and control of exchange rates do not bring us a step nearer to the true remedy, which must be in forcing the countries concerned to start a policy of deflation, to produce more and to save more. The difficulty lies in the fact that their capital is exhausted and can only be restored by the provision of long-term credits by their better situated neighbours. The provision of such credits would have been comparatively easy a year ago; now it is a question of extreme difficulty, and this difficulty will only increase as time goes on unless remedial measures are adopted. The problem calls for an immediate solution, and it is to be hoped that the Financial Committee of the League of Nations will hammer out a solution which can be applied early in the New Year.

Latest Conditions in Japan.

Owing to the continued fall in the price of silver a gloomy view was taken of the export to the silver-using countries, and the price of cotton yarns fell sharply to Yen 259.90 per bale. Consignments of rice have not been plentiful, and the price, both "spot" and "future," fell gradually until the growers in many districts decided temporarily to stop selling their crops. This caused some improvement in the market subsequently. There was no new inquiry in the Silk market, though the Imperial Filature Company (Teikoku Sanshi Kaisha) has begun to buy stocks. The Stock Exchange, in contrast to the commodity markets, has been on the whole rather steady. It remained unaffected by banking difficulties, a feature which demonstrates the calm trend of the public mind in general. Though the run on some of the banks tended to inspire bankers with greater caution, the general state of the Money market showed little change, and quiet conditions are expected at the end of the year. Bank notes in circulation on the 17th inst., at Yen 1,034,000,000, showed an increase of Yen 93,000,000 as compared with a month previously, and during the same period advances of the Bank of Japan, excluding advances to the Government, expanded by Yen 23,000,000 to Yen 188,000,000. The discount rate remains unchanged at 9.8 per cent., and call money ruled at two per cent. The foreign trade position has disimproved considerably during November as well as during October. Both exports and imports show a marked decline, but exports have fallen off more rapidly, so that the large excess of exports of September was substantially reduced in the following month, and was replaced by a small adverse balance in November. The following table shows the movements during each of the past three months as well as the aggregate figures for the first eleven months of the year:—

Foreign Trade of Japan, Jan.-Nov., 1920. (*Values in millions of Yen.*)

1920	Imports	Exports	Excess of Imports	Excess of Exports
September	118	154	–	36
October	108	134	–	26
November	108	105	3	–
First 11 months	**2,232**	**1,86[illegible]**	**371**	...

Early Maturities of External Debt.

Some interesting figures were furnished by the Chancellor of the Exchequer in reply to a question on Monday in the House of Commons as regards the amount of our external liabilities which mature during the period 1921-24. The following table shows the position. Payment is due to the general public of the countries mentioned unless specifically shown as due to a foreign Government:—

National Obligations Maturing Abroad, 1921-24.

(Last three figures omitted.)	Amount in Foreign Currency	Sterling Equivalent at Par or as Collateral held £
1921		
Three months' Dollar Treasury bills issued in U.S.A.	$20,850	4,760
Twelve months' Japanese Yen Treasury bills	Yen 50,000	5,121
Canadian Bankers' Loans	$100,000	21,228
U.S.A. Government instalment in respect of advances to purchase silver under Pittman Act	$30,500	6,268
Swedish Kroner Notes	Kr. 12,500	826
Twelve Months' Japanese Government Treasury bills (with option to repay in U.S.A.)	$28,500	6,000
Five-Year Notes issued in U.S.A.	$129,046	26,516
Total for 1921		70,719
1922		
Canadian Bankers' Loans	$40,000	8,220
U.S.A. Government Silver advances as above	$30,500	6,268
Three-Year Notes issued in U.S.A.	$95,167	19,542
Mauritius Government	Rs.8,071	538
Total for 1922		34,568
1923		
U.S.A. Government Silver advances as above	$30,500	6,268
1924		
U.S.A. Government Silver advances as above	$30,500	6,268
Total 1921-1924		117,823

In addition, the loan from the Argentine Government will be reduced in 1921 by the equivalent of fifty million U.S. dollars advanced to the Argentine Government, to be repaid by them and set against the loan to our Government. The balance, which will then be approximately 30,000,000 Argentine gold pesos, will thereafter be repaid over a period of about three years. No definite arrangements have been made as to the date of repayment of the balance of debts due

by our Government to foreign Governments to the [illegible] foreign Governments to the home Government, which are at present stored in [illegible]. The total external liabilities of the State now stand at £1,262,421,000. Of course, on account of the depreciation of the pound sterling in the United States, Canada, and Japan, the cost of meeting the obligations [illegible] will be much greater than is represented by the nominal sterling values. An indication of this increased cost is provided by the figures for the repayment of that portion of the Anglo-French loan which matured on October 15, 1920. The actual amount of this liability was $250,000,000, equivalent to £51,366,345 at the mint par. The cost to the Treasury of retiring the loan was £59,229,221, or £7,862,876 more than if the exchange value of the £ sterling into dollars had not depreciated from the parity. In this connection too, it must be remembered that quite a considerable portion of our share of the Anglo-French loan was covered by the shipment of gold resources at the command of the Treasury, the cost of which, of course, was unaffected by market exchange rates, and also many of the Bonds comprising the loan were purchased in advance by the Government at a price substantially below the redemption price. During 1921, however, the rates of exchange on New York, Montreal and Yokohama are likely to rule at levels considerably above those of the year now drawing to a close: this statement is based on the present trend of events in the countries concerned, and may have to be altered if, for instance, deflation is carried to greater lengths in those countries while checked in our own. The probability, however, is a strong one, and amounts almost to a certainty in the case of Canada. On the basis of present exchange rates the maturities in 1921 would be as follows:—

(Last three figures omitted.)

[illegible]

The most important aspect of these maturities in 1921 is not their effect on the national finances, which cannot be very great, but their influence on the exchange rates of the countries concerned. The repayment of the Anglo-French loan had a considerable though perhaps a disproportionate influence on the course of the New York exchange, and it is likely that the maturities above shown will produce similar effects. In this connection, if it is decided to send gold in repayment of the obligations, an official statement of the fact well in advance of the date of repayment is strongly to be desired, as otherwise dealers in the exchange concerned, by discounting in advance any possible effect of the Government purchases of the different currencies would tend to lower the value of sterling unnecessarily.

Trade in South Africa.

That the Union of South Africa has not escaped the world-wide depression is evidenced in the latest monthly review of the Standard Bank of South Africa. Up to the end of July last wholesale prices were still rising, the increase on the 31st of that month, as compared with 1914, being 179.3 per cent. Subsequently, however, the price level fell substantially, and the movement also extended somewhat to retail prices. During November there were abundant signs of the depression in both the wholesale and the retail trade. Merchants and retailers are carrying large stocks in a number of lines, especially soft goods, and merchandise is still arriving in large quantities. It is not unlikely that an extended period will elapse before present holdings are absorbed, the public for the time being holding off in expectation of a fall in prices, but during last month, at any rate, the retail turnover has been up to expectations. Some price-cutting is considered to be inevitable, while a number of articles must fall upon reduced overseas quotations. The low prices ruling for grain and the absence of a market for pastoral products are seriously limiting the demand of the farming community, though, fortunately, storekeepers in country towns do not appear to be holding unduly heavy stocks. Little improvement is to be expected pending realisation of large produce holdings in which big sums are locked up, causing considerable stringency in the Money market.

The foreign trade figures of the Union for the first nine months of the current year show a great disimprovement as compared with the corresponding period of last year. Whereas in 1919 there was an excess of exports amounting to nearly £41 million, from January to September, inclusive, of this year there has been an adverse balance of over £10 million. The following table shows the position:—

[illegible] Trade of the Union of South Africa

[illegible] 10,139,927

Farrow's Suspension.

The news of the suspension of payment on the part of Farrow's Bank did not come as a surprise to the City, as it was known for some time past the institution had been in considerable difficulties. The charge of bad management and losses in trading, extending over a number of years, made officially, sufficiently account for the fact that the Bank was not helped over the crisis. Also, the statement that the event has nothing to do with the present situation will serve to reassure many people who would otherwise be inclined to connect it with the general economic and financial depression. No such statement, of course, was needed for the City, where it is recognised to be an isolated incident, reflecting in no way on the general financial stability of the country. In some quarters the opinion is expressed that the collapse of the Bank may be attributed to its practice of allowing interest on current accounts, thus forcing it to use its funds in a more venturesome manner than would otherwise be the case. As regards the Stock markets, it may result in some selling, but the amount of this will be comparatively unimportant. The Bank was registered in 1904, under the Industrial and Provident Societies Act, 1893, as Farrow's Credit Bank, Limited, but subsequently, on May 16, 1907, it was registered under the Joint Stock Companies Act as Farrow's Bank, Limited. It has seventy-five branches in the United Kingdom. According to the balance sheet as on June 30, 1919, the paid-up capital amounted to £361,423: this was increased in October by the creation of 2,000,000 new shares of 10s. each. For the year ended June 30 last the net profit, including the balance carried forward from the previous period, was £53,450. Of this £20,000 was added to the reserve fund, £23,463 was distributed among the shareholders, and £9,987 was carried forward. Investments in gilt-edged securities were given as £138,500. Current and other accounts were £1,458,316, and deposit accounts (subject to notice) £2,678,727. The assets included the following: cash in hand and at bankers, £307,793; investments, £1,665,172; advances and loans to customers, &c., £2,473,013, and bank premises and fittings, £78,000.

At a meeting of the Board of the Lancashire Cotton Spinners' and Doublers' Association, Limited, held on Tuesday, the directors unanimously elected Mr. John W. McConnel to be Chairman, in succession to the late Sir A. Herbert Dixon, Bart.

SOUTH AND CENTRAL AMERICA.

PERU.

PERU, like nearly all the countries of South America, has benefited very materially as a result of the late European War. She has not, however, benefited to anything like the extent which has been the case with various other of the South and Central American Republics. This has been due to a variety of causes, but primarily to the fact that she was not in a position to export in really large quantities any particular commodity or groups of commodities which was or were essential either for the Allied Governments for the purpose of carrying on the War or for the needs of sustaining the civil population in the different Allied countries. Peru was in her day the most highly civilised and the most highly developed of all the South American States. In recent times, however, she has completely neglected to develop means of transportation that would have enabled her to open up her territories and place her in a position to offer to the outside world immense quantities of foodstuffs, raw materials, or, indeed, any article which would virtually have compelled the Allied Governments to have afforded her financial assistance and shipping to enable her to supply such products had they been available. The total value of her exports, even in the last year of the War and on the basis of the extravagant prices at that time ruling, was well under £20,000,000. While they consisted of valuable commodities for which there is, both in times of peace and in times of war, a keen demand in the international markets of the world, she was able to offer no one of them in such quantities as would have induced the Allied Governments to have afforded her special facilities for their distribution. In the pre-War, as in the post-War, period her most valuable export was copper. She has never, however, succeeded in extracting this metal from her rich mines to such an extent as would at once raise her to the position she seems capable of attaining—of being one of the world's principal sources of supply. As her mines have been developed at present, while the world's markets are quite willing, and even anxious, to obtain what addition Peru has to offer to the world's total supply, such willingness is conditional upon the supply being available without that world having to put itself out to obtain it. During the whole of the War period the supply increased somewhat in magnitude, and more than doubled in money value, but even so it did not attain a value of £5,000,000. Next to copper, perhaps the most important export which Peru has to offer is cane-sugar, grown on the hot coastlands on the Pacific seaboard. For reasons which the reader will fully appreciate, and which we have not space to enter into here, it is probable that Peru exported as much sugar as she could find a market for. It will be remembered that sugar was offered in considerable quantities by several of the cane-sugar-growing countries; but the Inter-Allied Commission practically confined itself to purchasing from one source of supply. It will be remembered that we published a table some weeks ago dealing with the world's sugar production at the beginning and end of the War period. In that table we showed that the world's cane-growing interests in a world clamouring for sugar had increased their total supplies by barely 2,000,000 tons throughout the whole period of the War. We explained in that article the reasons why the cane-growers made such a miserable showing, and arrived at the conclusion that it was due to no lack of enterprise or unwillingness to take advantage of the state of the world's markets by the particular interests concerned. Peru grows considerable, and should, and no doubt will, grow much larger, supplies of cotton than at present. In the early days of the War she did, in fact, attempt to increase her supplies when it became evident that a world-wide shortage was inevitable. As is the case with the sugar-growers not merely in Peru, but in many parts of the world, she received only a very small measure of encouragement.

The growing of cotton upon a really extensive scale now that the Cotton market is once more free and freights, if still high, are gradually becoming available, should be a highly profitable enterprise for Peru, and one in the pursuit of which she can render great services to the world's markets. It is now evident that every country capable of growing cotton will find it a highly remunerative crop for a long time to come. There are very large areas of the earth in which cotton could be grown so far as soil, climate, and rainfall are concerned, but the mere suitability of soil and climatic conditions is not sufficient. It will be remembered that in the early stages of the War the Government appointed a Departmental Commission to inquire into the practibility of growing flax within the British Empire. It was found that hundreds of thousands of square miles were available for growing flax where climatic conditions were quite suitable, but other conditions were wanting, which rendered such a project impracticable in the near future. This experience is equally true of cotton. It is not sufficient to find a fertile soil and suitable climatic conditions. There must be available an adequate supply of labour having at least some knowledge of the conditions under which it is possible to grow cotton with any prospect of commercial success. Now it happens that the cotton plant is indigenous to Peru, and, indeed, to an immense area of the Pacific coastlands on the continent of South America. Cotton of good quality, but not in sufficiently large quantity, is already grown in Peru. There is already in being a body of intelligent labourers who could readily be augmented for the purpose of growing cotton upon a really extensive scale. It is of real importance at the present time that countries like Peru, which are capable of great development provided they could obtain an adequate number of immigrants and improve their transport facilities, should develop those resources which lay readily to their hands awaiting exploitation. In the pre-War period countries like Peru, possessing great natural riches, had no real difficulty in applying to the European Money market for the means of developing their natural resources. At present, however, Europe has very little accumulated resources which it is in a position to lend for the purpose of developing the newer countries of the world. On the other hand, the world is urgently in need of as large supplies of food and raw material as it can possibly obtain upon an economically reasonable basis, and the producing countries need have no fear that such demands will be satisfied in the early future. Countries in the situation of Peru can, in fact, kill two birds with one stone by developing those resources which lay readily to their hands, and which they are in a position to exploit themselves without outside assistance. They can supply a world in urgent need of sugar, of cotton, of various other textiles and minerals, and the profits derived from thus supplying the world will enable the inhabitants of the newer countries to provide for new immigrants and improve the transportation resources of the various countries concerned.

Peru is one of the world's principal sources of supply of alpaca wool. It is remarkable that in that country, the pre-historic home of the llama and the vicuna, the wool of these animals has never been produced in modern times upon a really extensive scale. We have depended almost entirely upon wool grown on the backs of European sheep or of sheep descended from a European ancestry. The alpaca, the vicuna, and the llama, roamed in great herds over the extensive plateaux of the Andes long before Pizarro landed at Tumbez. Even in Colonial times vast flocks of South American, or Peruvian, sheep as they have been called, roamed the Andean plains. From their wool was woven textures almost as fine as silk. We have recounted before the well-known story that when Pizarro sent a garment made from these wools as a present

to the Emperor Charles the Bold, the weavers of Flanders, at that time [illegible] of the wealth in Europe, acquired their fame and produced anything of so fine a texture. Those who are acquainted with the plains of Peru know that the art of weaving fabrics particularly by hand looms from these wools has not been entirely forgotten by the peasants of the Peruvian plains. There would be a great demand in Europe and in North America for these beautiful fabrics if the industry were developed to such an extent that fabrics made from these wools were actually available for any considerable proportion of the population of the world.

As Peru is in area considerably over half a million square miles in extent and has a population of under 4½ million people it will readily be understood that there is plenty of room for development and in fact only a very small part of the vast area of the Republic is under cultivation or affords pasturage for the extensive herds which might, under favouring conditions, wander over its elevated plains.

DIVIDENDS ANNOUNCED THIS WEEK.

	1920	1919	1918	1917	1916
BREWERIES AND DISTILLERIES:					
Home Brewery	7½*				
Tamplin & Sons, £10 shs.	16	11	11	7	7
Truswell's Brewery, £20 shs., £1 pd.	5	10	9	7½	6
COMMERCIAL:					
Allen (Edgar)	2½	17½	15	15½	15
Argus Printing ... ... (15s)	10				
"Bodega" Co., £5 shs.	2½	10	7½	10	Nil
Brockhouse (J.)	30	20	20	20	20
Bucknall (Henry) & Sons, £5 shs.	50	3	—	—	
Cape Asbestos	5½				
Consolidated London Properties	2½	1½	1½	1	1
Drake & Gorham	10				
Ernest Brothers ... ... (1s)	5				
Gibbons (Dudley)	50				
Irish Civ. Service Perm. Building, £25 shs.	5†	5	5½	5	1½
Kelly's Directories ...	25	—			
Miller (H.)	25	25	25	25	25
Morton (C. & E.) 6% Cum. Pref. £1 shs.	30	7	7	7	7
Northumberland Shipbuilding ...	5				
Oxford (Jas.)	1				
Patterson, Laing & Bruce (12½)	5	10	8†	6	6
Reckitt & Sons	2½	10	50A	22½	27½
Stuarts & Jacks, Def. Ord. ...	3				
Sun Paper Mill	10				
IRON, COAL AND STEEL:					
Cassel Coal Co.	7½	10	1½	5†	5
Glenroy Navan Collieries ...	5†		5	7½	
Hewitt & Snowball	2½	10	15B	10	10
Lochaber Iron & Steel	6	5	5†	5† C	12½
MINING:					
Apex Mines	7½	5	7½	5	12½
City Deep	5*	12½	12½	45	12½
Consolidated Main Reef	5†	5	5†	10	12½
Crown Reef	20	10	35	15	35
Geduld Proprietary ... ... (17½)	15	5	7½	5	15
Geldenhuis Deep	1½	5	12½	2½	5
Government Areas	5	7½	12½	2½	5
Kleinfontein (New)	5	15	15	5†	15
Knight Central	7½		5		15
Modder B Mines ... ... (1s.)	7½	110	110	105	135
Modderfontein B	85	85	87½	85	85
Modderfontein Deep	85†	67			
Modderfontein (New), 10s. shs. ...	5				
Nourse Mines	5	5	10	15	10
Rand Mines, 5s. shs.	5	5	15	15	15
Robinson Gold, 15s. shs.	5	5	5†	7½	10
Rose Deep	15	5	27½	5	5
Transvaal Harbour Tin	15	45	45	35	35
Van Ryn Gold	20	10	12½	35	35
Village Deep	7½	—	15	15	20
RAILWAYS—AMERICAN:					
New York Central	11	5	5	5	5
Reading Co., $50 shs.	5	5	5	5	5
SHIPPING:					
Bristol Channel Steamers ...	2½	—	—	—	—
Britain Steamship	5				
Hazelwood Steamship	7½				
Rhondda-Merthyr Shipping ...	5				
Sutherland Steamship	11	12½ D	25	30	25
TEA, COFFEE AND RUBBER:					
Assam Co. £20 shs.	7½	25	25	15	25
Batavia and Central Plantations	—				
Makum (Assam) Tea, 10s. shs. ...	2½	5†	12½	20	17½
TELEGRAPHS AND TELEPHONES:					
Eastern Extension, Australasia & China Telegraph, Ord. ...	5	5	5	5	5
Eastern Telegraph, Ord. stk. ...	5	5	5	5	5
Marconi International Marine ...	15	15	—		
TRAMWAYS AND OMNIBUS:					
Metropolitan Electric Tramways, £10 shs.	5	5	5	5	5

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American Topics.

TRADE, FINANCE AND THE CROPS.

READERS will have observed a further decline in the prices of American securities on the New York Stock Exchange; and many who have carried their observations further will have noted, likewise, the depression generally prevailing in the produce markets on the other side of the Atlantic. In a sense, the United States has profited very much more than any of the belligerents as a result of the recent War. Its advantages, however, as we pointed out quite recently, are more apparent than real. The United States sold enormous quantities of produce and munitions required by the Allied Governments, and received in return very little more than promises to pay. This country and France have very materially reduced their holdings of American securities, which have been bought back by the investing classes in the United States. Even this, in the conditions under which the securities were acquired, is an advantage far more apparent than real. In reality, it resolves itself very much into a question of the creditor taking what form of payment the debtor was in a position to offer. When we say that it is an advantage for a country to be in a position to repurchase securities formerly held abroad, it is assumed that the purchasing country has acquired increased wealth which enables it to make such purchases. In a sense, of course, it is true that the United States obtained increased wealth, or rather increased purchasing power. Otherwise, it would not have been possible to obtain the securities. That purchasing power, however, was created upon a credit basis, and was not due to an acquired balance based upon real economic values. To make the point clearer, it would be a real advantage to us at the present time, provided we could in the course of the next few years export such a large amount of commodities or render such services to the United States as would give us the right of re-purchasing the scrip representing the loans made by the United States to us and the other Allies during the progress of the recent War. That, however, would be a real advantage because, under the assumption, it would be based upon our ability to render [illegible] The United States, Japan, Argentina and [illegible] countries from which we obtained supplies of various kinds during the War merely created credit balances [illegible] quite unable to liquidate. Until, therefore, the time arrives that we are able, either in the form of exports, [illegible] from which we acquired supplies have in fact realised increased wealth.

As one consequence of the unfortunate position in which Europe, taken as a whole, finds itself and we in this country to a lesser extent, the magnitude of our aggregate indebtedness has grown so great that, in the language of the market, the exchanges are exceedingly unfavourable to purchasers on this side of the Atlantic. It is not possible in this world to have things both ways; and the United States, having done an exceptionally large business with impecunious customers, now finds it exceedingly difficult to dispose of its products in Europe. It is generally estimated on the present basis of exchange as between the United Kingdom and the United States that purchasers in this country, over and above the ordinary profits of trade, have to pay an equivalent of something like thirty-three per cent. for any goods or commodities acquired from that part of North America. Recently, there has been a heavy fall in the price of cereals in particular, in the United States; and it is argued in some quarters that this fall is about equivalent to the amount of the adverse exchange which, if this estimate is correct, should enable us to purchase certain foodstuffs at a considerable advantage compared with the prices ruling a year ago. It is not merely a question of demand. The existence of demand, and a keen demand, in Europe, is not disputed. Neither is it disputed that there is, as there must inevitably be after a long war, a general shortage of commodities. It is a question, however, of what the economists call "effective demand." And demand can only be effective when we in this country, and Europe in general, shall be in a position to render equivalent values for the various products this continent desires to acquire from the United States. To a very large extent the duration of the period until Europe will be able either to export products or to render services will depend upon the policy adopted by Mr. Harding's incoming Administration in the spring of next year.

Meanwhile, it is gratifying to note that the crops throughout the United States, according to the final estimate of the crops harvested during the autumn of the present year, issued by the Bureau of Statistics at Washington, are favourable. The cotton crop, it will have been observed, is about a million and a-half bales in excess of the estimate earlier in the year. The cereal crops are by no means as large as they were this time twelve months ago. Nevertheless, they are very much better than anyone ventured to estimate in the early spring of the present year. At that time, it will be remembered, the weather was so unfavourable that extensive areas sown under various cereals had to be re-ploughed, and some of them could not be re-sown. On the whole, the crops are very much in excess of what will be required for home consumption in the United States. The total wheat crop for the present season amounts to very nearly 790 million bushels, comparing with practically 941 million bushels twelve months ago. Taking the home consumption at something over six bushels per head of population, this should leave a surplus of wheat of something between 160 and 180 million bushels. This is about equivalent to the amount which in this country we need to import to supplement our home production. It goes without saying, however, that the United States will sell its wheat to various countries, but a proportion, no doubt, will be shipped to this country. Normally, we obtain large supplies from various sources. In the present circumstances, it may be taken for granted that we shall obtain as large a supply as possible from those countries where the exchange is more or less favourable to ourselves. In other words, our wheat importers may be relied upon to buy in the cheapest market available. In any case, it is a real advantage that the United States should have a large exportable surplus of wheat. The maize crop is some 3,200 million bushels for the present season, compared with just under 3,000 million bushels at the corresponding date of last year.

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Rubber Topics.

ALTHOUGH the critical December "prompt" has been negotiated without any difficulties appearing on the surface, the Commodity market continues to go from bad to worse. During the week the price of standard crêpe fell steadily from 11½*d.* to 10*d.* per lb.; whilst that of smoked sheet reacted in sympathy from 10½*d.* to 9*d.* This persistent retrograde movement has given rise to repeated suggestions from the chairmen of different rubber companies to the effect that the twenty-five per cent. restriction now in force is inadequate and should be replaced by a more drastic curtailment. At the Eastern Sumatra meeting this week a complete cessation of tapping for three months, or a fifty per cent. reduction for a year, was proposed. We, however, are more inclined to take the view expressed in the recent circular of the Rubber Growers' Association that it is not yet possible to decide whether the twenty-five per cent. reduction is sufficient or not. Furthermore, as the circular points out, there is nothing precluding any company from adopting a more drastic restriction should it think fit. In any case the appointment of local committees of control to supervise the restriction, such as have been appointed in Ceylon and by the Dutch companies for Sumatra and Java, are steps in the right direction. We suggest that not only should these committees be universally supported, but that they should be asked to report to the International Association at The Hague, and to the Rubber Growers' Association here, as soon as possible as to the adequacy of the restrictions now in force, and, should the report be unfavourable, that they should state what further steps are considered necessary. Committees of this description operating on the spot are in an excellent position to secure and investigate all the available data.

PAHANG PARA RUBBER.

Issued Capital: £74,082 in Shares of 2s. each.

Results for Years to April 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Av. Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1918 ...	1,129	433	142,653	329	2/2·05†	1/2·17	4,055	—	—
1919 ...	1,174	549	149,192	272	1/4·25*	1/2·79	931	1,525	5
1920 ...	1,200	906	249,396	275	2/1·94†	1/2·54	9,550	7,393	10

* Average net price. † Average gross price.

Price of Shares, 2 7/16. Market Capitalisation per planted acre, £81.

FOR shareholders in Pahang Para Rubber Syndicate the year ended April 30, 1920, has been a period of prosperity. Operations during the two previous years were handicapped mainly by war conditions, notably the restriction of output which was in force during 1918. The year under review represents the first return to normal tapping. This permitted of a forecast of 220,000 lb., as against 149,192 lb. in 1918-19. As a matter of fact, the final crop exceeded this increased estimate by 29,396 lb. Nevertheless, the increase does not imply a greater return per bearing acre, as the return of 275 lb., as compared with 272 lb., testifies. It was due merely to an increase in the acreage tapped

from 549 to 906 acres. It is supposed to [illegible] large part of the new area thus tapped was by no means fully mature, thereby giving room for still greater productivity. The great increase in the crop was rendered possible by an adequate supply of native labour. On the other hand, this large native force involved a considerable increase on the part of the Company. Apart from the increase [illegible] a heavy loss was incurred upon the working of foodstuffs, which worked out at 1.34*d.* per lb. on the crop of [illegible]. Again, [illegible] higher prices. Consequently, despite the pronounced increase in the quantity of the crop, the "all-in" cost only dropped from 1s. 2·7*d.* per lb. to 1s. 2·53*d.* per lb. However, there was a substantial recovery in the price of rubber, the gross price averaging 2*s.* 1·94*d.* per lb., as compared with the previous year. With large funds invested in Treasury Bills—the balance sheet dated April 30, 1920, showed a holding of £38,275 at cost—sundry revenue [illegible] interest to the extent of £829. The total net profit amounted to £9,550, or nearly twice the combined profits of 1917-18 and 1918-19. Out of this total a sum of £1,000 was set aside to be written off buildings and machinery, which consequently stand in the balance sheet at the moderate figure of £2,093. Taxation—since no liability was incurred in respect of excess profits duty—only called for an allocation of £150. An addition of £1,000 was made to the reserve fund. Dividends paid to shareholders absorbed £7,393, as against £1,525 in 1918-19; but the rate only increased from five per cent. to ten per cent. This discrepancy is explained by the substantial alteration in the capital account during the year, the issued capital of £74,082 at the end of the period comparing with £30,500 at the opening. In the first instance an issue of 145,000 shares at a premium of 3*s.* per share was made. Options exercised prior to a bonus distribution accounted for 43,864 shares. This gives a total issued capital of 493,864 shares. The premium on the issue of 145,000 shares raised the total of the share premium account from £6,750 to £28,500. Of this £24,693 4*s.* was capitalised, and shareholders received a bonus of one share for every two held, thereby increasing the issued capital to £74,079 3*s.*, and leaving a reserve fund of £3,807, which was increased to £4,807 out of the profits of the year under review. The exercise of twenty-seven options subsequently raised the issued capital to £74,082 3*s.* Bearing in mind these facts it is easy to understand the substantial increase in the amount needed to pay the dividend of ten per cent. Moreover, allowing for the bonus distribution, the rate is rather fifteen per cent. Thus shareholders have benefited fully by the prosperity of the year.

The existing depression in the Rubber market renders the outlook for the current year rather uncertain. Originally the estimate provided for a crop of 280,000 lb., of which in six months of unrestricted tapping there was secured a harvest of 135,129 lb. Participation in the scheme for reduction of output by twenty-five per cent. since October necessitates a revision of this estimate; but the calculation is complicated by the acquisition since August of an estate of 110 acres, of which 89 acres are in bearing. This latter acquisition was considered to be capable of producing 330,000 lb. of rubber. Unless more drastic restrictions are enforced, we do not consider it likely that the crop will be less than that of the year under review. It is gratifying to learn, in view of the low prices now ruling for rubber, that forward contracts cover 71,880 lb. at the satisfactory price of 2*s.* 4·12*d.* per lb. between May and December 1920, and 50,550 lb. at 2*s.* 6·12*d.* per lb. London continent for 1921. This should supply the Company with sufficient funds, bearing in mind its large holding of Treasury Bills, to carry on operations without obliging it to realise its stock at a loss. Financially the position of the Company, as seen in the balance sheet dated April 30, 1920, is very strong. Including the dividend [illegible] liquid assets available amounted to £53,689; of which cash and Treasury Bills accounted for £41,682. In a stagnant market the 2*s.* shares are quoted at 2*s.* 7½*d.*, equivalent to [illegible] £81.

SUNGKAI CHUMOR (PERAK).

Issued Capital: 199,855 in 2 0 Shares.

Results for Years to June 30—

[illegible]

Price of Shares. 4 0. Market Capitalisation per planted acre, £103.

[illegible] factory report presented for the year ended June 30, 1920. The crop harvested amounted to 614,726 lb., exceeding not only the crop of the previous year by over 200,000 lb., but also the original estimate by 14,726 lb. This marked growth in the crop enabled an efficient administration to reduce the cost of production. The f.o.b. cost worked out at 11·32*d.* per lb., as against 1*s.* 1·93*d.* per lb. in 1918-19, whilst the "all-in" cost dropped from 1*s.* 4¾*d.* per lb. to less than 1*s.* 1⅝*d.* per lb. Furthermore, this decline in expenditure coincided with an improvement in the sale price, which amounted to nearly 2*s.* 2*d.* per lb. in the year under review in contrast with 1*s.* 10½*d.* per lb. in the preceding year. Thus there was secured a net profit of £30,755, or over £17,500 in excess of that for 1918-19. This profit would have been greater still but for the deduction of £1,743, representing the loss incurred on the realisation of Government securities, of £731 in connection with the cost of the capitalisation [illegible] issue of shares, and of £700 in respect of the liability under the corporation profits tax. However, this combined loss was more than counterbalanced by the refund of £4,806 of excess profits duty owing to the mediocre results of the previous trading period. After setting aside £6,500 to the taxation reserve account and £499 to defray extra remuneration to the directors, shareholders received in dividends a total of £19,971, as against £14,000 in 1918-19. The rate of the dividend is, however, stated to be only twenty per cent., as compared with thirty-five per cent. in the previous year. Yet during the year shareholders received a bonus issue of [illegible] shares held, and in addition an issue of 100,000 shares at par was made to secure funds for development, of which 98,546 shares were taken up. The joint result was to raise the issued capital from £40,000, on which the dividend of thirty-five per cent. was paid, to £99,855, on which the dividend of twenty per cent. was paid, the authorised capital having been increased to £200,000. Ignoring the benefits conferred on shareholders by the issue at par, the dividend of twenty per cent. on the increased capital is at least equivalent to forty-five per cent., in contrast with thirty-five per cent. in 1918-19. Thus from the point of view of the shareholders the year has been very remunerative.

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There is carried forward to the next account as a balance of £21,308, as compared with £12,717 brought forward from 1918-19. However, this balance is subject to a deduction in respect of excess profits duty estimated to amount to £5,600.

The existing depression in the Rubber market and the consequent restriction of output by twenty-five per cent. now in force are not calculated to brighten the outlook for 1920-21. Originally the Company anticipated a crop of 665,000 lb., which would have rendered it possible to lower the cost of production. During the four months of unrestricted tapping there were harvested 211,730 lb., and for the remaining eight months the total is not likely to exceed 350,000 lb., thereby giving a total crop below that of the year under review. This reduction, in conjunction with the heavy loss still being incurred on rice, makes for an increase in the "all-in" cost. In view of the stagnant prices which rubber now commands, it is gratifying to learn that forward contracts have been arranged covering the sale of 115,360 lb. of the crop at an average net price of 1s. 11.96*d.* per lb. Pending the course of prices in the Rubber market during the next six months it is difficult to forecast any possible dividend. It may be noted in passing that the amount carried forward, after payment of excess profits duty, would permit of a dividend of ten per cent. without being entirely depleted. In the long run, however, the prospects are very encouraging. The estates are well kept and comparatively free from disease. Alternate daily tapping is now in force over most of the area, and in addition some parts of the Chumor estate are being entirely rested. Such a policy is bound to prove beneficial when unrestricted production is once more in being. Furthermore, advantage is being taken of the labour liberated from tapping to add 142 acres to the planted area before the close of the year. Financially, the position of the Company as seen in the balance sheet dated June 30, 1920, is very strong. Liquid assets are available to a total of over £56,031 to cover current liabilities which with the final dividend, absorbing £9,985, do not exceed £15,450. In the market the 2*s.* shares stand at 4*s.*, equivalent to a market capitalisation of £103.

BUKIT MERTAJAM.

Issued Capital: £200,000 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1917 ...	2,964	1,621	794,075	490	2/6	–/10¾	61,315	19,416*	15
1918 ...	3,001	1,000	841,821	842	2/1½	1/–	104,91[illegible]	1[illegible],864	10
1919 ...	3,345	—	590,245	—	1/8·83	1 1½	19,017	[illegible],000	12½
1920 ...	3,598	—	900,681	—	1/11·52	1 1·21	38,845	17,011	10

* Net amount after deduction of excess profits tax.

Price of Shares, 2 6. Market Capitalisation per planted acre, £69.

The salient feature of the report presented by Bukit Mertajam for the year ended March 31, 1920, is not merely recovery from the mediocre results of the previous year, due to the restriction of output, but more particularly the continuance of the progress that was interrupted in that year. Thus the final crop harvested, amounting to 900,681 lb., was not only substantially in excess of the previous crop of 590,213 lb., but exceeded the 1917-18 record of 841,821 lb. by more than that crop exceeded the return for 1916-17. And the rate of progress would have been more marked if the wintering period had not proved to be of unusual duration, for then the estimate of 950,000 lb. would have been realised. However, this pronounced increase in the crop rendered it possible for an efficient administration to bring back the cost of production per unit to a more normal level. The "all-in" cost per lb. of 1*s.* 1.21*d.* per lb. represents a satisfactory improvement on the previous figure of 1*s.* 4.49*d.*, and compares favourably with the 1917-18 cost of 1*s.* 2*d.* Moreover, this reduction in the working costs coincided with a recovery in the average price realised by the sale of the crop to 1*s.* 11.52*d.* per lb., or nearly 2¾*d.* per lb. more than was secured in 1918-19. Hence there resulted a profit per lb. of 10.31*d.*, as against 4.34*d.* in the previous year. This greater profit earned on a crop that increased by over thirty-three and one-third per cent. gave a total profit of £38,843, or more than double that of 1918-19. Shareholders participated to the full in the prosperity of the year, receiving a dividend of twenty per cent., as against twelve and a-half per cent. in the previous year. The balance carried forward to the next accounts is increased substantially from £5,713 to £17,515, but is subject to deduction in connection with the excess profits duty. It was stated that this balance amply provided for all liability under the head of taxation.

During the year there was an issue of capital to provide funds for development purposes, as the original working capital of the Company was exhausted by the close of the financial year. The issue took the form of one share to existing shareholders for every seven held at a price of 4*s.* per share, of which 2*s.* per share was premium. This called for 246,559 shares. In addition, the staff of the Company were entitled to apply for 27,524 shares at the same price. By March 31, 1920, 212,102 of these shares had been allotted, and participated in the final dividend of fifteen per cent. Subsequently the remainder were issued, raising the total of the paid-up capital to £200,000, and giving a net share premium account—the expenses of the issue (£519) and £55 in respect of investments having been written off—of £26,835. With these funds in hand the directors proposed to increase the planted area gradually to 5,000 acres. During the year under review food shortage resulted in an inadequate supply of labour, and thus handicapped the original programme of development. Nevertheless 291 acres were planted. Food shortage remains still acute, but is being partially countered by planting 150 acres on the estate with foodstuffs. In the absence of further difficulties 500 acres are to be opened up during the current year, and already good progress has been made in this direction. The estimate of the crop is stated to be 980,000 lb., and the returns for the seven months of unrestricted tapping to October give a total of 561,618 lb. Allowing for the twenty-five per cent. reduction for the remainder of the period, the crop is not likely to exceed that of the year under review. This will retard the further reduction in the "all-in" cost that had been anticipated, with reason. However, as experience had already shown on the estate, the universal adoption of alternate tapping will result in a saving of labour, which may be either dispensed with entirely or utilised to carry out the proposed scheme of development. Obviously, in the absence of a marked recovery in the price of rubber in the early months of 1921 the dividend prospects are none too bright. The Company, however, is in a strong financial position. The balance sheet dated March 31, 1920, showed that liquid assets to a total of £106,656 were available to meet current liabilities, which, with the final dividend, absorbing £21,000, did not exceed £44,698. And the total of liquid assets did not apparently include some £9,100 due as a refund of excess profits duty for 1918-19 and of income tax under the Stevens *v.* Boustead decision for the years 1916-19. Cash and War Bonds account for no less than £67,794. Thus, in the absence of unforeseen circumstances, the Company can meet all the necessary demands for liquid capital during this period of depression, and the position will be improved in proportion to the extent of funds provided by forward contracts, of which, however, no information is forthcoming. Reports from its two young subsidiaries, the Batu Putoh (Malaya) Rubber Estates, Limited, and the Ayer Jerneh Rubber Estates, Limited, show that both are progressing favourably. Owing to the stagnant condition of the Rubber market the 2*s.* shares are quoted as low as 2*s.* 6*d.*, corresponding to a market capitalisation of £69.

Insurance Notes.

LIFE ASSOCIATION OF SCOTLAND.

Among the gradually diminishing, and now comparatively small, number of joint-stock companies which have in the past restricted their operations to the transaction of life assurance, this long-established Scottish institution occupies a prominent and important place. From the class referred to it promises in the early future to be a seceder, for steps have recently been taken for it to obtain enlarged powers, in conformity with a well-marked tendency of present times. During the financial year, however, which ended on April 5 last, the Company's business, as formerly, was limited to life and (to a very small extent) capital-redemption assurance; and, in the face of the active and ever-increasing competition of the great composite insurance companies, it is very satisfactory to note that it shared to a large and notable extent in the revived activity in this description which has followed the close of the Great War, and the return to normal pursuits of the vast proportion of our young male citizens, to whom for some years this field of thrift had been practically barred.

The new life policies issued by the Life Association of Scotland in the year referred to amounted to £1,154,920, of which reassurances were effected to the extent of £37,000, the net amount retained at its sole risk thus being £1,117,920. This is greater by £273,541 than the amount reported for the financial year ended April 5, 1919, which included five months of peace conditions, and is stated in the annual report to be "practically double that of the average annual amount effected in the five years before the War." It represents, moreover, the largest amount of new business ever transacted by the Association in any one year during a history whose duration exceeds eighty years.

The effect of this record increase of the business on the Company's financial position is markedly shown in its revenue statements. The net premium in 1919-20 was greater than that of the immediately preceding year by £22,227, and than that of the previous year by more than twice that increase. It amounted to £409,409, apart from a sum of £14,301 received as consideration for new annuities granted. It is not matter for surprise that simultaneously with this advance in revenue there has been an increase in the working costs of about two and a-half per cent. of the premium income. A certain amount of increase in the expense ratio was indeed inevitable, looking to the enhanced salaries necessarily payable to the clerical and administrative staff in consequence of the higher costs of living, but apart from this a large new business involves the payment of certain initial though reproductive costs. The Chairman, nevertheless, was enabled to announce to the annual meeting, that after giving effect to the incidence of the business, the expense ratio was "not only no heavier than in the previous year but actually a trifle lighter," and that "in fact, when the expenses are apportioned in this way between new business and old, the ratios applicable to both are found to have steadily and materially fallen during the current quinquennium."

A favourable incidence of mortality is reported. The claims by death during the last financial year amounted to £351,342. Exclusive of bonuses, the amount is reported as only 84·8 per cent. of that "expected according to the O^M Table."

The total revenue of the Association from premiums and interest amounted in 1919-20 to £635,911, exclusive of the purchase-money of annuities, showing an increase for the year of £26,164. The net interest yield realised on the life assurance and annuity fund, after deduction of heavy income tax, was £4 0s. 2*d*. per cent., as compared with £3 19s. 9*d*. per cent. in 1918-19. The funds of the Association at the close of the financial year amounted to £5,920,942. It was stated by the Chairman at the annual meeting that the total amount paid by the Association in claims now exceeds £16,000,000.

Following on the yearly valuation in Class A (Old Series), the directors have declared cash bonuses on relative policies for the year commencing April 6, 1920, to be applied in part payment of the premiums falling due in that year, at the same rates as were allocated for the previous year. The dividend to shareholders on the paid-up capital of £87,500 is maintained at the previous rate of £1 1s. per share, less income tax. A quinquennial valuation of the whole-life business falls due on April 5, 1921, when the securities will fall to be revalued. Like all similar institutions, the Association has to face the worrying feature of depreciation in securities, but it is satisfactory to some extent to find that more than one-third of its invested funds takes the form of British Government holdings, a large proportion of which fall to be repaid within a few years, either at par or at a premium.

GRESHAM LIFE ASSURANCE SOCIETY.

The business of this Company was largely curtailed during the War under special Trading Restrictions for the larger part of it was in foreign countries, under the control, either temporary (as in Belgium) or permanent (as in Germany, Austria, and Hungary), of persons who then were our enemies. Under these circumstances there was, of course, a suspension of communications with the head office in London, and the figures as regards premiums, claims, &c., were for several years incomplete. It is pleasant to see from the annual report for last year, and the quinquennial valuation statement as at its close, that matters have turned out better than might have been anticipated.

Firstly, as to the annual report, the seventy-first of its kind. The new life business reported for 1919 constitutes a record in the Company's history. It amounted to £3,515,706, of which £200,589 was reassured, the net retention at the Company's sole

KING'S HEAD
Tobacco



You'll know it by the artful curl of its cut — and by the incomparable richness of its full flavour. The cut is one of the good points in King's Head. It burns to a nicety and doesn't choke the stem of the pipe. You can smoke it comfortably in a strong wind too.

THREE NUNS
is a similar but milder blend
Both are sold everywhere at the same price
Packets: 1-oz. 1/2, 2-oz. 2/4—Tins: 2-oz. 2/5, 4-oz. 4/8

"THREE NUNS" CIGARETTES

	10's	20's	50's	100's
MEDIUM	6d	1/-	2/5	4/8
HAND MADE	8d	1/4	3/4	6/8

Stephen Mitchell & Son, Branch of the Imperial Tobacco Company (of Great Britain and Ireland), Limited, 36 St. Andrew Square, Glasgow
689

risk thus being £3,315,117, which is nearly double the corresponding figure reported for 1918. Of the net amount about one-sixth represented home business, and about five-sixths overseas business. These proportions seem about the same as are indicated by a comparison of the Company's total premium income at home and abroad. In all, that income amounted in 1919 to £1,160,400, showing an increase during the year of £23,125, according to the revenue accounts. The real increase was doubtless greater, because in 1918 a large amount of arrears of premiums were included. In addition, a sum of £97,250 was received in 1919 as consideration for new annuities granted. The death claims appearing in the 1919 accounts amounted to £510,665, some of these relating to deaths in previous years, notification of which had been deferred owing to the War. The actual deaths occurring last year are stated to have been within the actuarial expectation. It is stated in the quinquennial valuation report that this also was the case for the whole valuation period, although claims for £215,000 due to the War were included. Claims by maturity (under endowment assurances) amounted in 1919 to £518,071. Through the year's operations the life assurance fund was increased by £304,797 to £9,907,800, and the leasehold assurance fund by £6,581 to £75,781. Expenses of management, inclusive of commission, absorbed 24.8 per cent. of the premiums, as compared with 21.8 per cent. in 1918. The net rate of interest realised on the funds, after deduction of income tax, is reported as £4 1*s.* 5*d.* per cent.

The quinquennial valuation was made on the same basis as in 1914, the H^M table being employed for assurances in combination with net premiums "after making due allowance for procuration charges," the rate of interest assumed being three and a-half per cent. A surplus of £266,141 is reported, and the actuary states that, from an investigation into the items of profit and loss during the quinquennium, he is satisfied that the net trading profit is not less than that amount. After setting aside £5,595 to provide the payment of interest to shareholders on their paid-up capital (amounting to £69,200) at the rate of five per cent. per annum during the now current quinquennium, the sum of £260,000 is apportioned between shareholders and policyholders in the respective proportions of one-tenth and nine-tenths, and it is stated that the policyholders' share is sufficient to enable an allotment of profits to be made to them on the same scale as at the distribution of 1910.

Mr. Leroy Sinclair has joined the Board of the General Reinsurance Company, Limited, as Deputy-Chairman. Mr. Sinclair was formerly Foreign Manager of the North British and Mercantile Insurance Company, Limited, and is now a partner in the firm of Messrs. Middleton and Cater, reinsurance brokers.

In connection with the recent purchase of the shares of the Clerical, Medical and General Life Assurance Society by the Employers' Liability Assurance Corporation, Limited, we learn that as from January 1 Sir Joseph G. Broodbank, Lieutenant-Colonel Sir Samuel Hoare, and Colonel Sir Edward Ward, Bart., directors, and Mr. W. E. Gray, general manager of the Employers' Liability, have joined the Board of the Clerical, and Messrs. Francis E. J. Smith, chairman, and Arthur D. Besant, general manager and actuary, of the Clerical, have been elected to seats on the General Board in London of the Employers' Liability. The following gentlemen have retired from the Board of the Clerical: J. Astley Blozam, Marston E. Buszard, Sir Frederick Treves, and William J. H. Whittall.

The insurance journal, *The Review*, has recently issued a comprehensive life chart, showing the development of British life offices by the growth of their premium incomes. Copies can be obtained, price 1*s.* each; per post, 1*s.* 6*d.*

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Authorised Capital £1,000,000
Paid-up Capital £176,334

Total Funds now exceed £1,400,000.

FOR REINSURANCE BUSINESS.

FIRE. ACCIDENT. MARINE.

Fire & General Dept. & Marine Department.
St. Swithin's House, St. Swithin's Lane, London, E.C.4.
General Manager: J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

Commercial.

THE CRISIS IN THE WOOL INDUSTRY.

We regret to record that there are as yet no signs of relief from the extreme depression, which has existed in all sections of the wool trade for some months. The fall in the prices of raw material began in April last and has continued, with one or two unimportant checks, until the present time, but there can be little doubt that the bottom of the market has been almost reached so far as the majority of classes of wool are concerned. The situation in the various wool markets of the world is so chaotic that it is difficult, in the small space available, to give an accurate idea of the various factors now operating, but a brief statement of the most prominent circumstances will be useful.

No stable basis of values has yet been found and all mention of actual prices will, as far as possible, be avoided because anyone connected with the industry will be able to give quite different and equally correct figures for similar classes of material, and to anyone not intimate with the trade the present fluctuations are of little interest, and might be misleading. As a rough indication of the trend of events, it may be noted that a 64*s.* merino top, which cost about 2*s.* 6*d.* per lb. pre-War, and about 14*s.* in April last, can be bought to-day at about 4*s.* 6*d.* per lb., while quotations for forward delivery are as low as 3*s.* 6*d.* per lb. In crossbred qualities the decline has not, of course, been so sensational because the demand during the boom of 1919-20 centred almost entirely in soft-handling, and the prices of medium and waste wools did not, therefore, soar to such extreme heights as were reached by merino wools.

To understand the present position, it is necessary to recall once more that during the War a large part of the wool textile machinery of the world was entirely cut off from supplies from the big wool producing countries, and that owing to shipping difficulties, the quantities available for the mills of the Allies were very little in excess of the military requirements. Although the millions of men employed for four or five years on naval and military work needed much more wool for their clothing than would have been necessary in following their ordinary occupations, the wastage—if one may so call it—under this head was more than balanced by the economy practised by the civilians and by the stoppage of consumption by a large part of the world's machinery. The net result has been an accumulation in all the large wool-producing areas and the problem of the disposal of these stocks is at the root of the present difficulties of the industry.

During the War the British Government, in order to ensure supplies for the Allied Armies and for certain other reasons, purchased the whole of the wool clips of the United Kingdom, Australia and New Zealand, and portions of the supplies of some other countries. The clips of the three countries mentioned amount to roughly one-third or, if we exclude low wools suitable

only for carpets, &c., but even one-third and one-half of the total supply of wool, and it is thus clear that the proceedings of the British Government must have an important effect upon all the wool markets of the world. In March 1919, the partial control exercised by the Government on our wool textile industry was removed, and British farmers were allowed to sell their clips in the open market, but under the existing agreement with the Australasian growers, the Government continued to purchase the whole of the Australian and New Zealand supplies until June 1920. The events, which have taken place during the decontrol period, have been dealt with in some detail in these columns, and our readers will already appreciate that one of the causes of the absurdly high level of wool prices during the year from April 1919, to March 1920, was the manner in which the Government disposed of its holdings. Auction sales were not allowed in Australia and New Zealand, and almost the whole of the world's demands for these wools, both immediate and future, were thus concentrated upon the limited quantity which could be handled in London warehouses and salerooms, with smaller quantities at Hull, Liverpool, Antwerp, &c. It must not be assumed that this action of the Government was entirely responsible for the increase in prices because the various factors contributing to the rise in other commodities operated equally in wool goods, but of the circumstances peculiar to the wool trade, the method of selling Government material was certainly one.

The new supplies of wool in the countries situated in the Southern hemisphere are now coming to hand, and with the improvement in shipping facilities and the final removal of Government control in Australia and New Zealand, the position has rapidly reached a climax. The British Government holds at the present time approximately 2,500,000 bales of Australasian wool, one-half of which is in this country or in transit. This total quantity is equivalent in bulk to a year's production of Australia and New Zealand together, but it includes more than two-thirds of crossbred and inferior wool, some of which is several years old, and for which the demand is at present very restricted. The "free" auctions re-opened in Australia on October 1 last, and although very limited quantities have been offered, the actual disposals have been small and prices have declined. In New Zealand, which produces mainly crossbred wool, the results of the opening sales were so bad that the November auctions were cancelled, and only very insignificant supplies are being offered in December. Those farmers in Great Britain, who were not satisfied with the prices ruling at the country fairs in the early summer and who withheld their wools, have now good reason to regret their action for only much lower prices are obtainable to-day.

In the meantime, Government sales have continued somewhat irregularly in this country, but the quantities shown have been reduced, and until recently, the old reserve prices have been maintained. When this policy of restricting supplies was first introduced we stated that the Government were probably actuated by two motives, (1) to obtain the highest possible prices, and (2) to avoid friction with the Australian Government and wool-growers by aiding the fall in prices, which has been inevitable for some time. Our opinion on this subject has been recently confirmed by statements made in official publications, and in the House of Commons. The Government have now modified their reserve prices somewhat, but the reductions made have not been nearly sufficient, and the position at the moment is that many types of wool can be purchased cheaper from the new clips being sold in Australia and New Zealand and from the surplus existing in other parts of the world, particularly in South America and the Cape, than they can be secured at the Government sales in London.

The first step in reducing prices was taken by [illegible] have continued to decline, and medium crossbreds were recently obtainable round about 14*d.* per lb. clean. The South American producers are thus doing their best to meet the market, and to dispose of their large stocks of poor quality wools as rapidly as possible, but there is no doubt that many of the prices recently accepted show no margin whatever on the cost of production. Germany has been [illegible] in South America and at the Cape, at which much [illegible] large quantities of material to Germany and other parts of Central Europe either on the security of the £10,000,000 worth of ex-enemy property in South [illegible]

The latest development is a proposal from Australia to form a company with a capital of £25,000,000 to take over from the British Government the responsibility of marketing the huge surplus of Australian wool, one-half of the profits (if any) of which is payable to the farmers. The particulars to hand at the time of writing are very incomplete and we must, therefore, postpone any detailed criticism of the scheme. It seems clear, however, that the proposal originates with the same group of people, who were responsible for the attempt to control the sale of the new clips by compelling all growers to submit their wools to auction under arrangements determined by a Wool Association. The failure of that attempt, through the lack of support by the farmers, has already been recounted in these columns, and if the promoters of this new plan hope to prop their market indefinitely by artificial means, we are afraid that events will disappoint them. The scheme has, however, certain very attractive features from the point of view of the Imperial Government, especially on account of the pressure now being exerted by public opinion in the direction of general economy, and the reduction of War time staffs in particular. In early 1919 the Government was quite indifferent to the purchase of the 1919-20 Australasian clips, and this work was only undertaken in the hope of stabilising the market and affording time for the maturing of plans to meet the difficulties of the transition period. How these objects have been attained we are experiencing to-day, but any genuine and workable proposal from Australia to relieve the Government of the equivalent of the material purchased since last year is sure to receive sympathetic consideration from the Cabinet. The question of wool prices is an extremely important one to both Australia and New Zealand, and it is only to be expected that vigorous attempts will be made to avoid the catastrophe, which seems imminent.

In dealing with this matter the Government will presumably weigh the interests of the Colonial farmers, the consumers, and the industry, although the latter may almost, in view of the enormous supplies available in all parts of the world, be safely left to look after their own affairs.

American Banking in the Far East.—The Equitable Trust Company of New York, which has during recent years developed an increasingly profitable business through its Shanghai branch, has now decided to convert the latter into a separate undertaking, with a capital of $2,000,000 and a surplus of $700,000. The new institution, the Equitable Eastern Banking Corporation, will take over the complete organisation of the Equitable Trust in China, and will have the benefit of the experience gained by it in the course of the original undertaking. The Pacific Coast is represented among the incorporators by the Mercantile Trust Company of San Francisco, the [illegible]

Industrial Companies.

SAMUEL ALLSOPP AND SONS, LIMITED.

Issued Capital: £1,069,417, in £753,710 5% Participating Pref. Stock and £315,707 Ord. Stock.
Income Certificates: £21,579.
Debentures: 5% Prior Lien, £464,002; 4½% First Mortgage £1,199,000.

Year to	Profit*	Deprecn., Repair, &c.	Net Income	Debenture & other Prior Charges	Div. on Pref.	Div. on Ord.	Added to Reserves, &c.	Carry. forwd.
Sep. 30	£	£	£	£	£	% £	£	£
1914	58,357	20,791	38,166	25,118†	--	-- --	—	13,048
1915	111,204	15,917	65,287	63,456*	—	-- --	—	14,899
1916	155,015	56,402	98,613	73,821†	—	-- —	—16,000	23,720
1917	232,202	67,312	164,890	115,780†	--	-- —	—20,000	22,930
1918	300,932	82,247	218,685	153,571*	23,917	14 —	— 50,000	21,324
1919	346,354	104,964	241,390	89,986	58,413	7½ 18,148	5½ 70,000	a21,116
1920	336,512	114,916	221,596	91,969	58,413	7½ 18,153	5½ 50,000	19,521

* Including provision for redemption of Certificates or Rights.
† Debenture interest only partly paid.
‡ Profit after providing for income tax and contingencies.
(a) After providing £3,151 for interest and sinking fund for Income Certificates in 1919 and £2,734 in 1920.

THE report of this well-known brewery concern for the twelve months ended September 30 last is, on the whole, of a rather satisfactory nature. The profit on trading, after charging general expenses and making provision for Government taxation and contingencies, amounted to £285,299, representing a slight increase over the result of the previous year. Interest and dividend receipts fell, however, by over £9,100 to £61,336, whilst the amount charged for depreciation, repairs and maintenance has been increased from £104,964 to £114,916. The net income consequently shows a reduction of almost £19,794 as compared with 1918-1919, but it must be borne in mind that in the absence of any exact information as to the actual provision which has been made annually for "Government taxation and contingencies," comparisons are likely to be misleading. Debenture and other prior charges amount to £91,969, leaving an available balance of £150,951, including the amount brought forward. The reserve allocation is reduced from £70,000 to £50,000. The Participating Preference dividend is maintained at seven and three-quarters per cent. and the Ordinary dividend at five and three-quarters per cent., absorbing £58,413 and £18,153 respectively. In this connection it should be noted that the Preference stock is entitled to a dividend of five per cent., and to half of the profits of each year remaining after payment of such dividend and after setting aside such reserves as are deemed to be advisable. Under the scheme of rearrangement of 1913 it is provided that in 1919 and each subsequent year one-fourth of the profits remaining after paying four per cent. dividend on the Ordinary capital and four per cent. interest on the Certificates has to be set aside as a sinking fund for redemption of the income certificates. This year the four per cent. interest on the certificates calls for £863, as against £990 last year, and a sum of £1,871 is set aside to redemption fund, as against £2,061.

The extent to which the financial position has been strengthened in recent years may be seen from the following table:—

Balance-Sheet Figures at September 30.

	LIABILITIES.		ASSETS.					
	Capital.*	Resrv.& Carry-forwd.	Fixed Assets.	Trade Invests., &c.	Stocks.	Surplus Liquid Assets.	Goodwill.	Total.
	£	£	£	£	£	£	£	£
1914	2,767,819	13,048	1,397,123	127,228	265,726	140,790	850,000	2,780,867
1918	2,747,970	160,666	1,165,175	167,851	187,317	390,290	700,000	2,908,676
1919	2,740,890	233,521	1,488,317	206,896	475,685	103,513	700,000	2,974,411
1920	2,732,419	294,271	1,628,253	286,615	757,454	245,632†	700,000	3,272,322

* Including Debenture stock. † Deficiency.

During the past financial year the five per cent. Debenture stock has been further reduced by £8,553, and the sinking fund has been correspondingly increased to £35,998. Sundry creditors figure for £15,586 more at £335,970, whilst the provision account for Beer Duty and other Government taxation shows a net increase of £107,341 to £624,840. The reserve with this year's allocation amounts to £200,000, the contingent account remaining practically unchanged at £36,820. The net additions to the fixed assets during the year amounted to £39,936, after providing for depreciation, and the item of trade and other investments also shows an increase of over £79,700. It will be seen that the expansion of £281,769 in the item of stocks corresponds very closely with the increase shown in the previous balance sheet. Government investments (at cost) are down by nearly £364,800 to £133,862, whilst the cash balance is £92,858 the larger at £238,888. The item of £67,853 for a deposit securing the Company's guarantee in connection with Showell's Brewery does not appear in the present accounts. The valuation attached to goodwill remains unchanged at £700,000, to which it was reduced by a transfer of £150,000 from the contingent account in 1917. The presence of this large item in the balance sheet is in itself sufficient justification for the continuance of the extremely conservative policy adopted by the directorate. It will be seen that the heavy expenditure on stocks and properties during the period under review has resulted in a deficiency of £245,632 in liquid assets (excluding trade and other investments), as against a surplus of £103,513 last year. A distinct improvement, however, is shown in the general financial position.

The outlook for the current financial year can scarcely be regarded as very promising. Account must be taken of the heavy increase in beer duty and other Government taxation, the additional railway rates, and the general industrial depression prevailing at present. The Trade is no longer hampered, however, by Government restrictions on output, and at present there is no evidence of any tendency to return to the "cut-throat" competition which characterised pre-War conditions.

The prices and yields of the different shares of the Company are set out in the following table, the yields being calculated on the basis of last year's dividends:—

	Price	Yield
	£ s. d.	%
Ordinary Shares	76 17 6	7·5
5 per cent. Partic. Pref. Shares	59 2 6	13·1
5 per cent. Prior Lien Deb. Stock	69 10 0	7·2
4½ per cent. Debenture Stock	52 0 0	8·6
Funded Income Certificates (4 per cent.)	0 2 0	10·0

THE AMALGAMATED PRESS, LIMITED.

Capital: £1,229,426 in 679,426 Ordinary Shares of £1 each and 550,000 5% Cumulative Preference Shares of £1 each.

Year to Dec. 31	Net Profit	Depreciation	Reserves	Written off Goodwill	Pension Fund	Ordinary Dividend	Carried Forward
	£	£	£	£	£	£ %	£
1913	122,168	25,000	—	5,000	20,000	360,500 16 64‡	2,489
1914	110,167*	25,000	25,000	10,000	15,000	297,765 10	12,691
1915	153,212*	25,000	25,000	65,000	15,000	286,765 10	20,078
1916	122,656	25,000	25,000	55,000	15,000	267,765 10	28,029
1917	114,871	25,000	25,000	5,000	15,000	267,766 10	32,028
1918	167,005	25,000	25,000	10,000	15,000	267,766 10	39,265
1919	178,254	25,000	25,000		15,000	267,770 10‡	105,517
1920	500,256	25,000		160,000	10,000	270,770 40‡	114,253

Including media amounts recovered from Cycle Press, Ltd.
* Including special bonus of 20·6%.
‡ Final Dividend of 20% (being free of tax).

The directors of this Company in their statement for the financial year ended October 31 last are again able to report satisfactory progress. The gross receipts from sales and advertisements amounted to £2,857,298, or £767,268 more than in 1918-19, and the income from investments rose from £76,165 to £144,000. Expenses, however, amounted to £2,501,243, as compared with £1,688,146 for the previous year, so that the net profit worked out at not more than £500,256, as against £478,254 for 1918-19. As shown in the above table, the usual provision of £25,000 is made for depreciation, and although there are no reserve appropriations this year, the goodwill account, which was not reduced last year, is now extinguished by a transfer of £160,000 from revenue. The goodwill account stood at £500,000 in 1912, and the writing-off of this large item within eight years whilst maintaining a high rate of dividend is a remarkable achievement. The pension and allowances fund to which an allocation of £15,000 was made last year now receives £10,000. The Preference dividend absorbs the usual sum of £27,500, and the Ordinary dividend is maintained at

forty per cent., the final payment of twenty per cent. [illegible] tributed shows an increase of £3,000, however, as an issue of 10,000 shares was made during the year. A balance of £114,333 is carried forward, as compared with £107,47[illegible]

Besides the elimination of the item of goodwill and the increase in capital, the balance sheet contains other important alterations. The outstanding change is the expansion in fixed assets, which, after deducting [illegible] than £218,470 last year. Investments at £1,241,371 are down by £34,000, and holdings of Treasury bills have been reduced by £97,869 to £98,361. The cash balance, however, has been increased from £305,429 to £430,514, and the item of sundry debtors from £342,053 to £443,546. The growth in stocks does not exceed £6,500. On the other side of the balance sheet sundry creditors figure at £631,027, as compared with £483,173 last year. The reserve account remains unaltered at £400,000, whilst the pensions and allowances fund with this year's allocation amounts to £170,000. The financial position, as shown in the balance sheet, is strong. The liquid assets, excluding stocks, amount to £2,213,792, giving a surplus of £1,400,160 over current liabilities (including dividends due), as against £1,454,804 in the previous balance sheet. Even with the exclusion of investments there is a surplus of £158,789.

In considering the outlook for the current financial year account must be taken of the various difficulties with which a business of this nature has to contend. The directors call attention to the high price of all materials—especially paper—required in the production of periodicals and magazines, and emphasise the increasing difficulty of starting new journals at a popular price. It should be noted that during the past financial year the expenses increased by £813,098, whereas receipts from sales and advertisements showed an increase of not more than £767,268. The position has been rectified by the much larger revenue derived from investments and loans, but it must be borne in mind that the growth in such revenue has no connection with the increase in expenses. The management of the Company has been remarkably efficient, however, and the existing problems are far less serious than those which were successfully overcome during the period of the War. No appropriations will be required in future for the reduction of the goodwill account, and shareholders are not, therefore, likely to experience any diminution in the rate of dividend. Last year's dividend works out at 48.6 per cent., subject to tax, and assuming its continuance, the Ordinary shares, which are now quoted at 5¾, yield a return of 9.1 per cent., whilst the Five per Cent. Cumulative Preference shares, quoted at 14s. 4½d., yield a return of seven per cent.

JOHN I. THORNYCROFT AND CO., LIMITED.

Issued Share Capital: £748,000 in 198,000 Cum. 6% Preference Shares, 250,000 Participating Preferred and 300,000 Ordinary Shares, all of £1 each.

Debentures: £160,000 5% First Mortgage, £100,000 5½% Second Mortgage *per contra*. Premiums paid on Debenture Redemption Policies, £43,573 at July 31, 1920.

[illegible]

SATISFACTORY progress is indicated in the report of this well-known Company for the twelve months ended July 31 last. The net profit, after providing for depreciation, income tax, excess profits duty, and corpora[illegible] in 1918-19. As usual, no indication is given of the extent of the provisions which have been made under the various headings. It is stated that depreciation has [illegible] the provision for taxation is probably much larger than in the preceding years. It should be noted that although a reserve for munitions levy is no longer re[illegible] the corporation profits tax. In the distribution of the profit Debenture interest and Preference dividends absorbed the usual sum of £25,380, whilst the dividend of nine per cent. (calculated from the due date of instalments) on the participating Preferred Ordinary shares, which were issued in August 1919, requires a distribution of £16,646. The Ordinary dividend is increased from twelve and a-half per cent. to thirteen per cent. A transfer of £35,000 is made to the reserve account, as compared with £34,250 last year, and the benevolent fund again receives £5,000, leaving a balance of £53,169 to be carried forward, as against £51,948 brought in.

Some of the important developments which have occurred during the financial year are embodied in the balance sheet. The issue of 250,000 Preferred Ordinary shares of £1 increases the capital to £748,000. Sundry creditors, including provision for taxation, figure at £704,081, as against £762,556 previously. The general reserve with this year's allocation amounts to £195,000, whilst the special reserve remains unchanged at £50,000. On the assets side of the balance sheet, land, buildings, machinery, and plant, estimated at cost, figure at £353,619, the net additions during the year, after deducting depreciation, being £11,497. Sundry stores, including work in progress, show an increase of over £120,000 at £861,642. Debtors have grown by £66,958 to £605,740, and investments in associated companies now amount to £61,434, or £30,368 more than in 1919. These investments include the holding in Thornycroft (India) Limited, and Thornycroft (Scandinavia) Limited, which have been formed to deal with the Company's manufactures in India and Scandinavia respectively. The interest in Basingstoke Buildings, Limited, is also included in this item. The investments in War Loan have been written down during the year from £49,750 to £44,752. An increase of £2,606 to £43,573 is shown in premiums paid on Debenture redemption policies. The item of goodwill remains unaltered at £1,000, to which it was reduced by a transfer of £49,000 in 1915. The cash balance has been increased from £70,713 to £84,867. The deficiency of £68,724 in liquid assets shown in the previous balance has now been replaced by a surplus of £94,909, the improvement being due to the receipts from the capital issued last year.

Some interesting [illegible] directors regarding the general development of the Company's business. [illegible] considerable progress has been made in shipbuilding and repair work, despite the difficulties of transition to ordinary commercial operations; and the basis of the Company's business has been further widened by working arrangements with firms in Japan, Spain, Brazil, China, and the Scandinavian countries. The industrial outlook at present, however, is distinctly uncertain, and it would not, therefore, be reasonable to anticipate any large increase in earnings during the current financial year. The prices and yields of the different shares of the Company are set out below.

[illegible] per cent. and thirteen per cent. respectively:—

[illegible]

New Issues.

5-15 YEAR TREASURY BONDS (SERIES B).

The original series of Treasury bonds having terminated on November 1, a new issue, identical in detail with the previous, was created. The bonds are on offer at £100 per cent, payable on application, and are repayable at par on May 1, 1935, or on May 1 of any of the years 1925 to 1934 inclusive, on twelve months' notice being given either by the Treasury or by the holders. The interest, which is to be paid on May 1 and November 1 at a minimum rate of five per cent. per annum, may be further increased during the period ending May 1, 1925, as follows:—If in any half-year ended May 1 or November 1, the average rate of discount on Treasury bills is over five and a-half per cent. and under six and a-half per cent. per annum, the bonds will bear additional interest at the rate of one per cent. per annum in respect of the following half-year; if the rate of discount is six and a-half per cent. per annum or over, the additional interest will be at the rate of two per cent. per annum. The rate of interest payable on May 1, 1921, will be seven per cent per annum. Allotments may be obtained in Registered form or in Bonds to Bearer.

LONDON HOUSING BONDS.

These bonds, available in amounts of £5 each and multiples thereof, bear interest at the rate of six per cent. (payable on September 30 and March 31), and are redeemable at par on the expiration of five, ten, or fifteen years. They are secured upon all the property and revenues of the L.C.C. and the rates of the Council outside London. Payment may be made in instalments for Bonds to the value of £20 or multiples thereof. Transfers executed free of expense. Each borough has a lien on money subscribed within its boundaries; and individuals may tender bonds at face value in purchase of dwellings erected by a local authority under the Housing Acts. Income tax is not deducted when holdings do not exceed £100.

ISSUES TO SHAREHOLDERS.

British Tobacco Australia.—£39,511 new Ordinary £1 shares at par, in the proportion of one new for every five held on December 17. The right of renunciation is given, and provisional allotment letters will be split once on application. Closing date of offer January 24.

Commercial Bank of Australia.—265,154 Ordinary 10-shares of £1 each. The right of renunciation is given. Closing date of offer January 15.

Dolosuella Rubber and Tea Estates.—£30,000 part of £50,000 authorised eight per cent. five-year notes at 90 per cent., repayable at par on or before December 31, 1925. Closing date of offer January 1.

PENDING ISSUES.

Cunard.—£4,000,000 Seven per Cent. Debenture stock at 90, repayable at par in 1940.

Tea Company to be Wound Up.—The shareholders of the Deltota (Ceylon) Tea and Rubber Company will be asked, at a meeting to be held on December 29, to sanction a resolution for the voluntary winding up of the Company. The accounts for the year ended June 30, 1920, show a deficit on the year's working of £11,670, in addition to which a debit balance of £1,644 was brought forward from the previous year. The directors explain that the result is due to increased working expenses, loss on rice and difference in exchange, coupled with the slump in tea prices. Efforts to dispose of the estates have not met with success.

FRANCE, our Ally, is now offering us at a MODERATE price

GOLDEN GUINEA

THE FINEST SPARKLING MUSCATEL

Obtainable at all the Leading Wine Merchants'.

Wholesale Agents: Golden Guinea, 15 (Dept. E) Charlotte St., W.1.

COMPANY MEETING.

BRITISH ENSIGN INSURANCE COMPANY, LIMITED.

The first ordinary general meeting of this Company was held on December 21 at the Victoria Hotel, Manchester, Mr. George Goody (Chairman) presiding.

In moving the adoption of the report and accounts from the incorporation on July 22, 1919, to September 30 last, the Chairman said they experienced at the inception what most of such companies did during their first year's operation in the shape of difficulties and trials incidental upon such initial businesses. He was aware that the picture presented to the original shareholders was very rosy, as saying that the British Ensign was the right undertaking for obtaining profits from marine insurance, but the men who painted that picture overlooked the fact that they had just passed through a time when it was practically impossible not to make money in the marine business, and had come to a period when it would be increasingly difficult to make money, because rates had become lowered. There was distinct rate-cutting in order to secure business, and wealthy companies with large reserves could well afford to enter into marine insurance differently to what a newly-formed Company could do. Upon top of that so many vessels had been lost during the War that almost any rotten old tub that would keep afloat was pressed into the mercantile service. Hence they had very indifferent vessels afloat, and consequently that Company's difficulties were increased out of measure.

Marine Insurance Difficulties.

Moreover, they had scarcely commenced underwriting when they entered upon a period of bad weather that was virtually disastrous to established companies even. Then they found that upon that Company's flotation a great mistake was made with regard to certain servants who were appointed, and there was gross mismanagement in many directions, together with want of system and understanding of the ordinary routine of insurance work. That condition of affairs made the righting of this Company's position into the marine insurance market all the harder, because they had to gain the confidence of the insurance brokers and had more or less to be content with just such business as they could secure. However, there was now a brighter side to this picture, and he was pleased to be able to form the opinion that their Company was stepping out into better things. They were writing better risks and getting better claim risks. Without making promises, he could assure them that in every direction matters were definitely on the improvement.

Constructive Work.

They had now the advantage of a good many treaties which had been concluded and came into operation in the New Year, which would be to the good of the Company and make for the stabilising of their business. He supposed they all hoped that the present balance sheet would have been better, but in face of the difficulties mentioned they had little room for real complaint.

In proceeding to cover the various items of the report and accounts, Mr. Goody remarked that good work would only be accomplished when it was constructive work, and he urged that any criticisms by shareholders should be made in that spirit. There was much hard work ahead of the directors and staff, and he was sure that these men who were now their executive were watching the shareholders' interests as closely as it was possible so to do. Further, the directors, upon the present accounts being made up, felt that, although they had earned, and were justly entitled to their fees, they would leave it to the present meeting to vote them an amount or otherwise. Meanwhile the executive were "out" to make that Company into a really good undertaking, of which they might justly be proud.

The motion having been seconded by Mr. W. R. Chapman, there ensued a prolonged discussion concerning the formation and history of the Company, the removal or retirement of four original directors, and the questions whether the current expenditure and the number of directors (seven) were not too large.

In particular, Mr. Arnold Watson objected to the inclusion, in passing the directors' report, of the last two paragraphs, naming a resolution for the confirmation of three new directors, Messrs. R. Gill, W. E. Freeman, and J. E. Freeman, and the re-appointment of the original auditors.

These objections were voiced by other shareholders, but in the result the report and balance sheet were adopted, subject to an interim account being made up to March 31 next, and as soon as possible, thereafter submitted to the shareholders.

The new directors were appointed for the current year, upon the stipulation that no fees be paid for that period until confirmed at the second annual meeting. For their directorial service in the past year £700 was voted to the board, divisible as arranged among themselves.

Mr. Arnold Watson, of Corn Exchange Buildings, Manchester, was appointed new auditor, and the proceedings closed with a hearty vote of thanks to the Chairman for presiding.

MEETINGS
OF PUBLIC COMPANIES.

LONDON AND RIVER PLATE BANK, LIMITED.

Expansion of Business. Trade Outlook in South America

THE fifty-eighth ordinary meeting of this Bank was held on December 22 at the Head Office, 7 Princes Street, London, E.C., Mr. J. W. Beaumont Pease presiding.

The Secretary, Mr. George R. Hutchinson, read the notice convening the meeting and the report of the auditors.

The Chairman said: Gentlemen, I have been asked by my colleagues to preside at the annual meeting of this Bank to-day, as I have recently returned from a visit to South America, where I had the pleasure and interest of seeing most of our branches throughout the country. I hope I am not expected to make any elaborate attempt to convey to you my hasty impressions gathered during the few months when I was in South America; but I may say, in confirmation of the remarks which fell from the Chairman at our meeting last year, that I am convinced of the importance and necessity of these visits on the part of the directors, and, *vice versa*, of return visits of officials from the other side to this country. They establish a most useful link between the head office and our far-distant branches, affording excellent opportunities for the exchange of views, which is so much more easily made in this manner than by correspondence; and they enable both sides to see for themselves the conditions prevailing in the respective countries and to sympathise more closely with the points of view of each.

Branches Visited.

Owing to the kindness of everyone concerned I was able in the comparatively short space of time at my command to visit a much greater extent of country in the congenial companionship and with the kind assistance of my colleague, Mr. Follett Holt, than I could otherwise have done, and in conditions of comfort and convenience unknown in this country.

After touching at Lisbon, where we had the pleasure of seeing our manager and the temporary premises kindly placed at our disposal by the Tolades Company, and also our new premises, which we hope to enter next year, we sailed down the coast of Brazil, calling at Pernambuco, Bahia, Rio, and Santos, where we had the pleasure of seeing our managers and of talking to them, and, at most places, of going ashore to inspect the different premises and of seeing our staff and the conditions in which they were working. I also went further inland on the way back and visited Sao Paulo and saw the magnificent new property which we have lately acquired in that city.

During our stay in South America we made Buenos Ayres our headquarters, and at that great and flourishing city we had many opportunities of seeing our friends both in our central premises and in the suburban branches. From there we made several expeditions—first through Entre Rios to Uruguay, where we stayed at Monte Video, Paysandu, and Salto. Subsequently we travelled across the Continent, spending a few days at Mendoza, and after crossing to Chile, where we inspected our branches at Valparaiso and Santiago, we returned across the Andes to Buenos Ayres, *viâ* Bahia Blanca. Our next expedition north gave us the opportunity of seeing our branch at Concordia, and subsequently our new branch at Asuncion, the capital of Paraquay. Our last journey to Tucuman took us up to Cordoba and Rosario.

I was thus enabled to see a very considerable number of places, and I was much struck with the achievements already attained by these great countries and with the vast possibilities in store for them in the future. They have all prospered exceedingly during the War, and their many resources have contributed largely to the success of the Allied cause.

A Vast Field for Trading Enterprise.

I would like to impress on the commercial and trading community at home the importance of South American countries to our commercial interests. They offer a vast field for trading enterprise which can be worked to the mutual advantage of both sides. They have many things which are necessary for us, and we on our part can find with them a useful market for our manufactured goods. We must remember, however, that the eyes of traders in many parts of the world are centred on South America, and if we wish to retain and increase our trade in this Continent we must exert ourselves with all energy. Owing to the War we temporarily lost to some extent our markets in this part of the world, and with so much of Europe and other places now closed to our manufactures for one reason or another, South America ought to be an ever-increasing field for our operations. I am sure we start with many advantages. I heard nothing but praise concerning the quality of our goods and the probity of our dealings, but we have too many competitors for us to be able to reap the hoped for reward, unless we take all the necessary steps and use all our exertions to secure it. Of the part which this Bank has played in the development of trade between South America and our own country, and of its close identification with the countries in which it operates, I need not say anything. I may remark, however, that the most important [illegible] been [illegible] and liberal [illegible] management have through good times and bad for many years worthily upheld the traditions of English probity and [illegible]

The Policy of the Bank.

[illegible] and I think it is right to record the fact that I did occasionally hear whispers that our methods were not incapable of improvement. It was hinted to me sometimes that we were [illegible] be willing to lend its sympathy. It was put to me in this way, that sometimes our answer to a proposal put before us [illegible] this actual formula is often found in the conduct of our affairs. It may be thought to be an easy and non-committal way of refusing undesirable business, and I may say in passing that many of the criticisms, which were mentioned to me in all good faith and in the most friendly manner, were based on our refusal to do business which certainly, in my judgment, did seem undesirable and not of a banking nature. But I want to tell our friends in South America that there is nothing in their business which does not interest us. There may be reasons in any particular case why we cannot entertain it, but it does and always will interest us, and we shall always be most anxious and willing, if possible, to assist in any business which a bank may legitimately [illegible] any idea, such as these criticisms seemed to suggest, that [illegible] modern methods. At the same time, I want to emphasise the fact, which every banker knows, that the first business of a bank is to look after the safety of its depositors. This [illegible] be our first consideration, and I heartily endorse the statement which I saw in that ably-conducted paper, the *Nacion*, at Buenos Ayres, that the unduly high rates which were [illegible] for congratulation to the community, but of apprehension.

Financial Position.

The figures of our balance sheet show a considerable and gratifying rise all round. Our capital has been increased, as was foreshadowed last year, to £2,045,960 by the capitalisation of a portion of our surplus profits. Our reserve is at the old figure of £2,100,000; our acceptances show an increase of about £1,000,000, and the same applies to the next item, which latter, as you will see, is covered not only by the liability to the customer, but by the security of merchandise. Our loan and deposit account also shows an increase of about £1,000,000, and our bills for collection an increase of nearly £3,000,000. These figures, as stated in sterling, would have been still more increased in many cases if the rates of exchange had been the same as those ruling last year.

On the assets side of the balance sheet our cash is, roughly, £3,000,000 less, and our bills discounted and advances, [illegible] are £10,000,000 more, showing that we are taking our full share of the increased business in the countries where we operate. The Bank premises account shows a considerable increase owing to recent purchases of new branches. Our increasing business and the difficulty of obtaining suitable accommodation is a problem which is not confined to South America. We must be adequately housed, and in order to obtain the necessary accommodation we have sometimes been obliged to purchase more than we actually required for the purposes of the Bank. Reductions from the sale of surplus property are anticipated during next year.

The Dividend.

Our gross profit was £175,000 higher than last year, but this [illegible] increased [illegible] cost at £50,000 more. Some of the [illegible] of about £40,000—are of an exceptional and non-recurring [illegible] branches and the unusual amount of passage money for long-deferred [illegible] leave. [illegible] report shows, [illegible] pay a dividend of nine per cent., making, with the interim dividend paid in June last, a total distribution of fifteen per cent. We are allocating £170,000 as provision for corporation [illegible] staff.

This brings me to another point, and I would like to say a [illegible] working now for some years under difficult and abnormal conditions. There were difficulties of a business kind arising

out of the new conditions and problems created by the War, and there were difficulties of a personal and domestic nature, such as the rise in the cost of living, the shortage of houses, and the impossibility of arranging for the usual holidays. All these difficulties have been cheerfully met, and the staff have worked with a loyalty and efficiency for which the Bank owes them a debt of gratitude. It has been the wish of the Directors to remove these hardships as early as possible. The long-leave holidays have been re-established, and we have agreed to pay full fares for return passages for our officials and their wives, making this arrangement retrospective as from the date of the Armistice. We are sure that this will be received with satisfaction by the staff, and it will facilitate the reunion of many of them with their families, so long delayed by causes over which we had no control. A special committee has been sitting on the question of salaries, and the staff may rest assured that we have done what we could to increase these. The Board has also had under consideration the redrafting of the regulations governing our pension scheme. I found when I was in South America that there was some misunderstanding and ignorance, and even anxiety, on this point. The new regulations will, I hope, satisfy every member of the staff that he can look forward with confident expectation, if his record is good, to receiving a pension on terms which will be clearly stated in the printed regulations which will be circulated to every member of the staff.

A Sound Position.

With regard to business conditions as existing at present and the prospects for the future, it is not easy to speak. For the last six months commerce have been going through a critical phase. This Bank, in accordance with its well-established traditions, has been keeping a watchful eye on events, and, as you will see from its figures, is in a very strong position. We have placed a larger sum than usual to reserve for bad and doubtful debts, which is not disclosed in the published figures. The whole world is passing through difficult times, inevitable and foreseen after the recent convulsion of the Great War. These have been felt in South America as elsewhere, but while she has no special features of trouble of her own which are not reflected in other parts of the world, she has had, on the other hand, during recent years many advantages which have been denied to those more actively concerned in the War. She has felt, in common with the rest of the world, difficulties arising from the sudden and severe drop in prices, and this meant additional care necessary in conducting all kinds of business, but she has abundant natural resources, and you will be able to see from the monthly report published by this Bank that there are encouraging signs that these difficulties are being overcome. It is to be hoped that, with prices reduced substantially, extension of demand will not be slow in manifesting itself. By this time next year we trust we may be able to look back on a period of considerable progress in the direction of more normal times. I have the pleasure of proposing: "That the report and accounts be received, adopted, and entered on the minutes." Before asking for that resolution to be seconded, I have been requested by the auditors to put before the meeting the total of our subscriptions and donations, and to ask for your approval. The amount is £1.529 12*s.* 10*d.*, if that meets with your approval. (Agreed.)

Sir Richard V. Vassar-Smith, Bart., D.L., seconded the resolution, which was carried unanimously, and the dividend recommended was declared.

The retiring directors (Sir Richard Vassar-Smith, Mr. Follott Holt, and Mr. Kenneth Mathieson) were re-elected, and Messrs. Deloitte, Plender, Griffiths and Co. were re-appointed auditors.

A cordial vote of thanks was passed to the managers and staffs of the Bank, and the proceedings then terminated.

ANGLO-PERSIAN OIL COMPANY, LIMITED.

A Satisfactory Year: Oil Rights in Mesopotamia.

The eleventh ordinary general meeting of the Anglo-Persian Oil Company, Limited, was held at Winchester House, Old Broad Street, London, E.C., on December 20, Sir Charles Greenway, Bt. (the Chairman), presiding.

The Secretary (Mr. F. Macindoe) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, with your permission we will, as usual, take the report as read.

The statement you have before you is, I am pleased to say, again a most satisfactory one, and one which fully confirms the forecast which I made last year. Notwithstanding that the period covered by these accounts showed no very large increase in the throughput of our refinery, there is a substantial increase in profits, and for the current and succeeding years, as our various extensions come into operation, these will be largely augmented.

Balance Sheet.

Dealing with the accounts, you will see from the balance sheet that our capital and Debenture stock issues, particulars of which are given in the report, have during the twelve months under review been increased by £8.675.000. This amount is being expended in developments of one kind and another, which will in due course be reflected by increased credits in our profit and loss account.

The next item on the balance sheet calling for remark is the amount due to the Persian Government in respect of royalties. I am pleased to say that, after very protracted negotiations, we have at last effected a settlement with the Persian Government in respect of our claim for losses sustained owing to cutting our pipeline in 1915, and other outstanding questions. This settlement, though not as satisfactory as we were entitled to expect, is a matter of congratulation, because it removes all ground for dispute, and therefore consolidates the friendly relations which have always been maintained between ourselves and the Persian Government.

The next item to which I will draw your attention is the amount at credit of the employees' provident pension and insurance fund. This shows the very substantial increase on the previous year of about £100.000, and as it is the intention of the board to continue to contribute to it out of profits on a liberal scale, this fund, in effect, constitutes a profit-sharing scheme of a very attractive character. That it is much appreciated by the employees of the Company is demonstrated by the fact that the fund now comprises some 3.059 members.

The only other item calling for remark on the debit side of the balance sheet is that of the reserves. As you will see, our total reserves, including £185.000 at credit of share premium account, now amount to £2.000.000, which I am sure you will agree is a very satisfactory amount considering the short period which has elapsed since we arrived at a profit-earning stage.

On the credit side of the account all I need call your attention to is the amount of our realisable assets. You will see, by adding the last four items together, that these total about £8.370.000, whilst on the other side of the account the off-setting liabilities only amount to about £2.500.000, showing that we had surplus assets at the end of the last financial year amounting to nearly £6.000.000. These are, of course, being drawn upon from time to time by the capital outlay which is being incurred in connection with the various extensions to which I have referred, but on the other hand, this is being met to a substantial extent by surplus revenue.

Profit and Loss Account.

Dealing now with the profit and loss account, you will see that although the gross profit amounted to £3.458.418 14*s.* 6*d.*, as compared with £2.287.624 13*s.* 3*d.* in the previous year, or an increase of nearly £1.200.000, the net profit only showed an increase of a little over £500.000. This considerable variation is almost entirely due to large increased payments for income tax and royalty. In the appropriation account you will see that after debiting stamp duty and other expenses connected with the last new issue of capital, and carrying a largely increased sum to the credit of general reserve, the net balance at the credit of the profit and loss account amounts to £1.848.841 1*s.* 10*d.*, as compared with £735.527 19*s.* 8*d.* in the previous year. Out of this sum we have already paid the usual dividend of six per cent. per annum on the Preference shares, and it is now proposed to declare a further participating dividend on the Preference shares at the rate of two per cent. per annum, and a dividend of twenty per cent. per annum on the Ordinary shares, both less income tax.

Return on Government Capital.

On previous occasions I have referred to the return which His Majesty's Government have been getting on the capital which they had invested in the Company. I do not propose to go into figures, but I would like to point out that this return is not to be measured merely by the dividend which is now being declared on the Ordinary shares. Directly and indirectly their return on the capital, which up till a short time before the close of the financial year now under review represented their interest in the Company, was far more than cent. per cent., and the new capital subscribed by them at the end of last year will, in due course, no doubt, yield a proportionate return.

Extensions and Developments.

One or two of the extensions and developments to which I drew attention last year are already beginning to show their results. Among these I may mention "Scottish Oils, Limited," which as a result of the economies effected by the amalgamation, and assisted also by the favourable markets which have obtained during the present year, is now making a fair profit, notwithstanding that since we took over the concerns the working expenses have, in other directions, been increased by no less than £700.000 per annum, owing to increased wages, shorter hours, and dearer coal. This early fulfilment of the anticipations expressed by me when I last addressed you is extremely gratifying to the board, and will, I am sure, be equally so to everyone interested in the preservation and development of our national industries. But it is doubtful if this favourable position can be long maintained, as there are already indications of a decline in the prices of sulphate of ammonia and of some of our other main products.

We are, however, in pursuance of what I indicated last year, arranging largely to extend the capacity of the Scottish refineries, with a view to increasing as far as practicable the output of shale oil, and at the same time refining Persian crude to such an extent as shale oil may not be available, whereby the incidence of working costs will be largely reduced and the Scottish Shale Oil industry, we hope, be

preserved from the extinction which otherwise would inevitably overtake it.

The other extensions and developments now referred to are in due course of execution, and will in time contribute largely to the Company's profits. [illegible] refer to the refinery at Swansea. The completion of this has been much retarded by the difficulties which all industries have now attached upon them, but we hope to [illegible] tions in the coming year, but we hope to [illegible] work [illegible] in the first half of next year. In this connection I should like to mention that we have made arrangements with the Asiatic Petroleum Company whereby the benzine and kerosene produced at the refinery and the Scottish Shale Products will be sold to the Asiatic Company for three years. The products with that Company, so that we shall, I am pleased to say, [illegible] Oil Agency, the whole of the products [illegible] refineries.

In the report we have given [illegible] developments of the Company's business. The first of these requiring comment is the interest which we have arranged to take in a French company. Attempts have been made in Parliament to throw doubt upon our wisdom in undertaking this development. In reply to these I need only say that the quantity of petroleum products which we shall shortly be in a position to market will be far in excess of the quantity that we can possibly dispose of in the United Kingdom. This being the case, there were only two alternatives before us, either (1) to create our own distributing organisations outside the United Kingdom for the sale of these surplus products; or (2) to sell them to one or the other of the only two companies which are in a position to handle them, at such prices as they might be willing to pay. What this would mean is best gathered from the fact that were we now marketing ourselves the whole of our products our profits would be fully double what they are to-day.

Between these two alternatives there can be no question as to which was the proper course to pursue. And not only must we create our own distributing organisation in France, but also in such of the other continental countries and elsewhere as are likely to offer satisfactory outlets for our surplus products.

This question of [illegible] tions is a matter which is engaging our constant attention. Producing and refining are only one side of the oil business. It is equally even more important to make such arrangements as may be necessary to enable us to sell our products to the best advantage, and on the world. I think, be [illegible] say that we should be doing our duty if we did not look well ahead and take these and all other steps necessary to avoid being forced to sell our surplus products to other oil companies on their own terms.

I should like in this connection to point out to the Members of Parliament who from time to time ask questions in connection with this Company to the House of Commons that the commercial administration of the Company is entirely a matter for the board, and that if members would care to address their inquiries to us we shall always be pleased to give them any information in our power. (Applause.)

Commonwealth Oil Refineries, Limited.

Another development of great importance is the interest we have acquired, in conjunction with the Commonwealth Government, in a company entitled the Commonwealth Oil Refineries, Limited, which has been formed with a capital of £500,000 for the purpose of establishing a refinery in Australia. The choice of title is not a very happy one, because it is reminiscent of a former well-known company which was established for the purpose of dealing with Australian shale, but, in view of the large interest which the Commonwealth Government has taken in the concern, it was considered that a title indicative of their partnership in it was essential.

[illegible] an interest supply of [illegible] intended to import the crude oil required for the refinery, but it is hoped that the Dominions will, before long, be producing their own supplies of crude.

As you are probably aware, we have also undertaken, on behalf of the Commonwealth and British Governments, the examination and [illegible] of the oil resources of New Guinea. The reports of our geologists on the area in Papua, in which for some years past the Commonwealth Government had been conducting test drilling, are, I am sorry to say, disappointing, but some other [illegible] have been located, and test drilling on these will be started at once.

British Oil Bunkering Co., Limited.

Another new departure requiring explanation is the interest we have acquired in a company we have established under the title of the British Oil Bunkering Company, Limited. This, like the French company, is another necessary development of our business if it is to be carried on independently and our products be dispersed of to the best advantage. In addition to the large quantity of fuel oil which we are now producing in Persia, and the still much larger quantity which we shall be producing in the near future, we are arranging for extensive supplies from various parts of the western hemisphere. To enable us to deal with [illegible] establish bunkering installations in all the principal ports of the world. At the present time 19 of such installa- [illegible] part of the world. (Hear, hear.)

Oil Fuel Supplies.

[illegible] burning liquid fuel under boilers for steam raising, and, secondly, as to the danger to shipowners of building, or converting on a large scale, vessels to burn oil, whether under boilers or in internal-combustion engines, without first making sure of their supplies of oil. I fully endorse what Lord Pirrie said on those two points. But I would point out that there is no ground for pessimism as to future supplies of liquid fuel. The difficulty is that new supplies of oil cannot be opened as quickly as supplies of coal, or [illegible] case of oil, not only have the fields to be located, but [illegible] to be done and a vast amount of material and labour has to be provided, in the direction of drilling, laying pipelines, erection of storage tanks and refineries, and building of tankers to transport the oil to the points of consumption. The world's production of liquid fuel, after deducting what is consumed by refineries and on railways, available for sale outside the countries of origin is to-day probably not more than 10,000,000 tons, but I see no reason to doubt that this will in the course of a few years, even reckoning only supplies from already proved fields, amount to fully 50,000,000 tons, or the equivalent for burning in Diesel engines of 175,000,000 tons of coal. But this, for the reasons I have given, will require time to put on the market, and meanwhile shipowners should, as Lord Pirrie recommends, go slowly and make sure of their supplies in advance. Those who are first in the field for such oil as may be available will, however, have such an enormous advantage over those who remain dependent upon coal that there are already very evident indications of a "scramble" for the existing supplies.

As regards the future course of the market, it is difficult to prophesy, but so much of the price is made up of freight, which still for tankers stands at a very high level, that a decline on present prices may be regarded as a certainty whenever the supply of tanker tonnage approximates more nearly to the requirements of the trade. When this is likely to be shipowners themselves are able to judge as well as anyone.

Persian Petrol.

Whilst on the subject of our production I would like to say a few words about the quality of our petrol. It has been publicly stated by Sir Marcus Samuel that Persian petrol was almost useless for aviation purposes, whilst, on the other hand, the petrol of Sumatra and/or Borneo was an extraordinary spirit, possessing powers which no other petrol had. We have not considered it necessary to contradict this statement, or other misleading ones regarding the toluol contents of our oil, so long as our petrol was being marketed by Sir Marcus Samuel's companies, but now that we are about to market the Persian spirit under our own brands the time has come to say that these statements are entirely without foundation, and to let it be known that the Air Ministry, after conducting exhaustive flight and chemical tests of our spirit, have submitted to us two long reports from the Air Research Department, in which the following conclusions are arrived at:—

(1) Persian Spirit No. 4 (Persian Aviation Spirit) is recommended for aeroplane engines, and it appears in all respects as satisfactory as Shell "A" (Shell Aviation Spirit).

(2) No alteration or adjustment to carburettors need be made when substituting one fuel for the other. It is considered that the fuel would be found quite satisfactory in service.

[illegible] 400,000 tons of Persian spirit per annum, and shall shortly be in a position to produce 700,000 to 800,000 tons per annum. [illegible] statements which had hitherto been made as to its quality is of great importance, not only to the Company but to petrol consumers generally all over the world. (Applause.)

Fields and Production.

As stated in the report, our fields in Persia still main- [illegible] rate" in the report should have been "extraordinary high [illegible] instance. Well F7, to which I have frequently referred in former years, and which has been continuously flowing since November 1911, is now giving a larger production than ever, maintaining a steady daily average of 11,000 barrels, with the well only partly opened and with very little diminution in pressure. We have many other equally good [illegible]

but meantime these cannot be opened out until our pipeline capacity is further increased. We have been gradually extending the limits of the already proved areas, and the results are most gratifying, and I can now more than ever confirm the opinion I have frequently expressed on former occasions as to the great richness and potentialities of our fields.

We have still no new fields in Persia to report, as our operations have again been considerably interfered with during the past twelve months by transport and other difficulties, but the testing of the areas previously referred to, as well as others since selected, is being carried on as actively as possible, and there is every reason for anticipating favourable results. As mentioned in the report, we are also carrying out geological examinations in various other parts of the world, and on some of the areas selected we have already started test drilling operations.

The Company's Fleet.

To meet our increasing transport requirements, we have, since I last addressed you, arranged for further large additions to our fleet, and the total number of vessels which we and our associated companies now have afloat, building or on order, is 110, with a deadweight capacity of over 1,000,000 tons—a fleet which is, I believe, not equalled by that of any other company. It is needless to say that we have only entered upon this big programme of tanker construction at a time when building costs are so high after the most serious consideration and in full confidence that the step will not only be justified pecuniarly but is an absolutely necessary corollary of our other developments. Tankers are an essential part of our business, just as much as wells, pipelines, refineries, and distributing organisations. They have, indeed, been very aptly described by one of my colleagues as our "floating pipelines" to connect our fields and refineries with our distributing markets, and it would be folly for us to organise ourselves in the direction of production, refining, distribution, &c., for a trade of, say, six millions tons per annum if we are only provided with tankers capable of transporting, say, one million tons per annum. The high cost of the tankers which we are now building will, however, be averaged down considerably by the low cost to which our present fleet has already been written down, and we also anticipate being able to write down the cost of the new boats very rapidly.

Political Situation.

As indicated in the earlier part of my remarks, our relations with the Persian Government continue to be of a most cordial character. The disturbed conditions which have existed in Northern Persia and in Mesopotamia have in no way affected the work at our producing fields, which are, as you know, situated in Southern Persia, adjacent to the Persian Gulf, but they have to some extent interfered with the testing operations which we have been carrying on in the Persian territory bordering on Mesopotamia.

The situation in Northern Persia is, as you all know, extremely critical at the moment, but I have every confidence that the Mejliss will shortly ratify the Anglo-Persian Agreement, and thus place its Government in a position to ward off the dangers now threatening that part of Persia.

Oil Rights in Mesopotamia.

As to Mesopotamia, you will no doubt have seen from the Press the controversy which is going on in regard to the oil rights which were acquired before the war by us and others from the Turkish Government. The United States have, it is much to be regretted, made a diplomatic question of this matter on the ground that the recognition of these rights would be introducing the policy of the "closed door" in Mesopotamia in violation of the mandatory principle. The object of this agitation is apparent, but it is difficult for us in this country to conceive how such an obviously erroneous contention can receive the diplomatic support of the United States Government, and I feel that it is my duty, as well as that of every loyal British and American subject, to endeavour to dispel the cloud of misunderstanding which has been created around this subject by Press writers and others, in order that the people of the two nations may have no doubt as to the real point at issue. This point is a very simple one indeed. It is a well known doctrine of State succession that the Power which inherits alien territory must recognise previously acquired rights of private owners. The Standard Oil Company before the War claim to have acquired certain oil rights in Palestine which may, for all anyone knows to-day, be just as valuable as the Mesopotamia oil rights. Similarly, we and other Nationals before the War acquired rights in Mesopotamia and in other parts of the former Turkish Empire. All these rights will necessarily have to be recognised, to the extent of the non-enemy interests in them, by the administration, Arab or whatever else it may be, which eventually undertakes the Government of the mandated territories, unless, of course, the principles of Bolshevism are to be adopted in dealing with them. There is no question here of the "closed door" to America, but quite the contrary. If the Standard Oil Company's rights in Palestine are to be recognised—and I have seen no indication that they have any desire to abandon them—our rights and the rights of other Nationals other than enemy in the late Turkish Empire must equally be recognised.

American Aims.

To act otherwise would be to adopt the policy of the "closed door" in favour of America, and against British and other national interests. (Hear, hear.) This object is no doubt the one that the supporters of the agitation have in view in the strong opposition which they have in this and other directions set up against the attempts of this country to make itself less dependent upon foreign controlled concerns for its supplies of oil. But it is difficult to believe that the monopolistic aims which are at the back of this opposition can receive support from the American nation as a whole, or that these aims should for a moment be allowed to disturb the friendly relations between the two countries. I had a call from Mr. Bedford, the head of the Standard Oil Company, on this subject a short time ago, on the eve of his departure to the United States, and on my explaining to him the misapprehension which existed on the American side as to the alleged "closed door" policy in Mesopotamia, I am pleased to say that he appeared to be quite satisfied, and gave me an assurance that he would make it his first duty on arrival in America to endeavour to clear up the unfortunate misunderstanding which exists on this subject between the two countries—an assurance which I hope shortly to see fulfilled, because I am satisfied that Mr. Bedford, who is a large-minded man, is himself well disposed towards this country, and would not for a moment support any policy of selfishness likely to cause disagreement between the two nations. (Hear, hear.)

I am very pleased to see that Mr. Powell, the head of the Anglo-American Oil Company, the English branch of the Standard, in a recent speech at Barrow, also expressed the opinion that no one country could, of course, expect to monopolise the oil supplies of the world. With these authoritative expressions of opinion from two of the principal representatives of American oil interests, I think we may assume that the irritation which has, very regrettably, been aroused in America recently over this matter has no serious foundation, and that it will—like many other slight misunderstandings between the two countries—soon sink into the oblivion which it deserves.

Before I leave this subject I would like to refer to the pathetic account which was given recently in the Press of the enormous sacrifice which the United States had made in depleting itself—not without valuable consideration be it remembered—of its reserves of oil for the welfare of the rest of the world. This was made the basis for claiming that American producers are entitled to their share in future oilfields outside America as well as the enormous ones in the United States and elsewhere which they already hold.

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I am now wondering when we shall see similar demands put forward by the Bolshevists in regard to the oil supplies to other countries from Baku during the past forty years, and from the coal properties in South Africa and even from our own colliery proprietors for the gold and coal of which they have depleted themselves—for the welfare of the rest of the world. (Laughter.) But I would like to point out that the drain on American reserves will be checked just a little and in fact a great deal more, if these outside boundaries are worked by British, French, or other Nationals than they would be if worked by Americans. The only difference is that in the latter case America would still command its eighty per cent. to eighty-five per cent. of the oil supplies of the world, and the rest of the world would be still left almost entirely dependent upon the present monopoly.

No one can reasonably object to American producers claiming a fair share of the world's supplies. But every other country in the world is entitled to object to their demanding a permanent eighty to eighty-five per cent. of the world's supplies—(hear, hear)—and to resent most strongly their opposition to the attempts of Great Britain and other countries to secure their fair share of these supplies, and one more nearly corresponding to their own requirements. To bring forward the mandatory principle in support of monopoly and of confiscation of acquired rights is to travesty all that the mandatory principle means, and the principles which, through the League of Nations, the rest of the world is endeavouring to establish.

Tribute to the Staff.

Before concluding I would like you to join with me in again expressing our great appreciation of the services of our staff. As regards our staff in Persia and Mesopotamia, I cannot do better than quote from a review recently presented to Parliament on the Civil Administration of Mesopotamia. The author when writing of the services rendered by the Company adds that: "The records of its (the Company's) work is one of which all associated with it, as well as the distant oilfields on which it depends, may well be proud." But our operations now are not, as you know, confined only to Persia, but extend to this country and to almost every other part of the world, and it gives me the greatest pleasure to say that in every direction our employees show the greatest possible loyalty and devotion to their duty. There is an intense feeling of pride among them all at being associated with a Company which they know is carrying on a great national work, and which will one day be one of the greatest concerns in the British Empire. We have around us now, I can say without exaggeration, the finest band of workers—both in regard to scientific and technical knowledge and ability and in enthusiasm—possessed by any oil company in the world. The only trouble is that we cannot augment our staff of trained men as rapidly as we should like owing to the hitherto inadequate facilities in this country for technical training in oil, but this is a difficulty which, by the endowments we have given to the Cambridge and Birmingham Universities, and by training men in our own fields, works, and laboratories, will no doubt in time be overcome. Oil, as you know, is practically a new industry for the British Empire, and it is necessarily difficult to create at once the great number of geologists, field and refinery technicians, chemists, and other specialists required for the big developments which we and other British companies are now undertaking, particularly at a time when so much expansion in the oil industry is going on all over the world. But now that the matter of producing these specialists in adequate numbers has been taken energetically in hand, there is no doubt that this country will—as it has done in the past in every other branch of scientific and technical work—soon be able to hold its place against any other country in the world. (Applause.)

I now beg to move: "That the report of the directors, balance sheet, and profit and loss account for the year ended March 31, 1920, be received, approved, and adopted," and I will ask Lord Inchcape kindly to second that motion.

The Rt. Hon. Lord Inchcape formally seconded the motion.

The Preference Share Dividend.

The Chairman: I shall be pleased now to answer any questions, and I may say I have received a letter from one shareholder putting forward the suggestion that the dividend on the Preference shares should be increased to a fixed eight per cent. Much as I should like to put forward this suggestion I am afraid it is an impracticable one. As the Preference shares of this Company are really gilt-edged securities it would be placing them altogether on a wrong basis were we to increase the dividend on them to the rate suggested.

Mr. G. A. Christian said that looking at the balance sheet he noticed that they had now £2,000,000 in War Loan, against £1,700,000 a year ago, and that their holding of British Treasury Bills also ran to nearly £2,000,000. Of course, these were short-dated securities, but personally he thought it was regrettable, when every business man was satisfied that there ought to be Government retrenchment, that a big financial corporation like this should have committed itself to fresh loans to the Government. All these loans to the Government by being taken away from business interests did harm to business interests and encouraged the Govern-

[illegible] even its own supporters, an extravagant policy.

Sir J. D. Rees, Bart., M.P., said they [illegible] Persian Oil Company had some perhaps undefined responsibility, at least to some extent, for the prices of petrol in France. He would like to inquire of the Chairman whether the Company had any responsibility for the price of petrol in France or indeed in the United Kingdom.

[illegible] he thought he could give an assurance that the Company would not be investing any more of its funds in War Bonds. With regard to the question about petrol, the Company had no control whatever over its price in this country or in France. All its petrol, excepting what would be produced later in Swansea and in Scotland, was sold until 1922, and meantime it would have no voice in regard to the price ruling in this country or elsewhere.

The motion was then carried unanimously.

The Chairman next proposed "(1) That a participating dividend at the rate of two per cent. per annum, less income tax, be paid on the Preference shares in respect of the year ended March 31, 1920, and that such dividend be paid, together with the Preference dividend at the rate of six per cent. per annum for the half-year ended on September 30 last, on January 31, 1921, and (2) that a dividend at the rate of twenty per cent. per annum, less income tax, be paid on the Ordinary shares in respect of the year ended March 31, 1920, and that such dividend be also paid on January 31, 1921."

Sir Edward H. Packe, K.B.E., seconded the resolution, which was unanimously approved.

The Board of Directors.

The Chairman: Before proceeding to the business of the election of directors, I desire to express the great regret that we all feel at the death this year of our esteemed colleague, Mr. James Hamilton. Mr. Hamilton was, until his health began to fail some twelve to eighteen months ago, one of the most active and useful members of our board. He always had unbounded faith in the enormous richness of the Persian oilfields and in the great future which lay before this Company, and his confidence, coupled with his great experience in oil matters, was much valued by all of us, and was of great service to the Company. In his death we have suffered a severe loss, and I am sure you will all join with me in the expression of regret which I have voiced. (Hear, hear.) My attention has recently been called to the fact that Mr. Hamilton's death is the sixth out of the original members of the board who have passed away since the Company was formed in 1909, leaving only three—Sir Hugh Barnes, Sir John Cargill, and myself—of the original members. The members no longer with us are Prince Francis of Teck, Lord Strathcona, Mr. D'Arcy, Mr. C. W. Wallace, Mr. Garson, and now Mr. Hamilton. This is a very heavy toll in such a short number of years, and it is somewhat painful to remember that so few of the men who first brought this Company into existence have lived to see their anticipations as to its future so far advanced towards realisation. To fill the vacancy caused by his death we have elected Mr. J. Douglas Stewart, the Managing Director of the British Tanker Company, whose energy and great knowledge of shipping matters have proved of immense service to the Company. Under Clause 6 he now retires and needs to be re-elected. Sir Hugh Barnes, Sir John Cargill, and Lord Southborough retire by rotation and offer themselves for re-election. The nature of the services of these gentlemen to the Company is so well known that I am sure no words of mine are needed to ensure their unanimous re-election. I now beg to move: "That the election of Mr. J. Douglas Stewart to the board be confirmed, and that Sir Hugh S. Barnes, K.C.S.I., K.C.V.O., Sir John Cargill, Bart., and the Rt. Hon. Lord Southborough, P.C., G.C.B., G.C.M.G., G.C.V.O., K.C.S.I., who retire by rotation and are eligible for re-election, be and are hereby re-elected members of the board."

Admiral Sir Edmond J. W. Slade, K.C.I.E., K.C.V.O. (Vice-Chairman) seconded the motion.

The Chairman said that before putting the resolution he might mention that the absence of Sir John Cargill was due to his being in Burma at the present time, while Mr. Nichols, another member of the board, was in Persia.

The resolutions were unanimously passed.

On the motion of Mr. Arthur Fleming, seconded by Mr. Sharpe, the auditors, Messrs. Brown, Fleming and Murray, were re-appointed.

Sir J. D. Rees, Bart., M.P., proposed a vote of thanks to Sir Charles Greenway, remarking that they all enjoyed the great prosperity [illegible] eventful decade, including the past year. Sir Charles had been the guiding spirit of his distinguished board, and all the shareholders, he felt sure, were grateful to their Chairman [illegible] them. (Applause.) The Chairman possessed a gift, not always given to great statesmen or business men, of lucid [illegible] to [illegible] really a great imperial enterprise.

Mr. Sharpe seconded the vote, which was unanimously accorded.

The Chairman, having briefly acknowledged the compli-

MEXICAN RAILWAY COMPANY, LIMITED.

Situation in Mexico.

The 111th ordinary general meeting of this Company was held on December 22, at River Plate House, Finsbury Circus, London, E.C., Mr. Vincent W. Yorke (Chairman of the Company) presiding.

The Chairman said: The report and accounts which are in your hands, dealing as they do principally with the period anterior to the return of the property, need not, I think, occupy much of your time to-day. I would, however, again call your attention to the large figure standing to the debit of net revenue account, which had increased during the half-year from £695,426 to £805,000, and to the amount of Deferred Interest certificates, which had all but reached the amount of £1,000,000 sterling. They were then, at June 30, only about £10,000 short of that figure, and at the end of this year will stand at about £1,100,010. As regards this interest, I may remind you that we have a moratorium, which extends until January 1922 for the Six per Cent. Debentures, and until April 1922 for the Four and a-half per Cent. Debentures, so that we still have some time in which to consider how this very large indebtedness can best be met.

As regards the agreement with the Government for compensation to the Company, I have little that is new to tell you. The payment of the first instalment thereunder does not fall due until January next, so that we have not as yet reaped any benefit from it. It is satisfactory, however, to be able to inform you that the undertaking to grant freedom from Customs duties on imported materials has been carried out by the publication of an official decree to that effect.

We have not as yet heard what steps, if any, have been taken to make the technical examination of the property called for by the agreement, but this is likely to prove a long and difficult process, and it is as yet too soon to hope for any agreement of the sum which may be due to us in respect of damages.

We have now, as you know, been working the property uninterruptedly since June 19 last, so that it is possible to form some idea of what our earning power in the future is likely to be. On the whole, I must say that the results shown seem to me most encouraging. It has been a very difficult time for our management, as, when the property was returned, our locomotives and rolling stock were found to be in a very sorry plight, and in every department of the railway it has been a question of making bricks without straw. In addition to this, there has been a succession of serious strikes, principally at Orizaba, where our shops are, and at Vera Cruz, the principal harbour of the country. The difficulties of working the railway, therefore, have been very serious, but in spite of that we have been able to keep running, and show quite satisfactory results.

Net Earnings.

The net earnings for the period June 19 to September 30 last amount to $832,700, which, though considerably below the earnings of the period of our greatest prosperity—1910-1912—are about the same as our earnings for the three months July to September 1914. You must bear in mind also that, while the peso in 1910-12 was worth 24½*d*., and in 1914 only 10*d*., to-day it is worth about 33*d*. Taken at this rate of exchange, the earnings, based on the result of the three months to September 30, give a sterling figure at the rate of about £450,000 per annum, which is very little worse than the figure shown during any one of the best years in the history of the Company. For this, of course, exchange is largely responsible. Mexico to-day has a gold standard, and is using gold and silver only as currency, and a return to paper currency, after the disastrous experience of paper money which the country has gone through, seems highly improbable. So that, although I am fully aware how difficult it is to predict the course of exchange, it would seem quite possible that the present premium, which we enjoy owing to the fact that we take all our earnings in gold and silver, may continue for some time to come.

Favourable Traffics.

As regards volume of traffic, we are in a favourable position to-day, as the companies with whom we compete are fully occupied in putting their properties in order, and are not in a position either to seek for traffic or to carry it on any large scale. There is little doubt that the falling-off in gross traffics, which has set in for the last few weeks—I am glad to say the traffic return yesterday was considerably better—is directly attributable to labour troubles. I understand that they have resulted in a large accumulation of import traffic at Vera Cruz, and I think it is reasonable to look forward to an increased movement over the line in the immediate future.

As regards the state of the property, I have little that is fresh to tell you. Our people have been too busy with all their difficulties to send us detailed reports. But I fear that the gloomy forecasts which I have made from time to time as to the amount of damage that would be found to have been done were not exaggerated, and that in every direction the work of reconstruction will be very heavy and very expensive. However, some good work has already been done, especially on the permanent way, which has resulted in a lessening of detailments, and hard work in the shops has provided, and kept in running order, quite a number of locomotives. As this work proceeds it will be possible to introduce improvements in train service, which at present compares unfavourably with the service given in old days. It is satisfactory to be able to tell you that every one of our branch lines is in service again, though the staff, owing to the stations in outlying places having been almost entirely destroyed, are working under great difficulties.

Conditions in Mexico.

With regard to political and general conditions in Mexico, all accounts received point to an immense improvement in the last six months, and ther can be no doubt that the whole country is in a far more settled state than at any time during the last ten years. There appear to be no organised forces in any part of the Republic operating against the present Government, and there have been, during the last six months, no disturbances of any sort, so far as I know, in the southern regions which our railway serves.

Señor de la Huerta, who has been President *ad interim* since the downfall of Señor Carranza, carried out the duties of his office with much skill and discretion, and seems to have given satisfaction to all classes of the Mexican people. In an interesting address to Congress delivered on September 1 last, he expressed the earnest intentions and desire of his Government to foster good relations with foreign powers and to re-establish the credit of the country by resuming as soon as circumstances allow the payments of interest on the foreign debt. Señor de la Huerta has now been succeeded by General Obregon, the President duly elected under the law, who assumed office on the first day of this month. There is every reason for believing that General Obregon is well disposed towards foreigners who have interests in Mexico, and will do his utmost to deal justly with the many claims and grievances of foreigners which await settlement.

Latest Cable News.

I will now read to you the latest cable received from the General Manager: "Recent traffics affected by strikes Vera Cruz and Orizaba, which has left a large quantity of import traffic to move. Good local traffic still moving. Preparations for sowing active. Political conditions promising. General trade conditions immediate future not good, financial conditions in United States and fall in silver must affect business." Though he sounds a warning note in the last sentence, I read the cable to mean that our General Manager takes a hopeful view of the immediate future of the business, and with that view I fully concur. I have been enormously encouraged by the good results which the working of the line has shown in spite of every conceivable difficulty during the few months that we have been in possession of the property, and, given stable conditions in Mexico, which is a country with greater power of recuperation than any other known to me, I look forward to even better results in the future.

I think that you should know that it is my intention to pay a visit to the property immediately, and I hope to leave for Mexico before the end of next month. Mr. Cater Scott, who is now at Havana, will also accompany me. We, on the board, have always been impressed with the importance of keeping in personal touch with the management, and at this particular time it is of great moment that we should have an opportunity of exchanging views with the new Mexican Government. The relations of this board with the Government have always been of the most sympathetic character on both sides, and I am quite sure that the renewal of these personal relations, which have been interrupted necessarily for the last ten years, can only be a good thing for the Company.

I now beg to move: "That the directors' report to the stockholders and the accounts and balance sheet to June 30, 1920, be received and adopted."

Mr. Henry Goschen seconded the motion.

The Chairman, in reply to questions, said the directors had not yet made up their minds with regard to a settlement with the Debenture-holders. The whole matter really turned on the question of how much compensation they received from the Mexican Government. He would point out that all their largest claims were provided for under their agreement with the Government, but there had not been time since June last to investigate those claims and assess the amount which was due to the Company.

The resolution was carried unanimously.

Mr. E. C. Humphreys proposed a hearty vote of thanks to the Chairman, directors, and the staff of the Company for the very judicious conduct of the affairs of the railway, not only during the past half-year, but in the preceding years, especially during the time when the railway was in the hands of the Government. He felt that the shareholders had perfect confidence in the Chairman and directors, and that before long they would see the Company through their difficulties and, he hoped, restored to the status of a dividend-paying concern. He would like especially to mention Mr. Holloway, the General Manager, in that vote, as he had done yeoman service for the Company and was in a very onerous and responsible position.

Mr. L. Davis seconded the motion, which was carried unanimously, and the Chairman having briefly replied, the proceedings terminated.

CASTLEFIELD (KLANG) RUBBER ESTATE, LIMITED.

THE annual general meeting of this Company was held on December 21 at the offices of the Company, 7 Martin's Lane, E.C., Mr. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman said: You will see that the output of rubber has increased from 536,392 lb. to 724,021 lb. The actual realised crop falls short of the Manager's estimate, owing to unfavourable weather during part of the year. A larger crop could easily have been obtained, but the policy of the board has always been to conserve the bark, with a view to maintaining steadily increasing outputs and allowing for satisfactory renewal. As a matter of fact, the bark consumption of the Company's estate is exceptionally low, and the period allowed for renewal is no less than fourteen years, and this conservative policy undoubtedly has a great influence in eliminating disease as far as it is possible to do so.

The net realised price obtained for our product was approximately, 2*s.* per lb., being an increase of about 3*d.* per lb. on the previous year's figures. The cost of production has increased to some extent, as is the common experience of all other estates. Notwithstanding this, however, the net profit has increased from £22,700 to £32,000, or an advance of over forty-five per cent. The results thus afford every reason for congratulation, and under normal conditions it would have been my pleasure to propose a substantial final dividend for your approval at to-day's meeting. As you are aware, we have paid an interim dividend of twelve and a-half per cent., which, by the way, is equal to twenty-five per cent. on our last year's capital. We are proposing to transfer the sum of £7,035 to reserve account, making a total reserve of £30,000, and to carry forward the substantial balance of £22,977, subject to taxation and other charges, which, however, will not amount to a large sum. We thus have in hand, as distributable, what would be justified by circumstances, an amount equal to over twenty per cent. of the issued capital of the Company.

During the current financial year the output under restriction should be between 600,000 lb. and 650,000 lb. The estate will be maintained in first-class condition, but every possible economy will be effected by curtailing capital expenditure and closely supervising each item of the normal expense.

In conclusion, I would like to say that we have in Mr. Gardner a Manager of sound judgment and wide experience who fully realises the necessities of the case, and may be relied upon to fully carry out the instructions of the board in the best interests of all shareholders.

Sir Herbert H. Bartlett, Bart., seconded the motion, which was unanimously adopted.

The retiring director and the auditors were reappointed, and the proceedings terminated.

ASAHAN RUBBER ESTATES, LIMITED.

THE eighth ordinary general meeting of the Asahan Rubber Estates, Limited, was held on December 21 at the registered office of the Company, 1-4 Great Tower Street, E.C. 3, Mr. C. H. Clark presiding.

The Chairman said: The issued and paid-up capital of the Company as at July 31 last was £114,894 1*s.* 6*d.*, as compared with the previous year's figure of £114,842 11*s.* 6*d.* The total capital expenditure to the date of the balance sheet was £139,642 5*s.*, and after deducting from that the amount of the reserve fund of £20,079 12*s.* 6*d.*, the net book cost per acre of the 2,634 acres planted at July 31 last was £45 7*s.* 10*d.* In arriving at that cost no account is taken of the valuable reserve land of 5,707 acres belonging to the Company. At the close of the financial year there was a deficit on capital account of £4,661, and we have to meet an estimated capital expenditure for the current year of £11,202, making an estimated deficit at the close of the current financial year of £15,863. Against this, however, we have the amount of undistributed profits carried forward of £20,759, which will leave us with a surplus of £4,896. During the year the planted area was increased by 170 acres, making it 2,634 acres, and work is proceeding on the balance of 350 acres of new clearings previously sanctioned. The crop harvested during the year was 830,100 lb., against an estimate of 750,000 lb., and a previous year's total of 537,287 lb. The average number of trees in tapping was 206,322, as against 127,360 last year, and the average yield per tree 4.06 lb., against 4.21 lb. The cost of production f.o.b. at port of shipment, including provision for commission to staff, depreciation, etc., but excluding loss on exchange, was 1*s.* 0.5*d.* per pound, as against 11.14*d.* per pound for the previous year. Including the estimated value of the unsold portion, the crop realised a net average price of 1*s.* 11.22*d.* per pound, against last year's figure of 1*s.* 8.59*d.* per pound. The visiting agent reports that during the year the estate roads have been kept in a good state of repair and are in excellent order. No trouble has been experienced from disease of the trees. The labour force on the estate was adequate for all requirements, and the number employed shows an increase of 199 on last year's figure. The Manager estimates the crop for the current year at 875,000 lb., but this will be subject to reduction by 25 per cent. as from November last in conformity with the scheme for restriction recommended by the Rubber Growers' Association, which became operative on that date. The net profit for the year amounted to £29,798 13*s.* 8*d.*, to which falls to be added the unappropriated profit brought forward from last year of £3,025 0*s.* 11*d.*, making together the sum of £32,823 14*s.* 7*d.* to be dealt with to-day.

The Favourable Position.

I am extremely glad to be able to congratulate the shareholders in this Company upon the fact that it has been possible to bring the Company round to a point now where it is in as favourable a position to cope with the present crisis as possibly any other Company is. I think that must be a cause of great satisfaction. Another cause of great satisfaction, I think, is that rubber shareholders generally in sound concerns may feel satisfied that, although we are faced at the present time with what undoubtedly is a severe crisis in the industry, yet I do not think [illegible] recognise the fact that it is a crisis of a passing character. Fundamentally the industry is sounder, perhaps one would be strictly correct in saying, to-day than it has ever been with regard to the actual using of rubber as far as we can judge, and the only question about it can be whether a little less or a little more will be used than was the case a year ago. But it is going on day by day, and is a matter of absolute certainty, and that the world's needs for rubber in the future will be greater than ever before seems to be also an absolute certainty. I thank you for your attendance. That concludes our business.

TAQUAH MINING AND EXPLORATION COMPANY, LIMITED.

THE twentieth ordinary general meeting of this Company was held on December 20 at 59A London Wall, London, E.C., Mr. T. F. Dalglish (Chairman of the Company) presiding.

The Secretary (Mr. T. J. Foster, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of his speech, said: The net result of the year's working is a profit of £51,129—practically the same as in the previous year. With the amount brought forward there is a total credit balance of £75,846, out of which dividends have been paid aggregating twelve and a-half per cent., leaving £27,411, which we recommend should be carried forward. Taking the items of stores and materials, sundry debtors, War Loans, and gold and cash in hand, we have a total of liquid assets amounting to £132,596. Against this sum we have sundry creditors, bills payable, and unclaimed dividends amounting to £42,711. We have thus a surplus of £89,885.

Position at the Mine.

With regard to the mine, our position is not so satisfactory as it was last year. Our reserves of developed ore have been reduced by 28,180 tons, and the value is estimated at 2*s.*.3*d.* per ton less. As I mentioned last year, we have encountered a curious development at the fourteenth level, the bottom of our mine. The reef there took an upward turn, and we have followed it for 250 feet. At this point we are again in a quandary, and diamond drilling is being proceeded with. You will appreciate the difficulty of work here for lack of ventilation, and the consequent reluctance of natives to work in considerable discomfort. For a considerable portion of this rise the width and value of the reef disclosed are satisfactory. But it is going to be more costly to stope and haul the ore, and we must be prepared for a corresponding reduction in our profits. It is now more necessary that we should also spend money in exploring the remaining area of our property. Our workings only deal with about one-third of its extension on the line of the reef. We are, therefore, continuing at least one level north and south of our workings, and a large amount of diamond drilling is being done, which may disclose other payable leuges at any time.

In order to widen our interests and to increase our prospects of additional revenue, we have acquired a substantial interest in the Taquah Central Mines, Limited, whose property is situated about mid-way between the Taquah and the Abosso Mines. This property has been favourably reported upon by several mining engineers of repute, and your General Manager, Mr. Campion, [illegible] opinion of its potentialities. The issued capital is unusually low for a property of such dimensions. It is only £124,628, of which about £60,000 represents cash and uncalled capital. The property extends for 6,000 feet on the line of the reef, and [illegible] A shaft has been sunk to a depth of 300 feet, and a considerable amount of mining work has been done. There is a quantity of plant and machinery and buildings, all of which can be used in developing the property. Work is now proceeding actively under the direction of Mr. Campion, and I trust we shall have good results [illegible] development is [illegible] towards.

Native Labour.

I now come to the ever-recurring question of native labour. It has always been one of our greatest difficulties, and we suffered from its shortage during the year under review, as is evidenced by our developments and the reduction of the tonnage of ore treated. Since the close of the financial year the position has [illegible] The Government has entered into [illegible] the collection

of the country for native labour, and with most serious results so far as the mining industry is concerned. The Government has recruited a large amount of labour for its railway and public works since June last, and our recruiting agents have had little chance of making good the wastage of time-expired natives. The effect on our Company can be shown in a few words.

Last year our monthly output of gold averaged about £14,500, and our net monthly profits about £4,300. Since June last our monthly average output of gold has been £9,700 and our average profit £2 000. We are led to believe that the production of gold is of great importance to the Empire, yet so far as West Africa is concerned the industry has not received the consideration which might have been expected. I understand many thousands of "boys" are employed by the Government between Coomassie and Seccondee, many of whom would have been available for the mining industry. One or two thousand of these distributed among the producing mines would make all the difference, and enable them to realise the profits which they are entitled to expect. Our General Manager visited the Governor at Accra last month before leaving the Coast, and obtained from him a promise that he would do all he can to help us, but it will take some time to make up the leeway. The Abosso Company, in which we are so largely interested, has suffered from the same cause. In this case the shortage of labour is particularly aggravating, as the mine itself never showed better promise of good returns.

The report and accounts were adopted and the formal business was duly transacted.

ABOSSO GOLD MINING COMPANY, LIMITED.

The twentieth ordinary general meeting of this Company was held on December 20 at 59A London Wall, London, E.C., Mr. T. F. Dalglish, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: The results of the year under review show a great improvement on its predecessor, and is evidence of what the mine is capable of, provided a sufficiency of labour is available. There is little doubt that we could do still better had we enough labour, as our plant could deal with a much larger tonnage of ore than has been treated during the year, and our mine is now sufficiently opened up to supply it.

The profit and loss account shows that we realised £177,735 15*s.* 4*d.* from the gold won, equal to 43*s.* 0.5*d.* per ton treated, at a cost of £121,724 12*s.* 9*d.*, equal to 32*s.* 6.72*d.* per ton. After writing off various items for depreciation and shaft sinking and taking credit for sundry receipts, interest, and income tax recovered, a balance of profit amounting to £60.039 7*s.* 6*d.* has been carried to appropriation account. Adding the balance of £17,934 15*s.* 3*d.*, a total credit of £67,974 2*s.* 9*d.* is arrived at, from which two dividends amounting together to 12½ per cent., or 2*s.* 6*d.* per share, have been paid during the year, absorbing £50,000. The board recommend that the balance of £17.974 2*s.* 9*d.* be carried forward to the current year.

You will have observed from the report that our working costs have been reduced by 3*s.* 1*d.* per ton as compared with the previous year's figure. In these times, when one is accustomed to see increased costs in every direction, this is somewhat of a record. This reduction has been brought about by economies due to the efficient supervision of your General Manager, Mr. G. W. Campion, the Mine Managers, Mr. D. A. Thompson and Mr. Rowe, and their staff, to all of whom every credit is due.

Financial Situation.

The various items on our balance sheet do not call for any particular comment, as they are all more or less normal. Our financial position is satisfactory. Our liquid assets, represented by the items stores and materials, sundry debtors, gold and cash, show a surplus over the amounts due to sundry creditors for bills payable and unclaimed dividends of about £43,300.

Mine development item, however, shows an increase of about £6,000, which is represented by the addition to the tonnage opened up. This figure is estimated at June 30 last at 300,000 tons, and, I am glad to say, shows an increase in value of 1*s.* per ton. This improvement is accounted for by the larger tonnage now opened up in our West Reef, where the values are higher than in the Main Reef section of our mine. You will no doubt have noted with much satisfaction that in No. 13 Level on the West Reef, which is at present the bottom of the mine, we have opened up 720 feet on the ore shoot, the average value of which is 45*s.* per ton over an average width of 51 inches. This value is based on the standard value of gold at 85*s.* per ounce. The present value of gold in the open market is about 116*s.* per oz. This shoot should be highly profitable to work, given a sufficiency of native labour, and on this supply everything depends.

A Vital Point: the Supply of Labour.

During the financial year we managed to get along fairly well with the supply available, but in July last we found this supply seriously effected by the competition of the Government. As you will no doubt have noticed, the Government floated a loan on the London market for £4,000,000 last spring to enable it to carry out certain public works and railway extensions and improvements. The programme originally drawn up required more native labour to carry it out than is available in the whole colony. Representations were accordingly made to the authorities by representatives of all the industries, and particularly by representatives of the mining industry, which, so far as we are concerned, had only a slight effect. It is true we have been allowed to recruit in the district from which we used to get our principal supply, but only in competition with the Government agent. You will no doubt appreciate our difficulty when the Government agent, with all the prestige of the Government behind him, is offering the native more congenial work. The result is that the supplies for the mines have been meagre and have not kept pace with loss from time expired natives. We are told that the increased supply of gold is of great importance to the Empire. I should have thought one of the first considerations of any Government would have been to foster the industry. The Gold Coast Government are employing many thousands of natives between Coomassie and Seccondee, among whom are many capable of working in the mines, who, in fact, but for this Government competition, would have been available. A fair proportion of these natives distributed among the operating mines would be a God-send, and would restore the position. Our General Manager, Mr. Campion, visited the Governor at Accra shortly before leaving the Coast last month, and obtained a promise from him that he would do all he could to help us. An important addition has been recently made to your property by the purchase of the mining and other leases of the Wassau Company, and the plant, machinery, and buildings belonging to that Company. The reef bearing area adds almost indefinitely to the life of your mine, and an extensive timber concession of twelve square miles adjoining is a useful addition to our fuel supply.

The report and accounts were unanimously adopted, and the formal business was duly transacted.

STOLL PICTURE THEATRE (KINGSWAY), LTD.

A Very Satisfactory Year: 20 per Cent. Dividend.

The first ordinary general meeting of this Company was held at the Stoll Picture Palace, Kingsway, London, on December 22, when Sir Oswald Stoll (Chairman and Managing Director) presided.

In moving the adoption of the report and accounts the Chairman said: I rise to move the adoption of the report and accounts, which I assume may be taken as read. The board has been congratulated on the balance sheet and the business for the year. This business, although it was highly satisfactory, was somewhat prejudiced by the carrying out of certain structural alterations which occupied considerable time and interfered with the smooth running of the theatre. When the resources of the Company are in full operation, however, even better results may be hoped for. When the Company was formed we provided £60.000 for extending our business over the unused part of our property. We had in view the construction of a restaurant. This, however, we have not been able to carry out. The plans were duly prepared and passed, but when we came to the question of the full licence essential to a properly equipped restaurant of that importance, we were granted only a wine and beer licence. As this would have seriously handicapped our service as compared with that of other important restaurants, like the Holborn and the Trocadero, we decided that the handicap would convert the scheme into a more speculative one, which we had no right to risk £60.000.

Plans for a Bijou Theatre.

We have determined instead to build a bijou picture theatre with 1,000 seats, all of which will be bookable in advance at any of three sessions daily. Connected with the theatre there will be an extensive café. We hope to be able to proceed with that scheme as soon as the plan for producing unemployment by restrictions upon building has been abandoned by the authorities. We are proud that our undertaking is proving so valuable and prosperous. However gloomy the outlook elsewhere may be, we feel that in this theatre we shall have an exception to the rule. Our theatre is a property which for many years turned upon the wheel of ill-fortune, but now it is running on wheels of good-fortune. The property appears to have been all right and to have required only the right kind of policy in order to come into its own. This theatre in that respect reminds one of the country now. The country is all right, too. It only required

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the right kind of policy in industry and finance in order to dissipate the clouds that overhang it.

The Question of Wounded Industry and Finance.

Early in the course of the War Service Association, and organisation for properly housing disabled service men, I was met by people who thought that grossly wounded men, regardless of the nature of their wounds, were "better dead." These people thus callous in regard to human life and human relationships and sympathies, I invariably found did not agree with my views on industrial matters. Their arguments were the same as those now used to support a policy which unconsciously says the same thing of our wounded industry and finance, namely, "Better dead." It is to be hoped, for the sake of our business and of all business, that men in power trusted by the people will not allow such a policy to prevail. Many who support such policy do so in the belief that it is the kind of policy that saved the country after the Napoleonic wars. That belief, however, is quite mistaken. The country was saved at that time by two things; one being the Recoinage Act of 1816, and the other the application of steam and steam power, steam railways, and steam ships which did not exist when the Napoleonic wars ended. The trade of every kind, made England the first manufacturing country in the world, and enabled us to save not only ourselves but Europe, and probably the new American Republic besides. I beg formally to move: That the directors' report, balance sheet, and profit and loss account for the year ending November 3, 1920, be approved and adopted, including the payment of the Preference dividends to September 30 last, and the interim dividend on the Ordinary shares, together £18,862 13*s.* 8*d.*, and that the balance of £40,580 15*s.* 8*d.* at the credit of profit and loss account be dealt with as follows: (1) That the sum of £5,000 be applied in writing off the underwriting commission paid on the issue of the Debenture stock; (2) that a final dividend be paid on the Ordinary shares at the rate of twenty-five per cent. per annum (less income tax), calculated from dates instalments paid, absorbing £12,532 11*s.* 6*d.*, which, with the interim dividend, makes the rate for the year twenty per cent. (less tax); (3) that the balance of £23,048 4*s.* 2*d.* be carried forward to next year, subject to excess profits duty, Corporation profits tax, tax on final dividend, and managing director's remuneration.

Sir James McCrae seconded the motion, which was carried unanimously.

On the motion of the Chairman, the appointments of Alderman H. E. Duncan and Mr. W. S. Crosfield, M.P., as directors were confirmed.

THE AMALGAMATED PRESS, LIMITED.

24th Year.—"Answers," "Home Chat," "London Magazine," as Advertising Mediums.

The ordinary general meeting of the Amalgamated Press, Limited, was held on December 23 at the Memorial Hall, Farringdon Street, London, E.C., Sir George A. Sutton, Bart. (the Chairman), presiding.

Mr. J. R. Sumpter (one of the joint secretaries) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—The balance sheet which you have before you to-day is our twenty-fourth, and it is one, I think, upon which we may congratulate ourselves. There is one noteworthy point in it to which I would like to refer, and that is the fact that the item of goodwill entirely disappears. For many years we have been gradually writing off this item of goodwill, and, needless to say, its disappearance makes the financial position of the Company very strong indeed.

When comparing figures of revenue, it should be remembered that the prices of most of our publications are now, owing to the cost of production, practically twice the pre-War prices. And I am glad to say that even at these increased prices our journals are doing well, the net sales exceeding 9,000,000 a week.

In view of the financial anxieties through which this country, and every other country, is passing to-day, we have reason to be pleased that the capital of our Company has not been grossly inflated. For with the slump in trade, and burdensome taxation, the financial outlook is most obscure, and companies [illegible] such as ours, conservative financial lines, may confidently hope to weather the storm.

Among our latest publications are some of our most noteworthy successes. Harmsworth's Universal Encyclopædia," which is being published fortnightly, and which, when completed, will form the most up-to-date Encyclopædia in the English language [illegible] beginning to end, and the enduring success it has achieved is at once an indication of its value and of public appreciation.

In the early part of the year we absorbed the well-known and long popular publications of Messrs. Henderson, of Red Lion Court, and we hope that the journals thus acquired will form valuable additions to our business.

Our Paper Mills.

You will be pleased to know that the Imperial Paper Mills—the second largest paper mills in this country—in which you have a controlling interest, are doing exceedingly well. During the year it was considered advisable to acquire timber limits for the supply of raw material essential to the paper mills, and a two-thirds interest was purchased in the well-known Gulf Pulp and Paper Company, situate in the Province of Quebec, Canada. My colleague, Mr. Linforth, the Vice-Chairman of the Company, visited Canada in the summer to carry through this transaction, which we believe to be a valuable and necessary acquisition to the Company.

In this connection, the Imperial Paper Mills made an issue of £800,000 (eight hundred thousand) Seven and a-Half per Cent. 15-Year Debentures. The issue was highly successful, and owing to the large number of subscriptions received, the lists had to be closed the day after they were opened, practically the whole of the same being

"Answers" and "Home Chat" Net Sales.

I am happy to be able to tell you that the subscription most recently from you, yours is [illegible] increase, entirely eclipsing all previous years. While this is, in part, due to increases in the rates charged for advertisements, fortunately, it can be attributed in far larger measure to the ever-growing popularity and increasing influence of the Amalgamated Press publications.

There are two factors that make periodicals valuable to advertisers: (1) Their net sales, and (2) the nature of the public to which they appeal. Touching the first, you may know that we have already published the net sales of all your publications that carry advertisements. In the cases of *Answers*, *Home Chat*, *London Magazine*, *Woman's World* (and others which I do not mention) advertisers using such journals will note with interest that none of our imitators have yet published their net sales of similar papers. From this fact alone we may infer (I have no doubt of it myself) that [illegible] are pre-eminent in their respective fields.

Range and Influence of Amalgamated Press Publications.

As regards the second factor in advertising values, no other publishing house in this country can offer to advertisers so wide a range of papers appealing to women and girls as the Amalgamated Press publications. Taken together, your women's weekly papers, girls' weekly papers, and the fashion monthlies constitute the greatest publicity machine of its kind in Great Britain. A typical instance of their value to the advertiser may be mentioned. An agent recently placed an advertisement costing £50 in one only of your women's papers, and his client received no fewer than 8,000 replies!

The "pulling power" of our general publications is amply shown, not only by the great volume of advertising they carry, but by the size of individual contracts placed with us, and the fact that such contracts are renewed again and again.

Where all our publications have rendered such splendid service to advertisers, it is difficult to select any for special mention, but it should be said that *Answers* and the *London Magazine* have never been stronger, nor can I resist another word on the great popularity of *Home Chat*. We try to limit the advertisement space in that paper to 16 pages, but so great is the demand that we are constantly compelled to carry 23 pages of advertisements in order to accommodate our advertising friends.

Children's Dress.

The past year has seen the publication of another Amalgamated Press fashion paper, *Children's Dress*, and I am pleased to be able to tell you that, although it has only been in existence a few months, it is already in strong favour with advertisers.

Fashions for Women and *Home Fashions* have maintained and carried a large volume of advertising throughout the year. So, with the addition of *Children's Dress*, where we had a pair of well-known papers, we have now a trio of immense value to advertisers of women's commodities, especially textiles.

Possible Increase of Advertisement Rates.

It is possible that, in respect of some of our publications, increases in the advertisement rates may have to be made during the coming year. In case this happens, I should like to assure advertisers now that such increases will be imposed solely to meet unavoidable increases in the cost of producing the journals concerned.

High Production Costs.

[illegible] periodicals, and the substantial increases in wages. As was pointed out in the directors' report, these charges at the present moment [illegible] extent this may prevent our floating new publications as freely as we have been in the habit of doing, since it is obvious that we cannot issue new journals unless there is a sufficient margin of profit, anxious as we are to increase our staff, and the number of our publications.

In this connection it will be recalled that I mentioned last year our project of erecting an entirely new printing works on land purchased for the purpose. I am afraid this building will not be ready as early as we had anticipated. Because on account of the [illegible] to which I have referred we have to [illegible]

we had intended. But as soon as conditions prove favourable, we shall hasten on that work.

New Directors,

I have to ask your confirmation of the appointment to the board of Mr. Harold Garrish and Mr. Leslie Clark. Mr. Garrish joined the firm in 1893. He has done valuable work for us, and has earned his directorship.

The same may be said of Mr. Leslie Clark, although he did not join the firm until a later date—1908.

In conclusion, I believe that, whatever vicissitudes publishing businesses may yet have to pass through, owing to the abnormal costs of production (which I hope may stabilise themselves before long), this business is as capable of successfully withstanding any adverse factors as it proved during the anxious period from 1914 to 1918, and subsequent to the Armistice. (Applause.) I now have to move: "That the report of the directors produced, together with the annexed statement of the Company's accounts at October 31, 1920, be received, approved, and adopted, and that a final dividend for the year of 5s. a share, free of income tax, be now declared on the Ordinary shares."

Mr. Arthur E. Linforth (Vice-Chairman) seconded the resolution.

The Chairman invited questions, but none were asked, and he thereupon put the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by Brig.-General William F. Mildren, C.B., C.M.G., D.S.O., the election of Mr. Harold J. Garrish and Mr. Leslie K. Clark to the board of directors was unanimously confirmed.

Mr. Steele proposed the reappointment of Messrs. Turquand, Youngs and Company and Messrs. E. Layton Bennett, Sons, and Company as auditors of the Company for the ensuing year.

Mr. Hartley Aspden, C.B.E., J.P., seconded the motion, which was unanimously agreed to.

The Chairman: That concludes the business of the meeting, gentlemen. I thank you for your kind attendance.

Mr. E. Layton Bennett: Ladies and gentlemen, before we leave I should like to propose a very hearty vote of thanks to the Chairman and the other members of the board for the admirable manner in which they have conducted the business of this Company throughout a very troublesome time. I do not think that any company in the City of London can claim more credit than this Company. In spite of the very heavy charges, including paper, they have shown the best result in the history of the Company to us, the fortunate shareholders. (Applause.)

Mr. Moyell seconded the proposition, and the vote was unanimously accorded.

The Chairman: Ladies and gentlemen, on behalf of my colleagues and myself I thank you for your hearty vote of thanks and congratulations. I can only promise you that the same undivided attention shall be given to the interests of the business during the coming year as has been devoted to it in the past.

The proceedings then terminated.

THE NATIONAL BANK OF SCOTLAND, LIMITED.

THE annual general meeting of the proprietors of the National Bank of Scotland, Limited, was held on Thursday, December 23, in the Bank's head office, His Grace the Duke of Montrose, K.T. (Governor of the Bank), presiding.

His Grace said: Since we met a year ago we have passed through a period of difficult times. The country has felt the severe conditions that have arisen following on the termination of the War, and the trade position is still abnormal, the labour question being a difficult factor. As you will note by the balance sheet now before you, the Bank has assisted in no little degree towards meeting the demands of customers, and, although the Bank's funds to a large extent are still in Government securities, which the Treasury requested your directors to take up during the War, still we have been able to assist reasonably in financing industry to a considerable extent. Your board have carefully gone into every application which came before them, and have at all times considered in a liberal spirit legitimate proposals by customers for support for the furtherance of their business. As regards the year's working, the results on the whole have been satisfactory. The Bank's deposits show an increase of £2,680,000 for the year, and stand at £36,973,000, as compared with £17,000,000 in July 1914. The note circulation continues to grow, as in the case of all the other Scottish banks, showing an increase of £550,000 during the year, the total being £3,799,000, which is four times the amount in circulation in July 1914.

Turning to the assets side of the balance sheet, the coin and money at call and short notice amount to £12,237,000, an increase of £2,114,000 as compared with last year, while British Government securities continue at practically the same—namely, £11,212,000. The investments in general securities show a decrease of £360,000. Total holding now, £342,536. Special provision has been made for depreciation on all investments except in the case of Exchequer and National War Bonds maturing during the next five years payable at par or at a premium, which, however, are also covered, apart from the reserve of £1,000,000. The bills discounted, £3,661,000, stand at £2,251,000 less than last year, but the advances to customers on cash, credit and current accounts are increased by £4,300,000, which has been lent to manufacturers, merchants, and others for the purpose of financing their businesses. Looking at the profit and loss account, you will note that the gross profit is £640,000, an increase of £47,000 over the previous year, but the charges of management at head office and branches, which included a bonus paid to the staff in July last, now stand at £345,000, an increase of £78,000 for the year, while the net profits, £295,310, show a decrease of £31,000, due to increased working expenses.

His Grace then moved that the report be adopted, which was agreed to.

Mr. W. R. Allen has been elected a Vice-President of the Union Bank of Canada, and Mr. G. M. Black and Mr. D. N. Finnie, both of Winnipeg, have been elected directors of the Bank.

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SPECIAL INSURANCE SECTION.

VOL. XCVI.—No. 2212. SATURDAY, JULY 17, 1920.

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O. Morgan Owen, *General Manager.*

INSURANCE.

INTRODUCTION.

In presenting our Annual Insurance Section for the favourable consideration of the public we desire to draw special attention to the considerable alterations and extensions which we have made this year as compared with the information contained in the Section in former years. We have been influenced in the course which we have adopted by a natural desire to make our Insurance Section a publication of up-to-date and valuable information, which will be of use not merely to the casual reader, but also to all those many individuals who are interested from a practical point of view in any statistics relating to insurance business of all classes. We have every hope and confidence that our efforts in this direction will meet with the approval and support of our readers, and that we may reap our reward in the knowledge that our Insurance Section is recognised and utilised as a reliable guide to the conduct and progress of insurance business in this country.

The first point to which we desire to draw special attention is the fact that we are publishing the Section this year several months sooner than has been the case in recent years, whilst at the same time we have endeavoured to include in it all records which have come to hand with regard to statements and accounts covering periods ending during the calendar year 1919. In doing this we believe we have every right to claim that this Section is the very earliest publication to contain such recent and up-to-date information in a tabulated form. In order to achieve this result we have, of course, had to approach all the companies concerned direct, in order to obtain from them copies of their statements and accounts. From these we have been able to extract the required information, and we would take this opportunity of thanking the companies for the ready response they have made to our requests. In a few instances, where the year of account ends during the early months of the calendar year, we have even been supplied with returns for such periods. We have, however, decided to include in our tabulations in every instance the figures relating to the year 1919, so as to be consistent in our returns.

The next point which will strike the attention of those of our readers who are familiar with the form of our Insurance Section in previous years is the very great extension which has been made in the tables, not only in their number, but also in their individual size. Last year the tables amounted to eleven in number; this year they are no less than eighteen. Previous tables have been based on a comparison of figures for the latest year with those of ten years previously. This year we have inserted also the figures for five years previously. By this means a better estimate can be formed of the general tendency of the figures than is the case when figures relating to two isolated years only are compared, either one of which may, for some reason not superficially obvious, be abnormal.

Having followed the lines of previous years in presenting a general survey of the last 20 years' progress in life assurance, we give five tables dealing with Ordinary life business. Table "A" is similar to one formerly appearing, but it has been extended to include the principal items shown on both sides of the revenue accounts of individual companies, whilst Table "B" is a new feature showing similar particulars relating to annuity business in the case of those companies whose figures for this class are recorded separately. Table "C" has been extended by the inclusion of the amount of the life funds, and the insertion of figures for five years previously. In Table "D" the sums assured formerly appearing under the combined heading "Whole Life and Mixed" have been divided into two separate classes. Table "E" is in substitution for the one formerly headed "Valuation Returns," and has been entirely recast on new lines.

The next portion of the Insurance Section deals with Industrial life business, and with the exception of Table "F" is an entirely new feature. Tables "F," "G," "H," and "J" correspond to those appearing with regard to Ordinary business. Considering the important position which Industrial life business occupies in this country, we have had no hesitation in including this new feature in our publication, and we trust that it may prove of great interest and utility to our readers. We regret that, owing to circumstances over which we have no control, we have not been able to make these tables as complete and comprehensive as we would have wished, but we consider that the information they contain is of sufficient importance to justify their publication.

The ensuing portion of the Section is, in the main, similar to that appearing last year under the same heading, but we have been able to extend considerably the tables of rates of premium by the inclusion of more companies and other classes of assurance.

It is in the pages of the Section relating to classes of business other than life that the most extensive alterations have been made in the form in which statistics have usually been presented. The methods and conditions under which these forms of insurance are conducted are so varied and have undergone such considerable changes since the passing of the Assurance Companies Act, 1909, that we came to the conclusion that the form of our tables was no longer suitable to show in a satisfactory manner the actual results, especially from the point of view of comparison between one company and another. We, therefore, decided for the purposes of this year's Section to publish in tabulated form the principal items appearing in the Revenue Accounts for 1919, and to insert, wherever possible, corresponding comparative figures for earlier years. We have also endeavoured to subdivide the information into five principal classes as represented by fire, accident, employers' liability, marine, and miscellaneous. Unfortunately, it has not been possible to adhere throughout to this basis of subdivision, owing to the fact that a number of companies do not publish their accounts separately for each class.

The remainder of the Section follows the general lines adopted in former years, with the exception that, as our tables are much more comprehensive, we have not given under the heading "Individual Companies Described," details of the business of each Company. Where such details appear in the tables the notes contain a simple reference to the fact, and full information is given in the notes of such classes of business only as are not tabulated.

It will be readily recognised that the preparation of an Insurance Section on these new and extended lines has only been accomplished by the expenditure of much time and thought, and has necessitated a large amount of research which would not otherwise have been called for. Whilst every care has been taken to publish only accurate and reliable information, we are quite alive to the possibility of clerical or printers' errors having crept in, and we shall be only too pleased if those who are in a position to do so will draw our attention to any such defects, so that we may make the necessary alterations. All the statistics presented have been freshly prepared and verified from original or official sources.

In conclusion, may we say that the tables submitted do not claim to be in any way comprehensive, nor is it our object to investigate or advocate the advantages

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of individual companies. We have endeavoured to make the tables as complete as possible on the basis of the information available, but circumstances of time and space do not permit of a detailed examination of the figures of every company transacting insurance business in this country. We trust that those companies whose names do not appear in any particular table will not regard the omission as being an intentional slight on our part, but will recognise the limitations [illegible]

1919.

The year 1919 will ever remain a memorable one in the history of the world. The previous November had witnessed the cessation of hostilities in the most gigantic war which this world has ever known, but it was not until the close of June 1919 that official recognition of the end of the War was given by the signatures attached to the Peace Treaty between the principal belligerents. Apart from the one dominant fact of the establishment of peace by this Treaty, the document was and still is of special interest and importance to insurance companies because of the clauses and provisions it contained relating to contracts between companies and individuals on both sides. These provisions are, however, of more interest to those responsible for the inside administration of the business than to the general public, and it is unnecessary to make further reference to them than by saying that the volume of business affected is practically negligible compared with the total amount transacted by British companies. There are, however, many influences operating in the aftermath of the War which are of great practical importance to insurance business, both as viewed from the standpoint of the management, and also as operating on the considerations to be borne in mind by the general public in their position as actual or intending assurers or shareholders.

The first general question which might be asked is: "How have insurance companies as a whole fared during 1919, the first complete year after the cessation of hostilities?" An answer, which might be considered as somewhat incomplete, could be given in [illegible] the year has proved a strenuous one for all those engaged in the conduct of the business, from those occupying high positions of responsibility down to the latest junior recruit to the ranks. During the early months of the year the companies were exerting themselves to obtain the demobilisation of those officials who had been released from clerical duties to "do their bit," especially such as had the advantage of a number of years' pre-War experience. During the War most companies were very patriotic, and did not hesitate to release men for military service, even though by so doing their staffs were reduced to a few men occupying higher positions at the one end and juniors and girls, both of little experience, at the other end. In these circumstances it was hardly to be wondered that a large amount of work usually kept up to date in normal conditions was allowed to fall into arrear, whilst much that was done was not subjected to the severely critical examination customary in pre-War days. As the military men were gradually released and absorbed again on the staffs, whilst at the same time many of the girls and young juniors were retained, it was necessary to submit old methods and arrangements to thorough reorganisation, and take steps to overhaul the arrears of work. Following upon this inside the office, it was soon discovered that other persons and firms were doing the same sort of thing, and one matter engaging their attention was the question of the adequacy or otherwise of insurance cover of all kinds. The result has shown itself in the vast amount of business which has flowed into the offices. Much of this has been of the nature of revision of existing contracts, especially in the case of Fire and Miscellaneous insurances. The continued and pronounced advance in the nominal value of all classes of material, and the enhanced cost of labour in effecting repairs, make it imperative that the individual, who recognises the importance of insurance at all, should add considerably to the amount of cover with which he was satisfied before the War. This applies to practically all classes of insurance, and the result is fully emphasised by the tables we publish on subsequent pages, from which it will be seen that the premium income in almost every case shows a considerable advance on pre-War figures. This indicates the increase in the amounts assured, having regard to the fact that in very few instances has the rate of premium charged for the same class of risk shown any rise.

There are other influences, in addition to the depreciation in the value of money, which have operated in the case of life assurance in causing an increase in the volume of business done. The first and most important cause is the fact that during the War a large proportion of men between the ages of 20 and 40—the period during which life assurance is most usually effected—were quite ineligible for life assurance owing to war risks, except on very special terms, which were in most cases prohibitive. Such men have now been demobilised and returned to their normal occupations, and have caused a large influx of new business in order to overtake the arrears of life insurance cover which was previously denied to them. The issue during the summer of 1919 of Victory Bonds by the Treasury led to the preparation by many companies of special forms of life insurance in conjunction with the purchase of Victory Bonds, and these schemes in many cases met with extraordinary success, thereby attracting a large amount of life business as well as providing the Treasury with many subscriptions which would not otherwise have been realised. Another operating cause in the increase of new business is the combination of the rises in death duties and income tax. Life inspectors and agents are fully alive to the advantages which can be pointed out to wealthy men of effecting life policies. By the allowances which are made by way of deductions from income tax in respect of premiums payable under life policies a man has a direct inducement to assure his life, and by so doing he is able to make some provision for the payment of the duties which will be leviable on his death.

Whilst all these causes have been operating towards the increase in business shown by most companies in all branches of insurance, it does not follow that we are able to answer the question as to how companies have fared during 1919 by saying that they have made a satisfactory trading profit. The amount of business done is not by itself any evidence that the year's working has been satisfactory. A company's premium income is not its only source of revenue, especially in the case of one transacting life business. It has often been said that a life office lives on its interest. This is true in so far as it cannot live without interest. The whole basis of the business depends upon the company being able to obtain a return on its invested capital of not less than the rate assumed in the valuation of its assets and liabilities, otherwise the funds composed out of the premiums committed to its care would not be accumulated at a sufficiently rapid rate to enable it to meet its obligations as they arose, though it might be in a position to carry on for a considerable number of years. Like all other members of the investing public insurance companies have been able in recent years to so arrange their investments that they have been able to realise a gross rate of interest much higher than was the general rule in pre-War years. This

has, of course, been a tremendous advantage, but unfortunately it has been to a large extent counteracted by two adverse experiences. The Government has levied a serious toll upon the income by the increased rate of income tax payable. Until quite recently, it was the common practice for companies transacting only life business to have to pay income tax on the amount of the interest income, this being always in excess of the profit shown. Needless to say, this procedure was a very heavy and unjust burden, seeing that the interest income was a fundamental portion of the means whereby they existed. Recently some relief has been obtained by concessions granted with regard to expenses, but in many cases the impost is a serious one, having regard to the high rate of tax payable. The other factor operating against the benefit derived from the increased gross rate of interest obtained is the large amount that has had to be written off the capital values of investments owing to the depreciation in the value of all first-class securities. That this has been a serious item is shown by a consideration of the reports of nearly all the leading companies, and it must be remembered that this influence has been operating practically over the whole period of the War, so that the figures shown in one year's account do not reflect the full extent to which companies have suffered.

It is not desirable that one direct answer should be given to the general question as to the position of insurance companies during the year 1919, especially as regards those concerns which conduct more than one class of business. It will be readily understood that whilst considerable progress and profits might have been made in one department, it is possible for the experience in another department to have been considerably different. The many classes of insurance business are so diverse in their nature that what may be an advantage to one class may possibly have a different effect in another class. We consider, therefore, that our object will be better served by a consideration of each class separately, and we hope to be able to point out in each case the salient features which tend towards the making of profit or loss. Speaking generally, it may be said that the large composite companies have been quite successful in their operations during the last year. The results shown by them as a whole over all classes of insurance are a very strong argument in favour of the extension of the operations of insurance companies generally to the conduct of all the principal forms of insurance. A consideration of the tables which we publish on later pages will show that whilst some companies have not done at all well in certain directions, they have been able to make up what would otherwise have been losses by the conduct of some other class of business This is especially noticeable in connection with life business, where the adverse elements of the past few years have had a serious effect upon the financial strength of the companies, and it will be seen that some companies transacting this class of business only have shown the effects to a greater extent than do the larger composite companies.

ORDINARY LIFE BUSINESS.

We have already dealt with some of the principal features appearing in the accounts for the year 1919 of those companies who conduct ordinary life assurance. They may be recapitulated under four principal headings.

The first and most striking feature is the very large amount of new business written on. In the course of our articles dealing with this subject in our Insurance Section last year we stated that the outlook for the development of life assurance was immensely better in 1919 than in 1918, and we forecast that when the returns were available it would be found that 1919 had proved to be a record year in the history of life assurance in this country. This prognostication has been verified by results. In almost every report to hand it is stated that the figures of the new business transacted constitute a record in the history of the company concerned, and show a very large advance upon the figures for 1913, the last complete year before the War. That this large influx is not an element without its dangers is well known. The cost of writing on new business is considerably more than that of retaining existing business on the books, and therefore to do an unduly large amount of new assurances may mean that the expense ratio for the year in question shows an upward tendency as compared with years in which the proportion of new business was not so great. There is also the possibility that the extra pressure laid on the responsible officials may lead to the less careful selection of risks, and this will show itself in the course of a few years by the increase in the rates of claim experienced. We do not suggest that this has necessarily taken place in the case of any of the leading companies where the standard of selection of lives is very high, but it is certainly a possibility which has to be guarded against.

The second feature to which reference may be made concerning life assurance business in 1919 is the large increase in the rate of interest realised on the invested funds. This increase is, of course, not experienced by insurance companies alone, but is the general result of the conditions prevailing in the financial market as a whole. It is, of course, well known that rates of interest can be obtained much larger than those shown by the companies, and the fact that the rates realised are moderate as compared with those ruling at the present day is due to two causes. The first is evidence that those responsible for the investment of the large funds committed to their care exercise great restraint in the selection of investments, and confine their attention to such as are of undoubted first-class security. This fact can be proved by a consideration of the list of investments shown in the balance sheets, a summary of which appears on a later page. It will be seen that insurance companies as a whole have shown their patriotism by subscribing largely to the various issues made during the War by the British Government, and at the same time have obtained investments of a gilt-edged nature yielding a much more remunerative rate of interest than prevailed before the War. The second cause operating, to a lesser extent, in keeping the rate of interest within moderate limits is the fact that a company with large investments cannot rapidly exchange them from one class of security yielding a comparatively low return into others of a more remunerative nature. To do so would seriously upset the conditions prevailing in the market, and would probably entail a serious capital loss.

The depreciation in the value of investments and the increase in the rates of Government taxes payable have already been referred to, and, taking them together, it cannot be gainsaid that their effect has been serious, especially in the case of those companies which transact life business only. It would be rash for any person, however well informed he might be as to the conditions prevailing in the financial market, to hazard any pronounced views as to future developments. Should the depreciation in securities continue for any further length of time a situation would be created to which the insurance companies could not look forward with equanimity, and it is one which every person interested in the future security of the British insurance world will hope will never be realised. Whilst we cannot forecast that the bottom has been reached, we have every reason to believe that, at any rate, the worst has been passed, and that the amounts which may still have to be written off capital values for this cause will be very small in proportion to the losses the companies have already experienced. In fact, the optimist may reasonably say that the con-

servative attitude adopted by the companies during the last few years will tend to their ultimate benefit, on the ground that, bottom values having been reached, prices will tend to rise again, and the companies will thus be able to show profits over book values in their accounts as and when their investments fall in for payment or are realised. The other point referred to at the commencement of this paragraph, namely, the increase in the amount of taxes payable, is, we fear, of a more permanent nature, and insurance companies will have to bear their full share of the imposts for a considerable number of years. That they will be able to do this depends largely upon whether the rates of gross interest realisable remain at their present level. Should there be any considerable fall in the rates of interest without a corresponding proportionate fall in the rates of tax, the companies will not be in a position to show the same margin of interest upon which they were able to work before the War.

The fourth and last principal feature to which reference should be made in connection with life assurance is the losses which the companies have experienced owing to deaths arising prematurely during the War. We regret that we are not in a position to give detailed information as to the amount involved by these losses, and, in fact, it may be pointed out that the adverse influence cannot be measured simply by the amount of claims actually paid. In the first place, the measure of the loss in such cases, from the companies' point of view, is the difference between the amount which they were called upon to pay and the amount which they would have expected to pay under such policies in normal conditions. Secondly, it will be realised that in a great many cases the lives assured, whilst escaping immediate death, have had their general health so seriously affected by wounds or disease that there is every prospect of their policies becoming claims earlier than would have been the case had they not undergone the vicissitudes of war.

INDUSTRIAL LIFE BUSINESS.

This class of business is, of course, subject very largely to the same conditions and influences as affect the conduct of Ordinary life business, but there are one or two special points calling for attention in connection with the year 1919. The first point to which we would refer is the fact that, although the total amount involved is not so large, Industrial companies have suffered more severely than Ordinary companies by the payment of claims arising directly out of the War. Owing to the inevitable delays in tracing the missing and in proving death in many cases, the influence of these war claims is still felt, and it cannot be said that their effect has entirely passed. During the early months of last year, also, the mortality amongst civilian lives and particularly amongst the working classes, from whom the bulk of Industrial business is drawn, was very heavy owing to the influenza epidemic.

It is an interesting fact that whilst the amount of new business effected during the year 1919 shows a considerable increase over that for the last few years, the proportionate increase in sums assured is not so large as that shown in the amount of new premiums. This peculiarity would seem to show that the number of policies which has lapsed is less than usual, and also that the average amount of the premium under new policies has increased. This general tendency is borne out by the figures we give on a later page.

The most important event during the year with regard to Industrial business was the Parliamentary Committee of Enquiry set up to investigate the methods under which Industrial life business is conducted. That the enquiry was drastic and that the Committee did not hesitate to probe into the depths of the details affecting the conduct of the business cannot be gainsaid, but, whilst we do not wish to depart from an impartial attitude, we fear that the Report which was published early this year cannot be regarded as an unbiassed verdict based on the evidence given before the Committee. Moreover, whilst the Report does not hesitate to draw attention to and to condemn several points of procedure, it is in most instances unable to suggest any reasonably practical method whereby the disadvantages can be overcome. It is to be hoped that some of the matters dealt with in the Report will soon come up for consideration by the Legislature, particularly such discrepancies as exist at present between the conditions upon which life business can be conducted by companies and by friendly societies. The latter are free from many of the restrictions to which companies are liable, and are therefore free to conduct their business by methods which are often open to serious question, the result of their actions often being to bring companies into disrepute, owing to the ignorance of the public as to the difference existing between them and the societies.

Another serious factor which still operates on the conduct of Industrial business is the fact that the Courts (Emergency Powers) Act is still in force. This Act was intended to prevent undue hardship being experienced by Industrial policyholders in the event of their being unable to pay the premiums on their policies, owing to some cause arising out of the War. It was, however, passed in haste without due consideration, and in fact time has shown that it was almost unnecessary, the majority of Industrial policyholders being generally in a better position than before to pay premiums. Many persons, however, took advantage of the provisions of the Act, with the result that the companies had a burden placed upon them, and are now in the position of having to elaborate schemes to enable these policies to be put in full force again.

FIRE BUSINESS.

The general activity shown in other classes of business is apparent also in fire insurance. The large increase in the value of commodities, and the increase in the cost of labour necessary for effecting repairs to damaged property, has led to a general revision of the amounts for which all classes of property were insured, whilst it has had the effect also of giving rise to questions of insurance cover in the minds of many persons who previously did not consider that their risks were sufficiently serious to require any cover at all. A detailed consideration of the information given in a later portion of this Section with regard to fire insurance reveals the general fact that the conduct of the business during the year 1919 has led to satisfactory results. The increase in business is reflected in a very large increase in the amount of premiums received, the claims experience is in the majority of instances good and compares favourably with the records for previous years, whilst the expenses show a slightly upward tendency. This last feature is one that would be expected, having regard to the fact that increases have had to be made in the salaries, and that all office materials cost more.

We are inclined, however, to think that this item is one which need not cause any undue apprehension as to the future conduct of the business. Unlike contracts relating to life assurance, it is possible for the terms upon which fire policies are issued to be revised whenever they fall due for renewal. Up to the present there has been no general revision of rates of premium, but there is little doubt that, if the companies are called upon to bear a considerable increase in the cost of conducting the business, it will be necessary for them to pass on the major portion of such increased cost to their policyholders in the

form of an increase in the rate of premium charged, unless there should happen to be some other counteracting influence.

Whilst the increase in the value of commodities has been reflected in the increased amount of business transacted, there is reason to believe that the advance in insurance cover has not yet been commensurate with the enhanced values. This absence of prudence on the part of insurers leads not only to serious loss to the policyholder in the event of a large fire occurring, but also reacts on the companies in the case of small fires, where they are called upon to make good damage at enhanced prices out of proportion to the total insurance cover. It must be remembered that what is known as the average clause only applies to certain classes of risk, and it is open to argument whether the time has not arrived when it should be applied to all fire policies. On the other hand, it may be pointed out that business is undergoing a period of readjustment, and that in course of time matters will settle themselves down into their normal relative conditions, so that fire business can be conducted on something approaching pre-war lines. Whether this expectation will be realised can only be shown by the actual results as time goes on.

ACCIDENT BUSINESS.

The general impression to be gained from a perusal of the statistics relating to accident insurance is that the year 1919 has been satisfactory. The considerable increase in the amount of the premium income is probably due to the continued development of a business which is of comparatively recent origin. The causes operating towards an increase in the fire premiums are not so effective in the case of accident business, and it must be supposed that a larger number of the general public are being convinced of the desirability of being covered against the losses which might be incurred should they meet with accident. The experience in claims is, generally speaking, favourable, and the funds show a healthy tendency by their steady increase. The considerations of expense of working relate also to this form of business, which is also affected to some extent by the decrease in the value of securities and the advance in rates of interest and rates of tax. We think there is every reason to look forward hopefully towards a rapid and successful further development of accident insurance.

EMPLOYERS' LIABILITY BUSINESS.

In this section of the insurance world the same feature of a considerable increase in premium income is apparent, but the causes for this are of a different nature. The vast bulk of the business is conducted on the group system, the premium charged depending upon the total wage bill, as well as upon the nature of the occupation. The year 1919 saw the demobilisation of the major portion of our armies and the return to civilian work of large numbers of men thus released from military duties. In addition, the rates of wages have increased by leaps and bounds, so that the result is reflected by a very considerable increase in the total wages bill of the country. This, in turn, is bound to cause a corresponding rise in the premium income for insurance cover. It is possible that in many instances the full effect of such increase will not be apparent until the current year. The usual method is for an estimate to be made of the wages bill upon which the premium is based, and then at the end of the policy year a return is made of the actual wages paid and the premium is correspondingly adjusted. Hence any increase in the wages bill, such as those due to the special causes referred to above, will not be fully reflected in the premiums till the policy falls due for renewal, and this may not take place during the year of account under consideration.

In conjunction with the increase in premium income we find a downward tendency in the claim ratio. On the surface, this appears to be a satisfactory feature, and may certainly be considered as such if it is found to continue for a few years. The claim experience of most companies in the past in this form of business has been very unsatisfactory, and it is to be hoped that as the business is now becoming more settled and stabilised the results will prove more favourable. It must be remembered, however, that the decrease in the ratio may not be due so much to any real improvement in the actual claim experience as to the rapid growth in premiums. From the nature of the business the full effect of claims may not be apparent in the same year of account as that to which the premiums relate, and hence a considerable increase in premiums may not produce a corresponding increase in the claims shown for that year.

The improvement in the funds shown in respect of this class of business is an encouraging sign, and shows that the companies are building up reserves to enable them to meet the fluctuations inevitable in this business.

The year 1919 was one of considerable difficulty for all persons connected with the conduct of employers' liability business. It was a period full of strikes and rumours of strikes and general industrial unrest, and these conditions are bound to have a disturbing influence on a business so closely related to the Labour market of the country. Moreover, at the end of the year an Act was passed providing for increased compensation having regard to the increased cost of living. In 1917 there was an increase of 25%, and now this has been raised to 75%. This increase operated from January 1, 1920, and thus its effect will not be apparent till the accounts for the current year are made up. It may be pointed out, however, that not only does it relate to accidents occurring on or after the date mentioned, but also it is payable in respect of all outstanding claims by weekly payments. These increased liabilities have necessitated a revision of the premiums payable, and thus a large amount of additional work has been thrown upon the companies

MARINE INSURANCE.

In attempting to deal with this class of business we are met by a number of difficulties, some of which arise out of the varying forms in which the accounts of different companies are rendered. Moreover, there are very clear evidences that the marine business is still subject to the influences of war conditions to a greater extent than other forms of insurance. During the war business was conducted under many limitations, rates of premium ruled high and risks were very speculative. Whilst new and current risks are approaching now more nearly to the normal level of pre-war days, the aftermath of the war is still apparent in the settlement of claims. Long arrears of repairs are gradually being overhauled, but the costs are heavy and out of proportion to the anticipations at the time when many of the risks were underwritten.

The premium income of most companies is greatly in excess of that shown in pre-war years, but in the majority of cases it is less than during the last two or three years when the rates were high. The amount of business transacted has been very considerable, and the normal claim experience is favourable. There is no reason to suppose that the business as a whole should not return to its pre-war flourishing conditions as time goes on and the arrears of war experience are overcome.



CAPITAL - - £1,000,000

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MISCELLANEOUS INSURANCE.

It is a matter of considerable difficulty to deal in a satisfactory manner with the results of those forms of insurance not already referred to. For the purpose of distinction we have dealt separately with the leading classes of insurance, and in the tabulation of statistics on later pages of the Section we have found it convenient to group under the heading "Miscellaneous" all other forms of insurance for which companies render accounts. From the nature of the case, however, owing to the great variety of risks undertaken, it is not practicable to consider each one in detail. Moreover, did we desire to do so, we would not have the detailed information at our disposal. From a consideration of the statistics available in an aggregate form we can only state in general terms that the results for the year 1919 are mostly favourable. Many of the forms of insurance covered by the accounts rendered are of comparatively recent development, and it cannot be said that a sufficient amount of experience has been accumulated to enable the transaction of such business to have reached such a stable condition as exists in the case of fire insurance, for example.

One or two of the features which have been prominent in certain classes during the past year may be referred to. The increased cost of commodities and labour has been reflected in the amount of claims experienced in such classes as plate-glass, motor risks, boiler explosions, &c., and there has been considerable expansion in the premium income for insurances of these natures owing to the revision of the amounts of cover held. During the war it was recognised that the claim experience in the case of burglary insurance was less than normal. Unfortunately the past year, whilst witnessing the return of many peaceable citizens to their ordinary civilian occupations, has also shown a very pronounced recrudescence in the number and extent of the burglaries committed, and it is a public secret that companies transacting this form of insurance have had to give very careful consideration to the effect of the conditions at present ruling.

NEW COMPANIES.

Having shown that the year 1919 was in many respects a record year in connection with the conduct of insurance business in all its forms, we must draw special attention to the peculiar prominence to which it attained with regard to the number of new companies formed, and the new issues of capital and extension of business by existing companies. This is a feature that is not peculiar to insurance business alone. During the war restrictions were placed upon new capital issues, and for patriotic reasons the investing public were not generally inclined to support new ventures, having regard to the urgent needs of the State. Now that these conditions no longer rule it is only natural that there should be an unprecedented number of opportunities offered to the public in the form of capital issues, and that a due proportion of such appeals should be made by the insurance world.

The new registrations during the year 1919 in respect of insurance companies were 48 in number, and the total authorised capital reached the extraordinary figure of nearly £14,000,000. This is in addition to increases in capital by previously existing companies. It has been interesting to observe that many of the new concerns have been registered with a capital of one million or over, thus indicating that their ambition from the outset is to secure a firm financial footing, to enable them to withstand the difficulties and dangers which are usually experienced during the first few years of existence by companies transacting insurance business. We do not think that any useful purpose would be served by attempting to give a complete list of the new companies registered. The information is readily available to those persons who desire to obtain it, and for our purposes it will be sufficient to include in our Insurance Section in later years statistics relating to the business transacted by the companies as they obtain the support of the public.

One of the most interesting features in connection with the new companies registered is the large number of undertakings identified with reinsurance transactions. The general public are aware that all insurance business is transacted on the basis of the law of average, and this law must be applied to every phase of the business, including the amount of cover given on individual risks. It is a frequent practice for one company to undertake the insurance of a large individual risk, but in such cases, in order that the amount held may not exceed what is considered to be the average maximum risk, it is necessary for the leading company to reinsure the excess amount with other companies. Prior to the war there were very few British companies which confined their attention solely to reinsurance business, and as business developed it was found, particularly in certain areas, that most of the British companies already held their maximum amount. It was therefore necessary for reinsurance facilities to be sought elsewhere, and thus it came about that a considerable portion of the insurance business written in this country was reinsured with Continental companies. It is estimated that in the year 1913 the German companies alone received from this country a sum of over £15,000,000 in the form of reinsurance premiums. Owing to the war the reinsurance facilities obtained in this direction ceased to be available, whilst, at the same time, the greatly increased value of commodities led to large additions to the amount of insurance cover required. It has therefore been argued that it is of the utmost importance to increase the facilities for placing reinsurance business, and that this should be done, as far as possible, by the establishment of British reinsurance companies. Unless the leading companies increase the maximum limits of their retention by a considerable amount, it is obvious that there must be a large field for reinsurance business. It is true that there are many other Continental reinsurance companies, besides the German, competing for business in this country, but there does not seem to be any sound reason why the British companies should not be able to hold their own. That they already have the support of many of the leading insurance companies is shown by the published reports of business transacted, and also by the fact that several of the reinsurance companies have been floated with the direct financial assistance of principal companies. Regarding the matter from another point of view, it may be argued that the prospects in front of some of these new concerns are not necessarily as rosy as their promoters would wish us to believe. It is generally inferred that retention limits will remain the same as in pre-war days, and that, consequently, the field of business for reinsurance consists, not only of the amounts previously reinsured with German and other Continental companies, but also of the difference in sums assured due to enhanced values. There does not, however, seem any valid reason why retentions should remain the same as before. If premium income and funds have doubled or trebled, it would be a natural and reasonable course, owing to the increased capital resources of the Company, for the retention limits to be correspondingly increased, especially as expenses would not be similarly greater, whilst the margins available for profit would be improved. Time alone can show whether the optimism of promoters is justified, and whether there is sufficient scope for all the new concerns which the year 1919 has brought into being.

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Financial Position at December 31st, 1919.

Share Capital Authorised . .	£1,000,000
Share Capital Issued . . .	£600,000
Amount Paid up	£176,334
Reserve Funds	1,237,185
Making the Total Funds . .	£1,413,519
The Uncalled Capital is . .	423,666
And the Total Security stands at	£1,837,185

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TWENTY YEARS' PROGRESS IN LIFE ASSURANCE.

In the following pages we give statistics showing the substantial growth which has taken place during the last twenty years in the amount of life insurance business standing on the books of Companies transacting that class of business in this country. In connection with these statements, it is well to point out that recent editions of the official Blue Book, containing the returns made to the Board of Trade by the Companies, do not include as extensive official summaries as in former years. Moreover, all figures relating to the year 1919 are our own estimates based on returns which we have received. We have marked them to this effect, and we would mention that they must not be taken as equivalent to official returns.

AGGREGATE FIGURES FOR ALL COMPANIES.

The following figures indicate the increased favour with which life insurance is regarded by the general population. The total premium income has increased by nearly 120% during the past twenty years, whilst the average annual expenditure per head of the population for the purposes of life assurance has grown by 88%.

Year.	1919.	1909.	1899.	Increase. 20 Years.	
					%
Premium Income of Life Offices...	£65,131,475	£43,529.275	£29,681,763	£35,449,712	119
Estimated Population ...	48,094,492	44.700.789	41,202,457	6,892.035	17
Average prem. paid per head...	£1·354	£0·974	£0·720	£0·634	88

The rapidity with which the Funds of the Life Offices have accumulated is shown in the following statement:—

Accumulated Balances.

Year.	Total Balance.	Addition for Year.
	£	£
1919	505,606,260	19,314,477
1918	486,291,783	20.483,516
1917	465,808,267	5,621,687
1916	460,186.580	8,327,030
1915	451,859,550	3,105,119
1914	448,754,431	11,500,612
1913	437,253,819	14,555,408
1912	422,698,411	13,682,372
1911	409,016,039	13,972,734
1910	395.043,305	11,028,872
1909	384,014,433	13,571.938
1899	260,723,147	10,991,279

The net rate of interest earned on such Funds according to the latest available figures appears in the following Summary, and is compared with corresponding figures ten years and twenty years previously:—

Year.	Mean Life and Annuity Funds.	Interest and Dividends.	Rate per Cent.
	£	£	
1919	486,331,590	19,234,882	3·95
1909	370,119,332	14,143,429	3·82
1899	250,542,198	9,370,619	3·74

The nature of the securities in which these vast Funds are invested is shown in the next statement. The most striking feature is the great decrease in mortgages during the last ten years, coupled with the marked increase in British Government securities. This indicates the part which the Companies have played in supporting the Government by heavy contributions to the national issues during the war.

Insurance Fund Investments.

	Est. Figures. 1919.	1909.	1899.	Increase. 20 Years.
	£	£	£	£
Mortgages	74,348,732	103,292,863	82,676,112	−8,327,380
Loans on rates, &c.	38,950,082	53,111,232	31,422,649	7,527,433
Loans on policies & personal security	27,541,210	25,858,877	13,876,482	13,664,728
British Govt. securities, &c....	212,944,343	7,307,469	6,730,844	206,213,499
Indian and Colonial Govt. securities, &c.	45,307,923	20,321,399	18,806,303	26,501,620
Foreign Govt. securities, &c.	39,331,799	17,357,825	10,561,920	28.769.879
Debentures	72,220,955	99,484,510	51,165,390	21,055,565
Stocks and shares	39,317,503	44,613,765	35,203,677	4,113,826
Land and house property and ground-rents	43,520,284	44,218,780	27,067,561	16,452,723
Life interests & reversions...	9,794,801	10,148,113	7,240,691	2,554,110
Miscellaneous, inclg. agents' balances, accrued int., &c.	43,444,745	21,627,811	15,652,139	27,792,606
Total	646,722,377	447,342,644	300,403,768	346,318,609

Corresponding with the foregoing statement, we now set out the other side of the account showing the various Funds or liabilities in respect of which the investments are held.

Liabilities of Insurance Companies.

	Est. Figures. 1919.	1909.	1899.	Increase. 20 Years.
	£	£	£	£
Capital	13,105,122	15,284,221	13,070,762	32,360
Life and annuity funds ...	505,005,573	379,082,661	258,069.679	246,935,894
Fire insurance funds ...	20,534,918	17,647,238	10,768,450	9,766,468
Accident and employers' liability funds...	4,706,344	761,727	1,695,645	3,010,699
Sinking & capital redemption funds...	12,917,127	2,407,516	—	12,917,127
Marine and general funds ...	19,912.042	5,961,362	608,999	19,303,043
Profit and loss balances ...	6,312,200	5,632,800	4,534,576	1,777,624
General reserve and investment reserve	19,792,817	13,756,150	6,325,180	13,467,637
Outstanding claims	13,159,892	5,019,210	4,230,976	8,928,916
Outstanding accounts ...	15,085,185	1,789,759	746,461	14,338,724
Miscellaneous...	16,193,157	—	353,040	15,840,117
Total	646,722,377	447,342,644	300,403,768	346,318,609

FIGURES IN RESPECT OF "ORDINARY" BUSINESS.

The following short summary gives particulars of the total income in respect of Ordinary business, showing separately the life assurance premiums, the consideration for annuities, and the interest earned. We give comparative figures for ten years and twenty years previously, and the resulting difference over the twenty-year period.

"Ordinary" Companies.—Income.

	Est. Figures. 1919.	1909.	1899.	Inc. or Dec. 20 Years.	
	£	£	£	£	%
Premiums	40,560,500	29,402,259	21,259,186	+19,301,314	+91
Consideration for annuities ...	2,154,852	2,487,950	2,139,014	+ 15,838	—
Interest and dividends, less tax ...	16,147,726	12,717,303	8,755,116	+ 7,392,610	+84
Increase in value of investments ...	—	200.714	363,099	− 363,099	—
Capital paid up ...	—	—	30,578	− 30,578	—
Miscellaneous ...	1.204,440	100,333	41,966	+ 1,162,474	—
Total	60,067,518	44,908,564	32,588,959	+27,478,559	+84

A corresponding statement is submitted giving details of the outgo in respect of claims, surrenders, annuities, commission and expenses, &c. It will be observed that the second largest item on this side of the account is in respect of decrease in value of investments, and this gives some idea of the extent to

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which the Companies have suffered by the general fall in the value of first-class securities.

"Ordinary" Companies.—Outgo.

	Est. Figures, 1919.	1909.	1899.	Inc. or Dec. 20 Years.	
	£	£	£	£	%
Claims	31,025,785	22,169,449	15,881,168	+15,144,617	+ 95
Surrenders	2,169,901	2,495,720	1,005,723	+ 1,164,178	+116
Annuities	2,490,802	2,414,294	1,714,573	+ 776,229	+ 45
Cash bonuses and reductions of premiums	639,886	999,532	893,426	— 253,540	— 28
Commission ...	2,640,422	1,865,921	1,159,215	+ 1,481,207	+128
Do. % of premium income	(6·51)	(6·34)	(5·45)	(+1·06)	—
Expenses of management ...	3,140,407	2,505,726	1,778,891	+ 1,361,516	+ 77
Do. % of premium income	(7·74)	(8·52)	(8·36)	(−0·62)	—
Decrease in value of investments, transfers to investment reserve, &c. ...	2,168,567	638,800	155,516	+ 2,013,051	—
Shareholders' dividends and profits	1,658,732	477,329	564,733	+ 1,093,999	—
Do. % of premium income	(4·09)	(1·62)	(2·65)	(+1·44)	—
Miscellaneous ...	1,349,485	405,782	86,314	+ 1,263,171	—
Total	47,283,987	33,972,603	23,239,559	+24,044,428	+103

Taking the totals of the last two tables, we next show the balance of the year's working, and the accumulated amount carried forward to the next year's account. It will be seen that the income shows a smaller percentage increase than the outgo, with the result that the balance on the year's working is less proportionately. This is, of course, another effect of war conditions.

"Ordinary" Companies.—Income and Outgo.

	Est. Figures 1919.	1909.	1899.	Increase 20 years.	
	£	£	£	£	%
Income	60,057,518	44,908,564	32,588,959	27,478,559	84
Outgo	47,283,987	33,972,603	23,239,559	24,044,428	103
Balance	12,783,531	10,935,961	9,349,400	3,434,131	37
Brought forwd....	412,972,231	330,148,383	231,339,585	181,632,646	—
Carried forwd. ...	425,755,762	341,084,344	240,688,985	185,066,777	—

The changes which have taken place in the proportion of the premium income of ordinary companies absorbed by commission, expenses, and dividends, compared with the figures for ten and twenty years ago, is shown as follows:—

"ORDINARY" COMPANIES.

Proportions of Premium Income Absorbed by Commission Expenses, and Interest on Capital.

Year.	Commission.	Expenses of Management.	Interest and Dividends on Capital.	Total.
	%	%	%	%
1919 ...	6·51	7·74	4·09	18·34
1909 ...	6·34	8·52	1·62	16·48
1899 ...	5·45	8·36	26·5	16·46

If these items of outgo be compared with the total income from premiums, annuities and interest, instead of with premiums only, the resulting proportion will, of course, be considerably lower. This is shown by the following figures:—

Economy of "Ordinary" Assurance.

Income.	£	£
Premium income	... 40,560,500	
Consideration for annuities ...	... 2,154,852	
Interest and dividends, less tax ...	... 16,147,726	
Total income		58,863,078
Expenses.		
Commission	... 2,640,422	
Expenses of management... ...	... 3,140,407	
Interest and dividends on capital	... 1,658,732	
Total expenses...		7,439,561
Proportion of expenses to income	...	12·6 %

It is interesting to investigate to what extent the various classes of contract, obtainable for assurance purposes, are patronised by the public. The following statement shows very clearly the great increase in the popularity of endowment assurances. In 1899 it represented less than one quarter of the total business in force, whereas it has now grown to over two-fifths of the present total. The figures for the last five years are our own estimates.

*"Ordinary" Business.**

Year.	Whole Term of Life.	Endowment Assurances.	Miscellaneous.	Total.
	£	£	£	£
1919*	472,207,928	410,028,150	91,549,205	973,785,283
1918*	474,772,817	381,190,367	75,279,707	931,242,891
1917*	483,375,912	348,935,482	80,608,127	912,919,521
1916*	485,424,012	342,367,918	74,422,894	902,214,824
1915*	484,640,553	334,715,063	66,104,097	885,459,713
1914	483,837,585	330,277,224	54,536,626	868,651,435
1913	483,179,135	320,616,905	51,186,748	854,982,788
1912	478,728,250	308,823,679	48,686,771	836,238,700
1911	477,190,673	299,951,605	49,995,192	827,137,470
1910	470,149,166	286,076,174	43,990,166	800,215,506
1909	468,723,371	269,395,014	44,080,146	782,198,531
1899	448,164,883	141,982,454	26,764,446	616,911,783
Inc., 20 years ...	24,043,045	268,045,696	64,784,759	356,873,500
Do. per cent. ...	5%	188%	242%	58%

The above figures are based for the most part on valuations made during the five years prior to the years given, and are, therefore, merely an approximation to the amount of contracts in force.

* These figures are our own estimates, based on valuation returns received.

The following figures will show the considerable reduction which has taken place during the last twenty years in the average sum assured by the policies in force. This is largely the result of the increased degree in which life assurance is effected by persons of the middle classes. It is a common practice for such persons to effect new policies from time to time as their income and responsibilities increase, instead of taking out one large contract at an early stage. This practice naturally reduces the average sum assured by each policy.

"Ordinary" Companies.

Year.	Number of Policies.	Amount Insured.	Average per Policy.
		£	£
1919 (estimated) ...	3,675,400	973,785,283	265
1909	2,802,708	782,198,531	279
1899	1,848,698	616,911,783	333
Inc. or dec., 20 years	+1,826,702	+356,873,500	−68
Do. per cent. ...	+99%	+58%	−20%

It would appear also from our next statement that the class of person already referred to turns his attention chiefly to endowment assurances, leaving the whole life and miscellaneous classes to the more well-to-do, or to those requiring insurance cover in connection with mortgage transactions. It will be seen that the average per policy in the case of endowment assurances is less than half of that for the other classes.

"Ordinary" Business.

	Number of Policies.	Amount.	Average per Policy.
		£	£
Whole term of life...	1,018,786	472,207,928	463
Endowment assurances	2,383,879	410,028,150	172
Other classes ...	272,735	91,549,205	336
Total	3,675,400	973,785,283	265

FIGURES IN RESPECT OF "INDUSTRIAL" BUSINESS.

We now give statements in respect of Industrial business corresponding to those already appearing in connection with "Ordinary" business.

The first table gives particulars of the total income, and it will be seen that the increase in the premium income has been much greater relatively than in the case of ordinary companies, whilst the growth in the

interest income has been enormous. This latter is, of course, a very good sign.

"Industrial" Companies.—Income.

	Est. figures. Year—1919.	1909.	1899.	Inc. or Dec. 20 Years.	
	£	£	£	£	%
Premiums	24,570,975	14,127,013	8,422,577	+16,148,398	+192
Consideration for annuities ...	—	3,040	7,633	– 7,633	—
Interest and dividend (less tax) ...	3,087,136	1,426,121	615,503	+ 2,471,633	+401
Capital paid up ...	—	—	119,305	– 119,305	—
Miscellaneous ...	534,193	212,791	58,189	+ 475,004	—
Total	28,192,304	15,768,968	9,224,207	+18,968,097	+206

The following statement gives the figures from the other side of the account, representing the outgo. The cost of industrial insurance is very heavy, owing principally to the system of weekly collection of premiums, but it is encouraging to observe from the percentages that the item of commission shows a slight decline in the ratio that it bears to the premium income, though this is more than counterbalanced by the increase in expenses of management.

"Industrial" Companies.—Outgo.

	Est. figures. Year—1919.	1909.	1899.	Inc. or Dec. 20 Years.	
	£	£	£	£	%
Claims	9,636,746	5,855,747	3,410,642	+ 6,226,104	+182
Surrenders	233,016	292,374	35,372	+ 197,644	—
Annuities	—	5,478	7,338	– 7,338	—
Commission	5,634,782	3,534,255	2,118,999	+ 3,515,783	+166
Do. % of premium income	(22·93)	(25·02)	(25·15)	(–2·22)	—
Expenses of management	5,022,693	2,583,186	1,479,208	+ 3,543,485	+240
Do. % of premium income	(20·44)	(18·28)	(17·56)	(+2·88)	—
Shareholders' dividends and profits	978,789	642,845	470,593	+ 508,196	+108
Do. % of premium income	(3·98)	(4·55)	(5·58)	(–1·60)	—
Miscellaneous... ...	155,332	219,096	60,146	+ 95,186	—
Total	21,661,358	13,132,991	7,582,328	+14,079,030	+186

Following the same procedure, we take the totals of each of the last two tables, and show the balance on the year's working. In this instance, such balance shows a very substantial increase on the previous figures.

"Industrial" Companies.—Income and Outgo.

	Year—1919.	1909.	1899.	Increase. 20 Years.	
	£	£	£	£	%
Income	28,192,304	15,768,968	9,224,207	18,968,097	205
Outgo	21,661,358	13,132,991	7,582,328	14,079,030	186
Balance	6,530,946	2,635,977	1,641,879	4,889,067	293
Brought forwd....	73,319,552	40,294,112	18,392,283	54,927,269	—
Carried forwd....	79,850,498	42,930,089	20,034,162	59,816,336	—

It is satisfactory to find that the proportion of the premium income of industrial companies absorbed by commission, expenses, and dividends is also on the downward tendency. The following figures will show this tendency, though they also emphasise the very much greater cost of industrial business than of ordinary business:—

COST OF "INDUSTRIAL" ASSURANCE.

Ratio of Premium Income Paid for Commission, Expenses, and Interest.

Year.	Commission.	Expenses of Management.	Int. & Div. on Capital.	Total.
	%	%	%	%
1919 ...	22·93	20·44	3·98	47·35
1909 ...	25·02	18·28	4·55	47·85
1899 ...	25·15	17·56	5·58	48·29

If the whole of the income from premiums and interest be considered, there is a slight reduction in the resulting ratio, but unfortunately such decrease is not so great proportionally as in the case of ordinary companies. The following are the figures on this basis:—

Expensiveness of "Industrial" Assurance.

Income.	£	£
Premium income	24,570,975	
Interest and dividends...	3,087,136	
Total Income...		27,658,111
Expenses.		
Commission	5,634,782	
Expenses of management	5,022,693	
Interest and dividends on capital to shareholders	978,789	
Total expenses		11,636,264
Proportion of expenses to income ...		42%

Turning our attention to the distribution of industrial business between the different classes of policy, we find that the growth in the popularity of endowment assurances is even more strongly marked. Twenty years ago it was only slightly above 1% of the total, whilst now it is nearly 18%. It is well to point out, however, that the figures are to some extent affected by a change in the official method of presenting them. We would again mention that the figures for the last five years are our own estimates.

"Industrial" Business.

Year.	Whole Term of Life.	Endowment Assurances.	Miscellaneous.	Total.
	£	£	£	£
1919*	395,364,899	98,447,071†	71,025,577	565,832,547
1918*	383,090,208	96,527,038†	52,659,358	532,276,574
1917*	370,839,732	86,643,584†	47,970,090	505,453,406
1916*	354,397,304	85,295,901†	40,606,667	480,300,372
1915*	335,659,187	84,603,973†	34,615,326	454,881,486
1914	322,617,386	82,451,823†	28,831,436	433,900,645
1913	320,231,091	81,773,496†	26,686,338	428,690,925
1912	301,746,652	14,983,448	42,811,989	359,538,089
1911	297,871,609	14,444,706	40,793,387	353,109,702
1910	280,140,172	13,903,945	36,925,002	310,969,119
1909	255,032,125	8,589,693	29,057,339	292,689,157
1899	164,409,810	2,205,466	14,620,262	181,135,538
Inc. 20 yrs. ...	231,955,089	96,241,605	56,500,315	384,697,009
Do. % ...	(141)	(4,364)	(389)	(212)

The above figures are based for the most part on valuations made during the five years prior to the years given, and are, therefore, merely an approximation to the amount of contracts in force.

* These figures are our own estimates, no valuation returns received.

† The official figures for 1913 and 1914 include miscellaneous, and those for later years are based on them.

When we come to consider the average amount assured by each policy, it appears that this has increased, and not decreased as in the case of ordinary business. The explanation is probably to be found in the general increase of the standard life amongst the working classes, from whom the bulk of industrial business is drawn.

Year.	Number of Policies.	Amount Insured.	Average per Policy.
		£	£
1919 (estimated) ...	47,050,369	565,832,547	12·03
1909	29,149,924	292,689,157	10·04
1899	18,653,846	181,135,538	9·71

"Ordinary" Business. **TABLE "A."** "Ordinary" Business.

Giving particulars of the principal items appearing in the Revenue Accounts for 1919.

COMPANIES WITH PROPORTION OF EXPENSES OF MANAGEMENT, INCLUDING COMMISSION, TO PREMIUM INCOME LESS THAN 10%.

Name of Company	Income: Premiums £	Income: Considerations for Annuities £	Income: Interest and Dividends, Less Tax £	Outgo: Claims £	Outgo: Surrenders £	Outgo: Annuities £	Outgo: Cash Bonuses and Reduction of Premiums £	Commission and Expenses £	% of Premium Income
London Life	813.831	220.000	390.017	531.030	86.489	62.051	224.785	45.989	5·7
Metropolitan	177.674	4.338	81.789	175.610	13.417	7.296	57.891	12.292	6·9
Royal London Mutual	32.822	—	14.692	10.852	1.315	112	—	2.392	7·3
Liverpool and Lond. and Globe	390.635	—	165.266	309.159	68.337	—	—	35.756	9·2
Alliance	1.133.977	—	621.737	1.212.979	85.431	—	35.783	112.832	9·9

COMPANIES WITH PROPORTION OF EXPENSES OF MANAGEMENT, INCLUDING COMMISSION, TO PREMIUM INCOME FROM 10% INCLUSIVE TO UNDER 15%.

Eagle, Star and British Dom.	1.228.335	98.544	537.553	1.146.574	70.669	71.657	9.334	131.058	10·0
Profits and Income	22.694	—	5.683	15.284	1.719	933	437	2.270	10·0
Northern	335.606	—	148.437	356.105	15.383	—	661	34.803	10·3
Atlas	316.606	64.122	108.809	141.653	14.564	10.113	4.283	32.982	10·4
Century	121.533	60.487	48.686	39.916	8.515	13.177	31	13.467	11·1
University	67.265	—	34.896	88.455	5.864	—	2.373	7.753	11·5
Prudential	7.627.547	78.127	2.051.598	5.267.396	158.131	111.265	28.250	910.686	11·9
Pearl	1.817.425	1.505	250.185	461.356	41.869	1.621	521	219.989	12·1
British General	27.065	2.147	2.725	589	554	268	—	3.314	12·2
Equitable	266.925	38.233	168.376	294.761	28.690	24.184	4.539	32.798	12·3
National Provident	566.887	6.379	277.014	562.657	16.657	22.768	7.378	71.025	12·5
Scottish Widows	1.496.243	111.616	861.802	1.641.569	158.460	127.014	6.581	187.147	12·5
Scottish Amicable	506.280	17.823	254.499	364.790	55.027	43.541	791	64.270	12·7
Guardian	402.541	28.426	176.963	336.917	12.705	14.478	4.476	52.038	12·9
Refuge	1.947.403	848	437.611	983.066	103.093	1.940	122	252.809	12·9
Scottish Equitable	488.908	1.437	238.407	558.779	26.604	16.864	2.076	63.706	13·0
Legal and General	1.134.133	75.089	379.296	671.970	47.457	134.297	19.071	151.583	13·4
Equity and Law	369.456	5.981	179.520	403.232	23.472	2.021	10.110	50.086	13·6
United Kingdom Temperance	884.690	14.911	393.144	684.260	24.187	1.410	24.099	122.427	13·8
London and Manchester	120.068	400	20.002	34.823	2.093	436	13	16.981	14·1
Caledonian	394.277	18.126	153.074	260.964	12.248	15.596	2.710	56.272	14·3
Clerical, Medical and General	496.697	—	242.044	403.309	32.865	—	13.426	70.952	14·3
Pioneer	25.551	—	5.401	14.798	174	—	—	3.673	14·4
Blackburn Philanthropic	27.749	—	3.891	8.431	49	—	—	4.024	14·5
Yorkshire	279.803	62.453	120.924	167.298	14.840	64.947	409	41.312	14·8
Scottish Provident	859.306	24.599	585.951	870.589	65.012	105.416	—	127.809	14·9

COMPANIES WITH PROPORTION OF EXPENSES OF MANAGEMENT, INCLUDING COMMISSION, TO PREMIUM INCOME FROM 15% INCLUSIVE TO UNDER 20%.

Wesleyan and General	314.200	—	66.791	155.676	6.826	—	—	48.148	15·3
Royal	1.056.916	—	469.300	816.329	57.054	—	1.392	163.869	15·5
Scottish Temperance	308.402	1.776	110.742	184.354	8.495	3.618	9.115	48.605	15·8
National Mutual	244.970	—	108.621	182.044	18.179	9.787	8.562	39.029	15·9
Phœnix	804.969	—	430.385	832.107	47.617	—	10.614	129.131	16·0
Britannic	382.530	200	97.533	207.342	4.367	197	228	62.118	16·2
Salvation Army	127.701	1.400	30.590	60.085	3.682	4.576	141	20.645	16·2
London Guarantee	21.918	1.568	381	1.485	57	53	—	3.606	16·4
North British and Mercantile	1.360.216	—	535.348	1.133.216	45.420	—	6.232	224.822	16·5
Friends' Provident	282.688	—	134.697	190.636	15.625	—	3.764	46.911	16·6
Scottish Life	302.145	7.689	112.252	153.686	7.357	14.351	6	50.657	16·8
Life Association of Scotland	387.182	5.975	218.169	427.424	21.184	28.626	12.815	65.708	16·9
Norwich Union	1.958.885	—	633.623	1.099.484	132.321	—	9.585	333.259	17·0
Royal Exchange	477.271	—	157.599	371.592	19.013	—	14.637	82.146	17·2
Scottish Union and National	571.087	12.903	338.470	617.694	36.678	44.413	842	99.330	17·4
General Accident	61.432	—	10.218	15.903	1.383	—	13	10.751	17·5
London Assurance	292.948	27.153	103.536	234.033	19.724	9.295	943	51.126	17·5
Marine and General	193.033	176	81.708	133.906	9.122	10.926	1.252	33.774	17·5
Sun Life	1.196.582	—	416.325	892.052	4.240	—	5.548	209.582	17·5
Law Union and Rock	615.530	22.968	374.436	663.499	56.605	37.253	3.709	109.475	17·8
Commercial Union	1.481.389	124.094	686.809	1.415.694	116.000	68.930	73.708	173.063	17·9
Scottish	67.576	1.745	17.838	22.312	1.263	489	—	12.123	17·9
British Life Office	3.129	—	1.499	2.298	217	—	—	562	18·0
Provident Mutual	299.776	350	113.674	215.046	9.507	2.226	529	55.610	18·6
Standard	919.545	36.510	633.801	1.038.103	86.820	112.149	1.835	175.747	19·1
British Legal	19.684	1	2.538	7.913	641	42	—	3.843	19·5
London and Scottish	457.944	3.523	182.160	380.006	33.278	7.286	1.965	89.950	19·6

COMPANIES WITH PROPORTION OF EXPENSES OF MANAGEMENT, INCLUDING COMMISSION, TO PREMIUM INCOME OF 20% AND UPWARDS.

Consolidated	42.733	—	7.709	18.955	2.287	1.545	367	8.655	20·3
Albert	144.718	—	46.111	68.642	3.318	—	148	30.064	20·8
British Equitable	107.527	—	53.257	118.736	5.008	—	1.605	22.943	21·3
British Workmen's	11.018	1.293	—	3.713	30	130	—	2.369	21·5
General Life	197.661	1.033	79.976	204.378	9.837	5.205	2.409	46.212	23·4
Royal London Auxiliary	260.260	3.430	19.815	30.965	2.761	364	—	65.463	25·1
Co-operative	158.872	1.885	18.259	29.711	422	807	—	44.470	28·0
Provident Association of London	111.288	750	17.428	13.170	4.231	1.442	1.792	31.203	28·0
London and General	21.073	—	7.449	10.651	1.886	114	—	8.493	40·3
National Benefit	30.534	—	1.520	4.285	237	—	—	13.511	44·2

"Annuity" Business. TABLE "B." "Annuity" Business.

Giving particulars of the principal items appearing in the Revenue Accounts for 1919 relating to Annuity Contracts where these are shown separately.

	Income		Outgo		
Name of Company.	Premiums.	Interest, Dividends and Rents.	Amount Paid to Annuitants.	Expenses of Management.	Ratio of Expenses to Premiums.
	£	£	£	£	
Alliance	51.107	45.80[illegible]	133.093	8.672	2.665
Clerical, Medical and General	11.323	—	32.043	—	353
Friends' Provident	23.811	—	28.113	—	1.895
General Accident	519	519	1.240	—	
Liverpool and London and Globe	7.762	23.683	95.016	—	2.[illegible]
North British and Mercantile	383.099	103.190	249.411	15.156	9.69[illegible]
Northern	47.659	27.572	63.869	—	2.177
Norwich Union	67.624	38.851	109.059	5.709	1.544
Phœnix	84.586	—	89.853	—	3.568
Royal	54.[illegible]	33.915	70.597	—	2.275
Royal Exchange	26.189	28.608	86.916	4.997	3.190
Sun	31.943	50.238	123.263	2.229	7.514
Wesleyan and General	5.349	555	913	—	58

INCOME AND EXPENDITURE OF ORDINARY COMPANIES.

Having given in the preceding pages statistics consisting of aggregate figures for all companies transacting "ordinary" life business, we will now turn our attention to the provision of such information as is at our disposal with regard to the business of individual companies. On later pages of the section we give some explanations of the nature and uses of different forms of contract, and also a few tables for illustrative purposes of the rates quoted by various offices. We also draw attention in some detail to the principal points which will arise for consideration by any person proposing to effect a life assurance, and one of our objects in the present portion of the section is to provide information in such a form that it may be of assistance to the general public in applying some of the suggestions we have made for their guidance in the choice of a company for their patronage.

Our first table contains particulars of the principal items appearing in the revenue accounts for individual companies for the year of account ending in 1919. This table contains considerably more information than has appeared in the corresponding table in previous issues of our Insurance Section. The first three columns represent the principal items of income, consisting as they do of premiums, considerations received for the purchase of annuities, and interest received. The remaining columns are extracted from the other side of the accounts, four columns representing payments to the assuring public in the form of claims, surrenders, annuity payments, and bonuses, and the last column the cost of transacting the business as shown by the outgo in commission and expenses of management. We have also inserted a column showing in each case the percentage which the commission and expenses bear to the premium income.

The companies are arranged in the table according to the ratio of expenses shown, and are divided into groups, of which the first relates to ratios under 10%, the second between 10% and 15%, the third from 15% to 20%, and the fourth over 20%. In the table which was published last year the great majority of companies fell into the second group, but it will be seen that this year the second and third groups claim an almost equal number of companies. This is a feature which reflects the present trend of events, and shows that life-assurance business will have to bear its share of the burden of enhanced prices. Unfortunately for the companies, life-assurance contracts run on the average for a long period of time, and once issued cannot be made the subject of any modification in the form of an increase of premium. In the case of fire and miscellaneous forms of insurance, where contracts usually run from year to year, the companies are in a position to decline to renew the policies except on enhanced terms to cover the increased costs, but the raising of rates of premium can only be adopted for life insurance in the case of new contracts, and even should this be done the resulting benefit will have little effect on the ratio of expenses for some years, owing to the large amount of business already on the books. In this connection we would draw attention to the comparison over a period of ten years made in Table "C." There may be special circumstances in particular cases why the figures for one year standing by themselves do not represent the normal condition, and it is therefore always advisable to compare such figures with similar ones for other years before accepting them as representative.

We would point out that the practice of companies varies with regard to the published accounts relating to annuity business. Whilst some companies show separate accounts, others include the expenses in connection with annuities in the item in the life-assurance account. In the latter cases, as we have not the means of separating the figures, we have arrived at the proportion of expenses shown in our Table "A" by dividing the figures in the expenses column by those in the premium-income column. The resulting ratio, therefore, is slightly higher than the true ratio in respect of life-assurance business only. The effect of this is, however, very small in the majority of cases, owing to the amount of annuity business being only a small proportion of the total. In the case of those companies where a separate statement is given of the figures relating to annuity contracts, the statistics are shown in a separate Table "B," and are not included in Table "A," so that the resulting ratio in the latter table is the true ratio [illegible]

"Ordinary" Business.

TABLE "C."

Giving Comparative Figures over Periods of Five and Ten Years of the Premiums, Interest, Expense Ratio and Funds. (000's omitted.)

Name of Company	Net Premium Income			Increase or Decrease in last			Net Interest Earned			Inc. or Dec. in last		
	1919	1914	1909	5 years	10 years		1919	1914	1909	5 years	10 years	
	£	£	£	£	£	%	£	£	£	£	£	%
Increase in Premium Income over £300,000 (7 companies)												
Prudential	7,628	5,036	4,710	2,592	2,918	61·9	2,052	1,901	1,386	151	666	48·1
Pearl	1,817	590	386	1,227	1,421	358·8	250	143	76	107	174	228·9
Refuge	1,947	1,308	819	639	1,128	137·7	438	279	160	159	278	173·7
Norwich Union	1,957	1,565	1,258	392	699	55·6	634	489	377	145	257	68·2
Sun	1,197	980	763	217	434	56·9	416	429	312	—13	104	33·3
Legal and General	1,134	1,015	717	119	417	58·2	379	329	210	50	169	80·5
Royal	1,057	848	728	209	329	45·2	469	443	374	26	95	25·4
Increase in Premium Income £150,000 to £300,000 (9 companies)												
North British and Mercantile	1,360	1,256	1,084	104	276	25·5	535	697	598	—162	— 63	—10·5
Scottish Widows'	1,496	1,454	1,234	42	262	21·2	862	857	731	5	131	17·9
United Kingdom Temperance	885	758	631	127	254	40·3	393	384	313	9	80	25·6
Eagle Star and British Dominions	1,228	980	975	248	253	25·9	538	529	490	9	48	9·8
Royal Exchange	477	368	296	109	181	61·4	158	183	140	— 25	18	12·9
Scottish Provident	859	746	688	113	171	24·9	586	600	533	— 14	53	10·0
London Life	814	705	644	109	170	26·4	390	404	367	— 14	23	6·3
Scottish Amicable	506	430	338	76	168	49·9	254	243	198	11	56	28·3
Britannic	383	252	218	131	165	75·7	98	65	38	33	60	157·9
Increase in Premium Income £100,000 to £150,000 (14 companies)												
Caledonian	394	286	246	108	148	60·2	153	143	100	10	53	53·0
Liverpool and London and Globe	391	288	249	103	142	57·0	165	184	189	— 19	— 24	—12·7
Co-operative	159	148	19	111	140	736·8	18	9	4	9	14	350·0
Scottish Temperance	308	231	172	77	136	79·1	111	86	57	25	54	94·7
Scottish Life	302	209	167	93	135	80·8	112	85	57	27	55	96·5
Atlas	317	213	185	104	132	71·4	109	90	75	19	34	45·3
Clerical, Medical and General	497	438	366	59	131	35·8	242	233	185	9	57	30·8
Yorkshire	280	211	152	69	128	84·2	121	105	73	16	48	65·8
Phœnix	805	727	687	78	118	17·2	430	435	376	— 5	54	14·4
London Assurance	293	210	179	83	114	63·7	104	107	90	— 3	14	15·5
Provident Mutual	300	218	188	82	112	59·6	114	115	95	— 1	19	20·0
Friends' Provident	283	182	174	101	109	62·6	135	132	126	3	9	7·1
Commercial Union	1,481	1,415	1,373	66	108	7·9	516	728	603	—212	— 87	—14·4
Guardian	403	311	295	92	108	36·6	177	176	160	1	17	10·6
Increase in Premium Income £50,000 to £100,000 (8 companies)												
Scottish Equitable	480	424	414	65	75	18·1	238	243	213	— 5	25	11·7
Equitable	267	222	196	45	71	36·2	168	185	183	— 17	— 15	—8·2
National Provident	567	516	497	51	70	14·1	277	293	260	— 16	17	6·5
Abstainers and General	145	112	80	33	65	81·3	44	28	16	18	30	187·5
Century	122	110	65	12	57	87·7	49	31	12	18	37	308·3
Marine and General	193	167	141	26	52	36·9	82	88	67	— 6	15	22·4
London and Scottish	458	400	407	58	51	12·5	182	147	124	35	58	46·8
Northern	336	294	285	42	51	17·9	148	197	171	— 49	— 23	—13·4
Increase in Premium Income under £50,000 (8 companies)												
National Mutual	245	201	204	44	41	20·1	109	122	106	— 13	3	2·8
Law Union and Rock	616	591	577	25	39	6·8	374	343	302	31	72	23·8
Scottish Union and National	571	539	534	32	37	6·9	338	327	293	11	45	15·4
Life Association of Scotland	387	357	361	30	26	7·2	218	233	217	— 15	1	·5
Equity and Law	369	346	346	23	23	6·6	180	165	146	15	34	23·3
Metropolitan	178	173	162	5	16	9·9	82	93	83	— 11	— 1	— 1·2
General Life	198	177	190	21	8	4·2	80	75	74	5	6	8·1
Alliance	1,134	1,173	1,128	— 39	6	·5	622	716	644	— 94	— 22	— 3·4
Decrease in Premium Income (2 companies)												
British Equitable	108	111	123	— 3	— 15	—12·2	53	64	66	— 11	— 13	—19·7
Standard	920	998	989	— 78	— 69	— 7·0	634	536	530	98	104	19·6
Companies in respect of which no separate figures are shown for Ordinary business in 1909												
London and Manchester	120	64	—	56	—	—	20	6	—	14	—	—
Provident Association of London	111	43	—	68	—	—	17	12	—	5	—	—
Royal London Auxiliary	260	100	—	160	—	—	20	5	—	15	—	—
Salvation Army	128	83	—	45	—	—	31	20	—	11	—	—
Wesleyan and General	314	226	—	88	—	—	67	42	—	25	—	—

TABLE "C"—*continued.* "Ordinary" Business.

Giving Comparative Figures over Periods of Five and Ten Years of the Premiums, Interest, Expense Ratio and Funds.
(000's omitted.)

Name of Company	Percentage of Expenses — Increase or Decrease since					Life Funds, including Annuities — Increase or Decrease since				
	1919	1914	1909	5 years	10 years	1919	1914	1909	5 years	10 years
						£	£	£	£	£
Increase in Premium Income over £300,000 (7 companies)										
Prudential	11·9	8·2	8·3	3·7	3·6	54,324	47,024	39,784	7,300	14,540	36·6
Pearl	12·1	14·6	15·4	—2·5	—3·3	7,187	3,832	1,734	3,365	5,463	315·1
Refuge	12·9	10·0	10·0	2·9	2·9	12,266	7,790	4,744	4,476	7,522	158·4
Norwich Union	17·0	14·6	16·5	2·4	·5	16,001	12,517	8,943	3,484	7,058	78·9
Sun	17·5	16·4	15·3	1·1	2·2	12,325	10,912	8,029	1,413	4,296	53·5
Legal and General	13·4	11·3	13·2	2·1	·2	12,157	9,881	6,494	2,276	5,663	87·2
Royal	15·5	12·8	13·2	2·7	2·3	12,906	11,446	10,124	1,460	2,782	27·5
Increase in Premium Income £150,000 to £300,000 (9 companies)										
North British and Mercantile	16·5	15·0	14·5	1·5	2·0	18,663	17,568	15,089	1,095	3,574	23·7
Scottish Widows	12·5	11·5	11·1	1·0	1·4	22,491	21,995	19,151	496	3,340	17·4
United Kingdom Temperance	13·8	10·4	12·7	3·4	1·1	11,064	10,337	8,847	727	2,217	25·1
Eagle Star and British Dominions	10·7	16·6	15·8	—5·9	—5·1	13,005	13,188	12,786	— 183	219	1·7
Royal Exchange	17·2	15·7	16·5	1·5	·7	4,880	4,627	3,849	253	1,031	26·8
Scottish Provident	14·9	14·2	13·7	·7	1·2	16,283	15,964	14,283	319	2,000	14·0
London Life	5·7	5·5	5·3	·2	·4	10,325	10,170	9,404	155	921	9·8
Scottish Amicable	12·7	12·3	13·0	·4	— ·3	6,800	6,492	5,358	308	1,442	26·9
Britannic	16·2	13·9	17·0	2·3	— ·8	2,210	1,595	974	615	1,236	126·9
Increase in Premium Income £100,000 to £150,000 (14 companies)										
Caledonian	14·3	14·0	14·2	·3	1	3,889	3,463	2,747	426	1,142	41·6
Liverpool and London and Globe	9·2	11·1	11·6	—1·9	—2·4	4,974	4,953	5,113	21	— 139	—2·7
Co-operative	28·0	20·8	10·5	7·2	17·5	463	266	155	197	308	198·7
Scottish Temperance	15·8	14·7	16·3	1·1	— ·5	2,906	2,284	1,547	622	1,359	87·8
Scottish Life	16·8	15·7	15·5	1·1	1·3	2,867	2,173	1,473	694	1,394	94·6
Atlas	10·4	12·7	14·0	—2·3	—3·6	2,678	2,220	2,049	458	629	30·7
Clerical, Medical and General	14·3	13·4	12·8	·9	1·5	6,516	6,001	4,980	515	1,536	30·8
Yorkshire	14·8	14·7	15·8	·1	—1·0	3,156	2,627	1,942	529	1,214	62·5
Phœnix	16·0	13·5	13·4	2·5	2·6	11,171	10,994	9,906	177	1,265	12·8
London Assurance	17·5	11·4	10·0	6·1	7·5	2,999	2,723	2,449	276	550	22·5
Provident Mutual	18·6	14·7	14·4	3·9	4·2	3,014	2,877	2,563	137	451	17·6
Friends' Provident	16·6	11·5	10·3	5·1	6·3	3,451	3,433	3,328	18	123	3·7
Commercial Union	17·9	11·0	11·6	6·9	6·3	14,787	18,609	16,371	—3,822	—1,584	—9·7
Guardian	12·9	15·4	15·2	—2·5	—2·3	4,360	4,310	4,081	50	279	6·8
Increase in Premium Income £50,000 to £100,000 (8 companies)										
Scottish Equitable	13·0	13·4	12·8	— ·4	·2	6,017	6,227	5,620	— 210	397	7·1
Equitable	12·3	7·6	6·6	4·7	5·7	4,499	4,912	4,537	— 413	— 38	—·8
National Provident	12·5	10·4	10·3	2·1	2·2	7,401	7,391	6,688	10	713	10·7	
Abstainers and General	20·8	19·6	25·0	1·2	—4·2	1,176	805	514	371	662	128·8
Century	11·1	10·0	14·0	1·1	—2·9	1,309	819	338	490	971	287·9
Marine and General	17·5	16·1	17·0	1·4	·5	2,153	2,080	1,684	73	469	27·9
London and Scottish	19·6	21·2	18·4	—1·6	1·2	4,230	3,904	3,136	326	1,094	34·9
Northern	10·3	10·9	10·9	— ·6	— ·6	5,045	5,384	4,969	— 339	76	1·5
Increase in Premium Income under £50,000 (8 companies)										
National Mutual	15·9	15·9	20·6	—	—4·7	2,935	3,021	2,839	86	96	3·4
Law Union and Rock	17·8	16·7	16·6	1·1	1·2	8,470	7,985	7,387	485	1,083	14·6
Scottish Union and National	17·4	14·4	14·9	3·0	2·5	8,267	8,335	7,750	— 68	517	6·7
Life Association of Scotland	16·9	16·8	15·2	·1	1·7	5,604	5,894	5,736	— 290	— 132	2·3
Equity and Law	13·6	11·0	10·7	2·6	2·9	4,982	4,987	4,641	5	341	7·3
Metropolitan	6·9	8·7	6·8	—1·8	·1	2,300	2,329	2,168	— 29	132	6·1
General Life	23·4	20·9	18·9	2·5	4·5	2,198	2,043	1,977	155	221	11·1
Alliance	9·9	10·1	11·5	— ·2	—1·6	17,978	18,254	16,814	— 276	1,164	6·9
Decrease in Premium Income (2 companies)										
British Equitable	21·3	28·8	26·8	—7·5	—5·5	1,423	1,606	1,696	— 183	— 273	—16·1
Standard	19·1	19·2	18·8	— ·1	·3	13,958	13,602	12,431	356	1,527	12·3
Companies in respect of which no separate figures are shown for Ordinary business in 1909										
London and Manchester	14·1	20·3	—	—6·2	—	531	196	—	335	—	—
Provident Association of London	28·0	16·3	—	11·7	—	552	302	—	250	—	—
Royal London Auxiliary	25·1	30·0	—	—4·9	—	633	130	—	503	—	—
Salvation Army	16·2	15·6	—	·6	—	769	508	—	261	—	—
Wesleyan and General	15·3	15·0	—	·3	—	1,833	1,249	—	584	—	—

DISTRIBUTION OF GROWTH IN BUSINESS.

In Table "C" we show how the increase in the volume of business has been distributed between the different companies under consideration. This is done by a comparison of the figures for 1919, 1914, and 1909 of the premium income (after deduction of re-assurance premiums), of the interest income (after deduction of income tax), of the percentage of expenses to premium income, and of the funds.

In the consideration of these figures, it is important to bear in mind that a substantial increase in premium income is not by itself a good index to the financial stability of a life assurance company. It does not follow that an increase in premium income will be accompanied by a corresponding increase in profits. It is well known that the cost of writing on new business is greater than that of retaining existing business, and consequently an undue proportionate increase in premiums may be accompanied by an increase in the ratio of expenditure. In fact, the increase may be the result of extravagant expenditure in advertising, or it may be due to less careful selection of business. All these reasons will tend to reduce, and not to augment, the sources from which profits and the general stability of the company are derived. It is advisable, therefore, to have regard also to the ratio of expenses and to the tendency of the interest income. If the increase in premium income has not been due to any of the undesirable causes mentioned, it is presumably the result of the natural increase in business due to the known merits and attractiveness of the company concerned, and in course of time must be reflected in the amount of the funds, and consequently in the interest income. At the present time, however, it must be remembered that the greatly increased rate of income tax, as compared with that in force in 1909, has a counteracting effect on the interest income. In other words, had the rate of tax been the same now as in 1909, the increase in the interest income would have been much greater than the amounts shown in the table.

As a matter of fact, the progress of life assurance business has been extraordinarily good during the past decade, and especially during the last couple of years. It is true that during the war the amount of new business did not show much advance, but there is every indication that the public has begun to realise that, in consequence of the decrease in the value of money, the amount of cover held before the war is totally inadequate now. As a consequence, most individuals who are alive to their responsibilities are increasing their cover by taking out new policies. In addition, there is no doubt that a new field has been opened amongst a considerable number of persons, many of them women, who in former years had not realised the advantages of life insurance. As a result it is believed that the increase in business is principally due to these good causes, and not to the undesirable features above referred to. This contention is to some extent borne out by the figures in the table. It will be seen that in many cases the increase in premiums is accompanied by a corresponding proportionate or even greater increase in interest earnings.

In considering the expense ratio, note must be taken of the fact that, in common with other concerns, the general expenses represented by salaries, stationery, &c., have all gone up, and it is very encouraging to see that even with such increased cost the expense ratios remain so favourable. Whether this feature will continue in the future is very problematical, and it will not be surprising if the figures for subsequent years show some variation. To forestall this possibility some companies have already made slight increases in certain rates of premium, but it will be a few years before the effect of such changes is apparent. Generally speaking, life insurance is one of the very few things the cost of which has not increased, though reasonable people require a greater amount of it.

There is another point in connection with the expense ratio to which attention should be drawn. Certain composite companies have an arrangement in operation under which the expenses charged against the life fund are limited to a fixed sum or to an agreed percentage of the premium income, in return for which the shareholders take a certain sum or percentage of profits before any distribution is made to policyholders. We are not concerned to express any opinion on the ethics of this plan, and whether it is to the advantage of the policyholders or otherwise would require investigation in any particular case. We simply draw attention to it as it has a bearing on the ratios of expenses shown in the table.

We have this year inserted in the table additional columns relating to the amount of the funds. A comparison of the ratios of increase with those relating to the premium income shows that both tend in the same direction, but that the increase in the funds has not been proportionately as rapid as that of the premiums. This is only a natural feature having regard to the large amount of new business during the last two or three years, for the benefit of such new business cannot make itself shown effectively in the amount of the funds until it has been on the books for a few years, and reserves of some magnitude have been accumulated. Also it must be borne in mind that during the past few years almost every company has had to write off large sums from the amount of the funds owing to the depreciation in securities, and this course must be reflected in the form of a check on the rate of increase in the funds.

The table shows the various companies arranged in order of increase of premium income. It will be seen that the bulk of the growth in business has been secured by the larger offices, and this is true, not only in the actual increases, but also in the relative figures. This is a feature which is naturally expected. In the present age competition favours the large concerns, and the smaller offices have neither the means nor the organisation to launch out on extensive propaganda. With a few exceptions, fortune also favours the large composite offices which transact several classes of business, and the recent tendency for absorptions and amalgamations, which shows no sign of decreasing, would seem likely to make this feature more prominent in the future.

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"Ordinary" Business. TABLE "D."

Showing the Sums Assured in Force under Whole-of-Life Policies, Endowment Assurances and Miscellaneous Classes, and the Increase or Decrease since previous Valuation.

(000's omitted.)

Name of Company.	Whole of Life. Amount			Inc. or Dec. in last 5 years.	Inc. or Dec. in last 10 years.		Endowment Assurances. Amount			Inc. or Dec. in last 5 years.	Inc. or Dec. in last 10 years.	
	£	£	£	£	£	%	£	£	£	£	£	%
Last Valuation Year 1915	**1915**	**1910**	**1905**				**1915**	**1910**	**1905**			
London Assurance	4,358	4,040	4,311	318	47	1	1,596	1,383	1,040	213	556	53
North British and Merc. ...	23,219	22,667	21,654	552	1,565	7	11,626	9,485	7,216	2,141	4,410	61
Northern	4,770	4,892	4,950	— 122	— 180	— 4	4,014	3,892	3,429	122	585	17
Pœnix	16,850	17,642	17,592	— 792	— 742	— 4	5,716	4,988	4,031	728	1,685	42
Royal Exchange	6,063	5,595	5,242	468	821	16	4,038	3,275	2,217	763	1,821	82
Scottish Amicable ...	8,204	7,891	7,548	313	656	9	4,093	2,868	1,717	1,225	2,376	138
Scottish Insurance	421	340	188	81	233	124	896	467	277	429	619	223
Scottish Life	3,321	2,730	2,011	591	1,310	65	2,609	2,034	1,223	575	1,386	113
Standard	17,268	18,375	19,538	—1,107	—2,270	— 12	9,229	9,489	8,608	— 260	621	7
U.K. Provident	15,128	13,898	11,986	1,230	3,142	26	8,826	7,409	5,655	1,417	3,171	56
University	1,519	1,620	1,780	— 101	— 261	— 15	674	476	318	198	356	112
Last Valuation Year 1916	**1916**	**1911**	**1906**				**1916**	**1911**	**1906**			
Clerical, Med. and Gen. ...	10,530	9,974	9,104	556	1,426	16	2,117	1,600	1,109	517	1,008	91
Legal and General	14,940	12,944	10,224	1,996	4,716	46	6,895	6,478	3,295	417	3,600	109
Life Association of Scotland	8,822	9,722	10,579	— 900	—1,757	—17	2,582	2,308	1,970	274	612	31
Norwich Union	16,984	16,054	12,929	930	4,055	31	16,551	13,081	6,993	3,470	9,558	137
Sun	14,574	13,538	12,233	1,036	2,341	19	10,376	8,091	5,910	2,285	4,466	76
Last Valuation Year 1917	**1917**	**1912**	**1907**				**1917**	**1912**	**1907**			
Caledonian	4,776	4,512	4,428	264	348	8	2,395	3,399	2,979	—1,004	— 584	—19
Commercial Union	24,269	25,961	25,586	—1,692	—1,317	— 5	13,538	13,066	10,738	472	2,800	26
Friends' Provident	4,663	5,109	5,300	— 446	— 637	—12	1,251	1,041	862	210	389	45
National Provident ...	6,285	6,752	7,281	— 467	— 996	—14	8,249	7,680	6,537	569	1,712	26
Provident Mutual	3,153	3,510	3,706	— 357	— 553	—15	4,668	3,765	2,917	903	1,751	76
Scottish Temperance ...	2,701	1,975	1,433	726	1,268	88	3,821	3,177	2,646	644	1,175	64
General Life	2,496	3,239	3,636	— 743	—1,140	—31	1,726	1,858	1,884	— 132	— 158	— 6
Last Valuation Year 1918	**1918**	**1913**	**1908**				**1918**	**1913**	**1908**			
Alliance	24,432	27,405	27,715	—2,973	—3,283	—12	11,040	10,651	8,857	389	2,183	25
Eagle Star and British Dom.	17,021	18,932	19,477	—1,911	—2,456	—13	7,772	9,424	9,611	—1,652	—1,839	—19
Liverpool, London and Globe	6,168	6,097	6,227	71	— 59	— 1	3,003	2,210	1,677	793	1,326	79
London and Scottish ...	6,169	6,543	5,770	— 374	399	7	4,556	4,792	4,868	— 236	— 412	— 8
National Mutual	3,845	4,498	4,484	— 653	— 639	—14	2,029	1,750	1,437	279	592	41
Salvation Army	264	406	198	— 142	66	33	1,217	1,068	859	149	358	42
Scottish Equitable	7,193	8,647	8,465	—1,454	—1,272	—15	5,915	5,004	4,350	911	1,565	36
Scottish Provident	24,037	24,708	23,892	— 671	145	1	4,855	3,902	2,826	953	2,029	72
Scottish Widows	29,573	32,080	28,963	—2,507	610	2	14,409	12,927	9,288	1,482	5,121	55
Last Valuation Year 1919	**1919**	**1914**	**1909**				**1919**	**1914**	**1909**			
Atlas	3,410	4,219	4,113	— 809	— 703	—17	2,599	1,649	1,302	950	1,297	100
Britannic	1,409	1,297	1,262	112	147	12	4,869	3,211	2,516	1,658	2,353	94
British Equitable	1,291	2,751	3,328	—1,460	—2,037	—61	1,768	739	752	1,029	1,016	135
Equitable	5,054	7,277	7,229	—2,223	—2,175	—30	1,134	787	581	347	553	95
Equity and Law	7,247	6,841	6,672	406	575	9	2,945	2,922	3,001	23	— 56	— 2
Guardian	5,321	6,081	6,374	— 760	—1,053	—16	4,016	3,165	2,788	851	1,228	44
Law Union and Rock ...	12,755	13,028	13,265	— 273	— 510	— 4	6,668	5,739	4,901	929	1,767	36
	1915	**1910**	**4 years**	**9 years**			**1915**	**1910**	**4 years**	**9 years**		
London Life	16,834	17,628	17,680	—794	—846	—5	3,979	2,531	1,603	1,448	2,376	148
	1919	**1917**	**1912**	**2 years**	**7 years**		**1919**	**1917**	**1912**	**2 years**	**7 years**	
London and Manchester ...	473	375	228	98	245	107	1,321	1,024	536	297	785	146
	1914	**1909**	**5 years**	**10 years**			**1914**	**1909**	**5 years**	**10 years**		
Marine and General ...	3,005	2,919	2,579	86	426	16	2,078	1,814	1,485	264	593	40
Metropolitan	4,158	4,654	4,759	— 496	— 601	—13	645	452	261	193	384	147
Pearl	4,446	4,657	2,313	— 211	2,133	92	20,924	8,910	5,664	12,014	15,260	269
Prudential	20,188	21,528	21,744	—1,340	—1,556	— 7	98,059	75,939	74,081	22,120	23,978	32
Refuge	5,364	5,067	3,960	297	1,404	35	26,518	16,772	11,195	9,746	15,323	137
Royal	16,552	14,816	14,083	1,736	2,469	17	12,426	9,405	7,970	3,021	4,456	56
Scottish Union and National	9,707	11,219	11,941	—1,512	—2,234	—19	6,239	5,676	4,718	563	1,521	32
Wesleyan and General ...	1,309	1,348	1,203	— 39	106	9	3,377	2,812	1,754	565	1,623	92
Yorkshire	3,778	3,430	2,732	348	1,046	38	3,067	1,967	1,371	1,100	1,696	

TABLE "D"—*continued.* "Ordinary" Business.

Showing the Sums Assured in Force under Whole-of-Life Policies, Endowment Assurances, and Miscellaneous Classes, and the Increase or Decrease since previous Valuation.

(000's omitted.)

Name of Company.	Miscellaneous Amount			5 years.	10 years.		Total Amount			5 years.	10 years.	
	£	£	£	£	£		£	£	£	£	£	
Last Valuation Year 1915	**1915**	**1910**	**1905**				**1915**	**1910**	**1905**			
London Assurance	510	272	217	238	293	135	6,464	5,695	5,568	769	896	16
North British and Merc.	2,036	1,870	1,415	166	621	44	36,881	34,022	30,285	2,859	6,596	22
Northern	332	246	230	86	102	44	9,116	9,030	8,609	86	507	6
Phœnix	2,192	2,292	2,163	—100	29	1	24,758	24,922	23,786	— 164	972	4
Royal Exchange	1,049	769	601	280	448	74	11,150	9,639	8,060	1,511	3,090	38
Scottish Assurance	969	613	263	356	706	268	13,266	11,372	9,528	1,894	3,738	39
Scottish Equitable	89	156	31	— 67	58	187	1,406	963	496	443	910	184
Scottish Life	485	208	156	277	329	211	6,415	4,972	3,390	1,443	3,025	89
Standard	1,365	1,480	1,162	— 115	203	17	27,862	29,344	29,308	—1,482	— 1,446	— 5
U.K. Provident	811	420	409	391	402	98	24,765	21,727	18,050	3,038	6,715	37
Universal	194	99	26	95	168	646	2,387	2,195	2,124	192	263	12
Last Valuation Year 1916	**1916**	**1911**	**1906**				**1916**	**1911**	**1906**			
Clerical, Medical and Gen.	1,702	1,133	875	569	827	94	14,349	12,707	11,088	1,642	3,261	29
Legal and General	6,631	3,671	2,329	2,960	4,302	185	28,466	23,093	15,848	5,373	12,618	80
Life Association of Scotland	1,234	1,043	811	191	423	52	12,638	13,073	13,360	— 435	—,722	— 5
Norwich Union	9,377	6,127	2,575	3,250	6,802	264	42,912	35,262	22,497	7,650	20,415	91
Sun	1,821	1,472	975	349	846	87	26,771	23,101	19,118	3,670	7,653	40
Last Valuation Year 1917	**1917**	**1912**	**1907**				**1917**	**1912**	**1907**			
Caledonian	2,214	710	639	1,504	1,575	246	9,385	8,621	8,046	764	1,339	17
Commercial Union	4,531	3,013	2,526	1,518	2,005	79	42,338	42,040	38,850	298	3,488	9
Friends' Provident	626	181	156	445	470	301	6,540	6,331	6,318	209	222	4
General Accident	393	204	216	189	177	83	4,625	5,331	5,706	— 706	—1,081	—19
National Provident	318	121	130	197	188	145	14,852	14,553	13,948	299	904	6
Provident Mutual	90	83	83	7	5	6	7,331	6,718	6,108	613	1,223	20
Scottish Provident	658	595	591	63	67	11	7,180	5,747	4,670	1,433	2,510	54
Last Valuation Year 1918	**1918**	**1913**	**1908**				**1918**	**1913**	**1908**			
Alliance	2,070	2,187	2,157	— 117	— 87	— 4	37,542	40,243	38,709	—2,701	—1,167	— 3
Eagle, Star and British Dom.	3,334	2,582	2,230	752	1,104	50	28,127	30,938	31,318	—2,811	—3,191	—10
Liverpool, London and Globe	529	443	354	86	175	49	9,700	8,750	8,258	950	1,442	17
London and Lancashire	1,068	658	538	410	530	98	11,793	11,993	11,276	— 200	517	5
National Guardian	713	500	482	213	231	47	6,587	6,748	6,403	— 161	184	3
Salvation Army	665	56	52	609	613	1,179	2,146	1,530	1,109	616	1,037	94
Scottish Employers	1,590	490	697	1,190	893	128	14,698	14,051	13,512	647	1,186	9
Scottish Provident	2,776	1,939	934	837	1,842	197	31,668	30,549	27,652	1,119	4,016	14
Scottish Widows	2,330	742	792	1,588	1,538	194	46,312	45,749	39,043	563	7,269	19
Last Valuation Year 1919	**1919**	**1914**	**1909**				**1919**	**1914**	**1909**			
Atlas	2,698	877	528	1,821	2,170	410	8,707	6,745	5,943	1,962	2,764	46
Britannic	1,061	256	151	805	910	603	7,339	4,764	3,929	2,575	3,410	87
British Dominions	245	158	117	87	128	109	3,304	3,648	4,197	— 344	— 893	—21
Equitable	856	703	596	153	260	44	7,044	8,767	8,406	—1,723	—1,362	—16
Equity and Law	804	1,089	1,057	— 285	— 253	— 24	10,996	10,852	10,730	144	266	2
Guardian	1,772	920	456	852	1,316	288	11,109	10,166	9,618	943	1,491	16
Law Union and Rock	855	1,096	1,481	— 241	— 626	— 42	20,278	19,863	19,647	415	631	3
		1915	**1910**	**4 years**	**9 years**			**1915**	**1910**	**4 years**	**9 years**	
London Life	1,040	847	529	193	511	96	21,853	21,006	19,812	847	2,041	10
	1919	**1917**	**1912**	**2 years**	**7 years**		**1919**	**1917**	**1912**	**2 years**	**7 years**	
London and Manchester	270	194	74	76	196	265	2,064	1,593	838	471	1,226	146
		1914	**1909**	**5 years**	**10 years**			**1914**	**1909**	**5 years**	**10 years**	
Mancunian Universal	438	205	114	233	324	284	5,521	4,938	4,178	583	1,343	32
Metropolitan	272	205	181	67	91	50	5,075	5,311	5,201	— 236	— 126	— 2
Pearl	4,741	601	1,550	4,140	3,191	206	30,111	14,168	9,527	15,943	20,584	216
Prudential	12,338	5,474	1,689	6,864	10,649	630	130,585	102,941	97,514	27,644	33,071	34
Refuge	256	249	201	7	55	27	32,138	22,088	15,356	10,050	16,782	109
Royal	1,608	1,542	942	66	666	71	30,586	25,763	22,995	4,823	7,591	33
Scottish Union and National	1,883	977	1,060	906	823	78	17,829	17,872	17,719	— 43	110	1
Wesleyan and General	1,222	264	43	958	1,179	2,741	5,908	4,424	3,000	1,484	2,908	97
Yorkshire	876	717	474	159	402	85	7,721	6,114	4,577	1,607	3,144	69

THE GROWTH OF ENDOWMENT ASSURANCE.

In previous years we have given statistics showing how the general increase in business has been distributed between the different classes of contract represented by endowment assurances and whole life assurances, and we have shown that there has been a very marked increase in the proportion of endowment assurances. This year we are able to give a much more detailed table, showing the figures for various offices of the total amount of policies in force under whole life policies, under endowment assurances, and under miscellaneous classes, with the total of all classes. These statistics have to be extracted from the valuation returns of the various offices, and inasmuch as the valuations have taken place at different dates, it is not possible to give figures of the business in force at the end of the year 1919. We have therefore taken the figures for each company shown in their last available valuation return, and compared such figures with the corresponding ones for the valuations five years and ten years previously. It will thus be seen that the information is not analogous to that given in Table "C," and also that in any comparison between different offices allowance must be made for the possible difference of three or four years in the valuations.

The method adopted in the table has been to divide the companies into groups according to the year of last valuation. Against each company is set forth first of all the total sums assured and bonuses in force under whole life policies as at that date; the corresponding figures at the valuations five years and ten years previously; the resulting increase or decrease, and the percentage which the increase in ten years bears to the earliest figure. These are followed by similar figures in respect of endowment assurances, and miscellaneous classes, and the final section shows the results in total.

The total figures show, of course, a considerable increase, but it will be seen that a very large proportion of this increase comes under the endowment assurance policies; or, considering the columns showing the percentage increase, the fact emerges that the relative increase in endowment assurances is several times greater, in the case of most companies, than the corresponding increase in total assurances. This feature, of course, can only mean that the vast bulk of new assurances written on during the last ten years has principally consisted of endowment assurances.

The reason for this course of events is not far to seek. Ingrained in the average Britisher is the desire to know as nearly as possible the amount of benefit he will receive in exchange for definite payments. Under a whole life policy, for example, he is promised a certain sum payable after his death in exchange for a premium payable by him as long as he lives. As he does not know when he will die, he cannot form any estimate as to when the sum assured will be payable, nor as to what total amount he will have to pay in premiums. Under an endowment assurance the position is different. He knows, at any rate, the worst from a financial point of view—that is, the sum assured will be payable at the latest at the end of the term, and the maximum amount he will have to pay is so many times the premium; whilst there is always the chance he may die sooner, in which case the sum assured is immediately payable in return for a less amount of premiums expended.

It is also a known fact that many business houses encourage their employees to take out endowment assurances at age 60 or 65, in order to provide or supplement their pensions at the end of their business career. Many offices have in recent years catered for this class of business, and have also put forth efforts to secure business from persons of average means, who cannot afford to gamble in large amounts of whole life assurances.

From one point of view the figures are a great encouragement, as they are without doubt strong evidence of the extent to which habits of thrift are increasing among the general public. An ordinary whole life or miscellaneous class of policy cannot, speaking generally, be regarded as such a good example of thrift as one under the endowment assurance table, and, consequently, the greatly increased proportion of endowment policies must be considered, from the public point of view, as a very welcome sign.

In this connection it is well to remember that the majority of the leading companies issued special forms of policy in connection with War Loan and Victory Bonds. The valuation returns are not always specifically clear as to the nature of these policies, and consequently they may not in every instance have been classified in their correct group. In the bulk of cases, however, they would be in the form of endowment assurances, and would be a contributing cause to the increases shown in this class during the last year or two.

The following extract from the full table shows the companies which, during the ten-year period, have secured an increase of over two millions sterling in the amount of endowment assurances in force. The increase is given in round figures to the nearest thousand, and the names are arranged according to the expansion in the figures.

	Increase.	
	Actual.	Per
	£	Cent.
Prudential	23,978,000	32
Refuge	15,323,000	137
Pearl	15,260,000	269
Norwich Union	9,558,000	137
Scottish Widows'...	5,121,000	55
Sun	4,466,000	76
Royal	4,456,000	56
North British and Mercantile ...	4,410,000	61
Legal and General	3,600,000	109
United Kingdom Provident ...	3,171,000	56
Commercial Union	2,800,000	26
London Life	2,376,000	148
Scottish Amicable	2,376,000	138
Britannic	2,353,000	94
Alliance	2,203,000	25
Scottish Provident	2,029,000	72

It will be seen that there are 16 offices in this list, and that the first three are large concerns which do a considerable proportion of their business amongst the working classes and persons of comparatively small means. This tends to emphasise what we have already said, for, if these companies can obtain such large increases in endowment assurances amongst persons whose average policy-holding is small, it follows that a very large number of people must have awakened to the advantages of thrift as exemplified by life insurance.

In passing we would draw attention to the fact that the figures given in the table relate to the *amount of business in force*. It would have been very interesting and instructive to investigate this question from the point of view of *new business effected*. Inasmuch as policies going off the books by claim, surrender, or lapse must be replaced by new business before any increase in the amount in force can be recorded, an investigation of the figures of new business effected would probably show an even higher proportion for endowment assurances than appears in our table.

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"Ordinary" Business. TABLE "E." "Ordinary" Business.

Showing Bases of Mortality and Interest assumed in Valuations, gross rates of Interest actually earned, and the rates of Bonus addition declared.

Name of Company.	Table of Mortality used in Valuation		Rate of Interest % assumed in	Earned in						Assumed in	Margin of Interest in		Increase or Decrease in Margin in 5 years.	Minimum Reversionary Bonus (Whole Life) per cent. per annum.	
	1915	1910	1915	1915	1914	1913	1912	1911	1910	1910	1915	1910		1915	1910
London Assurance	(m)	(m)	3·00	4·55	4·37	4·27	4·16	4·12	4·05	2·75	1·55	1·30	·25	30 – *s.*	18 9 *con.*
North Brit. and Merc.	(m)	(m)	3 00	4 42	4 29	4 42	4·28	4 23	4·33	3·00	1 42	1 33	·09	10 *c.*	30 – *c.*
Northern	(m) and (m)	(m) and (m)	3 00	4 13	3 92	3 90	3·87	3·85	3·70	2 50	1·13	1·20	– ·07	None	31 – *s.*
Phœnix	(m)	(m)	3 00	4 48	4·28	4 31	4·18	3 99	3 95	3·00	1·48	·95	·53	30/– *s.*	34/– *s.*
Royal Exchange	(m)	(m)	3·00	4 39	4·29	4·24	4 17	4 17	4·16	3·00	1·39	1 16	·23	28 – *c.*	28 – *c.*
Scottish Amicable	(m)	(m)	3 00	4·51	4·12	4·14	4·12	4 06	4 05	2·50	1·51	1·55	– ·04	35 *c.*	35 – *c.*
Scottish Insurance	(m)	(m)	3 00	4·12	4·31	4 41	4·18	4·17	4·19	3 00	1·12	1 19	– ·07	None	25 – *s.*
Scottish Life	(m)	(m and m)	3·00	4·50	4·35	4 37	4 31	4·34	4·29	3 00	1·50	1·29	·21	20 –	40 – *s.*
Standard	(m)	(m)	3·00	4 62	4 40	4 39	4·37	4 33	4 28	3 00	1·62	1·28	·34	None	30/– *s.*
U.K. Provident	(m and m)	(m and m)	3·00	4 47	4 21	4·17	4 02	3·97	3 94	2·50	1·47	1·44	·03	20/– *s.*	35/– *c.*
University	(m)	(m)	2 75	4 38	4 28	4 26	4 21	4 14	4 19	2·50	1·63	1·69	– ·06	30/– *s.*	30 – *s.*

Name of Company.	Table of Mortality used in Valuation		Rate of Interest % assumed in	Earned in						Assumed in	Margin of Interest in		Increase or Decrease in Margin in 5 years.	Minimum Reversionary Bonus (Whole Life) per cent. per annum.	
	1916	1911	1916	1916	1915	1914	1913	1912	1911	1911	1916	1911		1916	1911
General, Med. and Gen.	(m)	(m)	2·50	4 40	4 22	4 20	4 10	3 99	4·04	2 50	1·90	1·54	·36	36/–*com.*	35 7 *com*
Legal and General	(m)	(m)	2 50	4 60	4 52	4·51	4 50	4 27	4·27	2·50	2·10	1·77	·33	38/– *c.*	38/– *c.*
Life Assn. of Scotland	(m)	(m)	3 00	4 55	4 27	4 20	4·15	4·13	4 02	3·00	1·55	1·02	·53	None	30/– *s.*
Norwich Union	(m)	(m)	2 50	4 52	4·32	4 37	4·32	4 23	4 20	2·50	2·02	1·70	·32	None	35/7 *c.*
Sun	(m)	(m and m)	3 00	4 86	4 55	4 52	4 41	4 41	4 41	3·00	1 86	1 41	·45	None	28 9 *c.*

Name of Company.	Table of Mortality used in Valuation		Rate of Interest % assumed in	Earned in						Assumed in	Margin of Interest in		Increase or Decrease in Margin in 5 years.	Minimum Reversionary Bonus (Whole Life) per cent. per annum.	
	1917	1912	1917	1917	1916	1915	1914	1913	1912	1912	1917	1912		1917	1912
Caledonian	(m)	(m)	3 00	5·20	4 69	4 66	4·78	4 78	4·39	3·00	2·20	1·39	·81	None	30 – *s.*
Commercial Union	(m)	(m)	3 00	4·98	4 94	4·72	4 59	4 41	4·21	3·00	1 98	1·21	·77	None	29.7 *c.*
Friends' Provident	(m)	(m and m)	3·00	4 91	4·42	4 21	4·22	4·15	4 08	3·00	1·91	1 08	·83	None	32 – *c.*
General Life	(m and m)	(m and m)	3·50	4 06	3 86	3 85	3·82	3 86	3 74	3·00	·56	·74	– ·18	None	20 – *s.*
London and Manchester	(m)	(m)	3 00	4 70	4 07	4·07	4 07	4 07	3 67	3 00	1·70	·67	1 03	None	30 – *s*
London and Scottish (London and Lancashire Fund)	(m)	(m)	3 50	4 50	4 29	4 14	4 22	4 32	4·42	3·50	1 00	·82	·18	None	10/– *s.*
Nat. Provident	(m)	(m)	3 00	4 88	4 47	4 37	4 34	4 27	4 26	3 00	1 88	1·26	·62	None	40/– *s.*
Provident Mutual	(m)	(m)	3 00	4 99	4·73	4·47	4·53	4·46	4 20	3 00	1·99	1·20	·79	None	25 – *s.*
Scottish Temp.	(m)	(m)	3 00	4 78	4 86	4 50	4 37	4 20	4 24	3·00	1·78	1 24	·54	None	30/– *c.*

Name of Company.	Table of Mortality used in Valuation		Rate of Interest % assumed in	Earned in						Assumed in	Margin of Interest in		Increase or Decrease in Margin in 5 years.	Minimum Reversionary Bonus (Whole Life) per cent. per annum.	
	1918	1913	1918	1918	1917	1916	1915	1914	1913	1913	1918	1913		1918	1913
Alliance	(m)	(m)	3 00	4 52	4 45	4 37	4 21	4 25	4·22	3·00	1 52	1·22	·30	None	20 – *c.*
Britannic	Lm	Lm	3 50	5·18	5·03	4 90	4 69	4 69	4·63	3·50	1 68	1·13	·55	16/– *s.*	22/– *s.*
Eagle, Star and B.D. (Star Form)	(m)	(m)	3 00	5 03	4·61	4 48	4·47	4 47	4·27	3·00	2·03	1·27	·76	None	21 – *c*
Liped, Lon. and Globe	(m and m)	(m and m)	2·75	4·87 ½	4 48	4·26	4·07	3·95	3 91	2·75	2·12	1·16	·96	35 – *s.*	35/– *s*
National Mutual	(m)	(m)	3 00	4·87	5·07	4 82	4·81	4 98	4 95	3·00	1·87	1·95	– ·08	None	36 – *c.*
Refuge	Lm	Lm	3 00	4·57	4·45	4 27	4·13	4·04	4·04	3·00	1·57	1·04	·53	20 – *s.*	34 – *s.*
Salvation Army	Lm	Lm	3·00	4 58	4 47	4 22	4 06	4 30	4·10	3·25	1·58	·85	·73	10 – *s.*	20 – *s.*
Scottish Equitable	(m)	(m)	3 00	4 85	4 58	4·47	4 25	4 24	4 22	3·00	1·85	1·22	·63	None	20 – *c.*
Scottish Provident	(m)	(m)	3·00	4·89	4 57	4 40	4·20	4·20	4·22	3·00	1·89	1·22	·67	None	Special
Scottish Widows'	(m)	(m and m)	3 00	4 94	4 82	4 60	4·35	4 32	4 23	3·00	1·94	1·23	·71	None	34/– *c.*
Wes. and Gen.	(m)	(m)	3 00	4·66	4·49	4·21	3 86	3·79	3·70	3 00	1 66	·70	·96	None	32/– *s.*

Name of Company.	Table of Mortality used in Valuation		Rate of Interest % assumed in	Earned in						Assumed in	Margin of Interest in		Increase or Decrease in Margin in 5 years.	Minimum Reversionary Bonus (Whole Life) per cent. per annum.	
	1919	1914	1919	1919	1918	1917	1916	1915	1914	1914	1919	1914		1919	1914
British Equitable	(m)	(m)	3 00	4 44	4 36	4 27	4·17	4·19	4·18	3·00	1·44	1·18	·26	None	21/– *s.*
Equitable	(m)	(m)	2·50	5 16	5·10	4 97	4 72	4·45	4·25	2·50	2·66	1·75	·91	None	26/– *c.*
Equitable and Law	(m and m)	(m and m)	3·00	5 04	4 67	4·47	4 16	4 32	4 50	2·75	2·04	1·75	·29	20/– *s.*	30/– *c.*
Guardian	(m)	(m)	3 00	5·45	5 26	4·90	4·77	4 59	4·33	3·00	2·45	1·33	1·12	15/– *s.*	25 7 *con.*
Law Union and Rock	(m)	(m)	3 00	5 56	5 02	5·07	4 74	4·12	4·70	3·00	2·56	1 70	·86	None	30/– *c.*
Marine and General	(m)	(m and m)	3 00	5 05	5 01	4 92	4·77	4 79	4·19	3·00	2·05	1 19	·86	None	40 – *s.*
Metropolitan	(m)	(m)	3 00	5 00	4 83	4·70	4 57	4 37	4 25	3·00	2·00	1 25	·75	Special	Special
Prudential	Hm	Hm	3·00	4 81	4 90	4 97	4 69	4 40	4·43	3·00	1·81	1·43	·38	28 – *s.*	30/– *s.*
Royal	(m)	(m and m)	3 00	4·85	4 78	4 73	4·56	4 36	4·15	3·00	1·85	1 15	·70	30/– *s.*	30 – *s.*
Scottish Provident (New)	(m)	(m)	3 00	5·02	4 77	4 70	4 61	4 33	4·25	3 00	2·02	1·25	·77	None	None
Yorkshire	(m)	(m and m)	3·00	5·15	5·14	4 76	4·73	4 42	4 58	3·00	2·15	1 58	·57	—	26.7 *c.*

(m) Combined Experience. *s* Simple Bonus. (c) Compound Bonus.

VALUATION RETURNS.

We now come to what is a very important portion of our subject. In order that a person may form a really sound opinion of the merits of any particular company, it is essential that consideration should be given to the methods employed in and the results obtained by the periodical valuations. For many years past it has been the law of this country that Life Assurance Companies should subject their business to periodical investigations, and should file reports with the Board of Trade. Ten years ago the conditions under which such investigations might be carried out were very much stiffened, and at the same time it was laid down that returns must be made in certain standard forms by all companies transacting business in this country. This has to some extent simplified the task of making comparisons between details affecting the nature and extent of the business of individual companies, and if it were necessary it would be possible to submit the particulars of two or more companies to valuation on identical bases, and thus arrive at an easily understood comparison between the results.

In the case of life assurance the term of the contract is seldom for a fixed limited period, but is renewable year after year at the option of the assured by payment of the same annual premium, or it may come to an end at some unexpected moment by the death of the assured. In considering the question of the calculation of rates of premium, we show how tables of mortality have been compiled as the result of investigations into the mortality experienced in various sections of the population. The primary form of such tables shows the probability of a man or woman of a certain age dying during the course of the following twelve months. It would be quite a simple matter to confine life assurance contracts to definite terms of one year, but this would involve a new contract every year at an increased rate of premium, seeing that the probability of dying during the course of the following twelve months increases as the age increases. Such a course would be impracticable, and would have many disadvantages both to the assured and the company. By the mathematical combination of the probabilities of death in successive years, it is possible to arrive at a uniform annual premium payable throughout the contract. It should be obvious, however, that such a premium will be more than the amount required to cover the risk of death in the early years of the contract, and that such excess will gradually diminish and disappear, until eventually the premium paid is insufficient to cover the risk. Consequently, it follows that the company must, in the early years of the contract, set aside a portion of the premiums received in order to meet the deficit which would otherwise occur later on. The whole object of the valuation of the liabilities is to ascertain what sum must be provided for this purpose.

The first matters to be decided by the actuary responsible for the valuation will be the assumptions to be made as regards the rates of mortality and interest likely to be experienced in the future, for the liabilities are all going to arise in the future, and the time and extent of their falling in for payment will depend upon the future mortality experience. It is a common practice amongst leading companies to make an investigation of the mortality experienced year by year amongst their policy-holders, and to compare results with a standard table of mortality. Such results, however, are seldom published in detailed form, and statistics are not available to enable us to prepare tables showing what margin between the mortality rates, assumed and experienced, has been realised in recent years by individual companies. There is reason to believe that a considerable portion of such margin has been encroached upon as the result of claims arising out of the War, especially as the majority of such claims occurred amongst young lives whose normal rates of mortality are light. This unfavourable experience is, however, the result of special circumstances, and there is no reason to suppose that, now the War is happily a thing of the past, the former margins of profit from [illegible] will not be restored.

The decision as to the rate of interest to be employed in the valuation is perhaps the one of most importance, as it is very largely from this source that companies derive the profits which they are able to distribute in the form of bonuses. As in the case of mortality, it would be permissible to assume a rate of interest very closely approximating to the rate actually earned, and this course would be adopted on the contemplated sale or winding-up of a company. For practical purposes, in the case of a going concern, however, it is wiser and more usual to assume a safe rate well below that which may reasonably be expected. This is done because it avoids, as far as possible, the chance of the assumption not being realised, it allows a larger margin for profit from interest earnings in the future, and, most important of all, it places the company in a stronger financial position and better able to meet unexpected fluctuations and developments.

Speaking generally, the lower the rate of interest assumed by a company in valuation, the stronger will be its financial position at the present time. There may, however, be other adverse elements which will counteract this seeming prosperity. It might happen that in conjunction with a low rate of interest a company assumed a mortality much more favourable than that experienced. This would mean that claims would arise much sooner than anticipated. Or it might be that the low rate of interest assumed was necessitated by a low rate actually earned. It is, therefore, important to consider not merely the rate assumed, but also the margin between that rate and the rate actually earned. In this connection it is well to mention that though the gross rate of interest now obtainable on new investments is much higher than before the War, giving, as will be seen from our table, a considerable increase in the margin, such increase is to a great extent counteracted by the higher rate of income tax payable, and also by the fact that a very considerable sum received in interest has had to be utilised in writing down the capital value of many classes of security.

In Table "E" we are able to give particulars of the bases of mortality and interest assumed by individual companies in two recent valuations, and the rates of interest secured in each of the intervening years.

We have added to the table columns showing the minimum bonuses declared in respect of whole-life policies, and it will be seen that less than half of the companies have declared any bonus. In the majority of instances this course has been adopted principally as a precautionary measure, and it should be regarded rather as an addition to financial strength than as a sign of weakness. Most of the offices provided for interim bonuses to be paid on claims arising before the next valuation.

It will no doubt have been observed that, in dealing with the assumptions to be made by the actuary in deciding upon the factors to be used in valuation, we have made no reference to that of expenses. It is now the most usual practice to make what is known as a net premium valuation. It is assumed that the company will receive only what is known as the net premium—that is to say, the amount of premium shown by the table involving the rates of mortality and interest assumed in the valuation. By this means the margin between the gross premium received and the net premium assumed is thrown into the increased reserve, and is available to meet future expenses. To discover whether this margin is adequate in the case of any particular company would necessitate a detailed investigation into the gross premiums received and the net premiums valued. We are, therefore, unable to give any statistics as to the margin of profit arising from this source. There are a few companies who still adhere to the method of valuing the gross premiums, and making a reserve for the estimated value of future expenses.

"Industrial" Business. TABLE "F." "Industrial" Business.

Giving particulars of the principal items appearing in the Revenue Accounts for 1919.

Name of Company	Income		Outgo			
	Premiums £	Interest and Dividends, less Tax £	Claims £	Surrenders £	Commission and Expenses £	% of Premium Income
Abstainers and General ...	3,630	1,600	4,178	163	817	22·5
Provident Assocn. of London ...	108,162	23,339	29,899	22,120	35,137	32·5
Pearl	3,832,382	265,137	1,541,933	2,378	1,547,079	40·4
London and Manchester ...	898,943	53,827	430,394	1,547	368,170	40·9
Pioneer	93,636	2,512	46,434	23	39,226	41·9
Prudential	11,155,874	2,130,124	3,997,138	187,797	4,768,331	42·8
British Legal	416,268	13,349	217,280	174	181,677	43·6
Royal London Mutual ...	1,905,767	207,037	727,061	5,934	838,114	44·0
Britannic	1,475,985	111,633	617,047	4,893	659,047	44·7
Refuge	2,913,366	156,820	1,297,311	—	1,350,131	46·3
Salvation Army	406,803	31,807	196,719	240	188,273	46·3
Co-operative	102,918	1,300	22,966	48	49,688	48·3
Wesleyan and General ...	906,719	59,702	370,136	5,247	439,387	48·5
British Widows	94,722	2,086	33,223	—	49,143	51·9
Blackburn Philanthropic ...	208,668	25,728	88,646	2,378	115,709	55·5
London General	47,132	1,135	16,381	74	27,546	58·4

INCOME AND EXPENDITURE OF INDUSTRIAL COMPANIES.

We are pleased this year to be able to introduce an entirely new feature into our Insurance Section. In former years it has not been our custom to deal in any detail with the statistics relating to Industrial life business. We have given figures in the aggregate for all companies in the pages dealing with twenty years' progress, and have also shown a few items taken from the latest revenue accounts. Having regard to the important position occupied by this form of insurance in the life of the nation, and especially in its direct relation to the great mass of workers, we do not consider that any arguments need be advanced in support of our action in devoting some few pages to a consideration of the results shown by some of the companies which transact industrial business.

There are about 20 companies which do business on any large scale, but unfortunately it has not been possible for us, at our first attempt, to obtain all the information we would desire to have in order to make our tables anything like complete. We do not hesitate, however, to publish such information as we have been able to obtain, believing as we do that it will prove of interest to our readers, and we shall hope to be in a better position on future occasions to render our tables more comprehensive.

The tables which we give are similar in form to those appearing on earlier pages of the section in connection with Ordinary life business. The first table, "F," shows the figures we have been able to extract from the published revenue accounts for the year 1919. The first two columns relate to income as represented by premiums and interest. The next two columns show the payments which have been made to the public in the form of claims and surrenders, the fifth shows the costs of conducting the business, whilst the final column gives the percentage which the commission and expenses bear to the premium income.

The table has been arranged, in the same manner as Table "A," according to the size of the expense ratio. It will be observed at once that these ratios are greatly in excess of those applying in the case of Ordinary business, and the reason for this is so well known that it needs little elaboration. In a great many cases the premiums under a policy in the Ordinary branch are payable in one sum every year, and the cost of their collection is confined to a few postage stamps and the small amount of clerical labour involved. Under an Industrial policy the premiums are usually payable in weekly sums, and are collected from house to house by specially appointed agents who devote the whole of their time to this work. It is, of course, a matter of great regret that such a large proportion of the amount paid in for the purpose of life assurance is not available for the direct purpose for which it is intended, but has to be spent in the cost of its collection. It is not easy, however, to see how a way can be found out of the difficulty as long as people will not go to the trouble of saving their small weekly amounts, and remitting them through the post, say, once every three months direct to the company. The recent Committee of Inquiry into the general conduct of the business of Industrial assurance, though it was able to find certain instances of unnecessarily high expenses, was unable to condemn the system as it stands, nor could it make any valuable suggestion as to how improvements might be made.

Although our table contains the names of 16 companies, it will be seen that only seven of them show a premium income in excess of £500,000, whilst very nearly half of the business is under the control of one company. When we consider that the total premium income amounts to about £25,000,000 we are able to realise the very important work which is carried on by these companies in enabling the poorer classes to effect some measure of saving towards funeral and other expenses, a saving which but for the energies of the agents and officials would probably never take place at all. The figures shown on the other side of the account under the heading of claims convey some indication of the benefits enjoyed by the community as the result of intelligent foresight on the part of the industrial poor.

It will be observed that several columns, which appeared in Table "A" relating to Ordinary business, are not reproduced with reference to Industrial business. The conduct of annuity business in its usual form is very seldom undertaken by Industrial companies. In its place there are a variety of schemes, appearing generally under the heading of old-age policies, the majority of which correspond to the form of deferred annuity obtainable in the Ordinary branch. A number of companies conduct forms of sickness insurance in connection with their Industrial account, especially some of those companies which were formerly founded as friendly societies but have since become registered as companies.

The column relating to cash bonuses is also absent from the table here. We refer on another page to the fact that it is quite the exception for Industrial policyholders to be entitled to any share in the profits which may be realised by the company. Those few companies which have adopted some form of profit-sharing have generally found themselves not in a position to continue the benefit during the years of war, but it is hoped that the practice will be resumed and developed as soon as conditions are found to be returning to a more normal level.

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"Industrial" Business. **TABLE "G."** "Industrial" Business.

Giving Comparative Figures over Periods of Five and Ten Years of the Premiums, Interest, Expense Ratios, and Funds.
(000's omitted.)

Name of Company	Net Premium Income			Inc. or Dec. in last 5 years		Inc. or Dec. in last 10 years		Net Interest Earned			Inc. or Dec. in last 5 years		Inc. or Dec. in last 10 years	
	1919	1914	1909	£	£	£	%	1919	1914	1909	£	£	£	%
	£	£	£	£	£	£	%	£	£	£	£	£	£	%
Prudential	11,156	8,176	7,172	2,980	3,984	56		2,130	1,470	1,079	660	1,051	97	
Pearl	3,832	2,513	2,043	1,319	1,789	88		265	186	116	79	149	128	
Refuge	2,913	2,216	1,782	697	1,131	63		157	105	71	52	86	121	
Royal London Mutual	1,906	1,336	1,134	570	772	68		207	132	80	75	127	159	
Britannic	1,476	1,069	943	407	533	57		112	77	58	35	54	93	
British Legal	416	304	184	112	232	126		13	13	8	—	5	62	
Co-operative	103	112	34	—9	69	203		1	1	1	—	—	—	
British Widows	95	72	52	23	43	83		2	1	1	1	1	—	
London General	47	32	13	15	34	261		1	—	—	—	—	—	
Pioneer	94	73	73	21	21	29		3	1	1	2	2	200	
Abstainers and General	4	5	3	—1	—2	—33		2	2	1	—	1	—	
Companies in respect of which no separate figures are shown for "Industrial" Business in 1909.														
Blackburn Philanthropic ...	209	125	—	84	—	—		26	23	—	3	—	—	
London and Manchester ...	890	648	—	251	—	—		54	30	—	24	—	—	
Provident Association of London	108	59	—	49	—	—		23	21	—	2	—	—	
Salvation Army	407	281	—	126	—	—		32	17	—	15	—	—	
Wesleyan and General ...	907	777	—	130	—	—		60	34	—	26	—	—	

Name of Company	Percentage of Expenses			Inc. or Dec. in last 5 years	Inc. or Dec. in last 10 years	Life Funds			Inc. or Dec. in last 5 years	Inc. or Dec. in last 10 years	
	1919	1914	1909	£	£	1919	1914	1909	£	£	%
	£	£	£	£	£	£	£	£	£	£	%
Prudential	42·8	44·4	40·7	— 1·6	2·1	53,624	40,878	31,544	12,746	22,080	70
Pearl	40·4	42·7	45·5	— 2·3	— 5·1	8,144	5,261	3,928	2,883	4,216	107
Refuge	46·3	46·9	48·7	— ·6	— 2·4	4,082	2,717	1,795	1,365	2,287	127
Royal London Mutual ...	44·0	46·2	47·5	— 2·2	— 3·5	5,185	3,666	2,559	1,519	2,626	103
Britannic	44·7	42·2	42·4	2·5	2·3	2,805	1,883	2,334	922	471	20
British Legal	43·6	51·3	50·0	— 7·7	— 6·4	446	353	240	93	206	86
Co-operative	48·3	4·5	11·8	43·8	36·5	45	19	41	26	4	10
British Widows	51·9	58·3	57·7	— 6·4	— 5·8	60	32	20	36	48	240
London General	58·4	65·6	138·5	— 7·2	—80·1	28	6	1	22	27	2,700
Pioneer	41·9	57·5	56·2	—15·6	—14·3	63	21	45	42	15	31
Abstainers and General	22·5	20·0	33·3	2·5	—10·8	45	48	43	—3	2	5
Companies in respect of which no separate figures are shown for "Industrial" Business in 1909.											
Blackburn Philanthropic ...	55·5	44·0	—	11·5	—	790	684	—	106	—	—
London and Manchester	40·9	44·8	—	— 3·9	—	1,434	916	—	518	—	—
Provident Association of London	32·5	23·7	—	8·8	—	682	526	—	156	—	—
Salvation Army	46·3	47·7	—	— 1·4	—	787	470	—	317	—	—
Wesleyan and General	48·5	47·2	—	1·3	—	1,622	999	—	623	—	—

DISTRIBUTION IN GROWTH OF INDUSTRIAL BUSINESS.

We give in this table statistics relating to Industrial business similar to those appearing in Table "C" with reference to Ordinary business. The first set of columns sets forth the changes which have taken place during periods of five and ten years in the amount of premium income of different companies, the names of the companies being arranged in order according to the magnitude of the increase over the ten-year period. Whilst the first five companies have secured the majority of the increases shown, the column giving the increase expressed as a percentage of the premium income in 1909 indicates that some of the companies appearing lower in the table are making considerable headway. It is possible that in course of time, should such progress be maintained, these smaller concerns will become worthy competitors for business with the larger companies which have hitherto been in the fortunate position of securing most of the business.

The columns relating to the net interest earned show very satisfactory results, the percentage increases being in a number of cases greater than those dealing with the premium income, and corresponding very well, as might be expected, to the increases in the amounts of the funds. In the case of a number of companies the figures are too small to be worth tabulating with any satisfaction.

The funds all show considerable increases, and as a general rule the increases bear a satisfactory relation to the increase in the premium income.

An interesting feature of the columns dealing with the percentage of expenses is the number of cases in which this ratio shows a decrease, and it will be observed on comparing the figures for the five-year and ten-year intervals that the decrease has been progressive in several instances. We have no reason to believe that this feature is due to any peculiarity arising in the preparation of the table, and that it does not correctly represent the true facts of the case. There is no doubt that the public attention which has been drawn in recent years to the expenses incurred in the conduct of Industrial business has engaged the serious consideration of those responsible for the management, and that the result of their investigations is reflected in the decreases shown in the ratios. In the case of two of the leading companies which show increases the amount involved is comparatively small, but it is interesting to observe that in the one case the ratio has decreased during the last five years, whilst in the other case the increase has all occurred during the last five years, the ratios for five and ten years ago being almost identical. It will be a matter of interest to trace whether this feature of a decrease in the expense ratio is maintained in the future. In considering the expenditure shown by Ordinary companies it was found that a great many of the companies were showing the effects of the increased cost of materials and of the expenses of management represented by salaries, and the same tendency is manifested in the later pages of this section dealing with other classes of insurance. That the Industrial companies should be fortunate enough to escape the general trend in this respect is hardly likely to become an established fact. The expenditure in certain directions is almost bound to show an increase, and it must be recognised that there is a limit to the economies which the companies are able to effect. The large increases in the amount of the premium income allow for considerable increases in the expenditure over and above what may be regarded as fixed charges, and it is quite possible that the decreases shown in the expense ratios may be accounted for partly on the ground that certain forms of expense have not increased as rapidly as the premium income itself. Should this be the explanation it is to be feared that in course of time the improvement shown will not be maintained.

It will be seen that in the case of five companies we have not been able to insert figures in our table for the business in 1909, and have had to be content with showing the increases during the last five years only. The explanation of these omissions is that prior to the coming into operation of the Assurance Companies Act, 1909, the particular companies in question did not render official returns separately in respect of Ordinary and Industrial business, and it is not possible for us to divide the figures shown in one combined revenue account in the official Blue Book into their respective parts.

"Industrial" Business. TABLE "H." "Industrial" Business.

Showing the Sums Assured in Force under Whole-of-Life Policies, Endowment Assurances, and Miscellaneous Classes, and the Increase or Decrease since previous Valuations.
(000's omitted.)

Name of Company	Whole of Life — Amount		Inc. or Dec. since 5 years	Inc. or Dec. since 10 years		Endowment Assurances — Amount		Inc. or Dec. since 5 years	Inc. or Dec. since 10 years	
	£	£	£	£	%	£	£	£	£	
	1916	1911				1916	1911			
Royal London Mutual	39,214	28,266		10,948		667	620		47	
	1917	1912	1907			1917	1912	1907		
Pioneer	1,277	926	736	351	541	73	163	98	66	65	97	147
	1918	1914	1910	4 years	8 years		1918	1914	1910	4 years	8 years	
Provident Association of London	312	408	562	— 96	— 250	— 44	15	17	13	— 2	2	15
	1918	1913	1908	5 years	10 years		1918	1913	1908	5 years	10 years	
Salvation Army	7,900	6,020	4,656	1,880	3,244	70	231	139	140	92	91	65
	1919	1917	1912	2 years	7 years		1919	1917	1912	2 years	7 years	
London and Manchester	13,132	11,285	8,647	1,847	4,485	52	1,283	774	366	509	917	250
	1919	1913	1909	6 years	10 years		1919	1913	1909	6 years	10 years	
British Widows	1,175	815	671	360	504	75	23	12	15	11	6	5
	1919	1914	1909	5 years			1919	1914	1909	5 years		
Britannic	17,928	13,537	11,996	4,391	5,932	50	5,096	2,665	2,362	2,431	2,734	116
Pearl	59,379	39,751	32,390	19,628	26,989	83	3,365	1,466	3,222	1,909	143	4
Prudential	183,470	173,619	156,952	9,851	26,518	17	1,887	1,751	1,257	136	630	50
Refuge	47,173	34,828	28,167	12,345	19,006	68	3,159	1,699	1,405	1,460	1,754	125
Wesleyan and General	16,375	13,944	12,905	2,931	3,970	30	1,191	779	423	412	768	181

Name of Company	Miscellaneous — Amount		Inc. or Dec. since 5 years	Inc. or Dec. since 10 years		Total — Amount		Inc. or Dec. since 5 years	Inc. or Dec. since 10 years	
	£	£	£	£	%	£	£	£	£	
	1916	1911				1916	1911			
Royal London Mutual	550	60	—	490	—	40,431	28,946	—	11,485	—
	1917	1912	1907			1917	1912	1907		
Pioneer	25	20	9	5	16	178	1,465	1,044	811	421	654	81
	1918	1914	1910	4 years	8 years		1918	1914	1910	4 years	8 years	
Provident Association of London	2,561	1,327	485	1,234	2,076	428	2,888	1,752	1,060	1,136	1,828	172
	1918	1913	1908	5 years	10 years		1918	1913	1908	5 years	10 years	
Salvation Army	686	399	321	287	365	114	8,817	6,558	5,117	2,259	3,700	72
	1919	1917	1912	2 years	7 years		1919	1917	1912	2 years	7 years	
London and Manchester	60	50	93	10	— 33	35	14,475	12,109	9,106	2,366	5,369	59
	1919	1913	1909	6 years	10 years		1919	1913	1909	6 years	10 years	
British Widows	732	515	395	217	337	85	1,930	1,342	1,081	588	849	79
	1919	1914	1909	5 years			1919	1914	1909	5 years		
Britannic	341	293	302	48	39	13	23,365	16,495	14,660	6,870	8,705	59
Pearl	7,750	3,481	851	4,269	6,899	811	70,494	44,688	36,463	25,806	34,031	93
Prudential	91,911	49,474	27,476	42,437	64,435	234	277,268	224,844	185,685	52,424	91,583	49
Refuge	2,586	1,706	1,555	880	1,031	68	52,918	38,233	31,127	14,685	21,791	70
Wesleyan and General	769	264	284	505	485	171	18,835	14,987	13,612	3,848	5,223	38

This table corresponds in all its main features with Table "D," relating to "Ordinary" business. We are able to give in respect of certain individual companies transacting "Industrial" business an analysis of the sums assured in force according to whole-of-life assurances, endowment assurances, and miscellaneous classes as shown in the latest available valuation returns. These figures are compared with the corresponding ones at two previous valuations, and the resulting increases or decreases are recorded.

A comparison of the chief features of this table with those of Table "D" shows that the increase in endowment assurances is not as great as in the Ordinary business section, whilst the increase in whole-of-life assurances follows very closely the increase in the total sums assured. We would like to point out that some difficulty has been experienced in preparing this table, owing to the variations which have been found to occur in the tabulation of the data given in the official returns, both as regards the different companies and also as regards the different periods covered by the table. It is quite possible that some fluctuation in the endowment assurances and the miscellaneous classes may be due to this cause, and that a greater relative increase in endowment assurances would be found, were the data available to enable a more exact and systematic analysis to be made of the business in force.

One interesting feature of the table is the fact that in almost every instance an increase of business is shown in each class of policy, whilst the increases in the total over the period of ten years are very considerable. This would tend to show that the Industrial companies are still able to attract large amounts of new business, despite the disadvantages under which they laboured during the war, and the amount of opprobrium levelled against them from certain quarters, which culminated in the official Committee of Inquiry whose report was recently issued. This general prosperity must be regarded as a sign of the awakening of the industrial public to the benefits and advantages to be derived from life assurance, and whilst from the point of view of thrift we would like to have seen a greater increase in the volume of endowment assurances, we have no doubt that the saving effected by the payment of premiums for any class of life assurance is of greater benefit to the general community than the spending of equal sums of money in other directions.

It must be borne in mind that the Industrial companies also transact "Ordinary" business, and, in many cases, persons wishing to effect endowment assurances are encouraged to do so in the "Ordinary" branch rather than in the "Industrial." This course has the effect, as the table shows, of restricting the bulk of the "Industrial" business to whole-of-life policies, and of keeping the endowment and miscellaneous assurances within very small limits. Putting the matter in another form, it is recognised that the primary object of "Industrial" assurance is to provide sufficient money at death to cover reasonable funeral expenses, and until very recently it has not been regarded at all as a means of thrift. It is very possible that it may never attain to such a position. Having regard to the considerable expenses occasioned by the weekly collection of small sums, the return to be obtained from an endowment assurance in the "Industrial" branch (regarded from the point of view of an investment) cannot be compared with the benefits to be derived in recent years by the small investor from other forms of thrift, such as were provided by War Savings Associations.

We regret that it has not been possible to make this table more extensive by including statistics relating to all the companies which transact "Industrial" business. In some cases the necessary information has not been supplied, or could not be obtained in time for publication. Owing to changes in the dates of valuation, it will be seen that in three cases published in the table the intervals of five and ten years between valuations have had to be modified. This must be borne in mind in making any comparison between different companies.

"Industrial" Business. TABLE "J." "Industrial" Business.

Showing Bases of Mortality and Interest assumed in Valuations and Gross Rates of Interest actually Earned.

Name of Company.	Rates of Interest.										Increase in Margin in 5 Years.	Table of Mortality Used in Valuation	
	Assumed in	Earned in						Assumed in	Margin of Interest—				
									in	in		in	in
	1916	1916	1915	1914	1913	1912	1911	1911	1916	1911		1916	1911
Royal London Mutual ...	3·00	4·34	4·21	4·08	3·89	3·80	3·67	3·00	1·34	·67	·67	Eng. No. 3	Eng. No. 3
	1917	1917	1916	1915	1914	1913	1912	1912	1917	1912		1917	1912
London and Manchester	3·00	4·10	3·88	3·68	3·73	3·78	3·63	3·00	1·10	·63	·47	Eng. No. 6	Eng. No. 3
Pioneer	3·75	4·29	4·43	4·26	4·44	4·22	4·04	3·75	·54	·29	·25	Life Table 3	Eng. No. 3
	1918	1918	1917	1916	1915	1914	1913	1913	1918	1913		1918	1913
Britannic	3·50	5·18	5·03	4·90	4·69	4·69	4·63	3·50	1·68	1·13	·55	Eng. No. 6	Eng. No. 6
Refuge	3·00	4·44	4·11	4·00	4·05	3·96	3·83	3·00	1·44	·83	61	Eng. No. 3	E^m
Salvation Army	3·25	4·58	4·47	4·22	4·06	4·30	4·10	3·25	1·33	85	48	Eng. No. 3	Eng. No. 3
Wesleyan and General ...	3·00	4·58	4·46	4·18	3·80	3·84	3·70	3·00	1·58	70	88	$(m_{(1)})$	$(m_{(2)})$
	1919	1919	1918	1917	1916	1915	1914	1914	1919	1914		1919	1914
Prudential	3·00	4·98	4·85	4·68	4·45	3·98	3·98	3·00	1·98	·98	1·00	Eng. No. 3 and No. 6	Eng. No. 3 and No. 6

In this table we are able to give particulars relating to only eight companies transacting "Industrial" business. The particulars relate to the bases of valuation as shown in the official valuation returns, and the table corresponds to Table "E" relating to "Ordinary" business.

In dealing with the valuation returns of "Ordinary" companies we have discussed at some length the importance of the bases and methods adopted in the valuation of life assurance business, and the conclusions to be arrived at on a consideration of the information available. Our remarks in that connection apply with equal weight to a consideration of the valuation of "Industrial" business.

The table gives the bases of mortality and interest assumed in two recent valuations at an interval of five years in the case of each company, and the rates of interest actually earned in each of six successive years.

The general tendency of an increase in the margin of interest, which appeared in the case of "Ordinary" companies, is reproduced in this table, though possibly in some instances to a rather less extent. Due weight must, however, be given here also to the same factors which largely discount the apparent benefit obtained from an increase in the margin. During the periods under review the companies have had to apply large sums towards writing down book values owing to the depreciation in the value of securities, and have also had to face the considerable increase in the rate of income tax. We regret that it has not been possible to show in tabular form the precise effect of these influences. We have reason to believe that in many cases the net result has been to more than counteract the advantage derived from the higher gross rates of interest earned.

On comparing the Tables of Mortality used for the valuation of "Industrial" business with those shown in Table "E" relating to "Ordinary" business it will at once be seen that different standards have been adopted. To the uninitiated the reasons underlying this discrepancy may not be apparent. It is the almost universal practice in "Ordinary" business, where comparatively larger sums assured are at stake, to require a proposer to undergo a medical examination, so as to enable the company to judge of the fitness of the applicant to be accepted at the ordinary rate of premium. Should there be any important blemish discovered, the medical officer will probably recommend that the applicant should be charged an extra premium or even that the application should be refused entirely. By this means the standard of the lives assured at the ordinary rate of premium is kept up to a recognised level, and it was on this basis that the British Offices Life Tables were prepared. These are the tables most generally used in the valuation of "Ordinary" business, as it is recognised that they represent most nearly the actual conditions obtaining. In the case of "Industrial" business, however, no such medical examination of an applicant is required, and the risk is undertaken simply on a scrutiny of the information furnished in the proposal and other papers. It will thus be seen that the standard of lives assured is not one medically "selected" by the companies, and consequently that the use of the British Offices Tables would be open to considerable criticism. The mortality experienced has been found to approximate more closely to that ruling among the general population, and the Tables of Mortality utilised in the valuation of "Industrial" business are, therefore, generally those based on statistics compiled by the Registrar-General from records relating to the general population.

It will be noticed that Table "J" does not contain any columns relating to bonus additions, such as appear in Table "E." The reason is that in the majority of cases "Industrial" policyholders are not entitled to share in any profits which may be made by the company. It is not easy to advance any sound and logical reason why this should be the case. In theory an "Industrial" policyholder ought to be as much entitled to share in profits as an "Ordinary" policyholder. The principal objection that can be raised is the practical one that the amount of profit allotted to individual policies would be very small, and the cost and labour of making the distribution would be prohibitive in comparison. It must be remembered that the average amount of an "Industrial" policy is only about £10. If the rate of bonus addition were as high as £2% (which would be above the average generally allotted to "Ordinary" policies) the bonus addition to an individual policy would average only 4s., whilst it will be readily seen that the cost of calculating and recording the additions would materially reduce the surplus available for distribution. That this practical point is not an insuperable difficulty, however, is shown by the fact that one or two companies have profit-sharing schemes in existence, or have on occasions made a distribution of profits amongst their "Industrial" policyholders. This course is one which should be encouraged in its development, and which, if persisted in, would do much to allay the feelings of suspicion which undoubtedly do exist in the minds of many people as to the methods adopted in the conduct of "Industrial" life assurance.

Head Office
1 DALE ST.
LIVERPOOL

ESTD 1836
THE LIVERPOOL AND LONDON AND GLOBE
INSURANCE COMPANY LIMITED

London Chief Office
1 CORNHILL
E.C.

Assets exceed
£19,000,000

Claims paid over
£97,000,000

FIRE. LIFE. ACCIDENT. MARINE.

Annuities, Leasehold Redemption, Burglary, Fidelity Guarantee, Sickness, Personal Accident, Motor Car, Plate Glass, Workmen's Compensation, Live Stock, Loss of Profits, &c.

REFUGE
ASSURANCE COMPANY, LTD.

ESTABLISHED 1864

Chief Office:
OXFORD STREET, MANCHESTER

For the Year ending December 31, 1919.

Annual Income exceeds £5,400,000
Assets exceed - - £17,300,000
Claims paid exceed - £30,000,000

THE LONDON LIFE

Association Limited

with which is associated

THE CLERGY MUTUAL ASSURANCE SOCIETY.

LOWEST MANAGEMENT EXPENSES

in proportion to premium income

OF ANY LIFE OFFICE IN THE WORLD.

Examples of Annual Premiums :

£1,000 at death.

AGE	Reduction of Premium System. (1)	Reversionary Bonus System. (2)	Non-Participating. (3)
	£ s. d.	£ s. d.	£ s. d.
30	29 12 6	23 10 0	16 19 2
40	38 18 4	30 16 8	23 12 6
50	53 2 6	42 13 4	34 15 0

(1.) In the eighth year the premiums will, it is anticipated, be reduced by about 55 per cent., with gradual further reduction.

(2.) Yearly reversionary bonus anticipated of 35s. per cent. of sums assured and existing bonuses.

Yearly reversionary bonus guaranteed of 30s. per cent. for each year to 30th June, 1925.

(3.) These rates are lower than those published by any other Life Company.

No Commission Paid.

Combined Funds £10,000,000.

H. M. TROUNCER,
Actuary and Manager.

81 King William Street,
London, E.C. 4.

LIFE ASSURANCE AND THE PUBLIC.

GENERAL ASPECTS OF THE SUBJECT.

HAVING given statistics in the previous pages showing the general growth in the aggregate, and also as regards certain of the principal companies, of life assurance in this country, we can turn our attention to some of the difficulties which would be experienced by a person who has decided that he ought to insure his life, but does not know which will be the best company for him to go to, nor the class of policy which would be most advantageous for his circumstances. We would, however, again repeat that it is not our intention in any way to recommend any particular company, and we will endeavour to confine ourselves to general statements on the points which may arise, and leave the reader to make his own selection on the basis of the figures which we are able to publish.

The ideal time for the first venture into life insurance is immediately the young man or woman commences to earn an independent income. As time goes on, the rate of premium payable becomes greater owing to the increase in age, the young man finds his financial obligations increasing, and at last, realising the necessity of life insurance cover, he regrets that he did not consider the matter favourably at an earlier stage.

The first difficulty which will confront a prospective assurer will be his own ignorance, for he will find he is not in a position to make a wise choice between the rival claims of different offices, nor will he know much about their financial standing. He will also have some difficulty in deciding which of the many varied classes of policies available will be most to his advantage.

Dealing with the latter difficulty first, it is obvious that the same class of policy will not suit the circumstances of every individual; and, consequently, it is not possible for us to do more than indicate the purposes for which some of the principal classes may be utilised, and this course we adopt on succeeding pages.

There remains the difficulty of making a wise choice between the different companies, and with regard to this the proposer will find to his perplexity that the further he tries to investigate the rival claims the greater the difficulty of making a choice appears to become. It may be imagined, for instance, that, having decided upon the class of policy required, the rate of premium payable would be the same for all offices, but this is not so. There are various qualities of the same class of policy, as, for instance, in the case of "with-profit" policies, the quality of which will vary according to the financial stability and profit-earning power of the companies compared.

Another difficulty which he will meet will be to satisfy himself as to the relative financial standing of the companies under his consideration. It would obviously be of little use for him to select any company offering very favourable terms, unless he could rely with certainty that the company would carry out the contract in its entirety. It is of some practical importance to choose such a company as will in the result justify his choice by realising the estimates made, especially as regards bonus prospects. We have endeavoured in earlier pages to assist the proposer in his choice by giving particulars of the financial strength of most of the leading companies.

It will probably be of some assistance if we give some indication of the reasons underlying the differences existing between the rates of premium charged by different offices for what may appear to be the same class of policy. The three principal factors entering into the computation of rates of premium are mortality, interest and expenses. The investigation of rates of mortality experienced amongst various classes or groups of persons is an actuarial science which has occupied the attention of many actuaries for a great number of years. Many different tables have been published, and it is possible, of course, to base rates of premium on any one of them. As a matter of fact, the majority of the leading companies at the present time base their rates on the tables published as the result of an investigation made some years ago into the mortality experienced amongst persons actually assured, the necessary information for this investigation being supplied by the companies from their records. Hence in practice there is not much variation in premium rates due to this cause.

The second factor is the rate of interest to be allowed for, and in this connection it must be remembered that this factor involves an estimate of the rates which the company hopes to be able to realise in the future on its funds. Unless the expectation is realised the company would not, in the absence of any other assets, be able to meet all the claims as they arose. As the estimate is of the rate at which annual payments can be accumulated to provide a certain sum, it follows that the higher the rate, the lower will be the resulting premium. Here we have a factor which is very susceptible to the opinions of different people, but in practice the rate cannot be put too high for reasons of safety, and, on the other hand, it cannot be taken too low, as that would involve rates of premium too high for competition. Still there is sufficient margin here to account for considerable variation in the rate of premium charged to the public.

The third factor is the allowance to be made for expenses, and this perhaps accounts for the major portion of the variation between different offices. The methods of fixing this loading (as it is called) vary very considerably, and it is usually on a fairly safe basis; but it is obvious that if a company is worked on very economical lines, it can safely quote premiums involving a smaller loading than another company whose ratio of expenditure is greater.

Each one of these factors is a source of possible profit. If the mortality proves more favourable than that upon which the rates are fixed, there will be a surplus resulting. Similarly, if, as is usually the case, the rate of interest earned is more than that used in the calculations, there is a margin available for profits. And the same result will be possible in the case of the loading for expenses.

It is obvious, therefore, that the company which charges the lowest premiums is not necessarily the best, nor is the one charging a high rate bound to be one that should be avoided. From what has been said it is clear that, if two companies are compared, we would expect to find that the one charging the lower rate should show either a lower rate of expenses or else a higher rate of interest earned. If these conditions do not hold, it is quite possible that a contract with the company charging the higher rate might ultimately prove the more advantageous to the policyholder.

In making a comparison between companies of the "with-profit" rates, we are met by the further difficulty that the methods of distribution of profits amongst policyholders vary considerably, and consequently a higher rate of premium may in the result provide a better and more remunerative contract by reason of the larger amount of bonus obtained. It is not practicable for us to enter into a detailed analysis of this question, and it must be left for decision on a consideration in each particular case of the merits of the offices concerned.

In tables appearing on earlier pages of this Supplement we are able to give particulars of the ratio of expenses to premium income as shown in the accounts of most of the principal offices, whilst in the section

PREMIUM RATES—AGE NEXT BIRTHDAY 30.
WHOLE-LIFE ASSURANCE.

Premium Payable Throughout Life.

Without Profits.

Company	Rate £	s.	d.
London Life	1	13	11
Equity & Law Life ...	1	14	7
Equitable	1	15	9
Legal & General	1	16	0
Royal	1	16	0
Scottish Temp. (Abst. Sec.)	1	16	1
Abst. & General (Abst. Sec.)	1	16	11
North Brit. & Mercantile	1	17	0
National Mutual	1	17	2
Yorkshire	1	17	3
Western Australian ...	1	17	5
Prudential	1	17	7
Australian Mtl. Provident	1	17	9
Canada Life	1	17	10
Confederation	1	17	10
Life Assn. of Scotland ...	1	17	10
Northern	1	17	10
Law Union & Rock ...	1	18	0
Scottish Temperance ...	1	18	0
United Kingdom	1	18	0
Atlas	1	18	4
Provident Mutual	1	18	4
Caledonian	1	18	5
Commercial Union ...	1	18	6
Edinburgh Ass. Co., Ltd....	1	18	6
Scottish Life	1	18	6
Friends' Prov. & Century...	1	18	7
Scottish Amicable ...	1	18	8
Gresham	1	18	9
Alliance	1	18	10
Colonial Mutual	1	19	0
Manufacturers'	1	19	0
Wesleyan & General ...	1	19	0
National Mutual of Aust....	1	19	1
General Life	1	19	2
Guardian	1	19	2
London Assurance ...	1	19	2
Scottish Union & National	1	19	3
Phœnix	1	19	4
Marine & General ...	1	19	6
Standard	1	19	6
London & Scottish ...	1	19	9
Sun Life of Canada ...	1	19	9
Scottish Widows	1	19	11
Abstainers & General ...	2	0	0
Britannic	2	0	0
Clerical, Medical & General	2	0	0
Norwich Union	2	0	0
Eagle Star & Brit. Dom. ...	2	0	3
Provident Assn. of London	2	0	3
Scottish Insurance ...	2	0	6
Royal London Auxiliary ...	2	0	7
Pearl	2	0	10
National Provident ...	2	1	1
Scottish Equitable ...	2	1	3
Liverpool & Lond. & Globe	2	1	4
Salvation Army	2	1	7
British Equitable	2	1	11
Sun Life	2	2	2
London & Manchester ...	2	3	4
Refuge	2	4	6

With Profits.

Company	Rate £	s.	d.
Abst. & General (Abst. Sec.)	2	0	11
Scottish Provident ...	2	2	4
Scottish Temp. (Abst. Sec.)	2	3	8
National Mtl. of Australasia	2	6	8
London Life	2	7	0
Abstainers & General ...	2	7	1
Co-operative	2	7	4
Gresham	2	7	6
Salvation Army	2	7	7
Britannic	2	7	9
Commercial Union ...	2	7	10
Edinburgh Assce. Co., Ltd.	2	7	10
Friends' Prov. & Century	2	8	0
Scottish Insurance ...	2	8	0
Wesleyan & General ...	2	8	1
Australian Mutual Prov. ...	2	8	2
Law Union & Rock ...	2	8	4
National Mutual	2	8	4
Canada Life	2	8	5
Sun Life of Canada ...	2	8	5
Confederation	2	8	6
Manufacturers'	2	8	6
Scottish Temperance ...	2	8	6
British Equitable	2	8	8
Provident Assn. of London	2	8	8
Provident Mutual ...	2	8	8
Royal	2	8	8
Royal London Auxiliary ...	2	8	8
Alliance	2	8	9
Caledonian	2	8	9
Colonial Mutual	2	8	9
Equitable of U.S. ...	2	8	9
London & Scottish ...	2	8	9
Mutual Life & Citizens' ...	2	8	9
Mutual of New York ...	2	8	9
New York Life	2	8	9
Scottish Union & National	2	8	9
Equity & Law Life ...	2	8	10
Guardian	2	8	10
Marine & General ...	2	8	10
Life Assn. of Scotland ...	2	8	11
Phœnix	2	8	11
Standard	2	8	11
Western Australian ...	2	8	11
London Assurance ...	2	9	0
Northern	2	9	0
Pearl	2	9	0
Royal Exchange	2	9	0
Yorkshire	2	9	1
London & Manchester ...	2	9	2
Sun Life	2	9	2
Atlas	2	9	3
Refuge	2	9	3
Scottish Life	2	9	5
Prudential	2	9	6
United Kingdom	2	9	6
Eagle Star & Brit. Dom. ...	2	9	9
Metropolitan ...	2	9	9
General Life	2	9	10
Liverpool & Lond. & Globe	2	9	10
North Brit. & Mercantile ...	2	9	10
Scottish Equitable ...	2	10	0
National Provident ...	2	10	2
Clerical, Medical & General	2	10	11
Norwich Union	2	11	9
Scottish Amicable	2	11	9
Scottish Widows	2	11	9
University	2	12	4
Equitable	2	13	5

Premium Payable 20 Years Only.

Without Profits.

Company	Rate £	s.	d.
London Life	2	8	6
Equity & Law Life ...	2	10	11
Legal & General	2	11	3
Scottish Temp. (Abst. Sec)	2	11	6
Yorkshire	2	11	8
Australian Mutual Prov. ...	2	12	2
Scottish Union & National	2	12	6
Caledonian	2	12	8
United Kingdom	2	12	8
Western Australian ...	2	12	8
Royal	2	13	0
National Mutual	2	13	1
Scottish Amicable ...	2	13	1
Atlas	2	13	2
London Assurance ...	2	13	3
Commercial Union ...	2	13	4
Edinburgh Ass. Co., Ltd....	2	13	4
Life Assocn. of Scotland ...	2	13	4
Scottish Temperance ...	2	13	5
Confederation	2	13	7
Canada Life	2	13	8
National Provident ...	2	13	8
Alliance	2	13	10
Northern	2	14	2
Friends' Prov. & Century ...	2	14	3
Law Union & Rock ...	2	14	4
Standard	2	14	6
Scottish Widows	2	14	7
Phœnix	2	14	8
Prudential	2	14	8
Marine & General ...	2	14	11
North Brit. & Mercantile ...	2	14	11
Provident Mutual	2	15	0
General Life	2	15	4
Gresham	2	15	5
Guardian	2	15	5
Manufacturers'	2	15	5
Eagle Star & Brit. Domin.	2	15	10
Sun Life of Canada ...	2	15	11
Scottish Life	2	16	1
Norwich Union	2	16	4
London & Scottish ...	2	16	6
Pearl	2	16	11
Clerical, Medical & General	2	17	2
Liverpool & Lond. & Globe	2	17	4
Colonial Mutual	2	17	7
Scottish Equitable ...	2	17	10
Scottish Insurance ...	2	17	11
Royal London Auxiliary	2	18	0
Sun Life	2	18	6
British Equitable	3	0	0
London & Manchester ...	3	3	10
Refuge	3	5	6

With Profits.

Company	Rate £	s.	d.
National Mtl. of Australasia	3	0	4
Scottish Provident ...	3	0	10
Scottish Temp. (Abst Sec.)	3	3	8
London Life	3	5	2
Mutual Life & Citizens' ...	3	5	11
Commercial Union ...	3	6	3
Edinburgh Ass. Co., Ltd.	3	6	3
London Assurance ...	3	6	5
Australian Mtl. Provident	3	6	6
Confederation	3	6	6
Manufacturers'	3	6	6
Alliance	3	6	10
Law Union & Rock ...	3	7	0
Scottish Temperance ...	3	7	0
Standard	3	7	0
Caledonian	3	7	2
Friends' Prov. & Century...	3	7	2
Wesleyan & General ...	3	7	2
Canada Life	3	7	3
Provident Mutual ...	3	7	4
Equity & Law Life ...	3	7	5
Sun Life of Canada ...	3	7	5
Provident Assn. of London	3	7	6
Western Australian ...	3	7	6
Colonial Mutual	3	7	7
Royal	3	7	8
Scottish Union & National	3	7	8
Abstainers & General ...	3	7	9
Marine & General ...	3	7	9
Gresham	3	7	10
General Life	3	7	11
Life Assocn. of Scotland ...	3	8	0
North Brit. & Mercantile ...	3	8	0
Sun Life	3	8	2
Scottish Life	3	8	3
Atlas	3	8	4
National Mutual	3	8	4
Co-operative	3	8	5
Scottish Insurance ...	3	8	7
United Kingdom	3	8	7
Royal Exchange	3	8	8
Yorkshire	3	8	8
London & Scottish ...	3	8	11
Eagle Star & Brit. Domin.	3	9	0
Liverpool & Lond. & Globe	3	9	1
Phœnix	3	9	2
Royal London Auxiliary ...	3	9	2
Scottish Equitable ...	3	9	3
Northern	3	9	4
Equitable of U.S. ...	3	9	6
Guardian	3	9	6
Mutual of New York ...	3	9	6
New York Life	3	9	6
British Equitable	3	9	9
Metropolitan	3	9	11
National Provident ...	3	10	10
Scottish Amicable ...	3	11	4
Refuge	3	12	0
London & Manchester ...	3	12	1
Pearl	3	12	1
Prudential	3	12	3
Scottish Widows	3	12	7
Clerical, Medical & General	3	12	10
Norwich Union	3	12	11
University	3	14	10

dealing with valuation returns we have inserted a table showing the rates of interest earned, and the margin between such rates and the rate assumed in valuation. We are aware that the rate of interest used in valuation is almost without exception lower than that employed as a basis for the calculation of premiums. The latter rate is not generally available for comparative purposes, but the rates shown in the table referred to are sufficient for the purpose of deciding on the relative merits of premiums charged by different companies.

With regard to the possibility of profit arising owing to the rate of mortality experienced being different from that on which the premiums are based, it is not possible to give statistics. To give a correct answer to this question would involve an actuarial investigation into the business of each company, and, whilst it is known that all the leading companies perform such an investigation on the occasion of each valuation, the detailed results are not usually published. It can, however, be said that, as a general rule, there is in the aggregate a margin of profit arising from this source.

We must now consider the various methods by which profits are distributed. There are three main methods—cash payments; reduction of premiums; and additions to the sum assured, payable under the same conditions as the sum assured. The majority of the companies declare the bonus in the third form, generally allowing the assured the option of converting it into either of the other two.

It is obvious that the cash received in exchange for a bonus addition to the sum assured must be a much smaller amount than the addition itself, especially in the case of a young man, for it is a present immediate payment of a benefit which might not be due in the ordinary course of events for a

considerable number of years. The exact cash value will depend upon the age of the life assured and the nature of the policy, and will be ascertained as the result of an actuarial calculation involving interest and mortality factors.

Similarly the conversion of a bonus addition to the sum assured into a reduction of the premium payable under the policy will vary. Such a transaction is of the nature of a purchase of an annuity with the present cash value of a reversionary benefit. The advantage to be gained from this method is that in course of time the premium payable will be materially reduced and perhaps ultimately extinguished, but it is hardly possible to say in general terms whether this form of taking profits is more advantageous than an addition to the sum assured. Much would depend upon the circumstances of the individual case. Theoretically it may be argued that the method is very sound, inasmuch as it gives increasing benefit to the policyholder the longer he lives, instead of giving those who die early an undue share in profits, as is the case with a reversionary addition.

Coming now to the most usual form of distribution of profits, that of the reversionary addition to the sum assured, we find that this group can be subdivided into several varieties, not only as regards the way in which profits are allocated between different policyholders, but also as regards the actual form and amount of the bonus. The most usual form at the present day is what is known as the uniform compound addition; that is to say, the bonus is declared as a compound reversionary addition of, for example, 30s. per cent. per annum. This means that a policyholder would receive an addition to the amount for which he was assured of 30s. per cent., calculated on the sum assured and existing bonus additions, in respect of each full year's premium paid by him under the policy since the last declaration of bonus. Thus a policy for £100, which had been in force four years and which had not previously participated, would be increased to £106; one which had been in force for a number of years, to which previous additions of £20 were still attaching, and under which five years' premium had been paid since the last distribution, would be increased, not by £7 10s., but by £9. It will be seen from this that in course of time a considerable difference would exist between the result of a compound bonus and a simple bonus where previous additions are not taken into account.

Some companies allocate the profits on what is generally called the contribution method. This means that account is taken by actual calculations of the theoretical amount which each policy has contributed towards the profits, and the policy receives a bonus addition in proportion accordingly. It is probable that such a method may be equitable between existing policyholders, but it is obviously not an easy matter for a proposer to form any very definite opinion as to bonus prospects in his particular case. The figures showing the bonus additions which have been made to policies of long duration are not much guide to the future, since they may have been large or small owing to some particular feature during years long past.

We have already referred to what is known as the simple bonus addition. This consists of an addition based only on the original sum assured without any account being taken of previous additions. It is certainly very simple and easy to understand, but it is open to question whether it will in every case be equitable as between policies of long and short duration.

We now proceed to give some tables showing the rates of premium charged by some of the leading companies for different classes of assurance. Considerations of space prohibit any attempt on our part to make the tables comprehensive. They are simply illustrative and explanatory, and do not pretend to include every company doing business in this country. For the purpose of comparison we have arranged the rates of the companies in each column according to the amount of premium charged, the lowest rate in each case being placed at the top.

WHOLE-LIFE ASSURANCE.

The whole-of-life assurance is the simplest form of life assurance. It consists of a contract by the Company to pay a definite fixed sum to the representatives of the assured immediately upon proof of his death, provided that the assured shall pay to the Company each year as it falls due, as long as he shall live, the corresponding amount of annual premium. Questions of bonus distributions do not directly arise, though they may be some guide to the financial condition of the Company. There are, however, other little matters that might repay investigation by a proposer, as, for example, the conditions applicable in the event of his being unable at some future time to continue payment of the premiums. Some companies guarantee fixed cash surrender values or paid-up policies for reduced amounts, and the terms upon which premiums in arrear will subsequently be accepted also vary.

This class of policy is frequently used in connection with money transactions, where it is necessary or desirable to effect insurance cover as additional security for a loan. But it has advantages for other purposes. Apart from special classes, such as short-term policies, it provides the maximum cover for the minimum outlay in annual premiums, and it may therefore meet the case of men who have undertaken family responsibilities, and who did not insure their lives when they were younger.

The "with-profits" policy is similar to the one already discussed, with the advantage that it confers on the assured the right to participate in the profits which may be declared from time to time in accordance with the regulations of the Company. It is therefore obvious that in comparing the relative merits of two offices the proposer will have to consider the amount of premium which he might have to pay, and also the probable amount of bonus which he might receive. Future profits are of course in the majority of cases a very uncertain quantity, especially when the benefit to be derived from them is spread over the long period of time represented by the greater portion of a man's life. As we have shown, they are derived not merely from the extra premium paid to secure the right to participate in them, but also from the margins allowed in the rates of mortality, interest, and expenses utilised in the calculation of the premiums for all classes of assurance. In practice there are also profits arising from other sources, such as the lapse or surrender of some policies, the realisation of investments, and miscellaneous receipts. It is of course quite impossible for the amateur, especially if he is young and inexperienced, to make any attempt to investigate the effect of all these possibilities. During the progress of the War the greater number of the leading companies did not declare any bonus. In many instances this course was adopted only as a measure of precaution, though it is recognised that some companies suffered a considerable set-back owing to the general fall in the value of first-class securities, and also owing to their generous treatment of policyholders by the payment of claims arising out of the War, for which they were often not legally liable. It will probably be quite safe to say that the course of the next few years will see a complete recovery in such cases, and a return to the pre-War standard of [illegible].

The third and fourth columns of our first table of rates show the rates charged for whole-of-life assurances when the premiums are limited to 20 years only. Under this class of contract the assured obtains precisely the same benefit, and, in addition, he has the satisfaction of knowing that he will not have to pay

PREMIUM RATES—AGE NEXT BIRTHDAY 30.

ENDOWMENT ASSURANCE.

Maturing at Age 55.

Without Profits.

Company	Rate £	s.	d.
London Life	3	0	0
Royal	3	3	8
Scottish Temp. (Abst. Sec.)	3	3	8
Australian Mtl. Provident	3	4	1
Equity & Law Life ...	3	4	2
Yorkshire	3	4	6
Commercial Union ...	3	4	7
Edinburgh Assnce. Co. Ltd	3	4	7
Legal & General	3	4	7
Law Union & Rock ...	3	5	6
Atlas	3	5	7
Scottish Temperance .	3	5	7
Alliance	3	5	8
Western Australian .	3	5	10
London Assurance ...	3	5	11
Scottish Amicable ...	3	5	11
Scottish Provident ..	3	5	11
Caledonian	3	6	0
National Provident .	3	6	1
Scottish Widows	3	6	1
Confederation	3	6	2
National Mutual	3	6	2
Canada Life	3	6	3
Friends' Prov. & Century	3	6	3
Northern	3	6	6
Phœnix	3	6	6
Scottish Union & National	3	6	6
Gresham	3	6	7
Life Assn. of Scotland ...	3	6	8
Sun Life of Canada ...	3	6	9
Provident Mutual ...	3	7	0
Abst. & General (Abst. Sec.)	3	7	1
General Life	3	7	5
United Kingdom . ..	3	7	6
Standard	3	7	8
Manufacturers' ...	3	7	9
Marine & General ...	3	7	9
Britannic	3	7	10
North Brit. & Mercantile ...	3	7	11
Norwich Union	3	8	0
Provident Assn. of London	3	8	4
Wesleyan & General ...	3	8	4
Guardian	3	8	5
Scottish Insurance ...	3	8	5
London & Scottish ..	3	8	6
Pearl	3	8	10
Scottish Life	3	8	10
Colonial Mutual	3	8	0
Eagle Star & British Domin.	3	9	0
Clerical, Med & General ...	3	9	1
Scottish Equitable ...	3	9	1
Liverpool & Lond. & Globe	3	9	8
Sun Life	3	9	8
Prudential	3	9	10
Salvation Army	3	10	4
Royal London Auxiliary ...	3	10	5
Abstainers & General ..	3	10	9
British Equitable	3	10	10
Refuge	3	13	4
London & Manchester ...	3	14	2

With Profits.

Company	Rate £	s.	d.
National Mtl. of Australasia	3	15	11
Gresham	3	16	6
Mutual Life & Citizens' ...	3	16	8
Scottish Temp (Abst. Sec.)	3	17	1
London Life	3	17	2
Norwich Union	3	17	5
Colonial Mutual	3	17	7
Australian Mtl. Provident	3	17	9
Abst. & General (Abst. Sec.	3	17	10
Caledonian .. .	3	17	10
Guardian . .	3	17	10
Alliance	3	18	7
National Mutual ...	3	18	8
Scottish Insurance	3	18	8
Co-operative ..	3	18	9
Canada Life . .	3	19	0
Life Assn. of Scotland ...	3	19	1
Equitable . .	3	19	2
British Equitable	3	19	3
Western Australian	3	19	4
London Assurance ...	3	19	6
Scottish Temperance .	3	19	7
Northern	3	19	8
Scottish Equitable ..	3	19	9
Sun Life	3	19	9
Confederation. . .	3	19	11
Manufacturers' . .	3	19	11
Marine & General .	3	19	11
Law Union & Rock .	4	0	0
Royal	4	0	0
Scottish Union & National	4	0	0
Mutual of New York .	4	0	2
Yorkshire .. .	4	0	2
Provident Assn. of London	4	0	3
Equity & Law Life .	4	0	4
Provident Mutual	4	0	4
Atlas	4	0	5
Phœnix	4	0	5
Royal Exchange	4	0	5
Sun Life of Canada	4	0	5
Britannic	4	0	7
Equitable of U.S.	4	0	7
Friends' Prov & Century...	4	0	7
New York Life ...	4	0	7
Refuge . .	4	0	8
Royal London Auxiliary ...	4	1	0
Salvation Army ...	4	1	0
Abstainers & General	4	1	1
London & Scottish .	4	1	1
North Brit. & Mercantile	4	1	1
Scottish Widows	4	1	1
National Provident .	4	1	2
London & Manchester ...	4	1	3
Standard	4	1	4
Wesleyan & General .	4	1	4
Liverpool & Lond. & Globe	4	1	9
Pearl	4	1	9
General Life	4	1	10
Scottish Life	4	1	10
Scottish Amicable .	4	2	2
Commercial Union .	4	2	4
Edinburgh Assce. Co., Ltd.	4	2	4
Eagle Star & Brit. Domin.	4	2	5
United Kingdom	4	2	10
Scottish Provident .	4	3	2
Metropolitan	4	3	5
Prudential	4	4	3
University	4	4	8
Clerical, Medical & Genera.	4	7	4

Maturing at Age 60.

Without Profits.

Company	Rate £	s.	d.
London Life	2	9	3
Royal	2	12	4
Equity & Law Life ...	2	12	5
Scottish Temp. (Abs. Sec.)	2	12	5
Australian Mutual Prov....	2	13	1
Yorkshire	2	13	3
Legal & General . . .	2	13	4
Commercial Union . .	2	13	5
Edinburgh Assce. Co., Ltd.	2	13	5
Law Union & Rock ...	2	13	10
Caledonian	2	14	1
London Assurance . .	2	14	3
Scottish Provident .	2	14	3
Scottish Widows . .	2	14	3
Scottish Temperance .	2	14	4
Western Australian .	2	14	4
National Mutual ...	2	14	5
National Provident .	2	14	5
Alliance . .	2	14	7
Confederation . .	2	14	8
Atlas . .	2	14	9
Canada Life . .	2	14	9
Friends' Prov. & Century ...	2	14	9
Northern . . .	2	14	10
Scottish Amicable .	2	14	10
Caledonian . . .	2	14	11
Life Assn. of Scotland ...	2	14	11
Equitable	2	15	0
Provincial Mutual .	2	15	0
Scottish Union & National	2	15	0
Sun Life of Canada ...	2	15	11
Manufacturers'	2	15	11
Abst. & General (Abst. Sec.)	2	16	0
Britannic	2	16	0
Marine & General .	2	16	2
General Life .	2	16	4
United Kingdom .	2	16	4
Wesleyan & General	2	16	4
Scottish Insurance	2	16	7
Standard . . .	2	16	7
Provident Assn. of London	2	16	8
Guardian	2	16	9
North Brit. & Mercantile ..	2	16	9
London & Scottish .	2	16	10
Norwich Union . .	2	17	0
Pearl . . .	2	17	3
Clerical, Medical & General	2	17	4
Eagle Star & Brit. Domin.	2	17	4
Scottish Life .	2	17	8
Scottish Equitable .	2	17	9
Colonial Mutual	2	17	10
Prudential	2	17	10
Liverpool & Lond. & Globe	2	18	1
Sun Life	2	18	1
Abstainers & Genera...	2	18	5
Royal London Auxiliary	2	18	7
Salvation Army .	2	19	0
British Equitable	2	19	3
Refuge . . .	3	0	8
London & Manchester .	3	1	10

With Profits.

Company	Rate £	s.	d.
National Mtl. of Australasia	3	3	6
Gresham	3	4	4
Mutual Life & Citizens' ...	3	4	4
London Life	3	4	5
Abst. & General (Abst. Sec.)	3	4	8
Scottish Temp. (Abst. Sec.)	3	4	9
Caledonian	3	5	6
Scottish Insurance ...	3	5	9
Colonial Mutual.	3	6	3
Alliance	3	6	4
Australian Mtl. Provident	3	6	4
Canada Life	3	6	4
National Mutual	3	6	4
Co-operative	3	6	6
Norwich Union	3	6	7
Guardian	3	6	9
Refuge	3	6	9
Equitable	3	6	10
British Equitable	3	7	0
Confederation	3	7	0
Manufacturers'	3	7	0
London Assurance ...	3	7	2
Salvation Army	3	7	3
Scottish Temperance . .	3	7	3
Yorkshire	3	7	3
Abstainers & General ...	3	7	4
Life Association of Scotland	3	7	4
Northern.	3	7	4
Marine & General ...	3	7	5
Scottish Equitable . .	3	7	5
Law Union & Rock ...	3	7	6
Scottish Union & National	3	7	6
Sun Life	3	7	6
Provident Assn. of London	3	7	7
Western Australian ...	3	7	7
Mutual of New York ...	3	7	8
Provident Mutual ...	3	7	8
Royal	3	7	8
Britannic	3	7	9
Equity & Law Life ...	3	7	9
Equitable of U.S. ...	3	7	10
London & Manchester ...	3	7	10
New York Life	3	7	10
Wesleyan & General ...	3	7	10
Royal Exchange	3	7	11
Phœnix	3	8	0
Friends' Prov. & Century ...	3	8	2
Sun Life of Canada ...	3	8	2
Atlas	3	8	3
London & Scottish ...	3	8	4
Royal London Auxiliary	3	8	4
Scottish Widows	3	8	5
North British & Mercantile	3	8	8
Commercial Union ...	3	8	9
Edinburgh Assce. Co., Ltd.	3	8	9
Standard	3	8	9
Pearl	3	8	10
Eagle Star & Brit. Domin.	3	9	1
Liverpool & Lond & Globe	3	9	2
Scottish Life	3	9	2
Metropolitan	3	9	11
National Provident	3	9	11
General Life	3	10	0
Scottish Amicable ...	3	10	0
United Kingdom	3	10	0
Prudential	3	10	5
Scottish Provident ...	3	10	11
University	3	11	11
Clerical, Medical & General	3	12	7

more than 20 annual premiums, no matter how long he may be fortunate enough to live. Most companies are prepared to quote rates on a similar basis for other terms of years. There are many advantages in this form of contract, and it is surprising that it has not been more eagerly sought after by the public than has been the case.

ENDOWMENT ASSURANCE.

This class of policy differs very considerably from a whole of life assurance. It consists of a contract by the Company to pay the sum assured at a particular future date should the life assured be then living, or at his death should that occur previously. It is obvious that the premium must be higher than for a whole of life policy, seeing that there is no possibility of the payment of the benefit being deferred beyond a date fixed at the outset, should the life survive beyond the normal period; whilst the proposer can estimate at the outset the maximum amount he will have to pay in premiums.

It has the advantage of extreme flexibility, since most companies will issue a policy of this class for almost any term of years the proposer likes to select. It can thus be used in the nature of an investment by choosing a short term of 10 or 15 years, or the true assurance element may be increased by postponing the maturity date till some advanced age like 65 or 70. It has all the advantages of whole life assurance, whilst it will provide at the maturity age, if the life assured survive, a sum of money suitable for ordinary investment or for the purchase of an annuity. As compared with the system of deferred annuities referred to later, there is something to be said in favour of each class. In the event of death before maturity,

IMMEDIATE ANNUITIES.

Amount of Annuity granted for each £100 purchase-money. Annuity usually payable half-yearly.

Name of Company.	MALES.								FEMALES.							
	50		55		60		65		50		55		60		65	
	£ s. d.		£ s. d.		£ s. d.		£ s. d.		£ s. d.		£ s. d.		£ s. d.		£ s. d.	
Weslevan & General	7 16 6		8 13 8		9 17 0		11 5 10		7 5 0		7 19 1		8 18 6		10 7 3	
London Life	7 15 1		8 14 0		9 18 4		11 12 3		7 4 3		7 18 6		8 18 9		10 8 9	
Canada Life	7 14		8 13 3		9 19 5		11 15 0		7 3 6		7 17 4		8 16 2		10 2 6	
Provident Association of London	7 12 0		8 10 0		9 14 4		11 7 5		7 2 6		7 15 10		8 14 10		10 3 0	
Metropolitan	7 11 4		8 9 10		9 13 6		11 8 6		7 1 8		7 15 5		8 14 10		10 3 7	
Manufacturers'	7 11 2		8 9 10		9 13 8		11 8 5		7 1 8		7 15 4		8 14 10		10 3 6	
Standard	7 10 10		8 9 5		9 13 4		11 7 11		7 1 5		7 15 0		8 14 9		10 3 3	
North British & Mercantile	7 10 8		8 8 10		9 13 6		11 7 4		7 1 0		7 14 6		8 13 10		10 2 8	
Yorkshire	7 10 6		8 8 10		9 13 10		11 7 8		7 1 0		7 14 8		8 14 0		10 2 10	
Essex Street & Provincial Pension	7 10 2		8 8 6		9 13 0		11 6 8		7 0 10		7 14 4		8 13 6		10 2 0	
Norwich	7 9 10		8 7 9		9 12 2		11 5 5		7 0 5		7 13 6		8 13 7		10 0 2	
Caledonian	7 9 6		8 7 10		9 12 8		11 6 8		6 19 10		7 13 6		8 13 0		10 1 10	
Sun Life of Canada	7 8 7		8 7 4		9 12 7		11 4 2		6 18 9		7 12 9		8 12 7		10 1 9	
Friends' Provident & Century	7 7 6		8 5 6		9 9 10		11 2 10		6 18 2		7 11 6		8 10 6		9 18 6	
United Kingdom	7 7 0		8 4 10		9 9 2		11 2 0		6 17 0		7 11 2		8 10 8		9 17 10	
Confederation	7 6 10		8 5 2		9 10 1		11 3 5		6 15 10		7 9 10		8 11 5		10 0 5	
Atlas	7 5 4		8 3 8		9 8 6		11 2 6		6 15 2		7 8 2		8 6 8		9 14 2	
Prudential	7 5 0		8 2 6		9 4 6		10 14 6		6 14 8		7 8 4		8 7 10		9 16 6	
Legal & General	7 4 8		8 2 8		9 6 4		10 11 0		6 14 4		7 8 0		8 7 6		9 16 4	
Scottish Widows	7 4 8		8 2 8		9 7 0		11 0 4		6 13 4		7 6 4		8 4 10		9 12 0	
Co-operative	7 4 7		8 1 0		9 5 2		10 18 4		6 13 2		7 8 7		8 5 6		9 13 3	
Scottish Temperance	7 4 3		8 1 10		9 5 7		10 17 10		6 12 10		7 6 6		8 5 10		9 14 2	
London Assurance	7 4 0		8 2 0		9 6 4		10 19 4		6 12 10		7 6 6		8 5 10		9 14 2	
London & Scottish	7 3 10		8 2 4		9 7 0		11 1 0		6 12 2		7 5 8		8 4 10		9 11 6	
Pearl	7 3 0		8 0 0		9 3 0		10 14 2									
Provident Mutual	7 2 7		8 0 6		9 4 6		10 16 11									
Alliance	7 2 6		8 0 4		9 4 5		10 17 1									
Equitable	7 2 4		8 0 8		9 5 2		10 18 8									
Phœnix	7 2 4		8 0 8		9 5 2		10 18 8									
Equity & Law Life	7 1 8		7 19 10		9 4 2		10 17 6									
National Mutual of Australasia	7 1 8		7 19 10		9 4 4		10 17 8									
Law Union & Rock	7 1 2		7 19 2		9 3 6		10 16 8									
Gresham	7 1 0		7 19 0		9 3 4		10 16 7									
Guardian	7 1 0		7 19 0		9 3 4		10 16 8									
Life Association of Scotland	7 0 8		7 18 6		9 3 4		10 17 2									
Salvation Army	7 0 2		7 16 8		9 0 8		10 13 2									
Scottish Life	7 0 2		7 18 8		9 3 6		10 17 2									
Royal Exchange	7 0 1		7 17 8		9 1 3		10 13 5									
British Equitable	7 0 0		7 18 6		9 3 4		10 17 2									
Sun Life	6 19 8		7 16 0		8 17 10		10 7 6									
Royal	6 19 1		7 17 4		9 1 9		10 14 11									
Colonial Mutual	6 19 0		7 16 8		9 0 4		10 12 8									
Scottish Provident	6 18 9		7 17 0		9 1 6		10 15 0									
Scottish Union & National	6 17 10		7 16 2		9 0 8		10 13 10									
Britannic	6 17 0		7 14 4		8 17 8		10 9 0									
Norwich Union	6 16 1		7 12 4		8 16 4		10 9 1									
Marine & General	6 14 6		7 11 8		8 15 0		10 6 4									
National Provident	6 14 6		7 12 8		8 17 0		10 10 4									
Scottish Insurance	6 14 6		7 12 8		8 17 0		10 10 4									
Scottish Equitable	6 14 0		7 12 0		8 16 6		10 10 6									
Clerical, Medical & General	6 13 8		7 11 10		8 16 2		10 9 2									
Edinburgh Assurance Co., Ltd.	6 13 8		7 9 6		8 13 7		10 7 6									
National Mutual	6 13 0		7 11 0		8 15 2		10 8 2									
Commercial Union	6 12 8		7 8 2		8 11 6		10 4 2									
Mutual Life & Citizens'	6 12 8		7 10 4		8 14 4		10 6 4									
London & Manchester	6 12 6		7 9 6		8 13 1		10 5 6									
Australian Mutual Provident	6 12 0		7 9 8		8 13 4		10 5 5									
Equitable of U.S.	6 11 5		7 9 0		8 12 9		10 5 1									
General Life	6 10 3		7 7 6		8 11 1		10 3 4									
Mutual of New York	6 9 2		7 6 0		8 8 10		9 19 6									
New York Life	6 9 1		7 6 1		8 8 10		9 19 7									
Liverpool & London & Globe	6 8 8		7 8 10		8 15 2		10 8 0									
Refuge	6 8 5		7 5 5		8 8 2		9 18 11									

the endowment assurance provides the full sum assured, whereas in the case of a deferred annuity there will only be a return of the premiums paid, with perhaps interest. On the other hand, the payment of the same amount of annual premium will provide a deferred annuity of greater amount than would be obtained by sinking in the purchase of an annuity the sum obtained on the maturity of an endowment assurance. The two classes of contract are of course provided for different objects.

That the advantages of this class of assurance have been very much recognised by many of the leading firms employing large numbers of clerks, and also by persons of the middle class, is evidenced by the large number of contracts coming from such sources. It is presumably thought that, by inducing their employees to take up such policies (towards the premiums of which the firm in many cases contributes), the employers lighten the moral obligation which is upon them to see that the dependents of their employees do not suffer want in case of the employee's early death, and also greater provision is made for the employee's comfort when he or she reaches pensionable age.

By far the larger proportion of proposers who take out endowment assurances select the "with-profits" policy. Generally speaking, it is only in the case of contracts for comparatively short durations (where of course the advantage to be gained from participation in profits is not so pronounced) that the non-profit policy meets with any measure of approval. It is true that just recently many persons have taken alarm at the general non-declaration of bonus by most of the leading companies, and have laid too much emphasis on the effect of the War upon financial conditions, with the result that there has been a slightly higher proportion of non-profit business than in former years. We are inclined to think that this is rather a short-sighted view of the situation, and we do not believe that the present condition of affairs is likely to have any real permanent effect on the profit-earning powers of companies of good standing.

IMMEDIATE ANNUITIES.

This class of contract is the reverse of life assurance. The latter secures the payment at death, or some fixed future date, of a capital sum in consideration of the prior receipt by the company of small periodical

premiums paid by the assured. Under an annuity contract the purchaser sinks a capital sum with the company, and subsequently receives small periodical payments during the remainder of his or her lifetime, or in some cases for a fixed period should the life survive. The principal disadvantage which may be put forward from the purchaser's point of view to this class of contract is the possibility that he or she may die almost immediately or within a very few years, in which case the bulk of the capital paid in will have been lost. It seems obvious from this that the purchase of an annuity is not a desirable method of employing capital in the case of a person who has dependants or relatives whom he would desire to benefit under his will. On the other hand, seeing that provision is made in the calculation of the rates, not only for interest on the capital sum, but also for the return of the capital itself during the remainder of the annuitant's lifetime, the amount of income which may be derived will be considerably more than could be obtained by the interest payable on any investment of reasonable security. This is more especially the case the older the age of the annuitant at the time of purchase. The contract is thus very desirable from the point of view of persons of comparatively moderate means, who have no relatives or dependants for whom provision should be made in case of the annuitant's death. It is also much utilised by executors or trustees, as it enables provision to be made in the form of a capital sum for bequests of annuities to servants and employees of the testator, and thus conduces to the more rapid winding up of the estate.

We have already suggested the advantages which may be derived from the combination of an endowment assurance payable at age 60 or 65 with the purchase of an annuity by the proceeds of the policy at maturity. We now give a table showing the rates of annuity payable by the leading companies in exchange for each £100 of purchase money, the representative ages chosen being 50, 55, 60 and 65 at the date of purchase. It will be seen that, unlike the case of assurances where the same rate of premium is charged for male and female lives, a larger amount of annuity is payable to a man than to a woman of the same age. This is the result of the experience of companies doing this class of business, it having been found that after about middle life the vitality of the gentler sex is greater than that of men, the majority of whom have been employed in strenuous labour during the greater portion of their lives. Whether this feature will continue to appear in so prominent a form in the future is a matter for speculation, having regard to the great influx of women into forms of employment hitherto monopolised by men.

The tables have been arranged in descending order of the magnitude of the rates of annuity payable to purchasers aged 50 in each case. In making comparison between different offices, it must be remembered that the terms and conditions on which annuities are granted vary slightly in different companies. In the majority of cases the annuity is quoted as being payable by half-yearly instalments, the first payment falling due six months after the payment of the purchase money; in some cases it may be payable by quarterly instalments. Again, upon the death of the annuitant some companies will make a proportionate final payment corresponding to the period which has elapsed between the date of the last periodical payment and the date of death, whilst other companies make no such payment. Of course most companies will quote rates for any of the conditions. We simply draw attention to these points in order to warn our readers from coming to false conclusions.

DEFERRED ANNUITIES.

This is a class of contract which has recently begun to assume much greater proportions than was formerly the case. It consists of the payment during the working years of life of an annual premium in order to provide an annual income in later years. It has developed considerably in connection with pension schemes, and also appeals strongly to certain classes of professional men, and to employees of small firms where no pension scheme exists. It should also meet the needs of large numbers of women who have to earn their own living, but who have no dependants. It is not, however, in our opinion a suitable contract for a married man, since the primary essential for such a person is assurance cover.

We have already made a slight comparison between this class of contract and the benefit to be obtained by the combination of an endowment assurance and purchase of annuity.

We would point out that the rates quoted by different companies vary very considerably; but this is largely because there are many variations in the conditions upon which the contracts are granted, particularly as regards the course taken in the event of the death of the life before attainment of the age at which the annuity was to come into operation. The variations range from the return of all premiums paid accumulated at 3½% compound interest down to no return of premiums at all.

Other differences in practice which may be mentioned relate to the date on which the first payment of annuity is to fall due. This may be the actual birthday, or it may be six months after such birthday, or it may be twelve months after the payment of the last premium. In some cases the rates relate to annuities payable by quarterly instalments, though the majority are payable half-yearly. Most offices allow the assured the option of taking a cash sum on attainment of the maturity age instead of commencing to receive the annuity, but here again the amount of such cash option and the terms upon which it may be exercised vary.

Having regard to all these variations in the terms upon which deferred annuity contracts are issued we do not think any useful purpose would be served by publishing a table of the rates of premium charged by different companies.

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"Fire" Business.

TABLE "K."

Giving Details of the Revenue Account for the Year 1919 with Comparative Figures relating to Earlier Years.

Name of Company	Year of Account ending in	Income: Premiums £	Income: Interest and Dividends, Less Tax £	Outgo: Claims £	Outgo: Claims % of Premiums	Outgo: Commission and Expenses £	Outgo: Commission and Expenses % of Premiums	Outgo: Shareholders' Dividends or Transfers to (or from) Profit and Loss Account £	Outgo: Shareholders' Dividends or Transfers to (or from) Profit and Loss Account % of Premiums	Funds at end of Year £	Funds at end of Year % of Premiums
Alliance	1910	1,307,482	87,774	508,025	38·8	475,711	36·4	411,521	31·5	2,100,000	160
	1914	1,360,874	84,784	585,813	43·0	513,405	37·7	341,142	25·1	2,121,357	156
	1919	1,696,245	86,511	685,393	40·4	720,487	42·5	344,729	20·3	2,257,854	133
Atlas	1910	1,149,286	32,492	502,447	43·7	411,938	35·9	104,124	9·1	1,128,364	98
	1914	1,148,429	42,803	634,584	55·3	434,690	37·9	140,446	12·2	1,283,062	112
	1919	1,910,159	76,086	796,672	41·7	645,131	33·8	296,093	15·5	1,900,000	99
British and European	1911	441	Nil	113	25·6	291	66·0	103	23·4	27	6
	1914	1,649	Nil	682	41·4	735	44·6	20	1·2	360	22
	1919	49,331	543	24,296	49·3	5,425	11·0	280	·6	26,978	55
British Equitable	1910	11,278	1,653	5,716	50·7	4,368	38·7	Nil	—	14,472	128
	1914	16,314	Nil	8,101	49·7	6,424	39·4	Nil	—	23,410	143
	1919	75,713	1,788	33,686	44·5	25,631	33·9	1,202	1·6	73,021	96
British General	1910	14,562	Nil	8,197	56·3	4,360	29·9	Nil	—	4,854	33
	1914	20,852	Nil	11,157	53·5	5,574	26·7	2,187	10·5	8,341	40
	1919	107,157	1,549	50,076	46·7	32,489	30·3	−36,541	−34·1	92,863	87
British Oak	1914	529	Nil	1,900	—	188	—	−684	—	212	
	1919	16,125	2,901	9,049	56·1	5,561	34·5	236	1·4	6,450	40
Caledonian	1910	437,980	9,227	224,831	51·3	162,218	37·0	59,791	13·7	248,913	57
	1914	449,704	11,773	291,941	64·9	165,682	36·8	4,834	1·0	352,899	78
	1919	705,551	18,051	321,751	45·6	256,138	36·3	74,476	10·6	482,220	68
Century	1910	29,765	Nil	10,800	36·3	10,715	36·0	2,211	7·4	69,906	235
	1914	92,518	Nil	61,852	66·8	33,306	36·0	−2,818	−3·0	102,007	110
	1919	154,672	4,583	74,696	48·3	65,735	42·5	7,418	4·8	142,336	92
City Equitable	1910	58,657	820	17,739	30·2	17,520	29·8	Nil	—	23,463	40
	1915*	154,087	123	80,043	51·9	47,908	31·1	12,279	8·0	62,770	41
	1919	613,483	Nil	299,897	48·9	196,796	32·1	54,747	8·9	325,393	53
Commercial Union	1910	3,139,967	Nil	1,517,788	48·3	1,056,197	33·6	200,000	6·4	3,141,492	100
	1914	3,537,279	Nil	2,043,931	57·8	1,150,391	32·5	160,000	4·5	3,578,275	101
	1919	6,032,826	Nil	2,603,126	43·1	2,075,750	34·4	300,000	5·0	5,953,966	99
Consolidated	1910	166,798	Nil	95,893	57·5	47,897	28·7	1,000	·6	81,267	49
	1914	239,091	Nil	140,583	58·8	75,422	31·5	Nil	—	106,329	44
	1919	703,948	Nil	382,133	54·3	218,834	31·1	28,581	4·1	323,238	46
Co-operative	1910	36,269	3,637	7,951	21·9	13,601	37·5	7,340	20·2	103,122	284
	1914	58,649	5,586	6,313	10·7	21,354	36·4	8,000	13·6	167,990	286
	1919	97,950	10,044	46,552	47·6	39,180	40·0	22,000	22·5	215,297	220
Drapers and General	1910	16,633	981	7,823	47·0	8,072	48·5	Nil	—	4,482	27
	1914	37,582	1,151	15,549	41·4	17,418	46·4	Nil	—	9,370	25
	1919	43,327	1,803	25,226	58·2	14,809	34·2	Nil	—	17,331	40
Eagle, Star and British Dom.	1910	177,549	Nil	93,752	52·8	73,466	41·4	9,898	5·6	39,426	22
	1914	331,875	3,656	203,053	61·2	125,509	37·8	2,913	·9	92,578	28
	1919	1,214,688	15,554	547,980	45·1	486,613	40·1	Nil	—	722,274	59
Ecclesiastical	1910	50,786	6,117	11,210	22·1	15,645	30·8	Nil	—	148,397	292
	1914	80,787	11,465	26,381	32·6	22,521	27·8	29,101	36·0	223,923	277
	1919	92,322	12,626	70,043	75·9	Including Commission and Expenses		1,572	1·7	310,016	336
Employers' Liability	Included in "Miscellaneous"										
Excess	Included in "Marine"										
Fine Art and General (allied to N. Brit. & Merc.)	1910	158,024	8,662	79,772	50·5	50,684	32·1	19,049	12·1	249,620	158
	1914	182,919	10,379	104,377	57·1	64,478	35·3	26,103	14·3	272,068	149
	1919	311,763	11,455	153,185	49·1	103,291	33·1	42,328	13·6	299,705	96
General Accident	1910	145,384	Nil	75,754	52·1	44,922	30·9	13,873	9·6	58,154	40
	1914	161,525	Nil	81,115	50·2	59,191	36·6	19,313	11·9	106,099	66
	1919	326,326	Nil	122,342	37·5	158,064	48·4	6,796	2·1	204,678	63
Gresham Fire (Estab. 1910)	1911	11,099	Nil	2,518	22·7	5,272	47·5	− 391	− 3·5	3,700	33
	1914†	63,846	Nil	39,771	62·3	36,564	57·3	− 15,679	− 24·6	15,641	24
	1919	162,139	Nil	73,305	45·2	63,409	39·1	12,735	7·9	54,046	33
Guardian	1910	578,916	30,172	282,236	48·8	207,914	35·9	87,664	15·1	786,900	138
	1914	595,315	31,648	366,926	61·6	210,982	35·4	38,506	6·5	825,250	139
	1919	1,022,124	44,989	476,870	46·7	374,133	36·6	58,011	5·6	1,056,070	103
Law Union and Rock	1910	234,712	11,578	102,899	43·8	81,473	34·7	60,228	25·6	293,885	125
	1914	246,001	11,888	119,627	48·6	91,795	37·3	44,071	17·9	298,400	121
	1919	368,152	12,647	165,163	44·9	135,334	36·8	70,228	19·1	347,261	94
Legal	Included in "Miscellaneous"										
Legal and General	No Fire business previously transacted										
	1919	19,432	Nil	4,924	25·3	5,970	30·7	Nil	—	8,538	44

* 14 months. † 15 months.

TABLE "K" . . . "Fire" Business.

Giving Details of the Revenue Account for the Year 1919 with Comparative Figures relating to Earlier Years.

		—Income—				—Outgo—					
		£	£	£		£		£		£	
Licenses and General ...	1914	55.109	2.473	66.152	120·0	20.561	37·2	1.756	3·2	22.951	42
	1919	48.636	1.462	26.134	53·7	12.401	27·6	1.725	3·5	30.487	64
Liverpool and Lond. and Globe	1910	2.788.849	51.683	1.371.042	49·2	892.532	32·0	330.711	11·8	1.365.539	49
	1914	3.088.721	88.976	1.893.825	61·1	1.030.210	33·2	172.142	5·5	2.239.488	72
	1919	4.562.169	N.U.	1.926.757	42·2	1.575.337	34·5	494.895	10·8	3.124.868	68
London	1910	657.415	17.878	301.340	45·8	249.981	38·0	43.970	6·7	600.000	91
	1914	689.065	26.548	369.844	53·7	272.551	39·6	53.197	7·7	770.000	112
	1919	1.364.203	36.807	575.662	42·2	493.985	36·2	96.258	7·1	1.200.000	88
London Guarantee											
London and Lancashire	1910	1.555.809	25.411	751.951	48·3	504.952	32·4	257.134	16·5	625.000	40
	1914	1.655.713	29.837	918.633	55·5	556.064	33·6	98.661	5·9	862.500	52
	1919	3.270.299	76.760	1.201.277	36·7	1.061.197	32·4	608.292	18·6	1.708.500	52
London and Scottish	1910	2.010	6	14	7	914	45·5	N.U.	—	1.088	54
	1914	34.844	N.U.	14.263	41·0	18.191	52·3	6.140	17·6	34.709	42
	1919	140.635	N.U.	73.615	52·4	58.971	41·9	27.526	19·6	56.264	40
National Benefit	1910	1.349	N.U.	1.226	90·9	577	42·8	511	37·9	1.288	21
	1914	49.996	40	30.763	61·5	18.217	36·4	N.U.	—	4.312	9
	1919	47.017	N.U.	31.502	67·0	18.476	39·3	1.435	3·0	18.807	40
National of Great Britain	1910	57.943	639	22.238	38·4	21.820	37·7	12.653	21·9	19.314	33
	1914	52.966	773	23.559	44·5	19.313	36·4	12.296	23·2	17.655	33
	1919	64.329	N.U.	25.326	39·4	26.312	40·9	18.000	28·0	42.844	67
North British and Mercantile	1910	2.208.667	78.984	1.109.167	50·2	769.590	34·8	19.483	18·2	2.433.467	110
	1914	2.146.290	80.560	1.416.617	66·9	854.356	39·7	91.391	4·2	2.988.916	142
	1919	3.648.739	68.347	1.568.796	43·0	1.413.436	38·7	508.794	13·9	3.009.495	82
Northern	1910	1.285.987	64.343	611.476	47·6	475.951	37·0	239.909	18·6	1.640.543	128
	1914	1.318.338	63.963	769.069	58·3	492.780	37·4	95.416	7·2	1.859.169	141
	1919	2.010.005	97.176	935.542	44·4	722.946	36·4	376.739	18·4	2.420.003	119
Norwich Union Fire	1910	1.037.817	32.503	510.312	48·8	377.636	34·7	67.195	6·2	1.048.949	96
	1914	1.212.812	45.761	725.227	59·9	405.665	33·4	97.851	8·1	1.284.357	106
	1919	1.921.202	N.U.	830.429	43·2	634.370	33·0	243.620	12·7	1.968.481	102
Phœnix	1910	1.410.001	58.672	711.343	50·4	530.339	37·6	222.102	15·7	1.575.000	112
	1914	1.428.371	64.044	809.421	56·6	549.336	38·4	133.656	9·4	1.850.000	129
	1919	2.264.039	N.U.	982.522	42·5	867.140	38·3	326.377	14·4	2.293.000	101
Provincial Insurance	1910	18.679	214	6.937	37·1	7.555	41·9	2.409	12·9	7.472	40
	1914	29.668	430	16.473	55·5	12.120	40·8	1.184	4·0	11.867	40
	1919	54.055	N.U.	24.020	44·4	20.388	37·7	5.461	10·1	21.622	40
Prudential	1919	84.583	3.317	11.931	14·3	40.573	72·6	N.U.	—	81.787	97
Royal	1910	3.895.074	N.U.	1.933.652	49·6	1.380.569	35·5	580.852	14·9	2.800.000	72
	1914	4.124.063	N.U.	2.361.962	57·3	1.509.319	36·6	252.782	6·1	3.300.000	80
	1919	5.088.899	N.U.	2.712.452	44·5	2.261.522	37·1	714.925	11·7	5.000.000	82
Royal Exchange	1910	809.369	4.000	372.643	46·0	301.735	37·2	148.142	18·3	352.600	43
	1914	856.038	5.077	507.713	59·3	330.951	38·7	33.579	3·9	392.415	46
	1919	1.482.371	22.334	712.179	48·0	592.802	40·0	117.110	7·9	792.948	53
Royal London Aux. (Estab. 1910)	1911	16.528	N.U.	5.730	34·7	7.887	47·7	3.700	22·4	6.611	40
	1914	41.819	N.U.	28.838	69·0	16.030	38·3	6.191	14·8	15.895	38
	1919	94.909	N.U.	49.310	51·9	36.285	38·2	3.225	3·4	37.964	40
Scottish Insurance	1910	7.388	N.U.	2.878	38·9	3.087	41·8	316	4·3	4.101	55
	1914	14.844	268	7.714	52·0	5.784	39·0	512	3·5	7.938	53
	1919	60.714	830	33.304	54·9	21.813	35·9	871	1·4	29.266	48
Scottish Union and National	1910	688.618	14.852	369.344	53·6	246.413	35·8	90.248	13·1	344.309	50
	1914	764.167	14.769	456.138	59·7	276.677	36·2	42.561	5·6	456.985	59
	1919	1.291.281	27.043	554.529	42·9	507.038	39·3	153.831	11·9	648.640	50
State	1910	188.223	1.916	90.576	48·1	70.390	37·4	26.076	13·8	66.741	35
	1914	234.175	2.325	150.278	64·2	83.799	35·7	5.917	2·4	78.058	33
	1919	512.286	N.U.	249.176	48·7	188.670	36·1	34.178	6·8	204.914	40
Sun Insurance	1910	1.471.197	87.919	654.712	44·5	541.608	36·8	345.492	23·5	2.088.479	142
	1914	1.503.340	68.730	850.376	56·6	564.825	37·6	183.548	12·2	2.100.936	140
	1919	2.266.620	79.904	1.081.695	47·7	870.520	38·4	268.214	13·2	2.906.648	111
Traders and General ...	(Including "Employers' Liability," "Motor" and "Miscellaneous")										
	1910	7.988	18	3.773	47·4	2.642	33·1	N.U.	—	2.989	37
	1914	16.339	13	11.907	91·3	4.029	24·7	390	2·1	4.857	30
	1919	52.989	1.452	35.784	67·5	14.689	27·7	691	1·3	35.909	68
West of Scotland	1910	31.055	N.U.	14.160	45·5	10.946	35·2	5.424	17·4	32.432	104
	1914	41.374	N.U.	20.832	50·3	13.932	33·7	5.073	12·2	36.550	88
	1919	111.012	N.U.	59.614	53·7	34.798	31·3	10.316	9·3	64.405	58
Yorkshire	1910	289.580	5.231	133.207	46·0	105.182	36·3	51.021	17·6	189.450	90
	1914	455.800	7.794	250.885	55·0	169.469	37·2	40.761	8·9	301.200	70
	1919	740.802	11.698	338.913	45·7	288.447	38·9	103.200	13·8	555.761	74

FIRE INSURANCE.

In turning our attention to this class of business we would first of all point out that it differs in almost every respect from that of life insurance. In the latter case the majority of policies are for long and indeterminate periods, and the terms upon which they are granted depend upon the age and health of the life assured. Consequently the methods of ascertaining the assets and liabilities of life assurance companies, and of testing their financial strength, have been shown to be of a complex nature. In the case of fire insurance, the contracts are for fixed periods, generally as short as one year; their terms depend upon the nature of the property insured, and are usually independent of the personality and character of the insured; whilst the option of renewing or terminating the contract is retained by the company equally with the insured. Generally speaking, there is nothing in the nature of distribution of profits (a feature which plays an important part in life assurance business), and in those cases where it does occur, it takes the form usually of a reduction in the rate of premium payable on the renewal of the contract. It will be found also that there is not the great variety in the rates of premium charged by different companies, which is shown by the tables we publish in respect of life assurance. This is because the most important fire offices belong to an association, which fixes the tariff upon which the rates of premium to be charged for the principal classes of risk depend. There will of course be some discrepancies between the rates charged for risks which depart from or are outside of the standard. Changes in the tariff rates are made from time to time, but they are the result of the combined experience of all companies belonging to the association, and not of any one particular company.

It is not practicable to publish rates of premium charged for all the many variations of risk which may arise. They are based on the law of average, and it is obvious that the rate payable to insure a private dwelling-house (a class in which the risk of heavy loss from fire is slight) will be very much less than the rate for a large warehouse, where the damage likely to be caused by a fire is very much greater. There are of course a number of companies which do not belong to the tariff association, and in such cases there will be found to be a considerable variation in the rates charged, especially for what may be called special classes of risk.

When we come to consider the financial standing of a fire company, we find that there is nothing in the nature of an elaborate valuation required, nor are detailed statistics available to enable an extensive investigation to be made into the adequacy of the funds held to meet unknown future liabilities, even if such an investigation were considered necessary. Happily all that need be done is to compare the funds with the premium income. This is a pretty sure guide as to the probability of the company being able to meet its outstanding liabilities. The bulk of these will consist of claims which may arise, under contracts in force at the termination of the financial year, during the period for which they have still to run. Such outstanding period will in almost every instance be less than a year, and in some cases only a few months. If such period were taken on the average to be six months, it would be a sufficiently reasonable reserve to hold half the average rate of loss in respect of each contract. In actual practice many companies retain as much as 40% of the year's premium income to cover unexpired risks. Seeing that from 50% to 60% of the premium income is a fairly high rate of loss for a whole year, this reserve of 40% is more than adequate for unexpired risks. In addition to such reserve, however, most companies hold also accumulated balances from previous years. It is quite evident from this argument that if the fire funds of a company amount to as much as a full year's premium income, apart altogether from uncalled capital, the security of its policyholders is amply provided for. In other words, such a company would be in a position to meet losses amounting to four or five times the normal quantity, without resorting to any latent reserves, such as a call on shareholders.

In preparing statistics relating to fire insurance for publication in this year's Supplement we have proceeded on lines entirely different from those followed in previous years. We have formerly shown a table comparing the funds and premium income of the companies, and have then given particulars compiled on a comparative basis of the estimated trading results of the various companies for each of five successive years. Owing to the varying practices of the companies, this method did not, in recent years, give an exact reproduction of the true position in many cases. Since the passing of the Assurance Companies Act, 1909, companies transacting fire business have to render annual returns to the Board of Trade in accordance with a standard form of revenue account. We have therefore come to the conclusion that it will be better to adopt the information given in these official returns.

The Table "K" which we publish contains details extracted from the revenue accounts for the year 1919,

and for comparative purposes we have inserted the corresponding figures relating to earlier years. In most cases the earlier years shown are 1914 and 1910, the latter being the first year in which returns were made in the official form prescribed by the Act.

The first two columns show the income derived from premiums and from interest earnings. There are in some cases certain other items of income, but they are generally so small in amount as to be negligible from a comparative point of view.

The second portion of the table deals with the outgo, as represented by claims, commission and expenses, and returns to shareholders; whilst the final portion shows the fund at the end of the year. Against each of the last four items we have inserted the percentage which it bears to the premium income. These columns will be found most useful in comparing the results of the same company in different years, and in comparing the results of one company with those of another company.

Considering the information given in the table, the first point which is very noticeable is that in nearly every case the premium income shows a continuous and substantial increase, in many instances the 1919 figure being as much as 100% per cent. in advance of that for 1914. This feature is almost entirely due to the tremendous increase in the value of almost all kinds of property, leading to the increase in fire insurance cover, especially during the past two years, and consequently causing an abnormal inflation in the premiums received. The column representing interest earnings is useful for comparison with that showing the amounts transferred to profit and loss account, to which in many cases it bears a considerable proportion.

On the other side of the accounts, representing outgo, the first column, headed "Claims," is of great importance, as it is a direct index as to whether the companies have had a good or bad year from a trading point of view. On considering the column of percentage of premiums, it will be seen that in nearly every case the figure is less than it was five years ago, and compares very favourably with that shown in 1910. Having regard to the increased cost of all materials, and the enhanced payments to officials in the form of War bonus or improvement in salaries, it would be expected that there should have been a rise in the items shown as "Commission and Expenses." Whilst this appears in the actual amounts expended, the resulting percentage of premiums has not been affected to any appreciable extent. There is a general slight tendency in the upward direction, but in some cases the percentage is even less than five years ago. This only means that the increase in premium income has been greater proportionately than that in expenses.

In considering the figures given under the heading "Transfers to Profit and Loss Account" it must be remembered that these are the amounts shown in the revenue accounts for the year in question. It does not follow that they exactly represent the actual trading profit for the year. The figure shown is the amount which the directors considered might reasonably be transferred after having made necessary provision for reserves. In some cases the amount may be less than the true trading profit, owing to a portion of the surplus having been applied to strengthen the fund; or it may be more than the true trading profit for the year, owing to some special surplus brought forward from a previous year being no longer required for the particular purpose for which it was set aside. In addition, allowance must be made for the income from interest earnings, which, of course, does not form part of trading profits, and is usually regarded as directly available for shareholders' dividends.

The last column, representing the fund at the end of the year, is of importance as indicating the financial strength of the company. We have already shown that the percentage which this amount bears to the premium income is a pretty sure guide as to the probability of the company being able to meet its obligations. It is composed of the amount estimated to be required to settle claims which have already been intimated to the company but which have not been finally adjusted during the year of account, and also of a sum set aside to cover claims which may arise under policies still current at the close of the year. In the majority of cases these reserves are considerably increased by additions which have been made from time to time in the past with the object of placing the fund on a thoroughly sound foundation, so that it may be able to meet unexpected emergencies. Whilst the percentage which the fund bears to the premium income has, in a great many cases shown in the table, decreased during the past five years, it still stands generally at a very satisfactory figure. The decrease is largely due to the exceptional increase in premium income already referred to, and there is every reason to suppose that the funds will in time resume their former strong position as the conditions of business return to a more normal footing.

In addition to the funds shown in this column, policyholders have the protection of uncalled capital. We have not thought it wise to include particulars of this item in our table, because in the case of companies transacting more than one class of business it is not available for the support of any one particular class, but is liable to meet all emergencies that may arise. Particulars with regard to the capital of individual companies will be found at the end of the Supplement.

"Accident" Business. **TABLE "L."** "Accident" Business.

Giving Details of the Revenue Accounts for the Year 1919 with Comparative Figures relating to Earlier Years.

Name of Company.	Year of Account ending in	Income: Premiums £	Income: Interest and Dividends, Less Tax £	Outgo: Claims £	Outgo: Claims % of Premiums	Outgo: Commission and Expenses £	Outgo: Commission and Expenses % of Premiums	Outgo: Shareholders' Dividends or Transfers to or from Profit and Loss Account £	Outgo: Shareholders' Dividends or Transfers to or from Profit and Loss Account % of Premiums	Fund at end of Year £	Fund at end of Year % of Premiums
Alliance	1910	8,360	277	2,712	32·4	3,269	39·1	Nil	—	8,904	106
	1914	10,996	651	4,649	42·3	4,131	37·6	Nil	—	19,041	173
	1919	26,441	952	7,572	28·7	13,666	51·7	1,115	4·2	29,088	110
British Oak	1914	100	Nil	Nil	—	32	—	42	—	40	—
	1919	18,792	3,656	7,302	38·8	7,984	42·5	4,316	23·0	7,517	40
British Equitable	Included in "Fire."										
British and European	Included in "Fire."										
Century	1910	8,950	Nil	4,134	46·2	3,402	38·0	971	10·9	4,432	49
	1914	8,645	Nil	5,143	59·5	3,199	37·0	1,638	18·9	3,922	45
	1919	23,837	1,536	10,321	43·3	10,488	44·0	2,038	8·6	46,408	195
Commercial Union	Including "Employers' Liability" and "Miscellaneous."										
	1910	2,171,615	Nil	1,080,413	49·8	800,355	36·9	60,000	2·8	1,255,311	58
	1914	2,926,986	21,698	1,402,612	47·9	1,080,197	36·9	190,000	6·5	1,989,539	68
	1919	5,362,159	24,418	2,725,327	50·8	1,840,939	34·3	450,000	8·4	3,238,878	60
Eagle, Star and British Dom.	Included in "Fire."										
Ecclesiastical	Included in "Fire."										
Employers' Liability	Included in "Miscellaneous."										
General Accident	Including "Employers' Liability" and "Miscellaneous."										
	1910	1,290,081	Nil	721,241	55·9	551,492	42·7	1,332	0·1	353,654	27
	1914	1,335,086	2,490	840,369	62·9	554,538	41·5	—17,886	— 1·3	419,089	31
	1919	2,211,651	Nil	935,903	42·3	796,209	36·0	86,225	3·9	1,341,371	61
Guardian	Included in "Miscellaneous."										
Law Union and Rock	1910	14,544	256	4,094	28·2	4,433	30·5	2,783	19·1	6,945	48
	1914	16,272	374	5,347	32·8	5,249	32·3	4,811	29·6	9,425	58
	1919	24,787	457	10,744	43·3	9,345	37·7	2,716	11·0	14,430	58
Legal and General	Included in "Fire."										
Liverpool and Lon. and Globe	1910	22,367	290	8,587	38·4	9,510	42·5	—2,642	—11·8	17,267	77
	1914	136,336	3,208	75,889	55·7	68,319	50·1	12,194	8·9	88,001	65
	1919	199,701	4,032	99,518	49·8	91,389	45·8	9,173	4·6	133,945	67
London Guarantee	Included in "Miscellaneous."										
London and Lancashire	Included in "Miscellaneous."										
London and Scottish	Included in "Miscellaneous."										
Northern	1910	5,034	122	1,916	38·1	1,714	34·5	1,214	24·1	2,863	57
	1914	7,337	155	4,319	58·9	2,461	33·5	652	8·9	4,425	60
	1919	29,292	867	11,464	39·1	9,885	33·7	7,660	26·1	19,739	67
Norwich Union Fire	Included in "Employers' Liability."										
Pearl	1910	23,766	574	13,316	56·0	6,170	25·9	1,557	6·5	11,883	50
	1914	29,111	481	14,586	50·1	7,003	24·1	4,417	15·2	14,556	50
	1919	38,388	811	15,277	39·8	14,814	38·6	4,384	11·4	23,993	62
Phœnix	Included in "Miscellaneous."										
Provident Accident	Included under "Miscellaneous."										
Railway Passengers (allied to North British and Mercantile)	Including "Employers' Liability" and "Miscellaneous."										
	1910	347,284	10,815	202,189	58·2	115,671	33·3	10,232	2·9	299,305	86
	1914	420,206	11,046	182,345	43·4	157,092	37·4	79,972	19·0	282,092	67
	1919	687,728	15,710	270,143	39·3	241,692	35·1	105,123	15·3	492,107	72
Royal	1910	36,582	880	16,538	45·2	14,846	40·5	Nil	—	28,618	78
	1914	108,125	2,790	47,844	44·2	48,314	44·7	Nil	—	78,904	73
	1919	106,413	3,969	43,752	41·1	46,130	43·4	Nil	—	118,076	111
Royal Exchange	Included under "Miscellaneous."										
Scottish Insurance	Including "Miscellaneous."										
	1910	67,585	1,098	27,740	41·0	26,770	39·6	7,287	10·8	34,325	51
	1914	76,760	1,719	37,794	49·2	30,118	39·2	6,490	8·5	41,735	54
	1919	82,101	1,401	35,939	43·8	32,619	39·7	3,022	3·7	47,075	57
Scottish Union and National	1910	24,266	521	13,940	57·4	8,575	35·3	3,501	14·4	15,135	62
	1914	19,382	412	9,275	47·8	7,452	38·4	3,777	19·5	11,426	59
	1919	17,315	406	5,492	31·7	7,351	42·5	6,610	38·2	9,659	56
State	Included in "Employers' Liability."										
Yorkshire	1910	12,226	200	3,987	32·6	4,682	38·3	Nil	—	5,511	45
	1914	14,986	445	8,613	57·5	5,665	37·8	1,500	10·0	12,930	86
	1919	17,297	789	6,255	36·2	6,486	37·5	2,000	11·6	22,998	133

ACCIDENT INSURANCE.

It will be noticed that the heading of this portion of the Supplement differs from the one which has been customary in previous issues. We have been accustomed to publish in this section information relating to all classes of insurance other than life, fire, and marine. We pointed out last year that the various classes of insurance covered by the section were very numerous, and we have thought it desirable this year to attempt to divide them, showing separate tables for accident, for employers' liability, and for miscellaneous. Unfortunately, though separate revenue accounts have to be furnished to the Board of Trade under the Assurance Companies Act 1909 in respect of fire, accident, and employers' liability business, the official returns relating to the year 1919 are not yet published. We have, therefore, had to extract the necessary information as far as possible from the accounts published by the companies themselves, and in very many cases these are given in one combined account, so that it is not possible to analyse the figures according to the different classes of business as we would wish. It will be found that we have had to make reference notes accordingly.

Accident business has been conducted by some companies for many years, but it is only recently that it has developed to any considerable extent. There has been a tendency, which still continues, for the leading composite companies to undertake this and other miscellaneous forms of business. In many ways this is a decided advantage, for, in addition to enabling a person to place all his insurance business with one company, instead of having to deal with several, it conduces to increased stability by averaging the different classes of risk, as well as different risks in the same class.

The principles upon which the business is conducted are analagous to those underlying fire insurance. Contracts as a rule run from year to year, and the Company as well as the assured has the option of continuing or declining the risk on each occasion when it falls due for renewal. The rates of premium depend largely upon the occupation of the individual assured, and are also affected by his physical fitness and general character. It is obvious that the risk run in respect of a miner, engineer, or chauffeur will be greater than in the case of an ordinary civilian clerk; and, consequently, the premium payable will be larger. The benefits to be obtained vary as regards amount and conditions as between different companies, but generally take the form of a weekly payment during total incapacity arising from accident over a certain period of weeks, followed by a reduced payment during a further number of weeks. In addition, the benefits will provide for the payment of a capital sum as compensation for the loss of an arm or leg or other important member of the body.

There is an Accident Offices Association similar to that dealing with fire business, and this Association considers the rates of premium to be charged for various classes of accident risk and the benefits to be granted. There are, however, many special risks arising which do not come under the supervision of the Association, and there are also a number of companies which do not belong to the Association. It will, therefore, be found that there is considerable variation in the premiums charged by different companies, and we do not consider that any useful purpose would be served by attempting to give a table in any classified form of the premiums charged or benefits obtained in this class of insurance.

It will be seen that, as in the case of fire business, we have discarded the form in which our statistics appeared in recent years, and have again relied upon information to be obtained from the revenue accounts. Table "L" has been prepared on lines exactly similar to those forming the basis of Table "K."

The premium income in most cases shows a considerable increase. The reason is not so much due to the increase in the values of material which operated in the case of fire business, as to the considerable development which has taken place in this form of insurance. Ten years ago the business was principally undertaken by a few companies only, and it is only during the last ten years or so that many of the leading composite companies have entered seriously into accident insurance. It will be seen that several of these do not publish their figures for accident business separately, and the statistics have had to be tabulated in a combined form with other classes of business. Owing to the comparatively recent establishment of accident accounts the figures representing interest income are small in amount.

On the side of outgo, the column of claims shows a good deal of fluctuation, but the percentages indicate that the year 1919 was generally favourable, as compared with 1914, and in come cases the results are better than in 1910. The cost of commission and expenses keeps to a fairly consistent level and is well within reasonable bounds, though it shows a general tendency to increase, as might be expected to be the case. The transfers to profit and loss vary very considerably in different years and between different companies. This would appear to show that the business cannot yet be considered to have found a well-established basis, such as exists in the fire business of the older companies.

When we come to consider the funds we find that these show a consistent and steady growth, and this is a very welcome and wholesome sign. It will be seen, however, that the percentages do not show as steady an improvement, and this emphasises the fact that their growth has not kept pace with the increase in the premiums. It must be remembered in this connection that the guiding rule applied to fire companies of comparing the fund with the premium income is not quite such a certain index to the prosperity of the company as regards accident business. The liabilities under this form of contract vary more in their incidence. For example, the unexpired term of an accident policy may be short, but the claim arising under it might be spread over a long period in the case of permanent incapacity. This feature was recognised when the Assurance Companies Act 1909 was passed, and companies are required to furnish to the Board of Trade detailed statements showing the estimated liability under outstanding claims divided according to the year of account in which they arose. It might be possible, though very improbable, that the amount of fund held by a company was largely necessitated by the amount of outstanding claims. Even so, however, existing policyholders have the satisfaction of knowing that all outstanding claims must have been adequately provided for.

The remarks we made when dealing with fire business, with regard to the additional security to be derived from uncalled capital apply with equal force to this class of business.

"Employers' Liability" Business. TABLE "M."

Giving Details of the Revenue Accounts for the Year 1919 with Comparative Figures relating to Earlier Years.

Name of Company	Year of Account relating to	Income: Premiums £	Income: Interest and Dividends, Less Tax £	Outgo: Claims £	Claims % of Premiums	Commission and Expenses £	Commission and Expenses % of Premiums	Shareholders' Dividends or Transfers to or from Profit and Loss Account £	Shareholders' Dividends or Transfers to or from Profit and Loss Account % of Premiums	Fund at end of Year £	Fund at end of Year % of Premiums
Alliance	1910	83.554	3.771	29.628	35·4	29.701	35·5	Nil	—	115.935	139
	1914	126.916	9.747	44.032	34·7	44.800	35·3	Nil	—	282.012	222
	1919	207.328	13.034	74.478	35 9	77.320	37·3	31.799	15·3	365.019	176
Atlas	Including "Accident" and "Miscellaneous."										67
	1910	114.425	1.130	48.810	42·7	47.254	41·3	—14.182	—12·4	77.185	80
	1914	102.551	2.138	40.860	39·8	42.990	41 9	19.035	18 6	82.466	83
	1919	158.348	3.346	58.595	37·0	62.548	39 5	21.957	13·9	132.234	
British Equitable	1910	1.181	35	544	46·0	439	37·2	Nil	—	1.034	88
	1914	2.872	Nil	1.181	41 1	1.120	39·0	Nil	—	2.899	100
	1919	3.193	82	988	30 9	1.245	38 9	82	—	3.660	115
British General	1910	17.945	275	9.991	55·7	4.935	27·5	702	3 9	9.071	51
	1914	92.038	1.741	39.665	43·1	24.721	26 9	10.462	11·3	60.567	66
	1919	154.859	3.691	55.841	36 1	46.897	30·3	26.223	16 9	134.443	87
Caledonian	1910	7.052	188	4.364	61 8	2.637	37·4	Nil	—	6.329	90
	1914	24.103	610	10.404	43·2	8.057	33 4	3.044	12·6	25.067	104
	1919	33.901	768	13.394	39 5	11.351	33·5	4.000	11·8	43.760	129
Car and General	Included in "Miscellaneous."										
Century	1910	17.308	684	10.740	62·1	6.317	36 5	—83	—·5	23.832	138
	1914	22.190	838	11.064	49 8	8.321	37 9	2.626	9 1	29.498	133
	1919	36.634	1.127	13.690	37·4	16.118	44 0	5.042	13·8	40.469	110
Commercial Union	Included in "Accident."										
Co-operative	1910	12.541	609	5.721	45·8	3.762	30·1	Nil	—	18.828	150
	1914	31.824	1.414	16.660	52 4	10.608	33 3	Nil	—	41.886	132
	1919	65.502	3.644	21.655	33·1	26.201	40 0	2.000	3·1	90.836	139
Eagle Star and British Dom.	Included in "Fire."										
Ecclesiastical	Included in "Fire."										
Employers' Liability	Included in "Miscellaneous."										
Employers' Mutual	1910	10.490	Nil	6.992	66 6	3.610	34 4	Nil	—	8.255	79
	1914	24.802	646	11.762	47 4	8.058	32·5	3.561	14 3	14.115	57
	1919	71.914	1.895	36.799	51 2	24.456	34 0	Nil	—	66.717	93
Excess	Included in "Marine."										
Federated Employers'	1910	15.494	Nil	18.696	120·7	5.149	33 2	—17.107	—110 4	20.562	133
	1914	37.702	Nil	23.819	63 2	9.066	24 0	2.396	6 4	24.682	65
	1919	71.078	Nil	34.147	48 0	18.369	25 8	8.127	11 4	49.715	70
Fine Art and General (allied to N. British and Mercantile)	Included in "Fire."										
General Accident	Included in "Accident."										
Gresham Fire	Included in "Miscellaneous."										
Guardian	Included in "Miscellaneous."										
Iron Trades Employers'	1910	162.956	5.729	125.224	76 8	14.791	9·1	Nil	—	73.021	45
	1914	306.095	14.781	228.940	74 8	19.241	6·3	Nil	—	194.432	
	1919	991.774	49.033	539.176	54 4	39.583	3 9	Nil	—	671.838	
Law Union and Rock	1910	26.426	840	14.654	55·5	8.053	30 5	5.320	20 1	21.866	83
	1914	35.903	1.195	13.587	37 8	10.772	29 9	10.240	28·5	31.152	87
	1919	53.250	1.446	19.374	36 4	17.497	32 9	11.168	21·0	44.620	84
Legal	Included in "Miscellaneous."										
Legal and General	Included in "Fire."										
Licenses and General	1914	5.551	615	1.790	32·2	2.500	45 0	868	15 6	3.070	55
	1919	17.414	629	4.613	26 5	4.191	24·1	3.958	22 7	12.882	74
Liverpool and Lon. and Globe	1910	81.008	1.278	30.631	37·8	32.894	40 6	—19.976	—24 7	87.955	109
	1914	128.794	3.262	60.309	46 8	47.506	36·9	20.407	15 8	135.255	105
	1919	187.821	4.823	83.679	44 6	64.541	34 4	36.559	19·5	198.982	106
London	Including "Accident" and Miscellaneous."										
	1910	7.191	252	1.212	16 8	2.930	40·7	Nil	—	11.030	153
	1914	11.032	472	2.255	20 4	4.386	39·9	1.954	17 7	17.236	156
	1919	80.349	2.327	30.592	38·1	37.880	47 2	4.204	5·2	60.000	75
London Guarantee	Included in "Miscellaneous."										
London and Lancashire	Included in "Miscellaneous."										
London and Scottish	Included in "Miscellaneous."										
Midland Employers' (15 mths.)	1911	43.949	1.638	38.329	87 2	3.629	8·2	Nil	—	42.319	96
	1914	53.556	1.354	43.712	81 6	4.458	8·3	Nil	—	66.334	124
	1919	136.878	8.443	86.621	63 3	9.480	6 9	508	·4	166.760	122
National of Great Britain	1910	2.690	146	1.363	50·5	923	34·2	1.264	46 8	4.422	164
	1914	11.748	431	6.951	59 1	4.024	34·4	136	1·2	13.151	112
	1919	11.252	177	3.397	30 1	4.618	40·9	Nil	—	6.841	61
Northern	1910	41.182	471	24.961	60 6	15.856	38 5	— 4.960	—12·0	35.511	86
	1914	70.089	1.615	28.374	40 5	23.178	33·1	14.461	20·6	56.951	81
	1919	223.478	4.981	81.378	36 4	65.049	29·1	73.186	31 9	201.343	90
Norwich Union Fire	Including "Accident and "Miscellaneous."										
	1910	313.456	8.219	180.798	57·7	110.519	35·3	21.329	6 8	251.709	80
	1914	433.192	11.377	251.442	58 0	151.467	35·0	66.715	15 4	335.750	77
	1919	840.238	Nil	358.841	42·7	326.218	38·8	35.924	4 3	594.936	71
Phœnix	Included in "Miscellaneous."										
Provident Accident	Included in "Miscellaneous."										
Provincial Insurance	1910	3.946	35	1.998	50·6	1.345	34·1	Nil	—	2.543	64
	1914	16.199	191	6.322	39 0	6.572	40 6	1.313	8 1	10.505	65
	1919	80.509	Nil	27.782	34·5	29.728	36 9	164	2	58.924	73

TABLE "M"—*continued.* "Employers' Liability" Business.

Giving Details of the Revenue Accounts for the Year 1919 with Comparative Figures relating to Earlier Years.

Name of Company	Year of Account	Income: Premiums	Income: Interest and Dividends, Less Tax	Outgo:							
		£	£	£	Per cent.	£	Per cent.	£	Per cent.	£	Per cent.
Railway Passengers allied to North British and Mercantile)		Included in "Miscellaneous."									
Royal	1910	138.993	4.048	72.152	51·9	48.753	35·1	—	—	128.735	93
	1914	223.806	12.136	94.226	42·1	67.809	30·3	50.000	22·3	318.869	142
	1919	337.393	18.335	113.365	33·6	109.005	32·3	100.000	29·6	464.773	138
Royal Exchange		Included in "Miscellaneous."									
Scottish Insurance	1910	22.023	513	9.515	43·3	9.038	41·1	47	2	15.305	70
	1914	41.576	1.171	23.083	55·5	16.312	39·2	1.328	3·1	30.386	73
	1919	65.402	1.425	25.146	38·4	26.591	40·7	15.939	24·4	47.083	72
Scottish Union and National	1910	28.192	513	21.035	74·6	10.966	38·9	12.291	43·6	34.467	122
	1914	35.441	799	11.699	33·0	12.828	36·2	8.429	23·8	32.723	92
	1919	54.761	1.703	13.718	25·0	20.234	36·9	18.662	34·1	42.739	78
State	1910	35.276	100	17.728	50·2	13.427	38·0	1.742	4·9	14.166	40
	1914	53.143	673	24.582	48·3	19.462	36·6	7.179	13·5	22.736	43
	1919	78.244	Nil	38.237	48·9	27.446	35·1	6.005	7·7	31.297	40
Sun Insurance	1910	70.407	3.584	37.327	53·0	25.218	35·8	16	—	116.011	165
	1914	98.774	4.805	45.218	45·8	39.960	40·4	10.985	11·1	151.556	153
	1919	138.743	5.026	43.009	31·0	57.699	41·6	31.468	22·7	160.443	116
Yorkshire	1910	78.073	1.494	47.214	63·5	26.501	35·6	2.286	3·1	45.138	61
	1914	106.174	2.723	44.582	42·0	34.931	32·9	12.500	11·8	108.640	102
	1919	167.769	7.111	58.614	34·9	58.719	35·0	25.000	14·9	210.376	125

EMPLOYERS' LIABILITY INSURANCE.

In accordance with what has been said already on a previous page, we are able this year to give an entirely new table dealing with employers' liability insurance. In previous years this has formed part of the statistics relating to accident and miscellaneous insurance. Since the Assurance Companies Act, 1909, came into force companies have been required to furnish to the Board of Trade separate returns in respect of employers' liability insurance, but, as already explained in dealing with accident business, the official figures for 1919 are not yet published. We are, therefore, not able to give in every instance separate figures for this class of business, and have had to insert reference notes in those cases where the accounts furnished to us relate to more than one class.

Employers' liability insurance received its real birth on the passing of the Workmen's Compensation and Employers' Liability Acts, and it is only during the last ten years or so that it has developed to any extent. The tendency already referred to of the large composite companies to undertake this class of insurance is becoming more and more general, but it will be seen that those companies which were early in the field are well able to hold their own. The nature of the business is entirely different from that of fire or personal accident. It is not a case of the insurance of one unit as represented by a house or an individual, but it is principally conducted on the basis of groups of employees. A large employer of labour will effect a policy under which he will insure against compensation which he may be liable to pay in the event of any one of his many employees being killed or injured. The policy will not specify the names of the employees concerned, but will cover any one employed by the insured in the ordinary way of business during the period covered by the policy up to a certain specified number of employees. The rate of premium charged will naturally depend upon the nature of the occupation and the degree of risk of liability arising. The amount of the premium will be fixed usually according to the wages bill of the employés, adjustments being made from time to time to allow for increase or decrease.

The table which we publish follows the basis adopted in the compilation of the tables appearing on previous pages. The premium income in this case also shows a steady and consistent increase. The reason for this is partly due to the very heavy advance in wages which labour has been able to demand during recent years, and there is no reason to suppose that this feature will be likely to disappear for some time. The interest income is again comparatively small, partly owing to the funds being of fairly recent origin, and also owing to the fact that in many cases interest is credited direct to profit and loss account, and not to employers' liability account.

On looking over the amounts shown in the column of claims, it is very satisfactory to observe that the percentages show a fairly consistent downward tendency, and in very few instances does the percentage exceed that shown for 1910. This is very encouraging, for it is a well-known fact that the early years of employers' liability business were very lean ones for the majority of companies, the premiums charged being generally too small to cover the risks. Commission and expenses remain fairly constant, though in some instances there is a slight upward tendency apparent. As in the case of accident business, the transfers to profit and loss show a very considerable fluctuation, which can only be accounted for on similar grounds, the business not yet having reached a stable condition.

The funds show a steady increase, and the percentages which they bear to the premium income are much more stable than in the case of accident business. In fact, the changes which have taken place are principally in an upward direction. This is a very good and healthy sign, and reflects credit on those concerned with the management of the companies, as it indicates that they are alive to the necessity of creating adequate reserves in order to place on a firmer footing a class of business which in the past has admittedly been of an unsatisfactory nature.

Our remarks under the heading of accident business, with regard to a comparison of the funds with the premium income, apply in the case of employers' liability insurance also. Similar returns with regard to outstanding claims have to be rendered to the Board of Trade, showing the estimated liability according to the year in which the claim arose. A comparative estimate of the financial strength of two companies [illegible] to the percentage which the fund in each case bears to the premium income. It is possible that in one case the amount of the fund necessitated for the purpose of meeting outstanding claims might be proportionately greater than in the other case, and hence the balance of the fund left free as a security for existing or intending policyholders might leave the apparently stronger company really in a weaker position.

The question of uncalled capital, already referred to on an earlier page, must be taken into consideration in comparing returns of different companies.

"Marine" Business.

TABLE "N."

Giving Details of the Revenue Accounts for the Year 1919 with Comparative Figures relating to Earlier Years.

Name of Company.	Year of Account ended in	Income. Premiums £	Income. Interest and Dividends, Less Tax £	Outgo. Claims £	Claims % of Premiums	Outgo. Commission and Expenses £	Commission and Expenses % of Premiums	Outgo. Shareholders' Dividends or Transfers to or from Profit and Loss Account £	Outgo. Shareholders' Dividends or Transfers to or from Profit and Loss Account % of Premiums	Fund at end of Year £	Fund at end of Year % of Premiums
Alliance	1910	195.642	17.857	130.583	63·7	33.593	18·6	33.975	18·6	423.426	219
	1914	290.065	20.544	138.425	47·7	52.174	17·9	91.239	31·5	466.594	161
	1919	1.183.123	75.774	713.336	60·3	129.163	10·9	400.774	33·9	1.778.240	150
British and European	Included in "Fire."										
British General	1919	147.099	3.025	83.019	56·4	10.148	6·9	5.342	3·6	138.054	94
British Oak	1914	97	Nil	141	—	15	—	81	—	46	—
	1919	43.295	3.862	11.071	25·6	10.969	25·3	Nil	—	39.878	92
Caledonian	1919	207.104	4.848	104.046	50·2	5.332	2·6	25.000	12·1	196.406	95
Century	1919	150.025	3.742	80.610	53·7	18.752	12·5	8.000	5·3	153.329	102
City Equitable	1919	1.351.729	Nil	656.172	48·5	126.646	9·4	105.223	7·8	834.554	62
Commercial Union	1910	306.921	Nil	151.771	49·5	52.439	17·1	60.000	19·6	758.788	247
	1914	474.007	Nil	215.595	45·5	75.038	15·8	65.000	13·7	1.001.094	211
	1919	855.925	Nil	269.331	31·5	133.475	16·2	350.000	40·9	1.228.360	143
Consolidated	1919	619.950	Nil	314.845	50·8	76.006	12·3	60.000	9·7	454.690	73
Cornhill	1911	(Net) 11.145	Nil	1.557	14·0	(Expenses) 200	1·8	Nil	—	9.379	84
	1914	(Net) 43.171	Nil	23.957	55·5	(Expenses) 543	1·3	5.000	11·6	35.002	81
	1919	67.760	6.009	44.162	65·2	6.330	9·3	5.000	7·4	87.346	129
Ecclesiastical	Included in "Fire."										
Eagle, Star and British Dom.	1910	7.183	Nil	1.545	21·5	3.857	53·7	725	10·1	2.394	33
	1914	423.816	18.233	271.924	64·2	61.831	14·4	15.615	3·7	261.678	62
	1919	1.503.829	108.631	853.157	57·8	375.237	25·0	Nil	—	1.403.859	93
Economic	1911	192.910	12.217	Not stated	—	5.150	2·6	6.250	3·2	260.096	135
	1914	205.914	11.254	Not stated	—	7.643	3·7	7.812	3·8	272.757	132
	1919	584.803	82.097	127.074	21·7	23.170	4·0	7.812	1·3	662.729	113
Employers' Liability	Included in "Miscellaneous."										
Excess	(Including "Fire, Employers' Liability and Miscellaneous." 1910	431.091	1.630	320.619	74·4	65.053	15·1	19.474	4·5	219.590	51
	1914	686.487	5.534	505.677	73·7	91.943	13·4	78.333	11·4	452.527	66
	1919	931.881	49.438	718.056	77·1	161.097	17·3	20.000	2·1	1.447.350	155
Guardian	1911	128.675	9.952	91.262	70·9	13.631	10·6	14.582	11·3	261.383	203
	1914	137.480	12.177	103.414	75·2	14.231	10·3	15.286	11·1	299.050	217
	1919	233.080	21.940	173.057	74·3	22.339	9·6	33.572	15·7	420.369	180
Lancashire and Cheshire	1912	1.085	Nil	632	58·2	440	40·6	12	1·1	Nil	—
	1916	25.419	Nil	15.701	61·8	—	—	— 1.044	— 4·1	10.762	42
	1919	49.917	9.760	76.957	157·4	29.287	59·9	18.172	37·2	139.068	284
Liverpool & London & Globe	1914	337.017	15.904	243.778	73·2	31.161	9·2	63.951	18·9	391.047	116
	1919	716.953	Nil	433.450	67·4	43.603	6·1	130.173	25·1	593.787	82
London	1910	326.584	10.657	252.941	77·4	46.530	14·3	17.572	5·4	330.000	101
	1914	465.107	14.926	299.984	64·5	59.330	12·8	93.516	18·5	452.000	97
	1919	860.588	43.946	690.864	80·3	190.180	23·9	331.540	33·5	1.000.000	116
London General	1911	222.092	9.401	251.784	113·4	12.534	5·6	6.000	2·7	146.909	66
	1914	303.388	12.176	230.163	75·9	9.282	3·1	—	—	285.961	94
	1919	106.798	Nil	77.759	72·8	18.894	17·7	12.500	11·7	53.475	50
London Guarantee	1919	804.895	12.628	269.997	33·5	24.147	3·0	10.000	1·2	704.443	87

TABLE "N"—*continued.* "Marine" Business.

Giving Details of the Revenue Accounts for the Year 1919 with Comparative Figures relating to Earlier Years.

Name of Company	Year of Account ending in	Income. Premiums £	Income. Interest and Dividends, Less Tax £	Outgo. Claims £	Claims % of Premiums	Outgo. Commission and Expenses £	Commission and Expenses % of Premiums	Outgo. Surplus on Revenue or Trading Account £	Outgo. Surplus on Revenue or Trading Account % of Premiums	Net Profit and Loss Account £	Net Profit and Loss Account % of Premiums
London and Lancashire ...	1910	153.652	5.223	107.859	70·2	14.404	9·4	15.000	9·7	154.682	101
	1914	235.256	7.373	180.849	76·9	19.196	8·2	33.368	14·2	194.500	83
	1919	2,201.893	78.776	1,616.890	73·4	121.888	5·5	621.135	28·2	1,161.000	54
London and Scottish ...	1919	342.755	4.882	52.459	15·3	8.939	2·6	4.882	1·4	293.423	86
Merchants' Marine... ...	1911	256.138	12.829	226.115	88·3	16.149	6·3	7.500	2·9	275.040	107
	1914	264.483	17.725	193.111	73·0	17.794	6·7	9.375	3·5	358.319	135
	1919	504.990	37.065	266.045	52·6	32.587	6·5	71.291	14·1	537.414	106
National Benefit ... (2 months)	1914	2.083	Nil	Nil	—	434	23·2	Nil	—	1.603	77
	1919	195.692	6.154	155.393	79·4	51.533	25·4	54.878	23·0	115.810	59
Northern	1911	328.864	23.002	245.443	74·6	18.279	5·6	33.500	10·2	648.456	197
	1914	617.734	44.464	434.911	70·4	22.187	3·6	40.200	6·5	1.043.973	169
	1919	2,568.322	124.052	2,028.760	79·0	50.625	2·0	607.411	23·6	2,986.963	116
Norwich Union Fire... ...	1914	108.859	Nil	48.959	45·0	5.121	4·7	Nil	—	105.575	97
	1919	576.065	Nil	393.186	68·2	22.598	3·9	Nil	—	650.733	113
Ocean Marine	1911	240.758	17.815	165.900	68·9	17.896	7·4	19.775	8·2	571.355	237
(allied to N. Brit. and M.)	1914	309.712	24.357	233.146	75·3	19.994	6·5	19.387	6·3	693.093	224
	1919	758.858	Nil	548.522	72·3	32.298	4·3	80.201	10·6	536.446	71
Phœnix ... ... (6 months)	1910	9.575	18	800	8·3	1.282	13·4	Nil	—	7.511	78
	1914	712.774	20.045	464.743	65·2	78.191	11·0	60.045	8·4	660.279	93
	1919	839.534	Nil	767.838 (1919 and prev. years)	91·5	196.778	23·4	300.000	35·7	765.893	91
Provident Accident... ...	Included in "Miscellaneous."										
Provincial	1919	14.028	473	4.591	32·8	3.484	24·9	Nil	—	14.042	100
Royal	1910	556.470	Nil	392.498	70·5	57.270	10·3	44.383	8·0	897.320	161
	1914	684.364	Nil	446.665	65·3	85.153	12·4	92.809	13·6	1.030.129	150
	1919	1,901.987	Nil	1,119.669	58·8	212.234	11·2	219.468	11·5	2.165.388	114
Royal Exchange	1910	236.218	3.852	188.090	79·6	29.251	12·4	16.527	7·0	208.469	88
	1914	359.008	3.923	248.457	69·2	36.191	10·1	20.000	5·6	309.524	86
	1919	955.218	29.131	529.316	55·4	96.989	10·2	350.000	36·6	1.408.219	147
Scottish Insurance	1919	39.975	768	34.713	86·8	4.273	10·7	Nil	—	25.471	64
Scottish Union and National	1911	265.174	11.229	231.180	87·0	21.629	8·2	10.000	3·8	387.164	146
	1914	286.461	20.615	221.293	77·0	24.212	8·5	5.886	2·1	471.517	165
	1919	374.866	Nil	272.394	73·0	85.449	22·8	240.000	64·0	699.518	187
Sea Insurance	1911	355.331	35.888	310.887	87·5	21.733	6·1	31.479	8·9	814.936	257
	1914	468.795	40.413	342.100	72·9	23.836	5·1	37.583	8·0	651.713	139
	1919	986.074	67.879	659.293	66·8	45.766	4·6	46.812	4·7	1,993.563	101
Traders and General ...	Included in "Fire."										
Union Marine (Phœnix) ...	1911	472.026	13.091	369.450	78·3	34.738	7·4	21.255	4·5	676.580	143
	1914	740.388	7.077	526.503	71·1	38.304	5·2	21.255	2·9	947.129	128
	1919	862.003	70.526	828.332	96·1	71.420	8·3	65.400	7·6	796.745	92
World Marine	1911	257.060	7.130	220.516	85·8	18.273	7·1	1.503	0·6	215.974	84
	1914	244.073	9.030	200.033	81·9	11.947	4·9	5.000	2·0	254.466	104
	1919	468.067	43.108	294.358	62·9	11.058	2·4	20.000	4·3	686.687	146
Yorkshire	1910	19.423	118	4.629	23·8	3.012	15·5	Nil	—	11.901	61
	1914	430.047	12.746	232.271	54·0	28.804	6·7	35.000	8·1	456.550	106
	1919	865.282	41.599	628.506	72·6	120.291	13·9	380.000	43·9	1.000.074	116

MARINE INSURANCE.

In compiling a table of statistics relating to marine insurance we have been met by several difficulties. In the first place, this class of business does not come under the provisions of the Assurance Companies Act, 1909. This means that there is no statutory form of account, and the methods adopted by different companies vary very considerably in dealing with certain items. The accounts for earlier years do not, of course, appear, as a rule, in the official Blue Book relating to other classes of assurance, and in a number of cases we have not been able to schedule comparative figures. The absence of such figures for earlier years in the case of some companies is accounted for by the fact that they have only recently undertaken this form of insurance. In other cases, again, the nucleus of the new account has been formed by the purchase of an existing company, and for comparative purposes the figures for earlier years relating to such purchased company have been inserted under the name of the principal company.

During the past few years the conduct of marine insurance has been greatly affected by war conditions, even more than has been the case in connection with other forms of insurance. The enemy submarine campaign added considerably to the risks of navigation. The Government commandeered a large number of vessels, and also opened up a War Risks Department for marine insurance purposes, which put many limitations and restraints on the usual free control of the ordinary forms of insurance. At the same time, the energies of the shipbuilding yards were confined almost entirely to war purposes, with the result that repairs of the ordinary mercantile fleet fell sadly in arrear. Ships which were seriously damaged could not be put in order, whilst the general shortage of good serviceable vessels led to the use of many old hulks which in normal circumstances would seldom be seen outside the rivers and harbours, or which at any rate would not be insurable on ordinary terms. All these influences tended to make the conduct of marine insurance a very speculative business, owing to the greater risks of loss arising and the uncertainty as to what the amount of such loss might be or the length of delay involved in getting claims settled. By degrees the business is settling down again to normal conditions—at any rate, so far as current risks are concerned—but it will probably be some time yet before the arrears in repair work are overtaken, and consequently before companies can be satisfied that all claims which arose during the war period have been properly met.

We publish a table prepared from the Revenue accounts relating to marine insurance on a similar basis to that adopted for the classes of business already dealt with. It will be seen that the premium income shows a considerable advance over pre-War years. This is only what might be expected, having regard to the great advance in the value of vessels and cargoes necessitating a corresponding increase in the sums assured, whilst at the same time the rates of premium charged have not yet resumed their normal level. It may be mentioned, however, that in the case of most companies the premium income shows a small reduction over the average received during the years of war. The interest income shows the steady increase which would be expected, owing to the larger volume of business done.

No general deduction can be drawn from a consideration of the column relating to claims, the percentages showing very wild fluctuations, sometimes upward, sometimes downward, and varying very considerably as between different companies. This may be partly due to the different forms, already referred to, in which the accounts are rendered. Some companies include an estimate for outstanding claims in the figure relating to claims for the year, some companies make the necessary provision by increasing the amount of fund held over at the end of the year, whilst others transfer a sum to underwriting suspense account. It has not always been possible to analyse these figures on exactly the same basis, and comparison suffers by reason of the fact that some of the figures will include provision for claims which are known to have arisen but have not yet been settled, whilst others will contain claims which arose in past years, but have only been settled during the year of account in question. Over a series of years relating to the same company the results can be safely compared, but allowance must be made for the difference in the form of the accounts when considering the figures shown for different companies.

The percentages of commission and expenses are very low in comparison with those appearing in connection with other forms of insurance, and in the majority of cases they show a tendency to diminish rather than to increase.

In this connection it should be mentioned that a number of companies only show in their accounts the net amount received in respect of premiums after deduction of brokerage, commission, &c.

The column relating to transfers to profit and loss account shows large fluctuations. The explanation of this is probably the fact that during the war those responsible for the management of the business acted on the side of precaution and retained large sums in hand in order to meet the settlement of claims deferred owing to the difficulties of getting necessary repairs done. Now that conditions are returning to a more normal level, and the majority of such war claims have been met, it is found that the provision made was more than adequate, with the result that substantial sums are set free for transfer. It must not be assumed that these items appearing against the year 1919 indicate that the companies have made undue profits during that year. We would repeat what has been said in connection with other classes of business—that the figure shown in this column is the one appearing in the revenue account for the year. It may be due entirely to sums carried forward in the account from previous years, and now set free owing to the special necessity for its retention having ceased to operate.

The fluctuation in the amount of the funds may be accounted for by the argument which was applied above to the case of claims. It may be pointed out that the practice, universally adopted in the case of other classes of insurance, of making a reserve for unexpired risks, is not generally utilised in respect of marine business. The form of the contract is usually in respect of a voyage or series of voyages, and not for any definite fixed period. Consequently the majority of policies terminate immediately the voyage is complete, and it is possible to ascertain in a comparatively short time whether any claim has arisen. Instead, therefore, of making a reserve for such risks, it is a common practice to keep the accounts for one year open during the next, or to transfer the balance to a suspense account, which is practically the same thing. By this means no surplus on any one year's working is transferred to profit and loss account until twelve months after the year. During the War some companies have extended this method to even more than the one year, whilst others have discarded it and set up a reserve fund to meet outstanding claims. It will be seen, therefore, that the percentage which the fund bears to the premium income is not of so much importance as in the case of fire business.

THE YOKOHAMA SPECIE BANK, LIMITED.

(REGISTERED IN JAPAN.) ESTABLISHED 1880.

Authorised Capital - - - - -	Yen	100,000,000
Capital Paid up - - - - - -	„	61,000,000
Reserve Fund - - - - - -	„	44,000,000

Head Office : YOKOHAMA.

BRANCHES AT :—

BATAVIA.
BOMBAY.
BUENOS AYRES.
CALCUTTA.
CHANGCHUN.
DAIREN (Dalny).
FENGTIEN (Mukden).
HANKOW.
HARBIN.
HONG KONG.
HONOLULU.
KAI YUAN.
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LONDON.
LOS ANGELES.
LYONS.
MANILA.
NAGASAKI.
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NEW YORK.
OSAKA.
PEKIN.
RANGOON.
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7 BISHOPSGATE, E.C. 2.

T. OKUBO, Manager.

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BANKERS TO THE NEW ZEALAND GOVERNMENT.

Authorised Capital - - £5,500,000

Subscribed Capital:

Four per Cent. Guaranteed Stock	£529,988
"A" Preference Shares of £6 13s. 4d., Issued to N.Z. Government	500,000
"B" Preference Shares of £6 13s. 4d., Issued to N.Z. Government	250,000
Ordinary Shares, £6 13s. 4d., 150,000 fully paid	1,000,000
Do. do. 75,000 fully paid	500,000

Reserved Fund and Undivided Profits, £2,646,520

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Undertakes all descriptions of Banking business connected with Australasia.

"Miscellaneous" Business. TABLE "O."

Giving Details of the Revenue Accounts for the Year 1919 with Comparative Figures relating to Earlier Years.

Name of Company	Year of Account ending in	Income: Premiums £	Income: Interest and Dividends, Less Tax £	Outgo: Claims £	Claims % of Premiums	Outgo: Commission and Expenses £	Commission and Expenses % of Premiums	Outgo: Shareholders' Dividends or Transfers to or from Profit and Loss Account £	Outgo: Shareholders' Dividends or Transfers to or from Profit and Loss Account % of Premiums	Fund at end of Year £	Fund at end of Year % of Premiums
Alliance	1910	29.178	2.991	6.221	21·3	11.154	38·2	Nil	—	85.736	294
	1914	68.439	6.811	23.424	34·2	24.795	36·2	Nil	—	184.606	270
	1919	164.463	10.931	68.908	41·9	65.251	39·7	16.719	10·2	326.420	198
Atlas	Including "Employers' Liability"										
British General	1910	16.023	Nil	6.694	41·8	6.077	37·9	2.246	14·7	2.269	14
	1914	36.724	Nil	19.529	53·2	9.817	26·7	265	·7	24.150	66
	1919	82.335	826	28.362	48·5	15.849	30·3	3.270	6·3	32.078	61
Caledonian	1910	914	4	297	32·5	296	32·4	Nil	—	516	56
	1914	4.325	52	1.396	32·0	1.388	32·1	813	18·8	2.379	55
	1919	72.712	1.604	57.020	78·4	27.150	37·3	1.000	1·4	37.070	51
Car and General	Including "Employers' Liability"										
	1910	148.479	Nil	169.838	47·0	55.173	37·1	6.910	4·6	55.583	37
	1914	215.591	Nil	113.926	52·8	74.696	34·6	13.471	6·3	68.832	32
	1919	599.170	13.980	283.988	47·4	220.462	36·8	Nil	—	393.133	66
Commercial Union	Including "Accident",										
Co-operative	1910	5.518	500	1.592	28·9	1.655	30·0	1.158	21·0	14.177	257
	1914	11.860	891	4.851	32·6	4.954	33·3	800	5·4	27.083	182
	1919	46.242	2.476	20.873	45·2	18.497	40·0	1.000	2·2	59.471	129
Ecclesiastical	Including "Fire"										
Eagle, Star and British Dom.	Including "Fire"										
Employers' Liability	Including "Fire," "Accident," "Employers' Liability," and "Marine"										
	1910	1.254.608	3.796	663.210	53·1	423.901	33·8	79.698	6·4	584.078	47
	1914	1.932.177	4.361	1.083.632	56·1	595.930	30·9	193.679	10·3	844.591	44
	1919	5.655.761	Nil	2.672.845	47·2	1.625.172	28·7	745.947	13·4	4.213.246	74
Excess	Including "Motor"										
Fine Art and General (allied to North British and Mercantile)	Including Fire"										
General Accident	Including "Accident"										
Gresham Fire	Including "Accident" and "Employers' Liability"										
	1911	26.148	630	2.833	10·9	12.420	47·5	—2.444	—9·3	13.968	53
	1914	70.239	849	30.065	42·8	41.961	59·8	—1.336	—1·9	25.212	36
	1919	79.872	506	33.877	42·4	28.942	36·2	9.169	11·4	26.624	33
Guardian	Including "Accident" and "Employers' Liability"										
	1910	154.997	5.872	71.895	46·3	72.555	46·8	5.000	3·2	159.033	103
	1914	201.460	9.852	75.844	37·6	84.976	42·1	29.555	14·7	249.698	124
	1919	382.856	13.496	176.213	46·0	143.567	37·5	38.802	10·1	288.466	75
Law Union and Rock	1910	8.547	85	2.351	27·5	2.607	30·5	4.404	51·5	3.683	43
	1914	35.436	745	13.293	37·5	11.429	32·3	5.662	16·0	21.325	60
	1919	50.376	1.171	21.859	43·4	18.643	37·0	3.919	7·8	37.870	75
Legal	Including "Fire," "Employers' Liability"										
	1910	113.127	893	40.171	35·5	54.426	48·1	5.406	4·8	40.663	36
	1914	197.286	1.504	104.563	53·0	75.769	38·4	—440	—	48.902	25
	1919	251.144	9.808	136.328	54·3	101.662	40·5	Nil	—	22.546	9
Legal and General	Including "Fire"										
Licenses and General	1914	78.928	5.249	42.759	54·2	33.091	41·9	569	·7	81.753	104
	1919	168.852	7.727	57.268	33·9	73.041	43·2	22.533	13·3	148.569	88
Liverpool and Lon. and Globe	1910	48.846	449	15.002	30·7	20.331	41·6	—2.382	—4·9	32.439	66
	1914	853.615	18.180	381.601	44·7	346.722	40·6	33.315	3·9	709.049	83
	1919	1.785.763	Nil	712.895	39·9	641.125	35·9	—17.898	—2·6	1.680.992	94
London Guarantee	Including "Fire," "Accident," and "Employers' Liability"										
	1910	719.892	14.112	331.333	46·0	305.775	42·5	29.850	4·1	552.784	77
	1914	1.211.587	25.690	643.892	52·3	459.702	37·0	37.105	3·0	896.709	72
	1919	2.955.053	66.813	1.346.399	45·4	1.098.627	37·0	163.648	5·5	2.663.064	90
London and Lancashire	Including "Accident" and "Employers' Liability"										
	1910	534.945	7.574	307.080	57·4	197.960	37·0	20.822	3·9	343.689	64
	1914	933.074	16.049	400.944	44·1	342.801	37·7	101.459	11·2	560.766	62
	1919	1.285.968	30.231	600.448	46·7	504.454	39·2	28.496	2·2	715.000	56
London and Scottish	Including "Accident" and "Employers' Liability"										
	1910	26.594	603	9.142	34·4	13.981	52·6	54	·2	17.112	64
	1914	84.331	711	37.508	44·5	45.649	54·2	547	·6	35.105	42
	1919	145.497	1.099	59.633	41·0	58.655	40·1	3.001	2·1	81.343	56
National Benefit	1914	8.630	Nil	4.143	48·0	4.443	51·5	6.581	76·0	1.492	17
	1919	25.713	Nil	24.885	96·8	11.479	44·7	—14.415	—56·1	10.423	41
National Boiler	1911	97.260	4.920	79.348	81·6			10.500	10·8	123.649	127
	1914	112.732	4.567	96.421	85·5			—	—	155.464	138
	1919	202.633	9.451	181.027	89·3			15.750	7·8	79.000	39
Northern	1910	13.975	438	5.435	38·8	4.632	33·1	2.384	17·0	12.626	90
	1914	49.065	2.769	13.275	27·6	17.924	37·3	7.145	14·9	39.179	81
	1919	407.238	9.578	189.683	46·6	156.033	38·3	—46.329	—11·4	335.752	82
Norwich Union Fire	Included in "Employers' Liability"										
Phœnix	Including "Accident" and "Employers' Liability"										
	1910	83.553	2.108	33.138	37·4	26.700	30·1	Nil	—	97.031	110
	1914	97.021	3.817	36.914	38·0	38.237	39·4	15.362	15·8	104.045	107
	1919	164.350	Nil	54.792	33·3	72.427	44·1	10.259	6·2	187.630	114
Profits and Income	1910	100.178	156	66.626	66·5	33.454	33·4	5.000	4·9	54.704	55
	1914	141.145	475	90.455	64·1	42.996	30·5	Nil	—	93.383	66
	1919	663.246	717	372.795	56·2	161.541	24·4	25.000	3·8	357.812	54

TABLE "O"—*continued.* "Miscellaneous" Business.

Giving Details of the Revenue Accounts for the Year 1919 with Comparative Figures relating to Earlier Years.

Name of Company.	Year.	Income: Premiums £	Income: Interest, Dividends and Rents £	Income: Profit on Realisation of Investments £	Outgo: Claims £	Outgo: Claims % of Premiums	Outgo: Commission and Expenses £	Outgo: Commission and Expenses % of Premiums	Outgo: Transfers to Profit and Loss £	Outgo: Transfers to Profit and Loss % of Premiums
Provident Accident	1910	90.520	3.142	57.840	27.594	30·5	13.945	15·4	68.733	76
	1914	195.697	4.682	85.648	46.790	23·9	21.519	11·0	160.280	82
	1919	208.483	21.114	88.497	73.476	35·2	129.010	61·9	181.844	87
Railway Passengers (allied to N. British and Mercantile)	Included in "Accident"									
Royal	1910	185.799	1.585	81.459	69.392	37·3	7.452	4	149.440	80
	1914	924.071	[illegible]	499.402	353.517	38·3	[illegible]	[illegible]	493.185	53
	1919	2.012.319	[illegible]	1.094.157	718.215	35·6	[illegible]	[illegible]	1.247.146	62
Royal Exchange	1910	143.686	3.116	71.198	54.890	38·2	13.227	9·2	109.430	76
	1914	262.013	5.140	105.768	104.936	40·1	45.284	17·7	187.588	72
	1919	610.236	8.286	250.120	230.791	37·8	20.073	3·3	432.907	71
Scottish Insurance	Included in "Accident"									
Scottish Union and National	1910	7.314	153	4.970	3.047	41·7	1.265	17·3	1.322	18
	1914	20.777	443	5.440	7.929	38·1	5.025	24·2	12.764	61
	1919	28.065	978	9.124	10.197	36·3	2.183	7·8	25.626	91
State	Included in "Employers' Liability"									
Sun Insurance	1910	12.787	301	3.879	4.580	35·8	2.941	23·0	10.115	79
	1914	27.022	815	8.897	11.104	41·1	6.377	23·6	25.809	96
	1919	60.638	1.851	33.871	23.021	38·0	1.007	1·7	59.255	98
Traders and General	Included in "Fire"									
Vulcan Boiler	1910	137.284	8.938	107.192	Included under "Claims"	—	37.500	27·3	94.119	69
	1914	156.927	9.985	122.763		—	45.125	28·8	124.823	79
	1919	245.352	16.412	204.616		—	46.875	19·1	70.386	29
West or Scotland	1910	2.059	Nil	526	875	42·5	651	31·6	824	40
	1914	2.224	Nil	419	945	42·5	791	36·0	890	40
	1919	58.681	Nil	37.950	5.882	10·0	2.162	3·7	40.625	69
Yorkshire	1910	158.845	1.439	82.408	59.417	37·4	Nil	—	46.999	30
	1914	308.420	5.928	163.183	113.499	36·8	20.000	6·5	151.486	49
	1919	554.587	10.197	276.311	214.071	38·6	10.000	1·8	323.380	58

MISCELLANEOUS INSURANCE.

UNDER this heading we have grouped all forms of insurance other than Life, Fire, Accident, Employers' Liability, Marine, and Capital Redemption, whilst it will be seen that the table given includes figures relating to some of these classes also in those cases where the accounts furnished are in a combined form and do not enable separate figures for each class to be shown.

The various classes of insurance coming under the definition of "Miscellaneous" are now very numerous, and it is not practicable to deal with each form in detail. Many of them have only been undertaken in recent years by insurance companies, though it has been possible to transact almost any form of insurance with the brokers at Lloyd's, and a consideration of the table will show that the companies have made great progress in these miscellaneous risks. They comprise such forms of insurance as burglary, motor risks, boiler explosions, plate-glass, fidelity and guarantee, &c.

The table prepared from the Revenue accounts shows a large and consistent increase in the premium income. This is evidence not only of the increased amount of business done, but also of the increase in the average sum assured per policy owing to the enhanced value of all commodities. The interest income does not call for any comment, being generally small in comparison with the other figures.

The statistics relating to claims are, generally speaking, fairly constant, the fluctuation being usually small, and in a few cases only in an upward direction. The item of commission and expenses also shows very little alteration, though it is sometimes upward and sometimes downward, and as a general rule approximates fairly closely to the percentages shown for fire business. The column of transfers to profit and loss is subject to much variation, which may be accounted for partly by much of this miscellaneous business not yet having attained to a permanent stable condition and partly by the release of special reserves held during the war.

The percentage which the fund bears to the premium income is in most cases satisfactory and fairly constant, the general trend being in an upward direction. There are, however a number of cases where the percentage has decreased considerably, and in a few cases the actual amount of the fund itself is less than in 1910. This could only be considered satisfactory if the volume of business done had also decreased, but, unfortunately, this condition does not hold. It is very difficult to come to any conclusion as to whether the amount of fund in hand in any particular instance is adequate, owing to the great variety of risks involved under the heading of "Miscellaneous." Certain classes may be adequately provided for by a small reserve for unexpired risks, whilst others may necessitate a much stronger reserve owing to the greater liability involved. Generally speaking, however, it may be assumed that the fund held may on the average be slightly less than would be required for fire business, and anything over 50% of the premium income would be satisfactory.

INSURANCE SHARES: AMOUNTS, DIVIDENDS, AND PRICE MOVEMENTS.

	Present Amount of Capital Subscribed	Paid Up	Shares Nom. Value	Paid Up	Dividends Paid in respect of each of the last 8 years.‡ • Indicates Dividends paid less Income Tax. All other dividends paid free of Income Tax. 1912	1913	1914	1915	1916	1917	1918	1919	Prices of Shares Ten Year Record 1910-1919 H.	L.	Approx. Price, July 5, 1920
	£	£	£	£	%	%	%	%	%	%	%	%			
Abstainers and Gen. Ins. shares	97,500	22,500	10/3	3/9	8*	8*	8*	9*	9*	9*	9*	11*	—	—	11/6
Alliance Ass. Ordinary shares	550,000	550,000	20	20	27.273*	27.273*	27.273*	27.273*	27.273*	27.273*	27.273*	31·818*	16½	8½f	10½
Do. New shares	45,000	45,000	1	1	60*	60*	60*	60*	60*	60*	60*	70*	16½	9½	11
Atlas Assurance shares	264,000	264,000	10	10	31½*	33⅓*	33⅓*	33⅓*	33⅓*	40*	50	50	20½	5½	14
British Equitable Assur. shares	74,000	74,000	10	10	12½*	13·04*	13·04*	13·04*	13·04*	13·04*	13·04*	13·04*	—	—	6·6
British General shares	125,000	125,000	1	1	6*	8*	10*	10*	12½*	15*	20*	25*	5½f	9/10½f	1½
Caledonian Insurance shares	107,500	107,500	25	25	24	24	24*	24*	24*	24*	30*	35*	4½	16f	25
City Equit. Fire Insur. shares	75,000	75,000	1	1	5	5	18½*	79½*	88*	100*	150*	200*	—	—	11½
Do. Participating 5% Cum. Pref.	60,000	60,000	1	1	—	—	—	22*	22*	25*	37½*	50*	4·3	11s.g	2⅝xd
Cler., Med. & Gen. Life shares	50,000	50,000	25	25	36	36	36	36	38	38	38	38	21½c	17½c	22
Commercial Union Ass. shares	2,500,000	1,875,000	5	3¾	90*	100*	100*	110*	130*	163·*	155	18/8f	39	7½	25/-
Consolidated Assurance shares	470,741	117,671	1	2s.	5	5	5	6*	6*	10*	12*	16*	—	—	6/6
Eagle, Star and British Dom. fully paid Ord.	329,200	164,600	1	1									—	—	3½
	629,750	629,750	3	3	5	6	6	10	10	12½	17½	30	—	—	15xd
Do. 6% Cum. Pref.	122,001	122,001	3	3	6*	6*	6*	6*	6*	6*	6*	6*	—	—	4½xd
Do. Deferred Ord.	1,667,674	167,767	3	0s.	—	—	—	—	—	10*	10*	10*	8·6	6·6	⅝
Eccle-siastical Insurance shrs.§	240,000	50,000	10	2	5	5	5	5	5	5	5	5	—	—	34/9
Employers' Liability shares	1,000,000	250,000	1	5s.	35	40	40	40	40	50	70	100	6½	20/3c	4½n
Equity & Law Life shares	1,000,000	60,000	100	6	23½	23½	23½	23½	23½	23½	23½	16⅔	32½	17½f	26½
Gen. Acc. Fire & Life shares	1,000,000	150,000	5	1½	10*	10*	Nil	Nil	5*	5*	15*	20*	6½	11 7½g	4
Do. Cum. 5% Pref. shares	153,000	153,000	1	1	5*	5*	5*	5*	5*	5*	5*	5*	21s.c	12·9	⅜
General Life Assurance shares	100,000	50,000	100	50	10	10	10	10	10	10	10	10	8½	5½	7½
Gresham Fire & Life shares	200,000	100,000	1	1s.	—	—	—	—	—	—	—	5*	2·9	1 7½g	⅝xd
Do. do. fully paid	8,680	8,680	5	5	5	5	5	5	Nil	Nil	Nil	178½r 31r	6½	28/9d	2½
Guardian Assurance Ord. shares	1,200,000	200,000	3	10s.	10	10	10	12*	60*	60*	60*	60*	1·6½	3½	6½
Do. 5% Non-Cum. Pref. shs.	800,000	800,000	4	4	—	—	—	—	5*	5*	5*	5*	7·9	6·6½	9½
Legal & Gen. Life shares	1,000,000	100,000	50	5	15	15	15	15	15	18½	18½	18½	54½	17½c	34xd
Licenses & Gen. Ord. shares	140,420	70,210	10	5	8	8	8	8	8	8	10	10	—	—	11½
Life Assoc. of Scot. shares	400,000	87,500	40	8½	13·*	13·*	13·*	13·*	12*	12*	12*	12*	31½	14½h	22½
London & Lanes. Fire shares	567,150	141,787	25	6	50*	54*	58*	58*	62*	66*	76*	50/-s	63½	23½	54½
London & Scottish shares	600,000	120,000	5	1	15	15	15	15*	15*	15*	15*	20*	9½	36/-g	3½xd
London Assurance Corp. Ord.	400,000	100,000	25	6¼	20	20	20	20	20	22	24	29*	10½	8s/-f	8
Do. 6% Cum. Pref.	250,000	250,000	1	1	—	—	—	—	—	—	6*	6*	23½	21/-c	1·-
London Guar. & Acc. shares	125,000	125,000	1	1	Nil	31½*	31½*	31½*	40*	50*	62½*	87½*	6⅜	9½d	10u
Do. do. 5% Cum. Pref.	25,000	25,000	5	5	5*	5*	5*	5*	5*	5*	5*	5*	—	—	½
Motor Union shares (old)	100,000	100,000	1	1	20*	22½*	22½*	22½*	35*	35*	100*	50·-c	17½	13·-g	8
Do. 5½% Cum. Pref.	174,543	174,543	1	1	5½*	5½*	5½*	5½*	5½*	5½*	5½*	5½*	20·6c	12·9	¾xd
Nat. Boiler & Gen. Ins. shares	150,000	32,500	10	2½	21*	22·	32·	30*	35⅜*	35⅜*	40*	42·*	3·-g	13⅛	30½
N. Brit. & Mercantile shares	2,750,000	687,500	25	6¼	32*	32*	32*	32*	32*	32*	32*	38*	65*	26½	45½
Do. 4% Preference stock	1,750,000	1,750,000	100	100	4*	4*	4*	4*	4*	4*	4*	4*	104½x	69½	62½
Northern Assurance shares	3,500,000	350,000	10	1	40*	45*	45*	45*	45*	45*	60*	80*	24½	6½	14½
Do. Participating Pref. shs.	502,470	502,470	7⅛	7⅛	—	—	—	—	—	6*	7½*	10.18*	16½	7⅝	13xd
Pearl Assurance shares	100,000	100,000	5	5	50	50	45	10	15	15	50	50	—	—	—
Do. partly paid	400,000	200,000	5	2½									—	—	2½xc
Do. 6% Cum. Pref.	300,000	300,000	1	1	6*	6*	6*	6*	6*	6*	6*	6*	—	—	25/-
Phœnix Assurance shares	3,097,550y	309,755y	10	1	37½*	40*	40*	40*	40*	48*	55*	60*	16⅜	5⅞f	9½
Do. (Pelican shares	113,100z	113,100z	1	1	37½*	40*	40*	40*	40*	45*	55*	60*	1·4½	6½g	9½
Prudential Assurance shares	1,000,000	1,000,000	1	1	60	60	55	40	40	40	40	0	—	—	8½
Royal Exchange Ass. stock	650,220	650,220	100	100	10	10	10	11*	12*	12*	14*	21·*	58·½	178g	400
Royal Insurance shares	5,595,585	1,398,896	5	1¼	83½*	93½*	93½*	93½*	93½*	100*	120*	80*	50½	24f	1·o
Scottish Life Assurance shares	250,000	50,000	5	1	10	10	10	10	10	10	10	0	66·7½	30/-f	46/-
Scottish Temp. Life shares	100,000	25,000	1	5s.	15	15	16*	16*	16*	10*	10*	10*	3·-	12/10½f	30/-
Scot. Union & Nat. Ins. "A"	5,258,400	262,920	20	1	17½	20*	20*	20*	20*	20*	30*	30*	12½	53.6g	7½
Do. do. do. "B"	38,880	37,500	10	10									10½	10½	31½
Sea Insurance shares	500,000	500,000	1	1	8*	8*	8*	10*	10*	10*	12*	13·*	6·5	2·6 1½a	4
Standard Life Assurance shares	120,000	120,000	10	2½	12½	12½	12½	10*	10*	10*	10*	10*	5½	62·6h	95
State Insurance shares	100,000	100,000	8	1	12½*	12½*	12½*	12½*	12½*	20*	25*	30*	10½	36/-f	6½
Sun Insurance shares	2,400,000	480,000	10	2	70*	35*	35*	35*	35*	35*	40*	45*	18½	11½	13½
Sun Life Assurance shares	480,000	480,000	10	10	10	10	10	10	9	3½	3½	3½	26½c	12½h	14xd
West of Scotland Ins. shares	250,000	50,000	5	1	15*	15*	15*	15*	17½*	20*	25*	30*	1·5½	5·6a	6½
Yorkshire Insurance shares	838,270	335,307	5	1s.	50	50	50	50	50	50	50	70	11½	4½g	9
Do. do. (£1 paid)	45,000	45,000	1	1									2·6½	9½	18

‡ Indicates that the Company has issued during the period bonus shares. § Mar. Ex. 1 Bond. 5% tax free. ‖ 1912, 20 p.c.; 1911, 12½ p.c.; 1910, 10 p.c.; 1914, 15 p.c.; 1920. ¶ 1917, 12½ p.c.; 1918, 15 p.c.; 1919, 20 p.c. ** Including a bonus of 5% paid in respect of the new issue. The total is inclusive of calls due in August and November, which [illegible] Nov. 4 shares, 2s. paid, [illegible] Nov. 4 shares at 5s. paid, entitled at 10s. to 2 Nov. 4 shares at 10s. paid, entitled at 10s. to 1 Nov. 4 shares at 10s. paid, entitled at 10s. to 1 Nov. 4 shares at 10s. paid, entitled at 10s. to 1 per share. (a) Interest on 4% partly paid shares. (b) Per share, less tax. (c) Shares of £5 paid, instead of £1 10s. paid. (d) New £1 shares, fully paid, instead of £5 shares, £2 paid. (e) Interim dividend only. (f) Shares now £2 10s. paid, instead of 10s. paid. (x) Exclusive of issue of 100,000 shares at 10s. each, £1 5s. paid, offered with option of alternative exchange for Vendors' Deferred shares. (y) Exclusive of issue of 11,000 £1 shares, fully paid, offered in exchange for Norwich Union Fire shares. (z) Exclusive of issue of 11,310 shares of £1 each, fully paid, offered at par to existing shareholders. (xd) Ex dividend.

Commonwealth Bank of Australia

HEAD OFFICE: SYDNEY.

Guaranteed by the Australian Commonwealth Government.

SIR DENISON MILLER, K.C.M.G., Governor. JAMES KELL, Deputy-Governor.



Head Office:
SYDNEY, NEW SOUTH WALES.

BRANCHES
IN
The Principal Cities and Towns of Australia
AND IN
LONDON.

Agents and Correspondents throughout the World.

Banking and Exchange Business of every description transacted.

BANKERS TO:
THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA.
THE GOVERNMENT OF THE STATE OF SOUTH AUSTRALIA.
THE GOVERNMENT OF THE STATE OF TASMANIA.

SAVINGS BANK DEPARTMENT.

Branches in the Chief Centres, and 2,801 Agencies at Post Offices throughout Australia.

ON 31ST DECEMBER, 1919:

517,827 Savings Bank Depositors had balances ...	£17,691,487
General Bank balances	39,330,772
Other Items	4,595,477
Total	£61,617,736

LONDON BRANCH: 36-41 NEW BROAD STREET, E.C.,
also at AUSTRALIA HOUSE, STRAND, W.C.

C. A. B. CAMPION, London Manager.

GLYN, MILLS, CURRIE & CO.

ESTABLISHED 1753. REGISTERED WITH UNLIMITED LIABILITY 1885.

67 LOMBARD STREET, LONDON, E.C. 3.

CAPITAL	£1,000,000
RESERVE FUND	£500,000
CURRENT AND DEPOSIT ACCOUNTS	£28,637,101
CASH IN HAND AND AT BANK OF ENGLAND	£5,510,607
MONEY AT CALL AND AT SHORT NOTICE	£5,418,150
INVESTMENTS	£7,544,927
ADVANCES, &c.	£11,438,283

30th June, 1920.

MANAGING PARTNERS:

The Hon. A. H. MILLS. MAURICE G. C. GLYN.
LORD WOLVERTON. LORD HILLINGDON.
LAURENCE CURRIE. General the Hon. Sir H. A. LAWRENCE, K.C.B.

General Manager: Brig.-General A. MAXWELL, C.M.G., D.S.O.

Secretary: Mr. ERIC GORE BROWNE, D.S.O.

Every description of British and Overseas Banking and Exchange business transacted.
The Bank undertakes the office of Executor and Trustee.

INDIVIDUAL COMPANIES DESCRIBED.

Note.—The following notes are intended to be of a general description only. In the majority of cases details relating to the various classes of business transacted will be found in the Tables published on earlier pages, and reference to these Tables should be made. The notes contain details of business not embodied in the Tables.

ABSTAINERS AND GENERAL INSURANCE CO., LTD.

Head Office: 142 Edmund Street, Birmingham. Established 1883. Capital authorised, £203,125; subscribed December 31, 1919, £97,500; paid up, £22,500, in 120,000 shares of 16*s.* 3*d.* each with 3*s.* 9*d.* paid. Dividend for 1919, 11%, less tax.

Transacts life and industrial business, and also fire, accident, and general insurance. In the life department special rates of premium are quoted for total abstainers.

The triennial valuation at close of 1915 was made on a net 3 per cent. interest basis by the O^M Mortality Table, and the net interest yield on the life fund in 1915 seems to have been about £3 13*s.* 4*d.* per cent. In view of war conditions no bonus was declared, but balance of surplus, amounting to £42,764, was left in life and leasehold redemption funds at December 31, 1915. The following announcement was made in the annual report for 1915: "The directors also propose, until an appropriate occasion arises for another valuation, to pay during such period upon all claims arising under participating policies which shall then have been five full years in force interim bonuses at the rate of £1 1*s.* per annum for each £100 of assurance." In the annual report for 1918 it was stated that the directors had decided to postpone the next valuation until December 31, 1920.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Ordinary Branch.—1,741 new policies issued for net sums assured of £524,312. Fund at end of year, £1,176,470. Details of account appear in Table "A."

Industrial Branch. The issue of policies in this branch is discontinued. Fund at end of year, £45,142. Details of account appear in Table "F."

Fire Department.—Premiums, £6,606; claims, £2,261; expenses, £2,807. Fund at end of year, £12,451.

Accident Department.—Premiums, £381; claims, £165; expenses, £162. Fund at end of year, £1,312. No amount was carried to profit and loss account.

Capital Redemption Department.—Premiums, £529; claims, £336; expenses, £2. Fund at end of year, £5,530.

General Account.—Premiums, £1,922; claims, £835; expenses, £817. Fund at end of year, £1,525. No amount was carried to profit and loss account.

Total assets shown in the balance sheet amount to £1,328,030.

ALLIANCE ASSURANCE COMPANY, LIMITED.

Head Office: Bartholomew Lane, London, E.C. 2. Established 1824. Capital authorised and subscribed, £5,450,000, and paid up, £1,000,000, in 250,000 original shares of £20 each with £2 4*s.* paid and 450,000 new shares of £1 each fully paid. Both denominations of shares, irrespective of the difference between the amount from time to time paid or credited thereon, carry equal rights to dividend and to participation in assets on a winding up. Dividend for the year 1919 was 14*s.* per share, being at the rate of nearly 32% on partly-paid shares and 70% on fully-paid shares.

The Company transacts fire, life, marine and general accident business.

The quinquennial valuation at close of 1918 was made for assurances on the basis of O^M Mortality Table, net premiums, and 3% interest, with additional reserves for various purposes. This valuation showed an available surplus of £183,481, excluding interim bonuses of £70,627 paid during the quinquennium. War claims announced in the quinquennium amounted to £496,079, and depreciations and losses in the case of investments to £428,679. But for these two abnormally heavy items the profits of the quinquennium would have exceeded £1,100,000 and bonuses at the "compound" rate of 30*s.* per cent. per annum, as on the last previous quinquennial occasion, might have been declared. Under the existing circumstances, however, the directors decided to carry forward the whole of the available 1918 valuation surplus to the current quinquennium, interim bonuses on a modified scale to be provided in case of claims under participating policies.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—3,561 new policies issued for net sums assured of £2,331,022. Fund at end of year, £16,687,118. Details of revenue account appear in Table "A."

76 annuities granted for a consideration of £44,927. Fund at end of year, £1,435,345. Details of revenue account appear in Table "B."

Fire Department.—Details of revenue account appear in Table "K."

Accident Department.—Details of revenue account appear in Table "L."

Employers' Liability Department.—Details of revenue account appear in Table "M."

Marine Department.—Details of revenue account appear in Table "N."

Miscellaneous Department.—Details of revenue account appear in Table "O."

Leasehold, &c., Department.—Premiums, £68,075; claims, £131,604; expenses, £1,648. Fund at end of year, £1,015,606.

Total assets shown in balance sheet amount to £27,674,805, of which £8,692,625 is invested in British Government securities.

ATLAS ASSURANCE COMPANY, LIMITED.

Head Office: 92 Cheapside, London, E.C. 2. Established 1808. Capital subscribed, £2,200,000, in 220,000 shares of £10 each, £1 4*s.* paid; paid up, £264,000. In 1911 a controlling interest in the Essex and Suffolk Equitable Insurance Society was acquired, and the Company had outstanding £93,016 "Essex and Suffolk" Four per Cent. Debenture stock on December 31, 1919. A dividend of 12*s.* per share (50%), free of income tax, was declared in respect of the year 1919; 3*s.* per share of this was paid in October 1919, and the balance of 9*s.* per share on April 28, 1920. The Company transacts life, leasehold, fire, accident, burglary and fidelity business.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—4,227 new policies issued for net sums assured of £1,540,775. Seventy-three new annuities were granted for £6,162 per annum. Life fund at end of year, £2,677,837. Details of the account are given in Table "A."

A quinquennial valuation of the life business was made at December 31, 1919, on the basis of the $O^{M(5)}$ 3% Table. Total surplus, after providing £75,000 for War claims and £70,000 for additional taxation, was £231,485. Of this amount £228,132 was applied in writing down securities, and the balance of £3,353 was carried forward. Owing to the special conditions no profits were distributed to policyholders.

Fire Department.—See Table "K."

Employers' Liability, Accident, and General Account.—See Table "M."

Sinking Fund Account.—Premiums, £10,773; interest, &c., £3,718; claims, £8,250; transfer to profit and loss, £4,200; fund at close of year, £101,495.

If you desire the most profitable Life Assurance Contract it will pay you to get a Prospectus from the

AUSTRALIAN MUTUAL PROVIDENT SOCIETY

EST. (A. M. P.) *1849*

THE LARGEST BRITISH MUTUAL LIFE OFFICE

Assets - - - £42,000,000 **Annual Income - nearly £6,000,000**
New Ordinary Business for 1919 - - £9,500,000 **Total Ordinary Assurances in Force - £120,000,000**

PURELY MUTUAL. All Profits belong to POLICY HOLDERS.
EVERY YEAR A BONUS YEAR.

Cash Surplus (Ordinary Department) divisible for 1919, £1,197,000. Individual Bonuses equal to those for 1914.

No Suspension of Annual Bonuses during War.

London Office : 37 THREADNEEDLE STREET, E.C. 2. W. C. FISHER, Manager for the United Kingdom.

INCOME TAX

Taking into consideration : (a) Security, (b) Immunity from Depreciation, Stamp Duties, Transfer Fees and Brokerage, and that

LIFE ASSURANCE PREMIUMS

constitute one of the few items of expenditure recognised by the Government as a legitimate deduction in arriving at the net assessment for Income Tax purposes, a Life Policy effected with the

BRITANNIC ASSURANCE CO., LTD.

OFFERS A MOST EXCELLENT FORM OF INVESTMENT.

Annual Income - £2,100,000 ***Funds - - £5,400,000***

Chief Offices : BROAD STREET CORNER, BIRMINGHAM.

UNITED KINGDOM
Temperance and General
PROVIDENT INSTITUTION

VALUATION, 1916.

All Stock Exchange Securities written down to the prices of December 31st, 1915.

£500,000 of the surplus shown retained in hand for future contingencies—further depreciation, higher taxation, &c.

Head Offices - - - 196 STRAND, LONDON, W.C. 2.

H. W. HASLER, Secretary.

A valuation at December 31, 1919, of the sinking-fund business showed the profit of £4,200, which was carried to the profit and loss account.

Total assets shown in the balance sheet amount to £6,578,530.

BLACKBURN PHILANTHROPIC ASSURANCE CO., LTD.

Head Office: Church Street, Liverpool. Established 1839, but registered as a limited Company in 1913. Capital authorised, £1,000,000, in 1,000,000 shares of £1 each; subscribed, £715,649, fully paid.

The Company transacts life assurance business in both Ordinary and Industrial branches.

A valuation was made at December 31, 1917, on the basis in the Ordinary branch of the H^{M} Table at 3%, and in the Industrial branch of the English Life Table No. 6 (Males) at 3%. Total surplus shown was £13,204. Of this amount £12,000 was transferred to contingency funds, £471 was distributed amongst policyholders in the Ordinary branch; the balance of £733 was carried forward, none of the profit going to the shareholders. There are only a very small number of participating policyholders in the Ordinary branch, and the amount allocated was sufficient to provide a simple reversionary bonus of 25*s.* per cent. per annum.

Year of Account ending December 31, 1919.

Ordinary Branch.—3,709 policies were issued for net sums assured of £185,439. Fund at end of year amounted to £114,533. Further details of the account appear in Table "A."

Industrial Branch.—116,978 new policies were issued for sums assured of £1,747,564. Fund at end of year amounted to £790,004. Further details of the account appear in Table "F."

Total assets shown in the balance sheet amount to £1,636,273.

BRITANNIC ASSURANCE COMPANY, LIMITED.

Head Office: Broad Street Corner, Birmingham. Established 1866. Capital subscribed, £179,992; paid up, £82,497, some shares being fully and others partly paid. Nominal amount of each share, £1. Dividends and bonus to shareholders in 1919 amounted to £24,749, being 30% on the paid-up capital.

This Company transacts both Ordinary and Industrial life business, which is subjected to an annual valuation. At the end of 1919 the basis employed in the Ordinary branch was the H^{M} Table at 3½% interest, and in the Industrial branch the English Life Table No. 6 (Males) at 3½% interest. Ninety per cent. of the surplus in the Ordinary branch is distributed amongst policyholders. Last year the amount of such surplus was £70,230, of which £35,330 was allocated to policyholders, £3,925 to shareholders, and the balance of £30,975 was carried forward. The resulting bonus additions were at the rate of 24*s.* per cent. for the year.

The surplus shown in the Industrial branch amounted to £85,148: £30,000 of this was transferred to the staff pension fund, £27,011 was allocated to the shareholders, and the balance of £28,137 was carried forward.

Year of Account ending December 31, 1919.

Ordinary Branch.—16,326 new policies were issued for net sums assured of £1,638,000. Fund at end of year, £2,210,325. Further details of account appear in Table "A."

Industrial Branch.—The premium income showed an increase of £175,425 over the previous year, and amounted to £1,475,985. Fund at end of year, £2,805,077.

Total assets shown in balance sheet amount to £5,453,743.

BRITISH AND EUROPEAN INSURANCE COMPANY, LIMITED.

Head Office: 13 Sherborne Lane, King William Street, London, E.C. 4. Established 1908: Capital authorised, £50,000; subscribed, £20,000; paid up, £10,000 in 40,000 shares of £1 each with 5*s.* paid. Dividend for 1919, 6%.

The Company transacts fire, accident, and marine business.

Year of Account ending December 31, 1919.

Details of revenue account appear in Table "K."

Total assets shown in balance sheet amount to £46,668.

The subscribed capital was increased during the year by the issue of 20,000 shares of £1 each, 5*s.* paid, making the subscribed capital £40,000, with £10,000 paid up.

BRITISH AND FOREIGN MARINE INSURANCE CO., LTD.
(*See also* Royal Insurance Company, Limited.)

An agreement was entered into in 1908 whereby the Royal Insurance Company, Limited, purchased and assumed the control of this Company.

BRITISH CROWN ASSURANCE CORPORATION, LTD.
(*See* Eagle, Star and British Dominions Insur. Co., Ltd.)

An agreement was entered into in 1918 for the acquisition of this undertaking by the Eagle Star and British Dominions Insurance Company, Ltd. (*q.v.*).

BRITISH DOMINIONS GENERAL INSURANCE CO., LTD.
(*See* Eagle, Star and British Dominions Ins. Co., Ltd.)

BRITISH ENGINE, BOILER & ELECTRICAL INS. CO., LTD.
(*See* Royal Insurance Company, Limited.)

In 1912 the Royal Insurance Company acquired the shares of this Company.

BRITISH EQUITABLE ASSURANCE CO., LTD.

Head Office: 1-3 Queen St. Place, London, E.C. 4. Established 1854. Capital subscribed, £300,000, in 30,000 shares of £10 each, £1 3*s.* paid; paid up, £34,500. The dividend in 1919, as for the previous five years, was 3*s.* per share.

The Company has power to transact all kinds of insurance, and commenced a marine account in 1919.

Year of Account ending January 31, 1919.

Life Department.—439 new policies issued for net sums assured of £201,139. Life fund at end of year, £1,423,175. Details of the account are given in Table "A."

A quinquennial valuation was made at January 31, 1919, on the basis of the O^{M} 3% Table. Total surplus, after providing £23,274 for War claims and £24,000 for additional taxation, was £99,298. Of this amount £91,591 was applied in writing down securities, interim bonuses absorbed £6,290 and shareholders' proportion £698, leaving a balance of £719 to be carried forward. No general distribution of bonus was made, but, subject to revision, interim bonuses of 10*s.* per cent. per annum will be paid in case of claims during the current quinquennium.

Fire, Accident, and General Account.—See Table "K."

Employers' Liability Account.—See Table "M."

Total assets shown in the balance sheet amount to £1,613,538.

BRITISH FIRE INSURANCE COMPANY, LIMITED.

Head Office: 1 and 2 Bucklersbury, London, E.C. 4. Established 1908. Capital authorised, £500,000; subscribed, £500,000; paid up, £106,400 in 8,000 Ordinary shares of £1 each fully paid, and 492,000 Ordinary shares of £1 each, 4*s.* paid. No dividend was paid for the year 1919.

The Company transacts fire, marine, and general accident business.

Year of Account ending December 31, 1919.

Fire Department.—Premiums, £13,807; claims, £2,406; expenses, £3,941. Fund at end of year, £3,552.

Employers' Liability, Accident, and General Insurance Department.—Premiums, £28,761; claims,

£2,918; expenses, £8,947. Fund at end of year, £22,480.

Marine Department.—Premiums, £9,352; claims, £3,061; expenses, £4,179. Fund at end of year, £7,189.

Total assets shown in balance sheet amount to £215,437.

BRITISH GENERAL INSURANCE COMPANY, LIMITED.

Head Office: 66 Coleman Street, London, E.C. 2. Established 1864. Capital authorised, £500,000; subscribed on December 31, 1919, £250,000, in 250,000 shares of £1 with 5s. paid; during 1919 the paid-up capital has been increased to £62,500 through the issue of new shares at a premium of 25s. Dividend for 1919, 25%.

The Company transacts life, fire, accident, employers' liability, marine, capital redemption, and miscellaneous insurance.

As from January 1, 1920, the Company will transact direct fire business in Canada and the United States.

Year of Account ending December 31, 1919.

Life Department.—475 new policies issued for net sums assured of £204,364. Life fund at end of year, £83,084. See also Table "A."

Fire Account.—See Table "K."

Accident Account.—See Table "L."

Employers' Liability Account.—See Table "M."

Marine Account.—See Table "N."

General Account.—See Table "O."

Capital Redemption Account.—Premiums, £512; interest, £35; fund at end of year, £1,096.

Total assets shown in the balance sheet amount to £844,618.

BRITISH LAW INSURANCE COMPANY, LIMITED.

(*See also* **London Assurance Corporation.**)

In 1918 this Company was acquired by the London Assurance Corporation. Under the terms of fusion the British Law, however, continues to do business on its own account, as in the past, its liabilities being guaranteed by the purchasing Company.

In 1918 the fire premium income amounted to £144,565, after deduction of reinsurances, showing an increase of £11,408, and the losses, including charges for fire brigades and salvage corps, amounted to £58,450. The employers' liability premiums amounted in 1918 to £16,038, and the relative fund at end of the year was £22,474, including £2,526 reserved for outstanding claims. Accident premiums, £1,512; fund, £2,139. The general insurance account shows premiums of £30,444 and a fund of £28,400. The receipts from interest and fees, less income tax, amounted to £10,602. Assets, December 31, 1918, £538,037.

Accounts for 1919 have not been received.

BRITISH LEGAL AND UNITED PROVIDENT ASSURANCE COMPANY, LIMITED.

Chief Office: 78 New Oxford St., London, W.C. 1; Registered Office: 89 West Regent Street, Glasgow. Established 1863. Authorised capital, £250,000; subscribed, £222,407, in 169,950 shares of £1 fully paid and 52,457 shares of £1 with 10s. paid; paid up, £196,178 10s.

Transacts life and industrial business. In the financial year to June 30, 1919, premiums and funds were as follows: Industrial premiums, £416,268; funds, £446,096; ordinary life premiums, £19,684; funds, £109,314; sickness, &c., premiums, £128; funds, £1,303. Assets, June 30, 1919, £839,547, include £297,734 in respect of "organisation expenses and extension, including purchase of businesses."

In the report for the financial year ended June 30, 1917, it was stated that "the quinquennial valuation of the Company's business is now complete, and shows a small surplus, which the directors have decided to carry forward."

New life business in year to June 30, 1919, £48,737; industrial, £2,480,183.

BRITISH LIFE OFFICE, LIMITED.

Head Office: 7 West George Street, Glasgow. Established 1896. Capital authorised, £100,000; subscribed and paid up, £25,000, in fully-paid £1 shares. No dividend was declared in respect of 1919.

The Company transacts life and bond investment business and makes advances on security of house property in combination with life policies. It issues policies of £25 and upwards.

The last quinquennial valuation took place on December 31, 1919, on the basis of $O^{M(5)}$ mortality with 3½% interest. The total surplus, including £721 brought forward, amounted to £4,151. Out of this £4,000 was transferred to investment reserve fund, and the small balance of £151 was carried forward.

Year of Account ending December 31, 1919.

Life Department.—12 new policies issued for net sums assured of £723. Life fund at end of year, £34,783. Details of revenue account appear in Table "A."

Bond Investment and Endowment Certificate Business.—Premiums, £9,859; claims, £6,407; expenses, £1,049. Fund at end of year, £108,856.

Annuity Certain Business.—No new business was transacted. Interest and dividends (net) amounted to £1,099. Annuities paid, £1,069; surrendered, £4,118. Expenses, £30. Fund at end of year, £30,236.

Total assets shown in balance sheet amount to £217,230, which includes British Government securities £29,719, mortgages on property within the United Kingdom £116,464.

In the profit and loss account £1,800 was transferred to investment reserve fund, £2,600 to bond investment fund, leaving a balance of £150, which was carried forward.

BRITISH OAK INSURANCE COMPANY, LIMITED.

Head Office: Coleman Street House, E.C. 2. Established 1908. Capital authorised and subscribed, £1,000,000, in 1,000,000 shares of £1 each, 5s. paid; paid up, £250,000. No dividend was declared for the year 1919.

The Company transacts fire, accident, and marine business. Powers have been obtained to conduct life assurance, but these have not been exercised.

Year of Account ending December 31, 1919.

Fire Account.—See Table "K."

Accident Account.—See Table "L."

Marine Account.—See Table "N."

Total assets shown in balance sheet amount to £342,944.

BRITISH WIDOWS' ASSURANCE COMPANY, LIMITED

Head Office: 1 Old Street, London, E.C. 1. Established 1862. Capital issued and paid up, £24,000, in 20,000 6% Cumulative Preference shares of £1 each fully paid and 16,000 Ordinary shares of 5s. fully paid. Last dividend on Preference shares was paid in 1905.

The Company transacts Industrial and Ordinary business. See Table "A."

A valuation was made at December 31, 1915, in the Ordinary branch by [illegible] and in the Industrial branch by the English Life Table No. 6 at 3½% interest. The surpluses shown of £219 in the Industrial branch and £122 in the Ordinary were carried forward.

CALEDONIAN INSURANCE COMPANY.

Head Office: 19 George Street, Edinburgh; London Office: 81 King William Street, E.C. 4. Established 1805. Capital authorised, £1,000,000; subscribed, £500,000, in £1,000 shares of £200 each, £40 paid; paid up, £107,500. Dividend for 1919, 35s. per share (35%), less income tax.

The Caledonian is the oldest Scottish insurance office, and transacts life, fire, accident, employers' liability, marine, capital redemption, and miscellaneous business.

The quinquennial valuation at end of 1917 was made on the basis of the O^{M} 3% Table. The surplus for the quinquennium amounted to £394,202, of which £308,405 was written off investments. Interim bonuses of £15,443 were paid during quinquennium, the shareholders took £8,580, and £61,774 was carried forward. No general distribution of profits was made to policyholders, but it was decided to pay interim bonuses at rates varying according to circumstances from 10*s.* to 15*s.* per cent., subject to modification at end of each year if thought advisable by the directors.

Year of Account ending December 31, 1919.

Life Department.—2,007 new policies issued for net sums assured of £1,488,838. Thirty-three new annuities were granted for £1,952 per annum. Life and annuity fund at end of year, £3,889,148. Other details of account are given in Table "A."

Fire Account.—See Table "K."

Accident Account.—Premiums, £5,032; claims, £1,218; commission and expenses, £1,887; fund at end of year, £5,916.

Employers' Liability Account.—See Table "M."

Marine Account.—See Table "N."

Leasehold Redemption Account.—Premiums, £1,807; interest, £624; claims, &c., £10,618; commission and expenses, £45; fund, £17,498.

General Account.—See Table "O."

Total assets shown in balance sheet amount to £4,034,700.

CAR AND GENERAL INSURANCE CORPORATION, LTD.
(*See* **Royal Exchange Assurance.**)

Head Office: 83 Pall Mall, London, S.W. 1. Established 1903. Capital authorised, £250,000; subscribed, £105,745, in shares of £1, with 5*s.* called; also 25,000 Five per Cent. Cumulative Preference shares, fully paid, the paid-up capital amounting to £51,436. No dividend was declared for the year 1919 on the Ordinary shares.

The majority of the shares of this Company are held by the Royal Exchange Assurance Corporation.

CENTRAL INSURANCE COMPANY, LIMITED.
(*See* **Liverpool & London & Globe Insurance Co.**)

CENTURY INSURANCE COMPANY, LIMITED.
(*See also* **Friends' Provident Institution.**)

Head Office: 18 Charlotte Square, Edinburgh. Established 1885. Capital subscribed £315,000, in 70,000 shares of £4 10*s.* each with £1 10*s.* paid; paid up, £105,000.

In 1918 the shares were purchased by the Friends' Provident Institution.

A quinquennial valuation was made at December 31, 1919, on the basis of O^{M} Table of Mortality, net premiums, and 3% interest. The surplus shown amounted to £133,846, which included £90,208 brought forward from 1917, when no general distribution of bonus was made. On this occasion compound reversionary bonuses were declared of 25*s.* per cent. in respect of the five years 1913 to 1917, and of 30*s.* per cent. for the years 1918 and 1919. This will absorb £110,141. £2,826 was transferred to profit and loss account, and the balance of £20,879 was carried forward.

Year of Account ending December 31, 1919.

Life Department.—Practically the whole of the new life business effected in 1918 and 1919 has been reassured with the Friends' Provident.

Life fund at end of year, £1,309,331. Details of revenue account appear in Table "A."

Fire Department.—See Table "K."

Accident Department.—See Table "L."

Employers' Liability Department.—See Table "M."

Marine Department.—See Table "N."

Sinking Fund Account.—Premiums, £4,605; claims, £1,084; expenses, £87. Fund at end of year, £33,608.

Sickness Account.—Premiums, £25,866; claims, £12,065; expenses, £7,501. Fund at end of year, £204,583.

Total assets shown in balance sheet amount to £2,302,443.

In accordance with the agreement entered into with the Friends' Provident Institution the life business of the Century is carried on in conjunction with the former, but the Century carries on its other departments independently.

CITY EQUITABLE FIRE INSURANCE COMPANY, LTD.

Head Office: 3 and 4 Lothbury, London, E.C. 2. Established 1908. Capital authorised and subscribed as at February 28, 1919, £375,000; paid up, £75,000, in 300,000 Participating Six per Cent. Cumulative Preference shares and 75,000 Ordinary shares, both of £1 each with 4*s.* paid. The Ordinary dividend for the year 1918-19 was 6*s.* per share, and that apportioned to the Preference shares about 1*s.* 6*d.*, in both cases less tax.

Year of Account ending February 28, 1919.

Fire and General Account.—See Table "K."

Marine Account.—See Table "N."

Total assets shown in balance sheet amount to £1,794,640.

CITY LIFE ASSURANCE COMPANY, LIMITED.

Head Office: 6 Paul Street, Finsbury, London, E.C. 2. Established 1897. Capital authorised December 31, 1918, £500,000; paid up, £108,768.

The Company transacts ordinary and industrial life business and makes advances on house property. Accounts for the year 1919 have not been received.

For the year ended December 31, 1918, the life assurance account, ordinary branch, shows a premium income of £109,899, the relative fund at the end of the year being £234,803. Industrial premiums, £160,077; fund, £105,677. Endowment certificate branch premiums, £23,281; fund, £364,920. Mortgage redemption assurance premiums, £10,250; fund, £70,951. Total assets, December 31, 1918, £1,034,380, include following goodwill item: balance of "purchase of business and extension expenses," £203,152.

CITY OF GLASGOW LIFE ASSURANCE COMPANY.
(*See* **Scottish Union and National Insurance Co.**)

CITY OF LONDON RE-INSURANCE COMPANY, LTD.

Head Office: 52 Queen Victoria Street, E.C. 4. Established 1908, with nominal capital of £50,000; issued, £49,892 in 1,456 fully-paid shares of £1, and 48,436 shares with 6*s.* paid; total paid up, £15,987. The capital has recently been increased to £500,000, the balance of 450,108 shares being offered for subscription towards the end of 1919 on the basis of 6*s.* paid up.

General insurance business (except life and employer's liability) has hitherto been transacted on non-tariff lines, but for the future the Company will be conducted as a tariff reinsurance company.

Premium income for 15 months ending March 31, 1918, amounted to £23,158, and for 12 months to March 31, 1919, £27,764. Assets at March 31, 1919, exceeded liabilities by £11,848, of which sum £11,480 was subject to unexpired risks.

CLERGY MUTUAL ASSURANCE SOCIETY.
(*See* **London Life Association, Limited.**)

Head Office: 2 and 3 The Sanctuary, Westminster, London, S.W. Established 1829.

This Society has been absorbed by the London Life Association, Limited, under an arrangement whereby the London Life Association undertakes the management of the Clergy Mutual at an expense ratio of 5% of the premiums. No new business is to be directly taken by the Clergy Mutual under this agreement, but the London Life is to reassure one-fourth of its new business with the Clergy Mutual.

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CLERICAL, MEDICAL & GENERAL LIFE ASSUR. SCTY.

Head Office: 15 St. James's Square, London, S.W. 1. Established 1824. Capital authorised and subscribed, £500,000; paid up, £50,000, in £25 shares. £2 10*s.* paid. Shareholders are entitled annually to a dividend limited to 5%, which is all but met by the earnings of the capital itself, and quinquennially to one-tenth of the profits (if not less than £62,500). The last valuation, as at June 30, 1916, produced a profit for shareholders of £79,592, including £25,000 paid during the quinquennium as interim bonus, and enables dividends and bonuses to be distributed in equal half-yearly payments of 9*s.* 6*d.* per share (38% per annum), free of income tax, in January and July annually until the next quinquennial declaration of profits.

The quinquennial valuation at June 30, 1916, was made on the basis of the O^{M} (5) Mortality Table, with 2½% interest. The total surplus was £796,219. Of this amount £716,332 was divided amongst the policyholders, the shareholders received £79,592, and the balance of £295 was carried forward. The reversionary additions in the case of whole-life policies varied from about £1 16*s.* to £3 14*s.* per cent. per annum, according to age at entry and duration of policy.

Year of Account ending June 30, 1919.

1,099 new policies were issued for net sums assured of £1,185,650. Life fund at end of year, £6,515,817.

Twenty-one new annuities were granted, securing £1,455 per annum.

Details of the accounts are given in Tables "A" and "B." Total assets shown in balance sheet amount to £6,956,508.

COMMERCIAL UNION ASSURANCE COMPANY, LTD.

Head Office: 24, 25 and 26 Cornhill, London, E.C. 3. Established 1861. Capital authorised and subscribed, £2,950,000; paid up, £1,475,000. Shares for £5 with £2 10*s.* paid. In 1919 an "Uncalled Capital Reduction Fund" of £590,000 was applied in payment of £1 per share (being part of the amount uncalled thereon), making each share £2 10*s.* paid. Dividend declared for year 1919 was 18*s.* 6*d.* per share, free of tax. During the year the original £10 shares were subdivided into £5 shares.

In 1919 the Commercial Union acquired the capital and business of the Edinburgh Life Assurance Company.

The Commercial Union transacts life, fire, general accident, personal accident, employers' liability, marine, and leasehold, &c., insurance.

The quinquennial valuation (at close of 1917) of the life business was made on the basis of O^{M} Table, 3% interest, and net premiums. The surplus amounted to £252,211, including £78,720 brought forward and £34,635 paid as interim bonuses. No apportionment of profits was made, but provision was made for payment of interim bonuses on policies which become claims before another valuation; although this is a provisional arrangement, subject to alteration or withdrawal.

Year of Account ending December 31, 1919.

Life Department.—6,719 new policies issued for net sums assured of £3,896,699. Consideration for annuities granted, £118,270. Life fund at end of year, £7,946,810. In addition there are the following closed funds: West of England, £413,030; Hand-in-Hand, £3,068,614; Union, £3,111,588; Liverpool Victoria, £246,529; Edinburgh Life, £4,404,849. Details of combined revenue accounts appear in Table "A."

Fire Account.—See Table "K."

Accident, Employers' Liability, and Miscellaneous Account.—See Table "L."

Marine Account.—See Table "N."

Leasehold Department.—Premiums, £24,551. Claims, &c., £33,464. Expenses, £285. Fund at end of year, £415,392.

Total assets shown in balance sheet amount to £41,895,721.

CONSOLIDATED ASSURANCE COMPANY, LIMITED.

Life Office: 9 Fleet Street, London, E.C. 4. Fire and General Office: St. Swithin's House, St. Swithin's Lane, London, E.C. 4. Established 1903. Capital authorised, £1,000,000; subscribed, £600,000, in 470,740 Ordinary shares of £1 each, 2*s.* paid up, and 129,260 Ordinary shares of £1, fully paid. On December 31, 1919, the paid-up capital amounted to £176,334. Dividend for 1919, 14%, less income tax, together with a bonus dividend of 2%.

The Company transacts life, accident, fire, marine, and contingency insurance and reinsurance business, and its operations extend to several European countries.

Year of Account ending December 31, 1919.

Life Department.—274 new policies issued for net sums assured of £139,373. Life fund at end of year, £194,572. Details of revenue account appear in Table "A."

Fire and General Business.—Details of account appear in Table "K."

Marine Department.—Details of account appear in Table "N."

Total assets shown in balance sheet amount to £2,247,404.

CO-OPERATIVE INSURANCE SOCIETY, LIMITED.

Head Office: 109 Corporation Street, Manchester. Incorporated 1867, under the Companies Act, 1862. Re-incorporated 1899, under the Industrial and Provident Societies Act, 1893. Capital subscribed, £100,000, in shares of £1 each with 4*s.* paid. Capital paid up, £20,000. Interest on capital at rate of 5% was paid in 1919.

The Company transacts life (ordinary and industrial), fire, accident, employers' liability and general insurance business. The following figures are taken from the annual report for the year 1919:—

Ordinary Life Assurance.—New sums assured, £985,132; fund, £463,287. *Special Branch* for small ordinary assurances: new sums assured, £165,561; fund £92,931. See also Table "A."

Industrial Life Assurance.—New sums assured, £929,236; fund, £45,325. See also Table "F."

Collective Life Assurance.—Premiums, £411,387; claims by death, £313,412; bonuses in cash, £33,817; fund £89,108. Policies in this section, assuring lives of their members and husbands and wives, were held by 817 societies.

Fire Insurance.—See Table "K."

Accident Business.—Premiums, £2,796; fund, £5,544.

Employers' Liability.—See Table "M."

General Business.—See Table "O."

Assets in balance sheet, £1,221,468. Out of the profit and loss balance the Committee recommend the usual payment of dividend upon fire premiums received from societies in 1918 for insuring their own risks at 2*s.* per £ to members and 1*s.* per £ to non-members.

The actuarial valuation of the several branches of the Society's life assurance business for the five years ended on December 31, 1915, was made on a 3% basis, the Tables of Mortality employed being the H^{M} for the Ordinary branch and the English Life Table No. 3 (Males) and H^{M} Table for the Special and Industrial branches. The surplus shown in the valuation was as follows: Ordinary branch, £26,329; Special branch, £10,054; Industrial branch, £541; Collective branch, £4,581. All surplus was carried forward.

CORNHILL INSURANCE COMPANY, LIMITED.

Head Office: 32 Cornhill, London, E.C. 3. Established 1905. Capital authorised, £250,000; subscribed, £212,500. Paid up, £106,250 in 21,250 shares of £10, with £5 paid. Dividend for 1919, 5%, free of tax.

The Company transacts fire and marine business.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Details of revenue account appear in Table "N."

Total assets shown in balance sheet amount to £259,426. During the year the capital of the Company was increased by the creation of 15,000 additional shares of £10 each; of these 11,250 were issued, upon which the sum of £5 was called up and paid. At the same time a call of £4 10s. per share was made on the 10,000 original shares, making the total paid-up capital of the Company £106,250.

COUNTY FIRE OFFICE, LIMITED.

(*See* **Alliance Assurance Company, Limited.**)

DRAPERS' AND GENERAL INSURANCE COMPANY, LTD.

Head Office: 104-5 Newgate Street, London, E.C. 1. Established 1909. Capital authorised, £500,000, in 100,000 shares of £5 each; subscribed, £201,530; paid up (£1 per share), £40,306.

Name of Company was altered to above designation in 1918, it having been formerly known as the Drapers' Mutual Fire and General Insurance Corporation, Ltd. Although the Company originated with a particular body, it is open to accept business from any quarter. It transacts insurance on independent lines in the following classes: Fire, consequential loss, burglary, accident and sickness, third party, fidelity guarantee, motor-car, plate-glass, and employers' liability, on bonus system giving assured special advantages.

Details of revenue account for year ended December 31, 1919, are given in Table "K." Total assets, £90,722. Approximate value of investments on December 31, 1919, appear from balance sheet to be less than [illegible] by £11,050.

EAGLE, STAR AND BRITISH DOMINIONS INSURANCE COMPANY, LIMITED.

Head Office: British Dominions House, Royal Exchange Avenue, E.C. 3. Established 1904. This Company represents a fusion of several important insurance companies, including the British Dominions Insurance Company, the Eagle Insurance Company, the Star Assurance Society, the Sceptre Life Association, and (in 1918) the British Crown Assurance Corporation and the English and Scottish Law Life Assurance Association. On December 31, 1919, the authorised capital amounted to £3,000,000, subscribed capital £2,953,425, of which £747,896 was paid up, in 40,667 fully-paid Cumulative Preference 6% shares of £3 each; 559,558 Preferred Ordinary shares of £3, with 6s. paid; and 284,250 Ordinary shares of £3, with various amounts paid up, ranging from 10s. to 20s. per share.

Dividend on Ordinary shares paid in 1919, 30%, free of income tax. A new issue of 100,000 Ordinary shares of £3 to be fully paid in course of 1920 was made at a premium of £12 per share.

The Company transacts Fire, Life, Marine, Accident, and General business.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—6,420 new policies issued for net sums assured of £2,793,117. Consideration for annuities granted, £98,544. Life fund at end of year, £13,005,126. Details of revenue account appear in Table "A."

Fire, Accident, and General Business.—Details of revenue account appear in Table "K."

Marine Department.—Details of revenue account appear in Table "N."

Capital Redemption Business.—Premiums, £22,210; claims, £38,677; expenses, £1,378. Fund at end of year, £217,359.

Total assets shown in balance sheet account to £19,189,317.

ECCLESIASTICAL INSURANCE OFFICE, LIMITED.

Head Office: 11 Norfolk Street, Strand, London, W.C. 2. Established 1887. Capital authorised, £1,000,000; subscribed, £250,000, in 25,000 shares of £10 each, with £2 paid; paid up, £50,000. Maximum dividend allowable is 5%, which has always been paid. Surplus profits are allocated for benefit of clergy and Church purposes. Besides fire insurance, the Company transacts employers' liability, burglary, plate-glass, and personal accident insurance.

In 1918 the Company obtained power to transact life assurance—including provision against the cost of dilapidations—and any other kind of insurance which may seem desirable as the business of the Company develops.

YEAR OF ACCOUNT ENDING FEBRUARY 28, 1919.

Only one revenue account is given, combining all classes of business, and details of this will be found in Table "K."

After provision of the maximum dividend, the sum of £12,227 was transferred to the reserve funds, which amount to more than three times the premium income. The sum of £20,000 was distributed in grants to various Church Societies.

Total assets shown in the balance sheet amount to £411,419.

ECONOMIC INSURANCE COMPANY, LIMITED (formerly Economic Marine).

Head Office: 21 [illegible], E.C. 3. Established 1901. Capital authorised and subscribed, £250,000; paid up, £62,500 in £1 shares, with 5s. paid. Dividend for 1919, 10%, and a bonus of 2½%, free of tax.

The Company transacts principally marine insurance.

Details of revenue account for year ending December 31, 1919, appear in Table "N."

Fire and Burglary Business.—Premiums, £2,139; claims, £528; expenses, £320. Fund at end of year, £2,551.

Total assets shown in balance sheet amount to £[illegible].

ECONOMIC LIFE ASSURANCE SOCIETY.

(*See* **Alliance Assurance Company, Ltd.**)

EDINBURGH ASSURANCE COMPANY.

(*See also* **Commercial Union Assurance Company.**)

Head Office: 26 George Street, Edinburgh. Established 1823. Capital authorised and subscribed, £500,000; paid up, £100,000. Amount of each share, £100, with £20 paid.

An agreement was completed in 1919 for the sale of the capital and business of this Company to the Commercial Union Assurance Company. It was also arranged to form a closed fund for the Edinburgh Life policies to be worked at an expense ratio of 8% of the premiums.

The annual valuation was made at close of 1919 on the O^{M} Mortality Tables for assurances, combined with a valuation premium equal to 82% of the office premiums on with-profits policies and 91% of the office premiums on without-profits policies, in combination with 3% interest. The surplus disclosed amounted to £74,593, of which £35,202 was divided amongst participating policyholders, £35,480 was added to investment reserve fund for the purpose of writing down securities, and the balance of £3,911 was carried to profit and loss account.

The Company has now obtained power to transact fire, accident, and other classes of business. For the six months ending December 31, 1919, the premiums on account of these classes amounted to £2,844, and the unearned premiums as £1,402.

EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.

Head Office: Hamilton House, Victoria Embankment, London, E.C.4. Established 1880. Capital authorised and subscribed, £1,000,000, in 100,000 shares of £10, on which £2 is paid up; paid up, £200,000. The dividend for 1919 was £40 per share), free of income tax, and was more than earned from business alone.

In 1919 an agreement was concluded for the purchase of the Merchants' Marine Insurance Company, Limited.

In addition to this recent entry upon marine business the Company transacts fire, accident, employers' liability, and miscellaneous insurance.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Only one revenue account is given combining all classes of business. Details appear in Table "O."

Total assets shown in balance sheet amount to £7,869,347.

EMPLOYERS' MUTUAL INSURANCE ASSOC., LTD.

Head Office: 133 George Street, Edinburgh. Established 1898. Being a Mutual Association there is no share capital, but there has been a Debenture issue of £20,000, of which £10,000 is paid up. Interest of £900 (less tax) is provided for in the revenue account.

The Association transacts principally employers' risks, but also undertakes accident, burglary, fire, and other miscellaneous business.

Details of the accounts for the year ending November 30, 1919, appear in Table "M."

Out of the balance of the revenue account of £35,332, £1,115 was applied to depreciation, war allowances, and special expenditure. The residue was carried forward as provision for unexpired risk, &c.

Total assets shown in balance sheet amount to £84,349, and the investments (of which no details are given) are stated to be taken in the aggregate at prices less than market prices.

ENGLISH & SCOTTISH LAW LIFE ASSURANCE ASSOC.
(*See* Eagle, Star and British Dominions Insur. Co.)

EQUITABLE LIFE ASSURANCE SOCIETY.

Head Office: Mansion House Street, London, E.C. 2. Established 1762.

The Equitable is the oldest of the four mutual non-commission-paying British offices. It has yielded magnificent results to its policyholders in the past, and there are now few contemporary institutions that can rival it in bonus-earning capacity.

A quinquennial valuation was made on December 31, 1919, on the very strong basis employed on the previous occasion: O^M Table of Mortality, net premiums, and 2½% interest. The surplus shown was £366,627, and but for the depreciation of securities and other losses due to the War, it would have been possible to maintain the same rate of bonus as in the past. Having regard to the peculiar financial conditions prevailing at the present time all over the world, it was decided to carry the whole surplus forward in the hope of making a distribution in three years time or possibly sooner, without waiting till the end of another quinquennial period. In the meantime interim bonuses will be paid on all policies becoming claims by death or maturity.

What the Society has achieved in the past in the way of bonus may be estimated from the fact that in two claims paid in 1919 the sum assured and declared bonuses exceeded four times the original amount assured.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

457 new policies were issued for net sums assured of £561,788, together with annuities of £1,675 per annum. Life fund at the end of the year amounted to £4,499,371. Details of account appear in Table "A."

Sinking Fund Account.—Premiums, £2,793, surrenders, £94; expenses, £73; fund at end of year, £31,382.

Total assets shown in balance sheet amount to £4,997,061.

In 1919 arrangements were made for the purchase of over 98% of the share capital of the Reversionary Interest Society, Limited, and of the University Life Assurance Society.

EQUITY AND LAW LIFE ASSURANCE SOCIETY.

Head Office: 18 Lincoln's Inn Fields, London, W.C. 2. Established 1844. Capital authorised and subscribed, £1,000,000 in 10,000 shares of £100; £6 paid; paid up, £60,000. Dividend during current quinquennium was £1 8*s.* 6*d.* for each year to December 31, 1919, per share, free of income tax. Shareholders are entitled to one-tenth of valuation profits.

A quinquennial valuation was made on December 31, 1919, on the basis of O^M and $O^{M(5)}$ Tables of Mortality, in combination with net premiums and 3% interest.

Total surplus shown, including £32,998 brought forward, was £302,410. Of this amount £236,324 was distributed amongst policyholders in the form of a simple reversionary bonus of £1 per cent. per annum; £31,729 was allocated to shareholders; £1,000 transferred to pension fund; and the balance of £33,357 was carried forward.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

678 new policies were issued for net sums assured of £1,017,891. Life fund at end of year was £4,981,951. Details of revenue account appear in Table "A."

Capital redemption and general account showed premiums of £15,597; claims and surrenders, £3,467; expenses, £520; fund at end of year, £118,253.

Total assets shown in balance sheet amount to £5,706,651, including £1,144,879 in reversions and the capital stock of the Law Reversionary Interest Society, which was acquired in 1912.

ESSEX & SUFFOLK EQUITABLE INSURANCE SOC., LTD.
(*See* Atlas Assurance Company, Limited.)

ESSEX UNION INSURANCE COMPANY, LIMITED.

Head Office: 9 and 10 George Yard, Lombard Street, E.C. 3. Established 1898. Capital authorised, £100,000; paid on December 31, 1918, £50,025.

Transacts general and marine insurance business. Premiums, 1918, £130,632. Assets, December 31, 1918, £195,187.

Accounts for the year 1919 have not been received.

EXCESS INSURANCE COMPANY, LIMITED.

Head Office: 25 Birchin Lane, London, E.C. 3. Established 1894. Capital authorised and paid up, £50,000 in shares of £1 each. Dividend for 1919, 45%, less income tax.

The Company undertakes fire, burglary, marine, accident, and employers' liability insurance.

Details of the accounts for the year ending December 31, 1919, appear in Table "N," being combined figures for all classes.

Total assets shown in balance sheet amount to £2,430,722.

FEDERATED EMPLOYERS' INSURANCE ASSOC., LTD.

Head Office: 8 King Street, Manchester. Established 1904. Capital authorised and subscribed, £100,000, in 53,620 Ordinary shares of £1 each, 10*s.* paid, and 46,380 10% Cumulative Preference shares of £1 each, 10*s.* paid; paid up (less calls unpaid), £48,772. The Cumulative Preference shares were issued during 1919. A small dividend was paid on these shares at the end of the year, but the bulk of the profit of £10,012 on the year's working was applied in strengthening the reserves and in writing off the loss shown up to the end of 1912.

The Company transacts principally employers' liability insurance, but also engages in fire, accident, burglary, &c., business.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

One combined revenue account is shown, the details of which appear in Table "M."

Total assets shown in balance sheet amount to £107,586, including £30,000 for goodwill.

FINE ART AND GENERAL INSURANCE CO., LTD.
(*See* North British and Mercantile Insurance Co.)

Head Office: 89-90 Cheapside, London, E.C. 2. Established 1890. Capital authorised, £500,000, all being subscribed; paid up, £50,000. Amount of each share, £10, with £1 paid.

In the course of 1917 this Company was acquired

Telegraphic Address: "Britlaw, Stock, London." *Telephone:* London Wall 2122 and 9470.

THE
BRITISH LAW
INSURANCE COMPANY
LIMITED.

Head Office:
5 LOTHBURY, BANK,
LONDON, E.C. 2.

Chairman—M. F. MONIER-WILLIAMS, Esq.
Deputy-Chairman—C. G. KEKEWICH, Esq.

Undertakes the following Classes of Insurance:—

FIRE,
EMPLOYERS' LIABILITY,
PERSONAL ACCIDENT, BURGLARY,
THIRD PARTY, MOTORS,
LIFTS, BOILERS,
PROPERTY OWNERS' INDEMNITY,
LOSS OF PROFITS DUE TO FIRE,
GLASS BREAKAGE, LIVE STOCK.

FIDELITY GUARANTEE.

Special attention given to this class of business. Solicitors, Accountants, and Professional Men are invited to inquire for terms.

Secretary: T. WILLIAMS.
Assistant Secretary: A. T. DAVEY.

Branches throughout the United Kingdom.

Established 1821.

GUARDIAN
ASSURANCE COMPANY
LIMITED.

Subscribed Capital - - -	£2,000,000
Paid-up Capital - - -	£1,000,000
Total Income - - - -	£2,300,000
Total Assets - - - -	£9,400,000

All the Principal Classes of Insurance Business transacted.

Head Office:
11 LOMBARD STREET,
LONDON, E.C. 3.

BRITISH EQUITABLE
ASSURANCE COMPANY, LIMITED.

Accumulated Funds exceed	£1,580,000
Subscribed Capital -	£300,000
Paid-up Capital -	£34,500

The Company transacts the following classes of business—

LIFE FIRE ACCIDENT
BURGLARY
EMPLOYERS' LIABILITY
MOTOR CAR THIRD PARTY
AND PLATE GLASS

Write for particulars of the
NEW MONTHLY PREMIUM POLICY WITHOUT MEDICAL EXAMINATION

To the Manager,
1, 2 & 3 Queen St. Place, London, E.C. 4

THE
SCOTTISH AMICABLE
LIFE ASSURANCE SOCIETY

—a Mutual Life Office, all the Profits belonging to the Policy-holders, there being no shareholders—was established in 1826. The Society allocates its profits on the *Compound* Bonus System, and never, since the office was established 94 years ago, has it declared a lower rate than 30s. per cent. per annum. For the last four Quinquennial periods a *Compound* Bonus at the rate of

£1 - 15 - 0 per Cent.

was granted. On the basis of a Compound Bonus of £1 15s. per cent. per annum a policy of £1,000 would be increased in 35 years (the expectation of life for a proposer aged 30) to.....£1,784
whereas the total premiums paid by the policy-holder on the whole-life scale would only amount to.....£906

BONUS YEAR ... 1920.

London Office - 1 Threadneedle Street, E.C.
Head Office - 35 St. Vincent Place, Glasgow.

by the North British and Mercantile Insurance Company.

A separate revenue account for the "Fine Art" business during the year ending 1919 is published by the "N. B. and M.," and details are given in Table "K." This account would appear to cover fire, accident, employers' liability, and miscellaneous business formerly transacted by the Company.

FRIENDS' PROVIDENT AND CENTURY LIFE OFFICE.

(See also **Century Assurance Company.)**

Chief Offices: 42 Kingsway, London, W.C. 2; 18 Charlotte Square, Edinburgh. Established 1832.

The Institution was, until January 1, 1920, known as the Friends' Provident Institution. The change of name marks the definite fusion of the new life assurance and annuity business of the Century Insurance Company with that of the Friends' Provident Institution, the latter having bought the shares of the Century Insurance Company, Limited, in 1918.

The chief office at Bradford was transferred as above.

The office transacts life, fire, accident, and general insurance business in conjunction with the Century.

As in most "class offices," the incidence of mortality has been specially favourable. A valuation was made on December 31, 1919, on the basis of $O^{M(5)}$ Table of Mortality, with interest at 3%. As a provision for future expenses and profits, the difference between O^{M} 3% net premiums and the office premiums in the case of participating assurances, and 10% of the office premiums in the case of non-participating assurances, was reserved. The surplus amounted to £145,440. No distribution had taken place in respect of the five years ending in 1917, and the directors did not consider any declaration would be justified in respect of 1918. A bonus was distributed for the year 1919 at the rate of 30*s.* per cent. This will absorb £58,555, leaving £86,885 to be carried forward.

Year of Account ending December 31, 1919.

Life Department.—3,290 new policies issued for net sums assured of £1,504,151; 44 annuities granted, securing £2,454 per annum; 91 deferred annuities, assuring £2,169 per annum. Life fund at end of year, £3,451,309. Details of revenue account appear in Table "A."

Sinking Fund Business.—Premiums, £4,858; claims, £1,741; expenses, £131. Fund at end of year, £48,629.

Total assets shown in balance sheet amount to £3,670,153, including Century Insurance Company, Limited, 70,000 shares of £4 10*s.* each, £1 10*s.* paid; paid up, £507,500.

Apart from the new business figures, these accounts do not include the figures of the Century Insurance Company.

GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, LIMITED.

Head Offices: Perth, N.B.; General Buildings, Aldwych, London, W.C. 2. Established 1885. Capital authorised, £1,250,000; subscribed as at December 31, 1919, £1,153,000; paid up, £403,000, in 200,000 Ordinary shares of £5, with £1 5*s.* paid up, and 153,000 5% Cumulative Preference shares of £1 each, fully paid. A dividend of 20% was paid on the Ordinary share capital for 1919.

The Company transacts Fire, Life, General, Accident, and Marine business, both at home and abroad.

The second quinquennial valuation was made as at December 31, 1915, on the basis of the O^{M} Table, with interest at 3%. The surplus disclosed amounted to £13,732. Of this amount £1,373 was allocated to shareholders, £118 had been paid in interim bonuses, and £11,159 was distributed to provide reversionary bonuses of £1% per annum on "General" policies, 12*s.* 4*d.*% per annum on "Industrial of South Africa" policies, and 10*s.*% per annum on "Life and Health" policies. The balance of £1,082 was carried forward.

Year of Account ending December 31, 1919.

Life Department.—New policies were issued for net sums assured of £330,320. Life fund at end of year, £289,744. Details of revenue account appear in Table "A."

Annuity Department.—Consideration for annuities granted, £540. Annuity fund at end of year, £13,508. Details of revenue account appear in Table "B."

Fire Department.—Details of revenue account appear in Table "K."

Accident, Employers' Liability, and Miscellaneous.—Details of revenue account appear in Table "O."

Capital Redemption Account.—Premiums, £1,910; claims, £845; expenses, £14. Fund at end of the year, £20,317.

Marine Department.—Premiums, £14,174; claims, £10,328; expenses, £2,809. Fund at end of year, £14,749.

Total assets as shown in balance sheet amount to £2,839,342, which includes British Government Securities £300,144, Agency, other Company balances, and outstanding premiums (less commission), £668,422.

The position in Belgium shows a debit of £267,502 for the period April 1, 1914, to end of 1919. A claim has been lodged against the German funds for an amount in excess of this debit. Meantime, the sum of £100,000 has been carried to Suspense account, and the balance has been provided from the profits of the year.

GENERAL LIFE ASSURANCE COMPANY.

Head Office: 103 Cannon Street, London, E.C. 4. Established 1837. Capital authorised and subscribed, £1,000,000; paid up, £50,000. Amount of each share, £100, with £5 paid. A dividend at 10% was declared for 1919. The Company transacts Life business only.

The quinquennial valuation of assurances at the close of 1917 was made by O^{M} and H^{M} Tables of Mortality on a net premium basis at 3½% interest. The surplus ascertained amounted to £164,292, of which £130,469 was transferred to investment reserve fund. The balance of £33,823 was carried forward, no distribution of profits being made.

Year of Account ending December 31, 1919.

1,447 new policies issued for net sums assured of £463,000. Three deferred annuities were granted, securing £260 per annum. Life fund at end of year, £2,197,555. Details of revenue account appear in Table "A." Total assets shown in balance sheet amount to £2,366,252.

GRESHAM FIRE & ACCIDENT INSURANCE SOC., LTD.

Head Office: St. Mildred's House, Poultry, London, E.C. 2. Established 1910. Authorised capital, £500,000; subscribed, £300,000; paid-up capital, £200,000, in 100,000 Management shares (held by the Gresham Life Assurance Society) of £1 fully paid, and 200,000 Ordinary shares of £1 each with 10*s.* paid. Dividend for 1919, 5%, less tax.

The Company transacts Fire, Accident, and General business.

Year of Account ending December 31, 1919.

Fire Department.—Details of revenue account appear in Table "K."

Accident and General Business.—Details of revenue account appear in Table "O."

Total assets shown in the balance sheet amount to £386,781.

GRESHAM LIFE ASSURANCE SOCIETY, LIMITED.

Head Office: St. Mildred's House, Poultry, London, E.C. 2. Established 1848. Capital authorised and subscribed, £100,000; paid up, £22,378. Amount of each share, £5; 1,736 shares being fully paid and 18,264 having 15*s.* paid. The shareholders are entitled to one-tenth of the divisible profits shown at valuations.

The Gresham transacts life and leasehold redemption assurances, and has a large foreign business. A quinquennial valuation was due to be made as at December 31, 1919, but details of the results are not available.

Accounts for the year 1919 have not been received. In 1918 the net new life assurances amounted to £1,694,929; the total net life premium income to £1,137,225; expenses of the life business to 21.8% of the premium income; claims by death to £635,854, and by survivance to £491,878; consideration for annuities granted to £15,892; and the life and annuity funds at close of year to £9,663,663, exclusive of investment reserve fund of £399,353. Leasehold premiums, £5,827; fund, £69,200. Reserve against war contingencies, £80,000.

GUARANTEE SOCIETY, LIMITED.
(*See* Yorkshire Insurance Company, Limited.)

Head Office: 19 Bucklersbury, London, E.C. 3. Established 1840. Capital, £100,000, in 20,000 fully-paid shares of £5.

During 1914 an agreement was entered into for the purchase of the Company's shares by the Yorkshire Insurance Company.

GUARDIAN ASSURANCE COMPANY, LIMITED.

Head Office: 11 Lombard Street, London, E.C. 3. Established 1821. Capital authorised and subscribed on December 31, 1919, £2,000,000; paid up, £1,000,000. There are 200,000 5% Preference shares of £4 each, fully paid, and 400,000 Ordinary shares of £3 each with 10s. paid up. A dividend of 6s. per share, less income tax, was paid in respect of the year 1919 on the Ordinary shares. The Company transacts fire, life, marine, burglary, fidelity, accident, and other miscellaneous insurance business.

The last valuation of the life business took place as at December 31, 1919. Detailed returns are not yet to hand, but the Actuary's report states that the basis of the valuation was the O^M Table of Mortality with 3% interest. The surplus shown was £202,158, of which the shareholders' proportion was £41,351; £18,974 was carried forward, and £141,833 was distributed amongst the policyholders in the form of a uniform reversionary bonus of 15s. per cent.

Year of Account ending December 31, 1919.

Life Department.—2,190 new policies issued for net sums assured of £1,500,321; 38 annuities granted, securing £2,734 per annum. Life fund at end of year, £4,359,890. Details of revenue account appear in Table "A."

Fire Department.—Details of revenue account appear in Table "K."

Accident Department.—Details of revenue account appear in Table "O."

Marine Department.—Details of revenue account, including the figures of the acquired Reliance Marine Company, appear in Table "N."

Redemption Assurances Account. — Premiums, £11,068; claims, &c., £4,048; expenses, £182. Fund at end of year, £79,047. Owing to depreciation in securities, a loss of £4,974 has been made in this fund during the quinquennium. This has been provided for by a transfer from the profit and loss account.

Total assets shown in the balance sheet amount to £9,600,351.

HEARTS OF OAK ASSURANCE COMPANY, LIMITED.

Head Office: Holborn Viaduct, London, E.C. 1. Established 1903. Transacts life and industrial; fire, employers' liability, and miscellaneous insurance. Capital, December 31, 1918: Nominal, £150,000, in shares of £1 each; issued, 120,075 shares with £1 called and 1,500 shares with £1 paid; forfeited, 338 shares with 10s. paid; calls in arrear, £12,589. Total amount paid up, £109,155.

Premium income, year ended December 31, 1918: Life, £15,254; industrial, £99,949; fire, £12,715; personal accident, £18,655; employers' liability, £2,388; plate-glass and miscellaneous, £6,164. Life assurance fund, £31,893; industrial fund, £32,379; fire fund, £3,814; personal accident fund, £215; employers' liability fund (net), £716; plate-glass, &c., fund, £1,849. Assets, £235,076, include "establishment and extension of business account," £128,965; reorganisation expenses, £2,830; and "debit balance of profit and loss," £26,654.

At the annual meeting on November 27, 1919, resolutions were confirmed, *inter alia*, to alter the name of the Company to the "Hearts of Oak Assurance Company, Limited," and to carry on other branches of insurance (in addition to life), and also to increase the capital.

The date at which accounts are made up has been changed to March 31. The figures for the 15 months ended [illegible] 1920 will be dealt with next year.

HORSE, CARRIAGE & GENERAL INSURANCE CO., LTD.
(*See* Warden Insurance Company, Ltd.)

IMPERIAL ACCIDENT INSURANCE CO., LTD.
(*See* Commercial Union Assurance Company.)

INDEMNITY MUTUAL MARINE ASSURANCE CO., LTD.
(*See* Northern Assurance Company.)

IRON TRADES EMPLOYERS' INSURANCE ASSOC., LTD.

Head Office: 82 Victoria Street, London, S.W. 1. Founded 1881. This is practically a mutual office, the capital being limited by guarantee, every member in event of winding-up being liable for £1. The business is limited to employers' and public liability insurance.

In 1919, after providing for outstanding claims and transfers of £49,032 to reserve fund, £10,000 to staff fund, and £50,000 to investment reserve fund, balance on revenue account amounted to £386,382, from which bonuses of 40% on premiums to members entitled thereto were declared. Details of revenue account appears in Table "M." Total assets shown on balance sheet £1,005,787.

LANCASHIRE & CHESHIRE INSURANCE CORP., LTD.

Head Office: 2 Austin Friars, London, E.C. 2. Established 1904. Capital authorised, subscribed, and paid up, £100,000, in 98,000 Ordinary shares of £1, 20,000 Deferred shares of 2s. Dividend for 1919, 20% (tax free). The Company transacts marine, fire, and general insurance.

Year of Account ending December 31, 1919.

Marine Department.—See Table "N."

Fire and General Department. — Premiums, £14,846; claims, £5,502; expenses, £2,380. Fund at end of year, £5,938.

Total assets shown in balance sheet amount to £386,435.

The Company has recently purchased the freehold premises, No. 57 Old Broad Street, E.C. 2, in which it is establishing the head office of the Company.

LAW ACCIDENT INSURANCE SOCIETY (1907), LTD.
(*See* London and Lancashire Insurance Company, Ltd.)

LAW FIRE INSURANCE SOCIETY.
(*See* Alliance Assurance Company, Limited.)

LAW INTEGRITY INSURANCE COMPANY, LIMITED.
(*See* City Life Assurance Company.)

LAW LIFE ASSURANCE SOCIETY.
(*See* Phœnix Assurance Company, Limited.)

LAW UNION AND ROCK INSURANCE CO., LTD.
(*See also* London and Lancashire Insurance Co., Ltd.)

Head Office: 7 Chancery Lane, London, W.C. 2. Established 1806. Capital authorised £2,000,000; subscribed, £1,575,000; paid up, £165,000, in 150,000 Shares of £10 each, £5 per share paid, and 7,500 fully-paid shares of £1. There is an issue of Four per Cent. Debenture stock, of which £241,951 was outstanding on December 31, 1919. Dividend declared in 1920, 8s. per share, less income tax. During 1919 the London and Lancashire Fire Insurance Company acquired the Law Union and Rock Company's shares [illegible]

ployers' liability, fixed term, and miscellaneous business.

A quinquennial valuation of the life funds was made at December 31, 1919. The Law Union and Rock policies were valued by the O^M Tables of Mortality, net premiums, and 3% interest. Surplus shown amounted to £331,939, all of which was carried forward. The Crown policies were valued by the H^M Tables at 3½%, and the valuation showed a surplus of £3,774 which was carried forward. The Rock policies were valued on the $O^{M(5)}$ Table with 3% and 3½% interest, showing a surplus of £67,794.

Year of Account ending December 31, 1919.

Life Department.—2,967 new policies were issued for net sums assured of £1,548,737; 106 annuities were granted securing £2,844 per annum. Fund at end of year was £8,469,687. Details of the account appear in Table "A."

Fire Account.—See Table "K."

Accident Account.—See Table "L."

Employers' Liability.—See Table "M."

Miscellaneous.—See Table "O."

Fixed Term Assurances.—Premiums, £11,079; interest, £10,721; claims and surrenders, £31,451; expenses, £969; fund at end of year, £268,943.

Total assets shown in balance sheet amount to £10,559,140.

LEGAL AND GENERAL ASSURANCE SOCIETY.

Head Office: 10 Fleet Street, London, E.C. 4. Established 1836. Capital authorised and subscribed, £1,000,000 in 20,000 shares of £50, with £8 paid; paid-up, £160,000. Shares can be held only by members of the legal profession. Shareholders are entitled to one-tenth of the divisible surplus arising from the quinquennial valuations. The dividend for the year 1919 was £1 10*s.* per share, free of income tax.

The Society was formerly known as the Legal and General Life Assurance Society, and transacted life business only. It has recently obtained powers to transact fire, accident, and other classes of assurance, but these risks were not undertaken until the latter part of 1919.

The valuation of life assurances at December 31, 1916, was made by the O^M Table of Mortality, in combination with 2½% interest. The premiums valued were in the with-profit class 82%, and in the non-profit class 90% of the actual premiums payable. The reversionary bonuses declared were, as on the last four preceding quinquennial occasions, at the rate of 38*s.* per cent., on the compound system. A balance of £132,768 was carried forward.

Year of Account ending December 31, 1919.

Life Department.—5,363 new policies were issued for net sums assured of £3,123,720. Fund at end of year £12,156,882. Details of the account appear in Table "A."

General Fund.—Premiums, £32,680; interest, £11,918; claims and surrenders, £59,505; expenses, £3,113; fund at end of year, £371,324.

Fire, &c., Account.—See Table "K."

Total assets shown in balance sheet amount to £13,012,924.

LEGAL INSURANCE COMPANY, LTD.

(*See also* **Royal Insurance Company, Ltd.**)

Head Office: 231 Strand, London, W.C. 2. Established 1907. Capital authorised, £600,000; subscribed, £300,000; paid up, £100,000, in shares of £3 with £1 paid. No dividends have been paid. The shares of this Company have been acquired by the Royal Insurance Company, Limited.

The Company transacts fire and general accident business.

Year of Account ending December 31, 1919.

Details of general revenue account appear in Table "O."

Total assets shown in balance sheet amount to £422,211.

LICENSES AND GENERAL INSURANCE CO., LTD.

Head Office: 24 Moorgate Street, London, E.C. 2. Established 1890. Capital authorised, £1,000,000; subscribed, £144,060 in 14,042 shares of £10 each, with £5 paid, and 364 Preference shares of £10 each fully paid; paid up, £73,850. Dividend for 1919 was 10%, free of tax.

The Company's main object is the insurance from year to year of the renewal of licences in connection with licensed property; but it also transacts fire, accident, and employers' liability business.

Year of Account ending December 31, 1919.

Fire Account.—See Table "K."

Accident Account.—Premiums, £1,827; claims, £680; expenses, £475; fund at end of year, £1,172.

Employers' Liability Account.—See Table "M."

Licences and General Account.—See Table "O."

Total assets as shown in balance sheet amount to £457,199.

LIFE ASSOCIATION OF SCOTLAND.

Chief Office: 82 Princes Street, Edinburgh. Established 1838. Capital authorised and subscribed, £400,000; paid up, £87,500. Shares for £40, upon each of which £8 15*s.* has been paid and added. Dividend declared as payable in 1920, £1 1*s.* (12%) per share, less tax.

The last quinquennial valuation was made on April 5, 1916, by the O^M Table, with interest at 3%. Total surplus, including £20,012 brought forward, was £577,481. Intermediate and cash bonuses accounted for £35,004; £26,543 was allocated to shareholders; £406,453 was written off securities; £8,000 was credited to pension fund and expenses; and the balance of £101,481 was carried forward. No general distribution of profits was made, but interim bonuses were provided for upon claims during the current quinquennium in respect of each premium paid since 1911.

Year of Account ending April 5, 1919.

1,436 new policies were issued for net sums assured of £844,379. Fourteen new annuities were granted securing £559 per annum. Fund at end of year was £5,603,769. Details of account appear in Table "A."

Capital Redemption Account.—Premium, £516; fund at end of year, £10,141.

Total assets shown in balance sheet amount to £5,990,941.

LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD.

(*See also* **Royal Insurance Company, Limited.**)

Chief Office: 1 Dale Street, Liverpool. Established 1836. Capital authorised, £3,000,000; subscribed on December 31, 1919, £2,655,250; paid up, £531,050, in £5 shares of £1 paid.

There was on December 31, 1919, an issue of £805,800 Four per Cent. Perpetual Debenture stock and an issue of £450,695 Four per Cent. Thames and Mersey Debenture stock. Dividend for year 1919 was 17*s.* per share.

The fusion of this Company with the Royal Insurance Company took place by an agreement dated November 11, 1919.

The Liverpool and London and Globe Company transacts fire, life, marine, and general accident business.

The valuation of the life business as at December 31, 1918, was made on the basis of the $O^{M(5)}$ and O^M Tables of Mortality, with interest at 2¾%. The surplus, including balance brought forward, amounted to £615,130, after providing £100,000 towards depreciation. The shareholders' proportion amounted to £92,131; £221,591 was carried forward, and £301,408 was absorbed by the distribution of a bonus addition of 35*s.* per cent. per annum.

Year of Account ending December 31, 1919.

Life Department.—3,516 new policies issued for net sums assured of £1,484,296. Life fund at end of

ECCLESIASTICAL INSURANCE OFFICE

LIMITED

11 NORFOLK ST., STRAND, LONDON, W.C.2.

FIRE,
LIFE,
EMPLOYERS' LIABILITY,
PERSONAL ACCIDENT,
BURGLARY AND THEFT,
GLASS.

Minimum Rates of Premium.

For Forms and further Information apply to the Manager, Ecclesiastical Insurance Office, Limited, 11 Norfolk Street, Strand, London, W.C.2.

The Surplus Profits (apart from those earned by the Life Department, which are distributed amongst the profit-sharing life policies) are devoted to Institutions, &c., which are for the Benefit of the Clergy and of Church Objects.

The Lowest Non-Profit Rate

cannot compensate for the sacrifice of the right to share in the surplus of a Well-managed Mutual Life Office.

The DISTINCTIVE SYSTEM of the

Scottish Provident Institution

secures the advantage of **Non-Profit Premiums** with the right to share in the Surplus.

It is **the ideal system** for the present time.
The **Accumulated Funds** exceed **£16,000,000.**

Head Office :
6 ST. ANDREW SQUARE, EDINBURGH.
London : **3 LOMBARD STREET, E.C.** *West End :* **17 PALL MALL, S.W.**

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

ESTABLISHED 1869.

Chief Office:
50 FINSBURY SQUARE, LONDON, E.C. 2.

PREMIUM INCOME exceeds ... £1,000,000
FUNDS exceed £2,500,000
CLAIMS PAID exceed £5,500,000

AMPLE SECURITY FOR POLICYHOLDERS.

LIFE & ENDOWMENT ASSURANCES EFFECTED.

Prospectus, last year's Balance Sheet, and every information can be had on application to the Managing Directors.

CHILDREN'S EDUCATION

secured by a Policy in the

Clerical, Medical and General Life Assurance Society,

15 St. JAMES'S SQUARE, LONDON, s.w.1.

EXAMPLE.—Parent aged 30 with son aged 3 can provide 5 Annual Sums of £100 each, payable on 14th, 15th, 16th, 17th and 18th birthdays of son, £500 in all, for an Annual Premium of £40 18s. 9d. This particular form of Policy secures the valuable Income Tax allowance. Moreover, the whole £500 is paid at once if the parent dies before the benefits begin.

year, £4,388,888. Details of revenue account appear in Table "A."

Fourteen annuities granted, securing £1,184 per annum. Annuity fund at end of year, £585,166. Details of revenue account appear in Table "B."

Fire Department.—Details of revenue account appear in Table "K."

Accident Department.—Details of revenue account appear in Table "L."

Employers' Liability Business.—Details of revenue account appear in Table "M."

Marine Department.—Details of revenue account appear in Table "N."

Miscellaneous Insurance Business.—Details of revenue account appear in Table "O."

Leasehold Redemption Account.—Premiums, £1,672; claims, &c., £735; expenses, £2,363. Fund at end of year, £585,166.

Total assets shown in the balance sheet amount to £19,028,152. The profit and loss account shows £265,525 applied to the reduction of the uncalled liability of the share capital.

LIVERPOOL MARINE & GENERAL INSURANCE CO., LTD.

Head Office: 6 Water Street, Liverpool. London Office: 7 Angel Court, E.C.

This Company was formerly the Liverpool Marine Insurance, and was started in the first half of 1918 as the outcome of a Marine Underwriting Syndicate which successfully operated for some years, the members of which turned the business into a private company dealing with marine risks only. Since then the Company has become a public one, and fire and accident business has been added to its programme. The nominal capital has been increased from £500,000 to £1,000,000. The whole of the additional subscribed capital was taken by the existing shareholders.

LIVERPOOL VICTORIA INSURANCE CORP., LTD.

(*See* **Commercial Union Assurance Co., Ltd.**)

Under a working agreement between this Corporation and the Commercial Union Insurance Company the latter guarantees all life policies issued by the Liverpool Victoria, and all fire and accident policies issued or renewed in the United Kingdom after the date of the agreement.

LOCAL GOVERNMENT GUARANTEE SOCIETY, LTD.

(*See* **Royal Exchange Assurance Corp., Ltd.**)

LONDON AND LANCASHIRE FIRE INSURANCE CO., LTD.

Chief Offices: 15 Dale Street, Liverpool; 155 Leadenhall Street, London, E.C. 3. Established 1862. On December 31, 1919, the capital subscribed amounted to £3,132,825, of which £717,430 was paid up in 143,486 shares of £25 each, with £5 paid. There are also issues of 5% "Marine" Debenture stock, redeemable in 1937, of £988,684, and of 5% "Law Union and Rock" Debenture stock, redeemable 1929, £897,562. Dividend for 1919, 50s. per share, less income tax.

In the course of last year the Company entered into an agreement for the acquisition of the shares of the Law Union and Rock Insurance Company, Limited.

The Company has power to transact all classes of business.

Year of Account ending December 31, 1919.

Fire Department.—Details of revenue account appear in Table "K."

Accident and General Department.—Details of revenue account appear in Table "O."

Marine Department.—Details of revenue account appear in Table "N."

Total assets shown in the balance sheet amount to £22,329,380.

The sum of £357,815, or £2 10s. per share of the undivided profits of the Company, was transferred from Reserves to capital account.

The above accounts include the figures of all allied companies, including the Law Union and Rock, taken over in 1918.

LONDON AND LANCASHIRE LIFE AND GENERAL ASSURANCE ASSOCIATION, LIMITED.

(*See* **London and Scottish Assurance Corporation, Ltd.**)

LONDON AND MANCHESTER ASSURANCE CO., LTD.

Head Office: 50 Finsbury Square, London, E.C. 2. Established 1869. Authorised capital, £100,000, in shares of £1. Paid up, £20,583. Dividend to shareholders amounting to £4,117 (20%, tax free) was paid for 1918-19.

The Company transacts Ordinary and Industrial life business.

A valuation was made as at March 24, 1919, in the Ordinary branch on the basis of the O^M Table of Mortality with interest at 3%. The surplus shown of £52,724 included £43,455 brought forward from the valuation in the previous year. Of this amount £50,087 was utilised to provide simple bonuses at the rate of 20s. per cent. in respect of each year since 1912. The balance of £2,637 was carried forward.

In the Industrial branch the valuation basis was the English Life Table No. 6 with 3% interest. The surplus amounted to £13,759, being less than the amount brought forward from the previous year. £10,292 was allotted to shareholders, the balance of £3,467 being carried forward.

Year of Account ending March 24, 1919.

Ordinary Branch.—5,523 new policies issued for net sums assured of £401,697. Consideration for annuities granted £400. Fund at end of year £531,430. Details of revenue account appear in Table "A."

Industrial Branch.—275,778 new policies issued for net sums assured of £3,164,974. Fund at end of year, £1,434,364. Details of revenue account appear in Table "F."

Sickness and Medical Aid Business.—Premiums, £379; claims, £244; expenses, £280. Fund at end of year, £805.

Total assets shown in balance sheet amount to £2,184,998.

LONDON AND PROVINCIAL ASSURANCE CO., LTD.

(*See* **London General nsurance Co., Ltd.**)

LONDON & PROVINCIAL MARINE & GEN. INS. CO., LTD.

(*See* **Yorkshire Insurance Company, Ltd.**)

LONDON AND SCOTTISH ASSURANCE CORPORATION, LIMITED.

(Formerly known as the London and Lancashire Life and General Assurance Association, Limited.)

Head Offices: 66 and 67 Cornhill, London, E.C. 3. Established 1862. Capital authorised, £1,000,000; subscribed, £600,000; paid up, £120,000. Shares of £5, with £1 paid. Dividend for 1919 20%, subject to deduction of income tax.

The Company transacts life, fire, marine, accident, employers' liability, and miscellaneous business.

The valuation of the London and Lancashire life business on December 31, 1917, was made by the H^M Mortality Tables with 3½% interest. Annuities were valued by the British offices annuity tables with 3½% interest. The total surplus shown was £122,627, from which interim bonuses of £11,567 and shareholders' dividends of £17,106 were deducted. After writing £63,370 off investments and carrying £12,113 to investment reserve fund, a net balance of £18,471 was carried forward. There was no general distribution of bonus.

Year of Account ending December 31, 1919.

Life Department.—2,753 new policies issued for net sums assured of £1,447,090. Consideration for annuities granted £3,523. Life fund at end of year £4,230,403. Details of revenue account appear in Table "A."

Fire Department.—Details of revenue account appear in Table "K."

Marine Department.—Details of revenue account appear in Table "N."

Accident and General Business.—Details of revenue account appear in Table "O."

Sinking Fund Account.—Premiums, £3,149; claims, £273; expenses, £139. Fund at end of year, £44,366.

Total assets as shown in balance sheet amount to £5,771,643.

During the year new capital to the extent of 53,235 shares of £5 each (£1 paid) has been issued at a premium. £32,913 of the premiums received, after paying expenses of issue, £32,913 has been applied in extinguishing "organisation account," £38,289 in writing down "cost of insurance businesses acquired," and the balance amounting to £34,430 has been transferred to reserve fund.

LONDON ASSURANCE CORPORATION.

Head Office: 7 Royal Exchange Buildings, E.C. 3. Established 1720. Capital authorised, £2,000,000. On December 31, 1919, the issued capital amounted to £1,246,550, and the paid-up capital to £748,275 in 398,620 Ordinary shares of £2 10s. each with £1 5s. paid, and 250,000 6% redeemable cumulative preference shares of £1 each, fully paid.

Dividend for 1919 on Ordinary shares 6s., equal to 24%. In addition, a bicentenary bonus of 5%, free of tax, was paid.

The Company transacts fire, life, accident, and marine insurance.

The last quinquennial valuation of the life business was made at end of 1915 on the basis of O^M Mortality Table, net premiums, and 3% interest.

A total surplus, including amounts brought forward and interim bonuses paid of £341,467, was shown, after having applied £146,747 in writing down the value of investments. Out of a net surplus available for distribution of £217,768, £32,987 was transferred to the shareholders, £39,080 was carried forward, and £145,701 was distributed amongst policyholders. The bonus to policies in the current series was at the rate of 30s. per cent.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—1,477 new policies issued for net sums assured of £1,335,299. Consideration for annuities granted, £27,153. Life fund at end of year, £2,998,542. Details of revenue account appear in Table "A."

Fire Department.—Revenue account appears in Table "K."

Accident and General Business.—Revenue account appears in Table "L."

Marine Department.—Revenue account appears in Table "N."

Capital Redemption Business.—Premiums, £3,067; claims, £104; expenses, £69. Fund at end of year, £23,501.

Total assets shown in balance sheet amount to £8,499,206.

In the profit and loss account £68,360 was written off premises account.

LONDON, EDINBURGH & GLASGOW ASSUR. CO., LTD

(*See* Pearl Assurance Company, Limited.)

LONDON GENERAL INSURANCE CO., LTD.

(formerly known as the London and Provincial Assurance Company, Limited).

Head Office: Cleveland House, City Road, London, E.C. 1. Founded 1906.

Capital authorised, £150,000, in 75,000 Deferred and 75,000 Preferred shares of £1; issued, £89,448; paid up, £82,996.

Dividends of 5½% on the Preferred shares and of 7% on the Deferred shares, both less income tax, were declared for 1919.

The Company undertakes life, industrial, fire, marine and accident insurance.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department (Ordinary Branch).—No particulars of new business available. Fund at end of year, £171,042. Details of revenue account appear in Table "A."

Industrial Branch.—No particulars of new business available. Fund at end of year, £27,617. Details of revenue account appear in Table "F."

Marine Department.—Details of revenue account appear in Table "N."

Fire and General Business.—Premiums, £8,363; claims, £4,029; expenses, £3,225. Fund at end of year, £4,505.

Bond Investment and Endowment Certificate Business.—Premiums, £18,388; claims, £7,312; expenses, £7,442. Fund at end of year, £144,454.

Total assets shown in balance sheet amount to £555,100, which includes British and Indian Government Securities, £135,308.

LONDON GUARANTEE AND ACCIDENT CO., LTD.

Head Office: 2022 Leadenhall Buildings, W.C. 2. Established 1869. Capital authorised, £250,000; subscribed on December 31, 1919, £194,823; paid up, £119,823. 5,000 Five per Cent. Cumulative Preference shares of £5 each are fully paid up, and on 25,000 Ordinary shares of £5 each £2 per share is paid up. There are also 44,823 Five per Cent. Cumulative Preference shares of £1 each fully paid. Dividend for 1919 on Ordinary shares, 35s. per share, less tax.

It is proposed to alter the capital of the Company as follows:—To subdivide the 25,000 Ordinary shares of £5 each (£2 paid) into 125,000 Ordinary shares of £1 each with 8s. paid; to make a further call of 12s. per share, making these shares fully paid: to capitalise the sum of £75,000, part of the undistributed profits of the Company, and apply this in paying up the call of 12s. per Ordinary share; to increase the authorised capital of the Company from £250,000 to £375,000 by the creation of 125,000 new Ordinary shares of £1 each, such shares to rank *pari passu* in all respects with the 125,000 Ordinary shares above mentioned. With a view to the extension of the Company's connections in Canada a controlling interest has been acquired in the North Empire Fire Insurance Company of Canada.

The Company transacts life, fire, marine, and general accident business. Life business was commenced during the year.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—1,619 new policies were issued for net sums assured of £507,029. Annuities were granted securing £208 per annum. Life Fund at end of year, £18,665. Details of revenue account appear in Table "A."

Marine Department.—Details of revenue account appear in Table "N."

Fire, Accident and General Business.—Details of revenue account appear in Table "O."

Leasehold Redemption Business.—Premiums, £1,531; claims, nil; expenses, £77. Fund at end of year, £3,246.

Total assets shown in the balance sheet £1,000,484.

LONDON LIFE ASSOCIATION, LIMITED.

Head Office: 81 King William Street, London, E.C. 4. Established 1806. Founded on the mutual non-commission-paying principle, this life office has throughout its entire history been very successful in [illegible] profits to policyholders. Its ordinary profit system (*but see below*) is to reduce the premiums after seven years' payments have been made. There are several series of policies, entitled to reductions [illegible] in the latter case no payment being made by the assured, but the equivalent of 26% of the premiums [illegible] to the sum assured.

A system under which amounts given as reduction of premiums may be accumulated for the benefit of members at 10s. per cent. less than the net rate of interest earned on the funds was introduced in 1912.

New entrants after July 1, 1914, have been and are offered an alternative scheme of participation in profits—viz. an allotment of a compound reversionary bonus, a minimum bonus of 30s. per cent. being guaranteed for each year up to June 1925. The reversionary bonus declared in this series for each of the years beginning July 1, 1915-20, was 35s. per cent.

Under a system of minimum premiums, policies for guaranteed amounts are issued at less than average non-profit rates, which, nevertheless, have the prospect of eventually participating in profits. The scheme is particularly attractive to those who desire the maximum amount of assurance from the outset of their policies in return for such a premium as they can afford.

Valuations are made annually. The valuation as at December 31, 1919, was made by the O^M (5) Mortality Table, with interest at 3%. Surplus shown of £112,935, of which £23,838 was carried forward.

Year of Account ending December 31, 1919.

1,283 new policies issued for net sums assured of £1,515,312. Under the agreement with the Clergy Mutual £349,282 has been reassured with that Society, leaving a net amount of £1,166,030 retained by the London Life. 235 immediate annuities granted, securing £21,291 per annum. Life fund at end of year, £6,040,299. Details of revenue account appear in Table "A," combined with Clergy Mutual.

Endowment Certain Business. — Premiums, £20,471; claims, £7,844; expenses, £1,193. Fund at end of year, £157,602.

Total assets shown in "London Life" balance sheet amount to £6,266,837.

Clergy Mutual life fund at end of year, £4,285,041. Details of revenue account appear in Table "A," in combination with the London Life.

Total assets shown in "Clergy Mutual" balance sheet amount to £4,381,243.

MARINE & GENERAL MUTUAL LIFE ASSURANCE SCTY.

Head Office: 14 Leadenhall Street, London, E.C. 3. Established 1852. In addition to life assurance, the Company does a small amount of business in the insurance of passengers' and mariners' effects.

A quinquennial valuation was made as at December 31, 1919, by the O^M Table, net premiums, and 3% interest. After setting aside £271,733 to meet the depreciation in securities the surplus ascertained was £1,400.

The large amount which has had to be used in writing down the value of securities is the principal cause for the smallness of the profits. The directors regret the necessity for making no general distribution of bonus, and also consider it would be unwise to create a charge upon future profits by providing for the payment of any interim bonus on claims.

Year of Account ending December 31, 1919.

1,181 new life policies issued for net sums assured of £508,572; deferred annuities of £2,020 were granted, and immediate annuities of £14 2s. per annum. Fund at end of year, £2,153,393.

Details of revenue account appear in Table "A."

The Life Assurance Account includes the figures for insurance of mariners' and passengers' effects. In this branch £7,536 was received in respect of premiums, and £1,413 was paid in claims.

Total assets shown in the balance sheet amount to £2,185,175.

MARINE INSURANCE COMPANY, LIMITED.

(*See* **London and Lancashire Fire Insurance Company, Limited.**)

MARITIME INSURANCE COMPANY, LIMITED.

(*See* **Scottish Union & National Insurance Co., Ltd.**)

MEDWAY INSURANCE COMPANY, LIMITED.

(*See* **Northern Assurance Company, Limited.**)

MERCANTILE AND GENERAL INSURANCE CO., LTD.

Head Office: 3 Finch Lane, London, E.C. 3. Established 1907. Capital authorised and subscribed, £250,000, in £1 shares; paid up, 40,000 shares of £1, fully paid, and 210,000 shares of £1 with 2s. paid; total paid up, £61,000. No dividend was declared in respect of the year 1918.

The Company transacts reinsurance business only, principally in the fire department, the life account not having been opened till 1918. Marine business was commenced in 1919.

Accounts for the year 1919 are not to hand. In the year ending December 31, 1918, the fire and accident premiums amounted to £166,895, losses paid and outstanding £97,623, commission and expenses £53,181, reserve for unexpired risks £66,758.

In the life account premiums were £648, interest £542, claims and surrenders nil, commission and expenses £430, fund (exclusive of £20,868, the deposit with the High Court), £760,

Total assets shown in balance sheet amount to £291,236, of which £117,796 are in British Government war issues.

MERCHANTS' MARINE INSURANCE COMPANY, LTD.

(*See* **Employers' Liability Assurance Corp., Ltd.**)

Head Office: 37 Cornhill, London, E.C. 3. Established 1871. Capital authorised, £1,000,000; subscribed, £500,000; paid up, £125,000. Shares, £10 each, with £2 10s. paid. Dividend for 1919 (12½%, free of income tax) was more than provided for out of interest. The purchase of the shares of this Company has been made recently by the Employers' Liability Corporation.

The Company transacts marine business. For details of revenue account for year ending December 31, 1919, see Table "N."

Total assets shown in the balance sheet amount to £1,403,561.

METROPOLITAN LIFE ASSURANCE SOCIETY.

Head Office: 13 Moorgate Street, London, E.C. 2. Established 1835.

This is one of the four British mutual non-commission-paying life offices.

Annual valuations are made in this Society. The valuation at the close of last year was made by the O^M Table of Mortality, in combination with 3% interest The surplus ascertained was sufficient to maintain the large reductions of premiums previously granted on policies entitled to participate, which now range from 34 to 79% of the premiums, leaving an unappropriated balance of £6,611. Policies are entitled to participation after payment of five years' premiums.

Year of Account ending December 31, 1919.

231 new policies issued for net sums assured of £293,640, Seven annuities granted securing £460 per annum. Life fund at end of year, £2,300,015.

Details of revenue account appear in Table "A."

Total assets shown in the balance sheet amount to £2,351,402.

MIDLAND EMPLOYERS' MUTUAL ASSURANCE, LTD.

Head Office: Winchester House, Victoria Square, Birmingham. Established 1898. Capital authorised, £100,000; subscribed £51,780; paid up, £5,178; shares of £10 with £1 paid. Dividend for 1919, 10% (the maximum allowed by the Articles of Association). The Company principally transacts employers' liability insurance.

Details of revenue account for year ending September 30, 1919, appear in Table "M."

Total assets shown in balance sheet amount to £253,763.

PROFITS & INCOME

INSURANCE COMPANY, LIMITED.

Head Office:

9 FLEET STREET, LONDON, E.C. 4.

Established 1901.

Capital Subscribed & Paid up £120,000
Assets exceed - - - £900,000

SICKNESS AND ACCIDENT.

PERMANENT CONTRACTS ARE GRANTED, RENEWABLE AT THE OPTION OF THE ASSURED, up to a selected age not exceeding 65. :: insuring against Loss of Income or Appointment. ::

SPECIAL FEATURES.

Capital Sum "Sickness, Accident or Death" Policy.
Capital Sum Sickness and Accident Policy.
Perfected Sickness and Accident Policies.

ACENTS WANTED.

CHAS. WINDETT,
Actuary and Secretary

P A

LIFE FIRE

The

PRUDENTIAL

ASSURANCE COMPANY LIMITED.

Funds exceed
One Hundred & Ten Million Pounds.

In each WEEK during 1919

New Life Policies assuring over £425,000 were issued,

and in each week

nearly £105,000 was paid out in Matured Endowment and Death claims in

The Ordinary Branch ALONE.

The PRUDENTIAL now transacts all classes of Insurance : business except Marine. :

ACCIDENT BURGLARY

C L^D

THE

EXCESS INSURANCE CO.

LIMITED.

ESTABLISHED 1894.

Managers - C. E. HEATH & Co., Ltd.

CAPITAL (fully paid up) - - £50,000
Reserve Fund - - - - - £800,000
Reserve for Unexpired Liability - £1,447,349

Directors:

CUTHBERT E. HEATH. GEORGE HEATH.
ARTHUR BURNS. MONTAGUE EVANS

Head Office:
WATERLOW HOUSE, 25 BIRCHIN LANE, E.C.

Motor Car and Accident Department:
1 ROYAL EXCHANGE AVENUE, E.C

Underwriting Office:
10 ROYAL EXCHANGE, E.C.

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LONDON & SCOTTISH

ASSURANCE CORPORATION, LIMITED,

formerly

LONDON and LANCASHIRE LIFE and GENERAL ASSURANCE ASSOCIATION, LIMITED.

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Total Income exceeds - - £1,000,000
Total Funds and Assets exceed £5,500,000

Head Office

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General Manager: WM. JENKYNS MACKAY

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MOTOR UNION INSURANCE COMPANY, LIMITED.

Head Office: 10 St. James's Street, London, S.W. 1. Established 1906. On December 24, 1918, authorised capital, £300,000; paid-up capital, £274,543, in 10,000 Ordinary shares of £10 each, fully paid, and 174,543 5½% Cumulative Preference shares of £1 each, fully paid. Dividend for 1918, £5 per share on fully paid Ordinary shares and a bonus of £5 per share.

Company was formed to insure motor-car and other risks (including employers' liability insurance), and also undertakes fire, marine, burglary, and personal accident risks.

In the year to December 24, 1918, net premiums amounted to £1,765,858. Assets at end of financial year, £2,124,883. Departmental reserves (excluding those for outstanding claims), £907,112. General reserve fund, £75,000. Investment reserve fund, £50,000. Balance carried forward, £21,235, after provision for dividend.

Accounts for the year ending in 1919 are not to hand.

NATIONAL BENEFIT ASSURANCE CO., LTD.

Head Office: National House, Newgate Street, London, E.C. 1. Founded in 1890. Capital authorised, £250,000; subscribed on December 31, 1919, £247,350; paid up, £101,276 10s. Dividend for 1919, 7%, free of tax, with bonus of 3%, free of tax.

During the year the capital was increased by the issue of 26,000 Ordinary shares.

The Company transacts house purchase and bond investment, life, fire, accident, marine, and general insurance.

Year of Account ending December 31, 1919.

Life Department.—The new policies and sums assured were more than 50% in excess of the preceding year. Life fund at end of year, £70,179. Details of revenue account appear in Table "A."

Fire Department.—See Table "K."

Marine Department.—See Table "N."

General Insurance Department.—See Table "O."

Bond Investment and Endowment Certificate Department.—Premiums, £53,944; claims, £28,080; expenses, £13,423. Fund at end of year, £758,000.

Employers' Liability Department.—Premiums, £6,912; claims, £2,497; expenses, £2,038. Fund at end of year, £4,642.

Total assets shown in the balance sheet amount to £1,663,956.

NATIONAL BOILER & GENERAL INSURANCE CO., LTD.

Chief Office: National Buildings, St. Mary's Parsonage, Manchester. Established 1864. Capital on December 31, 1919: authorised and subscribed, £150,000; paid up, £52,500, in 15,000 shares of £10 with £3 10s. paid up. Dividend for 1919, 30s. per share, less income tax. The Company chiefly transacts boiler insurance business.

Year of Account ending December 31, 1919.

Details of revenue account appear in Table "O."

Total assets as shown in the balance sheet amount to £309,257.

NATIONAL INSURANCE CO. OF GREAT BRITAIN, LTD.

(*See also* **Commercial Union Assurance Company.**)

Head Office: 184 St. Vincent Street, Glasgow. Established 1897. Capital authorised, £1,000,000; subscribed, £250,000; paid up, £50,000. Shares of £5 each with £1 paid. The shares of this Company were acquired in 1917 by the Commercial Union Assurance Company.

The Company transacts fire, accident, and general insurance.

Year of Account ending December 31, 1919.

Fire Department.—Details of revenue account appear in Table "K."

Employers' Liability Department.—See Table "M."

Accident Department.—Premiums, £228; claims, £141; expenses, £93. Fund at end of year, £88.

General Insurance Department. — Premiums, £5,152; claims, £2,867; expenses, £2,112. Fund at end of year, £12,507.

Total assets shown in balance sheet amount to £287,784.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY.

Head Office: 39 King Street, Cheapside, London, E.C. 2. Established 1830.

Year of Account ending December 31, 1919.

Life Department.—1,135 new policies issued for net sums assured of £623,039. Life fund at end of year, £2,935,283. Details of revenue account appear in Table "A."

Capital Redemption Business.—Premiums, £7,815; claims, £14,904; expenses, £2,836. Fund at end of year, £149,404.

Total assets shown in balance sheet amount to £3,185,659, which includes British Government securities for £1,452,632.

A quinquennial valuation was made at the close of 1918. The valuation was made by the O^{M} Mortality Table in combination with 3% interest, the net premiums only being valued. The surplus amounted to £193,821, of which £184,668 is carried forward to the current quinquennium. Interim bonuses are declared during the current quinquennium on all participating policies becoming claims at the compound rate of 25*s.* per cent. for each year since 1913, subject to annual revisions if desirable.

NATIONAL PROVIDENT INSTITUTION.

Head Office: 48 Gracechurch Street, London, E.C. 3. Established 1835. This is one of the largest of English mutual life offices.

The last quinquennial valuation was made on November 20, 1917, by the O^{M} Table for assurances, in combination with net premiums and 3% interest. After writing off £628,730 for depreciation in securities (£200,000 having been provided from the investment reserve fund) the valuation surplus amounted to £374,876, which is carried forward subject to reconsideration at end of each financial year. Interim bonuses ranging from 17*s.* to £1 3*s.* 6*d.* per cent. have been provided for the now current quinquennium, on policies which may become claims, in respect of each premium since November 20, 1912. These rates are equivalent to half of those declared at the quinquennial division in 1912.

Year of Account ending November 20, 1919.

1,996 new policies issued for net sums assured of £1,138,725; six annuities granted securing £545 per annum. Life fund at end of year, £7,401,482.

Details of revenue account appear in Table "A."

Total assets shown in balance sheet amount to £7,617,193.

NORTH BRITISH AND MERCANTILE INSURANCE CO.

Head Offices: 61 Threadneedle Street, London, E.C. 2, and 64 Princes Street, Edinburgh. Established 1809. On December 31, 1919, capital authorised, £6,000,000; subscribed, £4,500,000; paid up, £2,437,500, of which £687,500 is represented by 110,000 Ordinary shares for £25 with £6 5*s.* paid and £1,750,000 by 4% Preference stock. Dividend on Ordinary shares for 1919, £2 7*s.* 6*d.* per share, less income tax.

In conjunction with its subsidiary companies the Company transacts life, fire, marine, accident and general business.

The last quinquennial valuation of the life business was made at close of 1915 on the basis of O^{M} Mortality Tables, net premiums, and 3% interest. The profit for the quinquennium, apart from depreciation, amounted to £1,831,578. Of this sum, however, £1,090,000 was transferred to investment reserve

during the quinquennium, leaving £741,575 to be divided among participating policyholders and shareholders. The policyholders' portion produced bonus additions on the compound system (that is, on the sums assured and previous bonus additions) at the rate of 10s. per cent. in respect of each premium paid during the quinquennium. A bonus of £1 per cent. per annum will be paid on policies becoming claims before the end of 1920. £123,856 is carried forward.

Year of Account ending December 31, 1919.

Life Department.—6,994 new policies issued for net sums assured of £3,759,545. Life fund at end of year, £15,558,426. Details of revenue account appear in Table "A."

Annuity Department.—1,754 annuities of all classes granted securing £102,269 per annum. Annuity fund at end of year, £3,104,646. Details of revenue account appear in Table "B."

Fire Department.—See Table "K."

Sinking Fund Account.—Premiums, £18,402; claims, £40,001; expenses, £577. Fund at end of year, £171,055.

Total assets shown in balance sheet amount to £29,513,085. These figures do not include the accounts or assets of the following subsidiary companies now merged in the North British and Mercantile Insurance Company, Limited: "Ocean Marine," "Fine Art and General," "Railway Passengers." The accounts of these companies will be found separately in this issue.

NORTHERN ASSURANCE COMPANY, LIMITED.

Head Offices: 1 London Terrace, Aberdeen; 1 Moorgate Street, London, E.C. 2. Established 1836. Capital authorised on December 31, 1919, £3,502,500; subscribed, £3,502,470; paid up, £802,470, in 300,000 Ordinary shares of £10 each with £1 paid, and 66,996 6% Participating Preference shares of £7 10s. each, fully paid. The Preference shares were issued in connection with the purchase of the Indemnity Mutual Marine Company's business, and will participate to the extent of a sum equal to one-fifth of any increased dividend or bonus paid upon Northern shares beyond 9s. per share. There is also a 5% Debenture issue, which was made on the same occasion, of which £990,690 was outstanding on December 31, 1919. Dividend for 1919, 16s. per share, less tax. Since the close of the year the capital of the Company has been increased to £6,502,500 by the creation of 300,000 new Ordinary shares of £10 each, of which the directors decided to issue 50,000 at once to the existing shareholders at the price of £15 per share of £10 (£1 paid). The new capital will appear in the accounts for the year 1920.

During 1919 the Company acquired the share capital of the Medway Insurance Company, Limited, and of the Tasmania Insurance Company, Limited, Launceston.

The Company transacts life, fire, marine, accident, and general business.

Life Department.—The surplus of the non-participation branch belongs to the shareholders, and the surplus of the participation branch to the participating policyholders. The assured in this section have practically all the benefits of mutual life assurance, for not only do they receive the entire profits on their fund, but their expenses are limited to the very moderate proportion of 10% of the premiums. The last quinquennial valuation, on December 31, 1915, was made on the basis of the O^{M} Mortality Tables, 90% of the gross premiums, and 2½% interest for the non-participation fund, and O^{M} Table, net premiums, and 3% interest for the participation branch. The surplus in the non-participation branch was £35,489, of which it was proposed to transfer £25,000 to profit and loss and to carry forward £10,489. In the participation branch the surplus, after providing a net sum of £451,199 to meet the depreciation in investments, was £161,591. It was proposed to set aside £150,000 of this amount as a special contingency fund to meet the increased strain of war mortality and any further fall in the value of securities, in lieu of declaring any bonus in respect of the quinquennium. Prospective intermediate bonuses at the rate of 30s. per cent. per annum were declared on all policies becoming claims during the now current quinquennium.

Year of Account ending December 31, 1919.

Life Department.—2,402 new policies issued for net sums assured of £1,321,898. Life fund at end of year, £4,269,202. Details of revenue account appear in Table "A."

Annuity Business.—Consideration for annuities granted, £47,659. Annuity fund at end of year, £785,593. Details of revenue account appear in Table "B."

Fire Department.—See Table "K."

Accident Department.—See Table "L."

Employers' Liability Department.—See Table "M"

Marine Department.— See Table "N."

Miscellaneous Department.—See Table "O."

Capital Redemption Department.—Premiums, £11,229; claims, £9,533; expenses, £566. Fund at end of year, £159,683.

Total assets shown in balance sheet amount to £15,900,252, excluding goodwill of subsidiary companies, £450,654.

NORTHERN MARITIME INSURANCE COMPANY, LTD.

(*See* **Phœnix Assurance Company, Limited.**)

Head Office: 2 Queen Street, Newcastle-upon-Tyne. Registered 1863. Capital on December 31, 1919: authorised and issued, £50,000; paid up, £30,000, in shares of £5 with £3 (£2 10s. out of profits) paid up. Dividend for 1919, 25%, free of tax.

The shares of the Company have been purchased by the Union Marine Insurance Company, Limited, who, in turn, have been taken over by the Phœnix Assurance Company, Limited.

NORWICH UNION FIRE INSURANCE SOCIETY, LTD.

(*See also* **Phœnix Assurance Company, Limited.**)

Head Offices: Norwich; Chief London Office: 50 Fleet Street, E.C. 4. Established 1797. On December 31, 1919, capital authorised and subscribed, £1,100,000; paid up, £132,000, in 44,000 shares of £25 each with £3 paid. Four per Cent. Debenture stock, £517,753.

A provisional agreement dated January 20, 1920, for the fusion of this Society with the Phœnix Assurance Company, Limited, was adopted by the shareholders at an extraordinary general meeting held on January 28, 1920, and this agreement, which was ratified on February 18, became effective as from January 1, 1920. Phœnix (Norwich Union) shares have been allotted in respect of all completed transfers.

By the terms of the above-mentioned agreement the final dividend in respect of 1919 was payable to the Phœnix Assurance Company, Limited. This was at the rate of £3 per share, less tax.

In accordance with the said agreement an amount equivalent to £2 per "Norwich Union" share, less income tax, was credited by the Phœnix Assurance Company, Limited, to the shareholders of the Society, payable on May 1, and a further payment equivalent to £3 per share, less income tax, will be made on November 1 by the Phœnix Assurance Company, Limited, to the holders of Phœnix (Norwich Union Fire) shares, thus making a total payment during 1920 of £6 2s. 6d. per one "Norwich Union" share.

The Society transacts, in conjunction with the Phœnix Assurance Company, Limited, life, fire, marine, accident and general business.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Fire Department.—See Table "K."

Marine Department.—See Table "N."

Accident and General Business.—See Table "M."

Total assets shown in the balance sheet amount to £5,658,590.

NORWICH UNION LIFE INSURANCE SOCIETY.

Head Office: Norwich; Chief London Office: 49 Fleet Street, E.C. 4. Established 1808.

The quinquennial valuation on June 30, 1916, was made by the O^M Mortality Table, with interest at 2½%. Securities were written down by £617,707. After providing for this depreciation, and notwithstanding the fact that the excess war mortality had cost £188,325, the surplus over the quinquennium amounted to £612,552. Of this amount £90,830 had been expended during the quinquennium in the payment of interim bonuses, and £138,147 was applied in strengthening the assurance and annuity reserves. It was decided to retain the balance of surplus, amounting to £383,575, as a floating war contingency fund. In the case of claims by death or maturity before the directors decide to make their next valuation, provision has been made for payment of interim bonuses retrospectively from 1911 on the basis of 80% of the yearly bonuses then added, which bonuses on new series policies issued prior to June 30, 1896, were the reversionary equivalents of 33% of the premiums contributed during the quinquennium on a whole-life footing, while the reversionary bonuses on new series policies issued subsequent to June 30, 1896, were at rates varying from 36*s.* to 68*s.* per cent. per annum, according to age at entry and duration of policies.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—12,996 new policies issued for net sums assured of £7,892,018. Life funds at end of year: "Scottish Imperial," £545,820; "Norwich Union," £14,549,615. Details of revenue account appear in Table "A."

Annuity Department.—Consideration for annuities granted, £67,624. Annuity fund at end of year, £905,616. Details of revenue account appear in Table "B."

Capital Redemption Department.—Premiums, £106,844; claims, £183,137; expenses, £5,616. Fund at end of year, £1,159,584.

Total assets shown in balance sheet amount to: "Scottish Imperial," £560,030; "Norwich Union," £16,931,969.

OCEAN ACCIDENT & GUARANTEE CORPORATION, LTD.

(*See* **Commercial Union Assurance Company, Ltd.**)

OCEAN MARINE INSURANCE COMPANY, LIMITED.

(*See also* **North British and Mercantile Insurance Company.**)

Head Office: 2 Old Broad Street, London, E.C. 2. Established 1859. At December 31, 1917, the Ocean capital, now vested in the North British and Mercantile Company, was as follows: Capital, authorised and subscribed, £1,000,000; paid up, £100,000. Shares, £25 each, with £2 10*s.* paid.

The Company transacts marine business. Details of revenue account appear in Table "N."

Total assets shown in balance sheet amount to £1,863,806.

PEARL ASSURANCE COMPANY, LIMITED.

Head Office: High Holborn, W.C. 1. Established 1864. On December 31, 1919, capital authorised, £1,500,000; subscribed, £800,500. Paid up, £600,250 in 20,000 Ordinary fully-paid £5 shares, 80,100 Ordinary shares of £5 with £2 10*s.* paid, and 300,000 6% Cumulative Preference shares of £1 each, fully paid. Dividend on Ordinary shares for 1919 absorbed the sum of £70,025, as shown in profit and loss account.

The valuations are made annually, the basis in the Ordinary branch for the Pearl Company's policies being the H^M Mortality Table, net premiums, at 3% interest, and for the London, Edinburgh and Glasgow policies by the $O^{M(5)}$ Table, in combination with interest at 3 and 3½%, special loadings being reserved. Details of the 1919 valuations are not to hand.

The Company transacts life, industrial and accident business, and has during the past year extended its operations to fire and general business.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Ordinary Branch.—60,383 new policies issued for sums assured of £8,399,239. Consideration for annuities granted, £1,505. Fund at end of year, £7,197,427. Details of revenue account appear in Table "A."

Industrial Branch.—No particulars of new business available. Fund at end of year, £8,143,521. Details of revenue account appear in Table "F."

Accident Department.—See Table "L."

Employers' Liability Department.—Premiums, £5,041; claims, £958; expenses, £1,807. Fund at end of year, £5,050.

Fire and General Department.—Premiums, £25,491; claims, £6,830; expenses, £11,180. Fund at end of year, £12,746.

Capital Redemption Department.—Premiums, £844; claims, £471; expenses, £51. Fund at end of year, £3,573.

Total assets shown in the balance sheet amount to £17,015,672, including cost of purchase of goodwill of the London, Edinburgh and Glasgow Assurance Company, Limited, £250,000.

PHŒNIX ASSURANCE COMPANY, LIMITED.

Head Office: Phœnix House, King William Street, London, E.C. 4. Established 1782. On December 31, 1919, capital authorised and subscribed amounted to £3,210,650; paid up, £422,855, in 309,755 shares of £10 each with £1 paid and £113,100 (Pelican) fully-paid shares of £1. Dividend for 1919, 11*s.* per share, less tax.

A provisional agreement dated January 12, 1920, for the fusion of this Company with the Norwich Union Fire Insurance Society, Limited, was adopted by the shareholders at an extraordinary meeting held on January 28, 1920, and this agreement was ratified on February 18. Pursuant to this agreement, which takes effect as from January 1, 1920, the capital of the Company has been increased by the creation of 457,145 fully-paid shares of £1 each, of which 440,000 are called Phœnix (Norwich Union Fire) shares, and the remaining 17,145 are called Phœnix (Pelican) shares.

The Phœnix has a very large foreign and colonial as well as home fire business, and also transacts life, marine, accident, and general business.

The valuation of the life business as at December 31, 1915, was made on the basis of the O^M Table of Mortality, with interest at 3%. The total surplus, including amounts brought forward and interim bonuses paid, amounted to £297,019. Out of the net surplus available £217,055 was distributed amongst policyholders, £25,000 was allotted to shareholders, and a total balance of £41,144 was carried forward. The policyholders' share was sufficient to provide bonuses at the rate of 30*s.* per cent. per annum.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—2,966 new policies issued for net sums assured of £2,162,624. 100 annuities granted, securing £8,039. Life fund at end of year, £11,171,177. Details of revenue account appear in Table "A."

Fire Department.—See Table "K."

Marine Department.—See Table "N."

Accident and General Business.—See Table "O."

Capital Redemption Department.—Premiums, £43,602; claims, £14,742; expenses, £1,150; securities written down (Law Life funds), £12,883. Fund at end of year, £486,878.

Total assets shown in balance sheet amount to £19,680,760.

THE
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is the oldest Life Office of the Empire from beyond the seas. It was founded in 1847, and now possesses Assets of £14,250,000, thus being one of the largest Life Offices in the Empire.

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The Company has enjoyed the almost unique experience of increasing its Bonuses during the last five years, and with the return of normal times its profit-earning power must be enormously strengthened, and be greatly in excess of anything previously experienced.

At the end of last year the Company carried forward over £1,500,000 of undivided surplus. The Company also transacts Annuity Business on the most favourable terms.

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ASSURANCE COMPANY, LIMITED.

PHŒNIX HOUSE,
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Chairman: Sir GERALD H. RYAN, Bart.

Total Assets: £20,000,000 *Claims Paid:* £100,000,000

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ACCIDENT - BURGLARY

Annuities Granted on Favourable Terms.

General Manager: R. Y. SKETCH.

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ASSETS EXCEED £1,500,000

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AUTHORISED CAPITAL - - £3,000,000 | PAID-UP CAPITAL - - £1,000,000
SUBSCRIBED CAPITAL - - £3,000,000 | RESERVE FUND - - - £1,020,000
UNCALLED CAPITAL - - - £2,000,000.

Directors:

Hon. William Pember Reeves (*Chairman*)
James H. B. Coates, Esq. — Henry F. Freshwater, Esq. — Robert Logan, Esq.
Charles Elgar, Esq. — Sir Austin E. Harris, K.B.E. — Lindsay Eric Smith, Esq.

Head Office:—17 MOORGATE STREET, LONDON, E.C. 2. Manager:—Arthur Willis.
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The National Bank of New Zealand, Limited, issues DRAFTS and LETTERS of CREDIT, makes Telegraphic Transfers, opens Current Accounts, negotiates and collects Bills of Exchange. Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application, and conducts every other description of banking business.

PIONEER LIFE ASSURANCE COMPANY, LIMITED.

Head Office: 67 Dale Street, Liverpool. Established 1891. Capital (March 31, 1919) authorised and subscribed £100,000; paid up, £80,000, in shares of £1 with 16*s.* called and paid up. No dividend was declared for 1919-20.

Transacts life, industrial, and accident insurance business in the United Kingdom.

Year of Account ending March 31, 1919.

Ordinary Branch.—682 new policies issued for net sums assured of £52,425. Fund at end of year, £129,338. Details of revenue account appear in Table "A."

Industrial Branch.—21,057 new policies issued for net sums assured of £218,552. Fund at end of year, £62,537. Details of revenue account appear in Table "F."

Accident Department.—Premiums, £32; claims, nil; expenses, £13. Fund, nil.

Assets shown in the balance sheet amount to £298,389, which includes establishment expenses, £79,420.

PROFITS AND INCOME INSURANCE COMPANY, LTD.

Head Office: 9 Fleet Street, London, E.C. 4. Established 1901. Capital authorised, £150,000; issued, £120,000; paid up on December 31, 1919, £85,000, in 20,000 5% Non-Cumulative Preference shares of £1 each, fully paid, and 100,000 Ordinary shares of £1 each with 13*s.* paid. Dividend for 1919 on Ordinary shares, 10%, free of income tax, and a bonus of 1*s.* per share, free of tax, which was added to the paid-up capital, which thereafter amounted to £120,000. Transacts life and general insurance.

The quinquennial valuation of the life business was made on December 31, 1915, by the O^{M} Table at 3½% interest with O^{M} 3% net premiums. The surplus of £23,018 was transferred to profit and loss acount. The Company does not issue with-profit policies to the public.

Year of Account ending December 31, 1919.

Life Department.—504 new policies issued for net sums assured of £101,962. Life fund at end of year, £148,779. Details of revenue account appear in Table "A."

Details of Miscellaneous revenue account appear in Table "O."

Total assets shown in the balance sheet amount to £902,678.

PROVIDENT, ACCIDENT AND GUARANTEE CO., LTD.
(*See* **Northern Assurance Company.**)

Head Office: 61 Coleman Street, London, E.C. 2. Established 1865. Capital authorised, £400,000; subscribed, £212,500, in 21,250 shares of £10 each with £6 paid; paid up, £127,500. Dividend for 1919, 24*s.* per share, less tax. In 1917, 99% of the shares of this Company were acquired by the Northern Assurance Company.

The Company transacts accident, employers' liability, and general business. One combined revenue account is shown, the details of which appear under Table "O."

Total assets shown in balance sheet amount to £698,467.

The sum of £42,500, part of the undivided profits of the Company, has been applied in payment of £2 per share, being part of the amount remaining uncalled of the issued capital of the Company, making £6 paid up on each £10 share.

PROVIDENT ASSOCIATION OF LONDON, LIMITED.

Head Office: Provident House, Bishopsgate, London, E.C. 2. Established 1877.

Capital authorised, subscribed and paid up £350,000, in 20,000 Preference shares of £5 each and 250,000 Ordinary shares of £1 each. Dividend payments to shareholders appear in the profit and loss account for 1919 at £30,000.

The Company transacts ordinary and industrial life business, but its principal activities are devoted to bond investment and endowment certificate business, which is carried on in connection with advances on house property. The Association has always made a feature of its house-purchase schemes for the benefit of private individuals of comparatively small means.

The full returns in respect of the valuation at the end of 1919 are not available. The valuation as at December 31, 1918, was made in both the Ordinary and Industrial branches on the basis of O^{M} mortality with interest at 2½%. The surplus in the Ordinary branch was £18,174 and in the Industrial £152,289. Out of this total surplus of £170,463, £14,110 was distributed amongst policyholders in the Ordinary branch in the form of a uniform bonus addition of 32*s.*%; £6,305 went to with-profits policies in the Industrial branch as a bonus of 20*s.*%; the shareholders' proportion accounted for £5,104, and the balance of £144,944 was carried forward.

Year of Account ending December 31, 1919.

Ordinary Branch.—4,614 new policies were issued for sums assured of £1,527,807. Two annuities were granted securing £80 per annum. Fund at end of year amounted to £551,597. Details of the revenue account appear in Table "A."

Industrial Branch.—5,313 new policies were issued for sums assured of £1,612,402. Fund at end of year amounted to £681,960. Details of the revenue account appear in Table "F."

Bond Investment (Monthly Branch).—Premiums, £232,835; interest, £143,502; claims, £332,652; commission and expenses, £40,321; transfer to profit and loss, £85,894. Fund at end of year, £4,532,954.

General Revenue Account.—Premiums, £7,488; deposits, £192,061; interest, £6,302; claims, £18,791; commission and expenses, £1,187; deposits withdrawn, £166,198. Fund at end of year, £213,320.

Profit and loss account shows that during the year £31,283 was written off owing to depreciation in investments.

Total assets shown in balance sheet amount to £7,059,696, of which £4,421,307 is in mortgages, and £1,354,837 represents British Government securities.

PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION.

Head Office: 27 and 29 Moorgate Street, London, E.C. 2. Established 1840.

Transacts life and capital redemption business. The last quinquennial valuation was made at the close of 1917 on the basis of O^{M} Table of Mortality, net premiums and 3% interest. The valuation surplus amounted to £86,088. No general distribution of bonus was made, but it was decided to pay interim bonuses in the case of participating policies becoming claims.

Year of Account ending December 31, 1919.

Life Department.—15,336 policies issued for net sums assured of £1,703,318. Six small annuities were granted. Life fund at end of year, £3,013,707. Details of revenue account appear in Table "A.".

Capital Redemption Business.—Premiums, £478. expenses, £10 10*s.* Fund at end of year, £9,049.

Total assets, December 31, 1919, £3,284,816.

PROVINCIAL INSURANCE COMPANY, LIMITED.

Head Offices: Provincial Buildings, Old Jewry, London, E.C. 2; and Stramongate, Kendal. Established 1903. On December 31, 1919, capital authorised, £250,000; subscribed, £180,000; paid up, £90,000, in shares of £10 with £5 paid. Dividend for 1919, 10%, less tax.

Transacts fire, accident, and marine business, &c. The marine department, opened in 1918, shows satisfactory results.

For details of fire account see Table "K."

Employers' Liability, &c., Account.—See Table "M."

Marine Account.—See Table "N."

Total assets shown in the balance sheet amount to £257,092.

PRUDENTIAL ASSURANCE COMPANY, LIMITED.

Head Office: Holborn Bars, London, E.C. 1. Founded 1848. On December 31, 1919, capital authorised, £2,000,000; subscribed, £2,000,000, in 1,000,000 shares of £1, fully paid, and 1,000,000 "B" shares with 2s. paid, making £1,100,000 paid up. Dividends and bonuses paid in 1919 amounted to £400,000, equal to 40% tax free.

The Company transacts an enormous business both in its Ordinary and Industrial departments, and is by far the largest insurance Company in the United Kingdom, measured by funds and premium income. It has recently taken powers to transact all kinds of insurance business, and to act as trustee and executor of estates.

Valuations of the life business are made annually. At the end of 1919 the basis adopted in the Ordinary branch was the H^{M} Table at 3% interest. The surplus thus shown was £1,303,709, including £149,670 brought forward from the previous year. In addition, £500,000 was transferred from the contingency fund. Of this surplus £593,000 was added to the investments reserve fund, which is used for writing down book values, and a bonus of 28s. per cent. was declared. Bonuses have now been distributed at the rate of £1 per cent in respect of each of the years 1915, 1916, and 1917, and at 26s. per cent. in 1918.

In the Industrial branch the valuation was made by the English Life No. 3 and English Life No. 6 Tables at 3% interest. The surplus shown was £867,489, including £70,885 brought forward. £400,000 was transferred to investment reserve fund, £100,000 was carried to contingency fund, and £72,394 carried forward. The profit-sharing scheme in the Industrial branch provides for four-sixths of surplus profits being allotted to policyholders. 1919 was the first year since 1907 in which no surplus profit was available for this purpose under the scheme.

Year of Account ending December 31, 1919.

Ordinary life branch, 138,037 new policies issued for net sums assured of £22,319,642. Consideration for annuities granted, £78,127. Fund at end of year £54,324,216. Details of revenue account appear in Table "A."

Industrial life branch, 2,019,541 new policies issued for net sums assured of £45,094,719. Fund at end of year, £53,624,404. Details of revenue account appear in Table "F."

General Account.—Details of revenue account appear in Table "K." In the general branch all the premiums and interest received have been reserved, after deduction of claims and expenses.

Capital Redemption Account.—Premiums £8,384, surrenders £3,940, expenses £921. Fund at end of year £13,992.

Total assets shown in balance sheet amount to £117,739,336, of which £44,688,263 is invested in British Government securities.

£993,000 was carried to the investments reserve fund to meet the further heavy depreciation in securities, and £2,543,000 has been applied in writing down the value of securities.

The four Prudential Approved Societies have during the year paid to their members benefits amounting to approximately £1,687,000, making a total of over £10,224,000 paid since National Insurance was introduced. The number of persons admitted to membership of the Societies during the year was 298,442, of whom 127,344 were men and 171,098 women.

RAILWAY PASSENGERS ASSURANCE COMPANY.

(*See also* **North British and Mercantile Insurance Co.**)

Head Office: 64 Cornhill, London, E.C. 3. Established 1849. On December 31, 1919, capital authorised and subscribed, £1,000,000; paid up, £200,000, in shares of £10 with £2 paid up. The shares are now vested in the North British and Mercantile Insurance Company, which acquired this Company's business as from January 1, 1910. The Company transacts railway and general accident, employers' liability, fidelity guarantee, burglary, and live-stock insurances.

Details of revenue account appear in Table "L."

Total assets shown in balance sheet amount to £1,291,430.

REFUGE ASSURANCE COMPANY, LIMITED.

Head Office: Oxford Street, Manchester. Established. 1864. Capital authorised, subscribed, and paid up, £300,000, in 150,000 shares of £2 each. Amount appearing in revenue accounts for 1919 as dividend to shareholders, £22,500, equal to 7½%.

A large industrial and life assurance office.

The valuation surplus in the Ordinary branch, at the close of 1919, on the basis of H^{M} Mortality Table, net premiums, and 3% interest, amounted to £524,239, inclusive of £210,003 brought forward from the previous year. Reversionary bonus additions of 24s. per cent. were declared, and £225,684 was carried forward.

In the Industrial branch the valuation was made on the basis of the English life table No. 3 with 3% interest. The surplus shown amounted to £99,405, after transfering £20,000 to staff pension fund and £25,000 to the investment reserve fund.

Year of Account ending December 31, 1919.

Ordinary Life Branch.—70,664 new policies issued for net sums assured of £7,216,890. Consideration for annuities granted £848. Fund at end of year, £12,266,221. Details of revenue account appear in Table "A."

Industrial branch, 678,563 new policies issued for net sums assured of £10,062,527. Fund at end of year, £4,082,264. Details of revenue account appear in Table "F."

Total assets shown in the balance sheets amount to £12,820,025 Ordinary branch, £4,564,595 Industrial branch.

RELIANCE MARINE INSURANCE COMPANY, LIMITED.

(*See* **Guardian Assurance Company.**)

Head Office: Exchange Buildings, Liverpool. Established 1881.

The shares of this Company were purchased by the Guardian Assurance Company in 1917.

Dividend declared in respect of the year ending 1919, 12s. per share, less income tax (30%).

The Company transacts fire and marine business.

In 1919 the net marine premiums amounted to £187,992. Claims, £35,888. Expenses, £17,602. Fund at end of year, £134,502.

Fire Account.—Net premiums, £74,026. Claims, £47,457. Expenses, £20,030. Fund at end of year, £55,458.

Total assets shown in the balance sheet amount to £671,269, of which £135,356 is under the heading, "Accounts due to the Company."

ROYAL EXCHANGE ASSURANCE CORPORATION.

Head Office: Royal Exchange, London, E.C. 3. Established 1720. Capital stock authorised, £2,000,000; paid up, £689,220. Dividend for 1919, 16%, less tax.

June 22, 1920, being the 200th anniversary of the granting of the charter to the Corporation, a bonus dividend of 5% (less tax) was paid on that day to the proprietors registered in the books of the Corporation at the closing of the transfer books on April 16, 1920.

A large and varied business in fire, life, marine, and accident insurance is transacted by this influential Company. The Company has acquired nearly the whole of the shares of the Car and General Insurance Company.

A quinquennial valuation of the life business was made as at December 31, 1919, on the basis of the Mortality Table, net premiums, and 3% interest. The total surplus shown was £373,383, of which £287,473 was distributed to policyholders, £40,527 to stockholders,

and the balance of £45,383 was carried forward. The rate of bonus declared was 28s. per cent. per annum, increasing with the duration of the policy after it had been ten years in force.

Year of Account ending December 31, 1919.

Life Department.—3,308 new policies issued for net sums assured of £1,772,870. Life fund at end of year £4,160,950. Details of revenue account appear in Table "A."

Annuity Department.—67 annuities granted securing £3,083 per annum after deduction of re-assurances. Fund at end of year, £718,722. Details of revenue account appear in Table "B."

Details of fire account appear in Table "K."

Details of accident and miscellaneous business account appear in Table "L."

Details of marine account appear in Table "N."

Capital Redemption Account. — Premiums, £20,785; claims and surrenders, £10,830; expenses, £7,075; fund at end of year £221,257.

Trustee and Executor Account.—Fees, £7,424; expenses, £7,199. Transferred to profit and loss account, £225.

Total assets shown in balance sheet amount to £10,932,457, in which is included agents' balances, £1,185,868.

ROYAL INSURANCE COMPANY, LIMITED.

Head Offices: 1 North John Street, Liverpool; 24-28 Lombard Street, London, E.C. 3. Established 1845. On December 31, 1919, capital authorised, £3,000,000; subscribed, £2,944,680; paid up, £736,170. Shares for £10 with £2 10s. paid. In 1919 £1 was added to the amount paid up on each share by application of undivided profits of £294,468 for that purpose, making the shares £10 each with £2 10s. paid. There is also a 4% Debenture issue of £843,800 outstanding.

Since the closing of the accounts for 1919 the capital of the Company has undergone the following alterations: The sub-division of the £10 shares of £2 10s. paid up into £5 shares with £1 5s. paid up. The increase in the capital of the Company to 1,200,000 shares of £5 each (£1 5s. paid up), of which 1,119,117 have been issued. This is consequent upon an agreement dated November 11, 1919, by which an arrangement was made for the fusion of the Liverpool and London and Globe Insurance Company, Limited, and the Royal Insurance Company, Limited.

An interim dividend of 20s. per share was paid in November last, at which time the shares were of the denomination of £10 with £2 10s. paid. A final dividend was paid on June 1 on the subdivided shares of 10s. per share, making in all on the new basis 20s. per share, less income tax, for the year.

All shares issued in exchange for shares in the Liverpool and London and Globe Insurance Company, Limited, participated in the above dividend paid in June of 10s. per share.

Under the terms of the agreement the Liverpool and London and Globe Insurance Company, Limited, will be continued as a separate Company.

The Company transacts life, fire, marine, accident, and general business.

A valuation of the life business of the "Royal" was made on December 31, 1919, by the $O^{M(5)}$ Table with $O^{[M]}$ net premiums for whole-life policies, by the O^{M} Table with $O^{[M]}$ net premiums for endowment assurances and other classes, with 3% interest. The surplus shown amounted to £1,195,586. The shareholders' proportion amounted to £130,000; £95,263 was carried forward; and £970,323 was allocated to policyholders. The bonus declared was at the rate of 30s. per cent. per annum.

Year of Account ending December 31, 1919.

Life Department.—6,617 new policies issued for net sums assured of £4,169,033. Life fund at end of year, £12,055,040. Details of revenue account appear in Table "A."

Annuity Business.—Consideration for annuities granted, £54,342. Annuity fund at end of year, £851,082. Details of revenue account appear in Table "B."

Fire Department.—See Table "K."

Accident Department.—See Table "L."

Employers' Liability Department.—See Table "M."

Marine Department.—See Table "N."

General Insurance Business.—See Table "O."

Capital Redemption Department. — Premiums, £9,206; consideration for annuities certain, £2,340; claims, £1,663; annuities certain, £853; expenses, £675. Fund at end of year, £69,498.

Total assets shown in balance sheet amount to £32,193,126.

The fire fund was increased by £1,000,000 to £5,000,000, after transferring a net sum of £714,925 to profit and loss account.

ROYAL LONDON AUXILIARY INSURANCE CO., LTD.

Head Office: Finsbury Square, London, E.C. 2. Registered 1910. Capital authorised, £500,000, in 450,000 £1 shares and 100,000 10s. shares. Issued, £130,000, in 80,000 £1 shares with 10s. paid and 100,000 10s. shares fully paid. Paid up, £90,000. Dividend for 1919, 7½% on amounts paid up on shares, less tax. The Company transacts life, fire, accident, and general insurance business.

Year of Account ending December 31, 1919.

Life Department.—New policies were issued for net sums assured of £2,146,750. Consideration for annuities granted, £3,430. Fund at end of year, £632,631. Details of revenue account appear in Table "A."

Fire Department.—See Table "K."

Accident and General Department.—Premiums, £9,968; claims, £6,317; expenses, £3,567. Fund at end of year, £3,157.

Capital Redemption Business. Premiums, £661; claims, £1,608; expenses, £22. Fund at end of year, £5,731.

Total assets shown in balance sheet amount to £1,057,350

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.

Head Office: Finsbury Square, London, E.C. 2. Established in 1861. Transacts ordinary and industrial life assurance.

Year of Account ending December 31, 1919.

Ordinary Branch.—No particulars of new business available. Fund of Ordinary branch at end of year, £365,783. Details of revenue account appear in Table "A."

Industrial Branch.—720,415 new policies issued for net sums assured of £8,495,136. Industrial fund at end of year, £5,184,678. Details of revenue account appear in Table "F."

Sickness Assurance Account.—Premiums, £11; claims, £42; expenses, £3. Fund at end of year, £2,677.

Total assets shown in balance sheet amount to £6,035,876.

SALVATION ARMY ASSURANCE SOCIETY, LIMITED.

Head Office: 107 Queen Victoria Street, E.C. 4. Established under the Friendly Societies Acts in 1867 as the Methodist and General Assurance Society, Limited, and subsequently registered under the Companies Acts, 1862; whilst in 1904 the name was changed as above. The Company is a branch of the Salvation Army organisation, and there is no share capital. Seventy-five per cent. of the profits go to the policyholders and 25% to the Salvation Army.

The Company transacts ordinary and industrial life business.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter 1727.

Paid-up Capital - - - £2,000,000
Rest and Undivided Profits - £1,082,276
Deposits - - - - £35,548,823

Head Office: St. Andrew Square, Edinburgh.

London Office - - 3 Bishop-gate, E.C. 2.

Glasgow Office - Exchange Sq. & Buchanan St.

Foreign Exchange Departments at all these Offices.

172 BRANCHES THROUGHOUT SCOTLAND.

Deposits received at interest, repayable at call or at notice. Drafts, Circular Notes, Letters of Credit and Cable Transfers [illegible] the world. Accounts opened, and Agency business undertaken for Foreign and Colonial Banks and other financial establishments.

CORRESPONDENCE INVITED.

The Mercantile Bank of India, Limited.

Head Office—

15 Gracechurch Street, London, E.C. 3.

Capital Authorised £3,000,000
Capital Paid up £1,950,000
Reserve Fund & Undivided Profits £1,146,430

BRANCHES and AGENCIES in India, Ceylon, Burma, Straits Settlements, China and Port Louis, Mauritius.

The Bank buys and sells Bills of Exchange, issues Letters of Credit, and conducts every description of Banking Business in connection with the East.

FIXED DEPOSIT RATES will be quoted on application.

On CURRENT ACCOUNTS Interest is allowed at 2 per cent. per annum on DAILY BALANCES, provided interest for the half-year amounts to £1.

IONIAN BANK, LIMITED.

LONDON. GREECE. EGYPT.

The only British Bank or Financial House in Greece, originally established in London and the Ionian Islands in 1839, subsequently incorporated by Royal Charter in 1844 and registered under the Companies Acts in 1883. The Bank now has branches and correspondents throughout Old Greece, the Ionian Islands, Macedonia, and the Islands recently rejoined to Greece; and is therefore able to offer special facilities to all British and Allied firms having business with that country.

In Egypt the Bank's principal office is at Alexandria; but it also has branches at Cairo and throughout the cotton-growing districts, and specialises in all operations connected with the moving of the cotton crop.

For information as to terms of business, &c., apply to the HEAD OFFICE

BASILDON HOUSE, MOORGATE STREET, LONDON, E.C.2.

Authorised Capital, £600,000. Paid-up Capital, £485,580. Reserve, £125,000.

The National Bank of Scotland Limited.

Incorporated by Royal Charter and Act of Parliament. ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,100,000.
Uncalled, £3,900,000. Reserve Fund, £1,000,000.

Head Office—EDINBURGH. WILLIAM CARNEGIE, GENERAL MANAGER. GEORGE A. HUNTER SECRETARY.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

T. O. RIDDELL, MANAGER. DUGALD SMITH, ASSISTANT MANAGER.

Every description of banking business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its customers.

A valuation was made as at June 30, 1918, in the Ordinary branch, on the basis of the H^{M} Table, with interest at 3%, 3½%, and 3½%, according to different classes; in the Industrial branch the basis was the English Life Table No. 3 with 3½% interest. The total surplus shown, including amounts brought forward, &c., was £44,777. £25,060 was allotted to Ordinary policyholders in the form of bonus at the rate of 10*s.* per cent. per annum; £3,485 as a contingent bonus on claims in the Industrial branch during the current quinquennium; £2,699 among Guarantor members of the Society; and £6,235 was carried forward.

YEAR OF ACCOUNT ENDING JUNE 30, 1919.

Ordinary Branch.—4,643 new policies were issued for net sums assured of £408,847. Considerations for annuities granted, £1,400. Fund at end of year, £769,205. Details of revenue account appear under Table "A."

Industrial Branch.—122,997 new policies issued for net sums assured of £1,448,927. Fund at end of year, £787,085. Details of revenue account appear under Table "F."

Total assets shown in the balance sheet amount to £1,656,073.

SCEPTRE LIFE ASSOCIATION, LIMITED.

(*See* **Eagle, Star and British Dominions Insur. Co.**)

SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY.

Chief Office: 35 St. Vincent Place, Glasgow; London Office: 1 Threadneedle Street, E.C. 2. Established 1826.

In the course of 1919 the Society purchased the shares of the Scottish Insurance Corporation.

One of the strongest life offices in the country, with very fine and consistent bonus traditions. The Company is founded on the mutual system, and never during its long history have the reversionary additions to the sums assured made by way of profit fallen below the compound rate of 30*s.* per cent. per annum over a valuation period, while for the last four quinquenniums (to 1900, 1905, 1910, and 1915) they were at the compound rate of 35*s.* per cent. per annum.

The valuation as at December 31, 1915, was made on the basis of the O$^{M(5)}$ Table with interest at 3%. The amount of surplus shown was £433,944, of which £28,998 had been paid as interim bonuses, and in addition to £68,785 brought forward. £410,633 was used in providing bonuses at the compound rate of 35*s.* per cent. per annum, and a balance of £63,099 was carried forward.

In 1919 1,614 new policies were issued for net sums assured of £1,080,800. Annuities were granted securing £1,570 per annum. Life fund at end of year, £6,800,492.

Details of revenue account appear in Table "A."

Total assets shown in balance sheet amount to £6,974,376.

SCOTTISH BOILER INS. & ENGINE INSPECTION CO., LTD.

(*See* **Yorkshire Insurance Company, Limited.**)

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY.

Head Office: 28 St. Andrew Square, Edinburgh. Established 1831. This mutual life assurance Company gave excellent bonus results to its participating members up to the last declaration of profits in 1913. The last quinquennial valuation was made on March 1, 1918, by the O^{M} Table, at 3% interest. After paying War claims of £125,374 and giving effect to depreciation of investments to extent of £444,115, a surplus of £64,189 resulted, this amount being carried forward to the now current quinquennium. Interim bonuses on policies becoming claims will be made at rate of £1 per cent. per annum on ordinary participating policies during present quinquennium until otherwise resolved.

During the financial year ended March 1, 1919, 1,450 new policies were issued for net sums assured of £984,859. Annuities were granted securing £145 per annum; life fund at end of year, £6,017,007. Details of revenue account appear in Table "A."

Total assets shown in balance sheet amount to £6,198,942.

SCOTTISH INSURANCE CORPORATION, LIMITED.

(*See* **Scottish Amicable Life Assurance Society.**)

Chief Office: 115 George Street, Edinburgh. Established 1877. Capital authorised, £500,000; subscribed on December 31, 1919, £150,000, of which paid up £30,000, in 30,000 £5 shares with £1 paid. Dividend for 1919, 30%, less tax. The share capital (or a preponderating proportion thereof) of this Company was purchased in 1919 by the Scottish Amicable Life Assurance Society.

Company transacts fire, accident, motor-car, employers' liability, and burglary insurance, and also ordinary life business. A marine department was opened in 1917.

In the life department the last quinquennial valuation as at December 31, 1915, was made by O$^{M(5)}$ Table at 3% on net premium basis. The amount of surplus shown was £39,971, but the depreciation in investments of the life fund absorbed £19,923. A declaration of general bonus was postponed until after the war, but interim bonuses will be paid on all immediate participating policies becoming claims after December 31, 1915, and before a declaration of profits is made, at the rate of 20*s.* per cent. in respect of each year's premium paid between December 31, 1910, and December 31, 1915.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—718 new policies issued for net sums assured of £471,211. Consideration for annuities granted £1,745. Life fund at end of year £429,827. Details of revenue account appear in Table "A."

For details of fire account see Table "K."

For accident and general insurance account see Table "L."

For employers' liability account see Table "M."

For marine account see Table "N."

Total assets shown in the balance sheet amount to £793,153.

A sum of £50,000 was transferred to general investment reserve funds to meet depreciation on life funds.

SCOTTISH LIFE ASSURANCE COMPANY, LIMITED.

Head Office: 19 St. Andrew Square, Edinburgh. Established 1881. Capital authorised, £500,000; subscribed, £250,000; paid up, £50,000. Shares of £5 each with £1 paid. Dividend for 1919, 10%, tax free. The Company transacts life and accident business.

This Company has a fine bonus record up to 1910 inclusive. The last quinquennial valuation was made on December 31, 1915, on the basis of O^{M} Mortality Tables and 3 per cent. interest, net premiums only being valued. Under a new arrangement, participating policyholders will be entitled to 95% of the profits. A surplus of £144,541 was shown after writing £147,948 off for depreciation. A bonus of £1 per cent. per annum over the quinquennium was declared for each year of assurance after the first.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—1,669 new policies issued for net sums assured of £1,024,270. Consideration for annuities, £7,689. Life fund at end of year, £2,867,306. Details of revenue account appear in Table "A."

In the accident department the premiums amounted to £5,247; claims, £1,525; expenses, £2,156; transfer to profit and loss, £1,332; fund at end of year, £5,971.

Total assets shown in the balance sheet amount to £2,971,852.

SCOTTISH METROPOLITAN ASSURANCE CO., LTD.

(*See* London and Scottish Assurance Corporation, Ltd.)

SCOTTISH PROVIDENT INSTITUTION.

Head Office: 6 St. Andrew Square, Edinburgh. Established 1837.

The Institution is founded on the mutual principle, all divisible profits belonging to the policyholders entitled to participate, after exception of endowment assurance cases) the premiums accumulated at 4% compound interest equal in amount the original sum assured. Endowment policies are now granted, however, on which bonuses are allotted as compound reversionary additions.

Valuations are now quinquennial, and the last was made [illegible] of Mortality, and pensions and [illegible]. The surplus over the quinquennium amounted to £366,295 (in addition to £60,749 paid as interim bonuses during the quinquennium). War claims and income tax during the quinquennium amounted to over £1,000,000, and £600,000 was applied to depreciation. The whole of the surplus was carried forward, but provision has been made for interim bonuses.

In 1919 3,457 new policies were issued for net sums assured of £2,639,296. 98 annuities granted securing £4,108. Life fund at end of year £16,283,103. Details of revenue account appear in Table "A." Total assets shown in balance sheet amount to £16,605,522.

SCOTTISH TEMPERANCE LIFE ASSURANCE CO., LTD

Head Office: 109 St. Vincent Street, Glasgow. Established 1883. Capital authorised and subscribed, £100,000; paid up, £25,000. Amount of each share, £1, with 5*s.* paid. Dividend for 1919, 10%, less tax.

Transacts life, capital redemption, and accident business. The Company has a "Temperance section," in which abstainers are allowed special terms.

The last valuation, as at December 31, 1917, was made on a net premium basis by the O^M Table of Mortality, combined with 3% interest. Notwithstanding the fact that the depreciation in investments during the quinquennium amounted to £130,000, a valuation surplus was shown amounting to £107,573, which is carried forward, subject to payment of interim bonuses on claims arising during the now current quinquennium at the rate of 10*s.* per £100 for each annual premium paid under participating policies since December 31, 1912.

Year of Account ending December 31, 1919.

Life department, new policies issued 2,015, for net sums assured of £1,037,794. Consideration for annuities granted, £1,776. Life fund at end of year, £2,906,205. Details of revenue account appear in Table "A."

Capital redemption account: Premiums, £2,098; interest, £1,160; surrenders, £7,120; expenses, £52; fund at end of year, £31,754.

Accident account: Premiums, £3,985; claims, £1,660; expenses, £1,377; fund at end of year, £15,807.

Total assets shown in balance sheet amount to £2,029,300.

SCOTTISH UNION AND NATIONAL INSURANCE CO.

Head Office: 35 St. Andrew Square, Edinburgh. This Company was formed in 1878 by the amalgamation of the Scottish Union and Scottish National Companies, which were founded respectively in 1824 and 1841. Capital authorised, £6,000,000; subscribed, £5,268,360; paid up, £300,000. Some of the shares are for £20, with £1 paid; others are for £10, with £3 15*s.* paid. Dividend for 1919, 30%, less tax. The Company transacts life, fire, general accident business, employers' liability, burglary, fidelity guarantee, and marine insurances.

Life Department.—The quinquennial valuation of the life department was made on December 31, 1919. [illegible] "Scottish National" policies were made, as well as of the present series of "Scottish Union and National" and "City of Glasgow." The valuation of the Scottish Union and National policies (being those belonging to the present series) was made by the O^M 3% Tables. Under normal circumstances satisfactory bonus additions could have been made in every section of the Company's "with-profit" life business, but the shrinkage in the value of assets (£271,560 having been written off from the life assurance and annuity funds) the great increase in taxation, and the very heavy war claims (amounting to £156,909) seriously encroached upon the surplus available. In view of the above no bonus was declared in respect of the quinquenniums ending December 31, 1914, and December 31, 1919, and a total net surplus of £306,066 was carried forward. Provision was made for the payment of interim bonuses of £1 per cent. on existing policies which become claims by death or survivance before December 31, 1924.

Year of Account ending December 31, 1919.

Life department, 3,433 new policies issued for net sums assured of £1,657,872. Annuities were granted, securing £1,387 per annum. Life funds at end of year, £8,266,845. Details of revenue account appear in Table "A."

Fire account, see Table "K."

Accident account, see Table "L."

Employers' liability account, see Table "M."

Marine account, see Table "N."

Miscellaneous account, see Table "O."

Sinking fund account: Premiums, £8,978; interest, £3,273; claims and surrenders, £8,073; expenses, £168; transfer to profit and loss, £3,389; fund at end of year, £87,542.

Total assets shown in balance sheet amount to £11,948,162, after writing off £675,000.

SCOTTISH WIDOWS' FUND LIFE ASSURANCE SCTY.

Head Office: 9 St. Andrew Square, Edinburgh. Established 1815. Transacts life, annuity, and capital redemption business.

This great mutual life office has a fine bonus history. For forty years ending with 1913, bonuses were declared at the very high "compound" rate of £1 14*s.* per cent. per annum.

The quinquennial valuation on December 31, 1918, was made on the basis of $O^M(5)$ Mortality Tables for assurances, in conjunction with O^M net premiums, and 3% interest. The loading reserved as a provision for future expenses and profits represented 21.9% of the premiums. The surplus amounted to £758,720. But for losses during the quinquennium attributable to the war amounting to £1,985,956 (depreciation in securities, £1,170,956; war claims, £495,000; and increased income tax, £320,000) it was reported that there would have been a sufficient surplus for the maintenance of the bonus rate, leaving a very considerable sum to be carried forward. Under the circumstances no general distribution of bonus was made as the result of the 1918 valuation. The sum of £700,000 was reserved as a special provision for contingencies and the balance of £58,720 was carried forward. Provision is, however, being made for interim bonuses.

Year of Account ending December 31, 1919.

5,229 new policies issued for net sums assured of £2,974,793; 150 annuities granted, securing £11,250 per annum; 78 policies issued for contingent and [illegible]. Life fund at end of year, £22,490,776. Details of revenue account appear in Table "A."

Capital redemption account: Premiums, £2,978; claims, nil; expenses, £59; fund at end of year, £17,954.

Total assets shown in balance sheet amount to £23,062,868.

SEA INSURANCE COMPANY, LIMITED.

Chief Office: Exchange Buildings, Liverpool. Established 1875. Capital authorised and subscribed, £500,000; paid up, £500,000. Shares for £1 each, fully paid. The dividend for 1919 was 2*s.* 9*d.* per share, equivalent to 13¾%, less tax.

This Company is one of the strongest transacting marine insurance business, and has been excellently managed. The aim of the directors is evidently to increase the reserve through accumulation of profits. But the effect of this policy is, of course, automatically to manufacture increased profits from interest.

Details of the account for year ending December 31, 1919, are given in Table "N."

Assets on December 31 last, £2,301,692.

STANDARD LIFE ASSURANCE COMPANY.

Head Office: 3 George Street, Edinburgh. Established 1825. Capital authorised and subscribed, £500,000; paid up, £120,000. Shares for £10, with £2 8*s.* paid. Dividend for year ending November 15, 1920, 10%, subject to deduction of income tax. Transacts life and capital redemption business.

The Standard Life Assurance Company, whilst transacting a large business in the United Kingdom, is one of the best-known British offices in many other parts of the world.

The last quinquennial valuation was made as at November 15, 1915, on the basis of the O^{M} Table at 3%. For valuation purposes the securities were written down by £163,843. The valuation was strengthened to the extent of £150,000; and thereafter the surplus disclosed amounted to £801,400; but in view of the abnormal circumstances no bonus was declared. Policies on the books at the date of valuation, which remain in force till the next investigation in November 1920, will, however, rank for bonus in respect of each premium due and paid since 1910; whilst as regards participating policies which may become claims before the next investigation, intermediate bonuses will be paid for each such premium, provided the policy shall have been five years in force.

Year of Account ending November 15, 1919.

Life Account.—3,031 new policies issued for net sums assured of £1,959,833. Considerations for annuities by single payments £25,651, by annual premiums £10,859. Life fund at end of year, £13,957,855. Details of revenue account appear in Table "A."

Capital redemption and annuity-certain account: Premiums, £5,033; claims and annuities-certain, £3,313; expenses, £317; fund at end of year, £26,418.

Total assets shown in balance sheet amount to £14,586,288.

New annuity rates have been issued giving improved terms.

STANDARD MARINE INSURANCE COMPANY, LIMITED.

(*See* London and Lancashire Insurance Co., Ltd.)

STAR ASSURANCE SOCIETY, LIMITED.

(*See* Eagle, Star and British Dominions Insurance Company, Ltd.)

STATE ASSURANCE COMPANY, LIMITED.

Head Office: State Insurance Buildings, Liverpool. Established 1891. Capital authorised, £800,000; subscribed, £560,000; paid up, £70,000. Shares for £8, of which paid up, £1. Dividend for 1919, 30%, less tax.

The directors report the successful issue of the balance of 30,000 shares of £8 each at £6 per share, of which £1 per share has been placed to capital account, thereby increasing it from £70,000 to £100,000, and £5 per share has been carried to reserve, thereby adding £150,000 to the reserve fund. The issue being subsequent to December 31, 1919, the relative figures are not included in the accounts now presented, but will appear in the accounts for the year 1920.

The Company transacts fire, accident, employers' liability, marine, and miscellaneous business. For details of fire account see Table "K." Other accounts combined, see Table "M."

Total assets shown in the balance sheet amount to £649,957.

SUN INSURANCE OFFICE.

Head Office: 63 Threadneedle Street, London, E.C. 2. Established 1710. Capital authorised, £2,500,000; subscribed, £2,400,000; paid up, £480,000. Shares for £10, with £2 paid. Dividend for 1919, 18*s.* per share (45%), less tax.

This leading Office, particularly well known in the Metropolitan district, is senior by a century to its namesake and ally for business purposes, the Sun Life Office. It now transacts accident and employers' liability business, as well as fire, burglary and general insurance, whilst it has taken powers to transact marine business.

For details of fire account see Table "K," employers' liability Table "M," miscellaneous business Table "O." Accident department: Premiums, £7,636; claims £3,342; expenses, £3,184; fund, £9,324. The total assets shown in the balance sheet amount to £4,909,929.

SUN LIFE ASSURANCE SOCIETY.

Head Office: 63 Threadneedle Street, London, E.C. 2. Established 1810. Capital authorised, £1,000,000; subscribed and paid up, £480,000. Amount of each share £10, fully paid. The dividends during the now current quinquennium appear to be dependent upon the interest earnings on the proprietors' capital, plus the proprietors' share of interim bonuses (*see below*). Dividend in respect of year 1919 was 7*s.* 6*d.* per share (37½%), free of tax.

This Company is closely associated for business purposes with its elder brother, the Sun (Fire) Insurance Office. It is an enterprising and "up-to-date" institution, and accepts proposals, under certain conditions, without the formality of medical examination. It may also be noted that special inducements are given to total abstainers. It has an accident and miscellaneous section, as well as its leading life assurance department.

The quinquennial valuation was made on December 31, 1916, on the basis of O^{M} Table of Mortality, net premiums, and 3% interest. The surplus disclosed amounted to £667,393, after providing for interim bonuses paid during the past quinquennium. The Actuary reported that but for the depreciation of assets and other effects of the war, policyholders' bonuses could have been declared at the same rate as in 1912, and that thereafter a large surplus might have been carried forward. In view of the conditions [illegible] it was decided to make no general distribution of bonus as at December 31, 1916, but to carry forward the above-mentioned surplus of £667,393, and consequently there was no apportionment of profit between the policyholders and the proprietors. It was, however, decided to declare an interim bonus for each premium due since December 31, 1911, in respect of participating policies maturing or becoming claims by death before the next investigation, the terms of the interim bonus to be reconsidered from time to time, and the proprietors' share of these bonuses to be transferred to their fund as it accrues.

Year of Account ending December 31, 1919.

Life Department.—9,784 new policies issued for net sums assured of £4,432,205. Life fund at end of year, £10,907,556. Details of revenue account appear in Table "A."

Annuity business: 101 annuities were granted, securing £6,645. Annuity fund at end of year, £1,417,323. Details of revenue account appear in Table B."

Capital redemption business: Premiums, £113,829; interest, £59,645; claims and surrenders, £44,016; expenses, £8,228; fund at end of year, £1,773,918.

THE

Union Bank of Australia

LIMITED.

Established 1837. Incorporated 1880.

Authorised and Issued Capital	...	**£7,500,000**
Paid-up Capital, £2,500,000 Reserve Fund, £2,630,000	**Together**	**5,130,000**
Reserve Liability of Proprietors	...	**5,000,000**
Total Capital and Reserves	... ...	**£10,130,000**

DIRECTORS

HENRY P. STURGIS, Esq., *Chairman.*

The Rt. Hon. LORD CARMICHAEL, G.C.S.I.
The Right. Hon. THE EARL OF CHICHESTER.
JOHN DENNISTOUN, Esq.
HUGH D. FLOWER, Esq.
The Rt. Hon. LORD HILLINGDON.
S. R. LIVINGSTONE-LEARMONTH, Esq.
WILLIAM R. MEWBURN, Esq.
ROBERT C. NESBITT, Esq.
FRED. G. PARBURY, Esq.
The Hon. EDMUND W. PARKER.
Sir WESTBY B. PERCEVAL, K.C.M.G.

HEAD OFFICE:

71 CORNHILL, LONDON, E.C. 3.

Manager—W. J. ESSAME. *Assistant Manager*—W. A. LAING.

Branches throughout Australia and New Zealand, viz.:

In VICTORIA	42
„ SOUTH AUSTRALIA ..	14
„ NEW SOUTH WALES ..	38
„ WESTERN AUSTRALIA ..	21
„ QUEENSLAND	19
„ TASMANIA	3
„ NEW ZEALAND	44
	181

Drafts upon the Branches are issued by Head Office, and may also be obtained from the Bank's Agents throughout England, Scotland, and Ireland.

Commercial and Circular Travelling Credits issued available throughout the World.

Telegraphic Remittances are also made.

Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Deposits are received at Head Office at rates of interest and for periods which may be ascertained on application.

The Eastern Bank

Limited.

Head Office,

4 Crosby Square, London, E.C. 3.

Authorised Capital (200,000 Shares of £10 each)	**£2,000,000**
Paid up	**£765,242**
Reserve Liability of Shareholders	**£1,197,468**
Reserve Fund	**£220,000**

Branches: Amara, Bagdad, Bahrein, Basra, Basra City, Bombay, Calcutta, Colombo, Hillah, Mosul.

Board of Directors:

The Rt. Hon. LORD BALFOUR OF BURLEIGH, K.T. *Chairman*, Sir EDWARD SASSOON, Bt., Sir J. LEIGHWOOD, K.B.E., C.B., C.M.G., JAMES H. BATTY, Esq., G. BROMLEY-MARTIN, Esq., EMILE FRANCQUI, Esq., J. S. HASKELL, Esq.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency business in connection with the East. Deposits are received for one year at 6 per cent. per annum, and for shorter periods at rates which can be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

Bank of British West Africa, Limited.

Established 1894.

Bankers to the Governments of the Colonies of the GAMBIA, SIERRA LEONE, GOLD COAST and NIGERIA.

HEAD OFFICE:

17 and 18 LEADENHALL STREET, LONDON, E.C. 3.

Liverpool Office: 25 WATER STREET. Manchester Office: 60 to 64 PORTLAND STREET.
Bradford Office: 7 TYRRELL STREET. New York Office: 15 NASSAU STREET.

Authorised and Subscribed Capital	**£2,000,000**
Called-up Capital	**£800,000**
Reserve	**£400,000**

Directors:

The Rt. Hon. The Earl of Selborne, K.G., G.C.M.G. (Chairman).
Clifford B. Taylor, Esq., M.P. ... J. W. Beaumont Pease, Esq., J.P.
F. G. Hemmant, Esq., J.P. ... Sir Owen Philipps, G.C.M.G., M.P.
George Miller, Esq. ... Sir H. Babington Smith, G.B.E., C.H., K.C.B., C.S.I.
W. F. Moore, Esq. ... ... Mazzini Stuart, Esq., J.P.
Geo. W. Neville, Esq. ... ... O. Harrison Williams, Esq.

General Manager ... ... Leslie Couper, C.M.G.
Assistant Managers ... ... G. A. Lester, D. W. Paterson.
Secretary ... ... G. B. Bennett.

Branches—West Africa.

GAMBIA—Bathurst ... SIERRA LEONE—Freetown, Sherbro. LIBERIA—Monrovia.
GOLD COAST and ASHANTI—Accra, Axim, Bekwai, Cape Coast, Cooperstown, Dadiwa, Kumasi, Nsawam, Saltpond, Secondee, Tarquah, Winnebah.
TOGOLAND—Lome. NIGERIA—Abeokuta, Calabar, Benin Metta, Forrados, Ibadan, Ibo, Kaduna, Kano, Lagos, Lokoja, Onitsha, Port Harcourt, Warri, Zaria.
CAMEROONS—Dschang ... FERNANDO PO—Santa Isabel.
CANARY ISLANDS—Las Palmas. MOROCCO—Casablanca, Fez, Marrakech, Mazagan, Rabat, Sale, Tangier.
EGYPT—Alexandria.

Agencies throughout West Africa Morocco Egypt.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA,

38 BISHOPSGATE, LONDON, E.C. 2.

Incorporated by Royal Charter.

CAPITAL	**£2,000,000**
RESERVE FUND	**£3,000,000**

COURT OF DIRECTORS.

Sir MONTAGU CORNISH TURNER, Chairman.
Sir DUNCAN CARMICHAEL.
THOMAS CUTHBERTSON, Esq.
Sir ALFRED DENT, K.C.M.G.
Sir WILLIAM HENRY NEVILLE GOSCHEN, K.B.E.
The Right Hon. LORD GEORGE HAMILTON, G.C.S.I.
WILLIAM FOOT MITCHELL, Esq.
JAMES MAXWELL GRANT PROPHIT, Esq.
LEWIS ALEXANDER WALLACE, Esq.

W. H. PRESTON, *Chief Manager.* J. S. BRUCE, G. MILLER, } *Managers.*

AGENCIES AND BRANCHES.

AMRITSAR	HONG KONG	PENANG
BANGKOK	ILOILO	PUKET
BATAVIA	IPOH	RANGOON
BOMBAY	KARACHI	SAIGON
CALCUTTA	KLANG	SEREMBAN
CANTON	KOBE	SHANGHAI
CAWNPORE	KUALA LUMPUR	SINGAPORE
CEBU	MADRAS	SOURABAYA
COLOMBO	MANILA	TAIPING (F.M.S.)
DELHI	MEDAN	TAVOY
HAIPHONG	NEW YORK	TIENTSIN
HANKOW	PEKING	YOKOHAMA

BANKERS.

THE BANK OF ENGLAND.
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
THE LONDON COUNTY WESTMINSTER AND PARR'S BANK LIMITED
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND LIMITED.
THE NATIONAL BANK OF SCOTLAND, LIMITED.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts payable at the above Agencies and Branches, and transact general Banking business connected with the East. Deposits of Money are received for fixed periods at terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances provided they do not fall below £200.

Accident business: Premiums, £3,820; claims, £1,198; expenses, £1,910; fund at end of year, £17,664.

Total assets shown in the balance sheet (excluding proprietors' fund) amount to £14,445,844. The proprietors' fund at the end of the year was £492,210, and the interest earned on this fund was almost sufficient to pay the dividends.

THAMES AND MERSEY MARINE INSURANCE CO., LTD.
(*See* Liverpool and London and Globe Insurance Co.)

TRADERS' AND GENERAL INSURANCE ASSOC., LTD.

Head Office: 4 Bucklersbury, London, E.C. 4. Established 1907. Capital authorised, £500,000; subscribed £500,000, in shares of £1 each, 5*s.* paid; paid up, £125,000. Dividend in respect of old shares for 1919, 10%, together with a bonus of 2½% (less tax). In the course of last year a further issue of 430,600 shares were made, increasing the paid-up capital from £17,350 to £125,000.

The Company transacts fire, marine, and general insurance.

Details of revenue account for year ending December 31, 1919, appear in Table "K."

Total assets shown in balance sheet amount to £182,995.

UNION ASSURANCE SOCIETY.
(*See* Commercial Union Assurance Company, Limited.)

UNION MARINE INSURANCE COMPANY, LIMITED.
(*See* Phœnix Assurance Company, Limited.)

UNITED KINGDOM TEMPERANCE AND GENERAL PROVIDENT INSTITUTION.

Head Office: 196 Strand, London, W.C. 2. Established 1840.

In this mutual life office, the lives of total abstainers from alcoholic beverages are assured in a separate section from those of others. The mortality incidence has been satisfactory in both sections, but that in the "Temperance" section has been especially so. Consequently, one of the greatest sources of profit has been the longevity of the members.

The last quinquennial valuation was made at the close of 1915 on the basis of O^M and $O^{M(5)}$ Mortality Tables, in combination with net O^M premiums, 3% interest, and special additional reserves. The surplus ascertained amounted to £1,205,739 (excluding £71,843 paid in interim bonuses), whereof a sum of £705,096 was apportioned as profits amongst participating policyholders, and after transferring £250,000 to investment reserve, the large balance of £250,643 was carried forward. The declared bonuses were respectively at the rate of £1 2*s.* 6*d.* and £1 per cent. per annum in the "Temperance" and "General" sections for whole-of-life policies calculated on the sum assured. In addition to £250,000 added to investment reserve, £732,144 was written off investments during the quinquennium.

Year of Account ending December 31, 1919.

5,146 new policies issued for net sums assured of £2,156,369. Consideration for annuities granted, £14,911. Life fund at end of year, including investment reserve, £11,313,542.

Details of revenue account appear in Table "A."

Total assets shown in balance sheet amount to £11,559,835.

UNIVERSITY LIFE ASSURANCE SOCIETY.
(*See also* Equitable Life Assurance Society.)

Head Office: 25 Pall Mall, London, S.W. 1. Established 1825. On April 30, 1919, capital authorised, £600,000; subscribed, £598,000; paid up, £29,900. Amount of each share, £100, of which £5 paid up and added. Dividend for 1917-18, 5*s.* per share (5%), tax free. Bonus from quinquennial valuation at April 30, 1915, £1 4*s.* per share, as on the previous quinquennial occasion.

In the course of 1919 a provisional agreement was entered into by the Directors of this Society with the Equitable Life Assurance Society, whereby the Equitable will acquire the University share capital and certain advantages will be guaranteed to the University Society's policyholders.

The valuation in 1915 was made on the basis of $O^{M(5)}$ Mortality Table, in combination with net premiums and interest at 2¾%. Bonuses then declared on participating assurances were at the rate of £1 10*s.* per cent per annum. This is considerably less than the average rate declared by the Society, and the decrease is partially explained by the fact that £30,178 was written off securities, and £25,000 carried to investment reserve fund. Bonuses vest at once in case of policies on which six years' premiums have been paid, and on payment of the sixth year's premium in case of more recently effected policies. Under the arrangement entered into with the Equitable Life Office, expenses of management of the University Life business (including commission) are to be limited to an amount not exceeding 10%, reducible after three years to 9% of the premium income, or three-tenths of 1% of the total net sum assured, whichever shall be the greater, while the total future bonuses allotted to a full bonus policy after the current quinquennium (ending April 30, 1920) shall be at least equal in the aggregate to 30*s.* per cent. per annum (increasing after 10 years to 35*s.* per cent. per annum) as from the beginning of next quinquennium, less the bonus (if any) for the current quinquennium. The with-profit policyholders are to continue to be entitled, as at present, to nine-tenths of the divisible profits, so that their bonuses would exceed the guaranteed minimum if the future profits are sufficient to provide more.

Year of Account ending April 30, 1919.

108 new life policies issued for net sums assured of £59,334. Life fund at end of year, £882,494.

Details of revenue account appear in Table "A."

Total assets shown in balance sheet amount to £916,819.

VULCAN BOILER & GENERAL INSURANCE CO., LTD.

Head Office: 67 King Street, Manchester. Established 1859. Capital authorised, £500,000; subscribed, £375,000; paid up, £187,500. Amount of each share, £5, with £2 10*s.* paid. Dividend for 1919, 10*s.* 6*d.* per share, and a bonus of 2*s.* per share, both subject to deduction of income tax.

The Company transacts boiler and general insurances.

Details of the account, which covers all the business transacted by the Company, are given in Table "O."

Total assets, December 31, 1919, £405,179. The investments were taken at cost price, less apportionment of depreciation fund.

WARDEN INSURANCE COMPANY, LIMITED.
(*See* Royal Insurance Company, Limited.)

WESLEYAN AND GENERAL ASSURANCE SOCIETY.

Head Office: Steelhouse Lane, Birmingham. Established 1841.

This Society transacts ordinary life, industrial and sickness insurance business. There are no shareholders.

The annual valuation on December 31, 1919, was made for Industrial policies by the $O^{M(5)}$ Table of Mortality, and for Ordinary policies by the O^M Table. Net premiums in the Ordinary participating section were ascertained by adding to the net premiums as at the date of entry the equivalent annual charge, for the full term of the policy contracts, corresponding to 70% of such net premiums, and in the Industrial department on the assumption, generally, that they were effected five years after the date of issue at the increased age. The rate of interest assumed was 3% in both sections. The valuation showed a surplus of £53,790, out of which £33,767 was used to provide a bonus of £1 per cent on policies in the Ordinary branch, whilst £20,023 was carried forward.

BANK OF NEW SOUTH WALES

ESTABLISHED IN 1817.

LONDON OFFICE:

29 Threadneedle Street, E.C.2.

Paid-up Capital	£4,765,700
Reserve Fund	3,275,000
Reserve Liability of Proprietors	4,765,700
	£12,806,400

Aggregate Assets, 31st March, 1920. £75,544,242

The London Office issues drafts on demand on its Head Office and branches in Australia, New Zealand, Tasmania, Fiji, and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives deposits for fixed periods on terms which may be known on application, and conducts every description of Austr lasian banking business.

H. MELDRUM, *Acting Manager.*

NATIONAL DISCOUNT COMPANY, LIMITED.

ESTABLISHED 1856.

35 CORNHILL, LONDON, E.C. 3.

Telegraphic Address: NATDIS, STOCK, LONDON. Telephones { No. 1484 AVENUE (2 lines). No. 11948 CENTRAL.

Subscribed Capital ...	**£4,233,325**
Paid-up Capital	**846,665**
Reserve Fund	**500,000**

Directors.

SIR SIGISMUND P. MENDL, K.B.E., Chairman.
LAWRENCE R. CHALMERS, Deputy-Chairman.
FREDERICK W. GREEN. Col. THE HON. SIDNEY PEEL, D.S.O., M.P.
THE RT. HON. F. LEVERTON HARRIS. CHARLES D. SELIGMAN.
WALTER J. HERIOT. PHILIP H. WADE.

Manager.
PHILIP H. WADE.

Sub-Manager. FRANCIS GOLDSMITH. | **Secretary.** CHARLES H. GOUGH.

Auditors.
FRANCIS W. PIXLEY, (Jackson, Pixley & Co.) | SIR ALBERT WYON, K.B.E. (Price, Waterhouse & Co.)

Bankers.
BANK OF ENGLAND.
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED

Approved Mercantile Bills Discounted.

Money received on Deposit at Call and Short Notice, and Interest allowed at the Current Market Rates; and for longer periods upon specially agreed terms.

Loans granted upon Negotiable Securities.

Investments and Sales of all descriptions of British and Foreign Securities effected. All communications on this subject to be addressed to the Manager.

WATERSTONS'

"BEE" BRAND

Bankers' Sealing Wax.

This Wax is the result of 167 years' practical experience. Its strong adhesiveness and good burning properties must appeal to all Bankers.

TO BE OBTAINED THROUGH ALL EXPORT AGENTS AND STATIONERS.

GEORGE WATERSTON & SONS, LTD.,
Warriston Works, EDINBURGH,
and
8 St. Bride Street, LONDON, E.C.

Established 1752.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION - LTD.

Capital Subscribed £1,000,000
Reserves exceed £6,000,000

INSURANCE OF ALL KINDS
(EXCEPT LIFE).

City Branch:
13 KING WILLIAM STREET, E.C. 4.
Head Office:
HAMILTON HOUSE, VICTORIA EMBANKMENT, E.C. 4.

THE
PIONEER LIFE
Assurance Company Limited.

67 DALE ST., LIVERPOOL.

RECORD OF PROGRESS.

	Life Premium Income.		Life Assurance Funds.		Total Claims Paid-to-Date.
1900	£23,822	...	£4,896	...	£28,000
1910	£77,327	...	£53,735	...	£197,000
1920	£131,028	...	£226,559	...	£590,000

WRITE FOR GROUP A.1. SCHEME.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Ordinary Branch.—12,953 new policies issued for net sums assured of £1,342,850. Fund at end of year, £1,819,670. Details of revenue account appear in Table "A."

Industrial Branch.—221,559 new policies issued for net sums assured of £3,246,603. Fund at end of year, £1,622,130. Details of revenue account appear in Table "F."

Annuity Account.—Nine annuities granted, securing £535 per annum. Annuity fund at end of year, £13,725. Details of revenue account appear in Table "B."

Sickness, &c. Account.—Premiums, £1,593; claims, £5,955; expenses, £319. Fund at end of year, £37,573.

Total assets shown in balance sheet amount to £4,085,776, including British Government securities, £2,144,855. The liabilities include £447,243, the amount of a bank overdraft in respect of Victory Bonds purchased.

WEST OF SCOTLAND INSURANCE OFFICE, LTD.

Head Office: 131 St. Vincent Street, Glasgow. Established 1886. Capital authorised, £250,000; subscribed, £250,000; paid up, £50,000, in 50,000 shares of £5 each with £1 paid. Dividend for 1919, 30%, less tax, on 35,000 shares.

This Company transacts fire, accident, employers' liability, burglary, and general business.

Details of the fire account are shown in Table "K," and miscellaneous revenue account in Table "O."

The employers' liability account shows premiums, £6,471; claims, £526; expenses, £2,157. Fund at end of year, £8,088.

In December 1919 15,000 unissued shares were allotted to shareholders at a premium of £1 per share, raising the subscribed capital to £250,000 with £50,000 paid up. The amount of the premium—£15,000—has been added to the general reserve fund. The new shares rank for dividend as from January 1, 1920.

The general reserve fund has been increased from £35,000 to £75,000 by the following additions: From investments reserve fund, £10,000; from profit and loss account, £15,000; from premium on new issue of shares, £15,000.

The total assets shown in the balance sheet amount to £335,592.

WHITE CROSS INSURANCE ASSOCIATION, LIMITED.

(*See* Northern Assurance Company, Limited.)

WORLD MARINE & GENERAL INSURANCE CO., LTD.

Head Office: 3-4 Royal Exchange Buildings, London, E.C. 3. Established 1894. Capital authorised, £250,000; subscribed on December 31, 1919, £250,000; paid up, £100,000, in shares of £5 each with £2 paid. Dividend for 1919, 15%, tax free, together with a bonus of 2*s.* per share, tax free, making in all 20%, tax free.

For details of accounts see Table "N."

An underwriting suspense account has been opened to meet further claims, excess profits duty, and other contingencies in respect of 1918 and previous years, and for this purpose £300,000 has been transferred to this account.

The total assets shown in the balance sheet amount to £1,216,769.

YORKSHIRE INSURANCE COMPANY, LIMITED.

Head Office: St. Helen's Square, York. Established 1824. Capital authorised, £1,000,000; subscribed (December 31, 1919), £883,496; paid up, £129,053. This consists of 167,654 shares of £5 each, with 10*s.* paid, and 45,226 fully-paid shares of £1 each. Dividend for 1919, 14*s.* per share on the fully-paid £1 shares and 7*s.* per share on the £5 shares.

The Company, which has a strong local connection, transacts fire, life, marine, and general accident business.

A quinquennial valuation was made at December 31, 1919, on the basis of O^M and $O^{M(5)}$ Mortality Tables, net premiums, and 3% interest. The surplus ascertained in the life and annuity funds was £235,539, of which £160,200 was allocated to participating policyholders and £17,800 to shareholders, while £57,539 was carried forward to the next valuation. Bonus additions to participating policies were the same as on previous occasions, providing increasing amounts according to duration of policies, and averaging 30*s.* per cent. per annum.

YEAR OF ACCOUNT ENDING DECEMBER 31, 1919.

Life Department.—2,126 new policies issued for net sums assured of £1,321,913. Consideration for annuities granted, £62,453. Life fund at end of year, £3,141,783. Details of revenue account appear in Table "A."

Fire Department.—See Table "K."

Accident Account.—See Table "L."

Employers' Liability Department.—See Table "M."

Marine Account.—See Table "N."

General Account.—See Table "O."

Capital Redemption Account.—Premiums, £16,681; claims, £8,602; expenses, £834. Fund at end of year, £100,827.

Total assets shown in balance sheet amount to £3,068,043.

COLONIAL OFFICES.

AUSTRALIAN MUTUAL PROVIDENT SOCIETY.

Head Office: Sydney, New South Wales. Established 1849. London Office: 37 Threadneedle Street, E.C. 2. Transacts both ordinary and (out of the United Kingdom) industrial life assurance business.

Accounts for 1919 have not come to hand. In 1918 the net new sums assured amounted in the ordinary department to £7,977,670. The total net ordinary life premium income was £3,169,627, of which expenses of management and commission absorbed about 10.9%. In the ordinary department, consideration for new annuities granted, £20,989; claims by death, £2,074,607, and by survivance, £817,920; surrenders, £338,472. Ordinary funds, December 31, 1918, £37,571,207. Industrial funds, £1,619,074. Interest yield on mean life funds, about £5 1*s.* 7*d.* per cent.

Annual valuations are made. The valuation on December 31, 1918, was made for all ordinary assurances except contingent assurances, by the H^M Table of Mortality, with interest at 3%, excepting that participating assurances for whole life at uniform premiums issued prior to 1903 were valued at 3½%. Net premiums only were valued. Total assets, December 31, 1918, £40,500,905.

CANADA LIFE ASSURANCE COMPANY.

Head Office: Toronto, Canada. London Office: 15 King Street, Cheapside, E.C. 2. Established 1847. Capital authorised and paid up, £205,479 9*s.* ($1,000,000), in 2,500 shares, fully paid, of £82 3*s.* 10*d.* each ($400). Dividend to shareholders in 1919 was at the rate of 15%.

The valuation at the end of 1919 was made on the same basis as in former years. After providing for all liabilities, and after allotment of £326,246 to those entitled to share during 1919, the surplus is reported as £1,476,932, out of which £516,781 will be distributed to policyholders during 1920. The report for 1919 states that the net surplus actually earned during last year amounted to £385,718.

In 1919 the new business (inclusive of revivals) amounted to £9,530,296. The new policies paid for, exclusive of dividend additions, totalled £8,556,550, an increase over 1918 of £3,647,303. Total assurances now in force amount to £47,218,000. Total income £2,522,021, representing net premium income of

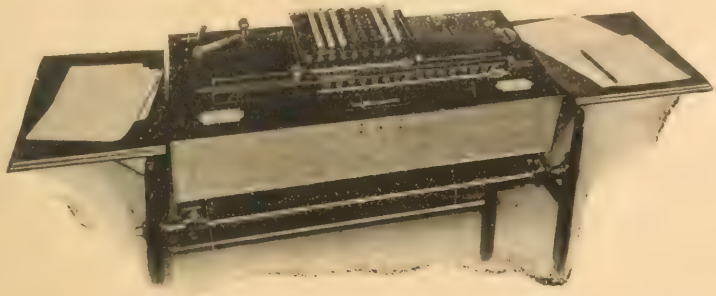
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£1,598,766; consideration for annuities, £61,911; interest income, including profits from sale of securities, £788,706; and income from other sources, £72,638. Outgo for the year, £1,266,377. Expenses, £464,390. Total life fund at end of year, £13,649,519. Total assets shown in the balance sheet amount to £14,250,466, including British Government securities, £378,897.

COLONIAL MUTUAL LIFE ASSURANCE SOCIETY, LTD.

Head Office: Melbourne. Chief Office for United Kingdom: 33 Poultry, London, E.C. 2. Established 1873.

The Company transacts life, industrial, and accident business.

In 1919 the sums assured by new ordinary life policies amounted to £2,291,000; the total premium income to £984,000; the ordinary life funds at close of year to £5,204,000.

As a result of the annual valuation made as at December 31, 1918, by the O^M Table of Mortality, in combination with 3½% interest, a reversionary bonus ranging from 15*s.* to 35*s.* per cent., according to class and duration of policies, was declared for 1918, and a balance of £12,638 was unappropriated and carried forward.

No further figures are yet available.

CONFEDERATION LIFE ASSOCIATION.

This is a Canadian life office, and was established in 1871. Its head office is in Toronto, and it has a branch in the United Kingdom, with chief offices at Temple Bar House, 23-28 Fleet Street, London, E.C. 4.

Capital: Subscribed, £205,480 ($1,000,000); paid up, £20,548 ($100,000). Shareholders' proportion of profits in 1919, £4,381.

In 1919 the 12,514 new policies issued amounted to £6,298,510. The total net premium income amounted to £880,556, of which expenses, inclusive of commission, absorbed about 31.3%. Claims by death amounted to £178,957, and by survivance to £137,471. The life funds were increased by £303,027, and amounted at the close of the year to £4,946,531. Interest earnings, less taxes, during the year produced about £5 15*s.* 2*d.* per cent. on the average amount of funds.

Total assets shown in balance sheet amount to £5,069,660, including British Government securities, £21,323.

A valuation of the Company's affairs was made for all assurances issued at ordinary rates on December 31, 1918, by the $O^{M(5)}$ Table of Mortality (with exceptions, referred to hereunder), in combination with interest at the rate of 4% for assurances effected before 1896, 3½% for assurances effected from 1896 to 1899 inclusive, and 3% for later policies. The American Tropical Experience Mortality Table was employed for all tropical business, in combination with similar rates of interest. The reserve liability under assurances and annuities amounted to £4,193,762.

MANUFACTURERS LIFE INSURANCE COMPANY.

A Canadian Company established in 1887. Head Office: Toronto. London Office: 7 Gracechurch Street, E.C. 3. Paid-up capital stock at December 31, 1919, £61,644. Shareholders' fund at that date, inclusive of paid-up capital, £123,979. Dividends paid to shareholders in 1919, £4,932.

New assurances, including renewals, 1919, £8,254,360; total net premium income, £1,125,525, of which expenses, inclusive of commission and taxes, absorbed about 34%; claims by death and survivance, £494,339. The death losses were £230,978. Interest earnings, £324,366. Interest yield, £6 10*s.* per cent. Life and annuity reserves amount to £5,069,348. Total assets, December 31, 1919, £6,031,979.

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MUTUAL LIFE AND CITIZENS' ASSURANCE CO., LTD.

Head Office: Sydney, New South Wales; London Office: 1 Arundel Street, Strand, W.C. 2. Established 1887. The paid-up capital on December 31, 1918, amounted to £200,000. "Bonuses" paid to shareholders in 1918 amounted to £94,167.

Accounts for 1919 have not come to hand.

In 1918 the net new ordinary life business amounted to £2,048,871; the total ordinary net life premium income to £813,693, of which expenses of management absorbed about 10.9%; interest earnings, less taxes, to £453,324 (representing about £5·0*s.* 8*d.* per cent. on the funds); claims by death to £348,013, and claims by survivance to £321,028. The ordinary funds amounted on December 31, 1918, to £9,417,168. In 1918 the industrial premiums amounted to £322,678 and the industrial fund at close of year to £1,626,794. Total assets, December 31, 1918, £14,682,078.

A valuation of the ordinary business was made on December 31, 1918, by the H^M Table of Mortality, in combination with interest at 3%. The reversionary bonuses in respect of the one year, 1918, were at the rates of £1 19*s.* per cent. for whole-of-life policies of five years' duration, and £2 12*s.* per cent. for whole-of-life policies with 10 years' or more duration. Reversionary bonuses on endowment assurances were at lower, but very satisfactory, rates, ranging from £1 13*s.* to £2 1*s.* per cent., according to specimens given, for policies of five years' duration and longer.

NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALASIA, LIMITED.

Head Office: Melbourne; London Office: 5 Cheapside, E.C. 2. Established 1869.

In the year to September 30, 1919, the sums assured by 15,136 new policies issued amounted to £5,630,415; the total net premium income to £1,459,628, of which expenses of management, inclusive of commission, absorbed about 16%; consideration for new annuities to £29,929; claims by death to £645,413, and claims by survivance or maturity to £268,819. The funds were increased during the year by £815,518 to £12,524,369, and earned about £5 3*s.* 5*d.* per cent. in interest.

Total assets shown in balance sheet amount to £13,340,399.

NEW ZEALAND INSURANCE COMPANY, LTD.

Head Office: Auckland, New Zealand. London Office: 3 Finch Lane, E.C. 3. Established 1859. Subscribed capital, £1,500,000, in £1 shares, with 10*s.* paid. Paid up, £750,000. Dividend for 1919, 1*s.* 2*d.* per share. In the course of the year the 150,000 shares of £10, with £4 paid up, were subdivided into 1,500,000 shares of £1 with 10*s.* paid up. For this purpose £150,000 was transferred from the reserve fund to the capital account.

The Company transacts fire, marine, accident, and miscellaneous business.

YEAR OF ACCOUNT ENDING NOVEMBER 30, 1919.

Net premiums, £1,091,288; income from investments, &c., £80,169; expenses, £316,244, including Government taxes, &c. Losses and appropriations for unascertained losses, £644,953; balance carried forward, £76,572; reserve fund, £260,000; reserve for unexpired risks, £500,000; investment fluctuation and contingency account, £28,045; provision for taxation, £80,000.

Total assets shown in balance sheet, £2,261,917, including British Government securities, £261,958.

SOUTH BRITISH INSURANCE COMPANY, LIMITED.

Head Office: Auckland, New Zealand; London Office: 2 Cowper's Court, E.C. 3. Established 1872 On August 31, 1919, the authorised capital amounted to £2,000,000, of which £1,000,000 was subscribed, and £500,000 paid up, in 200,000 shares of £5 with £2 10*s.* paid on each. Dividend for financial year ended August 31, 1919, 5*s.* 9*d.* per share.

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insurance business. In year ending August 31, 1919, net premiums amounted to £645,953; interest earnings to £59,423; losses to £328,738; expenses and taxes to £223,090; and balance carried forward (after provision for dividend and transfers to reserve and other funds) to £58,236. Reserve fund thereafter, £350,000; reserve for unexpired risks, £330,000; investment fluctuation fund, £42,740; reserve for outstanding losses, £182,631; contingency fund, £20,000. Total assets, August 31, 1919, £1,640,966.

SUN LIFE ASSURANCE COMPANY OF CANADA.

Head Office: Montreal; London Office: Canada House, 4 and 5 Norfolk Street, W.C. 2. Incorporated 1865. Capital subscribed, $1,000,000; paid up, $500,000. Shareholders' proportion of profits paid in 1919, $73,125.

The new sums assured on 38,774 policies issued in 1919 amounted to $86,548,850, and the total sums assured at close of 1919 were $416,358,462. Other figures for last year are as follows: Life premium income, $17,933,795, of which expenses and commission absorbed about 26.5%; consideration received for annuities, $2,103,319; claims by death, $4,845,060, and by survivance, $2,175,218. Total assets, $105,711,468.

It was stated in the annual report for 1919 that during that year a contract was effected for the reassurance of the Provincial Life Assurance Company (of Canada), by which assurances were acquired on terms "which will benefit the policyholders of both companies."

The quinquennial valuation was made as at December 31, 1917, by the $O^{M(5)}$ Table of Mortality, in combination with net premiums and interest at 3% for all policies issued since December 31, 1902 (about 88% of the policies), and 3½% for all policies issued previously. The sum of £317,796 was distributed to policyholders in 1918, and at close of that year the directors reported that the undivided surplus amounted to £1,649,461.

WESTERN ASSURANCE COMPANY.

Established 1851. Head Office: Toronto; London Office: 14 Cornhill, E.C. 3. Capital, £513,698: Preferred, £205,479; Ordinary £308,219; both being in fully-paid shares. Dividends on the Preferred stock have been paid up to December 31, 1918.

Transacts fire, general and marine business. Accounts for 1919 have not come to hand. In 1918, fire and general premiums, £660,316; marine premiums, £677,711; interest, £37,390; fire losses, £319,883; fire expenses, £264,343; marine losses, £596,989; marine expenses, £103,531; profit on fire trading in 1918, £76,090; deficiency on marine account (adjusted by transfer from profit and loss), £22,809; balance of profit and loss account, carried to 1919, £475,256. Total assets, December 31, 1918, £1,470,727, securities being valued at market values as at December 31, 1918.

WESTERN AUSTRALIAN INSURANCE CO., LIMITED.

Head Office: Perth, Western Australia; London Office: 45-47 Cornhill, E.C. 3. Established 1912. Capital authorised, £250,000; subscribed, £200,000; paid up, £100,000, in 400,000 shares of 10s. each, 5s. paid; dividend for year ending June 6, 1919, 15%.

The Company appears to transact fire, marine, and general business, and during the year just closed extended its operations to life assurance.

Life Department.—64 new policies issued for net sums assured of £32,691. The sum of £20,000 was transferred to life assurance account on opening this branch of the business. Life fund at end of year, £22,002.

General Account.—Net premiums, £629,044; interest and profit on sale of investments, £28,492; losses £445,011; expenses and depreciation of investments, £69,244; amount placed to general reserve fund, £93,440, making general reserve fund amount to £100,000; carried forward, £111,163. Reserve for unexpired risks, £500,000. Total assets shown in balance sheet amount to £960,525, including British Government Securities, £283,817.

AMERICAN OFFICES.

EQUITABLE LIFE ASSURANCE SOCIETY OF U.S.

Head Office: New York; London Office: 346 Strand, W.C. 2. Established 1859. Shareholders' capital paid-up on December 31, 1919, £20,550. Interest thereon was paid in 1919 at the rate of 7%.

The annual statement for 1919 shows a net new life business of £91,983,246 and a total net premium income of £16,021,926 (apart from £752,452 received as consideration for new annuities), of which expenses, inclusive of commission and taxes, absorbed about 23.4%. Interest, dividends and rents produced £5,724,989. Claims were paid to the extent of £8,642,038, of which £5,559,731 represented death claims. The bonus to policyholders amounted to £3,645,348. The life funds amounted at close of year to £119,763,036. Total assets shown in balance sheet amount to £123,290,402.

The valuation at December 31, 1918, was made by the American Experience and other mortality tables for assurances, in combination with net premiums and interest at the rates of 3, 3½ and 4% respectively for different sections of the business. The surplus on this basis then amounted to £18,593,662, including amount held to meet bonuses on deferred bonus policies, viz., £14,184,111. The actual amount of profit distributed amongst policyholders during 1918 was £3,186,720.

MUTUAL LIFE INSURANCE COMPANY OF NEW YORK.

Head Office: New York; London Office: 7 and 8 Norfolk Street, W.C. 2. Established 1843.

Accounts for 1919 have not come to hand. In 1918 the new life assurances amounted to £40,325,954. The total net life premiums were £13,044,255. Consideration for new annuities, £275,971, and for supplementary contracts not involving life contingencies, £106,876. Expenses of management, inclusive of commission and taxes, seem to have absorbed about 18.6% of the premiums. Claims, annuities, surrenders and bonuses to participating policyholders aggregated £14,969,546. The interest yield on the life funds, less taxes, which amounted on December 31, 1918, to £130,035,435, seems to have been about £4 12s. 1d. per cent.

The valuation is made for most assurances by the American Experience Tables the rates of interest assumed being 3½% on policies issued before 1907 and 3% on later policies. The surplus shown by the valuation at the close of 1918 on this basis, after providing £15,384,803 for future deferred bonuses, &c., was £4,508,840, of which £2,147,730 was allocated to annual bonus policyholders and £2,361,110 to deferred bonus policyholders.

NEW YORK LIFE INSURANCE COMPANY.

Head Office: New York; London Office: Trafalgar Buildings, Trafalgar Square, W.C. 2. Established 1845. No share capital.

New assurances in 1919 amounted to £109,277,098. The net life premium income amounted to £25,627,101, including consideration for annuities; claims by death to £7,917,699; matured endowments to £4,523,135; surrenders to £4,596,943; annuities paid to £303,647; and cash bonuses to policyholders and reductions of premium to £6,513,652. The assets on December 13, 1919, amounted to £197,477,062.

The valuation as at December 31, 1918, was made for assurances, by the American Actuaries' Mortality Table, with some exceptions, in combination with 3% interest. The amount of profits appropriated amongst policyholders after this valuation was £6,706,589.

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